सत्यमेव जयते

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

for the year ended March 2022

SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

Government of the Union Territory of Puducherry

Report No. 1 of 2023

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

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Government of the Union Territory of Puducherry
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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 March 2022.

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 25.72 *per cent*. UT's Gross State Domestic Product (GSDP) in 2021-22 at current price was ₹ 37,485 crore.

(Paragraph 1.1)

Fiscal position

The fiscal position of the Union Territory is viewed in terms of three key fiscal parameters – Revenue Deficit/Surplus, Fiscal Deficit/Surplus and the Ratio of Outstanding Debt to GSDP.

There was a revenue surplus ₹ 196 crore in 2017-18 which turned into revenue deficit of ₹ 899 crore during 2021-22. Since the revenue deficit has been on increasing trend, it is unlikely that the UT would achieve the target of eliminating revenue deficit as envisaged.

The ratio of fiscal deficit to GSDP during the year stood at 2.81 which was within the envisaged target of 3 *per cent*.

The ratio of total outstanding debt to GSDP stood at 26.27 *per cent* at the end of 2021-22 which was higher than the target of 25 *per cent.*

(Paragraph 1.5)

Finances of the UT

Revenue receipts: Revenue receipts increased by ₹ 1,969 crore (33.43 *per cent*) in 2021-22 over the previous year. Buoyancy of revenue receipts to GSDP increased from 4.64 in 2020-21 to 6.63 in 2021-22.

(Paragraph 2.3.2.1)

Own resources: The annual growth rate of own tax revenue increased by 66.12 *per cent* during 2021-22 over the previous year.

The arrears of revenue as on 31 March 2022 under the principal heads of revenue amounted to ₹ 1,067.90 crore, of which ₹ 674.92 crore was outstanding for more than five years.

(Paragraph 2.3.2.2)

Grants-in-aid: The Grants-in-aid from GoI decreased by ₹ 43 crore in 2021-22 over the previous year. The Grants-in-aid from GoI constituted 31.03 *per cent* of the Revenue receipts.

(Paragraph 2.3.2.3)

Total expenditure: The total expenditure increased from ₹ 6,201 crore in 2017-18 to ₹ 8,911 crore (43.70 *per cent*) in 2021-22. The expenditure on General, Social and Economic Services constituted 31.46 *per cent*, 31.63 *per cent* and 36.91 *per cent* of the total expenditure respectively.

(Paragraph 2.4.1)

Revenue expenditure: During 2021-22, the Revenue expenditure increased by ₹ 1,488 crore (20.50 *per cent*) over the previous year. Revenue expenditure constituted 98.17 *per cent* of the total expenditure. As a percentage of GSDP also, it increased from 20.34 in 2020-21 to 23.34 in 2021-22. The buoyancy of Revenue expenditure with reference to Revenue receipts during 2021-22 was 0.61.

(Paragraph 2.4.2)

Committed expenditure: The committed expenditure constituted 54.92 *per cent* of Revenue expenditure and 61.13 *per cent* of Revenue receipts during 2021-22.

(Paragraph 2.4.2.2)

Subsidies: Implicit subsidies to the tune of ₹ 23.41 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 ₹ 315 crore incurred during 2017-18, the expenditure incurred during 2021-22 was ₹ 163 crore which constituted only 1.83 *per cent* of total expenditure.

(Paragraph 2.4.3)

Incomplete projects: An amount of ₹ 124.94 crore was blocked in 60 incomplete projects by Public Works and Electricity Departments.

(Paragraph 2.4.3.3)

The percentage of aggregate expenditure to GSDP increased from 19.29 *per cent* in 2017-18 to 23.77 *per cent* in 2021-22. In respect of General Category States, it was 16.13 *per cent* in 2017-18 and 15.84 *per cent* in 2021-22. Expenditure on Education, Sports, Art and Culture decreased from 12.29 *per cent* in 2017-18 to 10.83 *per cent* of the aggregate expenditure in 2021-22 and it was also less than the General Category States in both the years.

(Paragraph 2.4.4)

Debt profile: The outstanding debt (including Public Account liabilities) increased from ₹ 8,799 crore in 2017-18 to ₹ 12,593 crore in 2021-22 and the rate of growth also increased from 6.02 *per cent* to 15.68 *per cent* during the same period. Out of the total debt receipt of ₹ 2,516 crore during 2021-22, an amount of ₹ 891 crore (35.41 *per cent*) was utilised for repayment of debt leaving a balance of ₹ 1,625 crore available for capital spending.

(Paragraph 2.6.1)

Maturity profile: The Maturity profile of Public debt indicated that nearly 66.18 *per cent* of the total Public debt was repayable within the next seven years.

(Paragraph 2.6.3)

Interest burden: The burden of interest payments decreased from 12.85 *per cent* in 2020-21 to 11.16 *per cent* of Revenue receipts during 2021-22.

Debt repayment: The debt repayment to debt receipts which was 73.06 *per cent* in 2019-20 decreased to 35.41 *per cent* in 2021-22. The sudden downfall in the debt repayment to debt receipts during 2021-22 was mainly due to release of ₹ 1,096 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 ₹ 10,530.68 crore, out of which an expenditure of ₹ 9,818.24 crore was incurred resulting in savings of ₹ 712.44 crore.

(Paragraph 3.1.1)

Expenditure without budget provision: An amount of ₹ 14.14 crore was re-appropriated under six sub-heads without any original or supplementary budget provision and expenditure of ₹ 14.14 crore was incurred therein.

(Paragraph 3.3.1.1)

Unnecessary supplementary provision: Supplementary provision of ₹ 50 lakh or more aggregating ₹ 554.95 crore obtained in 20 grants/appropriations during the year 2021-22 was proved excessive to the extent of ₹ 460.58 crore.

(Paragraph 3.3.3)

Unnecessary/excessive re-appropriation: In 70 sub-heads, unnecessary provision of more than ₹ 10 lakh were made by re-appropriation to the tune of ₹ 45.33 crore wherein the expenditure incurred was ₹ 716.69 crore under these heads which was within the total provision of ₹ 836.08 crore. Out of these 70 sub-heads, no expenditure was incurred under 15 sub-heads.

(Paragraph 3.3.4)

Anticipated savings not surrendered: In respect of 23 grants/appropriations with saving of ₹ 705.76 crore (saving of ₹ one crore and above), ₹ 592.74 crore (83.99 *per cent* of savings) was not surrendered and in respect of 19 grants/ appropriations with a savings of ₹ 476.58 crore, no amount was surrendered.

(Paragraph 3.3.5.1)

Grants having huge savings: Out of total 33 grants, there was savings of ₹ 587.62 crore (82.48 *per cent* of total savings of ₹ 712.44 crore) in 13 grants/ appropriations exceeding ₹ 10 crore in each case (above ₹ 50 crore in four grants). In 138 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 ₹ 687.54 crore, savings amounted to ₹ 553.67 crore (80.53 *per cent*).

(Paragraph 3.3.5.3)

Persistent savings: Out of 33 grants, savings of more than ₹ 50 lakh was noticed persistently under 18 grants during the last five years.

(Paragraph 3.3.5.4)

Rush of expenditure: In respect of 97 sub heads, expenditure exceeding ₹ 50 lakh and by more than 50 *per cent* of the total expenditure for the year was incurred in March 2022.

(Paragraph 3.4.4)

Quality of Accounts and Financial Reporting Practices

Funds kept outside Public Account: The service charge of ₹ 9.41 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 ₹ 76.68 crore as of March 2022 towards payment to contractors.

(Paragraph 4.2)

Funds transferred directly to implementing agencies: During 2021-22, GoI transferred ₹ 222.64 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 769 cases amounting to ₹ 502.16 crore were outstanding. Of this, 199 cases amounting to ₹ 37.91 crore were pending for more than nine years.

(Paragraph 4.5)

Temporary advance: As of 31 March 2022, 1,100 temporary advances amounting to ₹ 130.70 crore drawn by various DDOs remained unadjusted. Of this, 296 advances amounting to ₹ 17.65 crore remained unadjusted for more than 10 years.

(Paragraph 4.6)

Indiscriminate use of Minor Head 800: During 2021-22, under 10 Major Heads, expenditure aggregating to ₹ 2,389.24 crore (90.45 *per cent* of the total expenditure of ₹ 2,641.53 crore under these heads) were classified under the Minor Head '800 - Other Expenditure'. Similarly, under 10 Major Heads, Revenue receipts aggregating ₹ 17.47 crore (95.05 *per cent* of the total receipts of ₹ 18.38 crore under these heads), were classified under Minor Head '800 - Other Receipts'.

(Paragraph 4.7)

Non-submission of accounts: The annual accounts of 61 out of 70 Bodies/Authorities due up to 2021-22, 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 322 cases of misappropriation, loss, theft and defalcation upto March 2022 involving Government money of ₹ 27.98 crore in various Departments. In respect of 50 cases, amounting to ₹ 27.25 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 2022, 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 ₹ 731.81 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 0.79 *per cent*.

(Paragraph 5.6.2)

Rate of Real Return: Since the PSUs incurred overall loss during 2021-22, the Rate of Real Return on Government Investment calculated on historical value was negative at (-) 4.58 *per cent* as compared to present value which was also negative and worked out to (-) 1.73 *per cent.*

(Paragraph 5.8.3)

Profit earned: Out of 12 working PSUs, five PSUs earned a profit of ₹ 38.48 crore and seven PSUs incurred a loss of ₹ 49.87 crore, leading to overall loss of ₹ 11.39 crore.

(Paragraph 5.9.1)

Timeliness in preparation of accounts: Accounts of all the 12 Government Companies were in arrears for various reasons. During 2021-22, four companies submitted their five 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. The population projection as per National Commission on Population was 16.08 lakh during 2021-22 in UT of Puducherry. The UT recorded a decadal growth rate of 25.72 *per cent* as compared to 2011 census. 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 2021-22 at current price was ₹ 37,485 crore. The revenue receipts of the UT was ₹ 7,859 crore and revenue expenditure was ₹ 8,748 crore leading to revenue deficit of ₹ 889 crore. During 2021-22, the total receipts of UT of Puducherry was ₹ 10,375 crore and total disbursements was ₹ 9,802 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.158.

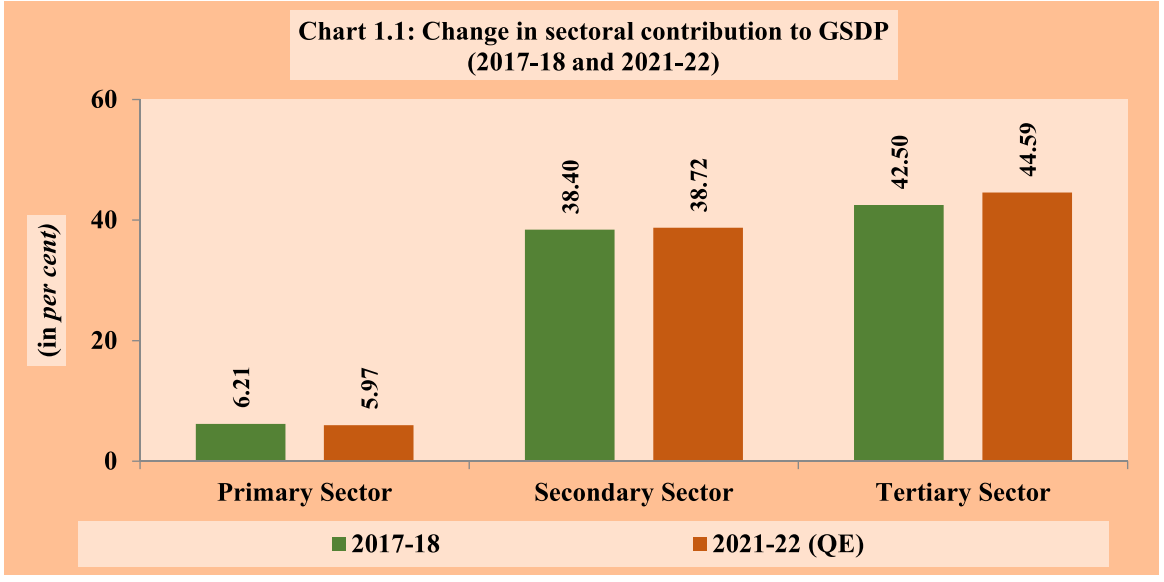
Table 1.1: Trends in GSDP compared to the National GDP

(₹ in crore)

Year	2017-18	2018-19	2019-20	2020-21	2021-22
GDP (2011-12 Series)	1,70,90,042	1,88,99,668	2,00,74,856	1,98,00,914	2,36,64,637
Growth rate of GDP over previous year (in *per cent*)	11.03	10.59	6.22	(-) 1.36	19.51
GSDP (2011-12 Series)	32,129	36,386	36,724	35,685	37,485
Growth rate of GSDP over previous year (in *per cent*)	8.64	13.25	0.93	(-) 2.83	5.04

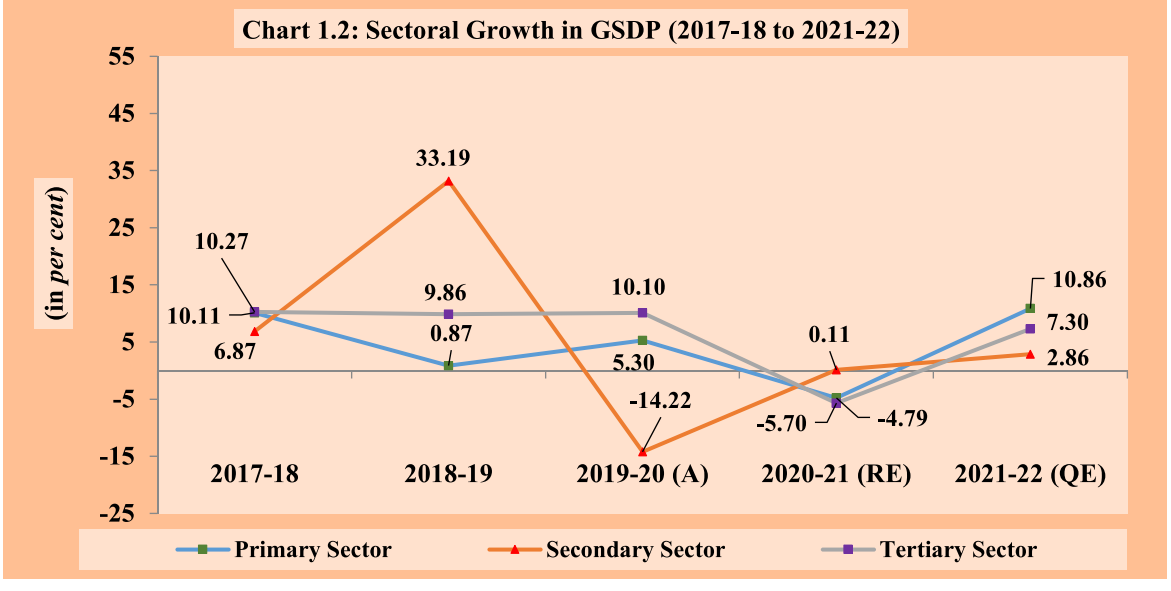
(Source of data: Directorate of Economics and Statistics, Puducherry)

The changes in sectoral contribution to GSDP and sectoral growth in GSDP is given in **Charts 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 Principal 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 Principal Accountant General (Audit-II), Tamil Nadu and Puducherry;
- Other data with Departmental Authorities;
- GSDP data and other UT related statistics;
- Various Audit Reports of the CAG of India; and
- Fiscal Road Map (FRM) based on the principles of Government of India's Fiscal Responsibility and Budget Management (FRBM) Act.

The analysis is also carried out in the context of Fiscal Road Map, best practices and guidelines of the Government of India (GoI). The draft report has been sent to Government in March 2023. A meeting was held with the Finance Secretary of the Government of UT of Puducherry on 29 March 2023 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 2017 -18 to 2021-22, 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.

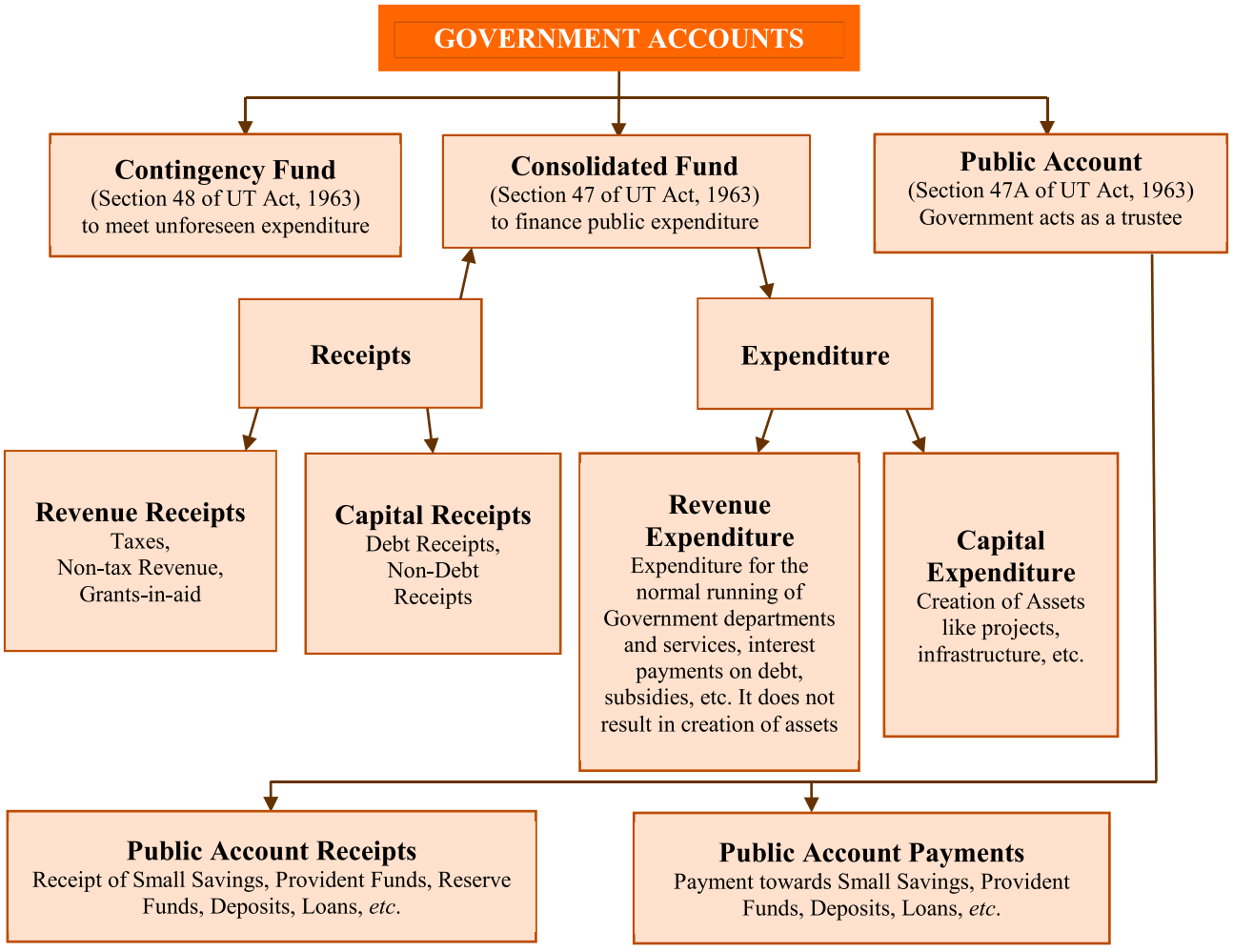
1.4 Overview of Government Account Structure and Budgetary Processes

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

organize 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 28 (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 2021-22 *vis-à-vis* actuals of 2020-21.

Table 1.2: Budget Estimates and actuals for the year 2021-22 *vis-à-vis* actuals of 2020-21

(₹ in crore)

Sl. No.	Components	2020-21	2021-22		Percentage of Actuals to Budget Estimate	Percentage of Actuals to GSDP*
		Actuals	Budget Estimate	Actuals		
1	Tax revenue	1,948	4,134	3,236	78.28	8.63
	(i) Own Tax Revenue	1,948	4,134	3,236	78.28	8.63
	(ii) Share of Union taxes/duties	Nil	Nil	Nil		
2	Non-tax revenue	1,460	2,056	2,184	106.23	5.83
3	Grants from the Government of India	2,482	2,050	2,439	118.98	6.51
4	**Revenue receipts (1+2+3)**	**5,890**	**8,240**	**7,859**	**95.38**	**20.97**
5	Recoveries of loans and advances	Nil	Nil	Nil		
6	Other receipts	Nil	Nil	Nil		
7	Borrowings and other Liabilities #	2,529	1,684	2,516	149.41	6.71

Sl. No.	Components	2020-21	2021-22		Percentage of Actuals to Budget Estimate	Percentage of Actuals to GSDP*
		Actuals	Budget Estimate	Actuals		
8	**Capital Receipts (5+6+7)**	**2,529**	**1,684**	**2,516**	**149.41**	**6.71**
9	**Total Receipts (4+8)**	**8,419**	**9,924**	**10,375**	**104.54**	**27.68**
10	**Revenue expenditure**	**7,260**	**8,724**	**8,748**	**100.28**	**23.34**
11	Interest payments	757	831	877	105.54	2.34
12	Capital Expenditure	240	315	163	51.75	0.43
13	Loans and advances	5	1	Nil		
14	**Total Expenditure (10+12)**	**7,505**	**9,040**	**8,911**	**98.57**	**23.77**
15	**Revenue Deficit (-) / Surplus (+) (4-10)**	**(-) 1,370**	**(-) 484**	**(-) 889**		**2.37**
16	**Fiscal Deficit {14-(4+5+6)}**	**(-) 1,615**	**(-) 800**	**(-)1,052**		**2.81**
17	**Primary Deficit/Surplus (16-11)**	**(-) 858**	**31**	**(-) 175**		**0.48**

* GSDP at current prices is ₹ 37,485 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 though the Revenue receipts of the UT during 2021-22 increased by ₹ 1,969 crore over the previous year, there was also increase in Revenue expenditure by ₹ 1,488 crore which resulted in revenue deficit of ₹ 889 crore. The Capital outlay decreased by ₹ 77 crore from ₹ 240 crore in 2020-21 to ₹ 163 crore in 2021-22. The fiscal deficit decreased from ₹ 1,615 crore in 2020-21 to ₹ 1,052 crore in 2021-22.

The UT received total compensation of ₹ 1,425.24 crore on account of loss of revenue arising out of the implementation of GST during 2021-22. Out of this, ₹ 328.95 crore was received by the UT as grants under revenue receipts. However, due to inadequate balance in GST compensation fund during the year 2021-22, the UT also received back-to-back loan of ₹ 1,096.29 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 ₹ 889 crore and the fiscal deficit of ₹ 1,052 crore during the year 2021-22 are need to be read in conjunction with debt receipt of ₹ 1,096.29 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: Summarized position of Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
		2020-21	**2021-22**	**increase (+)/ decrease (-) (in *per cent*)**			**2020-21**	**2021-22**	**increase (+)/ decrease (-) (in *per cent*)**
Consolidated Fund									
A	External Debt	49.61	49.61	--					
	Internal Debt	7,969.95	8,650.38	8.54	a.	Gross Capital Outlay	7,326.36	7 ,489.14	2.22
B	Loans and Advances from GoI	2,042.06	2,986.23	46.24	b.	Loans and Advances	14.56	14.47	(-) 0.62
Contingency Fund		**0.50**	**0.50**	**--**					
Public Account									
A	Small Savings, Provident Funds, etc.	419.13	479.38	14.37	a.	Advances	0 .58	0 .55	
B	Deposits	550.10	587.84	6.86	b.	Remittance	0.00	0.00	0
C	Reserve Funds	247.25	306.77	24.08	c.	Suspense and Miscellaneous	--	86.75	--
D	Remittances	154.98	154.98	--	**Cash balance (including investment in Earmarked Fund)**		1,675.39	2,249.53	
E	Suspense and Miscellaneous	69.80	--	--					
					Total		**9,016.89**	**9,840.44**	
					Deficit in Revenue Account		**2,486.49**	**3,375.25**	
Total		**11,503.38**	**13,215.69**	**15.45**	**Total**		**11,503.38**	**13,215.69**	

It could be seen that the Internal Debt of the UT increased by 8.54 *per cent* from ₹ 7,969.95 crore in 2020-21 to ₹ 8,650.38 crore in 2021-22. The loans and advances from GoI also increased by 46.24 *per cent* from ₹ 2,042.06 crore in 2020-21 to ₹ 2,986.23 crore in 2021-22. This was due to the fact that the Government of India released an amount of ₹ 1,096.29 crore as back-to-back loan in lieu of GST Compensation shortfall instead as a Grants-in-aid. The

Gross Capital Outlay increased by 2.22 *per cent* from ₹ 7,326.36 crore in 2020-21 to ₹ 7,489.14 crore in 2021-22.

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. Though the UT Government has fixed targets for various fiscal parameters under FRM till 2020-21, no targets were fixed for 2021-22. It was, however, stated that the targets proposed in FRBM were adopted for the UT for 2021-22.

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 2021-22 under FRM. Major fiscal variables as targeted in the FRM along with actuals are given in **Table 1.4**.

Table 1.4: Comparison of fiscal variable with road map during 2017-18 to 2021-22

Year	Fiscal variables	Revenue Deficit (-)/ Surplus(+) (₹ in crore)	Fiscal Deficit/ GSDP	Ratio of total outstanding debt of the Government to GSDP (in *per cent*)
2017-18	Targets proposed in FRM	(+) 16.78	(-) 0.64	25.08
	Actuals	(+) 196.01	(-) 0.61	27.31
2018-19	Targets proposed in FRM	(-) 2.00	(-) 1.28	23.90
	Actuals	(+) 13.54	(-) 0.82	24.95
2019-20	Targets proposed in FRM	(+) 60.00	0.84	22.39
	Actuals	(-) 54.49	1.00	21.90
2020-21	Targets proposed in FRM	(+) 100.00	0.95	21.12
	Actuals	(-) 1,369.59	4.44	25.62*
2021-22	Targets proposed in FRBM#	0.00	3.00	25.00
	Actuals	(-) 888.75	2.81	26.27*

* Calculated excluding the back-to-back loan of ₹ 742 crore and ₹ 1,096.29 crore received from GoI in lieu of GST Compensation shortfall for 2020-21 and 2021-22.

\# Fiscal Road Map was discontinued from 2021-22 and norms prescribed as per FRBM is being followed

(Source: Finance Audit Report of the respective years and FRBM for the year 2021-22)

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

Chart 1.3 : Trends in Deficit Indicators

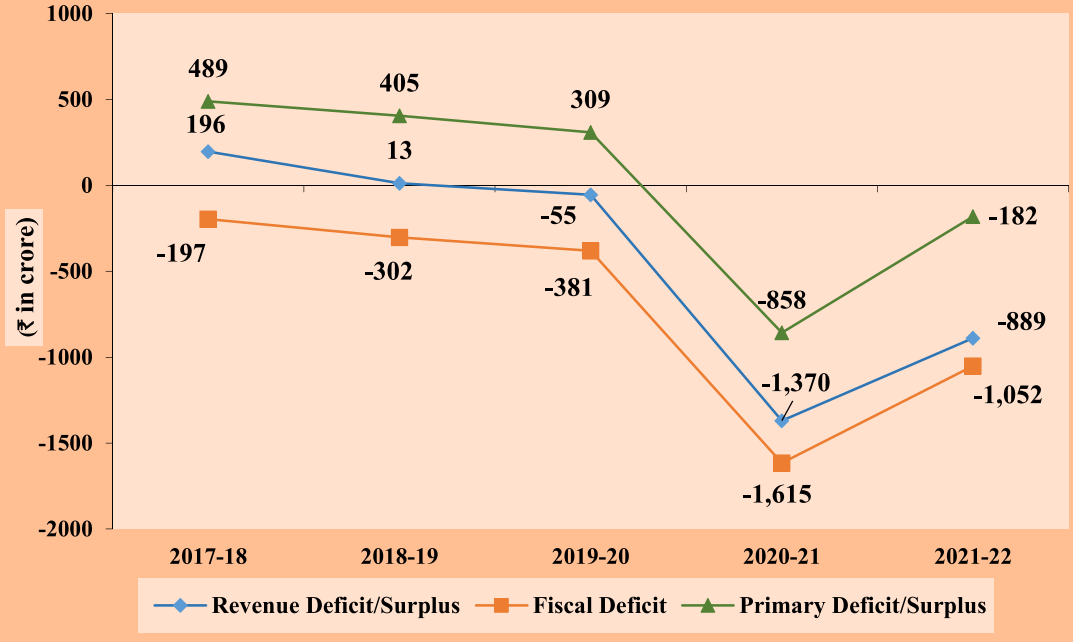
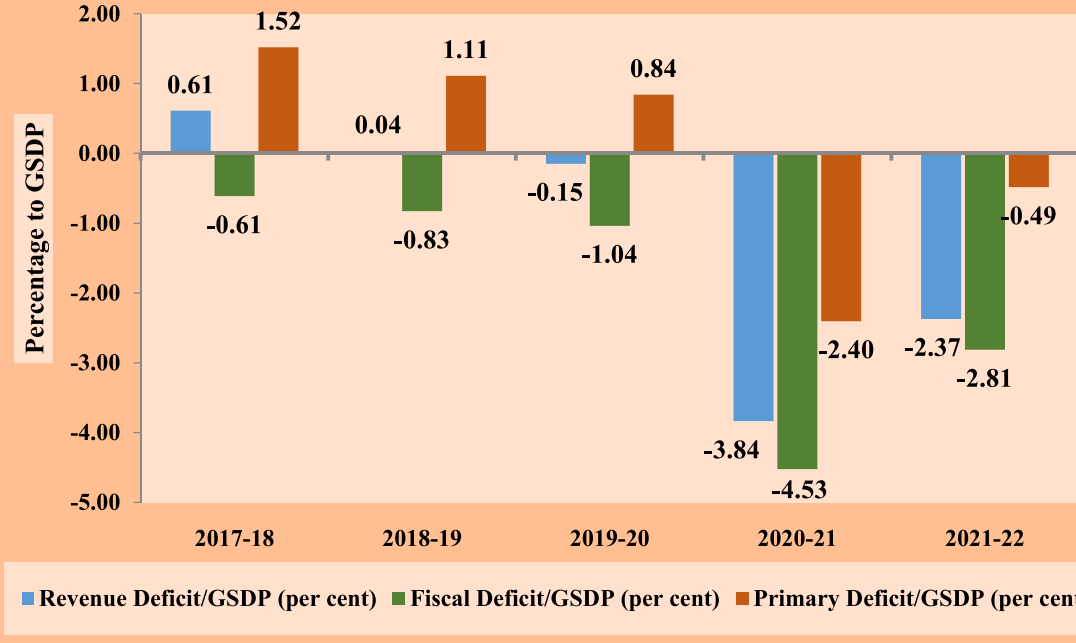
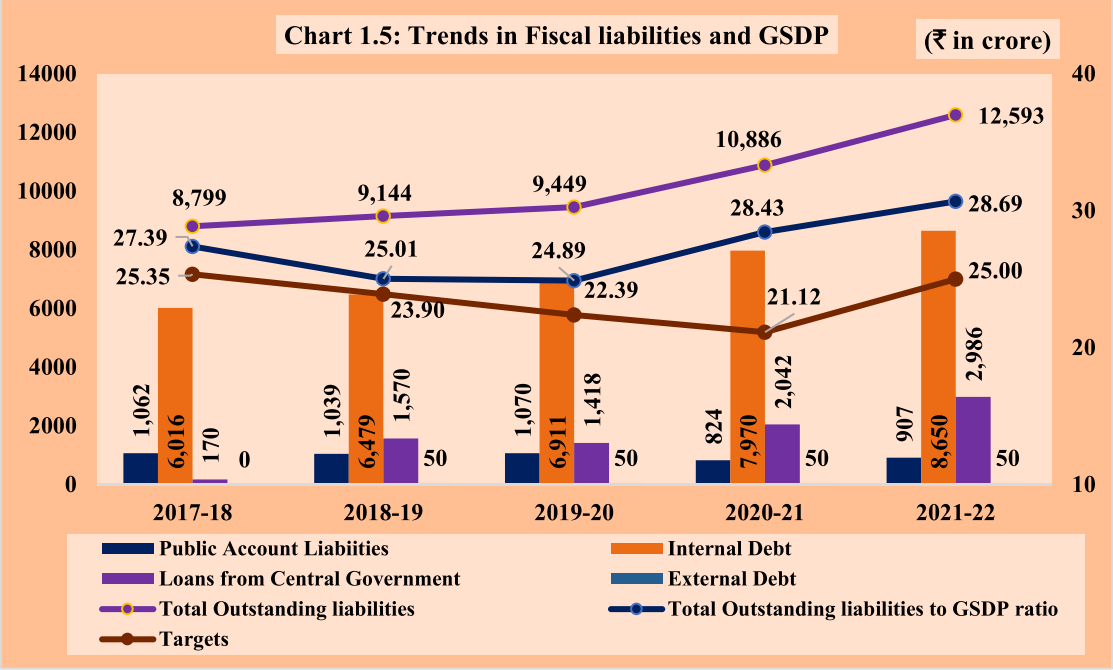


Chart 1.4: Trends in Deficit indicators relative to GSDP





- It could be seen from **Chart 1.3** that revenue deficit of UT which was ₹ 197 crore in 2017-18 increased consistently during the five years and stood at ₹ 889 crore in 2021-22. 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 ₹ 8,799 crore in 2017-18 to ₹ 12,593 crore in 2021-22, the ratio of outstanding liabilities to GSDP increased from 27.39 in 2017-18 to 28.69[1] in 2021-22. The loans and advances from GoI increased from ₹ 1,062 crore in 2017-18 to ₹ 2,986 crore in 2021-22. This was due to release of ₹ 1,096 crore by the Government of India as back-to-back loan in lieu of GST Compensation shortfall instead of as Grants-in-aid.

- The UT was not able to contain the ratio of fiscal deficit to GSDP as envisaged in the FRBM during 2021-22. The ratio of fiscal deficit to GSDP during 2021-22 was 2.81 *per cent* as against the target of 3 *per cent* contemplated in the FRBM and 2.13 *per cent* proposed in the budget.

1 Calculated excluding the back-to-back loan of ₹ 1096 crore received from GoI in lieu of GST compensation shortfall.

1.6 Deficits and total debt after examination in audit

1.6.1 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 1.5**.

Table 1.5: Total outstanding debts/liabilities

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Total outstanding debt/liabilities	8,799	9,137	9,449	10,886	12,593
Rate of growth of outstanding debt (in *per cent*)	6.02	3.84	3.41	15.21	15.68
GSDP at current prices	32,129	36,386	36,724	35,685	37,485
Ratio of total outstanding debt to GSDP (in *per cent*)	27.39	25.00	24.89	27.89*	28.69*

* Calculated excluding the back-to-back loan of ₹ 742 crore and ₹ 1,096 crore received from GoI in lieu of GST compensation shortfall for the years 2020-21 and 2021-22.

(Source: Finance Accounts of the respective years)

- The outstanding debt grew by 15.68 *per cent* over previous year.
- Considering the capital expenditure of only ₹ 163 crore during 2021-22 and the fiscal deficit of ₹ 1,052 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 trend during the past five-year period from 2017-18 to 2021-22, debt sustainability, key Public Account transactions and also analyses the critical change in major fiscal aggregates relative to the previous financial year based on the Finance Accounts of the UT. Information was additionally obtained from the UT Government wherever necessary.

2.1 Major changes in key fiscal aggregates during 2021-22 *vis-à-vis* 2020-21

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 analyzed in the succeeding paragraphs. A time series data on UT Government finances is given in **Appendix 2.1**.

Table 2.1 present the changes in key fiscal aggregates in 2021-22 compared to 2020-21.

Table 2.1: Changes in key fiscal aggregates in 2021-22 compared to 2020-21

Revenue Receipts	✓ Revenue receipts of the UT increased by 33.43 *per cent* ✓ Own Tax receipts of the UT increased by 66.12 *per cent* ✓ Non-tax receipts increased by 49.59 *per cent* ✓ Grants-in-aid from Government of India decreased by 1.73 *per cent*
Revenue Expenditure	✓ Revenue expenditure increased by 20.50 *per cent* ✓ Revenue expenditure on General Services increased by 14.64 *per cent* ✓ Revenue expenditure on Social Services increased by 12.69 *per cent* ✓ Revenue expenditure on Economic Services increased by 34.57 *per cent* ✓ Expenditure on Grants-in-aid was Nil
Capital Expenditure	✓ Capital expenditure decreased by 32.08 *per cent* ✓ Capital expenditure on General Services decreased by 58.97 *per cent* ✓ Capital expenditure on Social Services decreased by 33.33 *per cent* ✓ Capital expenditure on Economic Services decreased by 21.93 *per cent*
Loans and Advances	✓ Disbursement of Loans and Advances during the year was ₹ 0.06 crore as against ₹ 5.03 crore during 2020-21 ✓ Recoveries of Loans and Advances decreased by 56 *per cent*
Public Debt	✓ Public Debt Receipts decreased by 0.51 *per cent* ✓ Repayment of Public Debt increased by 6.32 *per cent*
Public Account	✓ Public account receipts decreased by 37.31 *per cent* ✓ Public Account disbursements decreased by 40.32 *per cent*
Cash Balance	✓ Cash balance increased by ₹ 575 crore (34.33 *per cent*) in 2021-22 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 2021-22 with 2020-21, while **Charts 2.1** and **2.2** give the details of receipts and expenditure from the Consolidated Fund during 2021-22 in terms of percentages.

