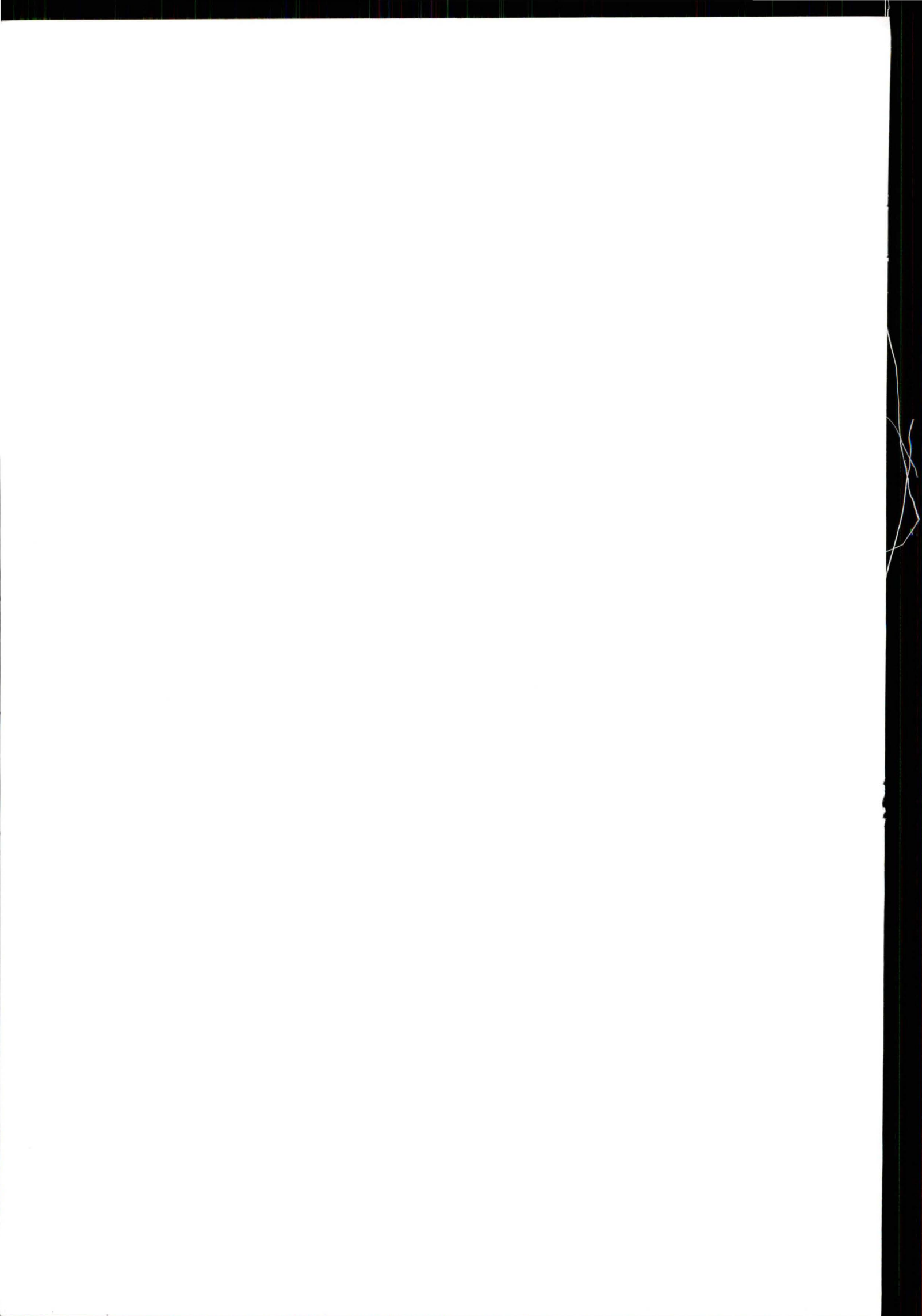


**Report of the  
Comptroller and Auditor General of India  
on  
Union Territory Finances**

**for the year ended March 2012**

**Government of the Union Territory of Puducherry**





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## PREFACE

1. This Report has been prepared for submission to the Lieutenant Governor of the Union Territory of Puducherry under Section 49 of the Government of Union Territories Act, 1963.
2. Chapters I and II of this Report respectively contain audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts of the Government of Union Territory of Puducherry for the year ended 31 March 2012.
3. Chapter III on 'Financial Reporting' provides an overview and status of the Union Territory Government's compliance with various financial rules, procedures and directives during the current year.





# **EXECUTIVE SUMMARY**







## Executive Summary

Based on the audited accounts of the Government of Union Territory of Puducherry for the year ending March 2012, this Report provides an analytical review of the Annual Accounts of the Union Territory Government. The Report is structured in three chapters.

**Chapter I** is based on the audit of Finance Accounts and makes an assessment of the Government's fiscal position as on 31 March 2012. It provides an insight into trends in receipts and expenditure, committed expenditure, borrowing pattern and fiscal status of the Government, besides giving a brief account of Central funds transferred directly to the State implementing agencies through the off-budget route.

**Chapter II** is based on the audit of Appropriation Accounts and gives grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

**Chapter III** is an inventory of the Government's compliance with various reporting requirements and financial rules. The Report also has additional data collated from several sources in support of the findings.

### Audit findings

#### 1. Finances of the Union Territory Government

**Inadequate mobilization of revenue receipts:** As against the revenue receipts of ₹ 2,771 crore, the revenue expenditure incurred during the year 2011-12 was ₹ 3,222 crore, which indicates that the revenue receipts were not enough to meet the revenue expenditure. The Revenue receipts, as a percentage of GSDP, hovering around 23 *per cent* during 2007-11 decreased to 19.68 *per cent* in 2011-12 due to decrease in non-tax revenue. The UT Government continue to depend heavily on Government of India, as the latter contributed to 46.52 *per cent* of the total revenue receipts of UT.

**Funds transferred directly to implementing agencies:** During 2011-12, GOI directly transferred ₹ 46.71 crore to the Union Territory implementing agencies for implementation of various schemes/programmes. As these funds were not routed through the UT budget, the Annual Finance Accounts had not captured the flow of these funds and to that extent, the receipts and expenditure of the UT as well as other fiscal variables/parameters derived from them were underestimated.

**High share of revenue expenditure in total expenditure:** The revenue expenditure of ₹ 3222 crore during 2011-12 constituted 89.52 *per cent* of total expenditure. The committed expenditure such as salaries, pension and interest payments constituted 53.69 *per cent* of revenue expenditure and 62.43 *per cent* of the revenue receipts.



**Inadequate priority to Development expenditure:** The Capital expenditure increased just by ₹ four crore from ₹ 371 crore in 2010-11 to ₹ 375 crore in 2011-12 and it accounted for 10.42 *per cent* of the total expenditure. The development expenditure (expenditure on social and economic sectors) as percentage of aggregate expenditure decreased from 76 in 2010-11 to 72 in 2011-12. Bulk of the expenditure (44.97 *per cent*) was incurred in the social sector.

**Low return on investments:** As of 31 March 2012, Government had invested ₹ 948.87 crore in Government companies and co-operative institutions. The return on these investments was 0.4 *per cent*, while the Government paid interest at an average rate of 7.8 *per cent* on its borrowings during 2011-12.

**High fiscal liabilities:** The outstanding fiscal liabilities increased from ₹ 2,923 crore in 2007-08 to ₹ 4,588 crore in 2010-11 and to ₹ 5,441 crore (19 *per cent*) in 2011-12. The fiscal liabilities constituted 39 *per cent* of GSDP and 196 *per cent* of revenue receipts in 2011-12. Adverse indicator of debt stabilization, wide resource gap and increasing rate of interest burden become threat to debt sustainability of the UT Government.

**Increasing deficits:** The revenue deficit in 2011-12 was ₹ 451 crore (3.2 *per cent* of GSDP) and it increased steadily from 2007-08 (₹ 65 crore) to 2011-12. The increase of revenue deficit by ₹ 111 crore in 2011-12 over 2010-11 was mainly due to decrease in non tax receipts. The fiscal deficit also increased manifold from ₹ 331 crore in 2007-08 to ₹ 824 crore in 2011-12 (six *per cent* of GSDP). High levels of these deficits and ever increasing trend are indicators of unsound economical position of the UT Government.

## 2. Financial management and budgetary control

During 2011-12, expenditure of ₹ 3,785.03 crore was incurred against total grants and appropriations of ₹ 4,978.08 crore, resulting in overall savings of ₹ 1,193.05 crore (23.97 *per cent*). In 119 cases, no expenditure was incurred against the provision of ₹ 775.79 crore. There were persistent savings of more than ₹ 10 lakh in 11 grants during 2007-12. Savings of ₹ three crore occurred in three grants were not at all surrendered and out of the total anticipated savings of ₹ 889.25 crore in seven grants, ₹ 92.95 crore was not surrendered. In 55 cases, the expenditure exceeded the approved provisions, resulting in excess expenditure of ₹ 240.13 crore. Provision of funds for free supply of computers to the scheduled caste students were made without ensuring the feasibility of spending and funds meant for creation of infrastructure for the scheduled caste people were used for payment of electricity charges of PWD offices.

## 3. Financial Reporting

There was large scale pendency in furnishing of Utilisation Certificates by various grantee institutions for grants-in-aid of ₹ 490.59 crore. The pendency ranged from one to more than nine years. Twenty three autonomous



bodies/authorities had not submitted to Audit their annual accounts due for the period upto 2010-11 as of December 2012. Temporary advances aggregating to ₹ 396.09 crore were pending for adjustment by the Drawing and Disbursing Officers. The Union Territory Government departments reported 307 cases of misappropriation, loss, defalcation, etc., involving Government money of ₹ 38.95 crore upto March 2012. Final action on these cases were pending for periods ranging from one to more than 15 years.







# **CHAPTER I**

## **FINANCES OF THE UNION TERRITORY GOVERNMENT**







## CHAPTER I

### FINANCES OF THE UNION TERRITORY GOVERNMENT

The Union Territory (UT) of Puducherry is administered under the provisions of the Government of Union Territories Act, 1963. The UT consists of four regions, namely, Puducherry, Karaikal, Mahe and Yanam, geographically separated from each other. The UT's population increased from 9.74 lakh in 2001 to 12.44 lakh in 2011 (provisional figure), recording a decadal growth rate of 27.72 *per cent*. The compound annual growth rate of Gross State Domestic Product (GSDP) for the period 2002-03 to 2011-12 was 12.37 *per cent*. The Union Territory of Puducherry has higher literacy level and lower poverty level as compared to the all India average (**Appendix 1.1 Part A**).

This chapter provides a broad perspective of the finances of the Government of the Union Territory of Puducherry during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The structure of Government Accounts and the layout of the Finance Accounts are shown in **Appendix 1.1 Part B and Part C**. The methodology adopted for the assessment of the fiscal position of the UT is given in **Appendix 1.2**. A time series data on the UT Government finances is given in **Appendix 1.3**.

#### 1.1 Summary of Current Year's Fiscal Transactions

**Table 1.1** presents the summary of the UT Government's fiscal transactions during the current year (2011-12) *vis-à-vis* the previous year (2010-11), while **Appendix 1.4 - Part A** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

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The terms and abbreviations used in this Report are listed in the Glossary at Page No.81

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Table 1.1 Summary of Current Year's Fiscal Operations

(₹ in crore)

2010-11	Receipts	2011-12	2010-11	Disbursements	2011-12		
Section-A: Revenue					Non Plan	Plan	Total
3,200	Revenue receipts	2,771	3,540	Revenue expenditure	1,955	1,267	3,222
1,074	Tax revenue	1,329	865	General services	933	35	968
743	Non-tax revenue	153	1,379	Social services	649	849	1,498
Nil	Share of Union Taxes/ Duties	Nil	1,292	Economic services	369	383	752
1,383	Grants from the Government of India	1,289	4	Grants-in-aid and Contributions	4	Nil	4
Section-B: Capital							
Nil	Miscellaneous Capital Receipts	Nil	371	Capital Outlay	(-)6**	381	375
4	Recoveries of Loans and Advances	4	2	Loans and Advances disbursed	2	Nil	2
854	Public Debt receipts	788	148	Repayment of Public Debt	106	51	157
Nil	Contingency Fund	Nil	Nil	Contingency Fund			Nil
393	Public Account receipts	1,059	772	Public Account disbursements	*	*	795
1,210	Opening Cash Balance	828	828	Closing Cash Balance			899
5,661	<b>Total</b>	5,450	5,661	<b>Total</b>			5,450

(Source: Finance Accounts); \* Bifurcation of Plan and Non-Plan not available

\*\* Minus expenditure is due to value of issue of stock more than the value of purchase

The following are the significant changes during 2011-12 as compared to the previous year 2010-11:

- There was reduction in revenue receipts by ₹ 429 crore (13.41 per cent) over the previous year due to less receipt of non-tax revenue. The decrease in non-tax revenue was mainly due to permission given to the Electricity Department to utilise the receipts on sale of power towards purchase of power.
- Revenue expenditure decreased by ₹ 318 crore due to less expenditure on economic services (₹ 540 crore), which was offset by the increased expenditure on general services (₹ 103 crore) and social services (₹ 119 crore) in the year 2011-12.
- Capital expenditure increased just by ₹ four crore (1.07 per cent) during the year and it was at 10.42 per cent of the aggregate expenditure.
- Public Accounts receipts and disbursements increased by ₹ 666 crore and ₹ 23 crore respectively, which led to net increase in the cash balance by ₹ 71 crore at the close of 2011-12.
- As in the previous year, there were no transactions in the contingency fund during 2011-12.



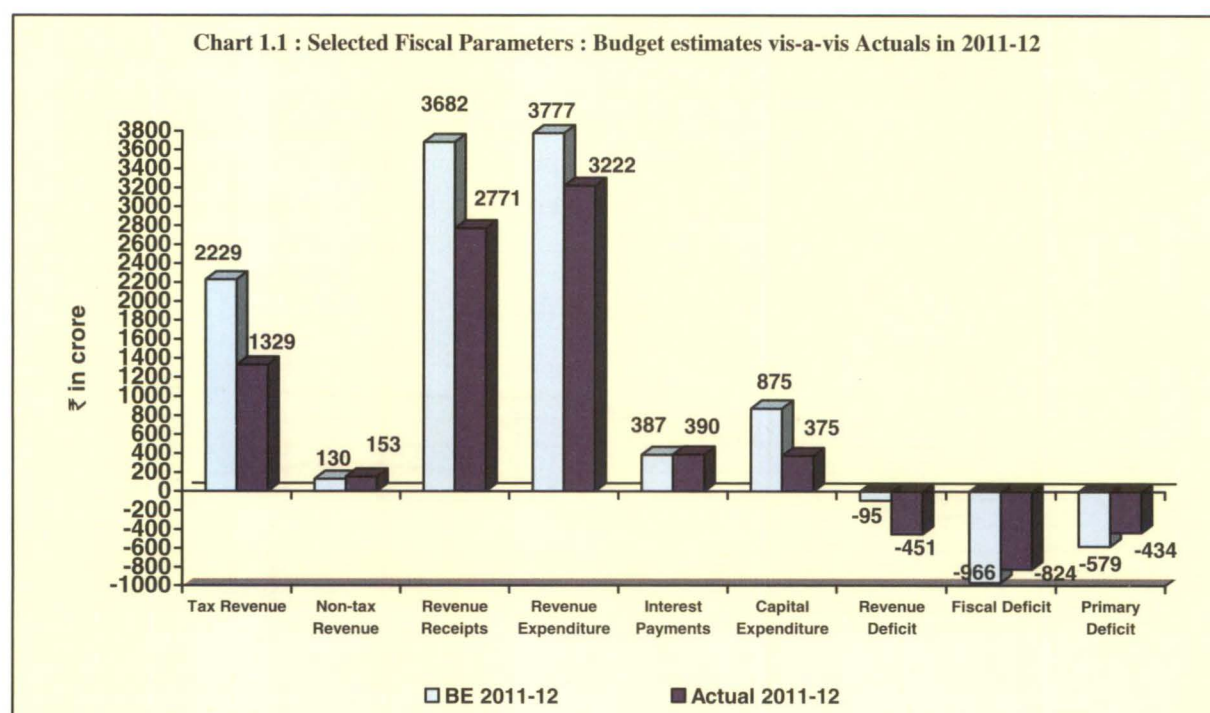
### Fiscal position

The fiscal deficit of the Government during the year (₹ 824 crore) increased by ₹ 115 crore (16 per cent) over the previous year (₹ 709 crore). The fiscal deficit to GSDP was at six per cent in 2011-12, which stood at five per cent in 2010-11. The outstanding fiscal liabilities increased by 19 per cent from ₹ 4,588 crore in 2010-11 to ₹ 5,441 crore in 2011-12. As the Twelfth Finance Commission recommendations were not applicable to the UT of Puducherry, the FRBM Act was not enacted. However, the Deputy Director (Ways and Means), stated that fiscal road map based on the principles of GOI's FRBM Act had been prepared and approved by the Union Home Ministry.

### Budget Analysis

The Budget papers presented by a State/Union Territory Government provide description of the estimated revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the budget estimates are indicative of non-attainment of the desired fiscal objectives, due to a variety of causes, some within the control of Government and some outside.

**Chart 1.1** presents the budget estimates and actuals for some important fiscal parameters.



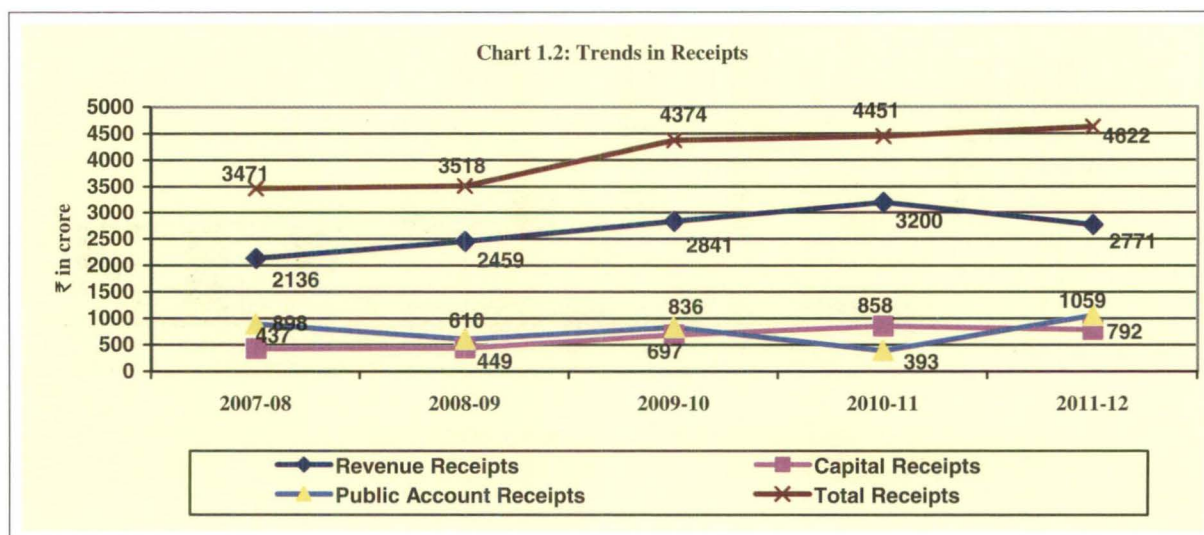
The actual revenue receipts were less by ₹ 911 crore as compared to the budget estimates, mainly due to less receipts of tax revenue. The revenue expenditure and capital expenditure were less by ₹ 555 crore and ₹ 500 crore respectively than the budget estimates. The less capital expenditure was noticed in education, sports, art and culture and water supply; sanitation; housing and urban development under social services and transport and energy under economic services. The less revenue expenditure as compared to the budget estimates was mainly due to less expenditure on education, sports and art and culture; health and family welfare; water supply; sanitation; housing and urban development and welfare of SC, ST and OBCs under social services. The actual revenue deficit (₹ 451 crore) far exceeded the budget estimate (₹ 95 crore).

The wide gap between the estimates and actuals of some of the parameters do reflect the fact that either the estimates were not realistic or there were poor control in realising the targets.

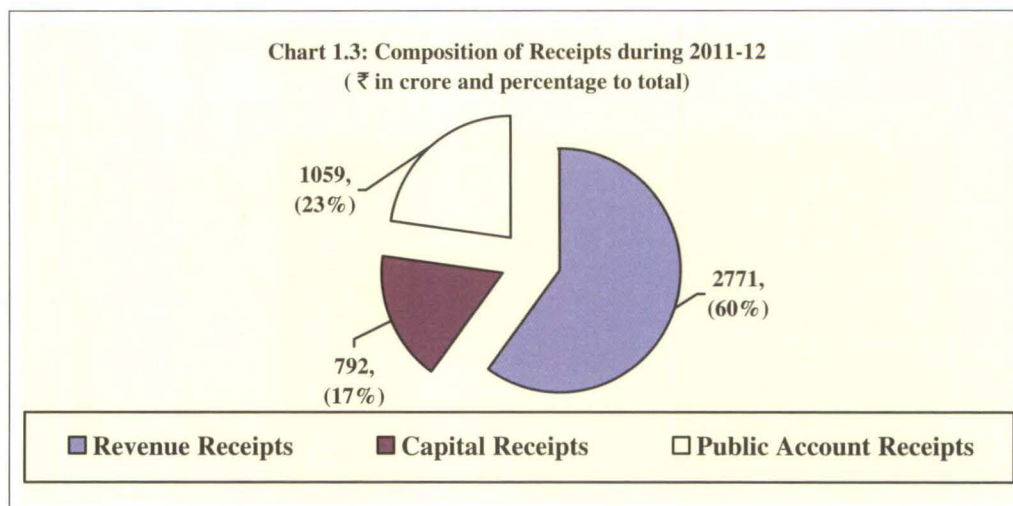
## 1.2 Resources of the Union Territory

### 1.2.1 Resources of the Union Territory as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute resources of the Government. Revenue receipts consist of tax revenues, non-tax revenues and grants-in-aid from GOI. Capital receipts comprise miscellaneous capital receipts such as recoveries of loans and advances, debt receipts from internal sources (market loans), loans and advances from GOI as well as accruals from the Public Account. **Table-1.1** presents the receipts and disbursements of the UT during the current year as recorded in its Annual Finance Accounts, while **Chart 1.2** depicts the trends in various components of the receipts during 2007-12. **Chart 1.3** depicts the composition of resources during the current year.







Greater part of the UTs receipts consist of revenue receipts (60 per cent) followed by Public Account (23 per cent).

During 2011-12, the total receipts of the UT increased meagerly by ₹ 171 crore (four per cent) over the previous year as the increase of ₹ 666 crore (169 per cent) in public accounts receipts was offset by decrease of ₹ 429 crore (13 per cent) in revenue receipts and ₹ 66 crore (eight per cent) in capital receipts.

### 1.2.2 Funds transferred to UT Implementing Agencies outside the UT Budget

The Central Government has been transferring a sizeable quantum of funds directly to UT implementing agencies<sup>1</sup> for the implementation of various schemes/programmes in social and economic sectors recognised as critical. As these funds are not routed through the UT Budget/UT Treasury System, the Annual Finance Accounts do not capture the flow of these funds and to that extent, the UT's receipts and expenditure as well as other fiscal variables/parameters derived from them are underestimated. The funds directly transferred during 2011-12 to UT implementing agencies under the control of four departments viz., Education, Health, Information and Technology and Rural Development in respect of seven major programmes assisted by GOI are presented in **Table 1.2**.

<sup>1</sup> State implementing agencies include any organisation/institution including non-Governmental organisations which are authorised by the UT Government to receive funds from the Government of India for implementing specific programmes in the Union Territory.

