



**Report of the  
Comptroller and Auditor General of India  
on  
State Finances  
for the year 2013-14**



**Government of Punjab**

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## **PREFACE**

This Report has been prepared for submission to the Governor of Punjab under Article 151 of the Constitution.

Chapters I and II of the Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2014. Information has been obtained from the Government of Punjab wherever necessary.

Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

The Report containing the findings of performance audit and audit of transactions in various departments, Report containing observations on audit of Statutory Corporations, Boards and Government Companies and the Report on Revenue Receipts are presented separately.

# **Executive Summary**

## EXECUTIVE SUMMARY

### Background

This Report on the finances of the Government of Punjab is brought out to assess the financial performance of the State during the year 2013-14 *vis-à-vis* the Budget Estimates and the targets set under the Fiscal Responsibility and Budget Management Act, 2003 as amended and analyses the dominant trends and structural profile of Government's receipts and disbursements.

Based on the audited accounts of the Government of Punjab for the year ended 31 March 2014 and additional data collated from several sources such as the Economic Survey brought out by the State Government and Census, this report provides an analytical review of the Annual Accounts of the State Government in three Chapters.

**Chapter-I** is based on the Finance Accounts and makes an assessment of Punjab Government's fiscal position as on 31 March 2014. It provides an insight into trends and profile of key fiscal aggregates, committed expenditure, borrowing pattern, etc.

**Chapter-II** is based on Appropriation Accounts and it gives the grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

**Chapter-III** details Government's compliance with various reporting requirements and financial rules and submission of accounts.

### Audit findings

#### Chapter I

#### Finances of the State Government

During the year 2013-14, the revenue expenditure was ₹ 41,641 crore and the revenue receipts were ₹ 35,104 crore. The revenue receipts grew at an annual average rate of 11.69 *per cent* during 2009-10 to 2013-14 whereas revenue expenditure grew at an annual average rate of 10.39 *per cent*. The revenue expenditure continued to constitute a dominant portion (93 to 95 *per cent*) of the total expenditure during this period.

Punjab passed the Fiscal Responsibility and Budget Management Act in 2003. The State could not contain its revenue deficit as per targets fixed by the Fiscal Responsibility and Budget Management Act. During the current year it was 2.06 *per cent* as against the target of 0.60 *per cent* of Gross State Domestic Product (GSDP) in Fiscal Responsibility and Budget Management Act. However, the fiscal deficit at 2.77 *per cent* of GSDP in the current year was within the target of 3.00 *per cent* fixed under the Fiscal Responsibility and Budget Management (Amendment) Act, 2011.

The capital expenditure during the current year was only 28.21 *per cent* and 30.22 *per cent* of the projections made in the Fiscal Consolidation Roadmap of the State and budget estimates, respectively. This shows that due priority was not accorded to capital expenditure.

GoI directly transferred ₹ 1,751.30 crore to State implementing agencies during the current year. Since these funds do not pass through the State Budget, the Annual Finance Accounts of the State do not present a complete picture of fund flow of Central Government resources into the State.

The average return on Punjab Government's investments in Statutory Corporations, Joint Stock Companies, Cooperative Societies, etc. was almost negligible (0.01 to 0.05 *per cent*) during the period 2009-10 to 2013-14, while the average rate of interest paid by the Government of Punjab on its borrowings was between 7.72 and 8.04 *per cent* during the same period.

Though the debt-GSDP ratio at 32.24 *per cent* was within the target fixed (39.80 *per cent*) under Fiscal Responsibility and Budget Management Act, yet the borrowed funds were mostly used for redemption of past debts. As much as 22 *per cent* of the revenue receipts were used to meet the burden of interest payments.

At the end of the year 2012-13, ₹ 158.07 crore were outstanding as ways and means advances. During 2013-14, the Government obtained ₹ 7,244.06 crore as ways and means advances from Reserve Bank of India on 89 occasions, out of which ₹ 6,855.24 crore were repaid during the year leaving a balance of ₹ 546.89 crore. An amount of ₹ 15.58 crore was paid as interest on these advances.

As on 31 March 2014, the State Government owes ₹ 1,814.62 crore (pertaining to the period August 2007 to March 2014) to Punjab State Civil Supplies Corporation Limited on account of payment of differential cost (i.e. difference between purchase cost and the issue price to beneficiaries) under Atta Dal scheme.

During 2009-10 to 2013-14 total public debt increased from ₹ 53,252 crore in 2009-10 to ₹ 78,669 crore in 2013-14 registering annual average growth of 9.55 *per cent*. The share of market borrowings in total public debt went up from 42 *per cent* in 2009-10 to 64 *per cent* in 2013-14.

The State Government has constituted a Sinking Fund for redemption/amortization of loans raised by it in the open market. But no contribution was made in sinking fund during 2013-14 and there was no balance in this fund. In the absence of this fund, the Government has no option but to raise new debt every year to repay the debt of earlier years. As many as 69.11 *per cent* of current debt was utilized for repayment of earlier debt during 2013-14.



## **Chapter II**

### **Financial Management and Budgetary Control**

The State Government's budgetary process has not been sound during the year with errors in budgeting and persistent savings<sup>1</sup>. Excess expenditure of ₹ 5,362.17 crore incurred during 2007-13 require regularization. An expenditure of ₹ 528.78 crore was incurred without making any budget provision. In 25 cases, re-appropriation orders proved unnecessary because expenditure did not come even upto the level of budget provisions and in other 12 cases reduction of provision also proves injudicious as there was excess expenditure under these cases. In many cases, anticipated savings of ₹ 9,357.92 crore were not surrendered leaving no scope for utilizing these funds for other developmental purposes.

## **Chapter III**

### **Financial reporting**

There were inordinate delays in furnishing utilization certificates against the grants released by various Government Departments as 132 utilization certificates amounting to ₹ 134.85 crore were not furnished to the Pr. Accountant General (A&E) as on 31 March 2014. Non-submission/delayed submission of annual accounts and Separate Audit Reports by four autonomous bodies set up by the State Government were also noticed. There were 161 instances of theft, loss and misappropriation involving an amount of ₹ 1.39 crore. As many as 675 AC bills amounting to ₹ 1,772.10 crore were awaiting adjustment as on 31 March 2014.

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<sup>1</sup> Savings means shortage in utilization of funds.

# Chapter I

## CHAPTER I

### FINANCES OF THE STATE GOVERNMENT

#### 1.1 Introduction

This chapter provides an overview of the finances of the State Government during the financial year 2013-14 by benchmarking against past trends of major fiscal aggregates. *Appendix 1.1* contains profile of Punjab and the development indicators relating to the major infrastructure and *Appendix 1.2* contains the structure and layout of the Finance Accounts of the State Government on which this Report is based.

##### 1.1.1 Profile of the State

Punjab is an agrarian state. The State is located in the north western corner of India. It spreads over a geographical area of 50,362 sq kms. and ranks 19<sup>th</sup> among states in terms of area. It has been organized into 22 districts. The districts have further been divided into 82 sub divisions, 146 blocks and 12581 villages.

As per 2011 census, the State's population increased from 2.44 crore in 2001 to 2.77 crore in 2011 recording a decadal growth of 13.52 *per cent*. The population of the State accounts for 2.29 *per cent* of the country's population and ranks 15<sup>th</sup> among States in terms of population. The population density of the State increased from 484 persons per sq. km in 2001 to 551 persons per sq km in 2011 which is higher than the population density of 382 persons per sq km at national level.

The Gross State Domestic Product (GSDP) of a State measures the value of goods and services produced within the State. At current market prices, the GSDP is estimated to be ₹ 3,17,054 crore during 2013-14 which is 3.03 *per cent* of the country's estimated Gross Domestic Product for the year (₹ 1,04,72,807 crore). At current prices, per capita income has been steadily rising; ₹ 86,698 (Provisional), ₹ 95,706 (Quick) and ₹ 1,04,476 (Advance) for the years 2011-12, 2012-13 and 2013-14 respectively.

##### 1.1.2 Salient features of financial management of the State Government

All receipts of the State Government are required to be accounted for in the Consolidated Fund of the State constituted under Article 266(1) of the Constitution of India. Expenditure therefrom is authorised by the State Legislature through Appropriation Act. Money so authorised by the Appropriation Act is spent as per provisions contained in the Punjab Financial Rules and the Departmental Financial Rules and instructions issued by the Finance Department from time to time. The Punjab Financial Rules contain the financial regulations of general nature issued by the Finance Department for the guidance of various offices and departments. The Departmental

Financial Rules are the Rules relating to the Public Works and Forest Departments. The accounts of the State Government are kept in three parts viz. (i) Consolidated fund (ii) Contingency fund and (iii) Public account. The annual accounts of the State Government consist of Finance Accounts and Appropriation Accounts. The Finance Accounts of the Government of Punjab are laid out in nineteen statements.

In May 2003, the Government of Punjab enacted the Punjab Fiscal Responsibility and Budget Management (FRBM) Act, 2003 to ensure long-term financial stability by achieving revenue surplus, containing fiscal deficit and prudential debt management. Subsequently, in March 2011, the State Government amended the FRBM Act on the recommendations of Thirteenth Finance Commission (ThFC) and enacted FRBM (Amendment) Act, 2011. The salient features of the FRBM Act, 2003 are given in *Appendix 1.3*.

### 1.1.3 Gross State Domestic Product

The Gross State Domestic Product (GSDP) of a State measures the value of goods and services produced within the State. The trends in the annual growth of India's GDP at current prices and Punjab's GSDP at current prices are indicated in **Table 1.1**.

**Table 1.1: Trends in Gross State Domestic Product**

Year	2009-10	2010-11	2011-12 (P)	2012-13 (Q)	2013-14 (A)
India's GDP (₹ in crore)	6108903	7248860	8391691	9388876	10472807
Growth rate of GDP (per cent)	15.18	18.66	15.77	11.88	11.54
State's GSDP (₹ in crore)	197500	226204	256374	285165	317054
Growth rate of GSDP (per cent)	13.48	14.53	13.34	11.23	11.18

Source: Ministry of Statistics and Programme Implementation, Government of India.  
P=Provisional; Q=Quick and A=Advance.

### 1.1.4 Summary of fiscal transactions in 2013-14

**Table 1.2** presents the summary of the Government of Punjab's fiscal transactions during the year 2013-14 vis-à-vis those of 2012-13. *Appendix 1.4* provides the details of receipts and disbursements as well as the summarized financial position of the Government of Punjab as on 31 March 2014.

**Table 1.2: Summary of the fiscal transactions***(₹ in crore)*

Receipts	2012-13	2013-14	Disbursements	2012-13	2013-14		
Section A: Revenue							
				Total	Non-Plan	Plan	Total
Revenue receipts	32051.15	35103.54	Revenue expenditure	39457.94	38505.32	3135.35	41640.67
Tax revenue	22587.56	24079.20	General services	18572.15	20180.83	11.36	20192.19
Non-tax revenue	2629.21	3191.49	Social services	11189.97	8908.86	2410.23	11319.09
Share of Union taxes/ duties	4058.81	4431.47	Economic services	9152.09	8885.97	713.76	9599.73
Grants from Government of India	2775.57	3401.38	Grants-in-aid and Contributions	543.73	529.66	0.00	529.66
Section B: Capital							
Misc. Capital Receipts	0.21	0.51	Capital Outlay	1915.82	189.53	2011.08	2200.61
Recoveries of Loans and Advances	174.09	112.30	Disbursement of Loans and Advances	197.53	165.13	0.00	165.13
Public Debt receipts*	10724.42	11107.51	Public Debt repayments*	3673.71	3649.97	0.00	3649.97
Contingency Fund	0.00	0.00	Contingency Fund	0.00	0.00	0.00	0.00
Public Account receipts#	35701.02	36261.15	Public Account disbursements#	33531.20	33994.60	0.00	33994.60
Opening Cash Balance	-178.30	-303.61	Closing Cash Balance	-303.61	630.42	0.00	630.42
TOTAL	78472.59	82281.40	TOTAL	78472.59	77134.97	5146.43	82281.40

Source: Finance Accounts of the respective years

\* Excluding net transactions under ways and means advances.

# Public Account receipts/disbursements have been shown in the table as gross figures and at other places in the Report, net of disbursement. Further, these exclude transactions of investment of cash balances and departmental cash chests. The net effect of these transactions is included in the opening and closing cash balances in the row next below.

### 1.1.5 Significant changes over the previous year

The following are the major changes in fiscal transactions during 2013-14 over the previous year:

- Revenue receipts increased by ₹ 3,053 crore (9.53 per cent) as tax revenue increased by ₹ 1,492 crore (6.60 per cent), non-tax revenue increased by ₹ 563 crore (21.41 per cent), share of Union taxes and duties increased by ₹ 373 crore (9.19 per cent) and grants from GoI increased by ₹ 626 crore (22.55 per cent).
- Revenue expenditure increased by ₹ 2,183 crore (5.53 per cent), whereas Capital expenditure increased by ₹ 285 crore (14.87 per cent).

- Public debt receipts increased by ₹ 383 crore (3.57 per cent) and public debt disbursements decreased by ₹ 24 crore (0.65 per cent).
- Net cash balances increased by ₹ 934 crore (307.64 per cent).

### 1.1.6 Review of the fiscal situation

The State Government has prepared a Fiscal Consolidation Roadmap (FCR) for the State for the period 2010-11 to 2014-15 (*Appendix 1.5*) as per the recommendation of the Thirteenth Finance Commission (ThFC). Targets vis-à-vis achievements in respect of major fiscal aggregates are as under:

**Table 1.3 Targets vis-à-vis achievements in respect of major fiscal aggregates**

Fiscal Variables	2013-14						
	Targets Proposed in the			Actual	Percentage Variation of Actual over targets of		
	FRBM Act	Budget	Five Year Fiscal consolidation Roadmap		FRBM Act	Budget	Five Year Fiscal consolidation Roadmap
Ratio of Revenue Deficit to GSDP (per cent)	(-)0.60	(-)0.57	(-)0.60	(-)2.06	(-)1.46	(-)1.49	(-)1.46
Ratio of Fiscal Deficit to GSDP (per cent)	(-)3.00	(-)3.00	(-)3.00	(-)2.77	Ratios within prescribed limit		
Ratio of total outstanding debt to GSDP (per cent)	(+)39.80	(+)33.13	(+)39.80	(+)32.24	Ratios within prescribed limit		

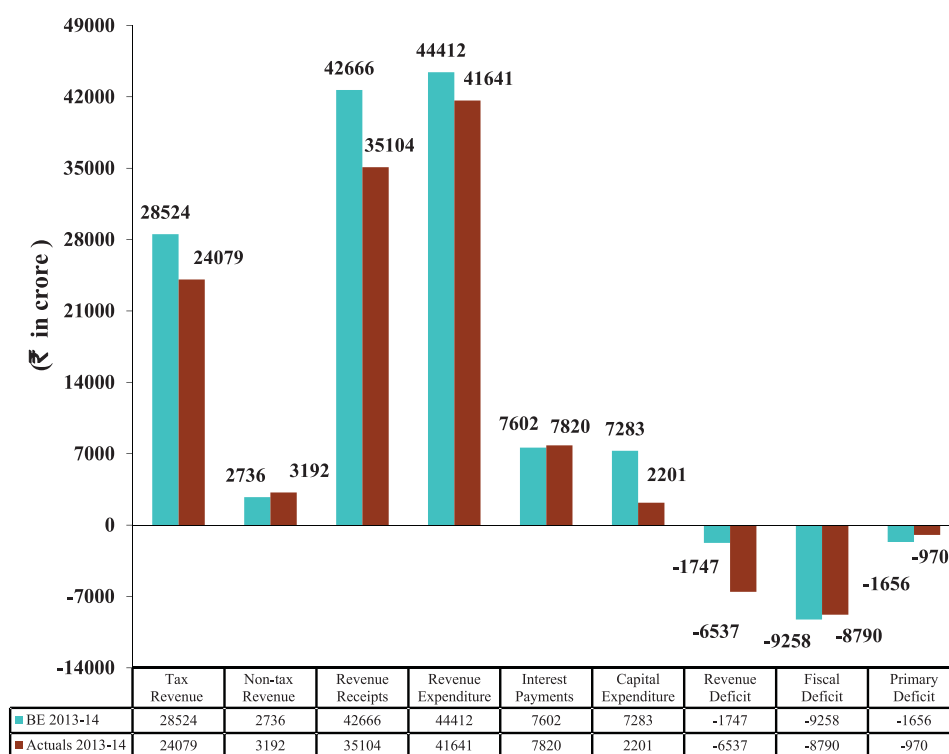
Source: FRBM Act 2011, Budget at a glance (2014-15) and Finance Accounts (2013-14).

The Government contained the fiscal deficit and total outstanding debt to prescribed limits. However, the targets fixed in FRBM Act, budget estimates and FCR during 2013-14 to bring down the revenue deficit at 0.60 per cent, 0.57 per cent and 0.60 per cent, respectively of the GSDP could not be achieved.

### 1.1.7 Budget estimates and actuals

The budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The budgeted and the actual figures of various fiscal parameters are given in *Appendix 1.6*. However, the budgeted and the actual figures of important fiscal parameters are given in **Chart 1.1**.

**Chart 1.1: Important Fiscal Parameters: Budget Estimates vis-à-vis Actuals**



The revenue deficit was higher by ₹ 4,790 crore (274.18 *per cent*) than the budget estimates of the current year whereas the fiscal deficit and primary deficit remained lower than budget estimates by ₹ 468 crore (5.06 *per cent*) and ₹ 686 crore (41.43 *per cent*), respectively. Total revenue receipts remained lower than budget estimates by ₹ 7,562 crore (17.72 *per cent*), tax revenue remained lower than budget estimates by ₹ 4,445 crore (15.58 *per cent*) whereas non-tax revenue was higher than budget estimates by ₹ 456 crore (16.67 *per cent*). The capital expenditure incurred during 2013-14 amounted to only 30.22 *per cent* of budgeted capital expenditure which indicates that asset creation was not given as much priority as intended in the budget estimates.

### 1.1.8 Major policy initiatives in the budget

Major policy announcements made in the budget speech 2013-14 and status of their implementation is given in the **Table 1.4**.

**Table 1.4: Status of implementation of major policy announcements during 2013-14**

Announcement	Status of implementation (March 2014)
Heavy metal contamination in ground water is an emerging challenge for the State. To provide safe drinking water, 1804 ROs have already been set up. The State Government has a proposal to install ROs in all the problem villages during 2013-14.	Necessary funds for the project are under receipt from the Government of India and the work will be completed by 31.03.15 on receipts of funds.
An ambitious plan to make Punjab a power surplus state by March 2014 was reiterated.	92 <i>per cent</i> of 1980 MW Talwandi Sabo Thermal Power Plant is completed. 91 <i>per cent</i> work of the 2 x 270 MW Goindwal Sahib Thermal Power Project is completed. The work relating to 1400 MW Rajpura Thermal power plant is under progress.
Rashtriya Swasthya Bima Yojna (RSBY) was launched by Government of India (April 2008) to provide health insurance coverage to Below Poverty Line (BPL) families with the objective to provide them protection from financial liabilities arising out of health shocks that involve hospitalization. In Punjab, only 5.23 lakh BPL families out of the 15.4 lakh families were provided medical cover under the RSBY. The State Government launched a new Bhagat Puran Singh Medical Insurance Scheme to provide a medical cover to the remaining 10 lakh families on the lines of the RSBY. Thereby all 15.40 lakh poor families identified under the Atta Dal Scheme would have a secure, reliable medical cover.	Under the new scheme, 15.40 lakh families have been given the benefits.
A Rapid Rural Police Response System under which police assistance will be available to the remotest rural areas in less than 20 minutes of call on a separate dedicated number.	Under this scheme ₹ 1.95 crore has been released and the work is in progress.
Free Tablets to students of Class XI.	Technical specifications for Tablets are being finalized by Punjab Information Technology Department.

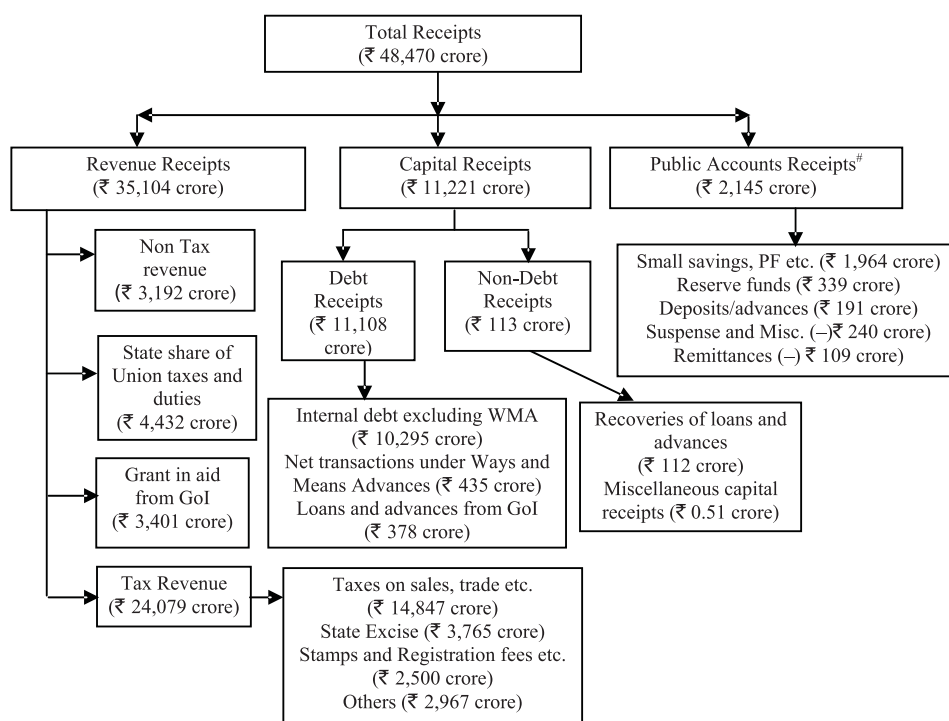
Source: Annual Financial Statement (2014-15) prepared by the State Government in July 2014.



## 1.2 Resources of the State

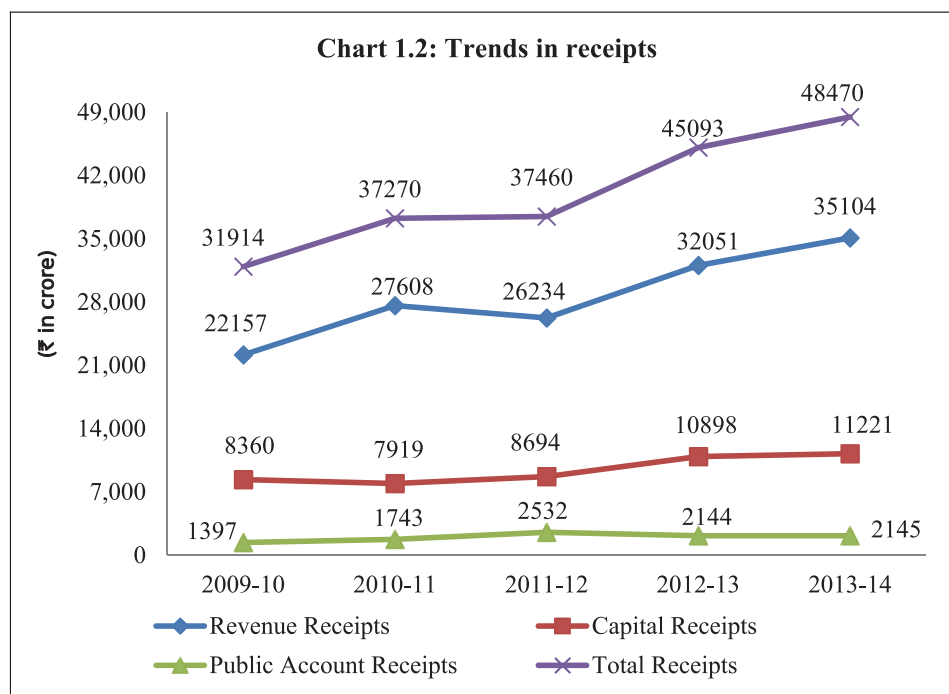
### 1.2.1 Resources of the State as per the Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenue, non-tax revenue, State's share of union taxes and duties and grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestment, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI as well as accruals from Public Accounts. The receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts are indicated in the **Table 1.2** while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2009-10 to 2013-14. The **Chart 1.3** depicts the composition of receipts of the State during current year. The position of total receipts of the State is depicted in the flow-chart:



Source: Finance accounts

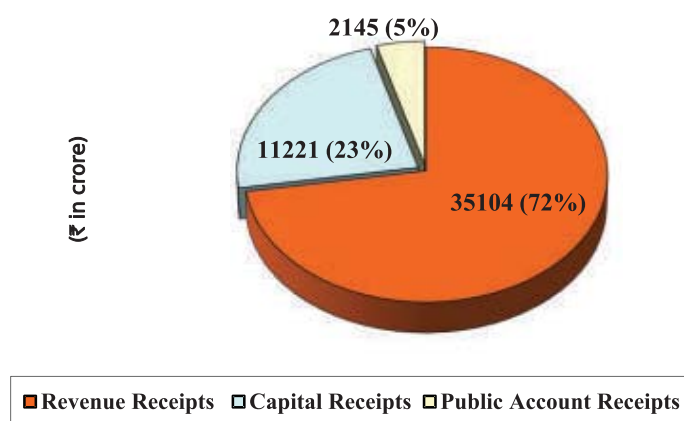
# These figures are net of disbursements out of Public Account.



**Chart 1.2** shows that out of the total receipts of ₹ 48,470 crore in the year 2013-14, the revenue receipts were ₹ 35,104 crore. The balance of total receipts came from capital receipts (₹ 11,221 crore) and net Public Account receipts (₹ 2,145 crore). The total receipts of the State increased from ₹ 31,914 crore in 2009-10 to ₹ 48,470 crore in 2013-14.

The composition of resources of the State during the current year is given in **Chart 1.3**.

**Chart 1.3: Composition of receipts during 2013-14**



The above chart shows that out of the total receipts of ₹ 48,470 crore, the revenue receipts were ₹ 35,104 crore (72 per cent), and the capital receipts were ₹ 11,221 crore (23 per cent) and net Public Account receipts were ₹ 2,145 crore (five per cent).

### **1.2.2 Non-deposit of revenue receipts into the Consolidated Fund of the State**

Article 266 (1) of the Constitution of India provides that all revenues received by the State Government, all loans raised by the Government by the issue of treasury bills, loans or ways and means advances and all moneys received by the Government in repayment of loans shall form one Consolidated Fund to be entitled “the Consolidated Fund of the State”.

Audit noticed following irregularities in non-depositing of revenue receipts into the Consolidated Fund of the State:

#### **(i) Maintenance of Cattle Fair Fund outside Government account**

As per Section 16 of the Punjab Cattle Fairs (PCF) (Regulation) Act, 1967, all fees, rents, donations or grants given by the State Government or other sums of money received or realized under the provisions of the Act was to be credited into Cattle Fair Fund (CFF) in Personal Ledger Account (PLA). Mention was also made in paragraph 2.9 in the Report of Comptroller and Auditor General of India (Civil)-Government of Punjab for the year ended 31 March 2006 regarding retention of Cattle Fair Funds amounting to ₹ 5.32 crore as on 31 March 2006 outside budgetary control of State Legislature.

Audit of records (April 2013) of the Director, Rural Development and Panchayats Department, Punjab showed that during 2006-14, a sum of ₹ 222.22 crore<sup>1</sup> realized as cattle fair fee (along with interest earned thereupon) was kept into saving banks accounts outside the Government account, in contravention of the provisions *ibid*. Of which, the Department incurred an expenditure of ₹ 194.62 crore leaving a balance of ₹ 27.60 crore as of March 2014.

The Finance Department stated (November 2014) that the Department had been directed to deposit the receipts of Cattle Fair Funds, lying in Saving Bank accounts, in the ‘Consolidated Fund of the State’.

#### **(ii) Retention of receipts on account of traffic challans outside Consolidated Fund**

Audit of records of the Director General of Police, Punjab (April 2014) showed that an amount of ₹ 7.44 crore (including interest) collected (between December 2013 and August 2014) on account of receipts from traffic challans was kept lying in the bank accounts of the respective district police Headquarters, outside the Consolidated Fund of the State in contravention of the constitutional provisions *ibid*.

On this being pointed out (April 2014), the DGP stated (June 2014) that, as per directions of the State Government, instructions had been issued (June 2014)

<sup>1</sup> It includes opening balance of ₹ 5.32 crore.

to all the units to deposit the amount so collected through traffic challans in relevant Receipt Head. Subsequently, an amount of ₹ 6.95 crore (out of ₹ 7.44 crore) was reported to have been deposited into treasury between May 2014 and August 2014 leaving a balance of ₹ 0.49 crore<sup>2</sup> in the accounts of the respective district police Headquarters.

**(iii) Retention of Change of Land Use charges outside Government account**

The Greater Mohali Area Development Authority (GMADA) developed residential plots, group housing and commercial land on 1754 acre at *Knowledge Park*. An amount of ₹ 65.27 crore was payable (March 2013) to GoP on account of Change of Land Use (CLU) charges. It was noticed that instead of depositing the amount in Government account, an amount of ₹ 55 crore<sup>3</sup> was irregularly transferred to the Executive Engineer (Buildings and Roads), Provincial Division, Mohali for construction of District Administrative Complex (DAC) and ₹ 0.50 crore to Punjab Freedom Movement Memorial Foundation in January 2013 for Jung-E-Azade memorial. The balance amount of ₹ 9.77 crore was lying with GMADA as of March 2014. Although GMADA had requested Principal Secretary (Finance) (October 2013) for giving consent/approval for the expenditure of ₹ 40 crore incurred upto October 2013 on construction of DAC, but no response has so far been received (April 2014). However, GMADA further transferred an amount of ₹ 15 crore to Executive Engineer between January 2014 to March 2014.

