Report of the
Comptroller and Auditor General of India
on Union Territory Finances
for the year 2022-23

Government of the Union Territory of Puducherry

Report No. 4 of 2024

(Union Territory Finances Audit Report)

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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 2023.

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

About the Report

This Report of the CAG of India is on the Union Territory Finances for the year 2022-23. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices, financial performance of Government companies and other matters relevant to Union Territory Finances.

This executive summary highlights the contents of this Report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.

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 26.33 *per cent*. UT's Gross State Domestic Product (GSDP) in 2022-23 at current price was ₹ 47,487 crore.

Gross State Domestic Product (GSDP) (at current prices) grew at an average annual growth rate of 8.42 *per cent* from ₹ 34,171 crore in 2018-19 to ₹ 47,487 crore in 2022-23. There was 7.34 *per cent* growth in GSDP over 2021-22. The revenue receipts grew at 22.60 *per cent and* the percentage of revenue receipts over GSDP improved from 17.77 in 2021-22 to 20.29 in 2022-23. The UT's own tax revenue increased by 10.44 *per cent*. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the UT of Puducherry increased from ₹ 8,911 crore in 2021-22 to ₹ 9,286 crore (increase of 4.21 *per cent*). Of this, revenue expenditure showed 2.53 *per cent* increase from 2021-22. Revenue deficit of ₹ 889 crore in 2021-22 turned to Revenue surplus of ₹ 666 crore in 2022-23 and the fiscal deficit of ₹ 1,052 crore turned to fiscal surplus of ₹ 349 crore during the same period.

Receipt-Expenditure Mismatch

The continuous mismatch between receipts and expenditure till 2021-22 indicates rising fiscal stress. However, during 2022-23, the UT witnessed Revenue/Fiscal surplus. The UT has different sources of receipts such as UT's Own Tax Revenue, Non-tax Revenue, Grants-in-Aid and transfers and non-debt capital receipts. The UT Government's expenditure includes expenditure on revenue account as well as capital expenditure (assets creation, loans and advances, investments, etc.,).

From 2018-19 to 2022-23, Revenue receipts grew from ₹ 6,400 crore to ₹ 9,635 crore, with an average annual growth rate of 11.09 *per cent*. Capital receipts increased from ₹ 1,008 crore to ₹ 1,271 crore during this period. The share of Grants-in-Aid in revenue receipts rose from 25.44 *per cent* in 2018-19 to 42.52 *per cent* in 2022-23, indicating increased reliance on support from the Government of India. The UT Government received ₹ 235.45 crore as Central share for the Centrally Sponsored Schemes (CSSs) in the year.

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. Between 2018-19 and 2022-23, revenue expenditure increased from ₹ 6,387 crore (18.69 *per cent* of GSDP) to ₹ 8,969 crore (18.89 *per cent* of GSDP). It consistently made up a significant portion (95 to 98 *per cent*) of the total expenditure during this period, growing at an average annual rate of 9.25 *per cent*.

Result of expenditure beyond means

The gap between the revenue receipt and revenue expenditure results in revenue deficit/surplus. Though the UT had revenue deficit during 2019-20 to 2021-22 it witnessed revenue surplus of ₹ 666 crore (1.40 *per cent* of GSDP) during the current year. The UT Government spent ₹ 317.10 crore only on capital account. This was 3.41 *per cent* of the total expenditure in the year 2022-23. Capital expenditure was 24.95 *per cent* of the total borrowings. This indicated that lower priority was accorded to infrastructure development/creation of capital assets.

The gap between the total expenditure and total non-debt receipt of the UT results in fiscal deficit. The fiscal deficit of ₹ 1,052 crore in 2021-22 turned into fiscal surplus of ₹ 349 crore in 2022-23 due to the fact that the UT had a revenue surplus during 2022-23.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages

and pensions. Committed expenditure on interest payments, salaries and pensions constituted 55 to 59 *per cent* of revenue expenditure during 2018-19 to 2022- 2023. It increased from ₹ 3,740 crore in 2018-19 to ₹ 4,963 crore in 2022-23 by ₹ 1,223 crore. In addition to the committed expenditure, inflexible expenditure increased from 3.91 *per cent* to 4.28 *per cent* of revenue expenditure during 2018-19 to 2022-23, indicating a rising trend. The inflexible expenditure increased from ₹ 219.64 crore in 2021-22 to ₹ 383.73 crore in 2022-23 registering an increase of 74.55 *per cent*.

Taken together, the committed and inflexible expenditure in 2022-23 was ₹ 5,347 crore; 59.62 *per cent* of the revenue expenditure. Upward trend on committed and inflexible expenditure leaves the Government with lesser flexibility for other priority sectors and capital creation.

Within the non-committed expenditure, there is an increasing trend of subsidies, which increased from ₹ 173 crore in 2018-19 to ₹ 320 crore in 2022-23 *i.e.*, from 2.71 *per cent* of the total revenue expenditure in 2018-19 to 3.57 *per cent* in 2022-23. Apart from this, the UT Government also spent ₹ 40.92 crore on implicit subsidies.

Fiscal sustainability

Fiscal sustainability is examined in terms of macro-fiscal parameters such as deficits, level of debt and liabilities, commitments on account of off-budget borrowings, guarantees, subsidies, etc. So far as revenue and expenditure mismatch is concerned, one of the important constraints is committed and inflexible expenditure, which includes salaries and wages, pension payments, interests, etc., and also other inflexible expenditure such as those arising out of commitment for centrally sponsored schemes, transfer to reserve funds, transfer to local bodies, etc.

FRBM requirements and compliance with fiscal parameters

The FRBM Act/Rules prescribes certain limits within which revenue deficit, fiscal deficit, debt as a percentage of the Gross State Domestic Product (GSDP) should be. In 2022-23, revenue Surplus was ₹ 666 crore and fiscal surplus was (+) 0.73 *per cent* as against the limit of three *per cent*; debt was 20.32 *per cent* as against limit of 25 *per cent*.

As per the debt stabilisation analysis, the public debt of the Government of UT of Puducherry has grown on an average at a rate of 8.53 *per cent* annually of the outstanding public debt between 2018-19 and 2022-23. Public debt-GSDP ratio of UT of Puducherry has increased from 22.26 *per cent* in 2018-19 to 26.27 *per cent* in 2021-22 and reduced to 20.32 *per cent* in 2022-23.

In 2018-19, there was a primary surplus and also the Domar gap was positive. In 2019-20 and 2020-21, the Domar gap turned negative. The Negative Domar Gap was mainly attributable to the outbreak of COVID 19, due to which, the GSDP growth rate (real economic growth) at constant prices had declined. This had however, increased substantially in 2021-22. Positive Domar gap due to higher growth rates in post-COVID years may also be seen with reference to low base for comparison in previous years due to COVID. Thus, as per Domar Model analysis of debt sustainability, the public debt would converge to a stable level.

Going by the analysis and results, the finances of the UT of Puducherry is marked by increasing trend of liabilities (debt, implicit subsidies, borrowings, etc.) till 2021-22. However, during 2022-23 there was marginal decreasing trend.

Funds to Single Nodal Agency

Ministry of Finance, Government of India had notified (March 2021) procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilisation of the funds released through Single Nodal Agency (SNA). As per the procedure, the UT Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share. The UT Government received ₹ 235.45 crore being Central Share during the year 2022-23 in its Treasury. As on 31 March 2023, the UT Government transferred Central Share of ₹ 297.51 crore (which includes previous balance of ₹ 142.68 crore) received in Treasury Account and State Share of ₹ 146.65 crore to the SNAs. Detailed vouchers and supporting documents of actual expenditure were not received by DAT from the SNAs. As informed by the UT Government/SNAs, ₹ 400.62 crore are lying unspent in the bank accounts of SNAs as on 31 March 2023.

Budget performance

Aggregate expenditure outturn

Budget performance in terms of budgetary intent and budget implementation is examined to assess extent to which the aggregate expenditure outturn reflects the amount originally approved both in terms of excess and saving. ln Revenue section, deviation in outturn compared with BE was (-) 6.39 *per cent*. This was due to deviation upto (-) 10 *per cent* in 18 grants, between (-) 10 and (-)20 *per cent* in eight grants, between (-) 20 and (-) 30 *per cent* in six grants. In Capital section, deviation in outturn compared with BE was

(-) 12.69 *per cent*. This was due to deviation upto (-) 25 *per cent* in seven grants, between (-) 25 and (-) 50 *per cent* in three grants and between (-) 50 and (-) 75 *per cent* in five grants and between (-) 75 and (-) 100 *per cent* in three grants.

Expenditure composition outturn

Budget performance also looks at the extent to which the re-allocation between the main budget categories during the execution have contributed to variance in expenditure composition. This measure indicates the extent of variation between the final budget and the actual expenditure. ln Revenue section, deviation in outturn compared with RE was (-) 6.16 *per cent*. This was due to deviation upto (-) 10 *per cent* in 22 grants, between (-) 10 and (-) 20 *per cent* in six grants, between (-) 20 and (-) 30 *per cent* in four grants. In Capital section, deviation in outturn compared with RE was (-) 5.24 *per cent*. This was due to deviation upto (-) 25 *per cent* in 12 grants, between (-) 25 and (-) 50 *per cent* in four grants, between (-) 50 and (-) 75 *per cent* in one grant and between (-)75 and (-)100 *per cent* in three grants.

During 2022-23, as against the Budget provision of ₹ 11,685.87 crore (Original: ₹ 10,696.61 crore and Supplementary Grant: ₹ 989.26 crore), an expenditure of ₹ 10,809.42 crore was incurred. Out the savings of ₹ 876.45 crore, only an amount of ₹ 185.87 crore (21.21 *per cent*) was surrendered on 31 March 2023. The supplementary provision of ₹ 154.13 crore in respect of 15 grants proved wholly unnecessary and ₹ 512.73 crore provided in 17 grants proved partially unnecessary. Supplementary provision of ₹ 50 lakh or more aggregating ₹ 972.58 crore obtained in 20 grants/appropriations during the year 2022-23 proved excessive to the extent of ₹ 493.01 crore. Out of total 33 grants, there was savings of ₹ 778.80 crore (88.86 *per cent* of total savings of ₹ 876.45 crore) in 12 grants/appropriations exceeding ₹ 10 crore in each case (above ₹ 50 crore in seven grants). Persistent savings of more than ₹ 50 lakh was noticed in 21 grants during the last five years.

Overall Budget reliability assessment indicates that though the deviations between the actual expenditure and original budget as well as between the actual expenditure and the final budget ranged between 5 and 13 *per cent*, there were deviations upto 25 *per cent* and even above in different grants. Moreover, it was also noticed that in several cases, there were supplementary grants where expenditure was not even upto the original grant. A reliable budget practice should need to deal with such deviations.

Quality of Accounts and Financial Reporting

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as parking of funds outside the Government accounts, non/short-discharging of liabilities and misclassification of transactions and data gaps.

Utilisation Certificates against conditional grants

As of March 2023, UCs amounting to ₹ 461.46 crore in respect of 849 cases were outstanding. Out of this, 196 UCs involving ₹ 36.39 crore (7.89 *per cent*) were pending for more than nine years. Pendency of 619 UCs for an aggregate amount of ₹ 368.14 crore pertained to departments of Adi-Dravidar Welfare, Local Administration, Rural Development and Town and Country Planning. Therefore, there is no assurance that the expenditure against the grants has actually been incurred for the purpose for which it was authorised.

Temporary Advances

As of 31 March 2023, 1,321 advances aggregating to ₹ 176.46 crore were pending in respect of 240 out of 657 DDOs. The pendency in respect of 317 advances involving ₹ 21.74 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.

Indiscriminate use of Minor Head '800'

Out of Revenue expenditure of ₹ 8,969 crore, an amount of ₹ 2,754 crore (30.71 *per cent*) has been booked under the Minor Head "800 - Other expenditure". In nine major heads, out of the total expenditure of ₹ 2,281 crore, an amount of ₹ 2,013.67 crore (88.28 *per cent*) has been booked under the Minor Head "800 - Other expenditure".

Similarly, out of Revenue receipts of ₹ 9,635 crore, an amount of ₹ 379 crore (3.93 *per cent*) has been booked under the Minor Head "800 - Other receipts". In 13 Major heads, out of the total receipt of ₹ 127.34 crore, an amount of ₹ 82.53 crore (64.81 *per cent*) was classified under the Minor head '800 - Other receipts'.

Funds kept outside Government Account

The service charges collected by the Transport Department were deposited in a Current Account opened in State Bank of India (SBI) and in the form of Fixed Deposits in Puduvai Bharathiar Grama Bank (PBGB) and made payments to the

smart card vendors. The balance available in the account as on 31 March 2023 was ₹ 12.41 crore (₹ 5.98 crore in the current account maintained in SBI and ₹ 6.43 crore in the form of Fixed Deposits in PBGB).

The Finance Accounts of UT of Puducherry indicates that the above account maintained by the Transport Department was not reflected as PD Account in the Public Account.

Compliance with prevailing rules and codal provisions are meant to ensure control and accountability in accounting and financial reporting. Non-compliance and deviations impact the quality of accounting and financial reporting adversely. Non-timely submission of UCs against conditional grants; non-submission of adjustment bills for Temporary Advances; funds remaining outside Government accounts have impacted the quality of accounts adversely.

Working of State Public Sector Undertakings

As on 31 March 2023, there were 13 Union Territory Public Sector Undertakings (UTPSUs), including one non-functional UTPSU, in Puducherry under the audit jurisdiction of the Comptroller and Auditor General of India (CAG). Audit noticed that the prescribed timelines regarding submission of Financial Statements were not adhered to by 12 PSUs whose 60 accounts were in arrears. Out of the total profit of ₹ 43.80 crore earned by five UTPSUs, 94.95 *per cent* was contributed by three PSUs only. Seven UTPSUs incurred loss of ₹ 49.62 crore aggregating to overall loss of ₹ 5.82 crore. None of the 12 UTPSUs finalised their accounts for 2022-23 and 60 accounts of 12 UTPSUs were in arrears ranging from one to ten years.

The Union Territory Government of Puducherry may impress upon the managements of UTPSUs to ensure timely submission of their financial statements. In the absence of finalised accounts, Government investments in such UTPSUs remain outside the oversight of the Union Territory Legislature. The UT Government may initiate steps to make their operations efficient and profitable.

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 which are 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 16.46 lakh during 2022-23 in UT of Puducherry. The UT recorded a decadal growth rate of 25.65 *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: The revenue receipts of the UT was ₹ 9,635 crore and revenue expenditure was ₹ 8,969 crore leading to a revenue surplus of ₹ 666 crore. During 2022-23, the total receipts of UT of Puducherry was ₹ 10,907 crore and total disbursements was ₹ 10,759 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 and measured in terms of Gross State Value Added (GSVA). The trends in the annual growth of India's Gross Domestic Product (GDP), Gross Value Added (GVA) and UT's GSDP/GSVA 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.167.

Table 1.1: Trends in GSDP compared to the National GDP

(₹ in crore)

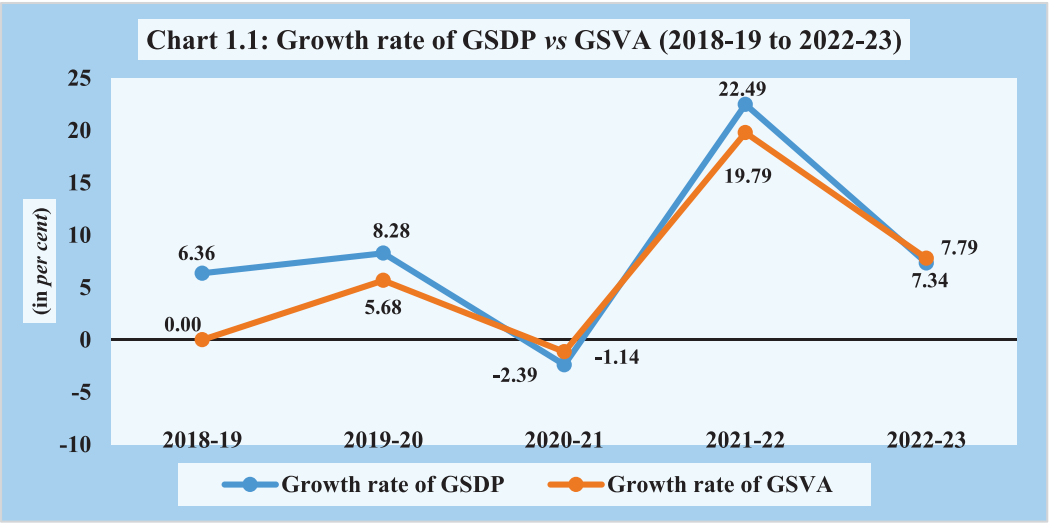
Year	2018-19	2019-20	2020-21	2021-22	2022-23
GDP (2011-12 Series)	1,88,99,668	2,01,03,593	1,98,29,927	2,34,71,012	2,72,40,712
GVA	1,71,75,128	1,83,81,117	1,81,88,780	2,14,38,883	2,47,42,871
Growth rate of GDP over previous year (in *per cent*)	10.59	6.37	(-) 1.36	18.36	16.06
Growth rate of GVA over previous year (in *per cent*)	10.77	7.02	(-) 1.05	17.87	15.41
Per Capita GDP (in ₹)	1,25,946	1,32,341	1,27,065	1,48,524	1,96,983
State/Union Territory					
GSDP (2011-12 Series)	34,171	36,999	36,116	44,238	47,487
GSVA	31,233	33,008	32,633	39,092	42,136
Growth rate of GSDP over previous year (in *per cent*)	6.36	8.28	(-) 2.39	22.49	7.34
Growth rate of GSVA over previous year (in *per cent*)	--	5.68	(-) 1.14	19.79	7.79
Per Capita GSDP (in ₹)	2,24,217	2,40,408	2,31,958	2,77,702	2,92,014

(Source: Directorate of Economics and Statistics, Puducherry and MoSPI website)

The Gross State Domestic Product (GSDP) in 2022-23 at current prices was ₹ 47,487 crore and the GDP in 2022-23 at current prices was ₹ 2,72,40,712 crore. Though the growth rate of GSDP was lesser than the growth rate of GDP during 2022-23, the per capita GSDP of the UT was higher than the per capita GDP of the country in all the five years. Further, the growth rate of GSVA during 2022-23 was 7.79 *per cent* as against growth rate of GVA of 15.41 *per cent*.

Gross Value Added (GVA) is being used for economic analysis by GoI and international organisations like IMF and World Bank as GVA is considered better indicator of economic growth compared to GDP, as it ignores the impact of taxes and subsidies. The GDP can be and is also computed as the sum total of the various expenditures incurred in the economy including private consumption spending, Government consumption spending and gross fixed capital formation or investment spending, reflecting essentially on the demand conditions in the economy. Both measures have difference in treatment of net taxes as a result of which the inclusion of taxes in GDP may differ from the real output situation. From a policymaker's perspective, it is therefore vital to have a comparison of the GVA and GSVA data for better analysis and making policy interventions.

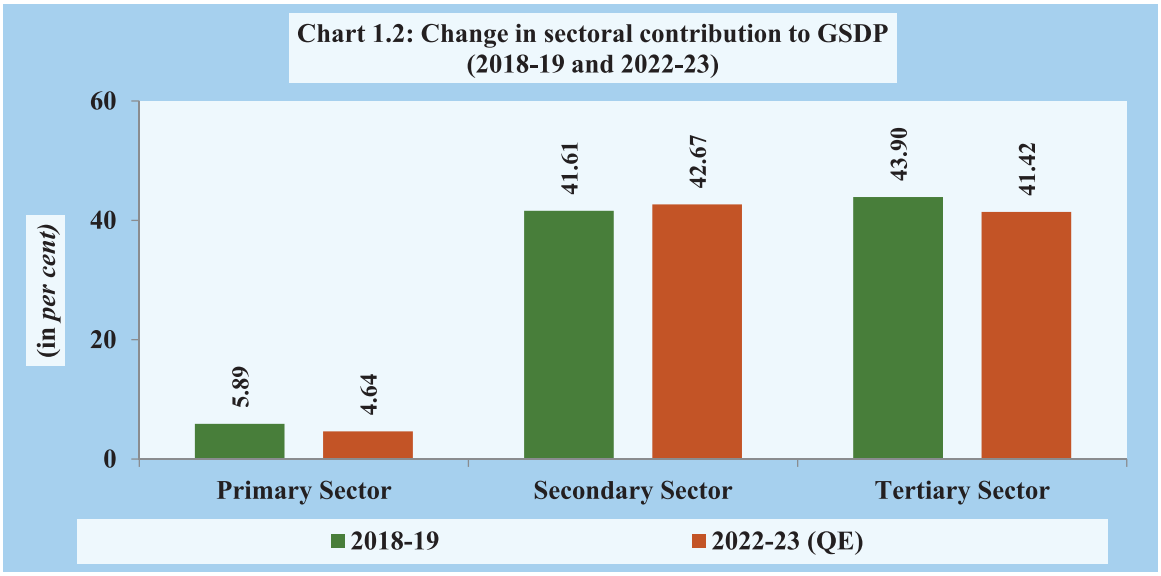
The trends of GSDP and GSVA for the period from 2018-19 to 2022-23 is indicated in the **Chart 1.1**.



(Source: Directorate of Economics and Statistics, Puducherry)

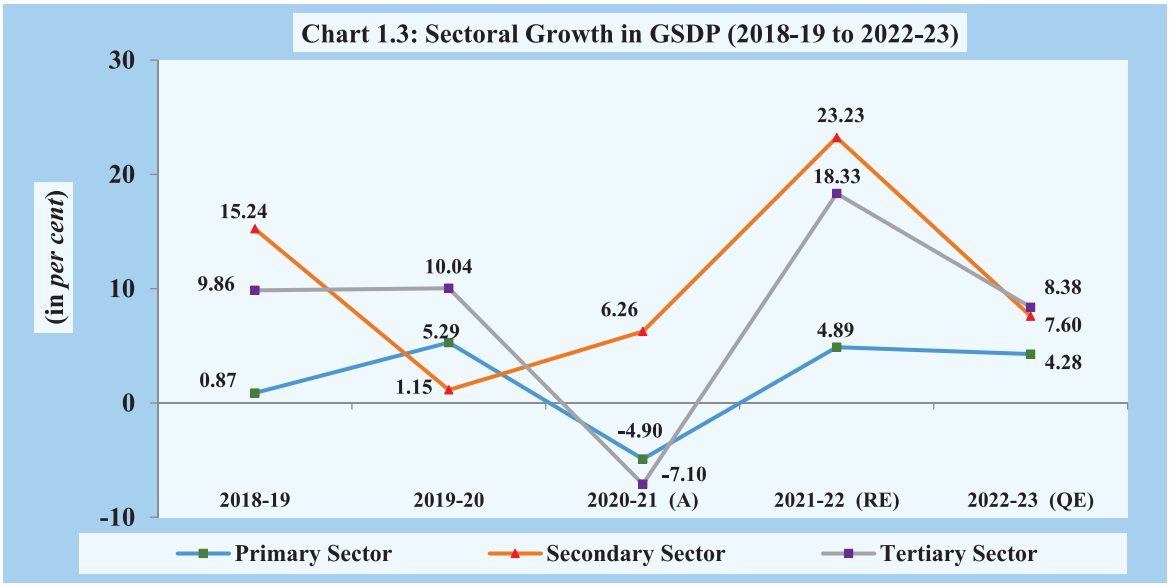
The growth rate of GSDP was more than growth rate of GSVA for the entire period from 2018-19 to 2022-23 except 2020-21 and 2022-23. During 2022-23, the growth rate of GSDP and GSVA compared to the previous year had drastically declined to 7.34 and 7.79 from 22.49 and 19.79, which was mainly because of a drastic decline in the growth rate of secondary and tertiary sectors as indicated in **Chart 1.3**.

The change in Sectoral contribution to GSDP and Sectoral growth in GSDP during the period 2018-19 to 2022-23 are depicted in **Charts 1.2** and **1.3** respectively.



QE: Quick Estimates
(Source: Directorate of Economics and Statistics, Puducherry)

During the five year period, the sectoral contribution of Secondary Sector had increased marginally by 1.06 percentage points whereas there was a decrease of 1.25 and 2.48 percentage points in the Primary and Tertiary Sectors respectively.



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

From **Chart 1.3**, it could be seen that there was a substantial decrease in both Secondary and Tertiary sectors and a marginal decrease in Primary sector during the year 2022-23, when compared with the previous year.

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 Report 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; and
- Various Audit Reports of the CAG of India.

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 February 2024. A meeting was held with the Finance Secretary of the Government of UT of Puducherry in February 2024 to discuss the Report. The views expressed by the Government during the meeting are suitably incorporated in the Report.

1.3 Overview of Government Account Structure and Budgetary Processes

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. The details and purpose of each of these Funds are as given below:

Consolidated Fund of the UT (Section 47 of the Government of Union Territories Act)

This Fund comprises all revenues received in the Union Territory by the UT Government, all loans advanced to the Union Territory from the Consolidated Fund of India and all loans raised upon the security of the Consolidated Fund of the Union Territory and all moneys received by the Union Territory in repayment of loans. No moneys out of the Consolidated Fund of the Union Territory shall be appropriated except in accordance with law and for the purposes and in the manner provided in this Act. Certain categories of expenditure (*e.g.,* salaries of Constitutional authorities, loan repayments, etc.) constitute a charge on the Consolidated Fund of the Union Territory (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

Contingency Fund of the UT (Section 48 of the Government of Union Territories Act)

This Fund is in the nature of an imprest which shall be paid from and out of the Consolidated Fund of the Union Territory from time to time be determined by law made by the Legislative Assembly of the Union Territory. No advances shall be made out of the Contingency Fund of the Union Territory except for the purposes of meeting unforeseen expenditure pending authorisation by the Legislative Assembly. Expenditure from the Fund is recouped subsequently by debiting the expenditure to the concerned functional major head under the Consolidated Fund of the UT. The corpus of this Fund in Union Territory of Puducherry is ₹ 50 lakh.

Public Account of the UT (Section 47A of the Government of Union Territories Act)

Apart from above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Budget documents

In accordance with Section 27 of the Government of Union Territories Act, 1963, the Lieutenant Governor of the Union Territory shall in respect of every financial year cause to be laid before the Legislative Assembly of the Union Territory, with the previous approval of the President, a statement of the estimated receipts and expenditure of the Union Territory for that year called as "Annual Financial Statement" (AFS). This AFS constitutes the main budget documents. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

Revenue receipts consist of tax revenue (Own tax revenue, Non-tax revenue and grants from Government of India).

Revenue expenditure consists of all those expenditures of the Government which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the Government departments and various services, interest payments on debt incurred by the Government and

grants given to various institutions (even though some of the grants may be meant for creation of assets).

Capital receipts consist of Debt receipts and Non-debt receipts as explained below:

- **Debt receipts:** Market Loans, Bonds, Loans from financial institutions, Net transaction under Ways and Means Advances, Loans and Advances from Central Government, etc.
- **Non-debt receipts:** Proceeds from disinvestment, Recoveries of loans and advances.

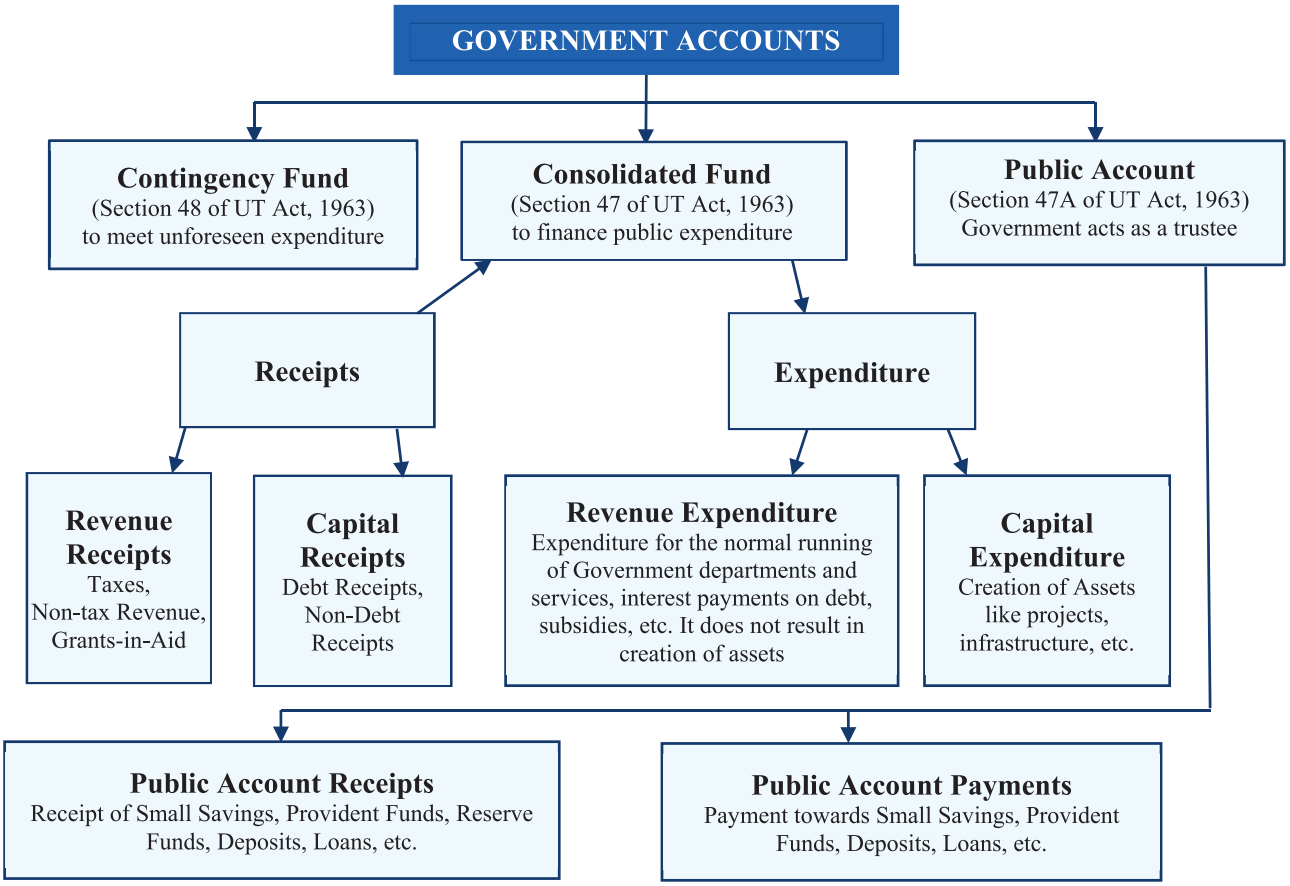
Capital expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares and loans and advances by the Government to PSUs and other parties.

At present, we have an accounting classification system in Government that is both functional and economic.

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

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

Structure of Government Accounts



Public Debt and Public Liability: In this Report, 'Public Debt' has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSSF), loan given by Central Government, etc. For this purpose, the Major Heads 6003 and 6004 - Public Debt have been taken into consideration.

Further, the transactions relating to 'Small Savings, Provident Fund, etc.,' 'Reserve Funds' and 'Deposit and Advances' under Public Account are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. The transactions relating to 'Remittances' and 'Suspense' under Public Account, includes merely adjusting heads such as transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles.

In this Report, 'Public Liability' has been taken to include the transactions under Major Heads 8001 to 8554 relating to 'Small Savings, Provident Fund, etc.', 'Reserve Funds' and 'Deposit and Advances' along with the transactions under Major Heads 6003 and 6004.

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) of Government of UT Act, 1963, 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.

1.3.1 Snapshot of Finances

Table 1.2 shows the details of actual financial results for the years 2021-22 and 2022-23 and *vis-à-vis* Budget Estimates and GSDP for the year 2022-23.

Table 1.2: Snapshot of Finances

(₹ in crore)

Sl. No.	Components	2021-22	2022-23		Percentage of Actuals to Budget Estimate	Percentage of Actuals to GSDP*
		Actuals	Budget Estimate	Actuals		
1	Tax revenue	3,236	4,383	3,574	81.54	7.53
	(i) Own Tax Revenue	3,236	4,383	3,574	81.54	7.53
	(ii) Share of Union taxes/duties	Nil	Nil	Nil	--	--
2	Non-tax revenue	2,184	2,174	1,964	90.34	4.14
3	Grants from the Government of India	2,439	2,250	4,097	182.09	8.63
4	**Revenue receipts (1+2+3)**	**7,859**	**8,807**	**9,635**	**109.40**	**20.29**
5	Recoveries of loans and advances	Nil	Nil	Nil	--	--
6	Other receipts	Nil	Nil	Nil	--	--
7	Borrowings and other Liabilities #	2,516@	1,890	1,271	67.25	2.68
8	**Capital Receipts (5+6+7)**	**2,516**	**1,890**	**1,271**	**67.25**	**2.68**
9	**Total Receipts (4+8)**	**10,375**	**10,697**	**10,906**	**101.95**	**22.97**
10	**Revenue expenditure**	**8,748**	**8,676**	**8,969**	**103.38**	**18.89**
11	Interest payments	877	821	785	95.62	1.65
12	**Capital Expenditure**	**163**	**555**	**317**	**57.12**	**0.67**
13	Loans and advances	Nil	1	Nil	0.00	0.00
14	**Total Expenditure (10+12+13)**	**8,911**	**9,232**	**9,286**	**100.58**	**19.55**

Sl. No.	Components	2021-22	2022-23		Percentage of Actuals to Budget Estimate	Percentage of Actuals to GSDP*
		Actuals	Budget Estimate	Actuals		
15	**Revenue Deficit (-) / Surplus (+) (4-10)**	**(-) 889**	**131**	**(+) 666**	**508.40**	**1.40**
16	**Fiscal Deficit (-)/Surplus (+) {14-(4+5+6)}**	**(-) 1,052**	**(-) 452**	**(+) 349**	**177.21**	**0.73**
17	**Primary Deficit (-)/Surplus (+) (16-11)**	**(-) 175**	**369**	**(+) 1,134**	**307.32**	**2.39**
18	**Buoyancy ratios**					
	Revenue receipts Buoyancy with reference to GSDP	**1.49**	**0.94**	**3.08**		
	Revenue Expenditure Buoyancy with reference to GSDP	**0.74**	**(-) 0.07**	**0.34**		

* GSDP at current prices is ₹ 47,487 crore.

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

@ includes ₹ 1,096 crore received as back-to-back loan from GoI in lieu of GST compensation shortfall.

(Source: Finance Accounts of the respective years)

It could be seen that the Revenue receipts of the UT during 2022-23 increased by ₹ 1,776 crore (22.60 *per cent*) over the previous year, which resulted in revenue surplus of ₹ 666 crore. The Capital expenditure increased by ₹ 154 crore (94.48 *per cent*) from ₹ 163 crore in 2021-22 to ₹ 317 crore in 2022-23. The fiscal deficit of ₹ 1,052 crore in 2021-22 turned into fiscal surplus of ₹ 349 crore in 2022-23 mainly due to the fact that the UT had a revenue surplus during 2022-23.

During 2022-23, the UT received compensation of ₹ 722.57 crore on account of loss of revenue arising out of the implementation of GST which was received by the UT as grants under revenue receipts.

1.3.2 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 expenditure and loans and advances given by the UT Government and cash balances. Summarised position of assets and liabilities are depicted in **Table 1.3**.

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
		2021-22	2022-23	Increase (+)/ Decrease (-) (in *per cent*)			2021-22	2022-23	Increase (+)/ Decrease (-) (in *per cent*)
Consolidated Fund									
A	External Debt	49.61	49.61	--					
	Internal Debt	8,650.85[1]	8,665.83	0.17	a.	Gross Capital Outlay	7,489.14	7,806.24	4.23
B	Loans and Advances from GoI	2,986.22	2,770.15	(-) 7.24	b.	Loans and Advances	14.47	14.49	0.14
Contingency Fund		**0.50**	**0.50**	**--**					
Public Account									
A	Small Savings, Provident Funds, etc.	479.38	528.32	10.21	a.	Advances	0 .55	0.57	3.64
B	Deposits	587.84	625.62	6.43	b.	Remittance	0.00	0.00	0.00
C	Reserve Funds	306.77	400.24	30.47	c.	Suspense and Miscellaneous	86.75	63.63	(-) 26.65
D	Remittances	154.98	154.98	--	**Cash balance (including investment in Earmarked Fund)**		2,249.53	2,600.69	15.61
E	Suspense and Miscellaneous	--	--	--					
					Total		**9,840.44**	**10,485.62**	6.56
					Deficit in Revenue Account		**3,375.71**	**2,709.63**	(-) 19.73
Total		**13,216.15**	**13,195.25**		**Total**		**13,216.15**	**13,195.25**	

It could be seen that the Internal Debt of the UT increased marginally by 0.17 *per cent* from ₹ 8,650.85 crore in 2021-22 to ₹ 8,665.83 crore in 2022-23. The loans and advances from GoI decreased by 7.24 *per cent* from ₹ 2,986.22 crore in 2021-22 to ₹ 2,770.15 crore in 2022-23. The Gross Capital Outlay increased by 4.23 *per cent* from ₹ 7,489.14 crore in 2021-22 to ₹ 7,806.24 crore in 2022-23. This was due to increase in Capital expenditure by ₹ 154 crore during 2022-23.

1.4 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

[1] Differs from previous year of ₹ 0.47 crore due to misclassification in booking of repayment of principal as interest during the year 2015-16.

targets were fixed for 2021-22. It was, however, stated that the targets proposed in FRBM were adopted for the UT from 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 2022-23 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 2018-19 to 2022-23

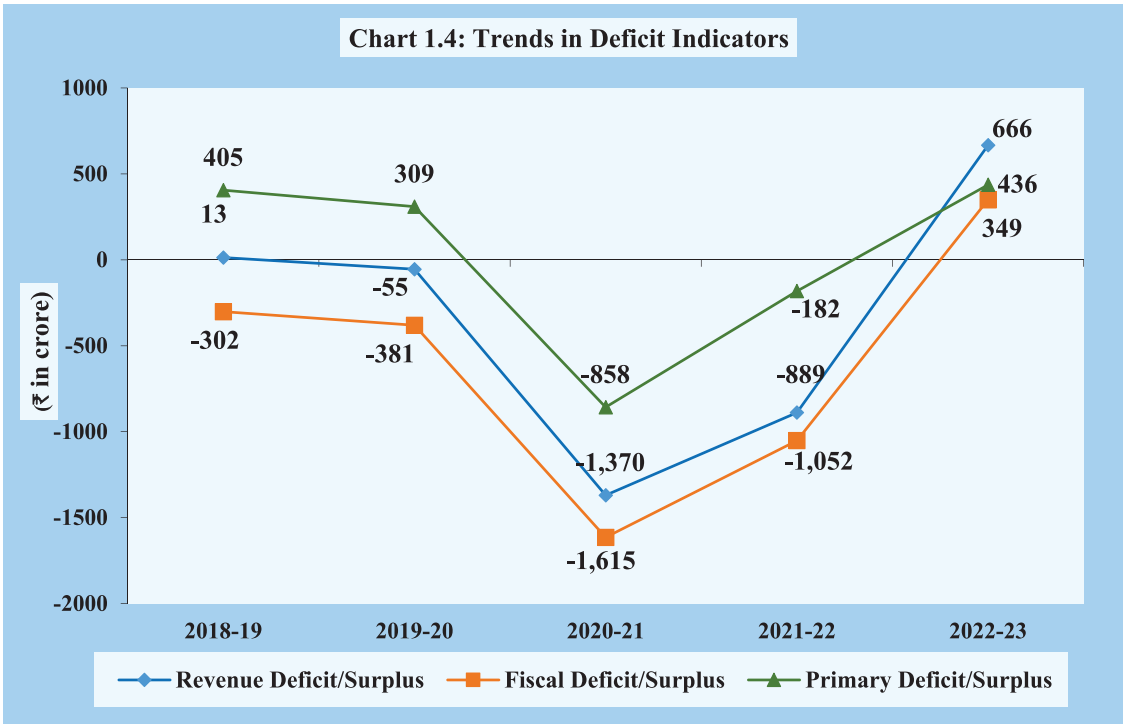
Year	Fiscal variables	Revenue Deficit (-)/ Surplus (+) (₹ in crore)	Fiscal Deficit (-)/ Surplus (+)/ GSDP	Ratio of total outstanding debt of the Government to GSDP (in *per cent*)
2018-19	Targets proposed in FRM	(-) 2.00	(-) 1.28	23.90
	Actuals	(+) 13.54	(-) 0.88	24.95
2019-20	Targets proposed in FRM	(+) 60.00	0.84	22.39
	Actuals	(-) 54.49	(-) 1.03	21.90
2020-21	Targets proposed in FRM	(+) 100.00	0.95	21.12
	Actuals	(-) 1,369.59	(-) 4.47	25.62*
2021-22	Targets proposed in FRBM#	0.00	3.00	25.00
	Actuals	(-) 888.75	(-) 2.38	26.27*
2022-23	Targets proposed in FRBM#	0.00	3.00	25.00
	Actuals	(+) 666.09	(+) 0.73	20.32*

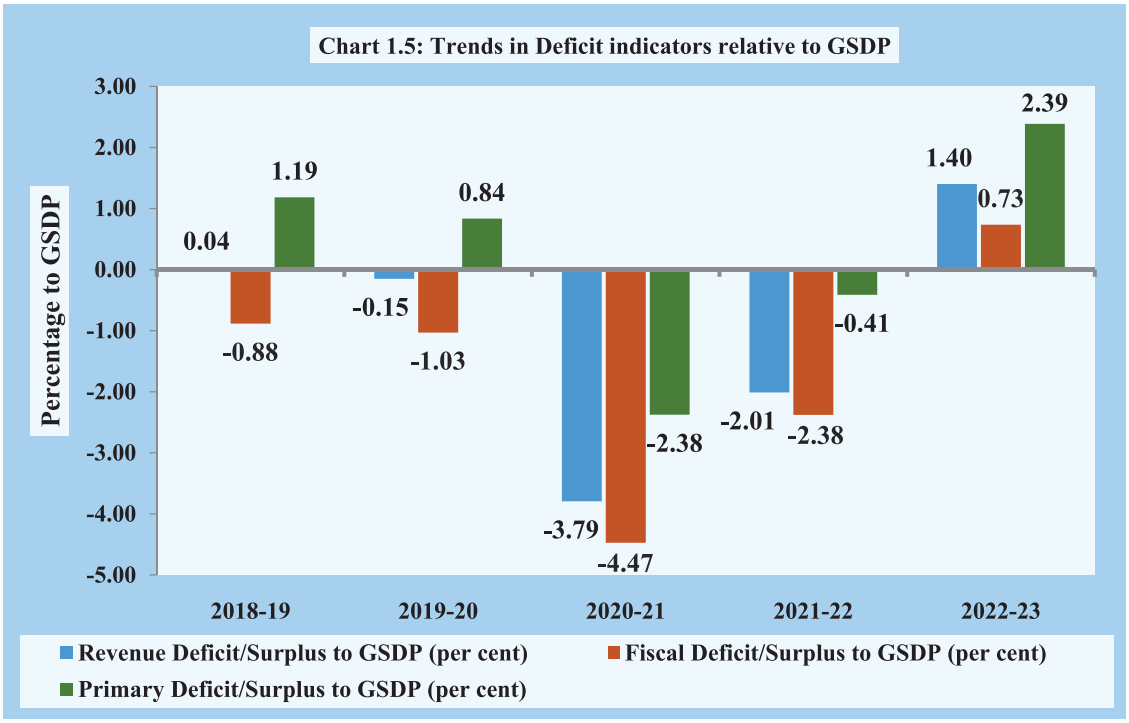
* Calculated excluding the back-to-back loan of ₹ 742 crore and ₹ 1,096 crore received from GoI in lieu of GST compensation shortfall for 2020-21 and 2021-22.

