

सत्यमेव जयते

Accounts at a glance 2015-16



Government of Punjab

A decorative graphic consisting of a teal crosshair. It features a vertical bar on the left side and a horizontal bar at the top, both in a medium teal color, intersecting to form a cross shape.

Accounts at a Glance

2015-16

Government of Punjab

Our Vision, Mission and Core V

VISION: The vision of SAI India represents what we aspire to become: We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognised for independent, credible, balanced and timely reporting on public finance and governance.

MISSION: Our mission enunciates our current role and describes what we are doing today: Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders, the Legislature, the Executive and the Public, that public funds are being used efficiently and for the intended purposes.

CORE VALUES: Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

PREFACE

I am happy to present the Eighteenth issue of our annual publication, the 'Accounts at a Glance' of the Government of Punjab. The purpose of this publication is to present a reader friendly summary of the voluminous information available in the Finance Accounts and Appropriation Accounts prepared by my office in accordance with Article 149 of the Constitution of India, read with Section 11 of Comptroller and Auditor General's (D.P.C.) Act, 1971. The annual accounts of the State consist of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. Appropriation Accounts record the grant-wise expenditure against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

'Accounts at a Glance' provides a broad overview of Governmental activities, as reflected in Finance Accounts and Appropriation Accounts. The information is presented through brief explanations, statements, graphs and time series analysis for providing accounting information to the stakeholders-the Legislature, the Executives and the Public. A reading of Finance Accounts, Appropriation Accounts of Government of Punjab and Report of the Comptroller and Auditor General on State Finances for the year 2015 - 16 together with Accounts at a Glance will help the stakeholders to appreciate the various aspects of State Finances in a more effective manner.

We look forward to readers' feedback that would help us in improving the publication.

Date: 16 November 2016
Chandigarh



Faisal Imam
Accountant General (A&E)
Punjab

Table of Contents

Chapter 1	Overview	Page
1.1	Introduction	1
1.2	Structure of Government Accounts	1-2
1.3	Finance Accounts and Appropriation Accounts	3-5
1.4	Sources and Application of Funds	5-7
1.5	Highlights of Accounts	7
1.6	Deficit and Surplus	8-9
Chapter II	Receipts	
2.1	Introduction	10
2.2	Revenue Receipts	10
2.3	Trend of Revenue Receipts	11-12
2.4	Performance of State's Own Tax Revenue Collection	12
2.5	Efficiency of Tax Collection	12
2.6	Trend in State's Share of Union Taxes/Duties	13
2.7	Grants-in-aid	13
2.8	Public Debt	13-14
Chapter III	Expenditure	
3.1	Introduction	15
3.2	Revenue Expenditure	15-16
3.3	Capital Expenditure	16-17
Chapter IV	Plan and Non-Plan Expenditure	
4.1	Distribution of Plan and Non-Plan Expenditure	18
4.2	Plan Expenditure	18-19
4.3	Non-Plan Expenditure	19
4.4	Committed Expenditure	19-20
Chapter V	Appropriation Accounts	
5.1	Summary of Appropriation Accounts	21
5.2	Trend of Saving/Excess	21
5.3	Significant Savings	21-22
Chapter VI	Assets and Liabilities	
6.1	Assets	23
6.2	Debt and Liabilities	23-24
6.3	Guarantees	25
Chapter VII	General	
7.1	Outstanding Detailed Contingent (DC) bills	26
7.2	Outstanding Utilization Certificates (UCs) against Grants -in -aid sanctioned by the State Government	26-27
7.3	Consolidated Sinking Fund	27
7.4	Guarantee Redemption Fund	27-28
7.5	Outstanding Liabilities of the State Government	28
7.6	Off- Budget Borrowings	28

OVERVIEW

1.1 Introduction

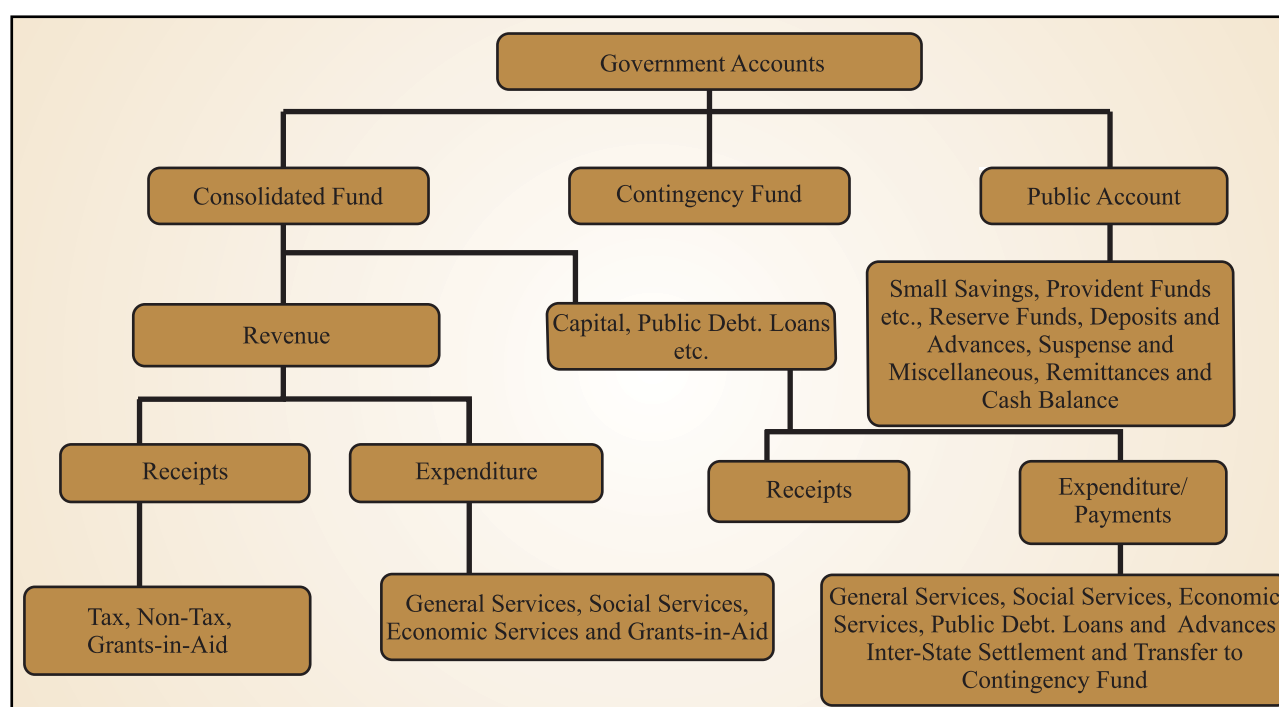
The office of the Accountant General (A&E), Punjab compiles the monthly accounts of the State Government from the accounts submitted by the District Treasuries, Public Works Divisions, Forest Divisions and other accounting circles etc. Besides, Finance Accounts and Appropriation Accounts are prepared annually by the office of the Accountant General in accordance with Article 149 of the Constitution of India read with Section 11 of Comptroller and Auditor General's (D.P.C.) Act, 1971.