**Table-1.2: Funds transferred directly to UT Implementing Agencies**

(₹ in crore)

Programme/ Scheme	Implementing Agency in the UT	Funds transferred directly by GOI during 2011-12
Capacity Building Scheme	Puducherry e-Governance Society, Puducherry	0.99
Member of Parliament-Local Area Development Programme	District Rural Development Agency	5.00
Mahatma Gandhi National Rural Employment Guarantee Act Scheme		1.00
Swarnajayanthi Gram Swarojgar Yojana		2.38
Provision of urban amenities in rural areas		14.72
Sarva Shiksha Abhiyan	State Project Office	7.58
National Rural Health Mission	State Rural Health Mission	15.04
<b>Total</b>		<b>46.71</b>

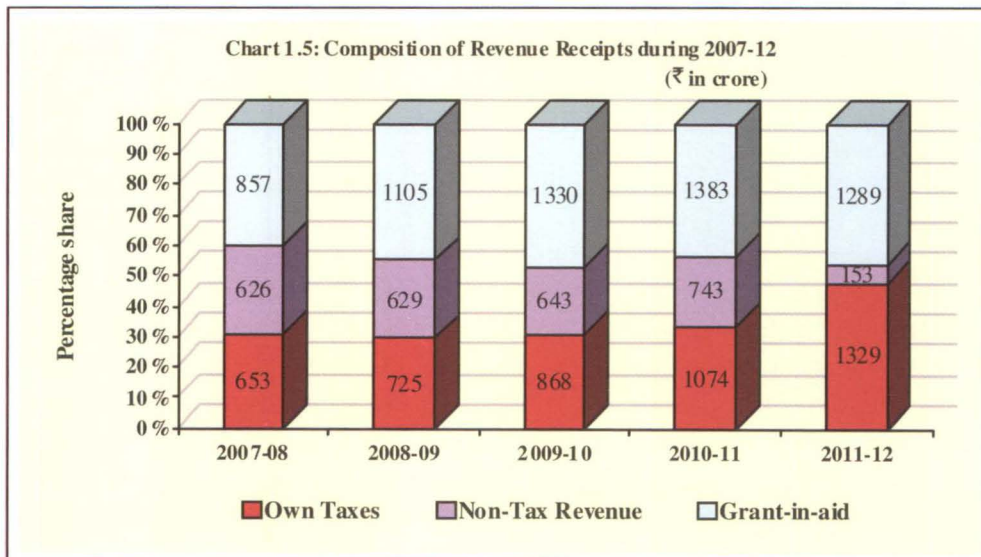
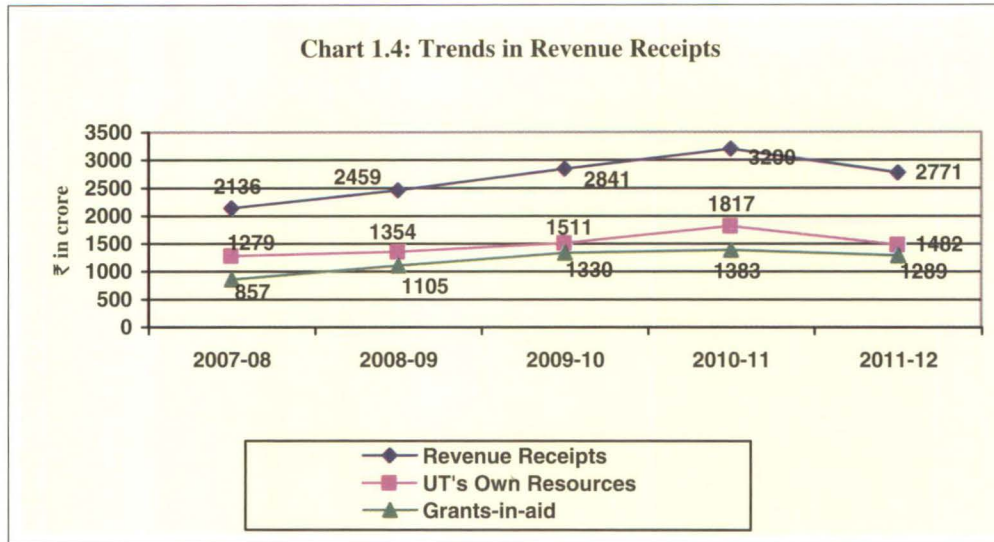
(Source : Figures furnished by four departments are given in the table and this may not reflect the entire fund transfers to the State implementing agencies in the Union Territory)

Out of ₹ 46.71 crore transferred to UT implementing agencies, a major portion of ₹ 23.10 crore (49 per cent) was transferred to the District Rural Development Agency.

Direct transfers of funds from the Union Government to UT implementing agencies without routing them through the UT budget can be risky, unless uniform accounting practices are diligently followed by all these agencies. Further, without proper documentation and timely reporting of expenditure, it would be difficult to monitor the end use of these direct transfers.

### 1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the UT's own taxes and non-tax revenues and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2007-12 are presented in **Appendix 1.3** and depicted in **Charts 1.4** and **1.5** respectively.



It was observed that the UT Government continued to depend heavily on GOI as the latter contributed 46.52 per cent of the total revenue receipts of UT in 2011-12. As already mentioned, the revenue receipts of UT decreased by ₹ 429 crore over the previous year (13 per cent). While tax revenue increased by ₹ 255 crore, non-tax revenue decreased drastically by ₹ 590 crore, mainly because the Electricity Department was permitted to utilise the revenue receipts from sale of power towards purchase of power. Grants-in-aid from GOI decreased by ₹ 94 crore over the previous year.

The trends of revenue receipts relative to GSDP are presented in **Table 1.3** below:



**Table 1.3: Trends in Revenue Receipts relative to GSDP**

	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Revenue Receipts (RR) (₹ in crore)</b>	<b>2,136</b>	<b>2,459</b>	<b>2,841</b>	<b>3,200</b>	<b>2,771</b>
Rate of growth of RR (per cent)	13.38	15.12	15.53	12.64	(-)13.41
UT's own taxes (₹ in crore)	653	725	868	1,074	1,329
Rate of growth of own taxes (per cent)	14.56	11.02	19.72	23.73	23.74
GSDP growth (per cent)	10.98	8.64	22.43	11.08	3.02
<b>Buoyancy Ratios</b>					
RR/GSDP <sup>2</sup> (per cent)	23.09	24.47	23.09	23.41	19.68
Revenue buoyancy with reference to GSDP (ratio)	1.22	1.75	0.69	1.14	(-)4.44
UT's own tax buoyancy with reference to GSDP (ratio)	1.33	1.28	0.88	2.14	7.86

(Source: Finance Accounts)

The GSDP, at the current prices, was estimated to increase from ₹ 13,667 crore in 2010-11 to ₹ 14,081 crore in 2011-12, representing a small growth of 3.02 per cent when compared to previous years. The revenue receipts, as a percentage of GSDP, hovering around 23 per cent during 2007-11 decreased to 19.68 per cent in 2011-12.

The buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. As against the GSDP growth rate of 3.02 per cent during 2011-12, the growth rate of UT's revenue receipts declined by 13.41 per cent. It means that even when the GSDP had grown by 3.02 per cent in 2011-12, the revenue receipts had declined drastically implying great distortion. While the total revenue buoyancy with reference to GSDP turned into negative (-4.44) during the year, UT's own tax buoyancy ratio increased from 2.14 in 2010-11 to 7.86 in 2011-12, indicating that the rate of growth of own taxes was faster than the growth rate of GSDP.

### 1.3.1 Union Territory's Own Resources

The 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 gross collection in respect of major taxes and duties as well as the components of non-tax receipts are given in **Table 1.4**.

<sup>2</sup> Provisional and Quick estimates of GSDP of ₹ 13,667 crore and ₹ 14,081 crore have been adopted for 2010-11 and 2011-12.

Table 1.4: Components of UT's Own Resources

(₹ in crore)					
Revenue Head	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Tax Revenue</b>					
Taxes on sales, trades etc.	355	382	453	595	750
State excise	224	280	329	379	447
Taxes on vehicles	32	32	35	48	54
Stamp duty and Registration fees	41	31	50	51	77
Land revenue	1	--	1	1	1
<b>Total</b>	<b>653</b>	<b>725</b>	<b>868</b>	<b>1,074</b>	<b>1,329</b>
<b>Non-Tax Revenue</b>					
Interest receipts	18	44	51	37	35
Dividends and Profits	4	4	6	5	4
Other non-tax receipts	604	581	586	701	114
<b>Total</b>	<b>626</b>	<b>629</b>	<b>643</b>	<b>743</b>	<b>153</b>

(Source: Finance Accounts)

The Union Territory's tax revenue increased by ₹ 255 crore (24 per cent) in 2011-12 over the previous year. The increase was mainly contributed by sales tax (₹ 155 crore) due to better compliance of payment of tax and collection of tax arrears; state excise (₹ 68 crore) due to upward revision of excise duty and additional excise duty on IMFL and beer and stamps and registration fees (₹ 26 crore) on account of sale of more non-judicial stamps.

The Non-tax revenue receipts of ₹ 153 crore, which constituted just six per cent of the revenue receipts, decreased by ₹ 590 crore during the year over the previous year mainly because the Electricity Department was permitted to utilise the revenue realized from sale of power towards purchase of power.

The UT's own resources of ₹ 1,482 crore (₹ 1,329 crore – tax revenue and ₹ 153 crore – non-tax revenue) as well as recovery of loans and advances of ₹ four crore was not sufficient to meet the Non-Plan revenue expenditure of ₹ 1,955 crore. This led to revenue deficit.

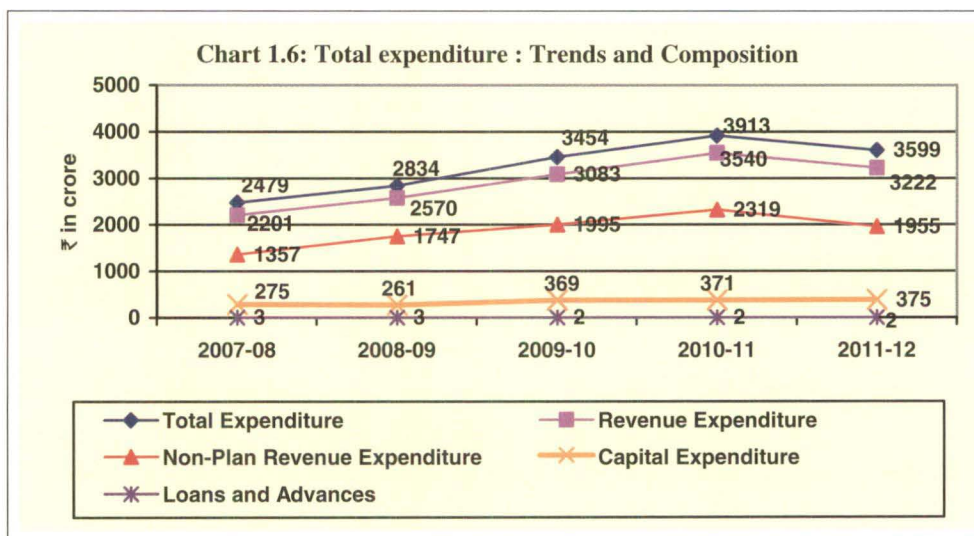
#### 1.4 Application of Resources

Analysis of the allocation of expenditure at the UT Government level assumes significance since major expenditure responsibilities are entrusted with them. In view of budgetary constraints in raising public expenditure financed by deficit or borrowings, it is important to ensure that the ongoing fiscal correction and consolidation process is not at the cost of expenditure especially directed towards the development of social sectors.



### 1.4.1 Growth and Composition of Expenditure

**Chart 1.6** presents the trends of total expenditure over a period of five years (2007-12). Its composition in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted in **Charts 1.7 and 1.8** respectively.



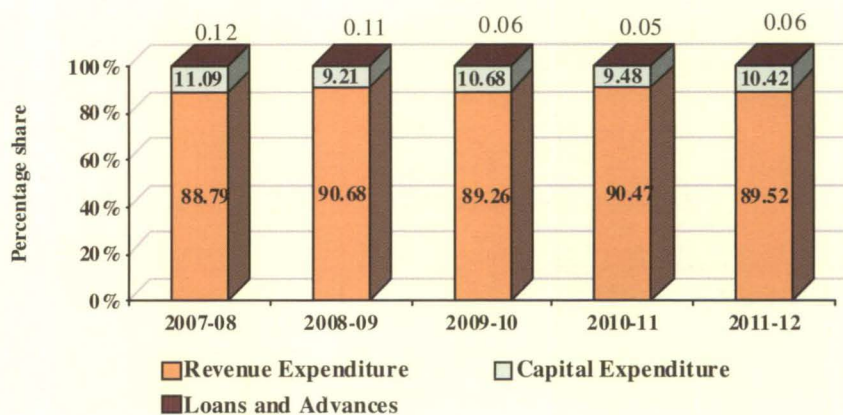
The total expenditure<sup>3</sup> of the UT increased by 45.17 per cent from ₹ 2,479 crore in 2007-08 to ₹ 3,599 crore in 2011-12. But, the total expenditure during the current year decreased by ₹ 314 crore (8.02 per cent) over the previous year. The revenue expenditure decreased by ₹ 318 crore (8.98 per cent) and the capital expenditure increased by just ₹ four crore (1.07 per cent) during 2011-12.

The revenue expenditure was 89.52 per cent of the total expenditure, of which 60.68 per cent was the Non-Plan component. The capital expenditure accounts for 10.42 per cent of the total expenditure in 2011-12.

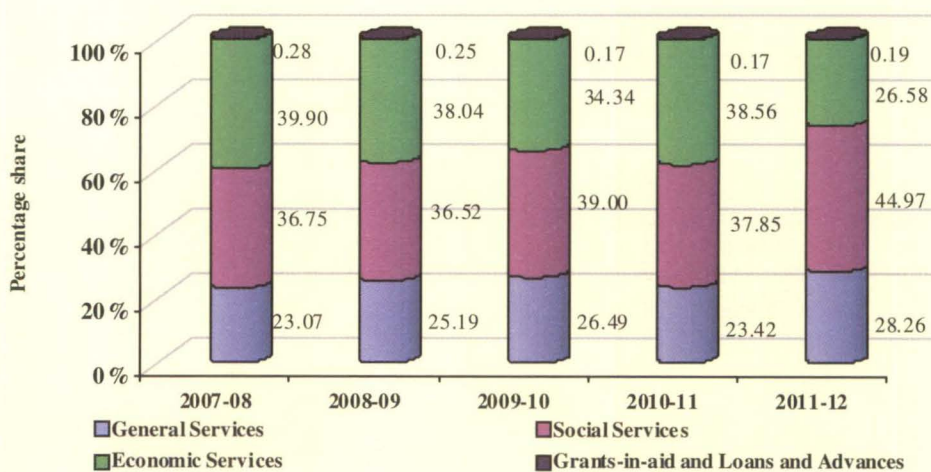
The revenue receipts of the UT could meet only 86 per cent of the revenue expenditure during 2011-12.

<sup>3</sup> Total expenditure includes revenue expenditure, capital expenditure and disbursement of loans and advances

**Chart 1.7: Total Expenditure : Trends in Share of its Components**



**Chart 1.8: Total Expenditure: Trends by 'Activities'**



During 2011-12, while the expenditure on General Services and Social Services increased by 10.97 *per cent* and 9.28 *per cent* respectively, the expenditure on Economic Services decreased by 36.60 *per cent*. The development expenditure, i.e., expenditure on Social and Economic Services decreased by 13.87 *per cent* over the previous year. Bulk of the expenditure (44.97 *per cent*) was incurred in the social sector.

The decrease in the expenditure on Economic Services (₹ 552 crore) was mainly due to less expenditure on power on account of permission given to the Electricity Department to utilise the revenue receipts from sale of power towards purchase of power.

## 1.4.2 Committed Expenditure

The committed expenditure of the UT Government on the revenue account mainly consists of interest payments, expenditure on salaries and pensions and subsidies. **Table 1.5** presents the trends of expenditure on these components during 2007-12 and **Chart 1.9** presents the share of committed expenditure in Non-Plan revenue expenditure on salaries, interest payments and pension during 2009-12.

**Table-1.5: Components of Committed Expenditure**

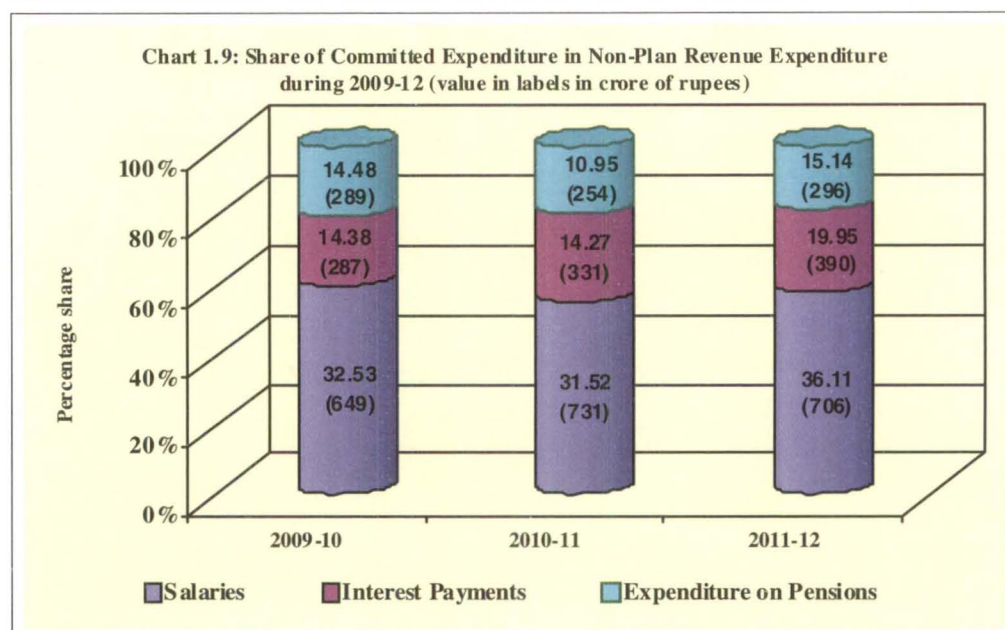
(₹ in crore)

Components of Committed Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12
Salaries, of which	445 (21)	688 (28)	868 (31)	987 (31)	956 (34)
Non-Plan Head	336	515	649	731	706
Plan Head**	109	173	219	256	250
Interest Payments	217 (10)	260 (11)	287 (10)	331 (10)	390 (14)
Expenditure on Pension	120 (6)	166 (7)	289 (10)	254 (8)	296 (11)
Subsidies	31 (1)	31 (1)	46 (1)	82 (3)	88 (3)
<b>Total</b>	<b>813</b> <b>(38)</b>	<b>1145</b> <b>(47)</b>	<b>1490</b> <b>(52)</b>	<b>1654</b> <b>(52)</b>	<b>1730</b> <b>(62)</b>

(Source: Finance Accounts)

Figures in parentheses indicate percentage of revenue receipts

\*\* Plan head also includes the salaries paid under Centrally Sponsored Schemes.





The Committed expenditure increased continuously from 2007-08 to 2011-12 and in 2011-12 it (₹ 1730 crore) constituted 62.43 and 53.69 *per cent* of revenue receipts and revenue expenditure respectively.

**Expenditure on salaries** under Non-Plan and Plan during the current year was ₹ 706 crore and ₹ 250 crore respectively. During 2011-12, though expenditure on salary decreased marginally in real terms, as a percentage of revenue receipts, it increased from 31 in 2010-11 to 34 in 2011-12.

**Pension payments** increased by 16.54 *per cent* from ₹ 254 crore in 2010-11 to ₹ 296 crore in 2011-12, due to settlement of Modified Assured Career Progression (MACP) revision to the pensioners.

**Interest payments** increased by ₹ 59 crore (17.82 *per cent*) in 2011-12 over the previous year, mainly due to payment of interest for market loans (₹ 50.85 crore) during 2011-12. The interest payments in 2011-12 were at 14 *per cent* of the total revenue receipts as against 10 *per cent* in 2010-11.

**Subsidies** (three *per cent* of revenue receipts in 2011-12) represent the expenditure booked under the object head ‘Subsidies’ under rural housing, welfare of Schedule Castes, crop husbandry, animal husbandry, fisheries, rural development, minor irrigation, village and small industries and civil supplies.

Thus, due to increase in payments of interest and pension, the committed expenditure had increased to 62 *per cent* of revenue receipts in 2011-12 as against 52 *per cent* in 2010-11.

#### **1.4.3 Financial Assistance by UT Government to Local Bodies and other Institutions**

The Panchayati Raj system in Puducherry is governed by the provisions of the Pondicherry Village and Commune Panchayat Act, 1973 which has devolved several powers to village and commune panchayats. The legislation was further amended in 1994, so as to conform to the 73<sup>rd</sup> amendment to the Constitution. In Puducherry, there are five municipalities, 10 commune panchayats and 98 village panchayats. The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.6**.

Table 1.6: Financial Assistance to Local Bodies etc.

(₹ in crore)

Financial Assistance to Institutions	2007-08	2008-09	2009-10	2010-11	2011-12
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	12.09	13.16	29.92	32.55	25.15
Municipalities	19.20	18.86	27.78	58.95	48.37
Panchayati Raj Institutions	10.15	28.97	18.66	14.54	30.91
Development agencies and autonomous bodies	213.93	232.75	346.41	421.94	302.86
Co-operatives	22.26	27.59	24.38	25.86	30.42
Other Institutions*	3.80	5.42	6.09	5.28	6.75
<b>Total</b>	<b>281.43</b>	<b>326.75</b>	<b>453.24</b>	<b>559.12</b>	<b>444.46</b>
Assistance as percentage of revenue expenditure	13	13	15	16	14

(Source: Director of Accounts and Treasuries, Puducherry)

\* Welfare societies and religious institutions

Financial assistance extended to local bodies and other institutions decreased from ₹ 559.12 crore in 2010-11 to ₹ 444.46 crore in 2011-12. The decrease was mainly due to less financial assistance given to development agencies and autonomous bodies. The financial assistance as a percentage of revenue expenditure in 2011-12 was 14 per cent, which was more or less similar to the trend prevailing in the previous years.

## 1.5 Quality of Expenditure

The availability of better social and physical infrastructure in the UT generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e., adequate provisions for providing public services); efficiency of expenditure use and effectiveness (assessment of outlay-outcome relationships for select services).

### 1.5.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure are largely assigned to State/UT Governments. Enhancing human development levels requires the States/UTs to step up their expenditure on key Social Services like education, health etc. **Table 1.7** analyses the fiscal priority (ratio of expenditure category to aggregate expenditure) of the UT Government with regard to development expenditure, social sector expenditure and capital expenditure during the current year and compares the



fiscal priority given to different categories of expenditure of the Union Territory of Puducherry in 2008-09 and 2011-12.

**Table-1.7: Fiscal Priority of the UT in 2008-09 and 2011-12**

Fiscal Priority of the UT		AE/GSDP	DE/AE	SSE/AE	CE/AE	ESE/AE	Expenditure on Education, Sports, Art and Culture/AE	Expenditure on Health and Family Welfare/AE	Per capita expenditure on Education, Sports, Art and Culture (in Rupees)	Per capita expenditure on Health and Family Welfare (in Rupees)
Puducherry Ratio	2008-09	0.28	0.75	0.37	0.09	0.38	0.13	0.06	3,264	1,600
	2011-12	0.26	0.72	0.45	0.10	0.27	0.14	0.09	3,866	2,646
AE: Aggregate Expenditure; DE: Development Expenditure; SSE: Social Sector Expenditure; CE: Capital Expenditure; ESE: Economic Sector Expenditure Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed. (Source: (1) Directorate of Economics and Statistics, Puducherry and (2) Finance Accounts for expenditure figures)										

The ratio of aggregate expenditure to GSDP decreased from 0.28 in 2008-09 to 0.26 in 2011-12. This reflects stagnancy in adequacy of expenditure.

While the ratio of Social Sector expenditure to Aggregate expenditure increased from 0.37 in 2008-09 and 0.45 in 2011-12, the development expenditure to Aggregate expenditure decreased from 0.75 in 2008-09 to 0.72 in 2011-12.

The ratio of Capital expenditure to Aggregate expenditure remained at 0.10 in 2011-12 as against 0.09 in 2008-09 indicating no significant improvement and priority given by Government for asset creation.

Per capita expenditure on education, sports and art and culture; and per capita expenditure on health and family welfare stood at ₹ 3,866 and ₹ 2,646 respectively in 2011-12 as compared to ₹ 3,264 and ₹ 1,600 in 2008-09, which reflected improvement in these vital areas of social sector.