\# 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 2022-23)

The trends in deficits, fiscal liabilities and GSDP are exhibited in **Charts 1.4, 1.5** and **1.6**.



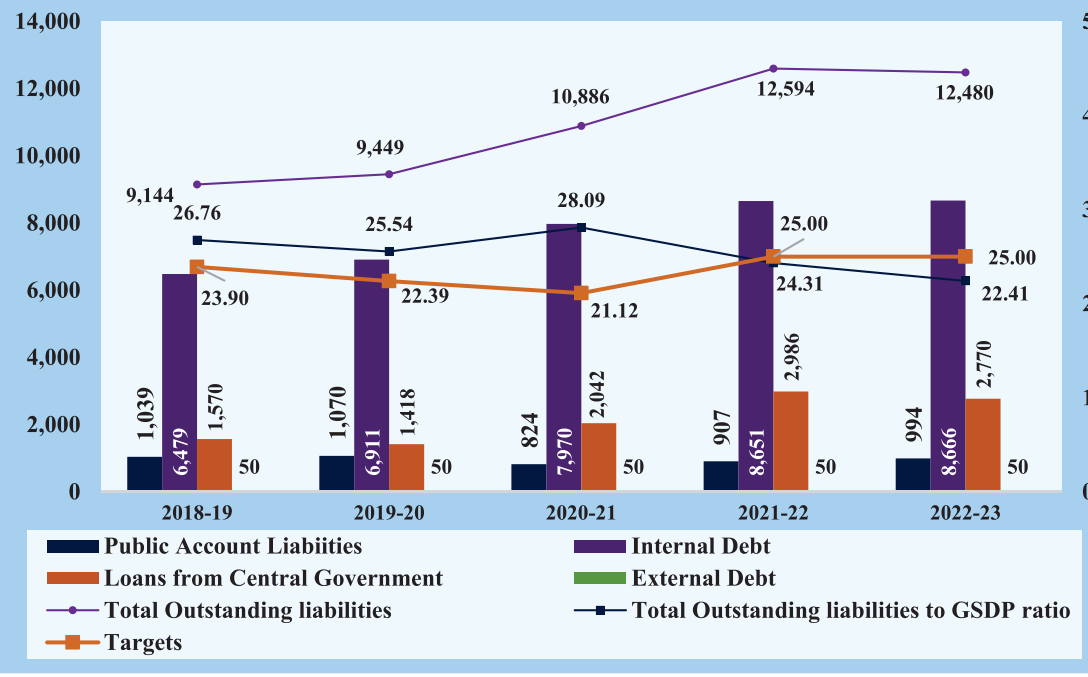


Revenue surplus indicates excess of revenue receipts over revenue expenditure, which increased to ₹ 666 crore (1.40 *per cent* of GSDP) in 2022-23 from ₹ 13 crore (0.04 *per cent* of GSDP) in 2018-19. The revenue deficit during the year 2021-22 as percentage of GSDP increased drastically in 2022-23 and stood as Revenue surplus at 1.40 *per cent* as compared to previous year (2.01 *per cent*).

Fiscal surplus, which represents total borrowings of the UT *i.e.*, its total resource gap, increased to ₹ 349 crore (0.73 *per cent* of GSDP) in 2022-23 from a fiscal deficit of ₹ 1,052 crore (2.38 *per cent* of GSDP) in 2021-22.

Primary surplus, which indicates the excess of primary expenditure (total expenditure net of interest payments) over non-debt receipts. In 2018-19 and 2019-20, there was primary surplus of ₹ 405 crore (1.19 *per cent* of GSDP) and ₹ 309 crore (0.84 *per cent* of GSDP) respectively which turned to primary deficit of ₹ 858 crore (2.38 *per cent* of GSDP) and ₹ 182 crore (0.41 *per cent* of GSDP) during 2020-21 and 2021-22 respectively. During the year, it turned primary surplus of ₹ 1,134 crore (2.39 *per cent* of GSDP). This indicated an imbalance in the non-debt receipts over primary expenditure.

Chart 1.6: Trends in Fiscal liabilities and GSDP (₹ in crore)



Note: The calculation of total outstanding liabilities to GSDP excludes the back-to-back loan of ₹ 742 crore and ₹ 1,096 crore received from GoI in lieu of GST Compensation shortfall for 2020-21 and 2021-22 from total outstanding liabilities.

- It could be seen from **Chart 1.4** that revenue surplus of UT which was ₹ 13.54 crore in 2018-19 became revenue deficit during 2019-22 and turned to ₹ 666.09 crore of revenue surplus in 2022-23.
- The total liabilities increased from ₹ 9,144 crore in 2018-19 to ₹ 12,480 crore in 2022-23, the ratio of outstanding liabilities to GSDP decreased from 26.76 in 2018-19 to 22.41[2] in 2022-23. The loans and

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

advances from GoI increased from ₹ 1,039 crore in 2018-19 to ₹ 2,770 crore in 2022-23. This was mainly due to release of ₹ 1,838 crore (₹ 742 crore in 2020-21 and ₹ 1,096.29 crore in 2021-22) received from GoI as back-to-back loan in lieu of GST compensation shortfall instead of as Grants-in-Aid.

- The UT of Puducherry witnessed fiscal surplus during the current year. As such, the ratio of fiscal deficit to GSDP stood at 0.73 *per cent* of GSDP whereas the FRBM target was three *per cent* and 0.95 *per cent* was proposed in the budget.

To a query on the reasons for not fixing targets under FRM, Government stated (February 2024) that targets were included while getting approval for borrowing and the UT Government adhere to Finance Commission directions.

1.5 Deficits and total debt after examination in audit

1.5.1 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. The total liabilities means the liabilities under the Consolidated Fund and the Public Account of the UT. The outstanding debt/liabilities can be split into various components as given in **Table 1.5**.

Table 1.5: Components of outstanding debt/liabilities as on 3l March 2023

Borrowings and other liabilities as per Finance Accounts	Balance as on 31 March 2023
External debt - AFD LOAN (A)	**49.61**
Internal Debt of the Union Territory Government (B)	**8,665.83**
Market Loans	8,329.24
Loans from Financial Institutions	159.59
Other Loans (Public Account Loan)	177.00
Loans and Advances from the Central Government (C)	**2,770.15**
Loans to cover gap in resources	159.43
Loans to share of Small Savings collections	575.32
Loans for Plan schemes	180.55
Other Loans	16.56
Back-to-Back Loans	1,838.29

Borrowings and other liabilities as per Finance Accounts	Balance as on 31 March 2023
Other Liabilities (D)	**994.11**
Small Savings, Provident Funds etc.	528.32
Reserve funds not bearing interest	(-) 159.83
Deposits bearing interest	198.31
Deposits not bearing interest	427.31
Total-Public Debt and other Liabilities (A+B+C+D)	**12,479.70**

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

Table 1.6: Total outstanding debts/liabilities

(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
Total outstanding debt/liabilities	9,144	9,449	10,886	12,594	12,480
Rate of growth of outstanding debt (in *per cent*)	3.84	3.41	15.21	15.68	(-) 0.90
GSDP at current prices	34,171	36,999	36,116	44,238	47,487
Ratio of total outstanding debt to GSDP (in *per cent*)	26.76	25.53	28.08*	24.31*	22.41*

* 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 rate of growth of outstanding debt turned negative from 15.68 in 2021-22 to (-) 0.90 in 2022-23 which was a positive trend.
- In view of the availability of fiscal surplus of ₹ 349 crore, there was an opportunity for the UT Government to increase the Capital expenditure. However, it was observed that the Capital expenditure fell short of the budget estimate by 36 *per cent*. It is also pertinent to mention that as of March 2023, there were 19 incomplete capital projects, nine out of which were lying incomplete for more than three years.

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 2018-19 to 2022-23, 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 2022-23 *vis-à-vis* 2021-22

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

Table 2.1 present the changes in key fiscal aggregates in 2022-23 compared to 2021-22.

Table 2.1: Changes in key fiscal aggregates in 2022-23 compared to 2021-22

Revenue Receipts	✓ Revenue receipts of the UT increased by 22.60 *per cent* ✓ Own Tax receipts of the UT increased by 10.44 *per cent* ✓ Non-tax receipts decreased by 10.08 *per cent* ✓ Grants-in-Aid from Government of India increased by 67.98 *per cent*
Revenue Expenditure	✓ Revenue expenditure increased by 2.53 *per cent* ✓ Revenue expenditure on General Services increased by 4.60 *per cent* ✓ Revenue expenditure on Social Services increased by 22.38 *per cent* ✓ Revenue expenditure on Economic Services decreased by 16.39 *per cent* ✓ Expenditure on Grants-in-Aid was Nil
Capital Expenditure	✓ Capital expenditure increased by 94.48 *per cent* ✓ Capital expenditure on General Services increased by 57.04 *per cent* ✓ Capital expenditure on Social Services increased by 70.09 *per cent* ✓ Capital expenditure on Economic Services increased by 117.90 *per cent*
Loans and Advances	✓ Disbursement of Loans and Advances during the year was ₹ 0.17 crore as against ₹ 0.06 crore during 2021-22 ✓ Recoveries of Loans and Advances was constant at ₹ 0.15 crore
Public Debt	✓ Public Debt Receipts decreased by 49.48 *per cent* ✓ Repayment of Public Debt increased by 65.14 *per cent*
Public Account	✓ Public account receipts increased by 81.28 *per cent* ✓ Public Account disbursements increased by 45.75 *per cent*
Cash Balance	✓ Cash balance increased by ₹ 351 crore (15.61 *per cent*) in 2022-23 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 2022-23 with 2021-22, while **Charts 2.1** and **2.2** give the details of receipts and expenditure from the Consolidated Fund during 2022-23 in terms of percentages.

Table 2.2: Details of Sources and Application of funds during 2021-22 and 2022-23

(₹ in crore)

	Particulars	2021-22	2022-23	Increase (+)/ Decrease (-)
Sources	Opening Cash Balance with RBI	1,675.39	2,249.53	574.14
	Revenue receipts	7,858.92	9,635.35	1,776.43
	Recoveries of Loans and Advances	0.15	0.15	0.00
	Public debt receipts (Net)	1,624.60	(-) 201.09	(-) 1,825.69
	Public Account receipts (Net)	0.98	203.28	202.30
	Total	**11,160.04**	**11,887.22**	**727.18**
Application	Revenue expenditure	8,747.67	8,969.26	221.59
	Capital expenditure	162.78	317.10	154.32
	Disbursement of Loans and Advances	0.06	0.17	0.11
	Closing Cash Balance with RBI	2,249.53	2,600.69	351.16
	Total	**11,160.04**	**11,887.22**	**727.18**

(Source: Finance Accounts 2022-23)

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

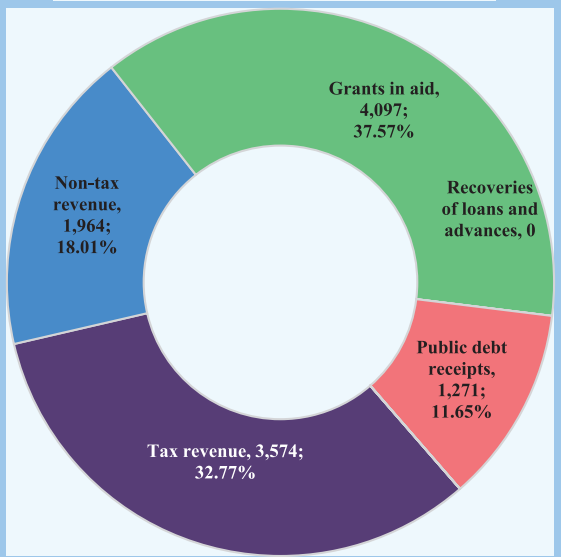
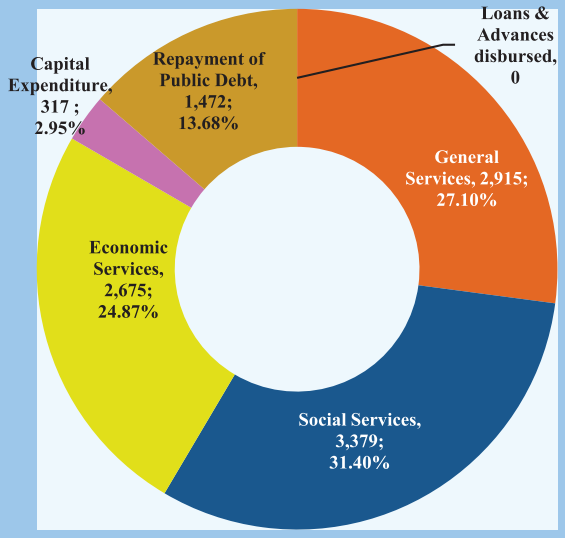


Chart 2.2: Application of Resources
(₹ in crore)
₹ goes to



(Source: Finance Accounts 2022-23)

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 (Debt and non-debt 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.

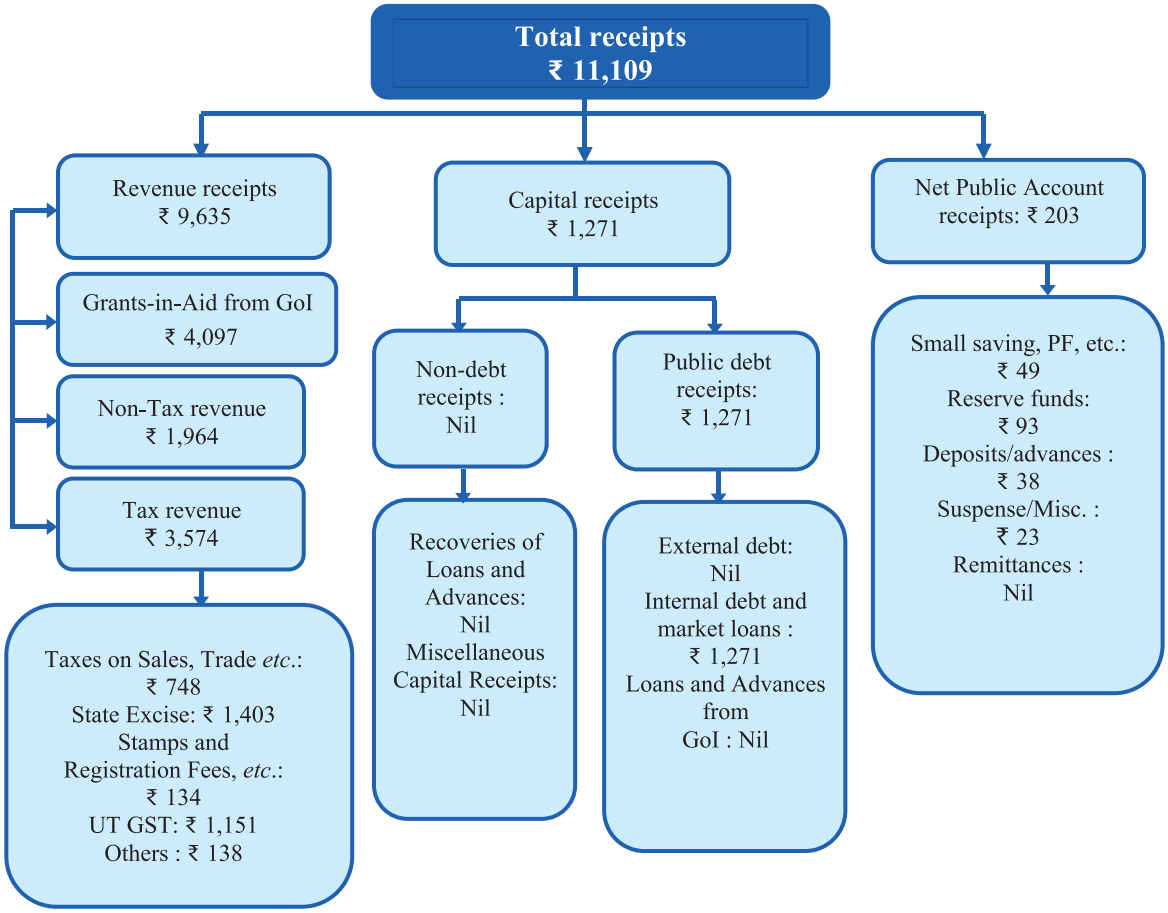
Net Public Accounts receipts: There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc*., which do not form part of the Consolidated Fund. These are kept in the Public Account set up under Section 47A 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

This paragraph provides the composition of the overall receipts. Besides the Revenue and Capital 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** provides the composition of the overall receipts.

Chart 2.3: Composition of receipts of the UT during 2022-23

(₹ in crore)



Out of the total resources of ₹ 11,109 crore of the UT Government during the year 2022-23, Revenue Receipts (₹ 9,635 crore) constituted 86.73 *per cent*. Capital Receipts (₹ 1,271 crore) and net Public Account Receipts (₹ 203 crore) constituted 11.44 *per cent* and 1.83 *per cent* of the total resources respectively.

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 2018-23. 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

	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue receipts (RR) (₹ in crore)	6,400	6,781	5,890	7,859	9,635
Rate of growth of RR (*per cent*)	6.61	5.95	(-) 13.14	33.43	22.60
Own tax Revenue (₹ in crore)	3,188	2,475	1,948	3,236	3,574
Non-tax Revenue (₹ in crore)	1,584	1,638	1,460	2,184	1,964
Grants-in-Aid from GoI (₹ in crore)	1,628	2,668	2,482	2,439	4,097
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (*per cent*)	14.16	(-) 13.81	(-) 17.14	59.04	2.18
Gross State Domestic Product (₹ in crore) (2011-12 Series)	34,171	36,999	36,116	44,238	47,487
Rate of growth of GSDP (*per cent*)	6.36	8.28	(-) 2.39	22.49	7.34
RR/GSDP (*per cent*)	18.73	18.33	16.31	17.77	20.29
Buoyancy Ratios[1]					
Revenue buoyancy with reference to GSDP (ratio)	1.04	0.72	--*	1.49	3.08
UT's own tax buoyancy with reference to GSDP (ratio)	2.23	(-) 1.67	--*	2.63	0.30

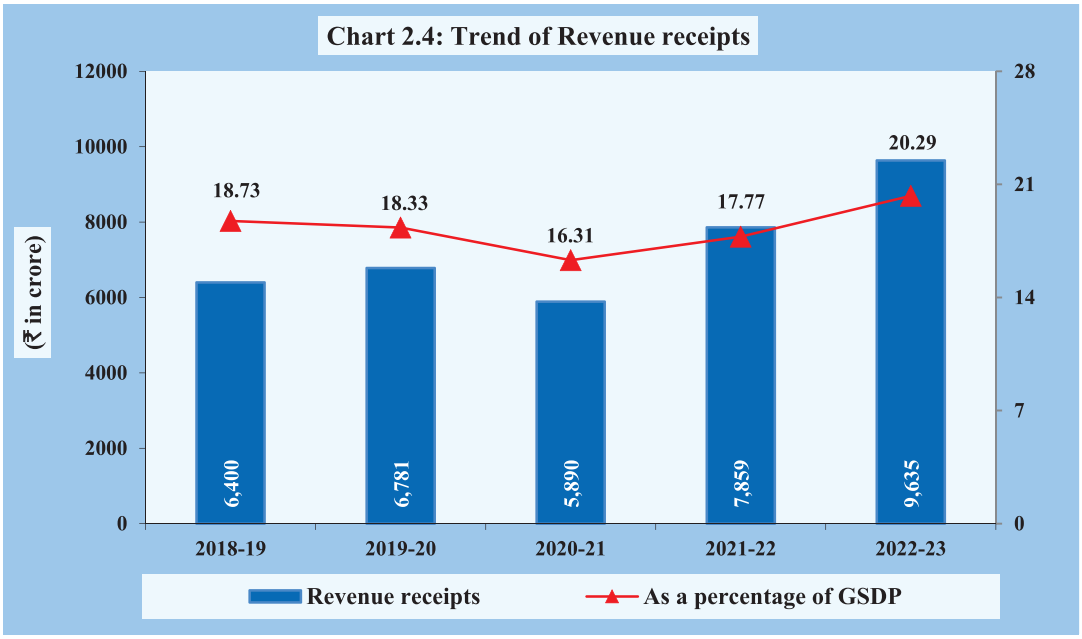
* Buoyancy ratio was not calculated as GSDP growth was negative
(Source: GSDP figures of Directorate of Economics and Statistics)

Table 2.3 shows that Revenue receipts increased by 50.55 *per cent* from ₹ 6,400 crore in 2018-19 to ₹ 9,635 crore in 2022-23. Revenue receipts of the UT comprising of own tax and non-tax revenue increased by 16.05 *per cent* from ₹ 4,772 crore in 2018-19 to ₹ 5,538 crore in 2022-23. The rate of growth of own revenue increased by 2.18 *per cent* when compared to the previous year. Grants-in-Aid from GoI, on the other hand, increased by 151.66 *per cent* during the period 2018-19 to 2022-23. The increase was ₹ 1,658 crore (67.98 *per cent*) as compared to 2021-22.

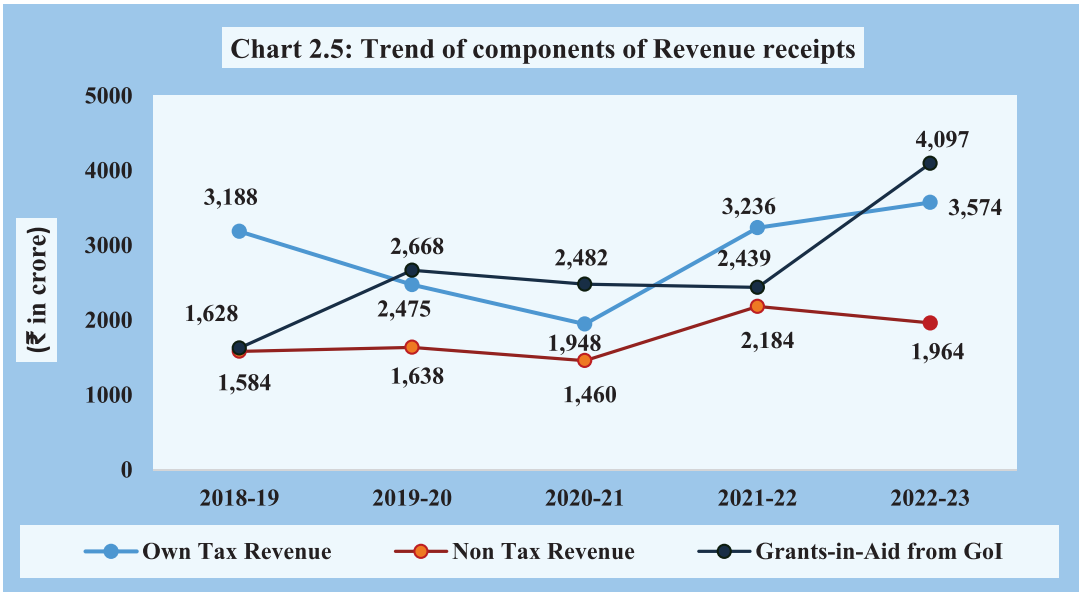
The revenue buoyancy with reference to GSDP increased from 1.04 *per cent* in 2018-19 to 3.08 *per cent* in 2022-23. The State's own revenue buoyancy with reference to GSDP decreased from 2.23 *per cent* in 2018-19 to 0.30 *per cent* in 2022-23. The downfall in own revenue buoyancy in 2022-23 when compared to the previous year was primarily due to decrease in non-tax revenue of UT.

Trends relating to Revenue receipts of the UT are given in **Charts 2.4** and **2.5**.

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



(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)

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

Revenue receipts increased by 50.55 *per cent* from ₹ 6,400 crore in 2018-19 to ₹ 9,635 crore in 2022-23. During 2022-23, the growth rate of Revenue receipts stood at 22.60 *per cent*.

About 57.48 *per cent* of the Revenue receipts during 2022-23 came from the UT's own resources (₹ 5,538 crore). The Grants-in-Aid (₹ 4,097 crore) during the current year increased by 68 *per cent* over the previous year. An amount of ₹ 3,125 crore was given for financing the Revenue deficit of the UT Government. The GST compensation during the current year also increased considerably by 120 *per cent* over 2021-22.

The increase in the Revenue receipts of the UT by ₹ 1,776 crore over the previous year was due to increase in Tax Revenue (₹ 338 crore) and Grants-in-Aid from GoI (₹ 1,658 crore), which was off-set by decrease in Non-tax revenue by ₹ 220 crore during the year. The increase in own tax revenue was mainly under State Excise (₹ 307 crore) and Taxes on Sales, Trade etc. (₹ 92 crore) due to more sale of malt liquors and spirits and more receipts on trade tax. Similarly, the decrease under Non-tax revenue was mainly due to less receipts under sale of power (₹ 254 crore).

During the current year, the increase of 22.60 *per cent* (₹ 1,776 crore) in Revenue receipts mainly contributed to revenue surplus of ₹ 666 crore from Revenue deficit of ₹ 889 crore in the year 2021-22. The UT received total compensation of ₹ 723 crore on account of loss of revenue arising out of the implementation of GST during 2022-23.

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:

(i) Own Tax Revenue

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

Table 2.4: Components of UT's own tax revenue

(₹ in crore)

Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	Spark line
Sales Tax	632	597	549	656	748	
UT GST	1,499	781	433	1,273	1,151	
State Excise	850	868	798	1,096	1,403	
Taxes on Vehicles	114	139	84	99	137	
Stamp Duty and Registration fees	92	88	82	111	134	
Land Revenue	1	2	2	1	1	
Total	**3,188**	**2,475**	**1,948**	**3,236**	**3,574**	

(Source: Finance Accounts of respective years)

As against the estimated UTGST receipt of ₹ 1,861 crore, the actual receipt was only ₹ 1,151 crore during 2022-23. UT's Tax revenue increased from ₹ 3,236 crore in 2021-22 to ₹ 3,574 crore in 2022-23 by ₹ 338 crore (10.44 *per cent*) over the previous year. While Taxes on Sales, Trade, etc., and State Excise increased by ₹ 92 crore and ₹ 307 crore respectively, UT Goods

and Services Tax (UTGST) decreased by ₹ 122 crore during 2022-23. The decrease in UTGST was due to less receipts (decreased by 24 *per cent*) on Apportionment of IGST transfer-in Tax component to SGST. The increase in Taxes on Sales, Trade, etc., during 2022-23 was mainly due to more collection under Trade Tax. Similarly, the increase in 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.

(a) Audit of GST Receipts

The standing order of the GoI dated 21 July 2020, provides for access to Pan-India data at GSTN premises. In Puducherry, which is a Model-2 State, access to Back Office (BO) system was provided through Multi-Protocol Label Switching (MPLS) at GST Department premises. Thus, access was limited to the premises of Commercial Tax Department only. In response to a request (June 2023) to provide BO web access through VPN, the Commercial Taxes Department denied (July 2023) the remote access through VPN in order to manage appropriate safety and security of GST system. The accounts for the year 2022-23 have, therefore, been certified on the basis of test audit, pending full implementation of GoI's decision to provide Audit the access to GSTN data.

(b) Analysis of arrears of revenue and arrears of assessment

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

Arrears of revenue

The arrears of revenue as on 31 March 2023 under the principal heads of revenue amounted to ₹ 1,078 crore, of which ₹ 543.71 crore was outstanding for more than five years as detailed in **Table 2.5**.

Table 2.5: Arrears of revenue

(₹ in crore)

Sl. No.	Departments	Total arrears	Arrears outstanding for more than five years	Remarks
1	Accounts and Treasuries	3.61	2.71	Arrears due from Religious Institutions towards audit fee.
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	215.37	191.26	Arrears related to collection of tax under PGST/CST and VAT Acts, major portion is subjudice.
4	Electricity	689.30	258.67*	Arrears were due to non-receipt of electricity charges.
5	Excise	79.49	62.55	Arrears due to non-receipt of *kist* from the lessees of arrack and toddy shops.
6	Fisheries and Fishermen Welfare	0.05	0.05	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	0.04	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	69.28	21.74	Arrears related to water tax and license fee.
10	Revenue	16.97	0.87	Arrears related to collection of land tax, license fees towards mining etc.
11	Rural Development	0.16	0.00	Arrears due to non-collection of rent.
12	Stationery and Printing	0.38	0.23	Arrears of dues from Government Departments for stationery and printing, sale of Gazettes, press receipts, etc.
13	Tourism	0.14	0.12	Arrears of rent due from Guests/Government Officials towards room rent, catering and other receipts.
14	Transport	2.77@	5.05	
Total		**1,078.00**	**543.71**	

* previous year figure retained as year wise break-up was not furnished

@ This excludes RTO Oulgaret and MVI Villianur since their reports mismatch with opening balance and closing balance

(Source: Details furnished by respective Departments)

Table 2.5 further indicates that the amount of uncollected revenue as on 31 March 2023 was about 11.19 *per cent* of the total revenue (₹ 9,635 crore) raised by the Government during the year 2022-23.

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 2.6**.

Table 2.6: Arrears in assessment

Head of revenue	Opening balance	New cases due for assessment during 2022-23	Total assessments due	Cases disposed of during 2022-23	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	16,723	Nil	16,723	1,488	15,235	8.90

(Source: Details furnished by the Department)

It was seen that out of 16,723 cases pertaining to the period from 2008-09 to 2016-17, only 1,488 cases were disposed-off during the year 2022-23. Similarly, out of 4,858 cases for the period 2015-17, only 177 cases were disposed-off. As the percentage of disposal was very low, the Department has to take time bound action to complete all the pending cases as new tax regime has taken place.

(c) Details of 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 2.7**.

Table 2.7: Evasion of Tax Detected

Sl. No.	Head of revenue	Cases pending as on 31 March 2022	Cases detected during 2022-23	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 2023
					No. of cases	Amount of demand (₹ in crore)	
1	State Goods and Services Tax	40	69	109	61	4.67	48
2	Sales Tax/VAT	55	0	55	2	0.09	53

(Source: Details furnished by the Department)

It was seen that in respect of Salex Tax/VAT, 53 cases were pending for more than five years as against 55 cases pending at the beginning of the year. During the year, the Department cleared only 3.64 *per cent* of pending Sales Tax/VAT cases. The Department needs to take time bound action to complete all the cases as new tax regime has taken place and further delay in clearance may result in loss of revenue to the UT.

Government stated (February 2024) that the delay was due to pendency of cases in courts and efforts are being taken to finalise the pending cases and collection of arrears at the earliest.

Pendency of refund cases

The number of refund cases pending at the beginning of the year 2022-23, claims received and refunds allowed during the year and cases pending at the close of the year 2022-23 relating to CTD (UT Goods and Services Tax) are given in **Table 2.8**.

Table 2.8: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	UT GST	
		No of cases	Amount
1	Claims outstanding at the beginning of the year	4	0.72
2	Claims received during the year	275	89.27
3	Refunds made during the year	249	87.48
4	Refunds rejected during the year	16	0.55
5	Balance outstanding at the end of year	14	1.96

(Source: Details furnished by the Department)

(ii) 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 2018-23 are given in **Table 2.9**.

Table 2.9: Components of UT's Non-Tax revenue

(₹ in crore)

Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	Spark line
Interest receipts	95	99	67	100	100	
Dividends and Profits	1	3	0	2	0	
Other Non-Tax receipts, of which	1,488	1,536	1,393	2,082	1,864	
(a) Power	1,353	1,423	1,295	2,010	1,756	
(b) Medical and Public Health	26	11	17	18	17	
(c) Water Supply and Sanitation	24	21	17	18	21	
(d) Ports and Light Houses	11	12	10	8	12	
(e) Housing	7	7	7	5	6	
(f) Miscellaneous General Services	31	37	2	2	8	
(g) Education, Sports, Art and Culture	7	2	1	1	2	
(h) Others	29	23	44	20	42	
Total	**1,584**	**1,638**	**1,460**	**2,184**	**1,964**	

(Source: Finance Accounts of respective years)

Non-tax Revenue, ranged between 20 and 28 *per cent* of total Revenue receipts of the UT during the five-year period from 2018-19 to 2022-23. During the current year, it decreased by eight percentage points over the previous year. The less receipts in sale of power from ₹ 2,010 crore in 2021-22 to ₹ 1,756 crore in 2022-23 mainly contributed to the decrease in Non-tax revenue.

2.3.2.3 Transfers from Centre

(i) Grants-in-Aid from GoI

The Grants-in-Aid (GIA) received from GoI during the years 2018-19 to 2022-23 are given in **Table 2.10** and **Chart 2.7** depicts the Grants-in-Aid to Revenue receipts.

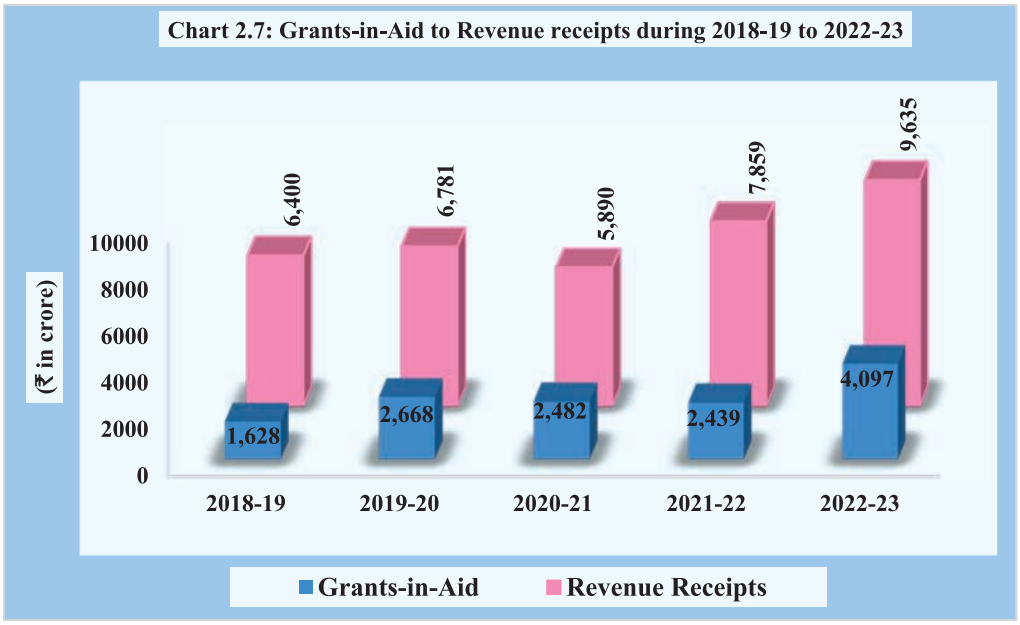
Table 2.10: Grants-in-Aid from Government of India

(₹ in crore)

Head	2018-19	2019-20	2020-21	2021-22	2022-23
Non-Plan Grants	5	--	5	5	5
Grants for State/UT Plan Schemes	--	--	--	--	--
Grants for Central Plan Schemes	--	--	--	--	--
Grants for Centrally Sponsored Schemes (CSS)	152	201	164	225	235
Other transfers/Grants to States/Union Territories with Legislature	1,471	2,467	2,313	2,209	3,857
Total	**1,628**	**2,668**	**2,482**	**2,439**	**4,097**
Percentage of increase/decrease over the previous year	(-) 10.70	63.88	(-) 6.97	(-) 1.73	67.98
Percentage of GIA to Revenue receipts	25.44	39.35	42.14	31.03	42.52

(Source: Finance Accounts of respective years)

Grants-in-Aid received from GoI increased by ₹ 1,658 crore (67.98 *per cent*) during 2022-23. The total grant as a percentage of Revenue receipts also increased from 31.03 in 2021-22 to 42.52 in 2022-23 which was mainly attributable to the increase in the grants for financing fiscal deficit by 67 *per cent* coupled with increase in the GST Compensation by 120 *per cent* over the previous year.



(Source: Finance Accounts of respective years)

(ii) Grants for Centrally Sponsored Schemes

Out of the Grants of ₹ 235.45 crore received for Centrally Sponsored Schemes during 2022-23, major amounts were given to the following schemes as detailed in **Table 2.11**.

Table 2.11: Details of schemes for which Grants-in-Aid received from GoI

(₹ in crore)

Description	2021-22	2022-23	increase(+)/ decrease (-) (in *per cent*)
Pradhan Mantri Matsya Sampada Yojana (PMMSY)	13.37	33.87	153.30
Urban Rejuvenation Mission	10.46	32.61	211.75
Pradhan Mantri Gram Sadak Yojana (PMGSY)	11.66	24.72	112.01
Swachh Barath Abhiyan	5.00	22.24	344.80
NHM including NRHM	19.11	18.49	(-) 3.24
Samagra Shiksha Abhiyan	13.98	15.28	9.29
Shyama Prasad Mukherjee Urban Mission	..	15.28	100.00
Pradhan Mantri Awas Yojana	23.58	14.23	(-) 39.65

It could be seen from **Table 2.11** that

- "Swachh Barath Abhiyan" grants to the tune of ₹ 22.24 crore received during 2022-23 reflects an increase of 344.80 *per cent* over the previous year.
- "Urban Rejuvenation Mission" grant of ₹ 32.61 crore received during 2022-23 reflects an increase of 211.75 *per cent* (₹ 10.46 crore) over the previous year.

- "Pradhan Mantri Matsya Sampada Yojana (PMMSY)" grant of ₹ 33.87 crore received during 2022-23 reveals an increase of 153.30 *per cent* (₹ 13.37 crore) over the previous year.
- Meanwhile, "Pradhan Mantri Awas Yojana" grant of ₹ 14.23 crore received during 2022-23 with a decrease of 39.65 *per cent* in receipt of grant (₹ 23.58 crore) over the previous year.

Single Nodal Agency : Ministry of Finance, Government of India vide letter No. 1(13)PFMS/FCD/2020 dated 23.03.2021 had notified procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilisation of the funds released through Single Nodal Agency (SNA). For each CSS, SNA is set up with own Bank Account in scheduled Commercial Bank authorised to conduct Government business by the State Government. As per the procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share. The UT Government received ₹ 235.45 crore being Central Share during the year 2022-23 in its Treasury. As on 31 March 2023, the Government transferred Central Share of ₹ 297.51 crore (which includes previous balance of ₹ 142.68 crore) received in Treasury Account and State Share of ₹ 146.65 crore to the SNAs. Out of the total transfer of ₹ 444.16 crore, ₹ 375.83 crore was transferred through GIA Bills and ₹ 68.33 crore through other category of bills. Detailed vouchers and supporting documents of actual expenditure were not received by DAT from the SNAs. As informed by the UT Government/SNAs, ₹ 400.62 crore are lying unspent in the bank accounts of SNAs as on 31 March 2023.

Government stated (February 2024) that the funds were received at the fag end of the year and the funds were already transferred to SNAs. Further, the funds were transferred by the UT Government within the limit prescribed by the GoI.

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 2018-23 are given in **Table 2.12**.

Table 2.12: Trends in growth and composition of Capital receipts

(₹ in crore)

Source of receipts	2018-19	2019-20	2020-21	2021-22	2022-23
Capital receipts	**1,008**	**1,044**	**2,529**	**2,516**	**1,271**
Miscellaneous Capital receipts	Nil	Nil	Nil	Nil	Nil
Recovery of Loans and Advances	1	1	Nil	Nil	Nil
Public Debt receipts	**1,007**	**1,043**	**2,529**	**2,516**	**1,271**
External Debt	50	Nil	Nil	Nil	Nil
Internal Debt	957	1,043	1,787	1,420	1,271
Growth rate	(-) 3.24	8.99	71.33	(-) 20.54	(-) 10.49
Loans and Advances from GoI	Nil	Nil	742*	1,096*	Nil
Rate of growth of debt Capital receipts (*per cent*)	(-) 5.09	3.57	142.47	(-) 0.51	(-) 49.48
Rate of growth of non-debt Capital receipts (*per cent*)	--	--	(-) 100	--	--
Rate of Growth of GSDP	6.36	8.28	(-) 2.39	22.49	7.34
Rate of growth of Capital receipts (*per cent*)	(-) 5.09	3.57	142.47	(-) 0.51	(-) 49.48

* Received as Back-to-back loan in lieu of GST compensation shortfall
(Source: Finance Accounts of respective years)

The Capital receipts decreased by ₹ 1,245 crore in 2022-23 on account of decrease in Public Debt receipts by 49.48 *per cent*. The debt Capital receipts of the UT, which mainly consists of Internal Debt, decreased from ₹ 1,420 crore in 2021-22 to ₹ 1,271 crore in 2022-23 due to decrease in Market loans (₹ 149 crore) by 10.49 *per cent.*

Public debt receipts create future repayment obligation and these are taken from Market, Financial Institutions and Central Government. During the five-year period 2018-23, 55.01 *per cent* of Public debt receipts were used for repayment of Public Debt taken in earlier years and the remaining 44.99 *per cent* was utilised for other purposes. During current year, the repayment of public debt was ₹ 1,472 crore as against the public debt receipt of ₹ 1,271 crore. Further, the UT Government had witnessed fiscal surplus of ₹ 349 crore in 2022-23, which coupled with the net of internal debt, had accumulated into the cash balance.

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 2022-23 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	4,384	3,574	(-) 18.48
Non-tax revenue	2,174	1,964	(-) 9.66

(Source: Finance Accounts and Budget documents)

The Own tax revenue and Non-tax revenue were lower by ₹ 810 crore and ₹ 210 crore respectively than the target proposed in the budget estimate.

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 ₹ 9,635 crore, the grants from GoI accounted for ₹ 4,097 crore which was 42.52 *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 2022-23, 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

Revenue Expenditure: Charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day-to-day running of the organisations, including establishment and administrative expenses shall be classified as Revenue expenditure.

Capital Expenditure: All charges for the first construction of a project as well as charges for intermediate maintenance of the work while not opened for service and also charges for such further additions and improvements as may be sanctioned under the rules made by competent authority shall be classified as Capital expenditure.

Loans and Advances: Loans and advances by the Government to Public Sector Undertakings (PSU) and other parties.

The total expenditure of UT Government, its composition and its sectoral distribution during the period 2018-23 are given in **Tables 2.14** and **2.15** and **Charts 2.8** and **2.9**.

