

Speed Post

OFFICE OF THE CHIEF SECRETARY
PUDUCHERRY

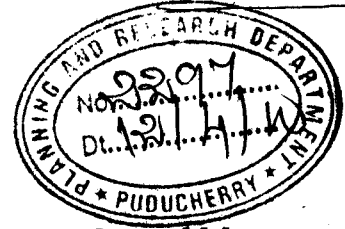
No. M-13048/35/PY/2010-SP-S

Planning Commission
(State Plans Division)

Tapal No. 2538/1206

Received on 21/4/2010

Despatched on 8 APR 2010



Yojana Bhavan, Sansad Marg
New Delhi-110001
Dated: 1.04.2010

A copy of the Summary Record of discussions between Deputy Chairman, Planning Commission and Chief Minister of Puducherry held on 10.3.2010 to finalise the Annual Plan 2010-11 of Puducherry is circulated.

(Handwritten initials)
Encl: As above

(Signature)
(Sujata Sharma)
Director

Planning Commission

PMO

OFFICE OF THE SECRETARY
PLANNING & FINANCE
PUDUCHERRY

No. 2557/2010/Fin/Sec

Received 7/4

Despatched 21/4

(Handwritten notes)
Principal Advisers
Advisers
JS (SP)
Head of Divisions

Joint Secretary (Puducherry)

Ministry of Home Affairs

Ministry of Finance

JS (UTs)

Joint Secretary (PF-I)
Deptt. of Expenditure
North Block, New Delhi

Coordinating Officers of all Central Ministries

(Except Ministry of Defence)

Copy to Private Secretary to:

Deputy Chairman/Minister of State/Members / Secretary

Copy also to:

SP-Coordination/ (PC Division)/DA (MLP & Hill Areas)/Information Officer

Copy also to:

- (i) Chief Secretary, Government of Puducherry. 0413 - 2337575 (F)
- (ii) Secretary Finance, Government of Puducherry. 0413 - 2334144 (F)
- (iii) Planning Secretary, Government of Puducherry. 0413 - 2334144 (F)
- (iv) Resident Commissioner, Government of Puducherry, Puducherry House, New Delhi 011-26112331

(Handwritten notes)
13/4
PO (PP)

Summary record of the meeting between Deputy Chairman, Planning Commission and Chief Minister of Puducherry held on 10.03.2010 for finalization of Annual Plan 2010-11

1. A meeting between the Deputy Chairman, Planning Commission, and Chief Minister of Puducherry for finalization of the Annual Plan (2010-11) was held on 10.03.2010 at Yojana Bhawan, New Delhi. A list of participants is enclosed at Annexure I.
2. Welcoming the delegation from Puducherry, the Deputy Chairman Planning Commission desired to discuss the resources position and the major issues being faced by the UT.
3. **MOS (P&PA)** stated that last year was an election year and the UT had barely 4-5 months to implement the plan, therefore it is expected to manage an expenditure of Rs. 1500.00 crores only in the current year. Puducherry required a higher allocation in the next year Annual Plan to support its welfare and development expenditure.
4. He stated that Puducherry was implementing a number of welfare schemes like pension for the aged , disabled and destitute, free rice scheme, Re, 1/- pass for the school children, additional supplements to the school children in the mid-day-meal etc. The performance of the UT was one of the best in all social indicators. It enjoyed almost 100% literacy rate, health indices are the one of the best in the country. Apart from all this UT has developed a port in Karaikal on PPP mode. Investment plans are being explored in collaboration with the French companies. Puducherry would require funds for introducing VRS in the textile mills, land acquisition for the Puducherry airport etc.
5. He also informed that the UT was not getting any share in the devolution recommended by the Finance Commission. It does not have a share in the Calamity Relief Fund. But efforts are being made to improve the ARM. JERC has recommended an increase in the power tariff and the same has been revised in the month of February. So a higher resource mobilization is expected in 2010-11.
6. Chief Minister Puducherry mentioned that presently the financial powers delegated to the Lieutenant Governor of the UT was Rs.15 crores. Beyond this amount the proposals have to be sent to MHA for approval. This delays the projects implementation. It was agreed that to ensure speedy implementation of the projects, a higher delegation of powers should be made to the State of Puducherry and this issue needs to be taken up with the MHA.