Table 2.2: Details of Sources and Application of funds during 2020-21 and 2021-22

(₹ in crore)

	Particulars	2020-21	2021-22	Increase (+)/ Decrease (-)
Sources	Opening Cash Balance with RBI	1,642.05	1,675.39	33.34
	Revenue receipts	5,889.99	7,858.92	1,968.93
	Recoveries of Loans and Advances	0.34	0.15	(-) 0.19
	Public debt receipts (Net)	1,690.84	1,624.60	(-) 66.24
	Public Account receipts (Net)	(-) 43.66	0.98	44.64
	Total	**9,179.56**	**11,160.04**	**1,980.48**
Application	Revenue expenditure	7,259.58	8,747.67	1,488.09
	Capital expenditure	239.56	162.78	(-) 76.78
	Disbursement of Loans and Advances	5.03	0.06	(-) 4.97
	Closing Cash Balance with RBI	1,675.39	2,249.53	574.14
	Total	**9,179.56**	**11,160.04**	**1,980.48**

(Source: Finance Accounts 2021-22)

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

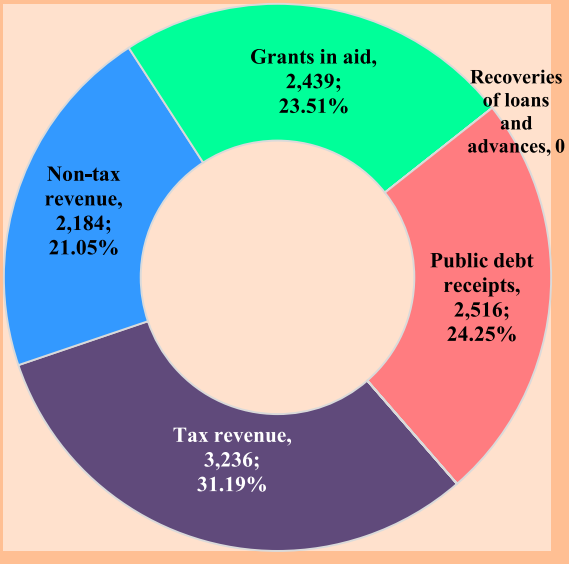
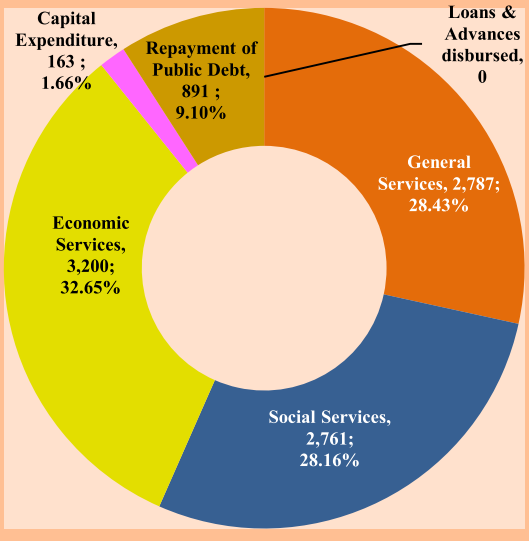


Chart 2.2: Application of Resources
(₹ in crore)
₹ goes to



(Source: Finance Accounts 2021-22)

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.

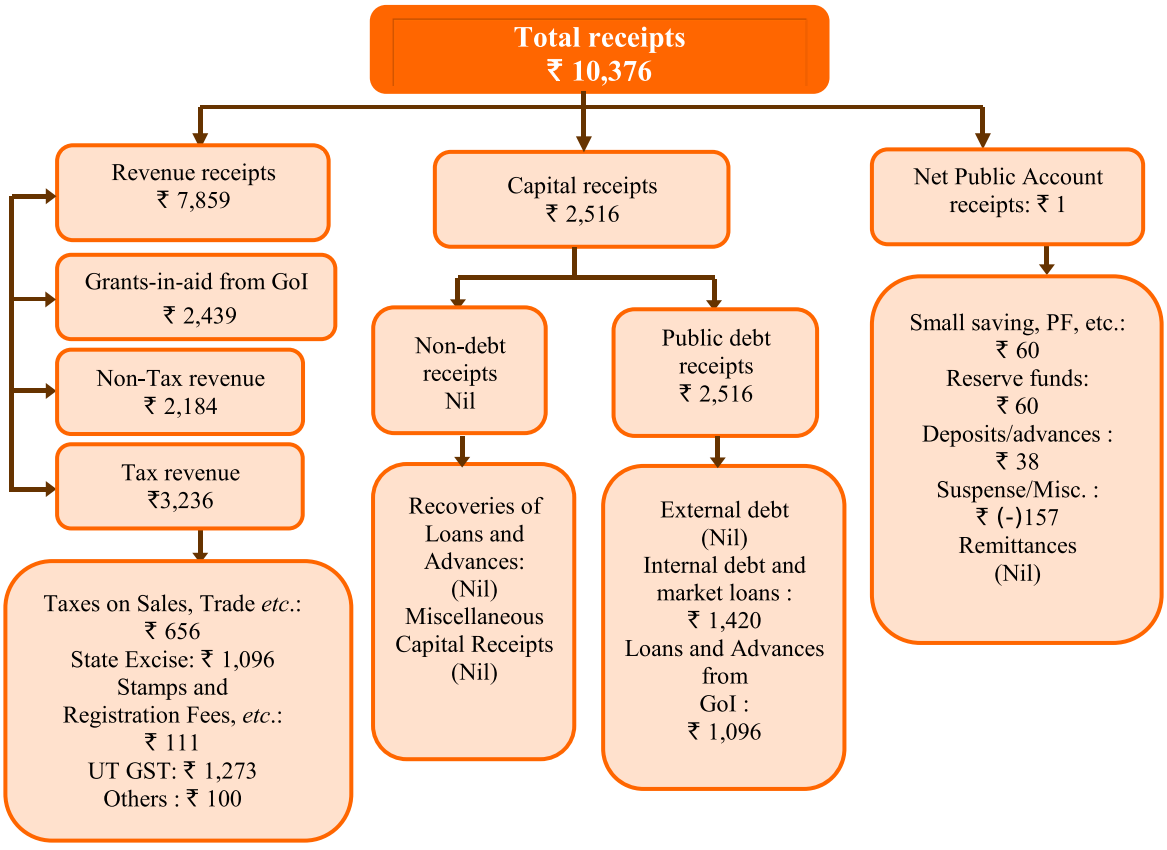
Net Public Accounts receipts: There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc*., which do not form part of the Consolidated Fund. These are kept in the Public Account set up under Section 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 2021-22

(₹ 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 2017-22. 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

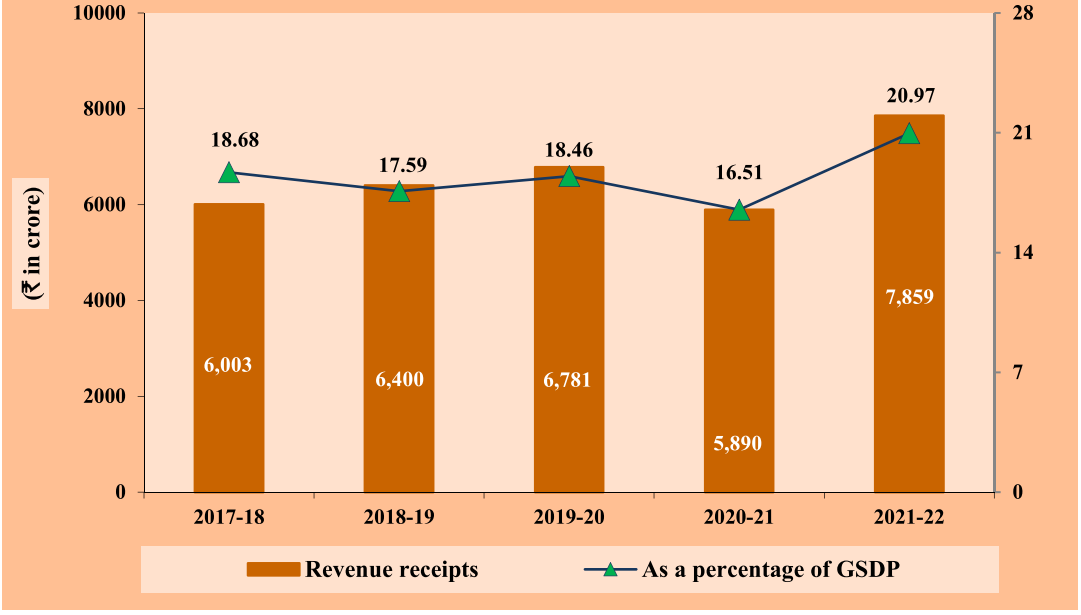
	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue receipts (RR) (₹ in crore)	6,003	6,400	6,781	5,890	7,859
Rate of growth of RR (*per cent*)	11.52	6.61	5.95	(-) 13.14	33.43
Own tax Revenue (₹ in crore)	2,806	3,188	2,475	1,948	3,236
Non-tax Revenue (₹ in crore)	1,374	1,584	1,638	1,460	2,184

	2017-18	2018-19	2019-20	2020-21	2021-22
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (*per cent*)	14.65	14.16	(-) 13.81	(-) 17.14	59.04
Gross State Domestic Product (₹ in crore) (2011-12 Series)	32,129	36,386	36,724	35,685	37,485
Rate of growth of GSDP (*per cent*)	8.64	13.25	0.93	(-) 2.83	5.04
RR/GSDP (*per cent*)	18.68	17.59	18.46	16.51	20.97
Buoyancy Ratios[1]					
Revenue buoyancy with reference to GSDP (ratio)	1.33	0.50	6.41	4.64	6.63
UT's own tax buoyancy with reference to GSDP (ratio)	1.95	1.03	(-) 24.08	7.53	13.11

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

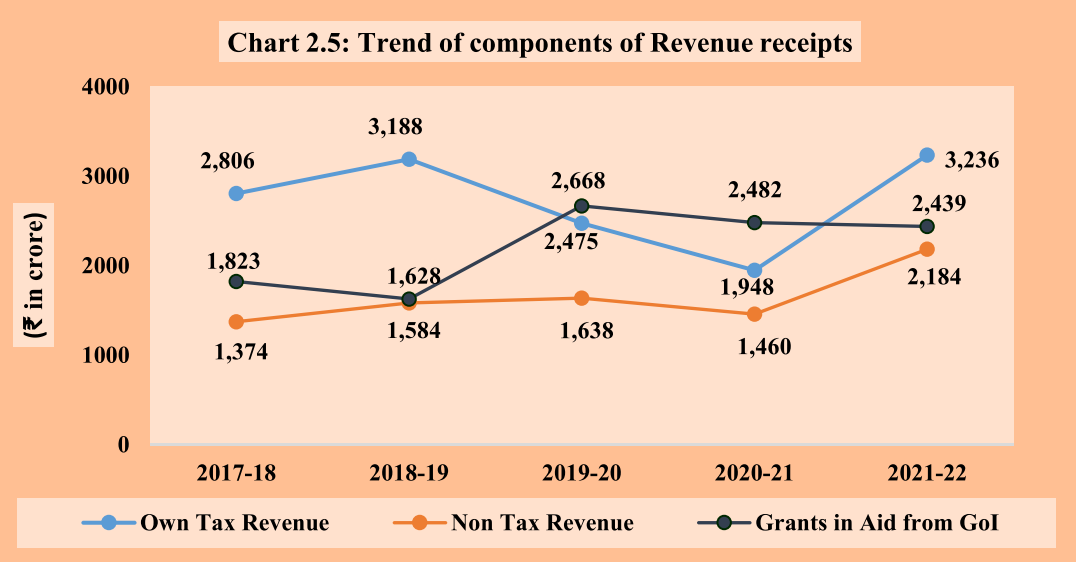
Revenue receipts of the UT comprising of own tax and non-tax revenue increased by 29.67 *per cent* from ₹ 4,180 crore in 2017-18 to ₹ 5,420 crore in 2021-22. The rate of growth of own revenue increased by 59.04 *per cent* when compared to the previous year which led to decrease in revenue deficit from ₹ 1,370 crore in the year 2020-21 to ₹ 889 crore in 2021-22.

Chart 2.4: Trend of Revenue receipts



(Source: Finance Accounts of respective years)

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



(Source: Finance Accounts of respective years)

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

Revenue receipts increased by 30.92 *per cent* from ₹ 6,003 crore in 2017-18 to ₹ 7,859 crore in 2021-22. During 2021-22, the growth rate of GSDP (5.04 *per cent*) and the growth rate of revenue receipts (33.43 *per cent*) were on the increasing trend, which contributed to decrease in revenue deficit to ₹ 889 crore from ₹ 1,370 crore, a decrease of 35.11 *per cent*.

About 68.97 *per cent* of the Revenue receipts during 2021-22 came from the UT's own resources (₹ 5,420 crore), while Grants-in-aid (₹ 2,439 crore) contributed 31.03 *per cent*.

The increase in the Revenue receipts of the Union Territory by ₹ 1,969 crore over the previous year was due to increase in Tax Revenue (₹ 1,288 crore) and Non-tax revenue (₹ 724 crore) while Grants-in-aid from GoI decreased (₹ 43 crore) during the year. The increase in own tax revenue was mainly under SGST (₹ 840 crore), State Excise (₹ 298 crore) and Taxes on Sales, Trade etc. (₹ 107 crore) due to more receipts on apportionment of IGST transfer-in tax component to SGST, more sale of malt liquors and spirits and more receipts on trade tax respectively. Similarly, the increase under Non-tax revenue was mainly due to increase in sale of power (₹ 715 crore) and interest receipts (₹ 33 crore).

During the current year, the increase of 33.43 *per cent* (₹ 1,969 crore) in Revenue receipts mainly contributed to decrease in Revenue deficit from ₹ 1,370 crore in the year 2020-21 to ₹ 889 crore in 2021-22. The UT received total compensation of ₹ 1,425 crore on account of loss of revenue arising out of the implementation of GST during 2021-22. Out of this, ₹ 329 crore was received by the UT as grants under revenue receipts. However, due to inadequate balance in GST compensation fund during the year 2021-22, the UT also received back-

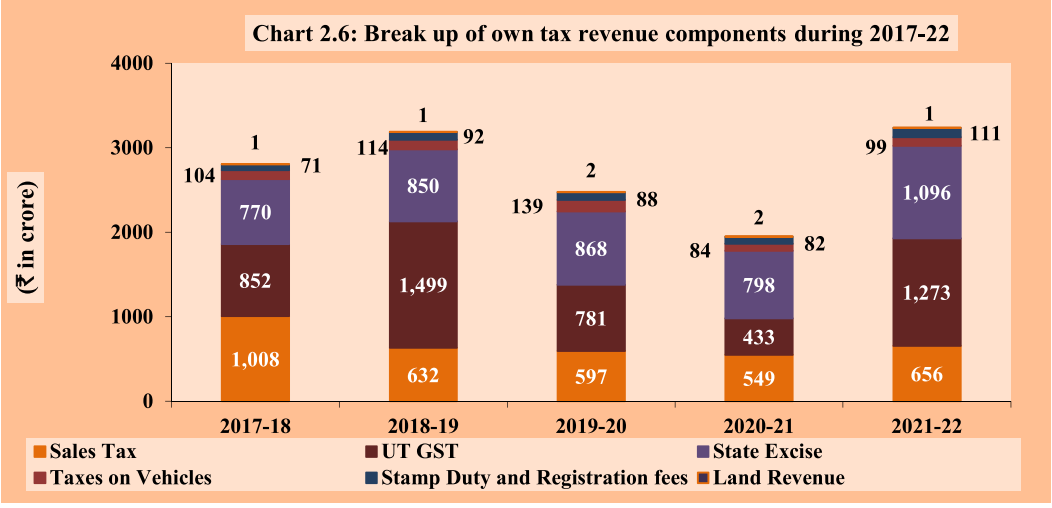
to-back loan of ₹ 1,096 crore from GoI which has been classified under debt receipts of the UT Government with repayment obligations from the cess collected in GST compensation Fund and not from any other resources of the UT. Due to this arrangement, the revenue deficit of ₹ 889 crore and the fiscal deficit of ₹ 1,052 crore during the year 2021-22 are need to be read in conjunction with debt receipt of ₹ 1,096 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	2017-18	2018-19	2019-20	2020-21	2021-22	Spark line
Sales Tax	1,008	632	597	549	656	
UT GST	852	1,499	781	433	1,273	
State Excise	770	850	868	798	1,096	
Taxes on Vehicles	104	114	139	84	99	
Stamp Duty and Registration fees	71	92	88	82	111	
Land Revenue	1	1	2	2	1	
Total	**2,806**	**3,188**	**2,475**	**1,948**	**3,236**	

(Source: Finance Accounts of respective years)

UT's Tax revenue increased from ₹ 1,948 crore in 2020-21 to ₹ 3,236 crore in 2021-22 by ₹ 1,288 crore (66.12 *per cent*) over the previous year. UT Goods and Services Tax (UTGST), Taxes on Sales, Trade etc., and State Excise increased by ₹ 840 crore, ₹ 298 crore and ₹ 107 crore respectively during 2021-22. The increase in UTGST was due to more receipts on apportionment of IGST transfer from GoI. The increase in Taxes on Sales, Trade etc., during 2021-22 was mainly due to more collection under Trade Tax. Similarly, the increase in respect of State Excise was due to more sale of Malt Liquors and in respect of Taxes on Vehicles, it was due to more receipts under the State Motor Vehicles Taxation Acts.

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 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. Base year (2015-16) revenue for the UT on account of taxes subsumed under GST was ₹ 1,095.37 crore. The revenue to be projected for any year was to be calculated by applying a growth rate of 14 *per cent* per annum on the base year revenue.

The projected revenue for the year 2021-22 is ₹ 2,404.31 crore. Revenue figure under GST for the year 2021-22 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 2021-22 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 compensation	Total including compensation and loan-in-lieu of compensation	Deficit/ Excess
1	**2**	**3**	**4**	**5**	**6= (3+4+5)**	**7**	**8**	**9= (6+7+8)**	**10 = (2-8)**
2021-22	2,404.31	655.84	366.33	906.83	1,929.00	328.95	1,096.29	3,354.24	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 2021-22 is under reconciliation
*** This includes non-subsumed tax components also
(Figures excluding refunds as worked out by UT Government)
(Source: Finance Accounts 2021-22)

As seen from the above table, the projected revenue for the year 2021-22 is ₹ 2,404.31 crore. The UT Government had so far received ₹ 328.95 crore as compensation and ₹ 1,096.29 crore as back-to-back loan in lieu of the shortfall in compensation. The certification of revenue for 2021-22 and excess or deficit in receipt of compensation is yet to be finalised.

Arrears of revenue

The arrears of revenue indicate delayed realization 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 impact the revenue deficit/surplus.

The arrears of revenue as on 31 March 2022 under the principal heads of revenue amounted to ₹ 1,067.90 crore, of which ₹ 674.92 crore was 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	Accounts and Treasuries	2.37	0.11	Arrears were due towards audit fee from Religious Institutions
2	Agriculture	0.31	0.31	Arrears due from Puducherry Agro Services and Industries Corporation Limited (PASIC) and local bodies towards rent, cost of seeds and other services.

Sl. No.	Departments	Total arrears	Arrears outstanding for more than five years	Remarks
3	Commercial Taxes	271.28	215.77	Arrears related to collection of tax under PGST/CST and VAT acts, major portion is sub-judice.
4	Electricity	486.43	258.67	Arrears were due to non-payment of electricity charges
5	Excise	69.15	52.33	Arrears were due to non-payment of *kist* by the lessee of arrack and toddy shops
6	Fisheries and fishermen Welfare	0.04	0.04	Arrears of lease on fish farm at Coringa River, Yanam
7	Industries and Commerce	0.13	0.11	Arrears related to rent due from defunct industrial units
8	Judicial	0.04	0.03	Arrears in payment of fines and also forfeitures were due to accused absconding in some cases and pendency of write-off proposal
9	Public Works	56.47	17.23	Arrears related to water tax and license fee
10	Revenue	174.38	124.94	Arrears related to collection of land tax, license fees towards mining etc.
11	Rural Development	0.16	0.04	Arrears due to non-collection of rent.
12	Stationery and Printing	0.39	0.16	Arrears of dues from Government Departments for stationery and printing, sale of Gazettes, press receipts, etc.
13	Tourism	0.15	0.12	Arrears of rent due from Guests/Government Officials towards room rent, catering and other receipts
14	Transport	6.60	5.06	--
Total		**1,067.90**	**674.92**	

(Source: Details furnished by respective Departments)

Table 2.6 further indicates that the amount of uncollected revenue as on 31 March 2022 was about 13.59 *per cent* of the total revenue (₹ 7,858.92 crore) raised by the Government during the year 2021-22.

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 2021-22	Total assessments due	Cases disposed of during 2021-22	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	18,721	Nil	18,721	1,998	16,723	10.67

(Source: Details furnished by the Department)

It was seen that out of 18,721 cases pertaining to the period from 2008-09 to 2016-17, only 1,998 cases were disposed during 2021-22. Similarly, out of 5,411 cases for the period 2015-17, only 553 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 2021	Cases detected during 2021-22	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 2022
					No. of cases	Amount of demand (₹ in crore)	
1	State Goods and Services Tax	26	47	73	33	1.26	40
2	Sales Tax/VAT	238	0	238	183	7.20	55
3	State Excise	Nil	Nil	Nil	Nil	Nil	Nil

(Source: Details furnished by the Department)

It was seen that 55 cases were pending for more than five years as against 238 cases pending at the beginning of the year. During the year, though the Department had cleared 76.90 *per cent* of pending Sales Tax/VAT cases, the Department needs to take a time bound action to complete all the cases as new tax regime has taken place and further delay in clearance may result in loss of revenue to the UT.

Pendency of refund cases

The number of refund cases pending at the beginning of the year 2021-22, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2021-22 relating to CTD (UT Goods and Services Tax) is given in **Table 2.9**.

Table 2.9: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	UT GST	
		No of cases	Amount
1	Claims outstanding at the beginning of the year	3	0.82
2	Claims received during the year	182	56.64
3	Refunds made during the year	166	50.58
4	Refunds rejected during the year	15	6.16
5	Balance outstanding at the end of year	4	0.72

(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 2017-22 are given in **Table 2.10**.

Table 2.10: Components of non-tax revenue

(₹ in crore)

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	Spark line
Interest receipts	99	95	99	67	100	
Dividends and Profits	2	1	3	0	2	
Other Non-Tax receipts, of which	1,273	1,488	1,536	1,393	2,082	
(a) Power	1,197	1,353	1,423	1,295	2,010	
(b) Medical and Public Health	17	26	11	17	18	
(c) Water Supply and Sanitation	15	24	21	17	18	
(d) Ports and Light Houses	12	11	12	10	8	
(e) Housing	1	7	7	7	5	
(f) Miscellaneous General Services	5	31	37	2	2	
(g) Education, Sports, Art and Culture	1	7	2	1	1	
(h) Others	25	29	23	44	20	
Total	**1,374**	**1,584**	**1,638**	**1,460**	**2,184**	

(Source: Finance Accounts of respective years)

Non-tax Revenue, ranged between 23 and 28 *per cent* of total Revenue receipts of the UT during the five-year period from 2017-18 to 2021-22. It increased from ₹ 1,374 crore in 2017-18 to ₹ 2,184 crore in 2021-22. The increase in sale of power from ₹ 1,295 crore in 2020-21 to ₹ 2,010 crore in 2021-22 mainly contributed to the increase in Non-tax revenue.

2.3.2.3 Grants-in-aid from GoI

The Grants-in-aid (GIA) received from GoI for the years 2017-18 to 2021-22 are given in **Table 2.11** and **Chart 2.7** depicts the Grants-in-aid to Revenue receipts.

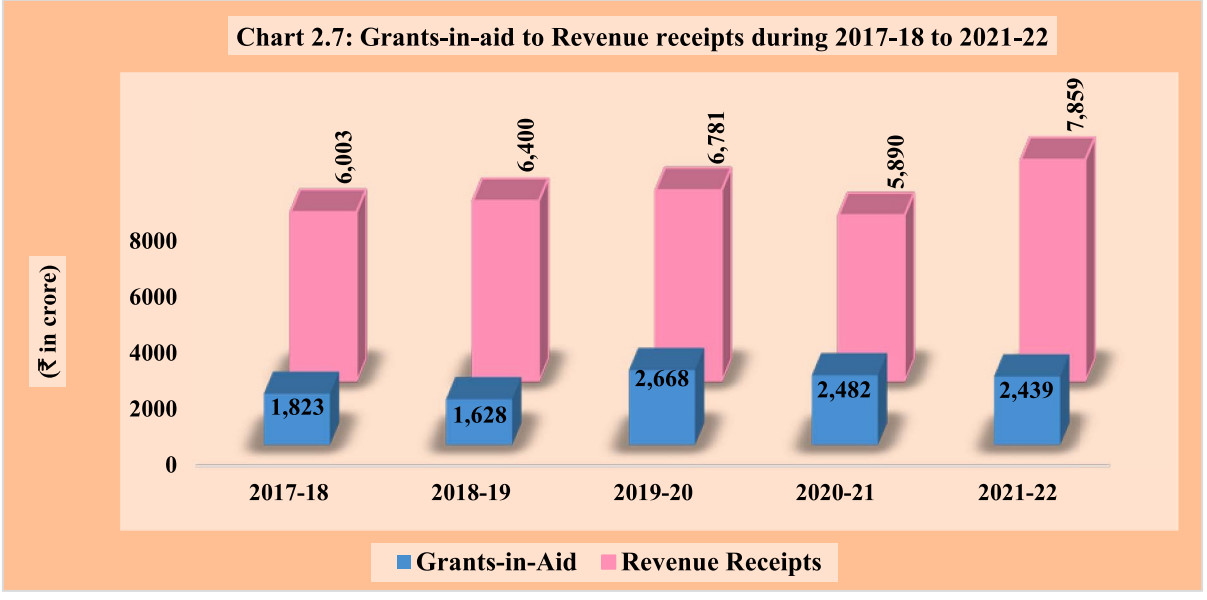
Table 2.11: Grants-in-aid from Government of India

(₹ in crore)

Head	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Plan Grants	28	5	--	5	5
Grants for State/UT Plan Schemes	11	--	--	--	--
Grants for Central Plan Schemes	--	--	--	--	--
Grants for Centrally Sponsored Schemes (CSS)	383	152	201	164	225
Other transfers/Grants to States/Union Territories with Legislature	1,401	1,471	2,467	2,313	2,209
Total	**1,823**	**1,628**	**2,668**	**2,482**	**2,439**
Percentage of increase/decrease over the previous year	4.95	(-) 10.70	63.88	(-) 6.97	(-) 1.73
Percentage of GIA to Revenue receipts	30.37	25.44	39.35	42.14	31.03

(Source: Finance Accounts of respective years)

Chart 2.7: Grants-in-aid to Revenue receipts during 2017-18 to 2021-22



(Source: Finance Accounts of respective years)

Grants-in-aid received from GoI decreased by ₹ 43 crore (1.73 *per cent*) during 2021-22. The total grant as a percentage of Revenue receipts also decreased from 42.14 in 2020-21 to 31.03 in 2021-22. Out of the central assistance of ₹ 1,875 crore, the release during January to March 2022 was ₹ 624 crore (33 *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 2017-22 are given in **Table 2.12**.

Table 2.12: Trends in growth and composition of Capital receipts

(₹ in crore)

Source of receipts	2017-18	2018-19	2019-20	2020-21	2021-22
Capital receipts	**1,062**	**1,008**	**1,044**	**2,529**	**2,516**
Miscellaneous Capital receipts	Nil	Nil	Nil	Nil	Nil
Recovery of Loans and Advances	1	1	1	Nil	Nil
Net Public Debt receipts	**1,061**	**1,007**	**1,043**	**2,529**	**2,516**
External Debt	Nil	50	Nil	Nil	Nil
Internal Debt	989	957	1,043	1,787	1,420
Growth rate	32.22	(-) 3.24	8.99	71.33	(-) 20.54
Loans and Advances from GoI	72	Nil	Nil	742	1,096
Growth rate	--	(-) 100.00	--	742	47.71
Rate of growth of debt Capital receipts (*per cent*)	29.39	(-) 5.09	3.57	142.47	(-) 0.51
Rate of growth of non-debt Capital receipts (*per cent*)	(-) 50.00	--	--	(-) 100	--
Rate of Growth of GSDP	8.64	13.78	3.84	(-) 4.10	5.04
Rate of growth of Capital receipts (*per cent*)	29.20	(-) 5.08	3.57	142.24	(-) 0.51

(Source: Finance Accounts of respective years)

The Capital receipts decreased by ₹ 13 crore in 2021-22 on account of decrease in Public Debt receipts. The debt Capital receipts of the UT decreased from ₹ 1,787 crore in 2020-21 to ₹ 1,420 crore in 2021-22. The decrease was due to decrease in Market loans (₹ 367 crore).

Public debt receipts create future repayment obligation and these are taken from Market, Financial Institutions and Central Government. During the five-year period 2017-22, 45.37 *per cent* of Public debt receipts were used for repayment of Public Debt taken in earlier years and the remaining 54.63 *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 2021-22 in the Budget Estimates and actuals are given in **Table 2.13**.

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

	Budget Estimates	Actuals	Percentage variation of actuals over Budget estimates
Own Tax revenue	4,134	3,236	(-) 21.72
Non-tax revenue	2,056	2,184	6.23

(Source: Finance Accounts and Budget documents)

The own tax revenue decreased by ₹ 898 crore than the target proposed in the budget estimate. However, Non-tax revenue increased by ₹ 128 crore from the target proposed in budget estimates.

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 ₹ 7,859 crore, the grants from GoI accounted for ₹ 2,439 crore which was 31.03 *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. However, during the year 2021-22, the UT Government had not fixed any FRM Targets. 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 2017-22 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	2017-18	2018-19	2019-20	2020-21	2021-22
Total expenditure (TE)	6,201	6,703	7,163	7,505	8,911
Revenue expenditure (RE)	5,807	6,387	6,836	7,260	8,748
Capital expenditure (CE)	394	313	327	240	163
Loans and Advances	0	3	0	5	0
As a percentage of GSDP					
TE/GSDP	19.30	18.42	19.50	21.03	23.77
RE/GSDP	18.07	17.55	18.61	20.34	23.34
CE/GSDP	1.23	0.86	0.89	0.67	0.43
Loans and Advances/GSDP	0.00	0.01	0.00	0.01	0.00

(Source: Finance Accounts of respective years)

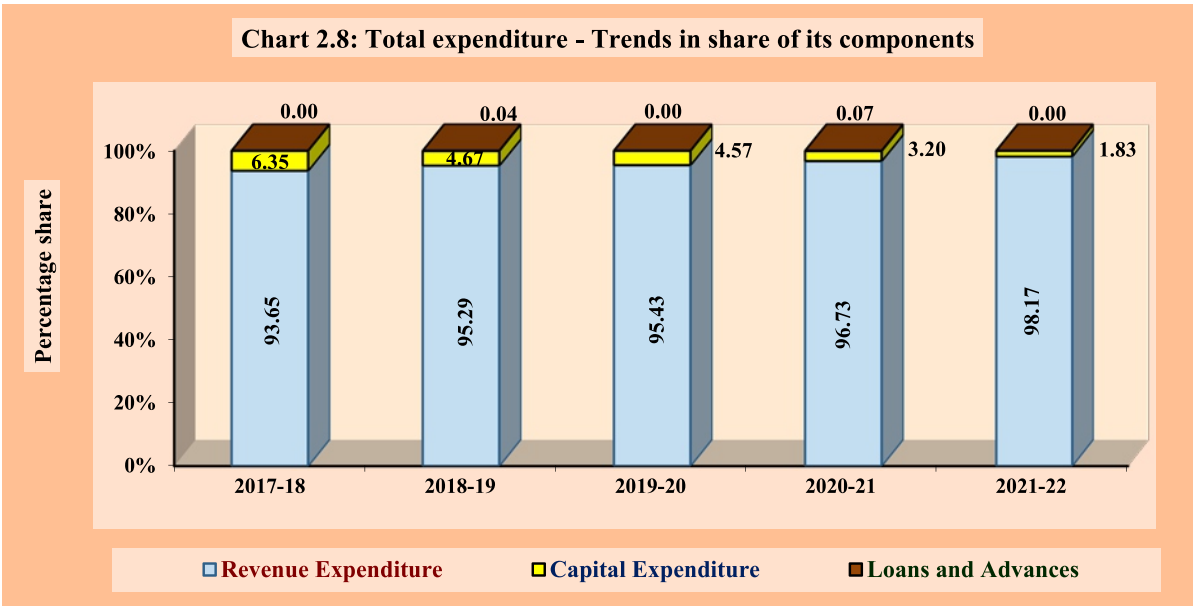
The **Table 2.14** shows that Total Expenditure of the UT increased by ₹ 2,710 crore (43.70 *per cent*) from ₹ 6,201 crore in 2017-18 to ₹ 8,911 crore in 2021-22. During the year 2021-22, it increased by 18.73 *per cent* from the previous year. As a percentage of GSDP, the total expenditure increased from 19.30 in 2017-18 to 23.77 in 2021-22. The significant increase in Revenue expenditure from ₹ 5,807 crore in 2017-18 to ₹ 8,748 crore in 2021-22 contributed to the increase in total expenditure, which also contributed to the revenue deficit of ₹ 889 crore in 2021-22.

Table 2.15: Relative share of various sectors of expenditure

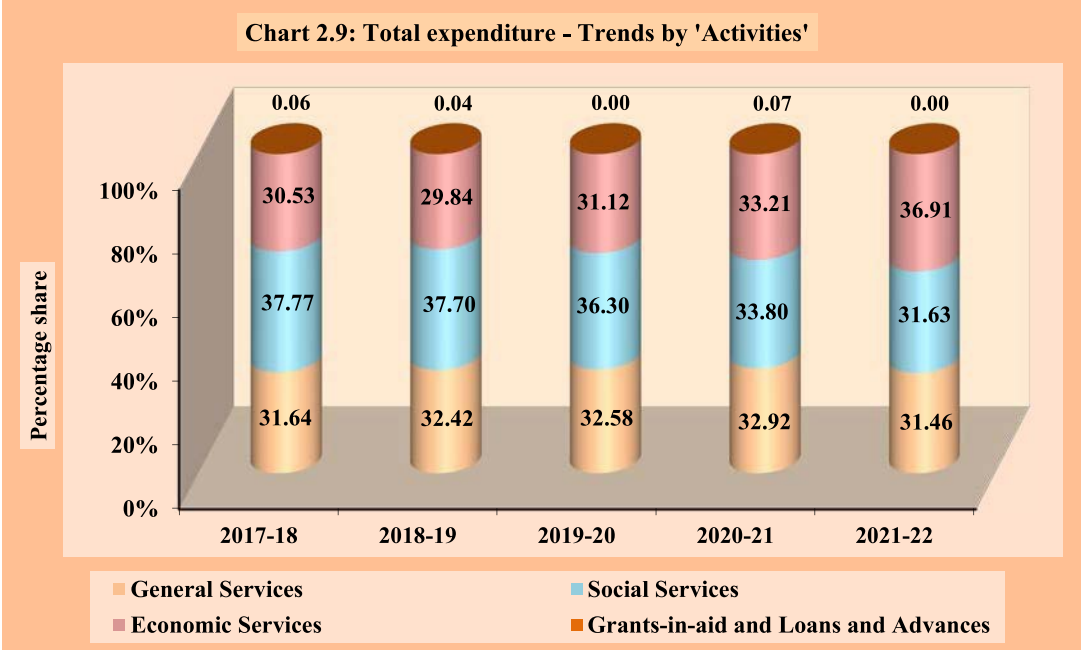
(in *per cent*)

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
General Services	31.64	32.42	32.58	32.92	31.46
Social Services	37.77	37.70	36.30	33.80	31.63
Economic Services	30.53	29.84	31.12	33.21	36.91
Others (Grants to Local Bodies and Loans and Advances)	0.06	0.04	0.00	0.07	0.00

(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)

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

The Revenue expenditure increased by ₹ 1,488 crore (20.50 *per cent*) whereas Capital expenditure decreased by ₹ 77 crore (32.08 *per cent*) during 2021-22 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 1.23 in 2017-18 to 0.43 in 2021-22.

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 (2017-22) and stood at 98.17 *per cent* of the total expenditure during 2021-22. Consistent increase in Revenue expenditure was due to the fact that the committed

expenditure had gradually increased from ₹ 3,388 crore in 2017-18 to ₹ 4,804 crore in 2021-22. Further, as a percentage of Total expenditure, the expenditure under General Services was around 32 during the period 2017-22, whereas the expenditure under Social Services gradually decreased from 37.77 to 31.63 during the same period.

The proportion of Capital expenditure to total expenditure decreased from 6.35 *per cent* in 2017-18 to 1.83 *per cent* in 2021-22 which indicated that lower priority was accorded to infrastructure development/creation of capital assets.

During 2021-22, the expenditure on General Services, Social Services and Economic Services increased by ₹ 333 crore (13.48 *per cent*), ₹ 282 crore (11.12 *per cent*), ₹ 797 crore (31.98 *per cent*) respectively over the previous year.

2.4.2 Revenue expenditure

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

Revenue expenditure of ₹ 8,748 crore during 2021-22 increased by ₹ 1,488 crore as compared to ₹ 7,260 crore in 2020-21. It constituted 98.17 *per cent* of total expenditure of ₹ 8,911 crore during the year. As a percentage of GSDP also, the Revenue expenditure increased from 20.34 in 2020-21 to 23.34 in 2021-22. The buoyancy of Revenue expenditure with reference to Revenue receipts during 2021-22 stood at 0.61.

