



SUPREME AUDIT INSTITUTION OF INDIA  
लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest



# Accounts at a Glance

for the year  
**2021-22**



GOVERNMENT OF PUNJAB



## Accounts at a Glance for the year **2021-22**

**Principal Accountant General  
(Accounts and Entitlement)  
Punjab**



**GOVERNMENT OF PUNJAB**



# Preface

I am happy to present the twenty fourth 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 (Duties, Power and Conditions of Service) 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 State Finances Audit Report for the year 2021-22 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 : 19 December 2022  
Chandigarh



Shailendra Vikram Singh  
Principal Accountant General (A&E)  
Punjab



# Our Vision, Mission and Core Values

## VISION

*(The vision of Supreme Audit Institution (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.

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 i.e. the Legislature, the Executive and the Public, that public funds are being used efficiently and for the intended purposes.

## MISSION

*(Our mission enunciates our current role and describes what we are doing today)*

## 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



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## Chapter I

# Overview

### 1.1 Introduction

The office of the Principal Accountant General (Accounts and Entitlement), Punjab collates, classifies, compiles the accounts data rendered by multiple agencies, and prepares the accounts of the Government of Punjab. The compilation is done from the initial accounts rendered by the District Treasuries, Public Works Divisions, Forest Divisions, accounts rendered by the other States/accounting offices and advices of Reserve Bank of India. Every month, a Monthly Civil Account is presented by the office of the Principal Accountant General (A&E) to the Government of Punjab. The office of the Principal Accountant General (A&E) also submits a Quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government. Finance Accounts and Appropriation Accounts are prepared annually by the office of the Principal Accountant General (A&E) in accordance with Article 149 of the Constitution of India read with Section 11 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, which are placed before the State Legislature after audit by the Principal Accountant General (Audit), Punjab and certification by the Comptroller and Auditor General of India.

## 1.2 Structure of Government Accounts

### 1.2.1 Government Accounts are kept in three parts:

#### Structure of Government Accounts

##### ● **Part 1** **CONSOLIDATED FUND**

All revenue received by the Government including tax revenues and non-tax revenues, loans raised and repayment of loans given (including interest thereon) form the Consolidated Fund.

All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon) are met from this fund.

The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorisation by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund.

The corpus of this fund for the Government of Punjab is ₹ 25.00 crore.

##### **Part 2** **CONTINGENCY FUND** ●

##### ● **Part 3** **PUBLIC ACCOUNT**

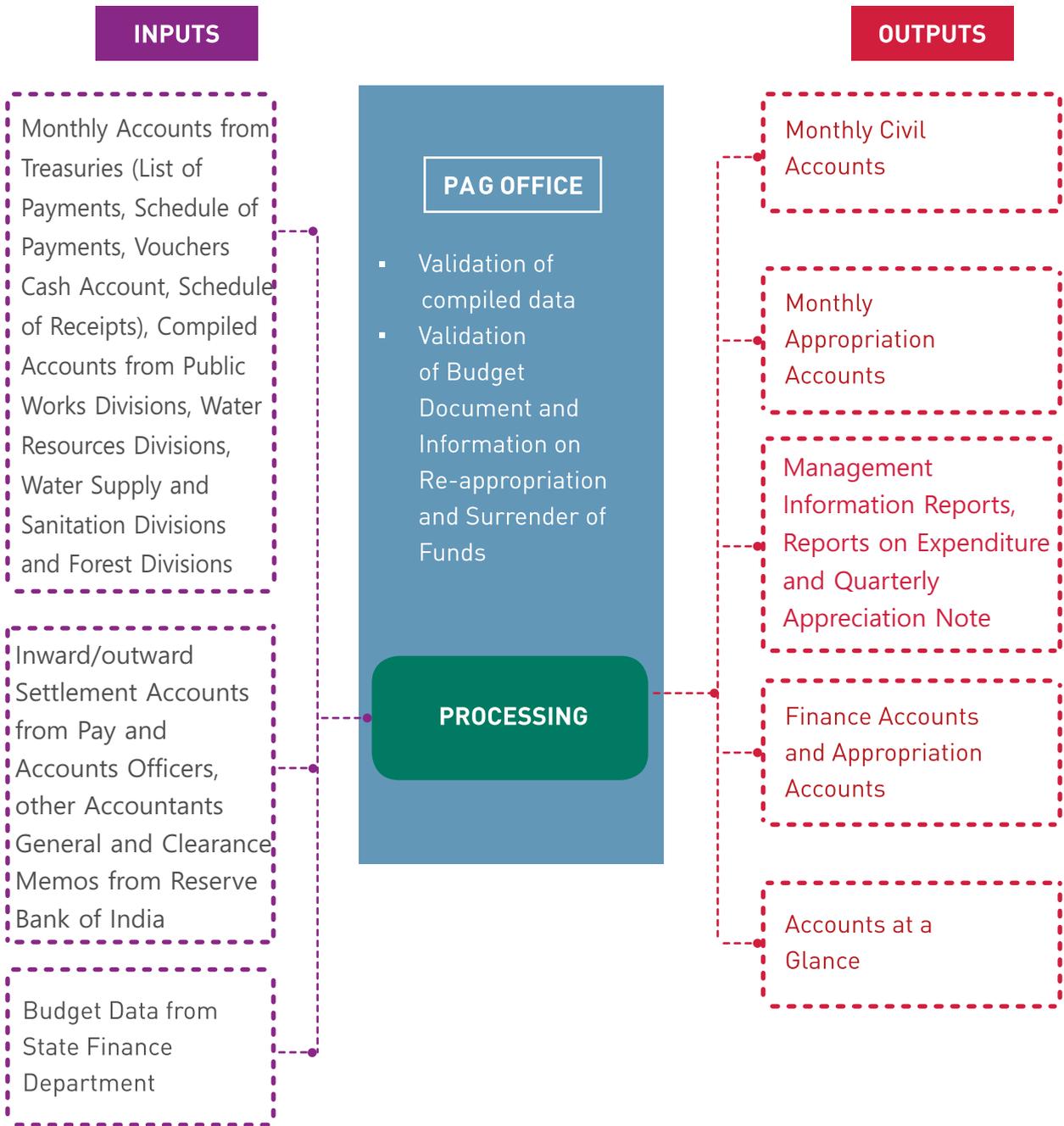
In Public Account, the transactions relating to Debt (Other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' shall be recorded.

The transactions under Debt, Deposit and Advances in this part are such in respect of which Government incurs a liability to repay the money received or has a claim to recover the amount paid, together with the repayments of the former (Debt and Deposits) and the recoveries of the latter (Advances).

The transactions relating to 'Remittances' and 'Suspense' in this Part shall embrace all merely adjusting heads under which shall appear such transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles. The initial debits or credits to these heads will be cleared eventually by booking to the final heads of accounts.

1.2.2 Flow Diagram of Accounts Compilation

### Flow Diagram of Accounts Compilation

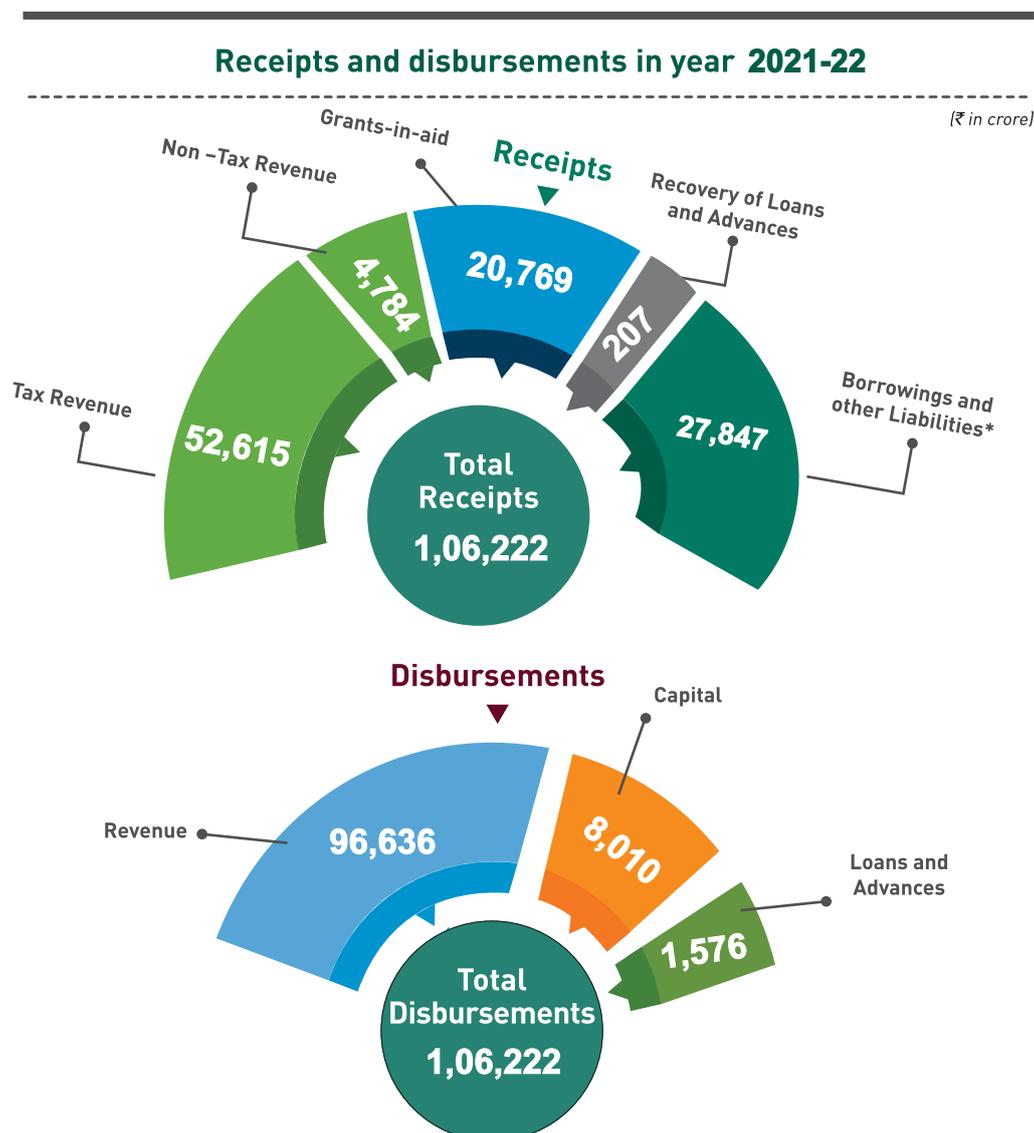


## 1.3 Finance Accounts and Appropriation Accounts

### 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 12 Appendices in Part II.

The Receipts and Disbursements of the Government of Punjab as depicted in the Finance Accounts 2021-22 are given below:



\* 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.