### 1.5.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the UT Government to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods (refer **Glossary**). Apart from improving the allocation towards development expenditure (refer **Glossary**), the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure being incurred on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.8** depicts the trends in development expenditure relative to the aggregate expenditure of the UT during 2007-12, **Table 1.9** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of selected social and economic services during 2010-11 and 2011-12.

Table-1.8: Development Expenditure

(₹ in crore)

Components of Development Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Development Expenditure (a to c)</b>	1,910.12 (77)	2,113.43 (75)	2,532.68 (73)	2990.21 (76)	2575.35 (72)
a. Development Revenue Expenditure	1659 (67)	1885 (66)	2207.78 (64)	2670.63 (68)	2,249.43 (63)
b. Development Capital Expenditure	251 (10)	228 (8)	324.89 (9)	319.58 (8)	325.92 (9)
c. Development Loans and Advances	0.12 (0.01)	0.43 (0.02)	0.01 (Nil)	-- (Nil)	-- (Nil)

(Source: Finance Accounts)

Figures in parentheses indicate percentage of aggregate expenditure

Table 1.9 –Efficiency of Use in Selected Social and Economic Services

(Percentage)

Social/Economic Infrastructure	2010-11		2011-12	
	Share of CE to TE	In RE, the share of S&W	Share of CE to TE	In RE, the share of S&W
<b>Social Services (SS)</b>				
General Education	3.68	75.30	4.29	76.56
Health and Family Welfare	3.29	63.11	7.05	55.09
Water Supply, Sanitation and Housing and Urban Development	30.06	8.51	36.17	32.84
<b>Total (SS)</b>	<b>6.94</b>	<b>41.72</b>	<b>7.47</b>	<b>38.90</b>
<b>Economic Services (ES)</b>				
Agriculture and Allied Activities	4.35	25.28	7.31	22.88
Irrigation and Flood Control	52.56	54.52	46.93	48.80
Power and Energy	5.04	6.60	13.95	26.03
Transport	67.37	22.63	33.37	34.69
<b>Total (ES)</b>	<b>14.37</b>	<b>11.83</b>	<b>21.42</b>	<b>22.39</b>
<b>Total (SS+ES)</b>	<b>10.69</b>	<b>27.25</b>	<b>12.66</b>	<b>33.38</b>

TE: Total Expenditure on the sector/services concerned; CE: Capital Expenditure; RE: Revenue Expenditure; S&amp;W: Salaries and Wages.

(Source: Finance Accounts and figures furnished by the Director of Accounts and Treasuries for wages)

The Development expenditure decreased by ₹ 414.86 crore from the previous year and as a percentage of aggregate expenditure, it came down from 76 in 2010-11 to 72 in 2011-12. The development capital expenditure, as a percentage of aggregate expenditure, increased just from eight in 2010-11 to nine in 2011-12.

### Expenditure on Social Services

The capital expenditure on Social Services as a percentage of total expenditure increased from 6.94 per cent in 2010-11 to 7.47 per cent in 2011-12. The share of capital expenditure in the total expenditure under Health and Family Welfare increased from 3.29 in 2010-11 to 7.05 in 2011-12. The share of



salaries and wages in the revenue expenditure on Social Services decreased from 41.72 per cent in 2010-11 to 38.90 per cent in 2011-12.

### Expenditure on Economic Services

The capital expenditure on Economic Services, as a percentage of total expenditure on Economic Services, increased from 14.37 per cent in 2010-11 to 21.42 per cent in 2011-12, but in real terms it decreased by ₹ 12 crore. The share of salaries and wages in the revenue expenditure on economic services increased from 11.83 per cent in 2010-11 to 22.39 per cent in 2011-12.

## 1.6 Financial Analysis of Government Expenditure and Investments

The UT is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to dependence on market based resources, the UT Government needs to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds, rather than bearing the same on its budget in the form of implicit subsidies. This section presents information on incomplete projects and a broad financial analysis of investments by the Government during the current year *vis-à-vis* the previous years.

### 1.6.1 Incomplete projects

The information pertaining to incomplete projects in the Public Works Department as on 31 March 2012 is given in **Table 1.10**.

**Table 1.10: Profile of incomplete projects**

(₹ in crore)					
Department	No. of Incomplete Projects*	Initial Cost	Revised Total Cost of Projects	Cost Over-runs	Cumulative expenditure as on 31.3.2012
Public Works Department	9	33.74	57.41	23.67	1.19

(Source: Finance Accounts)

\* Only those projects which were scheduled to be completed before 31 March 2012 are included

Failure to complete the projects on time leads to escalation of project costs and delays accrual of the projects' benefits to the society at large. Further, delays also result in postponement of revenue realisation from the projects.

The projects/works were delayed mainly due to paucity of funds on account of non-availing of negotiated loan.

### 1.6.2 Investment and returns

As of March 2012, Government had invested ₹ 701.16 crore in 14 Government companies and one Statutory Corporation and ₹ 247.71 crore in 349 co-operative institutions (**Table 1.11**). Though Pondicherry Textiles Corporation Limited had an accumulated loss of ₹ 458.56 crore, Government invested ₹ five crore during the year. The return on these investments was 0.4 per cent, while the Government paid interest at an average rate of 7.8 per cent on its borrowings during 2011-12.

**Table-1.11: Return on Investment**

Investment/Return/Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12
Investment at the end of the year (₹ in crore)	760.91	817.03	867.50	910.91	948.87
Return (₹ in crore)	3.68	4.15	6.39	4.84	3.51
Return (per cent)	0.5	0.5	0.7	0.5	0.4
Average rate of interest on Government borrowings (per cent)	8.5	8.3	8.0	7.8	7.8
Difference between interest rate and return (per cent)	8.0	7.8	7.3	7.3	7.4

(Source: Finance Accounts)

### 1.6.3 Loans and advances by UT Government

During 2011-12, Government had not provided any loans and advances to any institution/organisation. **Table 1.12** presents the outstanding loans and advances as on 31 March 2012 and interest receipts *vis-à-vis* interest payments during the last three years.

**Table-1.12: Outstanding loans and interest received on loans and advances by the UT Government**

Quantum of Loans/Interest Receipts/ Cost of Borrowings	(₹ in crore)		
	2009-10	2010-11	2011-12
<b>Opening Balance</b>	<b>25.70</b>	<b>20.01*</b>	<b>17.83</b>
Amount advanced during the year	2.17	2.03	2.07
Amount repaid during the year	4.76	4.21	3.81
<b>Closing Balance</b>	<b>23.11</b>	<b>17.83</b>	<b>16.09</b>
Net increase (+)/ decrease (-)	(-) 2.59	(-) 2.18	1.74
Interest Receipts	2.53	2.57	2.30
Interest receipts as percentage of outstanding Loans and advances	10.4	13.58	13.56
Interest payments as percentage of outstanding fiscal liabilities of the UT Government.	7.3	7.21	7.16
Difference between interest payments and interest receipts (per cent)	3.1	6.37	6.40

(Source: Finance Accounts)

\* Differs due to proforma correction on account of conversion of loan into share capital assistance



While the quantum of loan advanced increased marginally from ₹ 2.03 crore in 2010-11 to ₹ 2.07 crore in 2011-12, repayments of loan by the loanees decreased from ₹ 4.21 crore in 2010-11 to ₹ 3.81 crore in 2011-12. The total amount of ₹ 2.07 crore advanced during the year included only loans and advances given to Government servants. It may be noted and appreciated that Government earned interest at 13.56 per cent, which was higher than the interest payments (7.16 per cent) against its fiscal liabilities.

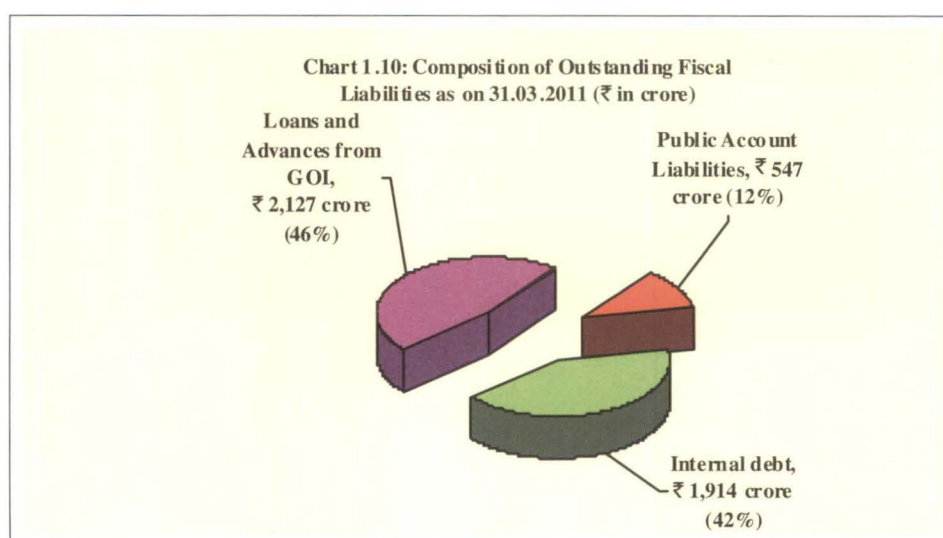
## 1.7 Assets and Liabilities

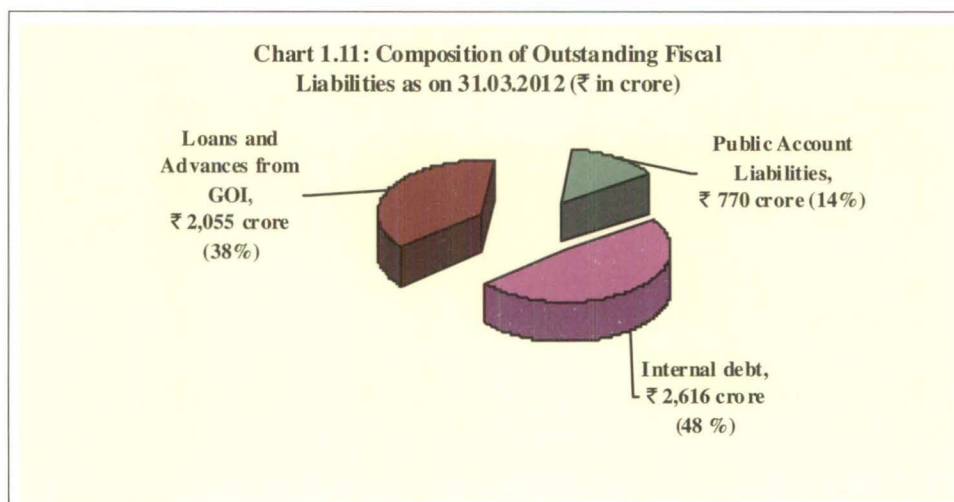
### 1.7.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4 – Part B** gives an abstract of such liabilities and assets as on 31 March 2012, compared with the corresponding position on 31 March 2011. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the UT Government and cash balances. The ratio of cumulative assets to liabilities as on 31 March 2012 was 0.87 indicating that assets were not sufficient to meet the liabilities.

### 1.7.2 Fiscal Liabilities

Fiscal liabilities are internal debt, loans and advances from GOI and the Public Account liabilities comprising small savings and provident fund, reserve funds and deposits. The trends in outstanding fiscal liabilities of the UT are presented in **Appendix 1.3**. The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.10** and **1.11**.





The outstanding fiscal liabilities have shown a steady increase from ₹ 2,923 crore in 2007-08 to ₹ 5,441 crore in 2011-12. The fiscal liabilities at the end of 2011-12 represented 196 *per cent* of revenue receipts (₹ 2771 crore) during the year as against 137 *per cent* in 2007-08.

While internal debts which constituted 42 *per cent* of the fiscal liabilities in 2010-11 increased to 48 *per cent* in 2011-12, loans and advances from GOI decreased from 46 *per cent* to 38 *per cent* of the fiscal liabilities during the same period. The Public Account liabilities increased from ₹ 547 crore in 2010-11 to ₹ 770 crore in 2011-12. The fiscal liabilities represented 39 *per cent* of GSDP during 2011-12.

### 1.7.3 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the UT Government in cases of defaults by borrowers for whom the guarantees have been extended.

Guarantees for the purpose of administration of Union Territories, prior to the amendment of the Union Territories Act on 6 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 the Union Territory. Consequent to amendment of the UT Act on 6 September 2001 and issue of its notification by the Government of India on 10 May 2006, the Government of Union Territory of Puducherry was empowered to give guarantees. No guarantee was given during the year by the UT Government and no law to control the guarantees to be given was enacted by the UT Government. As per Statement-9 of the Finance Accounts, the maximum amount for which guarantees were given by GOI on behalf of the UT and outstanding guarantees for the last three years are given in **Table 1.13**.



**Table-1.13: Guarantees given by the Government of India on behalf of the Union Territory of Puducherry**

Guarantees	2009-10	2010-11	2011-12
Maximum amount guaranteed (₹ in crore)	20.98	20.98	20.98
Outstanding amount of guarantees (₹ in crore)	11.97	7.90	5.83
Percentage of maximum amount guaranteed to total Revenue receipts	0.74	0.66	0.76

(Source: Finance Accounts)

As a percentage of revenue receipts, the maximum amount guaranteed increased from 0.66 in 2010-11 to 0.76 in 2011-12. No guarantee was invoked during any of the three years.

## 1.8 Debt Sustainability

Apart from the magnitude of debt of the UT Government, it is important to analyse various indicators that determine the debt sustainability of the UT. This section assesses the sustainability of debt of the UT Government in terms of debt stabilisation, sufficiency of non-debt receipts, net availability of borrowed funds<sup>4</sup>, burden of interest payments (measured by interest payments to revenue receipts ratio) and the maturity profile of the UT Government's debts.

**Table 1.14** indicates the debt sustainability of the UT for a period of three years beginning from 2009-10.

**Table 1.14: Debt Sustainability: Indicators and Trends**

Indicators of Debt Sustainability	(₹ in crore)		
	2009-10	2010-11	2011-12
Debt Stabilisation (Quantum Spread + Primary Deficit)	193	(-) 251	(-) 652
Sufficiency of Non-debt receipts (Resource Gap)	(-) 205	(-) 134	(-) 111
Net availability of borrowed funds	275	385	474
Burden of Interest Payments (IP/RR Ratio)	0.1	0.1	0.14
Maturity profile of internal debt and GOI loans (in years)			
0 – 1	148 (4.44)	156(3.86)	189 (4.04)
1 – 3	513(15.39)	554(13.71)	625 (13.38)
3 – 5	314 (9.42)	340(8.41)	707 (15.14)
5 – 7	592(17.76)	950(23.51)	1,115 (23.87)
7 and above	1,767(52.99)	2,041(50.51)	2,035 (43.57)

(Source : Finance Accounts)

Figures in parentheses represents percentage of total outstanding internal debts and GOI loans.

<sup>4</sup> Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption, indicating the net availability of borrowed funds.



Debt stabilization means that, if the primary deficit together with the quantum spread turns to negative, the debt – GSDP ratio would be rising. There has been a warning signal in the debt stabilization indicator since the value increased from ₹ 193 crore in 2009-10 to (-) ₹ 652 crore in 2011-12. Unless corrective measures are taken by the Government to convert the primary deficit to surplus, the debt could become unsustainable in the medium term.

The resource gap (the difference between incremental total expenditure and incremental non-debt receipts) marginally decreased from ₹ (-) 134 crore in 2010-11 to ₹ (-) 111 crore in 2011-12. The continuing negative trend shows that unless concerted efforts are made to narrow the gap, by increasing the non-debt receipts in the coming years, or containing the primary expenditure, debt sustainability could become a problem in future.

The burden of interest payment, which was 10 *per cent* of the Revenue receipts in 2009-10, has increased to 14 *per cent* in 2011-12 showing the increasing interest burden.

The maturity profile of the UT Government's Public debt indicates that nearly 32.56 *per cent* of the total Public debt is repayable within next five years, while 67.44 *per cent* of loans are required to be repaid after five years. Ideally, further borrowings in future should be made in such a way that there is no bunching of repayments in any particular year as it would cause undue stress on the budget of that year.

#### ***Short allocation of fund for amortization of loan***

The Union Territory Government, under the guidance of the Reserve Bank of India, set up 'The Puducherry Consolidated Sinking Fund Scheme, 2009' during November 2009 for redemption of the outstanding liabilities. As per the scheme guidelines, a yearly provision of not less than 0.5 *per cent* of the total liabilities at the end of the previous year was to be made towards the fund. However during 2011-12, an allocation of ₹ 11.87 crore only was made against the actual requirement of ₹ 22.11 crore. Such short allocation of fund towards amortization would pose a strain on finances of the Union Territory Government during repayment of loans on their maturity.

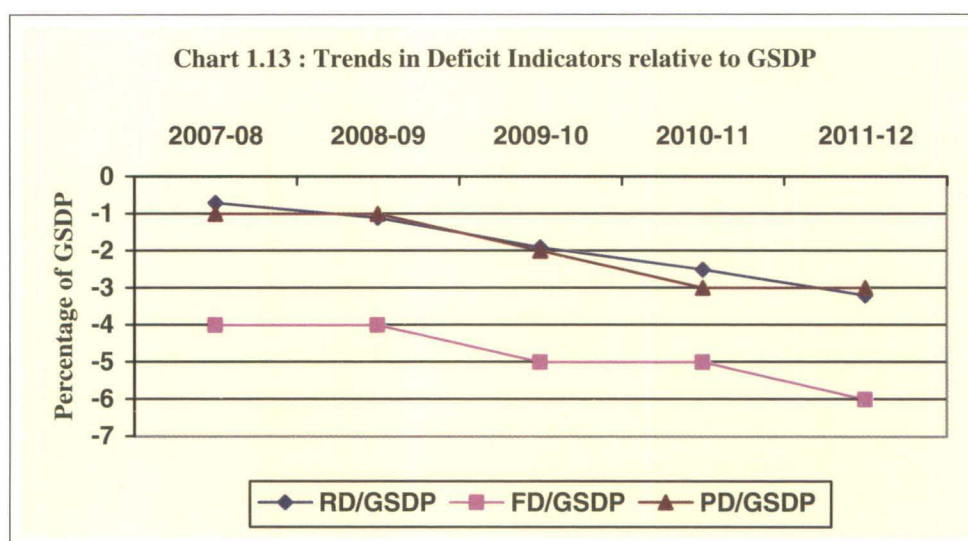
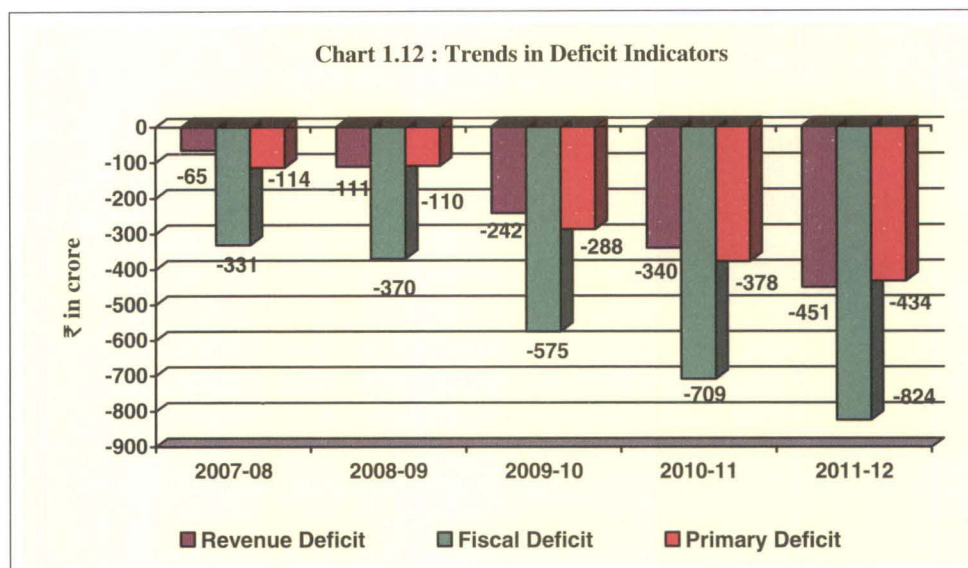
## **1.9 Fiscal Imbalances**

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal soundness or imbalances in the finances of the UT Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources are applied, are important pointers to its fiscal health. This section presents the trends, nature, magnitude and manner of financing these deficits.



### 1.9.1 Trends in Deficits

Charts 1.12 and 1.13 present the trends in deficit indicators over the period 2007-12.



The revenue deficit indicates the excess of revenue expenditure over the revenue receipts. As exhibited in **Chart 1.12**, the revenue deficit in 2011-12 was ₹ 451 crore and it increased continuously and steadily from 2007-08 to 2011-12. The increase of revenue deficit by ₹ 111 crore in 2011-12 over 2010-11 was mainly due to decrease in receipts of non-tax revenue.

The fiscal deficit has also increased manifold from ₹ 331 crore in 2007-08 to ₹ 824 crore in 2011-12.

While the fiscal deficit to GSDP and primary deficit to GSDP increased from four per cent to six per cent and one per cent to three per cent respectively, the



revenue deficit as a percentage of GSDP increased sharply *i.e.* from 0.7 per cent in 2007-08 to 3.2 per cent in 2011-12. A high level of fiscal deficit to GSDP is indicative of unsound economical position of the UT Government.

### 1.9.2 Composition of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in **Table 1.15**.

**Table 1.15: Components of Fiscal Deficit and its Financing Pattern**

(₹ in crore)

Sl. No.	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Decomposition of Fiscal Deficit</b>		(-) 331	(-) 370	(-) 575	(-) 709	(-)824
1	Revenue Deficit	(-) 65	(-) 111	(-) 242	(-) 340	(-)451
2	Net Capital Expenditure	(-) 275	(-) 261	(-) 336	(-) 371	(-)375
3	Net Loans and Advances	(+) 9	(+) 2	(+) 3	(+) 2	(+)2
<b>Financing Pattern of Fiscal Deficit*</b>						
1	Market Borrowings	337	350	549	677	703
2	Loans from GOI	(-)21	(-)29	(-) 21	30	(-)72
3	Special Securities issued to National Small Savings Fund	--	--	--	--	--
4	Loans from Financial Institutions	--	--	--	--	--
5	Small Savings, PF etc	252	41	48	42	19
6	Deposits and Advances	187	27	(-) 15	(-)41	203
7	Suspense and miscellaneous	239	98	147	(-) 365	25
8	Remittances	6	32	41	(-)24	5
9	Reserve Funds	--	12	1	8	12
10	Overall Surplus/Deficit (cash balance)	669	161	175	382	(-)71

\*All these figures are net of disbursements/outflows during the year

(Source: Finance Accounts); -- indicates nil.

The fiscal deficit increased by ₹ 115 crore during 2011-12, mainly due to increase in revenue deficit by ₹ 111 crore. The increase in fiscal deficit, along with increase in interest payments by ₹ 59 crore, led to an increase of ₹ 56 crore in the primary deficit during the year. The UT has been increasingly relying on market borrowings for financing its fiscal deficit.

### 1.9.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans



and advances) would indicate the quality of deficit in the UT's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. The bifurcation of the primary deficit (Table 1.16) would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which may have been desirable to improve the productive capacity of the UT's economy.

Table 1.16: Primary Deficit/Surplus – Bifurcation of Factors

(₹ in crore)

Year	Revenue Receipts	Recovery of Loans and Advances	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances disbursed	Primary Expenditure	Primary Revenue Deficit (-) / Surplus (+)	Primary Deficit (-) / Surplus (+)
1	2	3	4 (2+3)	5	6	7	8 (5+6+7)	9 (2-5)	10 (4-8)
2007-08	2,136	12	2,148	1,984	275	3	2,262	152	(-) 114
2008-09	2,459	5	2,464	2,310	261	3	2,574	149	(-) 110
2009-10	2,841	38*	2,879	2,796	369	2	3,167	45	(-) 288
2010-11	3,200	4	3,204	3,209	371	2	3,582	(-) 9	(-) 378
2011-12	2,771	4	2,775	2,832	375	2	3,209	(-)61	(-)434

(Source: Finance Accounts)

\* Includes miscellaneous capital receipt of ₹ 33 crore

Non-debt receipts in 2010-11 and 2011-12 were not sufficient to cover the primary revenue expenditure. As the receipts were not enough to cover the primary revenue expenditure, there was primary deficit in all the years. The primary deficit, which was ₹ 114 crore in 2007-08 rose to ₹ 434 crore in 2011-12. The primary revenue surplus gradually declined from 2007-08 and turned into deficit of ₹ nine crore in 2010-11 and ₹ 61 crore in 2011-12, indicating that revenue receipts of that periods were not enough to meet the primary revenue expenditure.

