



**Meeting of the
State Planning Board on the proposals of
*Annual Plan 2012-13***

20.02.2012

**WELCOME TO
CHAIRMAN AND MEMBERS**

Guidelines from Member Secretary, Planning Commission on the Annual Plan 2012-13

- To take up detailed review of existing programmes to determine whether they should continue in the XII Plan or whether they need to be suitably altered to achieve new objectives.
- Emphasis is required on completion of on-going programmes.
- Upgradation of existing capital assets before starting new projects.
- New projects to be taken up only after certain minimum number of partially completed / on-going projects are brought to completion.
- To improve productivity of existing capital assets and efficiency of resources, selective use of Plan funds not exceeding 15% of Plan outlay support to be used for maintenance, renovation and critical repairs.

Zero Base Budgeting

- Planning Commission has emphasized the need for application of Zero Base Budgeting at the beginning of every Five Year Plan.
- In view of ensuing 12th Five Year Plan (2012-17) an elaborate exercise on Zero Base Budgeting was taken.
- Discussions held with the Administrative Secretaries / Heads of Departments concerned by Development Commissioner.
- Schemes having similar objectives were brought under one umbrella.

Tax Revenue

The major internal resources of the Union Territory is from Taxes as shown below:
(₹ in crore)

Description	Actuals (Upto March)				Upto Jan'12
	2007-08	2008-09	2009-10	2010-11	2011-12
Sales Tax	354.98	381.86	453.11	594.97	592.38
Excise	224.02	279.60	329.06	378.65	344.27
Stamps & Registration	41.91	31.18	50.16	51.93	64.57
Transport	31.60	32.46	34.75	48.27	42.50
Others	0.33	0.25	0.66	0.72	0.87
Total	652.84	725.35	867.74	1074.54	1044.59

The estimated resources by the end of March' 2012 would be around ₹ 1350 crores.

Non-Tax Revenue

- Presently, we have excluded Electricity under the purview of Non-Tax Revenue by giving one time revolving fund of ₹180.00 crores.
- We have realized ₹ 71.95 crores upto January 2012 under the item "Others" which includes interest accruals from Public Account, water surcharge, hospital charges, dividends, other administrative services, etc.

- We have realized ₹ 1116.49 crores upto January 2012 both under Tax and Non-Tax sources as against the realization of ₹ 922.54 crores during the corresponding period of the last year (Jan, 2011).

Outlay and Expenditure during XI Five Year Plan

(₹ in crore)

Year	BE	RE	Actuals
2007-08	1455.00	1090.10	1087.00
2008-09	1750.00	1750.00	1060.00
2009-10	2250.00	1675.00	1450.00
2010-11	2500.00	1770.00	1563.00
2011-12	2750.00	1600.00**	1063.00*
Total	10705.00	7885.10	6223.00

* Expenditure upto 09.02.2012

** As per the Road Map.

- As against the overall approved outlay of ₹ 10,705 crores for the Eleventh Five Year Plan, the Revised Estimate was ₹ 7,885 crores against which the likely expenditure would be ₹ 6,760 crores, which works to 63.15% to BE and 85.73% to RE.

Pattern of Financing during 2007-08 - 2011-12

(₹ in crore)

Sl. No.	Resources	2007-08	2008-09	2009-10	2010-11	2011-12
		Actuals	Actuals	Actuals	Actuals	Approved Outlay
A	UT's Own Resources	829.24	903.48	1176.41	1382.08	2370.23
	<i>1. Net Small Savings from UT</i>	--	--	38.02	105.38	25.00
	<i>2. ARM</i>	292.82	450.00	614.96	600.05	1020.58
	<i>3. Adjustment of Opening Balance</i>	35.00	106.00	--	--	299.65
	<i>4. Reimbursement of CST Collection</i>	164.42	--	--	--	--
	<i>5. EAP for Tsunami</i>	--	--	--	--	100.00
	<i>6. Gross Market Borrowings</i>	337.00	347.48	500.00	600.00	600.00
	<i>7. Negotiated Loan</i>	--	--	23.43	76.65	325.00
B	Central Assistance	257.49	156.91	273.52	180.42	379.77
	<i>1. Grant</i>	76.00	83.46	96.08	105.69	140.00
	<i>2. Flood Relief (Grant)</i>	--	9.64	--	--	--
	<i>3. Tsunami</i>	130.00	40.00	108.00	--	--
	<i>4. Others</i>	51.49	23.81	69.44	24.73	139.77
	<i>5. One time ACA</i>	--	--	--	50.00	100.00
C	Aggregate Plan Expenditure (A+B)	1086.73	1060.39	1449.93	1562.50	2750.00

