

**Report of the
Comptroller and Auditor General of India**

for the year ended March 2013

**Government of the Union Territory of Puducherry
Report No. 1 of 2014**

TABLE OF CONTENTS

	Reference	
	Paragraph	Page
PREFACE		(vii)
CHAPTER I - INTRODUCTION		
About this Report	1.1	1
Profile of Audited entity	1.2	2
Authority for Audit	1.3	3
Planning and conduct of audit	1.4	4
Significant audit observations	1.5	5
Response to audit	1.6	8
Follow up on the Audit Reports	1.7	8
CHAPTER II – PERFORMANCE AUDIT		
<i>LOCAL ADMINISTRATION AND PUBLIC WORKS DEPARTMENTS</i>		
Performance Audit on ‘Rural Water Supply Schemes’	2.1	11

	Reference	
	Paragraph	Page
CHAPTER III – COMPLIANCE AUDIT		
WASTEFUL EXPENDITURE/OVER PAYMENT	3.1	
<i>REVENUE AND DISASTER MANAGEMENT DEPARTMENT</i>		
<i>PROJECT IMPLEMENTATION AGENCY</i>		
Wasteful expenditure due to non-construction of houses	3.1.1	23
<i>INFORMATION AND PUBLICITY DEPARTMENT</i>		
Wasteful expenditure on advertisement	3.1.2	24
<i>PUBLIC WORKS DEPARTMENT</i>		
Over payment to contractors	3.1.3	26
AVOIDABLE EXPENDITURE	3.2	
<i>PUBLIC WORKS DEPARTMENT</i>		
Avoidable extra expenditure	3.2.1	27
<i>PUBLIC WORKS AND HINDU RELIGIOUS INSTITUTIONS DEPARTMENTS</i>		
Avoidable additional liability	3.2.2	29
IDLE INVESTMENT/BLOCKING OF FUNDS	3.3	
<i>PUBLIC WORKS DEPARTMENT</i>		
Idle investment on construction of distribution grid	3.3.1	30

	Reference	
	Paragraph	Page
<i>INFORMATION TECHNOLOGY DEPARTMENT</i>		
Blocking of funds due to non-availability of land	3.3.2	31
<i>JAIL DEPARTMENT</i>		
Idle investment on construction of staff quarters	3.3.3	33
<i>PORT DEPARTMENT</i>		
Public Private Partnership of development of Karaikal port	3.4	34
CHAPTER IV - REVENUE RECEIPTS		
Trend of revenue receipts	4.1	47
Variation between the budget estimates and actuals	4.2	49
Analysis of collection	4.3	49
Arrears of revenue	4.4	50
Fraud and evasion of tax	4.5	51
Failure to enforce accountability and protect the interest of the Government	4.6	52
Status of recovery against audit observations accepted by the Government	4.7	53
Results of Audit	4.8	53

	Reference	
	Paragraph	Page
COMMERCIAL TAXES DEPARTMENT		
Value Added Tax		
Performance Audit on 'Implementation of Value Added Tax in Union Territory of Puducherry'	4.9	54
REVENUE DEPARTMENT		
Stamp Duty and Registration Fees		
Misclassification of instruments of Conveyance as Cancellation Deeds	4.10	70
HEALTH DEPARTMENT		
State Excise		
Short collection of excise duty and additional excise duty	4.11	71
CHAPTER V – GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES		
Overview of Union Territory of Puducherry Public Sector Undertakings	5.1	73
PUDUCHERRY ROAD TRANSPORT CORPORATION LIMITED		
Idling of buses	5.2	82

APPENDICES	Number	Page
Details of IRs issued upto December 2012 and paragraphs pending as on June 2013	1.1	85
Details of OHTs constructed with excess capacity due to wrong adoption of design period	2.1	87
Calculation of price variation for cement and steel	3.1	88
Phase-wise development of Karaikal port and cost incurred	3.2	90
Statement showing particulars of up-to-date paid-up capital, loans outstanding and manpower as on 31 March 2013 in respect of Government companies	5.1	91
Summarised financial results of Government companies for the latest year for which accounts were finalised	5.2	93
Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2013	5.3	95
Statement showing investments made by the Government of the Union Territory of Puducherry in PSUs whose accounts are in arrear	5.4	97
Glossary of abbreviations		99