7. **JS (MHA)** stated that the issue of devolution of funds for the local bodies was discussed with the Ministry of Finance. A note for the COS is expected, after which opportunities for the UT may open up. Some view should be taken for the UT's resources.
8. **Secretary, Planning Commission** was of the view that IT parks, apparel parks, textile parks, convention centers etc. should be developed to mobilize revenue and to generate additional resources for supporting the welfare schemes of the UT.
9. **Member (AM)** agreed that a long term vision plan should be chalked out for the overall growth of the UT. Steps like tourist retention should be taken to tap the tourism potential in Puducherry.
10. **Deputy Chairman, Planning Commission** was of the view that since the UT was facing resource crunch to meet its development commitments and the Plan size was already over stretched, MHA should examine the possibility of enhancing the non-Plan grant particularly, because the UT does not get any share in the devolutions recommended by the Finance Commission including the share in CRF and those made to the local bodies.
11. **Sr. Adviser (State Plans-Puducherry)** pointed out that the UT has taken some measures to enhance the resources and contraction of its expenditure. Following steps should be taken up on priority:
 - Excess number of BPL cards if any, should be reviewed
 - 40% of the health services are used by the outsiders, therefore, fees may be charged from them
 - Some charges should be levied on the tertiary health care services which are at present free
 - Capitation fee in medical colleges was heavily subsidized by the Government
 - UT should come up with a master plan for promoting its tourism sector
12. **Secretary, Planning Commission** pointed out that transfer of funds and functions to panchayats should be considered so as to empower them, since the panchayats are better suited to levy user charges. This will improve the maintenance of the assets and reduce the burden on the State Government.
13. **Member (AM)** stated that Puducherry should have a financially sustainable plan. Benefits should be given to the right target group, assets should be generated to support the free welfare schemes. Puducherry should formulate a vision plan for income generation and should charge from the tourists. Public transport in Puducherry should also be properly organized.

14. **MOS (P&PA)** stated that the UT has built up some new infrastructure in the form of stadium, roads, bridges, hospital buildings etc. The implementation of all the infrastructure projects should be expedited and tendering process should be quicker to avoid delays. PPP mode of financing should be resorted to in tourism development. Puducherry should also have a world class infrastructure in the development of the apparel parks in which it can make use of the schemes of Ministry of Textiles.
15. It was agreed that Puducherry should utilize its potential existing in tourism, IT and skill development in the form of training centres in IT sector.
16. **Chief Minister, Puducherry** intervened to say that Puducherry was already looking for a private partner to develop its airports.
17. Deputy Chairman desired to know the issue of over exploitation of ground water in Puducherry.
18. **Chief Minister, Puducherry** informed that the UT was constructing bed dams, irrigation tanks etc. due to which the water level was improving. Puducherry desalinization plant was also being set up in the coastal area. Efforts were being made to revise the property tax but the Administration faces resistance at the time of upward revision of property tax.
19. **Member (BKC)** pointed that UT's tax - GSDP ratio has declined from 8% to 6% and it needs to look into it. Further he stated that for reducing per capita expenditure the UT must have large programmes under PPP mode. Ports at Kariakal and Puducherry can become primary centres of growth.
20. **Member (SH)** desired to know the reason for low spending on NRHM. She also wanted to be apprised about the steps being taken to control HIV / AIDS. Since no mention was being made about the welfare of minorities in the annual plan document, she wanted to know the specific schemes being implemented for the minorities.
21. From Puducherry side it was informed that the UT was already in the low prevalence group in HIV/AIDS and people prefer to go to referral hospitals thereby minimizing the expenditure in the sub-centres.
- 22.. **Secretary, Planning Commission** thanked the delegation of Puducherry for participating in the Annual Plan discussions. She informed that the resources of Puducherry were fixed at Rs.2273 crores at the official level discussions. During the discussions with the Deputy Chairman, Planning Commission, and the Chief Minister of Puducherry, the Annual Plan size of the UT was fixed at Rs.2500 crores which includes an ACA of Rs.50 crores. Note on Scheme of Financing is at Annexure-II.

The meeting ended with the vote of thanks to the Chair.

Annexure - I

Meeting between Deputy Chairman, Planning Commission and Chief Minister of Puducherry for Annual Plan 2010-11 held on 10.03.2010 at 3.30 PM at Yojana Bhawan, New Delhi.

List of Participants

Planning Commission

S. No.	Name	Designation
1.	Shri Montek Singh Ahluwalia	Deputy Chairman
2.	Shri V. Narayanasamy	MOS (P&PA)
3.	Smt. Syeda Hameed	Member
4.	Shri Arun Maira	Member
5.	Sh. B.K. Chaturvedi	Member
6.	Smt. Sudha Pillai	Secretary
7.	Shri A.K. Mishra	Sr. Adviser (State Plans-Puducherry)
8.	Shri T.K. Pandey	Jt. Secretary (State Plans) Adviser (FR)
9.	Smt. Sujata Sharma	Director (State Plans)
10.	Smt. Kusum Mishra	Director (FR)

Ministry of Home Affairs

Ms. B. Bhamathi

| Joint Secretary (UT)