The Union Government transfers substantial funds directly to the State Implementing Agencies/Non-Government Organisations for implementation of various schemes and programmes. During the year 2021-22, the Union Government released ₹ 5,618 crore directly to the implementing agencies in Punjab. Since these funds are not routed through the State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix-V of Volume II of the Finance Accounts.

### 1.3.2 Financial Highlights of Accounts

The following table provides the details of actual financial results vis-a-vis Budget Estimates for the year 2021-22:

(₹ in crore)

Sl. No.	Components	Budget Estimates 2021-22	Actuals 2021-22	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP (c)
1.	Tax Revenue	49,461	52,615(a)	106	9
2.	Non-Tax Revenue	7,759	4,784	62	1
3.	Grants-in-aid and Contributions	38,038	20,769	55	3
4.	<i>Revenue Receipts (1+2+3)</i>	<b>95,258</b>	<b>78,168</b>	<b>82</b>	<b>13</b>
5.	Recovery of Loans and Advances	5	207	4140	..
6.	Other Receipts	..	..	..	..
7.	Borrowings and other Liabilities (b)	24,239	27,847	115	5
8.	<i>Capital Receipts (5+6+7)</i>	<b>24,244</b>	<b>28,054</b>	<b>116</b>	<b>5</b>
9.	<i>Total Receipts (4+8)</i>	<b>1,19,502</b>	<b>1,06,222</b>	<b>89</b>	<b>18</b>
10.	<i>Revenue Expenditure</i>	<b>1,03,880</b>	<b>96,636</b>	<b>93</b>	<b>17</b>
11.	<i>Expenditure on Interest Payments (out of Revenue Expenditure)</i>	21,241	20,884	98	4
12.	<i>Capital Expenditure</i>	<b>14,134</b>	<b>8,010</b>	<b>57</b>	<b>1</b>
13.	<i>Loans and Advances Disbursed</i>	<b>1,488</b>	<b>1,576</b>	<b>106</b>	<b>..</b>
14.	<i>Total Expenditure (10+12+13)</i>	<b>1,19,502</b>	<b>1,06,222</b>	<b>89</b>	<b>18</b>
15.	<i>Revenue Deficit (4-10)</i>	<b>8,622</b>	<b>18,468</b>	<b>214</b>	<b>3</b>
16.	<i>Fiscal Deficit (4+5+6-14)</i>	<b>24,239</b>	<b>27,847</b>	<b>115</b>	<b>5</b>

(a) Includes ₹ 15,289 crore as State's share of Union Taxes.

(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) GSDP at current prices: ₹ 5,84,042 crore as per website of the Ministry of Statistics and Programme Implementation, New Delhi uploaded on 31 May 2022.

### 1.3.3 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 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 of the State. The Appropriation Accounts of the Government of Punjab for the year 2021-22 comprise accounts of 42 Voted Grants and 32 Charged Appropriations.

### 1.3.4 Efficiency on Budget Preparation

Appropriation Act 2021-22 had projected Gross Expenditure of ₹ 1,79,405 crore, which includes the Supplementary Grants totalling ₹ 11,390 crore, passed by State Legislature during the year. No amount was projected as recoveries to be treated as reduction of expenditure.

Appropriation Accounts 2021-22 show disbursements aggregating ₹ 1,26,570 crore against the aggregate budget provision of ₹ 1,79,405 crore, resulting in net saving of ₹ 52,835 crore (29 *per cent*). However, net saving of ₹ 45,033 crore (85 *per cent*) was under the Grants controlled by Departments of Finance (₹ 35,731 crore), Local Government (₹ 2,778 crore), Rural Development and Panchayats (₹ 2,321 crore), Agriculture (₹ 1,843 crore), Water Resources (₹ 1,211 crore) and Education (₹ 1,149 crore). There was excess expenditure of ₹ 381 crore in two Voted Grants and one Charged Appropriation.

Against the Nil projection of recoveries in reduction of expenditure in budget estimates, there were the actual recoveries of ₹ 1,070 crore during 2021-22.

The Appropriation Accounts show that in the year 2021-22, there was actual expenditure of ₹ 1,26,570 crore, comprising Revenue Expenditure of ₹ 97,503 crore, Capital Expenditure of ₹ 8,212 crore, Repayment of Debt of ₹ 19,279 crore and Loans and Advances given by the State Government amounting to ₹ 1,576 crore. There were savings 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

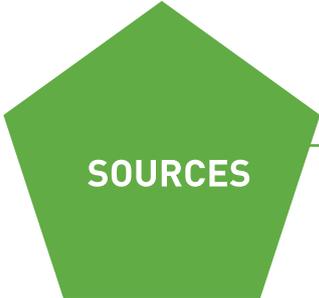
The Reserve Bank of India extends the facility of Ways and Means Advances to enable State Governments to maintain their liquidity. Overdraft facilities are provided when there is a shortfall in the agreed minimum cash balance which is ₹ 1.56 crore. Nil amount was outstanding as on 31 March 2022 as Ways and Means Advances. During 2021-22, the Government of Punjab obtained ₹ 2,006 crore as Special Drawing Facility and Normal Ways and Means Advances on ten occasions out of which whole amount i.e. ₹ 2,006 crore was repaid during the year leaving nil balance. ₹ 0.38 crore were paid as interest on these advances.

During 2021-22, Government did not avail any short fall/overdraft.

### 1.4.2 Fund Flow Statement

The State had a Revenue Deficit of ₹ 18,468 crore and a Fiscal Deficit of ₹ 27,847 crore representing 3.16 per cent and 4.77 per cent of the Gross State Domestic Product (GSDP)<sup>1</sup> respectively. The Fiscal Deficit was around 26 per cent of Total Expenditure. This deficit was met from Public Debt (₹ 21,897 crore), increase in Public Account ₹ 5,886 crore and net of opening and closing Cash Balance ₹ 64 crore. Around 77 per cent of the Revenue Receipts (₹ 78,168 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 23,645 crore), Interest Payments (₹ 20,884 crore) and Pensions (₹ 15,412 crore).

#### Sources and Application of Funds



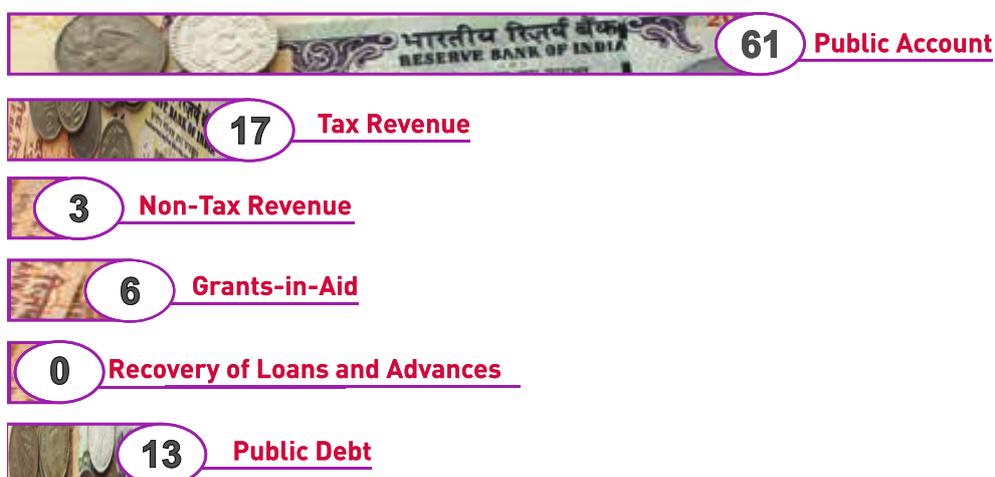
	(₹ in crore)
Opening Cash Balance as on 1.4.2021	194
Revenue Receipts	78,168
Recovery of Loans and Advances	207
Public Debt	41,175
Small Savings, Provident Funds etc.	3,153
Reserve Funds	3,503
Deposits Received	7,906
Civil Advance Repaid	..
Suspense Account	1,75,487
Remittances	52
Contingency Fund	..
<b>Total</b>	<b>3,09,845</b>

<sup>1</sup> GSDP at current prices: ₹ 5,84,042 crore as per website of the Ministry of Statistics and Programme Implementation, New Delhi uploaded on 31 May 2022.

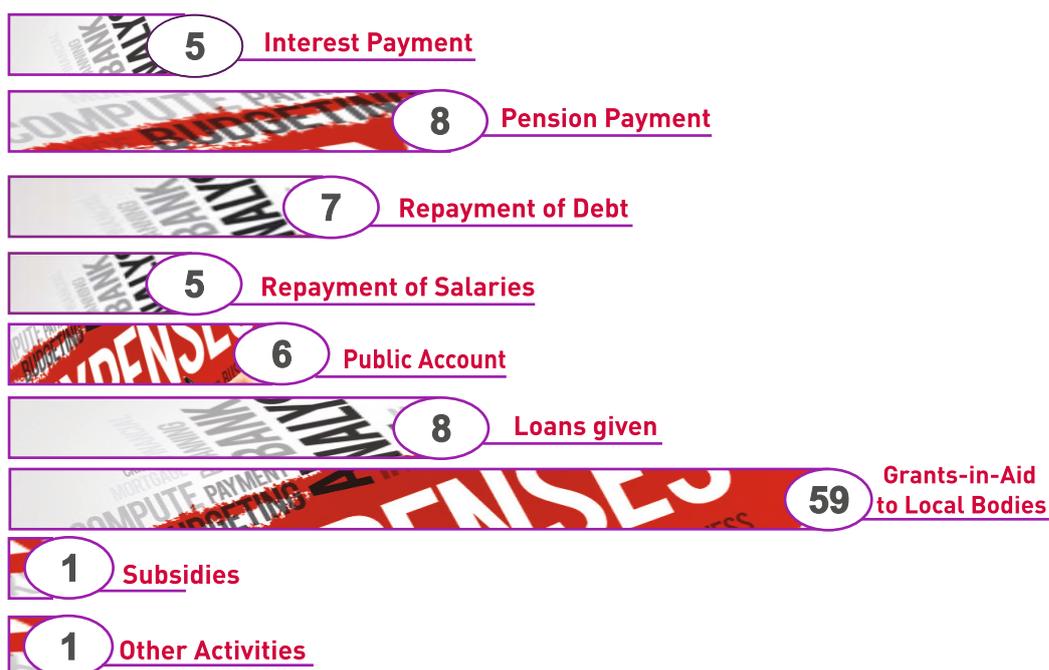


Revenue Expenditure	96,636
Capital Expenditure	8,010
Loans Given	1,576
Repayment of Public Debt	19,278
Small Savings, Provident Funds etc.	3,115
Reserve Funds	2,578
Deposits Spent	7,025
Civil Advance Given	..
Suspense Account	1,71,453
Remittances	44
Closing Cash Balance as on 31.3.2022	130
<b>Total</b>	<b>3,09,845</b>

### 1.4.3 Where the Rupee came from



### 1.4.4 Where the Rupee went



### 1.5 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.

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.