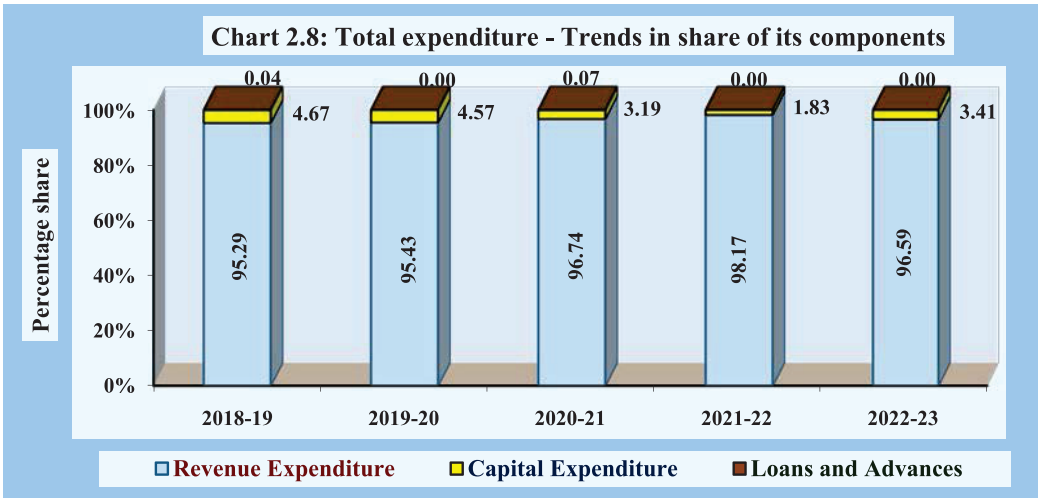
Table 2.14: Total expenditure and its composition

(₹ in crore)

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total expenditure (TE)	6,703	7,163	7,505	8,911	9,286
Revenue expenditure (RE)	6,387	6,836	7,260	8,748	8,969
Capital expenditure (CE)	313	327	240	163	317
Loans and Advances	3	0	5	0	0
As a percentage of GSDP					
TE/GSDP	19.62	19.36	20.78	20.14	19.55
RE/GSDP	18.69	18.48	20.10	19.77	18.89
CE/GSDP	0.92	0.88	0.66	0.37	0.67
Loans and Advances/GSDP	0.01	0.00	0.01	0.00	0.00

(Source: Finance Accounts of respective years)

Chart 2.8: Total expenditure - Trends in share of its components



(Source: Finance Accounts of respective years)

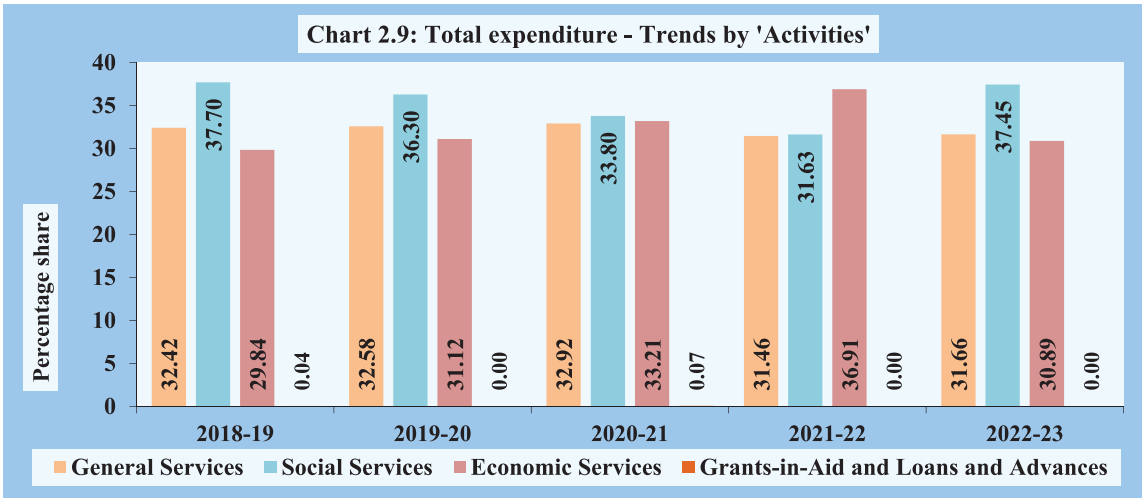
The **Table 2.14** shows that Total Expenditure of the UT increased by ₹ 2,583 crore (38.53 *per cent*) from ₹ 6,703 crore in 2018-19 to ₹ 9,286 crore in 2022-23. During the year 2022-23, it increased by 4.21 *per cent* from the previous year. As a percentage of GSDP, the total expenditure decreased from 19.62 in 2018-19 to 19.55 in 2022-23. The percentage of increase in Revenue expenditure during 2021-22 was 20.50 whereas the increase during 2022-23 was 2.53, which contributed to the revenue surplus of ₹ 666 crore in 2022-23.

Table 2.15: Relative share of various sectors of expenditure

(₹ in crore)

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
General Services	2,173	2,334	2,470	2,803	2,940
Social Services	2,527	2,600	2,537	2,819	3,478
Economic Services	2,000	2,229	2,492	3,289	2,868
Others (Grants to Local Bodies and Loans and Advances)	3	0	5	0	0

(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)

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

The share of Economic Services in total expenditure increased from 29.84 *per cent* in 2018-19 to 30.89 *per cent* in 2022-23, while that of General Services and Social Services decreased from 32.42 *per cent* and 37.70 *per cent* in 2018-19 to 31.66 *per cent* and 37.45 *per cent* respectively in 2022-23.

The Revenue expenditure increased by ₹ 221 crore (2.53 *per cent*) whereas Capital expenditure increased by ₹ 154 crore (94.48 *per cent*) during 2022-23 as compared to the previous year. However, the Capital expenditure as a percentage of GSDP decreased from 0.92 in 2018-19 to 0.67 in 2022-23.

It could be seen from **Chart 2.8** that the Revenue expenditure as a share of total expenditure had increased over a period of five years (2018-23) and stood at 96.59 *per cent* of the total expenditure during 2022-23. The increase in Revenue expenditure was due to the fact that the committed expenditure had gradually increased from ₹ 3,740 crore in 2018-19 to ₹ 4,963 crore in 2022-23.

The proportion of Capital expenditure to total expenditure decreased from 4.67 *per cent* in 2018-19 to 3.41 *per cent* in 2022-23 which indicated that lower priority was accorded to infrastructure development/creation of capital assets.

During 2022-23, the expenditure on General Services and Social Services increased by ₹ 137 crore (4.89 *per cent*), ₹ 659 crore (23.38 *per cent*) respectively and whereas the expenditure on Economic Services decreased by ₹ 421 crore (12.80 *per cent*) over the previous year.

Government stated (February 2024) that implementation of welfare schemes and subsidies were the reasons for increase in expenditure in respect of social service whereas decrease in expenditure in respect of economic services was due to payment of long pending dues of power consumption charges of the respective Government departments during 2021-22 though such expenditure was not incurred in 2022-23.

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 ₹ 8,969 crore during 2022-23 increased by ₹ 221 crore as compared to ₹ 8,748 crore in 2021-22. It constituted 96.59 *per cent* of total expenditure of ₹ 9,286 crore during the year. As a percentage of GSDP, the Revenue expenditure decreased from 19.77 in 2021-22 to 18.89 in 2022-23. The buoyancy of Revenue expenditure with reference to Revenue receipts during 2022-23 stood at 0.11.

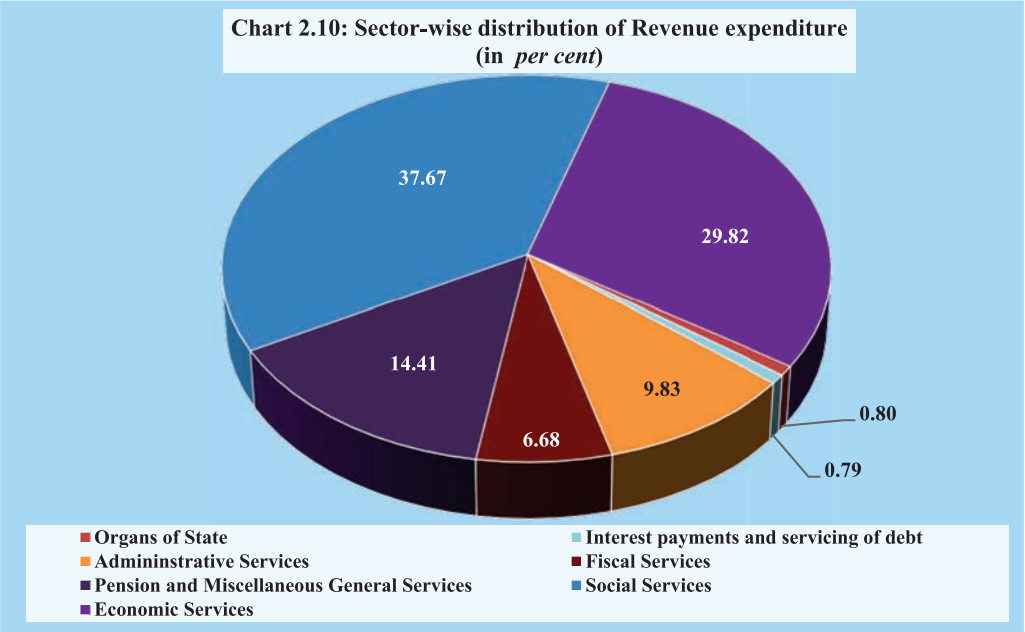
The overall Revenue expenditure, its rate of growth, its ratio to Total expenditure during 2018-19 to 2022-23 are given in **Table 2.16** and the sectoral distribution of Revenue expenditure pertaining to 2022-23 are given in **Chart 2.10**.

Table 2.16: Revenue expenditure - Basic Parameters

(₹ in crore)

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total expenditure (TE)	6,703	7,163	7,505	8,911	9,286
Revenue expenditure (RE)	6,387	6,836	7,260	8,748	8,969
Rate of Growth of RE (*per cent*)	9.99	7.03	6.20	20.50	2.53
Revenue expenditure as percentage of TE	95.29	95.43	96.73	98.17	96.59
RE/GSDP (*per cent*)	18.69	18.48	20.10	19.77	18.89
RE as percentage of RR	99.80	100.81	123.26	111.31	93.09

(Source: Finance Accounts of respective years)



(Source: Finance Accounts 2022-23)

As a percentage of total Revenue expenditure except for Administrative Services and Economic Services, all other sectors increased when compared to previous year.

Revenue expenditure as a percentage of GSDP has declined from 19.77 *per cent* in 2021-22 to 18.89 *per cent* in 2022-23, when compared to the rate of growth of Revenue expenditure, which stood at 2.53 *per cent* during 2022-23. As against the target of ₹ 8,676 crore fixed for Revenue expenditure in the Budget estimates, the actual Revenue expenditure was ₹ 8,969 crore.

2.4.2.1 Major changes in Revenue Expenditure

There was a net increase of ₹ 221 crore in the Revenue expenditure from ₹ 8,748 crore in 2021-22 to ₹ 8,969 crore in 2022-23. The significant variation under various heads of account with regard to Revenue expenditure of the UT during 2021-22 and 2022-23 are given in **Table 2.17**.

Table 2.17: Variation in Revenue expenditure during 2022-23 as compared to 2021-22

(₹ in crore)

Major Heads and description		2021-22	2022-23	Increase (+)/ Decrease (-)
2048	Appropriation for reduction or avoidance of Debt	59.56	92.92	33.36
2049	Interest Payments	874.08	789.07	(-) 87.35
2055	Police	269.13	302.52	33.39
2059	Public Works	122.15	138.61	16.46
2071	Pensions and Other Retirement benefits	1,183.08	1,288.69	105.61

Major Heads and description		2021-22	2022-23	Increase (+)/ Decrease (-)
2202	General Education	809.66	967.80	158.14
2210	Medical and Public Health	700.04	802.23	102.19
2215	Water Supply and Sanitation	101.39	118.52	17.13
2217	Urban Development	88.88	317.10	228.22
2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	151.44	168.42	16.98
2235	Social Security and Welfare	603.98	680.04	76.06
2403	Animal Husbandry	44.09	58.65	14.56
2408	Food Storage and Warehousing	202.67	187.19	(-) 15.48
2505	Rural Employment	3.10	19.87	16.77
2515	Other Rural Development Programmes	26.33	63.86	37.53
2801	Power	2,300.94	1,784.44	(-) 516.50
2851	Village and Small Industries	33.26	44.14	10.88
2852	Industries	123.01	74.94	(-) 48.07
3451	Secretariat-Economic Services	12.77	24.92	12.15
3456	Civil Supplies	118.77	24.17	(-) 94.60

(Source: Finance Accounts of respective years)

Table 2.17 indicates that Revenue expenditure under Pensions and Other Retirement Benefits, General Education, Medical and Public Health and Urban Development increased due to increase in the expenses on Superannuation and Retirement allowances, more expenditure on Government Secondary Schools and more expenditure on Hospitals and dispensaries respectively during 2022-23. In respect of Interest payments, Power and Civil Supplies, decrease was due to less expenses on interest on Loans and advances from Central Government, General and Other Expenditure respectively during 2022-23.

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.

Apart from above, there are certain items of inflexible expenditure which cannot be ordinarily altered or varied or are statutorily required on an annual basis,

unlike for variable transactions such as Capital expenditure, etc. For example, the following items may be considered as inflexible expenditure:

- Devolution to local bodies - statutory devolutions to local bodies for pay and allowances (devolution/transfer for Capital expenditure)'
- Statutory requirements of contribution to Reserve Funds - Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation/Response Fund (SDMF/SDRF), etc.
- Recoupment of Contingency Fund - Amount recouped within the year.
- Transfer of cess to Reserve fund/other body, which are statutorily required.
- Share contribution of CSS against the Central Fund received - Amount of State share to be transferred to SNAs/spent by the State.
- Payment of interest on the balances of the interest-bearing funds as if they could have been invested and payment of interest on public debt as charged expenditure - Interest payments.

The various components of committed and inflexible expenditure and its share in total Revenue Expenditure are given in **Table 2.18** and **Chart 2.11**.

Table 2.18: Components of Committed and Inflexible Expenditure

(₹ in crore)

Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Salaries[2]	2,165	2,364	2,342	2,734	2,876
Expenditure on Pensions	868	994	1,073	1,193	1,302
Interest Payments	707	690	757	877	785
Total	**3,740**	**4,048**	**4,172**	**4,804**	**4,963**
Components of Inflexible Expenditure					
Contribution to Consolidated Sinking Fund	30.26	0	15.08	59.52	93.47
Contribution to SDRF	18.75	2.45	10.05	6.25	6.25
Share contribution of CSS against the Central Fund received	200.75	152.42	183.53	153.87	284.01
Total	**249.76**	**154.87**	**208.66**	**219.64**	**383.73**
As a percentage of Revenue Receipts (RR)					
Salaries	33.83	34.86	39.76	34.79	29.85
Expenditure on Pensions	13.56	14.66	18.22	15.18	13.51
Interest Payments	11.05	10.18	12.85	11.16	8.15
Total	**58.44**	**59.70**	**70.83**	**61.13**	**51.51**
Inflexible Expenditure	3.90	2.28	3.54	2.79	3.98
Total	**62.34**	**61.98**	**74.37**	**63.92**	**55.49**

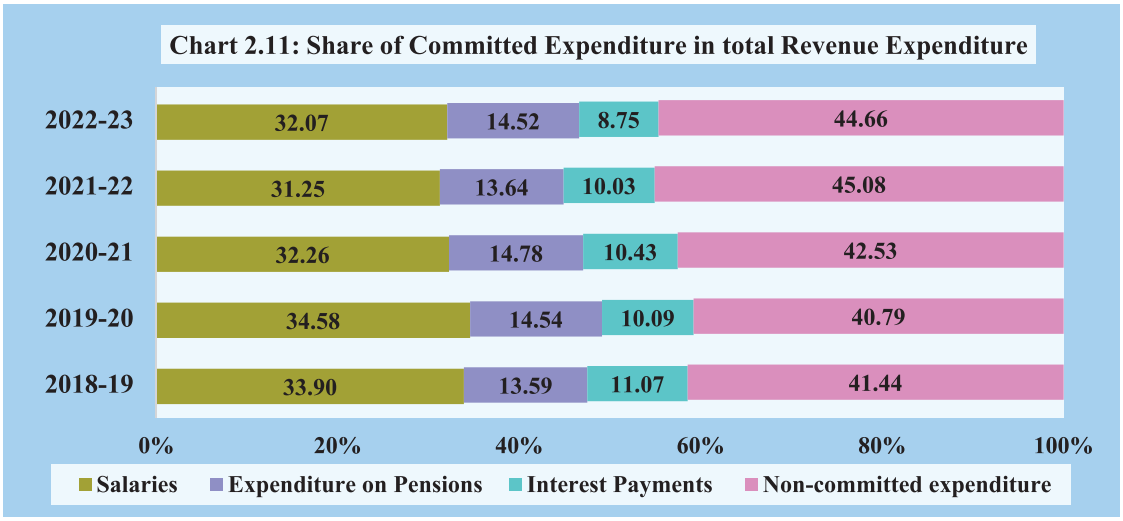
[2] Includes Grants-in-Aid given for salaries.

Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
As a percentage of Revenue Expenditure (RE)					
Salaries	33.90	34.58	32.26	31.25	32.07
Expenditure on Pensions	13.59	14.54	14.78	13.64	14.52
Interest Payments	11.07	10.09	10.43	10.03	8.75
Total	**58.56**	**59.21**	**57.47**	**54.92**	**55.34**
Inflexible Expenditure	3.91	2.27	2.87	2.51	4.28
Total	**62.47**	**61.48**	**60.34**	**57.43**	**59.61**
Non-Committed RE	2,647	2,788	3,088	3,944	4,006
Percentage of RE	41.44	40.78	42.53	45.08	44.66
Percentage of TE	39.49	38.92	41.15	44.26	43.14
Subsidies	173	223	282	280	320
Subsidies as a percentage to non-committed expenditure	6.54	8.00	9.13	7.10	7.99

* Other items of expenditure which cannot be ordinarily altered or varied or statutorily required on an annual basis.

(Source: Finance Accounts of respective years)

Chart 2.11: Share of Committed Expenditure in total Revenue Expenditure



(Source: Finance Accounts of respective years)

It could be seen from **Table 2.18** that the total committed expenditure of UT Government had increased over the period of five years. It increased from ₹ 3,740 crore in 2018-19 to ₹ 4,963 crore in 2022-23 by ₹ 1,223 crore. Further, the committed expenditure constituted 55.34 *per cent* of Revenue expenditure and 51.51 *per cent* of Revenue receipts during 2022-23. The non-committed expenditure, a portion of which is being spent on operation and maintenance of existing social and economic services constituted 44.66 *per cent* of the Revenue expenditure.

Salaries

Expenditure on salaries during the current year was ₹ 2,876 crore, which increased by ₹ 142 crore (5.19 *per cent*) over the previous year and stood at 29.85 *per cent* of Revenue receipts (₹ 9,635 crore) and 32.07 *per cent* of Revenue expenditure (₹ 8,969 crore) respectively. Over the five-year period 2018-23, it increased by ₹ 711 crore (32.84 *per cent*) from ₹ 2,165 crore in 2018-19 to ₹ 2,876 crore in 2022-23.

Interest payments

Interest payments decreased by ₹ 92 crore (10.49 *per cent*) in 2022-23 over the previous year. It constituted around 8.15 *per cent* and 8.75 *per cent* of Revenue receipts and Revenue expenditure respectively. Interest on Market Loans (₹ 594 crore) continued to be the major component of interest payments.

Pension

Pension payments increased by 9.14 *per cent* from ₹ 1,193 crore in 2021-22 to ₹ 1,302 crore in 2022-23 and it stood at 13.51 *per cent* and 14.52 *per cent* of Revenue receipts and Revenue expenditure respectively. Over the five-year period 2018-23, it increased by ₹ 434 crore (50 *per cent*) from ₹ 868 crore in 2018-19 to ₹ 1,302 crore in 2022-23.

Inflexible expenditure

The components of Inflexible expenditure as a percentage of revenue expenditure, which included contribution to SDRF, contribution to consolidated sinking fund and Share contribution of CSS against Central Fund received, increased from 3.91 *per cent* in 2018-19 to 4.28 *per cent* in 2022-23. Further, the inflexible expenditure (₹ 384 crore) increased by 74.55 *per cent* during 2022-23 over the previous year (₹ 220 crore).

Government stated (February 2024) that the increase in committed expenditure are on the rise after implementation of 7th CPC being the reason for huge increase in revenue expenditure and stated that the Government would try to reduce the committed expenditure of the UT Government which was more than 50 *per cent* of the Revenue expenditure over the past five years.

2.4.2.3 Subsidies

The amount of subsidy provided by UT Government during 2018-19 to 2022-23 are given in **Table 2.19**.

Table 2.19: Expenditure on subsidies during 2018-23

	2018-19	2019-20	2020-21	2021-22	2022-23
Subsidies (₹ in crore)	173	223	282	280	320
Subsidies as a percentage of Revenue receipts	2.70	3.29	4.79	3.56	3.32
Subsidies as a percentage of Revenue expenditure	2.71	3.26	3.88	3.20	3.57

(Source: Finance Accounts of respective years)

Subsidies as a percentage of Revenue expenditure increased from 2.71 *per cent* (₹ 173 crore) in 2018-19 to 3.57 *per cent* (₹ 320 crore) in 2022-23 which represents the expenditure booked under the object head '33-Subsidies' mainly under Revenue and Food (₹ 213 crore), Crop Husbandry (₹ 37 crore), Village and Small Industries (₹ 24 crore) and Welfare of Schedule Castes (₹ 20 crore).

Implicit subsidies

Implicit subsidies arise when the Government provides social and economic goods/services at a price lesser than the cost of goods and services incurred by the Government. It can be indirect or in kind or can be given as concessions.

During the year 2022-23, UT Government provided implicit subsidy of ₹ 40.92 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 and other 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 2022-23

(₹ in crore)

Particulars	Amount
Free supply of Books, stationery etc.	11.99
Free distribution of Cycles to all 9th standard students	5.46
Free distribution of Kits to Artisans/Building construction workers	0.85
Supply of Rice and Clothing to poor people	12.81
Free supply of Rice to all disabled persons	9.81
Total	**40.92**

(Source: Finance Accounts of respective years)

Government stated (February 2024) that action has been initiated to book expenditure under Object Head 33 - Subsidies from the financial year 2024-25.

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	2018-19	2019-20	2020-21	2021-22	2022-23
(A) Local Bodies					
Municipalities	9.79	6.66	17.93	4.13	19.67
Panchayati Raj Institutions	1.44	2.41	2.20	0.00	3.53
Total (A)	**11.23**	**9.07**	**20.13**	**4.13**	**23.20**
(B) Others					
Educational Institutions (Aided Schools, Aided Colleges, Universities, *etc.*)	48.36	36.43	44.74	90.46	102.35
Development agencies and Autonomous Bodies	319.68	229.72	310.10	160.19	413.05
Co-operatives	10.07	36.26	14.69	19.02	39.90
Electricity Department*	--	--	--	205.17	--
Other Institutions**	359.02	467.90	390.05	32.58	51.40
Total (B)	**737.13**	**770.31**	**759.58**	**507.42**	**606.70**
Total (A+B)	**748.36**	**779.38**	**779.71**	**511.55**	**629.90**
GIA on Salaries	390.99	464.99	458.89	583.53	544.78
GIA for creation of Capital assets	15.50	55.26	13.85	20.20	75.24
Revenue expenditure	6,387	6,836	7,260	8,748	8,969
Assistance as a percentage of Revenue expenditure	11.72	11.40	10.74	5.85	7.02

* 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 Local Bodies and others increased by 23.14 *per cent* from ₹ 511.55 crore in 2021-22 to ₹ 629.90 crore in 2022-23. This was due to increase in financial assistance in respect of Development agencies and Autonomous Bodies.

The assistance on salary component had continuously showed an increasing trend during the last five years except for the year 2020-21 and 2022-23 for which it had decreased over the previous year . The financial assistance given for creation of Capital assets during 2022-23 increased over the previous year by ₹ 55.04 crore. Moreover, share of financial assistance on Salary, creation of

Capital assets and for non-salary purpose was given at an average rate of 34.07 *per cent*, 7.82 *per cent* and 58.1 *per cent* respectively.

Government stated (February 2024) that as an one-time measure funds to a tune of ₹ 15 crore was released to Municipalities to settle its long pending dues on pension and retirement benefits with strict instructions to initiate necessary steps to generate their own revenue. Further, release of matching State share of ₹ 93 crore to Smart City Mission and ₹ 9 crore to the Puducherry Backward Classes and Minorities Welfare Board towards repayment of loan and ₹ 1.66 crore to Hindu Religious Institutions were the reasons for increase in financial assistance to development agencies.

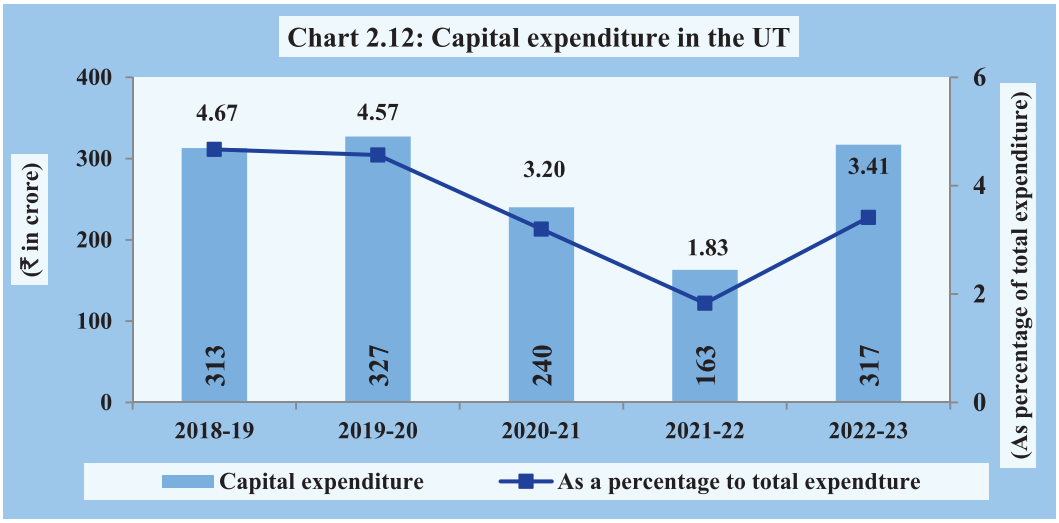
2.4.3 Capital expenditure

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

Capital expenditure of the UT increased from ₹ 163 crore (1.83 *per cent* of the total expenditure) in 2021-22 to ₹ 317 crore (3.41 *per cent* of the total expenditure) in 2022-23. However, the UT did not expend the budgetary allocation on creation of assets in any year during the five-year period 2018-23. During 2022-23, as against the total budgetary allocation of ₹ 11,686 crore, the allocation for Capital expenditure was ₹ 555 crore. However, only ₹ 317 crore (57.12 *per cent*) was expended in spite of the fact that there was a Revenue surplus of ₹ 666 crore. It is also pertinent to mention that during the pre-COVID years *i.e.,* during 2018-19 and 2019-20, the percentage of Capital expenditure to Total expenditure stood at 4.67 and 4.57 *per cent* respectively, which had declined to 3.41 *per cent* during the current year.

The details of year-wise Capital expenditure during 2018-19 to 2022-23 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 though decreased from ₹ 313 crore in 2018-19 to ₹ 163 crore in 2021-22, had increased to ₹ 317 crore in 2022-23. It is pertinent to note that though the total expenditure increased by 38.53 *per cent* over the period of five years, the Capital expenditure increased only by 1.28 *per cent*.

Government stated (February 2024) that increase in committed expenditure resulted in marginal increase in Capital expenditure.

2.4.3.1 Major changes in Capital expenditure

There was a net increase of ₹ 154.32 crore in the Capital expenditure from ₹ 162.78 crore in 2021-22 to ₹ 317.10 crore in 2022-23. The significant variations under various heads of account with regard to Capital expenditure of the UT during 2021-22 and 2022-23 are given in **Table 2.22**.

Table 2.22: Capital expenditure during 2022-23 compared to 2021-22

(₹ in crore)

	Major Heads of Account	2021-22	2022-23	Increase (+)/ Decrease (-)
4059	Capital Outlay on Public Works	6.29	14.67	8.38
4202	Capital Outlay on Education, Sports, Art and Culture	17.78	22.43	4.65
4210	Capital Outlay on Medical and Public Health	14.34	27.00	12.66
4215	Capital Outlay on Water Supply and Sanitation	19.91	28.66	8.75
4216	Capital Outlay on Housing	0.35	3.31	2.96
4217	Capital Outlay on Urban Development	0.00	12.40	12.40
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	4.86	3.74	(-) 1.12
4425	Capital Outlay on Co-operation	2.00	7.00	5.00
4711	Capital Outlay on Flood Control Projects	3.53	10.21	6.68
4801	Capital Outlay on Power Projects	14.60	25.00	10.40
4851	Capital Outlay on Village and Small Industries	1.77	5.12	3.35
5054	Capital Outlay on Roads and Bridges	45.00	132.72	87.71
5452	Capital Outlay on Tourism	14.87	2.79	(-) 12.08

(Source: Finance Accounts of respective years)

Table 2.22 indicates that Capital expenditure under Public Works, Medical and Public Health, Urban Development, Power Projects and Roads and Bridges had increased. The increase was due to receipt of CSS funds from GoI for the construction of Court Complex, purchase of motor vehicles and medical

equipment, implementation of National Green Tribunal order on sewage management, settlement of power purchase dues and payment of compensation for land acquisition during 2022-23. Under Tourism, the decrease was due to payment of land acquisition compensation of ₹ 10.80 crore during 2021-22.

Government stated (February 2024) that the increase in committed expenditure towards debt service resulted in marginal increase in Capital expenditure.

2.4.3.2 *Quality of investments in Public Sector Undertakings*

As of March 2023, Government invested ₹ 1,061.43 crore (₹ 714.58 crore[3] in 12 Government Companies and ₹ 346.85 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**.

Table 2.23: Return on Investment

Investment/return/cost of borrowings	2018-19	2019-20	2020-21	2021-22	2022-23
Investment at the end of the year (₹ in crore)	1,033.70	1,043.09	1,043.54	1,045.54	1,061.43
Return (₹ in crore)	0.09	0.06	0.03	1.95	0.75
Return (*per cent*)	0.01	0.01	Nil	0.19	0.07
Average rate of interest on Government Borrowings (*per cent*)	7.88	7.42	7.44	7.47	6.26
Difference between interest rate and return (*per cent*)	7.87	7.41	7.44	7.28	6.19
Difference between interest on Government borrowings and return on investment (₹ in crore)	81.37	77.34	77.61	76.15	65.70

(Source: Finance Accounts of respective years)

The average rate of return on investment was 0.01 *per cent* during 2018-19 and 2019-20 and negligible during 2020-21 and increased to 0.19 *per cent* during 2021-22 and again reduced to 0.07 *per cent* in 2022-23, while the average rate of interest paid by the UT Government on its borrowings during 2018-23 ranged between 6.26 and 7.88 *per cent*.

2.4.3.3 *Reconciliation of Government Investments with Accounts of Companies*

The figures of Government investments as equity in Union Territory Public Sector Undertakings (UTPSU) should agree with those appearing in the accounts of the UTPSUs. Reconciliation of figures is necessary to identify the reasons for differences in accounts of UTPSUs and Finance Accounts of the UT

[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).

Government. Scrutiny of both the accounts revealed that as per Finance Accounts, Government investment as equity in two PSUs was ₹ 24.79 crore whereas as per records of PSUs, it was ₹ 23.06 crore. There was a difference of ₹ 1.73 crore as detailed in **Table 2.24**.

Table 2.24: Government Investment as per Finance Accounts *vis-à-vis* records of UTPSUs

(₹ in crore)

Sl. No.	Name of PSU	As per Finance Accounts	As per records of PSUs	Difference
1	Puducherry Agro Products, Food and Civil Supplies Corporation Limited	9.93	9.88	0.05
2	Puducherry Adi-dravidar and Scheduled Tribes Development Corporation Limited	14.86	13.18	1.68
	Total	**24.79**	**23.06**	**1.73**

(Source: Finance Accounts and information obtained from the PSUs)

Reconciliation should be carried out in a time bound manner to identify the reasons for the difference and rectify the same.

On this being pointed out, Government assured (February 2024) that action will be taken to reconcile the same.

2.4.3.4 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 2023

(₹ in crore)

Year of commence-ment	No of incomp-lete projects	Estimated cost	Expen-diture (as on 31 March 2022)
2014	1	4.33	1.68
2016	3	60.58	49.18
2018	2	21.87	11.64
2019	3	40.78	24.89
2020	2	23.45	14.78
2022	6	30.11	0.43
2023	2	37.54	3.00
	19	**218.66**	**105.60**

(Source: Finance Accounts 2022-23)

Table 2.26: Department-wise profile of incomplete projects as on 31 March 2023

(₹ in crore)

Depart-ment	No of incom-plete projects	Estimated cost	Expen-diture
Public Work/ Irrigation	3	39.44	3.88
Electricity	16	179.22	101.72
Total	**19**	**218.66**	**105.60**

It could be seen from **Tables 2.25** and **2.26** that as against estimated amount of ₹ 218.66 crore, an amount of ₹ 105.60 crore had been incurred. The projects, however, remained incomplete as of March 2023. It was seen that in respect of 17 projects on which an expenditure of ₹ 102.60 crore was incurred, remained incomplete for periods ranging from one to nine years. The intended benefits had not percolated despite the high expenditure over a long period. Further, the Capital expenditure of the UT significantly decreased from ₹ 313 crore in 2018-19 to ₹ 163 crore in 2021-22 and increased to ₹ 317 crore in 2022-23. 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 (February 2024) that a meeting would be conducted with the respective nodal departments and action will be initiated for their speedy completion.

2.4.4 Expenditure priorities

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. The higher the ratio of these components to Total Expenditure, the quality of expenditure is considered to be better. Expenditure priority of the UT with regard to Capital expenditure, Education and Health in 2018-19 and 2022-23 are given in **Table 2.27**.

Table 2.27: Fiscal priority of UT Government in 2018-19 and 2022-23

Fiscal priority of UT		AE/ GSDP	CE/ AE	Expenditure on Education, Sports, Art and Culture/AE	Expenditure on Health and Family Welfare/AE
Puducherry (Percentage)	2018-19	19.61	4.67	12.74	8.65
	2022-23	19.56	3.41	12.29	9.11
General Category States (Percentage)	2018-19	16.38	15.58	14.76	5.07
	2022-23	15.79	15.22	14.85	5.68

AE: Aggregate Expenditure, CE: Capital Expenditure, ESE: Economic Sector Expenditure
(Source: Finance Accounts of respective years)

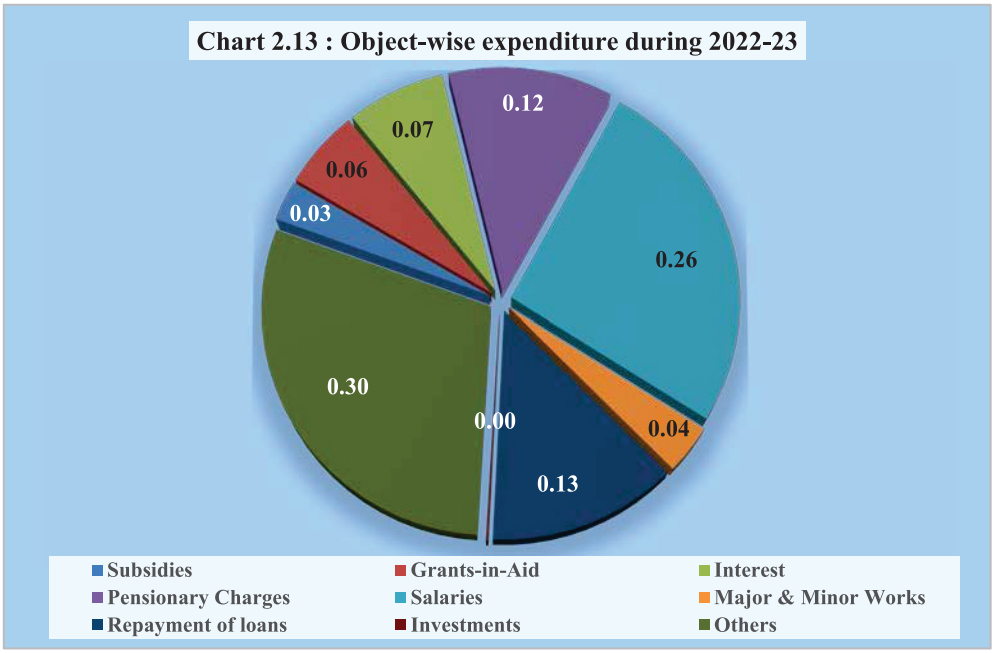
As can be seen from **Table 2.27**, the decrease in aggregate expenditure of UT Government, as a percentage to GSDP from 19.61 in 2018-19 to 19.56 in 2022-23, indicated that UT Government spent less of its GSDP on aggregate expenditure in 2022-23. Capital expenditure of the UT was less than that of GCS during both the years and it reduced from 4.67 *per cent* in 2018-19 to

3.41 *per cent* of the aggregate expenditure in 2022-23. Expenditure on Health and Family Welfare had marginally increased from 8.65 *per cent* in 2018-19 to 9.11 *per cent* of the aggregate expenditure in 2022-23 and it was higher when compared to the GCS in both the years. Though the expenditure on Education, Sports, Art and Culture increased by ₹ 179 crore during 2022-23, as a percentage of aggregate expenditure, it decreased from 12.74 *per cent* in 2018-19 to 12.29 *per cent* in 2022-23. It was also less than the GCS in both the years.

2.4.5 Object head-wise expenditure

Object head-wise expenditure gives information about the object/purpose of the expenditure. **Chart 2.13** shows object head-wise expenditure.

Chart 2.13 : Object-wise expenditure during 2022-23



(Source : Finance Accounts 2022-23)

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 2023 are given in **Table 2.28**.

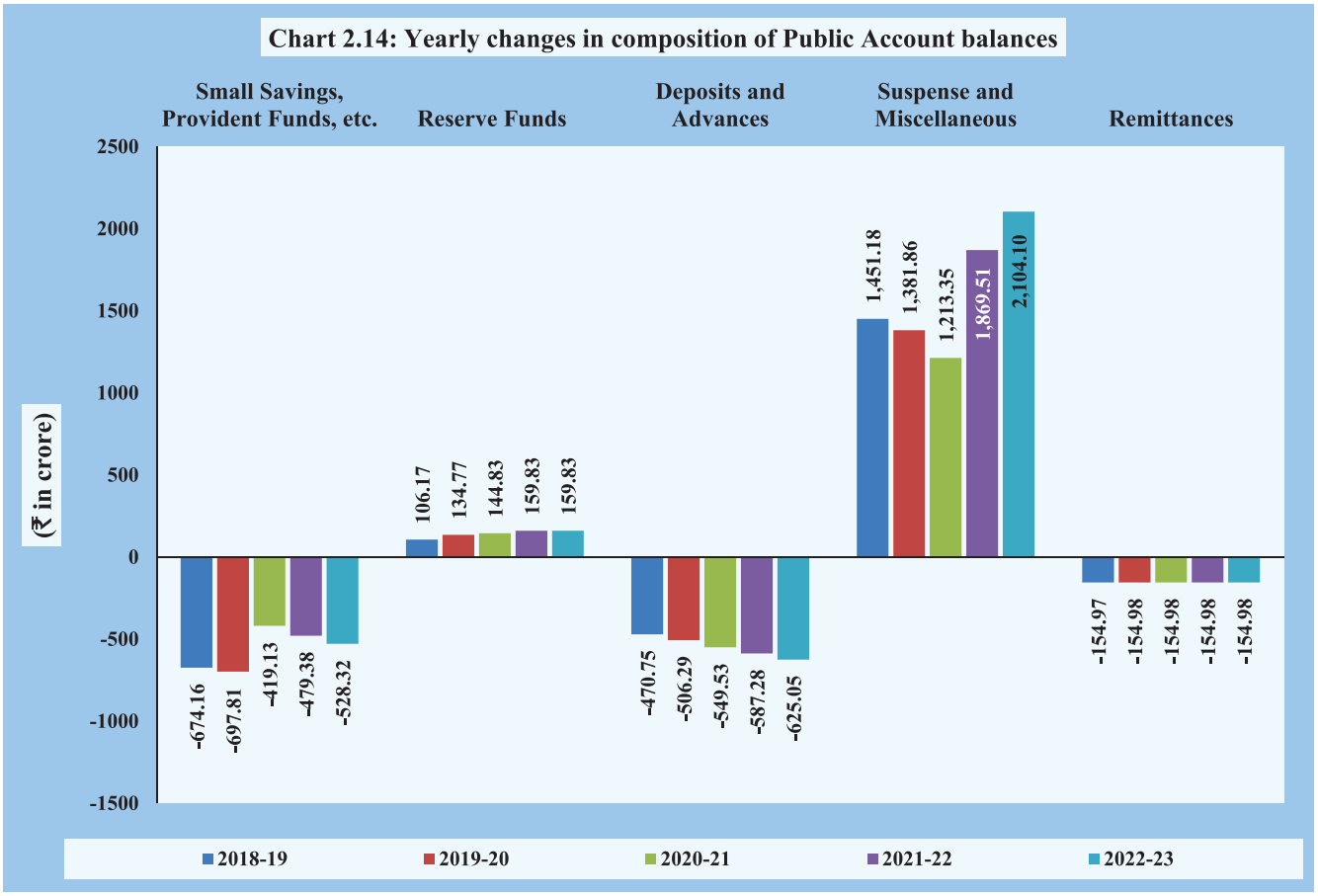
Table 2.28: Component-wise net balances in Public Account

(₹ in crore)

Sector	Sub Sector	2018-19	2019-20	2020-21	2021-22	2022-23
I. Small Savings, Provident Funds, *etc.*	Small Savings, Provident Funds, *etc.*	(-) 674.16	(-) 697.81	(-) 419.13	(-) 479.38	(-) 528.32
J. Reserve Funds	(a) Reserve Funds bearing Interest	--	--	--	--	--
	(b) Reserve Funds not bearing Interest	106.17	134.77	144.83	159.83	159.83
K. Deposits and Advances	(a) Deposits bearing Interest	(-) 135.49	(-) 165.49	(-) 161.94	(-) 187.02	(-) 198.31
	(b) Deposits not bearing Interest	(-) 335.89	(-) 341.43	(-) 388.16	(-) 400.81	(-) 427.31
	(c) Advances	0.63	0.63	0.57	0.55	0.57
L. Suspense and Miscellaneous	(b) Suspense	276.94	307.74	285.94	250.86	179.32
	(c) Other Accounts	1,174.24	1,074.12	927.41	1,618.65	1,924.78
	(d) Accounts with Governments of Foreign Countries	--	--	--	--	--
	(e) Miscellaneous	--	--	--	--	--
M. Remittances	(a) Money Orders and other Remittances	(-) 154.97	(-) 154.98	(-) 154.98	(-) 154.98	(-) 154.98
	(b) Inter-Governmental Adjustment Account	--	--	--	--	
Total		**257.47**	**157.55**	**234.54**	**807.70**	**955.58**

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

The yearly changes in composition of Public Account balances are depicted in **Chart 2.14**.



(Source: Finance Accounts of respective years)

The Public Account liability of the UT Government increased from ₹ 907 crore in 2021-22 to ₹ 994 crore in 2022-23. This was mainly due to increase in Small Savings and Provident Fund (₹ 49 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. It comprises interest bearing reserve funds and reserve funds not bearing interest.

Details of Reserve Funds are available in Statements 21 and 22 of the Finance Accounts. There were two Reserve Funds not bearing interest as on 31 March 2023. The fund balances lying in these Reserve Funds as on 31 March 2023 are given in **Table 2.29**.

Table 2.29: Details of Reserve Funds

(₹ in crore)

Sl. No.	Name of the Reserve Fund	Amount
	Reserve Funds not bearing interest	
1.	Sinking Fund	560.08
2.	Other Development and Welfare Fund	0.00
	Grand Total	**560.08**

(Source: Finance Accounts of respective years)

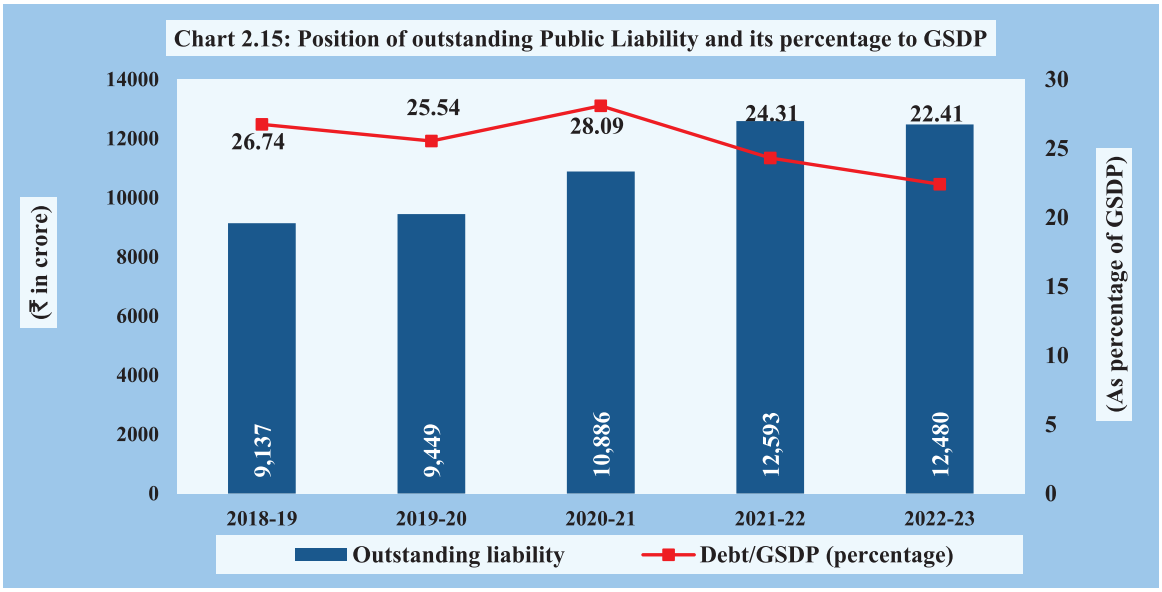
2.5.2.1 Sinking Fund

As per the request of the Reserve Bank of India, the UT Government has set up the 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. The outstanding liabilities of the UT Government at the beginning of 2022-23 was ₹ 9,558.24 crore (Public Debt - ₹ 8,650.85 crore and Public Account - ₹ 907.39 crore) for which the UT Government had to contribute ₹ 47.79 crore at 0.5 *per cent* of the total outstanding liabilities. However, the UT Government had contributed ₹ 93.47 crore. As of 31 March 2023, the UT Government had invested ₹ 560.08 crore.