The overall Revenue expenditure, its rate of growth, its ratio to Total expenditure and buoyancy *vis-à-vis* GSDP and Revenue receipts during 2017-18 to 2021-22 are given in **Table 2.16** and the sectoral distribution of Revenue expenditure pertaining to 2021-22 are given in **Chart 2.10**.

Table 2.16: Revenue expenditure - Basic Parameters

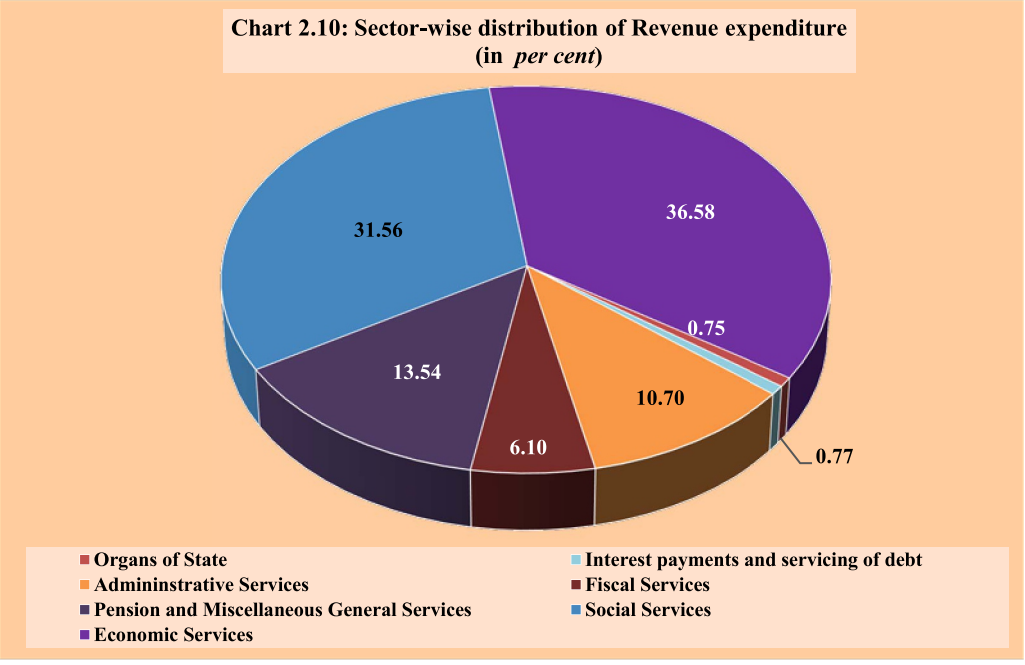
(₹ in crore)

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total expenditure (TE)	6,201	6,703	7,163	7,505	8,911
Revenue expenditure (RE)	5,807	6,387	6,836	7,260	8,748
Rate of Growth of RE (*per cent*)	6.39	9.99	7.03	6.20	20.50
Revenue expenditure as percentage of TE	93.65	95.29	95.43	96.73	98.17
RE/GSDP (*per cent*)	18.07	17.55	18.61	20.34	23.34
RE as percentage of RR	96.73	99.80	100.81	123.26	111.31

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.74	0.75	7.57	(-) 2.19	4.06
Revenue receipts (ratio)	0.56	1.51	1.18	(-) 0.47	0.61

(Source: Finance Accounts of respective years)

Chart 2.10: Sector-wise distribution of Revenue expenditure (in *per cent*)



(Source: Finance Accounts 2021-22)

As a percentage of total Revenue expenditure except for Interest payments and servicing of debt and Economic Services, all other sectors decreased when compared to previous year.

Revenue expenditure as a percentage of GSDP has raised from 20.34 *per cent* in 2020-21 to 23.34 *per cent* in 2021-22, when compared to the rate of growth of Revenue expenditure, which stood at 20.50 *per cent* during 2021-22. As against the target of ₹ 8,724 crore fixed for Revenue expenditure in the Budget estimates, the actual Revenue expenditure was ₹ 8,748 crore.

2.4.2.1 Major changes in Revenue Expenditure

There was a net increase of ₹ 1,488 crore in the Revenue expenditure from ₹ 7,260 crore in 2020-21 to ₹ 8,748 crore in 2021-22. The significant variation under various heads of account with regard to Revenue expenditure of the UT during 2020-21 and 2021-22 are given in **Table 2.17**.

Table 2.17: Variation in Revenue expenditure during 2021-22 as compared to 2020-21

(₹ in crore)

Major Heads and description		2020-21	2021-22	Increase (+)/ Decrease (-)
2048	Appropriation for reduction or avoidance of Debt	15.00	59.56	44.56
2049	Interest Payments	757.25	876.42	119.17
2055	Police	230.23	269.13	38.90
2071	Pensions and Other Retirement benefits	1,062.72	1,183.08	120.36
2202	General Education	740.23	809.66	69.43
2203	Technical Education	94.24	108.41	14.17
2210	Medical and Public Health	594.72	700.04	105.32
2217	Urban Development	107.24	88.88	(-) 18.36
2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	113.36	151.43	38.07
2235	Social Security and Welfare	507.39	603.98	96.59
2401	Crop Husbandry	71.10	81.43	10.33
2405	Fisheries	48.00	60.04	12.04
2408	Food Storage and Warehousing	235.18	202.67	(-) 32.51
2505	Rural Employment	14.40	3.10	(-) 11.30
2801	Power	1,711.19	2,300.94	589.75
2851	Village and Small Industries	16.63	33.26	16.63
2852	Industries	40.24	123.01	82.77
3054	Roads and Bridges	30.54	44.93	14.39
3456	Civil Supplies	9.50	118.77	109.27

(Source: Finance Accounts of respective years)

Table 2.17 indicates that Revenue expenditure under Interest Payments, Pensions and Other Retirement Benefits and Medical and Public Health increased due to increase in the expenses on Interest on Loans for Non-Plan Schemes, Superannuation and Retirement allowances and on Prevention and Control of Disease respectively during 2021-22. In respect of Power Projects and Civil Supplies, increase was due to more expenses on General and Other Expenditure respectively during 2021-22. Similarly, in respect of Urban Development, Food Storage and Warehousing and Rural Employment, decrease was due to reduction

in expenditure on Other Development Schemes, on Food Subsidies and on National Rural Employee Guarantee Scheme respectively.

In respect of Social Security and Welfare, the increase was mainly due to increase in Pensions under social security schemes (₹ 71.19 crore) and Other Insurance Schemes (₹ 13.82 crore), award of various scholarship, stipend and incentive to SC students (₹ 11.70 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**.

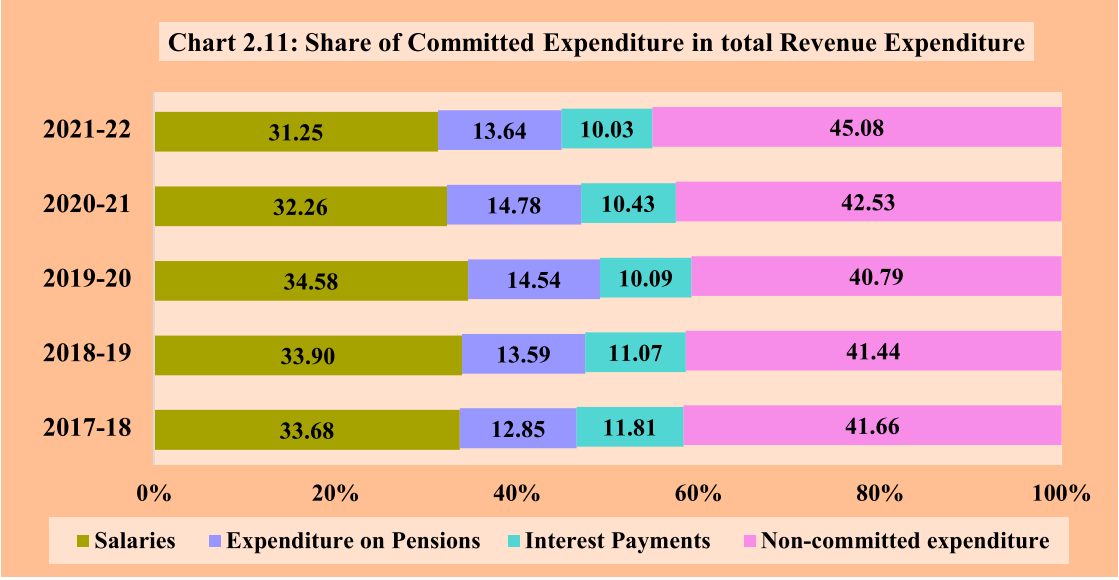
Table 2.18: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Salaries[2]	1,956	2,165	2,364	2,342	2,734
Expenditure on Pensions	746	868	994	1,073	1,193
Interest Payments	686	707	690	757	877
Total	**3,388**	**3,740**	**4,048**	**4,172**	**4,804**
As a percentage of Revenue Receipts (RR)					
Salaries	32.58	33.83	34.86	39.76	34.79
Expenditure on Pensions	12.43	13.56	14.66	18.22	15.18
Interest Payments	11.43	11.05	10.18	12.85	11.16
Total	**56.44**	**58.44**	**59.70**	**70.83**	**61.13**
As a percentage of Revenue Expenditure (RE)					
Salaries	33.68	33.90	34.58	32.26	31.25
Expenditure on Pensions	12.85	13.59	14.54	14.78	13.64
Interest Payments	11.81	11.07	10.09	10.43	10.03
Total	**58.34**	**58.56**	**59.21**	**57.47**	**54.92**

(Source: Finance Accounts of respective years)

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



(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 ₹ 3,388 crore in 2017-18 to ₹ 4,804 crore in 2021-22 by ₹ 1,416 crore. Further, the committed expenditure constituted 54.92 *per cent* of Revenue expenditure and 61.13 *per cent* of Revenue receipts during 2021-22. The non-committed expenditure, a portion of which is being spent on operation and maintenance of existing social and economic services constituted only 45.08 *per cent* of the Revenue expenditure.

Expenditure on salaries during the current year was ₹ 2,734 crore, which increased by ₹ 392 crore (16.74 *per cent*) over the previous year and stood at 34.79 *per cent* of Revenue receipts (₹ 7,859 crore) and 31.25 *per cent* of Revenue expenditure (₹ 8,748 crore) respectively. Over the five-year period 2017-22, it increased by ₹ 778 crore (39.78 *per cent*) from ₹ 1,956 crore in 2017-18 to ₹ 2,734 crore in 2021-22.

Pension payments increased by 11.18 *per cent* from ₹ 1,073 crore in 2020-21 to ₹ 1,193 crore in 2021-22 and it stood at 15.18 *per cent* and 13.64 *per cent* of Revenue receipts and Revenue expenditure respectively. Over the five-year period 2017-22, it increased by ₹ 447 crore (59.92 *per cent*) from ₹ 746 crore in 2017-18 to ₹ 1,193 crore in 2021-22.

Interest payments increased by ₹ 120 crore (15.85 *per cent*) in 2021-22 over the previous year. It constituted around 11.16 *per cent* and 10.03 *per cent* of Revenue receipts and Revenue expenditure respectively. As Public Debt increased from ₹ 7,737 crore in 2017-18 to ₹ 11,686 crore in 2021-22, the interest payment also increased from ₹ 686 crore to ₹ 877 crore during the same period. The increase in interest payments contributed to the revenue deficit.

Government stated (March 2023) that Audit had excluded the repayment of debt which resulted in higher exhibition of committed expenditure. The reply was not acceptable as repayment of debt was not a revenue expenditure and hence not included.

2.4.2.3 Subsidies

The amount of subsidy provided by UT Government during 2017-18 to 2021-22 are given in **Table 2.19**.

Table 2.19: Expenditure on subsidies during 2017-22

	2017-18	2018-19	2019-20	2020-21	2021-22
Subsidies (₹ in crore)	157	173	223	282	280
Subsidies as a percentage of Revenue receipts	2.62	2.70	3.29	4.79	3.56
Subsidies as a percentage of Revenue expenditure	2.70	2.71	3.26	3.88	3.20

(Source: Finance Accounts of respective years)

Subsidies as a percentage of Revenue expenditure increased from 2.70 *per cent* (₹ 157 crore) in 2017-18 to 3.20 *per cent* (₹ 280 crore) in 2021-22 which represents the expenditure booked under the object head '33-Subsidies' mainly under Revenue and Food (₹ 203 crore), Agriculture and Farmer Welfare (₹ 27 crore) and Social Welfare (₹ 16 crore). The expenditure on subsidies during 2021-22 contributed to 10.49 *per cent* of the revenue deficit of ₹ 889 crore.

During the year 2021-22, UT Government provided implicit subsidy of ₹ 23.41 crore under Grant 17 - Education and Grant 21 - Social Welfare. These were booked under the object heads 21 - Supply and Material (Free supply of Text Books) and 50 - Other Charges (Free Distribution of kits to Artisans/ Building construction workers, Free supply of Rice to all disabled persons, Supply of rice and clothing to poor people, Free Distribution of Cycles to all 9th standard students) which were not booked under Object Head 33-Subsidies. The details of expenditure incurred are detailed in the **Table 2.20**.

Table 2.20: Expenditure incurred under School Education and Social Welfare Departments during 2021-22

(₹ in crore)

Particulars	Amount
Free supply of Books, stationery etc.	3.10
Free distribution of Cycles to all 9th standard students	0.59
Free distribution of Kits to Artisans/Building construction workers	0.50
Supply of Rice and Clothing to poor people	12.14
Free supply of Rice to all disabled persons	7.08
Total	**23.41**

Government stated (March 2023) that action would be taken in forthcoming years to book such expenditure under object head-subsidies.

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 2.21**.

Table 2.21: Financial assistance to Local Bodies and other institutions

(₹ in crore)

Financial assistance to Institutions	2017-18	2018-19	2019-20	2020-21	2021-22
(A) Local Bodies					
Municipalities	7.64	9.79	6.66	17.93	4.13
Panchayati Raj Institutions	0.77	1.44	2.41	2.20	0.00
Total (A)	**8.41**	**11.23**	**9.07**	**20.13**	**4.13**
(B) Others					
Educational Institutions (Aided Schools, Aided Colleges, Universities, *etc.*)	104.37	48.36	36.43	44.74	90.46
Development agencies and Autonomous Bodies	381.23	319.68	229.72	310.10	160.19
Co-operatives	14.62	10.07	36.26	14.69	19.02
Electricity Department*					205.17
Other Institutions**	150.90	359.02	467.90	390.05	32.58
Total (B)	**651.12**	**737.13**	**770.31**	**759.58**	**507.42**
Total (A+B)	**659.53**	**748.36**	**779.38**	**779.71**	**511.55**
Revenue expenditure	5,807	6,387	6,836	7,260	8,748
Assistance as a percentage of Revenue expenditure	11.36	11.72	11.40	10.74	5.85

* Settlement of outstanding current consumption charges of various Government departments

** 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 decreased by 79.48 *per cent* during 2021-22, whereas the overall financial assistance decreased from ₹ 779.71 crore in 2020-21 to ₹ 511.55 crore in 2021-22.

Government stated (March 2023) that it showed a positive trend, as the efforts were taken by these institutions self reliant with their own resources.

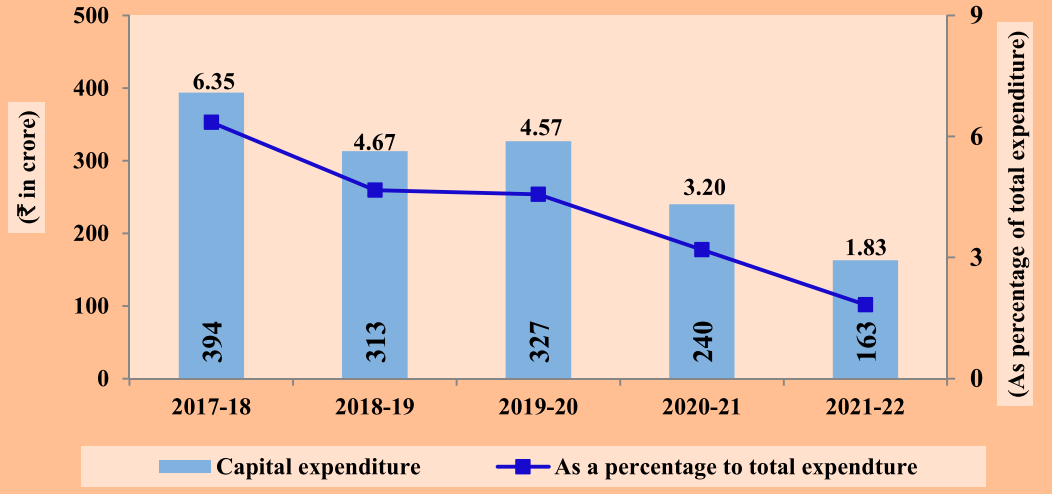
2.4.3 Capital expenditure

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 ₹ 394 crore in 2017-18 to ₹ 163 crore in 2021-22. As a percentage of total expenditure, it stood at 1.83 during 2021-22. However, the UT did not expend the budgetary allocation on creation of assets in any year during the five-year period 2017-22. During 2021-22, as against the budgetary allocation of ₹ 315 crore, only ₹ 163 crore (51.75 *per cent*) was expended.

The details of year-wise Capital expenditure during 2017-18 to 2021-22 and its percentage to total expenditure are given in **Chart 2.12**.

Chart 2.12: Capital expenditure in the UT



(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 ₹ 231 crore during the five-year period indicated that the UT Government was unable to spend on infrastructure and capital works, despite adequate budgetary allocations.

Government stated (March 2023) that during 2020-21, the expenditure included the cost of land acquisition for various projects and hence there was decrease during 2021-22. The reply was not acceptable as the capital expenditure throughout the last five years showed a decreasing trend only.

2.4.3.1 Major changes in Capital expenditure

There was a net decrease of ₹ 76.78 crore in the Capital expenditure from ₹ 239.56 crore in 2020-21 to ₹ 162.78 crore in 2021-22. The significant variations under various heads of account with regard to Capital expenditure of the UT during 2020-21 and 2021-22 are given in **Table 2.22**.

Table 2.22: Capital expenditure during 2021-22 compared to 2020-21

(₹ in crore)

	Major Heads of Account	2020-21	2021-22	Increase (+)/ Decrease (-)
4055	Capital Outlay on Police	5.53	8.30	2.77
4059	Capital Outlay on Public Works	30.29	6.29	(-) 24.00
4070	Capital Outlay on Other Administrative Services	2.93	1.07	(-) 1.86
4202	Capital Outlay on Education, Sports, Art and Culture	54.16	17.78	(-) 36.38
4210	Capital Outlay on Medical and Public Health	7.18	14.34	7.16
4711	Capital Outlay on Flood Control Projects	5.34	3.53	(-) 1.81
4851	Capital Outlay on Village and Small Industries	0.46	1.77	1.31
5051	Capital Outlay on Ports and Light Houses	3.50	1.66	(-) 1.84
5054	Capital Outlay on Roads and Bridges	82.46	45.01	(-) 37.45
5452	Capital Outlay on Tourism	2.98	14.87	11.89

(Source: Finance Accounts of respective years)

Table 2.22 indicates that Capital Expenditure under Public Works and Roads and Bridges, the decrease was due to payment of compensation for land acquisition during 2020-21. Similarly, under Medical and Public Health the increase was due to purchase of motor vehicles and medical equipment.

2.4.3.2 Quality of investments in Public Sector Undertakings

As of March 2022, Government invested ₹ 1,045.54 crore (₹ 714.58 crore[3] in 12 Government Companies and ₹ 330.96 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 2.23**.

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

Table 2.23: Return on Investment

Investment/return/cost of borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
Investment at the end of the year (₹ in crore)	1,027.79	1,033.70	1,043.09	1,043.54	1,045.54
Return (₹ in crore)	0.09	0.09	0.06	0.03	1.95
Return (*per cent*)	0.01	0.01	0.01	Nil	0.19
Average rate of interest on Government Borrowings (*per cent*)	8.02	7.88	7.42	7.44	7.47
Difference between interest rate and return (*per cent*)	8.01	7.87	7.41	7.44	7.28
Difference between interest on Government borrowings and return on investment (₹ in crore)	82.34	81.37	77.34	77.61	76.15

(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 and stood at 0.19 *per cent* during 2021-22, while the average rate of interest paid by the UT Government during 2017-22 ranged between 7.42 and 8.02 *per cent*.

Out of the total 12 working PSUs, five PSUs earned profit of ₹ 38.48 crore and seven PSUs incurred losses of ₹ 49.87 crore aggregating to overall loss of ₹ 11.39 crore during 2021-22. Out of 12 Government companies, seven have completely eroded their net worth[4], while remaining five Government companies have positive net worth as on 31 March 2022. The UT Government has made a cumulative investment of ₹ 461.60 crore in seven loss making Government companies. The investment made by the UT Government in seven Government Companies whose net worth had completely eroded amounted to ₹ 482.13 crore. The status of UT PSUs pertaining to investments made, their net profit/loss and net worth as on 31 March 2022 are given in **Table 2.24**.

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

Table 2.24: 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 2021-22	Cumulative investment as on 31 March 2022
			Year	Amount			
1	Puducherry Agro Service and Industries Corporation Limited (PASIC)	**Loss making**	2012-13	(-) 1.28	(-) 23.26	NIL	15.00
2	Puducherry Agro Products, Food and Civil Supplies Corporation Limited (PAPSCO)	-do-	2013-14	(-) 7.23	(-) 17.19	NIL	9.88
3	Puducherry Adi-Dravidar Development Corporation Limited (PADCO)	-do-	2016-17	(-) 2.09	0.75	NIL	13.18
4	Puducherry Corporation for Development of Women and Differently Abled Persons Limited (PCDWDAP)	-do-	2018-19	(-) 1.40	(-) 11.08	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-	2019-20	(-) 3.62	(-) 34.08	NIL	34.78
7	Puducherry Tourism Development Corporation Limited (PTDC)		2020-21	(-) 6.94	(-) 16.81	NIL	17.59
	Sub-total			**(-) 49.87**	**(-) 308.02**	**NIL**	**461.60**
8	Swadeshee Bharathee Textile Mills Limited (SBTML)	**Profit making**	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-	2020-21	14.10	149.94	NIL	99.78
	Sub-total			**38.48**	**317.24**	**NIL**	**250.79**
	Investments in 359 Co-operative Institutions						**330.96**
	Central Government Investment						**1.68**
	Other Investments[5]						**0.51**
Grand Total				**(-) 11.39**	**9.22**	**Nil**	**1,045.54**

(Source: Details furnished by respective Companies)

[5] 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 seven loss making PSUs, six 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 five profit making PSUs, one PSU *viz.,* SBTML have a negative net worth. No investment was made in any of these PSUs during the last five years ending 2021-22.

Considering the average cost of borrowings of 7.47 *per cent* for the year 2021-22, these companies are required to earn a minimum return of ₹ 53.21 crore against which these companies reported a total net loss of ₹ 11.39 crore as per their latest audited accounts.

Government stated (March 2023) that efforts were being taken to streamline loss making Government companies.

2.4.3.3 Capital locked in incomplete projects

The capital locked in incomplete capital works in the UT are detailed in **Tables 2.25** and **2.26**.

Table 2.25: Age profile of incomplete projects as on 31 March 2022

(₹ in crore)

Year of commence-ment	No of incomp-lete projects	Estimated cost	Expen-diture (as on 31 March 2022)
2007	1	6.26	6.27
2009	1	8.00	0.00
2011	1	0.15	0.10
2014	2	11.69	4.34
2015	1	0.21	0.09
2016	7	67.56	51.76
2017	1	0.15	0.16
2018	3	22.78	10.20
2019	6	41.54	13.82
2020	11	45.65	27.57
2021	15	22.90	10.28
2022	11	3.33	0.35
Total	**60**	**230.22**	**124.94**

(Source: Finance Accounts 2021-22)

Table 2.26: Department-wise profile of incomplete projects as on 31 March 2022

(₹ in crore)

Depart-ment	No of incom-plete projects	Estimated cost	Expen-diture
Public Work/ Irrigation	56	217.63	118.47
Electricity	4	12.59	6.47
Total	**60**	**230.22**	**124.94**

It could be seen from **Tables 2.25** and **2.26** that as against estimated amount of ₹ 230.22 crore, an amount of ₹ 124.94 crore has been incurred. The projects, however, remained incomplete as of March 2022. It was seen that in respect of 34 projects on which an expenditure of ₹ 114.31 crore incurred remained incomplete for periods ranging from three to 14 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 ₹ 394 crore in 2017-18 to ₹ 163 crore in 2021-22. 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 stated (March 2023) that action was being taken to complete the projects at the earliest.

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 2017-18 and 2021-22 are given in **Table 2.27**.

Table 2.27: Fiscal priority of UT Government in 2017-18 and 2021-22

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)	2017-18	19.29	68.33	37.79	6.36	30.54	12.29	8.14
	2021-22	23.77	68.54	31.64	1.83	36.90	10.83	8.19
General Category States (Percentage)	2017-18	16.13	67.82	36.65	15.56	31.17	15.17	5.09
	2021-22	15.84	66.74	38.31	14.41	28.84	14.66	6.20

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 2.27**, 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.*, 2017-18 and 2021-22. The increase in aggregate expenditure of UT Government, as a percentage to GSDP from 19.29 in 2017-18 to 23.77 in 2021-22, indicated that UT Government spent more of its GSDP on aggregate expenditure in 2021-22. Capital expenditure of the UT was less than that of GCS during both the years and it reduced from 6.35 *per cent* in 2017-18 to 1.83 *per cent* of the aggregate expenditure in 2021-22. Expenditure on Health and Family Welfare had marginally increased from 8.14 *per cent* in 2017-18 to 8.19 *per cent* of the aggregate expenditure in 2021-22 and it was higher when compared to the GCS in both the years. Though the expenditure on Education, Sports, Art and Culture increased by ₹ 49.95 crore during 2021-22, as a percentage of aggregate expenditure, it decreased from 12.29 *per cent* in 2017-18 to 10.83 *per cent* in 2021-22. 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 2022 are given in **Table 2.28**.

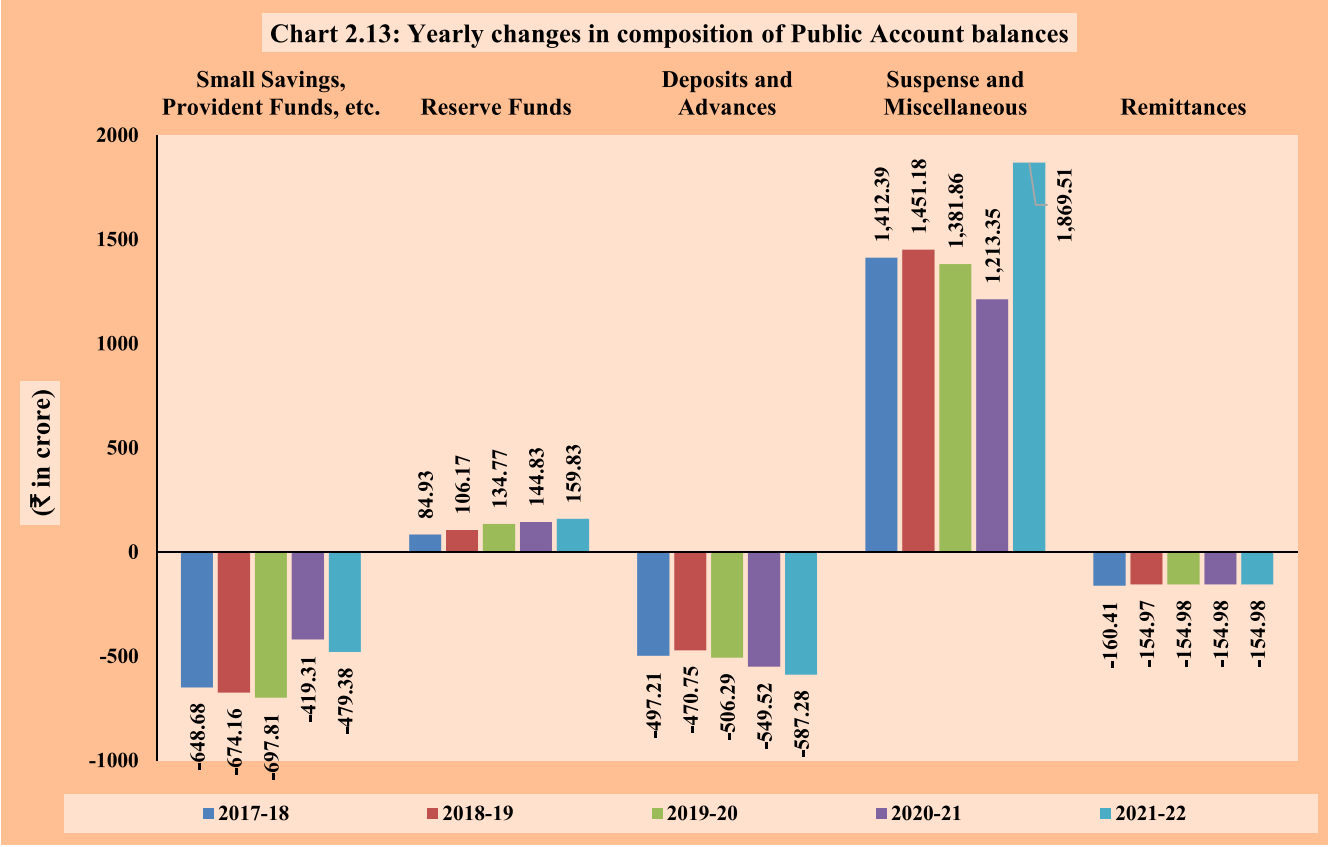
Table 2.28: Component-wise net balances in Public Account

(₹ in crore)

Sector	Sub Sector	2017-18	2018-19	2019-20	2020-21	2021-22
I. Small Savings, Provident Funds, *etc*.	Small Savings, Provident Funds, *etc*.	(-) 648.68	(-) 674.16	(-) 697.81	(-) 419.13	(-) 479.38
J. Reserve Funds	(a) Reserve Funds bearing Interest	--	--	--	--	
	(b) Reserve Funds not bearing Interest	84.93	106.17	134.77	144.83	159.83
K. Deposits and Advances	(a) Deposits bearing Interest	(-) 116.07	(-) 135.49	(-) 165.49	(-) 161.94	(-) 187.02
	(b) Deposits not bearing Interest	(-) 381.82	(-) 335.89	(-) 341.43	(-) 388.16	(-) 400.81
	(c) Advances	0.68	0.63	0.63	0.58	0.55
L. Suspense and Miscellaneous	(b) Suspense	(-) 263.54	276.94	307.74	285.94	250.86
	(c) Other Accounts	1,675.93	1,174.24	1,074.12	927.41	1,618.65
	(d) Accounts with Governments of Foreign Countries	--	--	--	--	--
	(e) Miscellaneous	--	--	--	--	--
M. Remittances	(a) Money Orders and other Remittances	(-) 160.41	(-) 154.97	(-) 154.98	(-) 154.98	(-) 154.98
	(b) Inter-Governmental Adjustment Account	--	--	--	--	--
Total		**191.02**	**257.47**	**157.55**	**234.54**	**807.70**

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**.



(Source: Finance Accounts of respective years)

The Public Account liability of the UT Government increased from ₹ 824 crore in 2020-21 to ₹ 907 crore in 2021-22. This was mainly due to increase in Small Savings and Provident fund (₹ 60 crore) and increase in Deposits and advances (₹ 38 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

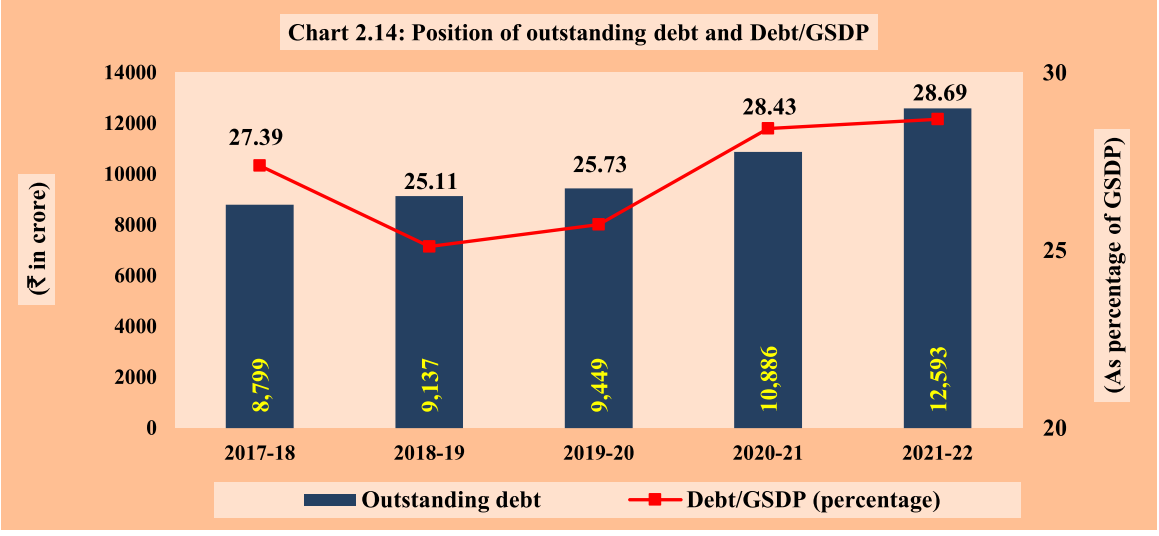
As per the request of the Reserve Bank of India, the UT Government have set up the Consolidated Sinking Fund from the financial year 2009-10. The fund is to be utilised as an Amortisation fund for redemption of the outstanding liabilities (comprise of internal debt and public account liabilities) of 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 2021-22, the opening outstanding liabilities of the UT Government was ₹ 8,843.96 crore (Public Debt - ₹ 8,019.56 crore and Public Account - ₹ 824.40 crore) for which the UT Government had to contribute ₹ 44.22 crore at 0.5 *per cent* of the total outstanding

liabilities for which the UT Government had contributed ₹ 59.52 crore. As of 31 March 2022, the UT Government had invested ₹ 466.61 crore.

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 2017-18 to 2021-22 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 trend are given in **Table 2.29** and **Charts 2.15, 2.16** and **2.17**.

Table 2.29: Component-wise debt trends

(₹ in crore)

Particulars		2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding overall Debt		8,799	9,137	9,449	10,886	12,593
Public Debt		**7,737**	**8,098**	**8,379**	**10,062**	**11,686**
	External Debt	Nil	50	50	50	50
	Internal Debt	6,016	6,479	6,911	7,970	8,650
	Loans from GoI	1,721	1,569	1,418	2,042	2,986
Public Account Liabilities		**1,062**	**1,039**	**1,070**	**824**	**907**
Rate of growth of outstanding debt (*per cent*)		6.02	3.84	3.41	15.21	15.68
Gross State Domestic Product (GSDP)		**32,129**	**36,386**	**36,724**	**35,685**	**37,485**
Debt/GSDP (*per cent*)		27.39	25.11	25.73	28.43*	28.69*
Total Debt Receipts		1,061	1,007	1,043	2,529	2,516
Total Debt Repayments		570	639	762	838	891
Total Debt Available		491	368	281	1,691	1,625
Debt Repayments/Debt Receipts (*per cent*)		53.72	63.46	73.06	33.14	35.41

* Calculated excluding the back-to-back loan of ₹ 742 crore and ₹ 1,096 crore received from GoI in lieu of GST Compensation shortfall during 2020-21 and 2021-22 respectively.