**REVENUE DEFICIT/ SURPLUS**

**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.

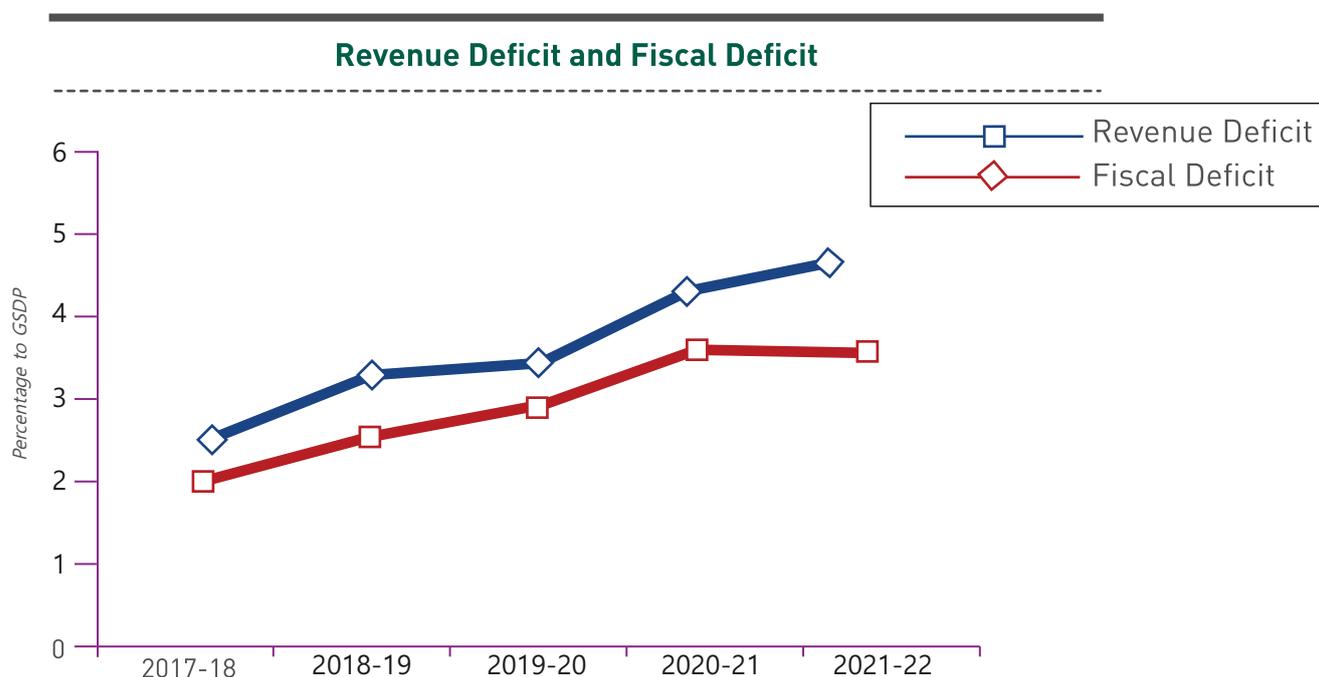
### 1.5.1 Trend of Revenue Deficit and Fiscal Deficit during the last five years is as under:

(₹ in crore)

Year	GSDP (i)	Revenue Deficit	Percentage to GSDP	Fiscal Deficit	Percentage to GSDP
2017-18	4,71,014	9,455	2.01	12,494	2.65
2018-19	5,12,510	13,135	2.56	16,059	3.13
2019-20	5,37,031	14,285	2.66	16,826	3.13
2020-21	5,32,555	17,297	3.25	22,585	4.24
2021-22	5,84,042	18,468	3.16	27,847	4.77

Note:

(i) GSDP up to 2018-19 to 2021-22 is based on the data taken from Economic and Statistical Organisation, Government of Punjab, whereas GSDP for 2017-18 is estimated value conveyed vide Government of India, Ministry of Finance letter dated 28 August 2017.



### 1.5.2 Punjab Fiscal Responsibility and Budget Management (PFRBM) Act

1.5.2.1 In terms of PFRBM Act 2003, the Government of Punjab presented the Medium Term Fiscal Policy and Strategy Statement along with the State Budget for the year 2021-22. The targets mentioned in the Act and achievements in 2021-22 as depicted in the Accounts are as follows:

The status of target and achievement is required to be disclosed by the State Government in the Legislature at the time of presentation of the Budget for the year 2021-22 as stipulated by the PFRBM Act and Rules. In this context, no disclosure has been made on significant changes in the accounting standards, policies and practices affecting or likely to affect the computation of the prescribed fiscal indicators.

1.5.2.2 Performance of the Government of Punjab for the year 2021-22 as depicted in the accounts vis-à-vis targets fixed in the PFRBM Act for Revenue Deficit and Fiscal Deficit is as under:

Sr. No.	Financial Parameter	Actual (₹ in crore)	Financial Parameter to GSDP* percentage Percentage to GSDP	
			Target	Achievement
1	Revenue Deficit	18,468	0.00	3.16
2	Fiscal Deficit	27,847	4.00**	4.77

\* GSDP at current prices ₹ 5,84,042 crore as per website of the Ministry of Statistics and Programme Implementation, New Delhi uploaded on 31 May 2022.

\*\* Fiscal Deficit shall be contained at 3.5 *per cent* and an additional 0.5 *per cent* can be increased on the basis of Capital Expenditure incurred by the state.

**1.5.2.3** On the basis of Fiscal Deficit threshold limit of 4.00 *per cent* of GSDP estimate for 2021-22, net borrowing limit of ₹ 23,362 crore was fixed for Government of Punjab. The net borrowings were ₹ 23,741 crore during 2021-22 including ₹ 12,132 crore passed on as back to back loan by Government of India in lieu of shortfall in GST Compensation.

## Chapter II

# Receipts

### 2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2021-22 were ₹ 1,06,222 crore.

### 2.2 Revenue Receipts

The Revenue Receipts of the Government comprises of three components viz. Tax Revenue, Non Tax Revenue and Grants-in-Aid received from the Union Government.

#### ● TAX REVENUE

Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.

Includes interest receipts, dividends, profits etc.

#### ● NON-TAX REVENUE

#### ● GRANTS-IN-AID

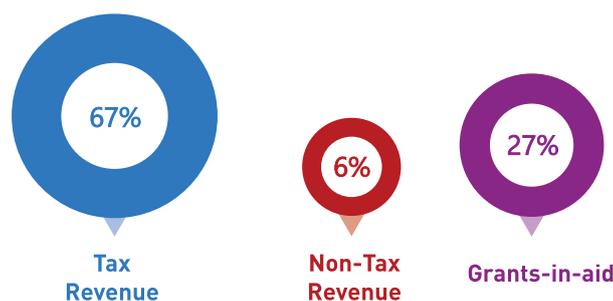
Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material and Equipment' received from Foreign Governments and channelized through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.

## 2.2.1 Revenue Receipts Components (2021-22)

(₹ in crore)

Components	Actuals
<b>A. Tax Revenue</b>	<b>52,615</b>
Goods and Services Tax	20,122
Taxes on Income and Expenditure	9,032
Taxes on Property and Capital Transactions	3,393
Taxes on Commodities and Services	20,068
<b>B. Non-Tax Revenue</b>	<b>4,784</b>
Interest Receipts, Dividends and Profits	188
General Services	2,783
Social Services	988
Economic Services	825
<b>C. Grants-in-aid &amp; Contributions</b>	<b>20,769</b>
<b>Total Revenue Receipt</b>	<b>78,168</b>

### Components of Revenue Receipts



## 2.2.2 Trend of Revenue Receipts

(₹ in crore)