## 1.10 Conclusion and Recommendations

**Inadequate mobilization of revenue receipts:** As against the revenue receipts of ₹ 2,771 crore, the revenue expenditure incurred during the year 2011-12 was ₹ 3,222 crore, which indicates that the revenue receipts were not enough to meet the revenue expenditure. The Revenue receipts, as a percentage of GSDP, hovering around 23 per cent during 2007-11 decreased to 19.68 per cent in 2011-12. The UT Government continue to depend heavily on Government of India as the latter contributed to 46.52 per cent of the total revenue receipts of UT. *Government need to make concerted efforts to increase the revenue receipts, particularly the non tax revenue.*

**Funds transferred directly to implementing agencies:** During 2011-12, GOI directly transferred ₹ 46.71 crore to the Union Territory implementing agencies for implementation of various schemes/programmes. As these funds were not routed through the UT budget, the Annual Finance Accounts had not captured the flow of these funds and to that extent, the receipts and expenditure of the UT as well as other fiscal variables/parameters derived from them were underestimated. *Government need to ensure proper*



*documentation of such releases and expenditure and timely reporting of expenditure by the implementing agencies.*

**High share of revenue expenditure in total expenditure:** The revenue expenditure of ₹ 3,222 crore during 2011-12 constituted 89.52 *per cent* of total expenditure. The committed expenditure such as salaries, pension and interest payments constituted 53.69 *per cent* of revenue expenditure and 62.43 *per cent* of the revenue receipts. *Measures are required to be taken to compress the revenue expenditure particularly the ones which do not create useful assets.*

**Inadequate priority to Development expenditure:** The Capital expenditure increased just by ₹ four crore from ₹ 371 crore in 2010-11 to ₹ 375 crore in 2011-12 and it accounted for 10.42 *per cent* of the total expenditure. The development expenditure (expenditure on social and economic sectors) as percentage of aggregate expenditure decreased from 76 in 2010-11 to 72 in 2011-12. Bulk of the expenditure (44.97 *per cent*) was incurred in the social sector. *Government need to take appropriate actions to improve the capital expenditure and development expenditure.*

**Low return on investments:** As of 31 March 2012, Government had invested ₹ 948.87 crore in Government companies and co-operative institutions. The return on these investments was 0.4 *per cent*, while the Government paid interest at an average rate of 7.8 *per cent* on its borrowings during 2011-12. *Government needs to take measures to ensure better returns on its investments.*

**High ratio of fiscal liabilities to GSDP:** The outstanding fiscal liabilities increased from ₹ 2,923 in 2007-08 to ₹ 4,588 crore in 2010-11 and to ₹ 5,441 crore (19 *per cent*) in 2011-12. The fiscal liabilities constituted 39 *per cent* of GSDP in 2011-12. *Government need to set in place a strategy to limit the quantum of fiscal liabilities, as sustainability of its debt would become a problem in future due to increasing resource gap, rising interest burden and rising debt-GSDP ratio.*

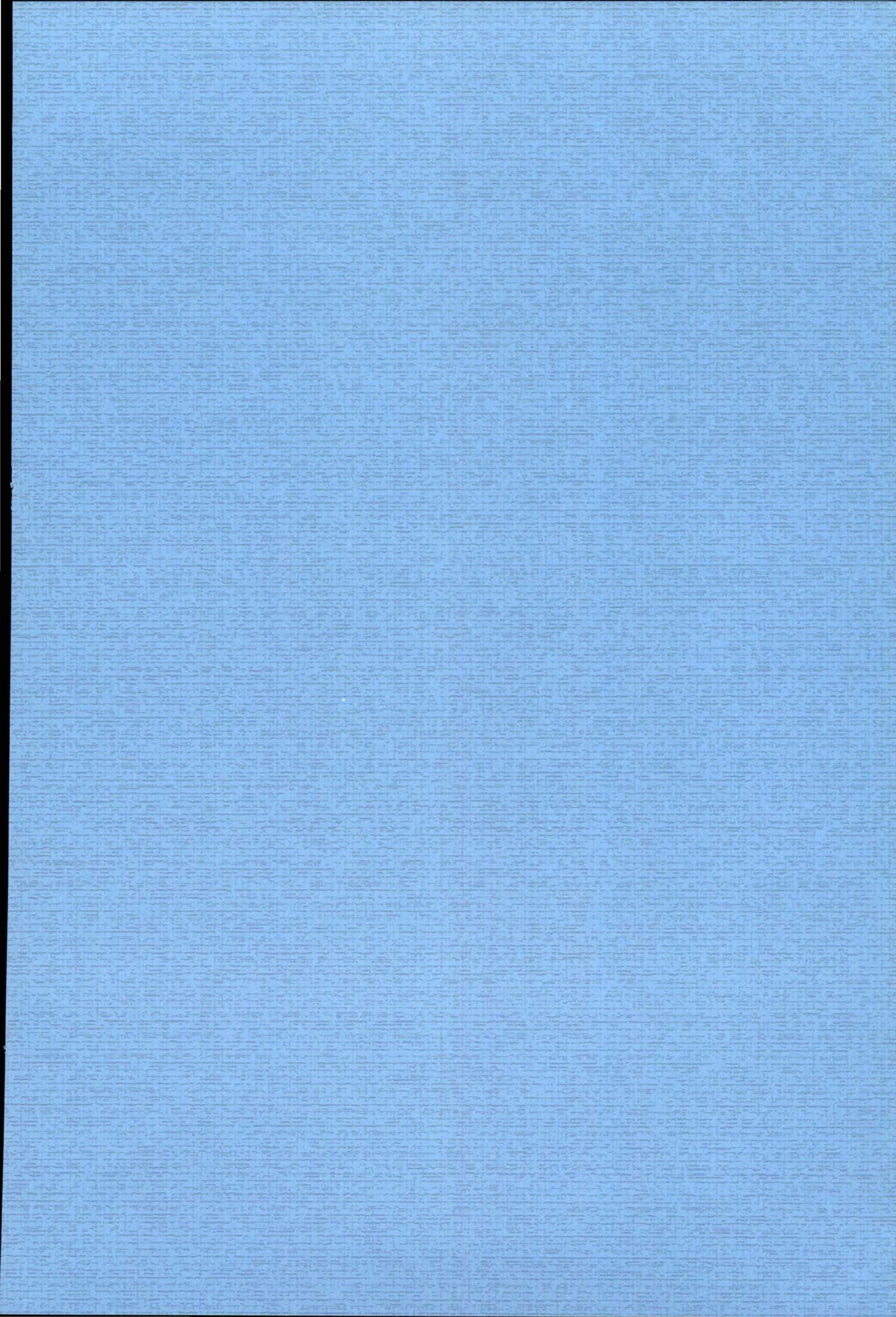
**Increasing deficits:** The revenue deficit in 2011-12 was ₹ 451 crore (3.2 *per cent* of GSDP) and it increased steadily from 2007-08 (₹ 65 crore) to 2011-12. The increase of revenue deficit by ₹ 111 crore in 2011-12 over 2010-11 was mainly due to decrease in non tax receipts. The fiscal deficit also increased manifold from ₹ 331 crore in 2007-08 to ₹ 824 crore in 2011-12 (six *per cent* of GSDP). High levels of these deficits and ever increasing trend are indicators of unsound economical position of the UT Government. *Government should take concerted efforts to contain the deficit.*



# **CHAPTER II**

## **FINANCIAL MANAGEMENT AND BUDGETARY CONTROL**







## CHAPTER II

### FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

#### 2.1 Introduction

**2.1.1** Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year, compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate the 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 the management of finances and monitoring of budgetary provisions and are therefore, complementary to the Finance Accounts.

**2.1.2** Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Acts and whether the expenditure required to be charged under the provisions of the Government of Union Territories Act, 1963 is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules and regulations and instructions.

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2011-12 against 38 grants/appropriations is given in **Table 2.1**.



**Table 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/Supplementary provisions**

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure <sup>1</sup>	Saving (-)/ Excess (+)
<b>Voted</b>	I Revenue	3,374.67	142.45	3,517.12	2,829.29	-687.83
	II Capital	894.36	1.17	895.53	391.62	-503.91
	III Loans and Advances	3.10	0.00	3.10	2.07	-1.03
<b>Total Voted</b>		<b>4,272.13</b>	<b>143.62</b>	<b>4,415.75</b>	<b>3,222.98</b>	<b>-1,192.77</b>
<b>Charged</b>	IV Revenue	402.30	3.11	405.41	405.13	-0.28
	V Capital	0.00	0.00	0.00	0.00	0.00
	VI Public Debt-Repayment	155.57	1.35	156.92	156.92	0.00
<b>Total Charged</b>		<b>557.87</b>	<b>4.46</b>	<b>562.33</b>	<b>562.05</b>	<b>-0.28</b>
<b>Grand Total</b>		<b>4,830.00</b>	<b>148.08</b>	<b>4,978.08</b>	<b>3,785.03</b>	<b>-1,193.05</b>

(Source: Appropriation Accounts and Budget documents)

The overall savings of ₹ 1,193.05 crore was the result of savings of ₹ 688.11 crore in 30 grants and four appropriations under the Revenue Section and ₹ 503.91 crore in 10 grants under the Capital Section and ₹ 1.03 crore in two grants and one appropriation under the Loan Section. The overall savings worked out to 23.97 per cent of the total provisions including the supplementary.

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Appropriations vis-à-vis Allocative Priorities

The outcome of appropriation audit revealed that savings of more than ₹ 10 crore in each case, amounting to ₹ 1,155.82 crore (96.88 per cent of total savings of ₹ 1,193.05 crore) occurred in 13 grants and the percentage of savings ranged between 7 and 77 as indicated in **Table 2.2**.

<sup>1</sup> Excludes recoveries shown as reduction of expenditure



Table 2.2: List of Grants with Savings of ₹ 10 crore and above

(₹ in crore)

Sl. No.	Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings	Percentage
<b>Revenue-Voted</b>							
1.	8 - Transport	46.18	0.00	46.18	25.29	20.89	45.23
2.	9 - Secretariat	38.66	0.00	38.66	23.29	15.37	39.76
3.	10 - District Administration	378.37	0.00	378.37	163.55	214.82	56.77
4.	12 - Police	135.04	0.00	135.04	105.28	29.76	22.04
5.	17 - Education	574.48	0.00	574.48	492.03	82.45	14.35
6.	18 - Medical	380.72	0.00	380.72	310.04	70.68	18.57
7.	19 - Information and Publicity	95.02	0.00	95.02	22.46	72.56	76.37
8.	21 - Social Welfare	426.48	0.00	426.48	348.15	78.33	18.37
9.	24 - Agriculture	122.81	0.00	122.81	83.18	39.63	32.27
10.	25 - Animal Husbandry	39.69	0.00	39.69	26.41	13.28	33.45
11.	29 - Electricity	276.15	0.00	276.15	255.90	20.25	7.33
<b>Total</b>		<b>2,513.60</b>	<b>0.00</b>	<b>2,513.60</b>	<b>1,855.58</b>	<b>658.02</b>	<b>26.18</b>
<b>Capital-Voted</b>							
12.	16 - Public Works	567.19	0.00	567.19	224.80	342.39	60.37
13.	29 - Electricity	136.07	0.00	136.07	57.25	78.82	57.93
14.	32 - Building Programmes	139.43	0.00	139.43	62.84	76.59	54.93
<b>Total</b>		<b>842.69</b>	<b>0.00</b>	<b>842.69</b>	<b>344.89</b>	<b>497.80</b>	<b>59.07</b>
<b>Grand Total</b>		<b>3356.29</b>	<b>0.00</b>	<b>3,356.29</b>	<b>2,200.47</b>	<b>1,155.82</b>	<b>34.44</b>

(Source: Appropriation Accounts)

It was noticed that in 256 cases, savings exceeded ₹ 50 lakh in each case and by more than 20 per cent of the total provision (**Appendix 2.1**). Further in respect of 119 out of the 256 cases, no expenditure was incurred against the provision of ₹ 775.79 crore. It was noticed that shortfall in availing of negotiated loans for funding the Plan schemes had mainly contributed to the savings.

### 2.3.2 Persistent savings

In 11 grants, during the last five years, there were persistent savings of more than ₹ 10 lakh as indicated in **Table 2.3**.



**Table 2.3: List of Grants having Persistent Savings during 2007-12**

(₹ in crore)

Sl. No.	Grant number and name of the Grant		Amount of Savings				
			2007-08	2008-09	2009-10	2010-11	2011-12
		<b>Revenue – Voted</b>					
1.	6	Revenue and Food	95.04	42.28	53.07	13.05	2.98
2.	9	Secretariat	9.00	0.13	15.72	41.15	15.37
3.	10	District Administration	2.34	31.75	125.48	212.31	214.82
4.	16	Public Works	0.62	0.35	6.22	1.13	2.73
5.	17	Education	2.54	5.00	6.67	1.88	82.45
6.	18	Medical	0.67	0.20	0.44	0.68	70.68
7.	19	Information and Publicity	0.48	0.51	58.45	46.82	72.56
8.	21	Social Welfare	1.94	131.53	146.23	130.57	78.34
9.	24	Agriculture	0.42	0.20	7.86	0.39	39.63
10.	26	Fisheries	0.43	0.17	3.04	1.52	0.22
11.	32	Building Programmes	2.15	3.34	3.70	2.12	9.15
		<b>Total</b>	<b>115.63</b>	<b>215.46</b>	<b>426.88</b>	<b>451.62</b>	<b>588.93</b>
		<b>Capital – Voted</b>					
12.	16	Public Works	279.97	88.36	190.82	169.20	342.39
13.	32	Building Programmes	3.40	61.09	99.51	89.89	76.59
		<b>Total</b>	<b>283.37</b>	<b>149.45</b>	<b>290.33</b>	<b>259.09</b>	<b>418.98</b>

(Source: Appropriation Accounts)

The pattern of funding for the approved Plan size of ₹ 2,750 crore for the Annual Plan 2011-12 comprised negotiated loans of ₹ 325 crore. However, during 2011-12, the UT Government could avail loans for ₹ 170 crore only from HUDCO/NABARD/Power Finance Corporation. GOI had notified in May 2006 that for availing loans, the consolidated debt of UT Government should be below 20 per cent of GSDP. As the consolidated debt of UT Government was more than 20 per cent (39.23 per cent) of the GSDP<sup>2</sup>, approval of GOI had to be obtained before availing any such loans. However, provisions were made in the budget for various schemes anticipating availing of the proposed negotiated loans in full, without getting approval of GOI in time and as a result, loans could not be availed as proposed and the plan outlay was downsized as listed in the **Table 2.4**.

**Table 2.4 : Details of Negotiated loan availed during 2008-12**

(₹ in crore)

Year	Budget estimate	Revised Estimate	Loan availed
2008-09	693.79	663.29	--
2009-10	321.50	206.28	49.43
2010-11	400.00	285.00	76.65
2011-12	325.00	170.00	170.00

(Source: Draft Annual Plan 2012-13 and Budget documents)

<sup>2</sup> GSDP of 2010-11 (₹ 12,929 crore)



Due to short availing of the negotiated loans, huge savings occurred in the budget provisions originally made and consequently various Plan schemes proposed could not be implemented.

During 2011-12, Plan schemes under the sectors - Urban Development, Housing and Slum Development Programme, Water Supply and Sanitation, Roads and Bridges etc. (Grant 10), creation of infrastructure (Grant 16), various information/tourism promotional activities (Grant 19), Construction of houses for Scheduled Caste people (Grant 21), creation of infrastructural facilities for marketing, farm mechanisation and minor irrigation (Grant 24), setting up of power sub-stations and erection of transmission lines (Grant 29) and creation of infrastructural facilities (Grant 32) could not be implemented or partly implemented due to shortfalls in availing of the negotiated loans.

### **2.3.3 Excess expenditure**

In 55 sub-heads, expenditure aggregating ₹ 426.83 crore exceeded the approved provisions by ₹ 50 lakh or more in each case and by more than 20 per cent of the total provision resulting in excess expenditure of ₹ 240.13 crore (**Appendix 2.2**).

### **2.3.4 Excessive supplementary provision**

Supplementary provisions aggregating ₹ 14.82 crore obtained in two cases proved excessive as the savings in both the cases exceeded ₹ 50 lakh as detailed in **Appendix 2.3**.

### **2.3.5 Excessive/unnecessary re-appropriation of funds**

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. It was noticed that during 2011-12 re-appropriation order was issued on 31 March 2012 for ₹ 93.38 crore. Issue of re-appropriation order on the last day of the financial year dilutes the process of budgeting and expenditure control. Further it also indicates that re-appropriation order was issued *ex post facto* to cover the expenses already incurred during the year without necessary provisions in the respective heads. As a result, in 11 cases where there was no provision, expenditure of ₹ 0.80 crore was incurred towards payment of electricity arrears, creation of Information and Communication Technology infrastructure at rural local bodies, pilot project of establishment of agriculture clinics/self employment enterprises by agri technologists and construction activity etc. Further, the re-appropriations made were proved unnecessary or excessive in 38 sub-heads, which resulted in savings of over ₹ 134.90 crore as detailed in **Appendix 2.4**. Out of this, in respect of eight cases, no expenditure was incurred resulting in saving of ₹ 2.79 crore.



### 2.3.6 Substantial surrenders

Substantial surrenders (cases where more than 50 per cent of the total provision was surrendered and was more than ₹ 10 lakh) were made in 151 sub-heads on account of either non-implementation or slow implementation of the schemes/programmes (**Appendix 2.5**). Out of the total provision amounting to ₹ 1030.77 crore in these 151 sub-heads, ₹ 923.65 crore (89.61 per cent) were surrendered, which included cent per cent surrender under 78 sub-heads (₹ 500.26 crore), mainly due to shortfall in obtaining the negotiated loans for funding the Plan schemes.

### 2.3.7 Anticipated savings not surrendered

As per Rule 56 (2) of the General Financial Rules, spending departments are required to surrender the grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. During 2011-12, no part of the savings occurred in three grants (₹ three crore) were surrendered by the departments concerned. The details are given in **Appendix 2.6**. Similarly, out of the total savings of ₹ 889.25 crore under seven grants/appropriations (savings of ₹ one crore and above), ₹ 92.95 crore (10.45 per cent of total savings) were not surrendered, details of which are given in **Appendix 2.7**. This indicated inadequate financial control and non-utilisation of funds for other development purposes, since the surrenders were made on the last day of the financial year.

### 2.3.8 Rush of expenditure

According to Rule 56 (3) of the General Financial Rules, rush of expenditure, particularly in the closing months of the financial year, should be avoided. Contrary to this, in respect of 22 subheads listed in **Appendix 2.8**, expenditure exceeding ₹ 10 lakh and by more than 50 per cent of the total expenditure for the year was incurred in March 2012. Uniform flow of expenditure, which is a primary requirement of budgetary control mechanism and sound financial management, was not maintained. Appropriate action needs to be taken to regulate and systematise the procedure to avoid heavy expenditure in the closing month of the financial year.

### 2.3.9 Expenditure on Centrally sponsored schemes

Though the UT Government had an unspent balance of ₹ 49.96 crore under Centrally Sponsored Schemes (CSS) at the beginning of the year and ₹ 96.01 crore was received from GOI during the year, only ₹ 79.26 crore was provided in the budget for CSS during 2011-12. Taking into account the amount of ₹ 22.13 crore provided by re-appropriation in March 2012, the total provision stood at ₹ 101.39 crore for 113 CSS schemes. Out of this, in respect of 70 CSS schemes which had a provision of ₹ 73.60 crore, ₹ 55.90 crore (75.95 per cent) was spent. It was noticed that the expenditure was less than 50 per cent of the provisions in respect of seven schemes and no



expenditure was incurred in respect of 43 schemes, which had provisions amounting to ₹ 27.79 crore. Provision of funds through re-appropriation at the fag end of the financial year, despite availability of funds at the budget/supplementary stages, had led to non-implementation of schemes resulting in savings.

## 2.4 Comments on budgetary control

A review of the budgetary procedure and control of expenditure followed in five demands<sup>3</sup> for grants revealed the following failures:

**2.4.1** Under the Grant 6 – Revenue and Food, an amount of ₹ one crore was allocated by re-appropriation to Public Works Department (PWD) to carry out relief works on account of ‘Thane’ Cyclone, which occurred on 30 December 2011. As the allocation was communicated at the fag end of the financial year (27 February 2012) and many of the relief works had been completed and paid for, PWD could not utilise the amount for any immediate relief work, which resulted in savings of the entire amount.

**2.4.2** An amount of ₹ 25 lakh was provided in the Budget for Social Welfare Department during 2011-12 towards free supply of computers to the SC students studying in B.Tech/B.Sc Computer courses. However, the entire provision was withdrawn through re-appropriation as the scheme was not implemented. Scrutiny of the records revealed that the scheme guidelines/rules were approved by the UT Government only on 29 February 2012 and the scheme could not be implemented due to paucity of time. Thus, provision of funds without framing and approval of the rules for the scheme resulted in re-appropriation of the funds denying the intended benefits to the SC students.

**2.4.3** As per the instructions of Planning Commission, the posts created under plan schemes during a five year plan period have to be transferred to non-plan heads in the subsequent five year plan period. It was noticed that in the Education Department, 1691 posts created upto X five year plan period have not been transferred to non-plan heads till date. This not only resulted in inflation of the plan expenditure, but also in denial of fund allocation to various components of the plan schemes.

**2.4.4** Based on the proposal (January 2012) of Superintendent of Police (Headquarters) to purchase a pilot vehicle for the Chief Minister’s convoy, Government sanctioned (February 2012) an amount of ₹ 7.23 lakh. Scrutiny of the records revealed that the vehicle was purchased and the expenditure was booked under the head ‘office expenses’ instead of ‘Motor Vehicles’. When this was pointed out, the SP replied that as the provision under ‘Motor

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<sup>3</sup> Revenue and Food, Police, Public Works, Education and Social Welfare



vehicles' had been exhausted, it was proposed to purchase the vehicle under 'Office expenses'. The reply is not tenable as such booking of an expenditure of capital nature under office expenses had resulted in incorrect accounting.

**2.4.5** PWD incurred an expenditure of ₹ 15.76 crore in the heads '2215-01-789-01-Panchayat Rural Water Supply Scheme' and '3054-04-789-01-Grant for Panchayat rural roads and local development works' under the Special Component Plan (SCP) during 2011-12. Scrutiny of the records revealed that out of ₹ 15.76 crore, PWD had spent only ₹ 1.56 crore towards works expenditure and incurred the balance amount of ₹ 14.20 crore for settlement of electricity dues of its offices, though it operated a separate head '2215-01-102-03-Maintenance of water works proper' (Non-plan) to incur expenditure towards electricity charges.

To a specific Audit query, the Department replied that expenditure was incurred under the above heads to achieve the expenditure target of 16 per cent to be met under SCP for SC people, as it was difficult to identify specific schemes/expenditure for them and there was no provision of sufficient funds under the non-plan head. This reply is not tenable as it defeats the very objective of spending funds exclusively earmarked for the development/creation of infrastructure for the benefit of SC people. Further, the department's action in booking the expenditure under SCP, when there was separate head to incur electricity charges amounts to wrong classification of expenditure and paints a wrong picture of achievement under SCP.