1.2 Structure of Government Accounts

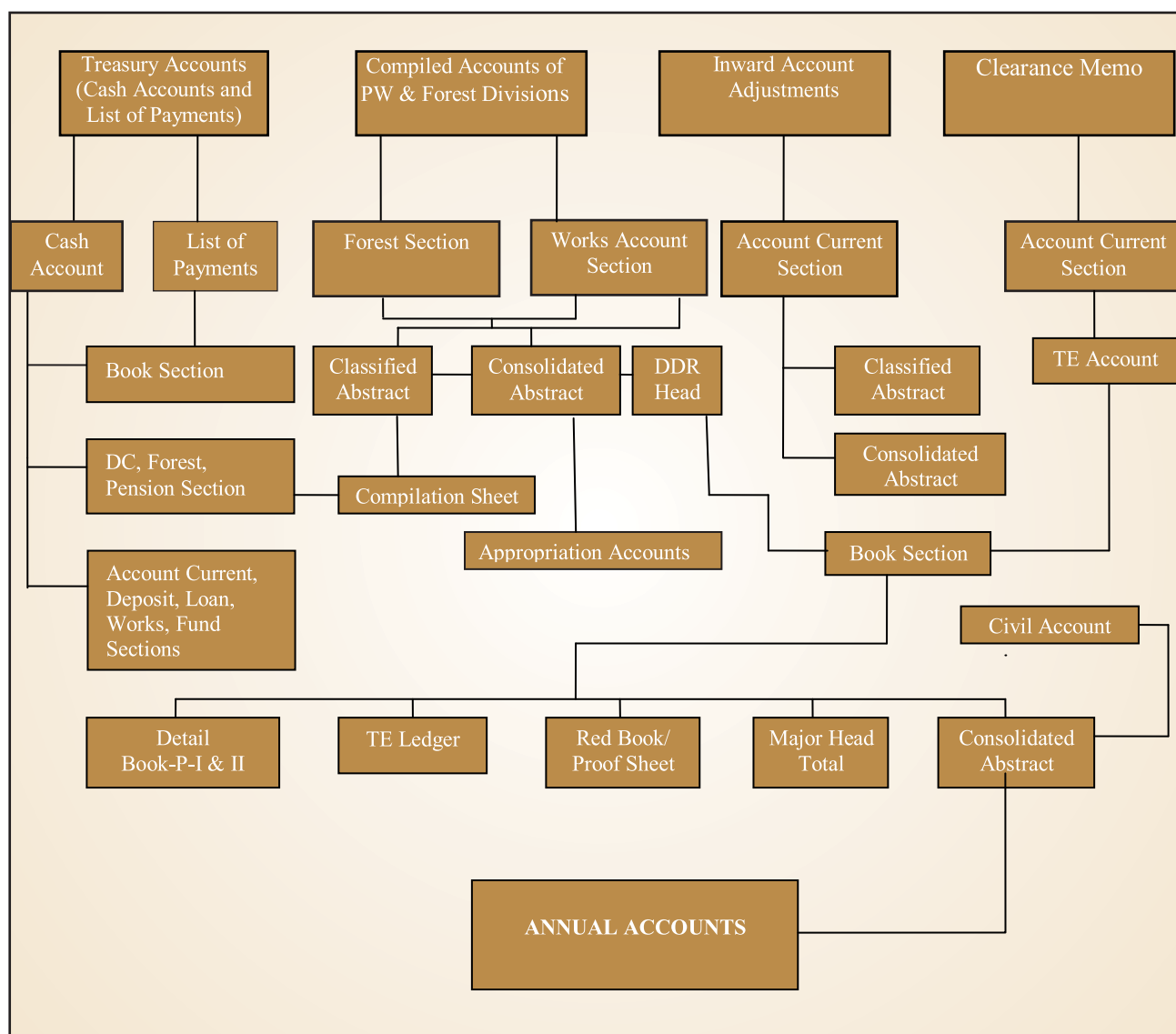
1.2.1 Government Accounts are kept in three parts:

Part I CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part II CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the Budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part III PUBLIC ACCOUNT	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivable of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.

1.2.2 Pictorial Representation of Structure of Government Accounts



1.2.3 Flow Chart of Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account Balances recorded in the accounts. Finance Accounts have been prepared in two volumes to make them more comprehensive and informative. **Volume I** contains the Certificate of the Comptroller and Auditor General of India, the Guide to the Finance Accounts, 13 Statements which give summarised information on the financial position and transactions of the State Government for the current financial year, Notes to Accounts and Annexure to the Notes to Accounts. **Volume II** of the Finance Accounts contains two parts - 9 Detailed Statements in Part I and 13 Appendices in Part II.

The Receipts and disbursements of the Government of Punjab as depicted in the Finance Accounts 2015 -16 are given below:

(₹ In crore)			
Receipts (59,101)	Revenue (41,523)	Tax Revenue	34,699
		Non –Tax Revenue	2,650
		Grants-in-aid	4,174
	Capital (17,578)	Recovery of Loans and Advances	218
		Borrowings and other Liabilities*	7,360
Disbursements (59,101)	Revenue		50,073
	Capital		3,059
	Loans and Advances		5,969

* **Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursements) of Public Account + Net of Opening and Closing Cash Balance.**

Till 31 March 2014, Government of India transferred substantial funds directly to State Implementing Agencies/ Non-Government Organizations (NGOs) for implementation of various schemes/ programmes; however, the existing 137 Centrally Sponsored Schemes and 5 Additional Central Schemes have now been restructured into 66 Centrally Sponsored Schemes / Additional Central Schemes / Flagship Schemes in the 12th Plan. From 1 April 2014 onwards, Government of India released

central assistance for CSS/ ACA/Flagship schemes directly to the State Government and these releases are now classified as ‘Central Assistance to the State Plan’. As per the PFMS portal (formerly known as Central Plan Schemes Monitoring System - CPSMS) of the Controller General of India (CGA), Government of India released ₹ 648 crore directly to the implementing agencies in Punjab during 2015-16. However, direct transfers of funds to implementing agencies have reduced by 70 *per cent* in 2015-16 as compared to 2014-15.

1.3.2 Appropriation Accounts

Appropriation Accounts bring out the Gross Expenditure (both voted and charged) of the State Government incurred from the Consolidated Fund for each financial year compared with the accounts of Voted Grants and Charged Appropriations for the different purposes as specified in the Schedules appended to the Appropriation Acts passed by the State Legislature under Article 204 and 205 of the Constitution of India. The Appropriation Accounts supplement the Finance Accounts. The Appropriation Accounts of the Government of Punjab for the year 2015-16 expended in the year ended 31 March 2016 comprise accounts of 23 Charged Appropriations and 30 Voted Grants.

Appropriation Act, 2015-16 had projected Gross Expenditure of ₹ 95,407 crore, which includes the Supplementary Grants totalling ₹ 16,092 crore, passed by State Legislature during the year. No amount was projected as recoveries to be treated as reduction of expenditure.

Appropriation Accounts 2015-16 show disbursements aggregating ₹ 82,229 crore against the aggregate budget provision of ₹ 95,407 crore, resulting in savings of ₹ 13,178 crore (14 *per cent*). However, savings of ₹ 10,452 crore (79 *per cent*) were under the Grants controlled by Departments of Irrigation and Power (₹ 7,739 crore), Social and Women’s Welfare and Welfare of Scheduled Castes and Backward Classes (₹ 1,014 crore), Education (₹ 872 crore) and Agriculture and Forests (₹ 827 crore). Against the Nil projection of recoveries in reduction of expenditure in budget estimates, there were actual recoveries of ₹ 1,077 crore during 2015-16.

The Appropriation Accounts show that in the year 2015-16, there was actual expenditure of ₹ 82,229 crore, comprising Revenue Expenditure of ₹ 51,068 crore, Capital Expenditure of ₹ 3,141 crore, Repayment of Debt of ₹ 22,051 crore and Loans and Advances by the State Government of ₹ 5,969 crore. There was

saving/excess under Revenue, Capital, Public Debt and Loans and Advances with reference to total grants allocated by the State Legislature.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India extends the facility of Ways and Means Advances to enable State Governments to maintain their liquidity. Overdraft facilities are provided when there is a shortfall in the agreed minimum cash balance which is ₹ 1.56 crore. No amount was outstanding as on 31 March 2015 against Ways and Means Advances. During 2015-16, the Government of Punjab obtained ₹ 13,906 crore as Ways and Means Advances on one hundred seventeen occasions which were fully repaid during the year leaving a nil balance. ₹ 21 crore were paid as interest on these advances.

Moreover, at the end of the previous year no amount was outstanding as shortfall/overdraft. During 2015-16, Government has availed shortfall of ₹ 9 crore on nineteen occasions and overdraft of ₹ 4,306 crore on forty one occasions. ₹ 4,315 crore were repaid during the year leaving nil balance. ₹ 7 crore were paid as interest on these shortfalls/overdrafts.

However, this has to be viewed against the fact that there was saving of ₹ 13,178 crore in all 30 grants which represents 14 *per cent* shortfall in expenditure against estimates.

1.4.2 Fund Flow Statement

The State had a Revenue Deficit of ₹ 8,550 crore and a Fiscal Deficit of ₹ 17,360 crore representing 2.09 *per cent* and 4.25 *per cent* of the Gross State Domestic Product (GSDP) ¹ respectively. The Fiscal Deficit was around 29 *per cent* of Total Expenditure. This deficit was met from Public Debt (₹ 16,377 crore), decrease in Public Account (₹ 4,218 crore) and net of opening and closing cash balance (₹ 5,201 crore). Around 84 *per cent* of the Revenue Receipts (₹ 41,523 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 17,163 crore), Interest Payments (₹ 9,782 crore) and Pensions (₹ 7,833 crore).