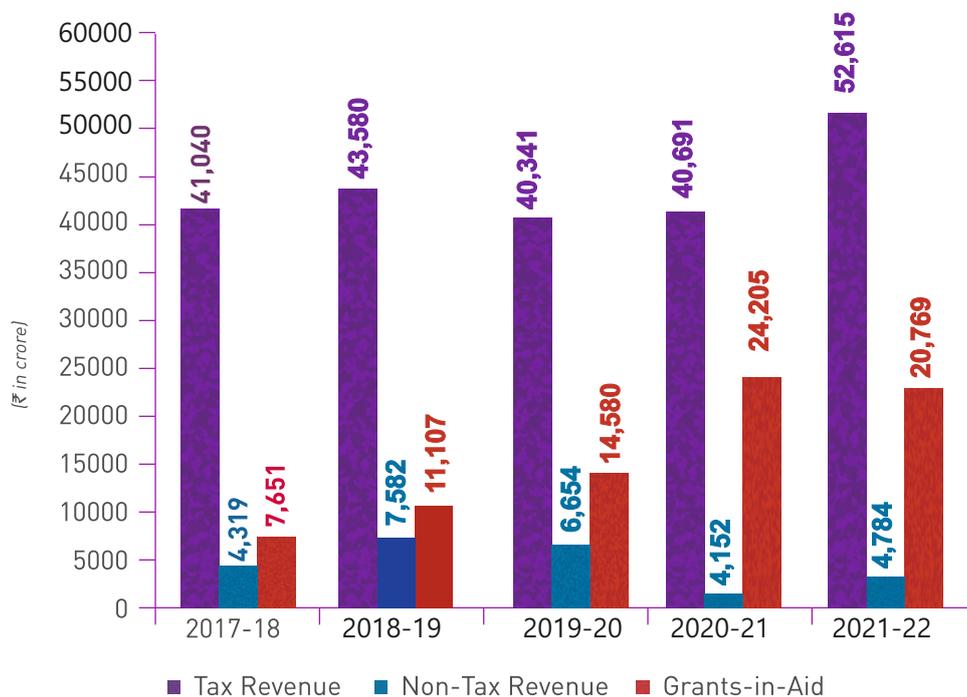
Components	2017-18	2018-19	2019-20	2020-21	2021-22
Tax Revenue	41,040 (9)	43,580 (8)	40,341 (7)	40,691 (8)	52,615 (9)
Non-Tax Revenue	4,319 (1)	7,582 (1)	6,654 (1)	4,152 (1)	4,784 (1)
Grants-in-aid	7,651 (2)	11,107 (2)	14,580 (3)	24,205 (4)	20,769 (3)
<b>Total Revenue Receipts</b>	<b>53,010</b> <b>(11)</b>	<b>62,269</b> <b>(12)</b>	<b>61,575</b> <b>(11)</b>	<b>69,048</b> <b>(13)</b>	<b>78,168</b> <b>(13)</b>
<b>GSDP (i)</b>	<b>4,71,014</b>	<b>5,12,510</b>	<b>5,37,031</b>	<b>5,32,555</b>	<b>5,84,042</b>

Note: (i) Please refer Footnote below Para 1.5.1.

(ii) Figure in bracket represents percentage to GSDP.

The GSDP increased by 10 per cent during 2021-22 in comparison to 2020-21 while the Revenue Receipts increased by 13 per cent during the corresponding period.

## Trend of Components of Revenue Receipts

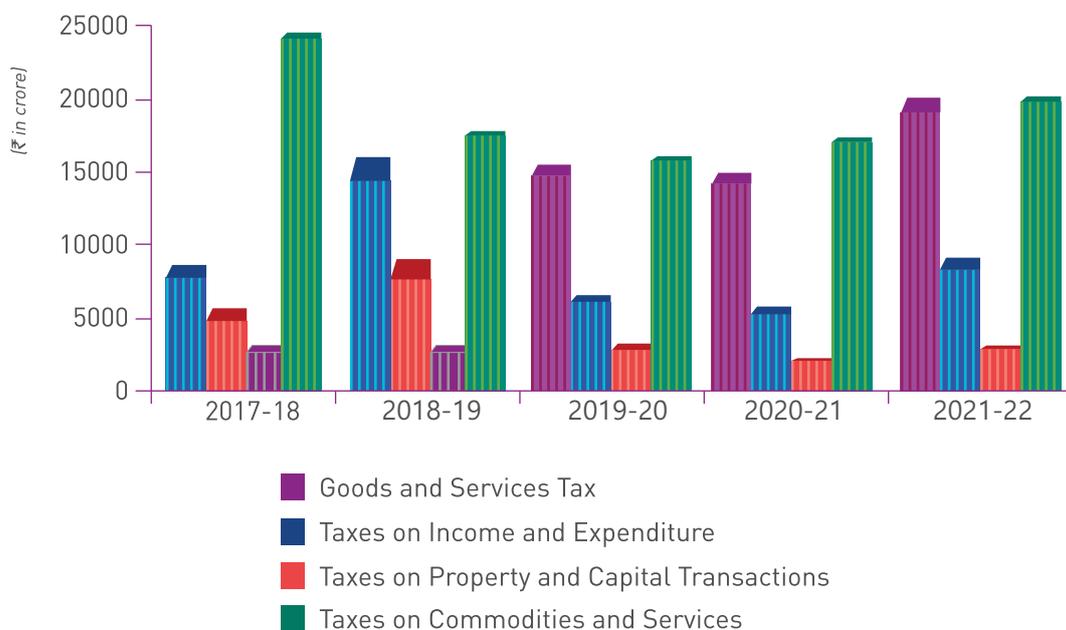


### 2.3 Tax Revenue

(₹ in crore)

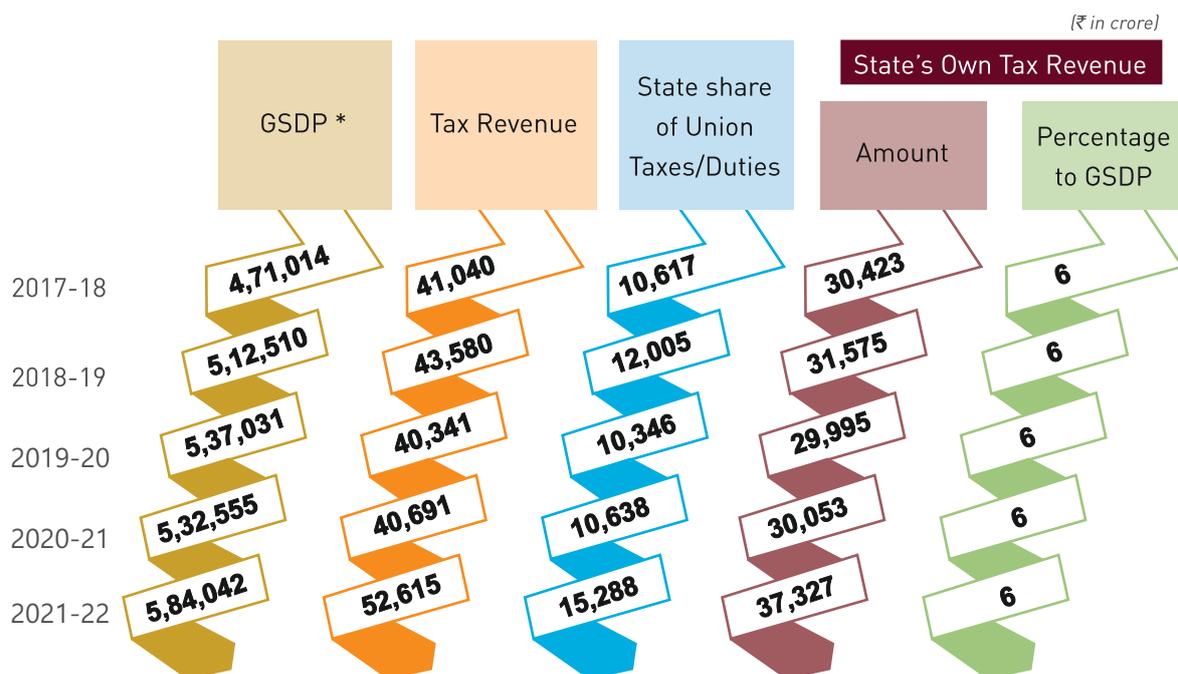
Sub-Sector-wise Tax Revenue					
Sub-Sector	2017-18	2018-19	2019-20	2020-21	2021-22
Goods and Services Tax	9,125	16,474	15,687	14,998	20,122
Taxes on Income and Expenditure	6,000	7,369	6,430	6,616	9,032
Taxes on Property and Capital Transactions	2,226	2,368	2,324	2,538	3,393
Taxes on Commodities and Services	23,689	17,369	15,900	16,539	20,068
<b>Total Tax Revenue</b>	<b>41,040</b>	<b>43,580</b>	<b>40,341</b>	<b>40,691</b>	<b>52,615</b>

## Sub-Sector wise Trend of Tax Revenue



### 2.3.1 Performance of State's own Tax Revenue collection

Tax Revenue of the State Government comes from two sources viz. State's Own Tax collections and Devolution of Union Taxes.



\* Please refer Footnote below Para 1.5.1.

## 2.4 Efficiency of Tax Collection

### A. Taxes on Property and Capital Transactions

(₹ in crore)

Components	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Collection	2,226	2,368	2,325	2,538	3,393
Expenditure on Collection	228	216	190	173	194
Efficiency in <i>per cent</i> of Tax Collection	10	9	8	7	6

### B. Taxes on Commodities and Services

(₹ in crore)

Components	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue collection	23,689	17,369	15,899	16,539	20,068
Expenditure on collection	191	202	227	250	264
Efficiency in <i>per cent</i> of Tax Collection	1	1	1	2	1

## 2.5 Trend in State's Share of Union Taxes/Duties

(₹ in crore)