The Finance Department stated (November 2014) that the Department of Housing and Urban Development had been directed to deposit CLU charges in the Consolidated Fund of the State.

**(iv) Retention of suvidha fees outside consolidated fund**

Government of Punjab, Department of Revenue & Rehabilitation (Consolidation Branch) issued directions (July 2011) for making entries regarding the factum of equitable mortgage (by deposit of title deed) in the revenue records. The State Government further decided (September 2012) to charge suvidha fees from the mortgagee for making such entries in the revenue records. As per notification *ibid*, a register was to be maintained by the office Kanugo and the concerned Patwari (Patwari Halqua) to make entries in the jamabandi records. The prescribed fee was assigned to the Punjab Land Records Society (PLRS).

Audit noticed (May and June 2014) from the records of 15 SRs/JSRs<sup>4</sup> that 22154 agreements by deposit of title deeds were executed against which an

<sup>2</sup> As per information supplied by the respective units and DGP office between April 2014 and October 2014.

<sup>3</sup> ₹ 25 crore (1.3.2013), ₹ 5 crore (29.8.2013), ₹ 5 crore (10.9.2013), ₹ 5 crore (29.10.2013), ₹ 5 crore (17.1.2014), ₹ 5 crore (6.3.2014), ₹ 5 crore (29.3.2014) = ₹ 55 crore.

<sup>4</sup> Amritsar-I, Amritsar-II, Bathinda, DeraBassi, Jalandhar-I, Jalandhar-II, Kharar, Maloud, Patiala, Payal, Phagwara, RampuraPhool, Rajpura, Talwandi Sabo and Zira.

amount of ₹ 4.58 crore (*Appendix 1.7*) were charged as Suvidha Fee and whole amount of fee was retained by PLRS which was irregular as the entire exercise is being carried out by the revenue officials in the revenue records. The prescribed fee should have been deposited in the consolidated fund of the State.

The matter was reported to the Government/Department (July 2014); their replies were awaited (October 2014).

### **1.2.3 Funds transferred to State implementing agencies outside the State budget**

The Government of India has been transferring sizeable funds directly to the State implementing agencies for implementation of various schemes/programmes in the social and economic sectors. In the present mechanism these funds are not routed through the State budget/State treasury. To present the holistic picture on availability of aggregate resources, funds directly transferred to State implementing agencies for programmes assisted by Government of India is presented in **Table 1.5**.

**Table 1.5: Funds transferred directly to the State implementing agencies**

(₹ in crore)

Sr. No.	Government of India Scheme	Implementing Agency	Government of India Releases	
			2013-14	2012-13
1	Sarva Shiksha Abhiyan (SSA)	Sarva Shiksha Abhiyan Authority, Punjab	383.24	494.73
2	Mahatma Gandhi National Rural Employment Guarantee Scheme	The Punjab State Rural Employment Guarantee Society	226.15	114.21
3	National Rural Health Mission Centrally Sponsored	State Health Society, Punjab	220.44	191.84
4	National Rural Drinking Water Programme	SWSM Punjab, Chandigarh	147.95	144.26
5	Pradhan Mantri Gram Sadak Yojana (PMGSY)	Punjab Road and Bridges Development Board, Chandigarh	117.68	169.66
6	MPs Local Area Development Scheme (MPLADS)	Deputy Commissioners	104.50	94.50
7	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	Rashtriya Madhyamik Shiksha Abhiyan (RMSA), Punjab	92.61	258.44
8	Support to Indian Institute of Technology (IITs)	Indian Institute of Technology, Ropar	49.99	....
9	National Food Security Mission	Sustainable Agriculture Development Agency	37.56	37.94
10	Human Resources for Health	Government Medical College, Patiala	30.92	....
11	Support to National Institute of Technology (NITS) including Ghani Khan Institute	Dr. B.R. Ambedkar National Institute of Technology, Jalandhar	29.00	75.00
12	Rural Housing- IAY	District Rural Development Agencies	27.40	6.59
13	Autonomous R and D Institution	Centre of Innovative and Applied Bioprocessing, Mohali	27.10	20.62

Sr. No.	Government of India Scheme	Implementing Agency	Government of India Releases	
			2013-14	2012-13
14	Assistance to Other Institutes including SLIET, NERIST, NIFFT, Ranchi, CIT Kokrajhar	Sant Longowal Institute of Engineering and Technology	17.59	8.59
15	Assistance to Training Institutions	Central Tool Room, Ludhiana	14.83	6.45
16	Scheme for Infrastructure Development FPI	B.D Agro Foods, Supreme Agrofoods Private Limited and Pagro Frozen Foods Private Limited	13.67	1.02
17	Renewable Energy for Rural Applications for all Villages	Punjab Energy Development Agency	13.58	7.96
18	Scheme for Integrated Textile Park (SITP)	Ludhiana Integrated Textile Park Limited	12.00	17.10
19	DRDA Administration	District Rural Development Agencies	10.79	9.96
20	Other Schemes having a release below ₹ 10.00 crore in each case (Base Year: 2013-14)	Miscellaneous Agencies	174.30	227.17
	<b>Grand Total</b>		<b>1751.30</b>	<b>1886.04</b>

Source: Finance Accounts

It may be seen that as compared to the previous year, there was decrease of ₹ 134.74 crore (7.14 per cent) in funds transferred directly to the State implementing agencies. The major decrease was under Rashtriya Madhyamik Shiksha Abhiyan (₹ 165.83 crore: 64.17 per cent) and Sarv Shiksha Abhiyan (₹ 111.49 crore: 22.54 per cent).

In reply, the Finance Department stated (November 2014) that previously, these schemes were direct release schemes of the Government of India till 2013-14 and State Government was unable to interfere in that matter. However, from 2014-15 onwards, all such amount would be routed through the State Budget.

### 1.3 Revenue receipts

**Statement 11** of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends and composition of revenue receipts over the period 2009-14 are presented in **Appendix 1.8** and also depicted in **Charts 1.4** and **1.5** respectively.

Chart 1.4 Trends in Revenue Receipts

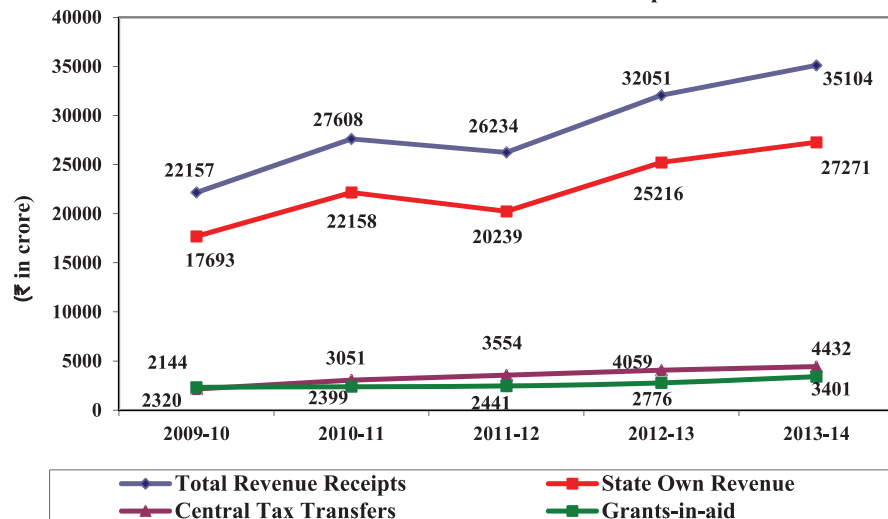
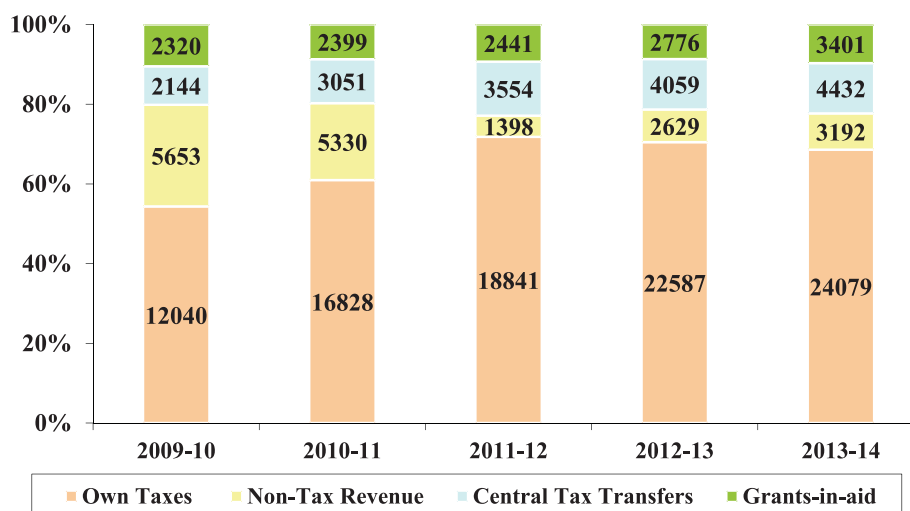


Chart 1.5: Composition of Revenue Receipts during 2009-14



The revenue receipts increased by ₹ 3,053 crore (9.53 *per cent*) in 2013-14 over the previous year which was due to increase in non-tax revenue (₹ 563 crore: 21.41 *per cent*) and tax revenue (₹ 1,492 crore: 6.60 *per cent*) as compared to previous year. The revenue receipts (₹ 35,104 crore) was less by 12.66 *per cent* as compared to projections in the FCR (₹ 40,194 crore) for the year 2013-14 (*Appendix 1.5*).

The trends in revenue receipts relative to GSDP are presented in **Table 1.6**.



**Table 1.6: Trends in Revenue receipts**

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Revenue Receipts (RR) (₹ in crore)</b>	<b>22157</b>	<b>27608</b>	<b>26234</b>	<b>32051</b>	<b>35104</b>
<b>Rate of growth of RR (per cent)</b>	6.97	24.61	-4.98	22.17	9.53
<b>RR/GSDP (per cent)</b>	11.22	12.21	10.23	11.24	11.07
<b>Buoyancy Ratios</b>					
<b>Revenue buoyancy w.r.t GSDP</b>	0.52	1.69	-0.37	1.97	0.85
<b>State's own tax buoyancy w.r.t GSDP</b>	0.59	2.74	0.90	1.77	0.59
<b>Revenue buoyancy w.r.t. State's own taxes</b>	0.87	0.62	-0.42	1.12	1.44

Source: Finance Accounts

The revenue receipts increased from ₹ 22,157 crore in 2009-10 to ₹ 35,104 crore in 2013-14 at an annual average growth rate of 11.69 *per cent*. The ratio of revenue receipts to GSDP increased from 11.22 in 2009-10 to 12.21 *per cent* in 2010-11 and came down to 11.07 *per cent* in 2013-14. The revenue buoyancy with reference to GSDP increased from 0.52 in 2009-10 to 1.69 in 2010-11 and it came down to minus 0.37 in 2011-12 and again went up to 0.85 in 2013-14. The State's own tax buoyancy with reference to GSDP increased from 0.59 in 2009-10 to 2.74 in 2010-11 and came down to 0.59 in 2013-14.

### 1.3.1 State's own resources

As the State's share in central taxes and grants-in-aid is determined on the basis of recommendations of the Finance Commission, the State's performance in mobilization of resources was assessed in terms of its own resources comprising own tax and non-tax sources.

The State's actual tax and non tax receipts for the year 2013-14 vis-à-vis assessment made by Thirteenth Finance Commission (ThFC) and Fiscal Consolidation Roadmap (FCR) are given in **Table 1.7**.

**Table 1.7: Tax and non-tax receipts vis-à-vis projections**

	13 <sup>th</sup> FC projections	Budget Estimates	FCR Projections	Actual	Percentage variation of actual over		
					13 <sup>th</sup> FC projections	Budget estimates	FCR projections
<b>Tax revenue</b>	25551	28524	26170	24079	(-)5.76	(-)15.58	(-)7.99
<b>Non-tax revenue</b>	4348	2736	3439	3192	(-)26.59	16.67	(-)7.18

The Government could not achieve the targets fixed in ThFC projections, budget estimates and FCR of the State in respect of tax revenue. In case of non-tax revenue the Government was able to achieve the targets fixed in budget estimates only. However, targets fixed in ThFC projections and FCR projections could not be achieved.



**1.3.1.1 Tax revenue**

The collection in respect of major taxes and duties are given in **Table 1.8**.

**Table 1.8: Components of State's own tax revenue***(₹ in crore)*

Revenue Receipt	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Taxes on Sales, Trade etc.</b>	7577 (18)	10017 (32)	11172 (12)	13218 (18)	14847 (12)
<b>State Excise</b>	2101 (16)	2373 (13)	2755 (16)	3332 (21)	3765 (13)
<b>Taxes on Vehicles</b>	555 (6)	654 (18)	850 (30)	995 (17)	1146 (15)
<b>Stamp Duty and Registration fees</b>	1551 (-10)	2318 (49)	3079 (33)	2920 (-5)	2500 (-14)
<b>Land Revenue</b>	15 (-6)	19 (27)	25 (32)	37 (48)	42 (14)
<b>Taxes and Duties on Electricity</b>	230 (-64)	1423 (518)	928 (-35)	2035 (119)	1710 (-16)
<b>Other taxes and duties on commodities and services</b>	10 (233)	24 (140)	32 (33)	50 (56)	69 (38)
<b>Total Own Tax Revenue</b>	<b>12039 (8)</b>	<b>16828 (40)</b>	<b>18841 (12)</b>	<b>22587 (20)</b>	<b>24079 (7)</b>

Source: Finance Accounts

Figures in parenthesis show rate of growth over previous year

The State's own tax revenue during the current year was ₹ 24,079 crore, which was less by ₹ 1,472 crore (5.76 per cent) compared to the norms of ₹ 25,551 crore fixed by ThFC and less by ₹ 2,091 crore (7.99 per cent) against ₹ 26,170 crore projected in the FCR for the State.

**1.3.1.2 Cost of collection**

The figures of gross collection in respect of major revenue receipts, expenditure incurred on collection and percentage of such expenditure to gross collection from 2009-10 to 2013-14 alongwith All India Average percentage of expenditure are given in **Appendix 1.9**. The percentage of expenditure on collection to gross collection in respect of all the components of state's own tax revenue is lower than the All India averages except in taxes on Sales, trades etc. for the years 2010-11 to 2012-13.

**1.3.1.3 Non-tax revenue**

In the current year, the share of non-tax revenue in total revenue receipts went up to 9.09 per cent from 8.20 per cent in the previous year. The percentage increase in non-tax revenue during the current year was 21.41 per cent over the previous year. The composition and growth in State's non-tax revenue is given in **Table 1.9**.

**Table 1.9: Components of State's non-tax revenue**

(₹ in crore)

Revenue Head	2009-10	2010-11	2011-12	2012-13	2013-14
Interest Receipts	164.69 (-10)	169.37 (3)	170.16 (0)	170.47 (0)	174.68 (2)
Dividends and Profits	0.91 (17)	0.62 (-32)	1.73 (179)	0.33 (-81)	1.46 (342)
Misc General Services	4780.12 (5)	4277.23 (-11)	323.71 (-92)	1420.73 (339)	1640.32 (15)
Road Transport	114.55 (-1)	150.39 (21)	183.35 (22)	222.51 (21)	199.68 (10)
Other non-tax receipts	592.43 (-35)	732.56 (24)	719.50 (-2)	815.17 (13)	1175.35 (44)
<b>Total Non-Tax revenue</b>	<b>5652.70 (-2)</b>	<b>5330.17 (-6)</b>	<b>1398.45 (-74)</b>	<b>2629.21 (88)</b>	<b>3191.49 (21)</b>

Source: Finance Accounts

Figures in parenthesis show rate of growth over previous year

#### 1.3.1.4 Grants-in-aid

(i) The position of Grants-in-aid received during the period 2009-10 to 2013-14 are presented in **Table 1.10**.

**Table 1.10: Grants-in-aid from Government of India**

(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Non-plan Grants	390.31	720.81	874.11	894.91	1064.11
<b>Total non-plan grants</b>	<b>390.31</b>	<b>720.81</b>	<b>874.11</b>	<b>894.91</b>	<b>1064.11</b>
Plan Grants <i>of which</i>					
Grants for State Plan Schemes	1279.25	954.65	694.06	684.19	1058.26
Grants for Central Plan Schemes	38.20	64.40	5.68	60.63	7.67
Grants for Centrally Sponsored Schemes	612.54	659.39	866.79	1135.84	1271.34
<b>Total plan grants</b>	<b>1929.99</b>	<b>1678.44</b>	<b>1566.53</b>	<b>1880.66</b>	<b>2337.27</b>
<b>Grand total</b>	<b>2320.30</b>	<b>2399.25</b>	<b>2440.64</b>	<b>2775.57</b>	<b>3401.38</b>
Percentage of increase over previous year	36.92	3.40	1.73	13.72	22.55
Revenue Receipts	22156.58	27608.47	26234.41	32051.15	35103.54
Percentage increase of Revenue Receipts	6.97	24.61	-4.98	22.17	9.53
Percentage of total grants with Revenue receipts	10.47	8.69	9.30	8.66	9.69

Source: Finance Accounts

**Table 1.10** shows that grants-in-aid from GoI increased at an annual average rate of 9.32 per cent during the period 2009-10 to 2013-14. It increased by 22.55 per cent over the previous year. During this period on an average 9.36 per cent of the revenue receipts were contributed by the grants-in-aid from the GoI.

**(ii) Refusal to Central assistance**

The Government of Punjab launched emergency ambulance services through 240 ambulances in Punjab between April and November 2011. The capital cost of ₹ 35.11 crore towards 240 ambulances was provided by GoI and the operational expenses were to be shared with GoI and GoP. During 2013-14, GoI was to contribute ₹ 9.32 crore out of the total operational expenses of ₹ 37 crore on these ambulances. On being asked by GoI in January 2013 to adopt uniform colour coding, the Government of Punjab decided to forego the financial support of ₹ 23.80<sup>5</sup> crore receivable from GoI during the period 2013-14 to 2015-16 without taking cognizance of difficult financial position<sup>6</sup> of the State which led to an additional financial burden on state exchequer.

The Finance Department stated (November 2014) that it was prerogative of the State to take up central assistance. The task of the State Government was to implement the scheme, which had not led to financial loss. The reply is not tenable as the State should have also taken cognizance of its difficult financial position while refusing Central assistance.

**1.3.1.5 Central tax transfer**

The actual release of share in Union taxes and duties to Punjab during 2010-11 to 2013-14 vis-à-vis projections made by the commission is tabulated in Table 1.11.

**Table 1.11: State's share in Union taxes and duties: Actual devolution vis-à-vis 13<sup>th</sup> Finance Commission projections**

(₹ in crore)				
Year	13 <sup>th</sup> Finance Commission projections	Projections in FCR	Actual tax devolution	Difference
1.	2.	3.	4.	5. (4-3)
2010-11	1.389 per cent of net proceeds of all shareable taxes excluding service tax and 1.411 per cent of net proceeds of sharable service tax	3207	3051	(-) 156
2011-12		3665	3554	(-) 111
2012-13		4398	4059	(-) 339
2013-14		5278	4432	(-) 846

Source: Fiscal consolidation roadmap of the State, Finance Accounts and Report of ThFC

**1.4 Capital receipts**

The capital receipts are non-debt capital receipts such as proceeds from disinvestment of equity in Government companies/corporations; recoveries of loans and advances; and debt capital receipts credited under public debt section of the Consolidated Fund. The public debt receipts fall broadly under two categories-(a) loans/advances from the Union Government; and (b) borrowings from banks, financial institutions through negotiated loans or open market borrowings through issue of State Development Loans. The share of non-debt capital receipts and loans/advances from the Union

<sup>5</sup> 2013-14: ₹ 9.32 crore, 2014-15: ₹ 7.28 crore and 2015-16: ₹ 7.20 crore.

<sup>6</sup> Revenue deficit: ₹ 6,537 crore; and Fiscal deficit: ₹ 8,790 crore during 2013-14.

Government was negligible and capital receipts were mainly borrowing from banks, financial institutions and open market, as detailed in **Table 1.12**.

**Table 1.12: Trends in growth and composition of capital receipts**

(₹ in crore)

Sources of State's Receipts	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Capital Receipts</b>	<b>11384.37</b>	<b>11532.26</b>	<b>14965.61</b>	<b>22340.80</b>	<b>24253.30</b>
Miscellaneous Capital Receipts	0.51	0.44	0.24	0.21	0.51
Recovery of Loans and Advances	1276.02	597.45	94.50	174.09	112.30
Public Debt Receipts	10107.84	10934.37	14870.87	22166.50	24140.49
<i>Internal Debt</i>	<i>10036.44</i>	<i>10741.44</i>	<i>14721.37</i>	<i>21944.56</i>	<i>23762.52</i>
<i>Growth rate</i>	<i>63.07</i>	<i>7.02</i>	<i>37.05</i>	<i>49.07</i>	<i>8.28</i>
<i>Loans and advances from GoI</i>	<i>71.40</i>	<i>192.93</i>	<i>149.50</i>	<i>221.94</i>	<i>377.97</i>
<i>Growth rate</i>	<i>-74.29</i>	<i>170.21</i>	<i>-22.51</i>	<i>48.45</i>	<i>70.30</i>
Rate of growth of debt Capital Receipts	57.14	8.18	36.00	49.06	8.90
Rate of growth of non-debt capital receipts	1520.99	-53.16	-84.15	83.98	-35.28
Rate of growth of GSDP	13.48	14.53	13.34	11.23	11.18
Rate of growth of Capital Receipts (per cent)	74.85	1.30	29.77	49.28	8.56

Source: Finance Accounts

Public debt receipts from internal sources i.e. market loans/borrowings from financial institutions, bank, etc. registered annual average growth rate of 27.77 per cent during 2009-10 to 2013-14.

## 1.5 Public Account receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc. which do not form part of the consolidated fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use, as given in **Table 1.13**.

**Table 1.13: Detail of net Public Account receipts**

(₹ in crore)

Source of State Receipts	Public Account Receipts		Disbursement from Public Account		Excess of receipts over disbursements	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
Small Savings, Provident Funds, etc.	3205.99	3340.96	1640.74	1376.93	1565.25	1964.03
Reserve Funds	645.57	576.80	13.16	237.53	632.41	339.27
Deposits and advances	3882.13	3860.12	3947.82	3668.57	-65.69	191.55
Suspense and Miscellaneous	34468.37	37940.13	34450.68	38180.99	17.69	-240.86
Remittances	1505.09	-38.86	1511.00	70.59	-5.91	-109.45
<b>Total</b>	<b>43707.15</b>	<b>45679.15</b>	<b>41563.40</b>	<b>43534.61</b>	<b>2143.75</b>	<b>2144.54</b>

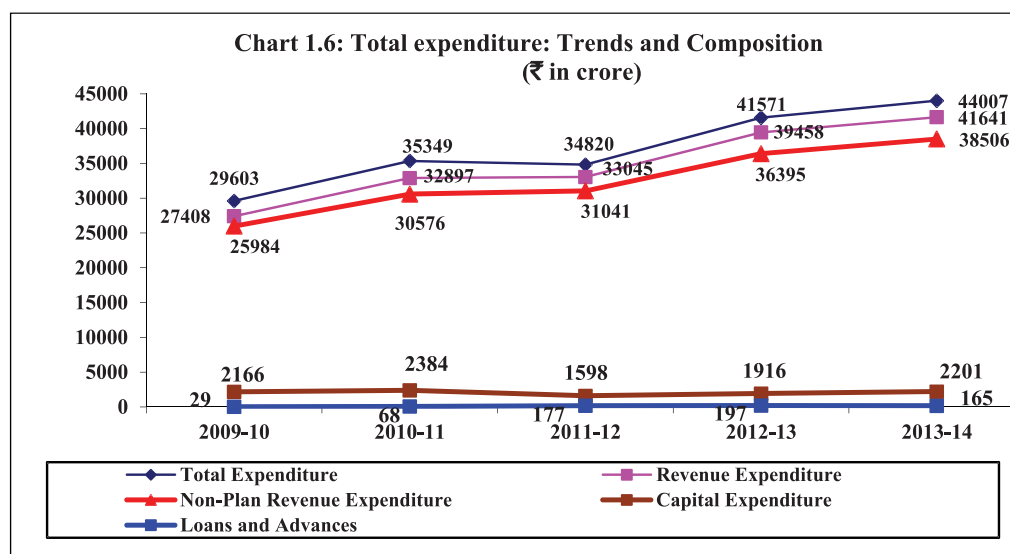
Source: Finance Accounts of respective years

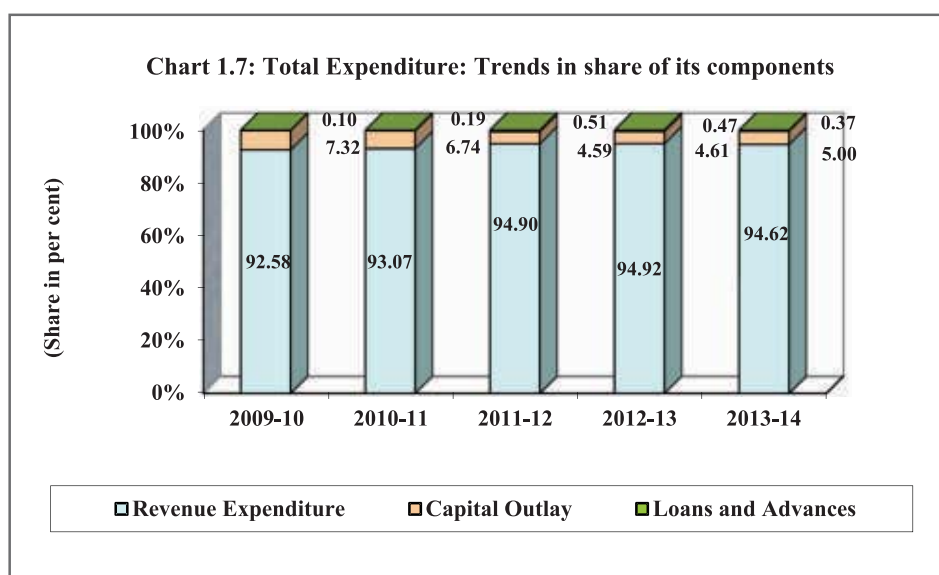
## 1.6 Application of resources

The Government raises resources to perform their sovereign functions, to maintain the existing level of delivery in social and economic services, to extend the network of these services through capital expenditure and investments; and to discharge their debt service obligations. Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising the public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially the expenditure directed towards development of social sector.

### 1.6.1 Growth and composition of expenditure

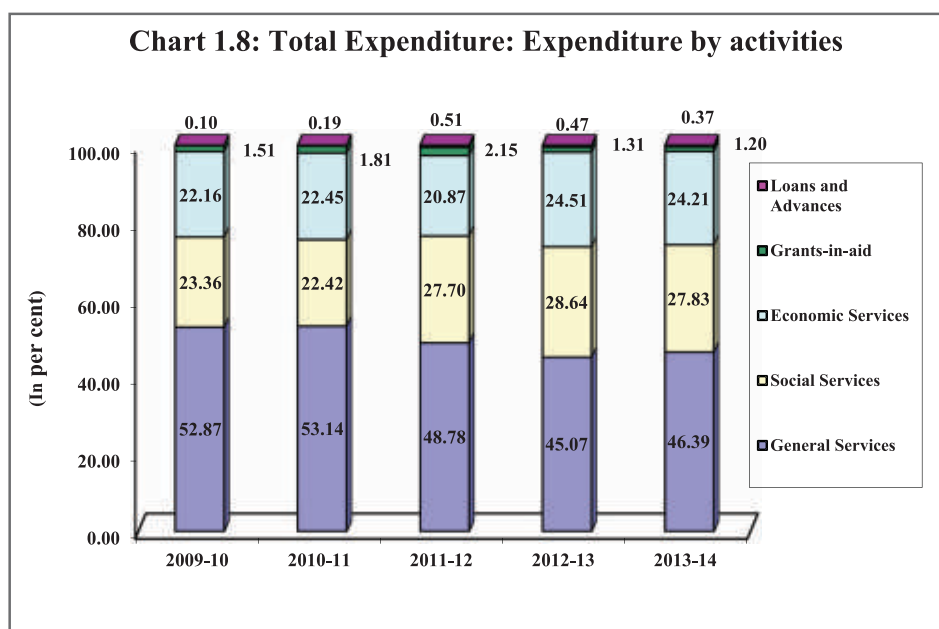
**Chart 1.6** presents the trends of total expenditure over a period of the last five years (2009-14) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted in **Chart 1.7** and **1.8** respectively.





The total expenditure of the State increased by 48.66 per cent from ₹ 29,603 crore in 2009-10 to ₹ 44,007 crore in 2013-14. It increased by ₹ 2,436 crore (5.86 per cent) over the previous year. The revenue expenditure increased by ₹ 2,183 crore (5.53 per cent), the capital expenditure increased by ₹ 285 crore (14.87 per cent) and disbursement of loans and advances decreased by ₹ 32 crore (16.24 per cent) during the current year over the previous year.

Similarly, the non-plan revenue expenditure (NPRE) increased by ₹ 2,111 crore (5.80 per cent) in 2013-14 as compared to the previous year. The NPRE also exceeded the normative assessment made by ThFC (₹ 29,160 crore) by 32.05 per cent.