(Source: Finance Accounts of respective years)

Chart 2.15: Break up of Outstanding Debt at the end of 2021-22
Total Debt - ₹ 12,593 crore

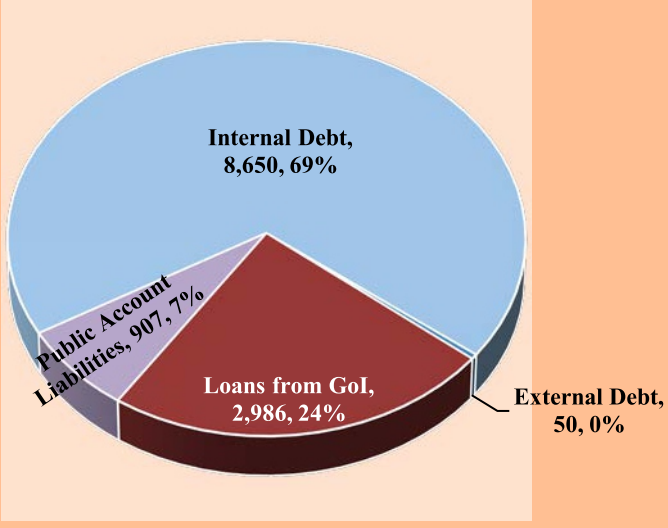
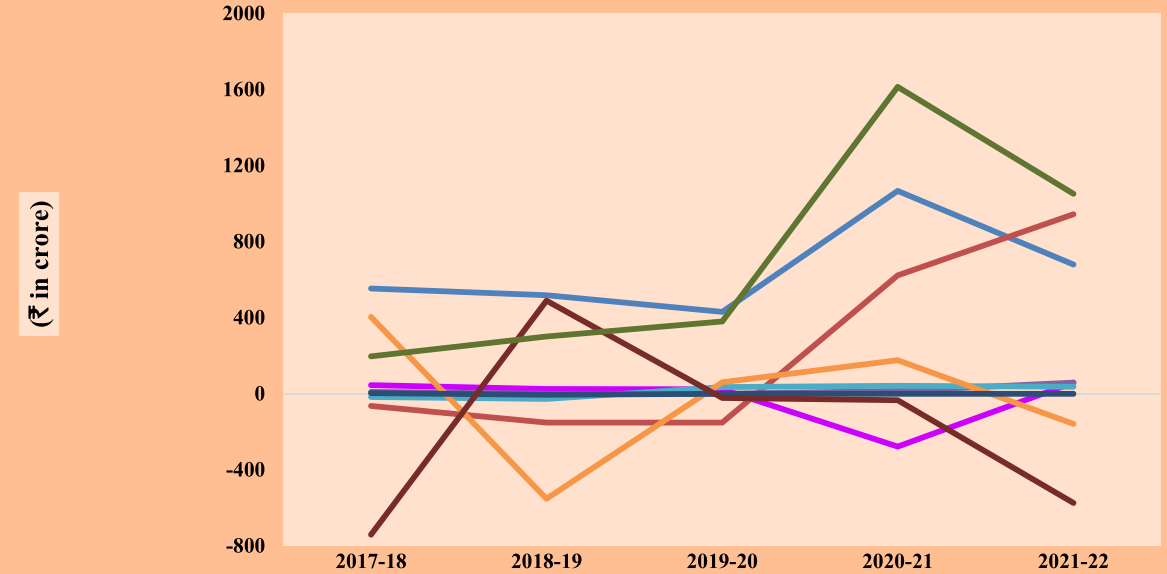
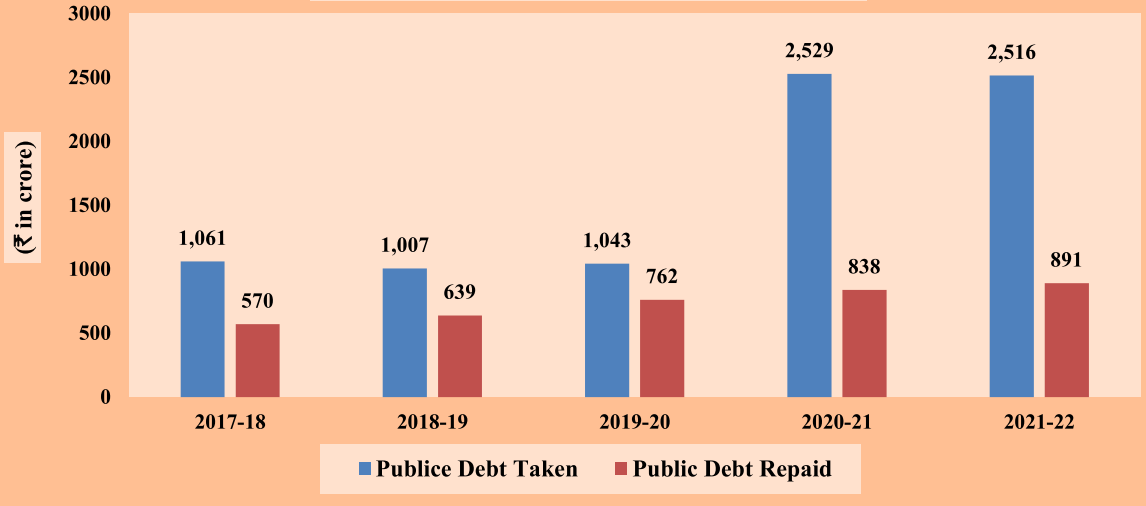


Chart 2.16: Component-wise debt trends



	2017-18	2018-19	2019-20	2020-21	2021-22
Market Borrowing	554	519	432	1,067	681
Loans from GoI	-64	-151	-151	624	944
Small Savings, Provident Fund, etc.	46	25	24	-278	60
Reserve Fund	10	0.16	0	15	60
Deposits and Advances	-16	-26	36	43	38
Suspense and Miscellaneous	405	-551	61	177	-157
Remittances	3	-5	0	0	0
Increase/Decrease in Cash Balance	-741	491	-21	-33	-574
Gross Fiscal Deficit	197	302	381	1,615	1,052

Chart 2.17: Public debt taken *vis-à-vis* repaid



(Source: Finance Accounts of respective years)

It could be seen that the outstanding debt (including Public Account liabilities) increased from ₹ 8,799 crore in 2017-18 to ₹ 12,593 crore in 2021-22 and the rate of growth also increased from 6.02 *per cent* to 15.68 *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 53.72 to 73.06 upto 2019-20 and steeply declined to 35.41 in 2021-22. The decline was due to classification of GST compensation shortfall of ₹ 1,096.29 crore received from GoI as Public Debt. Out of the total Debt Receipt of ₹ 2,516 crore during 2021-22, an amount of ₹ 891 crore was utilised for repayment of debt, leaving a balance of only ₹ 1,625 crore available for spending.

2.6.2 Components of fiscal deficit and its financing

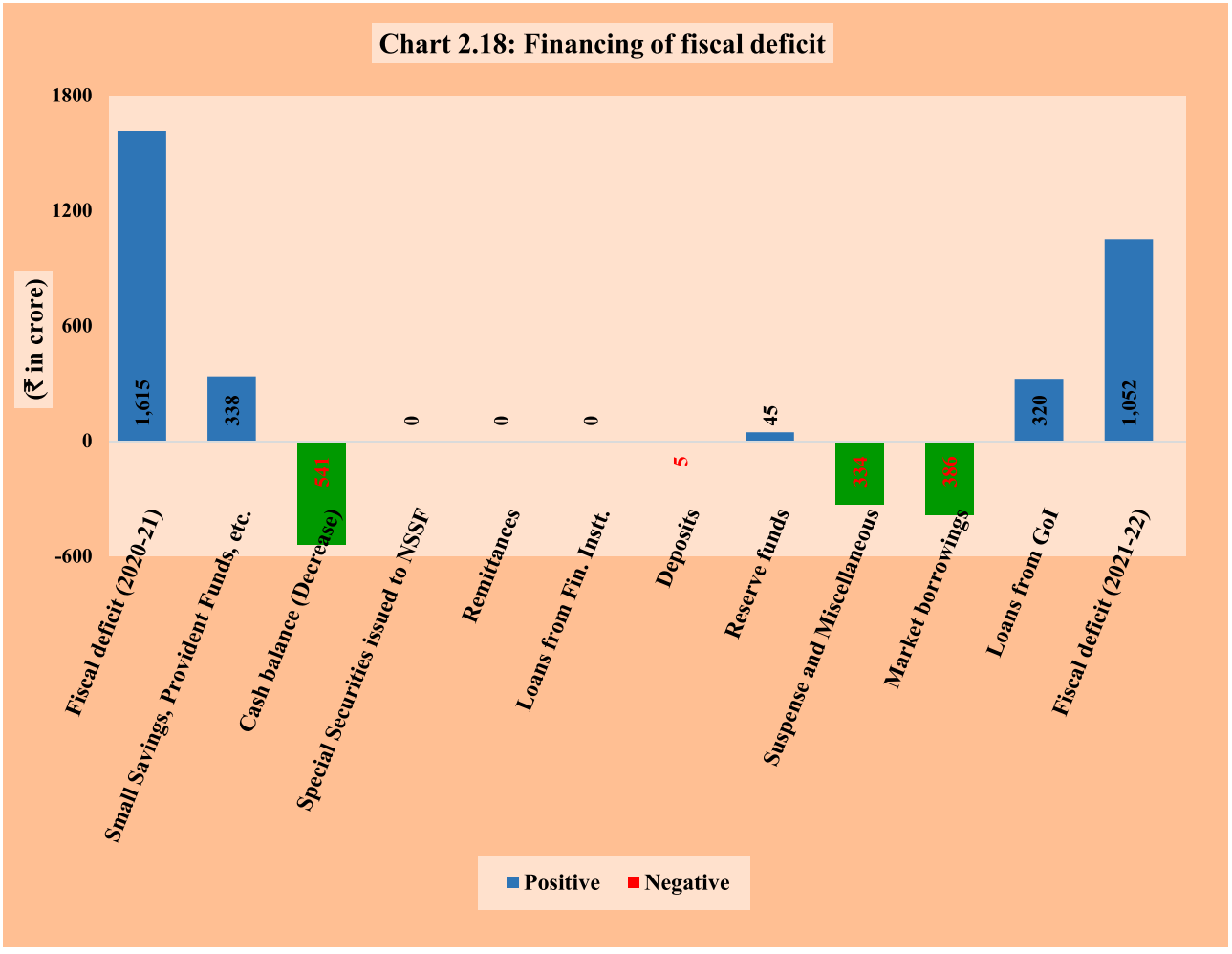
The various components of fiscal deficit and its financing pattern are detailed in **Table 2.30** and **Chart 2.18**.

Table 2.30: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2017-18	2018-19	2019-20	2020-21	2021-22
Composition of Fiscal Deficit		**(-) 197**	**(-) 302**	**(-) 381**	**(-) 1,615**	**(-) 1,052**
1	Revenue Deficit	196	13	(-) 54	(-) 1,370	(-) 889
2	Net Capital Expenditure	(-) 394	(-) 313	(-) 327	(-) 240	(-)163
3	Net Loans and Advances	1	(-) 2	0	(-) 5	0
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	554	519	432	1,067	681
2	Loans from GoI	(-) 64	(-) 151	(-) 151	624	944
3	Special Securities issued to NSSF	--	--	--	--	--
4	Loans from Financial Institutions	--	--	--	--	--
5	Small Savings, PF, *etc.*	46	25	24	(-) 278	60
6	Deposits and Advances	(-) 16	(-) 26	36	43	38
7	Suspense and Miscellaneous	405	(-) 551	61	177	(-) 157
8	Remittances	3	(-) 5	0	0	0
9	Reserve Fund	10	0.16	0	15	60
10	**Overall Deficit**	**938**	**(-) 189**	**402**	**1,648**	**1,626**
11	Increase/Decrease in cash balance	741	(-) 491	21	33	574
12	**Gross Fiscal Deficit**	**(-) 197**	**(-) 302**	**(-) 381**	**(-) 1,615**	**(-) 1,052**

(Source: Finance Accounts of respective years)



(Source: Finance Accounts 2021-22)

The Fiscal deficit increased from ₹ 197 crore in 2017-18 to ₹ 1,052 crore in 2021-22. This was mainly due to increase in revenue deficit.

2.6.3 Debt profile - Maturity and Repayment

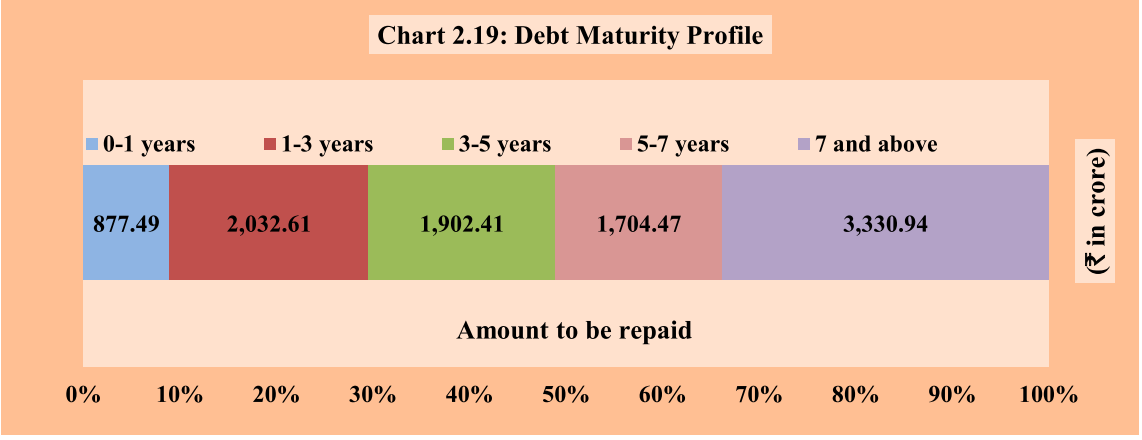
The debt maturity and repayment profile indicate commitment on the part of the Government for debt repayment or debt servicing.

The debt maturity profile of repayment of debt and repayment schedule of market loans by the UT Government are given in **Table 2.31** and **Charts 2.19** and **2.20**.

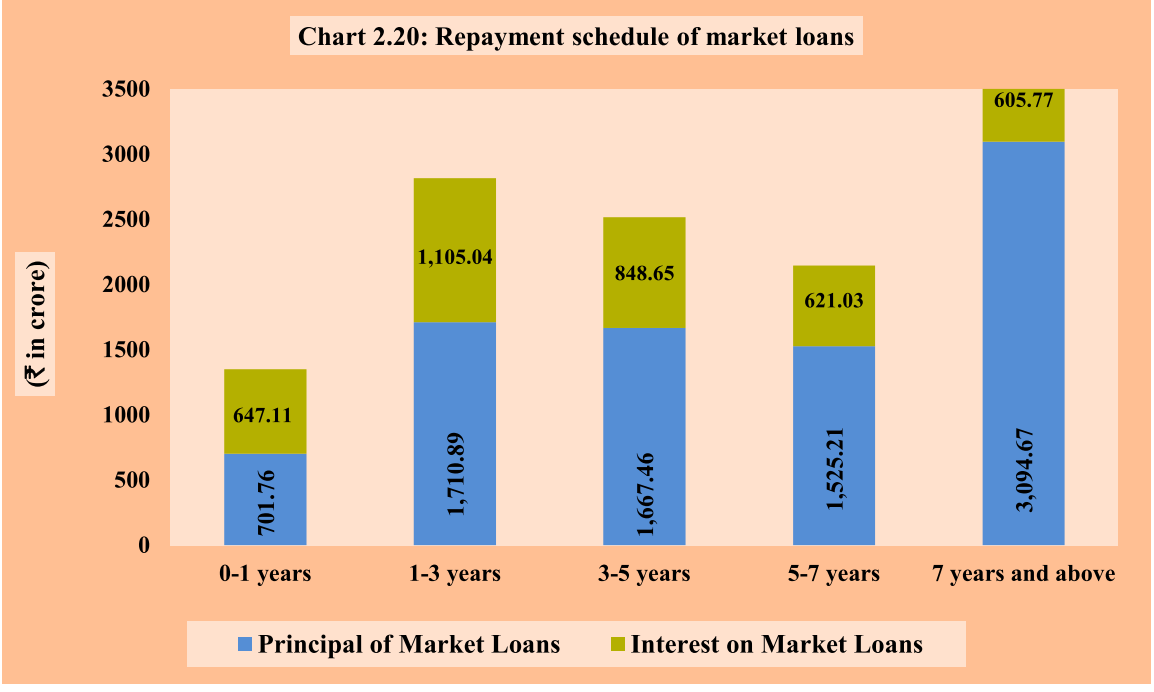
Table 2.31: Debt Maturity profile of repayment of debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage to Public Debt
0 - 1	877.49	8.91
1 - 3	2,032.61	20.64
3 - 5	1,902.42	19.32
5 - 7	1,704.47	17.31
7 and above	3,330.94	33.82
Total	**9,847.93**[6]	**100**

(Source: Finance Accounts 2021-22)



(Source: Finance Accounts 2021-22)



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

[6] Does not include ₹ 1,838 crore released by GoI as back-to-back loan in lieu of GST compensation shortfall, as there is no repayment obligation to UT Government.

The maturity profile of UT Government's Public Debt indicates that nearly 66.18 *per cent* of the total Public debt was repayable within next seven years, which indicates a year-on-year increase in its repayment burden.

2.7 Debt Sustainability Analysis

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

Fiscal space in general refers to the room a Government has to undertake discretionary policy relative to existing plans without undermining debt sustainability or market access. Apart from the magnitude of debt of UT Government, it was important to analyze various indicators that determine the debt sustainability of UT. This section assesses the sustainability of debt of UT Government in sufficiency of non-debt receipts, net availability of borrowed funds [7] and burden of interest payments (measured by interest payments to revenue receipts ratio).

Table 2.32 indicates debt sustainability of the UT for a period of five years beginning from 2017-18.

Table 2.32: Trends in Debt Sustainability indicators

(₹ in crore)

Debt Sustainability Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding Public Debt*	7,737	8,098	8,379	10,062	11,686
Rate of growth of outstanding Public Debt	6.77	4.67	3.47	20.09	16.14
GSDP	32,129	36,386	36,724	35,685	37,485
Rate of growth of GSDP	8.64	13.25	0.93	(-) 2.83	5.04
Debt/GSDP	24.08	22.26	22.82	26.12[$]	26.27[$]
Average interest rate of outstanding Public Debt (*per cent)*	8.25	8.55	8.22	8.21	8.07
Percentage of Interest payment to Revenue receipts	11.43	11.05	10.18	12.85	11.16

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

Debt Sustainability Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
Percentage of Debt Repayment to Debt Receipts	53.72	63.46	73.06	33.14	35.41
Net Debt available to the UT#	(-) 127.47	(-) 265.12	(-) 396.35	1,006.57	835
Net Debt available as *per cent* to Debt Receipts	(-) 12.01	(-) 26.33	(-) 38.00	39.80	33.19
Debt Stabilisation (Quantum spread@ + Primary Deficit)	517	341	541	(-) 1,889	(-) 476

$ Calculated excluding the back-to-back loan of ₹ 742 crore and ₹ 1,096.29 crore received from GoI in lieu of GST Compensation shortfall during 2020-21 and 2021-22 respectively

* 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.

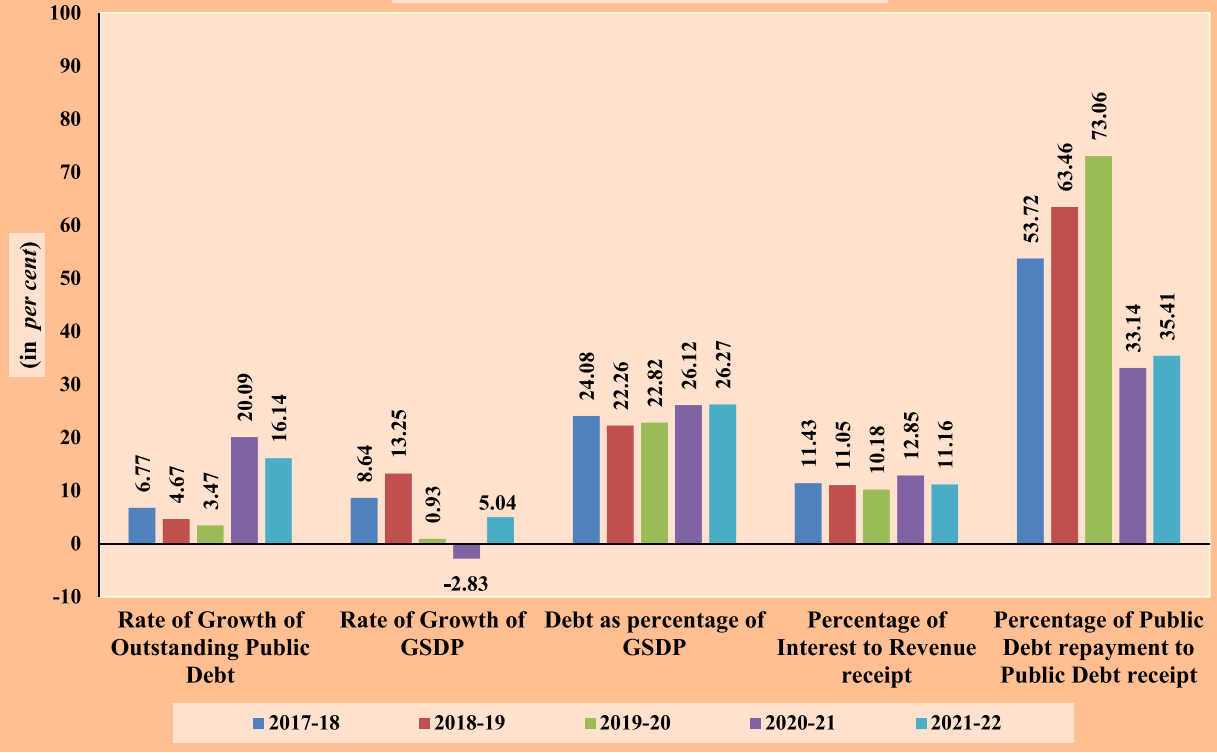
\# Net debt available to the UT Government is calculated as excess of Public Debt receipts over Public debt repayment and interest payment on Public Debt.

@ 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 ₹ 1,096 crore received from GoI in lieu of GST Compensation shortfall was ₹ 10,590 crore and the Debt-GSDP ratio was 26.27 *per cent* during 2021-22. The trends of debt sustainability indicators for the period 2017-18 to 2021-22 are indicated in **Chart 2.21.**

Chart 2.21: Debt Sustainability Indicators



(Source: Finance Accounts of respective years)

- The rate of growth of outstanding debt, which was at 6.77 *per cent* in 2017-18 increased to 16.14 *per cent* in 2021-22. As against the budget size of ₹ 10,530 crore, the outstanding debt stood at ₹ 11,686 crore.
- UT's Debt-GSDP ratio gradually decreased from 24.08 to 22.82 during 2017-20 and increased and stood at 26.27 *per cent* during 2021-22. An increasing Debt/GSDP ratio considered as leading towards instability and unsteadiness.
- The burden of interest payments to revenue receipts decreased from 12.85 *per cent* in 2020-21 to 11.16 *per cent* during 2021-22. The decrease was due to increase in Revenue receipts from ₹ 5,890 crore in 2020-21 ₹ 7,859 crore in 2021-22.
- The debt repayment to debt receipts decreased from 73.06 *per* cent in 2019-20 to 33.14 *per cent* in 2020-21 and stood at 35.41 *per cent* in 2021-22. The sudden downfall in the debt repayment to debt receipts during 2020-22 was mainly due to release of ₹ 742 crore and ₹ 1,096 crore during 2020-21 and 2021-22 respectively as back-to-back loan in lieu of GST compensation shortfall by GoI.
- The net debt available to UT Government decreased to ₹ 835 crore in 2021-22. Interest paid on public debt was ₹ 790 crore which was 31.40 *per cent* of the borrowings of ₹ 2,516 crore during 2021-22. The debt repaid during the year was ₹ 891 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 (₹ 163 crore) which was less by 48.25 *per cent* of the budget estimate of ₹ 315 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 2.33** and **Chart 2.22**.

Table 2.33: Utilisation of borrowed funds

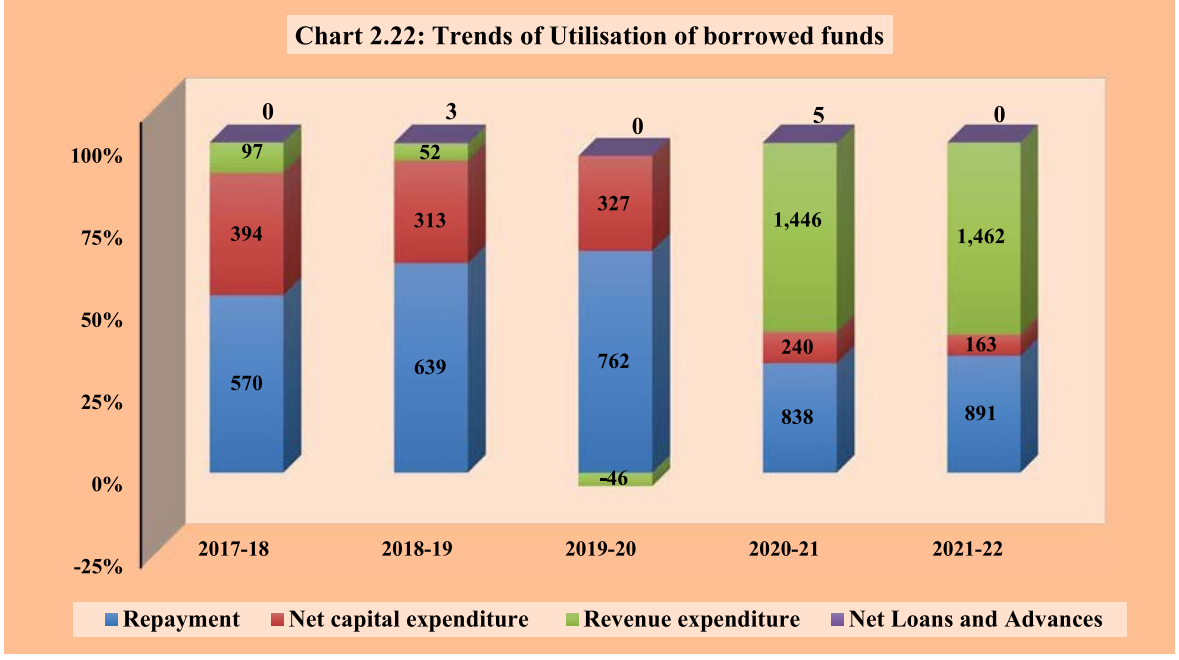
(₹ in crore)

Year	Row No.	2017-18	2018-19	2019-20	2020-21	2021-22
Total Borrowings	**1**	1,061	1,007	1,043	2,529	2,516
Repayment of earlier borrowings (Principal)	**2**	570	639	762	838	891
Net Capital expenditure	**3**	394	313	327	240	163
Net Loans and Advances	**4**	0	3	0	5	0
Portion of Revenue expenditure met out of net available borrowings	**5=1-2-3-4**	97	52	(-) 46	1,446	1,462

(Source: Finance Accounts of respective years)

It could be seen from **Table 2.33** that total borrowing had increased by 137.13 *per cent* from ₹ 1,061 crore in 2017-18 to ₹ 2,516 crore in 2021-22, whereas the repayment of borrowing increased by 56.32 *per cent* during the same period. During the five-year period 2017-22, 45.37 *per cent* of Public Debt receipts were utilised for repayment of Public Debt taken in earlier years.

Chart 2.22: Trends of Utilisation of borrowed funds



(Source: Finance Accounts of respective years)

It could be seen from **Table 2.33** that ₹ 891 crore (35.41 *per cent*) out of the borrowing of ₹ 2,516 crore has been utilised for repayment of debt and the balance utilised for meeting mainly the Revenue expenditure leading to lesser spending on creation of capital assets.

Government stated (March 2023) that in order to meet the revenue deficit the borrowed funds other than negotiated loan were utilised. The reply was not

acceptable as the borrowed funds should be ideally used mainly for capital creation.

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 2.34**.

Table 2.34: Guarantees given by UT and GoI on behalf of UT of Puducherry

Guarantees	2017-18	2018-19	2019-20	2020-21	2021-22
Maximum amount guaranteed (₹ in crore)	63.18	63.18	63.18	53.68	53.68
Outstanding amount of guarantees (₹ in crore)	49.16	48.24	42.17	39.98	30.98
Percentage of maximum amount guaranteed to total Revenue receipts	1.05	0.99	0.93	0.91	0.68

(Source: Finance Accounts of respective years)

As a percentage of Revenue receipts, the maximum amount guaranteed decreased from 0.91 in 2020-21 to 0.68 in 2021-22. 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 2021-22 are given in **Table 2.35**.

Table 2.35: Cash Balances and their investment

(₹ in crore)

		Opening balance as on 1 April 2021	Closing balance as on 31 March 2022
(A)	**General cash balance**		
(i)	Cash in treasuries	Nil	Nil
(ii)	Deposits with RBI	0.16	0.15
(iii)	Deposits with other banks	Nil	Nil
(iv)	Local remittances	Nil	Nil
Total		**0.16**	**0.15**
(v)	Investment held in cash balance investment account	1,279.73	1,779.36
Total (A)		**1,279.89**	**1,779.51**
(B)	**Other cash balances and investments**		
(vi)	Departmental cash balances	0.44	0.31
(vii)	Permanent Imprest	2.97	3.10
(viii)	Investment in earmarked funds	392.09	466.61
Total (B)		**395.50**	**470.02**
Grand Total (A) + (B)		**1,675.39**	**2,249.53**
Interest realised		**38.16**	**65.79**

(Source: Finance Accounts 2021-22)

The cash balance increased from ₹ 1,675.39 crore in 2020-21 to ₹ 2,249.53 crore in 2021-22. During the year, the cash balance investment[8] was ₹ 1,779.36 crore. The cash balance investment and the interest earned during the period 2017-22 are given in **Table 2.36**.

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

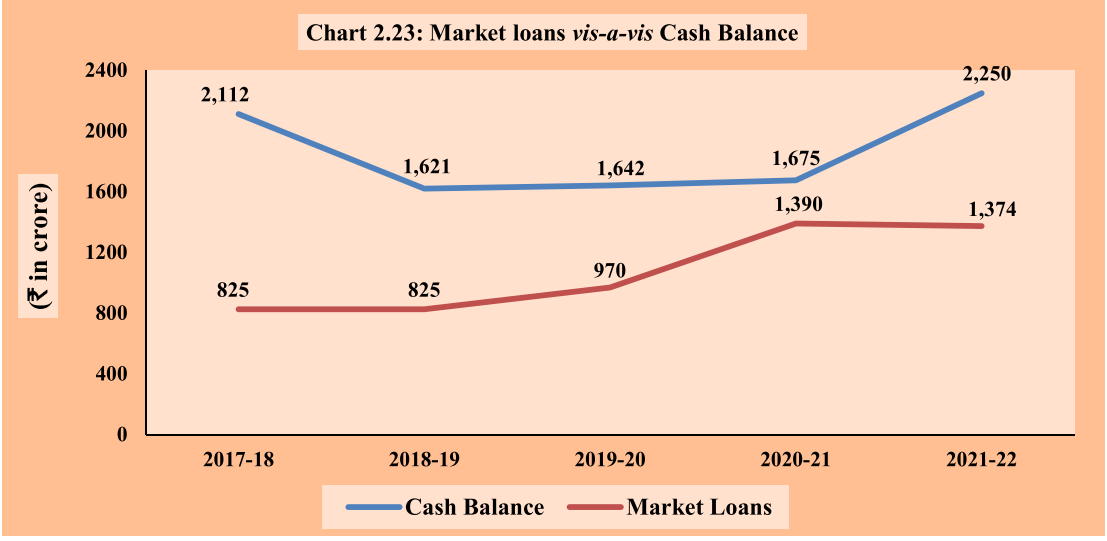
Table 2.36: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
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
2021-22	1,279.73	1,779.36	499.63	65.79

(Source : Finance Accounts of respective years)

It could be seen from **Table 2.36** that the cash balance investment had decreased by 0.74 *per cent* from ₹ 1,792.64 crore in 2017-18 to ₹ 1,779.36 crore in 2021-22. It is pertinent to point out that during the same period, the Public Debt receipts increased by 137.13 *per cent* from ₹ 1,061 crore in 2017-18 to ₹ 2,516 crore in 2021-22. The Cash balances and Market loans during the five-year period 2017-22 are indicated in **Chart 2.23**.



(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 2.37**.

Table 2.37: 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 2021	710.37	801.43	1,511.80	1.09
May 2021	501.22	801.43	1,302.65	--
June 2021	307.35	801.42	1,108.77	--
July 2021	619.79	1,101.42	1,721.21	517.00
August 2021	549.23	1,101.42	1,650.65	--
September 2021	553.69	1,101.42	1,655.11	126.68
October 2021	1,048.32	967.76	2,016.08	579.92
November 2021	925.26	1,270.76	2,196.02	129.24
December 2021	706.62	1,270.76	1,977.38	256.37
January 2022	1,375.38	1,249.18	2,624.56	400.39
February 2022	949.27	1,352.25	2,301.52	198.79
March 2022	928.82	856.18	1,785.00	306.55
Total				**2,516.03**

(Source : Details furnished by DAT, Puducherry and Finance Accounts 2021-22)

It could be seen from **Table 2.37** above that the average monthly cash balance investment during 2021-22 was ₹ 1,820.90 crore, whereas the UT Government resorted for borrowings of ₹ 2,516.03[9] crore during 2021-22. While the average interest rate on Government borrowing was 7.94 *per cent*, the average interest earned on cash balance investment was only 4.30 *per cent.* Thus, resorting to borrowings despite availability of huge cash balance was against the principles of financial prudence.

Government stated (March 2023) that approval has been obtained to utilise the Public account receipts against borrowings depending upon the cash balance and market conditions.

2.8 Conclusion and Recommendations

UT's own resources

While the UT Government registered an increase of ₹ 1,969 crore (33.43 *per cent*) in its Revenue Receipts during 2021-22 when compared to

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

previous year. However, as against the target fixed in the Budget, UT's own Tax revenue fell short by 21.72 *per cent* (₹ 898 crore).

The Non-tax revenue of the UT increased by ₹ 724 crore in 2021-22 over the previous year. The ratio of UT's Revenue Receipts to GSDP during 2021-22 was 20.97 *per cent*. Despite considerable increase in Own tax and Non-tax revenue during the current year, the UT witnessed a Revenue deficit of ₹ 889 crore.

As of March 2022, there was huge arrears in collection of revenue to the tune of ₹ 1,067.90 crore and out of which ₹ 674.92 crore were outstanding for more than five years.

Recommendation: *The UT Government should put a significant thrust through regular and periodical monitoring of Tax/Non-tax revenue which were short realised and strengthen the machinery for detection of evasion of taxes thereby eliminating Revenue deficit and reducing dependency on GoI grants.*

(Paragraphs 2.3.2.1, 2.3.2.2 and 2.3.4)

Revenue expenditure

Rate of growth of Revenue expenditure during the five-year period increased from 6.39 *per cent* in 2017-18 to 20.50 *per cent* in 2021-22. During the current year, it witnessed an increase of ₹ 1,488 crore over the previous year. The Revenue expenditure to total expenditure stood at 98.17 *per cent* during the year. Out of the total borrowings of ₹ 2,516 crore, ₹ 1,462 crore was utilised to meet the Revenue expenditure.

Capital expenditure

As against the Capital expenditure of ₹ 394 crore incurred during 2017-18, the expenditure incurred during 2021-22 was only ₹ 163 crore which constituted only 1.83 *per cent* of the total expenditure which indicated that the UT was not prioritising on infrastructure development. Besides this, an amount of ₹ 124.94 crore has been incurred on projects which remained incomplete as of March 2022 and had not yielded the intended benefits.

Recommendation*: The UT Government should prioritise infrastructure development and formulate guidelines for quick completion of incomplete projects and strictly monitor reasons for time and cost overrun with a view to take corrective action. In addition, it should give priority to works nearing completion.*

(Paragraphs 2.4.2, 2.4.3 and 2.7.1)

Investments in Public Sector Undertakings

The return on investment of ₹ 1,045.54 crore as of March 2022 in Government companies and Co-operative institutions was negligible (₹ 1.95 crore) at 0.19 *per cent*.

***Recommendation**: The UT Government should review the working of Government companies and Co-operative institutions incurring huge losses and take appropriate action for disinvestment/revival/closure if they are not fulfilling any social objective.*

(Paragraph 2.4.3.2)

Position of Cash balance

The Cash Balance (including investment of earmarked funds and deposits with RBI) of the UT at the end of the year increased by 34 *per cent* over the previous year.

***Recommendation**: Maintaining idle cash balance is not prudent cash management and hence Government needs to borrow based on its requirement.*

(Paragraph 2.7.3)

CHAPTER III

BUDGETARY MANAGEMENT

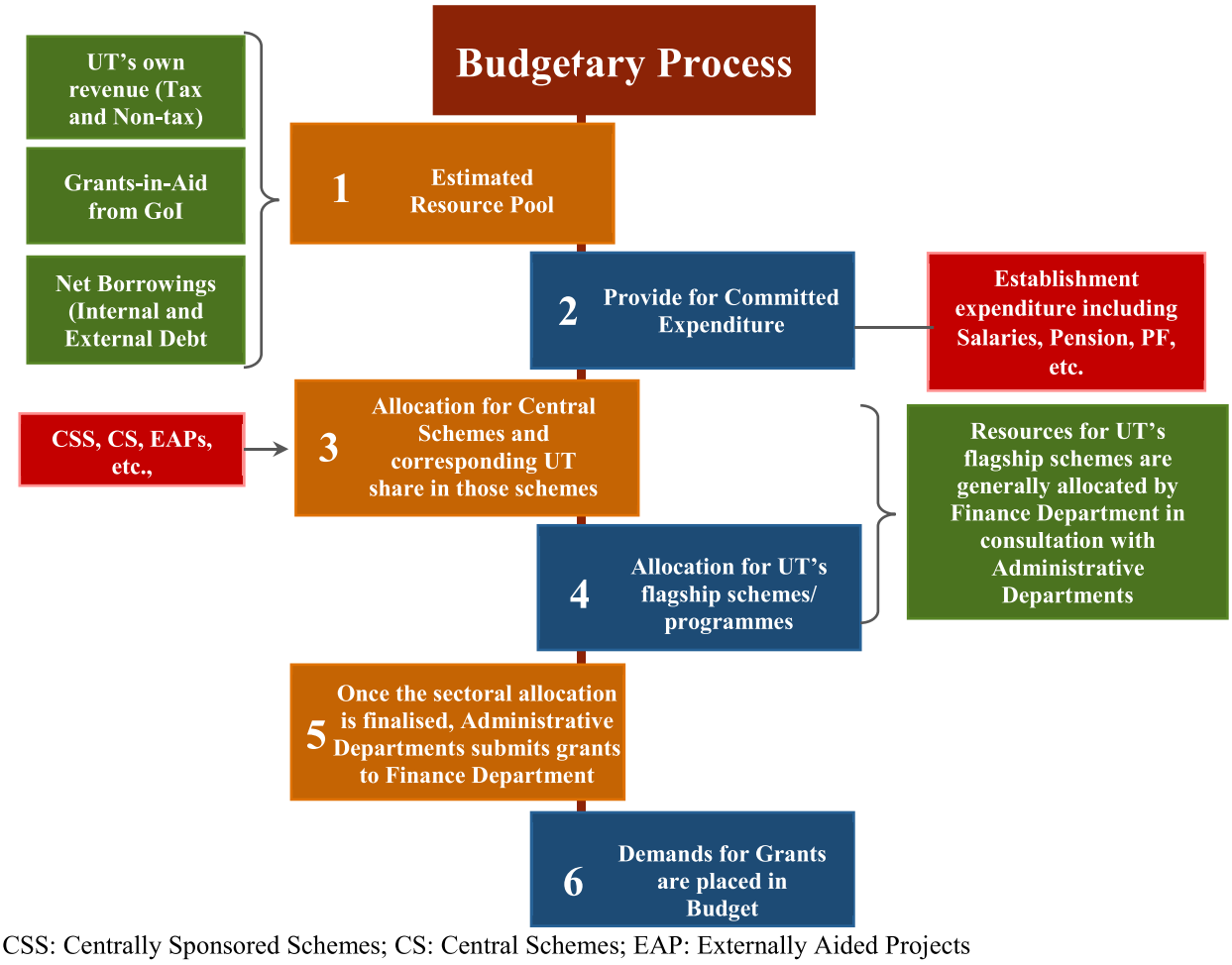
CHAPTER III: BUDGETARY MANAGEMENT

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 chart below.