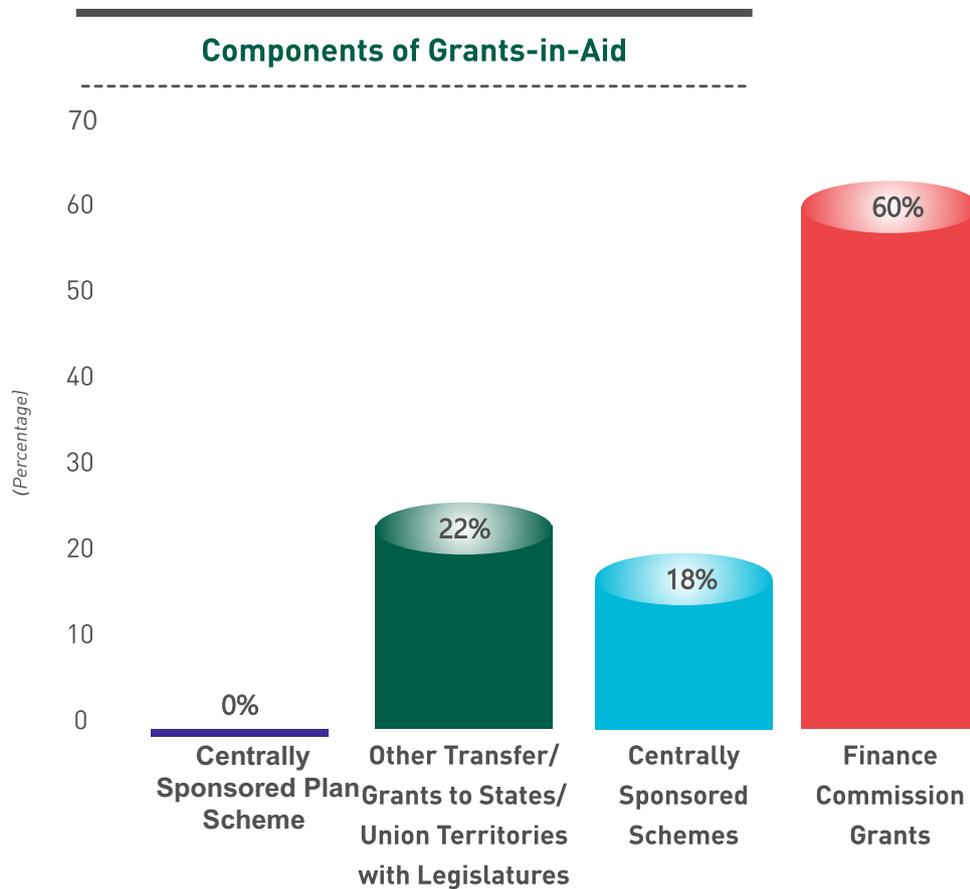
Components	2017-18	2018-19	2019-20	2020-21	2021-22
Central Goods and Services Tax	152	2,964	2,936	3,179	4,580
Integrated Goods and Services Tax	1,072	237	..	..	..
Corporation Tax	3,253	4,177	3,527	3,197	4,162
Taxes on Income other than Corporation Tax	2,747	3,076	2,764	3,276	4,714
Other Taxes on Income and Expenditure	..	22	..	..	..
Taxes on Wealth	..	1	..	..	1
Customs	1,072	851	656	577	1,091
Union Excise Duties	1,120	566	456	359	557
Service Tax	1,201	109	..	43	167
Other Taxes and Duties on Commodities and Services	..	2	7	7	16
<b>Total State's Share of Union Taxes</b>	<b>10,617</b>	<b>12,005</b>	<b>10,346</b>	<b>10,638</b>	<b>15,228</b>
<b>Total Tax Revenue</b>	<b>41,040</b>	<b>43,580</b>	<b>40,341</b>	<b>40,691</b>	<b>52,615</b>
Percentage of Union Taxes to Total Tax Revenue	26	28	26	26	29

## 2.6 Grants-in-Aid

Grants-in-aid represent assistance from the Government of India, and comprise, Grants for Centrally Sponsored Plan Schemes, Centrally Sponsored Schemes, Finance Commission Grants and other transfers/Grants. Total receipts during 2021-22 under Grants-in-aid were ₹ 20,769 crore as shown below:

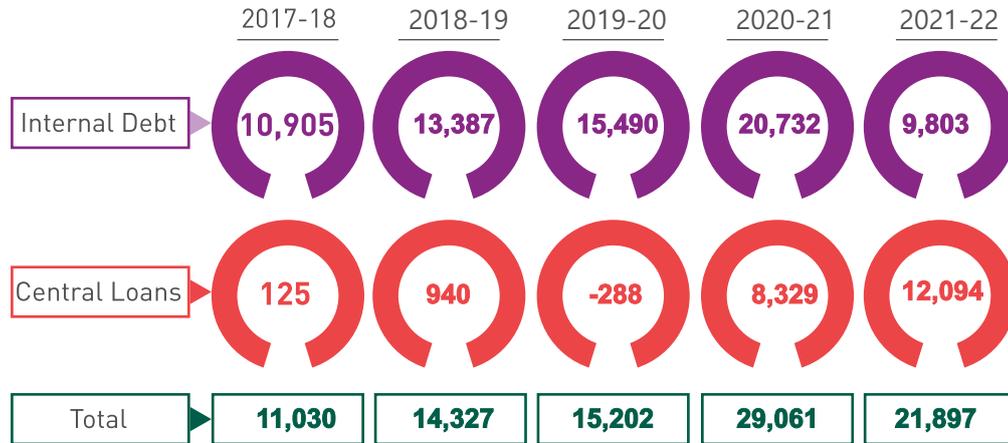
(₹ in crore)

Components	Amount
Centrally Sponsored Plan Schemes	(-)4
Centrally Sponsored Schemes	3,678
Finance Commission Grants	12,436
Other Transfer/ Grants to States/ Union Territories with Legislatures	4,659
<b>Total-Grants-in-Aid</b>	<b>20,769</b>



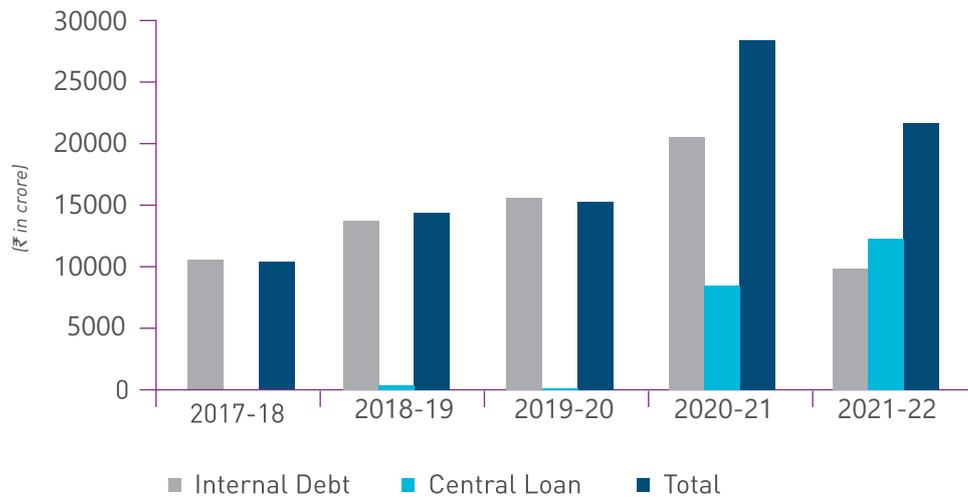
## 2.7 Public Debt

(₹ in crore)



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

### Public Debt



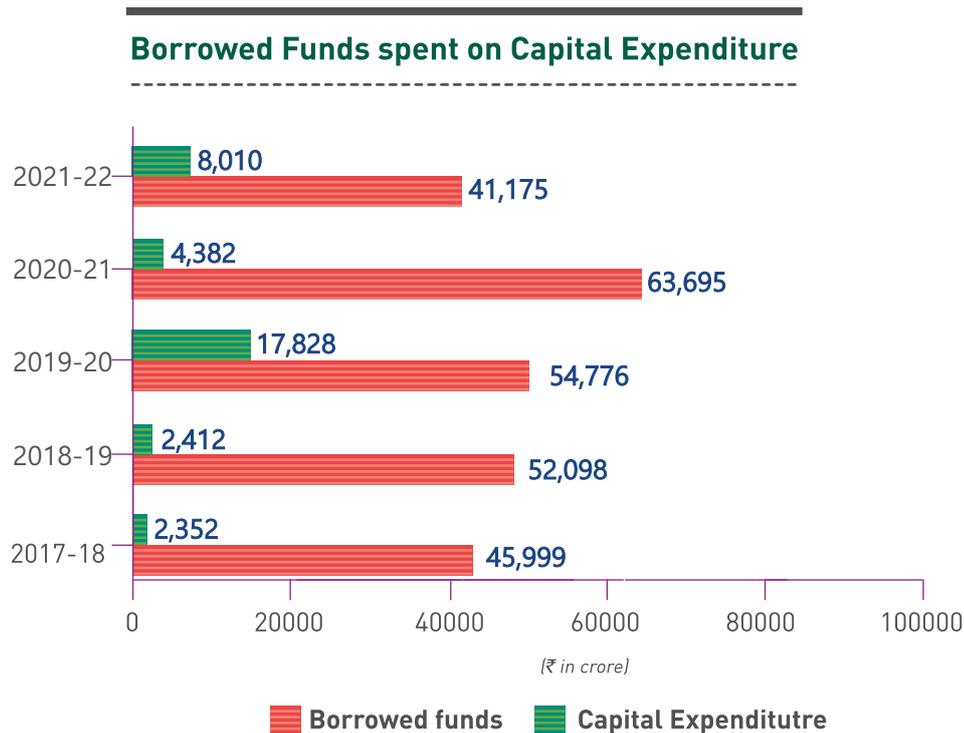
During 2021-22, 13 Market Loans totalling ₹ 25,814 crore at interest rates varying from 6.81 per cent to 7.41 per cent redeemable in the year 2031 to 2033, 2036, 2037 and 2042 were raised.

During the year 2021-22, against the total Internal Debt of ₹ 28,590 crore and the Central Loan of ₹ 12,585 crore, Capital Expenditure of the State Government was only ₹ 8,010 crore (19 per cent), indicating that the rest of the Public Debt was used for non-development purposes.

## 2.7.1 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

Year	Borrowed Funds	Capital Expenditure
2017-18	45,999	2,352
2018-19	52,098	2,412
2019-20	54,776	17,828
2020-21	63,695	4,382
2021-22	41,175	8,010



The governments usually run Fiscal Deficits and borrow funds for capital/ assets formation or creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus, 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 19 *per cent* of the borrowings of the current year (₹ 41,175 crore) on Capital Expenditure (₹ 8,010 crore). It appears that 81 *per cent* of the Public Debt (₹ 33,165 crore) was utilised (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.

## Chapter III

# 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 Government. Capital Expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities.

#### GENERAL SERVICES

Includes Justice, Police, Jail, PWD, Pension etc.

Includes Education, Health and Family Welfare, Water Supply, Welfare of SC/ST etc.

#### SOCIAL SERVICES

#### ECONOMIC SERVICES

Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.