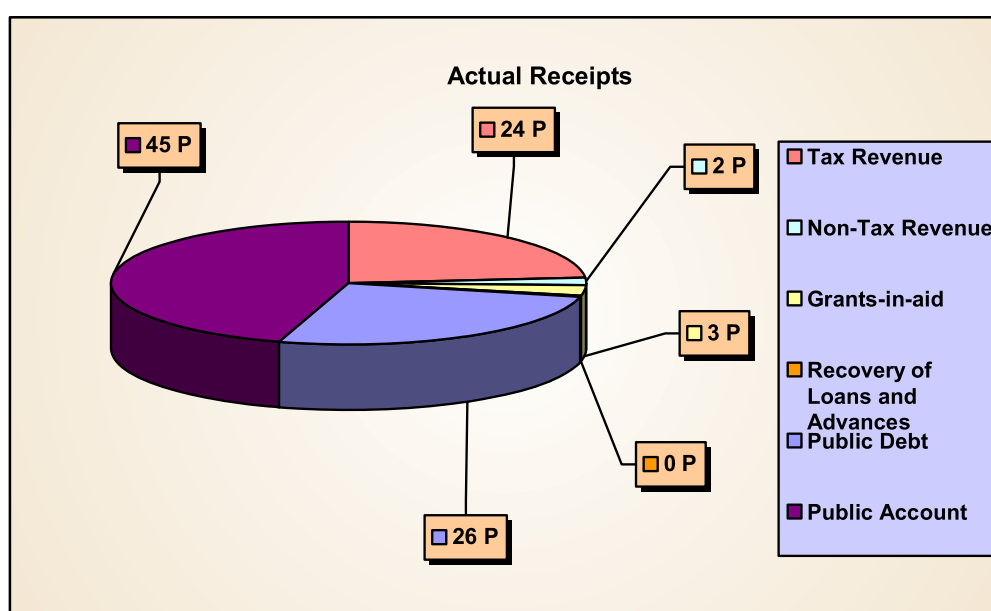
¹ GSDP figure (₹ 4,08,815 crore) is taken from Economic and Statistical Organisation, Government of Punjab..

Source and Application of Funds

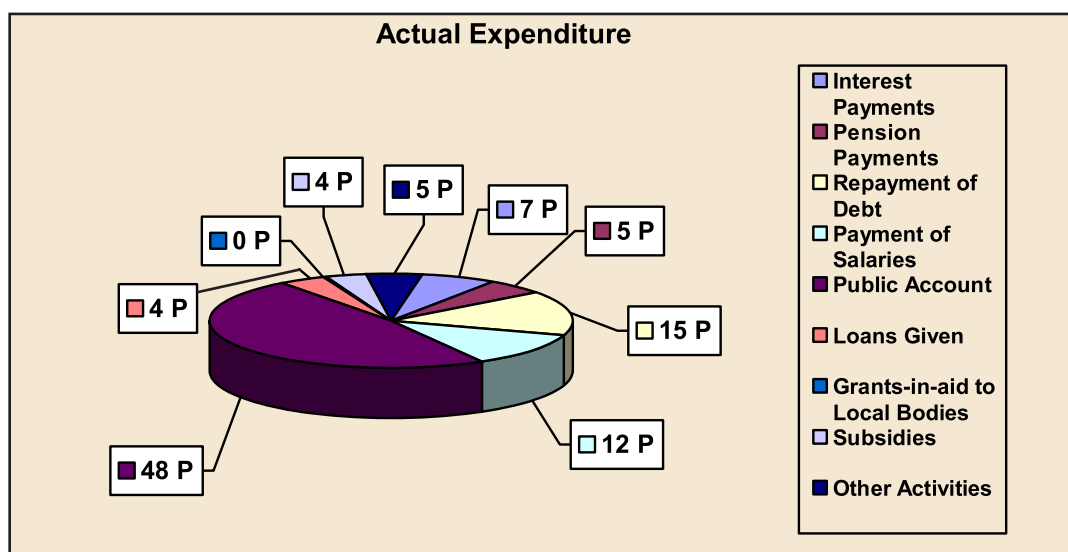
(₹ in crore)

	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2015	-1,064
	Revenue Receipts	41,523
	Recovery of Loans and Advances	218
	Public Debt	38,428
	Small Savings, Provident Funds etc.	3,441
	Reserve Funds	590
	SOURCE Deposits Received	5,694
	Civil Advance Repaid	..
	Suspense Account	56,189
	Remittances	104
	Contingency Fund	..
	Total	1,45,123
	Revenue Expenditure	50,073
	Capital Expenditure	3,059
	Loans Given	5,969
	Repayment of Public Debt	22,051
	Small Savings, Provident Funds etc.	2,332
	Reserve Funds	1,115
	APPLICATION Deposits Spent	5,579
	Civil Advance Given	..
	Suspense Account	61,108
	Remittances	102
	Closing Cash Balance as on 31.3.2016	-6,265
	Total	1,45,123

1.4.3 Where the Rupee came from



1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(₹ in crore)

Sr. No.	Components	B.E. 2015-16	Actual	Percentage of Actual to B.E.	Percentage of Actual to GSDP(e)
1	Tax Revenue (a)	37,350	34,699	93	8
2	Non-Tax Revenue	3,803	2,650	70	1
3	Grants-in-aid and Contributions	5,076	4,174	82	1
4	Revenue Receipts (1+2+3)	46,229	41,523	90	10
5	Recovery of Loans and Advances	91	218	240	0.05
6	Other Receipts
7	Borrowings and other Liabilities (b)	11,895	17,360	146	4
8	Capital Receipts (5+6+7)	11,986	17,578	147	4
9	Total Receipts (4+8)	58,215	59,101	102	14
10	Non-Plan Expenditure (c)	46,419	51,058	110	12
11	NPE on Revenue Account	46,069	44,763	97	11
12	NPE on Interest Payments out of 11	9,900	9,781	99	2
13	NPE on Capital Account (c)	350	6,295	1799	2
14	Plan Expenditure	11,796	8,043	68	2
15	PE on Revenue Account	6,554	5,310	81	1
16	PE on Capital Account	5,242	2,733	52	1
17	Total Expenditure (10+14)	58,215	59,101	102	14
18	Revenue Expenditure (11+15)	52,623	50,073	95	12
19	Capital Expenditure (13+16) (d)	5,592	9,028	161	2
20	Revenue Deficit (4-18)	6,394	8,550	134	2
21	Fiscal Deficit (4+5+6-17)	11,895	17,360	146	4

- (a) Includes State's share of Union Taxes of ₹ 8,009 crore.
- (b) Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.
- (c) Includes ₹ 5,969 crore under Non-Plan which pertains to Loans and Advances.
- (d) Expenditure on Capital Account includes Capital Expenditure (₹3,059 crore) and Loans and Advances disbursed (₹ 5,969 crore).
- (e) GSDP figure (₹4,08,815 crore) is taken from Economic and Statistical Organisation, Government of Punjab.

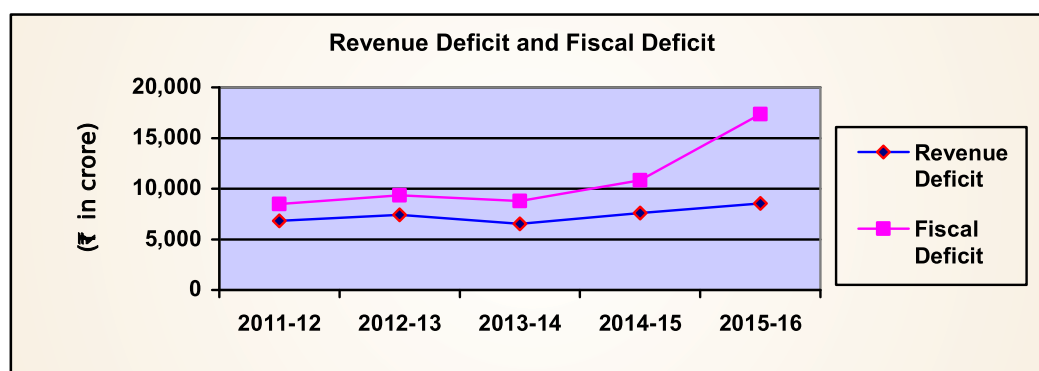
1.6 Deficit and Surplus

Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/ Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit/Surplus	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the borrowings should be invested in capital projects.