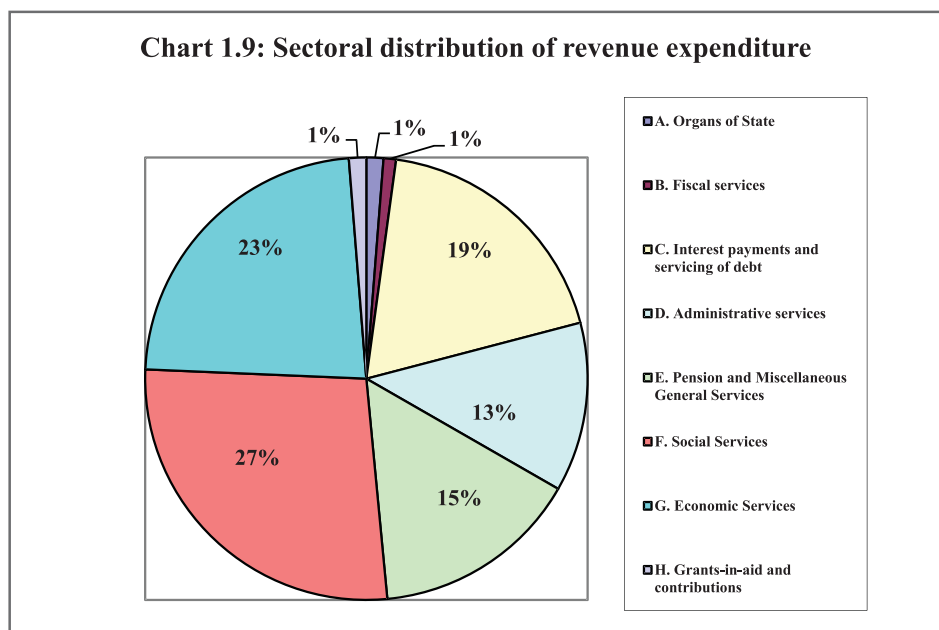


The movement of relative share of various components of expenditure (**Chart 1.8**) indicates that the share of General Services in total expenditure decreased from 52.87 *per cent* in 2009-10 to 46.39 *per cent* in 2013-14, Social services increased from 23.36 *per cent* to 27.83 *per cent* and Economic Services increased from 22.16 *per cent* to 24.21 *per cent* during the same period. The development expenditure i.e. 'expenditure on social and economic services' together remained between 45 and 53 *per cent* during the period 2009-14.

The revenue expenditure continued to constitute a dominant proportion (93 to 95 *per cent*) of the total expenditure during the years 2009-14 (**Chart 1.7 and Appendix 1.8**). During this period, it grew at an annual average growth rate of 10.39 *per cent*. The plan revenue expenditure contributed just five to eight *per cent* of the total revenue expenditure, whereas the non-plan revenue expenditure was 92 to 95 *per cent* during the period 2009-14 (**Appendix 1.8**).

The revenue expenditure increased by ₹ 2,183 crore (5.53 *per cent*) from ₹ 39,458 crore in 2012-13 to ₹ 41,641 crore in 2013-14. The overall increase is the result of prominent increase under the heads 'Interest payments' (₹ 989.20 crore: 14.48 *per cent*), 'Pensions and other retirement benefits' (₹ 310.98 crore: 5.21 *per cent*), 'Welfare of Scheduled Castes, Scheduled Tribes, other backward classes and Minorities' (₹ 278.66 crore: 70.27 *per cent*), 'Police' (₹ 254.46 crore: 7.07 *per cent*), 'Housing' (₹ 176.88 crore: 100 *per cent*) and 'Other rural development programmes' (₹ 169.23 crore: 32.02 *per cent*).

The revenue expenditure was higher by ₹ 530 crore (1.26 *per cent*) than the projections in FCR (₹ 42,171 crore) for the year 2013-14. The sector-wise distribution of revenue expenditure is shown in **Chart 1.9**.





During the current year the Capital Expenditure increased by ₹ 285 crore (14.87 per cent) over the previous year. The increase was mainly under capital outlay on Roads and Bridges (₹ 170.95 crore: 81.57 per cent), capital outlay on Education Sports, Art and Culture (₹ 169.83 crore: 90.87 per cent), capital outlay on Housing (₹ 96.62 crore: 1118.93 per cent) partly offset by decrease mainly under capital outlay on Medium irrigation (₹ 126.12 crore: 70.51 per cent) and capital outlay on other general economic services (₹ 68.25 crore: 47.54 per cent).

The capital expenditure during the current year (₹ 2,201 crore) was only 28.21 per cent of the projections made in the FCR (₹ 7,802 crore). This shows that due priority was not accorded to capital expenditure.

In reply, the Finance Department stated (November 2014) that Punjab was a developed State, where most of the physical infrastructure for providing various social and economic services to people of the State such as schools, colleges, hospitals, roads and bridges etc. had already been built by the State Government. The maintenance expenditure of these assets was on revenue side. Therefore, in a State like Punjab, revenue expenditure would be high and capital expenditure on lower side. Private Sector was also investing in creation of physical infrastructure in the State. The fact remains that expenditure is not in line with the projections made in the Fiscal Consolidation Roadmap for the State.

### 1.6.2 Committed expenditure

The committed expenditure of the Government on revenue account consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.14** presents the trends in expenditure on these components during 2009-10 to 2013-14.

**Table 1.14: Trends in components of committed expenditure**

Sr. No	Components of committed expenditure	2009-10	2010-11	2011-12	2012-13	2013-14	
						BE	Actuals
1	Salaries and Wages <sup>\$</sup> , of which	8225 (37)	9750 (35)	12403 (47)	14120 (44)	15582 (37)	14852 (42)
	Under Non-Plan Head	8034	9525	12081	13727	15011	14496
	Under Plan Head*	191	225	322	393	571	356
2	Interest Payments	5011 (23)	5515 (20)	6280 (24)	6831 (21)	7602 (18)	7820 (22)
3	Pensions	3357 (15)	5309 (19)	5657 (22)	5966 (19)	5168 (12)	6277 (18)
4	Subsidies	2919 (13)	3480 (13)	3215 (12)	5132 (16)	6539 (15)	4904 (14)
	<b>Total Committed Expenditure</b>	<b>19512</b>	<b>24054</b>	<b>27555</b>	<b>32049</b>	<b>34891</b>	<b>33853</b>
	<b>Total Revenue expenditure<sup>#</sup></b>	<b>27408</b>	<b>32897</b>	<b>33045</b>	<b>39458</b>	<b>44412</b>	<b>41641</b>
	<b>Revenue Receipts</b>	<b>22157</b>	<b>27608</b>	<b>26234</b>	<b>32051</b>	<b>42666</b>	<b>35104</b>

Source: Finance Accounts

Figures in the parenthesis indicate percentage to Revenue Receipts

<sup>\$</sup> Salaries (2013-14): ₹ 14580.34 crore + Wages (2013-14): ₹ 271.46 crore

\* Plan Head includes centrally sponsored schemes

<sup>#</sup> includes expenditure other than committed expenditure.



**1.6.2.1 Salaries**

**Table 1.15** presents the targets of various components of committed expenditure vis-à-vis targets during 2013-14.

**Table 1.15: Committed expenditure vis-à-vis targets during 2013-14***(₹ in crore)*

Item	ThFC	FCR for State	2012-13	2013-14	
				BE	Actuals
<b>Salaries</b>	10273	13391	13867	15269	14580
<b>Interest payments</b>	7138	7630	6831	7602	7820
<b>Pensions</b>	4869	5835	5966	5168	6277
<b>Subsidies</b>	--	--	5132	6539	4904
<i>of which Power subsidy</i>	--	4520	5059	6324	4815

Source: Finance Accounts

**Table 1.15** shows that the expenditure on salaries exceeded the projections of ThFC and FCR by ₹ 4,307 crore (41.93 per cent) and ₹ 1,189 crore (8.88 per cent) respectively.

**1.6.2.2 Interest payments**

**Table 1.15** shows that the interest consumed 22 per cent of revenue receipts as against 21 per cent during the previous year. Interest payments exceeded the projections of ThFC, FCR and budget estimates by ₹ 682 crore (9.55 per cent), ₹ 190 crore (2.49 per cent) and ₹ 218 crore (2.87 per cent) respectively.

**1.6.2.3 Subsidies**

**Table 1.15** shows that the subsidies during the current year came down by ₹ 228 crore (4.44 per cent) over the previous year. The actual expenditure on subsidies (₹ 4,904 crore) was less than the projection made in the BE (₹ 6,539 crore). However, payment of Power subsidy (₹ 4,815 crore) exceeded the norm of FCR (₹ 4,520 crore) by ₹ 295 crore (6.53 per cent). The subsidies present a partial picture as these are exclusive of the implicit subsidies. Implicit subsidies arise when the Government provides social and economic goods/services at a price lesser than the cost of goods and services incurred by the Government. It can be indirect or in kind or take the shape of concessions. Some implicit subsidies extended during 2013-14 are detailed in the **Table 1.16**.

**Table 1.16: Details of implicit subsidies***(₹ in crore)*

Sr. No.	Scheme	Amount
1	Free books to scheduled caste Students (Ist to Xth Class)	40.00
2.	Reimbursement to Transport department in respect of facility to physically handicap and blind in Government/ PRTC buses	9.04
3	Reimbursement to Transport department in lieu of free concessional travel facility to women above the age of 60 years in Government/PRTC buses	0.84

Sr. No.	Scheme	Amount
4	Shagun to Scheduled Castes girls/widows/divorcees and daughters of widows at the time of their marriage	120.26
5	Shagun to Backward classes and Christian girls/widows/divorcees and daughters of widows	0.95
6	Mai Bhago free bi-cycle to all girl students studying in class 9 <sup>th</sup> to 12 <sup>th</sup>	20.63
7	Mai Bhago vidya scheme free bi-cycle to all girl students studying in class 9 <sup>th</sup> to 12 <sup>th</sup> (Special component plan for Scheduled Castes)	12.20
	<b>Total</b>	<b>203.92</b>

Source: Detailed Appropriation Accounts

#### 1.6.2.4 Pension payments

Table 1.15 shows that the pension payments recorded a growth of ₹ 311 crore (5.21 per cent) during the current year over the previous year. Pension payments exceeded the projections of ThFC and FCR by ₹ 1,408 crore (28.92 per cent) and ₹ 442 crore (7.57 per cent) respectively.

#### 1.6.3 Financial assistance to the local bodies/other institutions

The quantum of assistance provided by way of grants and loans to the local bodies and other institutions during the current year and the previous years is presented in Table 1.17.

Table 1.17: Financial assistance to local bodies, etc.

(₹ in crore)

Institutions	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE	Actual
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	748.02	683.84	905.58	921.18	495.95	564.95
Municipal Corporations and Municipalities	18.87	155.05	71.90	43.13	106.00	109.10
Zila Parishads and Other Panchayati Raj Institutions	116.93	87.02	131.48	132.39	132.33	99.27
Development Agencies	10.41	3.59	0.43	127.67	838.78	754.92
Hospitals and Other Charitable Institutions	46.45	63.27	90.14	105.06	116.60	98.15
<b>TOTAL</b>	<b>940.68</b>	<b>992.77</b>	<b>1199.53</b>	<b>1329.43</b>	<b>1689.66</b>	<b>1626.39</b>
Assistance as percentage of RE	3.43	3.62	3.63	3.37	3.80	3.91

Source: Finance Accounts

The financial assistance to the local bodies and other institutions increased by ₹ 296.96 crore (22.34 per cent) over the previous year. This increase was mainly due to increase in assistance to the Development agencies (₹ 627.25 crore: 491.31 per cent); Municipal Corporations and Municipalities (₹ 65.97 crore: 152.96 per cent) off-set by decrease in assistance to educational institutions (₹ 356.23 crore: 38.67 per cent).

The overall quantum of financial assistance to the local bodies and other institutions remained between 3.37 and 3.91 *per cent* of the revenue expenditure during 2009-14.

## 1.7 Quality of expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves adequacy and efficiency of the expenditure.

### 1.7.1 Adequacy of public expenditure

Adequacy of public expenditure means whether there are enough provisions for providing public services. The responsibilities to incur expenditure on social sector and economic infrastructure are largely assigned to the State Governments. For enhancing the levels of human development, the States are required to step up their expenditure on key social services like education, health etc. The fiscal priority (ratio of expenditure on a particular category to the aggregate expenditure) to a particular sector is considered low, if it is below the respective national average. The fiscal priority of the State Government with regard to development expenditure, expenditure on social sector and capital expenditure etc. is shown in **Table 1.18**.

**Table 1.18: Fiscal priority of the State in 2010-11 and 2013-14**

Fiscal Priority by the State	(In per cent)					
	AE/ GSDP	DE <sup>#</sup> / AE	SSE/ AE	CE/ AE	Education/ AE	Health/ AE
<b>General Category States Average* (Ratio) 2010-11</b>	15.78	65.09	36.88	13.49	17.48	4.37
<b>Punjab (Ratio) 2010-11</b>	15.63 (99.05)	44.95 (69.06)	22.42 (60.79)	6.74 (49.96)	12.28 (70.25)	3.48 (79.63)
<b>General Category States Average* (Ratio) 2013-14</b>	15.92	66.45	37.56	13.62	17.20	4.51
<b>Punjab (Ratio) 2013-14</b>	13.88 (87.19)	52.30 (78.71)	27.83 (74.09)	5.00 (36.71)	15.41 (89.59)	4.47 (99.11)

Source: Finance Accounts

Figures in parenthesis indicate percentage to General Category States Average

\*General category States represents States other than 11 states termed as Special Category States (Arunachal Pradesh, Assam, Jammu & Kashmir, Himachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand).

All India Average is worked out on the basis of figures of expenditure and GSDP of 16 General Category States (excluding Delhi, Goa and Puducherry).

AE: Aggregate Expenditure, DE: Development Expenditure, SSE: Social Sector Expenditure, CE: Capital Expenditure

<sup>#</sup> Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.

From the **Table 1.18**, it is clear that during the years 2010-11 and 2013-14:

- Public expenditure, as indicated by the ratio of aggregate expenditure to GSDP, was lower in 2010-11 in the State as compared to the General Category States and the trend continues in the year 2013-14.

The ratio of public expenditure incurred by Punjab to that incurred by General Category States has come down from 99.05 *per cent* in 2010-11 to 87.19 *per cent* in 2013-14 which indicates that gap between the expenditure incurred by Punjab and the average expenditure incurred by General Category States is widening.

- Development expenditure refers to the expenditure on economic and social sector. Increased priority to Development expenditure will result in better human and physical asset formation which will further increase the growth prospects of the State. In the case of Punjab, lower priority was given to the Development expenditure, as lower proportion of the aggregate expenditure as compared to General Category States was spent under this head. However, the ratio of expenditure incurred by Punjab to the average expenditure incurred by General Category States has gone up from 69.06 *per cent* in 2010-11 to 78.71 *per cent* in 2013-14.
- Similarly, lower priority had been given to the expenditure in Social Sector as lower proportion of aggregate expenditure was spent on this sector as compared to the General Category States in the country. However, priority to expenditure on education and health, which are main constituents of Social Sector, has improved during the year 2013-14. In the case of education, the ratio of expenditure incurred by the Government of Punjab to average expenditure incurred by General Category States has gone up from 70.25 *per cent* in 2010-11 to 89.59 *per cent* in 2013-14 whereas in the case of health, it has gone up from 79.63 *per cent* in 2010-11 to 99.11 *per cent* in 2013-14.
- Capital expenditure increases the asset creation which will generate opportunities for higher growth. In Punjab, the ratio of capital expenditure to the aggregate expenditure was also lower as compared to the General Category States. The ratio of Capital expenditure incurred by Punjab to the average capital expenditure incurred by General Category States has come down from 49.96 *per cent* in 2010-11 to 36.71 *per cent* in 2013-14 which indicates that gap between capital expenditure incurred by Punjab and that incurred by General Category States is widening.

### **1.7.2 Efficiency of expenditure**

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves adequacy of the expenditure (i.e. adequate provisions for providing public services) and efficiency of expenditure (use). In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods. Apart from improving the allocation towards development expenditure, particularly in view of the fiscal space being created

on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.19** presents the expenditure incurred in various sectors, **Table 1.20** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* budgeted and the previous years.

**Table 1.19: Expenditure incurred in various sectors***(₹ in crore)*

Sector	Total Expenditure	Amount of Committed expenditure	Per cent spent on committed expenditure	Amount of Capital expenditure	Per cent spent on Capital expenditure
General Services	20460.08	19572.03	95.66	218.36	1.07
Social Services	12249.42	7246.11	59.15	930.33	7.59
Economic Services	10767.24	7045.72	65.44	1051.92	9.77

*Source: Finance Accounts***Table 1.20: Development expenditure***(₹ in crore)*

Components of Development expenditure	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE	Actual
Total Development expenditure (a to c)	13476 (45.52)	15890 (44.95)	17042 (48.94)	22241 (53.50)	30914 (59.37)	23017 (52.30)
a. Development Revenue expenditure	11436 (38.63)	13660 (38.64)	15511 (44.54)	20342 (48.93)	24628 (47.30)	20919 (47.54)
b. Development Capital expenditure	2041 (6.89)	2199 (6.22)	1402 (4.03)	1754 (4.22)	5993 (11.51)	1982 (4.50)
c. Development Loans and Advances	0 (Nil)	31 (0.09)	129 (0.37)	145 (0.35)	293 (0.56)	116 (0.26)

*(Figures in parenthesis indicate percentage to aggregate expenditure)**Source: Finance Accounts*

**Table 1.20** shows that the total development expenditure increased by ₹ 9,541 crore (70.80 *per cent*) during 2009-10 to 2013-14 and by ₹ 776 crore (3.49 *per cent*) during the current year over the previous year.

The development revenue expenditure increased from ₹ 11,436 crore in 2009-10 to ₹ 20,919 crore in 2013-14. The development revenue expenditure increased by ₹ 577 crore (2.84 *per cent*) during the current year over the previous year, whereas it was less by ₹ 3,709 crore (15.06 *per cent*) when compared with the BE of the State for the year 2013-14.

The development capital expenditure decreased from ₹ 2,041 crore in 2009-10 to ₹ 1,982 crore in 2013-14. The less development capital expenditure during 2013-14 as compared to 2009-10 implies that the State Government was

giving less priority to capital expenditure for development as only 4.50 *per cent* of the aggregate expenditure as against 6.89 *per cent* in 2009-10 was incurred on development capital expenditure.

**Table 1.21: Expenditure on selected Social and Economic Services vis-à-vis respective total expenditure**

(In per cent)

Social/Economic Infrastructure	2012-13		2013-14	
	Ratio of CE to TE	In RE, the share of S&W	Ratio of CE to TE	In RE, the share of S&W
<b>Social Services (SS)</b>				
General Education	2.84	71.95	5.13	75.74
Health and Family Welfare	5.75	82.17	4.20	81.83
WS, Sanitation, HUD	42.41	59.74	46.02	63.55
<b>Total (SS)</b>	<b>6.01</b>	<b>62.38</b>	<b>7.59</b>	<b>63.66</b>
<b>Economic Services (ES)</b>				
Agri. and Allied Activities	1.08	54.16	5.49	51.78
Irrigation & Flood Control	32.16	75.67	21.18	67.59
Power and Energy	0.00	0.02	0.00	0.02
Transport	24.32	29.34	36.00	31.76
<b>Total (ES)</b>	<b>10.04</b>	<b>22.08</b>	<b>9.77</b>	<b>22.63</b>
<b>Total (SS+ES)</b>	<b>7.88</b>	<b>44.25</b>	<b>8.61</b>	<b>44.83</b>
<i>WS: Water Supply, HUD: Housing and Urban Development; Agri: Agriculture; CE: Capital Expenditure; TE: Total Expenditure; RE: Revenue Expenditure; S&amp;W: Salary and Wages.</i>				

Source: Finance Accounts

**Table 1.21** shows that in 2013-14, the ratio of the capital expenditure (CE) to the total expenditure (TE) on the Social Services (SS) increased by 1.58 and that of the capital expenditure to the total expenditure on Economic Services (ES) decreased by 0.27 *per cent*.

The share of salaries and wages components in revenue expenditure on SS increased from 62.38 to 63.66 *per cent* and in case of ES from 22.08 to 22.63 *per cent* during the current year over the previous year.

The combined ratio of CE to TE on SS and ES increased by 0.73 during 2013-14 over the previous year, while the share of salaries and wages in revenue expenditure on SS and ES increased from 44.25 to 44.83 *per cent*.

## 1.8 Analysis of Government expenditure and investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) not only at low level but also meet its capital expenditure/ investment including loans and advances. In addition, the State Government needs to initiate measures to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget



in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital works undertaken by the Government during the current year vis-à-vis the previous years.

### 1.8.1 Financial results of irrigation works

The financial results of nine<sup>7</sup> major irrigation projects involving a capital expenditure of ₹ 495.53 crore at the end of March 2014 showed that revenue realised from these projects during 2013-14 (₹ 11.40 crore) was only 2.30 per cent of the capital expenditure. This return was not sufficient to cover even the total working expenses and maintenance during the year 2013-14 (₹ 355.38 crore). After meeting the direct working expenditure and interest charges of ₹ 380.48 crore, the projects suffered a net loss of ₹ 369.08 crore.

### 1.8.2 Incomplete projects

The department-wise information pertaining to the incomplete projects as on 31 March 2014 is given in the **Table 1.22**.

**Table 1.22: Department-wise profile of incomplete projects**

(₹ in crore)

Department	Number of Incomplete Projects	Initial Budgeted Cost	Revised Total Cost of Projects	Expenditure	Cost Overrun
Irrigation	4	2508.42	NA	410.28	NA
	1	1.68	NA	NA	NA
	1	58.15	74.14	26.57	15.99
Buildings and Roads	1	1.78	NA	NA	NA
	33	254.80	NA	150.70	NA
<b>Total</b>	<b>40</b>	<b>2824.83</b>	<b>74.14</b>	<b>587.55</b>	<b>15.99</b>

Source: Finance Accounts

NA stands for Not Available

Out of total 40 incomplete projects, six projects were in Irrigation Department and 34 projects were in Public Works (B&R) Department.

On this being pointed out (September 2014), the Finance Department stated (November 2014) that all out efforts were being made to release funds to complete these incomplete projects.

<sup>7</sup> (i) Upper Bari Doab Canal; (ii) Sirhind canal; (iii) Sutlej valley project (Eastern canal); (iv) Shah Nahar Canal Project; (v) Madhopur Beas Link Project; (vi) Harike Project; (vii) Installation of 96 tubewells in Shahkot block of Jalandhar district; (viii) Installation of 150 tubewells along main branch to augment Irrigation supplies from Upper Bari Doab Canal tracts and (ix) Installation of 108 tubewells in Mahilpur block of Hoshiarpur district.

### 1.8.3 Investment and return

The investment and return on investment is given in **Table 1.23**.

**Table 1.23: Return on investment**

Investment/return/ cost of borrowings	2009-10	2010-11	2011-12	2012-13	2013-14
Investment at the end of the year (₹ in crore)	3832.41	3831.96	3831.73	3832.65	3862.16
Return (₹ in crore)	0.91	0.62	1.73	0.33	1.46
Return ( <i>per cent</i> )	0.02	0.02	0.05	0.01	0.04
Average rate of interest on Government Borrowing ( <i>per cent</i> )	7.72	7.73	7.96	7.79	8.04
Difference between interest rate and return ( <i>per cent</i> )	7.70	7.71	7.91	7.78	8.00

Source: Finance Accounts

The return on investment from Co-operative Banks and Societies; Joint Stock Companies; and Government companies was ₹ 0.03 crore, ₹ 0.18 crore and ₹ 1.25 crore, respectively aggregating to ₹ 1.46 crore (0.04 *per cent*). The return was only between 0.01 and 0.05 *per cent* during 2009-14, while the average rate of interest paid by the Government of Punjab on its borrowings was between 7.72 and 8.04 *per cent* during the same period.

### 1.8.4 Loans and advances by the Government of Punjab

In addition to the investments in Co-operative Societies, Corporations and Companies, the Government of Punjab has also been providing loans and advances to many institutions/organizations. **Table 1.24** presents the position of outstanding loans and advances as on 31 March 2014, interest receipts vis-à-vis interest payments by the State Government on its borrowings during last five years.

**Table 1.24: Position of outstanding loans and advances and interest received/paid**

	(₹ in crore)				
Quantum of loans/ interest receipts/ cost of borrowings	2009-10	2010-11	2011-12	2012-13	2013-14
Opening Balance of loans outstanding	4100	2853	2324	2406	2429
Amount advanced during the year	29	68	177	197	165
Amount recovered during the year	1276	597	95	174	112
Closing Balance of the loans outstanding	2853	2324	2406	2429	2482
Interest received	42	51	40	44	48
Interest received as <i>per cent</i> to the outstanding Loans and Advances	1.47	2.19	1.66	1.83	1.93
Rate of Interest paid as <i>per cent</i> to the outstanding fiscal liabilities of the Government	7.72	7.03	7.96	7.79	8.04
Difference between the rate of, interest paid and interest received ( <i>per cent</i> )	(-)6.25	(-)5.54	(-)6.30	(-)5.96	(-) 6.11

Source: Finance Accounts



During 2013-14, ₹ 165 crore were advanced as loans against ₹ 197 crore during previous year. Further, recovery of loans amounting to ₹ 112 crore was made as against ₹ 174 crore during previous year. The total outstanding loan increased from ₹ 2,429 crore (31 March 2013) to ₹ 2,482 crore (31 March 2014). The interest receipts of ₹ 48 crore during the current year increased by ₹ four crore (9.09 *per cent*) over the previous year. While the interest payment during 2013-14 was 8.04 *per cent* of its outstanding fiscal liabilities, the interest received was only 1.93 *per cent* of the outstanding loans and advances.

### 1.8.5 Cash balances and investment of cash balances

**Table 1.25** depicts the cash balances and investments made by the Government of Punjab out of the cash balances during the year 2013-14. Total investment out of cash balances during 2013-14 were ₹ 102.03 crore. On these investments, the Government earned interest of ₹ 4.30 crore during the current year. The cash balances at the close of the current year increased from ₹ (-)303.63 crore of the previous year to ₹ 630.42 crore mainly due to decrease in *minus* balance of Deposits with Reserve Bank of India from ₹ 881.21 crore to ₹ 69.18 crore.

**Table 1.25: Cash balances and investment of cash balances**

(₹ in crore)				
	Overall Cash Position of the Government	As on 31st March 2013	As on 31st March 2014	Increase(+)/ Decrease(-)
(A)	<b>General Cash Balances-</b>			
1	Deposits with Reserve Bank of India	(-)881.21	(-)69.18	812.03
2	Investment held in the Cash balance Investment Account	102.03	102.03	0.00
	<b>Total (A)</b>	<b>(-)779.18</b>	<b>32.85</b>	<b>812.03</b>
(B)	<b>Other Cash Balances and Investments-</b>			
1	Cash with departmental officers viz; Forest and Public Works	474.65	596.67	122.02
2	Permanent advances for contingent expenditure with departmental officers	0.22	0.22	0.00
3	Investments of earmarked fund	0.70	0.68	(-)0.02
	<b>Total (B)</b>	<b>475.57</b>	<b>597.57</b>	<b>122.00</b>
	<b>Total (A) and (B)</b>	<b>(-)303.61</b>	<b>630.42</b>	<b>934.03</b>
	<b>Interest realised on investment</b>	<b>3.88</b>	<b>4.30</b>	<b>0.42</b>

Source: Finance Accounts

The Finance Department stated (November 2014) that the Heads of the Departments had been instructed (September 2013) not to deposit the PLA money in private bank accounts, not to withdraw money through LOC for keeping in cash chest or in separate bank accounts and to deposit unutilized cash withdrawn through LOC in the treasury. However, the fact remains that inspite of issuance of instructions by the Finance Department, an amount of ₹ 596.67 crore was lying in cash with departmental officers viz. Forest and Public Works as on 31 March 2014.

Under an agreement with the Reserve Bank of India, the Government of Punjab has to maintain with the bank a minimum balance of ₹ 1.56 crore on all

days. If the balance falls below the agreed minimum balance on any day, the deficiency is made good by taking ways and means advances/overdraft from the Reserve Bank of India.

As per Statement 6 of the Finance Accounts, ₹ 158.07 crore were outstanding as ways and means advances at the end of the year 2012-13. During 2013-14, the Government obtained ₹ 7,244.06 crore as ways and means advances from Reserve Bank of India on 89 occasions, out of which ₹ 6,855.24 crore were repaid during the year leaving a balance of ₹ 546.89 crore. An amount of ₹ 15.58 crore was paid as interest on these advances.

There was no outstanding balance at the end of the year 2012-13 as shortfall/overdraft. During 2013-14, the Government had availed shortfall of ₹ 17.16 crore on 11 occasions and overdraft of ₹ 6,206.30 crore on 57 occasions. During the year, ₹ 6,177.73 crore were repaid leaving balance of ₹ 45.73 crore. An amount of ₹ 7.89 crore was paid as interest on these shortfalls/overdrafts.

Minimum cash balance was maintained for 119 days without taking any advance from the RBI.

## **1.9 Assets and liabilities**

### **1.9.1 Growth and composition of assets and liabilities**

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts capture the fiscal liabilities and the assets created out of the expenditure incurred. *Appendix 1.4–Part B* gives an abstract of such liabilities and the assets as on 31 March 2014, compared with the corresponding position as on 31 March 2013. The liabilities consist mainly of internal borrowings; loans and advances from the GoI; receipts from the Public Account; and Reserve Funds. The assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

In real terms, during 2013-14, the assets grew by ₹ 3,194.41 crore (9.76 *per cent*) whereas the liabilities increased by ₹ 9,731.55 crore (10.52 *per cent*) over the previous year. The ratio of Financial Assets to Liabilities came down to 35.13 *per cent* in 2013-14 from 40.82 *per cent* in 2009-10 which was 35.37 *per cent* in the previous year.