2.6 Public liability management

Management of Public Liability is the process of establishing and executing a strategy for managing the Government's liabilities 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.

Outstanding liability of the UT along with its percentage to GSDP ratio during 2018-19 to 2022-23 are given in **Chart 2.15**.



(Source: Finance Accounts of respective years)

2.6.1 Liability profile - Components

Total liabilities of the UT Government constitutes 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 liability trends are given in **Table 2.30, Charts 2.16, 2.17** and **2.18**.

Table 2.30: Component-wise debt trends

(₹ in crore)

Particulars		2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding total Liability		**9,144**	**9,449**	**10,886**	**12,594**	**12,480**
Public Debt		**8,098**	**8,379**	**10,062**	**11,686**	**11,486**
	External Debt	50	50	50	50	50
	Internal Debt	6,479	6,911	7,970	8,651	8,666
	Loans from GoI	1,570	1,418	2,042	2,986	2,770
Public Account Liabilities		**1,039**	**1,070**	**824**	**907**	**994**#
Rate of growth of outstanding Liability (*per cent*)		3.84	3.41	15.21	15.68	(-) 0.90
Gross State Domestic Product (GSDP)		**34,171**	**36,999**	**36,116**	**44,238**	**47,487**
Liability/GSDP (*per cent*)		26.76	25.54	28.09*	24.31*	22.41*
Total Debt Receipts		1,007	1,043	2,529	2,516	1,271
Total Debt Repayments		639	762	838	891	1,472
Total Debt Available		368	281	1,691	1,625	(-) 201
Debt Repayments/Debt Receipts (*per cent*)		63.46	73.06	33.14	35.41	115.81

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

\# Excludes Suspense and Miscellaneous

(Source: Finance Accounts of respective years)

Chart 2.16: Break up of Outstanding total liabilities at the end of 2022-23
Outstanding Total Liability - ₹ 12,480 crore

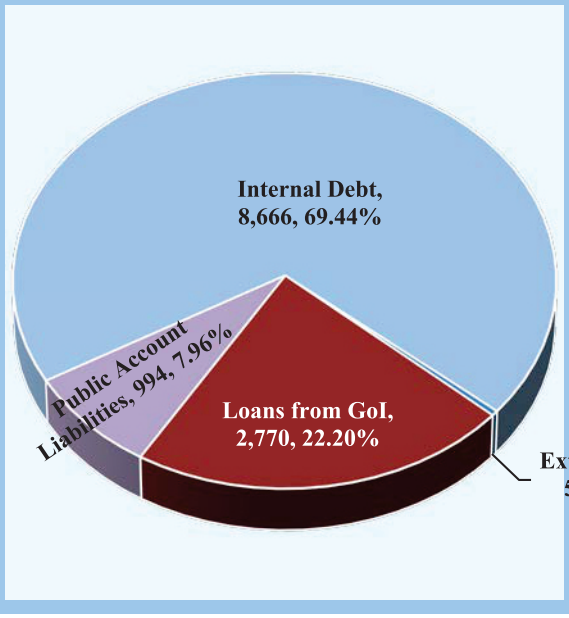
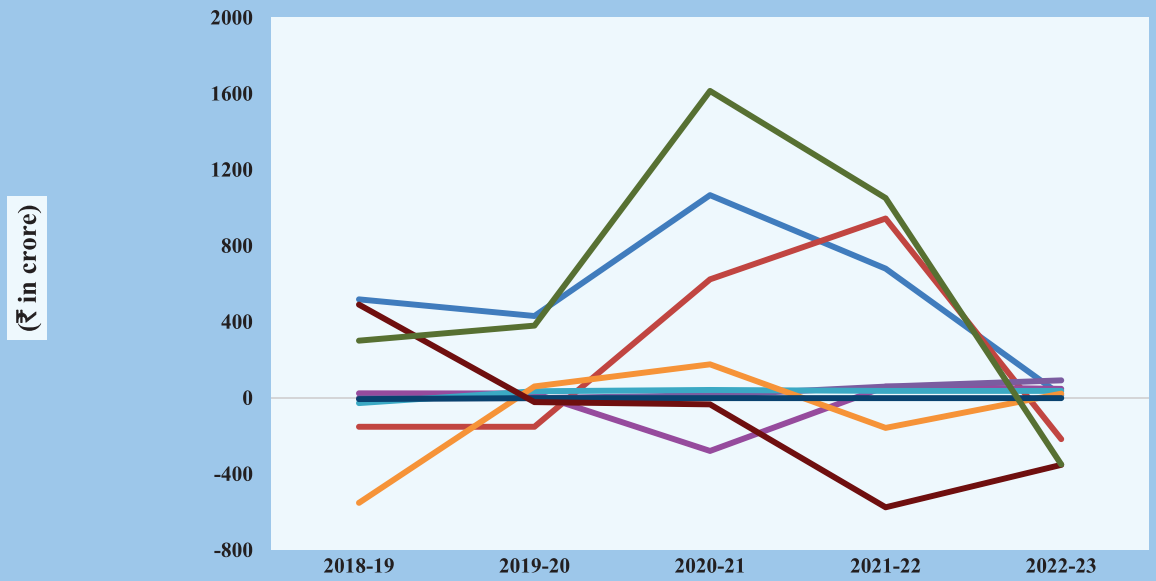
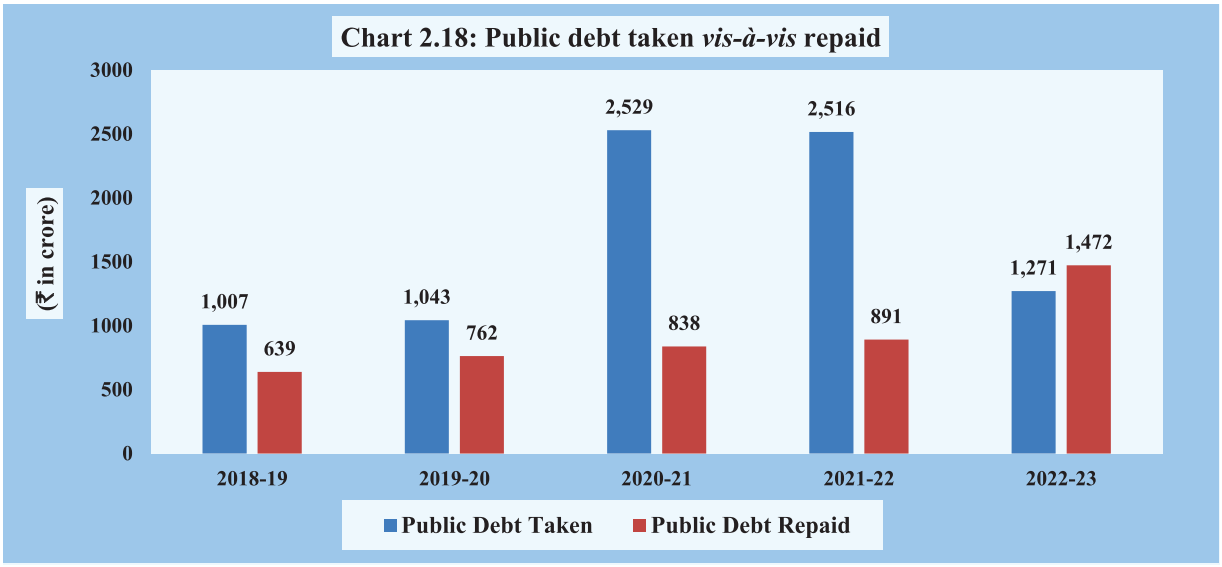


Chart 2.17: Component-wise debt trends



	2018-19	2019-20	2020-21	2021-22	2022-23
Market Borrowing	519	432	1,067	681	15
Loans from GoI	-151	-151	624	944	-216
Small Savings, Provident Fund, etc.	25	24	-278	60	49
Reserve Fund	0.16	0	15	60	93
Deposits and Advances	-26	36	43	38	38
Suspense and Miscellaneous	-551	61	177	-157	23
Remittances	-5	0	0	0	0
Increase/Decrease in Cash Balance	491	-21	-33	-574	-351
Gross Fiscal Deficit	302	381	1,615	1,052	-349



(Source: Finance Accounts of respective years)

It could be seen that the outstanding liabilities (including Public Account liabilities) increased from ₹ 9,137 crore in 2018-19 to ₹ 12,480 crore in 2022-23. Though the rate of growth increased from 3.84 *per cent* to 15.68 *per cent* during 2021-22, it decreased to 0.90 *per cent* during 2022-23 due to lesser receipt of loans from GoI. During the five-year period, the percentage of repayment of Public Debt out of Public Debt Receipts increased from 63.46 in 2018-19 to 115.81 in 2022-23.

2.6.2 Components of fiscal deficit and its financing

The various components of fiscal deficit and its financing pattern are detailed in **Table 2.31** and financing of fiscal deficit expressed through **Chart 2.19**.

Table 2.31: Components of fiscal deficit and its financing pattern

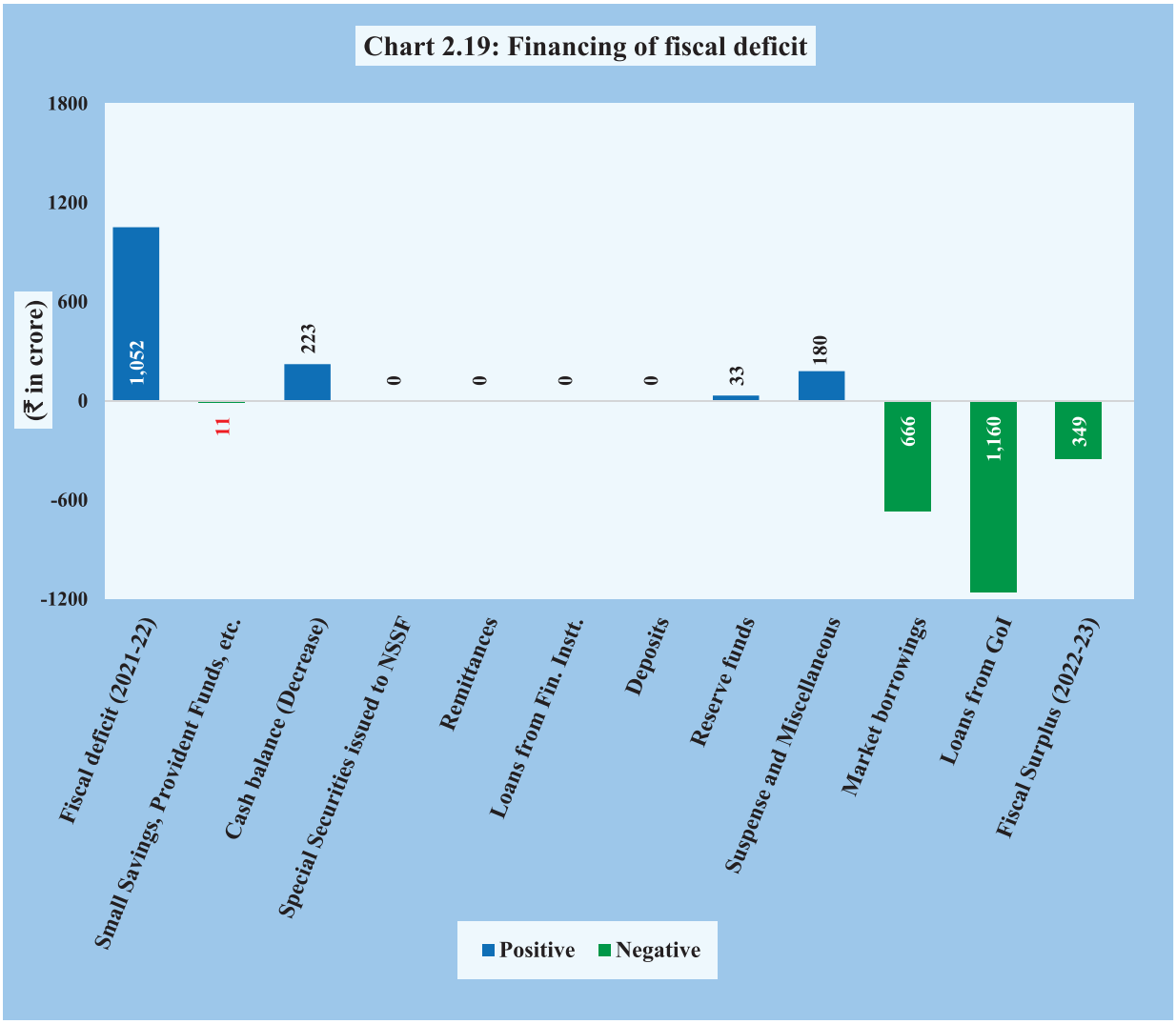
(₹ in crore)

Particulars		2018-19	2019-20	2020-21	2021-22	2022-23
Composition of Fiscal Deficit		**(-) 302**	**(-) 381**	**(-) 1,615**	**(-) 1,052**	**(+) 349**
1	Revenue Deficit	13	(-) 54	(-) 1,370	(-) 889	(+) 666
2	Net Capital Expenditure	(-) 313	(-) 327	(-) 240	(-)163	(-) 317
3	Net Loans and Advances	(-) 2	0	(-) 5	0	0
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	519	432	1,067	681	15
2	Loans from GoI	(-) 151	(-) 151	624	944	(-) 216
3	Special Securities issued to NSSF	--	--	--	--	--
4	Loans from Financial Institutions	--	--	--	--	--

Particulars		2018-19	2019-20	2020-21	2021-22	2022-23
5	Small Savings, PF, *etc.*	25	24	(-) 278	60	49
6	Deposits and Advances	(-) 26	36	43	38	38
7	Suspense and Miscellaneous	(-) 551	61	177	(-) 157	23
8	Remittances	(-) 5	0	0	0	0
9	Reserve Fund	0.16	0	15	60	93
10	**Overall Deficit**	**(-) 189**	**402**	**1,648**	**1,626**	**2**
11	Increase/Decrease in cash balance	(-) 491	21	33	574	351
12	**Gross Fiscal Deficit (-)/ Surplus (+)**	**(-) 302**	**(-) 381**	**(-) 1,615**	**(-) 1,052**	**(+) 349**

(Source: Finance Accounts of respective years)

Chart 2.19: Financing of fiscal deficit



(Source: Finance Accounts 2022-23)

The Fiscal deficit of ₹ 1,052 crore in 2021-22 turned into fiscal surplus of ₹ 349 crore in 2022-23. This was mainly due to fact that UT had revenue surplus of ₹ 666 crore in 2022-23.

2.6.3 Debt profile - Maturity and Repayment

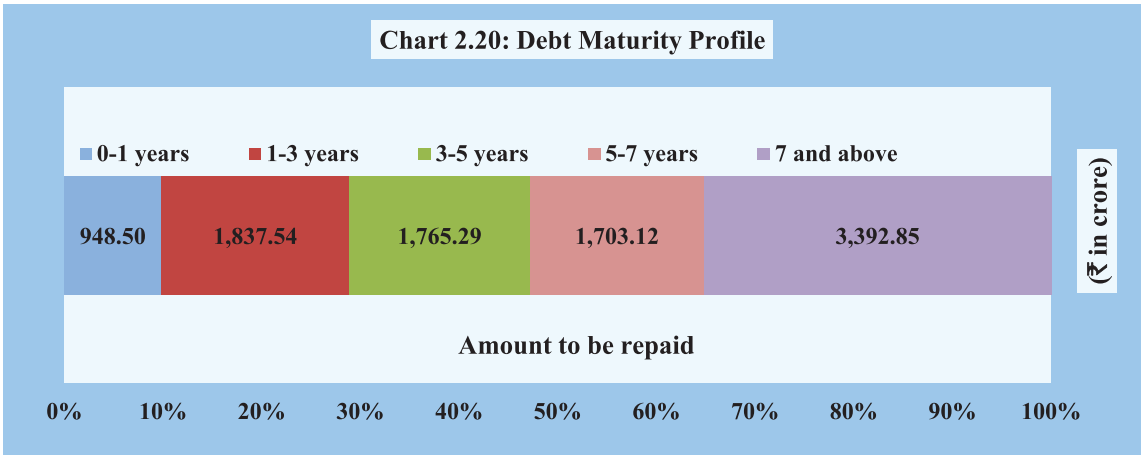
The debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing.

The debt maturity profile of repayment of debt and repayment schedule of market loans by the UT Government are given in **Table 2.32** and **Charts 2.20** and **2.21**.

Table 2.32: Debt Maturity profile of repayment of debt

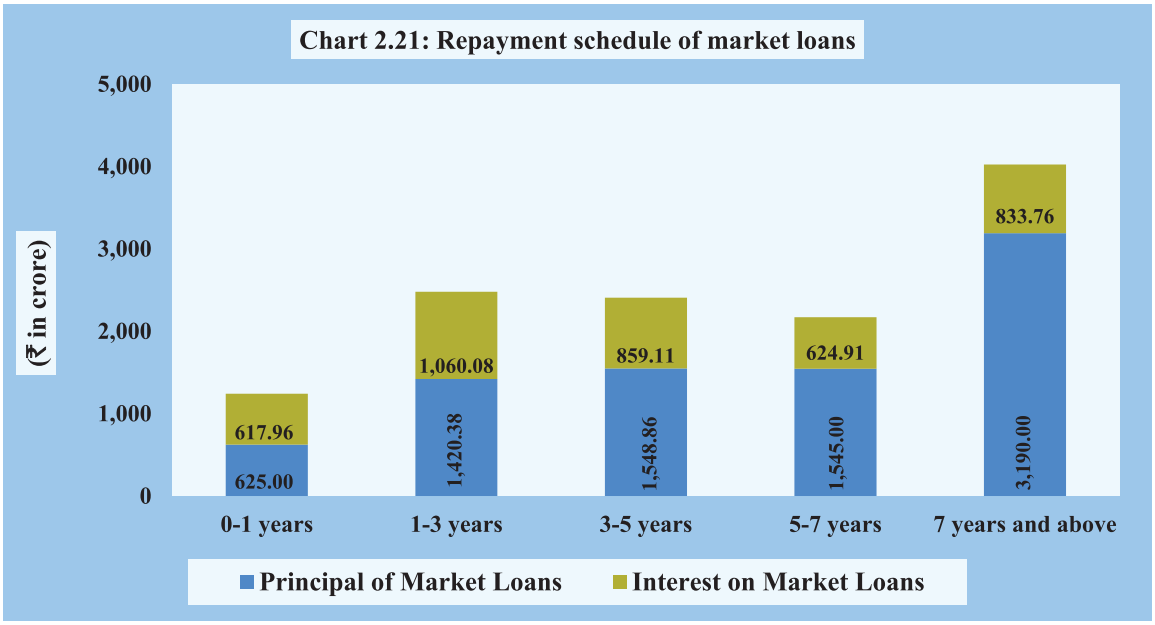
Period of repayment (Years)	Amount (₹ in crore)	Percentage to Public Debt
0 - 1	948.50	9.83
1 - 3	1,837.54	19.05
3 - 5	1,765.29	18.30
5 - 7	1,703.12	17.65
7 and above	3,392.85	35.17
Total	**9,647.30**[4]	**100.00**

(Source: Finance Accounts 2022-23)



(Source: Finance Accounts 2022-23)

[4] 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.



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

The maturity profile of UT Government's Public Debt indicates that nearly 64.83 *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

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

Fiscal space in general refers to the room a Government has to undertake discretionary policy relative to existing plans without undermining debt sustainability or market access. Apart from the magnitude of debt of UT Government, it was important to analyse various indicators that determine the debt sustainability of UT. This section assess the sustainability of debt of UT Government in sufficiency of non-debt receipts, net availability of borrowed funds[5] and burden of interest payments (measured by interest payments to revenue receipts ratio).

[5] 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.

Table 2.33 indicates debt sustainability of the UT for a period of five years beginning from 2018-19.

Table 2.33: Trends in Debt Sustainability indicators

(₹ in crore)

Debt Sustainability Indicators	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding Public Debt* (as on 31 March of the year)	8,098	8,379	10,062	11,686	11,486
Rate of growth of outstanding Public Debt	4.67	3.47	20.09	16.14	(-) 1.71
GSDP	34,171	36,999	36,116	44,238	47,487
Rate of growth of GSDP	6.36	8.28	(-) 2.39	22.49	7.34
Debt/GSDP	23.70	22.65	25.81$	22.26$	20.32$
Average interest rate of outstanding Public Debt (*per cent*)	8.25	8.55	8.22	8.07	6.78
Interest payment on Public Debt	633	677	684	790	731^
Revenue Deficit (-)/Surplus (+) without Interest payment on Public Debt	646	622	(-) 686	(-) 99	1,397
Revenue Deficit (-)/Surplus (+) due to Interest payment on Public Debt	13	(-) 55	(-) 1,370	(-) 889	666
Percentage of Interest payment to Revenue receipts	9.89	9.98	11.61	10.05	7.59
Percentage of Debt Repayment to Debt Receipts	63.46	73.06	33.14	35.41	115.81
Net Debt available to the UT#	(-) 265	(-) 396	1,007	835	(-) 931
Net Debt available as *per cent* to Debt Receipts	(-) 26.33	(-) 38.00	39.80	33.19	(-) 73.25
Primary deficit/Surplus	405	309	(-) 858	(-) 175	1,134
Debt Stabilisation (Quantum spread@ + Primary Deficit)	341	541	(-) 1,889	(-) 476	1,188

* 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.

$ 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

^ Includes Interest on Internal Debt, Interest on Loan from GoI and Interest on External Debt and excludes Small Savings, Reserve Funds, etc.

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.

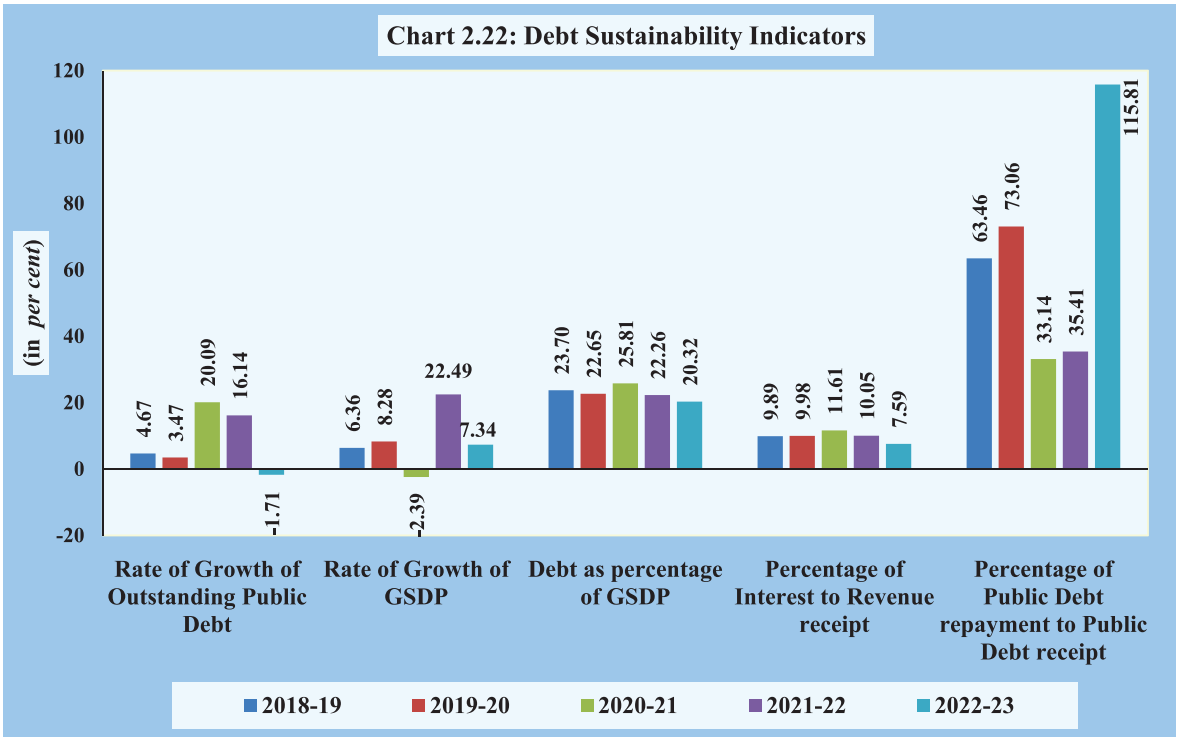
@ Quantum Spread is Interest Spread as percentage of debt stock. Interest Spread is the difference of rate of growth of GSDP and Average interest rate on Outstanding public debt.

(Source: Finance Accounts of respective years)

The UT's effective Public Debt after deducting the back-to-back loan of ₹ 1,838 crore received (₹ 742 crore and ₹ 1,096.29 crore during 2020-21 and 2021-22 respectively) from GoI in lieu of GST compensation shortfall was ₹ 9,648 crore and the Debt-GSDP ratio was 20.32 *per cent* during 2022-23. The

trends of debt sustainability indicators for the period 2018-19 to 2022-23 are indicated in **Chart 2.22.**

Chart 2.22: Debt Sustainability Indicators



(Source: Finance Accounts of respective years)

- The rate of growth of outstanding debt, which was at 4.67 *per cent* in 2018-19 decreased to (-) 1.71 *per cent* in 2022-23. As against the budget size of ₹ 11,686 crore, the outstanding debt stood at ₹ 11,486 crore.
- UT's Debt-GSDP ratio increased from 23.70 to 25.81 during 2018-21 and decreased to 20.32 *per cent* during 2022-23. Decreasing Debt/GSDP ratio is considered as leading towards stability.
- The burden of interest payments to revenue receipts decreased from 10.05 *per cent* in 2021-22 to 7.59 *per cent* during 2022-23. The decrease was due to increase in Revenue receipts from ₹ 7,859 crore in 2021-22 ₹ 9,635 crore in 2022-23.
- In view of the Revenue surplus during the current year, the debt repayment to debt receipts increased to 115.81 *per cent* in 2022-23. There was a substantial repayment of earlier borrowings to the extent of ₹ 1,472 crore in 2022-23 as against ₹ 891 crore in 2021-22.
- The net debt available to UT Government decreased to ₹ (-) 931 crore in 2022-23. Interest paid on public debt was ₹ 731 crore, which was 57.51 *per cent* of the borrowings of ₹ 1,271 crore during 2022-23. The financial outgo on account of debt servicing thus impacted the finances of UT due to the increase in Revenue expenditure on account of high interest payments.

- The developmental works were also affected as seen from the actual Capital expenditure (₹ 317 crore) which was less by 42.88 *per cent* of the budget estimate of ₹ 555 crore.

(B) An analysis on debt sustainability was carried out based on a study by E.D Domar[6] [Domar 1944]. The Domar model states that the necessary premise for ensuring stability of public indebtedness is that the interest rates for Government loans should not exceed the growth rate of GDP.

The dynamics of public debt depending on the interest rate, growth rate of GSDP and the primary budget balance are given in **Table 2.34**.

Table 2.34 : Processing of Domar model

g-r (g - real economic growth rate; r - real interest rate)	s < 0 (primary deficit)	s > 0 (primary surplus)
g - r > 0 (strong economic growth)	Public debt as percentage of GSDP should converge to a stable level greater than zero	Public debt as percentage of GSDP should converge to a stable level less than zero leading to public savings.
g - r < 0 (slow economic growth)	Public debt as percentage of GSDP should increase indefinitely, without converging to a stable level.	Undefined situation

The results of applying the above parameters in the case of Puducherry are shown in **Table 2.35**.

Table 2.35: Debt Sustainability analysis based on Domar model

Year	Real Growth (g)	Real Interest (r)	g – r (Domar Gap)	Primary Deficit (-)/ Surplus(+) (₹ in crore)	Remarks
2018-19	17.44	3.64	13.8	405	Public debt as percentage of GSDP should converge to a stable level greater than zero
2019-20	0.63	1.21	(-) 0.58	308	
2020-21	(-) 8.92	0.29	(-) 9.21	(-) 858	Public debt as percentage of GSDP should increase indefinitely, without converging to a stable level.
2021-22	15.87	2.64	13.23	(-) 175	Public debt as percentage of GSDP should converge to a stable level greater than zero
2022-23	5.98	1.14	4.84	1,134	

Note: Real Growth rate calculated for GSDP at constant prices
Real Interest rate is the average interest rate adjusted for inflation of Puducherry
(Source: MoSPI website)

In 2018-19, there was a primary surplus and also the Domar gap was positive. In 2019-20 and 2020-21, the Domar gap turned negative. The negative domar gap was mainly attributable to the outbreak of COVID 19, due to which, the

[6] Domar model do not take into account maturity profile, composition, cost and risk characteristics of debt stock.

GSDP growth rate (real economic growth) at constant prices had declined. This had however, increased substantially in 2021-22. Positive Domar gap due to higher growth rates in post COVID years may also be seen with reference to low base for comparison in previous years due to COVID. Thus, as per Domar Model analysis of debt sustainability, the public debt would converge to a stable level leading to public savings.

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 2.36** and **Chart 2.23**.

Table 2.36: Utilisation of borrowed funds

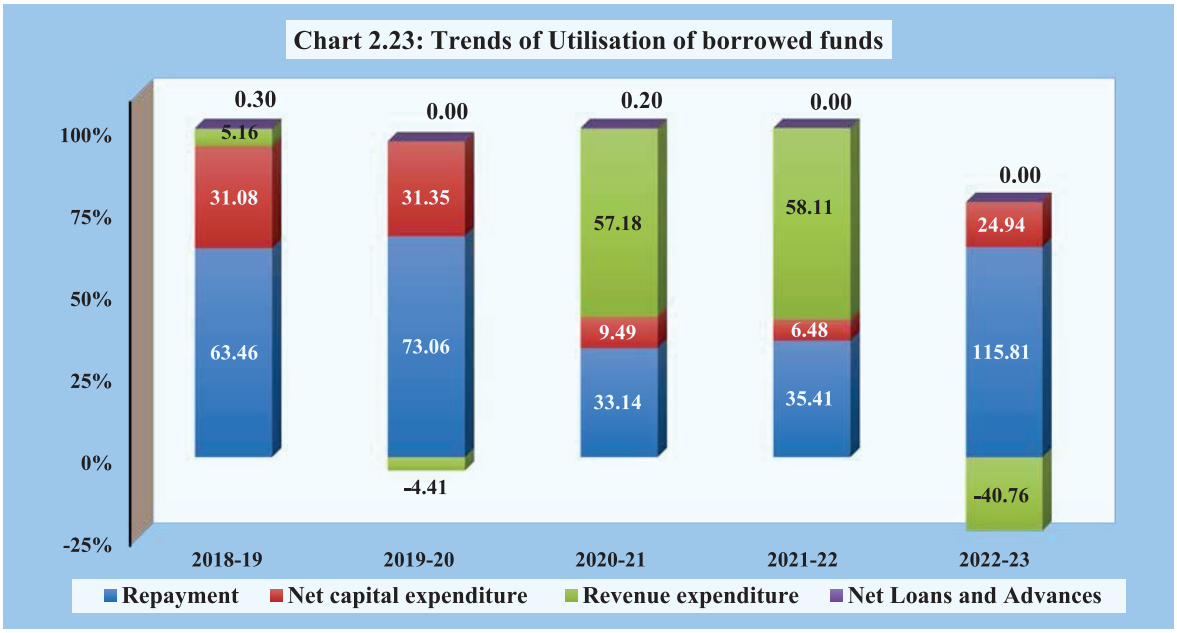
(₹ in crore)

Year	Row No.	2018-19	2019-20	2020-21	2021-22	2022-23
Total Borrowings	**1**	1,007	1,043	2,529	2,516	1,271
Repayment of earlier borrowings (Principal)	**2**	639	762	838	891	1,472
Net Capital expenditure	**3**	313	327	240	163	317
Net Loans and Advances	**4**	3	0	5	0	0
Portion of Revenue expenditure met out of net available borrowings	**5=1-2-3-4**	52	--	1,446	1,462	--

(Source: Finance Accounts of respective years)

It could be seen from **Table 2.36** that total borrowing had increased by 26.22 *per cent* from ₹ 1,007 crore in 2018-19 to ₹ 1,271 crore in 2022-23, whereas the repayment of borrowing increased by 130 *per cent*[7], during the same period. It was observed that in respect of HUDCO loan which will mature by 2033-34, was closed in 2022-23. The UT Government spent ₹ 506.71 crore thereby reducing the future liabilities on interest payments. During the five-year period 2018-23, 55.01 *per cent* of Public Debt receipts were utilised for repayment of Public Debt taken in earlier years.

[7] The reason for increase in debt repayment was due to premature discharge of HUDCO Loan during 2022-23 (actual maturity was in 2033-34).



(Source: Finance Accounts of respective years)

It could be seen from **Table 2.36** that as against the borrowing of ₹ 1,271 crore, debt repayment was ₹ 1,472 crore leading to lesser spending on creation of capital assets.

2.7.2 Status of Guarantees - Contingent liabilities

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 2.37**.

Table 2.37: Guarantees given by UT and GoI on behalf of UT of Puducherry

Guarantees	2018-19	2019-20	2020-21	2021-22	2022-23
Maximum amount guaranteed (₹ in crore)	63.18	63.18	53.68	53.68	53.68
Outstanding amount of guarantees (₹ in crore)	48.24	42.17	39.98	30.98	23.44
Percentage of maximum amount guaranteed to total Revenue receipts	0.99	0.93	0.91	0.68	0.24

(Source: Finance Accounts of respective years)

As a percentage of Revenue receipts, the maximum amount guaranteed decreased from 0.68 in 2021-22 to 0.24 in 2022-23. 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 2022-23 are given in **Table 2.38**.

Table 2.38: Cash Balances and their investment

(₹ in crore)

		Opening balance as on 1 April 2022	Closing balance as on 31 March 2023
(A)	**General cash balance**		
(i)	Cash in treasuries	Nil	Nil
(ii)	Deposits with RBI	0.15	0.15
(iii)	Deposits with other banks	Nil	Nil
(iv)	Local remittances	Nil	Nil
Total		**0.15**	
(v)	Investment held in cash balance investment account	1,779.36	2,036.83
Total (A)		**1,779.51**	**2,036.98**

		Opening balance as on 1 April 2022	Closing balance as on 31 March 2023
(B)	**Other cash balances and investments**		
(vi)	Departmental cash balances	0.31	0.30
(vii)	Permanent Imprest	3.10	3.33
(viii)	Investment in earmarked funds	466.61	560.08
Total (B)		**470.02**	**563.71**
Grand Total (A) + (B)		**2,249.53**	**2,600.69**
Interest realised		**65.79**	**43.50**

(Source: Finance Accounts 2022-23)

The cash balance increased from ₹ 2,249.53 crore in 2021-22 to ₹ 2,600.69 crore in 2022-23 (increased by 15.61 *per cent*). During the year, the cash balance investment[8] was ₹ 2,036.83 crore. The cash balance investment and the interest earned during the period 2018-23 are given in **Table 2.39**.

Table 2.39: Cash Balance Investment Account (Major Head-8673)

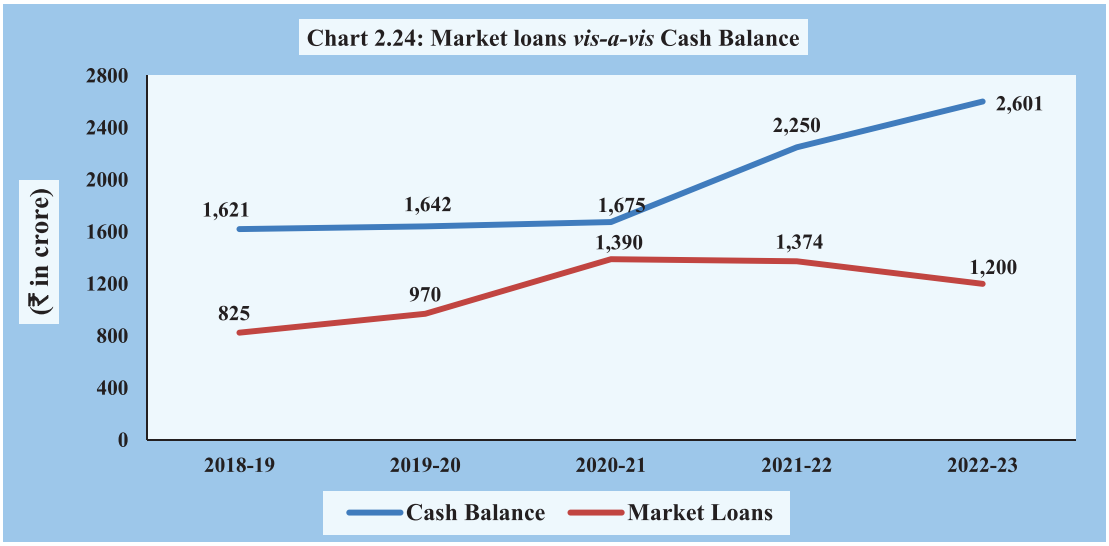
(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
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
2022-23	1,779.36	2,036.83	257.47	43.35

(Source : Finance Accounts of respective years)

It could be seen from **Table 2.39** that the cash balance investment had increased by 59.06 *per cent* from ₹ 1,280.56 crore in 2018-19 to ₹ 2,036.83 crore in 2022-23. The Cash balances and Market loans during the five-year period 2018-23 are indicated in **Chart 2.24**.

[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.



(Source : Finance Accounts of the respective years)

Audit noticed that the average monthly cash balance investment during 2022-23 was ₹ 1,524.98 crore, whereas the UT Government resorted for borrowings of ₹ 1,271.01 crore during 2022-23. Thus, resorting to borrowings despite availability of huge cash balance was against the principles of financial prudence.

2.8 Salient Features

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. Comparison of key parameters of State Finances during 2022-23 with that of the previous year i.e., 2021-22 is summarised in **Table 2.40**.

Table 2.40: Key Parameters

Positive Indicators	Parameters requiring close watch
⇑ Revenue receipts of the UT increased by 22.60 *per cent*	⇓ Revenue expenditure on Economic Services decreased by 16.39 *per cent*
⇑ Revenue expenditure on Social Services increased by 22.38 *per cent*	⇓ Public Debt Receipts decreased by 49.48 *per cent*
⇑ Capital expenditure increased by 94.48 *per cent*	⇓ Increase in expenditure on subsidies by ₹ 40 crore than the previous year.
⇑ Revenue deficit changed to Revenue Surplus of ₹ 666 crore	

2.9 Conclusion

Revenue receipts

The UT Government registered an increase of ₹ 1,776 crore (22.60 *per cent*) in its Revenue Receipts during 2022-23 when compared to previous year.

UT's own resources : As against the target of ₹ 4,383 crore fixed in the Budget, UT's own Tax revenue was ₹ 3,574 crore registering a shortfall of 18.48 *per cent*.

The **Non-tax revenue** of the UT decreased by ₹ 220 crore in 2022-23 over the previous year. The ratio of UT's Revenue Receipts to GSDP during 2022-23 was 20.29 *per cent*.

Grants-in-Aid received from GoI increased by ₹ 1,658 crore (67.98 *per cent*) in 2022-23 over the previous year. The Grants-in-Aid from GoI constituted 42.52 *per cent* of the Revenue receipts.

Due to considerable increase in Own tax and Grants-in-Aid during the current year, the UT witnessed a Revenue surplus of ₹ 666 crore.

As of March 2023, there was huge **arrears in collection of revenue** to the tune of ₹ 1,078 crore and out of which ₹ 543.71 crore were outstanding for more than five years.

(Paragraph 2.3.2)

Revenue expenditure

Rate of growth of Revenue expenditure during the five-year period decreased from 9.99 *per cent* in 2018-19 to 2.53 *per cent* in 2022-23. During the current year, it witnessed an increase of ₹ 221 crore over the previous year. The Revenue expenditure to total expenditure stood at 96.59 *per cent* during the year. The committed expenditure constituted 55.34 *per cent* of Revenue expenditure and 51.51 *per cent* of Revenue receipts during 2022-23.

(Paragraph 2.4.2)

Capital expenditure

As against the Capital expenditure of ₹ 313 crore incurred during 2018-19, the expenditure incurred during 2022-23 increased marginally and stood at ₹ 317 crore which constituted only 3.41 *per cent* of the total expenditure which indicated that the UT was not prioritising on infrastructure development though there was a revenue surplus of ₹ 666 crore. Besides this, an amount of

₹ 105.60 crore has been incurred on projects which remained incomplete as of March 2023 and had not yielded the intended benefits.

(Paragraph 2.4.3)

Investments in Public Sector Undertakings

The return on investment of ₹ 1,061.43 crore as of March 2023 in Government companies and Co-operative institutions was negligible (₹ 0.75 crore) at 0.07 *per cent*.

(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 15.61 *per cent* over the previous year.

(Paragraph 2.7.3)

2.10 Recommendations

- The UT Government should mobilise its resources and strengthen the machinery for collection of arrears of revenue for reducing the dependency on borrowings and GoI grants. Further, adequate priority should be made on capital spending.
- Government needs to borrow based on its requirement and avoid maintaining large reserves of cash.