1.6.1 Trend of Revenue Deficit and Fiscal Deficit during the last five years is as under:

(₹ in crore)

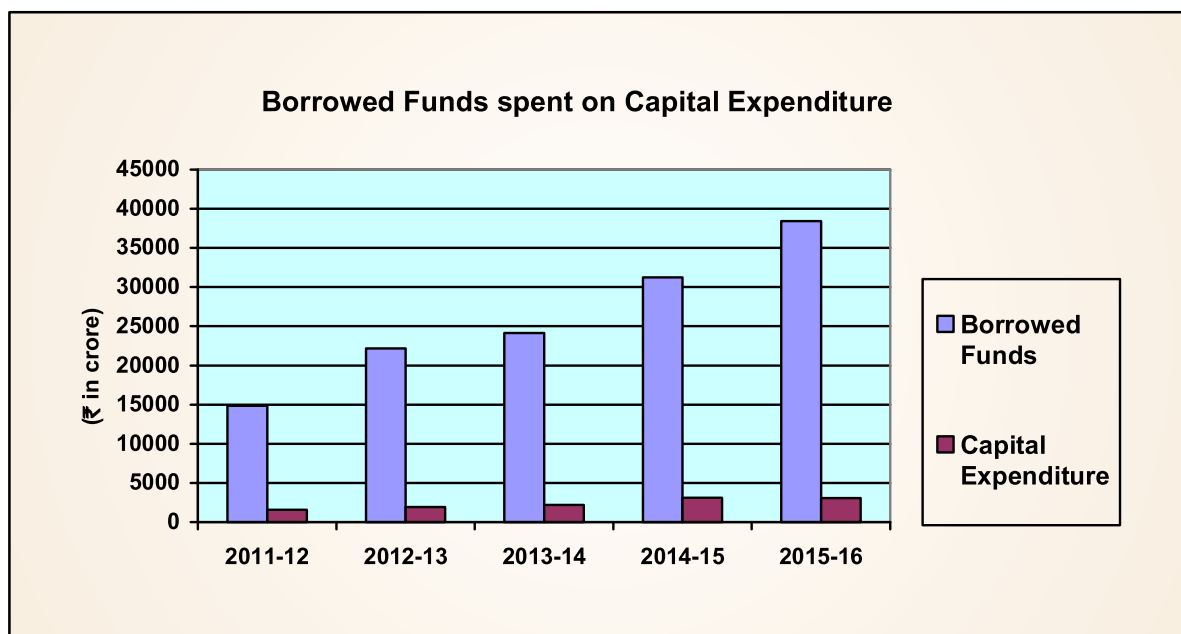
Year	GSDP	Revenue Deficit	Percentage to GSDP	Fiscal Deficit	Percentage to GSDP
2011-12	2,66,628	6,811	2.55	8,491	3.18
2012-13	2,97,734	7,407	2.49	9,346	3.14
2013-14	3,34,714	6,537	1.95	8,791	2.63
2014-15	3,68,011	7,591	2.06	10,841	2.95
2015-16	4,08,815	8,550	2.09	17,360	4.25



1.6.2 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

Year	Borrowed Funds	Capital Expenditure
2011-12	14,871	1,598
2012-13	22,167	1,916
2013-14	24,140	2,201
2014-15	31,224	3,118
2015-16	38,428	3,059



It is desirable to fully utilise borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 8 *per cent* of the borrowings of the current year (₹ 38,428 crore) on capital expenditure (₹ 3,059 crore). It appears that 92 *per cent* of the public debt (₹ 35,369 crore) was utilised on the following: (i) to repay the principal and interest on public debt of previous years and (ii) to meet periodic shortfalls of revenues against expenditure in the current year.

RECEIPTS

2.1 Introduction

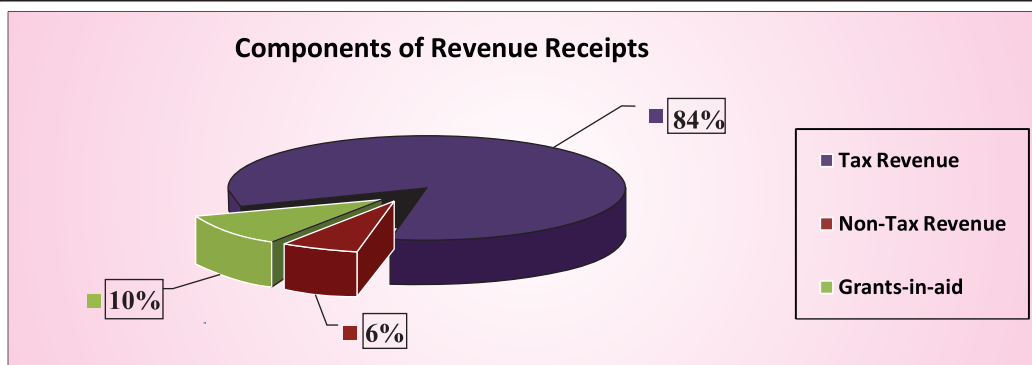
Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2015-16 were ₹ 59,101 crore.

2.2 Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants-in-aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material and Equipment' received from foreign Governments and channelized through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.

Components of Revenue Receipts (2015-16)

Components	(₹ in crore)
A. Tax Revenue	34,699
Taxes on Income and Expenditure	4,289
Taxes on Property and Capital Transactions	2,505
Taxes on Commodities and Services	27,905
B. Non-Tax Revenue	2,650
Interest Receipts, Dividends and Profits	227
General Services	1,367
Social Services	430
Economic Services	626
C. Grants-in-aid and Contributions	4,174
Total	41,523



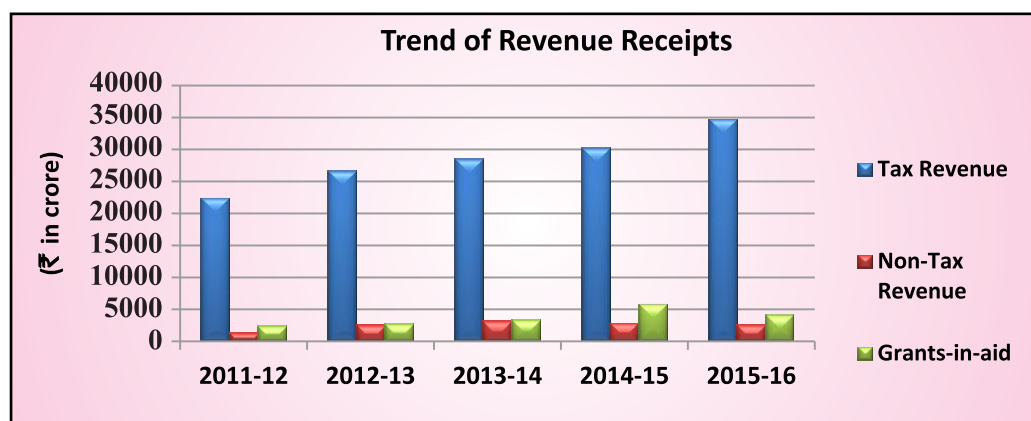
2.3 Trend of Revenue Receipts

(₹ in crore)

Components	2011-12	2012-13	2013-14	2014-15	2015-16
Tax Revenue	22,395 (8)	26,646 (9)	28,511 (9)	30,273 (8)	34,699 (8)
Non-Tax Revenue	1,398 (1)	2,629 (1)	3,192 (1)	2,880 (1)	2,650 (1)
Grants-in-aid	2,441 (1)	2,776 (1)	3,401 (1)	5,870 (2)	4,174 (1)
Total	26,234 (10)	32,051 (11)	35,104 (10)	39,023 (11)	41,523 (10)
GSDP	2,66,628	2,97,734	3,34,714	3,68,011	4,08,815

Note: Figure in bracket represents percentage to GSDP

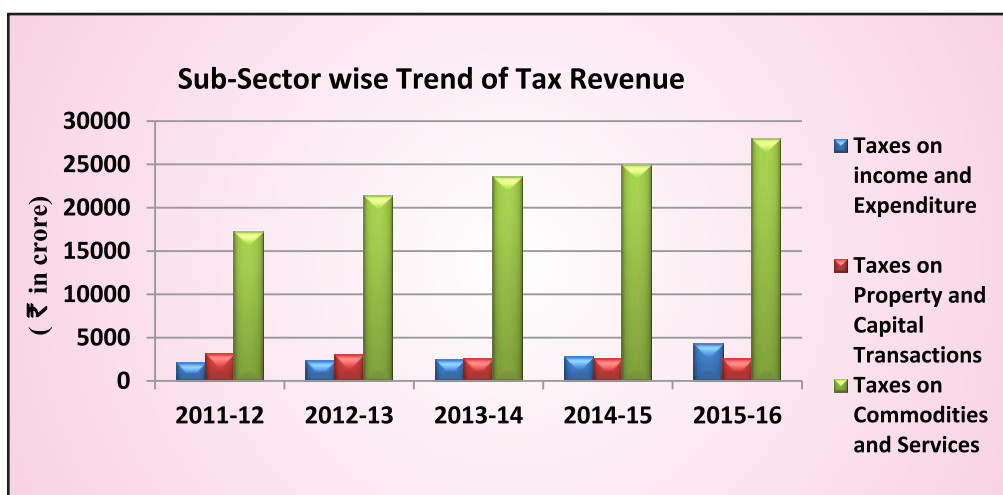
The ratio of Revenue Receipts to GSDP remained at 10 *per cent* during 2011-12, 2013-14 and 2015-16, whereas it was 11 *per cent* during the year 2012-13 and 2014-15. The Revenue Receipts increased by 58 *per cent* during the same span.