### 3.2 Revenue Expenditure

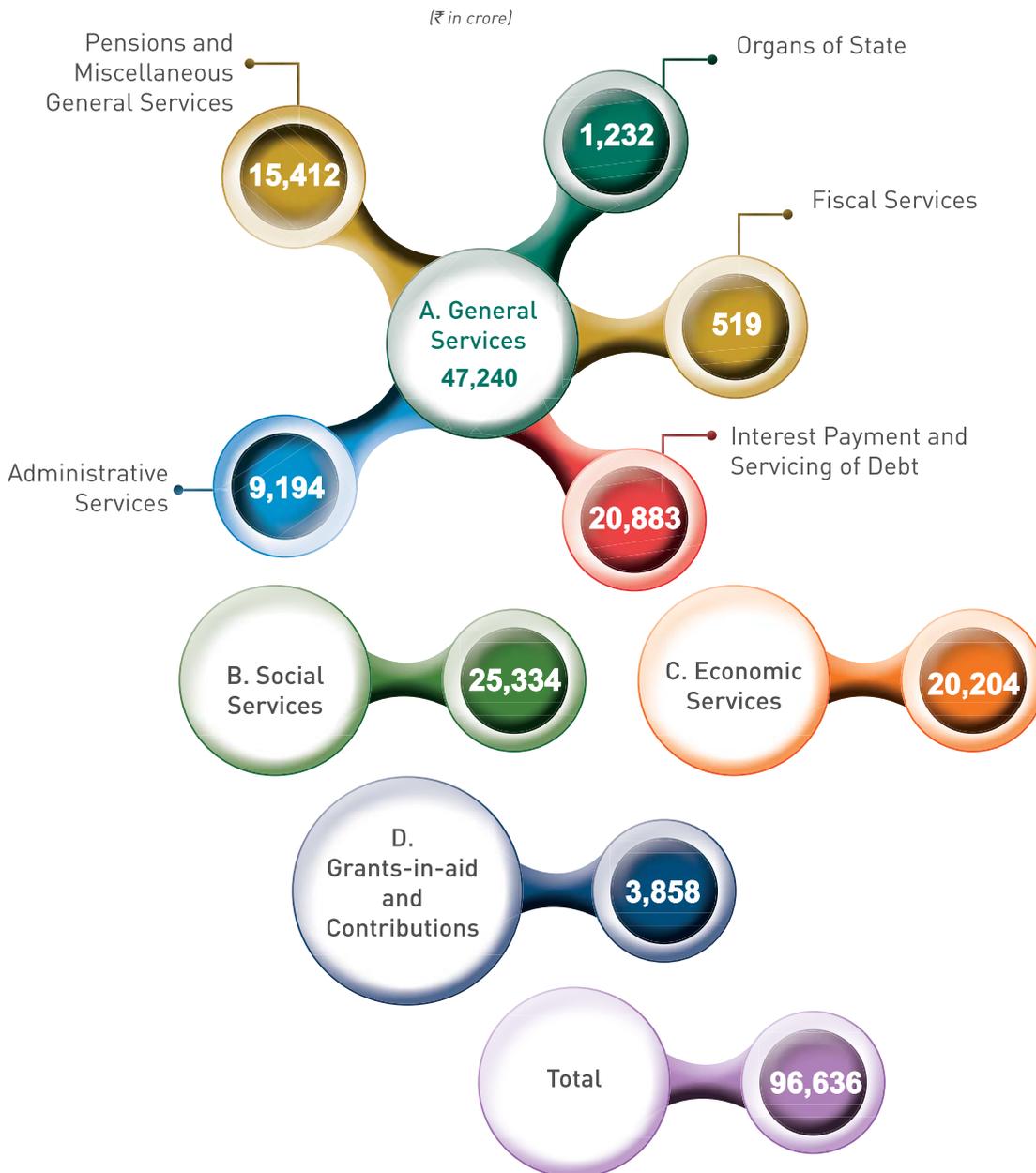
Revenue Expenditure of ₹ 96,636 crore for 2021-22 fell short of budget estimates by ₹ 7,244 crore. The shortfall of expenditure against budget estimates under Revenue section during the past five years is given below:

(₹ in crore)

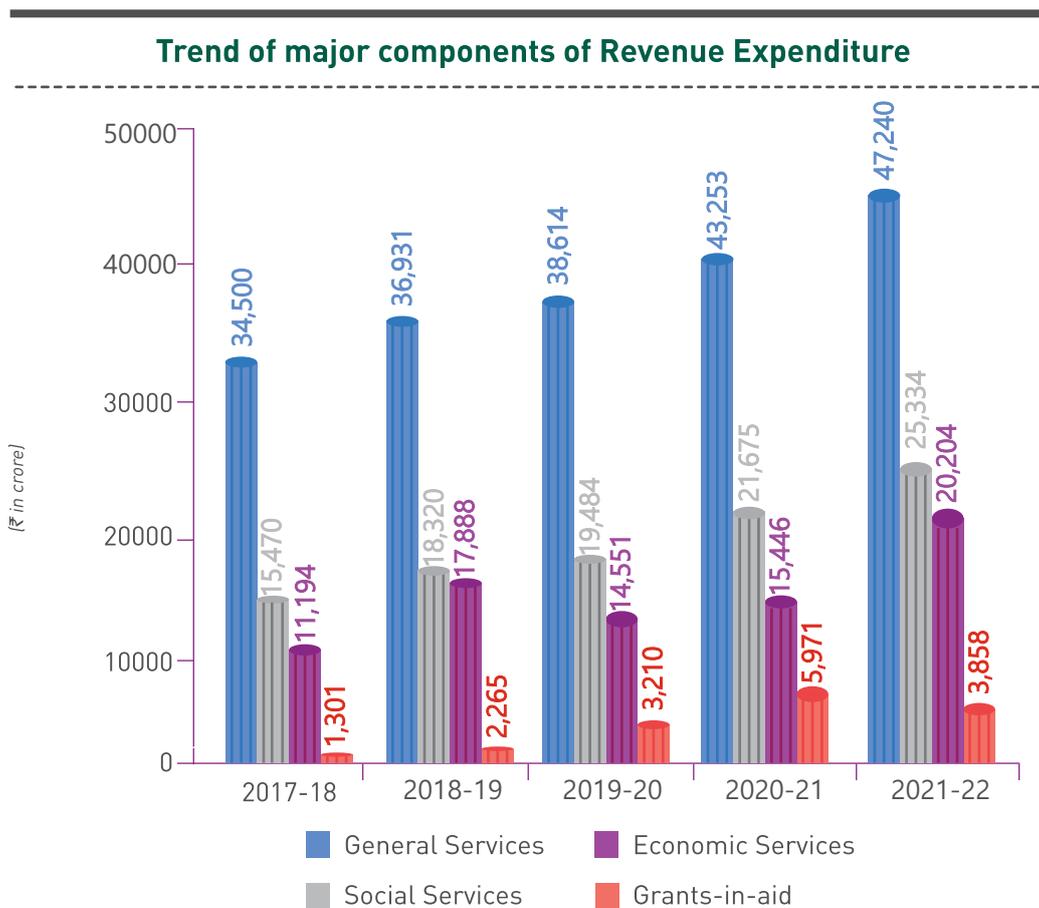
Components	2017-18	2018-19	2019-20	2020-21	2021-22
Budget Estimates	74,865	86,351	90,197	95,716	1,03,880
Actual Expenditure	62,465	75,404	75,859	86,345	96,636
Gap	12,400	10,947	14,337	9,371	7,244
<b>Percentage of Gap over BE</b>	<b>17</b>	<b>13</b>	<b>16</b>	<b>10</b>	<b>7</b>

### 3.2.1 Sector wise Distribution of Revenue Expenditure (2021-22)

Sr. No.	Component	Amount (₹ in crore)	Percentage
<b>A.</b>	<b>General Services</b>	<b>47,240</b>	<b>49</b>
A.1	Organs of State	1,232	1
A.2	Fiscal Services	519	1
A.3	Interest Payment and Servicing of Debt	20,883	22
A.4	Administrative Services	9,194	9
A.5	Pensions and Miscellaneous General Services	15,412	16
<b>B.</b>	<b>Social Services</b>	<b>25,334</b>	<b>26</b>
<b>C.</b>	<b>Economic Services</b>	<b>20,204</b>	<b>21</b>
<b>D.</b>	<b>Grants-in-aid and Contributions</b>	<b>3,858</b>	<b>4</b>
	<b>Total</b>	<b>96,636</b>	<b>100</b>



### 3.2.2 Trends of Major Components of Revenue Expenditure



### 3.3 Capital Expenditure

Capital disbursements for 2021-22 at 2 per cent of GSDP were less than Budget Estimates by ₹ 6,036 crore.

#### 3.3.1 Sectoral distribution of Capital Expenditure

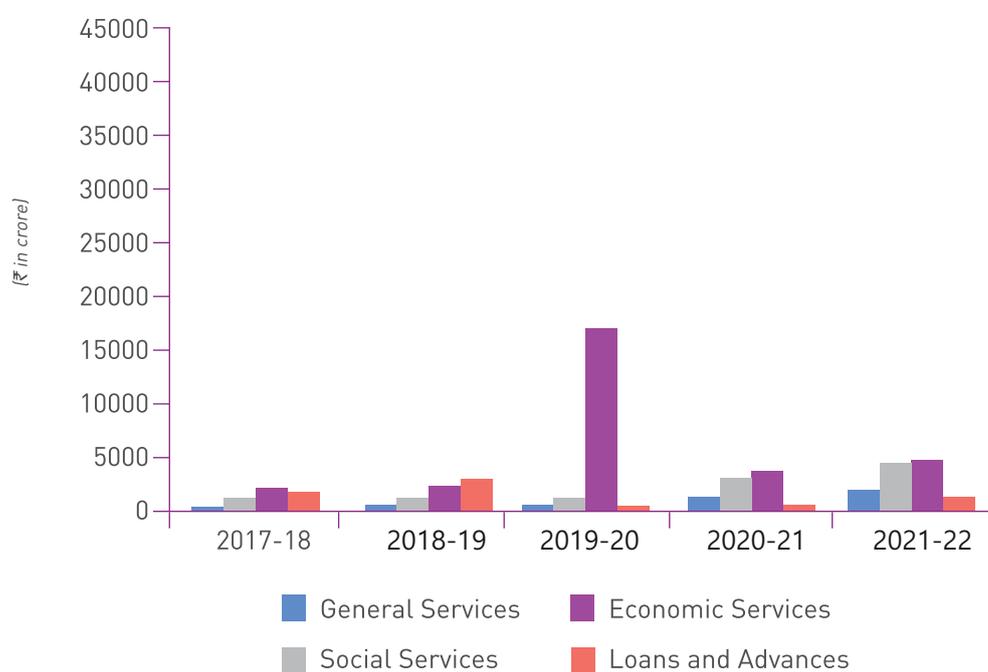
Sr. No.	Sector	Amount (₹ in crore)	Percentage
A	General Services - Police, Public Works, etc.	264	3
B	Social Services - Education, Health and Family Welfare, Water Supply, Welfare of SC/ST etc.	2,911	30
C	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	4,835	50
F	Loans and Advances Disbursed	1,576	17
	<b>Total</b>	<b>9,586</b>	<b>100</b>