### **1.9.2 Fiscal liabilities**

There are two sets of liabilities namely, Public Debt and Other Liabilities. The Public Debt consists of Internal Debt of the State and is accounted for under the Consolidated Fund. It includes market loans, special securities issued to National Small Savings Fund; and loans and advances from the Central Government. The Constitution of India provides that a State may

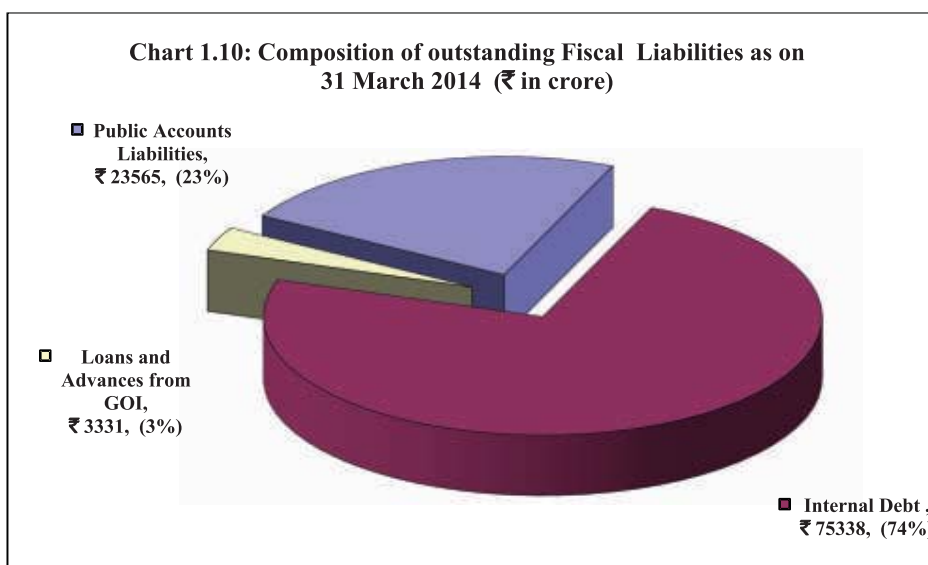
borrow, within the territory of India, upon the security of its Consolidated Fund, within such limits as may, from time to time, be fixed by the Act of its Legislature and give guarantees within such limits as may be fixed. The other liabilities, which are part of the Public Account, include deposits under small savings scheme, provident funds and other deposits. The trends in outstanding fiscal liabilities, its rate of growth, ratio of these liabilities to GSDP, to revenue receipts of the State and State's own resources as also the buoyancy of fiscal liabilities with respect to these parameters during the period 2009-14 are presented in **Table 1.26**.

**Table 1.26: Fiscal liabilities – Basic Parameters**

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Fiscal Liabilities (₹ in crore)</b>	67967	74784	83099	92282	102234
<b>Rate of Growth (per cent)</b>	9.89	10.03	11.12	11.05	10.78
<b>Ratio of Fiscal liabilities to</b>					
<b>GSDP (per cent)</b>	34.41	33.06	32.41	32.36	32.24
<b>Revenue receipts (per cent)</b>	306.75	270.87	316.76	287.92	291.23
<b>Own resources (per cent)</b>	384.16	337.50	410.59	365.95	374.88
<b>Buoyancy of Fiscal liabilities to</b>					
<b>GSDP (ratio)</b>	0.73	0.69	0.83	0.98	0.96
<b>Revenue receipts (ratio)</b>	1.42	0.41	-2.23	0.50	1.13
<b>Own resources (ratio)</b>	2.21	0.40	-1.28	0.45	1.32

Source: Finance Accounts

The composition of outstanding fiscal liabilities as on 31 March 2014 is presented in **Chart 1.10**.



The overall fiscal liabilities of the Government had been on the rise and it increased from ₹ 67,967 crore in 2009-10 to ₹ 1,02,234 crore in 2013-14. The Consolidated Fund liabilities (₹ 78,669 crore) comprised of internal debt of ₹ 75,338 crore and loans of ₹ 3,331 crore from GoI. The Public Account liabilities (₹ 23,565 crore) comprises of small savings, provident fund

(₹ 16,526 crore) and interest bearing obligations and non-interest bearing obligations like deposits and other earmarked funds (₹ 7,039 crore).

### 1.9.3 Management of Reserve Funds

**Table 1.27: Position of Reserve Funds**

(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Reserve Funds Bearing Interest</b>					
<b>1. Closing Balance, of which</b>	2280	2292	2607	3240	3579
<b>Investments</b>	Nil	Nil	Nil	Nil	Nil
<b>2. Funds Utilised for Intended Purposes</b>	35	188	160	13	238
<b>3. Interest Paid on Interest-Bearing Reserve Funds</b>	8	85	245	276	311
<b>Reserve Funds not bearing interest</b>					
<b>Closing Balance, of which</b>	9	9	9	9	9
<b>Investments</b>	0.68	0.68	0.68	0.68	0.68
<b>Cumulative aggregate balance</b>	<b>2289</b>	<b>2301</b>	<b>2616</b>	<b>3249</b>	<b>3588</b>
<b>Inoperative Reserve Funds</b>					
<b>No. of Inoperative Funds</b>	4	4	4	4	4
<b>Amount</b>	9	9	9	9	9

Source: Finance Accounts of respective years

**Table 1.27** shows that the cumulative aggregate balance in Reserve Funds as on 31 March 2014 was ₹ 3,588 crore. Out of which ₹ 68 lakh were invested. As per Finance Accounts, Reserve Funds not bearing interest have been inoperative since 1982-83.

### 1.9.4 Non-investment of State Disaster Response Funds

The GoI, Ministry of Home Affairs constituted (September 2010) the State Disaster Response Fund (SDRF) at state level for providing immediate relief to the victims of natural calamities and issued guidelines for administration of this fund. As per paragraph 19 of the guidelines, the accretions to the SDRF together with the income earned on the investment of the SDRF is required to be invested in one or more of the instruments viz. (a) Central Government dated Securities; (b) Auctioned Treasury Bills; and (c) Interest earning deposits and certificates of deposits with Scheduled Commercial banks.

Mention was made in paragraph 3.1.3.2 of the Comptroller and Auditor General of India's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012 regarding non-investment of funds.

As per Finance Accounts, the balance in SDRF account was ₹ 3,140.95 crore and ₹ 3,472.58 crore as on 31 March 2013 and 31 March 2014, respectively. But no investment out of these funds was made and the funds were merged with the general cash balance of the State Government. This shows that the State Government utilized these funds for other purposes as is evident from

the cash balance of ₹ (-)303.63 crore and ₹ 630.42 crore as on 31 March 2013 and 31 March 2014, respectively.

### 1.9.5 Status of Guarantees

Government of Punjab gives guarantees for repayments of loans raised by statutory corporations/boards, local bodies, cooperative banks and societies etc. Guarantees, in case of defaults by borrowers for whom the guarantees have been extended, are liabilities contingent on the Consolidated Fund of the State. As per Statement 9 of the Finance Accounts, details of the guarantees given by the Government of Punjab for the last five years is given in Table 1.28.

**Table 1.28: Guarantees given by the Government of Punjab**

(₹ in crore)

Guarantees	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Outstanding amount of guarantees at the end of the year</b>	32528	40333	45714	58102	58802

Source: State Finance Accounts of the respective years

The outstanding amount of ₹ 58,802 crore of guarantees as on 31 March 2014, was in respect of banks and financial institutions (₹ 866.37 crore); cash credit facilities (₹ 30,559.63 crore); and working capital to companies, corporations, co-operative societies and banks (₹ 27,376.17 crore).

The State Government set up a Guarantee Redemption Fund in December 2007. Despite large outstanding guarantees (₹ 58,802 crore), the State Government has not contributed any amount to the Fund since its inception. No guarantee was invoked during the year 2013-14.

On this being pointed out (September 2014), the Finance Department stated (November 2014) that Punjab was a revenue deficit State and therefore, any investment in ‘Guarantee Redemption Fund’ would be out of borrowings, which would further increase the debt burden of the State Government. The reply is not convincing as the Guarantee Redemption Fund was constituted on the recommendations of the Twelfth Finance Commission for sudden discharge of State’s obligations on guarantees and guarantee fees was to be credited to this fund.

### 1.9.6 Off-budget borrowings

(i) The term ‘off-budget borrowings’ refers to incurring liabilities by Government without bringing them into Government accounts. These may also arise when Government does not fully pay moneys it owes to Government companies/ corporations. While a reasonable amount of unpaid bills are always there in the system due to time taken in passing the claims, these become a cause of concern when the magnitude is sizeable and non-payment could be attributed to lack of budget provision. A significant item of ‘off-budget borrowings’ by the Government pertains to non-clearance of bills

submitted by Punjab State Civil Supplies Corporation Limited (PUNSUP) for differential cost (i.e. difference between purchase cost and issue price to beneficiaries), fixed by the State Government under Atta Dal Scheme. Atta Dal Scheme was introduced by the Government of Punjab in March 2007 to provide Wheat and Dal at the subsidized rates to the poor families of the State every month. As on 31 March 2014, PUNSUP had ₹ 1,814.62 crore (pertaining to the period August 2007 to March 2014) receivable from the State Government in respect of this scheme.

(ii) The Government of Punjab, in order to avoid routing the borrowing through the Accounts of the State Government, directed Punjab Urban Development Authority (PUDA)<sup>8</sup> to borrow from the banks/financial institutions by mortgaging the Government property transferred to PUDA under OUVGL<sup>9</sup> scheme, with responsibility of repaying the loans of PUDA by the State Government, and to deposit the same in Government Account. Accordingly, the Punjab Urban Planning and Development Authority (PUDA) raised a loan of ₹ 2,000 crore from various banks by mortgaging the Government property transferred to PUDA under OUVGL scheme and deposited the same (2012-13: ₹ 1,000 crore and 2013-14: ₹ 1,000 crore) in Government Account '0075–Miscellaneous General Services'.

The repayment of principal and interest on these 'Off Budget Borrowings' of the Government is being done by way of assistance to PUDA. In 2013-14, the State Government incurred an expenditure of ₹ 176.88 crore under the Head 2216-Housing, 02-Urban Housing, 190-Assistance to Public Sector and Other Undertakings, 01-Assistance to Punjab Urban Development Authority, 36-Grants-in-Aid and 50-Other Charges.

This resulted into overstatement of revenue receipts (2012-13: ₹ 1,000 crore and 2013-14: ₹ 1,000 crore) and revenue expenditure (2013-14: ₹ 176.88 crore) and understatement of revenue deficit (2012-13: ₹ 1,000 crore and 2013-14: ₹ 823.12 crore).

On this being pointed out (September 2014), the Finance Department stated (November 2014) that PUDA deposited the amount of ₹ 2,000 crore against the land transferred by the State Government to PUDA. It was correctly accounted for as per the accounting system and the heads provided thereunder. The Government was well within its rights to provide grants-in-aid to PUDA to tide over its financial stress.

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<sup>8</sup> PUDA was constituted under the Punjab Regional and Town Planning and Development Act, 1995 with the objective to promote and secure better planning and development of any area of the State.

<sup>9</sup> Under the Optimum Utilisation of Vacant Government Land (OUVGL) scheme approved in June 1997, vacant, unutilised, underutilised and surplus land of the Government is transferred to PUDA for optimum utilisation of these lands. Under the scheme, PUDA has been vested with absolute authority by the Government to sell, lease, mortgage and otherwise dispose of the properties in whatsoever manner deemed fit. The revenue generated from the optimum utilisation of these lands is deposited in the Consolidated Fund of the State.



The reply is not acceptable as the orders issued by the Department of Finance directing PUDA to deposit ₹ 2,000 crore in Government account did not mention that the amount was against the lands transferred by the State Government to PUDA. Rather, these orders clearly stated that amount would be raised as a loan by PUDA against OUVGL property and that in order to make repayment of the loan, the State Government would release funds as per repayment schedule to PUDA for onward repayment to the concerned bank.

## 1.10 Debt management

Public Debt management is the process of establishing and executing a strategy for managing the Government's debt in order to raise the required amount of funding, achieve its risk and cost objectives and to meet any other debt management goals that the Government might have set. The debt profile, debt sustainability and management of market borrowings of the State Government have been discussed in the succeeding paragraphs:

### 1.10.1. Debt profile

#### (i) Growth of debt

**Table: 1.29: Debt Growth Rate**

Particulars	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
<b>1. Internal Debt</b>	<b>49966</b>	<b>54940</b>	<b>60902</b>	<b>68001</b>	<b>75338</b>
(i) Market Loans ( <i>Percentage of market loans to total public debt</i> )	22235 (42)	26764 (46)	34504 (54)	43063 (60)	50318 (64)
(ii) Ways & Means Advances from RBI	0	368	107	158	593
(iii) Loans from Financial Institutions	5278	4662	4069	3061	3047
(iv) Special Securities issued to NSSF	22453	23146	22222	21719	21380
<b>2. Loans from Government of India</b>	<b>3286</b>	<b>3297</b>	<b>3259</b>	<b>3210</b>	<b>3331</b>
<b>Total Public debt</b>	<b>53252</b>	<b>58237</b>	<b>64161</b>	<b>71211</b>	<b>78669</b>

Source: Finance Accounts and Registrar General & Census Commissioner of India

During 2009-10 to 2013-14 total public debt increased from ₹ 53,252 crore in 2009-10 to ₹ 78,669 crore in 2013-14 registering annual average growth rate of 9.55 per cent. The share of market borrowings in total public debt went up from 42 per cent in 2009-10 to 64 per cent in 2013-14. During current year, total public debt increased by 10.47 per cent over previous year.

**(ii) Maturity profile of debt**

The maturity profile of the State debt is shown in **Table 1.30**.

**Table 1.30: Maturity profile of repayment of State debt as on 31 March 2014**

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
0 – 1	4371.89	5.56
1 – 3	6902.71	8.78
3 – 5	12747.69	16.20
5 – 7	13211.37	16.79
7 and above	40309.88	51.24
Others <sup>10</sup>	1125.66	1.43
<b>TOTAL</b>	<b>78669.20</b>	<b>100.00</b>

Source: Finance Accounts

The Maturity profile of the State's debt during the current year (**Table 1.30**) indicates that 5.56 per cent of the debt is payable in the next year, 8.78 per cent in 1-3 years' time, 16.20 per cent in 3-5 years' time, 16.79 per cent in 5-7 years and 51.24 per cent is payable after seven years.

**1.10.2 Debt sustainability**

Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability of the State. Sustainability of debt of the Government can be measured in terms of debt stabilization, sufficiency of non-debt receipts, net availability of borrowed funds, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of the Government debt. **Table 1.31** analyses the debt sustainability of the Government according to these indicators for the years 2009-14.

**Table 1.31: Debt sustainability**

Indicators of Debt Sustainability	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Debt Stabilization</b> (Quantum Spread + Primary Deficit)	3975	3102	(-)409	2803	1928
<b>Sufficiency of Non-debt receipts (Resource Gap)</b>	521	(-)975	(-)1348	(-)855	556
<b>Net availability of borrowed funds</b>	1114	1299	2042	2360	2143
<b>Burden of Interest Payments</b> (Interest Payments/ Revenue Receipts Ratio)	23	20	24	21	22

Source: Finance Accounts

<sup>10</sup> Represents ₹ 1,125.28 crore representing loans of back to back basis, recoveries of which are being made by Central Government itself, ₹ 31.92 lakh repayment of which is on the basis of actual recoveries and ₹ 6.69 lakh representing market loans not bearing interest for which maturity profile was not available.



An analysis showed the following:

- During the current year the sum of quantum spread and primary deficit came down over the previous year.
- The negative resource gap indicates the non-sustainability of debt, while the positive resource gap indicates the capacity to sustain the debt. There has been negative resource gap during 2010-11 to 2012-13. During current year, this gap turned positive indicating improvement in the capacity to sustain the debt.
- The net funds available from the internal debt; loans and advances from GoI; and other sources after providing for repayments (including interest) increased from ₹ 1,114 crore in 2009-10 to ₹ 2,143 crore in 2013-14.

### 1.10.3 Market borrowings

Of all the constituents of outstanding liabilities of the Government, the market loans need special attention because the interest rates thereon are not administered and may go up if in the market perception the Government debt is not sustainable. **Table 1.32** shows the key indicators in the context of market loans.

**Table 1.32: Key indicators in the context of market loans**

Description	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Total Liabilities as on 31 March</b>	67967	74784	83099	92282	102234
<b>Total public debt as on 31 March</b>	53252	58237	64161	71212	78669
<b>Total market loans as on 31 March</b>	22235	26764	34504	43063	50318
<b>Percentage of market loans to total liabilities</b>	32.71	35.79	41.52	46.66	49.22
<b>Percentage of market loans to total public debt</b>	41.75	45.96	53.78	60.47	63.96
<b>Interest paid on market loans</b>	1512.48	1838.46	2303.41	2995.29	3731.13
<b>Ratio of interest payments to revenue Receipts</b>	23	24	24	21	22

Source: Finance Accounts of the respective years

From the above table, it is evident that percentage of market loans to total liabilities has increased from 32.71 *per cent* in 2009-10 to 49.22 *per cent* in 2013-14, which indicates that dependence of the Government on market loans has been increasing year by year.

#### **1.10.4 Raising of loans in excess of net borrowing limit fixed by the Government of India**

Article 293 (3) of the Constitution of India, *inter alia*, provides that a State may not raise any loan without the consent of the Government of India if any part of a loan, which has been made to the State by the Government of India, is still outstanding.

The Government of India, Ministry of Finance, Department of Expenditure fixed the net borrowing ceiling of the Government of Punjab for the financial year 2013-14 as ₹ 9,111 crore and instructed the State Government to ensure that its incremental borrowings remain within this ceiling. This ceiling covered all sources of borrowings of the State Government.

As per Statement 6 of the Finance Accounts viz. Statement of Borrowings and other Liabilities, incremental borrowings of the Government of Punjab were ₹ 9,952.40 crore during the financial year 2013-14 which resulted into violation of the net borrowing limit by ₹ 841.40 crore.

In reply, the Finance Department stated (November 2014) that the amount of ₹ 9,952.40 crore shown as incremental borrowings is incorrect as ways and means advances and overdrafts had also been accounted for, whereas, ways and means advances and overdraft were not accounted for outstanding debt even by GoI. The reply of the State Government is not acceptable as the Government of India, Ministry of Finance, while conveying the annual borrowing ceiling, made it explicit that the ceiling covered all sources of borrowings as reflected in Statement 6 of the State's Finance Accounts. As the ways and means advances (₹ 434.56 crore) had been accounted for in Statement 6, the same were also accounted for computing the incremental borrowings.

#### **1.10.5 Arrangement for amortization of debt**

The Government of Punjab has constituted (December 2006) a Sinking Fund for loans raised by it in the open market. In terms of the guidelines of the RBI, the State Government is to contribute @ 0.50 per cent of the outstanding liabilities at the end of the previous financial year. As on 31 March 2013, the outstanding liabilities of the Government of Punjab ₹ 92,282.08 crore (i.e. Public Debt plus Public Accounts Liabilities). The State Government, however, has not made any contribution to the said fund since its inception. Had the contribution been made to the said funds, there would have been consequential impact on the Revenue Expenditure as well as Revenue Deficit during 2013-14.

**Table 1.33: Details of debt raised during the year and its utilisation for repayment***(₹ in crore)*

Year	Total borrowings during the year	Repayments during the year
2009-10	10107.84	5308.36 (52.52)
2010-11	10934.37	5952.88(54.44)
2011-12	14870.88	8947.23 (60.17)
2012-13	22166.50	15115.79 (68.19)
2013-14	24140.49	16682.93 (69.11)

*Source: Finance Accounts**Note: Figures in brackets indicate the percentage to total debt raised during the year*

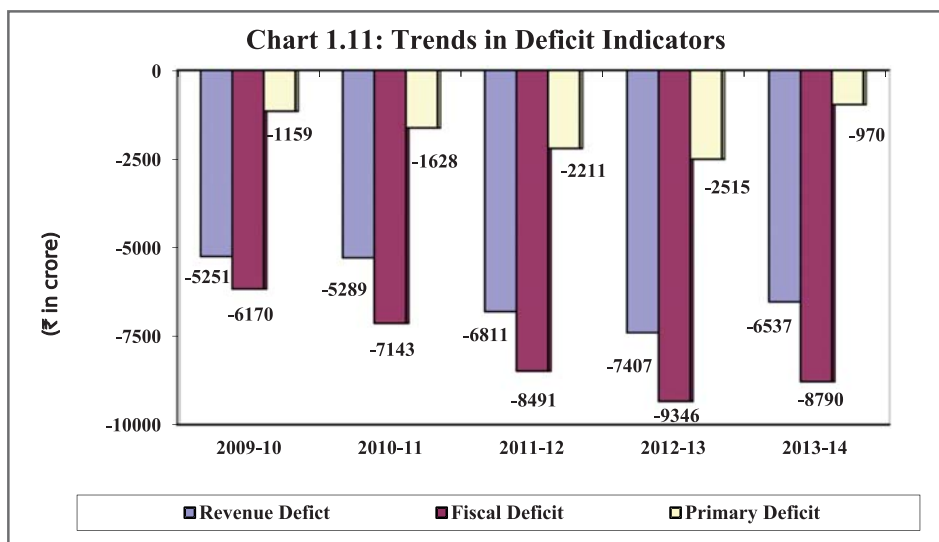
It is clear from the above table that 69.11 *per cent* of current borrowings was utilized for repayment of earlier debt during 2013-14. The percentage of utilisation of current borrowings for repayment of earlier debt is increasing year by year. It went up from 52.52 *per cent* in 2009-10 to 69.11 *per cent* in 2013-14.

## 1.11 Fiscal imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis the targets set under the FRBM Act/Rules for the financial year 2013-14.

### 1.11.1 Trends in deficits

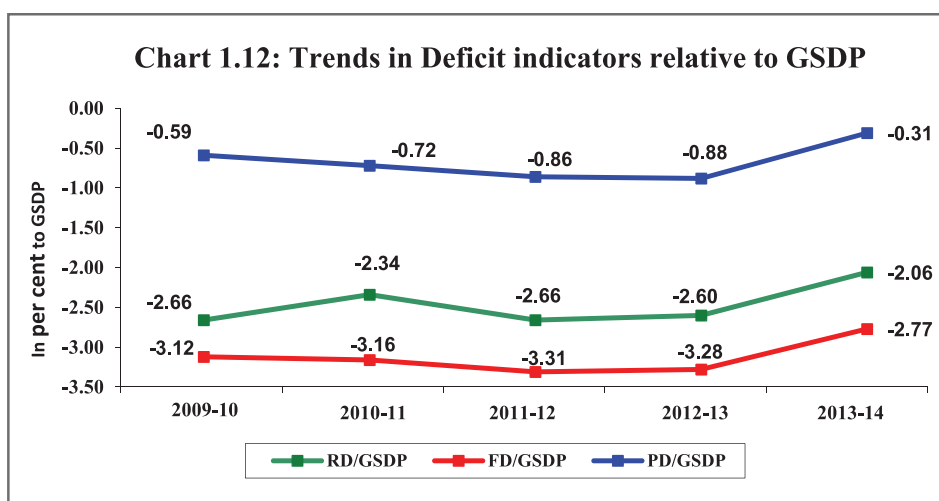
(i) **Charts 1.11 and 1.12** present the trends in deficit indicators over the period 2009-14.



The revenue deficit which indicates the excess of revenue expenditure over the revenue receipts rose to the level of ₹ 7,407 crore (2.60 per cent of GSDP) in 2012-13 from ₹ 5,251 crore (2.66 per cent of GSDP) in 2009-10 though it came down to ₹ 6,537 crore (2.06 per cent of GSDP) in the current year. The State Government did not contain the revenue deficit within the limits prescribed in the FRBM Amendment Act, 2011 (0.60 per cent) and FCR (0.60 per cent).

The fiscal deficit, which represents the total borrowing of the State i.e. its total resource gap, increased from ₹ 6,170 crore (3.12 per cent of GSDP) in 2009-10 to ₹ 9,346 crore in 2012-13 (3.28 per cent of GSDP) and came down to ₹ 8,790 crore (2.77 per cent of GSDP) in 2013-14. However, the fiscal deficit as percentage of GSDP in the current year was within the target of 3.00 per cent fixed by FRBM (Amendment) Act, 2011.

The primary deficit, which indicates the excess of primary expenditure (total expenditure net of interest payments) over non-debt receipt, was ₹ 1,159 crore (0.59 per cent of GSDP) in 2009-10 and came down to the level of ₹ 970 crore (0.31 per cent of GSDP) in the current year.



Thus, the State Government should work in the direction to bring down its revenue deficit to zero by the year 2014-15 as per target fixed under the FRBM (Amendment) Act, 2011.

### 1.11.2 Components of fiscal deficit and its financing pattern

The financing pattern of the fiscal deficit is reflected in the **Table 1.34**.

**Table 1.34: Components of Fiscal deficit and its financing pattern**

(₹ in crore)

Particulars		2009-10	2010-11	2011-12	2012-13	2013-14
<b>Components of Fiscal Deficit (1+2+3)</b>		6170 (3.12)	7143 (3.16)	8491 (3.31)	9346 (3.28)	8790 (2.77)
<b>1</b>	<b>Revenue Deficit</b>	5251 (2.66)	5289 (2.34)	6811 (2.66)	7407 (2.60)	6537 (2.06)
<b>2</b>	<b>Net Capital Expenditure</b>	2166 (1.10)	2383 (1.05)	1598 (0.62)	1916 (0.67)	2200 (0.69)
<b>3</b>	<b>Net Loans and Advances</b>	-1247 (-0.63)	-529 (-0.23)	82 (0.03)	23 (0.01)	53 (0.02)
<b>Financing Pattern of Fiscal Deficit*</b>						
<b>1</b>	<b>Market Borrowings</b>	4361	4529	7740	8559	7255
<b>2</b>	<b>Loans from GoI</b>	-103	8	-37	-49	121
<b>3</b>	<b>Special Securities issued to NSSF</b>	1004	693	-924	-503	-339
<b>4</b>	<b>Loans from Financial Institutions</b>	-463	-248	-855	-956	421
<b>5</b>	<b>Small Savings, PF etc</b>	849	1174	1640	1565	1964
<b>6</b>	<b>Deposits and Advances</b>	264	642	436	-66	192
<b>7</b>	<b>Suspense and Miscellaneous</b>	-34	8	105	44	-119
<b>8</b>	<b>Remittances</b>	39	-19	11	-6	-110
<b>9</b>	<b>Reserve Fund</b>	208	12	315	632	339
<b>10</b>	<b>Increase/Decrease in cash balance</b>	44	344	60	126	-934
<b>11</b>	<b>Overall Deficit</b>	<b>6170</b>	<b>7143</b>	<b>8491</b>	<b>9346</b>	<b>8790</b>

Source: Finance Accounts

Figures in brackets indicate percentage to GSDP.

\*All these figures are net of disbursements/outflows during the year.

The fiscal deficit of the State increased from ₹ 6,170 crore in 2009-10 to ₹ 8,790 crore in 2013-14. It was mainly met from market borrowings (₹ 7,255 crore), small savings, provident funds, etc. (₹ 1,964 crore).

The net capital expenditure (**Table 1.34**) as per cent of GSDP declined from 1.10 in 2009-10 to 0.69 per cent in the current year, which shows that the borrowed money was used to meet the revenue expenditure instead of using it for creation of assets. **Table 1.35** gives the details as to how the borrowed money was utilized.

**Table 1.35: Application of borrowings**

(₹ in crore)

Year	Total Borrowings	Repayment of earlier borrowings (Principal portion)	Capital expenditure	Balance
1	2	3	4	5=2-(3+4)
<b>2009-10</b>	10107.84	5308.36 (52.52)	2166.41 (21.43)	2633.07 (26.05)
<b>2010-11</b>	10934.37	5952.88 (54.44)	2384.09 (21.80)	2597.40 (23.75)
<b>2011-12</b>	14870.88	8947.24 (60.17)	1598.12 (10.75)	4325.52 (29.09)
<b>2012-13</b>	22166.50	15115.79 (68.19)	1915.82 (8.64)	5134.89 (23.17)
<b>2013-14</b>	24140.49	16682.93 (69.11)	2200.61 (9.11)	5256.95 (21.78)

(Figures in brackets indicate the percentage to total borrowings)

Source: Finance Accounts

The **Table 1.35** shows that major portion of borrowings was utilized for repayment of earlier borrowings. The percentage of utilisation of borrowings for repayment of earlier borrowings is increasing year by year. It went up from 52.52 *per cent* in 2009-10 to 69.11 *per cent* in 2013-14, whereas the percentage of utilisation of borrowings for capital expenditure came down to 9.11 *per cent* in 2013-14 from 21.43 *per cent* in 2009-10. The balance amount was utilized for meeting revenue expenditure.

### 1.11.3 Quality of deficit/surplus

The ratio of revenue deficit to Fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the State finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistent high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy. The ratio of revenue deficit to fiscal deficit decreased from 79.25 *per cent* in 2012-13 to 74.37 *per cent* in 2013-14 (**Appendix 1.8**).

The bifurcation of the factors resulting into primary deficit or surplus of the Government during the period 2009-14 (**Table 1.36**) reveals that the primary deficit during this period was on account of slow rise in non-debt receipts as compared to primary expenditure. Therefore, non-debt receipts of the State were not enough to meet the primary expenditure requirements. If this trend continues, debt sustainability will be in serious jeopardy as ideally incremental non-debt receipts every year should cover not only the incremental primary expenditure but also incremental interest burden.

**Table 1.36: Details of primary deficit during 2009-14***(₹ in crore)*

Year	Non-debt receipts	Primary Revenue expenditure	Capital expenditure	Loans and advances disbursed	Primary expenditure	Primary deficit (-)
1	2	3	4	5	6 (3+4+5)	7 (2-6)
<b>2009-10</b>	23433	22397	2166	29	24592	(-)1159
<b>2010-11</b>	28206	27382	2384	68	29834	(-)1628
<b>2011-12</b>	26329	26765	1598	177	28540	(-)2211
<b>2012-13</b>	32225	32627	1916	197	34740	(-)2515
<b>2013-14</b>	35217	33821	2201	165	36187	(-)970

*Source: Finance Accounts*

## 1.12 Conclusions

GoI directly transferred ₹ 1,751.30 crore to State implementing agencies during the current year. Since these funds do not pass through the State Budget, the Annual Finance Accounts of the State do not present a complete picture of fund flow of Central Government resources into the State.