Sub-Sector - wise Tax Revenue

(₹ in crore)

Sub-Sector	2011-12	2012-13	2013-14	2014-15	2015-16
Taxes on Income and Expenditure	2,110	2,331	2,472	2,815	4,289
Taxes on Property and Capital Transactions	3,109	2,960	2,546	2,526	2,505
Taxes on Commodities and Services	17,176	21,355	23,493	24,932	27,905
Total Tax Revenue	22,395	26,646	28,511	30,273	34,699



2.4 Performance of State's own Tax Revenue collection

(₹ in crore)

Year	GSDP	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
				Amount	Percentage to GSDP
2011-12	2,66,628	22,395	3,554	18,841	7
2012-13	2,97,734	26,646	4,059	22,587	8
2013-14	3,34,714	28,511	4,431	24,080	7
2014-15	3,68,011	30,273	4,703	25,570	7
2015-16	4,08,815	34,699	8,009	26,690	7

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

Components	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Collection	3,109	2,960	2,546	2,526	2,505
Expenditure on Collection	210	215	209	225	246
Efficiency in <i>per cent</i> of Tax Collection	7	7	8	9	10

B. Taxes on Commodities and Services

(₹ in crore)

Components	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue collection	17,176	21,355	23,493	24,932	27,905
Expenditure on collection	149	178	166	188	254
Efficiency in <i>per cent</i> of Tax Collection	1	1	1	1	1

2.6 Trend in State's Share of Union Taxes/Duties

(₹ in crore)

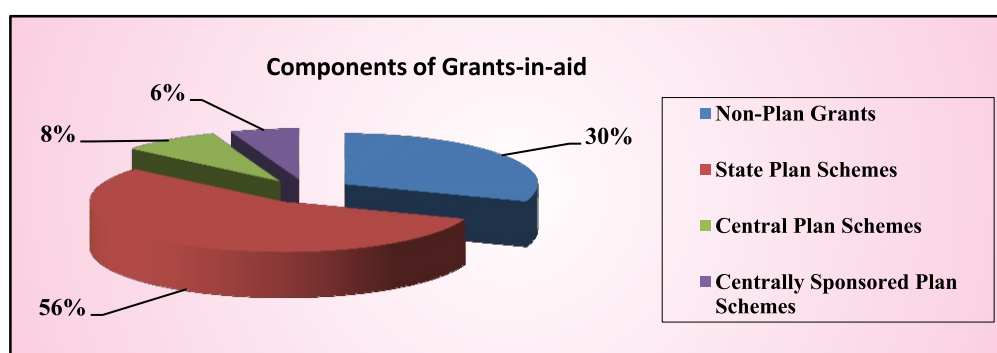
Components	2011-12	2012-13	2013-14	2014-15	2015-16
Corporation Tax	1,399	1,458	1,490	1,642	2,528
Taxes on Income other than Corporation Tax	711	873	981	1,173	1,761
Taxes on Wealth	5	2	4	4	1
Customs	616	675	723	761	1,282
Union Excise Duties	399	458	511	430	1,063
Service Tax	424	593	722	693	1,369
Other Taxes and Duties on Commodities and Services	5
Total State's Share of Union Taxes	3,554	4,059	4,431	4,703	8,009
Total Tax Revenue	22,395	26,646	28,511	30,273	34,699
Percentage of Union Taxes to Total Tax Revenue	16	15	16	16	23

2.7 Grants-in-aid

Grants-in-aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Plan Schemes approved by the Planning Commission and State Non-Plan Grants recommended by the Finance Commission. Total receipts during 2015-16 under Grants-in-aid were ₹ 4,174 crore as shown below:

(₹ in crore)

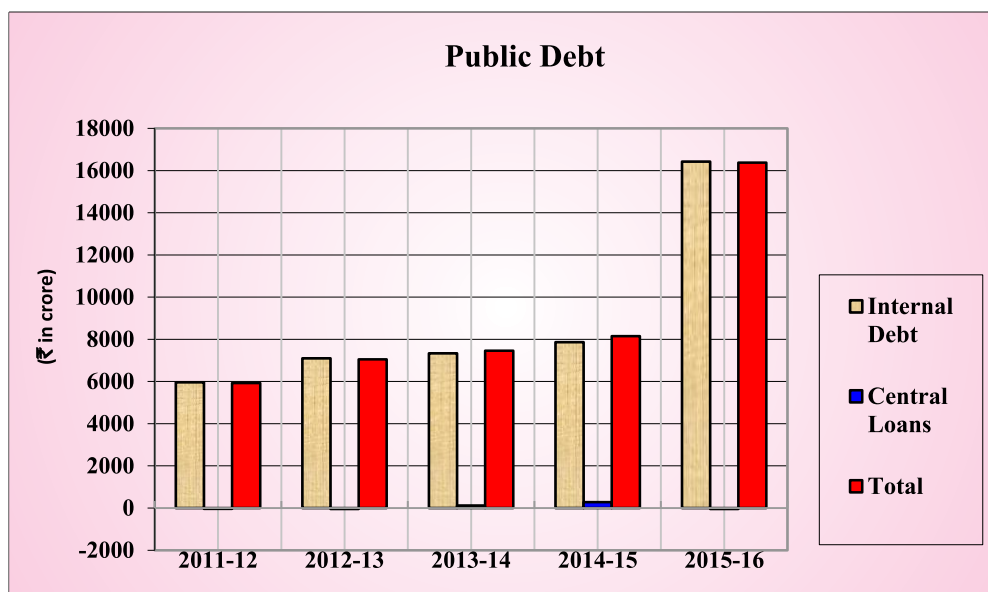
Components	Amount
Non-Plan Grants	1,275
State Plan Schemes	2,320
Central Plan Schemes	342
Centrally Sponsored Plan Schemes	237
Total- Grants-in-aid	4,174

**2.8 Public Debt**

(₹ in crore)

Year	Internal Debt	Central Loans	Total
2011-12	5,962	-38	5,924
2012-13	7,099	-49	7,050
2013-14	7,336	121	7,457
2014-15	7,865	284	8,149
2015-16	16,426	-49	16,377

Note: Negative figure indicates that repayment is in excess of receipts.



During 2015-16, 16 loans totalling ₹ 10,800 crore at interest rates varying from 8.01 *per cent* to 8.66 *per cent* redeemable in the year 2025 and 2026 were raised.

Against the total Internal Debt of ₹ 38,163 crore and the Central Loan of ₹ 265 crore of the State Government during 2015-16, Capital Expenditure was only ₹ 3,059 crore (8 *per cent*), indicating that the rest of the public debt was used for non-development purposes.

EXPENDITURE

3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue Expenditure is used to meet the day-to-day running of the organisation. Capital Expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

General Services	Includes Justice, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health and Family Welfare, Water Supply, Welfare of SC/ST etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 50,073 crore for 2015-16 fell short of budget estimates by ₹ 2,550 crore due to less disbursement of ₹ 1,244 crore under Plan Expenditure and ₹ 1,306, crore under Non-Plan Expenditure.

The shortfall of expenditure against budget estimates under Revenue section during the past five years is given below:

(₹ in crore)					
Components	2011-12	2012-13	2013-14	2014-15	2015-16
Budget Estimates	35,406	41,167	44,412	49,147	52,623
Actual Expenditure	33,045	39,458	41,641	46,614	50,073
Gap	2,361	1,709	2,771	2,533	2,550
Percentage of Gap over BE	7	4	6	5	5

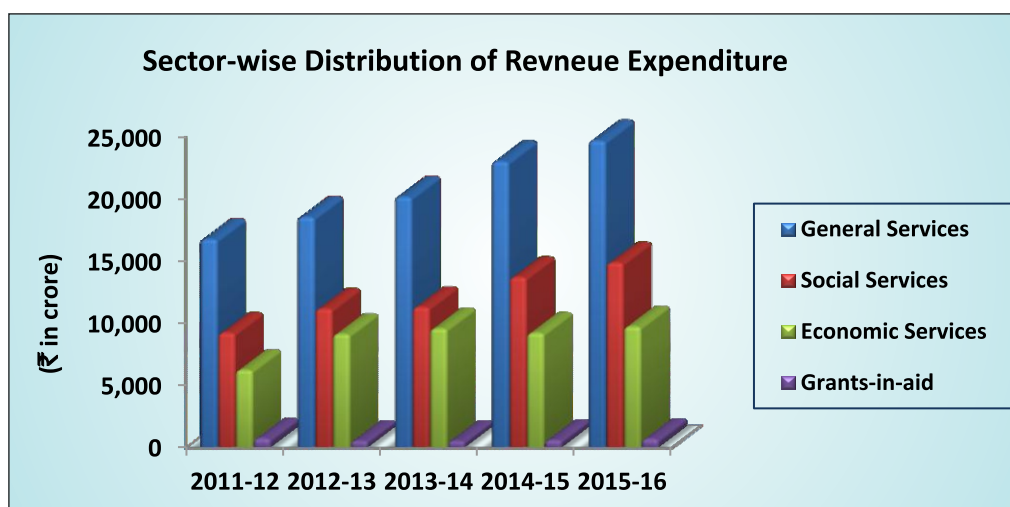
3.2.1 Sector wise Distribution of Revenue Expenditure (2015-16)