State Government

S. No.	Name	Designation
1.	Shri V. Vaithilingam	Chief Minister
2.	Shri E. Valsaraj	Home Minister
3.	Shri M.O.H.F. Shajahan	Minister for Public Works
4.	Shri Malladi Krishna Rao	Minister for Revenue
5.	Shri A. Namassivayam	Minister for Public Health
6.	Shri R. Chandramohan	Chief Secretary
7.	Smt. Nutan Guha Biswas	Dev. Commissioner/Secretary, Planning
8.	Shri T. M. Balakrishnan	Secretary (Welfare/Health)
9.	Shri P. Mathew Sameul	Spl. Secretary (Port.)
10.	Shri G. Ragesh Chandra	Collector (Spl. Secretary Excise)
11.	Shri S. Sundaravadivelu	Director (School Edn.)
12.	Dr. Dilip Kr. Baliga	Director (Health)
13.	Dr. S. Kangasabai	Director (Planning)
14.	Shri A. S. Vijayalakshmi	Jt. Director (Planning)
15.	Shri K. K. Singh	Jt. Resident Commissioner

Table-I : Approved Scheme of Financing for the Annual Plan 2010-11

(Rs. Crore)

A.		Amount
1.	State's Own Resources	1183.11
	a. Balance from Current Revenues	1029.00
	b. MCR (excluding deductions for repayment of loans)	-72.75
	c. Plan Grants from Gol (TFC)	
	d. ARM	
	e. Reimbursement of CST Collections	
	f. Adjustment of Opening Balance	226.86
	g. Recoveries	
2.	State's Borrowings (i-ii)	1086.00
	(i) Gross Borrowings (a to g)	1086.00
	a. State Provident Fund (Net)	36.00
	b. Small Savings	
	c. Gross Market Borrowings	600.00
	d. Negotiated Loans (HUDCO) / NABARD	400.00
	e. Bonds/Debentures	
	f. Loans portion of NCA	
	g. Loans for EAPs (Tsunami)	50.00
	(ii) Repayments	
3.	CENTRAL ASSISTANCE (a to e)	230.89
	a. Normal Central Assistance	105.69
	b. ACA for EAP	
	c. Others	18.20
	d. JNNURM	57.00
	e. ACA for Tsunami	
	f. Additional Central Assistance as one time Grant	50.00
	Total A: State Government Resources (1+2+3)	2500.00
B.	Public Sector Enterprises (PSEs)	
C.	Local Bodies	
D.	AGGREGATE PLAN RESOURCES (A+B+C)	2500.00
E.	STATE PLAN OUTLAY	2500.00

Note: Central assistance figure at Sl.No. 3 includes Rs.8.6 crore under Roads & Bridges, M/O Road Transport.

Table-II : Balance from Current Revenues (BCR) for Annual Plan 2010-11**(Rs. crore)**

S.No.	Item	Amount
	NON PLAN REVENUE RECEIPTS (1 TO 4)	2855.00
	Share in Central Taxes	
	State's Own Tax Revenue	1138.00
	Non Tax Revenue	1064.00
	Non Plan Grants from Centre (4.1 to 4.3)	653.00
	4.1 Revenue Deficit Grant	493.00
	4.2 Reimbursement of CST	160.00
	4.3 Modernisation of Police Force	
	4.4 Additional Funds to be devolved to Local Bodies	0.00
	Opening Balance	
	NON PLAN REVENUE EXPENDITURE (6 TO 12)	1826.00
	Non Developmental Expenditure (6.1 to 6.5)	772.12
6.1	Interest Payments	332.96
6.2	Appropriation for reduction or avoidance of debt	5.00
6.3	Pension Payments	208.08
6.4	Salaries	109.46
6.5	Others	116.62
	Developmental Expenditure (7.1 to 7.2)	1053.88
7.1	Salaries	570.54
7.2	Others	483.34
8.	Pay and DA Revision (Not Included in 6.4 & 7.1)	
9.	Implementation of 6th Central Pay Commission	
10.	Additional Funds to be devolved to Local Bodies	
11.	Statutory Transfers to Local Bodies	
12.	Plan Transfers to Local Bodies & PSEs (Excl. CSS)	
II.	BCR with ARM (I-II)	1029.00
V.	ARM	
I.	BCR without ARM (III - IV)	1029.00

Table -III : Components of Central Assistance for Annual Plan 2010-11

(Rs. Crore)

Sl. No.	Schemes/ Programmes	Amount
1	Normal Assistance	105.69
2	Roads and Bridges	8.60
3	NSAP	7.39
4	NPAG	-
5	NEGAP	1.45
6	RKVY	0.76
7	JNNURM	57.00
8	Tsunami Rehabilitation Programme	-
9	Additional Central Assistance as one time Grant for UT specific projects	50.00
	TOTAL	230.89

Note : Sl.no. 1-7 are budgetary transfers as indicated in Expenditure Budget. 2010-11



7

53

Page