During 2009-10 to 2013-14 the revenue receipts grew at an annual average rate of 11.69 *per cent* whereas revenue expenditure grew at an annual average rate of 10.39 *per cent*. The revenue expenditure continued to constitute a dominant portion (93 to 95 *per cent*) of the total expenditure during this period.

During the current year the Capital Expenditure increased by ₹ 285 crore (14.87 *per cent*) over the previous year. The capital expenditure during the current year (₹ 2,201 crore) was only 28.21 *per cent* of the projections made in the Fiscal Consolidation Roadmap (₹ 7,802 crore). This shows that due priority was not accorded to capital expenditure.

Forty projects, which were scheduled to be completed between 2008-09 and 2013-14, were lying incomplete (June 2014). An amount of ₹ 587.55 crore was blocked in these incomplete projects.

The return on investment made by the Government in Statutory corporations, Government Companies and Cooperative banks and Societies was between 0.01 and 0.05 *per cent* during 2009-10 to 2013-14, while the average rate of interest paid by the Government of Punjab on its borrowings was between 7.72 and 8.04 *per cent* during the same period.

The ratio of financial assets to liabilities came down to 35.13 *per cent* in 2013-14 from 40.82 *per cent* in 2009-10.

During 2009-10 to 2013-14 total public debt increased from ₹ 53,252 crore in 2009-10 to ₹ 78,669 crore in 2013-14 registering annual average growth of 9.55 *per cent*. The share of market borrowings in total public debt went up from 42 *per cent* in 2009-10 to 64 *per cent* in 2013-14.



Though the debt-GSDP ratio at 32.24 *per cent* was within the target fixed (39.80 *per cent*) under Fiscal Responsibility and Budget Management Act, yet the borrowed funds were mostly used for redemption of past debts leaving relatively a smaller portion for other purposes. As much as 22 *per cent* of the revenue receipts were used to meet the burden of interest payments.

During 2012-13 revenue deficit rose to the level of ₹ 7,407 crore (2.60 *per cent* of GSDP) from a deficit of ₹ 5,251 crore (2.66 *per cent* of GSDP) in 2009-10. During current year it came down to ₹ 6,537 crore (2.06 *per cent* of GSDP). The State Government did not contain the revenue deficit within the limits prescribed in the FRBM Amendment Act, 2011 (0.60 *per cent*) and FCR (0.60 *per cent*).

### **1.13 Recommendations**

*The Government may consider:*

- *according due priority to capital expenditure, obtaining better value for the investments and utilizing the debt receipts for asset creation; and*
- *making all out efforts to meet the target fixed under the Fiscal Responsibility and Budget Management Act.*



# Chapter II

## CHAPTER II

### FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

#### 2.1 Introduction

**2.1.1** Appropriation Accounts are accounts of the expenditure voted and charged, of the Government, for each financial year compared with the amounts of the voted grants and charged appropriations for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations and indicate the actual capital and revenue expenditure on various specified services *vis-à-vis* those authorized by the Appropriation Act in respect of both charged and voted items of budget. The Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

**2.1.2** Audit of the appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorization given in the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution of India is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

#### 2.2 Summary of the Appropriation Accounts

The summarized position of actual expenditure *vis-à-vis* budgetary provisions during 2013-14 for the total 30 grants/appropriations is given in the **Table 2.1**.

**Table 2.1: Summarized position of actual expenditure *vis-à-vis* original/supplementary provisions**

(₹ in crore)						
	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
<b>Voted</b>	<b>I Revenue</b>	36674.93	4247.44	40922.37	34177.87	(-)6744.50
	<b>II Capital</b>	7282.98	701.43	7984.41	2280.61	(-)5703.80
	<b>III Loans and Advances</b>	368.31	103.19	471.50	165.13	(-)306.37
<b>Total Voted</b>		<b>44326.22</b>	<b>5052.06</b>	<b>49378.28</b>	<b>36623.61</b>	<b>(-)12754.67</b>
<b>Charged</b>	<b>IV Revenue</b>	7737.53	49.62	7787.15	7976.86	(+)189.71
	<b>V Capital</b>	0	0	0	0	0
	<b>VI Public Debt- Repayment</b>	16988.03	0	16988.03	16682.93	(-)305.10
<b>Total Charged</b>		<b>24725.56</b>	<b>49.62</b>	<b>24775.18</b>	<b>24659.79</b>	<b>(-)115.39</b>
	<b>Appropriation to Contingency Fund</b>	0	0	0	0	0
<b>Grand Total</b>		<b>69051.78</b>	<b>5101.68</b>	<b>74153.46</b>	<b>61283.40</b>	<b>(-)12870.06</b>

Source: Appropriation Accounts

Note: The expenditure includes the recoveries of ₹514.06 crore adjusted as reduction of expenditure under Revenue and ₹80.00 crore under Capital.

Original budget provision was ₹ 69,051.78 crore which was augmented through supplementary grant by ₹ 5,101.68 crore making total budget provision of ₹ 74,153.46 crore. Out of total budget provision, ₹ 61,283.40 crore were incurred during the year 2013-14 resulting in saving of ₹ 12,870.06 crore (17.36 per cent of the total budget provision). Supplementary provision of ₹ 5,101.68 crore were, thus, proved unnecessary as the actual expenditure of ₹ 61,283.40 crore did not come upto the level of original budget provision of ₹ 69,051.78 crore. The overall saving of ₹ 12,870.06 crore was the net result of saving of ₹ 13,256.44 crore (Appendix 2.1) set off by excess of ₹ 386.38 crore in two grants (Table 2.4).

On this being pointed out (September 2014), the Finance Department stated (November 2014) that necessary action was being taken by the State Government to prepare accurate budget estimates to avoid savings.

## 2.3 Financial accountability and budget management

### 2.3.1 Appropriation vis-à-vis allocative priorities

The outcome of audit of grants and appropriations showed that in 18 cases (12 grants out of the total 30), the savings (excluding surrenders) exceeded by ₹ 100 crore and also by more than 10 per cent of the total provision in each case and in four cases (Sr. No. 5, 13, 16 and 18) the savings exceeded even more than 50 per cent of the total provisions. Details are given in Table 2.2.

Table 2.2: List of grants having large savings

(₹ in crore)

Sr. No.	Number and Name of the grant	Total Budget Provision	Actual expenditure	Savings	Surrenders	Savings excluding surrender	Percentage
1.	2.	3.	4.	5.	6.	7.	8.
1.	(Revenue-Voted) 1-Agriculture and Forests	1489.32	954.70	534.62	138.26	396.36	26.61
2.	5-Education	7834.54	6492.29	1342.25	0	1342.25	17.13
3.	9-Food and Supplies	586.55	460.05	126.50	16.17	110.33	18.81
4.	11-Health and Family Welfare	2737.78	1953.33	784.45	273.95	510.50	18.65
5.	13-Industries	176.31	58.09	118.22	6.64	111.58	63.29
6.	15-Irrigation and Power	7772.35	6154.07	1618.28	80.94	1537.34	19.78
7.	17-Local Government, Housing and Urban Development	562.07	387.07	175.00	0.79	174.21	30.99
8.	22-Revenue and Rehabilitation	1298.48	1153.11	145.37	15.35	130.02	10.01
9.	23-Rural Development and Panchayats	1724.14	1110.06	614.08	0	614.08	35.62
10.	25-Social and Women's Welfare and	2357.03	1654.98	702.05	145.17	556.88	23.63

Sr. No.	Number and Name of the grant	Total Budget Provision	Actual expenditure	Savings	Surrenders	Savings excluding surrender	Percentage
1.	2.	3.	4.	5.	6.	7.	8.
	Welfare of Scheduled Castes and Backward Classes						
11.	(Capital-Voted) 5-Education	478.65	336.02	142.63	0	142.63	29.80
12.	11-Health and Family Welfare	479.17	82.67	396.50	163.87	232.63	48.55
13.	13-Industries	262.63	0	262.63	0.02	262.61	99.99
14.	15-Irrigation and Power	1228.87	399.80	829.07	418.78	410.29	33.39
15.	17-Local Government, Housing and Urban Development	2075.19	275.73	1799.46	1203.32	596.14	28.73
16.	19-Planning	197.16	75.26	121.90	0	121.90	61.83
17.	21-Public Works	1439.94	764.50	675.44	3.01	672.43	46.70
18.	23-Rural Development and Panchayats	302.73	129.93	172.80	0	172.80	57.08
	<b>Total</b>	<b>33002.91</b>	<b>22441.66</b>	<b>10561.25</b>	<b>2466.27</b>	<b>8094.98</b>	<b>24.53</b>

Source: Appropriation Accounts

Some of the departments having huge savings were Education and Irrigation & Power. Such large savings in these grants reflect weak budgetary control.

### 2.3.2 Persistent savings

In six cases, during the last five years, there were persistent savings of ₹ five crore or more in each case. The details are given in **Table 2.3**. At Sr. No. 6, there was 100 *per cent* saving during the last five years, which shows non-implementation of schemes at all as well as weak financial control.

**Table 2.3: List of grants having persistent savings during 2009-14**

(₹ in crore)

Sr. No.	Number and Name of the grant/ Head of Account/Schemes	Amount of savings (percentage of savings in bracket)				
		2009-10	2010-11	2011-12	2012-13	2013-14
Revenue-voted						
1	05-Education 2202-General Education 02-Secondary Education 105-Teachers Training 01-Teachers Education Establishment of DIETS (CSS)	42.86 (89.74)	29.34 (83.26)	21.08 (73.65)	18.14 (67.97)	29.32 (96.45)
2	12-Home Affairs and Justice 2055-Police 109-District Police 01-District Police (Proper)	30.23 (2.54)	24.37 (1.72)	28.36 (1.59)	24.70 (1.08)	55.78 (2.19)
3	15-Irrigation and Power 2700-Major Irrigation 01-Sirhind Canal System (Commercial) 001-Direction and Administration 01-Direction and Administration	58.26 (20.69)	50.84 (17.09)	58.65 (16.94)	47.16 (12.72)	60.83 (14.62)

Sr. No.	Number and Name of the grant/ Head of Account/Schemes	Amount of savings (percentage of savings in bracket)				
		2009-10	2010-11	2011-12	2012-13	2013-14
4	15-Irrigation and Power 2701-Medium Irrigation 80-General 001-Direction and Administration 01-Direction	96.75 (97.41)	110.92 (99.99)	131.61 (99.26)	148.81 (100.00)	64.19 (41.21)
5	22-Revenue and Rehabilitation 2245-Relief on Account of National Calamities 02-Flood Cyclones etc. 101-Gratuitious Relief 01- Gratuitious Relief	43.81 (87.62)	5.54 (10.45)	5.30 (8.15)	17.76 (88.80)	10.70 (9.73)
<b>Capital-Voted</b>						
6	15-Irrigation and Power 4711-Capital Outlay on Flood Control Projects-01-Flood Control 103-Civil Works 08-Works Expenditure Counter Protective Measures on Left Side of River Ravi (CSS)	7.00 (100.00)	5.00 (100.00)	5.00 (100.00)	5.00 (100.00)	7.50 (100.00)

Source: Appropriation Accounts

### 2.3.3 Excess over provisions requiring regularization

Article 205(1)(b) of the Constitution of India provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be laid before the House or the Houses of the Legislature of the State, another statement showing the estimated amount of that expenditure or cause to be presented to the Legislative Assembly of the State a demand for such excess, as the case may be.

Audit observed that excess expenditure amounting to ₹ 5,362.17 crore for the year 2007-13 had yet not been regularized under the provision of Article 205(1)(b) of the Constitution of India.

The excess expenditure of ₹ 386.38 crore in two grants (**Table 2.4**) during the year 2013-14 also require regularization under the above mentioned provisions.

**Table 2.4: Excess over provisions requiring regularization during 2013-14**

(₹ in crore)

Sr. No.	Number and title of grant		Total Grant/ Appropriation	Expenditure	Excess
Voted Grants					
1	8	Finance (Revenue)	6172.26	6184.24	11.98
2	21	Public Works (Revenue)	1171.03	1327.03	156.00
Charged Appropriation					
3	8	Finance (Revenue)	7601.81	7820.21	218.40
		Total	14945.10	15331.48	386.38

Source: Appropriation Accounts

On this being pointed out (September 2014), the Finance Department while admitting the facts, stated (November 2014) that the matter was being pursued with various Administrative Departments.

### 2.3.4 Persistent excess expenditure

In six cases (Table 2.5), there was persistent excess expenditure of more than ₹ five crore in each case during the last five years. Under four schemes (Sr. No. 3, 4, 5 and 6), there was 100 *per cent* excess expenditure during the last five years.

**Table 2.5: List of grants having persistent excess expenditure during 2009-14**

(₹ in crore)

Sr. No.	Number and Name of the grant/schemes	Amount of excess expenditure (percentage of excess expenditure in brackets)				
		2009-10	2010-11	2011-12	2012-13	2013-14
	Revenue-Voted					
	08-Finance					
1	2071-Pensions and other Retirement benefits 01-Civil 101-Superannuation and Retirement Allowances 01-Pension and other Retirement Benefits	221.41 (11.19)	644.93 (26.27)	570.86 (19.03)	81.58 (2.25)	123.66 (3.28)
2	2071-Pensions and other Retirement benefits 01-Civil 105-Family Pensions	31.31 (9.98)	144.34 (35.45)	100.80 (16.93)	57.82 (7.90)	14.13 (1.46)
	21-Public Works					
3	2059-Public Works 80-General 799-Suspense	184.98 (100.00)	219.13 (100.00)	157.79 (100.00)	52.28 (100.00)	36.98 (100.00)
4	2059-Public Works 80-General 001-Direction and Administration 07-Establishment Charges paid to Public Health Department for Work done by that Department	27.29 (100.00)	45.73 (100.00)	45.23 (100.00)	52.34 (100.00)	82.72 (100.00)
5	2215-Water Supply and Sanitation 01-Water Supply 799-Suspense	149.38 (100.00)	106.37 (100.00)	73.19 (100.00)	58.78 (100.00)	36.78 (100.00)
6	3054-Roads and Bridges 80-General 001-Direction and Administration 01-Establishment charges transferred on pro-rata basis to the Major Head 3054-Roads and Bridges	74.72 (100.00)	6.29 (100.00)	91.27 (100.00)	102.94 (100.00)	58.02 (100.00)

Source: Appropriation Accounts

### 2.3.5 Expenditure without making provision of funds

As per Para 14.1 of the Punjab Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State. It was, however, observed that an expenditure of ₹ 528.78 crore, was incurred in

30 cases (₹ one crore or more in each case) under seven grants during 2013-14 (**Appendix 2.2**) without making any provision in the original estimates/supplementary demands and without issuing any re-appropriation orders to this effect.

In reply, the Finance Department stated (November 2014) that the amount of ₹ 528.78 crore was released to administrative departments by Finance Department as additional funds from overall savings in the concerned demands. But, this amount was neither incorporated during preparation of revised estimates by administrative departments nor supplementary amount was demanded by them. Due to this, approval of Vidhan Sabha for this amount could not be taken in budget for the year 2013-14. However, the State Government would get the excess expenditure regularized from Vidhan Sabha and such irregularity would be avoided in future.

#### **2.3.6 Unnecessary supplementary provisions**

Supplementary provisions of ₹ one crore or more in each case, aggregating to ₹ 3,838.30 crore obtained in 34 cases, during the year 2013-14 proved unnecessary as the expenditure did not come up to the level of the original provisions (**Appendix 2.3**). In two Grants viz. Education (Grant No. 5) and Irrigation & Power (Grant No. 15), unnecessary supplementary provision exceeded ₹ 500 crore.

The Finance Department attributed the reasons (November 2014) to non-passing of bills by the treasury on account of fiscal exigencies and assured to take corrective measures in future.

#### **2.3.7 Unnecessary/Injudicious re-appropriation of funds**

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. During the year 2013-14, 28 re-appropriation orders for ₹ 6,162.50 crore were issued. Out of these, three re-appropriation orders were issued after the close of financial year and hence rejected by the Office of the Pr. Accountant General (A&E), Punjab. All the remaining 25 re-appropriation orders for ₹ 6,142.94 crore were issued on 31 March, 2014.

During 2013-14, under 25 cases out of 37 (**Appendix 2.4**, excluding Sr. No. 2, 6, 7, 8, 10, 12, 22, 23, 24, 29, 32 and 37), re-appropriation orders for ₹ 10 crore or more in each case effected by the departments proved unnecessary because expenditure did not come even up to the level of budget provisions and in remaining 12 cases reduction of provisions also proved injudicious as there was excess expenditure under these cases.

The Finance Department stated (November 2014) that the matter would be looked into and corrective measures would be taken in future.



### **2.3.8 Anticipated savings not surrendered**

As per Rule 17.20 of the Punjab Financial Rules, the spending departments are required to surrender the Grants/Appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2013-14, in 12 cases, savings of ₹ 2,876.04 crore (*21.70 per cent of overall savings of ₹ 13,256.44 crore*) (**Appendix 2.5**) ranging between ₹ 12.78 crore and ₹ 1,342.25 crore, were not surrendered by the concerned departments. Education and Rural Development & Panchayats were some of the departments which had not surrendered the huge anticipated savings (more than ₹ 500 crore) which indicates the inadequate budgetary control as these funds could not be utilized for other developmental purposes. Similarly, in 24 cases, after effecting partial surrender (₹ 2,729.36 crore out of ₹ 9,211.24 crore), savings aggregating to ₹ 6,481.88 crore were not surrendered (**Appendix 2.6**). Had the amount been surrendered as and when it was anticipated, it could have been utilized for other purposes. Some of the major departments were Social & Women's Welfare, Welfare of Scheduled Castes & Backward Classes, Public Works, Irrigation & Power and Health & Family Welfare, Local Government and Housing & Urban Development.

The Finance Department attributed the reasons for savings (November 2014) to non-passing of bills by the treasury on account of fiscal exigencies and assured to take corrective measures in future.

### **2.3.9 Surrender inspite of excess expenditure**

Under Grant No. 08-Finance and 21-Public Works an amount of ₹ 4.39 crore and ₹ 27.59 crore (Revenue-Voted) respectively had been surrendered even though there was an excess expenditure of ₹ 11.98 crore and ₹ 156 crore.

### **2.3.10 Rush of expenditure**

According to para 18.15 of the Manual of Instructions of the Finance Department, Government funds should be evenly spent throughout the year. The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Audit scrutiny of expenditure incurred by the State Government in the year 2013-14 showed that in 10 cases (**Table 2.6**), the expenditure incurred during the 4<sup>th</sup> quarter of the year ranged between 62.15 and 100 *per cent* and the expenditure incurred during the month of March 2014 alone under all these head of accounts constituted 44.88 *per cent* of the total expenditure. Further, it was also observed that under two heads of accounts (Sr. No. 2 and 7), entire expenditure was incurred during 4<sup>th</sup> quarter.



**Table 2.6: Rush of expenditure towards the end of the financial year 2013-14**

(₹ in crore)

Sr. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2014	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2047-Other Fiscal Services	4.67	3.19	68.31	2.82	60.38
2.	2852-Industries	6.25	6.25	100.00	3.30	52.80
3.	3435-Ecology and Environment	3.45	3.16	91.59	3.00	86.96
4.	4070-Capital outlay on Other Administrative services	15.72	12.08	76.84	3.81	24.24
5.	4058-Capital Outlay on Printing and Stationary	1.52	1.28	84.21	-	-
6.	4210-Capital Outlay on Medical and Public Health	82.67	71.08	85.98	45.96	55.59
7.	4225-Capital Outlay on Welfare of SC/ST/OBC	7.42	7.42	100.00	2.00	26.95
8.	4250-Capital Outlay on Other Social Services	2.85	2.78	97.54	0.41	14.39
9.	5055-Capital Outlay on Road Transport	4.65	2.89	62.15	0.17	3.66
10.	5452--Capital Outlay on Tourism	14.48	10.35	71.48	3.01	20.79
	<b>Total</b>	<b>143.68</b>	<b>120.48</b>	<b>83.85</b>	<b>64.48</b>	<b>44.88</b>

Source: Monthly Accounts compiled by the Pr. A.G. (A&E)

In reply, the Finance Department stated (November 2014) that various contra entries such as interest on GPF and GIS, unspent balances of disaster relief fund etc. were effected in the month of March and receipts of share in Central taxes and grants were also on higher side in March as compared to other months of the financial year which led to higher figure of expenditure in the fourth quarter of the financial year. The reply is not convincing as the heads of accounts in which excess expenditure was pointed out did not involve contra entries on account of interest on GPF, GIS, unspent balances of disaster relief fund, etc. Moreover, the provisions under Manual of Instructions of the Finance Department were also not adhered to.

## 2.4 Outcome of review of selected grants

A review of budgetary procedure and control over expenditure in two test checked grants i.e. Grant No. 05-Education and 17-Local Government, Housing & Urban Development showed the following:

### 2.4.1 Unrealistic budget provisions

Audit scrutiny of the records revealed that under Grant No.05-Education and 17-Local Government, Housing & Urban Development, the departments either made unrealistic budget provisions or did not disburse the amount

during 2013-14, as savings of more than ₹ 20 crore in each case aggregating ₹ 1,115.62 crore were found in 12 minor heads/schemes (*Appendix 2.7*).

#### 2.4.2 Excess over provisions requiring regularization

The excess expenditure over budget provision of ₹ 382.44 crore (under four minor heads/schemes) and ₹ 36.85 crore (one head/scheme) exceeding ₹ 10 crore under each minor heads/schemes (*Appendix 2.8*) was incurred under Grant No. 05-Education and Grant No. 17-Local Government, Housing & Urban Development respectively during the year 2013-14 which requires regularization under Article 205(1)(b) of the constitution.

#### 2.4.3 Withdrawal of whole budget provision through re-appropriation

Under Grant-17, in 38 minor heads/schemes under major head 4217-Capital Outlay on Urban Development, the whole budget provision was withdrawn through re-appropriation in March 2014 which dilutes the process of budget making and control over expenditure. Some minor heads/schemes (exceeding ₹ 50 crore) where the entire provision was withdrawn is given in **Table 2.7**.

**Table 2.7: Withdrawal of budget provision through re- appropriation**

(₹ in crore)

Sr. No.	Minor head/Scheme	Original Provision	Re-appropriation
1	4217-Capital Outlay on Urban Development, 60-Other Urban Development Schemes, 800- Other expenditure, 38-Jawaharlal Nehru National Urban Renewal Mission Integrated Housing and Slum Development Programme (Centrally Sponsored Scheme)	1278.48	(-) 1278.48
2	4217-Capital Outlay on Urban Development, 60-Other Urban Development Schemes, 789- Special Component Plan for Scheduled Castes, 13-Integrated Housing and Slum Development Programme (Plan)	159.81	(-) 159.81
3	4217-Capital Outlay on Urban Development, 60-Other Urban Development Schemes, 800- Other expenditure, 34-Jawaharlal Nehru National Urban Renewal Mission Urban Infrastructure and Governance (Centrally Sponsored Scheme)	155.57	(-) 155.57
4	4217-Capital Outlay on Urban Development, 60-Other Urban Development Schemes, 800- Other expenditure, 36-Jawaharlal Nehru National Urban Renewal Mission Basic Services to Urban Poor (Centrally Sponsored Scheme)	67.08	(-) 67.08
5	4217-Capital Outlay on Urban Development, 60-Other Urban Development Schemes, 800- Other expenditure, 34-Jawaharlal Nehru National Urban Renewal Mission Urban Infrastructure and Governance (Centrally Sponsored Scheme)	62.23	(-) 62.23
6	4217-Capital Outlay on Urban Development, 60-Other Urban Development Schemes, 800- Other expenditure, 37-Jawaharlal Nehru National Urban Renewal Mission Urban Infrastructure	60.32	(-) 60.32

Sr. No.	Minor head/Scheme	Original Provision	Re-appropriation
	Development Scheme for Small Medium Town (Centrally Sponsored Scheme)		
	<b>Total</b>	<b>1783.49</b>	<b>(-) 1783.49</b>

Source: Appropriation Accounts

Withdrawal of entire provision through re-appropriation in March 2014 in respect of item at serial no. 1 was due to non-release of funds by the Finance Department and serial no. 2 to 6 was due to non-implementation of the schemes.

#### 2.4.4 Unnecessary Supplementary grant/Re-appropriation

Supplementary provisions aggregating ₹ 648.19 crore obtained in eight cases (Sr.No. 1 to 7 under Grant no. 5 and Sr. No. 9 under Grant no. 17) and re-appropriation amounting to ₹ 155.65 crore in three cases (Sr. No. 8, 10 and 11 under Grant no. 17) (*Appendix 2.9*), during the year 2013-14 proved unnecessary as the expenditure under each case was less than or equal to the original provisions.

#### 2.4.5 Entire provision remained unutilized

Under Grant No. 05, entire budget provision in six minor heads/schemes amounting to ₹ 189.68 crore (*Appendix 2.10*) remained unutilized resulting in denial of intended benefits to the general public.

#### 2.4.6 Non-inclusion of non-recurring grant-in-aid in the schedule of New Expenditure

Para 5.1(1)(d) of Punjab Budget Manual lays down that any non- recurring grant-in-aid contribution or donation even though provision was made for it in the original or supplementary estimates of the current year should be included in the schedule of 'New Expenditure'. Para 1.8 of the Manual *inter alia* lays down that the schedule of new expenditure has to be prepared by the Heads of Departments and after scrutiny by the Administrative and Finance Departments, are to be passed by the Council of Ministers with reference to the funds available and the comparative urgency of the proposals.

During review of Grant No. 17, it was noticed that a budget provision amounting to ₹ 180 crore was made under head of account "2216-Housing, 02-Urban Housing, 190-Assistance to Public Sector and Other Undertakings, 01-Assistance to Punjab Urban Development Authority, 36-Grant-in-aid General (Non-Salary), of which, an expenditure of ₹ 176.88 crore was incurred. But, despite the grant-in-aid of non-recurring in nature, the estimates of the expenditure was not included in the schedule of 'New Expenditure', in contravention of the provisions *ibid*, which by-passed the prerogative of the Council of Ministers.

The Secretary (Expenditure) stated (August 2014) that the aspect would be taken care of in future as guidance.

## 2.5 Excess payment of gratuity and pension

(i) During inspection of Treasuries in the State for the year ended 31 March 2014 by the office of the Principal Accountant General (A&E), Punjab, it was observed that in three cases, an amount of ₹ 0.25 lakh was paid in excess as gratuity by various District Treasury Officers/Treasury Officers (DTOs/TOs) (*Appendix 2.11*).

(ii) The Commissioner for Finance and Secretary to Government of Punjab, Finance Department authorized (June 1977) the Public Sector Banks (PSB) for disbursement of pension to Punjab Government pensioners. Each PSB was required to execute an indemnity Bond with the Punjab Government for shouldering responsibility of any wrong/overpayment to the pensioners. With a view to evolve a control mechanism to check the overpayments by PSBs in pension disbursement the Government of Punjab assigned the audit of PSBs to the Internal Audit Wing of Finance Department.

The annual inspection of the treasuries in Punjab is conducted by the Pr. A.G.(A&E). During inspection the Pr. A.G. (A&E) noticed that internal audit wing of the Department of Finance had pointed out overpayment of pensionary benefits amounting to ₹ 10.07 crore by PSBs (Hoshiarpur: ₹ 2.97 crore, Ludhiana: ₹ 4.62 crore and Kapurthala: ₹ 2.48 crore) during the year 2013-14 resulting in loss to State exchequer and thus sought comments of DTOs on the overpayment made by the PSBs. The DTOs stated that matter had already been taken up with the concerned banks and final position will be intimated later on. Further, the Pr. A.G. (A&E) also requested the Government to furnish the details of overpayment made by the PSBs and action taken in this regard.

## 2.6 Conclusions

During 2013-14, expenditure of ₹ 61,283.40 crore was incurred against total grants and appropriations of ₹ 74,153.46 crore. Over all saving of ₹ 12,870.06 crore occurred after the total saving of ₹ 13,256.44 crore was offset by excess expenditure of ₹ 386.38 crore. The excess expenditure requires regularization under Article 205(1)(b) of the Constitution of India. Apart from this, excess expenditure of ₹ 5,362.17 crore relating to the year 2007-08 to 2012-13 also requires regularization.

In 25 cases, re-appropriation orders proved unnecessary because expenditure did not come even upto the level of budget provisions and in remaining 12 cases reduction of provision also proves injudicious as there was excess expenditure under these cases. Out of savings of ₹ 9,211.24 crore in 24 cases (saving of more than ₹ 10 crore) savings of ₹ 6,481.88 crore were not

surrendered. There was rush of expenditure in last quarter/month of the financial year.

## **2.7 Recommendations**

*The Government may consider:*

- *getting the expenditure incurred in excess of the budget provision regularized from legislature;*
- *monitoring of expenditure and anticipated savings so that the unutilized amounts could be utilized timely on other schemes; and*
- *devising suitable mechanism to avoid rush of expenditure in last quarter/month of the financial year.*

# Chapter III

## CHAPTER III

### FINANCIAL REPORTING

Sound internal controls and compliance with rules and procedures contribute significantly to good governance. These also ensure relevant, reliable and timely financial reporting and thereby assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and appropriate decision making. This Chapter provides an overview of the State Government's compliance with various financial rules, procedures and directives.

#### 3.1 Utilization certificates

##### 3.1.1 Delay in submission of utilization certificates

Rule 8.14 of the Punjab Financial Rules Volume I stipulates that every order sanctioning a grant should specify its object clearly and time limit within which the grant is to be spent. The departmental officer drawing the grant-in-aid should be primarily responsible for certifying to the Accountant General (AG) where necessary, the fulfillment of the conditions attached to the grant and furnish the certificate (Utilization Certificate) in such form and at such interval as may be agreed between the Principal Accountant General (Accounts and Entitlement) and the Head of the Department concerned.