**2.4.6** An amount of ₹ 4.50 crore was provided to the Social Welfare Department towards free distribution of cycles to all Class IX students in the UT. However, this allocation was revised to ₹ 0.40 lakh in the Revised Estimate. Without taking into account the reduction of allocation, the Department proposed to purchase (February 2012) 19,363 bicycles and the UT Government also accorded expenditure sanction for ₹ 5.62 crore in March 2012 without ensuring availability of budgetary provision. When the bill was presented for drawal of funds, the Directorate of Accounts and Treasuries returned the bill citing non-availability of funds. As a result, the payment could not be made within the financial year. When pointed out, the Department replied that payment was made out of the funds provided in vote on account for the year 2012-13. Thus failure to make use of the provision and making payment in the next financial year indicates poor budget and expenditure control.

## **2.5 Conclusion and Recommendations**

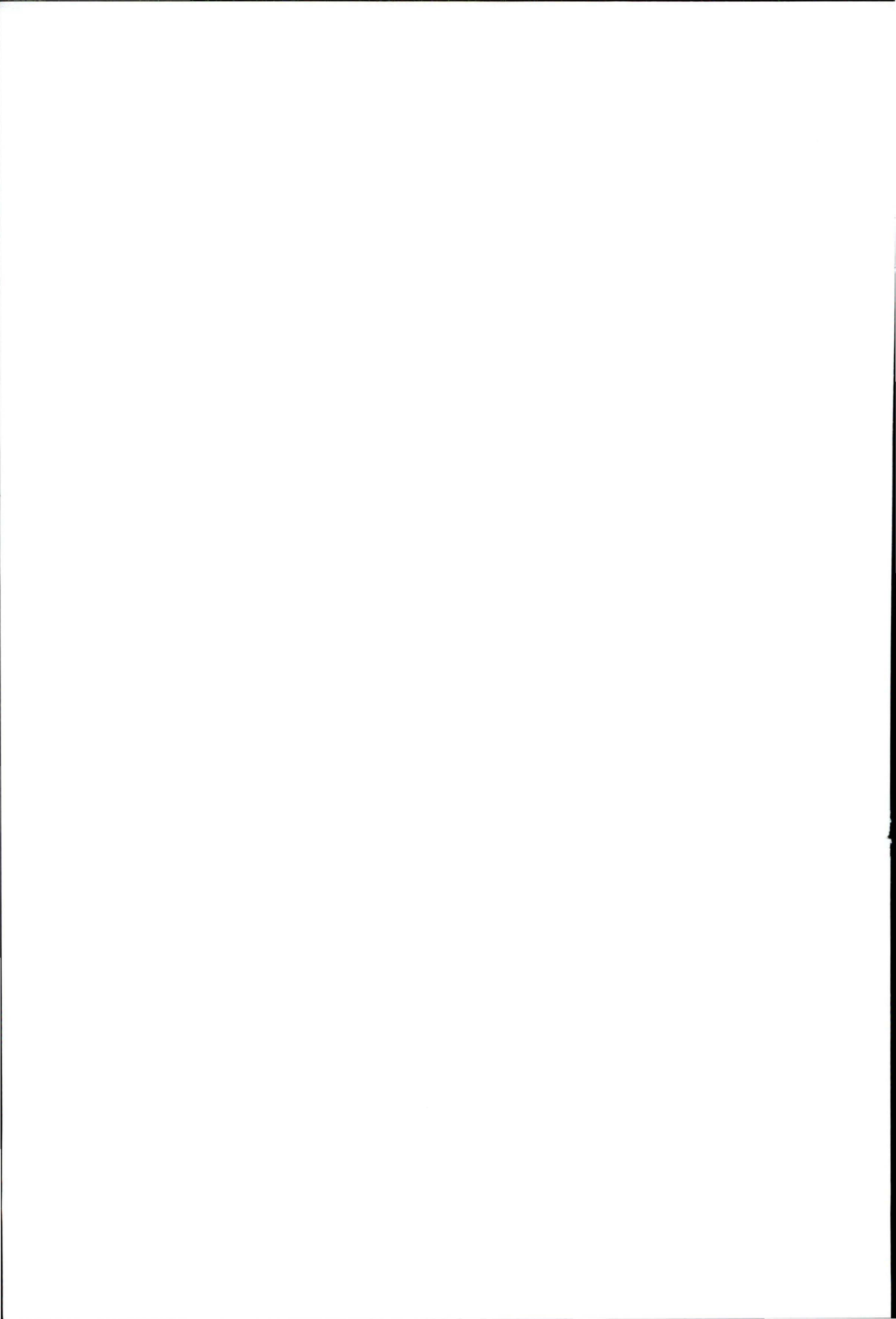
During 2011-12, expenditure of ₹ 3,785.03 crore was incurred against total grants and appropriations of ₹ 4,978.08 crore, resulting in overall savings of ₹ 1,193.05 crore (23.97 per cent). In 119 cases, no expenditure was incurred



against the provision of ₹ 775.79 crore. There were persistent savings of more than ₹ 10 lakh in 11 grants during 2007-12. Savings of ₹ three crore occurred in three grants were not at all surrendered and out of the total anticipated savings of ₹ 889.25 crore in seven grants, ₹ 92.95 crore was not surrendered. In 55 cases, the expenditure exceeded the approved provisions, resulting in excess expenditure of ₹ 240.13 crore. Provision of funds for free supply of computers to the SC students were made without ensuring the feasibility of spending and funds meant for creation of infrastructure for the scheduled caste people were used for payment of electricity charges of PWD offices.

*Budgetary controls need to be strengthened to avoid large scale savings of funds, incurring expenditure in excess of the provisions and in the absence of provisions and to avoid diversion of funds for purposes other than for which they were allocated.*







**CHAPTER III**  
**FINANCIAL REPORTING**







## CHAPTER III

### FINANCIAL REPORTING

A sound internal financial reporting system and the availability of relevant and reliable information significantly contribute 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 are some of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the State or Union Territory Governments in meeting their basic stewardship responsibilities, including strategic planning and decision making. This chapter provides an overview and status of the Union Territory Government's compliance with various financial rules, procedures and directives during the current year.

#### 3.1 Delays in furnishing Utilisation Certificates

Rule 212 of the General Financial Rules stipulates that for grants released during a year for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees within 12 months of the closure of the financial year. However, in respect of the grants paid upto March 2011, 1889 UCs for an aggregate amount of ₹ 490.59 crore were not furnished by the grantees as of September 2012. The department-wise break-up of outstanding UCs is given in **Appendix 3.1**. The age-wise pendency in submission of UCs is summarised in **Table 3.1**.

**Table 3.1: Age-wise arrears of Utilisation Certificates**

Sl. No.	Range of delay in number of years	Utilisation Certificates Outstanding	
		Number	Amount (₹ in crore)
1	0 – 1	645	194.74
2	1 – 3	675	185.91
3	3 – 5	259	52.31
4	5 – 7	163	30.72
5	7 – 9	70	13.06
6	9 and above	77	13.85
	<b>Total</b>	<b>1,889</b>	<b>490.59</b>

(Source: Compiled from the information furnished by the heads of department)

Out of 1,889 UCs for ₹ 490.59 crore pending as of September 2012, 934 UCs (49 per cent) involving ₹ 238.22 crore were pending for periods ranging from one to five years, while 310 UCs involving ₹ 57.63 crore were pending for more than five years. Pendency of 1,024 UCs for an aggregate amount of



₹ 211.28 crore and 302 UCs for an aggregate amount of ₹ 98.39 crore pertained mainly to the Director of Local Administration and the Chief Town Planner respectively.

Non-receipt of UCs for huge amounts indicated that the departmental officers failed to ensure adherence to the terms and conditions governing release of grants by the grantee institutions. Further, in the absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which they were given.

### **3.2 Non submission of Accounts**

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, the Government/heads of the department are required to furnish to Audit 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.

The annual accounts of 23 autonomous bodies/authorities due upto 2010-11 had not been submitted to the Principal Accountant General (General and Social Sector Audit) as of December 2012. The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**. In addition, the list of bodies/authorities, from whom the accounts were not at all received since their inception, are given in **Appendix 3.3**.

**Table 3.2: Age-wise arrears of Annual Accounts due from Autonomous Bodies/Authorities**

Serial Number	Pendency in number of years	Number of the Bodies/Authorities
1	1 – 3	16
2	3 – 5	07
<b>Total</b>		<b>23</b>

(Source: Compiled from the information furnished by the heads of department)

Due to non-receipt of annual accounts from a substantial number of autonomous bodies/authorities which received Government assistance, the Government/heads of departments could not ensure that the bodies/authorities carried out the functions for which they were established and that they utilised the Government grants for the intended purposes.



### 3.3 Non adjustment of Temporary Advances

The Drawing and Disbursing Officers (DDOs) draw temporary advances and disburse them to Government servants for the purpose of meeting contingent and miscellaneous expenditure either on the authority of standing orders or specific sanctions of the UT Government. According to Rule 292 (2) of the General Financial Rules adjustment bills along with balances, if any, should be submitted by the DDOs within 15 days of the drawal of advances, failing which the advances/balances would be recovered from the next salary of the Government servants.

As of 31 March 2012, advances aggregating ₹ 396.09 crore were pending for adjustment by the DDOs as per the records of the Director of Accounts and Treasuries, Puducherry. Age-wise analysis of the pending advances is given in Table 3.3.

Table 3.3 : Age-wise Analysis of Pending Advances

Sl. No	Pendency	Number of advances	Amount (₹ in crore)
1.	More than 10 years	36	1.21
2.	More than five years but less than 10 years	341	29.65
3.	More than one year but less than five years	733	129.35
4.	Less than one year	1,098	235.88
<b>Total</b>		<b>2,208</b>	<b>396.09</b>

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

It was noticed that Directorate of School Education (268 cases), Agriculture Department (191 cases), Electricity Department (136 cases), Social Welfare Department (125 cases) and Directorate of Women and Child Development (111 cases) contributed to this large scale pending. This indicated laxity on the part of the departmental officers in enforcing the codal provisions regarding adjustment of the advances involving substantial amounts.

### 3.4 Misappropriation, loss, defalcation, etc.

General Financial Rules 33 and 34 stipulate that heads of offices should report any loss or shortage of public moneys, property, etc., due to defalcation, misappropriation and theft to the next higher authority as well as to the Statutory Audit Officer.

The Union Territory Government departments reported 307 cases of misappropriation, loss, defalcation, etc., involving Government money



amounting to ₹ 38.95 crore up to March 2012, on which final action was pending. The department-wise break-up of the pending cases and the nature of these cases are given in **Appendix 3.4**. The Electricity Department accounted for bulk of the cases (244) and amount (₹ 38.07 crore). The age-profile of the pending cases and the number of cases pending in each category – theft and misappropriation/loss etc., are summarised in **Table 3.4**.

**Table 3.4 : Profile of misappropriation, loss, defalcation, etc.**

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in years	Number of cases	Amount involved (₹ in lakh)	Nature of the cases	Number of cases	Amount involved (₹ in lakh)
0 - 5	21	3,155.64	Theft/Loss of material	296	3,736.65
5 - 10	82	723.12			
10 - 15	97	8.89	Misappropriation	11	158.26
More than 15	107	7.26			
<b>Total</b>	<b>307</b>	<b>3894.91</b>	<b>Total</b>	<b>307</b>	<b>3,894.91</b>

(Source: Compiled from the information furnished by the heads of department)

The reasons for the outstanding are given in **Table 3.5**.

**Table 3.5: Reasons for outstanding cases of misappropriation, loss, defalcation, etc.**

Reasons for the pendency		Number of cases	Amount (₹ in lakh)
i)	Awaiting departmental and criminal investigation	258	19.80
ii)	Departmental actions initiated but not finalised	13	64.12
iii)	Awaiting orders for recovery or write off	14	8.25
iv)	Pending in Courts of law	22	3,802.74
	<b>Total</b>	<b>307</b>	<b>3,894.91</b>

(Source: Compiled from the information furnished by the heads of department)

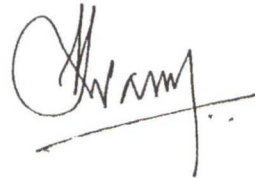
### 3.5 Conclusion and Recommendations

There was large scale pendency in furnishing of Utilisation Certificates by various grantee institutions for grants-in-aid of ₹ 490.59 crore. The pendency



ranged from one to more than nine years. Twenty three autonomous bodies/authorities had not submitted to Audit their annual accounts due for the period upto 2010-11 as of December 2012. Temporary advances aggregating to ₹ 396.09 crore were pending for adjustment by the Drawing and Disbursing Officers. The Union Territory Government departments reported 307 cases of misappropriation, loss, defalcation, etc., involving Government money of ₹ 38.95 crore upto March 2012. Final actions on these cases were pending for periods ranging from one to more than 15 years.

*Heads of Department should ensure prompt submission of the Utilisation Certificates by the grantee institutions and annual accounts by the autonomous bodies/authorities. Action should be taken to adjust the pending temporary advances or to recover the amount from the Government servants concerned. Government/Heads of Departments should initiate action for speedy enquiry into pending cases of loss, etc., and expedite orders on recovery or write off of outstanding cases of misappropriation, theft, loss, etc.*



**(K. SRINIVASAN)**

Principal Accountant General  
(General and Social Sector Audit)  
Tamil Nadu and Puducherry

Chennai

The 25 MAR 2013

Countersigned



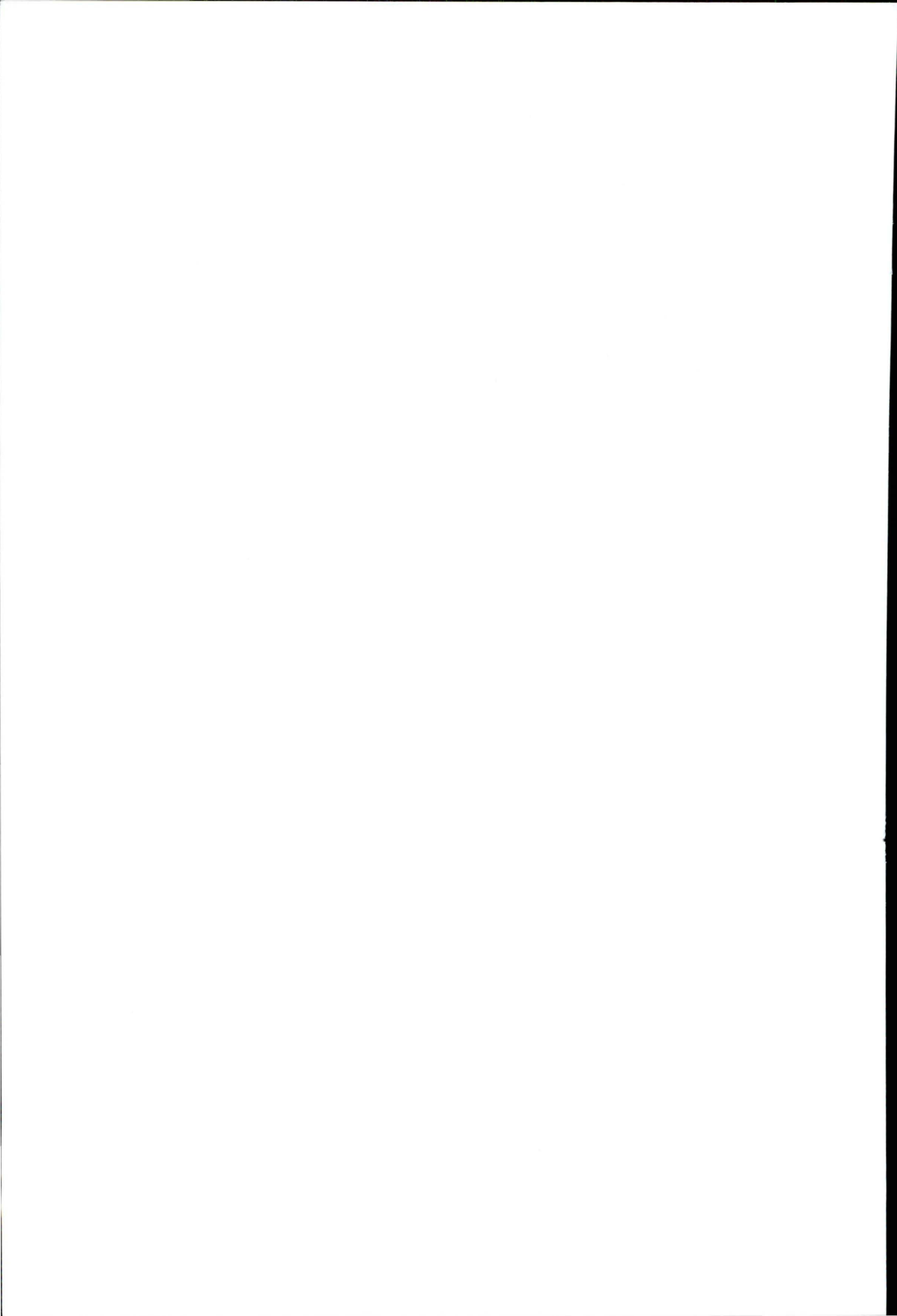
**(VINOD RAI)**

Comptroller and Auditor General of India

New Delhi

The 26 MAR 2013

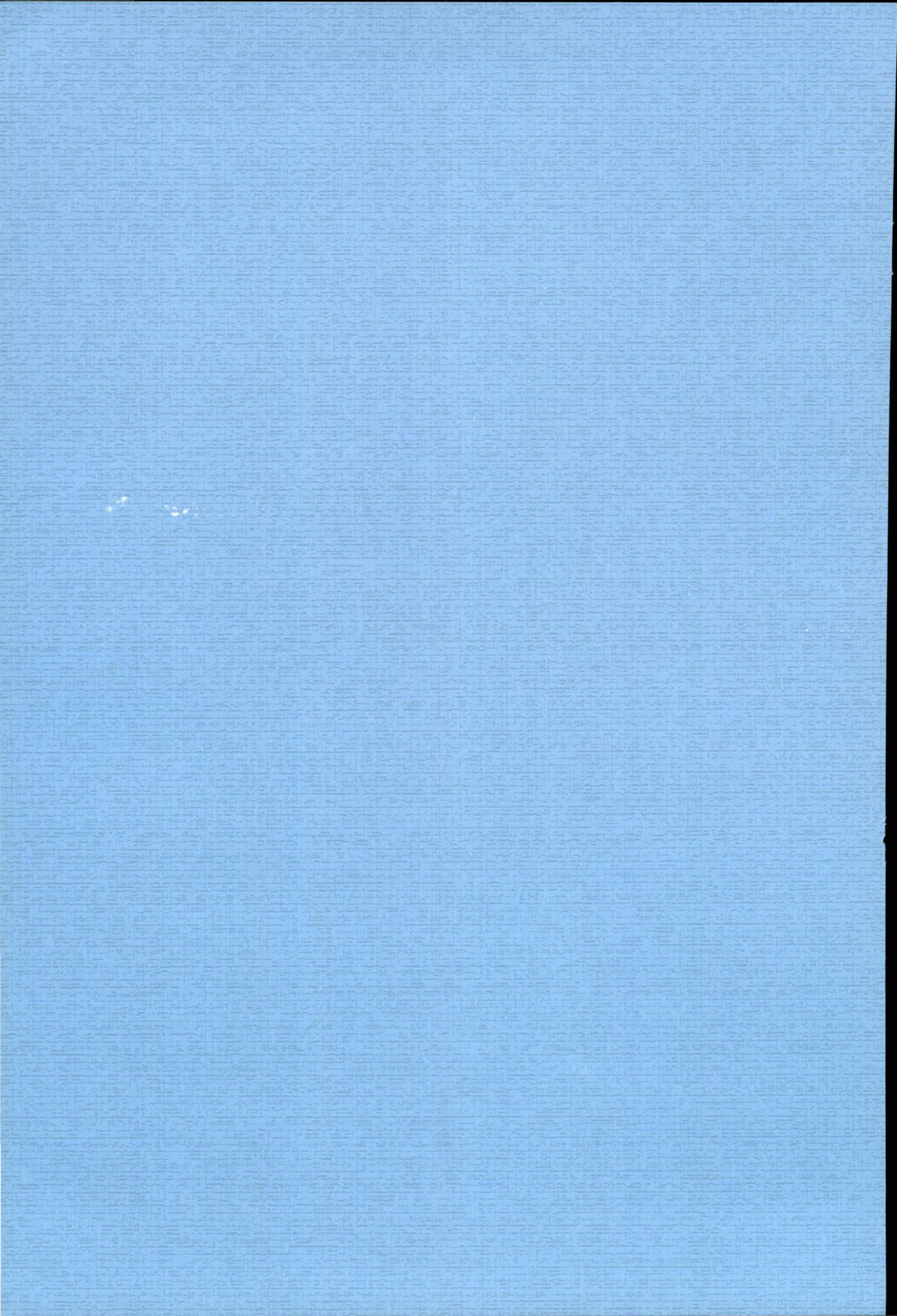






# APPENDICES







**Appendix 1.1**  
**(Reference: Page 1)**

**Part A: Profile of Union Territory of Puducherry**

**A. General Data**

Sl.No.	Particulars	Figures	
1	Area	480 sq.km	
2	Population		
	a.	As per 2001 Census	9.74 lakh
	b.	2011 Census (Provisional)	12.44 lakh
3(a)	Density of Population ( as per 2001 census) (All India Density = 325 persons per Sq.Km )	2,034 persons per Sq.km	
(b)	Density of Population (as per 2011 census – provisional) (All India Density = 382 persons per Sq.Km )	2,598 persons per Sq.km	
4	Population below poverty line (All India Average = 27.5 per cent)	22.4 per cent	
5(a)	Literacy (as per 2001 census) (All India Average = 64.8 per cent )	81.24 per cent	
(b)	Literacy (as per 2011 census – provisional) (All India Average = 74.0 per cent )	86.55 per cent	
6	Infant mortality (per 1000 live births) (All India Average = 50 per 1000 live births )	22 per 1000 live births	
7	Life Expectancy at birth (All India Average = 63.5 years)	68.35 years	
8	Gross State Domestic Product (GSDP) 2011-2012 at current prices	₹ 14,081.06 crore	
9	GSDP CAGR (2002-03 to 2011-2012)	12.37 per cent	
10	Per capita GSDP CAGR ( 2002- 03 to 2011-12 )	9.55 per cent	
11	GSDP CAGR (2002-03 to 2010-11)	13.59 per cent	
12	Population growth (2000-01 to 2010-11)	27.72 per cent	



<b>B. Financial data</b>			
<b>Particulars</b>		<b>Figures (in per cent)</b>	
<b>CAGR*</b>		<b>2002-03 to 2010-11</b>	<b>2002-03 to 2011-12</b>
<b>Union Territory of Puducherry</b>			
a.	of Revenue Receipts	13.22	9.90
b.	of Tax Revenue	18.50	19.07
c.	of Non-Tax Revenue	7.65	(-) 10.40
d.	of Total Expenditure	14.72	11.94
e.	of Capital Expenditure	12.22	10.92
f.	of Revenue Expenditure on Education	16.39	13.19
g.	of Revenue Expenditure on Health	17.38	16.60
h.	of Salary	17.01	14.57
i.	of Pension	20.45	20.03

\*Compound Annual Growth Rate

Source: Financial data is based on information furnished by the Director of Accounts and Treasuries, Puducherry. BPL (Planning Commission & NSSO data, 61st Round), Life Expectancy at birth ( Office of the Registrar General of India; Ministry of Home Affairs; Economic Survey 2009-10); Infant mortality rate (SRS Bulletin January 2011), Density of population (Office of the Registrar General and Census Commissioner of India); Ministry of Home Affairs and Literacy (Office of the Registrar General of India; Ministry of Home Affairs).



**Appendix 1.1**  
**(Reference: Page 1)**

**Part B: Structure and Form of Government Accounts**

**Structure of Government Accounts:** The accounts of the Union Territory (UT) Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

**Part I: Consolidated Fund:** Receipts from revenues, loans and recoveries of loan and expenditure incurred with the authorisation from the Legislature shall form one consolidated fund entitled 'the Consolidated Fund of UT'.

**Part II: Contingency Fund:** Contingency Fund of the UT established under section 48(1) of the Government of the Union Territories Act, 1963 is in the nature of an imprest placed at the disposal of the Lieutenant Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

**Part III: Public Account:** Receipts and disbursements in respect of certain transactions relating to 'Debt' (other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' are recorded in the Public Account and are not subject to vote by the UT legislature.