Budget Preparation Process



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 2021-22

A summarised position of total budget provision, disbursements and saving/excess with bifurcation into voted/charged for the year 2021-22 are given in **Table 3.1**.

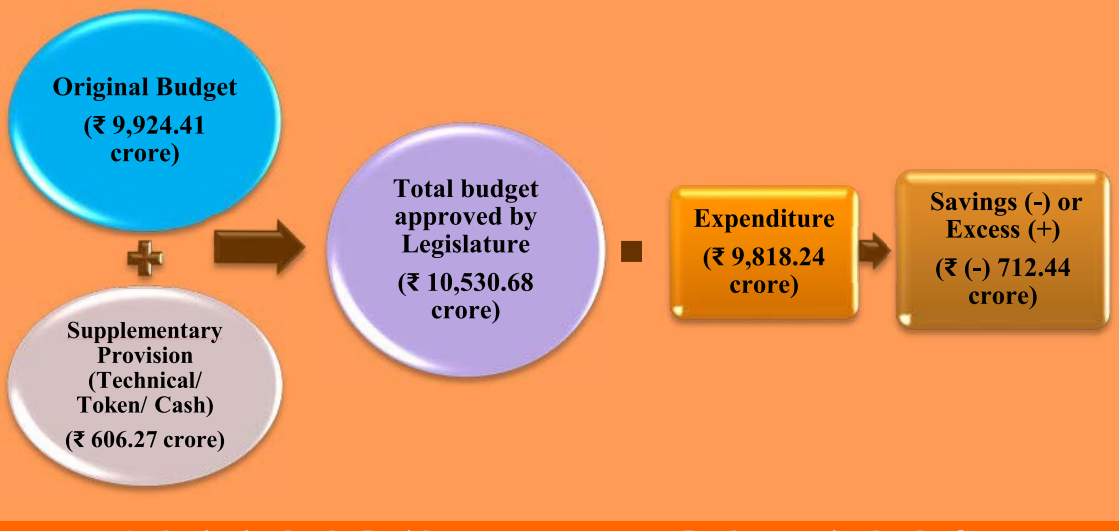
Table 3.1: Budget provision, disbursement and savings/excess during 2021-22

(₹ in crore)

Total Budget provision		Disbursements		Saving (-) /Excess (+)	
Voted	**Charged**	**Voted**	**Charged**	**Voted**	**Charged**
8,603.13	1,927.55	7,920.50	1,897.74	(-) 682.63 (7.93 *per cent*)	(-) 29.81 (1.55 *per cent*)

The total amount approved by the UT Legislature including Original and Supplementary budgets, expenditure and savings during 2021-22 are depicted in the **Chart 3.1**.

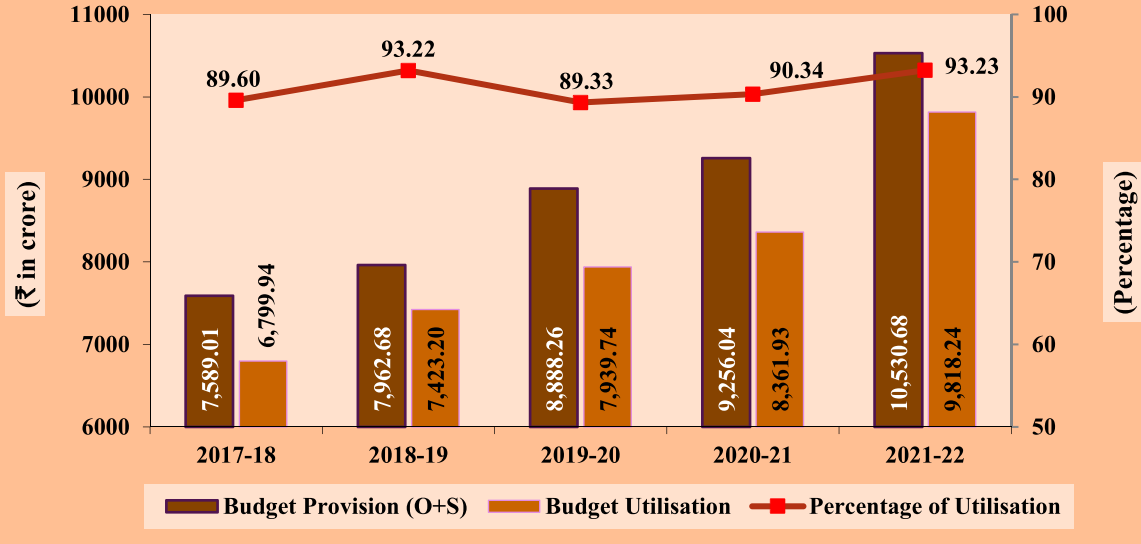
Chart 3.1: Components of Budget



The total provision authorised by the UT legislature including original and supplementary budget was ₹ 10,530.68 crore, out of which an expenditure of ₹ 9,818.24 crore was incurred resulting in savings of ₹ 712.44 crore (6.77 per cent of total provision). Out the savings of ₹ 712.44 crore, an amount of ₹ 116.69 crore (16.38 *per cent*) was surrendered on 31 March 2022. In view of the overall savings, the supplementary provision of ₹ 115.19 crore in respect of 18 grants proved wholly unnecessary and ₹ 454.48 crore in 19 grants proved partially unnecessary.

The following **Chart 3.2** shows the Budget provision and utilisation during 2017-18 to 2021-22.

Chart 3.2 : Budget provision and utilisation during 2017-18 to 2021-22 along with percentage of utilisation



(Source: Appropriation Accounts of respective years)

During the year 2021-22, as against the total budget provision of ₹ 10,530.68 crore, the expenditure incurred was ₹ 9,818.24 crore which was 93.23 *per cent* of the total provision. The decline in utilisation during 2021-22 was mainly due to savings in the following grants:

- Under Grant Number 10 - District administration, as against the total provision of ₹ 264.70 crore under Revenue, expenditure of ₹ 173.69 crore has been incurred resulting in savings of ₹ 91.01 crore which was 34.38 per *cent* of the total provision.
- Under Grant Number 16 - Public Works, as against the total provision of ₹ 174.17 crore under Capital, expenditure of ₹ 74.89 crore has been incurred resulting in savings of ₹ 99.28 crore (57.00 *per cent* of total provision).
- Under Grant Number 22 - Co-operation, as against the total provision of ₹ 101.70 crore under Revenue, expenditure of ₹ 61.80 crore has been incurred resulting in savings of ₹ 39.90 crore (39.23 *per cent* of total provision).
- Under Grant Number 27 - Community Development, as against the total provision of ₹ 51.47 crore under Revenue, expenditure of ₹ 22.69 crore has been incurred resulting in savings of ₹ 28.78 crore (55.92 *per cent* of total provision).
- Under Grant Number 32 - Building Programmes, as against the total provision of ₹ 65.96 crore under Capital, expenditure of ₹ 30.63 crore has been incurred resulting in savings of ₹ 35.33 crore (53.56 *per cent* of total provision)

The reasons for savings of these 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 2017-18 to 2021-22 are given in **Table 3.2**.

Table 3.2: Total disbursement into charged and voted during 2017-22

(₹ in crore)

Year	Provisions		Disbursements		Savings (-) /Excess(+)	
	Voted	Charged	Voted	Charged	Voted (*per cent*)	Charged (*per cent*)
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)
2021-22	8,603.13	1,927.55	7,920.50	1,897.74	(-) 682.63 (7.93)	(-) 29.81 (1.55)

(Source: Appropriation Accounts of the respective years)

Though the total disbursement of voted grants increased by 43.76 *per cent* from ₹ 5,509.60 crore in 2017-18 to ₹ 7,920.50 crore in 2021-22, the increase in charged appropriations was 47.07 *per cent i.e.,* from ₹ 1,290.34 crore in 2017-18 to ₹ 1,897.74 crore in 2021-22. The increase in charged appropriations was mainly due to increase in public debt repayment from ₹ 570 crore in 2017-18 to ₹ 891 crore in 2021-22 and increase in interest payments from ₹ 686 crore in 2017-18 to ₹ 877 crore in 2021-22.

The total savings in voted grants increased from 9.03 *per cent* in 2017-18 to 11.13 *per cent* in 2020-21 and it decreased to 7.93 *per cent* in 2021-22. In respect of charged appropriations, the savings faced a steep decline from 15.80 *per cent* in 2017-18 to 1.55 *per cent* in 2021-22 which is a positive trend.

3.2 Appropriation Accounts

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

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation

given under the Appropriation Act and that the expenditure required to be charged under the provisions of the UT Act, 1963 (Section 23). It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Integrity of budgetary and accounting process

3.3.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund except under appropriation made by law passed in accordance with the provisions of Section 29 (3) of the UT Act, 1963. Expenditure on new scheme/service should not be incurred without provision of funds except after obtaining additional funds by supplementary grant or re-appropriation or an advance from the Contingency Fund.

3.3.1.1 Expenditure without provision in original/supplementary grant

Expenditure shall neither be incurred in excess of the sanctioned allotment nor on the items for which no provision has been made in the budget. However, it was noticed that an amount of ₹ 14.14 crore was re-appropriated under six sub-heads without any original or supplementary budget provision and expenditure of ₹ 14.14 crore was incurred as detailed in **Table 3.3**.

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

(₹ in lakh)

Sl. No.	Grant No	Head of Account					Provision	Re-appro-priation	Expenditure	Savings
1	10	2216	80	103	01	01	0.00	63.39	63.39	0.00
2	21	2225	01	789	37	01	0.00	4.56	4.55	(-) 0.01
3	21	2235	02	103	15	01	0.00	18.65	18.65	0.00
4	21	2235	02	104	04	01	0.00	1,213.59	1,213.59	0.00
5	24	2245	02	101	01	02	0.00	98.00	97.56	(-) 0.44
6	24	2245	02	101	01	04	0.00	16.00	15.91	(-) 0.09
Total								**1,414.19**	**1,413.65**	**(-) 0.54**

(Source: Detailed Appropriation Accounts of 2021-22)

Government stated (March 2023) that re-appropriation orders were within the grants provided through executive orders. The reply was not acceptable as expenditure on a new scheme/service should be incurred only after making supplementary provision.

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 2021-22, as against the Budget provision of ₹ 10,530.68 crore (Original: ₹ 9,924.41 crore and Supplementary Grant: ₹ 606.27 crore), an expenditure of ₹ 9,818.24 crore was incurred. Supplementary provision of ₹ 50 lakh or more aggregating ₹ 554.95 crore obtained in 20 grants/appropriations during the year 2021-22 was proved excessive to the extent of ₹ 460.58 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	1 - Legislative Assembly	13.37	2.27	15.64	14.38	1.26
2	4 - Administration of Justice	28.13	0.74	28.87	27.34	1.53

Sl. No.	Name of the Grant	Original	Supple-mentary	Provision	Expen-diture	Savings
3	6 - Revenue and Food	374.53	19.85	394.38	380.81	13.57
4	10 - District Administration	245.42	18.30	263.72	173.50	90.22
5	12 - Police	292.10	25.02	317.12	300.47	16.65
6	14 - Stationery and Printing	28.12	1.25	29.37	27.04	2.33
7	15 - Retirement Benefits	1,049.68	156.89	1,206.57	1,183.84	22.73
8	16 - Public Works	279	22.54	301.54	293.24	8.30
9	17 - Education	1,035.88	21.93	1,057.81	954.17	103.64
10	18 - Medical	759.93	28.37	788.30	714.26	74.04
11	20 - Labour and Employment	44.35	7.40	51.75	37.81	13.94
12	21 - Social Welfare	812.33	15.03	827.36	779.29	48.07
13	23 - Statistics	4.82	0.54	5.36	4.82	0.54
14	24 - Agriculture	130.55	4.90	135.45	123.76	11.69
15	25 - Animal Husbandry	44.48	3.45	47.93	43.96	3.97
16	26 - Fisheries	67.12	7.24	74.36	59.95	14.41
17	28 - Industries	126.25	1.01	127.26	121.88	5.38
18	29 - Electricity	2,221.31	89.79	2,311.10	2,307.75	3.35
Total (A)		**7,557.37**	**426.52**	**7,983.89**	**7,548.27**	**435.62**
(B) Revenue – Charged						
19	10 - District Administration	0.05	0.93	0.98	0.20	0.78
20	16 - Public Works	0.64	0.64	1.28	0.65	0.63
21	33 - Public Debt	830.13	107.40	937.53	931.15	6.38
Total (B)		**830.82**	**108.97**	**939.79**	**932.00**	**7.79**
(C) Capital - Charged						
22	16 - Public Works	14.00	13.96	27.96	15.78	12.18
23	17 - Education	2.00	0.78	2.78	1.73	1.05
24	28 - Industries	2.00	2.87	4.87	1.76	3.11
25	32 - Building Programmes	0.00	1.85	1.85	1.02	0.83
Total (C)		**18.00**	**19.46**	**37.46**	**20.29**	**17.17**
Grand Total		**8,406.19**	**554.95**	**8,961.14**	**8,500.56**	**460.58**

(Source: Appropriation Accounts of 2021-22)

In respect of 42 cases under 20 grants, in addition to the original provision of ₹ 1,734 crore, a sum of ₹ 283.24 crore was also provided through supplementary grant. However, the total expenditure was only ₹ 1,952.83 crore. Thus, the provision of ₹ 64.41 crore made under Supplementary Grant proved partially unnecessary. (**Appendix 3.2**).

It was also seen that in respect of 14 cases under seven grants, in addition to original provision of ₹ 260.76 crore, an amount of ₹ 21.33 crore was provided in the supplementary grant. However, the expenditure incurred was ₹ 230.76 crore only. Thus, the supplementary grant provided proved wholly unnecessary in view of the savings of ₹ 29.99 crore in the original provision as detailed in **Table 3.5**. The final savings in respect of these 14 cases was ₹ 51.32 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	Provi-sion	Expen-diture	Savings	Savings in Original
1	06	2039	00	001	01	01	1,048.21	57.00	1,105.21	1,036.09	69.12	12.12
2	06	2245	02	101	01	01	10.00	81.00	91.00	0.00	91.00	10.00
3	10	2215	01	102	01	01	612.00	68.00	680.00	71.94	608.06	540.06
4	10	2216	80	789	11	01	874.20	288.00	1,162.20	562.98	599.22	311.22
5	10	2216	80	800	19	01	2,121.20	76.00	2,197.20	1,596.66	600.54	524.54
6	10	2216	80	800	19	03	37.80	59.00	96.80	7.80	89.00	30.00
7	14	2058	00	103	01	01	2,059.30	81.00	2,140.30	2,016.13	124.17	43.17
8	16	2059	80	001	02	01	9,571.03	147.00	9,718.03	9,409.97	308.06	161.06
9	16	2215	02	001	01	01	5,747.22	117.00	5,864.22	5,693.12	171.10	54.10
10	17	2204	00	101	03	01	1,112.81	492.57	1,605.38	516.41	1,088.97	596.40
11	20	2230	03	102	07	01	50.00	200.00	250.00	0.00	250.00	50.00
12	20	2230	03	800	04	01	100.00	295.91	395.91	0.00	395.91	100.00
13	26	2405	00	800	20	01	1,552.76	110.00	1,662.76	1,465.58	197.18	87.18
14	26	2405	00	800	22	01	1,179.30	60.47	1,239.77	699.72	540.05	479.58
Total							**26,075.83**	**2,132.95**	**28,208.78**	**23,076.40**	**5,132.38**	**2,999.43**

(Source: Detailed Appropriation Accounts of 2021-22)

3.3.4 Unnecessary/excessive/injudicious re-appropriation

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

During 2021-22, re-appropriation order was issued on 31 March 2022 for ₹ 314.57 crore under 1,284 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 2021-22, the re-appropriations proved unnecessary or excessive in 185 sub-heads. It was also seen that in 70 sub-heads, provision of more than ₹ 10 lakh was made by re-appropriation which was wholly unnecessary to the tune of ₹ 45.33 crore wherein the expenditure incurred was ₹ 716.69 crore under these heads which was within the total provision of ₹ 836.08 crore as indicated in **Appendix 3.3**. Further, out of these 70 sub-heads, no expenditure was incurred under 15 sub-heads wherein unnecessary provision of ₹ 10.57 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(2) 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 ₹ 712.44 crore, an amount of ₹ 116.69 crore was surrendered on 31 March 2022. It was noticed that in respect of 23 grants/appropriations out of the total savings of ₹ 705.76 crore (saving of ₹ one crore and above), ₹ 592.74 crore (83.99 *per cent* of savings) was not surrendered. Further, in respect of 19 grants/appropriations with a savings of ₹ 476.58 crore, no amount was surrendered. The details are given in **Appendix 3.4 (a)** and **Appendix 3.4 (b)** respectively.

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 18 sub-heads. Out of

the total provision of ₹ 143.65 crore made under these sub-heads, ₹ 100.33 crore (69.85 *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 2021-22, out of total 33 grants/appropriations, there was savings of ₹ 587.62 crore (82.48 *per cent* of total savings of ₹ 712.44 crore) in 13 grants/ appropriations exceeding ₹ 10 crore in each case (above ₹ 50 crore in four grants). The details are indicated in **Table 3.6**.

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

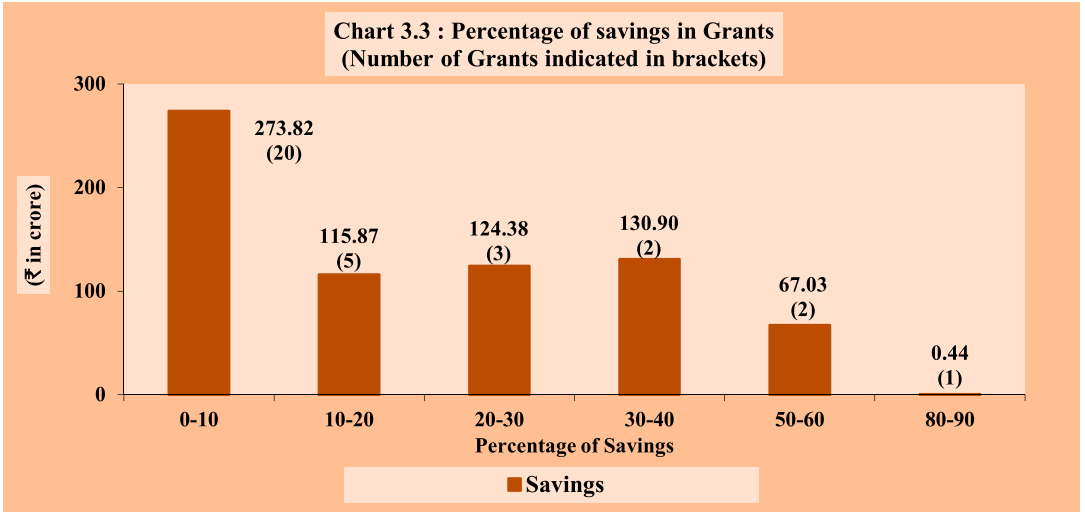
(₹ in crore)

Sl. No	Grant No.	Description	Original	Supple-mentary	Total	Expendi-ture	Amount surren-dered	Savings	Percent age
(A)	**Revenue - Voted**								
1	06	Revenue and Food	374.53	19.85	394.38	380.81	0.00	13.57	3.44
2	10	District Administration	245.42	18.30	263.72	173.50	0.00	90.22	34.21
3	12	Police	292.10	25.02	317.12	300.47	0.00	16.65	5.25
4	15	Retirement Benefits	1,049.68	156.89	1,206.57	1,183.84	0.00	22.73	1.88
5	17	Education	1,035.88	21.93	1,057.81	954.17	0.00	103.64	9.80
6	18	Medical	759.93	28.37	788.30	714.26	0.00	74.04	9.39
7	20	Labour and Employment	44.35	7.40	51.75	37.81	0.00	13.94	26.94
8	21	Social Welfare	812.33	15.03	827.36	779.29	0.00	48.07	5.81
9	24	Agriculture	130.55	4.90	135.45	123.76	0.00	11.69	8.63
10	26	Fisheries	67.12	7.24	74.36	59.95	0.00	14.41	19.38
11	27	Community Development	51.47	0.00	51.47	22.69	4.23	28.78	55.92
Total (A)			**4,863.36**	**304.93**	**5,168.29**	**4,730.55**	**4.23**	**437.74**	**8.47**
(B)	**Capital - Voted**								
12	16	Public Works	146.20	0.00	146.20	59.11	61.56	87.09	59.57
13	18	Medical	24.81	0.18	24.99	8.89	0.00	16.10	64.43
14	32	Building Programmes	64.12	0.00	64.12	29.61	4.94	34.51	53.82
Total (B)			**235.13**	**0.18**	**235.31**	**97.61**	**66.50**	**137.70**	**58.52**
(C)	**Capital - Charged**								
15	16	Public Works	14.00	13.96	27.96	15.78	0.00	12.18	43.56
Total (C)			**14.00**	**13.96**	**27.97**	**15.78**	**0.00**	**12.18**	**43.58**
Grand total			**5,112.49**	**319.07**	**5,431.57**	**4,843.94**	**70.73**	**587.62**	**10.82**

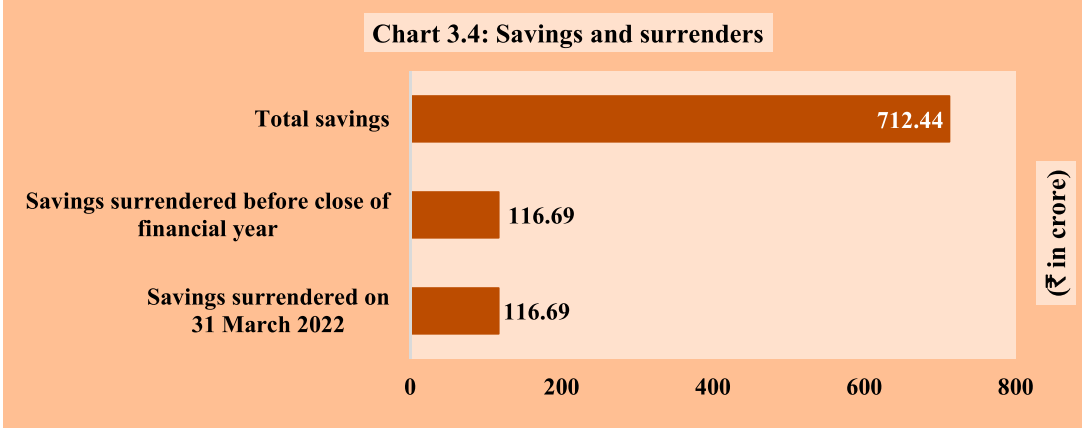
(Source: Appropriation Accounts 2021-22)

It was also noticed that in 138 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 ₹ 687.54 crore in these sub-heads, savings amounted to ₹ 553.67 crore (80.53 *per cent*) as detailed in **Appendix 3.6**. Further, out of 138 cases, in respect of 54 cases, no expenditure was incurred against the provision of ₹ 238.02 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 2021-22.



Out of the overall savings of ₹ 712.44 crore, ₹ 116.69 crore (16.38 *per cent*) alone was surrendered and that too was made on 31 March 2022.

3.3.5.4 Persistent savings

Out of 33 grants, savings of more than ₹ 50 lakh was noticed persistently under 18 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 2017-22

(₹ in crore)

Sl. No.	Grant Number and description		Amount of savings				
			2017-18	2018-19	2019-20	2020-21	2021-22
(A) Revenue - Voted							
1	6	Revenue and Food	26.64	26.16	5.40	14.28	13.58
2	9	Secretariat	13.32	8.09	23.28	2.99	2.68
3	10	District Administration	11.67	39.47	111.71	36.39	90.22
4	12	Police	10.25	5.81	9.11	5.77	16.65
5	16	Public Works	9.50	18.14	20.84	26.95	8.30
6	17	Education	93.85	29.79	92.54	87.92	103.64
7	18	Medical	11.39	15.77	32.08	96.49	74.04
8	19	Information and Publicity	8.60	5.17	11.13	10.62	8.55
9	20	Labour and Employment	3.55	6.24	4.72	8.88	13.94
10	21	Social Welfare	79.07	32.99	47.12	76.36	48.07
11	22	Co-operative	15.80	3.92	4.85	5.16	39.90
12	24	Agriculture	29.27	13.56	13.02	22.08	11.69
13	25	Animal Husbandry	3.81	1.90	6.68	3.83	3.98
14	26	Fisheries	3.64	7.68	10.67	11.14	14.41
15	27	Community Development	12.32	28.93	27.17	27.48	28.78
16	28	Industries	12.74	5.37	10.81	3.28	5.38
17	29	Electricity	0.80	33.20	9.46	28.72	3.35
18	32	Building Programmes	2.84	1.52	5.67	5.08	2.91
Total (A)			**349.06**	**283.71**	**446.26**	**473.42**	**490.07**
(B) Capital - Voted							
1	16	Public Works	109.63	44.15	114.93	148.95	87.10
2	29	Electricity	9.32	21.75	21.89	17.67	6.58
3	32	Building Programmes	39.10	24.95	35.88	20.80	34.51
Total (B)			**158.05**	**90.85**	**172.70**	**187.42**	**128.19**
Grand Total			**507.11**	**374.56**	**618.96**	**660.84**	**618.26**

(Source: Appropriation Accounts of the respective years)

Grant No. 10 - District Administration - The persistent savings under Revenue head ranged between ₹ 11.67 crore and ₹ 111.71 crore during 2017-22. During

2021-22, the savings of ₹ 90.22 crore was mainly due to non-conduct of election to Local Bodies as anticipated, ₹ 0.92 crore due to non-completion of work as anticipated under implementation of AMRUT Mission by Town and Country Planning Department. Out of the savings of ₹ 90.22 crore, no amount was surrendered.

Grant No. 16 - Public Works - The persistent savings under Capital head ranged between ₹ 44.15 crore and ₹ 148.95 crore during 2017-22. During 2021-22, the savings of ₹ 87.10 crore was mainly due to withdrawal of provision of ₹ 31.52 crore made for creation of infrastructural facilities through Negotiated Loan which was restricted to the actual requirement. Out of the savings of ₹ 87.10 crore, only ₹ 61.56 crore (70.68 *per cent*) was surrendered.

Grant No. 18 - Medical – The persistent savings under Revenue head ranged between ₹ 11.39 crore and ₹ 96.49 crore during 2017-22. During 2021-22, the savings of ₹ 74.04 crore was mainly due to savings of almost the entire provision of ₹ 8.49 crore, ₹ 7.32 crore and ₹ 21.37 crore under National Health Mission under CSS, State Share and CSS Flagship programmes respectively due to introduction of new procedure for CSS which contemplated routing of funds through Single Nodal Agency. Out of the savings of ₹ 74.04 crore, no amount was surrendered.

Grant No. 21 - Social Welfare - The persistent savings under Revenue head ranged between ₹ 32.99 crore and ₹ 79.07 crore during 2017-22. During 2021-22, the savings of ₹ 48.07 crore was mainly due to savings of ₹ 18.83 crore under the scheme "Old age and widow pension" on account of provision restricted to actual requirement. 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 ₹ 48.07 crore, no amount was surrendered.

Grant No. 27 - Community Development - The persistent savings under Revenue head ranged between ₹ 12.32 crore and ₹ 28.93 crore during 2017-22. During 2021-22, the savings of ₹ 28.78 crore was mainly due to withdrawal of funds of ₹ 5.87 crore under National Rural Livelihood Mission, ₹ 2 crore under Nirmal Bharat Abhiyan - Swachh Bharat Mission (Gramin) and ₹ 4.67 crore under Deen Dayal Upadhyaya Grameen Kaushalya Yojana were due to non-receipt of CSS funds from Government of India as anticipated and on account of provision restricted to actual requirement. Out of the savings of ₹ 28.78 crore, only ₹ 4.23 crore (14.70 *per cent*) was surrendered.

Grant No. 32 - Building Programmes - The persistent savings under Capital head ranged between ₹ 20.80 crore and ₹ 39.10 crore during 2017-22. During 2021-22, the savings of ₹ 34.51 crore was mainly under Infrastructural facilities

for Judiciary - Construction of Court Complex were due to the savings under six Centrally Sponsored Schemes was restricted to the expenditure to the extent of CSS funds released by Government of India (₹ 4.39 crore) and for savings of ₹ 3.17 crore under Financial Assistance for the construction of Tagore Cultural Complex, the reasons for final savings were not available. Out of the savings of ₹ 34.51 crore, only ₹ 4.94 crore (14.31 *per cent*) was surrendered.

Government stated (March 2023) that instructions would be issued to the concerned departments and efforts would be taken to avoid savings.

3.3.6 Excess expenditure and its regularization

As per Article 205(1)(b) of the Constitution of India, it is mandatory for a UT Government to get the excess over a grant/appropriation regularised by the UT Legislature. Although no time limit for regularisation of expenditure has been prescribed under the above Article, it is seen that the regularisation of excess expenditure is done only after the completion of discussion of the Appropriation Accounts by the Committee on Public Accounts (PAC).

3.3.6.1 Excess over provisions during the year requiring regularization

Legislative sanction is required for all expenses. Excess expenditure over the provisions not only contravenes this, but also indicates bad financial planning. One case of excess disbursements over appropriations during the year 2021-22 is given in **Table 3.8**.

Table: 3.8: Excess over provisions during 2021-22

(₹ in crore)

Grant number and description	Voted			Charged		
	Revenue	Capital	Loans & Advances	Revenue	Capital	Loans & Advances
Public Debt (Grant No.33)	--	--	--		3.96	
Total					**3.96**	**--**

The reason for excess was due to adjustment of loan of ₹ 4.22 crore obtained during 2011-12 from Power Finance Corporation during 2021-22 and treatment of interest on interest paid to financial institutions during the COVID moratorium period as repayment of loan of ₹ 2.09 crore which were adjusted in the books of Accounts during 2021-22.

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 deprive 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 2021-22 (Voted Grants/Charged Appropriations) is given in **Table 3.9**.

Table 3.9: 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 2022	Percentage of savings surrendered during March 2022
Voted	I Revenue	7,877.99	429.43	8,307.42	7,784.22	523.20	43.90	8.39
	II Capital	292.10	3.11	295.21	136.22	158.99	72.28	45.46
	III Loans and Advances	0.50	0.00	0.50	0.06	0.44	0.42	95.45
Total - Voted		**8,170.59**	**432.54**	**8,603.13**	**7,920.50**	**682.63**	**116.60**	**17.08**
Charged	IV Revenue	*845.98*	*141.61*	*987.59*	*971.33*	*16.26*	*0.08*	*0.49*
	V Capital	*22.97*	*29.52*	*52.49*	*34.98*	*17.51*	*0.01*	*0.06*
	VI Public Debt-Repayment	*884.87*	*2.60*	*887.47*	*891.43*	*(-) 3.96*	*0.00*	*0.00*
Total - Charged		***1,753.82***	***173.73***	***1,927.55***	***1,897.74***	***29.81***	***0.09***	***0.30***
Grand total		**9,924.41**	**606.27**	**10,530.68**	**9,818.24**	**712.44**	**116.69**	**16.38**

- The overall savings of ₹ 712.44 crore worked out to 6.77 *per cent* of total provision including supplementary provision of ₹ 606.27 crore made against the respective grants in 2021-22.
- Out of the savings of ₹ 712.44 crore, an amount of ₹ 116.69 crore was surrendered on the last day of the financial year.

[1] Excludes recoveries shown as reduction of expenditure.

- Savings of ₹ 539.47 in 29 grants and 13 appropriations under Revenue section, ₹ 176.93 crore in 16 grants and 10 appropriations under Capital section and excess of ₹ 3.96 crore under Loan section were occurred.
- As against the original provision of ₹ 10,530.68 crore, expenditure of ₹ 9,818.24 crore was incurred. In view of overall savings of ₹ 712.44 crore, the supplementary provision of ₹ 115.19 crore in respect of 18 grants proved wholly unnecessary and ₹ 454.48 crore in 19 grants proved partially unnecessary.

Trend of expenditure during the past five years with reference to Original Budget and Revised Estimates are given in **Table 3.10**.

Table 3.10: Original Budget, Revised Estimate and Actual Expenditure during 2017-22

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Original provision	6,945.00	7,530.00	8,425.00	9,000.00	9,924.41
Supplementary provision	644.01	432.68	463.26	256.04	606.27
Total Provision	7,589.01	7,962.68	8,888.26	9,256.04	10,530.68
Actual expenditure	6,799.94	7,423.20	7,939.74	8,361.93	9,818.24
Savings (-)/excess (+)	(-) 789.07	(-) 539.48	(-) 948.52	(-) 894.11	(-) 712.44
Percentage of savings	10.40	6.78	10.67	9.66	6.77

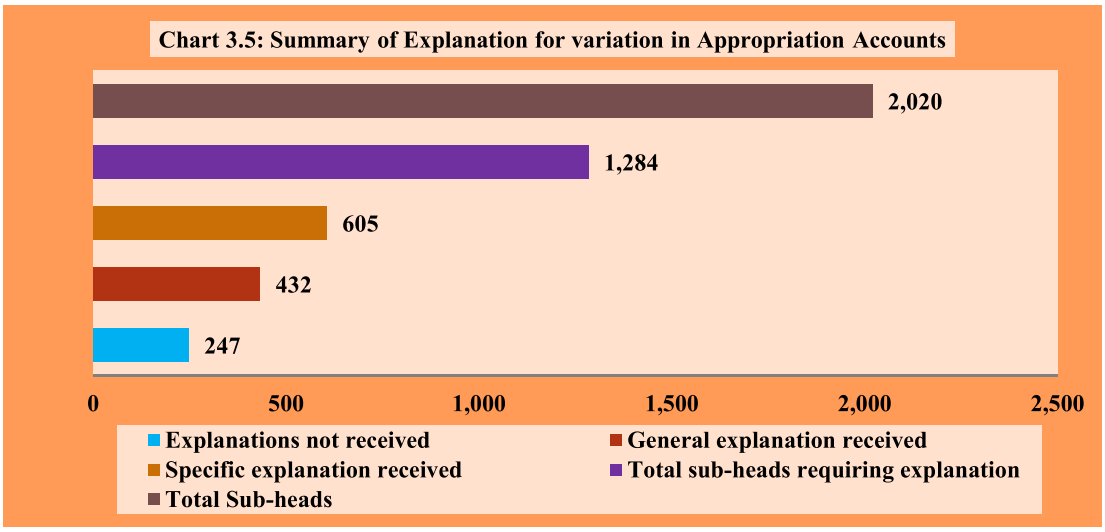
(Source : Appropriation Accounts of respective years)

It could be seen from **Table 3.10** 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 10.40 *per cent* in 2017-18 to 6.78 *per cent* in 2018-19, it had increased to 10.67 *per* cent in 2019-20 and again declined in 2020-21 and 2021-22 which was a positive trend.

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 1,284 sub-heads requiring explanation, the Departments have not furnished specific explanations for 679 sub-heads. **Table 3.11** details the status of non-furnishing of explanations in respect of 13 grants.

Table 3.11: Details of non-furnishing of explanation

Sl. No.	Grant Number and Name	Total sub-heads requiring explanation	Specific explanation not furnished	Percentage
1	06 - Revenue and Food	57	24	42.11
2	10 - District Administration	70	39	55.71
3	16 - Public Works	77	38	49.35
4	17 - Education	141	78	55.32
5	18 - Medical	165	94	56.97
6	20 - Labour and Employment	45	24	53.33
7	21 - Social Welfare	144	61	42.36
8	24 - Agriculture	73	50	68.49
9	26 - Fisheries	41	26	63.41
10	27 - Community Development	22	14	63.64
11	28 - Industries	40	19	47.50
12	29 - Electricity	54	31	57.41
13	32 - Building Programmes	71	45	63.38

(Source : Appropriation Accounts for the year 2021-22)

Government stated (March 2023) that furnishing of specific explanations for savings/surrender would be considered.

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

Several policy initiatives taken up by Government are partially executed 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 2021-22 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 3.12**.