It was observed that out of 431 Utilization Certificates (UCs) due in respect of grants amounting to ₹ 692.25 crore paid during 2006-07 to 2013-14, 132 UCs (30.62 per cent) amounting to ₹ 134.85 crore<sup>1</sup>, were not furnished to the Pr. AG (A&E) as on 31 March 2014. The department-wise break-up of the outstanding UCs is given in *Appendix 3.1*. The age-wise position of pendency in submission of UCs is summarized in **Table 3.1**.

**Table 3.1: Age-wise pendency of utilization certificates**

(₹ incrore)

Range of delay in number of years	Total grants paid upto 31 March 2014		Utilization certificates pending as on 31 March 2014	
	Number of sanctions	Amount	Number of UCs	Amount
0-1	129	98.71	106	90.71
1-3	282	438.04	25	43.02
3-5	11	109.70	0	0
5-7	8	20.80	0	0
Above 7 years	1	25.00	1	1.12
<b>Total</b>	<b>431</b>	<b>692.25</b>	<b>132</b>	<b>134.85</b>

Source: Information compiled by the office of the Pr. AG (A&E), Punjab

<sup>1</sup> Interim UCs in respect of ₹ 23.88 crore (partial expenditure) have been received from Rural Development and Panchayats. However, final UCs of the full grant was outstanding as on 31 March 2014.

Out of the 132 outstanding UCs, 131 UCs were outstanding since last three years and one UC involving ₹ 1.12 crore pertaining to the Rural Development & Panchayats Department was outstanding since 2006-07. Despite having been pointed out in the report for the year 2012-13, no action has been taken by the Department. In the absence of UCs, it could not be ascertained whether the grants had been spent for the purposes for which they were granted.

During review of Department of Sports & Youth Services, it was noticed that out of 31 UCs for ₹ 55.85 crore due for the period 2012-14, 25 UCs amounting to ₹ 48.91 crore (87.57 per cent) were outstanding as on 31 March 2014. Further, there was no mechanism for monitoring the position of outstanding UCs at regular interval in the Department. On being pointed out, late submission of UCs by Sports Council was stated to be the reason for late submission of UCs by the Department.

The Finance Department stated (November 2014) that all the Departments were being directed to send pending UCs in time on monthly basis.

### **3.1.2 Irregular Submission of Utilization Certificate**

As per Para 6.2 of the guidelines of the 13th Finance Commission (ThFC), release of any installment of the ThFC grant will be subject to UC for the previous installment drawn.

It was noticed that in compliance to above guidelines the actual utilization of the grant for ₹ 60 crore, transferred to PRIs for the year 2013-14 (**Table 3.2**), UC submitted to the GoI without ascertaining the expenditure incurred by the executing agencies as utilization certificate was not found obtained from the implementing agencies. The process of obtaining the UCs from the executing agencies was initiated (August 2014) by the Department.

### **3.2 Delay in submission of Accounts/Audit Reports of autonomous bodies**

It was noticed that 14 number of accounts from 2003-04 to 2012-13 were pending in respect of four autonomous bodies. Separate Audit Report (SAR) in respect of four autonomous bodies was also pending for placing before legislature (**Appendix 3.2**). The delays in submission of accounts by the autonomous bodies to Audit and placement of the SARs in the Legislature are given in **Table 3.2**.



**Table 3.2: Detail of pending accounts/delays in submission of accounts and tabling of Separate Audit Reports in the Legislature as on 31 March 2014**

Sr. No.	Name of the Autonomous Body	Accounts received with delay	Extent of delay in submission of accounts (in months)	Number of pending accounts	Pendency of submission of the SARs to the Legislature
1.	Punjab Legal Services Authority	2010-11	4	2 (2011-12 and 2012-13)	SARs for the years 2006-07 to 2010-11 were pending.
2.	Punjab Khadi and Village Industry Board	2009-10 2010-11 2011-12	37 25 13	1 (2012-13)	SAR for the year 2010-11 were pending
3.	Punjab State Human Rights Commission	--	--	--	SARs for the years 2009 -10 to 2012-13 were pending
4.	Punjab Labour Welfare Board	2002-03	124	10 (2003-04 to 2012-13)	SARs for the years 2000-01 and 2001-02 were pending.
5.	Pushpa Gujral Science City	2011-12	19	1 (2012-13)	SAR is not required to be placed in the State Legislature as per Rule 14 of Memorandum of Association of Society

Source: Departmental data

The Accounts of four<sup>2</sup> autonomous bodies for the years 2003-04 to 2012-13 were awaited as of 31 March 2014. The Punjab Labour Welfare Board has not rendered its accounts since the financial year 2003-04 despite repeated comments in the Report on State Finances of the Comptroller and Auditor General of India (CAG).

In reply, the Finance Department stated (November 2014) that necessary instructions were issued to the concerned departments.

### 3.3 Departmental Commercial Undertakings

The departmental undertakings performing activities of commercial/quasi-commercial nature are required to prepare proforma accounts in the prescribed format annually, showing the working results of operations so that the Government can assess their working. In the absence of timely

<sup>2</sup> (i) Punjab Legal Services Authority, (ii) Punjab Khadi & Village Industry Board, (iii) Punjab Labour Welfare Board and (iv) Pushpa Gujral Science City.

finalisation of accounts, the results of the investment of the Government remain outside the purview of State Legislature and scrutiny by the Audit. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency could not be taken in time. Besides, the delay in all likelihood may also open the system to the risk of fraud and leakage of public money.

The Heads of Departments in the Government are to ensure that the departmental undertakings prepare such accounts and submit the same to the Accountant General (Audit) within a specified time frame. As of 31 March 2014, the Punjab Roadways (Transport Department) had not prepared its accounts since 2003-04. Despite repeated comments in the earlier Reports on State Finances of the CAG about the arrears in preparation of accounts, the accounts have not been prepared by Punjab Roadways.

The Finance Department stated (November 2014) that necessary instructions were issued to the concerned departments.

### 3.4 Misappropriations, losses, thefts etc.

Rules 2.33 to 2.35 of the Punjab Financial Rules lay down detailed instructions regarding responsibility for losses sustained through fraud or negligence of individuals, loss or destruction of Government property and report thereof to the Police/Accountant General.

There were 128 cases pending involving an amount of ₹ 2.22 crore as on 1st April 2013. During the year 39 cases (₹ 0.08 crore) were added and 6 cases (₹ 0.91 crore) were settled leaving 161 cases (₹ 1.39 crore) pending as on 31 March 2014. Department-wise detail of outstanding cases as on 31 March 2014 is given in **Table 3.3** and age-wise profile is given in **Appendix 3.3**.

**Table 3.3: Pending cases of misappropriation, loss, theft etc.**

(₹ in lakh)

Name of Department	Cases of theft		Cases of Misappropriation/ Loss of Government material		Total	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Education	1	0.06	6	12.39	7	12.45
Elections	2	0.21	--	--	2	0.21
Home Affairs and Justice	1	6.00	148	46.47	149	52.47
Health and Family Welfare	1	0.42	--	--	1	0.42

Name of Department	Cases of theft		Cases of Misappropriation/ Loss of Government material		Total	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Rural Development	--	--	2	73.76	2	73.76
<b>Total</b>	<b>5</b>	<b>6.69</b>	<b>156</b>	<b>132.62</b>	<b>161</b>	<b>139.31</b>

Source: Information as provided by the departments

Out of 161 cases, five cases involving amount of ₹ 68.24 lakh were sub-judice. The reasons for the delay in finalization of pending cases of thefts, misappropriations, losses, etc. are given in **Table 3.4**.

**Table 3.4: Reasons for the delay in finalization of pending cases of misappropriation, loss, theft, etc.**

(₹ in lakh)

Reasons	Number of cases	Amount
Awaiting departmental and criminal investigation	8	12.29
Departmental action initiated but not finalised	6	11.62
Criminal proceedings finalized but execution of certified cases for recovery of amount pending	1	1.10
Awaiting orders for recovery or write off	141	46.06
Pending in the courts of law	5	68.24
<b>Total</b>	<b>161</b>	<b>139.31</b>

Source: Information as provided by the departments

The Finance Department stated (November 2014) that necessary instructions were issued to the concerned departments.

### 3.5 Unadjusted abstract contingent bills

As per Punjab Treasury Rules (PTR), amount drawn on Abstract Contingent (AC) bills should be settled by submitting Detailed Contingent (DC) bills to the Principal Accountant General (A&E) for the expenditure incurred along with supporting vouchers within one month. However, out of total 2621 AC bills for ₹ 3,099.47 crore drawn during the period 2011-14 by different departments from various treasuries of the State, 1946 DC bills amounting to ₹ 1,327.37 crore were sent to Pr. AG (A&E), Punjab. As many as 675 AC bills amounting to ₹ 1,772.10 crore were awaiting adjustment as on 31 March 2014.

In reply, the Finance Department stated (November 2014) that necessary instructions were issued to the concerned departments regarding submission of pending DC bills without further delay. Monitoring mechanism regarding AC bills was also being developed in Integrated Financial Management System.

### 3.6 Opaqueness in Government Accounts

Finance Accounts of the State Government for 2013-14 showed that expenditure of ₹ 5,878.24 crore (13.41 *per cent* of the total expenditure) under 68 Major Heads and receipts of ₹ 2,044.31 crore (5.82 *per cent* of the total Revenue Receipts) under 48 Major Heads were classified under Minor Head-"800- Other Expenditure" and "Other Receipts" respectively. An illustrative statement in respect of 7 Major Heads (expenditure) and 10 Major Heads (receipts) with substantial amounts of ₹ 5,179.18 crore and ₹ 511.87 crore, respectively, classified under Minor Head-800 is given in *Appendix 3.4*.

Classification of large amounts booked under the minor heads '800-Other receipts/expenditure' affects the transparency in the financial reporting. In reply, the Finance Department stated (November 2014) that frequent changes in heads of accounts would lead to undesirable consequences. However, one time exercise had been done and the situation stands rectified.

### 3.7 Transfer of funds to Personal Deposit Accounts

Under the rules, Personal Deposit (PD) Accounts are operated by transferring amounts from the Consolidated fund (booking these as final expenditure), to be utilized for specific purposes. Unspent balances lying in PD accounts are required to be transferred back to the consolidated fund on the last working day of the financial year and the PD accounts reopened the next year, if necessary. It was noticed that 176 PD accounts involving a sum of ₹ 232.31 crore (**Table 3.5**) were not closed on 31 March 2014 resulting in blockade of funds.

**Table 3.5: Detail of PD Accounts which were not closed on 31 March 2014**

Item	Number of Accounts	Amount (₹ in crore)
Personal Deposit Accounts as on 1 April 2013	181	1,98.33
Personal Deposit Accounts opened during 2013-14	23	2,94.85
Ongoing Personal Deposit Accounts (Addition)	..	1,72.48
Personal Deposit Accounts closed on 31 March 2014	28	2,51.53
Ongoing Personal Deposit Accounts (Discharge)	..	1,81.82
<b>Balance</b>	<b>176*</b>	<b>232.31</b>

\*174 PD accounts are operative and 2 are inoperative for more than five years.

The Finance Department assured (November 2014) to take up the matter with concerned departments.

### 3.8 Conclusions

There was delay in submission of utilization certificates, accounts by the autonomous bodies and submission of Separate Audit Reports to the Legislature. There were 161 cases of theft, loss and misappropriation involving an amount of ₹ 1.39 crore. As many as 675 AC bills amounting to

₹ 1,772.11 crore were awaiting adjustment as on 31 March 2014. Classification of large amounts booked under the minor heads '800-Other receipts/ expenditure' does not give a complete picture in the financial reporting.

### 3.9 Recommendations

*The Government may consider:*

- *expediting inquiries in cases of misappropriation, theft, etc. and strengthening the internal control system to prevent recurrence of such cases;*
- *adjustment of Abstract Contingent bills within stipulated period, as required under the extant rules; and*
- *ensuring greater transparency in financial reporting, by avoiding usage of the minor head 800-other receipts or other expenditure.*

CHANDIGARH  
The 4 March 2015

  
(JAGBANS SINGH)  
Pr. Accountant General (Audit), Punjab

Countersigned

NEW DELHI  
The 5 March 2015

  
(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India

# Appendices

**Appendix 1.1**  
(Referred to in paragraph 1.1, page 1)  
**Profile of Punjab**

<b>A. General Data</b>			
<b>Sr. No.</b>	<b>Particulars</b>		<b>Figures</b>
<b>1.</b>	Area		50362 sq km
<b>2.</b>	Population as per 2011 Census		2.77 crore
<b>3.</b>	Density of Population (as per 2011 census) (All India Density = 382 persons per Sq. Km.)		551 persons per Sq. km.
<b>4.</b>	Population below poverty line <sup>1</sup> (All India Average = 21.92 <i>per cent</i> )		8.26 <i>per cent</i>
<b>5.</b>	Literacy (as per 2011 census) (All India Average = 74.04 <i>per cent</i> )		75.80 <i>per cent</i>
<b>6.</b>	Infant mortality <sup>2</sup> (per 1000 live births) (All India Average = 40 per 1000 live births)		28
<b>7.</b>	Life Expectancy at birth <sup>3</sup> (All India Average=Male-64.6 years,Female-67.6 years)		Male:69.7 years Female:72.8 years
<b>8.</b>	Gini Coefficient <sup>4</sup> (a measure of inequality of income among the population. Value rate is from zero to one. Value closer to zero indicates inequality is less and vice versa) (All India Average = Rural – 0.29; Urban – 0.38)		Rural – 0.29 Urban – 0.37
<b>9.</b>	Gross State Domestic Product (GSDP) 2013-14 at current prices		₹ 3,17,054 crore
<b>10.</b>	Per capita GSDP CAGR (2004-05 to 2013-14)	General Category States Average	14.88
		Punjab	12.14
<b>11.</b>	GSDP CAGR (2004-05 to 2013-14)	General Category States Average	15.49
		Punjab	14.07
<b>12.</b>	Population Growth (2004-05 to 2013-14)	General Category States Average	12.94
		Punjab	16.67
<b>13.</b>	Total cropped area		79.02 lakh hectares
<b>14.</b>	Gross Irrigated area		77.71 lakh hectares
<b>15.</b>	Percentage of gross cropped area to gross irrigated area		98 <i>per cent</i>
<b>16.</b>	No. of primary schools		15334

**Source:** Economic Surveys of India and Punjab 2013-14 and Statistical Abstract of Punjab 2013.

<sup>1</sup> Press note July 2013 Planning Commission BPL 2011-12 by Tendulkar methodology.

<sup>2</sup> SRS Bulletin September 2013.

<sup>3</sup> Economic survey indicators for 2010-11 as shown in Economic survey of 2012-13.

<sup>4</sup> Planning commission data for 2009-10.



<b>B. Financial Data</b>				
<b>Sr. No.</b>	<b>Particulars</b>	<b>Figures (in per cent)</b>		
		<b>2004-05 to 2012-13</b>		<b>2004-05 to 2013-14</b>
	<b>CAGR<sup>5</sup></b>	<b>General Category States</b>	<b>Punjab</b>	<b>Punjab</b>
<b>a.</b>	<b>Of Revenue Receipts</b>	16.93	11.10	10.91
<b>b.</b>	<b>Of Own Tax Revenue</b>	16.42	15.89	14.80
<b>c.</b>	<b>Of Non Tax Revenue</b>	12.49	-8.51	-5.59
<b>d.</b>	<b>Of Total Expenditure</b>	15.37	10.99	10.39
<b>e.</b>	<b>Of Capital Expenditure</b>	17.01	12.23	12.50
<b>f.</b>	<b>Of Revenue Expenditure on Education, Sports, Art and Culture</b>	17.44	15.29	13.53
<b>g.</b>	<b>Of Revenue Expenditure on Health and Family Welfare</b>	16.50	14.46	14.64
<b>h.</b>	<b>Of Salary and Wages</b>	14.73	13.32	12.37
<b>i.</b>	<b>Of Pension</b>	18.34	18.70	17.10

Source: Financial data: Finance Accounts of the State Government.

<sup>5</sup> Details of CAGR worked out on the basis of information furnished by the 16 General Category States (excluding Delhi, Goa and Puducherry).

**Appendix 1.2**  
(Referred to in paragraph 1.1, page 1)

**Structure of the Government Accounts**

The accounts of the State Government are kept in three parts:

**Part I: Consolidated Fund:** All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of the State ' established under Article 266(1) of the Constitution of India.

**Part II: Contingency Fund:** Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorization by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

**Part III: Public Account:** Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by State Legislature.

**Layout of the Finance Accounts**

Statement Number	Subject
1	Statement of Financial Position
2	Statement of Receipts and Disbursements
3	Statement of Receipts in Consolidated Fund
4	Statement of Expenditure out of Consolidated Fund by function and nature
5	Statement of Progressive Capital expenditure
6	Statement of Borrowings and other Liabilities
7	Statement of Loans and Advances given by the Government
8	Statement of total funds released during the year as Grants-in-aid and funds allocated for creation of assets
9	Statement of Guarantees given by the Government
10	Statement of Voted and Charged Expenditure
11	Detailed Statement of Revenue and Capital Receipts by minor heads
12	Detailed Statement of Revenue Expenditure by minor heads
13	Detailed Statement of Capital Expenditure
14	Detailed Statement of Investments of the Government
15	Detailed Statement of Borrowings and other Liabilities
16	Detailed Statement of Loans and Advances made by the Government
17	Detailed Statement of Sources and Application of funds for expenditure other than on revenue account
18	Detailed Statement of Contingency Fund and Public Account transactions
19	Detailed Statement on Investment of earmarked balances

### Appendix 1.3

(Referred to in paragraph 1.1.2, page 2)

#### **Punjab Fiscal Responsibility and Budget Management (FRBM) Act, 2003**

The Government of Punjab had enacted the Punjab Fiscal Responsibility and Budget Management Act, 2003 to ensure prudence in fiscal management and to achieve fiscal stability in the State. To improve the fiscal position and to bring fiscal stability, the Act envisages progressive elimination of the revenue deficit, reduction in fiscal deficit and prudent debt management consistent with fiscal sustainability. The Act also provides for greater fiscal transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and matters connected therewith or thereto.

The Thirteenth Finance Commission (ThFC) in its report has recommended a revised roadmap for Fiscal Consolidation for States to reduce its fiscal deficit to three *per cent* of Gross State Domestic Product (GSDP) by the year 2014-15, maintain it at that level thereafter, reduce revenue deficit to zero or surplus by 2014-15 and bring down its debt at 38.7 *per cent* of GSDP by 2014-15. The State was also asked to amend FRBM Act, 2003 to conform to these targets. The State Government as per recommendations/guidelines of the ThFC has amended the FRBM Act, 2003 in 2011 and also prepared the Fiscal Consolidation Roadmap (**Appendix 1.5**) for the years 2010-11 to 2014-15 incorporating therein year-wise annual targets for revenue deficit, fiscal deficit and debt outstanding. The Act, as amended, *inter-alia*, prescribed the following fiscal targets for the State:

- a) contain fiscal deficit as *per cent* of Gross State Domestic Product (GSDP) at 3.5 *per cent* in the financial years 2010-11, 2011-12, 2012-13, at three *per cent* in financial years 2013-14 and 2014-15 and maintain thereafter.
- b) reduce the revenue deficit as *per cent* of GSDP so as to bring it down to 1.8 *per cent* in the financial year 2011-12, 1.2 *per cent* in the financial year 2012-13, 0.6 *per cent* in the financial year 2013-14 and zero *per cent* or surplus in the financial year 2014-15 and maintain thereafter.
- c) bring down its debt as *per cent* of GSDP to 42.5 *per cent* in the financial year 2010-11, 41.8 *per cent* in the financial year 2011-12, 41.0 *per cent* in the financial year 2012-13, 39.8 *per cent* in the financial year 2013-14 and 38.7 *per cent* in the financial year 2014-15.
- d) cap the outstanding guarantees on long term debt to 80 *per cent* of the revenue receipts of the previous year. Guarantees on short term debt were to be given only for working capital or food credit in which case this must be fully backed by physical stocks.

## Appendix 1.4

(Referred to in paragraph 1.1.4, page 2)

## Abstract of receipts and disbursements for the year 2013-14 and summarized financial position of the Government of Punjab as on 31 March 2014

## Part A - Abstract of receipts and disbursements for the year 2013-14

(₹ in crore)

Receipts	2012-13	2013-14	Disbursements	2012-13	2013-14		
					Non-Plan	Plan	Total
1	2	3	4	5	6	7	8
<b>Section-A: Revenue</b>							
<b>I-Revenue receipts</b>	<b>32051.15</b>	<b>35103.54</b>	<b>I-Revenue expenditure</b>	<b>39457.94</b>	<b>38505.32</b>	<b>3135.35</b>	<b>41640.67</b>
(i) Tax revenue	22587.56	24079.20	<u>General services</u>	<b>18572.15</b>	<b>20180.83</b>	<b>11.36</b>	<b>20192.19</b>
(ii) Non-tax revenue	2629.21	3191.49	<u>Social Services-</u>	<b>11189.97</b>	<b>8908.86</b>	<b>2410.23</b>	<b>11319.09</b>
(iii) State's share of Union Taxes and Duties	4058.81	4431.47	-Education, Sports, Art and Culture	6628.81	5493.87	929.06	6422.93
(iv) Non-Plan Grants	894.91	1064.11	-Health and Family Welfare	1793.87	1533.92	352.59	1886.51
(v) Grants for State Plan Schemes	684.19	1058.26	Water Supply, Sanitation, Housing and Urban Development	544.63	562.98	0.00	562.98
(vi) Grants for Central and Centrally Sponsored Plan Schemes	1196.47	1279.01	-Information and Broadcasting	29.33	20.63	19.17	39.80
			-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	396.53	445.52	229.67	675.19
			-Labour and Labour Welfare	156.63	147.16	10.36	157.52
			-Social Welfare and Nutrition	1618.22	682.31	869.38	1551.69
			-Others	21.95	22.47	0.00	22.47
			<u>Economic Services-</u>	<b>9152.09</b>	<b>8885.97</b>	<b>713.76</b>	<b>9599.73</b>
			-Agriculture and Allied Activities	1265.60	834.93	587.98	1422.91
			-Rural Development	535.18	675.67	28.85	704.52
			-Irrigation and Flood Control	1070.83	1341.90	0.00	1341.90
			-Energy	5060.23	4815.78	0.00	4815.78
			-Industry and Minerals	72.14	53.18	4.63	57.81
			-Transport	701.53	671.73	0.00	671.73
			-Science, Technology and Environment	5.50	2.53	4.00	6.53
			-General Economic Services	441.08	490.25	88.30	578.55
			<u>Grants-in-aid Contributions</u>	<b>543.73</b>	529.66	0.00	<b>529.66</b>
			<b>Total</b>	<b>39457.94</b>	<b>38505.32</b>	<b>3135.35</b>	<b>41640.67</b>
<b>II. Revenue deficit carried over to Section B</b>	<b>7406.79</b>	<b>6537.13</b>	<b>Revenue Surplus carried over to Section-B</b>	--	--	--	
<b>Total Section A</b>	<b>39457.94</b>	<b>41640.67</b>		<b>39457.94</b>	<b>38505.32</b>	<b>3135.35</b>	<b>41640.67</b>

Receipts	2012-13	2013-14	Disbursements	2012-13	2013-14		
					Non-Plan	Plan	Total
1	2	3	4	5	6	7	8
<b>Section-B Others</b>							
<b>III-Opening Cash balance including Permanent Advances and Cash Balance Investment</b>	<b>(-)178.30</b>	<b>(-)303.61</b>	<b>III Opening Overdraft from Reserve Bank of India</b>	<b>--</b>	<b>--</b>	<b>--</b>	
<b>IV – Misc Capital Receipts</b>	<b>0.21</b>	<b>0.51</b>	<b>IV-Capital Outlay</b>	<b>1915.82</b>	<b>189.52</b>	<b>2011.09</b>	<b>2200.61</b>
			<u><b>General Services</b></u>	<b>162.28</b>	<b>62.44</b>	<b>155.92</b>	<b>218.36</b>
			<u><b>Social Services-</b></u>	<b>716.15</b>	<b>1.22</b>	<b>929.11</b>	<b>930.33</b>
			-Education, Sports, Art and Culture	<b>186.89</b>	0.00	356.72	<b>356.72</b>
			-Health and Family Welfare	<b>109.36</b>	0.52	82.15	<b>82.67</b>
			Water Supply, Sanitation, Housing and Urban Development	<b>401.01</b>	0.43	479.47	<b>479.90</b>
			-Information and Broadcasting	<b>0.00</b>	0.27	0.00	<b>0.27</b>
			-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	<b>5.78</b>	0.00	7.42	<b>7.42</b>
			-Social Welfare and Nutrition	<b>3.16</b>	0.00	0.50	<b>0.50</b>
			-Others	<b>9.95</b>	0.00	2.85	<b>2.85</b>
			<u><b>Economic Services-</b></u>	<b>1037.39</b>	<b>125.86</b>	<b>926.06</b>	<b>1051.92</b>
			-Agriculture and Allied Activities	<b>15.30</b>	0.00	88.26	<b>88.26</b>
			-Rural Development	<b>122.07</b>	67.68	62.20	<b>129.88</b>
			-Irrigation and Flood Control	<b>507.60</b>	53.47	307.03	<b>360.50</b>
			Industry and Minerals	<b>0.02</b>	0.00	0.00	<b>0.00</b>
			Transport	<b>229.81</b>	4.65	378.83	<b>383.48</b>
			Science Technology and Environment	<b>0.93</b>	0.00	0.00	<b>0.00</b>
			General Economic Services	<b>161.66</b>	0.06	89.74	<b>89.80</b>
<b>TOTAL</b>	<b>(-)178.09</b>	<b>(-)303.10</b>	<b>TOTAL</b>	<b>1915.82</b>	<b>189.52</b>	<b>2011.09</b>	<b>2200.61</b>
<b>V Recoveries of Loans and Advances</b>	<b>174.09</b>	<b>112.30</b>	<b>V-Loans and Advances Disbursed</b>	<b>197.53</b>	<b>165.13</b>	<b>0.00</b>	<b>165.13</b>
-From Power Projects	94.25	5.68	-For Power Projects	<b>0.00</b>	10.00	0.00	<b>10.00</b>
-From Government Servants	75.17	70.88	-To Government Servants	<b>52.11</b>	49.52	0.00	<b>49.52</b>
-From others	4.67	35.74	-To Others	<b>145.42</b>	105.61	0.00	<b>105.61</b>
<b>VI-Revenue surplus brought down</b>	<b>--</b>	<b>--</b>	<b>VI-Revenue Deficit Brought down</b>	<b>7406.79</b>	6537.13	0.00	<b>6537.13</b>

Receipts	2012-13	2013-14	Disbursements	2012-13	2013-14		
					Non-Plan	Plan	Total
1	2	3	4	5	6	7	8
<b>VII- Public debt receipts</b>	<b>22166.50</b>	<b>24140.48</b>	<b>VII-Repayment of Public Debt</b>	<b>15115.79</b>	<b>16682.94</b>	<b>0.00</b>	<b>16682.94</b>
-External Debt	--	--	-External Debt	--	--	--	--
-Internal debt other than ways and means Advances and Overdraft	10451.16	10294.99	-Internal debt other than ways and means Advances and Overdraft	<b>3402.98</b>	3393.25	0.00	<b>3393.25</b>
-Net transactions under Ways and Means Advances	11493.40	13467.53	-Net transactions under Ways and Means Advances	<b>11442.08</b>	13032.97	0.00	<b>13032.97</b>
-Net transactions under overdraft	--	--	-Net transactions under overdraft	0.00	--	--	<b>0.00</b>
-Loans and Advances from Central Government	221.94	377.96	-Repayment of Loans and Advances to Central Government	270.73	256.72	0.00	256.72
<b>VIII- Appropriation to Contingency fund</b>	<b>Nil</b>	<b>Nil</b>	<b>VIII- Appropriation to Contingency fund</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>IX-Amount transferred to Contingency fund</b>	<b>Nil</b>	<b>Nil</b>	<b>IX-Expenditure from Contingency fund</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>X-Public Account Receipts<sup>#</sup></b>	<b>35701.02</b>	<b>36261.15</b>	<b>X-Public Account Disbursement<sup>#</sup></b>	<b>33531.20</b>	<b>33994.60</b>	<b>0.00</b>	<b>33994.60</b>
-Small Savings and Provident funds	3205.99	3340.96	-Small Savings and Provident funds	1640.74	1376.93	0.00	1376.93
-Reserve funds	645.57	576.81	-Reserve funds	13.16	237.54	0.00	237.54
-Deposits and Advances	3882.13	3860.12	-Deposits and Advances	3947.83	3668.57	0.00	3668.57
-Suspense and Miscellaneous	26462.24	28522.12	-Suspense and Miscellaneous	26418.47	28640.97	0.00	28640.97
-Remittances	1505.09	(-)38.86	-Remittances	1511.00	70.59	0.00	70.59
<b>XI Closing Overdraft from Reserve Bank of India</b>	<b>NIL</b>	<b>Nil</b>	<b>XI Cash Balance at end</b>	<b>(-)303.61</b>	<b>630.42</b>	<b>0.00</b>	<b>630.42</b>
			Cash in Treasuries and Local Remittances	--	--	--	--
			Deposits with Reserve Bank	(-)881.21	(-)69.18	0.00	(-)69.18
			Departmental cash balance including permanent advances	475.57	597.57	0.00	597.57
			Cash Balance Investment	102.03	102.03	0.00	102.03
<b>Total Section-B</b>	<b>57863.52</b>	<b>60210.83</b>		<b>57863.52</b>	<b>58199.74</b>	<b>2011.09</b>	<b>60210.83</b>
<b>Total</b>	<b>97321.46</b>	<b>101851.50</b>	<b>Total</b>	<b>97321.46</b>	<b>96705.06</b>	<b>5146.44</b>	<b>101851.50</b>

<sup>#</sup> These exclude transactions of investment of cash balances and departmental cash chests.