**Appendix 1.1**  
**(Reference: Page 1)**

**Part C: Layout of Finance Accounts**

<b>Statement (1)</b>	<b>Title (2)</b>	<b>Layout (3)</b>
Statement No.1	Statement of Financial Position	Cumulative figures of assets and liabilities of the Government, as they stand at the end of the year, are depicted in the Statement. The assets are valued at historical cost. The assets comprise Financial Assets and Physical Assets. The latter are shown against "(i) Capital Expenditure and (ii) Other Capital Expenditure" in this Statement.
Statement No.2	Statement of Receipts and Disbursements	This is a summarised Statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government account is kept, namely, consolidated fund, contingency fund and public account. Further within the consolidated fund, receipts and expenditure on revenue and capital account are depicted distinctly.
Statement No.3	Statement of Receipts (Consolidated Fund)	This statement comprises revenue and capital receipts and receipts from borrowings of the Government consisting of loans from the Government of India, other institutions, market loans raised by the Government and recoveries on account of loans and advances made by the Government.
Statement No.4	Statement of Expenditure (Consolidated Fund)	This Statement not only gives expenditure by function (activity) but also summarises expenditure by nature of activity (objects of expenditure).
Statement No. 5	Statement of Progressive Capital expenditure	This Statement details progressive capital expenditure by functions, the aggregate of which is depicted in statement 1.
Statement No.6	Statement of Borrowings and other Liabilities	Borrowings of the Government comprise market loans raised by it (internal debt) and Loans and Advances received from the Government of India. Both these together form the public debt of the Union Territory Government. In addition, this summary statement depicts 'other liabilities' which are the balances under various sectors in the Public Account. In respect of the latter, the Government as a trustee or custodian of the funds, hence these constitute liabilities of the Government. The Statement also contains an Explanatory Note, i.e., a note on the quantum of net interest charges met from Revenue Receipts.
Statement No.7	Statement of Loans and Advances given by the Government	The loans and advances given by the Union Territory Government are depicted in Statement 1 and recoveries, disbursements feature in Statements 2, 3 and 4. Here, loans and advances are summarised sector and loanee group wise. This is followed by a note on the recoveries in arrear in respect of loans, details of which are maintained by the Union Territory departments.
Statement No.8	Statement of Grants-in-aid given by the Government	Presents grantee institutions group-wise. It includes a note on grants given in kind also.

(1)	(2)	(3)
Statement No.9	Statement of Guarantees given by the Government	Guarantees given by the Union Territory Government for repayment of loans, etc., raised by Statutory Corporations, Government Companies, Local Bodies and other institutions during the year and sums guaranteed outstanding as at the end of the year are presented in this Statement.
Statement No.10	Statement of Voted and Charged Expenditure	This Statement presents details of voted and charged expenditure of the Government.
Statement No.11	Detailed Statement of Revenue and Capital Receipts by minor heads	This Statement presents the revenue and capital receipts of the Government in detail.
Statement No.12	Detailed Statement of Revenue Expenditure by minor heads	This statement presents the details of revenue expenditure of the Government in detail. Non-Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available.
Statement No.13	Detailed Statement of Capital Expenditure	This Statement presents the details of capital expenditure of the Government in detail. Non-Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available. Cumulative capital expenditure upto the end of the year is also depicted.
Statement No.14	Detailed Statement of Investments of the Government	The position of Government Investment in the share capital of different concerns is depicted in this statement for the current and previous year. Details include type of shares held, face value, dividend received etc.
Statement No.15	Detailed Statement on Borrowings and other Liabilities	Details of borrowings (market loans raised by the Government and Loans etc., from GOI) by minor heads, the maturity and repayment profile of all loans is provided in this Statement. This is the detailed statement corresponding to statement 6.
Statement No.16	Detailed Statement on Loans and Advances made by Government	The details of loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc., is presented in this Statement. It also presents plan loans separately. This is the detailed Statement corresponding to Statement 7.
Statement No.17	Detailed Statement on Sources and Application of funds for expenditure other than on Revenue Account	The capital and other expenditure (other than on revenue account) and the sources of fund for the expenditure are depicted in this Statement.
Statement No.18	Detailed Statement on Contingency Fund and Public Account transactions	The Statement shows changes in Contingency Fund during the year, the appropriations to the Fund, expenditure, amount recouped etc. It also depicts the transactions in Public Account in detail.
Statement No.19	Detailed Statement on Investments of Earmarked Funds	This Statement shows the details of investment out of Reserve Funds in Public Account.



**Appendix 1.2**  
**(Reference: Page 1)**

**Methodology adopted for the Assessment of Fiscal Position**

Assuming that GSDP is the good indicator of the performance of the Union Territory's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy co-efficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The trends in GSDP for the last five years are indicated below:

**Trends in Gross State Domestic Product (GSDP)**

	2007-08	2008-09	2009-10	2010-11(P)	2011-12(QE)
Gross State Domestic Product (₹ in crore)	9,251	10,050	12,304	13,667	14,081
Growth rate of GSDP	10.98	8.64	22.43	11.08	3.02
<i>Source:</i> Directorate of Economics and Statistics, Government of Puducherry					
P: Provisional; QE: Quick Estimate					
* GSDP for 2006-07 was ₹ 8,335 crore and it increased to ₹ 9,251 crore in 2007-08 (an increase of 10.98 per cent)					

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/ GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Interest spread	GSDP growth – Average Interest Rate
Interest received as per cent to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Weighted Interest Rate (Average interest paid by the UT)	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
GSDP	GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan grants (under Major Head 1601 – 02, 03, 04) and Non-Plan revenue expenditure excluding debit under 2048 – Appropriation for Reduction or Avoidance of Debt

**Appendix 1.3**  
(Reference: Paragraphs 1.3 and 1.7.2; Pages 1, 6 and 19)

**Time series data on the Union Territory Government finances**

(₹ in crore)

	2007-2008	2008-2009	2009-10	2010-11	2011-12
(1)	(2)	(3)	(4)	(5)	(6)
<i>Part A. Receipts</i>					
<b>1. Revenue Receipts</b>	<b>2,136 (62)</b>	<b>2,459 (70)</b>	<b>2,841(65)</b>	<b>3,200(72)</b>	<b>2,771(60)</b>
<b>(i) Tax Revenue</b>	<b>653 (31)</b>	<b>725 (29)</b>	<b>868(31)</b>	<b>1,074(34)</b>	<b>1,329(48)</b>
Taxes on Agricultural Income	--	--	--	--	--
Taxes on Sales, Trade, etc	355	382	453	595	750
State Excise	224	280	329	379	447
Taxes on Vehicles	32	32	35	48	54
Stamps and Registration fees	41	31	50	51	77
Land Revenue	1	--	1	1	1
Taxes on Goods and Passengers	--	--	-	----	--
Other Taxes	--	--	-		--
<b>(ii) Non-Tax Revenue</b>	<b>626 (29)</b>	<b>629 (26)</b>	<b>643(23)</b>	<b>743 (23)</b>	<b>153(6)</b>
<b>(iii) State's share of Union taxes and duties</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>(iv) Grants-in-aid from Government of India</b>	<b>857 (40)</b>	<b>1,105 (45)</b>	<b>1,330(46)</b>	<b>1,383(43)</b>	<b>1,289(46)</b>
<b>2. Miscellaneous Capital Receipts</b>	<b>--</b>	<b>--</b>	<b>33(1)</b>	<b>--</b>	<b>--</b>
<b>3. Recoveries of Loans and Advances</b>	<b>12</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>
<b>4. Total Revenue and Non-debt capital receipts (1+2+3)</b>	<b>2,148</b>	<b>2,464</b>	<b>2,879</b>	<b>3,204</b>	<b>2,775</b>
<b>5. Public Debt Receipts</b>	<b>425 (12)</b>	<b>444 (13)</b>	<b>659(15)</b>	<b>854(19)</b>	<b>788(17)</b>
Internal Debt and market loan	337	350	549	677	703
Net transactions under Ways and Means Advances and Overdrafts	--	--	--	--	--
Loans and Advances from Government of India	88	94	110	177	85
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>2,573</b>	<b>2,908</b>	<b>3,538</b>	<b>4,058</b>	<b>3,563</b>
<b>7. Contingency Fund Receipts</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>8. Public Account Receipts</b>	<b>898 (26)</b>	<b>610 (17)</b>	<b>836(19)</b>	<b>393 (9)</b>	<b>1,059(23)</b>
<b>9. Total Receipts of the UT (6+7+8)</b>	<b>3,471</b>	<b>3,518</b>	<b>4,374</b>	<b>4,451</b>	<b>4,622</b>
<i>Part B. Expenditure/Disbursement</i>					
<b>10. Revenue Expenditure</b>	<b>2,201 (79)</b>	<b>2,570 (77)</b>	<b>3,083(70)</b>	<b>3,540(73)</b>	<b>3,222(71)</b>
(i) Plan	844 (38)	823 (32)	1,088 (35)	1,221(34)	1,267(39)
(ii) Non-Plan	1,357 (62)	1,747 (68)	1,995 (65)	2,319(66)	1,955(61)



(1)	(2)	(3)	(4)	(5)	(6)
(iii) General Services (including interest payments)	538	681	871	865	968
(iv) Social Services	851	959	1,265	1,379	1,498
(v) Economic Services	808	926	943	1,292	752
(vi) Grants-in-aid and contributions	4	4	4	4	4
<b>11. Capital Expenditure</b>	<b>275 (10)</b>	<b>261 (8)</b>	<b>369(8)</b>	<b>371(8)</b>	<b>375(8)</b>
(i) Plan	268 (97)	254 (97)	373	369(99)	381
(ii) Non-Plan	7 (3)	7(3)	(-)4 <sup>&amp;</sup>	2(1)	(-)6 <sup>&amp;</sup>
(iii) General Services	34	33	44	51	49
(iv) Social Services	60	76	82	103	121
(v) Economic Services	181	152	243	217	205
<b>12. Disbursement of Loans and Advances</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>13. Total (10+11+12)</b>	<b>2,479</b>	<b>2,834</b>	<b>3,454</b>	<b>3,913</b>	<b>3,599</b>
<b>14. Repayments of Public Debt</b>	<b>109 (4)</b>	<b>123 (3)</b>	<b>131(3)</b>	<b>148(3)</b>	<b>157(3)</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	--	--	--	--	--
Net transactions under Ways and Means Advances and Overdraft	--	--	--	--	--
Loans and Advances from Government of India	109	123	131	148	157
<b>15. Appropriation to Contingency Fund</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>2,588</b>	<b>2,957</b>	<b>3,585</b>	<b>4,061</b>	<b>3,756</b>
<b>17. Contingency Fund disbursements</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. Public Account disbursements</b>	<b>214 (7)</b>	<b>400 (12)</b>	<b>613 (19)</b>	<b>772(16)</b>	<b>795(18)</b>
<b>19. Total disbursement by the UT (16+17+18)</b>	<b>2,802</b>	<b>3,357</b>	<b>4,198</b>	<b>4,833</b>	<b>4,551</b>
<i>Part C. Deficits</i>					
<b>20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)</b>	<b>(-) 65</b>	<b>(-) 111</b>	<b>(-)242</b>	<b>(-)340</b>	<b>(-)451</b>
<b>21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)</b>	<b>(-) 331</b>	<b>(-) 370</b>	<b>(-)575</b>	<b>(-)709</b>	<b>(-)824</b>
<b>22. Primary Deficit (21+23)</b>	<b>(-) 114</b>	<b>(-) 110</b>	<b>(-)288</b>	<b>(-)378</b>	<b>(-)434</b>
<i>Part D. Other data</i>					
<b>23. Interest Payments (included in revenue expenditure)</b>	<b>217</b>	<b>260</b>	<b>287</b>	<b>331</b>	<b>390</b>
<b>24. Financial Assistance to local bodies etc.,</b>	<b>281</b>	<b>327</b>	<b>453</b>	<b>559</b>	<b>444</b>

<sup>&</sup> Minus expenditure is due to value of issue of stock more than the value of purchase

(1)	(2)	(3)	(4)	(5)	(6)
<b>25. Ways and Means Advances/Overdraft availed (days)</b>	--	--	--	--	--
Ways and Means Advances availed (days)	--	--	--	--	--
Overdraft availed (days)	--	--	--	--	--
<b>26. Interest on Ways and Means Advances/Overdraft</b>					
<b>27. Gross State Domestic Product (GSDP)<sup>@</sup></b>	<b>9,251</b>	<b>10,050</b>	<b>12,304</b>	<b>13,667</b>	<b>14,081</b>
<b>28. Outstanding Fiscal liabilities (year end)</b>	2,923	3,325	3,887	4,588	5,441
<b>29. Outstanding guarantees (year end) (including interest)</b>	<b>7</b>	<b>6</b>	<b>12</b>	<b>8</b>	<b>6</b>
<b>30. Maximum amount guaranteed (year end)</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>
<b>31. Number of incomplete projects</b>	<b>85</b>	<b>107</b>	<b>97</b>	<b>110</b>	<b>90</b>
<b>32. Capital blocked in incomplete projects</b>	<b>129</b>	<b>138</b>	<b>153</b>	<b>109</b>	<b>99</b>
<b>Part E: Fiscal Health Indicators</b>					
<b>I Resource Mobilization</b>					
Own Tax revenue/GSDP	0.07	0.07	0.07	0.08	0.09
Own Non-Tax Revenue/GSDP	0.07	0.06	0.05	0.05	0.01
Central Transfers/GSDP	--	--	--	--	--
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	<b>0.27</b>	<b>0.28</b>	<b>0.28</b>	<b>0.29</b>	<b>0.26</b>
Total Expenditure/Revenue Receipts	<b>1.16</b>	<b>1.15</b>	<b>1.21</b>	<b>1.22</b>	<b>1.30</b>
Revenue Expenditure/Total Expenditure	<b>0.88</b>	<b>0.91</b>	<b>0.89</b>	<b>0.90</b>	<b>0.90</b>
Expenditure on Social Services/Total Expenditure	<b>0.37</b>	<b>0.37</b>	<b>0.39</b>	<b>0.38</b>	<b>0.45</b>
Expenditure on Economic Services/Total Expenditure	<b>0.40</b>	<b>0.38</b>	<b>0.34</b>	<b>0.38</b>	<b>0.27</b>
Capital Expenditure/Total Expenditure	<b>0.11</b>	<b>0.09</b>	<b>0.10</b>	<b>0.09</b>	<b>0.10</b>
Capital Expenditure on Social and Economic Services/Total Expenditure.	<b>0.10</b>	<b>0.08</b>	<b>0.09</b>	<b>0.08</b>	<b>0.09</b>
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP	(-) <b>0.007</b>	(-) <b>0.011</b>	(-) <b>0.019</b>	(-) <b>0.025</b>	(-) <b>0.032</b>
Fiscal deficit/GSDP	(-) <b>0.036</b>	(-) <b>0.037</b>	(-) <b>0.047</b>	(-) <b>0.052</b>	(-) <b>0.06</b>
Primary Deficit (surplus) /GSDP	(-) <b>0.01</b>	(-) <b>0.01</b>	(-) <b>0.02</b>	(-) <b>0.03</b>	(-) <b>0.03</b>
Revenue Deficit/Fiscal Deficit	<b>0.20</b>	<b>0.30</b>	<b>0.42</b>	<b>0.48</b>	<b>0.55</b>
Primary Revenue Balance/GSDP	<b>0.02</b>	<b>0.015</b>	<b>0.004</b>	(-) <b>0.001</b>	(-) <b>0.004</b>

@ GSDP figures communicated by the Government adopted.



(1)	(2)	(3)	(4)	(5)	(6)
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	0.32	0.33	0.32	0.34	0.39
Fiscal Liabilities/RR	1.37	1.35	1.37	1.43	1.96
Primary deficit <i>vis-à-vis</i> quantum spread	(-) 2.15	(-) 13.75	(-) 0.59	(-) 2.98	1.99
Debt Redemption (Principal +Interest)/ Total Debt Receipts	0.76	0.82	0.60	0.52	0.65
<b>V Other Fiscal Health Indicators</b>					
Return on Investment (₹ in crore)	3.68	4.15	6.39	4.84	3.51
Balance from Current Revenue (₹ in crore)	454	628	601	629	466
Financial Assets/Liabilities	1.08	1.04	0.97	0.91	0.87

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

**Appendix 1.4**  
(Reference: Paragraph 1.1; Page 1)

**Part A: Abstract of Receipts and Disbursements for the year 2011-12**

(₹ in crore)

2010-11		Receipts		2011-12		2010-11		Disbursements		Non-Plan	Plan	Total	2011-12
Section-A: Revenue													
3,200.04	I	Revenue receipts		2,771.43	3,540.14	I	Revenue expenditure-	1,955.10	1,267.13	3,222.23	3,222.23		
1,074.47		-Tax revenue	1,329.43		865.04		General services	932.73	35.51	968.24	968.24		
					1,378.45		Social Services-	649.08	848.66	1,497.74	1,497.74		
742.78		-Non-tax revenue	153.31				-Education, Sports, Art and Culture	292.25	175.11	467.36			
							-Health and Family Welfare	127.85	182.51	310.36			
		-State's share of Union Taxes					-Water Supply, Sanitation, Housing and Urban Development	27.55	105.86	133.41			
1,382.79		Grants-in-aid from GOI	1,288.69				-Information and Broadcasting	1.62	1.24	2.86			
1,123.11		-Non-Plan grants	926.07				-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	15.86	98.01	113.87			
207.44		-Grants for UT Plan Schemes	266.61				-Labour and labour Welfare	11.27	7.60	18.87			
							-Social Welfare and Nutrition	169.54	276.09	445.63			
52.24		-Grants for Central and Centrally sponsored Plan Schemes	96.01				-Others	3.14	2.24	5.38			
					1,292.18		Economic Services-	368.73	382.96	751.69	751.69		
							-Agriculture and Allied Activities	84.82	125.74	210.56			
							-Rural Development	6.30	46.07	52.37			
							-Special Areas Programmes	--	34.91	34.91			
							-Irrigation and Flood control	10.02	12.91	22.93			
							-Energy	241.91	13.50	255.41			
							-Industry and Minerals	2.69	84.72	87.41			
							-Transport	11.95	31.93	43.88			
							-Science, Technology and Environment	0.19	2.36	2.55			
							-General Economic Services	10.85	30.82	41.67			
					4.47		Grants-in-aid and Contributions-	4.56	--	4.56	4.56		
340.10	II	Revenue deficit carried over to Section B		450.80		II	Revenue Surplus carried over to Section B						
3,540.14		<b>Total</b>		<b>3,222.23</b>	<b>3,540.14</b>		<b>Total</b>						<b>3,222.23</b>



*Audit Report (Union Territory Finances) for the year ended 31 March 2012*

		Receipts				Disbursements					
		Section-B : Others									
1,210.33	III	Opening Cash balance including Permanent Advances and Cash Balance Investment		828.51	..	III	Opening Overdraft from Reserve Bank of India				
--	IV	Miscellaneous Capital receipts			371.09	IV	Capital Outlay-	(-)5.94	380.72	374.78	374.78
					51.51		General Services-	--	48.86	48.86	
					102.81		Social Services-	--	120.92	120.92	
							-Education, Sports, Art and Culture	--	20.50	20.50	
							-Health and Family Welfare	--	23.54	23.54	
							-Water Supply, Sanitation, Housing and Urban Development	--	75.60	75.60	
							-Information and Broadcasting	--	--	--	
							-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	--	--	
							-Social Welfare and Nutrition	--	0.52	0.52	
							-Others	--	0.76	0.76	
					216.77		Economic Services-	(-)5.94	210.94	205.00	
							-Agriculture and Allied Activities	--	16.60	16.60	
							-Rural Development	--	--	--	
							-Special Areas Programmes	--	--	--	
							-Irrigation and Flood Control	--	20.27	20.27	
							-Energy	(-)5.94	47.35	41.41	
							-Industry and Minerals	--	33.87	33.87	
							-Transport	--	87.62	87.62	
							-General Economic Services	--	5.23	5.23	
4.21	V	Recoveries of Loans and Advances-		3.81	2.03	V	Loans and Advances disbursed-			2.07	2.07
		-From Power Projects					-For Power Projects				
		-From Government Servants	3.58				-To Government Servants	2.07		2.07	
		-From Others	0.23				-To Others				
	VI	Revenue Surplus brought down			340.10	VI	Revenue Deficit brought down				450.80

		Receipts					Disbursements				
854.03	VII	Public debt receipts-		787.77	147.70	VII	Repayment of Public debt-	105.67	51.26	156.93	156.93
		-External debt					-External debt				
		-Internal debt	703.00				-Internal debt	-	0.35	0.35	
		- Net transactions under Ways and Means Advances		..	..		- Net transactions under Ways and Means Advances				
		- Net transactions under overdraft		..			-Repayment of Loans and Advances to Central Government	105.67	50.91	156.58	
		-Loans and Advances from Central Government	84.77	..							
	VIII	Appropriation to Contingency Fund		..		VIII	Appropriation to Contingency Fund				
	IX	Amount transferred to Contingency Fund		..		IX	Expenditure from Contingency Fund				
392.85	X	Public Account receipts-		1,058.58	771.99	X	Public Account disbursements-				795.19
233.27		-Small Savings and Provident Funds	246.41		191.68		-Small Savings and Provident Funds			227.42	
8.28		-Reserve Funds	11.87		--		-Reserve Funds			--	
-365.13		-Suspense and Miscellaneous	28.92		-1.02		-Suspense and Miscellaneous			4.13	
426.50		-Remittance	447.89		450.71		-Remittances			442.67	
89.93		-Deposits and Advances	323.49		130.62		-Deposits and Advances			120.97	
	XI	Closing Overdraft from Reserve Bank of India			828.51	XI	Cash Balance at end-				898.90
							-Cash in Treasuries and Local Remittances			1.03	
							-Deposits with Reserve Bank			0.15	
							-Departmental Cash Balance including permanent Advances			0.51	
							-Cash Balance Investment including investment of earmarked funds			897.21	
2,461.42		<b>Total</b>		2,678.67	2,461.42		<b>Total</b>				2,678.67



**Appendix 1.4**  
(Reference: Paragraph 1.7.1 ; Page 19)

**Part B: Summarised financial position of the Government  
of Union Territory of Puducherry as on 31 March 2012**

(₹ in crore)

As on 31 March 2011	Liabilities	As on 31 March 2012	
(1)	(2)	(3)	
<b>1,913.48</b>	<b>Internal Debt -</b>		<b>2,616.07</b>
1,787.43	Market Loans bearing interest	2,320.43	
	Market Loans not bearing interest		
	Loans from Life Insurance Corporation of India		
126.05	Loans from other Institutions	295.64	
	Ways and Means Advances		
	Overdrafts from Reserve Bank of India		
<b>2,127.06</b>	<b>Loans and Advances from Central Government -</b>		<b>2,055.25</b>
	Pre 1984-85 Loans		
1,781.26	Non-Plan Loans	1,760.36	
344.92	Loans for State Plan Schemes	294.10	
--	Loans for Central Plan Schemes	--	
0.88	Loans for Centrally Sponsored Plan Schemes	0.79	
<b>0.50</b>	<b>Contingency Fund</b>		<b>0.50</b>
<b>382.31</b>	<b>Small Savings, Provident Funds, etc.</b>		<b>401.30</b>
<b>157.77</b>	<b>Deposits</b>		<b>360.30</b>
<b>33.24</b>	<b>Reserve Funds</b>		<b>45.10</b>
<b>55.40</b>	<b>Remittance Balances</b>		<b>60.62</b>
<b>120.87</b>	<b>Suspense and Miscellaneous Balances</b>		<b>145.67</b>
<b>4,790.63</b>			<b>5,684.81</b>
	<b>Assets</b>		
<b>3,502.59*</b>	<b>Gross Capital Outlay on Fixed Assets -</b>		<b>3,877.37*</b>
910.91	Investments in shares of Companies, Corporations, etc.	948.86	
2,591.68	Other Capital Outlay	2,928.51	
<b>17.83</b>	<b>Loans and Advances -</b>		<b>16.09</b>
	Loans for Power Projects		

\* This amount was reduced by capital receipts of ₹ 33.26 crore realized through brought back of shares of Pondicherry Power Corporation during 2009-10

(1)	(2)	(3)
9.14	Other Development Loans	8.91
8.69	Loans to Government servants and Miscellaneous loans	7.18
<b>26.41</b>	<b>Reserve Fund Investments</b>	<b>36.99</b>
	<b>Advances</b>	
<b>802.10</b>	<b>Cash -</b>	<b>861.91</b>
3.07	Cash in Treasuries	1.03
0.15	Deposits with Reserve Bank	0.15
0.77	Departmental Cash Balance including Permanent Advances	0.51
798.11	Cash Balance Investments	860.22
<b>441.70</b>	<b>Deficit on Government Account -</b>	<b>892.45</b>
340.10	(i) Revenue deficit of the current year	450.80
	(ii) Miscellaneous Deficit	
101.63	Accumulated deficit at the beginning of the year	441.70
(-) 0.03	Less: Proforma dropping	(-)0.05
<b>4,790.63</b>		<b>5,684.81</b>

#### Explanatory Notes for Appendices 1.3 and 1.4

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in **Appendix 1.4**, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the UT and other pending settlements, etc.



