

## Report of the Comptroller and Auditor General of India

for the year ended March 2011



Government of the Union Territory of Puducherry Report No. 2

## TABLE OF CONTENTS

	Reference	
	Paragraph	Page
PREFACE		(vii)
CHAPTER I - INTRODUCTION		
About this Report	1.1	1
Profile of Audited entity	1.2	1
Authority for Audit	1.3	3
Offices that conducted the audit	1.4	3
Planning and conduct of audit	1.5	3
Significant audit observations	1.6	4
Response of departments to the draft paragraphs	1.7	9
Follow up on Audit Reports	1.8	9
CHAPTER II – PERFORMANCE AUDIT		
REVENUE AND DISASTER MANAGEMENT, PUBLIC WORKS, SOCIAL WELFARE, LOCAL ADMINISTRATION, HEALTH AND FAMILY WELFARE AND INDUSTRIES DEPARTMENTS		
Acquisition and utilisation of the acquired land for public purposes	2.1	11

	Reference	
	Paragraph	Page
EDUCATION DEPARTMENT		
Sports Development and Physical Education in the Union Territory of Puducherry	2.2	28
CHAPTER III – AUDIT OF TRANSACTIONS		
INADMISSIBLE EXPENDITURE	3.1	
WOMEN AND CHILD DEVELOPMENT DEPARTMENT		
Payment of old age pension to ineligible persons	3.1.1	41
UNFRUITFUL/WASTEFUL EXPENDITURE	3.2	
PUBLIC WORKS DEPARTMENT		
Unfruitful expenditure on laying of sewer lines and construction of sewer appurtenances	3.2.1	43
HEALTH AND FAMILY WELFARE DEPARTMENT		
Non-utilisation of the Software	3.2.2	45
AVOIDABLE EXPENDITURE	3.3	
PUBLIC WORKS DEPARTMENT		
Avoidable extra cost due to rejection of the lowest tenders	3.3.1	46
ADI DRAVIDAR WELFARE DEPARTMENT		
Avoidable payment of interest due to drawal of loan far in advance of requirement	3.3.2	48

	Reference	
	Paragraph	Page
BLOCKING OF FUNDS/IDLE EXPENDITURE	3.4	
AGRICULTURE DEPARTMENT		
Blocking of funds due to excess release of funds	3.4.1	50
INDUSTRIES AND COMMERCE DEPARTMENT		
Non-utilisation of grants by the Puducherry Management and Productivity Council	3.4.2	52
ART AND CULTURE DEPARTMENT		
Idle expenditure on an incomplete work	3.4.3	53
LOCAL ADMINISTRATION DEPARTMENT		
ARIANKUPPAM COMMUNE PANCHAYAT		
Blocking of funds due to non-utilisation of grants-in-aid	3.4.4	55
CHAPTER IV - REVENUE RECEIPTS		
Trend of revenue receipts	4.1	59
Variations between the budget estimates and actuals	4.2	61
Analysis of collection	4.3	61
Arrears of revenue	4.4	62
CST/VAT administration	4.5	64
Fraud and evasion of tax	4.6	64

	Reference	
	Paragraph	Page
Failure to enforce accountability and protect the interest of the Government	4.7	64
Status of recovery against audit observations accepted by the Government	4.8	65
Results of Audit	4.9	65
SALES TAX/VALUE ADDED TAX		
Results of Audit	4.10	66
Performance Audit on Utilisation of declaration forms in Inter State Trade	4.11	67
Application of incorrect rate of tax	4.12	74
STAMP DUTY AND REGISTRATION FEES		
Results of Audit	4.13	75
Performance Audit on Stamp duty and Registration fees	4.14	75
CHAPTER V – GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES		
Overview of Union Territory of Puducherry Public Sector Undertakings	5.1	87
Schemes implemented by Social Sector Companies of Puducherry	5.2	97
PUDUCHERRY AGRO SERVICE AND INDUSTRIES CORPORATION LIMITED		
Inadmissible pay and allowances	5.3	108

APPENDICES	Number	Page
Statement showing particulars of up-to-date paid-up capital, loans outstanding and manpower as on 31 March 2011 in respect of Government companies	5.1	111
Summarised financial results of Government companies for the latest year for which accounts were finalised	5.2	114
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 2011	5.3	116
Statement showing investments made by the Government of the Union Territory of Puducherry in PSUs whose accounts are in arrear	5.4	119
Financial position of PADCO/PBCMDC for three years ended 2008-09	5.5	122
Working results of PADCO/ PBCMDC for three years ended 2008-09	5.6	124
Scheme wise details of the recovery performance of PADCO for three years ended 31 March 2009	5.7	126