Plan Expenditure upto December 2011

- As against 60% of Plan expenditure upto December 2011 during the current financial year, 34% of Plan expenditure has been incurred (Rs.934 crores). Four meetings on Plan Review have been convened as detailed below:

At the level of Secretary (Plg) - Two meetings

At the level of Chief Secretary - One meeting

At the level of Hon'ble Chief Minister - One meeting

Further review will be taken up.

Annual Plan 2012-13 Proposals

The departments implementing Plan schemes have proposed a size of ₹ 3961.41 crores for the Annual Plan 2012-13, as against ₹ 2750 crores in BE 2011-12 as indicated below, Major-Head-wise:

(₹ in crore)

Major Heads of Development	2011-12	2012-13
	Approved Outlay	Proposed Outlay
I. AGRICULTURE & ALLIED ACTIVITIES	189.33	239.60
II. RURAL DEVELOPMENT	61.44	168.08
III. IRRIGATION & FLOOD CONTROL	80.15	99.75
IV. ENERGY	155.15	284.57
V. INDUSTRY & MINERALS	99.04	260.26
VI. TRANSPORT	282.27	341.12
VII. SCIENCE, TECHNOLOGY & ENVIRONMENT	6.97	13.04
VIII. GENERAL ECONOMIC SERVICES	126.83	211.62
IX. SOCIAL SERVICES	1545.20	2077.04
X. GENERAL SERVICES	203.62	266.33
GRAND TOTAL	2750.00	3961.41*

* ₹ 3961.41 crores will be required to be fit into the Fiscal Road Map explained in subsequent slides.

Regional Allocation

- It is our endeavour to allocate Plan Outlay to the outlying regions so as to ensure a balanced development.
- The departments implementing Plan schemes have been advised by Planning & Research Department to earmark outlay in proportion to the percentage of population.

Scheduled Caste Sub-Plan (SCSP)

- SCSP is prepared as an integral part of Annual Plan showing sector-wise, scheme-wise outlays earmarked for scheduled castes. Adi-dravidar Welfare Department is the Nodal Department for implementing the SCSP programmes in the Union Territory of Puducherry. SCSP allocation is made in proportion to SC population of 16.19%.

Strategies for the Annual Plan 2012-13

- The main focus would be to achieve a balanced and sustainable growth with more diversified agricultural base integrated with environmental safeguards.
- Given the limited area under crops, thrust will be given to high value crops and promote development of Nursery Villages / Seed Villages to get higher returns.
- Separate market for Organic produces in vantage locations, precision farming to cover more acreage especially horticultural crops, strengthening of storage and marketing etc., will be other focus areas.
- Measures will be introduced to increase livestock yield and specifically domestic milk production, development of dairy complexes with sufficient green fodder production, goat rearing, poultry rearing and mushroom production in home yards etc.

- Major infrastructure development such as fishing harbour, ice plants for preserving fish and market yards needs to be strengthened significantly to harness the full potential of the sector.
- Alternative livelihood option is proposed for the fisherfolk by introducing seaweed culture, ornamental fish culture and export market for these products will be created.
- Public Private Partnership (PPP) mode will be tapped to provide good infrastructure for accelerated growth of industries with increasing slant on exports.
- A conducive labour policy manual to synchronize with the industrial policy will be framed.
- In order to maintain reliable and stable power supply, it is proposed to provide improved power distribution network of high reliability with least transmission and distribution losses.

- It is also proposed to expand the existing Gas Power Plant by 100 MW to meet the growing power demand.
- In order to strengthen the quality of education at school level, it is proposed to identify habituation with infrastructure gaps and to bridge the gap facilities like construction of additional class rooms, strengthening of libraries, purchase of science kits, appointment of teachers.
- Under Higher Education, the mission will be to empower the youth to choose and lead a life appropriate to their talents by providing 100% access, enrolment in higher education and to give ample opportunities to the students for their better career.
- Under Health, focus would be “Better Health Care at reasonable cost” to the general public and “Better Health Care at no cost to BPL families”.