**Appendix 2.1**

(Reference: Paragraph 2.3.1; Page 29)

**Cases where expenditure fell short by more than ₹ 50 lakh and by more than 20 per cent of total provision**

(₹ in lakh)

Sl.No.	Grant	Head of Account	Total Provision	Expenditure	Savings
(1)	(2)	(3)	(4)	(5)	(6)
1	01	2011 02 101 02 01	315.00	207.92	107.08
2	03	2013 00 108 01 01	66.15	11.84	54.31
3	06	2029 00 800 04 01	226.75	0.47	226.28
4	06	2235 60 101 01 01	450.00	0.00	450.00
5	06	2245 80 001 01 01	95.20	12.45	82.75
6	06	2245 80 800 01 01	10,000.01	0.00	10,000.01
7	06	2408 01 102 04 01	1,500.00	486.32	1,013.68
8	06	3456 00 001 05 01	733.49	342.53	390.96
9	08	2070 00 114 01 02	214.35	162.22	52.13
10	08	3055 00 190 02 01	1,800.00	0.00	1,800.00
11	08	5055 00 190 04 02	200.00	0.00	200.00
12	09	3451 00 090 03 01	324.15	226.76	97.39
13	09	3451 00 090 08 01	1500.00	0.00	1,500.00
14	10	2215 01 191 03 01	1,359.67	0.00	1,359.67
15	10	2215 01 191 03 02	315.82	0.00	315.82
16	10	2215 01 191 03 03	68.10	0.00	68.10
17	10	2215 01 191 03 04	58.01	0.00	58.01
18	10	2215 01 789 03 01	153.27	0.00	153.27
19	10	2216 80 103 01 01	230.00	5.00	225.00
20	10	2216 80 789 03 01	113.00	55.00	58.00
21	10	2216 80 789 04 01	122.40	0.00	122.40
22	10	2216 80 789 04 02	100.00	0.00	100.00
23	10	2216 80 789 08 01	1,272.25	0.00	1,272.25
24	10	2216 80 800 02 01	572.50	90.23	482.27
25	10	2216 80 800 02 02	168.00	8.58	159.42
26	10	2216 80 800 04 01	2,232.00	1,320.00	912.00
27	10	2216 80 800 04 02	525.00	0.00	525.00
28	10	2216 80 800 04 03	90.00	30.00	60.00
29	10	2216 80 800 04 04	151.00	0.00	151.00
30	10	2216 80 800 10 01	1,607.75	106.37	1,501.38
31	10	2216 80 800 11 01	448.87	0.00	448.87
32	10	2216 80 800 13 01	120.00	0.00	120.00

(1)	(2)	(3)					(4)	(5)	(6)
33	10	2216	80	800	14	01	2,000.00	0.00	2,000.00
34	10	2217	01	191	01	01	1,030.00	110.29	919.71
35	10	2217	01	789	01	01	120.00	34.96	85.04
36	10	2217	05	001	01	01	139.00	21.37	117.63
37	10	2217	05	800	01	01	110.00	49.50	60.50
38	10	2217	05	800	02	01	534.71	347.45	187.26
39	10	2217	80	001	02	01	369.07	47.29	321.78
40	10	2217	80	191	01	01	144.64	18.40	126.24
41	10	2217	80	191	01	02	66.54	6.60	59.94
42	10	2217	80	191	07	01	130.00	0.00	130.00
43	10	2217	80	191	11	01	1,019.75	0.00	1,019.75
44	10	2217	80	191	11	02	236.87	0.00	236.87
45	10	2217	80	191	11	03	51.07	0.00	51.07
46	10	2217	80	789	01	01	86.69	23.92	62.77
47	10	2217	80	789	11	01	114.95	0.00	114.95
48	10	2217	80	800	05	01	1,051.13	130.00	921.13
49	10	2217	80	800	06	01	4,732.50	0.00	4,732.50
50	10	2515	00	101	04	01	86.33	0.00	86.33
51	10	2515	00	101	05	01	57.48	0.00	57.48
52	10	2515	00	101	07	01	400.00	84.43	315.57
53	10	2515	00	101	07	02	100.00	16.30	83.70
54	10	2515	00	101	11	01	65.00	0.00	65.00
55	10	2515	00	101	12	01	100.00	18.50	81.50
56	10	2515	00	101	13	01	100.00	0.00	100.00
57	10	2515	00	101	22	01	339.91	0.00	339.91
58	10	2515	00	101	22	02	78.95	0.00	78.95
59	10	2515	00	789	03	01	100.00	0.00	100.00
60	10	2515	00	789	03	02	53.96	0.00	53.96
61	10	2515	00	789	07	01	250.00	9.37	240.63
62	10	2515	00	789	07	02	100.00	0.00	100.00
63	10	3054	04	337	02	01	75.00	0.00	75.00
64	10	3054	04	337	03	01	2,124.74	0.00	2,124.74
65	10	3054	04	337	03	02	238.56	0.00	238.56
66	10	3054	04	337	03	03	227.19	0.00	227.19
67	10	3054	04	337	03	04	111.91	0.00	111.91
68	10	3054	04	789	03	01	229.89	0.00	229.89
69	10	3054	04	789	03	02	55.15	0.00	55.15
70	10	3475	00	108	01	01	151.06	0.00	151.06
71	11	2054	00	095	02	01	149.46	96.38	53.08
72	12	2055	00	001	01	01	1,110.50	807.03	303.47



*Audit Report (Union Territory Finances) for the year ended 31 March 2012*

(1)	(2)	(3)					(4)	(5)	(6)
73	12	2055	00	104	01	01	1,970.00	1,560.56	409.44
74	12	2055	00	108	01	01	570.00	378.14	191.86
75	12	2055	00	115	03	01	468.15	22.25	445.90
76	12	2070	00	107	01	01	551.60	263.47	288.13
77	12	2070	00	108	04	01	492.16	341.31	150.85
78	13	2056	00	101	02	01	160.10	92.23	67.87
79	13	2056	00	101	02	02	68.33	11.37	56.96
80	15	2071	01	111	01	07	175.00	117.50	57.50
81	16	2215	01	789	02	01	387.50	300.00	87.50
82	16	2215	01	800	03	01	250.00	0.00	250.00
83	16	3054	04	789	01	01	305.00	46.79	258.21
84	16	3054	04	789	02	01	188.13	105.53	82.60
85	16	3054	04	800	03	01	595.00	440.00	155.00
86	16	3054	80	052	01	01	73.60	0.00	73.60
87	16	4059	01	051	10	01	1,031.42	165.86	865.56
88	16	4059	01	789	01	01	455.83	0.36	455.47
89	16	4059	01	789	02	01	150.00	0.00	150.00
90	16	4059	01	800	02	01	1,350.00	0.00	1,350.00
91	16	4059	01	800	02	02	325.00	0.00	325.00
92	16	4059	01	800	02	03	75.00	0.00	75.00
93	16	4059	01	800	02	04	51.60	0.00	51.60
94	16	4215	01	101	02	04	60.00	10.00	50.00
95	16	4215	01	789	03	01	800.00	0.00	800.00
96	16	4215	01	789	03	02	279.99	0.00	279.99
97	16	4215	01	800	03	01	6,500.00	730.00	5,770.00
98	16	4215	01	800	03	02	952.01	0.02	951.99
99	16	4215	01	800	03	03	355.00	100.00	255.00
100	16	4215	01	800	03	04	2,000.00	1,449.43	550.57
101	16	4217	60	051	05	01	7,206.40	0.00	7,206.40
102	16	4217	60	789	01	01	600.00	0.00	600.00
103	16	4217	60	789	01	02	193.60	0.00	193.60
104	16	4702	00	101	04	01	2,000.00	0.00	2,000.00
105	16	4702	00	101	04	02	550.00	0.00	550.00
106	16	4702	00	101	04	04	152.40	0.00	152.40
107	16	4702	00	789	02	01	223.20	0.00	223.20
108	16	4702	00	789	02	02	74.40	0.00	74.40
109	16	4702	00	800	02	01	470.00	100.00	370.00
110	16	4702	00	800	02	02	115.00	0.00	115.00
111	16	4711	03	789	02	01	100.00	0.00	100.00
112	16	4711	03	800	04	01	1,000.00	262.83	737.17

(1)	(2)	(3)	(4)	(5)	(6)
113	16	4711 03 800 04 03	81.20	0.20	81.00
114	16	5054 03 337 01 01	1,660.00	1,166.67	493.33
115	16	5054 04 789 03 01	900.00	0.00	900.00
116	16	5054 04 789 03 02	250.00	0.00	250.00
117	16	5054 04 789 03 04	139.60	0.00	139.60
118	16	5054 04 800 01 01	983.00	551.93	431.07
119	16	5054 04 800 02 01	600.00	435.00	165.00
120	16	5054 04 800 05 02	260.00	105.00	155.00
121	16	5054 04 800 09 01	9,000.00	3,115.00	5,885.00
122	16	5054 04 800 09 02	2,160.00	345.54	1,814.46
123	16	5054 04 800 09 04	70.40	0.00	70.40
124	17	2202 01 108 01 01	1,119.05	627.68	491.37
125	17	2202 01 108 01 02	313.57	164.46	149.11
126	17	2202 01 789 03 01	346.41	203.66	142.75
127	17	2202 02 101 05 01	100.00	0.00	100.00
128	17	2202 02 109 08 01	2,091.56	1,257.12	834.44
129	17	2202 02 110 01 01	3,622.98	2,501.07	1,121.91
130	17	2202 03 103 06 03	604.00	482.71	121.29
131	17	2202 03 103 23 01	1,351.20	0.00	1,351.20
132	17	2202 03 103 23 02	1,351.20	0.00	1,351.20
133	17	2202 03 103 23 04	900.80	0.00	900.80
134	17	2202 03 789 10 01	100.00	0.00	100.00
135	17	2202 03 789 13 01	148.80	0.00	148.80
136	17	2202 03 789 13 02	148.80	0.00	148.80
137	17	2202 03 789 13 04	99.20	0.00	99.20
138	17	2202 04 200 02 01	100.00	25.39	74.61
139	17	2203 00 105 02 01	147.01	91.05	55.96
140	17	2203 00 112 02 02	348.00	0.00	348.00
141	17	2203 00 789 01 01	120.00	0.00	120.00
142	17	2203 00 789 02 01	123.36	0.00	123.36
143	17	2203 00 789 04 02	60.00	0.00	60.00
144	17	2204 00 104 01 01	462.00	142.93	319.07
145	17	2205 00 789 01 01	76.27	1.04	75.23
146	17	2236 02 102 03 02	350.00	238.18	111.82
147	18	2210 01 001 01 01	294.51	196.02	98.49
148	18	2210 01 001 02 01	294.77	93.85	200.92
149	18	2210 01 110 13 04	722.80	462.04	260.76
150	18	2210 01 110 16 01	604.40	411.70	192.70
151	18	2210 01 110 22 01	360.00	255.56	104.44
152	18	2210 01 789 01 01	90.00	40.00	50.00



(1)	(2)	(3)					(4)	(5)	(6)
153	18	2210	05	105	10	01	4,306.40	0.00	4,306.40
154	18	2210	05	105	11	03	250.00	0.00	250.00
155	18	2210	05	105	11	04	250.00	0.00	250.00
156	18	2210	06	107	03	01	252.00	51.97	200.03
157	18	2210	80	800	02	02	320.00	216.80	103.20
158	19	2070	00	115	02	06	190.00	102.60	87.40
159	19	3452	80	104	04	01	200.00	0.00	200.00
160	19	3452	80	104	05	01	250.00	50.00	200.00
161	19	3452	80	104	06	01	802.55	404.62	397.93
162	19	3452	80	104	07	01	590.00	237.16	352.84
163	19	3452	80	789	01	01	243.29	0.00	243.29
164	19	3452	80	789	01	02	81.09	0.00	81.09
165	19	3452	80	789	02	01	595.20	0.00	595.20
166	19	3452	80	800	10	01	200.80	0.00	200.80
167	19	3452	80	800	21	02	600.00	0.00	600.00
168	19	3452	80	800	23	01	2,000.00	0.00	2,000.00
169	19	3452	80	800	24	01	800.00	0.00	800.00
170	19	3452	80	800	26	01	1,804.00	0.00	1,804.00
171	19	5452	80	190	03	01	300.00	110.00	190.00
172	21	2225	01	277	02	02	150.00	99.98	50.02
173	21	2225	01	283	01	01	700.00	97.69	602.31
174	21	2225	01	789	02	02	130.00	70.48	59.52
175	21	2225	01	789	03	01	400.00	0.00	400.00
176	21	2225	01	789	07	01	1,552.00	107.49	1,444.51
177	21	2225	01	789	08	01	1,757.01	875.90	881.11
178	21	2225	01	789	08	04	150.00	26.00	124.00
179	21	2225	01	789	16	01	500.00	0.00	500.00
180	21	2225	01	789	19	01	5,720.81	3,615.98	2,104.83
181	21	2225	01	789	19	02	1,047.20	830.87	216.33
182	21	2225	01	789	20	01	150.00	0.00	150.00
183	21	2225	01	789	24	01	500.00	142.57	357.43
184	21	2225	03	277	02	01	354.01	0.40	353.61
185	21	2225	03	283	01	01	1,000.00	158.74	841.26
186	21	2225	03	283	01	02	300.00	0.00	300.00
187	21	2225	03	789	02	01	96.01	0.00	96.01
188	21	2225	80	800	01	01	80.00	0.00	80.00
189	21	2235	02	101	17	01	60.00	0.00	60.00
190	21	2235	02	102	10	01	869.69	505.37	364.32
191	21	2235	02	103	06	01	381.00	295.29	85.71
192	21	2235	02	103	11	01	80.00	18.23	61.77

(1)	(2)	(3)	(4)	(5)	(6)
193	21	2235 02 104 07 01	150.00	0.00	150.00
194	21	2235 02 789 16 01	169.25	88.09	81.16
195	21	2236 02 101 01 01	185.35	31.78	153.57
196	21	2236 02 101 02 01	152.72	33.31	119.41
197	21	4225 01 190 01 01	100.00	0.00	100.00
198	22	2216 02 104 02 01	180.00	115.50	64.50
199	22	2404 00 195 02 01	210.00	0.00	210.00
200	22	2852 08 195 01 01	190.00	0.00	190.00
201	22	2852 08 789 01 01	92.00	31.63	60.37
202	22	4860 04 800 01 01	900.80	0.00	900.80
203	22	4860 04 800 02 01	99.20	0.00	99.20
204	24	2401 00 102 01 04	445.00	22.03	422.97
205	24	2401 00 109 07 01	1,764.82	898.52	866.30
206	24	2401 00 109 07 02	779.15	141.20	637.95
207	24	2401 00 119 05 01	70.00	0.00	70.00
208	24	2401 00 789 09 01	364.18	133.00	231.18
209	24	2401 00 789 09 02	220.85	1.00	219.85
210	24	2401 00 789 10 01	80.00	0.00	80.00
211	24	2401 00 800 10 01	774.00	0.00	774.00
212	24	2401 00 800 10 02	95.50	0.00	95.50
213	25	2403 00 101 08 01	365.16	202.77	162.39
214	25	2403 00 102 03 01	344.27	134.60	209.67
215	25	2403 00 102 03 02	126.03	10.41	115.62
216	25	2403 00 102 05 01	128.77	59.85	68.92
217	25	2403 00 789 03 01	163.50	30.00	133.50
218	25	2403 00 800 03 01	500.00	0.00	500.00
219	26	2405 00 103 05 01	257.53	136.79	120.74
220	26	2405 00 103 05 02	101.25	0.00	101.25
221	26	2405 00 103 05 04	94.25	8.00	86.25
222	28	2851 00 003 01 01	217.40	95.18	122.22
223	28	2851 00 104 01 01	112.70	41.52	71.18
224	28	2851 00 789 11 01	768.04	0.00	768.04
225	29	2801 05 800 08 01	2,753.00	450.00	2,303.00
226	29	4801 05 799 01 01	1,971.60	1,025.53	946.07
227	29	4801 05 800 06 01	479.21	366.07	113.14
228	29	4801 05 800 32 01	4,880.70	0.00	4,880.70
229	29	4801 05 800 34 01	600.00	0.00	600.00
230	29	4801 05 800 36 01	400.00	0.00	400.00
231	29	4801 05 800 42 02	400.00	0.00	400.00
232	29	4801 05 800 44 02	266.30	0.00	266.30



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(1)	(2)	(3)	(4)	(5)	(6)
233	32	2056 00 101 01 01	360.87	86.00	274.87
234	32	2405 00 800 03 02	400.00	281.04	118.96
235	32	3452 01 800 01 01	100.00	46.45	53.55
236	32	3452 01 800 02 06	100.00	5.95	94.05
237	32	4202 01 202 02 01	174.00	84.76	89.24
238	32	4202 01 789 01 01	250.00	18.30	231.70
239	32	4202 01 789 01 02	125.00	4.07	120.93
240	32	4202 01 789 01 04	113.57	24.33	89.24
241	32	4202 01 789 02 01	156.00	36.62	119.38
242	32	4202 01 789 03 01	130.00	5.67	124.33
243	32	4202 01 789 03 02	72.40	4.20	68.20
244	32	4202 01 800 02 01	4,412.49	694.50	3,717.99
245	32	4202 01 800 02 02	1,400.00	0.00	1,400.00
246	32	4202 01 800 02 03	200.00	5.42	194.58
247	32	4202 01 800 02 04	200.00	50.00	150.00
248	32	4202 03 800 01 01	300.00	100.24	199.76
249	32	4210 01 789 01 01	305.00	10.00	295.00
250	32	4210 01 789 01 02	130.00	0.00	130.00
251	32	4210 01 789 02 01	258.60	10.00	248.60
252	32	4210 01 789 02 02	90.00	2.00	88.00
253	32	4235 02 789 01 01	100.00	0.00	100.00
254	32	4235 02 800 01 01	74.20	0.00	74.20
255	32	5452 01 800 14 01	400.00	0.00	400.00
256	33	2049 02 213 01 07	66.00	0.00	66.00
<b>Total</b>			<b>1,73,138.78</b>	<b>37,843.40</b>	<b>1,35,295.38</b>

**Appendix 2.2**  
(Reference: Paragraph 2.3.3; Page 31)

**Cases where expenditure exceeded approved provision by more than  
₹ 50 lakh and by more than 20 per cent of the total provision**

(₹ in lakh)

Sl.no	Grant No	Head of Account					Total Provision	Expenditure	Excess
(1)	(2)	(3)					(4)	(5)	(6)
1	06	2245	02	101	01	01	2,484.82	5,180.11	2,695.29
2	06	2245	02	101	04	01	0.01	2,141.69	2,141.68
3	06	2245	02	101	04	02	0.01	1,017.30	1,017.29
4	06	2245	02	113	01	01	3,500.00	6,306.62	2,806.62
5	06	2245	02	118	01	01	0.01	1,818.71	1,818.70
6	06	2245	80	800	02	01	0.01	1,000.00	999.99
7	06	2408	01	102	03	01	3,025.00	3,795.00	770.00
8	10	2217	80	789	05	01	0.01	69.29	69.28
9	10	2515	00	101	10	01	65.10	2,174.33	2,109.23
10	10	2515	00	101	10	02	61.01	659.63	598.62
11	10	2515	00	101	10	04	0.01	122.00	121.99
12	10	2515	00	789	10	01	0.01	414.16	414.15
13	10	2515	00	789	10	02	0.01	125.65	125.64
14	10	2515	00	789	10	04	0.01	60.19	60.18
15	10	2575	60	789	01	01	0.01	488.60	488.59
16	10	2575	60	789	01	02	0.01	128.60	128.59
17	16	2059	80	051	01	02	2.00	68.01	66.01
18	16	2215	01	789	01	01	257.37	1,016.00	758.63
19	16	2215	01	789	01	02	110.00	180.00	70.00
20	16	3054	04	789	01	04	117.49	194.40	76.91
21	16	4059	01	051	01	01	382.00	663.87	281.87
22	16	4711	03	103	01	01	165.00	290.00	125.00
23	16	5054	04	800	05	01	761.00	916.00	155.00
24	17	2202	01	800	04	01	452.89	570.20	117.31
25	17	2202	02	109	14	01	150.01	252.31	102.30
26	17	2202	03	103	04	02	367.76	467.09	99.33
27	18	2210	05	789	01	01	40.01	110.00	69.99
28	18	2210	05	789	03	01	20.00	75.00	55.00
29	18	2211	00	101	02	01	131.13	227.76	96.63
30	19	3452	80	104	08	01	0.01	190.00	189.99
31	19	3452	80	800	02	01	0.01	118.60	118.59
32	19	3452	80	800	03	01	0.01	111.52	111.51
33	19	3452	80	800	05	01	0.01	120.66	120.65



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(1)	(2)	(3)					(4)	(5)	(6)
34	21	2225	01	277	13	01	500.00	729.99	229.99
35	21	2225	01	789	04	01	140.00	240.54	100.54
36	21	2235	02	102	01	01	68.79	317.94	249.15
37	21	2235	02	102	01	02	0.01	63.36	63.35
38	21	2235	02	102	10	02	0.01	111.62	111.61
39	21	2235	02	104	02	02	343.45	438.84	95.39
40	21	2235	02	789	09	01	1,298.98	1,984.22	685.24
41	21	2235	02	789	09	02	369.09	446.78	77.69
42	22	2852	08	201	01	01	200.01	420.00	219.99
43	22	4851	00	195	01	01	415.01	755.00	339.99
44	22	4851	00	195	01	02	215.01	315.00	99.99
45	22	4860	04	195	01	01	571.32	1,004.44	433.12
46	22	4860	04	789	01	01	78.70	212.56	133.86
47	25	2403	00	789	06	01	0.01	84.00	83.99
48	26	2405	00	800	02	01	155.20	403.30	248.10
49	28	2851	00	800	06	01	250.01	399.75	149.74
50	28	2852	08	202	03	01	900.01	1200.00	299.99
51	29	2801	05	800	04	01	605.50	734.36	128.86
52	32	4210	01	110	01	01	83.51	140.25	56.74
53	32	4405	00	104	01	03	49.84	949.84	900.00
54	33	2049	01	200	02	07	312.53	574.44	261.91
55	33	2049	01	305	01	07	20.00	83.30	63.30
<b>Total</b>							<b>18,669.73</b>	<b>42,682.83</b>	<b>24,013.10</b>

**Appendix 2.3**  
(Reference: Paragraph 2.3.4; Page 31)

**Cases where supplementary provisions made were excessive  
by more than ₹ 50 lakh**

(₹ in lakh)

Sl. No.	Grant No.	Head of Account	Original	Supple- mentary	Total	Expenditure	Savings
1	06	2245 02 101 03	0.50	800.00	800.50	668.93	131.57
2	32	2405 00 800 03	600.00	682.48	1,282.48	1,054.14	228.34
<b>Total</b>			<b>600.50</b>	<b>1,482.48</b>	<b>2,082.98</b>	<b>1,723.07</b>	<b>359.91</b>



**Appendix 2.4**  
**(Reference: Paragraph 2.3.5; Page 31)**

**Excessive/unnecessary re-appropriation of funds**

(₹ in lakh)