CHAPTER III

BUDGETARY MANAGEMENT

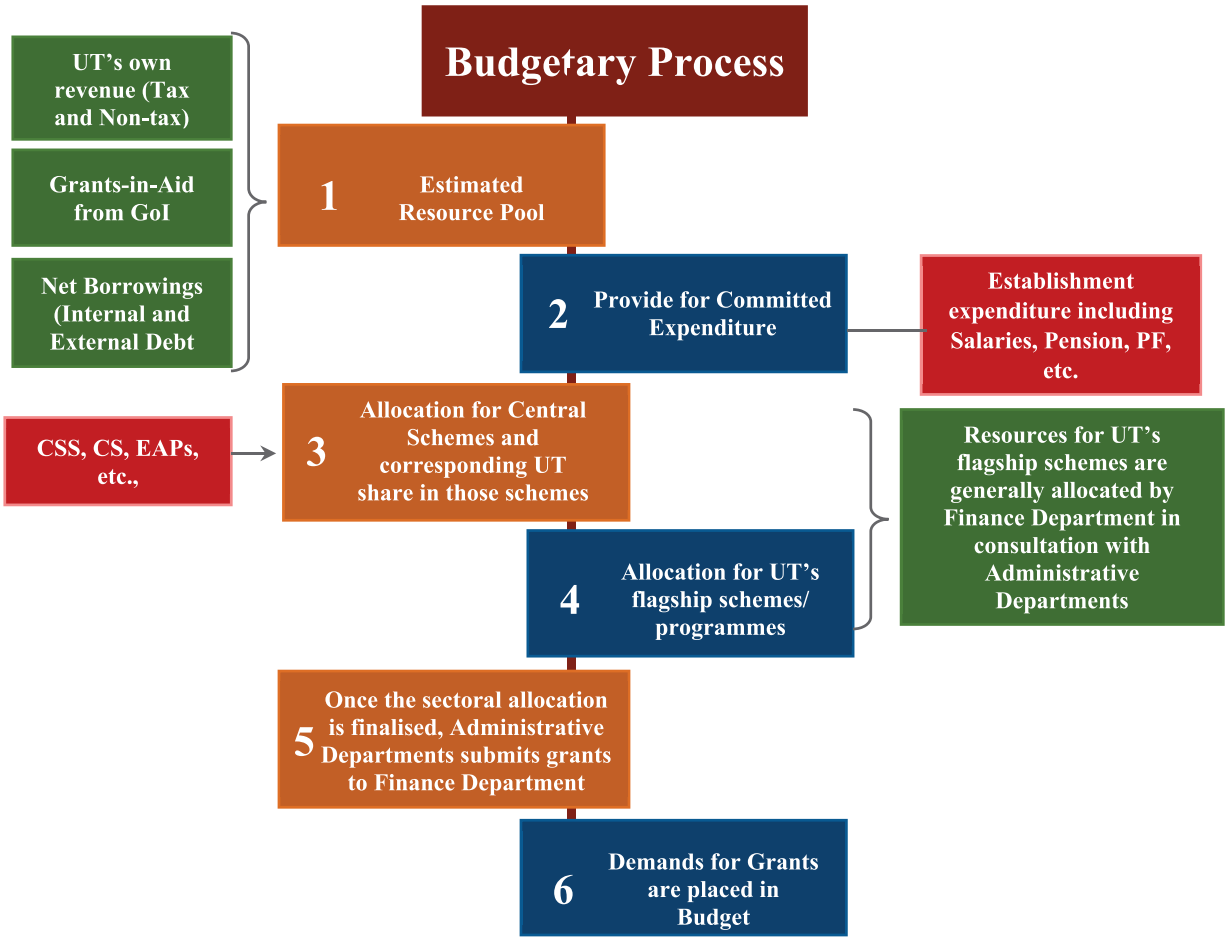
CHAPTER III: BUDGETARY MANAGEMENT

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 2022-23

A summarised position of total budget provision, disbursements and saving/excess with bifurcation into voted/charged for the year 2022-23 are given in **Table 3.1**.

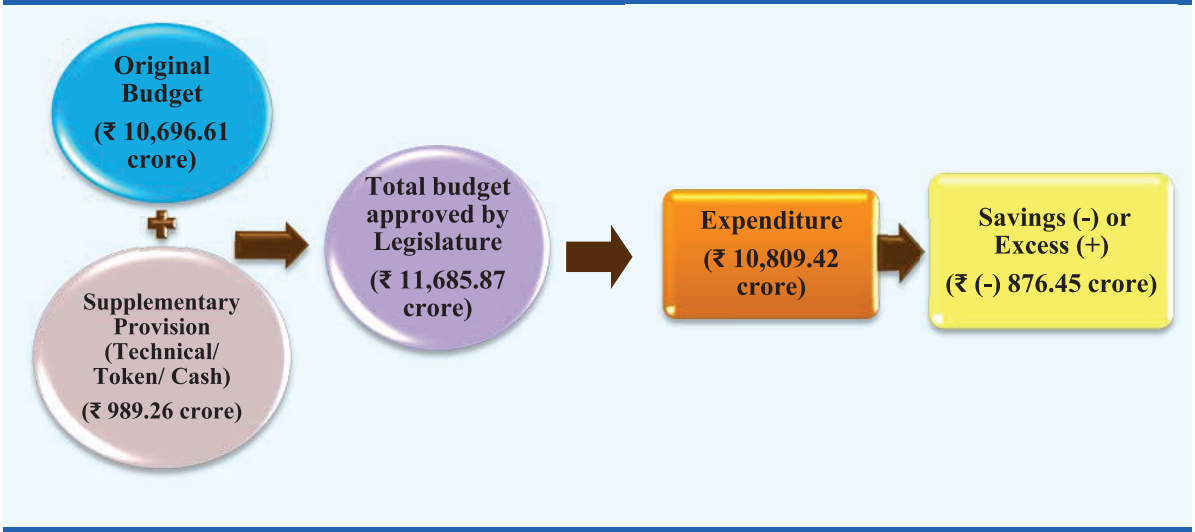
Table 3.1: Budget provision, disbursement and savings/excess during 2022-23

(₹ in crore)

	Total Budget provision		Disbursements		Saving (-) /Excess (+)	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	8,717.18	905.17	8,111.96	895.72	(-) 605.22	(-) 9.45
Capital	533.40	48.79	289.03	40.43	(-) 244.37	(-) 8.36
Loans	0.50	0.00	0.17	0.00	(-) 0.33	0.00
Public Debt	0.00	1,480.83	0.00	1,472.11	0.00	(-) 8.72
Total	**9,251.08**	**2,434.79**	**8,401.16**	**2,408.26**	**(-) 849.92**	**(-) 26.53**

The total amount approved by the UT Legislature including Original and Supplementary budgets, expenditure and savings during 2022-23 are depicted in the **Chart 3.1**.

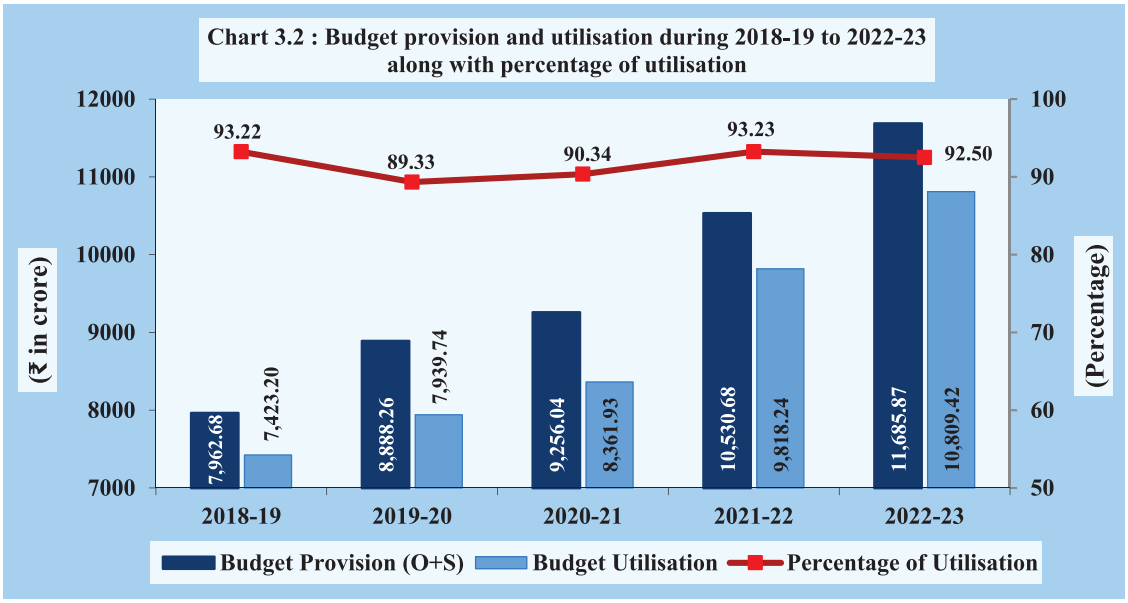
Chart 3.1: Components of Budget



The total provision authorised by the UT legislature including original and supplementary budget was ₹ 11,685.87 crore, out of which an expenditure of ₹ 10,809.42 crore was incurred resulting in savings of ₹ 876.45 crore (7.50 *per cent* of total provision). Out the savings of ₹ 876.45 crore, an amount of ₹ 185.87 crore (21.13 *per cent*) was surrendered on 31 March 2023. The supplementary provision of ₹ 154.13 crore in respect of 15 grants proved wholly unnecessary and ₹ 512.73 crore provided in 17 grants proved partially unnecessary.

The following **Chart 3.2** shows the Budget provision and utilisation during 2018-19 to 2022-23.

Chart 3.2 : Budget provision and utilisation during 2018-19 to 2022-23 along with percentage of utilisation



(Source: Appropriation Accounts of respective years)

During the year 2022-23, as against the total budget provision of ₹ 11,685.87 crore, the expenditure incurred was ₹ 10,809.42 crore which was

92.50 *per cent* of the total provision. The decline in utilisation during 2022-23 was mainly due to savings in the following grants:

- Under Grant Number 10 - District Administration, as against the total provision of ₹ 558.25 crore under Revenue - Voted, expenditure of ₹ 411.55 crore has been incurred resulting in savings of ₹ 146.70 crore which was 26.28 per *cent* of the total provision.
- Under Grant Number 12 - Police, as against the total provision of ₹ 29.32 crore under Capital - Voted, expenditure of ₹ 3.53 crore has been incurred resulting in savings of ₹ 25.79 crore which was 87.95 *per cent* of the total provision.
- Under Grant Number 16 - Public Works, as against the total provision of ₹ 231.56 crore under Capital - Voted, expenditure of ₹ 168.85 crore has been incurred resulting in savings of ₹ 62.71 crore (27.08 *per cent* of total provision).
- Under Grant Number 18 - Medical, as against the total provision of ₹ 98.68 crore under Capital - Voted, expenditure of ₹ 13.69 crore has been incurred resulting in savings of ₹ 84.99 crore (86.13 *per cent* of total provision).
- Under Grant Number 26 - Fisheries, as against the total provision of ₹ 92.17 crore under Revenue - Voted, expenditure of ₹ 67.90 crore has been incurred resulting in savings of ₹ 24.27 crore (26.33 *per cent* of total provision) and as against the total provision of ₹ 10.48 crore under Capital, expenditure of ₹ 4.33 crore has been incurred resulting in savings of ₹ 6.15 crore (58.64 *per cent* of total provision).
- Under Grant Number 28 - Industries, as against the total provision of ₹ 104.45 crore under Revenue - Voted, expenditure of ₹ 79.75 crore has been incurred resulting in savings of ₹ 24.70 crore (23.65 *per cent* of total provision).
- Under Grant Number 32 - Building Programmes, as against the total provision of ₹ 98.18 crore under Capital - Voted, expenditure of ₹ 41.82 crore has been incurred resulting in savings of ₹ 56.36 crore (57.40 *per cent* of total provision).

The reasons for savings of these grants have been discussed under paragraph 3.3.5.4.

Government stated (February 2024) that the supplementary provisions were made on the requirement received from the departments and efforts will be taken to avoid such unnecessary/excessive supplementary provisions in future.

3.1.2 Charged and voted disbursements

The details of provision for voted grants and charged appropriations, disbursements and savings during 2018-19 to 2022-23 are given in **Table 3.2**.

Table 3.2: Total disbursement into charged and voted during 2018-23

(₹ in crore)

	Provisions		Disbursements		Savings (-) /Excess(+)	
	Voted	Charged	Voted	Charged	Voted (*per cent*)	Charged (*per cent*)
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)
2022-23	9,251.08	2,434.79	8,401.16	2,408.25	(-) 849.92 (9.19)	(-) 26.53 (1.10)

(Source: Appropriation Accounts of the respective years)

Though the total disbursement of voted grants increased by 39.60 *per cent* from ₹ 6,018.21 crore in 2018-19 to ₹ 8,401.16 crore in 2022-23, the increase in charged appropriations was 71.41 *per cent i.e.,* from ₹ 1,405 crore in 2018-19 to ₹ 2,408.25 crore in 2022-23. The increase in charged appropriations was mainly due to increase in public debt repayment from ₹ 639 crore in 2018-19 to ₹ 1,472 crore in 2022-23 and increase in interest payments from ₹ 707 crore in 2018-19 to ₹ 785 crore in 2022-23.

The total savings in voted grants increased from 8.15 *per cent* in 2018-19 to 11.13 *per cent* in 2020-21 and it decreased to 7.93 *per cent* in 2021-22 and subsequently increased to 9.19 *per cent* 2022-23. In respect of charged appropriations, the savings faced a steep decline from 13.96 *per cent* in 2019-20 to 1.09 *per cent* in 2022-23 which is a positive trend.

3.1.3 Budget marksmanship

Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved. The details of which are given in **Table 3.3**.

Table 3.3: Details of approved budget and actual outturn

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE
Revenue	9,622.35	9,007.68	614.67
Capital	2,063.52	1,801.74	261.78
Total	**11,685.87**	**10,809.42**	**876.45**

In Revenue section, deviation in outturn compared with BE was (-) 6.39 *per cent*. This was due to deviation upto (-) 10 *per cent* in 18 grants, between (-) 10 and (-) 20 *per cent* in eight grants, between (-) 20 and (-) 30 *per cent* in six grants.

In Capital section, deviation in outturn compared with BE was (-) 12.69 *per cent*. This was due to deviation upto (-) 25 *per cent* in seven grants, between (-) 25 and (-) 50 *per cent* in three grants and between (-) 50 and (-) 75 *per cent* in five grants and between (-) 75 and (-) 100 *per cent* in three grants.

Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition. The details of the contribution are detailed in **Table 3.4**.

Table 3.4: Details of Budget estimates, Revised estimates and actual outturn and their differences

(₹ in crore)

Description	Original Approved Budget (BE)	Revised Estimates (RE)	Actual Outturn	Difference between BE and RE	Difference between RE and Actual
Revenue	9,622.35	9,598.73	9,007.68	23.62	591.05
Capital	2,063.52	1,901.27	1,801.74	162.25	99.53
Total	**11,685.87**	**11,500.00**	**10,809.42**	**185.87**	**690.58**

In Revenue section, deviation in outturn compared with RE was (-) 6.16 *per cent*. This was due to deviation upto (-) 10 *per cent* in 22 grants. between (-) 10 and (-) 20 *per cent* in six grants, between (-) 20 and (-) 30 *per cent* in four grants.

In Capital section, deviation in outturn compared with RE was (-) 5.24 *per cent*. This was due to deviation upto (-) 25 *per cent* in 12 grants, between (-) 25 and (-) 50 *per cent* in four grants, between (-) 50 and (-) 75 *per cent* in one grant and between (-) 75 and (-) 100 *per cent* in three grants.

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 ₹ 23.35 crore was re-appropriated under 13 sub-heads without any original or supplementary budget provision and expenditure of ₹ 21.61 crore was incurred with an overall savings of ₹ 1.75 crore under these heads. The details are tabulated in **Table 3.5**.

Table 3.5: 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	09	3451	00	090	12	01	0.00	75.00	33.10	41.90
2	10	2515	00	101	26	02	0.00	324.00	324.00	0.00
3	16	2702	01	800	02	01	0.00	5.00	4.88	0.12
4	16	2711	03	800	03	01	0.00	5.00	5.00	0.00
5	17	2202	02	789	08	01	0.00	652.50	652.50	0.00
6	17	2202	02	789	08	02	0.00	212.25	212.25	0.00
7	17	2202	02	789	08	04	0.00	8.25	8.25	0.00
8	18	2211	00	101	03	03	0.00	0.00	2.80	-2.80
9	21	2235	02	103	30	01	0.00	93.50	93.50	0.00
10	21	2235	02	789	47	01	0.00	80.00	67.80	12.20
11	21	2236	02	101	06	01	0.00	858.47	745.23	113.24
12	24	2401	00	789	17	01	0.00	21.00	11.14	9.86
13	27	2515	00	001	04	04	0.00	0.23	0.22	0.01
Total								**2,335.20**	**2,160.67**	**174.53**

(Source: Detailed Appropriation Accounts of 2022-23)

Government accepted the observation and stated (February 2024) that necessary instructions would be issued to the concerned departments to avoid such instances in future.

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. 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 2022-23, as against the Budget provision of ₹ 11,685.87 crore (Original: ₹ 10,696.61 crore and Supplementary Grant: ₹ 989.26 crore), an

expenditure of ₹ 10,809.42 crore was incurred. Supplementary provision of ₹ 50 lakh or more aggregating ₹ 972.58 crore obtained in 20 grants/ appropriations during the year 2022-23 proved excessive to the extent of ₹ 493.01 crore as detailed in **Appendix 3.2**.

In respect of 61 sub-heads under 19 grants, in addition to the original provision of ₹ 2,373.20 crore, a sum of ₹ 399.42 crore was also provided through supplementary grant. However, the total expenditure was only ₹ 2,682.21 crore. Thus, the provision of ₹ 309.01 crore made under Supplementary Grant proved partially unnecessary (**Appendix 3.3**).

It was also seen that in respect of 19 sub-heads under nine grants, in addition to original provision of ₹ 247.13 crore, an amount of ₹ 151.59 crore was provided in the supplementary grant. However, the expenditure incurred was ₹ 233.99 crore only. Thus, the Supplementary Grant provided proved wholly unnecessary in view of the savings of ₹ 13.14 crore in the original provision as detailed in **Table 3.6**. The final savings in respect of these 19 sub-heads was ₹ 164.73 crore.

Table 3.6: 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	2245	05	101	01	01	500.00	1,860.00	2,360.00	500.00	1,860.00	0.00
2	10	2216	80	103	01	01	0.00	55.00	55.00	0.00	55.00	0.00
3	10	2217	80	800	08	01	9,300.00	10,000.00	19,300.00	9,300.00	10,000.00	0.00
4	16	2059	01	053	03	01	68.71	50.00	118.71	35.75	82.96	32.96
5	16	2215	01	102	03	04	150.00	50.00	200.00	135.00	65.00	15.00
6	16	2217	05	001	06	01	770.00	100.00	870.00	700.00	170.00	70.00
7	17	2202	02	109	17	01	9,692.30	697.00	10,389.30	9,021.05	1,368.25	671.25
8	17	2202	02	109	17	03	1,388.74	90.00	1,478.74	1,298.29	180.45	90.45
9	17	2202	80	800	19	01	0.00	93.40	93.40	0.00	93.40	0.00
10	17	2236	02	102	03	01	797.55	179.00	976.55	745.11	231.44	52.44
11	21	2235	02	102	12	01	447.39	210.00	657.39	163.00	494.39	284.39
12	21	2235	02	102	27	01	0.00	325.00	325.00	0.00	325.00	0.00
13	21	2235	02	102	29	01	0.00	340.00	340.00	0.00	340.00	0.00
14	21	2235	02	104	07	01	0.00	200.00	200.00	0.00	200.00	0.00
15	22	2216	02	104	01	01	237.00	300.00	537.00	237.00	300.00	0.00
16	25	2403	00	101	09	01	0.00	100.00	100.00	0.00	100.00	0.00

Sl. No.	Grant No.	Head of Account					Original	Supple-mentary	Provi-sion	Expen-diture	Savings	Savings in Original
17	26	2405	00	103	05	01	79.64	266.00	345.64	45.35	300.29	34.29
18	26	2405	00	800	20	01	1,281.54	139.00	1,420.54	1,218.31	202.23	63.23
19	32	5452	01	800	35	03	0.00	105.00	105.00	0.00	105.00	0.00
Total							**24,712.87**	**15,159.40**	**39,872.27**	**23,398.86**	**16,473.41**	**1,314.01**

(Source: Detailed Appropriation Accounts of 2022-23)

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 2022-23, re-appropriation order was issued on 31 March 2023 for ₹ 367.88 crore under 1,334 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 2022-23, the re-appropriations proved unnecessary or excessive in 164 sub-heads. It was also seen that in 52 sub-heads, provision of more than ₹ 10 lakh was made by re-appropriation which was wholly unnecessary to the tune of ₹ 42.14 crore wherein the expenditure incurred was ₹ 475.21 crore under these heads which was within the total provision of ₹ 535.48 crore as indicated in **Appendix 3.4**. Further, out of these 52 sub-heads, no expenditure was incurred under six sub-heads wherein unnecessary provision of ₹ 12.89 crore was made by re-appropriation.

Government stated (February 2024) that the re-appropriation was being made on the request of the respective departments and instructions would be issued to the departments to avoid unnecessary/excessive 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, 2013 (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 used should be surrendered to Government immediately on foreseeing 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 ₹ 876.45 crore, an amount of ₹ 185.87 crore was surrendered on 31 March 2023. It was noticed that in respect of 24 grants/ appropriations out of the total savings of ₹ 856.69 crore (saving of ₹ one crore and above), ₹ 681.88 crore (79.59 *per cent* of savings) was not surrendered. Further, in respect of 22 grants/appropriations with a savings of ₹ 493.79 crore, no amount was surrendered. The details are given in **Appendix 3.5 (a)** and **Appendix 3.5 (b)** respectively.

3.3.5.2 Substantial surrenders

Substantial surrenders (sub-heads where more than 50 *per cent* of the total provision and more than ₹ 10 lakh was surrendered) were made in 20 sub-heads. Out of the total provision of ₹ 163.30 crore made under these sub-heads, ₹ 137.93 crore (84.46 *per cent*) was surrendered (**Appendix 3.6**). This indicated inadequate financial control and non-availability of funds for other development purposes since surrenders were made on the last day of the financial year.

Government stated (February 2024) that instructions would be issued to departments to surrender the funds as and when savings are foreseen.

3.3.5.3 Grants having huge savings

During 2022-23, out of total 33 grants/appropriations, there was savings of ₹ 778.80 crore (88.86 *per cent* of total savings of ₹ 876.45 crore) in 12 grants/ appropriations exceeding ₹ 10 crore in each case (above ₹ 50 crore in seven grants). The details are indicated in **Table 3.7**.

Table 3.7: 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	Percen-tage
(A)	**Revenue - Voted**								
1	6	Revenue and Food	306.76	48.11	354.87	307.58	0.00	47.29	13.33
2	10	District Administration	378.39	179.86	558.25	411.55	0.00	146.70	26.28
3	12	Police	326.24	19.08	345.32	335.29	0.00	10.03	2.90
4	15	Retirement Benefits	1,112.79	228.00	1,340.79	1,293.38	0.00	47.41	3.54
5	17	Education	1,101.78	98.57	1,200.35	1,138.40	0.00	61.95	5.16
6	18	Medical	914.47	0.00	914.47	817.21	1.54	97.26	10.64
7	20	Labour and Employment	46.87	2.53	49.40	39.35	0.00	10.05	20.34
8	21	Social Welfare	864.60	72.66	937.26	857.97	0.00	79.29	8.46

Sl. No	Grant No.	Description	Original	Supple-mentary	Total	Expendi-ture	Amount surren-dered	Savings	Percen-tage
9	26	Fisheries	85.41	6.76	92.17	67.90	0.00	24.27	26.33
10	28	Industries	104.45	0.00	104.45	79.75	16.95	24.70	23.65
Total (A)			**5,241.76**	**655.57**	**5,897.33**	**5,348.38**	**18.49**	**548.95**	**9.31**
(B) Capital - Voted									
11	12	Police	29.32	0.00	29.32	3.53	18.14	25.79	87.96
12	16	Public Works	231.56	0.00	231.56	168.85	30.77	62.71	27.08
13	18	Medical	98.68	0.00	98.68	13.69	66.88	84.99	86.13
14	32	Building Programmes	98.18	0.00	98.18	41.82	34.23	56.36	57.40
Total (B)			**457.74**	**0.00**	**457.74**	**227.89**	**150.02**	**229.85**	**50.21**
Grand total			**5,699.50**	**655.57**	**6,355.07**	**5,576.27**	**168.51**	**778.80**	**12.25**

(Source: Appropriation Accounts 2022-23)

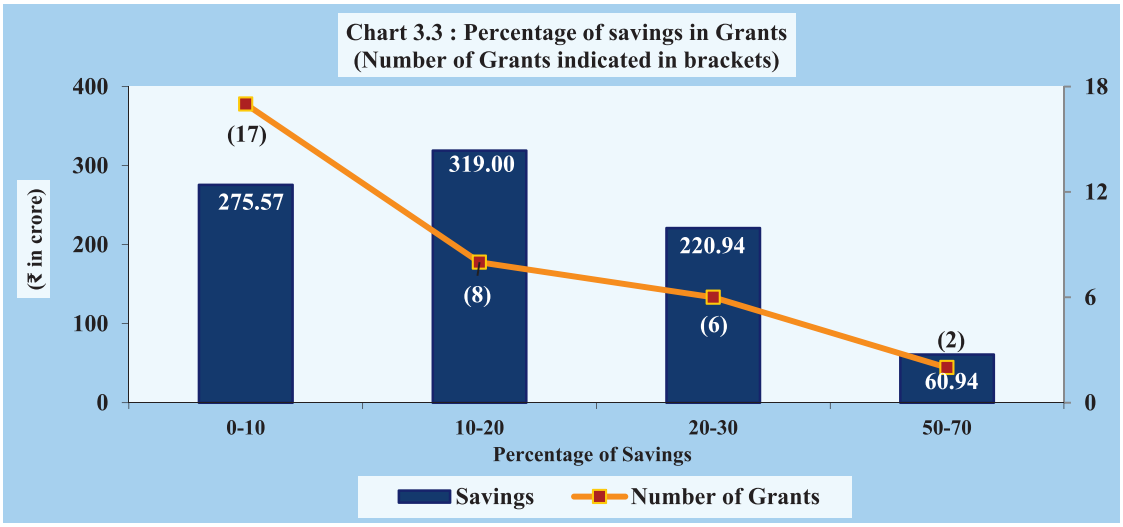
It was also noticed that in 94 sub-heads, savings exceeded ₹ 50 lakh in each case and by more than 50 *per cent* of the total provision. Out of the total provision of ₹ 659.74 crore in these sub-heads, savings amounted to ₹ 527.12 crore (79.90 *per cent*) as detailed in **Appendix 3.7**. Further, out of 94 sub-heads, in respect of 52 sub-heads, no expenditure was incurred against the provision of ₹ 289.77 crore. It was further noticed that in three grants (Charged - appropriations) where there were provisions of ₹ 50 lakh or more aggregating to ₹ 457 lakh, no expenditure was incurred during the year 2022-23 as given in **Table 3.8**. This was indicative of improper estimation of requirement.

Table 3.8: Entire grant remaining unutilised during 2022-23

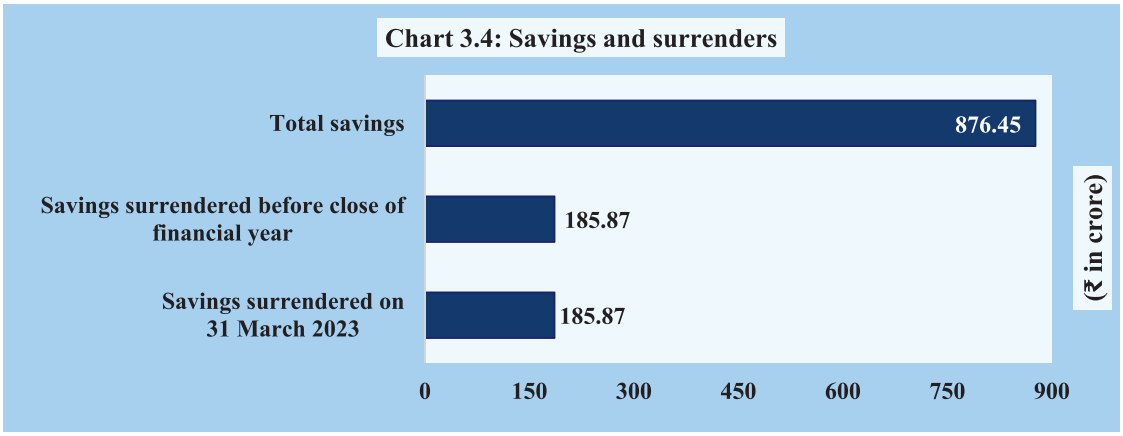
(₹ in lakh)

Sl. No.	Number and Name of Grant	Amount	Reasons for savings
1	10 - District Administration (Revenue - Charged)	62.00	Reasons not furnished by the Department.
2	25 - Animal Husbandry (Revenue - Charged)	100.00	Fund meant for settlement of retirement benefits to certain retired staff of Rajiv Gandhi Institute of Veterinary Education and Research (RIVER), Puducherry in anticipation of award from Hon'ble Court. As there was a delay in pronouncing award, expenditure could not be booked in time.
3	28 - Industries (Capital - Charged)	295.00	Clarifications raised by the Finance Department in the proposal regarding Re-determination of compensation value to land owners for setting up Growth Centre at Karaikal.
	Total	**457.00**	

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 2022-23.



Out of the overall savings of ₹ 876.45 crore, ₹ 185.87 crore (21.21 *per cent*) alone was surrendered on 31 March 2023.

3.3.5.4 Persistent savings

Out of 33 grants, savings of more than ₹ 50 lakh was noticed persistently under 21 grants during the last five years. Details of the savings are indicated in **Table 3.9**.

Table 3.9: List of grants having persistent savings of more than ₹ 50 lakh during 2018-23

(₹ in crore)

Sl. No.	Grant Number and description		Amount of savings				
			2018-19	2019-20	2020-21	2021-22	2022-23
(A) Revenue - Voted							
1	6	Revenue and Food	26.16	5.40	14.28	13.58	47.29
2	9	Secretariat	8.09	23.28	2.99	2.68	4.37
3	10	District Administration	39.47	111.71	36.39	90.22	146.70
4	12	Police	5.81	9.11	5.77	16.65	10.02
5	14	Stationery and Printing	0.91	2.71	3.86	2.34	1.21

Sl. No.	Grant Number and description		Amount of savings				
			2018-19	2019-20	2020-21	2021-22	2022-23
6	15	Retirement Benefits	73.64	3.96	113.48	22.74	47.41
7	16	Public Works	18.14	20.84	26.95	8.30	5.62
8	17	Education	29.79	92.54	87.92	103.64	61.95
9	18	Medical	15.77	32.08	96.49	74.04	97.26
10	19	Information and Publicity	5.17	11.13	10.62	8.55	3.35
11	20	Labour and Employment	6.24	4.72	8.88	13.94	10.04
12	21	Social Welfare	32.99	47.12	76.36	48.07	79.29
13	22	Co-operative	3.92	4.85	5.16	39.90	6.33
14	24	Agriculture	13.56	13.02	22.08	11.69	6.31
15	25	Animal Husbandry	1.90	6.68	3.83	3.98	2.33
16	26	Fisheries	7.68	10.67	11.14	14.41	24.27
17	27	Community Development	28.93	27.17	27.48	28.78	9.52
18	28	Industries	5.37	10.81	3.28	5.38	24.70
19	29	Electricity	33.20	9.46	28.72	3.35	3.34
20	32	Building Programmes	1.52	5.67	5.08	2.91	2.70
Total (A)			**358.26**	**452.93**	**590.76**	**515.15**	**594.01**
(B)	**Revenue - Charged**						
21	33	Public Debt	5.01	240.40	2.19	6.38	5.00
Total (B)			**5.01**	**240.40**	**2.19**	**6.38**	**5.00**
(C)	**Capital - Voted**						
22	12	Police	6.90	6.45	6.58	7.13	25.79
23	16	Public Works	44.15	114.93	148.95	87.10	62.71
24	18	Medical	0.93	2.43	20.62	16.09	84.99
25	29	Electricity	21.75	21.89	17.67	6.58	4.54
26	32	Building Programmes	24.95	35.88	20.80	34.51	56.36
Total (C)			**98.68**	**181.58**	**214.62**	**151.41**	**234.39**
Grand Total			**461.95**	**874.91**	**807.57**	**672.94**	**833.40**

(Source: Appropriation Accounts of the respective years)

Grant No. 10 - District Administration - The persistent savings under Revenue head ranged between ₹ 36.39 crore and ₹ 146.70 crore during 2018-23. During 2022-23, the savings of ₹ 146.70 crore was mainly due to withdrawal of provision in anticipation of CSS funds from GoI under various CSS schemes (₹ 116.81 crore), ₹ 29 crore was due to non-completion of disposal of legacy waste Project and ₹ 11.31 crore was due to non-materialisation of tender processes. Out of the savings of ₹ 146.70 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 2018-23. As per comments under Grant No. 16 in Appropriation Accounts, during 2022-23, the savings of ₹ 62.71 crore was mainly due to withdrawal of provision of ₹ 48.65 crore made for creation of infrastructural facilities through Negotiated Loan in Puducherry and Karaikal Regions and the savings of ₹ 12.64 crore was due to scarcity and non-availability of road materials such as HBG metal and bitumen. Out of the savings of ₹ 62.71 crore, only ₹ 30.77 crore (49.07 *per cent*) was surrendered.

Grant No. 17 - Education – The persistent savings under Revenue head ranged between ₹ 29.79 crore and ₹ 103.64 crore during 2018-23. During 2022-23, the savings of ₹ 61.95 crore was mainly due to withdrawal of provision restricted to actual requirement and savings were due to non-payment of MACP arrears and pay arrears to regular and retired staff members, provision made under CSS-RUSA scheme was not utilised due to non-receipt of anticipated GoI funds and the sports articles were not procured. Out of the savings of ₹ 61.95 crore, no amount was surrendered.

Grant No. 18 - Medical – The persistent savings under Revenue head ranged between ₹ 15.77 crore and ₹ 97.26 crore during 2018-23. During 2022-23, the savings of ₹ 97.26 crore was mainly due to withdrawal of provision of ₹ 13.00 crore during RE stage as no project under Negotiated loan, ₹ 7.01 crore withdrawn due to less receipt of funds from GoI, ₹ 11.30 crore withdrawn due to less requirement of medicines and engagement of contractual staff and doctors under the scheme "Prevention and Control of COVID -19 Pandemic", ₹ 16.26 crore under Nation Health Mission (State Share and CSS Share) and ₹ 6.00 crore withdrawn due to matching state share restricted to receipt of CSS funds under COVID-19 Emergency Response under NHM-Phase II (CSS Scheme). Out of the savings of ₹ 97.26 crore, only ₹ 1.54 crore (1.58 *per cent*) was surrendered.

The persistent savings under Capital head ranged between ₹ 0.93 crore and ₹ 84.99 crore during 2018-23. During 2022-23, the savings of ₹ 84.99 crore was mainly due to withdrawal of provision of ₹ 75 crore during RE stage due to the provision restricted to the requirement and final savings of ₹ 5.30 crore was due to decrease in vehicle maintenance expenditure and tender floated for purchase of Echo Cardiograph machine was not materialised. Out of the savings of ₹ 84.99 crore, ₹ 66.88 crore (78.69 *per cent*) was surrendered.

Grant No. 21 - Social Welfare - The persistent savings under Revenue head ranged between ₹ 32.99 crore and ₹ 79.29 crore during 2018-23. During 2022-23, the savings of ₹ 79.29 crore was mainly due to withdrawal of provision or by way of savings to the tune of ₹ 41.39 crore under CSS Schemes, such as

Scheme for development of SCs, Construction of SC girls hostel, due to less receipt of GoI funds for ICDS as anticipated and provision withdrawn and allotted to newly created Head of account respectively. The savings under Centrally Sponsored Schemes was due to withdrawal of provision in anticipation of CSS funds from GoI and due to transfer of provision to the newly created CSS Head of account as per Guidelines received from GoI. Out of the savings of ₹ 79.29 crore, no amount was surrendered.

Grant No. 32 - Building Programmes - The persistent savings under Capital head ranged between ₹ 20.80 crore and ₹ 56.36 crore during 2018-23. During 2022-23, the savings of ₹ 56.36 crore was mainly due to withdrawal of provision of ₹ 26.80 crore due to non-receipt of CSS funds from GoI as anticipated under CSS Scheme "Establishment of fishing harbour and withdrawal of provision of ₹ 21.05 crore was due to reduction of Budget outlay in the Revised Estimate and provision restricted to actual requirement under the schemes (i) Construction of Police Stations/Out-Posts/Quarters, (ii) Creation of infrastructural facilities (Negotiated Loan) and (iii) Construction of Backward Class Hostels". Out of the savings of ₹ 56.36 crore, ₹ 34.23 crore (60.73 *per cent*) was surrendered.

Government stated (February 2024) that the concerned departments would be addressed in this regard.

3.3.6 Excess expenditure and its regularisation

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 Regularisation of excess expenditure of previous financial years

Excess expenditure of ₹ 3.96 crore relating to 2021-22 was yet to be regularised by the Legislature Assembly as detailed below in **Table 3.10**.

Table: 3.10: Regularisation of excess expenditure of previous years

Grant Number	Description	Amount of excess required to be regularised (₹ in crore)	Status of regularisation
33	Public Debt	3.96	Matter yet to be taken up for consideration by PAC

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 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 2022-23 (Voted Grants/Charged Appropriations) is given in **Table 3.11**.

Table 3.11: Position of Actual Expenditure *vis-à-vis* Original/Supplementary provisions during 2022-23

(₹ 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 2023	Percentage of savings surrendered during March 2023
Voted	I Revenue	7,808.64	908.54	8,717.18	8,111.96	605.22	22.58	3.73
	II Capital	520.53	12.87	533.40	289.03	244.37	161.94	66.27
	III Loans and Advances	0.50	0.00	0.50	0.17	0.33	0.30	90.91
Total - Voted		**8,329.67**	**921.41**	**9,251.08**	**8,401.16**	**849.92**	**184.82**	**21.75**
Charged	*IV Revenue*	*867.01*	*38.16*	*905.17*	*895.72*	*9.45*	*1.04*	*11.01*
	V Capital	*34.65*	*14.14*	*48.79*	*40.43*	*8.36*	*0.01*	*0.12*
	VI Public Debt-Repayment	*1,465.28*	*15.55*	*1,480.83*	*1,472.11*	*8.72*	*0.00*	*0.00*
Total - Charged		***2,366.94***	***67.85***	***2,434.79***	***2,408.26***	***26.53***	***1.05***	***3.96***
Grand total		**10,696.61**	**989.26**	**11,685.87**	**10,809.42**	**876.45**	**185.87**	**21.21**

[1] Excludes recoveries shown as reduction of expenditure.

- The overall savings of ₹ 876.45 crore worked out to 7.50 *per cent* of total provision including supplementary provision of ₹ 989.26 crore made against the respective grants in 2022-23.
- Out of the savings of ₹ 876.45 crore, an amount of ₹ 185.87 crore was surrendered on the last day of the financial year.
- Savings of ₹ 614.67 crore in 31 grants and 13 appropriations under Revenue section, ₹ 252.73 crore in 17 grants and 11 appropriations under Capital section and ₹ 9.05 crore in one grant and one appropriation under Loan section were occurred.
- As against the original provision of ₹ 11,685.87 crore, expenditure of ₹ 10,809.42 crore was incurred. The supplementary provision of ₹ 154.13 crore in respect of 15 grants proved wholly unnecessary and ₹ 512.73 crore provided in 17 grants proved partially unnecessary.

Trend of expenditure during the past five years with reference to Original Budget and Revised Estimates are given in **Table 3.12**.

Table 3.12: Original Budget, Revised Estimate and Actual Expenditure during 2018-23

(₹ in crore)

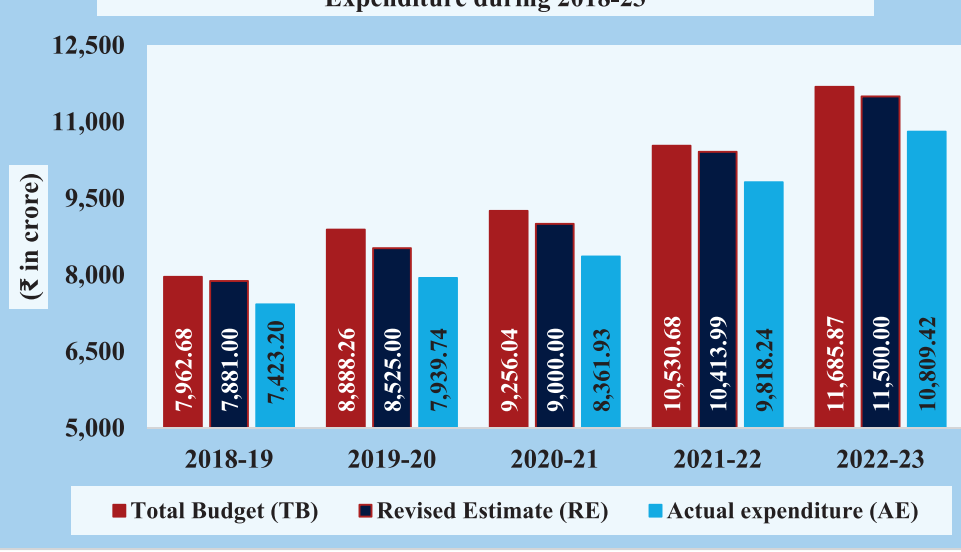
	2018-19	2019-20	2020-21	2021-22	2022-23
Original provision	7,530.00	8,425.00	9,000.00	9,924.41	10,696.61
Supplementary provision	432.68	463.26	256.04	606.28	989.26
Total Budget (TB)	7,962.68	8,888.26	9,256.04	10,530.69	11,685.87
Revised Estimate (RE)	7,881.00	8,525.00	9,000.00	10,414.00	11,500.00
Actual expenditure (AE)	7,423.20	7,939.74	8,361.93	9,818.24	10,809.42
Savings (-)/excess (+)	(-) 539.48	(-) 948.52	(-) 894.11	(-) 712.44	(-) 876.45
Percentage of supplementary to the original provision	5.75	5.50	2.84	6.11	9.25
Percentage of overall saving/ excess to the overall provision	6.78	10.67	9.66	6.77	7.50
TB-RE	81.68	363.26	256.04	116.69	185.87
RE-AE	457.80	585.26	638.07	595.75	690.58
(TB-RE) as percentage to TB	1.03	4.09	2.77	1.11	1.59
(RE-AE) as percentage to TB	5.75	6.58	6.89	5.66	5.91

(Source : Appropriation Accounts of respective years)

It could be seen from **Table 3.12** that the savings in total provision had increased from 6.78 *per cent* in 2018-19 to 10.67 *per cent* in 2019-20 and declined in

2021-22 and 2022-23 and again increased to 7.50 *per cent*. The supplementary provision of ₹ 989.26 crore during 2022-23 constituted 9.25 *per cent* of the original provision as against 6.11 *per cent* in the previous year. This fluctuating trend does not show a positive progress in budgeting and indicated improper estimation of requirement. **Chart 3.5** shows the trend of Budget Estimate, Revised Estimate and Actual Expenditure during 2018-23.

Chart 3.5: Trend of Budget Estimate, Revised Estimate and Actual Expenditure during 2018-23



From **Table 3.12** and **Chart 3.5**, it can be seen that from 2018-19 to 2022-23, the Revised Estimate (RE) was always lower than the Total Budget (TB) of the UT. The gap between the RE and the TB rose sharply and stood at 4.09 *per cent* in 2019-20 and declined to 1.59 *per cent* during 2022-23 which was a positive trend.

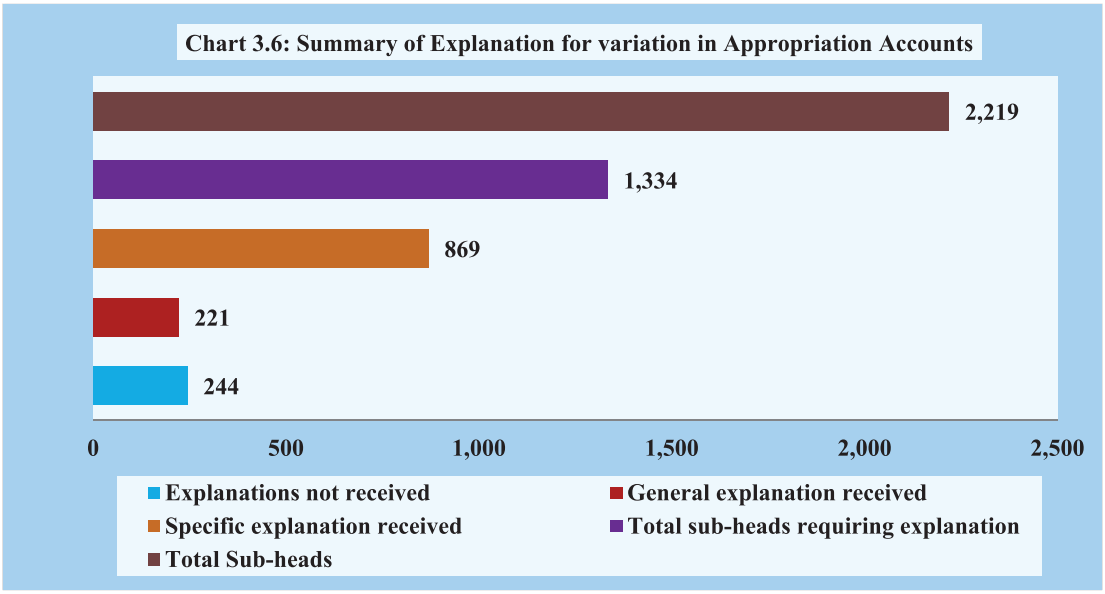
The Actual Expenditure (AE) during 2018-23 was lower than the RE throughout and as a percentage it ranged between 5.66 and 6.89. As such, the supplementary provisions and re-appropriations during 2018-19 to 2022-23 proved unnecessary to that extent since the expenditure did not come up to the level of total budget provisions.