- The paradigm shift in the focus of health care will be from “disease control” to “disease prevention” and from communicable disease management to non-communicable disease management which modify life style practices.
- To contain traffic congestion, it is proposed to construct over bridges and subways wherever necessary.
- To uplift SC population focus would be on overall socio-economic development such as provision of quality education, imparting training and self-employment, providing houses etc.
- With the objective of promoting the educational and economic interest of the weaker section of the people with special care, welfare of children, aged, disabled, destitute and senior citizens, various welfare programmes are proposed under Social Welfare and Social Security sectors.

Observations of Planning Commission in the Financial Resources meeting held on 06.01.2012 as run-up to Annual Plan 2012-13

RESOURCES

- Tax efforts need to be enhanced. Planning Commission observed that in respect of Commercial Tax considering the buoyancy of 20%, there is scope to increase further taxation of 15%.
- Suggested to adopt auctioning pattern instead of license system under Excise.
- More scope to increase the Motor Vehicle Taxation.
- To adopt Circle Rate in lieu of GLR value to increase the resources under Registration.
- On Power tariff, it was suggested not to subsidize the power consumption and the Government should not absorb any further increase in tariff directly or indirectly.

- Water tariff should be increased and the Sewerage Tariff be introduced. It was suggested to introduce charges on Health and Education sector particularly in Higher Education. To increase all fees and charges to 10 to 15% per year to help non-tax Departments.
- All the Plan Posts to be taken to the Non-Plan side and take up the issue with Ministry of Home Affairs & Ministry of Finance. Planning Commission will support the same.

EXPENDITURE

- The system of giving subsidies on consumption is unhealthy and this needs to be looked at closely in all Departments.
- To create a Calamity Relief Fund by Government of Puducherry as Puducherry is not covered under Central Finance Commission.
- Government of Puducherry needs to get out of 65% achievement syndrome.

Fiscal Roadmap of UT of Puducherry

- Based on the direction of the Ministry of Finance, Government of India, a Fiscal Road Map has been prepared by Finance Department, Government of Puducherry and sent it to Government of India to bring down the fiscal deficit from 7.53% in 2011-12 (BE) to less than 3% in 2014-15.
- Ministry of Finance vide letter dated 7.2.2012 has requested supporting numbers to our projections and actual steps taken / proposed to be taken to improve the Fiscal Position.

Cap on yearly Borrowing as per Fiscal Road Map

- For current year 2011-12, plan borrowings are capped at ₹ 728 crores.
- For the year 2012-13, plan borrowings are capped at ₹ 780 crores.

Projected Resources for financing the Annual Plan 2012-13

Item	(₹ in crores)
U.T.'s Own Resources	555.00
Central Assistance	587.00
State's Borrowings	780.00
Total	1922.00

- Finance Department has projected resources of ₹ 1922 crores for Plan programmes for 2012-13, keeping in view the Fiscal Road Map.

Issues placed before the State Planning Board for consideration

- The post 'Thane' warrants a definite changes to re-prioritize certain things as the cyclone has wrecked unprecedented havoc in Puducherry and Karaikal, thereby, affecting farmers who have lost their livelihood, need to be rehabilitated.
- Agriculture and Fisheries have suffered unexplainable losses. Rehabilitation has become the first priority during the Annual Plan 2012-13. The cyclone has put the clock ten years backward in the UT and placed in an unfortunate situation of redoing several programmes at great cost to regain the lost status.
- An interim relief of ₹ 125 crores has been granted by Government of India.

- Over and above this amount, during the current financial year ₹ 112 crores has been identified under some Plan sectors to take-up the relief measures.
- Since all infrastructures under Plan sectors have severely been affected, One Time Special Assistance of ₹ 500 crores may be requested under Plan for 2012-13 in view of the absence of relief package under Calamity Relief Fund (CRF), Pondicherry being the Union Territory.
- Besides, Central Assistance of ₹ 100 crores as One Time ACA may be requested for taking up Thirunallar Temple Town Project instead of resorting to HUDCO for availing loan.

Thank you