(₹ in crore)			
Sr. No.	Component	Amount	Percentage
A.	General Services	24,713	50
A.1	Organs of State	634	1
A.2	Fiscal Services	525	1
A.3	Interest Payment and Servicing of Debt	9,782	20
A.4	Administrative Services	5,893	12
A.5	Pensions and Miscellaneous General Services	7,879	16
B.	Social Services	14,898	30
C.	Economic Services	9,756	19
D.	Grants-in-aid and Contributions	706	1
Total		50,073	100

3.2.2 Trends of Major Components of Revenue Expenditure

(₹ in crore)

Year	General Services	Social Services	Economic Services	Grants-in-aid
2011-12	16,788	9,246	6,264	747
2012-13	18,572	11,190	9,152	544
2013-14	20,192	11,319	9,600	530
2014-15	23,043	13,729	9,238	604
2015-16	24,713	14,898	9,756	706



3.3 Capital Expenditure

Capital disbursements for 2015-16 at 2 per cent of GSDP were more than Budget Estimates by ₹ 3,436 crore (less disbursement of ₹ 2,509 crore under Plan Expenditure and more disbursement of ₹ 5,945 crore under Non-Plan Expenditure).

3.3.1 Sectoral distribution of Capital Expenditure

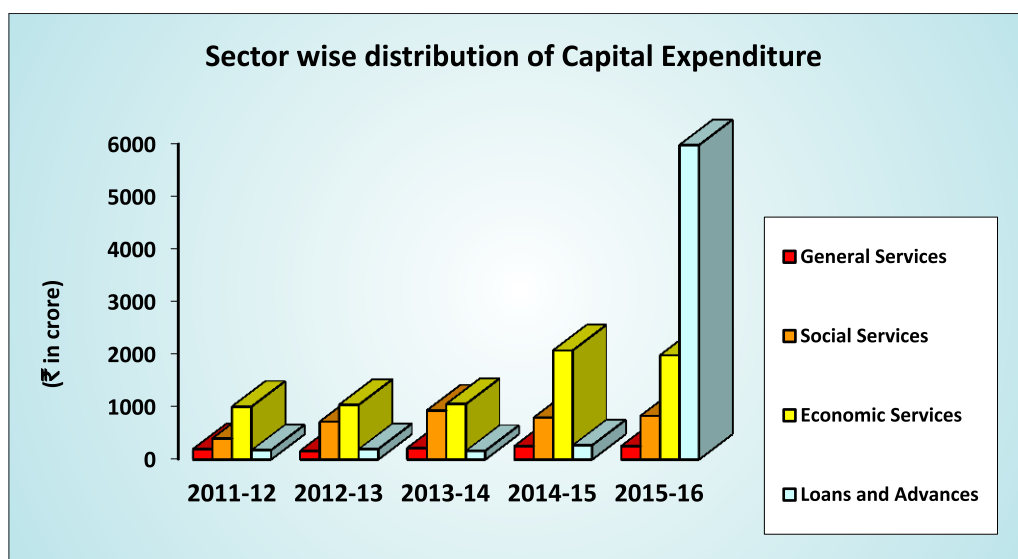
(₹ in crore)

Sr. No	Sector	Amount	Percentage
A.	General Services - Police, Public Works, etc.	253	3
B.	Social Services-Education, Health and Family Welfare, Water Supply, Welfare of SC/ST etc.	828	9
C.	Economic Services-Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	1,978	22
F.	Loans and Advances Disbursed	5,969	66
Total		9,028	100

3.3.2 Sector wise distribution of Capital Expenditure over the past 5 years

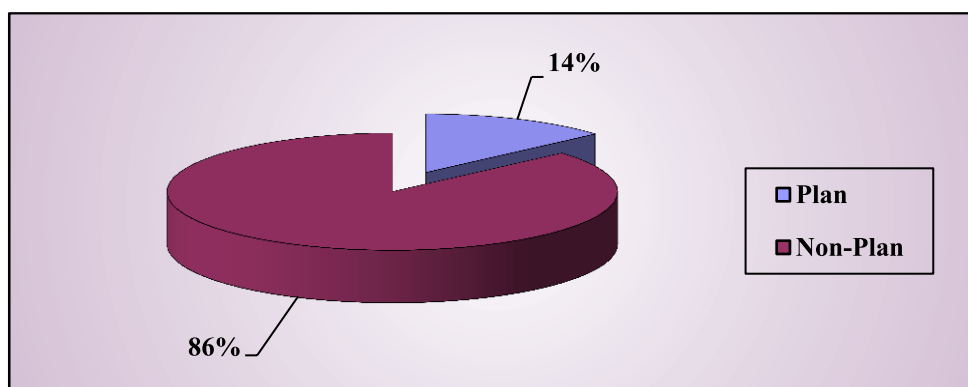
(₹ in crore)

Year	General Services	Social Services	Economic Services	Loans and Advances	Total
2011-12	196	398	1,004	177	1,775
2012-13	162	716	1,038	197	2,113
2013-14	219	930	1,052	165	2,366
2014-15	252	795	2,071	270	3,388
2015-16	253	828	1,978	5,969	9,028



PLAN AND NON-PLAN EXPENDITURE

4.1 Distribution of Plan and Non-Plan Expenditure



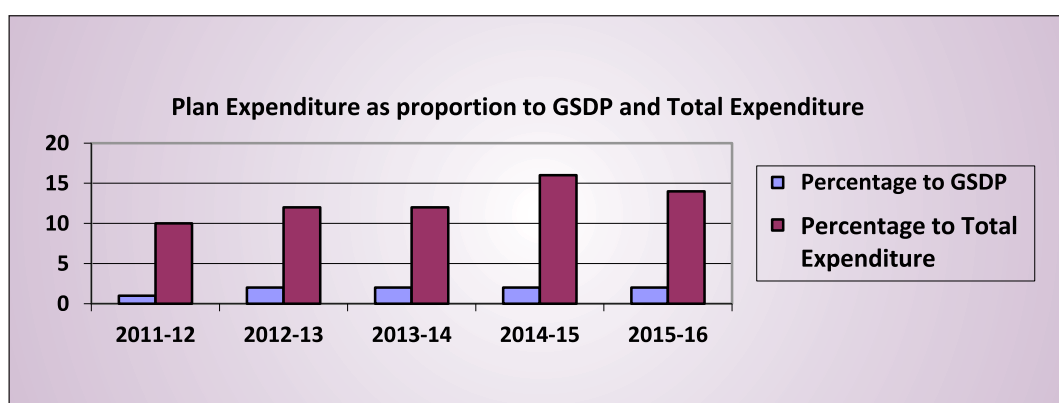
4.2 Plan Expenditure

During 2015-16, Plan Expenditure, representing 14 *per cent* of total disbursements, was ₹ 8,043 crore.

Plan Expenditure as proportion to GSDP and Total Expenditure

(₹ in crore)

Year	Plan Expenditure	GSDP	Percentage to GSDP	Total Expenditure	Percentage to Total Expenditure
2011-12	3,366	2,66,628	1	34,821	10
2012-13	4,830	2,97,734	2	41,571	12
2013-14	5,147	3,34,714	2	44,007	12
2014-15	7,852	3,68,011	2	50,002	16
2015-16	8,043	4,08,815	2	59,101	14



4.2.1 Plan Expenditure under Capital Account

(₹ in crore)

Year	Plan - Capital Expenditure	Total –Capital Expenditure	Percentage of Plan-Capital Expenditure to Total Capital Expenditure
2011-12	1,361	1,775	77
2012-13	1,767	2,113	84
2013-14	2,011	2,201	91
2014-15	2,939	3,118	94
2015-16	2,733	3,059	89

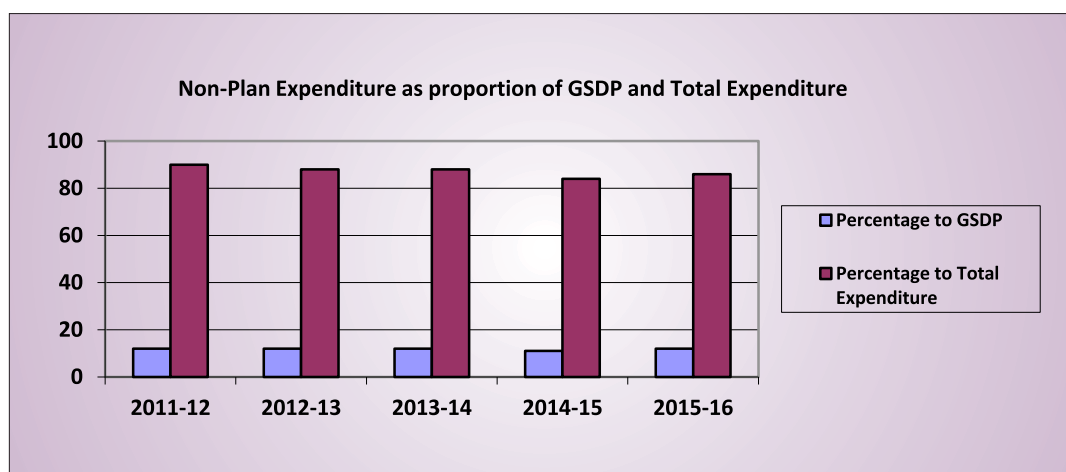
4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2015-16 representing 86 *per cent* of total disbursements, was ₹ 51,058 crore (₹ 44,763 crore under Revenue and ₹ 6,295 crore under Capital).