This reflects that budgetary allocations were based on unrealistic proposals as Budget Estimates of the UT were always inflated and the Actual Expenditure was less than the budgetary provisions.

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 sub-heads,

the reasons for savings/excess were general in nature. The details of sub-heads where general/specific explanations given are depicted in **Chart 3.6**.



It could be seen from **Chart 3.6** that as against 1,334 sub-heads requiring explanation, the Departments have not furnished specific explanations for 465 sub-heads. **Table 3.13** details the status of non-furnishing of explanations in respect of 11 grants.

Table 3.13: Details of non-furnishing of explanation

Sl. No.	Grant Number and Name	Total sub-heads requiring explanation	Specific explanation not furnished	Percentage
1	04 - Administration of Justice	19	13	68.42
2	08 - Transport	16	12	75.00
3	12 - Police	46	24	52.17
4	17 - Education	160	69	43.13
5	19 - Information and Publicity	30	15	50.00
6	20 - Labour and Employment	40	21	52.50
7	21 - Social Welfare	147	52	35.37
8	24 - Agriculture	82	23	28.05
9	28 - Industries	44	24	54.55
10	32 - Building Programmes	101	56	55.45
11	33 - Public Debt	22	16	72.73

(Source : Appropriation Accounts for the year 2022-23)

Government stated (February 2024) that the departments would be addressed to furnish specific explanation in the ensuing financial year.

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 2022-23 that some new schemes were pronounced under various departments. However, no expenditure has been incurred on these schemes. The list of schemes along with reasons for non-implementation are detailed in **Table 3.14**.

Table 3.14: Details of schemes announced in the Budget Speech 2022-23

Sl. No.	Name of the Department	Scheme name	Reasons
1	Fire Service	Opening of new fire station at Thavalakuppam, Karayamputhur, Lingareddipalayam in Puducherry region and T.R. Pattinam in Kariakal region.	No proposals were submitted by the department for allotment of funds and land acquisition in Thavalakuppam and Lingareddipalayam was in progress.
		To modernise the department, it was proposed to procure 54 meters sky lift, wireless sets, fire unit service equipment viz., hydraulic jacks and air compressor, digital mapping system with required technical posts and 18 numbers of new water tender to all fire stations against the condemned vehicles.	No proposals were submitted by the department to procure 54 meters sky lift, wireless sets, fire unit service equipment viz., hydraulic jacks and air compressor, digital mapping system with required technical posts. Only proposal to procure 10 numbers of water tenders was submitted.
2	Transport	50 numbers of new buses will be procured for PRTC by replacing the existing 36 local buses and 14 inter-state buses in Puducherry and Karaikal regions with an estimated cost of ₹ 25 crore.	No proposals were submitted by the Department.
3	School Education	Issue of laptops for 11th and 12th standard students studying in Government and Government Aided Schools.	₹ 40 crore provided in the Budget Estimate was withdrawn and deposited in 8443-Civil Deposits. Laptop yet to be purchased and issued.
4	Higher and Technical Education	Construction of additional class rooms at Perunthalaivar Kamarajar Arts College, Kalitheerthalkuppam and Academic Block in new campus of Kasturba College for Women, Villianur.	Even though funds were allocated, construction could not be carried out due to non-stability of the existing building and on going litigation issues.
5	Electricity	To strengthen the existing Distribution system networks in the UT of Puducherry, a project at a cost of ₹ 276 crore by way of various system improvement works such as (i) loss reduction at a cost of ₹ 156 crore and (ii) Modernisation works at a cost of ₹ 120 crore will be undertaken.	Due to non-commencement of works, funds were not sought for.
6	Fisheries	50 *per cent* subsidy with a unit cost of ₹ 12,000 will be extended to 100 numbers of fish farmers registered in Fish Farmers	No provision was made in the budget.

Sl. No.	Name of the Department	Scheme name	Reasons
		Development Agency (FFDA) at a cost of ₹ 6 lakh for purchase of drag net. 50 *per cent* at ₹ 75,000 each for procurement of 50 numbers of FRP catamaran to the tune of ₹ 37.50 lakh will be extended to the fishers in Karaikal Region.	
		"Fish Auction Hall" at Panithittu, Poornankuppam - Pudukuppam will be reconstructed with a financial implication of ₹ 80 lakh. Special repair work to 13 numbers of existing work shelters at Puducherry to a tune of ₹ 40 lakh.	Proposal submitted to the Government, but no provision was made in the budget.

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 112 sub-heads listed in **Appendix 3.8**, expenditure exceeding ₹ 50 lakh and by more than 50 *per cent* of the total expenditure for the year was incurred in March 2023 to the tune of ₹ 604.32 crore. It was further observed that in respect of the following grants, as detailed in **Table 3.15**, huge amounts were spent in the last quarter of 2022-23.

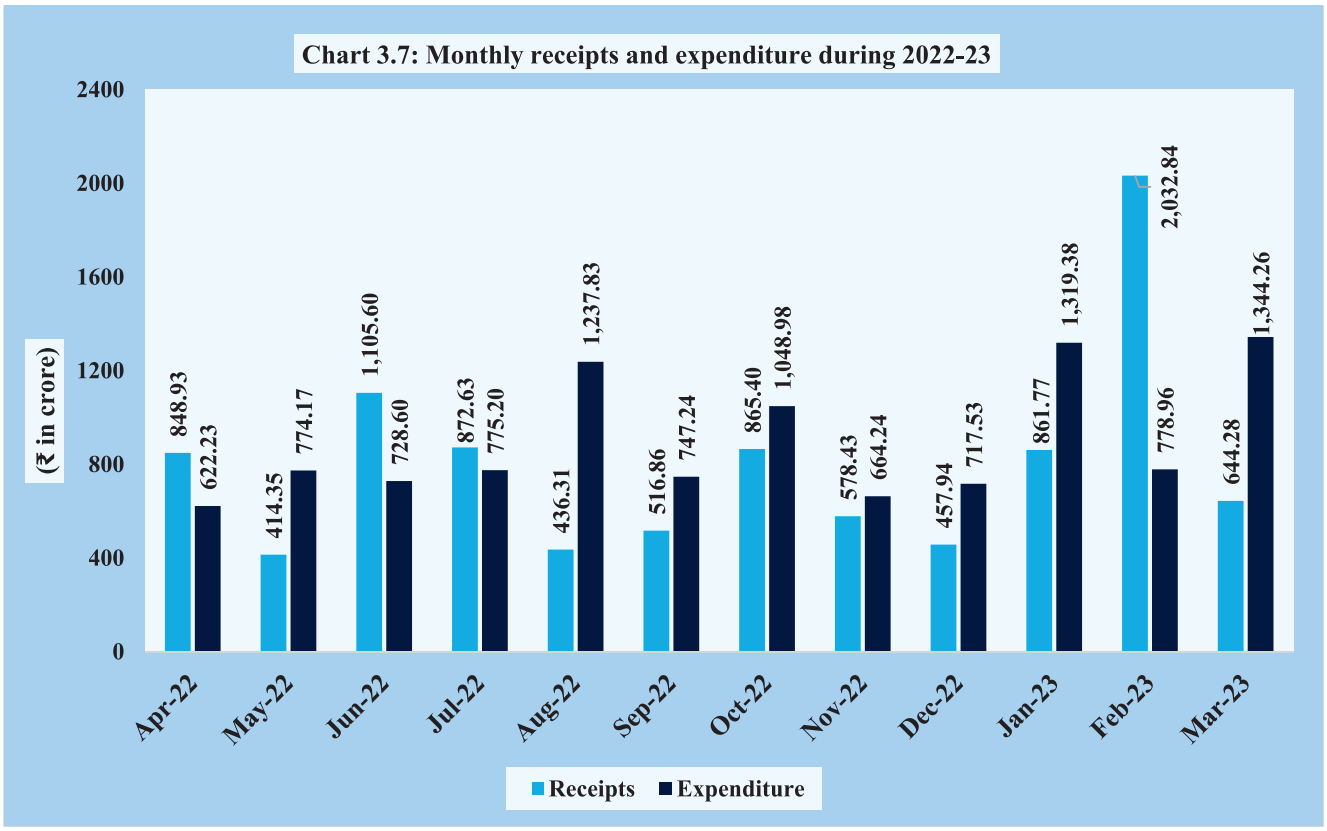
Table 3.15: Utilisation of funds during the last quarter of 2022-23

(₹ in crore)

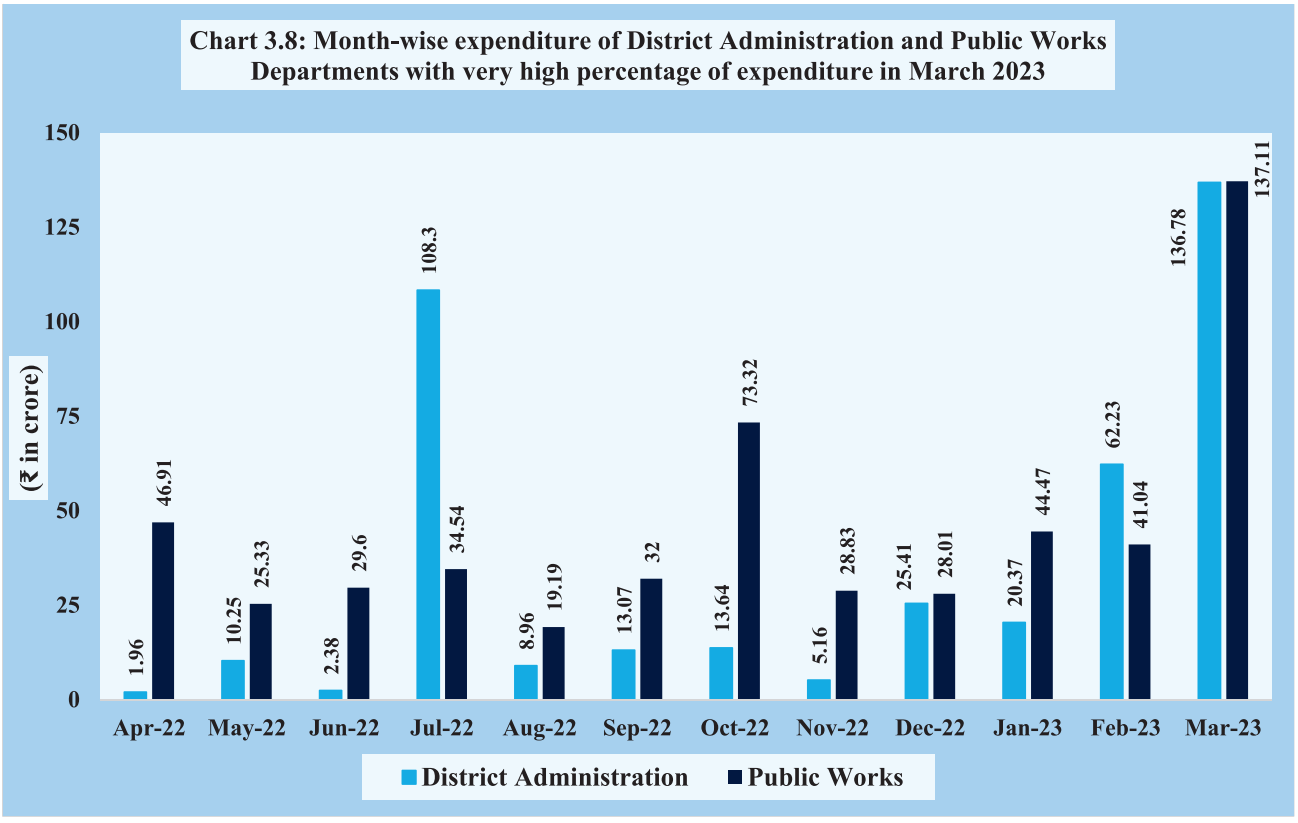
Sl. No.	Name of the Department	Total expenditure	Expenditure incurred in the last quarter	Utilisation of funds in the last quarter (in *per cent*)
1	08 - Transport	40.17	18.76	46.69
2	09 - Secretariat	60.38	28.62	47.40
3	10 - District Administration	408.51	220.00	53.86
4	16 - Public Works	540.37	222.61	41.20
5	19 - Information and Publicity	31.05	16.91	54.47
6	22 -Co-operation	85.38	69.88	81.84
7	30 - Ports and Pilotage	6.52	2.75	42.18
8	31 - Loans to Government Servants	0.17	0.09	52.94
9	32 - Building Programmes	52.34	24.39	46.60

It could be seen from **Table 3.15** 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 2022-23 is given in **Chart 3.7**.



The month-wise expenditure during 2022-23 under Grant No. 10 - District Administration Department and Grant No. 16 - Public Works Department where rush of expenditure was noticed are depicted in **Chart 3.8**.



It could be seen from **Chart 3.8** that in Grant No 10 - District Administration and Grant No. 16 - Public Works, a total expenditure of ₹ 408.51 crore and ₹ 540.35 crore respectively was incurred during 2022-23. In these two grants, the expenditure incurred during the month of March 2023 alone was ₹ 136.78 crore and ₹ 137.11 crore which was 33.48 *per cent* and 25.37 *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 grant

A review of the budgetary procedure and control over expenditure followed in Grant Number 17 - Education 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. 17 - Education during the year 2022-23 are given in **Table 3.16.**

Table 3.16: Details of Budget Provision and Actual Expenditure under Grant No. 17

(₹ in crore)

	Nature of expenditure	Original	Supple-mentary	Total	Expendi-ture	Savings(-)/ Excess (+)	Percent-age of savings	Amount surren-dered
Voted	I Revenue	1,101.78	98.57	1,200.35	1,138.40	(-) 61.95	5.16	0.00
	II Capital	0.17	0.00	0.17	0.01	(-) 0.16	94.11	0.05
Total - Voted (A)		**1,101.95**	**98.57**	**1,200.52**	**1,138.41**	**(-) 62.11**	**5.17**	**0.05**
Charged	*IV Revenue*	*0.00*	*0.33*	*0.33*	*0.33*	*0.00*	*0.00*	*0.00*
	V Capital	*6.16*	*0.07*	*6.22*	*5.79*	*(-) 0.44*	*7.07*	*0.00*
Total - Charged (B)		***6.16***	***0.40***	***6.55***	***6.12***	***(-) 0.44***	***6.72***	***0.00***
Grand Total		**1,108.10**	**98.97**	**1,207.07**	**1,144.52**	**(-) 62.55**	**5.18**	**0.05**

(Source: Appropriation Accounts for the year 2022-23)

It could be seen from **Table 3.16** that under Revenue Section of Voted grants, as against the total provision of ₹ 1,200.35 crore, the expenditure incurred was ₹ 1,138.40 crore, resulting in a saving of ₹ 61.95 crore, which was 5.16 *per cent* of the total provision. As against the savings of ₹ 62.11 crore, the Department surrendered only ₹ 5 lakh. The savings under Capital section of Charged appropriations was ₹ 0.44 crore which was 7.07 *per cent* of the total provision.

3.4.5.2 Unnecessary provision of funds through re-appropriation

(a) An analysis of re-appropriation revealed that in 65 sub-heads, in addition to the original total provision of ₹ 294.02 crore, an amount of ₹ 13.03 crore was provided through re-appropriation, as detailed in **Appendix 3.9.** However, out of

₹ 13.03 crore of re-appropriation, only ₹ 4.79 crore was incurred under these heads resulting in unwarranted re-appropriation which resulted in savings of ₹ 8.24 crore (63.28 *per cent*). The details of which are given in **Table 3.17**. This was indicative of improper estimation of requirement and the fund could have been utilised for other needy schemes.

Table 3.17: Provision of funds through re-appropriation

(₹ in lakh)

Percentage of Savings in Re-appropriation	Number of sub-heads	Amount	Savings
100 *per cent*	36	446.24	446.24
80 *per cent*- 99 *per cent*	4	66.99	57.66
60 *per cent*- 79 *per cent*	5	124.84	79.06
40 *per cent*- 59 *per cent*	10	340.72	162.49
20 *per cent*- 39 *per cent*	5	244.19	68.53
05 *per cent*- 19 *per cent*	5	79.86	10.46
Total	**65**	**1,302.84**	**824.44**

3.4.5.3 Improper Budget Estimation

During an analysis of appropriation made in 2022-23 under the Grant, it was noticed that in 35 sub-heads, an amount of ₹ 30.93 crore was provided as total provisions as detailed in **Appendix 3.10**. However, ₹ 11.71 crore was incurred under these heads, which resulted in savings of ₹ 19.17 crore which was 61.98 *per cent*, which was indicated in **Table 3.18**. This was indicative of improper estimation of requirement and the fund could have been utilised for other needy schemes.

Table 3.18: Provision of funds and percentage of savings

(₹ in lakh)

Percentage of Savings	Number of sub-heads	Budget Estimates	Surrender	Revised Estimate	Expen-diture	Savings (-)/ Excess (+)
100 *per cent*	14	1,239.13	0.00	1,239.13	0.00	1,239.13
50 *per cent* to 99 *per cent*	7	153.32	5.00	148.32	54.28	94.04
25 *per cent* to 49 *per cent*	6	1,099.51	0.00	1,099.51	649.83	449.68
10 *per cent* to 25 *per cent*	8	600.88	0.00	600.88	466.69	134.19
Total	**35**	**3,092.84**	**5.00**	**3,087.84**	**1,170.81**	**1,917.03**

On a scrutiny, it was noticed that, under the HOA: 2202-80-001-01-01(13)-Office Expenses, ₹ 10.22 crore was provided in the Original Budget. Further, ₹ 1.95 crore was requested additionally for purchase of computers, printers, AC and UPS. But it could not be utilised as the proposal was mooted out by the Department only in December 2022 and the expenditure sanction obtained only in September 2023 leading to a saving of ₹ 6.79 crore.

3.4.5.4 Drawal of funds to avoid lapse of grant

As per Rule 62 (2) of GFR, "No savings shall be held in reserve for possible future expenses and Rule 62 (3) Rush of expenditure in the closing months of the Financial Year shall be regarded as a breach of financial propriety and shall be avoided.

(a) Free distribution of Laptops to School students

The Directorate of School Education, Puducherry proposed to purchase laptops for free distribution to school students during the year 2022-23 and provision of ₹ 40 crore was made. As no bidders turned up, the bid was cancelled and purchase could not be made within the financial year. However, the allocation of ₹ 40 crore was drawn and kept under Civil Deposits. Hence drawal of ₹ 40 crore was not in order.

(b) Disbursement of cash award to Puduvai Kalaimamani Awardees

An amount of ₹ 1.09 crore was sanctioned under the Head of Account 2202-05-800-01 for disbursement of cash award to Puduvai Kalaimamani Awardees. Audit noticed that the amount was withdrawn from the Government Account and deposited into Bank account (March 2023) which is not in order as the award function was held only in April 2023 and the amount debited only in May 2023 in the Bank account.

3.4.5.5 Amount kept under SNA account due to non-provision of clear site

The funds are received from GoI for RUSA. An amount of ₹ 2.58 crore (₹ 1.33 crore and ₹ 1.25 crore) was allocated in BE 2022-23 under Infrastructure component to Perunthalaivar Kamarajar Arts College (PKAC), Puducherry and Kasturba College for Women, Villianur (KCW) respectively. However, it was not utilised during 2022-23 due to the following reasons.

(i)	PKAC, Pdy	Vertical expansion in the existing building could not be carried out due to stability reasons and proposal getting reworked for construction of the same in the land available to the college.
(ii)	KCW, Pdy	Ongoing litigation issues in the land to be settled.

It was noticed that clear site was not ensured before award of work and sanctioning of funds. According to CPWD provisions, it is mandatory to ensure the availability of site before taking up the work and it is the responsibility of the Department to handover clear site. Without ensuring the clear site, funds were sanctioned, resulting in non-utilisation of allocated funds.

In response to the Review of selected grants, the Government stated (February 2024) that funds kept in civil deposits were already utilised for issue of laptops in the current financial year. However, the fact remained that funds were drawn to avoid lapse of grant and kept under Civil Deposits. It was further replied that the Department of Arts and Culture would be addressed regarding parking of funds in Bank Account and necessary instructions would be issued to all the Departments in this regard.

3.5 Conclusion

Unnecessary Supplementary grant/re-appropriation

Supplementary provision of ₹ 50 lakh or more in each case aggregating ₹ 151.59 crore obtained in 19 grants proved wholly unnecessary as the original provision itself was not exhausted. Further, in respect of 52 sub-heads though an amount of ₹ 535.48 crore was available (Original and Supplementary), an additional amount of ₹ 41.24 crore was provided at re-appropriation stage which was unnecessary as the total expenditure in these sub-heads were ₹ 475.21 crore and was well within the 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.

(Paragraph 3.3.3)

Unspent amount, savings not surrendered and persistent savings

In 24 grants/appropriations, there were savings of above ₹ one crore amounting to ₹ 856.69 crore. Out of the savings, ₹ 681.88 crore (79.59 *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 21 grants, there were persistent savings of more than ₹ 50 lakh during the last five years.

(Paragraph 3.3.5)

Rush of expenditure

In respect 112 sub-heads, expenditure exceeding ₹ 50 lakh and by more than 50 *per cent* of the total expenditure for the year was incurred in March 2023 to the tune of ₹ 604.32 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.

(Paragraph 3.4.4)

3.6 Recommendations

- The UT Government should make concerted efforts to ensure that instances of unnecessary supplementary provisions/re-appropriations are avoided.
- UT Government to enforce proper implementation and monitoring of budget to ensure that the savings are curtailed, large savings 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.
- 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.

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.

Issues related to completeness of accounts

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

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

The service charges collected by the Transport Department were deposited in a Current Account opened in State Bank of India (SBI) and in the form of Fixed Deposits in Puduvai Bharathiar Grama Bank (PBGB) and made payments to the smart card vendors. The balance available in the account as on 31 March 2023

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

was ₹ 12.41 crore (₹ 5.98 crore in the current account maintained in SBI and ₹ 6.43 crore in the form of Fixed Deposits in PBGB).

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

Government stated (February 2024) that necessary action would be initiated.

4.2 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 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 energised after the date of notification and in other cases, from the date of notification of JERC Supply Code, 2018. The interest accrued during the year shall be adjusted in the consumer's bill in the first billing cycle of the ensuing financial year.

The details of liability towards interest payable on SD, interest actually paid and shortfall during the years from 2020-21 to 2022-23 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	Interest paid by Department*	Interest to be paid
2020-21	10.23	6.84	3.39
2021-22	9.52	6.88	2.64
2022-23	10.16	6.22	3.94
Total	**29.91**	**19.94**	**9.97**

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

The shortfall in payment ranged between 28 and 39 *per cent* during the period 2020-23 which led to continued non-discharge of liability towards interest amounting to ₹ 9.97 crore on Security Deposits.

Government stated (February 2024) that necessary action would be initiated.

4.3 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 2022-23, GoI transferred ₹ 201.06 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 2022-23 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 2022-23
1	Member of Parliament Local Area Development Scheme (MPLAD)	Project Director, Rural Development Agency, Puducherry	7.00
2	Khelo India	Puducherry State Sports Council	3.00
3	Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	Department of Agriculture, Puducherry	5.91
4	Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PM-JAY)	Ayushman Bharat National Health Protection Mission	7.98
5	SAMARTHYA (Shakti Sadan (Swadhar Ujjawala Widow Home) Shakti Niwas Palna PMMVY Naional Hub for Women Empowerment, Gender Budgeting, Research Skilling, Training, Media, etc.)	Women and Child Development Department, Puducherry	1.96
6	Support for Statistical Strengthening	Directorate of Economics and Statistics, Puducherry	1.99
7	Mahatma Gandhi National Rural Guarantee Program	SEGF-Ne-FMS Account	20.72
8	National AIDS and STD Control Programme	Pondicherry AIDS Control Society	5.08
9	Food Subsidy for Decentralised Procurement of Foodgrains under NFSA	Department of Civil Supplies and Consumer Affairs, Puducherry	141.90
Total			**195.54**

Government stated (February 2024) that a mechanism would be devised to monitor such direct release of funds.

Issues related to transparency

4.4 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 the intended purpose.

As of March 2023, UCs amounting to ₹ 461.46 crore in respect of 849 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	196	36.39
2	9-5 years	131	59.89
3	5-1 year	522	365.18
Total		**849**	**461.46**

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

- Out of 849 UCs, 196 UCs involving ₹ 36.39 crore (7.89 *per cent*) were pending for more than nine years.
- 131 UCs involving ₹ 59.89 crore (12.98 *per cent*) were pending for periods ranging from nine to five years.
- 522 UCs involving ₹ 365.18 crore (79.13 *per cent*) were pending for periods ranging from five to one year.

Pendency of 619 UCs for an aggregate amount of ₹ 368.14 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)

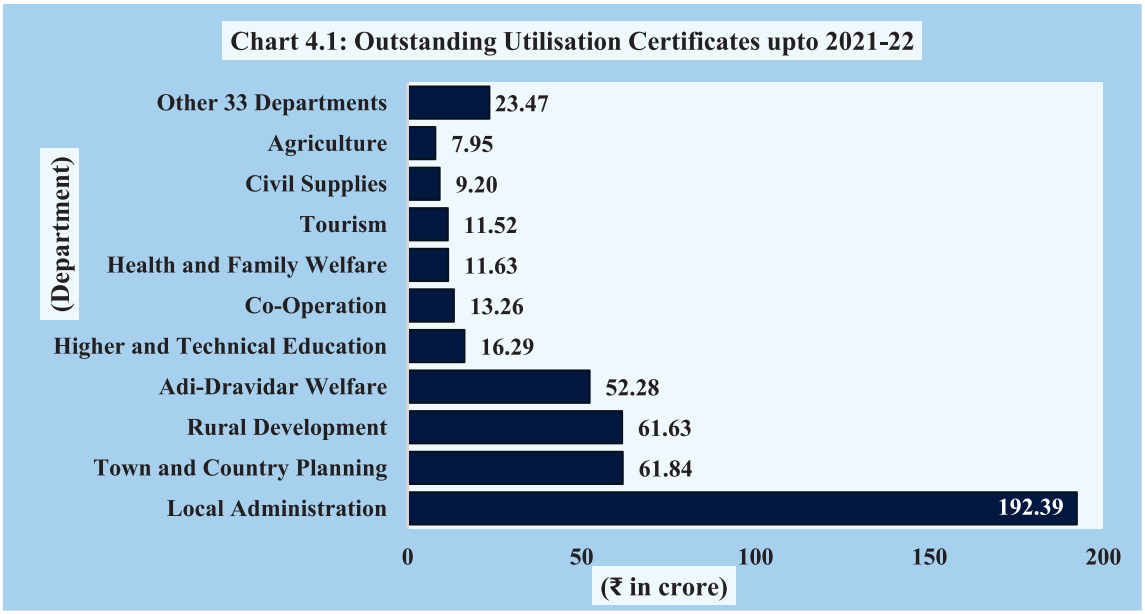
Year	Opening Balance	Amount	Closing Balance	Amount
up to 2018-19	384	121.70	445	218.06
2019-20	445	218.06	523	255.37
2020-21	523	255.37	684	347.36
2021-22	684	347.36	849	461.46
2022-23	849	461.46	1,454*	1,059.50

* UCs for the GIA disbursed during 2022-23 become due only during 2023-24

(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 Utilisation Certificates upto 2021-22



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

Non-submission of the UCs meant there is no assurance that the expenditure against the grants has actually been incurred for the purpose for which it was authorised and fraught with the risk of misappropriation of funds. UT Government should monitor this aspect closely and hold the concerned persons accountable for non-submission of UCs.

Government stated (February 2024) that UCs in respect of 62 cases were received and instructions were issued to the departments for earlier submission of UCs.

4.5 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.

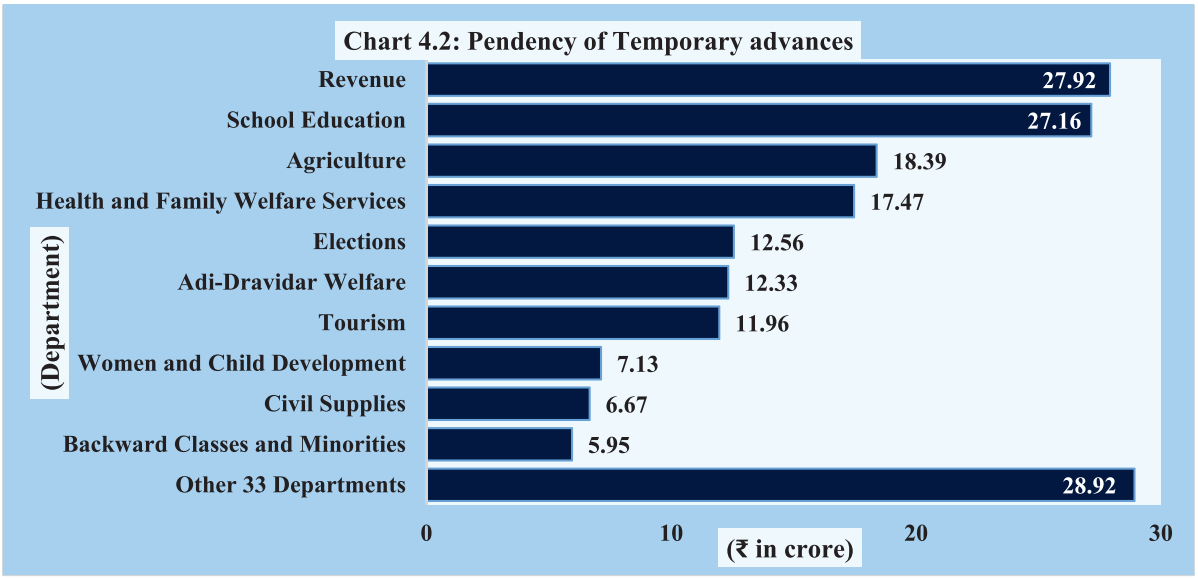
As on 31 March 2023, 1,321 advances aggregating to ₹ 176.46 crore were pending in respect of 240 out of 657 DDOs, as per the records of the Directorate of Accounts and Treasuries, Puducherry. Age-wise analysis of the pending advances is given in **Table 4.5**.

Table 4.5: Age-wise analysis of pending advances

Sl. No.	Pendency	Number of advances	Amount (₹ in crore)
1	More than 10 years	317	21.74
2	More than five years but less than 10 years	140	6.53
3	More than one year but less than five years	472	78.43
4	Less than one year	392	69.76
Total		**1,321**	**176.46**

(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)

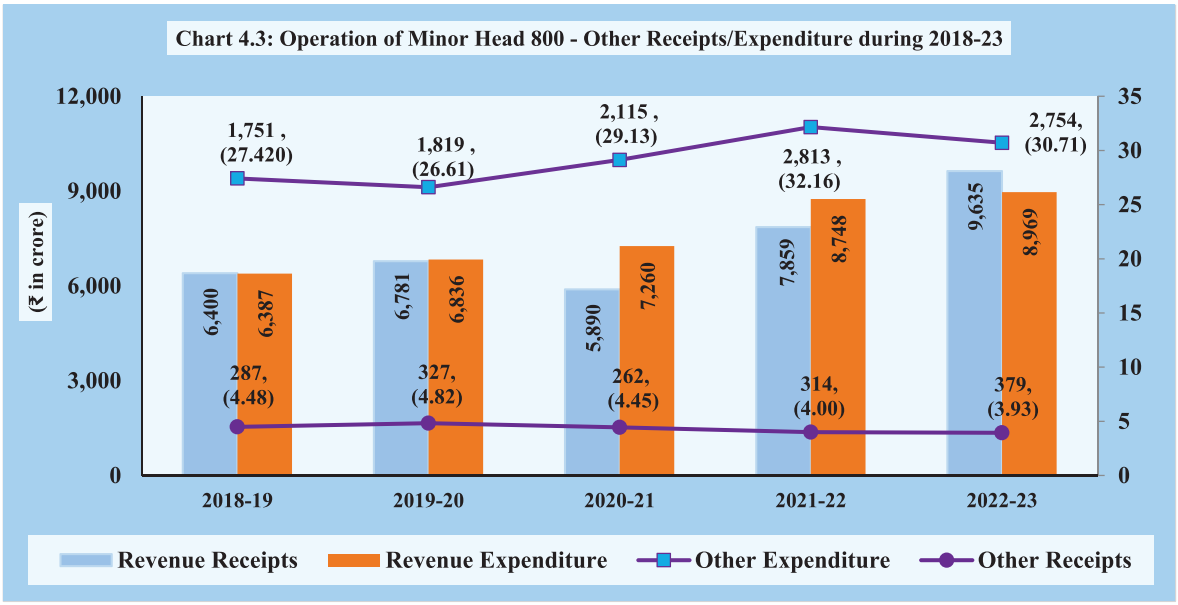
The pendency in respect of 317 advances involving ₹ 21.74 crore for more than 10 years indicated serious laxity on the part of the departments in enforcing the provisions contemplated for adjustment of the advances. Further, there is no assurance that the expenditure of ₹ 176.46 crore has actually been incurred during the financial year for the purpose for which it was authorised by the Legislature. Advances drawn and not accounted for, had increased the possibility of wastage/misappropriation/malfeasance, etc.

Government stated (February 2024) that 181 numbers of temporary advances (out of 1,321) were settled and that periodical meetings were being conducted for speedy settlement.

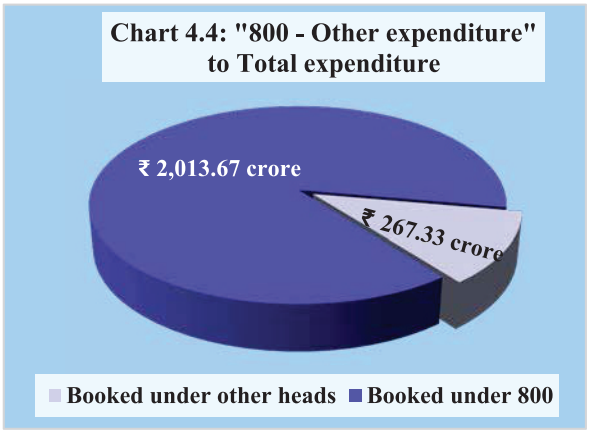
4.6 Indiscriminate use of Minor Head '800'

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 2018-19 to 2022-23 are given in **Chart 4.3**.

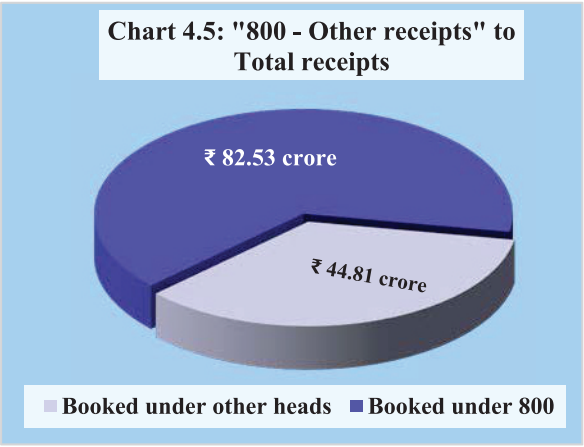


Figures in brackets indicates percentages to Revenue Receipts/Revenue Expenditure
(Source: Finance Accounts of respective years)



During 2022-23, under nine Major Heads, expenditure aggregating to ₹ 2,013.67 crore (88.28 *per cent* of the total expenditure of ₹ 2,281 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 "5054 - Capital Outlay on Roads and Bridges", were classified under the omnibus minor head '800 - Other expenditure', instead

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



Similarly, under 13 Major heads, Revenue receipts aggregating to ₹ 82.53 crore (64.81 *per cent* of the total receipt of ₹ 127.34 crore under these heads), were classified under the minor head '800 - Other receipts'. The entire receipts under "0049 - Interest Receipts", "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 ₹ 2,096.20 crore under the omnibus minor head "800 - Other Expenditure/Receipts" reflected lack of transparency in financial reporting.

Though there had been improvement during the current year in respect of reduction in opening of the minor heads of accounts under 800-Other Expenditure/Receipts by 88 and 65 *per cent* respectively, the fact however, remains that indiscriminate use of these minor heads has an adverse impact on transparent depiction of financial position in the Accounts.

Government stated (February 2024) that minor heads had been opened in respect of School Education and Electricity departments and in respect of other departments, necessary minor heads would be opened in consultation with the Controller General of Accounts in the ensuing financial year.

Issues related to disclosure

4.7 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 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 Directorate of Accounts and Treasuries, the institutions are identified for the purpose of conducting audit.

The audit of accounts of 70 autonomous bodies is conducted under Section 14 and 15 of the CAG's DPC Act, 1971. The audit of accounts of two autonomous bodies /authorities in the UT of Puducherry is conducted under Section 19(2) of the CAG's DPC Act, 1971.

The details of the accounts which were due and not received are given in **Appendix 4.3** and their age-wise pendency is presented in **Table 4.6**.

Table 4.6: Age-wise arrears of annual accounts due from Autonomous Bodies/Authorities

Sl. No.	Pendency in number of years	Number of Bodies/Authorities
1	More than 5 years	18
2	5 - 3 years	27
3	2 - 1 year	23
	Total	68

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

Due to non-furnishing of details by the Departments and non-submission of annual accounts by Autonomous Bodies/Authorities, the utilisation of Government grants for the intended purposes could not be ensured. Non-submission of accounts violates Rule 236 of the GFR, 2017. The delay in finalisation and submission of accounts would hamper audit in assuring the legislature that the grants were being utilised for the intended objective.

Government stated (February 2024) that strict instructions were issued to autonomous bodies to complete the arrears in finalisation of accounts and to submit the accounts by 31 March 2024.

4.8 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 320 cases of misappropriation, loss and defalcation upto March 2023, involving Government money amounting to ₹ 28.62 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 257 cases involving an amount of ₹ 27.14 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	6.79
20-25	95	8.89
15-20	55	210.18
10-15	25	2,497.97
5 - 10	34	33.69
0 - 5	20	104.08
Total	**320**	**2,861.60**

(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	33.29
(ii)	Departmental actions initiated but not finalised / Pending in Courts of Law	26	2,756.49
(iii)	Awaiting orders for recovery or write-off	277	71.82
Total		**320**	**2,861.60**

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

In respect of 43 cases of misappropriation, theft/loss of materials, amounting to ₹ 27.90 crore, FIRs were lodged, but results of the investigations are awaited.

Government stated (February 2024) that necessary action would be initiated.

4.9 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 2021-22 have been tabled in the UT Legislature. The Public Accounts Committee (PAC) had discussed the reports till the year 2016-17. From the Year 2017-18 upto the year 2021-22, 90 paragraphs were pending discussion by PAC.

4.10 Conclusion

Utilisation certificates and Temporary advances

Non-submission of UCs (₹ 461.46 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 (₹ 176.46 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.

(Paragraphs 4.4 and 4.5)

Indiscriminate use of Minor Head '800'

Out of Revenue expenditure of ₹ 8,969 crore, an amount of ₹ 2,754 crore (30.71 *per cent*) has been booked under the Minor Head "800 - Other expenditure". In nine Major heads, out of the total expenditure of ₹ 2,281 crore, an amount of ₹ 2,013.67 crore (88.28 *per cent*) has been booked under the Minor Head "800 - Other expenditure".

Similarly, out of Revenue receipts of ₹ 9,635 crore, an amount of ₹ 379 crore (3.93 *per cent*) has been booked under the Minor Head "800 - Other receipts". In 13 Major heads, out of the total receipt of ₹ 127.34 crore, an amount of ₹ 82.53 crore (64.81 *per cent*) was classified under the Minor head '800 - Other receipts'.

(Paragraph 4.6)

Non-submission of accounts by Autonomous bodies

As of March 2023, 68 accounts pertaining to Autonomous Bodies/Authorities were pending for finalisation and the extent of arrears ranged from one year to more than five years. 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.

(Paragraph 4.7)

Misappropriations, losses, thefts, etc.

The Departments of UT Government reported 320 cases of misappropriation, loss and defalcation up to March 2023, involving Government money

amounting to ₹ 28.62 crore on which final action was pending. The Electricity Department accounted for 257 cases involving an amount of ₹ 27.14 crore. In respect of 43 cases of misappropriation, theft/loss of materials, amounting to ₹ 27.90 crore, FIRs were lodged, but results of the investigations are awaited.

(Paragraph 4.8)

4.11 Recommendations

- 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.
- The UT Government should ensure that the Receipts/Expenditure are booked under the relevant Minor Heads instead of indiscriminately booking under the Minor Head '800'.
- The UT Government should fix responsibility on the Autonomous Bodies concerned for pendency of accounts.
- The UT Government should instruct the departments to expedite action on the pending issues.

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 (UTPSUs) 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. Impact of significant comments issued as a result of supplementary audit of the Financial Statements of these Union Territory Public Sector Undertakings (UTPSUs) conducted by the Comptroller and Auditor General (CAG) of India has also been discussed.

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 (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 Act, the CAG appoints the Chartered Accountants as Statutory Auditors for companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct supplementary audit of the company's financial statements and issue comments upon or supplement the Audit Report of the Statutory Auditor.

5.3 Coverage and nature of PSUs

As on 31 March 2023, there were 13[1] UTPSUs (including one non-functional UTPSU[2]) under the audit jurisdiction of the CAG as indicated in **Table 5.1**.

---

1 All the 13 PSUs are Government Companies.

2 Non-functional UTPSUs 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 UTPSUs covered in this report

Nature of the UTPSUs	Total number of UTPSUs	Number of UTPSUs covered in the Report				
		Accounts up to			2019-20[3] and prior	Total
		2022-23	2021-22	2020-21		
Working Government Companies	12	Nil	2	2	8	12
Total Companies	12	Nil	2	2	8	12
Non-Functional Government Companies	1[#]	--	--	--	--	--
Total	**13**	**Nil**	**2**	**2**	**8**	**12**

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

5.4 UTPSUs and their contribution to the GSDP of the UT

PSUs are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the State economy. As on 31 March 2023, there were 12 UTPSUs (excluding one non-functional UTPSU[4]) under the audit jurisdiction of the CAG, the names of these UTPSUs are given in **Appendix 5.1**.

A ratio of turnover of the UTPSUs to the Gross State Domestic Product (GSDP) shows the extent of activities of the UTPSUs in the UT economy. The details of turnover of UTPSUs and GSDP for a period of three years ending 31 March 2023 are given in **Table 5.2**.

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

(₹ in crore)

Particulars	2020-21	2021-22	2022-23
Turnover	435.46	387.75	364.55
GSDP of Puducherry	36,115.88	44,237.86	47,487.03
Percentage of Turnover to GSDP of Puducherry	1.21	0.88	0.77

As per their latest audited accounts available in respective years, the turnover of these UTPSUs showed a decreasing trend as may be seen from **Table 5.2**. The turnover decreased by 5.98 *per cent* during 2022-23 as compared to 2021-22. However, the GSDP of the UT Government showed an increasing

[3] Accounts for the years 2012-13:1, 2013-14:1, 2014-15:1, 2015-16:2, 2016-17: 1, 2018-19: 1 and 2019-20:1.