Sl.No.	Grant No.	Head of Account	Original	Supple- mentary	Re-app	Total provision	Expenditure	Savings
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	03	2052 00 090 02 01	107.71	0.00	4.74	112.45	81.28	31.17
2	06	2245 02 101 03 01	0.50	800.00	18.05	818.55	668.93	149.62
3	06	2245 02 106 01 01	0.00	0.01	99.99	100.00	0.00	100.00
4	09	2052 00 092 01 01	3.00	0.00	10.50	13.50	2.57	10.93
5	09	2052 00 092 05 01	0.00	0.00	2.50	2.50	0.00	2.50
6	10	2217 80 800 04 01	3,000.00	0.01	1,006.99	4,007.00	3,000.00	1,007.00
7	12	2055 00 104 01 01	1970.00	0.00	18.55	1,988.55	1,560.56	427.99
8	12	2055 00 104 02 01	2,605.00	0.00	3.67	2,608.67	2,103.15	505.52
9	12	2055 00 109 01 01	2,560.00	0.00	3.90	2,563.90	2,054.48	509.42
10	12	2055 00 115 03 01	468.14	0.01	330.99	799.14	22.25	776.89
11	16	2059 60 051 02 01	319.00	50.00	79.00	448.00	319.53	128.47
12	16	2059 60 051 02 02	0.00	50.00	100.00	150.00	31.84	118.16
13	16	4059 01 051 10 01	1,031.42	0.00	716.01	1,747.43	165.86	1,581.57
14	16	5054 03 337 01 01	1,660.00	0.00	18.02	1,678.02	1,166.67	511.35
15	17	2202 02 101 01 01	164.70	0.00	5.00	169.70	164.29	5.41
16	17	2202 02 105 01 01	38.54	0.00	37.27	75.81	38.53	37.28
17	17	2202 02 109 04 01	3,339.53	0.00	27.55	3,367.08	3,289.70	77.38
18	17	2202 04 200 01 01	8.30	0.00	1.80	10.10	8.20	1.90
19	17	2202 80 001 01 01	552.40	0.00	10.88	563.28	550.85	12.43
20	18	2210 02 101 01 01	53.16	0.00	1.75	54.91	52.08	2.83
21	19	3452 80 104 06 01	802.55	0.00	27.69	830.24	404.62	425.62
22	19	3452 80 800 04 01	0.00	0.01	73.89	73.90	0.00	73.90
23	19	3452 80 800 08 01	0.00	0.00	2.50	2.50	0.00	2.50
24	19	3452 80 800 09 01	0.00	0.01	53.69	53.70	0.00	53.70
25	20	2230 03 101 22 01	0.00	0.00	8.49	8.49	0.00	8.49
26	21	2225 01 789 19 02	1,047.20	0.00	411.42	1,458.62	830.87	627.75
27	21	2225 01 789 19 01	5,720.81	0.00	2,415.98	8,136.79	3,615.98	4,520.81
28	24	2245 02 101 01 01	25.00	0.00	7.50	32.50	0.00	32.50
29	24	2401 00 102 01 04	445.00	0.00	5.98	450.98	22.03	428.95
30	24	2401 00 108 01 01	1.00	0.00	3.98	4.98	0.00	4.98
31	24	2401 00 119 01 04	25.00	0.00	4.97	29.97	24.02	5.95
32	24	2401 00 789 09 01	364.18	0.00	32.20	396.38	133.00	263.38
33	25	2403 00 102 05 01	128.77	0.00	9.31	138.08	59.85	78.23
34	27	2515 00 800 01 02	13.65	0.00	1.05	14.70	2.52	12.18

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
35	28	2851 00 789 06 01	1.50	0.00	9.40	10.90	1.44	9.46
36	32	2405 00 800 03 03	600.00	682.48	683.52	1,966.00	1,054.14	911.86
37	32	4202 01 202 01 03	27.50	0.00	1.09	28.59	8.09	20.50
38	32	4235 02 800 02 01	24.88	0.00	7.01	31.89	20.23	11.66
<b>Total</b>			<b>27,108.44</b>	<b>1,582.53</b>	<b>6,256.83</b>	<b>34,947.80</b>	<b>21,457.56</b>	<b>13,490.24</b>



**Appendix 2.5**  
(Reference: Paragraph 2.3.6.; Page 32)

**Cases of substantial surrenders made during 2011-12**

(₹ in lakh)

Sl.No.	Grant No.	Head of Account					Total Provision	Surrender
(1)	(2)	(3)					(4)	(5)
1	03	2013	00	108	01	01	66.15	54.28
2	08	2041	00	001	04	01	43.93	25.93
3	08	3055	00	190	02	01	1,800.00	1,764.36
4	08	5055	00	190	04	02	200.00	200.00
5	09	3451	00	090	08	01	1,500.00	1,499.97
6	10	2215	01	191	03	01	1,359.67	1,359.67
7	10	2215	01	191	03	02	315.82	315.82
8	10	2215	01	789	03	01	153.27	153.27
9	10	2216	80	789	04	01	122.40	122.40
10	10	2216	80	789	04	02	100.00	100.00
11	10	2216	80	800	02	01	572.50	482.27
12	10	2216	80	800	02	02	168.00	159.42
13	10	2216	80	800	04	02	525.00	525.00
14	10	2216	80	800	11	01	448.87	448.87
15	10	2216	80	800	14	01	2,000.00	2,000.00
16	10	2217	01	191	01	01	1,030.00	822.33
17	10	2217	80	191	07	01	130.00	130.00
18	10	2217	80	191	11	01	1,019.75	1,019.75
19	10	2217	80	191	11	02	236.87	236.87
20	10	2217	80	789	11	01	114.95	114.95
21	10	2217	80	800	05	01	1,051.13	921.13
22	10	2217	80	800	06	01	4,732.50	4,732.50
23	10	3054	04	337	03	01	2,124.74	2,124.74
24	10	3054	04	337	03	02	238.56	238.56
25	10	3054	04	337	03	03	227.19	227.19
26	10	3054	04	337	03	04	111.91	111.91
27	10	3054	04	789	03	01	229.89	229.89
28	13	2056	00	101	02	02	68.33	56.75
29	16	4059	01	800	02	01	1,350.00	1,213.86
30	16	4215	01	789	03	01	800.00	800.00
31	16	4215	01	789	03	02	279.99	177.09
32	16	4215	01	800	03	01	6,500.00	5,770.00
33	16	4215	01	800	03	02	952.01	951.01
34	16	4215	01	800	03	03	355.00	255.00

(1)	(2)	(3)					(4)	(5)
35	16	4217	60	051	05	01	7,206.40	7,206.40
36	16	4217	60	789	01	01	600.00	600.00
37	16	4217	60	789	01	02	193.60	193.60
38	16	4702	00	101	04	01	2,000.00	2,000.00
39	16	4702	00	101	04	02	550.00	550.00
40	16	4702	00	101	04	04	152.40	152.40
41	16	4702	00	789	02	01	223.20	223.20
42	16	4702	00	789	02	02	74.40	74.40
43	16	4702	00	789	03	01	40.29	29.20
44	16	4702	00	800	02	01	470.00	370.00
45	16	4702	00	800	02	02	115.00	115.00
46	16	4711	03	789	02	01	100.00	100.00
47	16	4711	03	800	04	01	1,000.00	737.17
48	16	4711	03	800	04	02	270.00	270.00
49	16	4711	03	800	04	03	81.20	53.80
50	16	5054	04	789	03	01	900.00	900.00
51	16	5054	04	789	03	02	250.00	250.00
52	16	5054	04	789	03	04	139.60	126.55
53	16	5054	04	800	09	01	9,000.00	5,885.00
54	16	5054	04	800	09	02	2,160.00	1,814.46
55	16	5054	04	800	09	04	70.40	70.40
56	17	2202	02	101	05	01	100.00	100.00
57	17	2202	03	103	23	01	1,351.20	1,351.20
58	17	2202	03	103	23	02	1,351.20	1,351.20
59	17	2202	03	103	23	04	900.80	900.80
60	17	2202	03	789	10	01	100.00	100.00
61	17	2202	03	789	13	01	148.80	148.80
62	17	2202	03	789	13	02	148.80	148.80
63	17	2203	00	112	02	02	348.00	348.00
64	17	2203	00	789	01	01	120.00	120.00
65	17	2203	00	789	02	01	123.36	120.00
66	17	2203	00	789	04	02	60.00	60.00
67	17	2204	00	101	02	01	58.26	40.86
68	17	2204	00	102	03	01	19.92	10.29
69	17	2204	00	104	01	01	462.00	318.46
70	17	2205	00	107	02	01	38.20	19.51
71	17	2205	00	789	01	01	76.27	75.17
72	18	2210	01	001	02	01	294.77	175.86
73	18	2210	05	105	11	03	250.00	250.00
74	18	2210	05	105	11	04	250.00	250.00



*Audit Report (Union Territory Finances) for the year ended 31 March 2012*

(1)	(2)	(3)					(4)	(5)
75	18	2210	06	107	03	01	252.00	200.00
76	19	3452	80	104	04	01	200.00	200.00
77	19	3452	80	104	05	01	250.00	200.00
78	19	3452	80	104	06	01	802.55	425.62
79	19	3452	80	789	01	01	243.29	243.29
80	19	3452	80	789	02	01	595.20	595.20
81	19	3452	80	800	10	01	200.80	200.80
82	19	3452	80	800	21	02	600.00	600.00
83	19	3452	80	800	23	01	2,000.00	2,000.00
84	19	3452	80	800	24	01	800.00	800.00
85	19	3452	80	800	26	01	1,804.00	1,804.00
86	19	5452	80	190	03	01	300.00	190.00
87	20	2230	03	101	17	02	33.01	32.46
88	20	2230	03	101	20	02	36.01	36.01
89	21	2225	01	283	01	01	700.00	602.30
90	21	2225	01	789	07	01	1,552.00	1,444.51
91	21	2225	01	789	16	01	500.00	500.00
92	21	2225	01	789	19	01	5,720.81	4,520.81
93	21	2225	01	789	19	02	1,047.20	627.75
94	21	4225	01	190	01	01	100.00	100.00
95	22	2404	00	195	02	01	210.00	210.00
96	22	2404	00	789	01	01	30.00	30.00
97	22	2425	00	108	01	01	25.00	12.83
98	22	2852	08	195	01	01	190.00	95.87
99	23	3454	01	800	01	01	18.20	14.30
100	24	2245	02	101	01	02	25.00	25.00
101	24	2401	00	102	01	04	445.00	428.94
102	24	2401	00	103	03	02	37.30	22.00
103	24	2401	00	109	07	02	779.15	637.93
104	24	2401	00	119	05	01	70.00	70.00
105	24	2401	00	119	05	02	20.00	20.00
106	24	2401	00	789	09	01	364.18	263.38
107	24	2401	00	789	09	02	220.85	187.65
108	24	2401	00	789	10	01	80.00	80.00
109	24	2401	00	789	10	02	15.00	15.00
110	24	2401	00	800	10	01	774.00	774.00
111	24	2401	00	800	10	02	95.50	95.50
112	24	2401	00	800	10	04	31.30	31.30
113	24	2406	01	102	01	02	24.25	19.41
114	24	2406	01	102	04	01	35.00	26.00

(1)	(2)	(3)					(4)	(5)
115	24	2406	01	102	04	02	25.00	23.70
116	24	2435	01	101	02	04	15.00	15.00
117	24	2702	02	001	01	02	63.00	47.00
118	25	2403	00	102	03	01	344.27	210.56
119	25	2403	00	102	03	02	126.03	115.57
120	25	2403	00	102	05	01	128.77	78.18
121	25	2403	00	113	04	01	38.41	38.41
122	25	2403	00	789	03	01	163.50	133.50
123	25	2403	00	800	03	01	500.00	500.00
124	27	2216	03	800	02	01	46.75	46.75
125	27	2216	03	800	02	02	23.25	23.25
126	27	2515	00	800	01	01	21.90	17.55
127	27	2515	00	800	01	02	13.65	12.18
128	27	2515	00	800	05	01	35.00	20.00
129	29	2801	05	800	08	01	2,753.00	2,013.10
130	29	4801	05	800	08	02	24.31	20.09
131	29	4801	05	800	32	01	4,880.70	4,880.70
132	29	4801	05	800	34	01	600.00	600.00
133	29	4801	05	800	36	01	400.00	400.00
134	29	4801	05	800	42	02	400.00	400.00
135	29	4801	05	800	44	02	266.30	266.30
136	32	4202	01	202	01	03	27.50	20.50
137	32	4202	01	202	02	01	174.00	89.24
138	32	4202	01	789	01	01	250.00	231.70
139	32	4202	01	789	01	02	125.00	120.93
140	32	4202	01	789	01	04	113.57	89.24
141	32	4202	01	789	02	01	156.00	119.38
142	32	4202	01	789	03	01	130.00	124.33
143	32	4202	01	789	03	02	72.40	68.20
144	32	4202	01	800	02	01	4,412.49	3,717.99
145	32	4202	01	800	02	02	1,400.00	1,400.00
146	32	4202	01	800	02	03	200.00	194.50
147	32	4202	01	800	02	04	200.00	150.00
148	32	4202	03	800	01	01	300.00	199.76
149	32	4210	01	789	01	01	305.00	295.00
150	32	4210	01	789	01	02	130.00	111.40
151	32	4210	01	789	02	01	258.60	233.71
<b>Total</b>							<b>1,03,076.50</b>	<b>92,364.90</b>



**Appendix 2.6**  
**(Reference: Paragraph 2.3.7 ; Page 32)**

**List of grants in which anticipated savings were not  
surrendered**

(₹ in crore)

Sl.No.	Grant Number	Description	Savings
<b>Revenue</b>			
1	04	Administration of Justice	0.01
2	06	Revenue and Food	2.98
3	14	Stationery and Printing	0.01
<b>Total</b>			<b>3.00</b>

**Appendix 2.7**  
(Reference: Paragraph 2.3.7; Page 32)

**Cases where savings of more than ₹ one crore were not surrendered fully**

(₹ in crore)

Sl.No.	Grant Number	Description	Savings	Amount Surrendered	Amount not surrendered
<b>Revenue</b>					
1	10	District Administration	214.82	183.08	31.74
2	12	Police	29.76	17.13	12.63
3	17	Education	82.45	77.26	5.19
4	18	Medical	70.68	48.26	22.42
5	19	Information and Publicity	72.56	70.81	1.75
		<b>Total - Revenue</b>	<b>470.27</b>	<b>396.54</b>	<b>73.73</b>
<b>Capital</b>					
6	16	Public Works	342.39	326.41	15.98
7	32	Building Programmes	76.58	73.34	3.24
		<b>Total - Capital</b>	<b>418.97</b>	<b>399.75</b>	<b>19.22</b>
		<b>Grand Total</b>	<b>889.24</b>	<b>796.29</b>	<b>92.95</b>



**Appendix 2.8**  
**(Reference: Paragraph 2.3.8; Page 32)**

**Details of rush of expenditure during last quarter of the year and during March 2012**

Sl. No.	Grant No	Head of Account	Total expenditure during the year (₹)	Expenditure incurred (₹)		Percentage to total expenditure	
				During last quarter of the year	During March 2012	During last quarter of the year	During March 2012
1	10	2501 04 105 01	60,00,000	60,00,000	60,00,000	100.00	58.33
2		2501 04 105 06	1,00,00,000	1,00,00,000	1,00,00,000	100.00	100.00
3		2501 04 789 01	19,84,000	19,84,000	19,84,000	100.00	100.00
4		2515 00 101 10	30,00,00,000	30,00,00,000	30,00,00,000	100.00	100.00
5		2515 00 101 19	27,04,400	27,04,400	27,04,400	100.00	100.00
6		2515 00 789 10	6,00,00,000	6,00,00,000	6,00,00,000	100.00	100.00
7		2575 60 101 01	30,83,76,650	30,83,76,650	30,83,76,650	100.00	100.00
8		2575 60 789 01	6,65,80,000	6,65,80,000	6,65,80,000	100.00	100.00
9		19	3452 80 104 05	50,00,000	50,00,000	50,00,000	100.00
10	3452 80 104 06		4,04,61,524	3,84,39,104	3,44,27,695	95.00	85.09
11	3452 80 104 08		1,90,00,000	1,90,00,000	1,90,00,000	100.00	100.00
12	3452 80 800 02		1,18,60,000	1,18,60,000	1,18,60,000	100.00	100.00
13	3452 80 800 03		1,11,52,000	1,11,52,000	1,11,52,000	100.00	100.00
14	3452 80 800 05		1,20,66,000	1,20,66,000	1,20,66,000	100.00	100.00
15	22	4425 00 107 01	50,00,000	50,00,000	50,00,000	100.00	100.00
16		4425 00 107 03	20,00,000	20,00,000	20,00,000	100.00	100.00
17		4435 01 195 01	60,00,000	60,00,000	60,00,000	100.00	100.00
18	27	2515 00 789 02	28,85,681	19,18,587	18,88,587	66.49	65.45
19		2515 00 800 05	14,97,000	14,97,000	14,97,000	100.00	100.00
20	32	3452 01 800 09	10,00,00,000	10,00,00,000	10,00,00,000	100.00	100.00
21		4210 01 800 01	20,14,96,334	17,31,82,812	16,49,64,645	85.95	81.87
22		4405 00 104 01	10,49,83,478	6,55,56,000	6,55,56,000	62.44	62.44

**Appendix 3.1**  
(Reference: Paragraph 3.1; Page 37)

**Details of outstanding utilisation certificates**

Sl. No.	Department	Number of certificates outstanding	Amount (₹ in lakh)
1.	Adi-dravidar Welfare	171	6,761.43
2.	Agriculture	29	1,655.07
3.	Animal Husbandry and Animal Welfare	17	553.44
4.	Art and Culture	11	32.54
5.	Civil Supplies and Consumer Affairs	29	2,190.64
6.	Co-operation	26	1,855.12
7.	Education	28	2,679.83
8.	Fisheries and Fishermen Welfare	48	994.23
9.	Health and Family Welfare	1	0.32
10.	Hindu Religious Institutions/WAKF Board	157	383.92
11.	Industries and Commerce	14	443.36
12.	Information Technology	3	35.94
13.	Labour	3	71.91
14.	Local Administration	1,024	21,127.73
15.	Science, Technology and Environment	3	47.24
16.	Social Welfare	19	243.78
17.	Town and Country Planning	302	9,839.06
18.	Women and Child Development	4	143.02
<b>Total</b>		<b>1,889</b>	<b>49,058.58</b>



**Appendix 3.2**  
**(Reference: Paragraph 3.2; Page 38)**

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

Sl. No.	Name of the Autonomous Body/Authority	Year for which accounts have not been received
(1)	(2)	(3)
1.	Bharathiyar Palkalai Koodam	2008-09 to 2010-11
2.	District Institute of Education and Training	2008-09 to 2010-11
3.	Fish Farmers Development Agency, Karaikal	2006-07 to 2009-10
4.	Krishi Vigyan Kendra, Puducherry	2010-11
5.	Mother Teresa Institute of Health Sciences	2008-09 to 2010-11
6.	Nedungadu Commune Panchayat	2006-07 to 2010-11
7.	Neravy Commune Panchayat	2006-07 to 2010-11
8.	Perunthalaivar Kamarajar College of Education, Karaikal	2006-07 to 2010-11
9.	Perunthalaivar Kamarajar Institute of Engineering and Technology, Karaikal	2006-07 to 2009-10
10.	Pondicherry Experimental Solar Pond Power Project	2008-09 to 2010-11
11.	Pondicherry Housing Board	2010-11
12.	Pondicherry Fishing Harbour Management Society	2008-09 to 2010-11
13.	Pondicherry Fishermen Welfare Distress Relief Society	2008-09 to 2010-11
14.	Pondicherry Institute of Hotel Management and Catering Technology	2008-09 to 2010-11
15.	Pondicherry Khadi and Village Industries Board	2008-09 to 2010-11
16.	Pondicherry Medical Relief Society for poor	2007-08 to 2010-11
17.	Pondicherry State Sports Council	2008-09 to 2010-11
18.	Pondicherry Veterinary College Society	2008-09 to 2010-11
19.	Pondicherry Women's Commission	2008-09 to 2010-11
20.	Sarva Shiksha Abiyan	2008-09 to 2010-11
21.	The Indian National Trust for Art, Culture and Heritage	2006-07 to 2010-11
22.	Thirunallar Commune Panchayat	2008-09 to 2010-11
23.	T.R. Pattinam Commune Panchayat	2008-09 to 2010-11

**Appendix 3.3**  
**(Reference: Paragraph 3.2; Page 38)**

**List of Autonomous Bodies /Authorities from whom accounts were not received since their inception**

<b>Sl. No.</b>	<b>Name of the Autonomous Body/Authority</b>
1.	Board of Higher Secondary Education
2.	Community College, Karaikal
3.	Fishermen Co-operative Union
4.	Mahila Mandals, Karaikal
5.	Pondicherry Building Centre
6.	Pondicherry Management and Productivity Council
7.	Thondaimandala Numismatic Society
8.	Karaikal Planning Authority, Karaikal



**Appendix 3.4**  
(Reference: Paragraph 3.4; Page 40)

**Department/category-wise details of loss to Government due to theft, misappropriation/loss of Government material**

Sl. No	Name of the Department	Theft and Loss cases		Misappropriation/ Loss of Government Material		Total	
		Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount
			(₹ in lakh)		(₹ in lakh)		(₹ in lakh)
1.	Adi-Dravidar Welfare	--	--	1	1.55	1	1.55
2.	Agriculture	6	1.89	1	5.15	7	7.04
3.	Animal Husbandry	--	--	1	41.57	1	41.57
4.	Art and Culture	3	0.37	--	--	3	0.37
5.	Education	24	1.02	2	21.86	26	22.88
6.	Electricity	242	3,725.17	2	82.35	244	3,807.52
7.	Health and Family Welfare	9	0.27	--	--	9	0.27
8.	Information Technology	1	1.15	--	--	1	1.15
9.	Local Administration	4	1.96	1	0.47	5	2.43
10.	Police	--	--	1	0.30	1	0.14
11.	Public Works	4	0.23	2	5.01	6	5.24
12.	Revenue and Disaster Management	1	0.84	--	--	1	0.84
13.	Tourism	1	NA	--	--	1	NA
14.	Women and Child Development	1	3.75	--	--	1	3.75
	<b>Total</b>	<b>296</b>	<b>3,736.65</b>	<b>11</b>	<b>158.26</b>	<b>307</b>	<b>3,894.91</b>

NA: Not available

### Glossary of terms and abbreviations used in the Report

Terms	Description
GSDP	GSDP is defined as the total income of the Union Territory or the market value of goods and services produced using labour and all other factors of production at current prices.
Buoyancy ratio	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 at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one <i>per cent</i> .
Merit goods	Core public goods are goods which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g., enforcement of law and order, security and protection of rights; pollution free air and other environmental goods, road infrastructure etc., Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than the ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.
Development expenditure	Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure.



Terms	Description
Average interest rate	Average interest rate is defined as the percentage of interest payment made to average financial liabilities of the State during the year i.e. (sum of opening and closing balances of fiscal liabilities /2) x 100
Debt sustainability	Debt sustainability is defined as the ability of the Union Territory to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. It also refers to the sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between the costs of additional borrowings and the returns from such borrowings.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero, positive or moderately negative. Given the rate spread (GSDP growth rate – interest rate) and the quantum spread (Debt X rate spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilize eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising. In case it is positive, the debt-GSDP ratio would eventually be falling.
Primary expenditure	Primary expenditure of the State, defined as the total expenditure net of the interest payments, indicates the expenditure incurred on the transactions undertaken during the year.

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<b>Abbreviations</b>	<b>Full form</b>
BCR	Balance from Current Revenue
BPL	Below Poverty Line
CAGR	Compound Annual Growth Rate
FRBM Act	Fiscal Responsibility and Budget Management Act
GOI	Government of India
GSDP	Gross State Domestic Product
PRIs	Panchayat Raj Institutions
ROG	Rate of Growth
RR	Revenue Receipts
UCs	Utilisation Certificates