Table 3.12: Details of schemes announced in the Budget Speech 2021-22

Sl. No.	Name of the Department	Scheme name	Reasons
1	Agriculture	Construct/repair five community tube-wells at an estimated cost of ₹ 60.00 lakh.	Funds not sought for in Supplementary provision.
2	Electricity	Establishment of GIS Sub-station in Marapalam Sub-Station Campus.	Department stated that the project was not implemented due to privatisation. Reason was not acceptable as the privatisation process is yet to materialise.
3	Public Works	Reconstruction of existing single lane bridge as double lane bridge at Embalam-Karikalampakkam.	Project not taken up.
4		Development of Fishing Harbour in Karaikal will be taken up at a cost of ₹ 52.90 crore.	Technical and expenditure sanction yet to be accorded.
5		Construction of Additional Guest House at Mahe region.	Consent of Tourism Department yet to be given and assurance for funds in the budget yet to be made. The revised estimate is yet to be prepared.
6		Construction of Office of Superintendent of Police -cum-Residence and VIP suite at Mahe.	The plan was modified and revised. Preliminary estimate was prepared and submitted to Chief Engineer in July 2020. The authentication of plan and consent letter is awaited from Police Department.
7		Construction of New Building for CHC, Palloor.	The Health Department yet to identify the site.
8		Construction of new bridge over Mahe river and regulator-cum-bridge from Manjakkal to Kallayi.	Due to paucity of funds, the project had been kept in abeyance.
9		Coastal Police Station, Mahe.	The Preliminary estimate of ₹ 2.43 crore was submitted during May 2021. The authentication of plan and CRZ approval are awaited from Police Department.

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 97 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 2022. It was further observed that in respect of the following grants, as detailed in **Table 3.13**, huge amounts were spent in the last quarter of 2021-22.

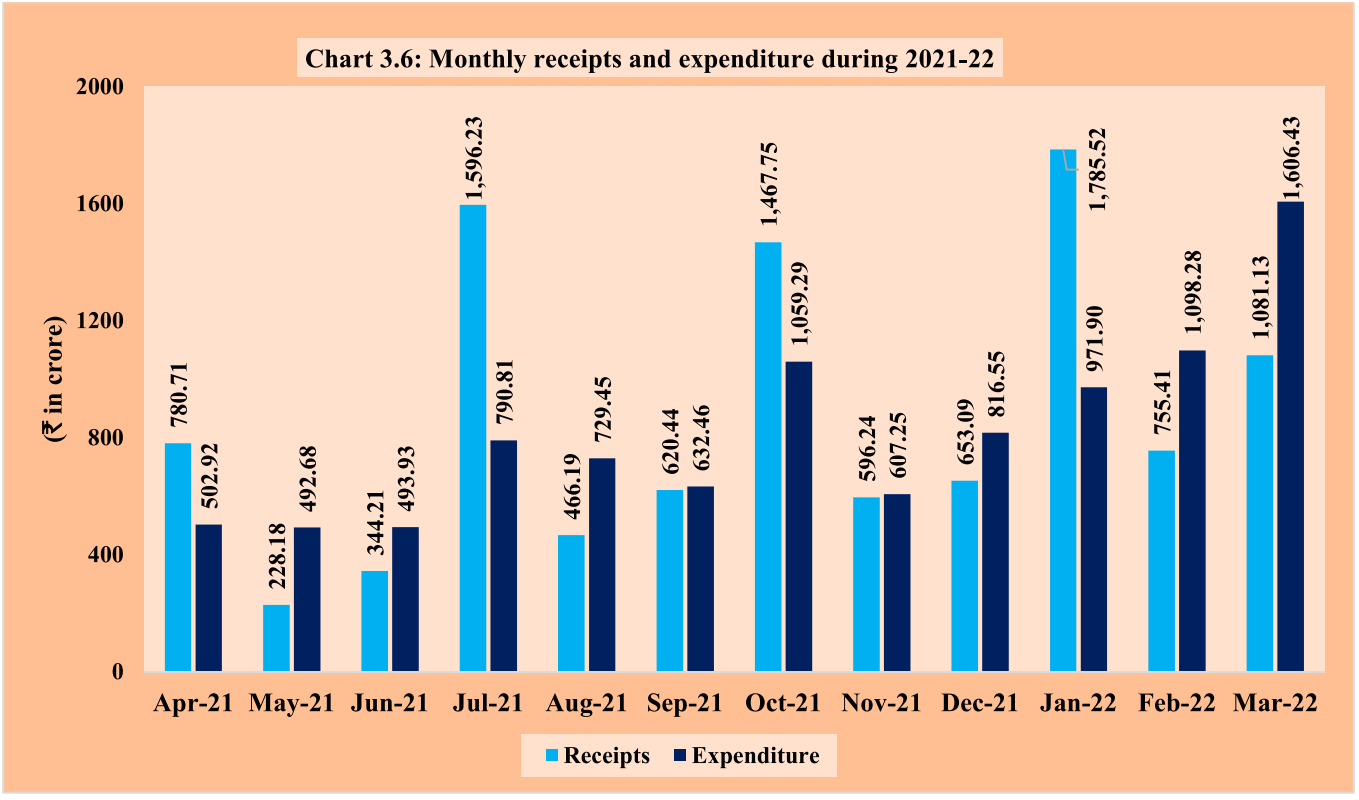
Table 3.13: Utilisation of funds during the last quarter of 2021-22

(₹ in crore)

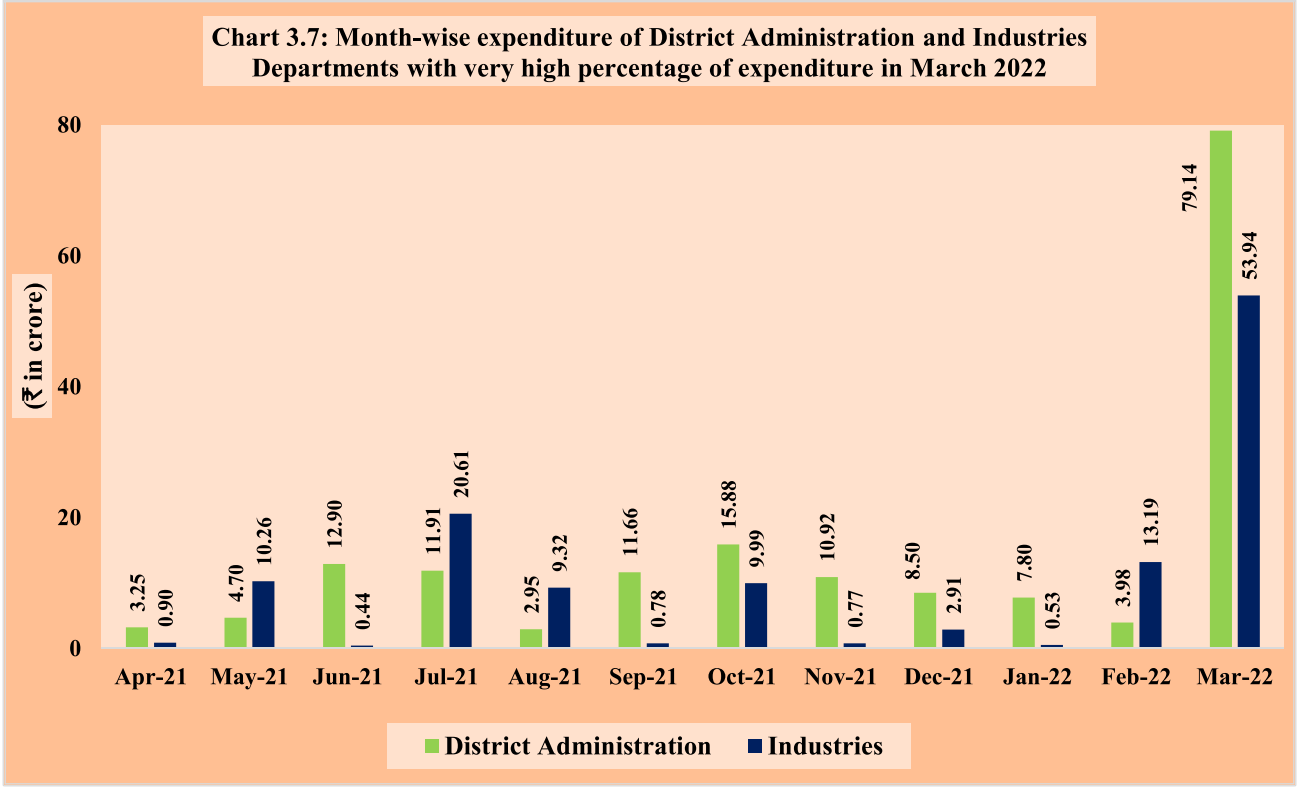
Sl. No.	Name of the Department	Total expenditure	Expenditure incurred in the last quarter	Utilisation of funds in the last quarter (in *per cent*)
1	03 - Council of Ministers	11.96	5.54	46.32
2	10 - District Administration	173.69	90.91	52.34
3	19 - Information and Publicity	36.13	21.12	58.46
4	28 - Industries	123.63	67.66	54.73
5	29 - Electricity	2,330.65	952.27	40.86
6	30 - Ports and Pilotage	6.76	2.74	40.53
7	32 - Building Programmes	36.74	24.37	66.33
8	33 - Public Debt	1,822.58	1,052.98	57.77

It could be seen from **Table 3.13** 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 2021-22 is given in **Chart 3.6**.



The month-wise expenditure during 2021-22 under Grant No. 10 - District Administration Department and Grant No. 28 - Industries Department where rush of expenditure was noticed are depicted in **Chart 3.7**.



It could be seen from **Chart 3.7** that in Grant No 10 - District Administration and Grant No. 28 - Industries, a total expenditure of ₹ 173.58 crore and

₹ 123.63 crore respectively was incurred during 2021-22. In these two grants, the expenditure incurred during the month of March 2022 alone was ₹ 79.14 crore and ₹ 53.94 crore which was 45.59 *per cent* and 43.63 *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 Number 27 - Community Development 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. 27 - Community Development during the year 2021-22 are given in **Table 3.14.**

Table 3.14: Details of Budget Provision and Actual Expenditure under Grant No. 27

(₹ in crore)

	Nature of expenditure	Original	Supple-mentary	Total	Expendi-ture	Savings(-)/ Excess (+)	Percent-age of savings	Amount surren-dered
Voted	I Revenue	51.47	0.00	**51.47**	22.69	(-) 28.78	55.92	4.23
	II Capital	0.00	0.00	**0.00**	0.00	0.00	0.00	0.00
Total		**51.47**	**0.11**	**51.47**	**22.69**	**(-) 28.78**	**55.92**	**4.23**

(Source: Appropriation Accounts for the year 2021-22)

It could be seen from **Table 3.14** that under Revenue Section of Voted grants, as against the original provision of ₹ 51.47 crore, the expenditure incurred was ₹ 22.69 crore, which was 44.08 *per cent* of the total provision. As against the saving of ₹ 28.78 crore, the department surrendered only ₹ 4.23 crore. Savings of more than 55 *per cent* under the Grant was indicative of incorrect estimation of the requirement.

3.4.5.2 Withdrawal and provision of funds through re-appropriation and surrender

The department sought for additional funds for various schemes/works at the Revised Estimate stage. It was noticed that in nine cases, in addition to the original provision of ₹ 17.41 crore, amount of ₹ 5.06 crore was provided through re-appropriation. The details of which are given in **Table 3.15**.

Table 3.15: Provision of funds through re-appropriation

(₹ in lakh)

Sl. No.	Head of Account	Original	Supple-mentary	Re-appro-priation	Total provision	Expen-diture	Savings
1	2505.02.101.08.01	50.00	0.00	30.14	80.14	0.00	80.14
2	2505.02.789.03.01	20.00	0.00	14.34	34.34	0.00	34.34
3	2515.00.102.01.01	723.66	0.00	46.63	770.29	765.73	4.56
4	2515.00.102.01.02	227.65	0.00	9.50	237.15	234.44	2.71
5	2515.00.102.01.03	37.11	0.00	0.92	38.03	38.02	0.01
6	2515.00.102.01.04	27.11	0.00	1.89	29.00	28.87	0.13
7	2515.00.102.08.02	5.30	0.00	0.85	6.15	0.52	5.63
8	2515.00.800.11.01	650.00	0.00	100.00	750.00	750.00	0.00
9	2515.00.800.12.01	0.00	0.01	301.99	302.00	0.00	302.00
Total		**1,740.83**	**0.01**	**506.26**	**2,247.10**	**1,817.58**	**429.52**

It could be seen from **Table 3.15** that the expenditure incurred was only ₹ 18.18 crore resulting in unwarranted provision and saving of the re-appropriation to the tune of ₹ 4.30 crore. Moreover, in three cases where the entire amount of ₹ 3.46 crore provided through re-appropriation were not utilised as no amount was spent under these heads. Besides these, as against ₹ 18.26 crore provided for four sub-heads, only ₹ 2.96 crore was utilised. This was mainly due to short receipt of CSS funds from GoI. The details of funds provided and expenditure incurred are given in **Table 3.16**.

Table 3.16: Details of funds provided and expenditure incurred

(₹ in lakh)

Sl. No.	Head of Account	Original and Supple-mentary	Re-appro-priation	Total provision	Expen-diture	Savings	Surrender
1	2505.02.101.07.01 - Deen Dayal Upadhyaya Grameen Kaushalya Yojana (CSS Flagship)	500.00	(-) 228.28	271.72	33.24	238.48	222.72
2	2505.02.101.02.01 – National Rural Livelihood Mission (CSS flagship)	775.00	(-) 5.00	770.00	187.67	582.33	582.33
3	2505.02.101.04.01 - Nirmal Bharat Abhiyan - Swachh Bharat Mission (Gramin) (CSS)	200.00	0.00	200.00	0.00	200.00	200.00
4	2505.02.789.01.01 - National Rural Livelihood Mission (CSS Flagship)	351.20	(-) 51.20	300.00	75.00	225.00	0.00
	Total	**1,826.20**	**(-) 284.48**	**1,541.72**	**295.91**	**1,245.81**	**1,005.05**

Audit noticed that as per the sanction orders of GoI, the implementing agencies had to submit UCs along with Audit Reports. However, there were delays in submission of UCs and non-submission of Audit Report by the District Rural Development Agency which was responsible to implementation of the scheme. This had resulted in non-receipt of CSS funds in time.

3.5 Conclusion and Recommendations

Unnecessary Supplementary grant/re-appropriation

Supplementary provision of ₹ 50 lakh or more in each case aggregating ₹ 21.33 crore obtained in 14 cases proved wholly unnecessary as the original provision itself was not exhausted. Further, in respect of 70 sub-heads though an amount of ₹ 836.08 crore was available (Original and Supplementary) an additional amount of ₹ 45.33 crore was provided at re-appropriation stage which was unnecessary as the total expenditure in these sub-heads were ₹ 716.69 crore and was well within the earlier provision made. This indicates not only laxity on the part of Controlling Officers to make such provisions but also was indicative of an overall poor budgetary management by the Government.

***Recommendation**: The UT Government should make concerted efforts to ensure that instances of unnecessary supplementary provisions/ re-appropriations are avoided.*

(Paragraphs 3.3.3 and 3.3.4)

Unspent amount, savings not surrendered and persistent savings

In 23 grant/appropriations there were savings of above ₹ one crore amounting to ₹ 705.76 crore. Out of the savings, ₹ 592.74 crore (83.99 *per cent*) was not surrendered. Even the surrenders/re-appropriations were made on the last day of the financial year indicating inadequate financial control. Under 18 grants there were persistent savings of more than ₹ 50 lakh during the last five years.

***Recommendation**: An appropriate control mechanism need to be instituted by the UT Government to enforce proper implementation and monitoring of budget to ensure that the savings are curtailed, large savings within the grant/appropriation are controlled and anticipated savings are identified and surrendered within the specified time frame so that the funds can be utilised for other development purposes.*

(Paragraphs 3.3.5.1 and 3.3.5.4)

Rush of expenditure

In respect 97 sub-heads, expenditure exceeding ₹ 50 lakh and by more than 50 *per cent* of the total expenditure for the year was incurred in March 2022 to the tune of ₹ 520.29 crore against Rule 62 (3) of the General Financial Rules, 2017 directing that rush of expenditure particularly in the closing months of the financial year should be avoided.

***Recommendation**: The UT Government should institute appropriate control mechanism to avoid last minute surrender as well as rush of expenditure. It should evolve a mechanism for continuous monitoring of the progress of expenditure.*

(Paragraph 3.4.4)

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] in November 2011 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 the above purpose, Personal Deposit (PD) Account was required to be operated by Transport Commissioner in accordance with the General Financial Rules. The order 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, will be utilised for developmental activities of the Department. As per Rule 97(1) of the GFR 2017, every personal deposit account so authorised to be opened shall become part of Government account and be located in the Public Account thereof and this requires to be reconciled monthly by Directorate of Accounts and Treasuries (DAT) with Bank scroll as per Rule 17.7.5 of Civil Accounts Manual.

The Department deposited the service charges collected in a current account opened in the State Bank of India and in the form of Fixed Deposits in Bharathiar Grama Bank and made payments to the smart card vendors. The balance available in the account as on 31 March 2022 was ₹ 9.41 crore (₹ 6.06 crore in the current account maintained in SBI and ₹ 3.35 crore in the form of Fixed Deposits in Puduvai Bharathiar Grama Vangi, Puducherry).

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

The Finance Accounts of UT of Puducherry revealed that the above account maintained by the Transport Department was not reflected as PD Account in the Public Account. Thus, maintaining of an 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.

Government stated (March 2023) that the provisions of GFR was adhered in maintenance of accounts. The reply was not acceptable as GFR contemplates that personal deposit account should become part of Government account and be located in the Public Account. Therefore, keeping funds outside the Public Account was against the provisions of GFR.

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, it was noticed that the Public Works Department had a committed pending liability to the tune of ₹ 72.80 crore as of March 2021. The Department had further accumulated a liability of ₹ 3.88 towards contractors bills leading to a committed pending liability of ₹ 76.68 crore as of March 2022. Incidentally, it was seen that there was a saving of ₹ 99.28 crore under Capital Section of Grant No.16.

Similarly, in respect of Puducherry Electricity Department, the outstanding liability as of March 2022 was ₹ 189.01 crore towards outstanding dues to power generation companies.

Government stated (March 2023) that in future provision would be made for clearing the liabilities.

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 2019-20 to 2021-22 are detailed in **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
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
2021-22	9.52	7.00	26	6.92	0.08	2.60
Total	**32.89**	**19.27**	**41**	**18.87**	**0.40**	**14.02**

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

The shortfall in allocation ranged between 26 and 59 *per cent* during the period 2019-22 which led to continued non-discharge of liability towards interest amounting to ₹ 14.02 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 UT Budget/ Treasury system, Finance accounts do not capture the flow of these funds or the related expenditure.

During the year 2021-22, GoI transferred ₹ 222.64 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 2021-22 are shown in **Table 4.2**.

Table 4.2: Funds of ₹ one crore and above 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 2021-22
1	National Hydrology Project	Puducherry Water Resources Organisation	1.00
2	National Programme for Youth and Adolescent Development	Sarva Shiksha Abhiyan Union Territory of Puducherry Mission Authority	5.00
3	Member of Parliament Local Area Development Scheme (MPLAD)	Project Director, RDA, Puducherry	9.50
4	Rashtriya Gokul Mission	Department of Animal Husbandry & Animal Welfare	1.44
5	Assistance to State Agencies for intra-state movement of foodgrains and FPS dealers margin under NFSA	Department of Civil Supplies and Consumer Affairs, Puducherry	2.25
6	Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	Department of Agriculture, Puducherry	6.17
7	Startup India Seed Fund Scheme (SISFS)	AIC-Pondicherry Engineering College Foundation	1.26
8	SAMARTHYA (Shakti Sadan (Swadhar Ujjawala Widow Home) Shakhi Niwas Palna PMMVY Naional Hub for Women Empowerment Gender Budgeting Research Skilling Training Media etc)	Women and Child Development Department, Puducherry	2.39
9	Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission	Puducherry State Water & Sanitation Mission (PSWSM)	7.47
10	Product/Infrastructure Development For Destination And Circuits	Puducherry Tourism Development Corporation Ltd	5.00
11	Mahatma Gandhi National Rural Gurantee Program	DRDA Pondicherry	3.96
12	Mahatma Gandhi National Rural Gurantee Program	SEGF-Ne-FMS Account	9.13
13	National AIDS and STD Control Programme	Pondicherry Aids Control Society	5.93
14	Integrated Development of Tourist Circuits around specific themes (Swadesh Darshan)	Puducherry Tourism Development Corporation Ltd	10.76

Sl. No.	Name of the Schemes of Government of India	Name of the Implementing Agency	Government of India releases during 2021-22
15	Food Subsidy for Decentralized Procurement of Foodgrains under NFSA	Department of Civil Supplies and Consumer Affairs, Puducherry	142.11
16	Sagarmala	DRDA Pondicherry	2.22
Total			**215.59**

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 2022, UCs amounting to ₹ 502.16 crore in respect of 769 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	199	37.91
2	9-5 years	88	47.88
3	5-1 year	482	416.37
Total		**769**	**502.16**

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

- Out of 769 UCs, 199 UCs involving ₹ 37.91 (7.55 *per cent*) were pending for more than nine years.
- 88 UCs involving ₹ 47.88 crore (9.53 *per cent*) were pending for periods ranging from nine to five years.
- 482 UCs involving ₹ 416.37 crore (82.92 *per cent*) were pending for periods ranging from five to one year.

Pendency of 576 UCs for an aggregate amount of ₹ 433.52 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**.

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

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

(₹ in crore)

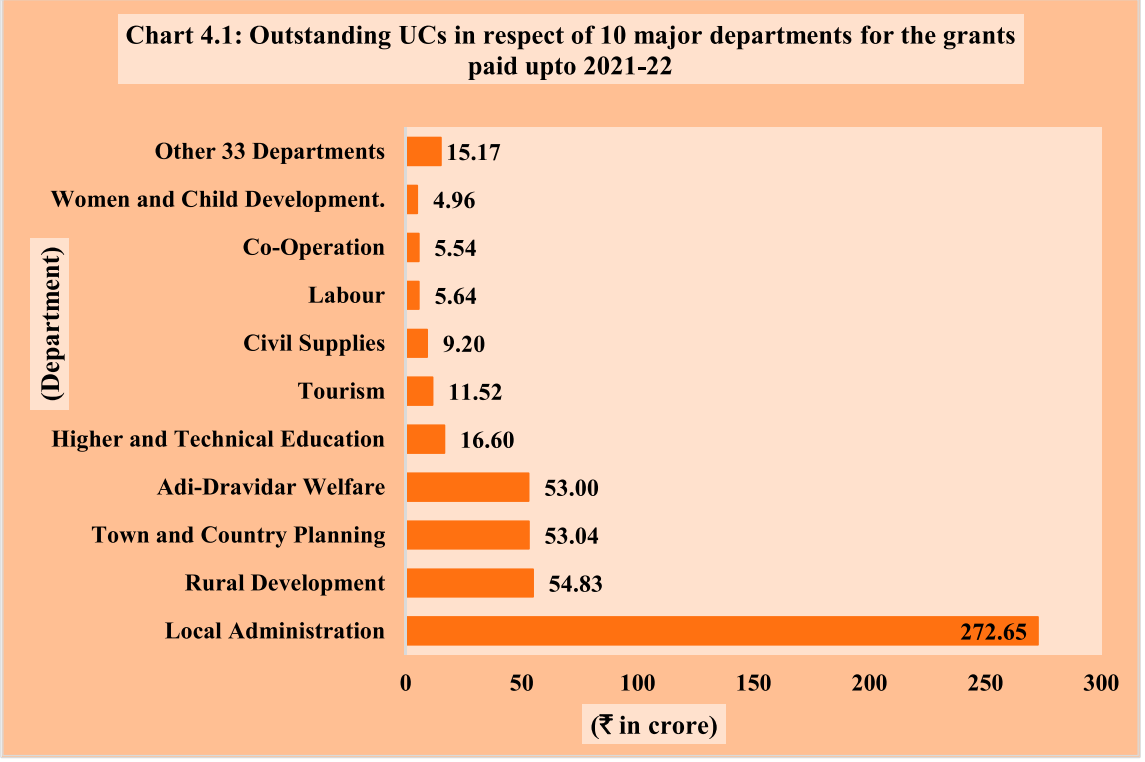
Year	Opening Balance	Amount	Closing Balance	Amount
Upto 2017-18	351	106.66	417	232.18
2018-19	417	232.18	492	336.65
2019-20	492	336.65	587	376.93
2020-21	587	376.93	769	502.16
2021-22	769	502.16	278	207.25

* UCs for the GIA disbursed during 2021-22 become due only during 2022-23

(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**.

Chart 4.1: Outstanding UCs in respect of 10 major departments for the grants paid upto 2021-22



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

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

4.6 Non-adjustment of Temporary Advances

The Drawing and Disbursing Officers (DDOs) draw temporary advances for the purpose of meeting contingent and miscellaneous expenditure either on the authority of standing orders or specific sanctions of UT Government. As per Rule 323 (2) 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.

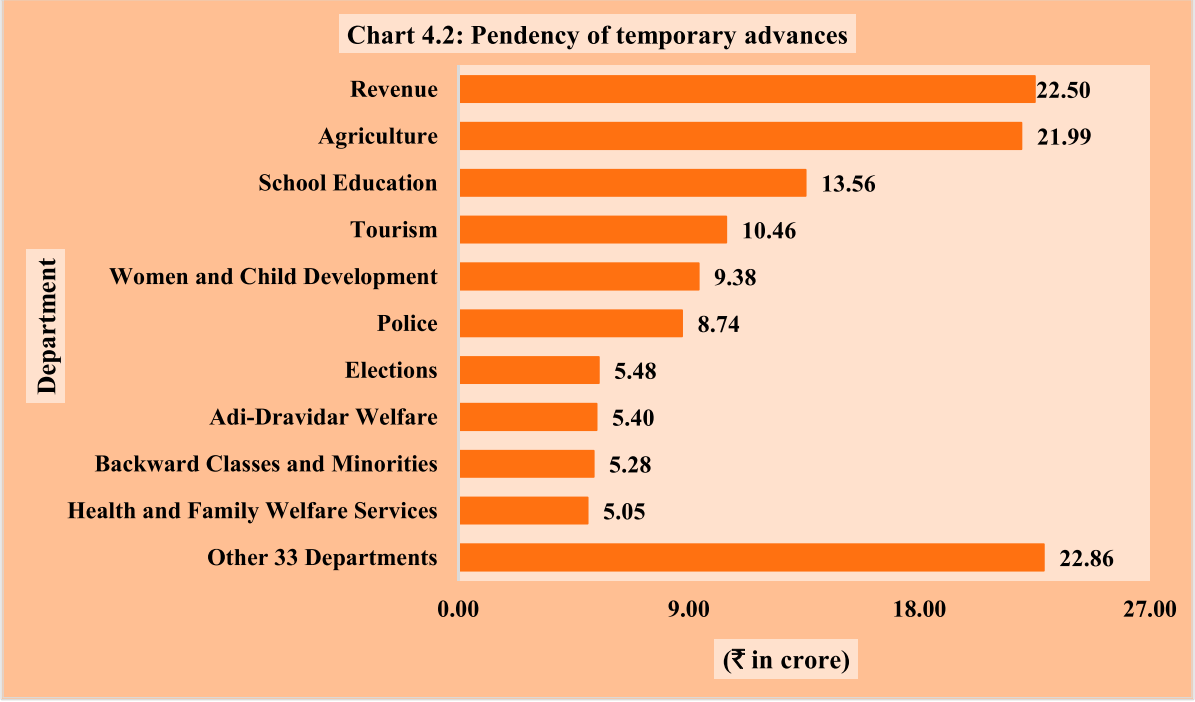
As of 31 March 2022, 1,100 advances aggregating to ₹ 130.70 crore were pending in respect of 192 DDOs out of 656 DDOs, as per the records of the Directorate of Accounts and Treasuries, Puducherry. Age-wise analysis of the pending advances is given in **Table 4.5**.

Table 4.5: Age-wise analysis of pending advances

Sl. No.	Pendency	Number of advances	Amount (₹ in crore)
1	More than 10 years	296	17.65
2	More than five years but less than 10 years	156	9.15
3	More than one year but less than five years	575	69.92
4	Less than one year	73	33.98
Total		**1,100**	**130.70**

(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 296 advances involving ₹ 17.65 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 ₹ 130.70 crore has actually been incurred during the financial year for the purpose for which it was authorised by the Legislature. Advances drawn and non-accounted for increased the possibility of wastage/misappropriation/malfeasance, etc.

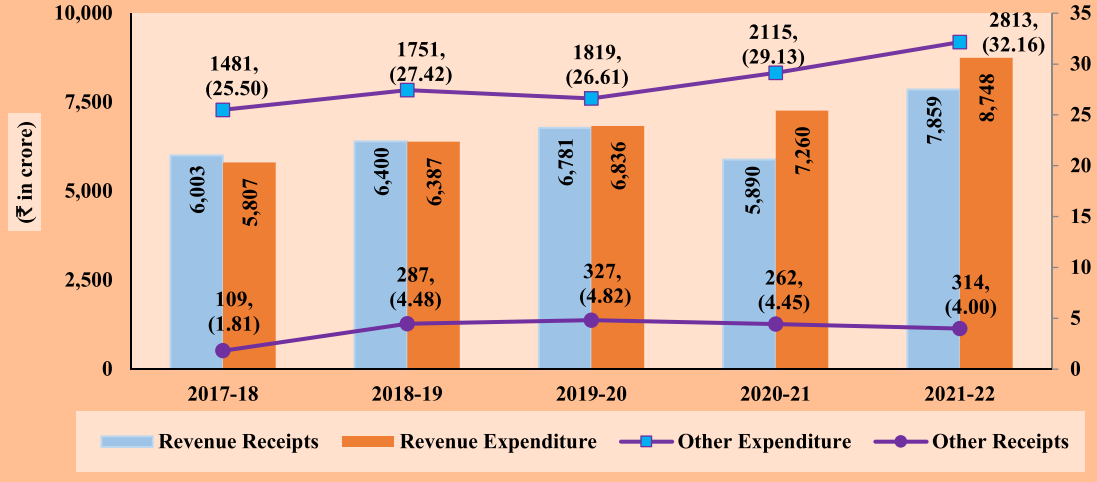
Government stated (March 2023) that DAT has been instructed to issue circular for early clearance of UCs and Temporary advances.

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.

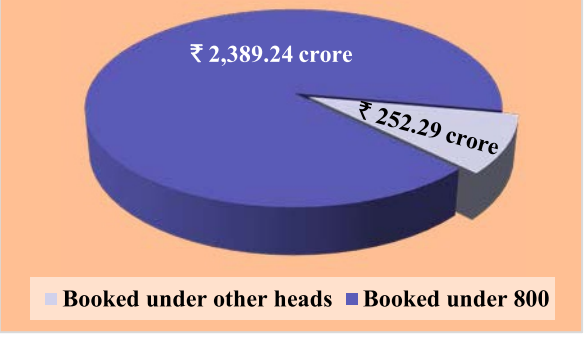
The details of total revenue expenditure/receipts incurred and the expenditure/ receipts booked under the Minor Head "800 - Other expenditure/receipts" and its percentage to revenue receipts/expenditure for the years 2017-18 to 2021-22 are given in **Chart 4.3**.

Chart 4.3: Operation of Minor Head 800 - Other Receipts/Expenditure during 2017-22



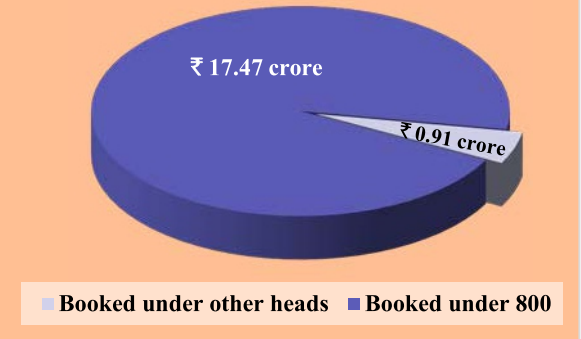
Figures in brackets indicates percentages to Revenue Receipts/Revenue Expenditure
(Source: Finance Accounts of respective years)

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



During 2021-22, under ten Major Heads, expenditure aggregating to ₹ 2,389.24 crore (90.45 *per cent* of the total expenditure of ₹ 2,641.53 crore under these heads) were classified under the minor head '800 - Other Expenditure'. A major portion of the expenditure under "2217 - Urban Development", "2801 - Power Projects" and "3456 - Civil Supplies", 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**.

Chart 4.5: "800 - Other receipts" to Total receipts



Similarly, under ten Major heads, Revenue receipts aggregating to ₹ 17.47 crore (95.05 *per cent* of the total receipt of ₹ 18.38 crore under these heads), were classified under the minor head '800 - Other Receipts'. The entire receipts under "0059 - Public Works", "0216 - Housing", "1051 - Ports and Light Houses" and "1452 - Tourism" were classified under the omnibus minor head '800 - Other Receipts' instead of depicting the same under relevant minor heads. The details are given in **Appendix 4.2**.

Classification of an amount of ₹ 2,406.71 crore under the omnibus minor head "800 - Other Expenditure/Receipts" reflected lack of transparency in financial reporting.

Government stated (March 2023) that the Heads of account pertaining to School Education and Electricity Departments were already created.

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), as per para 88 of the Regulations on Audit and Accounts 2020, the Government/Heads of the Department are required to furnish to the Accountant General every year, detailed information about the financial assistance

given to various institutions, the purposes for which the assistance was given and the total expenditure of these institutions. These details were not furnished by the departments to audit as prescribed. However, based on the details collected from DAT, the institutions are identified for the purpose of conducting audit.

The audit of accounts of 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	15
3	2 - 1 year	29
	Total	**61**

(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.

Government stated (March 2023) that officers of the Bodies/Authorities have been instructed to furnish the accounts.

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 322 cases of misappropriation, loss and defalcation up to March 2022, involving Government money amounting to ₹ 27.98 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	91	6.95
20-25	96	11.14
15-20	62	213.23
10-15	20	2,475.61
5 - 10	34	55.62
0 - 5	19	35.88
Total	**322**	**2,798.43**

(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	17	8.74
(ii)	Departmental actions initiated but not finalised / Pending in Courts of Law	33	2,715.82
(iii)	Awaiting orders for recovery or write-off	272	73.87
Total		**322**	**2,798.43**

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

In respect of 50 cases of misappropriation, theft/loss of materials, amounting to ₹ 27.25 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 2020-21 have been tabled in the UT Legislature. The Public Accounts Committee (PAC) had discussed the reports till the year 2014-15. From the Year 2015-16 upto the year 2020-21, 91 paragraphs pending discussion by PAC.

4.11 Conclusion and Recommendations

Utilisation certificates and Temporary advances

Non-submission of UCs (₹ 502.16 crore) indicates the failure of the departmental officers to comply with the rules to ensure accountability besides defeating the intended objective of providing these grants. This assumes greater importance if such UCs were pending against Grants-in-Aid meant for capital creation.

The non-adjustment of Temporary Advances involving substantial amounts (₹ 130.70 crore drawn and pending over a period of years) indicated laxity on the part of departmental officers in enforcing the codal provisions regarding adjustment of the advances.

***Recommendation**: The UT Government should ensure that controlling officers submit UCs and adjust temporary advances in time and fix responsibility on those who failed to do so. Government should consider adopting a suitable module in Budget Estimation Allocation and Monitoring System to ensure timely submission of UCs and adjustment of advances.*

(Paragraphs 4.5 and 4.6)

Non-submission of accounts by Autonomous bodies

As of March 2022, 61 accounts pertaining to Autonomous Bodies/Authorities were pending for finalisation and the extent of arrears ranged from one year to more than five years.

***Recommendation**: The UT Government should fix responsibility on the concerned Chief Executive Officers for pendency of accounts.*

(Paragraph 4.8)

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.

5.2 Mandate

Audit of the Union Territory Government 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.

5.3 Coverage and nature of PSUs

As on 31 March 2022, there were 13[1] PSUs (including one non-functional PSU[2]) under the audit jurisdiction of the CAG as indicated in **Table 5.1**.

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1 All the 13 PSUs are Government Companies.

2 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.

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			2018-19[3] and prior	Total
		2021-22	2020-21	2019-20		
Working Government Companies	12	Nil	2	1	9	12
Total Companies	12	Nil	2	1	9	12
Non-Functional Government Companies	1[#]	--	--	--	--	--
Total	**13**	**Nil**	**2**	**1**	**9**	**12**

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

The details of Government Companies under the purview of CAG's audit during 2021-22 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 three years period ending 31 March 2022 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	2019-20	2020-21	2021-22
Turnover	414.89	435.46	387.75
GSDP of Puducherry	36,724	35,685	37,485
Percentage of Turnover to GSDP of Puducherry	1.13	1.22	1.03

As per their latest audited accounts available in respective years, the turnover of these PSUs decreased by 10.98 *per cent* during 2021-22 as compared to 2020-21. However, the contribution of PSUs in GSDP is marginal.

[3] Accounts for the years 2012-13:1, 2013-14:1, 2014-15:2, 2015-16:1, 2016-17: 2, 2017-18: 1 and 2018-19:1.

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[4] working UT Government companies as at the end of 31 March 2022 was ₹ 731.81 crore (₹ 738.03 crore till 31.03.2021) 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 2022			As on 31 March 2021		
		Equity	Long Term Loans	Total	Equity	Long Term Loans	Total
1.	UT Government	712.39	9.15	721.54	712.39	10.67	723.06
2.	Central Government	1.68	0.00	1.68	1.68	0.00	1.68
3.	Financial Institutions and Others	8.59	0.00	8.59	8.59	4.70	13.29
Total		**722.66**	**9.15**	**731.81**	**722.66**	**15.37**	**738.03**
	Percentage of investment of UT Government to Total investment	98.58	100	98.60	98.58	69.42	97.97

(Source: Details received from PSUs)

The total long-term loans outstanding in three PSUs[5] out of 12 Government companies from UT Government as on 31 March 2022 was ₹ 9.15 crore. During 2021-22, the long-term loans of Government Companies decreased marginally by ₹ 1.52 crore.

5.5.2 Disinvestment, restructuring or privatisation

During the year 2021-22, 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.