[4] The assets and liabilities of PELECON have been taken over by its holding company *viz.,* Pondicherry Industrial Promotion Development and Investment Corporation Limited.

trend and the contribution of UTPSUs to the UT GSDP is marginal. As on 31 March 2023, UT Government had investment of ₹ 721.54 crore (Equity: ₹ 712.39 crore and Long-term loans: ₹ 9.15 crore) in these UTPSUs. In addition to it, ₹ 116.73 crore of Grants was provided to six of these UTPSUs by UT Government during 2022-23.

5.5 Investment in UTPSUs

5.5.1 Equity holding and Loans in UTPSUs

The sector-wise Total Equity, Equity Contribution by UT Government and Long-term Loans including the loans given by UT Government as on 31 March 2023 is given below in **Table 5.3**.

Table 5.3: Sector-wise investment[5] in UTPSUs

(₹ in crore)

Sl. No.	Name of Sector	Total Equity	UT Government Equity	Total Long Term Loans	UT Government Loans	Total Equity and Long-term Loans
1.	Power	99.78	99.78	0.00	0.00	99.78
2.	Finance	136.07	125.85	50.26	3.00	186.33
3.	Services	52.37	52.37	2.72	2.72	55.09
4	Manufacturing	409.51	409.51	0.08	0.00	409.59
5	Agriculture and Allied	24.93	24.88	0.14	0.14	25.07
Total		**722.66**	**712.39**	**53.20**	**5.86**	**775.86**

(Source: Latest Financial Statements of UTPSUs)

The thrust of UTPSUs investment was mainly on Manufacturing and Finance sector. These sectors have received 52.79 *per cent* (₹ 409.59 crore) and 24.02 *per cent* (₹ 186.33 crore) of total investment of ₹ 775.86 crore.

5.5.2 Market Capitalisation of equity investment in UTPSUs

None of these UTPSUs are listed in the Stock Exchange.

5.5.3 Disinvestment, restructuring or privatisation

During the year 2022-23, there was no case of disinvestment, restructuring and privatisation of UTPSUs. The UT Government has not prepared any policy on disinvestment of UT Government equity invested in the UTPSUs.

[5] Investment includes equity and long-term loans.

5.6 Returns from UTPSUs

5.6.1 Profit earned by UTPSUs

There were five profit earning UTPSUs[6] during the last two years (2021-22 and 2022-23). The profit earned increased to ₹ 43.80 crore in 2022-23 from ₹ 38.48 crore in 2021-22. The Return on Equity (RoE) of the five profit earned UTPSUs increased to 13.71 *per cent* in 2022-23 as compared to 11.37 *per cent* in five UTPSUs in 2021-22. The RoE of all the 12 UTPSUs (*i.e.,* including seven loss making companies) was (-) 42.67 *per cent* in 2022-23.

The details of top three UTPSUs which contributed maximum profit are summarised in **Table 5.4**.

Table 5.4: Top three UTPSUs which contributed maximum profit

Name of the UTPSU	Net profit earned (₹ in crore)	Percentage of profit to total UTPSUs profit
Swadeshee Bharatee Textile Mills Limited (2014-15)	22.19	50.66
Puducherry Power Corporation Limited (2020-21)	14.10	32.19
Puducherry Industrial Promotion Development and Investment Corporation Limited (2019-20)	5.30	12.10
Total	**41.59**	**94.95**

(Source: Latest financial statements of UTPSUs)

These three alone had contributed 94.95 *per cent* of total profit (₹ 43.80 crore) earned by five UTPSUs.

5.6.2 Dividend paid by UTPSUs

During 2022-23, out of the 12 UTPSUs, five UTPSUs earned profit of ₹ 43.80 crore as per the latest finalised accounts.

Table 5.5: Dividend paid by UTPSUs

Year	No. of UTPSUs which declared dividend	Paid up capital (₹ in crore)	Net profit (₹ in crore)	Dividend declared (₹ in crore)
2020-21	2[7]	108.23	10.60	2.71
2021-22	1[8]	99.78	14.10	5.64
2022-23	0	0.00	0.00	0.00

As may be seen from **Table 5.5**, two UTPSUs declared dividend during 2020-21 and only one UTPSU declared dividend during 2021-22. However, none of the UTPSUs declared any dividend in 2022-23. It is pertinent to mention that

6 Accounts received up to 30 November 2023.

7 Puducherry Power Corporation Limited and Puducherry Distilleries Limited.

8 Puducherry Power Corporation Limited.

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

5.7 Debt Servicing

5.7.1 Interest Coverage Ratio

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 UTPSUs, which had outstanding loans during the period from 2020-21 to 2022-23 are given in **Table 5.6**.

Table 5.6: Interest Coverage Ratio

Year	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	No. of UTPSUs	No. of UTPSUs having ICR > 1	No. of UTPSUs having ICR < 1
2020-21	19.46	0.01	8	4	4
2021-22	19.27	6.18	7	3	4
2022-23	2.56	12.26	5	2	3

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

It was observed that two UTPSUs which had liabilities of loans, had ICR of more than one during 2022-23 whereas three UTPSUs were having ICR 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

Return on Capital Employed (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[9]. The details of RoCE during the period from 2020-21 to 2022-23 are given in **Table 5.7**.

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

Table 5.7: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in *per cent*)
2020-21	(-) 2.00	52.19	--
2021-22	13.84	50.49	27.41
2022-23	21.98	78.25	28.09

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

It was observed that RoCE was negative during 2020-21, but turned positive during 2021-22 and 2022-23. The RoCE increased during 2022-23 as compared to 2021-22 due to increase in both EBIT and capital employed.

5.8.2 Return on Equity by UTPSUs

Return on Equity (RoE)[10] is a measure of financial performance to assess how effectively a company's assets are being used to create profits. RoE is calculated by dividing net income (*i.e.,* net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any company if net income and shareholders' fund are both positive numbers.

Shareholders' fund is calculated by adding paid up capital and free reserves minus accumulated losses and deferred revenue expenditure and reveals how much to be left for a company's stakeholders, if all assets were sold and all debts paid. A positive shareholders' fund reveals that the company has enough assets to cover its liabilities while negative share holders' fund means liabilities exceed assets.

The details of shareholders' fund and RoE of UTPSUs during the period from 2020-21 to 2022-23 are given in **Table 5.8**.

Table 5.8: Return on Equity relating to UTPSUs where funds were infused by the UT Government

Year	Net Income (₹ in crore)	Shareholders Fund (₹ in crore)	ROE* (in *per cent*)
2020-21	(-) 27.36	9.42	--
2021-22	(-) 11.39	9.22	--
2022-23	(-) 5.82	13.64	--

* ROE not calculated since the net income was negative

(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 2022-23, net income was negative in all the three years and therefore, the RoE also remained negative.

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

5.9 UTPSUs incurring losses

5.9.1 Losses incurred

There were seven UTPSUs that incurred losses as per their latest finalised accounts. The losses incurred by these UTPSUs decreased marginally to ₹ 49.62 crore as per their latest finalised accounts from losses of ₹ 49.87 crore reported by the same seven UTPSUs as given in **Table 5.9**.

Table 5.9: Number of UTPSUs that incurred losses during 2020-21 to 2022-23

Year	No. of loss making UTPSUs	Net loss for the year (₹ in crore)	Accumulated loss (₹ in crore)	Net worth[11] (₹ in crore)
2020-21	6	62.43	735.88	(-) 290.14
2021-22	7	49.87	771.35	(-) 308.02
2022-23	7	49.62	769.08	(-) 305.75

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

It is pertinent to mention that the Union Territory Government had invested ₹ 461.60 crore in the form of equity in these seven loss making UTPSUs without any return in the form of dividend. Thus, out of the total 12 working UTPSUs, five UTPSUs earned profit of ₹ 43.80 crore and seven UTPSUs incurred losses of ₹ 49.62 crore aggregating to overall loss of ₹ 5.82 crore during 2022-23.

5.9.2 Erosion of capital in UTPSUs

As on 31 March 2023, there were eight UTPSUs with accumulated losses of ₹ 823.98 crore. Of these, seven UTPSUs incurred losses amounting to ₹ 49.62 crore as per latest finalised accounts and one UTPSUs had not incurred loss even though it had accumulated loss of ₹ 54.90 crore as per its latest accounts finalised.

The net worth of seven out of eight UTPSUs had been completely eroded by accumulated losses and their net worth was negative and the details are indicated in **Appendix 5.2**. The net worth of these seven UTPSUs remained negative for a period ranging from one to 10 years (i.e upto the year of accounts finalised by these UTPSUs). The net worth of these seven UTPSUs was ₹ (-) 327.90 crore as per their latest finalised accounts against equity

[11] 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.

investment of ₹ 493.22 crore as on 31 March 2023. Out of seven UTPSUs, whose capital had eroded, one UTPSU had earned profit of ₹ 22.19 crore.

The seven UTPSUs whose net worth had eroded[12], incurred operational expenditure of ₹ 346.31 crore as against operational income of ₹ 230.80 crore as per their latest finalised accounts. It is pertinent to mention that none of the above seven UTPSUs finalised their accounts for 2022-23 and their accounts were in arrears for a period ranging from one to ten years **(Appendix 5.2)**. However, the UT Government had been extending budgetary support to these UTPSUs in the form of grants/subsidies etc., and during 2022-23, the same amounted to ₹ 58.22 crore.

5.10 Audit of UTPSUs

CAG appoints the statutory auditors of a Government Company under Section 139(5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor.

5.11 Submission of accounts by UTPSUs

5.11.1 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[13] (AGM). As soon as may be after such preparation, the Annual Report must be laid before Legislature, together with a copy of the Audit Report and comments of the CAG upon or as supplement to the Audit Report. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the PSUs 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

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12 The liabilities/establishment expenditure of the net worth eroded UTPSUs were met from internal generation, budgetary support from UT Government etc.

13 In case of the first AGM, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case, within a period of six months from the date of closing of the financial year *i.e.* 30 September.

Financial Statement for the financial year have 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 UTPSUs were pending as detailed in the following paragraph.

5.11.2 Timeliness in preparation of accounts by UTPSUs

As of 31 March 2023, there were 12 UTPSUs under the purview of CAG's audit. Of these, accounts for the year 2022-23 were due from all the 12 UTPSUs. Moreover, none of the UTPSUs finalised its accounts for 2022-23. Their accounts were in arrears ranging from one to 10 years for various reasons. **(Appendix 5.3)**. During the year, six UTPSUs submitted their 10 arrear accounts for audit by CAG. Details of arrears in submission of accounts by UTPSUs are given in **Table 5.10**.

Table 5.10: Details of arrears in submission of accounts by PSUs

Sl. No.	Particulars		UTPSUs
1	Total number of PSUs under the purview of CAG's audit as on 31.03.2023		12
2	Less: New PSUs from which accounts for 2022-23 were not due		0
3	Number of PSUs from which accounts for 2022-23 were due		12
4	Number of PSUs which presented the accounts for 2022-23 for CAG's audit		0
5	**Number of accounts are in arrears (12 PSUs)**		**60**
	Break-up of Arrears	(i) Under Liquidation	0
		(ii) Defunct	0
		(iii) Others	60
	Age–wise analysis of arrears against 'Others' category	One year (2022-23)	2
		Two years (2021-22 and 2022-23)	4
		Three years and more	54

(Source: Compiled on the basis of annual accounts received in the Office of the Principal Accountant General (Audit-II), Tamil Nadu and Puducherry).

Since the UT Government had made investment in the form of equity and loans in the UTPSUs whose accounts had been falling in arrears, the non-finalisation of accounts by these UTPSUs would lead to the Government investments remaining outside the oversight of Audit as well as the UT

Legislature thereby making them highly susceptible to instances of fraud and misappropriation.

Government stated (February 2024) that meetings were already conducted and instructions issued to finalise their accounts by 31 March 2026.

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

5.12.1 Financial reporting framework

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 renamed as National Financial Reporting Authority[14].

5.12.2 Audit of accounts of UTPSUs by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the UTPSUs 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.

5.12.3 Supplementary Audit of accounts of UTPSUs

The primary responsibility for preparation of financial statements in accordance with the financial reporting framework 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

[14] Effective from 01 October 2018.

financial statements under Section 143 of the Companies Act, 2013 based on an 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 UTPSUs 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.

5.13 Result of CAG's oversight role

None of the 12 Government Companies submitted its Financial Statements for the year 2022-23. 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, six[15] UTPSUs submitted their 10 arrear accounts during the year 2023. Of these, four accounts[16] of four UTPSUs were reviewed in audit by the CAG and non-review certificates were issued for the six accounts of five UTPSUs. The results of the review are detailed below:

5.13.1 Amendment of Financial Statements

During 2022-23, there is no case of UTPSUs amending their Financial Statements before laying the same in the AGM.

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15 Puducherry Tourism Development Corporation Limited (2021-22), Puducherry Road Transport Corporation Limited (2020-21), Pondicherry Industrial Promotion Development and Investment Corporation Limited (2018-19 and 2019-20), Puducherry Adi-dravidar and Scheduled Tribes Development Corporation Limited (2017-18 and 2018-19), Puducherry Backward Classes and Minorities Development Corporation Limited (2015-16) and Puducherry Corporation for the Development of Women and Differently Abled Persons Limited (2019-20, 2020-21 and 2021-22).

16 Pondicherry Industrial Promotion Development and Investment Corporation Limited (2019-20), Puducherry Road Transport Corporation Limited (2020-21), Puducherry Adi-dravidar and Scheduled Tribes Development Corporation Limited (2018-19) and Puducherry Corporation for the Development of Women and Differently Abled Persons Limited (2021-22).

5.13.2 Revision of Auditor's Report

The statutory auditors' reports on three[17] Financial Statements were revised as a result of supplementary audit of the Financial Statements conducted by the CAG.

5.14 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 Public Sector Undertakings 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 'Management Letter' for taking corrective action. During the year, CAG issued Management Letter to one[18] UTPSU on the deficiencies related to accounting treatment and policies.

5.15 Conclusion

As on March 2023, there were 12 UTPSUs (excluding one non-functional UTPSU). All the 12 UTPSUs did not adhere to the prescribed timeline regarding submission of their Financial Statements. There were 60 accounts of 12 UTPSUs in arrears ranging from one to 10 years.

Out of the total profit of ₹ 43.80 crore earned by five UTPSUs, 94.95 *per cent* was contributed by three UTPSUs. The remaining seven UTPSUs incurred a total loss of ₹ 49.62 crore leading to overall loss of ₹ 5.82 crore. None of the five profit making UTPSUs which finalised their arrear accounts during the year declared any dividend. The Net worth of seven UTPSUs was negative at ₹ 327.90 crore as its equity had been completely eroded by accumulated losses.

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17 Pondicherry Industrial Promotion Development and Investment Corporation Limited (2019-20), Puducherry Road Transport Corporation Limited (2020-21) and Puducherry Corporation for the Development of Women and Differently Abled Persons Limited (2021-22).

18 Puducherry Corporation for the Development of Women and Differently Abled Persons Limited (2021-22).

5.16 Recommendations

- UT Government may ensure timely submission of Financial Statements of UTPSUs, as in the absence of finalisation of accounts, Government investments in such UTPSUs remain outside the oversight of the UT Legislature.
- UT Government may either reconsider continuing with those Government Companies which have been loss making for very long and whose net worth has been eroded, especially if these companies are not fulfilling any social welfare purpose or initiate steps to make their operations efficient and profitable.



Chennai,
The 18 November 2024

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

Countersigned



New Delhi,
The 19 November 2024

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendices

Appendix 2.1

(Reference: Paragraph 2.1; Page 17)

Time series data on the Union Territory Government Finances

(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
(1)	(2)	(3)	(4)	(5)	(6)
Part A. Receipts					
1. Revenue Receipts	**6,400 (78)**	**6,781 (77)**	**5,890 (63)**	**7,859 (72)**	**9,635 (81)**
(i) Tax Revenue	**3,188 (50)**	**2,475 (37)**	**1,948 (33)**	**3,236 (41)**	**3,574 (37)**
Goods and Services Tax (GST)	1,499	781	433	1,273	1,151
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc.	632	596	549	656	748
State Excise	850	868	798	1,096	1,403
Taxes on Vehicles	114	139	84	99	137
Stamp Duty and Registration Fees	92	88	82	111	134
Land Revenue	1	2	2	1	1
Taxes on Goods and Passengers	Nil	Nil	Nil	Nil	Nil
(ii) Non-Tax Revenue	**1,584 (25)**	**1,638 (24)**	**1,460 (25)**	**2,184 (28)**	**1,964 (20)**
(iii) State's share of Union taxes and duties	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
(iv) Grants-in-aid from Government of India	**1,628 (25)**	**2,668 (39)**	**2,482 (42)**	**2,439 (31)**	**4,097 (43)**
2. Miscellaneous Capital Receipts	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
3. Recoveries of Loans and Advances	1	**Nil**	**Nil**	**Nil**	**Nil**
4. Total Revenue and Non-debt capital receipts (1+2+3)	**6,401**	**6,781**	**5,890**	**7,859**	**9,635**
5. Public Debt Receipts	**1,007 (12)**	**1,044 (12)**	**2,529 (27)**	**2,516 (23)**	**1,271 (11)**
External Debt	50	Nil	Nil	Nil	Nil
Internal Debt and Market Loan	957	1,043	1,787	1,420	1,271
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	Nil	1	742	1,096	0
6. Total Receipts in the Consolidated Fund (4+5)	**7,408**	**7,825**	**8,419**	**10,375**	**10,906**

	2018-19	2019-20	2020-21	2021-22	2022-23
(1)	(2)	(3)	(4)	(5)	(6)
7. Contingency Fund Receipts	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
8. Public Account Receipts	**778 (10)**	**928 (11)**	**906 (10)**	**568**	**1,030**
9. Total Receipts of UT (6+7+8)	**8,186**	**8,753**	**9,325**	**10,943**	**11,936**
Part B. Expenditure/Disbursement					
10. Revenue expenditure	**6,387 (74)**	**6,836 (78)**	**7260 (78)**	**8,748 (81)**	**8,969 (77)**
(i) General Services (including interest payments)	2,154	2,313	2,432	2,787	2,915
(ii) Social Services	2,401	2,440	2,450	2,761	3,379
(iii) Economic Services	1,832	2,083	2,378	3,200	2,675
(iv) Grants-in-aid and Contributions	Nil	Nil	Nil	Nil	0
11. Capital expenditure	**313 (4)**	**327 (4)**	**240 (3)**	**163 (2)**	**317 (3)**
(i) General Services	19	21	39	16	25
(ii) Social Services	126	160	87	58	99
(iii) Economic Services	168	146	114	89	193
12. Disbursement of Loans and Advances	**3**	**Nil**	**5**	**Nil**	**Nil**
13. Total (10+11+12)	**6,703**	**7,163**	**7,505**	**8,901**	**9,286**
14. Repayments of Public Debt	**639 (7)**	**762 (9)**	**838 (9)**	**891 (8)**	**1,472 (13)**
External debt	..	..	..		--
Internal Debt (excluding Ways and Means Advances and Overdrafts)	488	611	719	1,420	1,256
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	151	151	119	1,096	216
15. Appropriation to Contingency Fund	**Nil**	**Nil**	**0**	**0**	**0**
16. Total disbursement out of Consolidated Fund (13+14+15)	**7,342**	**7,925**	**8,343**	**9,802**	**10,758**
17. Contingency Fund disbursements	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
18. Public Account disbursements	**1,335 (15)**	**807 (9)**	**950 (10)**	**567**	**827 (7)**
19. Total disbursement by UT (16+17+18)	**8,677**	**8,732**	**9,293**	**10,369**	**11,585**

	2018-19	2019-20	2020-21	2021-22	2022-23
(1)	(2)	(3)	(4)	(5)	(6)
Part C. Deficits					
20. Revenue deficit(-)/Revenue surplus (+) (1-10)	**13**	**(-) 55**	**(-) 1,370**	**(-) 889**	**666**
21. Fiscal deficit (-)/Fiscal surplus (+) (4-13)	**(-) 302**	**(-) 381**	**(-) 1,615**	**(-) 1,052**	**349**
22. Primary deficit (-)/surplus (+) (21+23)	**405**	**308**	**(-) 858**	**(-) 175**	**1,134**
Part D. Other data					
23. Interest payments (included in revenue expenditure)	**707**	**690**	**757**	**877**	**785**
24. Financial Assistance to local bodies etc.	**748**	**779**	**780**	**512**	**630**
25. Ways and Means Advances/Overdraft availed (days)	**Nil**	**Nil**	**Nil**	**Nil**	**0**
Ways and Means Advances availed (days)	Nil	Nil	Nil	Nil	**0**
Overdraft availed (days)	Nil	Nil	Nil	Nil	**0**
26. Interest on Ways and Means Advances/ Overdraft	**Nil**	**Nil**	**Nil**	**Nil**	**0**
27. Gross State Domestic Product (GSDP)	**34,171**	**36,999**	**36,116**	**44,238**	**47,487**
28. Outstanding fiscal liabilities (year-end)	**9,144**	**9,449**	**10,894**	**12,593**	**12,480**
29. Outstanding guarantees (year-end) (including interest)	**51**	**44**	**43**	**35**	**26**
30. Maximum amount guaranteed (year-end)	**63**	**63**	**53**	**53**	**54**
31. Number of incomplete projects	**30**	**74**	**58**	**60**	**19**
32. Capital blocked in incomplete projects	**184.49**	**151.53**	**212.95**	**124.93**	**105.60**
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP	9.00	7.00	5.00	7.00	8.00
Non-Tax Revenue/GSDP	5.00	4.00	4.00	5.00	4.00
Central Transfers/GSDP	Nil	Nil	Nil	Nil	Nil
II Expenditure Management					
Total Expenditure/GSDP	20.00	19.00	21.00	20.00	20.00
Total Expenditure/Revenue Receipts	105.00	106.00	127.00	113.00	96.00
Revenue Expenditure/Total Expenditure	95.00	95.00	97.00	98.00	97.00

	2018-19	2019-20	2020-21	2021-22	2022-23
(1)	(2)	(3)	(4)	(5)	(6)
Expenditure on Social Services/Total Expenditure	38.00	36.00	34.00	32.00	37.00
Expenditure on Economic Services/Total Expenditure	30.00	31.00	33.00	37.00	31.00
Capital Expenditure/Total Expenditure	5.00	5.00	3.00	2.00	3.00
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	0.00	-0.10	-3.80	-2.00	1.40
Fiscal deficit (surplus)/GSDP	(-) 0.90	(-) 1.00	(-) 4.50	(-) 2.40	0.70
Primary Deficit (surplus) /GSDP	1.20	0.80	(-) 2.40	(-) 0.40	2.40
Revenue Surplus/Fiscal Surplus	(-) 4.300	14.40	84.80	84.50	190.80
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.25	0.25	0.28	0.34	0.26
Fiscal Liabilities/RR	1.43	1.39	1.85	1.60	1.30
Primary surplus/deficit *vis-à-vis* quantum spread	1.38	0.92	83.18	58.16	1,732.62
Debt Redemption (Principal +Interest)/ Total Debt Receipts	1.18	1.37	0.60	0.60	1.73
V Other Fiscal Health Indicators					
Return on Investment (₹ in crore)	0.09	Nil	0.09	0.09	0.75
Financial Assets/Liabilities	0.89	0.89	0.78	0.78	0.78
Revenue Expenditure /Revenue Receipts	100	101	123	111	93

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

Appendix 3.1

(Reference: Paragraph 3.1; Page 69)

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 regularisation by obtaining excess grant from the UT Legislature under Section 30 of UT Act, 1963.

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

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

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

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

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

16. ***'Supplementary Demands for Grants'* -** means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure 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 77)

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	04 - Administration of Justice	30.74	2.64	33.38	30.93	2.45
2	06 - Revenue and Food	306.76	48.11	354.87	307.58	47.29
3	09 - Secretariat	60.43	4.35	64.78	60.41	4.37
4	10 - District Administration	378.39	179.86	558.25	411.55	146.70
5	11 - Treasury and Accounts Administration	25.15	2.82	27.97	26.71	1.26
6	12 - Police	326.24	19.08	345.32	335.29	10.03
7	14 - Stationery and Printing	30.10	0.61	30.71	29.49	1.22
8	15 - Retirement Benefits	1,112.79	228.00	1,340.79	1,293.38	47.41
9	16 - Public Works	307.62	47.04	354.66	349.04	5.62
10	17 - Education	1,101.78	98.57	1,200.35	1,138.40	61.95
11	19 - Information and Publicity	30.27	2.68	32.95	29.60	3.35
12	20 - Labour and Employment	46.87	2.53	49.40	39.35	10.05
13	21 - Social Welfare	864.60	72.66	937.26	857.97	79.29
14	22 - Co-operation	37.68	27.21	64.89	58.56	6.33
15	24 - Agriculture	145.25	0.72	145.97	139.66	6.31
16	25 - Animal Husbandry	57.17	3.61	60.78	58.45	2.33
17	26 - Fisheries	85.41	6.76	92.17	67.90	24.27
18	27 - Community Development	57.76	20.13	77.89	68.37	9.52
19	29 - Electricity	1,654.94	138.93	1,793.87	1,790.53	3.34
Total (A)		**6,659.95**	**906.31**	**7,566.26**	**7,093.17**	**473.09**
(B) Revenue – Charged						
20	10 - District Administration	0.07	0.55	0.62	0.00	0.62
21	25 - Animal Husbandry	0.00	1.00	1.00	0.00	1.00

Sl. No.	Name of the Grant	Original	Supple-mentary	Provision	Expen-diture	Savings
22	33 - Public Debt	846.33	34.45	880.78	875.78	5.00
Total (B)		**846.40**	**36.00**	**882.40**	**875.78**	**6.62**
(C) Capital - Voted						
23	24 - Agriculture	0.61	0.87	1.48	0.96	0.52
Total (C)		**0.61**	**0.87**	**1.48**	**0.96**	**0.52**
(D) Capital - Charged						
24	16 - Public Works	14.40	10.20	24.60	22.09	2.51
25	32 - Building Programmes	0.36	3.65	4.01	2.46	1.55
26	33 - Public Debt	1,465.28	15.55	1,480.83	1,472.11	8.72
Total (D)		**1,480.04**	**29.40**	**1,509.44**	**1,496.66**	**12.78**
Grand Total		**8,987.00**	**972.58**	**9,959.58**	**9,466.57**	**493.01**

(Source: Appropriation Accounts of 2022-23)

Appendix 3.3

(Reference: Paragraph 3.3.3; Page 77)

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	3.36	0.86	4.22	3.67	0.31
2	04	2014	00	105	02	01	8.60	0.74	9.34	9.07	0.47
3	06	2029	00	101	03	01	8.50	0.84	9.34	9.04	0.54
4	06	2039	00	001	01	01	10.67	2.09	12.76	12.21	1.54
5	06	2235	60	101	01	01	3.10	1.50	4.60	4.60	1.50
6	09	2052	00	090	01	01	27.93	3.20	31.13	29.73	1.80
7	10	2217	05	800	03	02	3.50	4.65	8.15	8.01	4.51
8	10	2217	80	191	10	02	0.50	3.50	4.00	4.00	3.50
9	10	2217	80	800	09	01	22.00	11.00	33.00	32.61	10.61
10	11	2054	00	095	01	01	17.71	2.19	19.90	19.22	1.51
11	11	2054	00	095	01	02	2.55	0.50	3.05	2.97	0.42
12	12	2055	00	109	01	03	4.26	0.55	4.81	4.80	0.54
13	12	2055	00	115	01	01	31.39	1.70	33.09	32.83	1.44
14	12	2070	00	108	03	01	11.76	1.88	13.64	13.10	1.34
15	15	2071	01	101	01	07	580.00	48.00	628.00	618.84	38.84
16	15	2071	01	102	01	07	88.55	49.45	138.00	122.75	34.20
17	15	2071	01	104	01	07	94.50	66.50	161.00	148.30	53.80
18	15	2071	01	105	01	07	176.51	10.59	187.10	183.86	7.35
19	15	2071	01	115	01	07	68.00	33.00	101.00	92.93	24.93
20	16	2059	80	001	02	01	95.07	11.44	106.51	103.82	8.75
21	16	2059	80	001	02	02	13.83	0.57	14.40	13.87	0.04
22	16	2059	80	053	01	01	0.20	0.78	0.98	0.90	0.70
23	16	2215	02	105	01	01	9.30	1.05	10.35	10.35	1.05
24	16	2217	05	001	07	01	3.50	0.50	4.00	4.00	0.50
25	16	2702	01	101	04	01	0.38	0.80	1.18	0.83	0.45

Sl. No.	Grant No.	Head of account					Original	Supple-mentary	Total Provision	Expen-diture	Savings in Supple-mentary
26	16	2702	01	103	02	01	2.00	1.00	3.00	2.81	0.81
27	16	2702	02	001	02	01	5.96	0.50	6.46	6.22	0.26
28	16	3054	04	105	01	01	0.55	1.00	1.55	1.55	1.00
29	16	3054	04	800	04	02	1.35	1.65	3.00	3.00	1.65
30	16	3054	04	800	05	01	0.87	1.58	2.45	2.38	1.51
31	16	3054	80	001	01	01	17.89	1.64	19.53	18.95	1.06
32	16	5054	04	800	01	01	1.71	5.95	7.66	6.65	4.94
33	16	5054	04	800	01	02	5.20	1.47	6.67	6.37	1.17
34	17	2202	01	800	01	01	211.19	17.24	228.43	226.75	15.56
35	17	2202	01	800	01	02	58.95	3.20	62.15	61.63	2.68
36	17	2202	01	800	01	04	15.71	1.20	16.91	16.62	0.91
37	17	2202	02	109	17	02	17.45	1.23	18.68	17.77	0.32
38	17	2202	02	109	18	01	96.31	12.27	108.58	106.67	10.36
39	17	2202	02	109	18	02	24.50	2.42	26.92	26.44	1.94
40	17	2202	02	109	18	03	9.32	1.68	11.00	9.95	0.63
41	17	2202	02	109	18	04	10.69	0.72	11.41	11.28	0.59
42	17	2202	02	110	01	01	38.14	9.17	47.31	46.47	8.33
43	17	2202	03	103	01	01	11.98	0.85	12.83	12.42	0.44
44	17	2202	80	800	13	01	8.65	2.86	11.51	10.15	1.50
45	17	2202	80	800	15	01	3.36	1.39	4.75	4.74	1.38
46	17	2203	00	105	01	01	8.35	0.85	9.20	8.71	0.36
47	19	2070	00	115	01	06	4.64	1.57	6.21	5.63	0.99
48	20	2230	01	103	10	01	3.23	2.00	5.23	4.10	0.87
49	21	2225	03	277	07	01	0.50	9.00	9.50	5.46	4.96
50	21	2235	02	103	35	01	0.00	4.20	4.20	2.24	2.24
51	21	2235	02	104	04	01	11.00	1.82	12.82	12.81	1.81
52	21	2235	60	102	01	01	299.18	18.86	318.04	313.63	14.45
53	21	2235	60	102	01	02	55.93	7.57	63.50	63.35	7.42
54	21	2235	60	102	01	03	11.62	1.67	13.29	13.19	1.57

Sl. No.	Grant No.	Head of account					Original	Supple-mentary	Total Provision	Expen-diture	Savings in Supple-mentary
55	21	2235	60	102	01	04	10.15	1.27	11.42	11.14	0.99
56	22	4435	01	195	01	01	0.33	1.00	1.33	0.89	0.56
57	24	4406	01	102	02	01	0.00	0.83	0.83	0.31	0.31
58	26	2405	00	800	19	01	14.12	2.66	16.78	15.77	1.65
59	32	4202	03	800	01	02	0.00	2.60	2.60	2.24	2.24
60	33	2049	01	200	05	07	0.00	1.07	1.07	0.09	0.09
61	33	6004	01	101	01	07	126.70	15.55	142.25	137.52	10.82
Total							**2,373.20**	**399.42**	**2,772.62**	**2,682.21**	**309.01**

Appendix 3.4

(Reference: Paragraph 3.3.4; Page 78)

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	04	2014	00	105	02	01	933.37	17.40	906.51	26.86
2	05	2015	00	103	01	01	249.85	15.25	241.96	7.89
3	06	2029	00	101	05	01	770.00	10.68	720.87	49.13
4	06	2030	03	001	01	02	95.00	10.50	88.84	6.16
5	06	2039	00	001	01	01	1,275.52	12.31	1,221.01	54.51
6	06	2245	05	101	01	01	2,360.00	58.00	500.00	1,860.00
7	09	2052	00	090	01	01	3,112.63	80.05	2,972.87	139.76
8	10	2217	80	191	17	01	199.78	59.17	108.00	91.78
9	12	2055	00	115	01	01	3,308.63	27.35	3,283.20	25.43
10	13	2056	00	101	01	01	596.32	41.43	560.04	36.28
11	16	4059	01	051	01	01	35.00	19.00	27.95	7.05
12	16	4215	01	101	06	01	0.01	29.99	0.00	0.01
13	16	4711	03	800	01	01	20.00	20.00	18.92	1.08
14	16	5054	04	800	01	03	305.57	19.68	281.88	23.69
15	16	5054	04	800	11	01	1,676.00	305.43	1,560.49	115.51
16	17	2202	01	800	01	04	1,691.18	11.59	1,661.87	29.31
17	17	2202	01	800	06	02	6.25	26.14	2.24	4.01
18	17	2202	02	101	06	01	492.93	54.77	450.04	42.89
19	17	2202	02	109	17	02	1,867.87	23.31	1,777.36	90.51
20	17	2202	02	109	18	02	2,691.64	10.61	2,644.25	47.39
21	17	2202	03	103	08	02	942.52	11.84	918.69	23.83
22	17	2202	80	789	07	01	183.80	23.51	176.27	7.53
23	17	2202	80	789	10	01	124.65	11.00	82.28	42.37
24	17	2202	80	800	14	01	613.72	39.80	610.26	3.46
25	17	2202	80	800	15	01	475.35	74.59	473.91	1.44
26	17	2203	00	105	10	01	4,193.90	50.00	4,151.24	42.66
27	17	2204	00	102	01	01	493.08	30.33	464.57	28.51

Sl. No.	Grant No.	Head of account					Provision	Re-appropriation	Expenditure	Savings in Provision
28	18	2210	01	001	08	02	818.00	40.90	816.81	1.19
29	18	2210	02	102	01	02	29.50	10.17	23.67	5.83
30	18	2210	05	105	04	01	4,638.70	580.25	4,381.82	256.88
31	18	2210	80	789	04	01	488.00	28.00	248.88	239.12
32	18	2210	80	789	07	01	144.00	44.66	54.00	90.00
33	18	4210	01	110	04	01	455.00	195.50	296.00	159.00
34	19	2070	00	115	01	06	621.19	10.11	562.99	58.20
35	19	2220	60	001	01	01	223.42	25.07	219.09	4.33
36	21	2235	02	101	16	04	50.80	10.16	48.09	2.71
37	21	2235	02	102	12	01	657.39	189.46	163.00	494.39
38	21	2235	02	102	13	01	253.30	202.60	156.21	97.09
39	21	2235	02	102	20	01	120.00	50.00	102.79	17.21
40	21	2235	02	103	22	01	22.00	14.15	10.80	11.20
41	24	2401	00	108	04	01	10.00	40.50	0.00	10.00
42	25	2403	00	800	09	01	50.05	56.00	0.01	50.04
43	26	2405	00	101	01	01	123.23	17.39	106.14	17.09
44	26	2405	00	800	20	02	94.13	56.29	88.47	5.66
45	26	2405	00	800	20	04	140.48	82.23	134.07	6.41
46	27	2515	00	102	09	01	573.00	100.00	0.00	573.00
47	29	4801	05	800	06	01	500.10	22.26	444.00	56.10
48	32	2225	80	800	02	04	10.00	11.00	6.20	3.80
49	32	4059	01	051	03	02	0.01	299.99	0.00	0.01
50	32	4059	01	051	03	03	0.01	45.00	0.00	0.01
51	32	4070	00	800	07	01	586.00	774.00	0.00	586.00
52	33	6004	01	101	01	07	14,225.14	214.86	13,752.14	473.00
Total							**53,548.02**	**4,214.28**	**47,520.70**	**6,027.32**

Appendix 3.5

(Reference: Paragraph 3.3.5.1; Page 79)

(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	04	Administration of Justice	2.45	0.00	2.45
2	06	Revenue and Food	47.29	0.00	47.29
3	07	Sales Tax	2.24	1.15	1.09
4	09	Secretariat	4.37	0.00	4.37
5	10	District Administration	146.70	0.00	146.70
6	11	Treasury and Accounts Administration	1.26	0.00	1.26
7	12	Police	10.02	0.00	10.02
8	14	Stationery and Printing	1.21	0.00	1.21
9	15	Retirement Benefits	47.41	0.00	47.41
10	16	Public Works	5.62	0.00	5.62
11	17	Eduction	61.95	0.00	61.95
12	18	Medical	97.26	1.54	95.72
13	19	Information and Publicity	3.35	0.00	3.35
14	20	Labour and Employment	10.04	0.00	10.04
15	21	Social Welfare	79.29	0.00	79.29
16	22	Co-operation	6.33	0.00	6.33
17	24	Agriculture	6.31	0.00	6.31
18	25	Animal Husbandry	2.33	0.00	2.33
19	26	Fisheries	24.27	0.00	24.27
20	27	Community Development	9.52	0.00	9.52
21	28	Industries	24.70	16.95	7.75

Sl. No.	Grant No.	Description	Savings	Amount Surrendered	Amount not Surrendered
22	29	Electricity	3.34	0.00	3.34
23	32	Building Programmes	2.70	0.15	2.54
Total (A)			**599.96**	**19.79**	**580.16**
(B) Revenue - Charged					
24	33	Public Debt	5.00	0.00	5.00
Total (B)			**5.00**	**0.00**	**5.00**
(C) Capital - Voted					
25	12	Police	25.79	18.14	7.64
26	16	Public Works	62.71	30.77	31.94
27	18	Medical	84.99	66.88	18.11
28	26	Fisheries	6.15	4.97	1.17
29	32	Building Programmes	56.36	34.23	22.13
Total (C)			**236.00**	**154.99**	**80.99**
(D) Capital Charged					
31	16	Public Works	2.51	0.00	2.51
32	28	Industries	2.95	0.00	2.95
33	32	Building Programmes	1.55	0.00	1.55
34	33	Public Debt	8.72	0.00	8.72
Total (D)			**15.73**	**0.00**	**15.73**
Grand Total			**856.69**	**174.78**	**681.88**

Appendix 3.5

(Reference: Paragraph 3.3.5.1; Page 79)

(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	04	Administration of Justice	2.45	0.00	2.45
2	06	Revenue and Food	47.29	0.00	47.29
3	09	Secretariat	4.37	0.00	4.37
4	10	District Administration	146.70	0.00	146.70
5	11	Treasury and Accounts Administration	1.26	0.00	1.26
6	12	Police	10.02	0.00	10.02
7	14	Stationery and Printing	1.21	0.00	1.21
8	15	Retirement Benefits	47.41	0.00	47.41
9	16	Public Works	5.62	0.00	5.62
10	17	Education	61.95	0.00	61.95
11	19	Information and Publicity	3.35	0.00	3.35
12	20	Labour and Employment	10.04	0.00	10.04
13	21	Social Welfare	79.29	0.00	79.29
14	22	Co-operation	6.33	0.00	6.33
15	24	Agriculture	6.31	0.00	6.31
16	25	Animal Husbandry	2.33	0.00	2.33
17	26	Fisheries	24.27	0.00	24.27
18	27	Community Development	9.52	0.00	9.52
19	29	Electricity	3.34	0.00	3.34
Total (A)			**473.06**	**0.00**	**473.06**
(B) Revenue - Charged					
20	33	Public Debt	5.00	0.00	5.00
Total (B)			**5.00**	**0.00**	**5.00**

Sl. No.	Grant No.	Description	Savings	Amount Surrendered	Amount not Surrendered
(C) Capital - Charged					
21	16	Public Works	2.51	0.00	2.51
22	28	Industries	2.95	0.00	2.95
23	32	Building Programmes	1.55	0.00	1.55
24	33	Public Debt	8.72	0.00	8.72
Total (C)			**15.73**	**0.00**	**15.73**
Grand Total			**493.79**	**0.00**	**493.79**

Appendix 3.6

(Reference: Paragraph 3.3.5.2; Page 79)

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	12	4055	00	207	03	01	V	278.25	0.00	278.25	278.17	99.97
2	12	4055	00	800	01	01	V	657.00	0.00	657.00	603.00	91.78
3	12	4070	00	800	04	01	V	1,002.00	1.47	1,000.53	700.00	69.96
4	18	4210	01	110	05	01	V	7,500.00	0.00	7,500.00	6,500.00	86.67
5	18	4210	01	800	01	01	V	20.00	0.55	19.45	12.80	65.81
6	18	4210	02	110	01	01	V	35.00	5.23	29.77	25.00	83.98
7	20	4250	00	201	03	01	V	52.00	24.85	27.15	27.00	99.45
8	20	4250	00	201	03	02	V	18.00	3.00	15.00	15.00	100.00
9	20	4250	00	201	04	01	V	15.00	0.89	14.11	14.00	99.22
10	20	4250	00	201	04	02	V	20.00	0.00	20.00	12.60	63.00
11	26	4405	00	104	02	01	V	797.15	182.59	614.56	497.15	80.90
12	28	2852	08	202	03	01	V	2,074.80	37.96	2,036.84	1,560.31	76.60
13	30	5051	02	200	06	01	V	100.00	0.00	100.00	100.00	100.00
14	31	7610	00	201	01	07	V	25.00	0.00	25.00	25.00	100.00
15	32	4202	02	800	01	01	V	300.00	0.00	300.00	178.11	59.37
16	32	4210	01	800	03	01	V	565.00	48.71	516.29	500.00	96.84
17	32	4210	01	800	03	02	V	100.00	0.00	100.00	100.00	100.00
18	32	4405	00	104	01	02	V	2,034.34	0.00	2,034.34	2,000.00	98.31
19	32	4405	00	104	01	03	V	500.00	0.00	500.00	499.00	99.80
20	32	4405	00	104	01	04	V	236.80	30.72	206.08	146.00	70.85
Total								**16,330.34**	**335.97**	**15,994.37**	**13,793.14**	

Appendix 3.7

(Reference: Paragraph 3.3.5.3; Page 80)

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	2029	00	101	07	01	V	51.60	0.00	51.60	100.00
2	06	2245	05	101	01	01	V	2,360.00	500.00	1,860.00	78.81
3	06	2245	80	001	05	02	V	84.20	33.07	51.13	60.72
4	06	3456	00	102	04	01	V	500.00	0.00	500.00	100.00
5	06	3456	00	104	03	01	V	1,500.00	0.00	1,500.00	100.00
6	10	2215	01	102	01	01	V	1,156.00	9.90	1,146.10	99.14
7	10	2215	01	102	02	01	V	68.00	0.00	68.00	100.00
8	10	2215	01	789	04	01	V	374.00	0.00	374.00	100.00
9	10	2215	01	796	01	01	V	170.00	0.00	170.00	100.00
10	10	2216	80	103	01	01	C	55.00	0.00	55.00	100.00
11	10	2217	05	800	08	01	V	2,900.00	0.00	2,900.00	100.00
12	10	2217	80	191	17	01	V	199.78	108.00	91.78	45.94
13	10	2217	80	191	18	01	V	203.80	0.00	203.80	100.00
14	10	2217	80	800	08	01	V	19,300.00	9,300.00	10,000.00	51.81
15	12	2055	00	001	02	01	V	320.00	0.00	320.00	100.00
16	12	4055	00	207	01	01	V	990.00	350.39	639.61	64.61
17	12	4055	00	207	03	01	V	278.25	0.00	278.25	100.00
18	12	4055	00	800	01	01	V	657.00	0.00	657.00	100.00
19	12	4070	00	800	04	01	V	1,002.00	1.47	1,000.53	99.85
20	16	2059	01	053	03	01	V	118.71	35.75	82.96	69.88
21	16	2702	02	190	01	01	V	69.60	0.00	69.60	100.00
22	16	4215	01	800	03	02	V	1,200.00	167.73	1,032.27	86.02
23	16	4215	01	800	05	02	V	140.00	50.01	89.99	64.28
24	16	4702	00	800	02	01	V	100.00	0.00	100.00	100.00
25	16	4702	00	800	02	02	V	100.00	0.00	100.00	100.00
26	17	2202	01	789	03	02	V	119.21	57.98	61.23	51.36