**Appendix 1.4 (continued)**  
(Referred to in paragraph 1.9.1, page 32)  
**Part - B - Summarized financial position of the Government of Punjab**  
**as on 31 March 2014**

(₹ in crore)

<b>Liabilities</b>	<b>As on 31.03.2013</b>	<b>As on 31.03.2014</b>
<b>Internal Debt -</b>	<b>68001.35</b>	<b>75337.65</b>
Market Loans bearing interest	43063.11	50318.34
Market Loans not bearing interest	0.13	0.07
Loans from Life Insurance Corporation of India	0.58	0.27
Loans from other Institutions	24779.46	24426.35
Ways and Means Advances and Overdrafts from Reserve Bank of India	158.07	592.62
<b>Loans and Advances from Central Government-</b>	<b>3210.30</b>	<b>3331.55</b>
Non-Plan Loans	41.06	39.16
Loans for State Plan Schemes	3168.92	3292.08
Pre 1984-85 Loans	0.32	0.31
<b>Contingency Fund</b>	<b>25.00</b>	<b>25.00</b>
<b>Small Savings, Provident Funds, etc.</b>	<b>14562.50</b>	<b>16526.53</b>
<b>Deposits</b>	<b>3259.52</b>	<b>3451.07</b>
<b>Reserve Funds</b>	<b>3248.41</b>	<b>3587.68</b>
<b>Suspense and Miscellaneous Balances</b>	<b>133.89</b>	<b>15.05</b>
<b>Remittance Balances</b>	<b>102.00</b>	<b>--</b>
<b>TOTAL</b>	<b>92542.97</b>	<b>102274.53</b>
<b>Assets</b>		
<b>Gross capital outlay on fixed assets -</b>	<b>30603.12</b>	<b>32803.26</b>
Investments in shares of Companies, Corporations, etc.	3832.65	3862.14
Other Capital Outlay	26770.47	28941.12
<b>Loans and Advances -</b>	<b>2429.39</b>	<b>2482.21</b>
Loans for Power Projects	939.86	944.18
Other Development Loans	1461.34	1531.20
Loans to Government servants and Miscellaneous loans	28.19	6.83
<b>Advances</b>	<b>0.77</b>	<b>0.77</b>
<b>Remittance Balances</b>	<b>-</b>	<b>7.44</b>
<b>Cash</b>	<b>(-)303.61</b>	<b>630.42</b>
Cash in Treasuries and Local Remittances	-	-
Departmental Cash Balance	474.65	596.67
Permanent Advances	0.22	0.22
Cash Balance Investments	102.03	102.03
Deposits with Reserve Bank	(-)881.21	(-)69.18
Investments from Earmarked Funds	0.70	0.68
<b>Deficit on Government Account -</b>	<b>59813.30</b>	<b>66350.43</b>
Add Revenue Deficit of the current year	7406.80	6537.13
Accumulated deficit at the beginning of the year	52406.50	59813.30
<b>Total</b>	<b>92542.97</b>	<b>102274.53</b>



### Appendix 1.5

(Referred to in paragraphs 1.1.6 and 1.3, pages 4 and 13)

#### Fiscal Consolidation Roadmap for the State for the financial years 2010-11 to 2014-15 as per recommendations of the Thirteenth Finance Commission

(₹ in crore)

Item	2010-11	2011-12	2012-13	2013-14	2014-15
1	2	3	4	5	6
<b>A. Fiscal Consolidation Roadmap for the State recommended by ThFC</b>					
<b>i) Revenue Deficit as percentage of GSDP</b>	--	1.80	1.20	0.60	0.00
<b>ii) Fiscal Deficit as percentage of GSDP</b>	3.50	3.50	3.50	3.00	3.00
<b>iii) Outstanding Debt to GSDP ratio</b>	42.50	41.80	41.00	39.80	38.70
<b>B. Fiscal Consolidation Roadmap for the State</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<b>1. Revenue Receipts</b>	<b>30475</b>	<b>32027</b>	<b>35631</b>	<b>40194</b>	<b>45416</b>
<b>i) Share of Central taxes</b>	<b>3207</b>	<b>3665</b>	<b>4398</b>	<b>5278</b>	<b>6333</b>
<b>ii) State's Own Taxes and Duties</b>	<b>17396</b>	<b>20408</b>	<b>23103</b>	<b>26170</b>	<b>29665</b>
a) Sales Tax/VAT (State Share)	10000	11800	13570	15606	17946
b) State Excise	2640	3250	3510	3790	4094
c) Stamps and Registration	2500	2900	3335	3835	4411
d) Motor Vehicle Tax	700	800	864	933	1008
e) Electricity Duty	1520	1400	1540	1694	1863
f) Land Revenue	17	19	21	23	25
g) Entertainment Tax	19	239	263	289	318
<b>iii) Non Tax Revenue</b>	<b>6568</b>	<b>3126</b>	<b>3277</b>	<b>3439</b>	<b>3610</b>
a) Interest Receipts	412	177	177	177	177
b) Police	71	78	86	94	104
c) Other Administrative Services	72	72	79	87	90
d) Misc. General Services	4923	1657	1681	1699	1718
i) Lotteries	3851	81	89	98	108
ii) Deposits/Contributions	1000	1500	1500	1500	1500
iii) Guarantee Fee	71	75	82	91	100
iv) Others	1	1	10	10	10
e) Education, Sports, Art & Culture	42	45	49	54	60
f) Medical and Public Health	68	72	79	87	96
g) Water Supply and Sanitation	45	50	55	60	67
h) Urban Development	83	94	103	114	125
i) Major and Medium Irrigation	300	300	330	363	399
j) Mining	60	65	71	79	87
k) Punjab Roadways	121	133	146	161	177
l) Civil Supplies	50	55	60	67	73
m) Others	321	328	361	397	437
<b>iv) Grants from Centre</b>	<b>3304</b>	<b>4328</b>	<b>4853</b>	<b>5307</b>	<b>5808</b>
a) Non Plan	634	656	851	942	1046
i) 13th Finance Commission	366	626	818	906	1006
ii) Government of India	268	30	33	36	40

Item	2010-11	2011-12	2012-13	2013-14	2014-15
b) State Plan	1614	1949	2107	2281	2469
i) 13th Finance Commission	42	414	419	424	426
ii) Government of India	1572	1535	1688	1857	2043
c) Centrally Sponsored Schemes	723	1469	1616	1777	1955
d) Central Plan	333	254	279	307	338
<b>v) ARM</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Revenue Receipts(i+ii+iii+iv+v)</b>	<b>30475</b>	<b>32027</b>	<b>35631</b>	<b>40194</b>	<b>45416</b>
<b>2. Revenue Expenditure</b>	<b>34180</b>	<b>35406</b>	<b>38882</b>	<b>42171</b>	<b>44905</b>
a) Interest Payments	5499	6530	7130	7630	8130
b) Pension and Retirement benefits	4048	4822	5304	5835	6418
c) Salaries	10309	11067	12174	13391	14730
Arrears of Pay Commission	0	1500	1125	1125	0
d) Power Subsidy	3376	3020	4020	4520	5020
e) Devolution to Local Bodies	1319	1474	1804	2029	2294
f) Civil Supplies	433	481	500	200	200
g) Natural Calamities	228	239	251	263	276
h) Lotteries	3805	48	53	58	64
i) State Plan Expenditure	2082	2623	2885	3174	3491
j) CSS Expenditure	662	854	939	1033	1136
k)Others	2419	2748	2697	2913	3146
<b>I. Revenue Surplus (+)/Deficit (-) {1-2}</b>	<b>(-) 3705</b>	<b>(-) 3379</b>	<b>(-) 3251</b>	<b>(-) 1977</b>	<b>(+) 510</b>
<b>3. Capital Expenditure</b>	<b>4029</b>	<b>5418</b>	<b>6502</b>	<b>7802</b>	<b>9362</b>
i) Non Plan	287	254	305	366	439
ii) State Plan	3178	4160	4992	5990	7188
iii) CSS	565	1004	1205	1446	1735
<b>4. Loans and Advances (net)</b>	<b>546</b>	<b>(-)4.00</b>	<b>(-) 4.00</b>	<b>(-) 4.00</b>	<b>(-) 4.00</b>
i) Advances	68	80	80	80	80
ii) Recoveries	614	84	84	84	84
iii) Other Capital Receipts	0	0	0	0	0
<b>II. Fiscal Deficit (I-3+4)</b>	<b>(-) 7189</b>	<b>(-) 8801</b>	<b>(-) 9757</b>	<b>(-) 9783</b>	<b>(-) 8856</b>
5. Outstanding Debt	69549	77585	87342	97125	105981
6. Other liabilities (Reserve Funds and Deposits)	4623	5404	6362	7362	8362
7. Outstanding Debt (including other liabilities) (5+6)	74172	82989	93704	104487	114343
8. GSDP at current prices	226867	259223	296007	317054	351918
9. Revenue Deficit as percentage of GSDP	(-)1.63	(-)1.30	(-)1.10	(-)0.62	(+)0.15
10. Fiscal Deficit as percentage of GSDP	(-)3.17	(-)3.40	(-)3.30	(-)3.09	(-)2.52
11. Outstanding Debt (including GPF) as percentage of GSDP	30.66	29.93	29.51	30.63	30.12
12. Outstanding Debt ( including other liabilities) as percentage of GSDP	32.69	32.01	31.66	32.96	32.49

## Appendix 1.6

(Referred to in paragraph 1.1.7, page 4)

Budget estimates vis-à-vis actuals of various fiscal parameters for the year 2013-14

(` in crore)

	Acutals	Budget Estimates	Difference	Percentage Increase (+)/ Decrease(-)
<b>Revenue Receipts</b>	<b>35104</b>	<b>42666</b>	<b>(-)7562</b>	<b>(-)17.72</b>
<i>Of which</i>				
<b>Tax Revenue</b>	<b>24079</b>	<b>28524</b>	<b>(-)4445</b>	<b>(-)15.58</b>
<i>Taxes on Sales, Trades etc.</i>	<i>14847</i>	<i>17760</i>	<i>(-)2913</i>	<i>(-)16.40</i>
<i>State Excise</i>	<i>3765</i>	<i>4180</i>	<i>(-)415</i>	<i>(-)9.93</i>
<i>Taxes on vehicles</i>	<i>1146</i>	<i>1350</i>	<i>(-)204</i>	<i>(-)15.11</i>
<i>Stamps and Registration fees</i>	<i>2500</i>	<i>3450</i>	<i>(-)950</i>	<i>(-)27.54</i>
<i>Land Revenue</i>	<i>42</i>	<i>36</i>	<i>6</i>	<i>16.67</i>
<b>Non-Tax Revenue</b>	<b>3192</b>	<b>2736</b>	<b>456</b>	<b>16.67</b>
<b>State's share of Union taxes and duties</b>	<b>4432</b>	<b>4832</b>	<b>(-)400</b>	<b>(-)8.28</b>
<b>Grants in aid from GOI</b>	<b>3401</b>	<b>6574</b>	<b>(-)3173</b>	<b>(-)48.27</b>
<b>Revenue Expenditure</b>	<b>41641</b>	<b>44412</b>	<b>(-)2771</b>	<b>(-)6.24</b>
<i>Of which</i>				
<i>2040-Taxes on Sales, Trade etc.</i>	<i>107</i>	<i>129</i>	<i>(-)22</i>	<i>(-)17.05</i>
<i>2049-Interest Payments</i>	<i>7820</i>	<i>7602</i>	<i>218</i>	<i>2.87</i>
<i>2055-Police</i>	<i>3853</i>	<i>3995</i>	<i>(-)142</i>	<i>(-)3.55</i>
<i>2070-Other Administrative Services</i>	<i>279</i>	<i>292</i>	<i>(-)13</i>	<i>(-)4.45</i>
<i>2071-Pensions and Other Retirement Benefits</i>	<i>6277</i>	<i>5168</i>	<i>1109</i>	<i>21.46</i>
<i>2075-Misc General Services</i>	<i>47</i>	<i>56</i>	<i>(-)9</i>	<i>(-)16.07</i>
<i>2202-General Education</i>	<i>6189</i>	<i>6728</i>	<i>(-)539</i>	<i>(-)8.01</i>
<i>2210-Medical and Public Health</i>	<i>1712</i>	<i>2140</i>	<i>(-)428</i>	<i>(-)20.00</i>
<i>2211-Family welfare</i>	<i>174</i>	<i>228</i>	<i>(-)54</i>	<i>(-)23.68</i>
<i>2215-Water Supply and Sanitation</i>	<i>304</i>	<i>434</i>	<i>(-)130</i>	<i>(-)29.95</i>
<i>2225-Welfare of SC, ST &amp; OBC</i>	<i>675</i>	<i>737</i>	<i>(-)62</i>	<i>(-)8.41</i>
<i>2230-Labour and Employment</i>	<i>158</i>	<i>200</i>	<i>(-)42</i>	<i>(-)21.00</i>
<i>2235-Social Security and Welfare</i>	<i>1191</i>	<i>1527</i>	<i>(-)336</i>	<i>(-)22.00</i>
<i>2236-Nutrition</i>	<i>40</i>	<i>260</i>	<i>(-)220</i>	<i>(-)84.62</i>
<i>2245-Relief on account of Natural Calamities</i>	<i>321</i>	<i>501</i>	<i>(-)180</i>	<i>(-)35.93</i>
<i>2401-Crop Husbandry</i>	<i>456</i>	<i>496</i>	<i>(-)40</i>	<i>(-)8.06</i>
<i>2801-Power</i>	<i>4815</i>	<i>5785</i>	<i>(-)970</i>	<i>(-)16.77</i>
<i>3456-Civil Supplies</i>	<i>457</i>	<i>534</i>	<i>(-)77</i>	<i>(-)14.42</i>
<i>3604-Compensation and assignments to Local bodies and Panchayati Raj Institutions</i>	<i>530</i>	<i>663</i>	<i>(-)133</i>	<i>(-)20.06</i>
<i>Salary and Wages</i>	<i>14852</i>	<i>15582</i>	<i>(-)730</i>	<i>(-)4.69</i>
<i>Subsidies</i>	<i>4904</i>	<i>6539</i>	<i>(-)1635</i>	<i>(-)25.00</i>

	<b>Acutals</b>	<b>Budget Estimates</b>	<b>Difference</b>	<b>Percentage Increase (+)/ Decrease(-)</b>
<b>Capital Expenditure</b>	<b>2201</b>	<b>7283</b>	<b>(-)5082</b>	<b>(-)69.78</b>
4055-Capital outlay on Police	68	172	(-)104	(-)60.47
4210- Capital outlay on Medical and Public Health	83	479	(-)396	(-)82.67
4215 Capital outlay on Water Supply and Sanitation	204	421	(-)217	(-)51.54
4217-Capital outlay on Urban Development	170	2075	(-)1905	(-)91.81
4225-Capital outlay on Welfare of SCs, STs and OBCs	7	103	(-)96	(-)93.20
4515-Capital outlay on other Rural Development Programmes	130	290	(-)160	(-)55.17
<b>Disbursement of Loans and Advances</b>	<b>165</b>	<b>368</b>	<b>(-)203</b>	<b>(-)55.16</b>
<b>Revenue Deficit</b>	<b>(-)6537</b>	<b>(-)1747</b>	<b>(-)4790</b>	<b>274.18</b>
<b>Fiscal Deficit</b>	<b>(-)8790</b>	<b>(-)9258</b>	<b>468</b>	<b>(-)5.06</b>
<b>Primary Deficit</b>	<b>(-)970</b>	<b>(-)1656</b>	<b>686</b>	<b>(-)41.43</b>
<b>Financial Assistance to local bodies etc.</b>	<b>1626</b>	<b>1690</b>	<b>(-)64</b>	<b>(-)3.79</b>
<b>Revenue deficit/GSDP</b>	<b>(-)2.06</b>	<b>(-)0.57</b>	<b>(-)1.49</b>	<b>261.72</b>
<b>Fiscal deficit/GSDP</b>	<b>(-)2.77</b>	<b>(-)3.00</b>	<b>0.23</b>	<b>(-)7.59</b>
<b>Primary deficit/GSDP</b>	<b>(-)0.31</b>	<b>(-)0.54</b>	<b>0.23</b>	<b>(-)43.34</b>
<b>Revenue Deficit/Fiscal Deficit</b>	<b>74.37</b>	<b>18.87</b>	<b>55.50</b>	<b>294.11</b>

**Appendix 1.7**  
(Referred to in paragraph 1.2.2 (iv), page 11)

**Statement showing details of fees charged by Suvidha centres on equitable mortgage deeds**

(₹ in lakh)

Sr. No.	Name of SR/JSR	No. of Equitable Mortgage Deeds	Fees Charged by the Suvidha Centres
1	Payal	25	0.11
2	Maloud	31	1.03
3	Rampura Phool	127	5.26
4	Talwandi Sabo	24	0.35
5	Zira	212	2.95
6	Patiala	2895	49.57
7	Bathinda	366	29.63
8	Rajpura	461	16.36
9	Kharar	1877	58.57
10	Dera Bassi	6718	97.57
11	Jalandhar-I	2283	44.96
12	Jalandhar-II	1405	35.14
13	Phagwara	1142	18.16
14	Amritsar-I	46	0.46
15	Amritsar-II	4542	98.04
<b>TOTAL</b>		<b>22154</b>	<b>458.16</b>

Say ₹ 4.58 crore

**Appendix 1.8**  
(Referred to in paragraphs 1.3, 1.6.1 and 1.11.3, pages 12, 21 and 44)  
**Time Series data on State Government Finances**

(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Part A Receipts</b>					
<b>1. Revenue Receipts</b>	<b>22157</b>	<b>27608</b>	<b>26234</b>	<b>32051</b>	<b>35104</b>
<b>(i) Tax Revenue</b>	<b>12040(54)</b>	<b>16828(61)</b>	<b>18841(72)</b>	<b>22587(70)</b>	<b>24079(68)</b>
Taxes on Sales, Trade etc.	7578(63)	10017(60)	11172(59)	13218(59)	14847(62)
State Excise	2101(17)	2373(14)	2755 (15)	3332 (15)	3765(16)
Taxes on vehicles	555(5)	654(4)	850 (5)	995 (4)	1146(5)
Stamps and Registration fees	1551(13)	2318(14)	3079 (16)	2920 (13)	2500(10)
Land Revenue	15	19	25	37	42
Other Taxes	240(2)	1447(8)	961 (5)	2085 (9)	1779(7)
<b>(ii) Non-Tax Revenue</b>	<b>5653(26)</b>	<b>5330(19)</b>	<b>1398 (5)</b>	<b>2629 (8)</b>	<b>3192(9)</b>
<b>(iii) State's share of Union taxes and duties</b>	<b>2144(10)</b>	<b>3051(11)</b>	<b>3554 (14)</b>	<b>4059 (13)</b>	<b>4432(13)</b>
<b>(iv) Grants in aid from GOI</b>	<b>2320(10)</b>	<b>2399(9)</b>	<b>2441 (9)</b>	<b>2776 (9)</b>	<b>3401(10)</b>
<b>2. Misc Capital Receipts</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>3. Recoveries of Loans and Advances</b>	<b>1276</b>	<b>597</b>	<b>95</b>	<b>174</b>	<b>112</b>
<b>4. Total revenue and Non-debt capital receipts (1+2+3)</b>	<b>23434</b>	<b>28206</b>	<b>26329</b>	<b>32225</b>	<b>35217</b>
<b>5. Public Debt Receipts</b>	<b>7083</b>	<b>7321</b>	<b>8599</b>	<b>10724</b>	<b>11108</b>
Internal Debt (excluding Ways & Means Advances and Overdrafts)	7011	6760	8710	10451	10295
Net transactions under Ways and Means advances and Overdrafts	--	368	-261	51	435
Loans and Advances from Government of India	72	193	150	222	378
<b>6. Total receipts in the Consolidated Fund(4+5)</b>	<b>30517</b>	<b>35527</b>	<b>34928</b>	<b>42949</b>	<b>46325</b>
<b>7. Contingency Fund Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Public Account Receipts<sup>6</sup></b>	<b>1397</b>	<b>1743</b>	<b>2532</b>	<b>2144</b>	<b>2145</b>
<b>9. Total receipts of the State (6+7+8)</b>	<b>31914</b>	<b>37270</b>	<b>37460</b>	<b>45093</b>	<b>48470</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>27408(93)</b>	<b>32897(93)</b>	<b>33045(95)</b>	<b>39458(95)</b>	<b>41641(95)</b>
Plan	1424(5)	2321(7)	2005 (6)	3063 (8)	3135(8)
Non-Plan	25984(95)	30576(93)	31041(94)	36395(92)	38506(92)
General Services including interest payments	15525(56)	18598(57)	16788(51)	18572(47)	20192(49)

<sup>6</sup> These figures are net of disbursements out of Public Account.

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Social Services	6217(23)	7261(22)	9247 (28)	11190(28)	11319(27)
Economic Services	5219(19)	6399(19)	6264 (19)	9152 (23)	9600(23)
Grants in aid and Contributions	447(2)	640(2)	747 (2)	544 (1)	530(1)
<b>11. Capital Expenditure</b>	<b>2166(7)</b>	<b>2384(7)</b>	<b>1598 (5)</b>	<b>1916 (5)</b>	<b>2201(5)</b>
Plan	1980(91)	2166(91)	1359 (85)	1737 (91)	2011(91)
Non-Plan	186(9)	218(9)	239 (15)	179 (9)	190(9)
General Services	126(6)	185(8)	196 (12)	162 (8)	219(10)
Social Services	699(32)	663(28)	398 (25)	716 (37)	930(42)
Economic Services	1341(62)	1536(64)	1004 (63)	1038 (54)	1052(48)
<b>12. Disbursement of Loans and Advances</b>	<b>29(0.10)</b>	<b>68(0.19)</b>	<b>177 (0.51)</b>	<b>197 (0.47)</b>	<b>165(0.37)</b>
<b>13. Total Expenditure (10+11+12)</b>	<b>29603</b>	<b>35349</b>	<b>34820</b>	<b>41571</b>	<b>44007</b>
<b>14. Repayments of Public Debt</b>	<b>2283</b>	<b>2340</b>	<b>2675</b>	<b>3674</b>	<b>3650</b>
Internal Debt (excluding Ways and Means Advances and Overdraft)	2109	2155	2488	3403	3393
Net transactions under Ways and Means advances and Overdraft	--	--	--	--	-
Loans and Advances from Government of India	174	185	187	271	257
<b>15. Appropriation to Contingency Fund</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>31886</b>	<b>37689</b>	<b>37495</b>	<b>45245</b>	<b>47657</b>
<b>17. Contingency Fund disbursements</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-</b>
<b>18. Public Account disbursements<sup>7</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19. Total disbursements by the State (16+17+18)</b>	<b>31886</b>	<b>37689</b>	<b>37495</b>	<b>45245</b>	<b>47657</b>
<b>Part C. Deficits</b>					
<b>20. Revenue Deficit (1-10)</b>	<b>(-)5251</b>	<b>(-)5289</b>	<b>(-)6811</b>	<b>(-)7407</b>	<b>(-)6537</b>
<b>21. Fiscal Deficit (4 – 13)</b>	<b>(-)6170</b>	<b>(-)7143</b>	<b>(-)8491</b>	<b>(-)9346</b>	<b>(-)8790</b>
<b>22. Primary Deficit (21-23)</b>	<b>(-)1159</b>	<b>(-)1628</b>	<b>(-)2211</b>	<b>(-)2515</b>	<b>(-)970</b>
<b>Part D. Other data</b>					
<b>23. Interest Payments (included in the revenue expenditure)</b>	<b>5011</b>	<b>5515</b>	<b>6280</b>	<b>6831</b>	<b>7820</b>
<b>24. Financial Assistance to local bodies etc.</b>	<b>941</b>	<b>993</b>	<b>1200</b>	<b>1329</b>	<b>1626</b>
<b>25. Ways and Means Advances/ Overdraft availed (days)</b>	<b>141</b>	<b>121</b>	<b>178</b>	<b>239</b>	<b>246</b>
Ways and Means Advances availed (days)	141	121	153	99	151

<sup>7</sup> As Public Account receipts shown at Sr. No. 8 of this Appendix are net of disbursements, the Public Account disbursements have been shown as Nil.



Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Overdraft availed (days)	29	14	25	140	95
<b>26. Interest on Ways and Means Advances/ Overdraft</b>	<b>7</b>	<b>5</b>	<b>10</b>	<b>20</b>	<b>23</b>
<b>27. Gross State Domestic Product (GSDP)</b>	<b>197500</b>	<b>226204</b>	<b>256374</b>	<b>285165</b>	<b>317054</b>
<b>28. Outstanding fiscal liabilities (year end)</b>	<b>67967</b>	<b>74784</b>	<b>83099</b>	<b>92282</b>	<b>102234</b>
<b>29. Outstanding Guarantees (year end)</b>	<b>33295<sup>8</sup></b>	<b>40332</b>	<b>45714</b>	<b>58102</b>	<b>58802</b>
<b>30. Maximum amount guaranteed (year end)</b>	<b>51357</b>	<b>NA<sup>9</sup></b>	<b>48382</b>	<b>59146</b>	<b>52934</b>
<b>31. Number of incomplete projects</b>	<b>34</b>	<b>19</b>	<b>19</b>	<b>25</b>	<b>40</b>
<b>32. Capital blocked in incomplete projects</b>	<b>1630</b>	<b>358</b>	<b>401</b>	<b>500</b>	<b>588</b>
<b>Part E. Fiscal Health Indicators</b>					
<b>I Resource Mobilization</b>					
Own Tax revenue/GSDP	6.10	7.44	7.35	7.92	7.59
Own Non-tax revenue/GSDP	2.86	2.36	0.55	0.92	1.01
Central Transfers/GSDP	1.09	1.35	1.39	1.42	1.40
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	14.99	15.63	13.58	14.58	13.88
Total Expenditure/Revenue Receipts	133.61	128.04	132.73	129.70	125.36
Revenue Expenditure/Total Expenditure	92.59	93.06	94.90	94.92	94.62
Expenditure on Social Services/ Total Expenditure	23.36	22.42	27.70	28.64	27.83
Expenditure on Economic Services/ Total Expenditure	22.16	22.45	20.87	24.51	24.21
Capital Expenditure/Total Expenditure	7.32	6.74	4.59	4.61	5.00
Capital Expenditure on Social & Economic Services/ Total Expenditure	6.89	6.22	4.03	4.22	4.50
<b>III Management of fiscal Imbalances</b>					
Revenue deficit/GSDP	(-) 2.66	(-) 2.34	(-) 2.66	(-) 2.60	(-) 2.06
Fiscal deficit/GSDP	(-) 3.12	(-) 3.16	(-) 3.31	(-) 3.28	(-) 2.77
Primary deficit/GSDP	(-) 0.59	(-) 0.72	(-) 0.86	(-) 0.88	(-) 0.31
Revenue Deficit/Fiscal Deficit	85.11	74.04	80.22	79.25	74.37
Primary revenue balance/GSDP	0.53	0.36	(-) 0.17	(-) 0.14	0.44

<sup>8</sup> This figure is including interest.

<sup>9</sup> Information not supplied by the State Government.