5.6 Returns from PSUs

5.6.1 Profit earned by PSUs

Five PSUs reported profit in 2021-22 as against six PSUs in 2020-21 as per the latest accounts finalised during the respective years. The profit earned increased to ₹ 38.48 crore in 2021-22 from ₹ 35.07 crore in 2020-21. Consequently, the Return on Equity (ROE) of these five PSUs increased to 11.37 *per cent* in 2021-22 as compared to 10.63 *per cent* in six PSUs in 2020-21. However, despite the increase in profit, the ROE of all the 12 PSUs (*i.e.,* including seven loss making companies) was negative in 2021-22.

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4 The accounts of all the 12 PSUs were in arrears for one to nine years.

5 Puducherry Adi-Dravidar Development Corporation Limited, Puducherry Road Transport Corporation Limited and Pondicherry Textiles Corporation Limited.

5.6.2 Dividend pay-out by PSUs

During 2021-22, out of the 12 working PSUs, only one PSU declared dividend. The details of profit earned and dividend declared 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	1[6]	99.78	14.10	5.64
Total	**1**	**99.78**	**14.10**	**5.64**

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

The dividend declared by one PSU was ₹ 5.64 crore as against dividend of ₹ 2.71 crore declared by two PSUs during the previous year. The dividend declared by the above PSU was 40 *per cent* of its net profit.

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 0.79 *per cent.*

5.7 Debt Servicing

5.7.1 Interest Coverage

Interest coverage ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An ICR below one indicated that the company was not generating sufficient revenues to meet its expenses on interest. The details of positive and negative interest coverage ratio of PSUs, which had outstanding loans during the period from 2019-20 to 2021-22 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
2019-20	19.46	0.01	8	4	4
2020-21	19.46	0.01	8	4	4
2021-22	19.27	6.18	7	3	4

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

[6] Puducherry Power Corporation Limited.

Of the seven 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[7]. The PSU wise details of ROCE are given in **Appendix 5.2**. The consolidated ROCE of 12 working Government Companies during the period from 2019-20 to 2021-22 is given in **Table 5.6**.

Table 5.6: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in percentage)
2019-20	(-) 3.03	62.11	--
2020-21	(-) 2.00	52.19	--
2021-22	13.84	50.49	27.41

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

The EBIT of the 12 PSUs was negative during 2019-20 and 2020-21 and hence the ROCE of these PSUs was negative during these years. However, during 2021-22 EBIT turned positive due to reduction in losses in two[8] PSUs and increase in profit in one[9] PSU and consequently, the ROCE of all these PSUs during 2021-22 was positive at 27.41 *per cent*.

ROCE in respect of Monopoly[10] and Non-monopoly PSUs are given in **Table 5.7**.

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

8 Puducherry Corporation for the Development of Women and Differently Abled Persons Limited and Puducherry Road Transport Corporation Limited.

9 Puducherry Power Corporation Limited.

10 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.

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

Year	Monopoly				Non-monopoly			
	No. of PSUs	EBIT	Capital employed	ROCE (in %)	No. of PSUs	EBIT	Capital employed	ROCE (in %)
		(₹ in crore)				(₹ in crore)		
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	--
2021-22	6	13.29	224.97	5.91	6	0.55	(-)174.48	--

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

The ROCE of the six monopoly sector companies increased to 5.91 in 2021-22 from 0.67 in 2020-21 whereas, during 2019-20 the return was negative though the capital employed was positive in all the three years and was also on the increasing trend. Though the EBIT was positive during 2019-20 it turned negative during 2020-21 and again became positive in 2021-22, the Capital Employed of all the six non monopoly sector companies was negative in all the three years and consequently, the ROCE was also negative during all the three years.

5.8.2 Return on Equity (ROE) of PSUs

ROE[11] 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 2019-20 to 2021-22 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)
2019-20	(-) 24.32	19.34	--
2020-21	(-) 27.36	9.42	--
2021-22	(-) 11.39	9.22	--

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

It was observed from **Table 5.8** that during the last three years ending 2021-22, net income was negative in all the three years and therefore, the ROE also remained negative.

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

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

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

Year	Monopoly				Non-monopoly			
	No. of PSUs	Equity (₹ in crore)	Net Profit after Tax (₹ in crore)	ROE (in percentage)	No. of PSUs	Equity (₹ in crore)	Net Profit after Tax (₹ in crore)	ROE (in percentage)
2019-20	6	173.65	(-) 13.32	--	6	(-) 154.31	(-) 11.00	--
2020-21	6	179.44	(-) 6.30	--	6	(-) 170.02	(-) 21.06	--
2021-22	6	186.50	5.57	2.99	6	(-)177.28	(-)16.96	--

(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 2019-20 and 2020-21 but became positive during 2021-22. The equity of non-monopoly PSUs as well as ROE remained negative during all the three years ended 2021-22.

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 by the UT Government in the form of grants/subsidy 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[12] 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 2021-22 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 2021-22

(₹ 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 equity 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
2021-22	615.27	--	--	--	1.05	614.22	7.43	659.86	49.03	(-) 11.39	(-) 1.73
Total		**284.50**	**--**	**--**	**35.57**	**5,365.61**					

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

[12] 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[13] 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 2021-22

Total Earnings/Loss in 2021-22 (₹ in crore)	Investment by the UT Government since inception till 2021-22 (₹ 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 2021-22 (₹ 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
(-) 11.39	248.93	(-) 4.58	659.86	(-) 1.73

It could be seen from **Table 5.11** that since the PSUs incurred overall loss during 2021-22, the RORR calculated on historical value was negative at (-) 4.58 *per cent* as compared to present value which was also negative and worked out to (-) 1.73 *per cent*.

5.9 PSUs incurring losses

5.9.1 Loss incurred by Government Companies

There were seven Government Companies that incurred losses during the year 2021-22. The losses incurred by these PSUs decreased to ₹ 49.87 crore in 2021-22 from ₹ 62.43 crore during 2020-21 (six PSUs) as given in **Table 5.12**.

Table 5.12: Number of PSUs that incurred losses during 2021-22

Year	No of PSUs incurred loss	Net loss for the year (₹ in crore)	Accumulated loss (₹ in crore)	Net worth[14] (₹ in crore)
2019-20	6	52.37	720.17	(-) 274.43
2020-21	6	62.43	735.88	(-) 290.14
2021-22	7	49.87	771.35	(-) 308.02

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

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

[14] 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.

The losses decreased during 2021-22 mainly due to reduction in losses in two[15] PSUs.

Thus, out of the total 12 working PSUs, five PSUs earned profit of ₹ 38.48 crore and seven PSUs incurred losses of ₹ 49.87 crore aggregating to overall loss of ₹ 11.39 crore during 2021-22.

5.9.2 Erosion of capital in Government Companies

As on 31 March 2022, there were eight Government companies with accumulated losses of ₹ 826.25 crore. Of these eight PSUs, seven PSUs incurred losses amounting to ₹ 49.87 crore and one[16] PSUs did not incur losses as per their latest finalised accounts, even though it had accumulated losses of ₹ 54.90 crore.

Net worth of seven out of eight PSUs had been completely eroded by accumulated losses and their net worth was negative. The net worth of these seven PSUs was ₹ 329.96 crore against equity investment of ₹ 482.13 crore by UT Government in these PSUs as on 31 March 2022. Out of seven PSUs, whose capital had been eroded (negative net worth), one PSU had earned profit of ₹ 22.19 crore as per its latest finalised accounts (**Appendix 5.4**).

In respect of two PSUs[17] whose capital had been eroded, Government loans outstanding as on 31 March 2022 amounted to ₹ 6.19 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 2022, indicating its potential financial sickness.

Five PSUs had positive net worth of ₹ 339.18 crore. In the overall, net worth of all the 12 working Government companies was ₹ 9.22 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 Report and any comments upon or supplement to the Audit

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15 Puducherry Corporation for the Development of Women and Differently Abled Persons Limited and Puducherry Road Transport Corporation Limited.

16 Swadeshee Bharathee Textile Mills Limited (SBTML).

17 Puducherry Road Transport Corporation Limited (PRTC) and Pondicherry Textiles Corporation.

18 Puducherry Adi-Dravidar Development Corporation Limited.

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 2022, 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, four companies submitted their five arrear accounts for audit by CAG. Details of arrears in submission of accounts by Government Companies are given in **Table 5.13**.

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

Particulars		Government Companies		
		Government Companies	Non-functional Company#	Total
Total number of Companies under the purview of CAG's audit as on 31.03.2022		12	1	13
Number of companies from which accounts for 2021-22 were due		12	--	12
Number of companies which presented the accounts for 2021-22 for CAG's audit		--	--	--
Number of Companies whose accounts are in arrears[19]		12	--	12
Break-up of Arrears	(i) Under Liquidation			
	(ii) Defunct			
	(iii) First Accounts not submitted			

[19] as on 31 December 2022.

Particulars		Government Companies		
		Government Companies	Non-functional Company#	Total
	(iv) Others	12	--	12
Age–wise analysis of arrears	One year (2021-22)	2	0	2
	Two years (2021-22 and 2020-21)	1	0	1
	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.

The issue of pendency in finalisation of accounts ranging from one to nine years by the 12 PSUs was also highlighted by the Principal Accountant General in the review meeting held on 27 June 2022 with the Chief Secretary, Government of Union Territory of Puducherry. Chief Secretary had given an assurance that these arrear accounts would be cleared by preparing at least three accounts in one year and submitted to audit.

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

5.11.1 Financial reporting frame work

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

5.11.2 Audit of accounts of Government Companies by Statutory Auditors

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

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

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

5.11.3 Supplementary Audit of accounts of Government Companies

The prime responsibility for preparation of financial statements in accordance with the financial reporting frame work prescribed under the Companies Act, 2013 is that 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 2021-22. 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 of the AGM. However, four[20] companies submitted their five arrear accounts during the year 2022. Of these, one accounts[21] 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.

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[20] Puducherry Power Corporation Limited (2020-21), Puducherry Tourism Development Corporation Limited (2019-20 and 2020-21), Puducherry Road Transport Corporation Limited (2019-20) and Puducherry Corporation for the Development of Women and Differently Abled Persons Limited (2018-19).

[21] Puducherry Power Corporation Limited.

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 39 Indian Accounting Standards (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[22] 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[23]. 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 and Recommendations

Performance of PSUs

As on March 2022, the UT Government of Puducherry had made a total investment (Equity and Long term loans) of ₹ 721.54 crore in 12 PSUs. Out of these PSUs, five PSUs earned a profit of ₹ 38.48 crore and seven PSUs incurred a loss of ₹ 49.87 crore, leading to overall loss of ₹ 11.39 crore. The Net worth of seven PSUs was negative at ₹ 329.96 crore as its equity had been completely eroded by accumulated losses.

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22 Puducherry Corporation for the Development of Women and Differently Abled Persons Limited.

23 Puducherry Power Corporation Limited.

***Recommendation**: 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.*

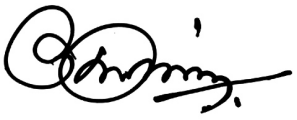
(Paragraphs 5.5.1, 5.9.1 and 5.9.2)

Delay in submission of Accounts

Government companies were not adhering to the prescribed timeline regarding submission of their Financial Statements as per the Companies Act, 2013. As a result, accounts of all the 12 Government companies were in arrears for periods ranging from one to nine years.

***Recommendation**: The UT Government may ensure timely submission of Financial Statements of Government companies, as in the absence of finalisation of accounts, Government investments in such companies remain outside the oversight of the UT Legislature.*

(Paragraph 5.10.2)



Chennai,
The 29 MAY 2023

(K.P. ANAND)
Principal Accountant General (Audit - II),
Tamil Nadu and Puducherry

Countersigned



New Delhi,
The 01 JUNE 2023

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendices

Appendix 2.1

(Reference: Paragraph 2.1; Page 13)

Time series data on the Union Territory Government Finances

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
(1)	(2)	(3)	(4)	(5)	(6)
Part A. Receipts					
1. Revenue Receipts	**6,003 (77)**	**6,400 (78)**	**6,781 (77)**	**5,890 (63)**	**7,859 (72)**
(i) Tax Revenue	**2,806 (47)**	**3,188 (50)**	**2,475 (37)**	**1,948 (33)**	**3,236 (41)**
Goods and Services Tax (GST)	852	1,499	781	433	1,273
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc.	1,008	632	596	549	656
State Excise	770	850	868	798	1,096
Taxes on Vehicles	104	114	139	84	99
Stamp Duty and Registration Fees	71	92	88	82	111
Land Revenue	1	1	2	2	1
Taxes on Goods and Passengers	Nil	Nil	Nil	0	0
(ii) Non-Tax Revenue	**1,374 (23)**	**1,584 (25)**	**1,638 (24)**	**1,460 (25)**	**2,184 (28)**
(iii) State's share of Union taxes and duties	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
(iv) Grants-in-aid from Government of India	**1,823 (30)**	**1,628 (25)**	**2,668 (39)**	**2,482 (42)**	**2,439 (31)**
2. Miscellaneous Capital Receipts	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
3. Recoveries of Loans and Advances	**1**	1	**Nil**	**Nil**	**Nil**
4. Total Revenue and Non-debt capital receipts (1+2+3)	**6,004**	**6,401**	**6,781**	**5,890**	**7,859**
5. Public Debt Receipts	**1,061(14)**	**1,007 (12)**	**1,044 (12)**	**2,529 (27)**	**2,516 (23)**
External Debt	-	50	--	0	0
Internal Debt and Market Loan	989	957	1,043	1,787	1,420
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	0	Nil
Loans and Advances from Government of India	72	Nil	1	742	1,096
6. Total Receipts in the Consolidated Fund (4+5)	**7,065**	**7,408**	**7,825**	**8,419**	**10,375**
7. Contingency Fund Receipts	Nil	Nil	Nil	Nil	**Nil**
8. Public Account Receipts	**717 (9)**	**778 (10)**	**928 (11)**	**906 (10)**	**568**
9. Total Receipts of UT (6+7+8)	**7,782**	**8,186**	**8,753**	**9,325**	**10,943**

	2017-18	2018-19	2019-20	2020-21	2021-22
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Part B. Expenditure/Disbursement					
10. Revenue expenditure	**5,807 (82)**	**6,387 (74)**	**6,836 (78)**	**7260 (78)**	**8,748 (81)**
(i) Plan	1,659 (29)	6,387 (100)	6,836 (100)	7,260 (100)	8,748
(ii) Non-Plan	4,148 (71)	Nil	Nil	Nil	Nil
(iii) General Services (including interest payments)	1,874	2,154	2,313	2,432	2,787
(iv) Social Services	2,235	2,401	2,440	2,450	2,761
(v) Economic Services	1,694	1,832	2,083	2,378	3,200
(vi) Grants-in-aid and Contributions	4	Nil	Nil	Nil	Nil
11. Capital expenditure	**394 (6)**	**313 (4)**	**327 (4)**	**240 (3)**	**163 (2)**
(i) Plan	388 (98)	313 (100)	327 (100)	240 (100)	163 (52)
(ii) Non-Plan	6 (2)	Nil	Nil	Nil	Nil
(iii) General Services	88	19	21	39	16
(iv) Social Services	107	126	160	87	58
(v) Economic Services	199	168	146	114	89
12. Disbursement of Loans and Advances	**Nil**	**3**	**Nil**	**5**	**Nil**
13. Total (10+11+12)	**6,201**	**6,703**	**7,163**	**7,505**	**8,901**
14. Repayments of Public Debt	**570 (8)**	**639 (7)**	**762 (9)**	**838 (9)**	**891 (8)**
External debt	..	..	..	..	
Internal Debt (excluding Ways and Means Advances and Overdrafts)	434	488	611	719	1,420
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	0	Nil
Loans and Advances from Government of India	136	151	151	119	1,096
15. Appropriation to Contingency Fund	**Nil**	**Nil**	**Nil**	**0**	**0**
16. Total disbursement out of Consolidated Fund (13+14+15)	**6,771**	**7,342**	**7,925**	**8,343**	**9,802**
17. Contingency Fund disbursements	**Nil**	**Nil**	**Nil**	**0**	**Nil**
18. Public Account disbursements	**269(4)**	**1,335 (15)**	**807 (9)**	**950 (10)**	**567**
19. Total disbursement by UT (16+17+18)	**7,040**	**8,677**	**8,732**	**9,293**	**10,369**
Part C. Deficits					
20. Revenue deficit(-)/Revenue surplus (+) (1-10)	**196**	**13**	**(-) 55**	**(-) 1,370**	**(-) 889**
21. Fiscal deficit (-)/Fiscal surplus (+) (4-13)	**(-) 197**	**(-) 302**	**(-) 381**	**(-) 1,615**	**(-) 1,052**

	2017-18	2018-19	2019-20	2020-21	2021-22
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
22. Primary deficit (-)/surplus (+) (21+23)	**489**	**405**	**308**	**(-) 858**	**(-) 175**
Part D. Other data					
23. Interest payments (included in revenue expenditure)	**686**	**707**	**690**	**757**	**877**
24. Financial Assistance to local bodies etc.	**660**	**748**	**779**	**780**	**512**
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)	**32,129**	**36,386**	**36,724**	**35,685**	**37,485**
28. Outstanding fiscal liabilities (year-end)	**8,799**	**9,144**	**9,449**	**10,894**	**12,593**
29. Outstanding guarantees (year-end) (including interest)	**51**	**51**	**44**	**43**	**35**
30. Maximum amount guaranteed (year-end)	**63**	**63**	**63**	**53**	**53**
31. Number of incomplete projects	**12**	**30**	**74**	**58**	**60**
32. Capital blocked in incomplete projects	**76.96**	**184.49**	**151.53**	**212.95**	**124.93**
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP	0.09	0.09	0.06	0.05	0.09
Non-Tax Revenue/GSDP	0.04	0.04	0.04	0.04	0.06
Central Transfers/GSDP	Nil	Nil	Nil	Nil	Nil
II Expenditure Management					
Total Expenditure/GSDP	0.19	0.18	0.20	0.21	0.24
Total Expenditure/Revenue Receipts	1.03	1.05	1.06	1.27	1.13
Revenue Expenditure/Total Expenditure	0.94	0.95	0.95	0.97	0.98
Expenditure on Social Services/Total Expenditure	0.36	0.36	0.34	0.33	0.31
Expenditure on Economic Services/Total Expenditure	0.27	0.27	0.29	0.32	0.36
Capital Expenditure/Total Expenditure	0.06	0.05	0.05	0.03	0.02

	2017-18	2018-19	2019-20	2020-21	2021-22
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Capital Expenditure on Social and Economic Services/Total Expenditure	0.05	0.04	0.04	0.03	0.02
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	0.006	0.000	(-) 0.001	(-) 0.038	(-) 0.024
Fiscal deficit/GSDP	(-) 0.006	(-) 0.008	(-) 0.010	(-) 0.044	(-) 0.028
Primary Deficit (surplus) /GSDP	0.015	0.011	0.008	(-) 0.024	(-) 0.005
Revenue Deficit/Fiscal Deficit	(-) 0.995	(-) 0.043	0.144	0.848	0.845
Primary Revenue Balance/GSDP	0.027	0.020	0.017	(-) 0.017	Nil
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.27	0.25	0.25	0.28	0.34
Fiscal Liabilities/RR	1.47	1.43	1.39	1.85	1.60
Primary deficit vis-à-vis quantum spread	2.93	1.38	0.92	83.18	58.16
Debt Redemption (Principal +Interest)/ Total Debt Receipts	1.12	1.18	1.37	0.60	0.60
V Other Fiscal Health Indicators					
Return on Investment (₹ in crore)	0.09	0.09	Nil	0.09	0.09
Financial Assets/Liabilities	0.89	0.89	0.89	0.78	0.78
Revenue Expenditure /Revenue Receipts	97	100	101	123	111

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

Appendix 3.1

(Reference: Paragraph 3.1; Page 63)

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 authorized 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 regularization 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 authorized 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 71)

Supplementary provision of ₹ 50 lakh or more proved partially unnecessary

(₹ in crore)

Sl. No.	Grant No.	Head of account					Original	Supple-mentary	Total Provision	Expen-diture	Savings in Supple-mentary
1	01	2011	02	101	02	01	3.06	1.55	4.61	3.28	1.33
2	06	2029	00	101	03	01	7.87	0.53	8.40	8.13	0.27
3	06	2408	01	102	08	01	150.50	12.00	162.50	157.88	4.62
4	06	3456	00	190	01	01	1.65	4.79	6.44	6.31	0.13
5	08	2070	00	114	01	01	4.00	0.54	4.54	4.42	0.12
6	10	2216	80	800	23	01	7.25	9.60	16.85	16.80	0.05
7	12	2055	00	001	02	01	1.87	2.49	4.36	2.53	1.83
8	12	2055	00	104	01	01	38.38	4.38	42.76	39.87	2.89
9	12	2055	00	104	02	01	64.53	8.00	72.53	69.67	2.86
10	12	2055	00	109	01	01	60.36	5.00	65.36	63.75	1.61
11	12	2055	00	115	01	01	29.12	2.22	31.34	30.80	0.54
12	12	2070	00	107	01	01	11.67	0.93	12.60	12.03	0.57
13	12	2070	00	108	03	01	10.78	1.32	12.10	11.24	0.86
14	15	2071	01	101	01	07	527.00	43.24	570.24	564.75	5.49
15	15	2071	01	102	01	07	96.00	28.52	124.52	117.38	7.14
16	15	2071	01	104	01	07	96.00	48.24	144.24	139.13	5.11
17	15	2071	01	105	01	07	164.00	10.72	174.72	171.97	2.75
18	15	2071	01	117	01	07	97.00	14.59	111.59	105.86	5.73
19	16	2059	01	053	04	01	0.00	1.00	1.00	0.56	0.44
20	16	2059	80	001	03	01	2.90	0.52	3.42	3.11	0.31
21	16	2702	02	001	02	02	6.60	0.52	7.12	6.83	0.29
22	16	3054	04	800	04	01	1.95	9.46	11.41	11.27	0.14
23	16	4711	03	103	01	01	0.05	2.45	2.50	0.12	2.38
24	16	5054	04	800	01	01	0.05	3.46	3.51	1.14	2.37
25	17	2202	01	800	01	02	54.09	4.19	58.28	58.09	0.19

Sl. No.	Grant No.	Head of account					Original	Supple-mentary	Total Provision	Expen-diture	Savings in Supple-mentary
26	17	2202	02	109	18	01	87.96	7.68	95.64	94.63	1.01
27	18	2210	01	110	01	01	120.23	4.45	124.68	122.66	2.02
28	18	2210	02	800	01	01	1.00	0.62	1.62	1.24	0.38
29	18	2210	80	800	21	01	0.00	0.80	0.80	0.67	0.13
30	18	4210	80	800	01	01	0.00	1.20	1.20	1.19	0.01
31	19	5452	01	800	02	01	4.00	6.85	10.85	10.80	0.05
32	20	2230	03	101	01	01	3.30	0.55	3.85	3.72	0.13
33	20	2230	03	101	01	02	3.96	0.52	4.48	4.36	0.12
34	21	2225	01	277	17	01	4.83	2.00	6.83	6.44	0.39
35	21	2225	01	789	41	01	0.00	0.55	0.55	0.50	0.05
36	21	4225	01	789	01	01	0.00	1.90	1.90	1.86	0.04
37	25	2403	00	101	08	01	3.79	0.61	4.40	3.92	0.48
38	26	2405	00	800	19	01	10.38	2.65	13.03	11.88	1.15
39	26	2405	00	800	19	02	2.61	1.16	3.77	3.17	0.60
40	26	2405	00	800	19	04	3.65	1.51	5.16	4.38	0.78
41	32	4202	03	800	01	01	0.00	1.03	1.03	1.02	0.01
42	33	2049	03	104	01	07	51.61	28.90	80.51	73.47	7.04
Total							**1,734.00**	**283.24**	**2,017.24**	**1,952.83**	**64.41**

Appendix 3.3

(Reference: Paragraph 3.3.4; Page 72)

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	2408	01	102	08	01	16,250.00	19.54	15,787.50	462.50
2	06	2408	01	789	02	01	3,697.00	217.00	3,665.66	31.34
3	07	2043	00	001	01	01	1,095.41	12.77	1,094.69	0.72
4	09	2062	00	800	01	01	201.22	15.33	190.27	10.95
5	10	2216	80	800	04	01	520.00	53.70	389.01	130.99
6	10	2216	80	800	19	03	96.80	15.40	7.80	89.00
7	10	2216	80	800	19	04	30.00	57.60	0.00	30.00
8	10	2217	01	191	01	01	150.95	15.00	70.12	80.83
9	12	2055	00	001	02	01	436.12	16.66	252.91	183.21
10	12	2055	00	003	02	01	54.00	20.00	29.53	24.47
11	12	2055	00	003	03	01	60.00	20.00	51.74	8.26
12	12	2055	00	109	01	01	6,535.51	10.40	6,375.28	160.23
13	12	2055	00	115	01	01	3,133.51	13.66	3,079.70	53.81
14	12	4055	00	207	01	01	748.38	99.92	432.26	316.12
15	12	4070	00	800	04	01	15.05	10.45	6.67	8.38
16	13	2056	00	101	01	01	584.38	17.12	568.95	15.43
17	16	4215	01	800	03	01	4,300.00	278.23	1,674.24	2625.76
18	16	5054	04	800	05	01	800.00	300.00	186.67	613.33
19	16	5054	04	800	05	04	386.95	13.05	27.74	359.21
20	16	5054	04	800	09	01	3,644.00	269.98	1,774.38	1,869.62
21	17	2202	01	108	01	02	215.29	94.29	49.00	166.29
22	17	2202	01	789	03	01	285.55	20.18	76.64	208.91
23	17	2202	01	789	03	02	86.43	29.27	13.67	72.76
24	17	2202	01	800	01	02	5,828.13	56.82	5,809.42	18.71
25	17	2202	02	109	18	01	9,564.21	37.77	9,462.85	101.36
26	17	2202	03	103	03	01	2,400.41	25.09	2,359.83	40.58
27	17	2202	03	103	09	04	650.51	30.09	619.05	31.46

Sl. No.	Grant No.	Head of account					Provision	Re-appropriation	Expenditure	Savings in Provision
28	17	2202	03	103	29	02	965.66	22.77	898.40	67.26
29	17	2202	80	789	09	01	98.61	42.26	48.00	50.61
30	17	2202	80	800	14	01	451.83	22.02	349.85	101.98
31	17	2236	02	102	05	01	514.63	26.63	303.87	210.76
32	18	2210	01	001	01	01	949.94	61.18	727.86	222.08
33	18	2210	01	001	09	02	110.00	25.00	103.73	6.27
34	18	2210	02	800	01	01	161.66	415.44	123.97	37.69
35	18	2210	02	800	02	01	127.00	93.00	84.53	42.47
36	18	2210	03	104	01	01	439.85	14.27	417.52	22.33
37	18	2210	06	107	04	01	285.24	16.98	276.81	8.43
38	18	2210	80	789	06	01	400.00	280.40	0.00	400.00
39	18	2210	80	800	21	01	80.00	100.00	67.00	13.00
40	18	2210	80	800	22	01	500.00	13.60	0.00	500.00
41	18	2210	80	800	23	01	100.00	19.70	0.00	100.00
42	18	2210	80	800	24	01	200.00	25.00	0.00	200.00
43	18	2210	80	800	25	01	50.00	40.01	0.00	50.00
44	19	2070	00	115	01	06	485.51	14.07	417.49	68.02
45	19	3452	80	001	01	01	479.11	22.41	190.63	288.48
46	20	2230	03	102	07	01	250.00	23.00	0.00	250.00
47	20	2230	03	789	19	01	50.00	50.00	0.00	50.00
48	20	2230	03	800	04	01	395.91	119.09	0.00	395.91
49	21	2225	01	789	32	01	1,000.00	100.00	661.44	338.56
50	21	2225	01	789	34	02	400.00	67.00	351.11	48.89
51	21	2225	01	789	45	01	1,000.00	73.90	985.50	14.50
52	21	2235	02	102	01	01	306.71	206.94	106.37	200.34
53	21	2235	02	102	03	01	463.12	56.37	401.62	61.50
54	21	2235	02	102	26	01	136.00	40.40	5.95	130.05
55	21	2235	02	103	18	01	42.54	19.24	0.00	42.54
56	21	2235	02	106	01	01	127.83	10.02	122.77	5.06
57	21	2235	60	102	01	04	996.68	15.00	988.32	8.36

Sl. No.	Grant No.	Head of account					Provision	Re-appropriation	Expenditure	Savings in Provision
58	24	2401	00	789	01	02	101.20	44.71	87.37	13.83
59	24	2401	00	800	13	01	23.33	16.97	6.00	17.33
60	24	2406	01	102	06	01	0.01	13.34	0.00	0.01
61	26	2405	00	103	05	01	62.23	14.00	41.17	21.06
62	26	2405	00	103	05	02	49.46	14.74	39.42	10.04
63	26	2405	00	120	01	01	211.94	10.56	188.11	23.83
64	27	2505	02	101	08	01	50.00	30.14	0.00	50.00
65	27	2505	02	789	03	01	20.00	14.34	0.00	20.00
66	27	2515	00	800	12	01	0.01	301.99	0.00	0.01
67	28	2851	00	105	01	01	1,444.09	60.83	1,365.72	78.37
68	28	2851	00	800	06	01	857.35	45.00	802.50	54.85
69	32	4070	00	800	04	02	0.01	49.99	0.00	0.01
70	33	6004	01	102	01	07	7,451.00	111.00	7,450.00	1.00
Total							**83,608.27**	**4,532.63**	**71,668.61**	**11,939.66**

Appendix 3.4

(Reference: Paragraph 3.3.5.1; Page 72)

(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	01	Legislative Assembly	1.25	0.00	1.25
2	04	Administration of Justice	1.53	0.00	1.53
3	06	Revenue and Food	13.58	0.00	13.58
4	09	Secretariat	2.68	0.00	2.68
5	10	District Administration	90.22	0.00	90.22
6	12	Police	16.65	0.00	16.65
7	14	Stationery and Printing	2.33	0.00	2.33
8	15	Retirement Benefits	22.74	0.00	22.74
9	16	Public Works	8.30	0.00	8.30
10	17	Education	103.64	0.00	103.64
11	18	Medical	74.04	0.00	74.04
12	19	Information and Publicity	8.55	2.94	5.61
13	20	Labour and Employment	13.94	0.00	13.94
14	21	Social Welfare	48.07	0.00	48.07
15	22	Co-operation	39.90	33.43	6.47
16	24	Agriculture	11.69	0.00	11.69
17	25	Animal Husbandry	3.98	0.00	3.98
18	26	Fisheries	14.41	0.00	14.41
19	27	Community Development	28.78	4.23	24.55
20	28	Industries	5.38	0.00	5.38
21	29	Electricity	3.35	0.00	3.35

Sl. No.	Grant No.	Description	Savings	Amount Surrendered	Amount not Surrendered
22	32	Building Programmes	2.91	0.80	2.11
Total (A)			**517.92**	**41.40**	**476.52**
(B) Revenue - Charged					
23	21	Social Welfare	7.70	0.06	7.64
24	33	Public Debt	6.38	0.00	6.38
Total (B)			**14.08**	**0.06**	**14.02**
(C) Capital - Voted					
25	12	District Administration	7.14	1.03	6.11
26	16	Public Works	87.10	61.56	25.54
27	18	Medical	16.09	0.00	16.09
28	21	Social Welfare	6.00	1.40	4.60
29	29	Electricity	6.58	2.63	3.96
30	32	Building Programme	34.51	4.94	29.56
Total (C)			**157.42**	**71.56**	**85.86**
(D) Capital Charged					
31	16	Public Works	12.18	0.00	12.18
32	17	Education	1.05	0.00	1.05
33	28	Industries	3.11	0.00	3.11
Total (D)			**16.34**	**0.00**	**16.34**
Grand Total			**705.76**	**113.02**	**592.74**

Appendix 3.4

(Reference: Paragraph 3.3.5.1; Page 72)

(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	01	Legislative Assembly	1.25	0.00	1.25
2	04	Administration of Justice	1.53	0.00	1.53
3	06	Revenue and Food	13.58	0.00	13.58
4	09	Secretariat	2.68	0.00	2.68
5	10	District Administration	90.22	0.00	90.22
6	12	Police	16.65	0.00	16.65
7	14	Stationery and Printing	2.33	0.00	2.33
8	15	Retirement Benefits	22.74	0.00	22.74
9	16	Public Works	8.30	0.00	8.30
10	17	Education	103.64	0.00	103.64
11	18	Medical	74.03	0.00	74.03
12	20	Labour and Employment	13.94	0.00	13.94
13	21	Social Welfare	48.07	0.00	48.07
14	24	Agriculture	11.69	0.00	11.69
15	25	Animal Husbandry	3.98	0.00	3.98
16	26	Fisheries	14.41	0.00	14.41
17	28	Industries	5.38	0.00	5.38
18	29	Electricity	3.35	0.00	3.35
Total (A)			**437.77**	**0.00**	**437.77**
(B) Revenue - Charged					
19	33	Public Debt	6.38	0.00	6.38
Total (B)			**6.38**	**0.00**	**6.38**
(C) Capital - Voted					
20	18	Medical	16.09	0.00	16.09
Total (C)			**16.09**	**0.00**	**16.09**

Sl. No.	Grant No.	Description	Savings	Amount Surrendered	Amount not Surrendered
(D) Capital Charged					
21	16	Public Works	12.18	0.00	12.18
22	17	Education	1.05	0.00	1.05
23	28	Industries	3.11	0.00	3.11
Total (D)			**16.34**	**0.00**	**16.34**
Grand Total			**476.58**	**0.00**	**476.58**

Appendix 3.5

(Reference: Paragraph 3.3.5.2; Page 73)

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	Expen-diture	Savings	Surren-dered	Surrender (in *per cent*)
1	14	4058	00	103	01	01	V	48.00	20.11	27.89	27.55	98.78
2	16	4215	01	800	03	01	V	4,300.00	1,674.24	2,625.76	2,579.80	98.25
3	16	4702	00	800	02	01	V	200.00	0.00	200.00	175.00	87.50
4	16	4702	00	800	02	02	V	50.00	0.00	50.00	50.00	100.00
5	16	4711	03	800	04	01	V	300.00	0.00	300.00	300.00	100.00
6	16	4711	03	800	04	02	V	300.00	0.00	300.00	300.00	100.00
7	16	4711	03	800	04	04	V	305.00	0.00	305.00	256.81	84.20
8	16	5054	04	800	09	01	V	3,644.00	1,774.38	1,869.62	1,968.00	105.26
9	19	3452	80	800	30	01	V	398.00	0.00	398.00	293.53	73.75
10	22	2852	08	201	01	01	V	4,011.00	0.00	4,011.00	3,342.95	83.34
11	27	2505	02	101	04	01	V	200.00	0.00	200.00	200.00	100.00
12	31	7610	00	201	01	07	V	25.00	0.00	25.00	25.00	100.00
13	31	7610	00	204	02	07	V	25.00	6.45	18.55	17.00	91.64
14	32	3452	01	800	13	03	V	40.00	20.00	20.00	20.00	100.00
15	32	4059	01	051	03	01	V	275.61	36.20	239.41	239.40	100.00
16	32	4059	01	051	03	02	V	200.00	0.00	200.00	200.00	100.00
17	32	4210	05	105	01	03	V	25.00	0.00	25.00	25.00	100.00
18	32	4235	02	101	02	01	V	17.93	4.09	13.84	13.00	93.93
Total								**14,364.54**	**3,535.47**	**10,829.07**	**10,033.04**	

Appendix 3.6

(Reference: Paragraph 3.3.5.3; Page 74)

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					V/C	Provision	Expenditure	Savings	Percentage of savings
1	06	2245	02	101	01	01	V	91.00	0.00	91.00	100.00
2	10	2215	01	102	01	01	V	680.00	71.94	608.06	89.42
3	10	2215	01	789	04	01	V	220.00	23.28	196.72	89.42
4	10	2215	01	796	01	01	V	100.00	10.58	89.42	89.42
5	10	2216	80	789	11	01	V	1,162.20	562.98	599.22	51.56
6	10	2216	80	800	04	02	V	149.02	26.30	122.72	82.35
7	10	2216	80	800	19	02	V	195.00	0.00	195.00	100.00
8	10	2216	80	800	19	03	V	96.80	7.80	89.00	91.94
9	10	2217	01	191	01	01	V	150.95	70.12	80.83	53.55
10	10	2217	05	800	03	04	V	200.00	93.17	106.83	53.41
11	10	2217	05	800	08	01	V	2,000.00	0.00	2,000.00	100.00
12	10	2217	05	800	09	01	V	800.00	0.00	800.00	100.00
13	10	2217	80	001	02	01	V	2,328.00	728.36	1,599.64	68.71
14	10	2217	80	191	10	01	C	73.34	0.00	73.34	100.00
15	10	2217	80	191	17	01	V	600.00	0.00	600.00	100.00
16	10	2217	80	191	18	01	V	190.44	0.00	190.44	100.00
17	10	2217	80	800	10	01	V	61.60	0.00	61.60	100.00
18	10	3475	00	108	03	01	V	600.00	0.00	600.00	100.00
19	12	2055	00	003	01	01	V	150.02	69.78	80.24	53.49
20	12	4055	00	207	03	01	V	278.25	0.00	278.25	100.00
21	16	2702	02	190	01	01	V	65.00	0.00	65.00	100.00
22	16	4215	01	102	01	01	C	54.10	0.00	54.10	100.00
23	16	4215	01	800	03	01	V	4,300.00	1,674.24	2,625.76	61.06
24	16	4215	01	800	03	02	V	1,200.00	48.07	1,151.93	95.99
25	16	4702	00	800	02	01	V	200.00	0.00	200.00	100.00
26	16	4711	03	103	01	01	C	249.74	11.82	237.92	95.27