### 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
2017-18	180	916	1,256	760	3,112
2018-19	169	1,047	1,196	1,361	3,773
2019-20	154	965	16,709	784	18,612
2020-21	211	2,251	1,920	956	5,338
2021-22	264	2,911	4,835	1,576	9,586

#### Sector wise distribution of Capital Expenditure

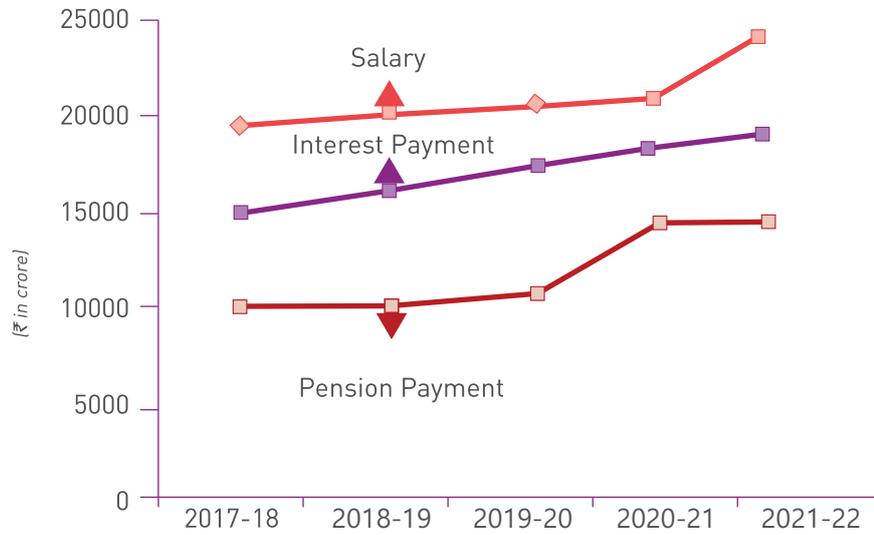


### 3.4 Committed Expenditure

(₹ in crore)

Year	Salary	Interest	Pension	Total
2017-18	19,430	15,334	10,208	44,972
2018-19	20,300	16,306	10,089	46,695
2019-20	20,857	17,567	11,676	50,100
2020-21	21,198	18,152	14,777	54,127
2021-22	23,683	19,063	14,737	57,483

### Trend of Committed Expenditure



### Committed Expenditure Vs Revenue Expenditure and Revenue Receipts

(₹ in crore)

Component	2017-18	2018-19	2019-20	2020-21	2021-22
Committed Expenditure	44,972	46,695	50,100	54,127	57,483
Revenue Receipts	53,010	62,269	61,575	69,048	78,168
Percentage of Committed Expenditure to Revenue Receipts	85	75	81	78	74
Revenue Expenditure	62,465	75,404	75,859	86,345	96,636
Percentage of Committed Expenditure to Revenue Expenditure	72	62	66	63	60

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

## Chapter IV

# Appropriation Accounts

### 4.1 Summary of Appropriation Accounts for 2021-22

(₹ in crore)

Sr. No.	Nature of Expenditure	Original grant	Supplementary grant	Total Budget	Actual Expenditure	Savings(-) Excesses(+)
1.	<b>Revenue</b>					
	Voted	82,420	8,856	91,276	76,385	-14,891
	Charged	21,459	23	21,482	21,118	-364
2.	<b>Capital</b>					
	Voted	14,135	1,993	16,128	8,212	-7,916
3.	<b>Public Debt</b>					
	Charged	48,513	-	48,513	19,279	-29,234
4.	<b>Loans and Advances</b>					
	Voted	1,488	518	2,006	1,576	-430
	<b>Total</b>	<b>1,68,015</b>	<b>11,390</b>	<b>1,79,405</b>	<b>1,26,570</b>	<b>-52,835</b>

### 4.2 Trend of Saving / Excess during the past five years

(₹ in crore)

Year	Savings (-) / Excess (+)				
	Revenue	Capital	Public Debt	Loans & Advances	Total
2017-18	-13,217	-4,021	-60	-1,470	-18,768
2018-19	-11,695	-4,083	-853	-270	-16,901
2019-20	-17,106	-4,816	-5,066	-190	-27,178
2020-21	-14,778	-5,741	-13,294	-106	-33,919
2021-22	-15,255	-7,916	-29,234	-430	-52,835

### 4.3 Significant savings

Substantial savings under a grant indicate either non-implementation or slow implementation of certain schemes/programmes.

Some grants with persistent and significant saving are as given below:

*(in percentage)*

Grant No.	Nomenclature	2017-18	2018-19	2019-20	2020-21	2021-22
23	Rural Development and Panchayats	63	62	67	36	50
24	Science, Technology and Environment	88	82	85	47	46
28	Tourism & Cultural Affairs	56	59	42	36	61
31	Employment	..	69	64	45	81
41	Water Supply and Sanitation	..	53	46	37	42
42	Welfare of SC, ST, OBC and Minorities	..	52	63	49	49

During 2021-22, Supplementary Grants totalling ₹ 11,390 crore 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
5	Education	Revenue (V)	12,866	751	12,565
9	Food and Supplies	Revenue (V)	440	29	359
11	Health and Family Welfare	Revenue (V)	3,705	659	3,509
21	Public Works	Capital (V)	1,842	32	1,268
23	Rural Development and Panchayats	Revenue (V)	2,019	929	1,995
37	Law and Justice	Revenue (V)	635	37	605
38	Medical Education and Research	Revenue (V)	512	10	497
40	Sports and Youth Services	Revenue (V)	147	12	111
42	Welfare of ST, SC, OBC and Minorities	Capital (V)	130	9	36

Instances where there was excess expenditure at the end of the year even after supplementary allocations were made are as below:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
9	Food and Supplies	Capital (V)	500	508	1,040
21	Public Work	Revenue (V)	607	64	1,029

## Chapter V

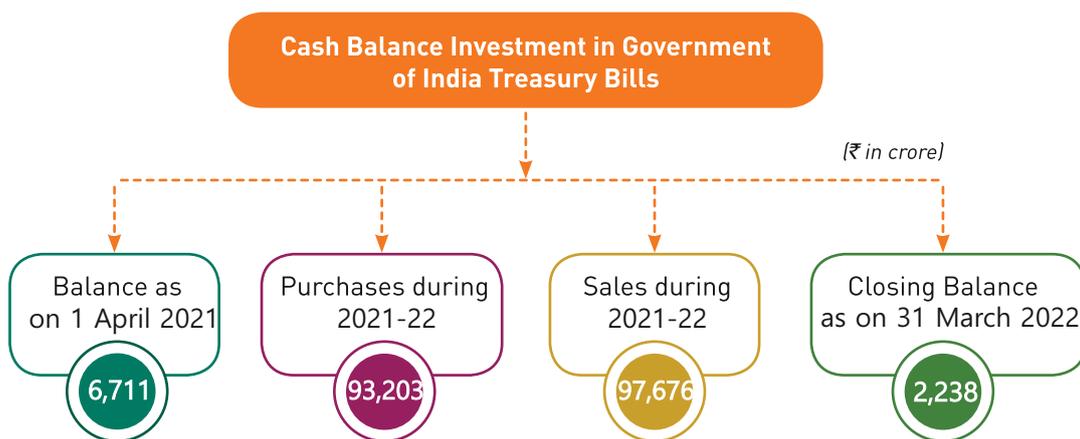
# Assets and Liabilities

### 5.1 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.

Total investment stood at ₹ 19,900 crore at the end of 2021-22. Dividend on these investments amounting to ₹ 6.66 crore was received during the year. An amount of ₹ 12 crore was disinvested during 2021-22.

Cash Balance with Reserve Bank of India stood at ₹ 194 crore on 1 April 2021 and ₹ 130 crore on 31 March 2022.



## 5.2 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 2022 was ₹ 2,45,291 crore comprising Internal Debt of ₹ 2,20,197 crore and Loans and Advances from Central Government ₹ 25,094 crore. Other liabilities accounted under Public Account were ₹ 36,482 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 ₹ 1,844 crore in respects of such liabilities of State Government during 2021-22.

Interest payment on Debt and Other Liabilities totalling ₹ 19,063 crore constituted 20 per cent of Revenue Expenditure of ₹ 96,636 crore. Interest payment on Public Debts was ₹ 16,986 crore (interest on Internal Debt ₹ 16,892 crore and interest on Loans and Advances from Central Government ₹ 94 crore). Expenditure on account of interest payment has increased by ₹ 1,806 crore during 2021-22 as compared to 2020-21.

Internal Debt of ₹ 28,590 crore raised during 2021-22 was mainly used for (i) discharge of debt obligations (₹ 18,787 crore) and (ii) payment of interest (₹ 9,803 crore).

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

(₹ in crore)

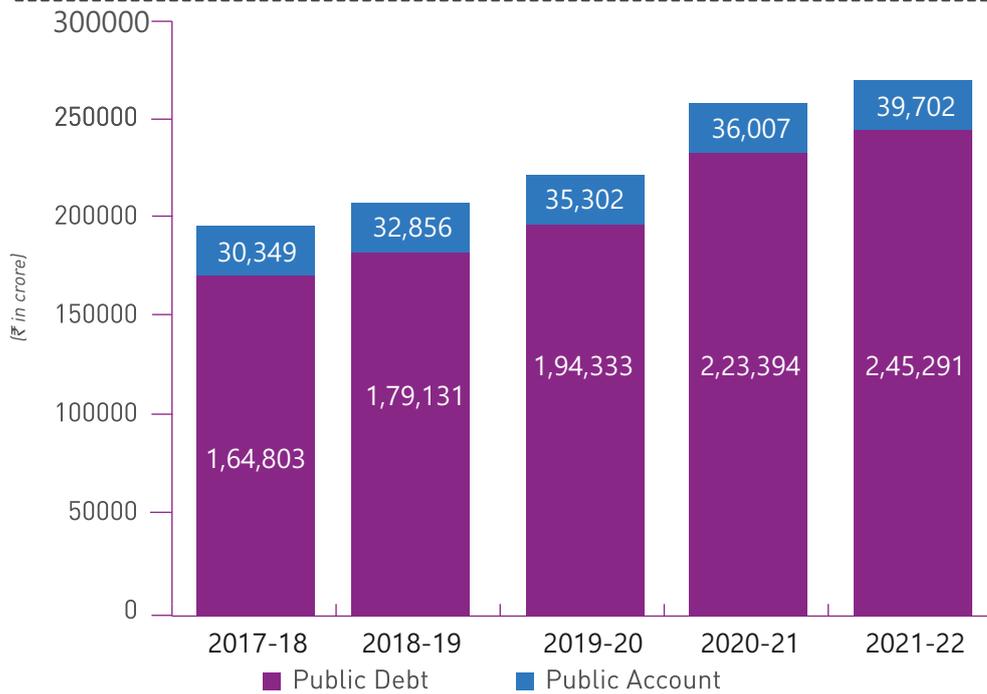
Year	GSDP*	Public Debt	Percentage to GSDP	Public Account	Percentage to GSDP	Total Liability**	Percentage to GSDP
2017-18	4,71,014	1,64,803	35	30,349	6	1,95,177	41
2018-19	5,12,510	1,79,131	35	32,856	6	2,12,012	41
2019-20	5,37,031	1,94,333	36	35,302	7	2,29,660	43
2020-21	5,32,555	2,23,394	42	36,007	7	2,59,426	49
2021-22	5,84,042	2,45,291	42	39,702	7	2,85,018	49

\* Please refer Footnote below Para 1.5.1.