Non- Plan Expenditure as proportion to GSDP and Total Expenditure

(₹ in crore)

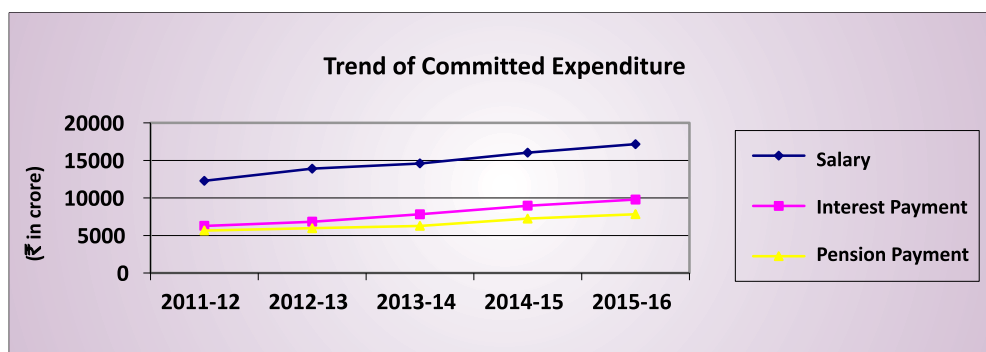
Year	Non -Plan Expenditure	GSDP	Percentage to GSDP	Total Expenditure	Percentage to Total Expenditure
2011-12	31,454	2,66,628	12	34,820	90
2012-13	36,741	2,97,734	12	41,571	88
2013-14	38,860	3,34,714	12	44,007	88
2014-15	42,150	3,68,011	11	50,002	84
2015-16	51,058	4,08,815	12	59,101	86



4.4 Committed Expenditure

(₹ in crore)

Year	Salary	Interest	Pension	Total
2011-12	12,274	6,280	5,657	24,211
2012-13	13,902	6,831	5,966	26,699
2013-14	14,591	7,820	6,277	28,688
2014-15	16,034	8,960	7,249	32,243
2015-16	17,163	9,782	7,833	34,778



4.4.1 Committed Expenditure Vs Revenue Expenditure and Revenue Receipts

(₹ in crore)

Component	2011-12	2012-13	2013-14	2014-15	2015-16
Committed Expenditure	24,211	26,699	28,688	32,243	34,778
Revenue Receipts	26,234	32,051	35,104	39,023	41,523
Percentage of Committed Expenditure to Revenue Receipts	92	85	82	83	84
Revenue Expenditure	33,045	39,458	41,641	46,614	50,073
Percentage of Committed Expenditure to Revenue Expenditure	73	69	69	69	69

The steep upward trend on committed expenditure leaves the Government with lesser flexibility for development sector.

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts

(₹ in crore)

Sr. No	Nature of Expenditure	Original Grant	Supplementary Grant	Total	Actual Expenditure	Savings (-) Excess (+)
1	Revenue Voted Charged	42,557 10,066	4,988 28	47,545 10,094	41,123 9,945	-6,422 -149
2	Capital Voted	4,857	658	5,515	3,141	-2,374
3	Public Debt Charged	21,098	..	21,098	22,051	+953
4	Loans and Advances Voted	736	10,419	11,155	5,969	-5,186
	Total	79,314	16,093	95,407	82,229	-13,178

5.2 Trend of Saving/Excess

(₹ in crore)

Year	Revenue	Capital	Public Debt	Loans and Advances	Total Saving/Excess
2011-12	-4,402	-3,822	+322	..	-7,902
2012-13	-6,258	-4,454	+454	-53	-10,311
2013-14	-6,554	-5,758	-305	-253	-12,870
2014-15	-6,652	-3,143	+1,402	-57	-8,450
2015-16	-6,571	-2,374	+953	-5,186	-13,178

Note: Saving as (-) and Excess as (+)

5.3 Significant Savings

Substantial Savings under Grants indicate either non-implementation or slow implementation of certain schemes/programmes.

Some Grants with persistent and significant saving are as under :

(in percentage)

Grant No.	Nomenclature	2011-12	2012-13	2013-14	2014-15	2015-16
4	Defence Services Welfare	40	58	49	57	58
6	Elections	26	44	10	31	52
13	Industries	77	67	87	63	69
19	Planning	40	40	53	22	82
24	Science, Technology and Environment	84	79	92	58	50

During 2015-16, Supplementary Grants totalling ₹ 16,092 crore (20 per cent of total expenditure) proved to be unnecessary in some cases, where there were

significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
3	Co-operation	Capital (V)	680	56	387
5	Education	Revenue (V)	8,965	396	8,596
9	Food and Supplies	Revenue (V)	570	204	449
10	General Administration	Revenue (V) Capital (V)	224 28	12 18	194 12
11	Health and Family Welfare	Revenue (V) Capital (V)	3,130 4	337 4	2,709 2
13	Industries	Revenue (V)	247	5	70
19	Planning	Revenue (V) Capital (V)	59 714	1 4	35 100
23	Rural Development and Panchayat	Revenue (V)	988	455	850
25	Social and Women Welfare and Welfare of Scheduled Castes and Backward Classes	Revenue (V)	2,611	86	1,827
28	Tourism and Cultural Affairs	Revenue (V) Capital (V)	17 157	6 28	16 145
29	Transport	Capital (V)	7	10	5

ASSETS AND LIABILITIES

6.1. Assets

The existing form of accounts does not easily depict valuation of Government assets like Land, Building etc., except in the year of acquisition/purchase. Similarly, while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

6.1.1 Investment

Total investment stood at ₹ 4,065 crore at the end of 2015-16. Dividend on these investments amounting to ₹ 1.46 crore was received during the year which was less by ₹ 0.02 crore during 2014-15. ₹ 71 crore were invested during 2015-16.

6.1.2 Cash Balance

Cash Balance with Reserve Bank of India stood at ₹ -1,064 crore on 31 March 2015 and decreased to ₹ -6,265 crore as on 31 March 2016.

6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature.

Outstanding Public Debt as on 31 March 2016 was ₹ 1,03,195 crore comprising internal debt of ₹ 99,629 crore and loans and advances from Central Government ₹ 3,566 crore. Other liabilities accounted under Public Account were ₹ 26,246 crore. The State also acts as a banker and trustee in respect of deposits like small savings, provident funds and deposits etc. There was an overall increase of ₹ 1,098 crore in respects of such liabilities of State Government during 2015-16.

Interest payment on debt and other liabilities totalling ₹ 9,782 crore constituted 20 *per cent* of Revenue Expenditure of ₹ 50,073 crore. Interest payment on Public Debts was ₹ 7,781 crore (interest on Internal Debt ₹ 7,623 crore and interest on

Loans and Advances from Central Government ₹ 158 crore). Expenditure on account of interest payment has increased by ₹ 821 crore during 2015-16 as compared to 2014-15.

Internal Debt of ₹ 38,163 crore raised during 2015-16 was mainly used for (i) discharge of debt obligations (₹ 21,737 crore) and (ii) payment of interest (₹ 7,623 crore).