Sl. No.	Grant No.	Head of account					V/C	Provision	Expenditure	Savings	Percentage of savings
27	16	4711	03	800	01	01	V	70.00	18.74	51.26	73.23
28	16	4711	03	800	04	01	V	300.00	0.00	300.00	100.00
29	16	4711	03	800	04	02	V	300.00	0.00	300.00	100.00
30	16	4711	03	800	04	04	V	305.00	0.00	305.00	100.00
31	16	5054	04	800	01	01	C	351.00	114.11	236.89	67.49
32	16	5054	04	800	05	01	V	800.00	186.67	613.33	76.67
33	16	5054	04	800	05	02	V	500.00	81.44	418.56	83.71
34	16	5054	04	800	05	04	C	313.05	0.00	313.05	100.00
35	16	5054	04	800	05	04	V	386.95	27.74	359.21	92.83
36	16	5054	04	800	09	01	V	3,644.00	1,774.38	1,869.62	51.31
37	16	5054	04	800	09	02	V	1,000.00	267.81	732.19	73.22
38	17	2202	01	108	01	01	V	826.40	151.71	674.69	81.64
39	17	2202	01	108	01	02	V	215.29	49.00	166.29	77.24
40	17	2202	01	108	01	03	V	69.25	19.10	50.15	72.42
41	17	2202	01	789	03	01	V	285.55	76.64	208.91	73.16
42	17	2202	01	789	03	02	V	86.43	13.67	72.76	84.19
43	17	2202	01	800	06	01	V	340.30	109.86	230.44	67.72
44	17	2202	03	107	06	07	V	4,000.00	1,983.00	2,017.00	50.43
45	17	2202	03	789	15	01	V	332.00	0.00	332.00	100.00
46	17	2202	03	800	02	01	V	175.00	0.00	175.00	100.00
47	17	2202	03	800	03	01	V	1,146.00	0.00	1,146.00	100.00
48	17	2202	80	789	09	01	V	98.61	48.00	50.61	51.32
49	17	2202	80	800	15	01	V	451.39	209.38	242.01	53.61
50	17	2204	00	101	03	01	V	1,605.38	516.41	1,088.97	67.83
51	17	2205	00	107	08	01	V	60.00	0.00	60.00	100.00
52	17	2225	01	277	01	01	V	63.00	0.00	63.00	100.00
53	17	2236	02	102	03	03	V	79.30	10.63	68.67	86.59
54	17	2236	02	102	05	02	V	138.74	43.32	95.42	68.78
55	17	2236	02	102	05	03	V	73.13	3.77	69.36	94.85
56	17	2236	02	789	02	01	V	100.00	0.00	100.00	100.00

Sl. No.	Grant No.	Head of account					V/C	Provision	Expenditure	Savings	Percentage of savings
57	17	2236	02	789	03	01	V	70.00	12.04	57.96	82.79
58	17	4202	01	202	01	01	C	200.00	65.23	134.77	67.39
59	18	2210	01	110	09	02	V	84.30	5.50	78.80	93.47
60	18	2210	01	789	06	01	V	100.00	44.90	55.10	55.10
61	18	2210	05	105	10	01	V	1,500.00	250.00	1,250.00	83.33
62	18	2210	80	789	02	01	V	913.95	65.00	848.95	92.89
63	18	2210	80	789	03	01	V	731.70	0.00	731.70	100.00
64	18	2210	80	789	06	01	V	400.00	0.00	400.00	100.00
65	18	2210	80	800	06	01	V	2,502.82	366.00	2,136.82	85.38
66	18	2210	80	800	15	07	V	1,100.00	200.00	900.00	81.82
67	18	2210	80	800	22	01	V	500.00	0.00	500.00	100.00
68	18	2210	80	800	23	01	V	100.00	0.00	100.00	100.00
69	18	2210	80	800	24	01	V	200.00	0.00	200.00	100.00
70	18	4210	01	110	01	03	V	68.00	4.99	63.01	92.66
71	18	4210	01	110	02	01	V	100.00	36.82	63.18	63.18
72	18	4210	01	800	01	01	V	150.00	3.11	146.89	97.92
73	18	4210	04	101	01	01	V	800.00	76.76	723.24	90.41
74	18	4210	04	107	02	01	V	845.00	0.00	845.00	100.00
75	19	3452	80	001	01	01	V	479.11	190.63	288.48	60.21
76	19	3452	80	800	30	01	V	398.00	0.00	398.00	100.00
77	20	2230	03	101	28	01	V	147.00	0.00	147.00	100.00
78	20	2230	03	102	07	01	V	250.00	0.00	250.00	100.00
79	20	2230	03	800	02	01	V	347.00	114.61	232.39	66.97
80	20	2230	03	800	04	01	V	395.91	0.00	395.91	100.00
81	21	2225	01	789	24	01	V	120.00	18.80	101.20	84.33
82	21	2225	01	789	27	01	C	764.00	0.00	764.00	100.00
83	21	2225	01	789	27	04	V	100.00	41.65	58.35	58.35
84	21	2225	01	789	43	02	V	239.00	98.27	140.73	58.88
85	21	2225	01	789	43	04	V	143.00	26.55	116.45	81.43
86	21	2225	01	789	45	02	V	200.00	74.70	125.30	62.65

Sl. No.	Grant No.	Head of account					V/C	Provision	Expenditure	Savings	Percentage of savings
87	21	2225	03	277	09	01	V	120.00	3.00	117.00	97.50
88	21	2225	03	277	10	01	V	130.00	48.34	81.66	62.81
89	21	2235	02	101	37	01	V	51.00	0.00	51.00	100.00
90	21	2235	02	102	01	01	V	306.71	106.37	200.34	65.32
91	21	2235	02	102	01	02	V	71.43	19.80	51.63	72.28
92	21	2235	02	102	10	01	V	120.00	28.53	91.47	76.23
93	21	2235	02	102	12	01	V	447.39	149.08	298.31	66.68
94	21	2235	02	102	13	01	V	236.72	24.79	211.93	89.53
95	21	2235	02	102	20	01	V	120.00	0.00	120.00	100.00
96	21	2235	02	102	23	02	V	80.38	0.00	80.38	100.00
97	21	2235	02	102	26	01	V	136.00	5.95	130.05	95.63
98	21	2235	02	103	24	01	V	73.52	0.00	73.52	100.00
99	21	2235	02	104	12	01	V	863.88	418.01	445.87	51.61
100	21	2235	02	104	13	01	V	81.74	0.04	81.70	99.95
101	21	4225	01	789	01	01	V	300.00	0.00	300.00	100.00
102	21	4225	01	789	29	01	V	300.00	0.00	300.00	100.00
103	22	2852	08	201	01	01	V	4,011.00	0.00	4,011.00	100.00
104	24	2401	00	109	07	01	V	200.00	7.55	192.45	96.22
105	24	2401	00	800	16	02	V	158.12	71.38	86.74	54.86
106	24	2401	00	800	17	01	V	195.00	50.07	144.93	74.32
107	24	2406	01	102	04	01	V	63.85	1.92	61.93	96.99
108	25	2403	00	800	10	01	V	64.00	0.11	63.89	99.83
109	26	2405	00	800	01	02	V	102.55	27.69	74.86	73.00
110	26	2405	00	800	21	01	V	197.46	25.65	171.81	87.01
111	27	2505	02	101	01	01	V	500.00	0.00	500.00	100.00
112	27	2505	02	101	02	01	V	775.00	187.67	587.33	75.79
113	27	2505	02	101	04	01	V	200.00	0.00	200.00	100.00
114	27	2505	02	101	07	01	V	500.00	33.24	466.76	93.35
115	27	2505	02	789	01	01	V	351.20	75.00	276.20	78.64
116	27	2505	02	789	04	01	V	290.00	14.25	275.75	95.09

Sl. No.	Grant No.	Head of account					V/C	Provision	Expenditure	Savings	Percentage of savings
117	27	2515	00	102	06	01	V	400.00	0.00	400.00	100.00
118	27	2515	00	800	08	01	V	200.00	0.00	200.00	100.00
119	28	2851	00	003	01	01	V	113.54	48.57	64.97	57.22
120	28	2851	00	106	01	01	V	97.63	4.83	92.80	95.06
121	28	4851	00	101	01	02	C	287.00	0.00	287.00	100.00
122	29	2801	05	800	11	01	V	2,500.00	0.00	2,500.00	100.00
123	29	4801	05	800	54	01	V	730.90	0.00	730.90	100.00
124	32	2056	00	101	01	01	V	75.00	9.10	65.90	87.87
125	32	4055	00	211	01	01	V	1,265.00	210.00	1,055.00	83.40
126	32	4055	00	211	01	02	V	150.00	53.19	96.81	64.54
127	32	4059	01	051	03	01	V	275.61	36.20	239.41	86.86
128	32	4059	01	051	03	02	V	200.00	0.00	200.00	100.00
129	32	4070	00	800	04	01	V	135.00	54.51	80.49	59.62
130	32	4202	03	800	01	01	V	100.00	44.78	55.22	55.22
131	32	4202	04	800	03	01	V	317.00	0.00	317.00	100.00
132	32	4210	01	800	03	01	V	279.00	49.05	229.95	82.42
133	32	4210	01	800	03	03	V	150.00	0.00	150.00	100.00
134	32	4405	00	104	02	03	V	182.00	0.00	182.00	100.00
135	32	5452	01	800	29	01	V	65.00	0.00	65.00	100.00
136	32	5452	01	800	34	03	V	100.00	0.00	100.00	100.00
137	33	2049	01	200	02	07	C	1,704.00	734.45	969.55	56.90
138	33	2049	05	105	02	07	C	120.00	44.18	75.82	63.19
Total								**68,753.65**	**13,386.68**	**55,366.97**	**80.53**

Appendix 3.7

(Reference: Paragraph 3.4.4; Page 82)

Rush of Expenditure

(₹ in lakh)

Sl. No.	Grant No.	Head of Account					Description	Total Expen-diture 2021- 22	Expen-diture for March 2022	Percen-tage
1	03	2013	00	104	01	01	Entertainment and Hospitality Expenses	283.16	199.46	70.44
2	06	2245	05	101	02	01	Contribution to Puducherry Disaster Response Fund (State Share)	125.00	125.00	100.00
3	09	3451	00	091	02	01	Introduction of e-Governanace	605.82	526.28	86.87
4	10	2215	01	102	02	01	National Rural Drinking Water Programme under Jal Jeevan Mission (CSS) (State Share)	64.44	57.24	88.83
5	10	2216	80	789	11	02	Housing for All - Pradhan Manthri Awas Yojana (Central Share) (CSS)	134.40	87.60	65.18
6	10	2216	80	800	23	01	Housing for All - Pradhan Manthri Awas Yojana (State Share) (CSS)	1,680.03	1,594.35	94.90
7	10	2216	80	800	23	02	Housing for All - Pradhan Manthri Awas Yojana (State Share) (CSS)	394.20	394.20	100.00
8	10	2216	80	800	23	03	Housing for All - Pradhan Manthri Awas Yojana (State Share) (CSS)	51.80	51.80	100.00
9	10	2216	80	800	23	04	Housing for All - Pradhan Manthri Awas Yojana (State Share) (CSS)	91.50	91.50	100.00
10	10	2217	80	800	07	01	MLA's Local Area Development Scheme	2,310.00	2,310.00	100.00
11	10	2575	60	101	01	01	MLA's Local Area Development Scheme	770.00	770.00	100.00
12	10	2575	60	789	01	01	MLA's Local Area Development Scheme	550.00	550.00	100.00
13	10	2810	00	800	01	01	Strengthening of Renewable Energy Wing	77.58	77.58	100.00
14	12	2055	00	001	02	01	Enforcement of PCR Act 1955 and SC/ST (Prevention of Atrocities) Act, 1989 (C.S.S.)	252.91	132.64	52.45
15	12	4055	00	207	01	01	Office of the Director General of Police	432.26	394.86	91.35
16	16	2059	01	053	04	01	Maintenance and Repairs of Assembly Building	56.21	56.21	100.00
17	16	3054	04	800	04	01	Maintenance of District and Other Roads	1,126.79	934.82	82.96
18	16	3054	04	800	04	02	Maintenance of District and Other Roads	239.75	209.75	87.49

Sl. No.	Grant No.	Head of Account					Description	Total Expen-diture 2021- 22	Expen-diture for March 2022	Percen-tage
19	16	4059	01	051	01	02	Construction of buildings for various offices	116.63	112.47	96.43
20	16	5054	04	800	01	02	District and other Roads	568.06	555.32	97.76
21	16	5054	04	800	01	03	District and other Roads	637.46	381.43	59.84
22	16	5054	04	800	09	01	Creation of infrastructural facilities (Negotiated Loan)	1,774.38	1,347.82	75.96
23	16	5054	04	800	09	02	Creation of infrastructural facilities (Negotiated Loan)	267.81	263.49	98.39
24	16	5054	04	800	11	01	Creation of infrastructural facilities (Negotiated Loan) (State Share)	166.39	150.27	90.31
25	17	2202	01	108	01	01	Free supply of books, stationery, uniforms and foot wear to poor children	151.71	86.95	57.31
26	17	2202	80	789	07	01	Samagra Shiksha - Elementary Education (CSS)	120.94	77.24	63.87
27	17	2202	80	800	15	01	Samagra Shiksha - Secondary Education (CSS)	209.38	154.35	73.72
28	17	2202	80	800	16	01	Samagra Shiksha - Secondary Education (CSS) (State Share)	139.59	102.90	73.72
29	17	4202	02	105	01	02	Acquisition of land for setting up of NIT	107.46	107.46	100.00
30	18	2210	01	789	05	01	Government Pharmacy	129.99	87.17	67.06
31	18	2210	02	800	01	01	National Mission on Ayush including Mission on Medicinal Plants (CSS)	123.97	69.25	55.86
32	18	2210	05	105	10	01	Setting up of Medical College (Negotiated Loan)	250.00	250.00	100.00
33	18	2210	80	004	02	01	Financial assistance to the poor in case of serious illness	948.62	701.20	73.92
34	18	2210	80	789	01	01	Financial assistance to the poor in case of serious illness	77.00	77.00	100.00
35	18	4210	01	110	01	01	General Hospital and Other Tertiary Care Hospitals	647.53	564.66	87.20
36	18	4210	80	800	01	01	Setting up of a Medical College	118.79	118.79	100.00
37	19	3452	80	104	06	01	Creation and Maintenance of Tourism Infrastructure and Product	177.41	176.80	99.66
38	19	3452	80	104	07	01	Tourism Promotional Activities	132.15	79.57	60.21
39	19	5452	01	800	02	01	Acquisition of Land for Tourism Projects	1,080.06	935.93	86.66
40	19	5452	01	800	02	02	Acquisition of Land for Tourism Projects	369.70	369.70	100.00

Sl. No.	Grant No.	Head of Account					Description	Total Expen-diture 2021- 22	Expen-diture for March 2022	Percen-tage
41	20	2230	03	101	29	01	Upgradation of Government ITIs into Model ITIs (CSS) (State Share)	63.00	63.00	100.00
42	21	2225	01	789	27	01	Providing Civic and Basic Amenities to the areas of Scheduled Castes	1,600.00	1,600.00	100.00
43	21	2225	01	789	27	02	Providing Civic and Basic Amenities to the areas of Scheduled Castes	280.00	272.78	97.42
44	21	2225	01	789	32	01	Award of various scholarship, stipend and incentive to SC students	661.44	624.05	94.35
45	21	2225	01	789	32	02	Award of various scholarship, stipend and incentive to SC students	98.03	62.56	63.82
46	21	2225	01	789	32	04	Award of various scholarship, stipend and incentive to SC students	75.95	65.34	86.03
47	21	2225	01	789	35	01	Financial assistance for Construction of low cost dwelling units/development of housing colonies/house sites and grant of house construction subsidies	349.60	348.70	99.74
48	21	2225	01	789	40	01	Pre-Matric Scholarship for SC Students (CSS)	82.25	82.05	99.76
49	21	2225	01	789	43	01	Grant of full fees to the eligible SC and ST students irrespective of their family income in any private school recognised by Government including Government aided Schools and to pursue Higher / Professional courses in Colleges and Universities	2,427.46	1,452.05	59.82
50	21	2225	01	789	43	02	Grant of full fees to the eligible SC and ST students irrespective of their family income in any private school recognised by Government including Government aided Schools and to pursue Higher / Professional courses in Colleges and Universities	98.27	71.40	72.66
51	21	2225	01	789	45	01	Pradhan Mantri Awas Yojana (State Share) (CSS)	985.50	785.50	79.71
52	21	2225	01	789	45	02	Pradhan Mantri Awas Yojana (State Share) (CSS)	74.70	74.70	100.00
53	21	2225	80	800	03	01	Award to inter-caste married couples	475.00	375.00	78.95
54	21	2225	80	800	03	02	Award to inter-caste married couples	75.00	55.00	73.33
55	21	2235	02	101	33	01	Assistance to Differently Abled Persons through Pondicherry Corporation for Development of Women	500.00	500.00	100.00
56	21	2235	02	102	12	01	Integrated Child Protection Scheme (CSS)	149.08	149.08	100.00

Sl. No.	Grant No.	Head of Account					Description	Total Expen-diture 2021- 22	Expen-diture for March 2022	Percen-tage
57	21	2235	02	102	23	01	National Nutrition Mission (CSS)	655.16	646.77	98.72
58	21	2235	02	103	06	02	Other Programmes for welfare of women	101.18	100.78	99.60
59	21	2235	02	103	25	01	Maternity Benefit Programme (State Share)	152.50	122.50	80.33
60	21	2235	02	103	28	01	Indra Gandhi National Widow Pension Scheme (IGNWPS) (CSS)	181.41	90.70	50.00
61	21	2235	02	104	12	01	National Social Assistance Programme (CSS Flagship)(DWCD)	418.01	218.84	52.35
62	21	2236	02	789	01	01	Nutrition component of Integrated Child Development Services	87.02	53.44	61.41
63	21	4225	01	789	01	01	Construction of Low Cost dwelling units, development of Housing Colonies / House sites and grant of House Construction subsidies	185.90	185.90	100.00
64	22	2216	02	104	01	01	Assistance to Housing Co-operatives	191.70	191.70	100.00
65	22	2401	00	195	01	01	Assistance to Agricultural Credit Co-operatives	159.54	159.54	100.00
66	22	2401	00	195	06	01	Assistance to Pondicherry State Co-operative Bank	495.00	495.00	100.00
67	22	2404	00	195	04	01	Financial Assistance to Co-operative Milk Producers Union towards supply of Cattle feed / Calf feed	324.49	324.49	100.00
68	22	2404	00	789	04	01	Financial Assistance to Co-operative Milk Producers Union towards supply of cattle feed / calf feed	81.00	81.00	100.00
69	22	2425	00	277	01	01	Assistance to Pondicherry State Co-operative Union for Co-operative Education Programme	152.43	152.43	100.00
70	22	4425	00	107	05	01	State Participation in Pondicherry Co-operative Urban Bank	200.00	200.00	100.00
71	24	2245	02	101	01	01	Relief to Farmers due to sudden rainfall	597.11	597.11	100.00
72	24	2245	02	101	01	02	Relief to Farmers due to sudden rainfall	97.56	97.56	100.00
73	24	2401	00	110	02	01	Scheme for promoting crop insurance	320.00	320.00	100.00
74	24	2401	00	789	01	01	Crop Production Technology	122.67	72.02	58.71
75	28	2851	00	800	06	01	Motivation of entrepreneurs to start Industries & Fiscal assistance to Industries	802.50	802.50	100.00

Sl. No.	Grant No.	Head of Account					Description	Total Expen-diture 2021- 22	Expen-diture for March 2022	Percen-tage
76	28	2851	00	800	06	02	Motivation of entrepreneurs to start Industries & Fiscal assistance to Industries	182.00	182.00	100.00
77	28	2852	08	202	03	01	Assistance to Swedeshee - Bharathee Textile Mills	3,177.35	2,597.76	81.76
78	28	2852	80	800	03	01	PM Formalization of Micro Food Processing Enterprises Scheme(CSS) (State Share)	61.81	61.81	100.00
79	28	4851	00	101	01	01	Settlement of land acquisition compensation for Directorate of Industries and Commerce	175.51	175.51	100.00
80	29	2049	60	101	01	01	Interest on Deposits	639.57	629.57	98.44
81	29	2801	80	800	02	01	Grant on subsidy on power consumption charges to domestic consumers	1,500.00	1,500.00	100.00
82	29	4801	05	799	01	01	Suspense	499.98	416.38	83.28
83	29	4801	05	800	06	01	System improvement for reduction of Transmission and distribution losses	750.12	649.05	86.53
84	29	4801	05	800	11	01	Providing meters for all consumers under 100% metering programme	159.83	140.76	88.07
85	29	4801	05	800	46	02	Extension and Development of Power Supply to all categories of consumers and street lights	90.00	52.40	58.22
86	29	4801	05	800	48	01	Erection/ Establishment/ upgradation/ providing of 230 KV and 110 KV primary main sub-station and EH	300.00	297.90	99.30
87	30	5051	02	200	05	01	Infrastrucutre, Maintenance and Development of Port and light houses	166.00	132.69	79.93
88	32	2210	06	104	01	01	Strengthening of State Drug Regulatory System (CSS)	55.00	55.00	100.00
89	32	4202	02	105	01	01	Rashtriya Uchchatar Shiksha Abiyan(CSS)(State Share)	403.00	403.00	100.00
90	32	4202	02	789	01	01	Rashtriya Uchchatar Shiksha Abiyan(CSS)(State Share)	117.00	117.00	100.00
91	32	4202	03	800	01	01	Physical Education	146.61	124.69	85.05
92	33	2048	00	200	01	07	Non-obligatory Sinking Fund towards discharge of open Market Loans	5,955.72	4,095.94	68.77
93	33	2049	03	104	01	07	Interest on State Provident Funds	7,346.73	4,282.21	58.29

Sl. No.	Grant No.	Head of Account					Description	Total Expen-diture 2021- 22	Expen-diture for March 2022	Percen-tage
94	33	2049	03	108	01	07	Interest on Union Territory Government Employees Group Insurance Scheme	496.15	496.15	100.00
95	33	2049	04	101	01	07	Interest on Loans for Union Territory Plan Schemes	5,097.12	5,046.92	99.02
96	33	2049	04	104	01	07	Interest on Loans for Non-Plan Schemes	5,639.85	3,001.56	53.22
97	33	6003	00	109	03	07	Rural Electrification Corporation	744.24	744.24	100.00
	Total							**64,584.93**	**52,029.09**	**80.56**

Appendix 4.1

(Reference: Paragraph 4.7; Page 97)

Booking under Minor Head "800 - Other Expenditure" during 2021-22

(₹ in crore)

Major Head		Total Expenditure	Expenditure under 800 - Other Expenditure	Percentage of 800 - Other Expenditure
2013	Council of Ministers	7.66	4.50	58.75
2062	Vigilance	1.91	1.91	100.00
2075	Miscellaneous General Services	1.71	1.71	100.00
2216	Housing	57.20	43.56	76.15
2217	Urban Development	88.88	65.49	73.68
2405	Fisheries	60.04	45.18	75.25
2801	Power	2,300.94	2,136.30	92.84
2810	New and Renewable Energy	0.87	0.87	100.00
3425	Other Scientific Research	3.55	3.35	94.37
3456	Civil supplies	118.77	86.37	72.72
Total		**2,641.53**	**2,389.24**	**90.45**

Appendix 4.2

(Reference: Paragraph 4.7; Page 97)

Booking under Minor Head "800 - Other Receipts" during 2021-22

(₹ in crore)

Major Head		Total Receipts	Receipts under 800 - Other Receipts	Percentage of 800 - Other Receipts
0059	Public Works	1.43	1.43	100.00
0216	Housing	5.17	4.76	92.07
0235	Social Security and Welfare	0.33	0.33	100.00
0401	Crop Husbandry	0.59	0.46	77.97
0405	Fisheries	0.20	0.19	95.00
0702	Minor Irrigation	0.24	0.24	100.00
1051	Ports and Light Houses	7.89	7.89	100.00
1054	Roads and Bridges	0.32	0.32	100.00
1452	Tourism	1.57	1.21	77.07
1456	Civil Supplies	0.64	0.64	100.00
Total		**18.38**	**17.47**	**95.05**

Appendix 4.3

(Reference: Paragraph 4.8; Page 98)

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 2020-21
2	Oulgaret Municipality, Puducherry	2008-09 to 2020-21
3	Karaikal Municipality, Karaikal	2008-09 to 2020-21
4	Ariankuppam Commune Panchayat, Puducherry	2008-09 to 2020-21
5	Villianur Commune Panchayat, Puducherry	2008-09 to 2020-21
6	Bahour Commune Panchayat, Puducherry	2008-09 to 2020-21
7	Mannadipet Commune Panchayat, Puducherry	2008-09 to 2020-21
8	Nettapakkam Commune Panchayat, Puducherry	2008-09 to 2020-21
9	Neravy Commune Panchayat, Karaikal	2008-09 to 2020-21
10	Kottucherry Commune Panchayat, Karaikal	2008-09 to 2020-21
11	Thirunallar Commune Panchayat, Karaikal	2008-09 to 2020-21
12	Nedungadu Commune Panchayat, Karaikal	2008-09 to 2020-21
13	Mahe Municipality, Mahe	2008-09 to 2020-21
14	Yanam Municipality, Yanam	2008-09 to 2020-21
15	Thirumalairayanpattinam Commune Panchayat, Karaikal	2008-09 to 2020-21
16	PONLAIT, Puducherry	2014-15 to 2020-21
17	Puducherry Coastal Zone Management Authority	2014-15 to 2020-21
18	Dr B.R. Ambedkar Polytechnic College, Yanam	2016-17 to 2020-21
19	SPINCO, Puducherry	2016-17 to 2020-21
20	Pondicherry Cooperative Sugar Mills, Lingareddipalayam, Puducherry	2016-17 to 2020-21
21	Indira Gandhi College of Arts and Science	2017-18 to 2020-21
22	Perunthalaivar Kamarajar Arts College, Kalitheerthakuppam, Puducherry	2017-18 to 2020-21
23	Karaikal Polytechnic College, Karaikal	2017-18 to 2020-21

Sl. No.	Name of the Autonomous Body/Authority	Year for which accounts were due
24	Pondicherry State Sports Council, Puducherry	2017-18 to 2020-21
25	Pandit Jawaharlal Nehru College of Agriculture and Research Institute, Karaikal	2017-18 to 2020-21
26	Pondicherry Institute of Hotel Management & Catering Technology, Puducherry	2017-18 to 2020-21
27	Pondicherry Khadi and Village Industries Board, Puducherry	2017-18 to 2020-21
28	Indira Gandhi Polytechnic College, Mahe	2017-18 to 2020-21
29	Women's Polytechnic College, Karaikal	2017-18 to 2020-21
30	Puducherry e-Governance Society	2017-18 to 2020-21
31	Women's Polytechnic College, Puducherry	2017-18 to 2020-21
32	Puducherry Fishermen Welfare and Distress Relief Society, Puducherry	2018-19 to 2020-21
33	Indira Gandhi Medical College and Research Institute, Puducherry	2018-19 to 2020-21
34	Mother Theresa Institute of Health Science Society, Puducherry	2020-21
35	Puducherry Urban Development Agency	2018-19 to 2020-21
36	Puducherry State Fisherman Co-operative Federation	2018-19 to 2020-21
37	Renewable Energy Agency of Puducherry	2018-19 to 2020-21
38	Pondicherry Pollution Control Committee, Puducherry	2018-19 to 2020-21
39	Pondicherry Council for Science and Technology, Puducherry	2018-19 to 2020-21
40	Rajiv Gandhi College of Veterinary and Animal Sciences, Puducherry.	2018-19 to 2020-21
41	Rajiv Gandhi Arts & Science College, Thavalakuppam	2018-19 to 2020-21
42	Rajiv Gandhi Ayurvedha Medical College, Mahe	2018-19 to 2020-21
43	Perunthalaivar Kamarajar Institute of Engineering and Technology, Karaikal	2018-19 to 2020-21
44	Kasturibai College for Women, Villianur	2018-19 to 2020-21
45	Pondicherry Institute of Linguistics and Culture, Puducherry	2018-19 to 2020-21
46	Pondicherry Agricultural Workers Welfare Society, Puducherry	2018-19 to 2020-21
47	Bharathiar Palkalaikoodam, Puducherry	2018-19 to 2020-21
48	Pondicherry Engineering College, Puducherry	2019-20 and 2020-21

Sl. No.	Name of the Autonomous Body/Authority	Year for which accounts were due
49	Sarva Shiksha Abhiyan Society, Puducherry	2019-20 and 2020-21
50	Puducherry Slum Clearance Board, Puducherry	2018-19 to 2020-21
51	Pondicherry Housing Board, Puducherry	2019-20 and 2020-21
52	Pondicherry Women's Commission, Puducherry	2019-20 and 2020-21
53	Pondicherry Ground Water Authority, Puducherry	2019-20 and 2020-21
54	Pondicherry Fishing Harbour Management Society, Puducherry	2019-20 and 2020-21
55	Perunthalaivar Kamarajar College of Education, Karaikal	2019-20 and 2020-21
56	Rajiv Gandhi School of Sports, Puducherry	2019-20 and 2020-21
57	Puducherry Society for the Care of the Aged, Puducherry	2019-20 and 2020-21
58	Puducherry Water Resource Organisation, Puducherry	2019-20 and 2020-21
59	Puducherry Market Committee	2019-20 and 2020-21
60	Karaikal Market Committee, Karaikal	2019-20 and 2020-21
61	Building and Other Construction Workers' Welfare Board, Puducherry	2016-17 to 2020-21

Appendix 4.4

(Reference: Paragraph 4.9; Page 98)

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	24.39	2	1.68	3	17.44	3	5.27
Animal Husbandry & Animal Welfare	5	41.75	0	0.00	3	41.58	2	0.17
Art & Culture	3	0.37	0	0.00	0	0.00	3	0.37
Electricity	255	2,654.80	0	0.00	6	2,607.23	249	47.57
Health	7	1.14	0	0.00	7	1.14	0	0.00
Higher Education	8	41.49	0	0.00	8	41.49	0	0.00
Industries & Commerce	2	5.62	0	0.00	2	5.62	0	0.00
Information & Technology	1	1.15	0	0.00	0	0.00	1	1.15
Labour	3	1.27	1	0.20	0	0.00	2	1.07
Local Administration	6	2.51	2	1.49	1	0.47	3	0.55
Police	1	0.30	0	0.00	1	0.30	0	0.00
PWD	5	5.45	1	0.24	1	0.12	3	5.09
Revenue	2	0.84	0	0.00	0	0.00	2	0.84
Rural Development*	1	0.00	1	0.00	0	0.00	0	0.00
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#	2	3.75	1	0.00	0	0.00	1	3.75
Total	**322**	**2,798.43**	**17**	**8.74**	**33**	**2,715.82**	**272**	**73.87**

* Special Audit by DAT is being conducted. On completion of audit, quantum of misappropriation will be known.

\# Chief Vigilance Officer Enquiry under process

Appendix 5.1

(Reference: Paragraph 5.3; Page 102)

List of Government Companies under the purview of CAG Audit during 2021-22

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 105)

Return on Capital Employed of PSUs

(₹ in crore)

Sl. No.	PSU	2019-20			2020-21			2021-22		
		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	23.17	(-) 21.11	--	23.17	(-) 21.11	--	23.17	(-) 21.11	--
3	Puducherry Road Transport Corporation Limited	(-) 5.29	(-) 6.19	--	(-) 15.71	(-) 31.69	--	(-) 3.62	(-) 31.36	--
4	Puducherry Tourism Development Corporation Limited	1.13	(-) 9.22	--	1.13	(-) 9.22	--	(-) 6.94	(-) 16.81	--
5	Pondicherry Textiles Corporation Limited	(-) 10.78	(-) 206.35	--	(-) 10.78	(-) 206.35	--	(-) 10.78	(-) 206.35	--
6	Puducherry Distilleries Limited	1.64	57.28	2.86	1.64	57.28	2.86	1.64	57.28	2.86
7	Puducherry Power Corporation Limited	3.89	135.69	2.87	14.98	141.48	10.59	19.50	149.94	13.01
8	Pondicherry Industrial Promotion Development and Investment Corporation Limited	0.00	124.41	0.00	0.00	124.41	0.00	0.00	124.41	0.00

Sl. No.	PSU	2019-20			2020-21			2021-22		
		EBIT	**Capital Employed**	**ROCE (in *per cent*)**	**EBIT**	**Capital Employed**	**ROCE (in *per cent*)**	**EBIT**	**Capital Employed**	**ROCE (in *per cent*)**
9	Puducherry Corporation for the Development of Women and Differently Abled Persons Limited	(-) 8.35	4.68	--	(-) 8.35	4.68	--	(-) 1.05	1.78	--
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	(-) 1.92	1.79	--	(-) 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		**(-) 3.03**	**62.11**	**--**	**(-) 2.00**	**52.19**	**--**	**13.84**	**50.49**	**--**

Appendix 5.3

(Reference: Paragraph 5.8.2; Page 106)

Return on Equity of PSUs

(₹ in crore)

Sl. No.	PSU	2019-20			2020-21			2021-22		
		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	(-) 23.26	--	(-) 1.28	(-) 23.26	--	(-) 1.28	(-) 23.26	--
2	Swadeshee Bharathee Textile Mills Limited	22.19	(-) 21.19	--	22.19	(-) 21.19	--	22.19	(-) 21.19	--
3	Puducherry Road Transport Corporation Limited	(-) 5.65	(-) 18.70	--	(-) 15.71	(-) 34.41	--	(-) 3.62	(-) 34.08	--
4	Puducherry Tourism Development Corporation Limited	1.05	(-) 9.22	--	1.05	(-) 9.22	--	(-) 6.94	(-) 16.81	--
5	Puducherry Textiles Corporation Limited	(-) 27.31	(-) 206.35	--	(-) 27.31	(-) 206.35	--	(-) 27.31	(-) 206.35	--
6	Puducherry Distilleries Limited	0.96	57.28	1.68	0.96	57.28	1.68	0.96	57.28	1.68
7	Puducherry Power Corporation Limited	2.62	135.69	1.93	9.64	141.48	6.81	14.10	149.94	9.40

Sl. No.	PSU	2019-20			2020-21			2021-22		
		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*)**
8	Puducherry Industrial Promotion Development and Investment Corporation Limited.	0.00	124.41	--	0.00	124.41	--	0.00	124.41	--
9	Puducherry Corporation for the Development of Women and Differently abled persons limited	(-) 8.81	(-) 9.68	--	(-) 8.81	(-) 9.68	--	(-) 1.40	(-) 11.08	--
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 Adidravidar Development Corporation Limited	(-) 2.09	0.75	--	(-) 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	**(-) 24.32**	**19.34**	**--**	**(-) 27.36**	**9.42**	**--**	**(-) 11.39**	**9.22**	**--**

Appendix 5.4

(Reference: Paragraph 5.9.2; Page 110)

Detail of PSUs whose Net worth has eroded as per their latest finalised accounts

(₹ in crore)

Sl. No.	Name of PSUs	Latest year of finalised accounts	Total paid up capital	Net profit/Loss after interest, tax and dividend	Accumulated Losses	Net Worth	State Government Equity as on 31 March 2022	State Government Loans as on 31 March 2022
1	Puducherry Agro Service & Industries Corporation Limited	2012-13	15.00	(-) 1.28	(-) 38.26	(-) 23.26	15.00	0.00
2	Puducherry Agro Products, Food and Civil Supplies Corporation Limited	2013-14	9.93	(-) 7.23	(-) 27.12	(-) 17.19	9.88	0.00
3	Puducherry Corporation for the Development of Women and Differently Abled Persons Limited	2018-19	3.82	(-) 1.40	(-) 14.9	(-) 11.08	3.82	0.00
4	Pondicherry Textiles Corporation	2015-16	367.35	(-) 27.31	(-) 573.7	(-) 206.35	367.35	3.47
5	Swadeshee Bharathee Textile Mills Limited	2014-15	33.71	22.19	(-) 54.9	(-) 21.19	33.71	0.00
6	Puducherry Tourism Development Corporation Limited	2020-21	17.59	(-) 6.94	(-) 34.4	(-) 16.81	17.59	0.00
7	Puducherry Road Transport Corporation Limited	2019-20	34.78	(-) 3.62	(-) 68.86	(-) 34.08	34.78	2.72

Appendix 5.5

(Reference: Paragraph 5.10.2; Page 111)

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 2021-22
2	Swadeshee Bharathee Textile Mills Limited	2015-16 to 2021-22
3	Puducherry Road Transport Corporation Limited	2020-21 to 2021-22
4	Puducherry Tourism Development Corporation Limited	2021-22
5	Pondicherry Textiles Corporation Limited	2016-17 to 2021-22
6	Puducherry Distilleries Limited	2017-18 to 2021-22
7	Puducherry Power Corporation Limited	2021-22
8	Pondicherry Industrial Promotion Development and Investment Corporation Limited	2018-19 to 2021-22
9	Puducherry Corporation for the Development of Women and Differently Abled Persons Limited	2019-20 to 2021-22
10	Puducherry Backward classes and Minorities Development Corporation Limited	2015-16 to 2021-22
11	Puducherry Adi-Dravidar Development Corporation Limited	2017-18 to 2021-22
12	Puducherry Agro Products, Food and Civil Supplies Corporation Limited	2014-15 to 2021-22

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
EBIT	Earnings Before Interest and Taxes
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
Ind AS	Indian Accounting Standards

Abbreviations	Full form
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

Abbreviations	Full form
ROR	Rate of Return
RORR	Rate of Real Return
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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