Sl. No.	Grant No.	Head of account					V/C	Provision	Expenditure	Savings	Percentage of savings
27	17	2202	01	789	05	01	V	114.00	0.00	114.00	100.00
28	17	2202	03	789	14	01	V	120.00	0.00	120.00	100.00
29	17	2202	03	796	01	01	V	60.00	0.00	60.00	100.00
30	17	2202	03	800	02	01	V	420.00	0.00	420.00	100.00
31	17	2202	04	200	05	01	V	54.00	0.00	54.00	100.00
32	17	2202	80	800	19	01	V	93.40	0.00	93.40	100.00
33	17	2205	00	107	08	01	V	456.18	0.00	456.18	100.00
34	17	2236	02	102	05	04	V	81.23	29.38	51.85	63.83
35	18	2210	05	105	10	01	V	2,712.00	0.00	2,712.00	100.00
36	18	2210	05	105	14	01	V	1,300.00	0.00	1,300.00	100.00
37	18	2210	06	104	05	01	V	75.00	0.00	75.00	100.00
38	18	2210	06	104	06	01	V	85.00	10.00	75.00	88.24
39	18	2210	80	789	04	01	V	488.00	248.88	239.12	49.00
40	18	2210	80	789	07	01	V	144.00	54.00	90.00	62.50
41	18	2210	80	800	12	01	V	100.00	0.84	99.16	99.16
42	18	2210	80	800	21	01	V	135.00	30.38	104.62	77.50
43	18	2210	80	800	23	01	V	90.00	0.00	90.00	100.00
44	18	2210	80	800	24	01	V	528.00	42.00	486.00	92.05
45	18	2210	80	800	25	01	V	357.00	28.00	329.00	92.16
46	18	4210	01	110	01	01	V	310.00	15.75	294.25	94.92
47	18	4210	01	110	04	01	V	455.00	296.00	159.00	34.95
48	18	4210	01	110	05	01	V	7,500.00	0.00	7,500.00	100.00
49	20	2230	03	101	28	01	V	117.60	0.00	117.60	100.00
50	20	2230	03	102	07	01	V	273.00	100.00	173.00	63.37
51	20	2230	03	800	02	01	V	137.38	57.39	79.99	58.23
52	20	2230	03	800	03	01	V	139.06	0.00	139.06	100.00
53	20	2230	03	800	04	01	V	160.00	0.00	160.00	100.00
54	21	2225	01	277	17	01	V	1,217.81	0.00	1,217.81	100.00
55	21	2225	01	789	39	01	V	300.01	0.00	300.01	100.00
56	21	2225	01	789	41	01	V	278.82	50.00	228.82	82.07

Sl. No.	Grant No.	Head of account					V/C	Provision	Expenditure	Savings	Percentage of savings
57	21	2225	01	789	46	01	V	445.00	137.25	307.75	69.16
58	21	2235	02	102	12	01	V	657.39	163.00	494.39	75.20
59	21	2235	02	102	13	01	V	253.30	156.21	97.09	38.33
60	21	2235	02	102	23	01	V	655.16	0.00	655.16	100.00
61	21	2235	02	102	27	01	V	325.00	0.00	325.00	100.00
62	21	2235	02	102	29	01	V	340.00	0.00	340.00	100.00
63	21	2235	02	103	18	01	V	61.78	4.15	57.63	93.28
64	21	2235	02	103	25	01	V	152.50	6.50	146.00	95.74
65	21	2235	02	103	28	01	V	348.54	0.01	348.53	100.00
66	21	2235	02	104	07	01	V	200.00	0.00	200.00	100.00
67	21	2235	02	104	12	01	V	818.28	0.02	818.26	100.00
68	21	2235	02	789	43	01	V	54.26	0.00	54.26	100.00
69	22	2216	02	104	01	01	V	537.00	237.00	300.00	55.87
70	22	2425	00	277	01	01	V	163.10	0.00	163.10	100.00
71	24	2401	00	789	15	01	V	60.00	0.00	60.00	100.00
72	24	2401	00	800	16	02	V	94.95	0.00	94.95	100.00
73	24	2401	00	800	17	01	V	245.00	113.23	131.77	53.78
74	24	4406	01	102	02	01	V	82.53	31.40	51.13	61.95
75	25	2403	00	101	09	01	C	100.00	0.00	100.00	100.00
76	25	2403	00	800	09	01	V	50.05	0.01	50.04	99.98
77	26	2405	00	103	05	01	V	345.64	45.35	300.29	86.88
78	26	2405	00	789	01	01	V	183.40	0.00	183.40	100.00
79	26	2405	00	800	22	01	V	2,000.00	677.56	1,322.44	66.12
80	27	2515	00	102	09	01	V	573.00	0.00	573.00	100.00
81	28	2851	00	106	01	01	V	87.30	3.69	83.61	95.77
82	28	2851	00	789	13	01	V	96.00	0.00	96.00	100.00
83	28	2852	80	800	02	01	V	457.41	58.65	398.76	87.18
84	28	4851	00	101	01	02	C	295.00	0.00	295.00	100.00
85	32	2210	06	104	01	01	V	110.00	0.00	110.00	100.00
86	32	4070	00	800	07	01	V	586.00	0.00	586.00	100.00

Sl. No.	Grant No.	Head of account					V/C	Provision	Expenditure	Savings	Percentage of savings
87	32	4235	02	800	03	01	V	70.00	11.46	58.54	83.63
88	32	4405	00	102	01	01	V	60.00	0.00	60.00	100.00
89	32	4405	00	104	01	02	V	2,034.34	0.00	2,034.34	100.00
90	32	4405	00	104	01	03	V	500.00	0.00	500.00	100.00
91	32	4405	00	104	01	04	V	236.80	30.72	206.08	87.03
92	32	5452	01	800	35	03	C	105.00	0.00	105.00	100.00
93	33	2049	01	200	05	07	C	107.00	9.19	97.81	91.41
94	33	6002	00	208	01	07	C	165.00	0.00	165.00	100.00
Total								**65,974.37**	**13,262.32**	**52,712.05**	**79.90**

Appendix 3.8

(Reference: Paragraph 3.4.4; Page 90)

Rush of Expenditure

(₹ in lakh)

Sl. No.	Grant No.	Head of Account						Total Expen-diture 2022- 23	Expen-diture for March 2023	Percen-tage
1	06	2245	05	101	01	01	Contribution to Pondicherry Disaster Response Fund	500.00	500.00	100.00
2	06	2245	05	101	02	01	Contribution to Pondicherry Disaster Response Fund (State Share)	125.00	125.00	100.00
3	06	3456	00	102	02	01	Financial assistance for Price Stabilisation Scheme (CSS) (State Share)	150.00	150.00	100.00
4	06	3456	00	104	02	01	Contribution to State Consumer Welfare (Corpus) Fund (CSS) (State Share)	500.00	500.00	100.00
5	08	3055	00	190	01	01	Assistance to PRTC for various purposes including payment of Road Tax to Interstate Buses	2,766.00	1,523.75	55.09
6	09	3451	00	091	10	01	Implementation of National e-Vidhan Application (NeVA)	170.12	170.12	100.00
7	10	2216	80	789	11	02	Housing for All - Pradhan Manthri Awas Yojana (Central Share) (CSS)	77.40	55.80	72.09
8	10	2216	80	800	04	01	Shelter for the Houseless Poor	797.95	502.55	62.98
9	10	2216	80	800	04	02	Shelter for the Houseless Poor	63.70	63.70	100.00
10	10	2216	80	800	19	01	Housing for All - Pradhan Manthri Awas Yojana (Central Share) (CSS)	1,036.55	893.40	86.19
11	10	2216	80	800	19	02	Housing for All - Pradhan Manthri Awas Yojana (Central Share) (CSS)	104.40	87.00	83.33
12	10	2217	05	800	03	02	Grants-in-aid to Municipalities for provision of basic civic amenities, infrastructure facilities and other urban development activities (Tied Funds)	800.70	475.72	59.41
13	10	2217	80	191	10	02	Grant of Untied Funds to Municipalities	399.99	350.00	87.50
14	10	2217	80	191	10	04	Grant of Untied Funds to Municipalities	409.00	353.50	86.43
15	10	2217	80	800	07	01	MLA's Local Area Development Scheme	3,504.51	2,590.40	73.92

Sl. No.	Grant No.	Head of Account						Total Expen-diture 2022- 23	Expen-diture for March 2023	Percen-tage
16	10	2217	80	800	11	01	Implementation of Smart Cities Mission (State Share) (CSS)	4,000.00	4,000.00	100.00
17	10	2515	00	101	26	01	Grants-in-aid to Commune Panchayats for provision of basic civic amenities infrastructure facilities and other rural development activities (Tied Funds)	391.00	391.00	100.00
18	10	2515	00	101	26	02	Grants-in-aid to Commune Panchayats for provision of basic civic amenities infrastructure facilities and other rural development activities (Tied Funds)	324.00	324.00	100.00
19	10	2575	60	101	01	01	M.L.A's Local Area Development Scheme	1,169.00	848.19	72.56
20	10	2575	60	789	01	01	M.L.A's Local Area Development Scheme	834.83	697.34	83.53
21	16	2059	80	001	05	01	Payment of Current Consumption Charges, Water Consumption Charges, Telephone Charges, etc.,	439.97	414.60	94.23
22	16	3054	04	789	04	01	Maintenance of Rural Roads	75.00	52.81	70.42
23	16	4217	60	001	01	01	Extension of sewerage facilities to urbanisable area	240.00	240.00	100.00
24	16	4217	60	001	01	02	Extension of sewerage facilities to urbanisable area	800.00	800.00	100.00
25	16	4217	60	001	01	03	Extension of sewerage facilities to urbanisable area	100.00	100.00	100.00
26	16	4217	60	001	01	04	Extension of sewerage facilities to urbanisable area	100.00	100.00	100.00
27	16	4711	03	103	01	01	Drainage Schemes	290.38	154.58	53.23
28	16	4711	03	800	02	01	Improvements to drainage channels	124.20	119.67	96.35
29	16	5054	04	800	01	01	District and other Roads	1,491.37	1,035.07	69.40
30	16	5054	04	800	02	01	Rural Roads	126.00	69.96	55.53
31	16	5054	04	800	05	01	District & Other Roads (CRF)	1,399.76	1,266.53	90.48
32	16	5054	04	800	05	02	District & Other Roads (CRF)	306.54	306.54	100.00
33	16	5054	04	800	09	02	Creation of infrastructural facilities (Negotiated Loan)	5,021.25	4,164.81	82.94
34	16	5054	04	800	09	03	Creation of infrastructural facilities (Negotiated Loan)	288.00	274.95	95.47
35	16	5054	04	800	11	02	Creation of infrastructural facilities (Negotiated Loan) (State Share)	170.14	89.74	52.74

Sl. No.	Grant No.	Head of Account						Total Expen-diture 2022- 23	Expen-diture for March 2023	Percen-tage
36	17	2202	01	108	01	01	Free supply of books, stationery, uniforms and foot wear to poor children	596.44	446.07	74.79
37	17	2202	01	108	01	02	Free supply of books, stationery, uniforms and foot wear to poor children	189.19	118.33	62.55
38	17	2202	01	789	03	01	Free supply of books, stationery, uniforms and foot wear to poor Students	262.35	265.52	101.21
39	17	2202	01	789	03	02	Free supply of books, stationery, uniforms and foot wear to poor Students	57.98	50.55	87.18
40	17	2202	01	789	06	01	National Programme of Nutritional support to Primary Education (CSS) (State Share)	60.83	60.83	100.00
41	17	2202	01	800	04	01	National Programme of Nutritional support to Primary Education (CSS)	370.01	363.04	98.12
42	17	2202	01	800	06	01	Provision of transport facilities to students	198.37	192.39	96.98
43	17	2202	01	800	11	01	National Programme of Nutritional support to Primary Education (CSS) (State Share)	335.21	298.90	89.17
44	17	2202	02	789	08	01	Free distribution of laptop computers to school students	652.50	652.50	100.00
45	17	2202	02	789	08	02	Free distribution of laptop computers to school students	212.25	212.25	100.00
46	17	2202	02	800	10	01	Free distribution of laptop computers to school students	2,100.25	2,100.25	100.00
47	17	2202	02	800	10	02	Free distribution of laptop computers to school students	722.50	722.50	100.00
48	17	2202	02	800	10	03	Free distribution of laptop computers to school students	267.75	267.75	100.00
49	17	2202	03	107	06	07	Financial assistance to the students undergoing professional courses	2,022.18	1,972.36	97.54
50	17	2202	05	800	01	01	Setting up of official language development cell in the Directorate of Art and Culture	173.56	114.94	66.23
51	17	2225	01	277	01	01	Award of Pre-Matric Scholarship to other economically backward class students	60.48	51.71	85.49
52	17	2236	02	789	02	01	Provision of Breakfast to Poor Students studying in Govt/ Govt. Aided Schools	88.25	88.25	100.00

Sl. No.	Grant No.	Head of Account						Total Expen-diture 2022- 23	Expen-diture for March 2023	Percen-tage
53	17	2236	02	789	02	02	Provision of Breakfast to Poor Students studying in Govt/ Govt. Aided Schools	65.69	65.69	100.00
54	18	2210	01	110	09	01	General Hospital	5,337.71	3,168.86	59.37
55	18	2210	01	789	05	01	Government Pharmacy	827.99	562.81	67.97
56	18	2210	80	004	02	01	Financial assistance to the poor in case of serious illness	486.69	482.61	99.16
57	18	2210	80	789	04	01	Financial assistance to the poor in case of serious illness	248.88	143.00	57.46
58	18	2210	80	800	20	01	National Rural Health Mission (CSS)	1,532.63	769.00	50.18
59	18	4210	04	200	01	01	Strengthening of State Drug Regulatory System (CSS) (State Share)	130.00	130.00	100.00
60	19	2075	00	800	01	01	Expenditure on Special Ceremonial Occasions	335.90	187.44	55.80
61	19	3452	80	104	08	01	Grant-in-aid to Pondicherry Tourism Development Corporation	105.00	105.00	100.00
62	21	2225	01	789	24	01	Assistance to PADCO for maintenance and construction of hostel buildings / other buildings	123.40	123.40	100.00
63	21	2225	01	789	27	01	Providing Civic and Basic Amenities to the areas of Scheduled Castes	1,861.10	1,861.10	100.00
64	21	2225	01	789	27	02	Providing Civic and Basic Amenities to the areas of Scheduled Castes	600.00	600.00	100.00
65	21	2225	01	789	27	04	Providing Civic and Basic Amenities to the areas of Scheduled Castes	175.00	175.00	100.00
66	21	2225	01	789	32	01	Award of various scholarship, stipend and incentive to SC students	311.30	310.10	99.61
67	21	2225	01	789	32	02	Award of various scholarship, stipend and incentive to SC students	111.46	64.88	58.20
68	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	2,703.50	1,367.58	50.59
69	21	2225	01	789	45	01	Pradhan Mantri Awas Yojana (State Share) (CSS)	1,642.90	1,244.60	75.76

Sl. No.	Grant No.	Head of Account						Total Expen-diture 2022- 23	Expen-diture for March 2023	Percen-tage
70	21	2225	01	789	46	01	Construction of SC Boys/Girls Hostel (CSS) (State Share)	137.25	137.25	100.00
71	21	2225	03	277	07	01	Free Distribution of Cycles to all 9th Standard Students	546.05	546.05	100.00
72	21	2225	03	800	04	01	Free distribution of kits to Artisans/ Building Construction Workers	84.97	64.15	75.50
73	21	2235	02	101	37	01	Supply of motorised tricycles to the differently abled persons	59.93	59.93	100.00
74	21	2235	02	102	13	01	- Integrated Child Protection Scheme (State Share)	156.21	156.21	100.00
75	21	2235	02	103	35	01	- Financial Assistance to Women (Head of Family)	224.22	124.73	55.63
76	21	2236	02	101	01	02	Nutrition component of Integrated Child Development Services	261.21	148.65	56.91
77	21	2236	02	101	06	01	Nutrition Component	745.23	429.66	57.66
78	21	4225	01	789	01	01	Construction of Low Cost dwelling units, development of Housing Colonies/House sites and grant of House Construction subsidies	279.65	159.36	56.99
79	22	2404	00	195	04	01	Financial Assistance to Cooperative Milk Producers Union towards supply of Cattle feed / Calf feed to the Milk Pouring Members of Co-operative Milk Producers Societies	364.48	364.48	100.00
80	22	2404	00	195	05	01	Financial assistance to Dairy Co-operatives for business expansion, new business activities and better performance	500.00	500.00	100.00
81	22	2404	00	789	04	01	Financial Assistance to Cooperative Milk Producers Union towards supply of cattle feed/calf feed to the Milk pouring members of Cooperative milk producers societies	69.42	69.42	100.00
82	22	2425	00	108	01	03	Assistance to Weaker section Cooperatives/Industrial Cooperatives	200.00	200.00	100.00
83	22	2852	08	195	01	01	Assistance to Consumer Cooperatives	1,195.06	1,195.06	100.00
84	22	2852	08	195	01	02	Assistance to Consumer Cooperatives	125.94	125.94	100.00
85	22	2852	08	201	01	01	Assistance to Pondicherry Co-operative Sugar Mill	2,514.51	1,414.51	56.25

Sl. No.	Grant No.	Head of Account						Total Expen-diture 2022- 23	Expen-diture for March 2023	Percen-tage
86	22	4216	02	195	01	01	Investments in Housing Cooperatives	200.00	200.00	100.00
87	22	4425	00	107	05	01	State Participation in Pondicherry Cooperative Urban Bank	500.00	500.00	100.00
88	22	4425	00	107	06	01	State Participation in Pudhucherry State Cooperative Bank	200.00	200.00	100.00
89	22	4435	01	195	01	01	Share Capital to Marketing Co-operatives	88.89	56.19	63.21
90	22	4435	01	195	01	02	Share Capital to Marketing Co-operatives	100.00	100.00	100.00
91	22	4851	00	195	01	02	State Participation in Cooperative Spinning Mill	300.00	300.00	100.00
92	22	4851	00	195	02	01	Share capital assistance to PONTEX/PONFAB/Primary Weavers' Cooperative Societies	200.00	200.00	100.00
93	24	2401	00	110	02	01	Scheme for promoting crop insurance	200.00	200.00	100.00
94	24	2401	00	800	16	01	Sub-Mission on Agricultural Mechanisation (CSS)	448.30	224.15	50.00
95	26	2405	00	800	01	01	Shore based facilities, infrastructural facilities and setting up of ice plant-cum-cold storage and processing	364.43	198.02	54.34
96	26	2405	00	800	01	02	Shore based facilities, infrastructural facilities and setting up of ice plant-cum-cold storage and processing	91.01	62.11	68.25
97	26	2405	00	800	21	01	Integrated Development and Management of Fisheries (CSS)	171.81	171.81	100.00
98	27	2515	00	800	12	01	Pradhan Mantri Gram Sadak Yojana - Phase-II (CSS) (State Share)	381.00	381.00	100.00
99	28	2851	00	800	06	01	Motivation of entrepreneurs to start Industries & Fiscal assistance to Industries	2,193.50	2,193.50	100.00
100	28	2851	00	800	06	02	Motivation of entrepreneurs to start Industries & Fiscal assistance to Industries	138.89	138.89	100.00
101	28	2852	80	800	02	01	PM Formalisation of Micro Food Processing Enterprises Scheme (CSS)	58.65	58.65	100.00
102	28	2852	80	800	03	01	PM Formalisation of Micro Food Processing Enterprises Scheme (CSS) (State Share)	107.20	107.20	100.00

Sl. No.	Grant No.	Head of Account						Total Expen-diture 2022- 23	Expen-diture for March 2023	Percen-tage
103	29	4801	05	789	06	01	Erection/Establishment/ Upgradation/Providing of 230 KV and 110 KV primary main sub-station and EHT lines in the UT of Pondicherry	300.00	300.00	100.00
104	29	4801	05	800	06	01	System improvement for reduction of Transmission and distribution losses	444.00	224.86	50.64
105	29	4801	05	800	12	01	Establishment of 3rd 230KV Auto Substation	93.91	93.91	100.00
106	29	4801	05	800	48	01	Erection/Establishment/ Upgradation/Providing of 230 KV and 110 KV primary main sub-station and EHT lines in the UT of Pondicherry	127.72	101.54	79.50
107	30	5051	02	200	05	01	Infrastructure, Maintenance and Development of Port and light houses	115.99	71.14	61.33
108	32	4202	03	800	01	02	Physical Education	253.84	229.14	90.27
109	32	4210	01	110	06	01	Improvements to Government Pharmacy	95.57	70.71	73.99
110	33	2049	03	104	01	07	Interest on State Provident Funds	4,574.97	4,357.91	95.26
111	33	2049	03	108	01	07	Interest on Union Territory Government Employees Group Insurance Scheme	565.92	565.92	100.00
112	33	6004	02	101	02	07	Loans for Tsunami Rehabilitation Programme - Repayment	372.00	300.00	80.65
								74,217.79	**60,431.96**	**81.43**

Appendix 3.9

(Reference: Paragraph 3.4.5.2 (a); Page 92)

Details of cases where re-appropriation provided during 2022-23

(₹ in lakh)

Sl. No.	Head of Account				Provision	Re-appro-priation	Final Modified Grant	Expenditure	Savings	Re-appropriation Saving Percentage
1	2205	00	105	02	12.50	0.02	12.52	11.36	1.16	100
2	2202	02	109	09	148.85	1.28	150.13	133.73	16.40	100
3	2202	01	800	01	857.19	9.04	866.23	754.33	111.90	100
4	2202	80	001	07	10.00	0.06	10.06	9.44	0.62	100
5	2202	80	789	11	13.35	0.79	14.14	8.47	5.67	100
6	2202	02	109	18	2,691.64	10.61	2,702.25	2,644.25	58.00	100
7	2202	02	109	17	1,867.87	23.31	1,891.18	1,777.36	113.82	100
8	2202	80	789	10	124.65	11.00	135.65	82.28	53.37	100
9	2203	00	001	02	261.55	8.86	270.41	235.50	34.91	100
10	2202	01	800	01	1,691.18	11.59	1,702.77	1,661.87	40.90	100
11	2202	02	109	18	1,140.87	6.38	1,147.25	1,127.65	19.60	100
12	2202	03	103	08	942.52	11.84	954.36	918.69	35.67	100
13	2236	02	102	03	152.61	5.99	158.60	144.85	13.75	100
14	2202	01	800	02	93.00	2.19	95.19	90.17	5.02	100
15	2202	01	109	02	0.05	0.05	0.10	0.00	0.10	100
16	2204	00	102	01	493.08	30.33	523.41	464.57	58.84	100
17	2203	00	105	10	4,193.90	50.00	4,243.90	4,151.24	92.66	100
18	2202	80	800	01	35.64	8.96	44.60	28.54	16.06	100
19	2202	02	101	06	492.93	54.77	547.70	450.04	97.66	100
20	2205	00	001	01	53.35	3.72	57.07	51.63	5.44	100
21	2205	00	102	02	4.40	0.40	4.80	4.22	0.58	100
22	2202	80	789	07	183.80	23.51	207.31	176.27	31.04	100
23	2202	80	800	01	11.64	1.67	13.31	11.37	1.94	100
24	2202	01	800	06	6.25	26.14	32.39	2.24	30.15	100
25	2202	80	800	14	613.72	39.80	653.52	610.26	43.26	100
26	2202	02	101	02	48.83	2.30	51.13	48.64	2.49	100

Sl. No.	Head of Account				Provision	Re-appro-priation	Final Modified Grant	Expenditure	Savings	Re-appropriation Saving Percentage
27	2202	80	800	15	475.35	74.59	549.94	473.91	76.04	100
28	2202	01	109	02	2.03	1.99	4.02	2.01	2.01	100
29	2204	00	102	08	9.69	3.00	12.69	9.69	3.00	100
30	2202	80	800	20	0.00	0.10	0.10	0.00	0.10	100
31	2202	80	789	14	0.00	0.10	0.10	0.00	0.10	100
32	2202	80	789	13	0.00	21.36	21.36	0.00	21.36	100
33	2202	04	789	02	0.00	0.02	0.02	0.00	0.02	100
34	2202	04	789	01	0.00	0.01	0.01	0.00	0.01	100
35	2202	04	200	04	0.00	0.01	0.01	0.00	0.01	100
36	2202	02	107	03	1.05	0.45	1.50	1.05	0.45	100
37	2202	03	107	01	1.00	0.15	1.15	1.01	0.14	94
38	2202	03	103	06	1,201.14	14.16	1,215.30	1,202.30	13.00	92
39	2202	01	109	02	0.41	0.14	0.55	0.42	0.13	90
40	2202	80	800	02	326.95	52.54	379.49	335.09	44.40	84
41	2202	01	101	02	81.43	17.77	99.20	85.45	13.75	77
42	2202	80	001	06	70.43	1.74	72.17	70.84	1.33	76
43	2202	03	103	32	6.00	3.33	9.33	7.09	2.24	67
44	2204	00	102	06	14.46	2.00	16.46	15.23	1.23	62
45	2202	03	103	30	2,192.90	100.00	2,292.90	2,232.39	60.51	61
46	2202	03	103	03	2,509.04	119.12	2,628.16	2,557.69	70.47	59
47	2225	01	277	01	16.07	1.10	17.17	16.59	0.59	53
48	2202	01	109	02	0.06	0.10	0.16	0.11	0.05	52
49	2203	00	105	03	5.10	0.93	6.03	5.57	0.46	49
50	2205	00	105	02	313.23	19.88	333.11	323.29	9.82	49
51	2202	02	109	11	1.50	1.00	2.50	2.05	0.45	45
52	2205	00	789	04	0.33	0.06	0.39	0.36	0.03	45
53	2205	00	104	01	31.15	2.16	33.31	32.37	0.94	43
54	2202	80	001	01	1,021.70	194.78	1,216.48	1,137.42	79.06	41
55	2202	02	109	09	260.44	1.59	262.03	261.39	0.64	40
56	2202	03	103	07	295.14	15.73	310.87	304.71	6.16	39

Sl. No.	Head of Account				Provision	Re-appro-priation	Final Modified Grant	Expenditure	Savings	Re-appropriation Saving Percentage
57	2202	03	103	05	2,649.24	70.29	2,719.53	2,696.13	23.40	33
58	2202	01	101	02	938.92	53.32	992.24	977.38	14.86	28
59	2205	00	107	09	133.90	14.85	148.75	145.17	3.58	24
60	2236	02	102	05	118.54	90.00	208.54	188.02	20.52	23
61	2202	01	101	02	142.54	12.32	154.86	152.49	2.37	19
62	2202	02	101	03	312.92	21.35	334.27	330.82	3.45	16
63	2204	00	101	03	3.67	16.19	19.86	17.66	2.20	14
64	2202	80	001	07	120.00	28.98	148.98	146.60	2.38	8
65	2202	02	109	11	0.05	1.02	1.07	1.01	0.06	6
Total					**29,401.75**	**1,302.84**	**30,704.59**	**29,332.28**	**1,372.31**	

Appendix 3.10

(Reference: Paragraph 3.4.5.3; Page 93)

Details of provision of funds and percentage of savings during 2022-23

(₹ in lakh)

Sl. No.	Head of Account				Provision	Surrender	Final Modified Grant	Expen-diture	Savings	Percentage of savings
1	2202	03	800	02	420.00	0.00	420.00	0.00	420.00	100
2	2202	03	796	01	60.00	0.00	60.00	0.00	60.00	100
3	2202	03	789	14	120.00	0.00	120.00	0.00	120.00	100
4	2202	01	789	05	114.00	0.00	114.00	0.00	114.00	100
5	2203	00	107	02	0.25	0.00	0.25	0.00	0.25	100
6	2203	00	107	01	1.00	0.00	1.00	0.00	1.00	100
7	2205	00	107	08	456.18	0.00	456.18	0.00	456.18	100
8	2236	02	789	03	17.97	0.00	17.97	0.00	17.97	100
9	2236	02	789	03	13.53	0.00	13.53	0.00	13.53	100
10	2236	02	789	02	29.01	0.00	29.01	0.00	29.01	100
11	4202	02	105	01	0.01	0.00	0.01	0.00	0.01	100
12	4202	02	105	01	0.01	0.00	0.01	0.00	0.01	100
13	4202	02	104	02	2.00	0.00	2.00	0.00	2.00	100
14	4202	01	800	01	5.17	0.00	5.17	0.00	5.17	100
15	2205	00	800	06	4.00	0.00	4.00	0.10	3.90	97.50
16	4202	01	203	05	2.00	0.00	2.00	0.35	1.65	82.74
17	4202	03	800	01	7.50	5.00	2.50	0.47	2.03	81.35
18	2236	02	102	05	81.23	0.00	81.23	29.38	51.85	63.83
19	2236	02	102	05	54.41	0.00	54.41	22.04	32.37	59.49
20	2205	00	789	05	0.50	0.00	0.50	0.20	0.30	59.48
21	2202	03	102	01	3.68	0.00	3.68	1.75	1.94	52.58
22	2203	00	112	06	790.60	0.00	790.60	441.17	349.43	44.20
23	4202	01	202	01	103.00	0.00	103.00	63.63	39.37	38.22
24	2236	02	102	03	53.15	0.00	53.15	33.22	19.93	37.49
25	2202	80	107	12	30.00	0.00	30.00	21.70	8.30	27.67
26	2236	02	789	02	120.26	0.00	120.26	88.25	32.01	26.62

Sl. No.	Head of Account				Provision	Surrender	Final Modified Grant	Expen-diture	Savings	Percentage of savings
27	2203	00	001	03	2.50	0.00	2.50	1.86	0.64	25.68
28	2202	01	800	04	486.00	0.00	486.00	370.01	115.99	23.87
29	2202	03	103	31	50.00	0.00	50.00	39.49	10.51	21.01
30	2202	03	103	31	7.00	0.00	7.00	5.58	1.42	20.29
31	2205	00	800	01	10.00	0.00	10.00	8.23	1.77	17.69
32	2202	03	103	33	7.00	0.00	7.00	6.05	0.95	13.61
33	2202	03	107	03	2.00	0.00	2.00	1.77	0.23	11.32
34	2202	80	001	07	35.00	0.00	35.00	31.99	3.01	8.60
35	2205	00	789	04	3.88	0.00	3.88	3.56	0.32	8.17
Total					**3,092.84**	**5.00**	**3,087.84**	**1,170.81**	**1,917.03**	**62.08**

Appendix 4.1

(Reference: Paragraph 4.6; Page 104)

Booking under Minor Head "800 - Other Expenditure" during 2022-23

(₹ in crore)

Major Head		Total Expenditure	Expenditure under 800 - Other Expenditure	Percentage of 800 - Other Expenditure
2062	Vigilance	1.75	1.75	100.00
2075	Miscellaneous General Services	4.00	4.00	100.00
2216	Housing	56.90	42.69	75.03
2217	Urban Development	317.10	272.29	85.87
2405	Fisheries	68.40	55.05	80.48
2801	Power	1,784.44	1,608.68	90.15
2810	New and Renewable Energy	0.45	0.45	100.00
2851	Village and Small Industries	44.14	25.17	57.02
3425	Other Scientific Research	3.82	3.59	93.98
Total		**2,281.00**	**2,013.67**	**88.28**

Appendix 4.2

(Reference: Paragraph 4.6; Page 104)

Booking under Minor Head "800 - Other Receipts" during 2022-23

(₹ in crore)

Major Head		Total Receipts	Receipts under 800 - Other Receipts	Percentage of 800 - Other Receipts
0049	Interest Receipts	99.50	55.87	56.15
0059	Public Works	1.58	1.58	100.00
0216	Housing	6.29	5.86	93.16
0235	Social Security and Welfare	1.53	1.53	100.00
0401	Crop Husbandry	1.11	0.83	74.77
0405	Fisheries	0.28	0.26	92.86
0702	Minor Irrigation	0.60	0.60	100.00
0851	Village and Small Industries	0.17	0.16	94.12
1051	Ports and Light Houses	12.32	12.33	100.08
1054	Roads and Bridges	0.36	0.36	100.00
1452	Tourism	3.13	2.68	85.62
1456	Civil Supplies	0.47	0.47	100.00
Total		**127.34**	**82.53**	**64.81**

Appendix 4.3

(Reference: Paragraph 4.7; Page 105)

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 2021-22
2	Oulgaret Municipality, Puducherry	2008-09 to 2021-22
3	Karaikal Municipality, Karaikal	2008-09 to 2021-22
4	Ariankuppam Commune Panchayat, Puducherry	2008-09 to 2021-22
5	Villianur Commune Panchayat, Puducherry	2008-09 to 2021-22
6	Bahour Commune Panchayat, Puducherry	2008-09 to 2021-22
7	Mannadipet Commune Panchayat, Puducherry	2008-09 to 2021-22
8	Nettapakkam Commune Panchayat, Puducherry	2008-09 to 2021-22
9	Neravy Commune Panchayat, Karaikal	2008-09 to 2021-22
10	Kottucherry Commune Panchayat, Karaikal	2008-09 to 2021-22
11	Thirunallar Commune Panchayat, Karaikal	2008-09 to 2021-22
12	Nedungadu Commune Panchayat, Karaikal	2008-09 to 2021-22
13	Mahe Municipality, Mahe	2008-09 to 2021-22
14	Yanam Municipality, Yanam	2008-09 to 2021-22
15	Thirumalairayanpattinam Commune Panchayat, Karaikal	2008-09 to 2021-22
16	Project Implementation Agency	2021-22
17	Puducherry Coastal Zone Management Authority	2016-17 to 2021-22
18	Dr B.R. Ambedkar Polytechnic College, Yanam	2016-17 to 2021-22
19	SPINCO, Puducherry	2016-17 to 2021-22
20	Pondicherry Cooperative Sugar Mills, Lingareddipalayam, Puducherry	2020-21 and 2021-22
21	Indira Gandhi College of Arts and Science	2017-18 to 2021-22
22	Perunthalaivar Kamarajar Arts College, Kalitheerthakuppam, Puducherry	2017-18 to 2021-22
23	Karaikal Polytechnic College, Karaikal	2017-18 to 2021-22
24	Pondicherry State Sports Council, Puducherry	2017-18 to 2021-22

Sl. No.	Name of the Autonomous Body/Authority	Year for which accounts were due
25	Pandit Jawaharlal Nehru College of Agriculture and Research Institute, Karaikal	2017-18 to 2021-22
26	Pondicherry Institute of Hotel Management & Catering Technology, Puducherry	2017-18 to 2021-22
27	Pondicherry Khadi and Village Industries Board, Puducherry	2020-21 and 2021-22
28	Indira Gandhi Polytechnic College, Mahe	2017-18 to 2021-22
29	Women's Polytechnic College, Karaikal	2017-18 to 2021-22
30	Puducherry Institute of Post Matric Technical Education (PIPMATE), Puducherry	2021-22
31	Women's Polytechnic College, Puducherry	2017-18 to 2021-22
32	Puducherry Fishermen Welfare and Distress Relief Society, Puducherry	2018-19 to 2021-22
33	Indira Gandhi Medical College and Research Institute, Puducherry	2020-21 and 2021-22
34	Mother Theresa Institute of Health Science Society, Puducherry	2021-22
35	Puducherry Urban Development Agency	2020-21 and 2021-22
36	Puducherry State Fisherman Co-operative Federation	2018-19 to 2021-22
37	Renewable Energy Agency of Puducherry	2018-19 to 2021-22
38	Pondicherry Pollution Control Committee, Puducherry	2018-19 to 2021-22
39	Pondicherry Council for Science and Technology, Puducherry	2018-19 to 2021-22
40	Rajiv Gandhi College of Veterinary and Animal Sciences, Puducherry	2018-19 to 2021-22
41	Rajiv Gandhi Arts & Science College, Thavalakuppam	2018-19 to 2021-22
42	Rajiv Gandhi Ayurvedha Medical College, Mahe	2018-19 to 2021-22
43	Perunthalaivar Kamarajar Institute of Engineering and Technology, Karaikal	2018-19 to 2021-22
44	Kasturibai College for Women, Villianur	2018-19 to 2021-22
45	Pondicherry Society for Education (PONSHE), Puducherry	2020-21 and 2021-22
46	Pondicherry Agricultural Workers Welfare Society, Puducherry	2018-19 to 2021-22
47	Bharathiar Palkalaikoodam, Puducherry	2018-19 to 2021-22
48	Pondicherry State Health Mission, Puducherry	2020-21 and 2021-22
49	Sarva Shiksha Abhiyan Society, Puducherry	2021-22
50	Puducherry Slum Clearance Board, Puducherry	2020-21 and 2021-22

Sl. No.	Name of the Autonomous Body/Authority	Year for which accounts were due
51	Pondicherry Housing Board, Puducherry	2020-21 and 2021-22
52	Pondicherry Women's Commission, Puducherry	2019-20 to 2021-22
53	Pondicherry Ground Water Authority, Puducherry	2020-21 and 2021-22
54	Pondicherry Fishing Harbour Management Society, Puducherry	2020-21 and 2021-22
55	Perunthalaivar Kamarajar College of Education, Karaikal	2019-20 to 2021-22
56	Rajiv Gandhi School of Sports, Puducherry	2019-20 to 2021-22
57	Puducherry Society for the Care of the Aged, Puducherry	2020-21 and 2021-22
58	National Hydrology Project, Puducherry	2019-20 to 2021-22
59	Puducherry Market Committee	2021-22
60	Karaikal Market Committee, Karaikal	2019-20 to 2021-22
61	Building and Other Construction Workers' Welfare Board, Puducherry	2017-18 to 2021-22
62	District Rural Development Agency, Puducherry	2020-21 and 2021-22
63	District Institute of Education and Training, Puducherry	2021-22
64	Krishi Vigyan Kendra, Puducherry	2021-22
65	Krishi Vigyan Kendra, Karaikal	2021-22
66	Pondicherry State Social Welfare Advisory Board, Puducherry	2021-22
67	Puducherry Seeds Certification Agency, Puducherry	2021-22
68	e-Governance Society, Puducherry	2021-22

Appendix 4.4

(Reference: Paragraph 4.8; Page 106)

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	6	19.11	0	0.00	2	5.28
Animal Husbandry & Animal Welfare	5	41.75	0	0.00	3	41.67	2	0.08
Art & Culture	3	0.37	0	0.00	1	0.03	2	0.34
Electricity	257	2,714.09	0	0.00	8	2,666.52	249	47.57
Health	9	12.21	3	11.13	0	0.00	6	1.08
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	0	0.00	0	0.00	3	1.27
Local Administration	6	2.51	2	1.49	1	0.47	3	0.55
Police	1	0.14	0	0.00	1	0.14	0	0.00
PWD	3	0.44	1	0.24	1	0.12	1	0.08
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	5	7.74	1	0.61	0	0.00	4	7.13
Tourism	1	0.22	1	0.22	0	0.00	0	0.00
Women & Child Development#	1	3.75	0	0.00	0	0.00	1	3.75
Total	**320**	**2,861.60**	**17**	**33.29**	**26**	**2,756.49**	**277**	**71.82**

* 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 5.4; Page 110)

List of Union Territory Public Sector Undertakings under jurisdiction of Audit under the purview of CAG Audit during 2022-23

Agriculture	
1	Puducherry Agro Service & Industries Corporation Limited
2	Puducherry Agro Products, Food and Civil Supplies Corporation Limited
Finance	
3	Pondicherry Industrial Promotion Development and Investment Corporation Limited
4	Puducherry Adi-dravidar and Scheduled Tribes Development Corporation Limited
5	Puducherry Corporation for the Development of Women and Differently Abled Persons Limited
6	Puducherry Backward classes and Minorities Development Corporation Limited
Manufacturing	
7	Puducherry Distilleries Limited
8	Swadeshee Bharathee Textile Mills Limited
9	Pondicherry Textiles Corporation Limited
Service	
10	Puducherry Tourism Development Corporation Limited
11	Puducherry Road Transport Corporation Limited
Power	
12	Puducherry Power Corporation Limited

Appendix 5.2

(Reference: Paragraph 5.9.2; Page 115)

Details of UTPSUs whose net worth has eroded as per their latest finalised account

(₹ 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	Period since when Net worth remained Negative	State Government Equity as on 31 March 2023	State Government Loans as on 31 March 2023
1	Puducherry Agro Service & Industries Corporation Limited	2012-13	15.00	(-) 1.28	(-) 38.26	(-) 23.26	2010-11	15.00	0.00
2	Puducherry Agro Products, Food and Civil Supplies Corporation Limited	2013-14	9.93	(-) 7.23	(-) 27.12	(-) 17.19	2011-12	9.88	0.00
3	Puducherry Adi-dravidar and Scheduled Tribes Development Corporation Limited	2018-19	14.86	(-) 3.55	(-) 21.09	(-) 6.23	2017-18	13.18	2.96
4	Pondicherry Textiles Corporation	2015-16	367.35	(-) 27.31	(-) 573.70	(-) 206.35	2015-16	367.35	3.47
5	Swadeshee Bharathee Textile Mills Limited	2014-15	33.71	22.19	(-) 54.90	(-) 21.19	2009-10	33.71	0.00
6	Puducherry Tourism Development Corporation Limited	2021-22	17.59	(-) 0.12	(-) 34.52	(-) 16.93	2012-13	17.59	0.00
7	Puducherry Road Transport Corporation Limited	2020-21	34.78	(-) 7.17	(-) 71.53	(-) 36.75	2013-14	34.78	2.72

Appendix 5.3

(Reference: Paragraph 5.11.2; Page 117)

Details of UTPSUs whose accounts are in arrears

Sl. No.	Name of the PSU	Latest Accounts finalised	Accounts pending from the year	No. of Years
1	Puducherry Agro Service & Industries Corporation Limited	2012-13	2013-14	10
2	Puducherry Agro Products, Food and Civil Supplies Corporation Limited	2013-14	2014-15	9
3	Swadeshee Bharatee Textile Mills Limited	2014-15	2015-16	8
4	Puducherry Textiles Corporation Limited	2015-16	2016-17	7
5	Puducherry Backward classes and Minorities Development Corporation Limited	2015-16	2016-17	7
6	Puducherry Distilleries Limited	2016-17	2017-18	6
7	Puducherry Adidravidar and Scheduled Tribes Development Corporation Limited	2018-19	2019-20	4
8	Puducherry Industrial Promotion Development and Investment Corporation Limited	2019-20	2020-21	3
9	Puducherry Road Transport Corporation Limited	2020-21	2021-22	2
10	Puducherry Power Corporation Limited	2020-21	2021-22	2
11	Puducherry Tourism Development Corporation Limited.	2021-22	2022-23	1
12	Puducherry Corporation for Development for Women and Differently abled persons Limited	2021-22	2022-23	1
	Total			**60**

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
JERC	Joint Electricity Regulatory Commission

Abbreviations	Full form
OD	Overdraft
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
RE	Revenue Expenditure
RR	Revenue Receipts
RoCE	Return on Capital Employed
ROE	Return on Equity
SBTML	Swadeshee Bharathee Textile Mills Limited
SD	Security Deposits

Abbreviations	Full form
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
UTPSUs	Union Territory Public Sector Undertakings
VAT	Value Added Tax
WMA	Ways and Means Advances