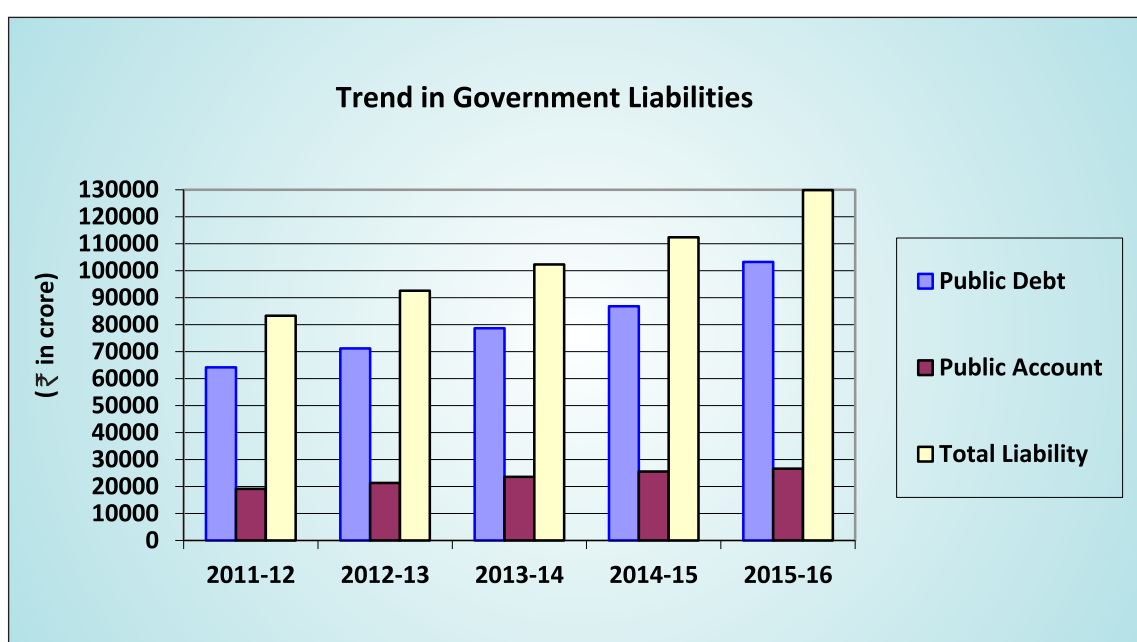
Details of the Public Debt and Total Liabilities of the State Government are as under:

(₹ in crore)

Year	GSDP	Public Debt	Percentage to GSDP	Public Account	Percentage to GSDP	Total Liability*	Percentage to GSDP
2011-12	2,66,628	64,161	24	19,136	7	83,322	31
2012-13	2,97,734	71,212	24	21,306	7	92,543	31
2013-14	3,34,714	78,669	24	23,581	7	1,02,275	31
2014-15	3,68,011	86,818	24	25,548	7	1,12,391	31
2015-16	4,08,815	1,03,195	25	26,646	7	1,29,866	32

* includes ₹ 25 crore pertaining to Contingency Fund.

There is a net increase of ₹ 46,544 crore (56 per cent) in Net Liabilities during the last five years.



6.3 Guarantees

Maximum amount guaranteed by the State Government during the year 2015-16 was ₹ 31,066 crore for repayment of loans raised by Statutory Corporations/ Boards, Government Companies, Local Bodies, Co-operative Banks and Societies whereas Outstanding amount as on 31 March 2015 was ₹ 66,782 crore. Further, an amount of ₹ 199 crore was payable as Guarantee Fee in 2015-16. Against this, only four entities paid an amount of ₹ 142 crore as Guarantee Fee.

GENERAL

7.1 Outstanding Detailed Contingent (DC) Bills::

Drawing and Disbursing officers are authorized to draw sums of money by preparing Abstract Contingent (AC) bills by debiting Service Heads. They are required to present Detailed Contingent (DC) bills duly countersigned by the Controlling Officer in all these cases within one month under Rule 274 of Punjab Treasury Rules. Prolonged non-submission of supporting DC bills renders the expenditure under AC Bills opaque.

Details of outstanding DC bills as on 31 March 2016 are given under:

Year	Outstanding Detailed Contingent Bills	
	Number	Amount (₹ in crore)
Up to 2013-14	164	450
2014-15	344	442
2015-16	468	1,153
Total	976	2,045

Out of 593 AC bills amounting to ₹ 1,729 crore drawn during 2015-16, 128 AC bills amounting to ₹ 358 crore (21 *per cent*) were drawn in March 2016 alone and of these 48 AC bills of ₹ 63 crore (18 *per cent*) were drawn on the last day of the financial year.

Significant expenditure against AC bills in March indicates that the drawl was primarily to exhaust the budget provisions and reveals inadequate budgetary control.

7.2 Outstanding Utilization Certificates (UCs) against Grants-in-aid sanctioned by the State Government:

Rule 8.14 (b) of the Punjab Financial Rules Volume I prescribes that the Utilization Certificate should be submitted by the sanctioning authority to Accountant General (A&E) not later than eighteen months from the date of sanction of Grants-in-Aid.

The position of outstanding UCs is as under:

Year	Number of Utilization Certificates awaited	Amount (₹ in crore)
Up to 2013-14	11	8
2014-15	8	2
2015-16	13	57
Total	32	67

(* The year mentioned above relates to 'Due year' i.e. after eighteen months of actual drawl.)

Major Outstanding Utilization Certificates pertain to the following Departments:

- (i) Home Affairs and Justice (8)
- (ii) Welfare of Scheduled Castes and Backward Classes (7)
- (iii) Sports and Youth Services (5)

Delayed submission and non-submission of UCs impedes the assurance that the funds have been utilized for the intended purposes.

7.3 Consolidated Sinking Fund:

The Government of Punjab constituted a Consolidated Sinking Fund vide order dated 20 December 2006 with the objective to redeem its outstanding liabilities commencing from the financial year 2011-12. The State Government is to contribute every year minimum 0.50 *per cent* of the outstanding liabilities at the end of the previous financial year. Contribution to this Fund out of borrowings from the Reserve Bank is not permissible. As on 31 March 2015, the outstanding liabilities of the Government of Punjab were ₹ 1,12,366 crore. Accordingly, the State Government was required to contribute a minimum of ₹ 562 crore (0.50 *per cent*). However, the State Government has not made any contribution to the said Fund since its inception.

7.4 Guarantee Redemption Fund

In terms of recommendation of the Twelfth Finance Commission, the State Government introduced the 'Guarantee Redemption Fund Scheme' in December 2007 (revised on 8 January 2014 with effect from the financial year 2013-14) with the objective to meet its obligations arising out of the Guarantees extended to State level entities. As per the guidelines, the Fund shall be set up by the Government with an initial contribution of minimum one *per cent* of outstanding guarantees at the end of the previous year and thereafter minimum 0.50 *per cent* every year to achieve a minimum level of 3 *per cent* in next five years. Accordingly, State Government was required to make a minimum contribution of ₹ 601 crore for the

year 2013-14 (1.00 *per cent* of outstanding guarantee of ₹ 60,061 crore at the end of the previous year i.e. 2012-13) , ₹ 307 crore for the year 2014-15 (0.50 *per cent* of outstanding guarantee of ₹ 61,411 crore at the end of the previous year i.e. 2013-14) and ₹ 334 crore for the year 2015-16 (0.50 *per cent* of outstanding guarantee of ₹ 66,782 crore at the end of the previous year i.e. 2014-15) as conveyed by the State Government for the year 2014-15 and 2015-16. State Government has not contributed even the minimum amount of ₹ 1,242 crore to the Fund.

7.5 Outstanding Liabilities of the State Government:

An amount of ₹ 606 crore is appearing under Major Head 6003 -107 - Loans from the State Bank of India as outstanding liability. Though, PUNGRAIN (a Government Company) has directly paid the amount to the State Bank of India in 2003-04 and 2004-05, but said amount still appears as outstanding liability for want of proper adjustment by the State Government.

7.6 Off-Budget Borrowings:

Government of Punjab permitted Punjab Urban Planning and Development Authority (PUDA) to borrow from the Banks/ Financial Institutions with responsibility of repaying the loans raised by PUDA. PUDA raised a loan of ₹ 2,000 crore (₹ 1,000 crore in 2012-13 and ₹ 1,000 crore in 2013-14) from various banks which was remitted to Government accounts and booked under Major Head 0075 - Miscellaneous General Services in the accounts of the respective years instead of passing the amount through Major Head 6003-Internal Debt of the State Government. The liability towards repayment of principal and interest on these loans, however, has been taken by the State Government by way of assistance to PUDA.

Government of Punjab made budget provision of ₹ 499 crore under Major Head 2216-Housing, 02-Urban Housing, 190-Assistance to Public Sector and other Undertakings, 01-Assistance to Punjab Urban Development Authority, 50-Other Charges in Grant No. 17 during 2015-16, against which State Government incurred an expenditure of ₹ 496 crore on account of repayment of principal and interest on the loans raised by PUDA during 2015-16.

**© COMPTROLLER AND AUDITOR GENERAL OF INDIA
2016**

www.cag.gov.in

www.agpunjab.gov.in