\*\* includes ₹ 25 crore pertaining to Contingency Fund.

There is a net increase of ₹ 89,841 crore (46 per cent) in Net Liabilities during the last five years.

### Trend in Government Liabilities



### 5.3 Guarantees

Maximum amount guaranteed by the State Government during the year 2021-22 was ₹ 25,850 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 2022 was ₹ 20,165 crore. Further, an amount of ₹178 crore was receivable as Guarantee Fee in 2021-22. Against this, only three entities paid an amount of ₹ 38 crore as Guarantee Fee.

(₹ in crore)

Year	At the end of the year	Maximum Amount Guaranteed	Amount outstanding at the end of the year
2017-18		14,214	20,617
2018-19		14,287	23,816
2019-20		14,434	25,352
2020-21		23,170	23,552
2021-22		25,850	20,165

## Chapter VI

# Other Items

### 6.1 Goods and services Tax (GST):

During the year 2021-22, the State Goods and Services Tax (SGST) collection was ₹ 15,542 crore compared to ₹ 11,819 crore in 2020-21 registering an increase of SGST amounting to ₹ 3,723 crore. In addition, the State received ₹ 4,580 crore as its share of net proceeds assigned to the State under Central Goods and Services Tax as per the recommendations of the Fourteenth Finance Commission. The total receipts under GST were ₹ 20,122 crore. The State received provisional compensation of ₹ 4,442 crore on account of loss of revenue arising out of implementation of GST during 2021-22.

Further, during 2021-22, the State also received ₹ 12,132 crore (Total Progressive of ₹ 20,491.41 crore as on 31 March 2022) as back to back loan from the Central Government in lieu of GST compensation which would not be treated as debt of the State Government for any norms which may be prescribed by the Finance Commission as per the decision of Department of Expenditure, Government of India.

### 6.2 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 six months under Rule 274 of Punjab Treasury Rules as amended vide instructions issued by State Government on 11 November and 19 December 2016. Prolonged non-submission of supporting DC bills renders the expenditure under AC Bills opaque.

Details of outstanding DC bills as on 31 March 2022 are given under:

Year	Outstanding Detailed Contingent Bills	
	Number	Amount (₹ in crore)
Up to 2020-21	521	956
2021-22 (Drawn up to September 2021)	1,154	3,126
<b>Total</b>	<b>1,675</b>	<b>4,082</b>

### 6.3 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 2020-21	108	272
2021-22 (Drawn up to September 2020)	169	1,528
<b>Total</b>	<b>281</b>	<b>1,800</b>

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

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

### 6.4 Consolidated Sinking Fund:

The Government of Punjab set up the Consolidated Sinking Fund in 2006 for amortisation of loans. According to the guidelines of the Fund, State may contribute a minimum of 0.50 per cent of their outstanding liabilities (Internal Debt + Public Account) as at the end of the previous year to the Consolidated Sinking Fund.

In the year 2021-22, Government contributed ₹ 1,820.00 crore to the fund as against minimum required contribution of ₹ 1,225.16 crore. The total accumulation of the Fund was ₹ 3,127.26 crore as on 31 March 2022 (₹ 1,210.65 crore as on 31 March 2021).

### 6.5 Guarantee Redemption Fund (GRF):

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 and further revised on 23 October 2017 with effect from the financial year 2017-18) 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 3.00 per cent in next five years. The Fund shall be gradually increased to a desirable level of 5.00 per cent. During the year, Government did not make any contribution as against ₹ 117.76 crore it was required to contribute to the Fund. The total accumulation of the Fund was Nil as on 31 March 2022.

Further, as per provision of the Scheme, Guarantee Fee collected is required to be transferred to the Fund. The Guarantee Fee amounting to ₹ 38.24 crore collected during the year 2021-22 has not been transferred to the Fund. Non-transfer of Guarantee Fee of ₹ 38.24 crore to the Fund has resulted in understatement of the Revenue Deficit and Fiscal Deficit to that extent.

## **6.6 Cash with Divisional Officers:**

As per codal provisions, funds received towards Deposit Works from non-Government Agencies by Public Works Divisions are required to be credited under Minor Head 108-Public Works Deposits below Major Head 8443-Civil Deposits. The expenditure for related Deposit Works is also met from same head of account. In the Monthly Divisional Accounts such deposits are depicted under Major Head 8671-Departmental Balances, 101- Civil, by the PW Divisions, so it has become part of Government Accounts. However, the funds received towards Deposits Works are being kept in the Bank Accounts of Divisional Officers operated by PW Divisions instead of Treasury and thus not forming of cash balance of the State with Reserve Bank of India.

State Government in March 2015, directed Public Works Divisions to deposit the funds in the accounts to be opened at the Treasury under head 8443 - Civil Deposits 108 - PW Deposit. However, despite above dated order, the Divisional Officers are still depositing the funds in their Bank Accounts. As on 31 March 2022, an amount of ₹ 1,375 crore was lying in the Bank Accounts of Public Works Divisional Officers. If the funds were deposited in treasury, the same would have impact on the daily Cash Balance of State Government.

## **6.7 Loans and Advances given by the State :**

Total Loans and Advances made by the State Government at the end of 2021-22 was ₹ 37,670 crore. During the year 2021-22, the State Government disbursed ₹ 1,576 crore as Loans and Advances. State Government received ₹ 207 crore (₹ 29 crore towards repayment of Loans and Advances by Government Servants and ₹ 178 crore as repayment of other outstanding loans and advances) which is 0.57 per cent of total outstanding loans and advances as on 1 April 2022 i.e. ₹ 36,301 crore. Effective steps to recover the outstanding loans and advances would help the Government improve its fiscal position.

## **6.8 Submission of Accounts by Accounts Rendering Unit :**

The accounts of receipts and expenditure of the Government of Punjab have been compiled based on the initial accounts rendered by the 21 District Treasuries, 143 Public Works Divisions (71 Buildings and Roads, 19 Panchayati Raj, 53 Water Supply and Sanitation), 56 Water Resources Divisions, 38 Forest Divisions and Advices of the Reserve Bank of India. No account has been excluded at the end of the Financial Year.

## **6.9 Reconciliation of Accounts :**

The Head of the Department and the Accountant General (A&E) are jointly responsible for reconciling differences and correcting misclassifications. Such reconciliation has been completed by all the Chief Controlling Officers (CCOs) responsible for Expenditure and Receipt Heads.

## 6.10 National Pension System (NPS):

During the year 2021-22, total contribution to Defined Contribution Pension Scheme was ₹ 2,287.14 crore (Employees' contribution ₹ 961.47 crore and Government's contribution ₹ 1,325.67 crore). The detailed information on Government contribution is available in Statement No. 15 of the Finance Accounts. The Government transferred ₹ 2,287.14 crore to the Public Account under Major Head 8342 - 117 Defined Contribution Pension Scheme.

The Government's contribution to the NPS was less by ₹ 20.39 crore (Government due contribution of 14 per cent i.e. ₹ 1,346.06 crore minus contribution paid ₹ 1,325.67 crore), which resulted in understatement of Revenue deficit and Fiscal deficit to that extent.

## 6.11 State Compensatory Afforestation Fund :

Parliament has enacted 'The Compensatory Afforestation Fund Act, 2016' on 3 August, 2016. For the purpose of the Act, a special fund to be called the "Punjab State Compensatory Afforestation Fund" under Public Account of Punjab has been established by Government of Punjab, which is to be managed by Punjab State Compensatory Afforestation Fund Management and Planning Authority.

The expenditure under Major Head 2406 for Compensatory Afforestation is done through the treasury from the State budget and recouped later from the State Compensatory Afforestation Fund. However, no budget provision for executing the work and incurring expenditure under Major Head 2406 - Forestry and Wildlife 04 - Afforestation and Ecology Development - 103 Compensatory Afforestation - 01 State was made in budget 2021-22 except under SOE 36 - Grants-in-Aid General (Non-Salary), which was given to the State CAMPA Authority.

During the year 2021-22, the State Government has paid interest amounting to ₹ 67.16 crore due for the year 2019-20 (₹ 33.27 crore) and 2020-21 (₹ 33.89 crore).

The information regarding current receipts has not been received from the State Government. During the year 2021-22, no amount has been credited to the Major Head 8336-Civil Deposits.

The total balance in the State Compensatory Afforestation Fund as on 31 March 2022 was ₹ 1,108.00 crore.

## 6.12 Building and other Construction Workers Welfare Cess:

The Government of India enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) to levy and collect cess for providing benefits to the workers.

There was un-transferred amount of Labour Cess collected under Major Head 0230 of ₹ 12.17 crore as on 31 March 2021. During the year 2021-22, the Government collected ₹ 15.96 crore as Labour Cess under Major Head 0230 and did not transfer any amount to the Building and other Construction Workers Welfare Board. Thus, the un-transferred amount collected under the Major Head 0230 was ₹ 28.13 crore as on 31 March 2022.

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