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	34.41	33.06	32.41	32.36	32.24
Fiscal Liabilities/RR	306.75	270.88	316.76	287.92	291.23
Primary deficit vis-à-vis quantum spread	(-)22.57	(-) 34.43	(-) 122.70	(-)47.29	(-)27.81
Debt Redemption (Principal + Interest)/Total Debt Receipts	92.72	92.58	91.00	92.08	93.33
<b>V Other Fiscal Health Indicators</b>					
Return on Investment	0.02	0.02	0.05	0.01	0.04
Balance from Current Revenue (Rupees in crore)	(-)5757	(-)4650	(-)6373	(-)6224	(-)5739
Financial Assets/Liabilities	40.82	39.12	37.04	35.37	35.13

### Appendix 1.9

(Referred to in paragraph 1.3.1.2, page 15)

#### Details showing collection of tax revenue in respect of major components and expenditure incurred on their collection

Head	Year	Collection	Expenditure on collection	Percentage of expenditure on collection	All India average percentage
		(₹ in crore)			
Tax Revenue					
Taxes on Sales, trades, etc.	2009-10	7577.49	59.83	0.79	0.96
	2010-11	10016.91	107.25	1.07	0.75
	2011-12	11171.67	99.73	0.89	0.83
	2012-13	13217.93	113.74	0.86	0.73
	2013-14	14846.71	107.43	0.72	NA
Taxes on Vehicles	2009-10	554.74	9.19	1.66	3.07
	2010-11	653.91	10.92	1.67	3.71
	2011-12	850.06	15.85	1.86	2.96
	2012-13	994.72	24.52	2.47	4.17
	2013-14	1145.70	19.23	1.68	NA
State Excise	2009-10	2100.92	17.23	0.82	3.64
	2010-11	2373.08	20.55	0.87	3.05
	2011-12	2754.60	30.16	1.09	2.98
	2012-13	3331.96	35.72	1.07	2.96
	2013-14	3764.72	34.67	0.92	NA
Stamp duty and Registration fees	2009-10	1550.94	12.42	0.80	2.47
	2010-11	2318.46	25.47	1.10	1.60
	2011-12	3079.13	27.56	0.90	1.89
	2012-13	2920.49	25.01	0.86	3.25
	2013-14	2499.50	17.77	0.71	NA

Source: Finance Accounts of relevant years

**Appendix 2.1**  
(Referred to in paragraph 2.2, page 48)

**Statement of grants/appropriations where savings occurred**  
(₹ in crore)

Sr. No.	No. of the grant or appropriation	Savings
<b>Voted (Revenue)</b>		
1.	1	534.62
2.	2	103.95
3.	3	22.76
4.	4	12.78
5.	5	1342.25
6.	6	5.67
7.	7	32.26
8.	9	126.50
9.	10	35.36
10.	11	784.46
11.	12	227.71
12.	13	118.22
13.	14	10.37
14.	15	1618.28
15.	16	29.88
16.	17	175.00
17.	18	9.01
18.	19	81.66
19.	22	145.37
20.	23	614.08
21.	24	16.49
22.	25	702.05
23.	26	2.30
24.	27	82.45
25.	28	17.64
26.	29	58.62
27.	30	2.73
<b>Total (Voted- Revenue)</b>		<b>6912.47</b>
<b>Charged (Revenue)</b>		
28.	1	0.01
29.	2	0.03
30.	3	0.02
31.	5	7.91
32.	7	0.12
33.	9	0.03
34.	10	2.18
35.	11	0.37
36.	12	8.05

Sr. No.	No. of the grant or appropriation	Savings
37.	18	1.43
38.	19	0.01
39.	21	7.96
40.	22	0.15
41.	25	0.02
42.	26	0.25
43.	27	0.02
44.	28	0.01
45.	29	0.01
46.	30	0.12
<b>Total (Charged – Revenue)</b>		<b>28.70</b>
<b>Voted (Capital)</b>		
47.	1	14.93
48.	2	7.70
49.	3	7.59
50.	4	14.50
51.	5	142.63
52.	8	888.77
53.	9	0.52
54.	10	19.16
55.	11	396.50
56.	12	197.32
57.	13	262.63
58.	14	0.23
59.	15	829.07
60.	16	1.00
61.	17	1799.46
62.	18	13.83
63.	19	121.90
64.	21	675.44
65.	22	13.00
66.	23	172.80
67.	24	55.49
68.	25	153.04
69.	27	115.46
70.	28	44.83
71.	29	62.37
<b>Total (Voted – Capital)</b>		<b>6010.17</b>
<b>Charged (Capital)</b>		
72	08	305.10
<b>Total Charged (Capital)</b>		<b>305.10</b>
<b>Grand Total</b>		<b>13256.44</b>

**Appendix 2.2**  
(Referred to in paragraph 2.3.5, page 52)  
**Statement showing expenditure incurred without budget provision**

Sr. No.	Number and name of grant	Expenditure without provision (₹ in crore)	Head of Account
1.	5-Education	2.00	2204-104-10-Creation of Sports facilities at District level (CSS)
2.	8-Finance	17.61	2049-01-200-21-Interest on Compensation and Other Bonds
3.	13-Industries	3.30	2852-80-800-10-Investments Promotion (Plan)
4.	15-Irrigation and Power	23.40	2700-19-800-07-Other Expenditure including Interest
5.		17.45	2700-03-800-07-Other Expenditure including Interest
6.		12.15	2700-04-800-08-Works Expenditure
7.		7.63	2700-01-800-07-Other Expenditure including Interest
8.		1.95	2700-11-800-07-Other Expenditure including Interest
9.		18.65	2701-05-800-07-Other Expenditure including Interest
10.		17.47	2701-13-800-07-Other Expenditure including Interest
11.		12.73	2701-39-800-07-Other Expenditure including Interest
12.		7.28	2701-40-800-07-Other Expenditure including Interest
13.		4.58	2701-26-800-07-Other Expenditure including Interest
14.		1.04	2701-38-800-07-Other Expenditure including Interest
15.		34.31	4700-05-799-Suspense (Plan)
16.		6.58	4700-01-799-Suspense
17.		2.95	4700-02-799-Suspense
18.		10.00	6801-202-01-01-Guru Nanak Thermal Plant Bhatinda
19.		6.11	4711-01-799-Suspense
20.	21-Public Works	82.72	2059-80-001-07-Establishment Charge paid to Public Health department for works done by that department
21.		36.98	2059-80-799-Suspense
22.		55.83	5054-80-797-01-Amount Transferred to Subvention from Central Road Fund (Plan)
23.		1.83	4059-80-051-01-Construction (Plan)
24.		58.02	3054-80-001-01-Establishment Charges transferred on Pro-rata Basis to the Major Head 3054- Road and Bridges
25.		2.04	3054-80-799-Suspense
26.		1.36	3054-03-337-01-Road Works
27.		36.78	2215-01-799-Suspense
28.		36.41	2515-799-Suspense
29.	22-Revenue and Rehabilitation	3.99	2235-01-202-01-Rehabilitation Allowance for the Families of Landless Labour to establish the Peuna Thermal Power
30.	25-Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes	5.63	2235-60-102-01-Old Age Pension (Social Security Fund)
	<b>Total</b>	<b>528.78</b>	

### Appendix 2.3

(Referred to in paragraph 2.3.6, page 52)

#### Statement showing cases where supplementary provision (₹ one crore or more in each case) proved unnecessary

(₹ in crore)

Sr. No.	Number and name of grant	Original provision	Actual expenditure	Savings out of Original provision	Supplementary provision
<b>A-Revenue (Voted)</b>					
1	1-Agriculture and Forests	1190.44	954.70	235.74	298.88
2	2-Animal Husbandry and Fisheries	481.89	383.93	97.96	5.99
3	3-Co-operation	109.18	91.76	17.42	5.35
4	4-Defence Services Welfare	35.27	28.24	7.03	5.75
5	5-Education	6949.08	6492.29	456.79	885.47
6	6-Election	50.46	49.55	0.91	4.77
7	7-Excise and Taxation	170.79	141.82	28.97	3.29
8	9-Food and Supplies	537.08	460.05	77.03	49.47
9	11-Health and Family Welfare	2446.00	1953.33	492.67	291.78
10	12-Home Affairs and Justice	4595.37	4552.81	42.56	185.15
11	13-Industries	163.47	58.09	105.38	12.85
12	14-Information and Public Relations	42.74	39.83	2.91	7.46
13	15-Irrigation and Power	7124.30	6154.07	970.23	648.05
14	17-Local Government, Housing and Urban Development	398.03	387.07	10.96	164.04
15	18-Personnel and Administrative Reforms	13.80	7.91	5.89	3.12
16	19-Planing	125.33	108.01	17.32	64.33
17	22-Revenue and Rehabilitation	1170.52	1153.11	17.41	127.96
18	23-Rural Development and Panchayats	1293.33	1110.06	183.27	430.81
19	24-Science, Technology and Environment	21.62	6.53	15.09	1.40
20	25-Social and Women's Welfare and Welfare of Scheduled Casts and Backward Classes	2258.47	1654.98	603.49	98.56
21	26-State Legislature	31.30	31.23	0.07	2.24



Sr. No.	Number and name of grant	Original provision	Actual expenditure	Savings out of Original provision	Supplementary provision
<b>A-Revenue (Voted)</b>					
22	27-Technical Education and Industrial Training	277.24	217.80	59.44	23.00
23	28-Tourism and Cultural Affairs	35.54	28.89	6.65	10.98
24	29-Transport	395.00	347.78	47.22	11.40
25	30-Vigilance	40.78	39.75	1.03	1.69
<b>Total of Revenue (Voted)</b>		<b>29957.03</b>	<b>26453.59</b>	<b>3503.44</b>	<b>3343.79</b>
<b>B-Capital (Voted)</b>					
26	1-Agriculture and Forests	11.75	1.63	10.12	4.82
27	2-Animal Husbandry and Fisheries	61.29	58.26	3.03	4.67
28	12-Home Affairs and Justice	174.04	67.64	106.40	90.92
29	15-Irrigation and Power	1204.15	399.80	804.35	24.72
30	16-Labour and Employment	0	0	0	1.00
31	21-Public Works	1141.91	764.50	377.41	298.02
32	23-Rural Development and Panchayats	290.28	129.93	160.35	12.45
33	25-Social and Women's Welfare and Welfare of Scheduled Casts and Backward Classes	109.14	7.42	101.72	51.32
<b>Total of Capital (Voted)</b>		<b>2992.56</b>	<b>1429.18</b>	<b>1563.38</b>	<b>487.92</b>
<b>C-Revenue (Charged)</b>					
34	5-Education	20.76	19.44	1.32	6.59
<b>Total of Revenue(Charged)</b>		<b>20.76</b>	<b>19.44</b>	<b>1.32</b>	<b>6.59</b>
<b>Grand Total</b>		<b>32970.35</b>	<b>27902.21</b>	<b>5068.14</b>	<b>3838.30</b>

**Appendix 2.4**  
(Referred to in paragraph 2.3.7, page 52)  
**Statement showing unnecessary re-appropriation of funds**

(₹ in crore)

Sr. No.	Number and Name of grant/Head of Account	Original grant	Supplementary grant	Re-Appn.	Total	Expenditure	Saving(-)/Excess(+)
	<b>1-Agriculture and Forests</b>						
1	2401-789-22-State Share of National Horticulture Mission (CSS)	0.00	8.76	15.89	24.65	0.00	(-) 24.65
	<b>11-Health and Family Welfare</b>						
2	2210-01-789-12-Seed Corpus of Cancer Relief Fund (Plan)	10.00	0.00	(-)10.00	0.00	5.00	(+) 5.00
3	2211-101-01-Rural Family Welfare Services (CSS)	140.18	0.00	23.92	164.10	101.38	(-) 62.72
4	2210-05-105-25-Upgradation of infrastructure in Guru Gobind Singh Medical College and Hospital, Faridkot (under the Control of Baba Farid University of Health Science ) (Plan)	0.00	8.50	14.50	23.00	0.00	(-) 23.00
5	2210-01-110-63-National Programme for Prevention and Control of Cancer, Diabetes Cardiovascular Disease and Statistics (CSS)	0.00	0.00	15.44	15.44	0.00	(-) 15.44
6	4210-03-105-25-Upgradation of infrastructure in Guru Gobind Singh Medical College and Hospital, Faridkot (under the Control of Baba Farid University of Health Science ) (Plan)	30.00	0.00	(-) 30.00	0.00	19.63	(+) 19.63
7	4210-03-105-23-Establishment of Baba Farid University of Health Science, Faridkot (Plan)	15.75	0.00	(-) 15.75	0.00	7.85	(+) 7.85
8	4210-03-789-06-Upgradation of infrastructure in Guru Gobind Singh Medical College and Hospital, Faridkot (under the Control of Baba Farid University of Health Science ) (Plan)	10.00	0.00	(-) 10.00	0.00	4.91	(+) 4.91

Sr. No.	Number and Name of grant/Head of Account	Original grant	Supplementary grant	Re-Appn.	Total	Expenditure	Saving(-)/Excess(+)
9	4210-03-105-34- Cancer Diagnostic and Treatment Centre, Bathinda Institute for Para-Medical in Malwa Belt (Plan)	0.01	0.00	17.99	18.00	0.00	(-) 18.00
	<b>15-Irrigation and Power</b>						
10	2700-02-001-01-Direction	342.20	0.00	(-)46.70	295.50	328.62	(+) 33.12
11	4701-13-800-08-01-13th Finance Commission (Plan)	47.50	0.00	23.90	71.40	9.30	(-) 62.10
12	4700-05-001-02-Supervision (Plan)	16.48	0.00	(-) 10.51	5.97	7.63	(+) 1.66
13	4711-03-103-53-Measures to Address the Problem of Water Logging in the State-13th Finance Commission (Plan)	47.50	0.00	52.50	100.00	39.70	(-) 60.30
14	4701-46-800-08-Works Expenditure (Plan)	0.01	0.00	19.99	20.00	0.00	(-) 20.00
15	4701-13-800-08-03-Cleaning and Upgradation of Canal (one time Additional Central Assistance 2013-14) (Plan)	0.00	0.00	15.00	15.00	0.00	(-) 15.00
16	4711-03-103-60-Cleaning and Upgradation of Drains (Plan)	0.00	0.00	15.00	15.00	0.00	(-) 15.00
17	4711-03-103-62-Measures to Tackle Water Logging and Floods in Punjab State-(Rural Infrastructure Development Fund) (Plan)	0.00	0.00	15.00	15.00	0.00	(-) 15.00
	<b>17-Local Government, Housing and Urban Development</b>						
18	2217-80-191-03-02-Performance Grant	40.00	0.00	24.19	64.19	8.90	(-) 55.29
19	4217-60-052-04-Purchase of Buses and Ancillary Infrastructure under Transport System-(Centrally Sponsored Scheme)	0.00	0.00	68.86	68.86	0.00	(-) 68.86
20	4217-60-051-02-Integrated Housing and Slum Development Programme-(Centrally Sponsored Scheme)	0.00	0.00	62.60	62.60	0.00	(-)62.60
21	4217-60-051-05-Amritsar Sewerage Project funded by Japan International Co-operation Agency-(Plan)	0.00	0.00	12.00	12.00	0.00	(-) 12.00
22	4217-60-789-15-Amritsar Sewerage Project funded	18.00	0.00	(-) 18.00	0.00	36.85	(+) 36.85

Sr. No.	Number and Name of grant/Head of Account	Original grant	Supplementary grant	Re-Appn.	Total	Expenditure	Saving(-)/Excess(+)
	by Japan International Co-operation Agency (Plan)						
	<b>21-Public Works</b>						
23	2215-01-001-01-Direction and Administration	380.27	0.00	(-) 21.14	359.13	369.12	(+) 9.99
24	5054-03-101-08-World Bank Scheme for road infrastructure (Plan)	190.00	0.00	(-) 48.00	142.00	157.76	(+) 15.76
25	5054-03-101-04-Improvement/Widening of existing Roads (Plan)	19.00	0.00	10.50	29.50	11.29	(-) 18.21
26	4215-01-102-30-Installation of 561 Reserve Osmosis plants in the State National Bank for Agriculture and Rural Development	0.00	0.00	17.24	17.24	0.00	(-) 17.24
	<b>22-Revenue and Rehabilitation</b>						
27	2245-02-122-03-Procurement and Equipment	12.90	5.96	31.14	50.00	2.06	(-) 47.94
28	2245-02-109-01-Repairs and Restoration of Damage Water Supply, Drainage and Sewerage Works	2.00	0.00	11.00	13.00	1.23	(-) 11.77
29	2235-60-200-35-Financial Assistance to the Families of Farmers /Farm labourers who Committed Suicide due to Indebtedness	66.00	0.00	(-) 66.00	0.00	64.90	(+) 64.90
	<b>25-Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes</b>						
30	2235-60-102-01-Old Age Pension (Social Security Fund) (Plan)	232.50	0.00	18.00	250.50	139.22	(-) 111.28
31	2235-60-789-03-Old Age Pension (Social Security Fund) (Plan)School Bags etc. (Plan)	232.50	0.00	18.00	250.50	199.52	(-) 50.98
32	2225-01-277-24- Pre-Matric Scholarship in Class IX and Xth (CSS)	42.50	0.00	(-) 42.50	0.00	21.54	(+) 21.54
33	2225-03-277-07-Merit-cum-Means Based Scholarship to students belonging to Minority Communities(CSS)	20.00	0.00	15.00	35.00	1.97	(-) 33.03
34	2225-01-789-60-Shagun Scheme (Social Security Welfare) (1) Shagun to	122.00	0.00	28.00	150.00	120.26	(-) 29.74

Sr. No.	Number and Name of grant/Head of Account	Original grant	Supplementary grant	Re-Appn.	Total	Expenditure	Saving(-) /Excess(+)
	Scheduled Castes Girls/Widows/Divorcees and Daughters of Widows at the time of their Marriage (Plan)						
35	2225-03-277-04-Scheme of Post-Matric Scholarship to the Other Backward Classes for studies in India (CSS)	27.50	0.00	32.62	60.12	0.00	(-) 60.12
	<b>27-Technical Education and Industrial Training</b>						
36	4202-800-21-New and Upgradation of Director General Employment and Training/Skill Development Centres at Gurdaspur, Ludhiana, Roopnagar, SAS Nagar and Fatehgarh Sahib (Plan)	0.01	0.00	15.59	15.60	0.00	(-) 15.60
	<b>28-Tourism and Cultural Affairs</b>						
37	4202-04-106-09-Grants-in-aid for Specification Project including Theme Park, Chamkaur Sahib (Plan)	30.00	0.00	(-) 24.00	6.00	10.52	(+) 4.52
	<b>Total</b>	<b>2094.81</b>	<b>23.22</b>	<b>(+)593.87</b>	<b>2369.30</b>	<b>1669.16</b>	<b>(+) 225.73</b>
				<b>(-) 342.60</b>			<b>(-) 925.87</b>
			<b>Net</b>	<b>(+) 251.27</b>			<b>(-) 700.14</b>

**Appendix 2.5**  
(Referred to in paragraph 2.3.8, page 53)  
**Detail of grants in which savings exceeding ₹ 10 crore were not surrendered**

(₹ in crore)

Sr. No.	Number and Name of grant/appropriation	Savings
<b>Revenue (Voted)</b>		
1	4-Defence Services Welfare	12.78
2	5-Education	1342.25
3	10-General Administration	35.36
4	19-Planning	81.66
5	23-Rural Development and Panchayats	614.08
<b>Capital (Voted)</b>		
6	4-Defence Services Welfare	14.50
7	5-Education	142.63
8	10-General Administration	19.15
9	18-Personnel and Administrative Reforms	13.83
10	19-Planning	121.90
11	23-Rural Development and Panchayats	172.80
<b>Capital (Charged)</b>		
12	8-Finance	305.10
<b>Total</b>		<b>2876.04</b>

**Appendix 2.6***(Referred to in paragraph 2.3.8, page 53)***Details of grants/appropriations in which there were savings of ₹ 10 crore and above even after partial surrender***(₹ in crore)*

Sr. No.	Number and Name of grant/ Appropriation	Savings	Savings surrendered	Savings not surrendered
<b>Revenue (Voted)</b>				
1	1-Agriculture and Forests	534.62	138.26	396.36
2	2-Animal Husbandry and Fisheries	103.95	58.05	45.90
3	7-Excise and Taxation	32.26	5.00	27.26
4	9-Food and Supplies	126.50	16.17	110.33
5	11-Health and Family Welfare	784.45	273.95	510.50
6	12-Home Affairs and Justice	227.71	0.03	227.68
7	13-Industries	118.22	6.64	111.58
8	14-Information and Public Relations	10.37	0.20	10.17
9	15-Irrigation and Power	1618.28	80.94	1537.34
10	17-Local Government, Housing and Urban Development	175.00	0.79	174.21
11	22-Revenue and Rehabilitation	145.37	15.35	130.02
12	25-Social and Women's Welfare and Welfare of Scheduled Casts and Backward Classes	702.05	145.17	556.88
13	27-Technical Education and Industrial Training	82.45	70.91	11.54
14	28-Tourism and Cultural Affairs	17.64	0.16	17.48
15	29-Transport	58.62	0.09	58.53
<b>Capital (Voted)</b>				
16	11-Health and Family Welfare	396.50	163.87	232.63
17	12-Home Affairs and Justice	197.32	1.34	195.98
18	13-Industries	262.63	0.02	262.61
19	15-Irrigation and Power	829.07	418.78	410.29
20	17-Local Government, Housing and Urban Development	1799.46	1203.32	596.14
21	21-Public Works	675.44	3.01	672.43
22	25-Social and Women's Welfare and Welfare of Scheduled Casts and Backward Classes	153.04	58.24	94.80
23	27-Technical Education and Industrial Training	115.46	38.28	77.18
24	28-Tourism and Cultural Affairs	44.83	30.79	14.04
<b>Total</b>		<b>9211.24</b>	<b>2729.36</b>	<b>6481.88</b>



## Appendix 2.7

(Referred to in paragraph 2.4.1, page 55)

### Statement showing savings in Grant No. 05-Education and Grant No. 17-Local Government, Housing & Urban Development

(₹ in crore)

Sr. No.	Name of scheme	Total Grant	Expenditure	Savings	Saving (in per cent)
	<b>Grant No.-05 Education</b>				
1	2202-General Education, 01- Elementary Education, 101- Government Primary Schools, 01- Government Primary Schools	1322.06	1042.48	279.58	21.15
2	2202-General Education, 02- Secondary Education, 109- Government Secondary Schools, 01- Government Secondary Schools Sports and Youth Services	3502.26	3425.59	76.67	2.19
3	2202-General Education, 03- University and Higher Education, 104- Assistant to Non-Government Colleges and Institutes, 01- Assistant to Non-Government Colleges and Institutes	236.85	188.99	47.86	20.21
4	2202-General Education, 01- Elementary Education, 789- Special Component for Scheduled Castes, 10- Sarv Shiksha Abhiyan (including Education Guarantee Scheme) National Programme for Education of Girls at Elementary Level and Kasturba Gandhi Balika Vidyalaya (Plan)	173.22	137.38	35.84	20.69
5	2202-General Education, 02- Secondary Education, 105- Teachers Training, 01- Teachers Education Establishment of District Institute of Education and Training (Centrally Sponsored Scheme)	30.40	1.08	29.32	96.45
6	2202-General Education, 02- Secondary Education, 110- Assistance to Non-Government Secondary Schools, 01- Assistance by Education Department	245.00	221.38	23.62	9.64
7	2202-General Education, 02- Secondary Education, 109- Government Secondary Schools, 44- Creation of New Post in the School and Rationalization Policy (Plan)	22.50	0	22.50	100.00

Sr. No.	Name of scheme	Total Grant	Expenditure	Savings	Saving (in per cent)
	<b>Grant No.-17 Local Government, Housing and Urban Development</b>				
8	2217- Urban Development, 80-General, 191-Assistance to Local Bodies, Corporations, Urban Development Authorities, Town Improvement Boards etc., 03- Grants-in-aid to Local Bodies for Maintenance of Civic Services recommended by 13th Finance Commission, 01-General Basic Grant	93.92	46.41	47.51	50.59
9	2217- Urban Development, 80-General, 191-Assistance to Local Bodies, Corporations, Urban Development Authorities, Town Improvement Boards etc., 03- Grants-in-aid to Local Bodies for Maintenance of Civic Services recommended by 13th Finance Commission, 02-Performance Grant	64.19	8.90	55.29	86.13
10	3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions, 200- Other Miscellaneous Compensations and Assignments, 12- Grant-in-aid to Municipal Committees/Corporations Notified Area Committees in lieu of abolition of octroi on liquor in the State	144.39	108.29	36.10	25.00
11	4217- Capital Outlay on Urban Development, 03- Integrated Development of Small and Medium Towns, 051- Construction, 01- Urban Infrastructure Development Scheme for Small and Medium Town (Centrally Sponsored Scheme)	355.00	77.26	277.74	78.24
12	4217- Capital Outlay on Urban Development, 60- Other Urban Development Scheme, 051- Construction, 07- Urban Infrastructure and Governance (Centrally Sponsored Scheme)	212.00	28.41	183.59	86.60
	<b>Total</b>	<b>6401.79</b>	<b>5286.17</b>	<b>1115.62</b>	<b>17.43</b>

## Appendix 2.8

(Referred to in paragraph 2.4.2, page 55)

### Statement showing excess expenditure over budget provision in Grant No. 05-Education and Grant No. 17-Local Government, Housing & Urban Development

(₹ in crore)

Sr. No.	Head of account	Total provision	Expenditure	Excess
	<b>Grant No.-05</b>			
1	2071-Pension and Other Retirement Benefits, 01-Civil, 109-Pension to Employees of State aided Educational Institutions, 01- Pension to Employees of State aided Educational Institutions (Schools)	40.00	215.21	175.21
2	2202- General Education, 02-Secondary Education, 109-Government Secondary Schools, 37-Information and communication Technology Project in Schools (Plan)	6.13	22.68	16.55
3	2202- General Education, 03-University and Higher Education, 800-Other Expenditure, 01-Reimbursement to Transport Department/Pepsu Road Transport Corporation in Lieu of Free/ Concessional Facilities to Students of College and Universities in Government/Pepsu Road Transport Corporation Buses	34.13	46.47	12.34
4	4202-Capital Outlay on Education, Sports, Art and Culture, 01-General Education, 202-Secondary Education, 11-Infrastructure Development in Government Schools through Education Cess (Plan)	148.19	326.53	178.34
	<b>Total</b>	<b>228.45</b>	<b>610.89</b>	<b>382.44</b>
	<b>Grant No.-17</b>			
5	4217-Capital Outlay on Urban Development, 60-Other Urban Development Schemes, 789- Special Component Plan for Scheduled Castes, 15-Amritsar Sewerage Project funded by Japan International Co-operation Agency (Plan)	0	36.85	36.85
	<b>Total</b>	<b>0</b>	<b>36.85</b>	<b>36.85</b>
	<b>Grand Total</b>	<b>228.45</b>	<b>647.74</b>	<b>419.29</b>

Source: Appropriation Accounts

## Appendix 2.9

(Referred to in paragraph 2.4.4 page 56)

## Statement showing details of unnecessary supplementary /re-appropriation under Grant No. 05-Education and Grant No. 17-Local Government, Housing &amp; Urban Development

(₹ in crore)

Sr. No.	Minor head/ Scheme	Original Provision	Re-appropriation	Supplementary	Total	Expenditure	Savings
<b>Grant No.05 - Education</b>							
<b>1</b>	2202-General Education, 03- University and Higher Education, 104- Assistant to Non-Government Colleges and Institutes, 01- Assistant to Non-Government Colleges and Institutes	200.00	0	36.85	236.85	188.99	47.86
<b>2</b>	2202-General Education, 01- Elementary Education, 789- Special Component for Scheduled Castes, 10- Sarv Shiksha Abhian (including Education Guarantee Scheme) National Programme for Education of Girls at Elementary Level and Kasturba Gandhi Balika Vidyalaya	0	0	256.69	256.69	0	256.69
<b>3</b>	2202-General Education, 01- Elementary Education, 101 Government Primary Schools, 10- Sarv Shiksha Abhian (including Education Guarantee Scheme) National Programme for Education of	0	0	157.33	157.33	0	157.33

Sr. No.	Minor head/ Scheme	Original Provision	Re-appropriation	Supplementary	Total	Expenditure	Savings
	Girls at Elementary Level and Kasturba Gandhi Balika Vidyalaya						
4	2202-General Education, 02-Secondary Education, 109-Government Secondary Schools, 42- Rashtriya Madhyamik Shiksha Abhiyan for Universalization of Secondary Education (CSS)	0	0	66.53	66.53	0	66.53
5	2202-General Education, 02-Secondary Education, 109-Government Secondary Schools, 37- Information and Communication Technology Project in Schools (CSS)	0	0	48.43	48.43	0	48.43
6	2202-General Education, 02-Secondary Education, 789-Special Component for Scheduled Castes, Schools, 09-Rashtriya Madhyamik Shiksha Abhiyan for Universalization of Secondary Education (CSS)	0	0	38.42	38.42	0	38.42
7	4202-Capital Outlay on Education, Sports, Arts and Culture, 01-General Education, 789-Special Component for	0	0	21.19	21.19	0	21.19

Sr. No.	Minor head/ Scheme	Original Provision	Re-appropriation	Supplementary	Total	Expenditure	Savings
	Scheduled Castes, Schools, 02- Sarv Shiksha Abhiyan (including Education Guarantee Scheme) National Programme for Education of Girls at Elementary Level and Kasturba Gandhi Balika Vidyalaya (CSS)						
<b>Grant No. 17-Local Government Housing and Urban Development</b>							
<b>8</b>	2217- Urban Development, 80- General, 191- Assistance to Local bodies Corporation, Urban Development Authorities, Town Improvement Boards etc., 03-Grants-in-aid to Local Bodies for Maintenance of Civic Services recommended by the 13th Finance Commission, 02- Performance Grant	40.00	24.19	0	64.19	8.90	55.29
<b>9</b>	2217- Urban Development, 80- General, 003- Training, 02-Swaran Jayanti Shehri Rozgar Yojana (CSS)	0	0	22.75	22.75	0	22.75
<b>10</b>	4217-Capital Outlay on Urban Development, 60- Other Urban Development Schemes, 052- Machinery and Equipment, 04- Purchase of Buses	0	68.86	0	68.86	0	68.86

<b>Sr. No.</b>	<b>Minor head/ Scheme</b>	<b>Original Provision</b>	<b>Re-appropriation</b>	<b>Supplementary</b>	<b>Total</b>	<b>Expenditure</b>	<b>Savings</b>
	and Ancillary Infrastructure under Transport System (CSS)						
<b>11</b>	4217-Capital Outlay on Urban Development, 60-Other Urban Development Schemes, 051-Construction, 02-Integrated Housing and Slum Development Programme (CSS)	0	62.60	0	62.60	0	62.60
	<b>Total</b>	<b>240</b>	<b>155.65</b>	<b>648.19</b>	<b>1043.84</b>	<b>197.89</b>	<b>845.95</b>

**Appendix 2.10**  
*(Referred to in paragraph 2.4.5, page 56)*  
**Statement showing the details of entire provision remained unutilised  
under Grant No. 05 -Education**

*(₹ in crore)*

Sr. No.	Minor head/Scheme	Original Provision
1	2202-General Education, 01-Elementary Education, 800- Other expenditure, 10-Information and Communication Technology at Schools	48.43
2	2202-General Education, 02-Secondary Education, 109- Government Secondary Schools, 54- Free Tablets to 11th Class Students (Plan)	30.00
3	2202-General Education, 02-Secondary Education, 109- Government Secondary Schools, 46- Creation of Posts for 351 Schools Upgraded under National Bank for Agriculture and Rural Development Project (Plan)	26.25
4	2202-General Education, 02-Secondary Education, 109- Government Secondary Schools, 33- Integrated Education of Disabled Children of the State (CSS)	25.00
5	2202-General Education, 01-Elementary Education, 101- Government Primary Schools, 19-Providing Furniture for Students at Primary Level in Government Schools (Plan)	20.00
6	2204-Sports and Youth Services, 104-Sports and Games, 45- For Centre of Excellence and Coaching to Sport Persons for International Events (Plan)	40.00
	<b>Total</b>	<b>189.68</b>



### Appendix 2.11

(Referred to in paragraph 2.5 (i), page 57)

#### Statement showing details of over payment of gratuity

Sr. No.	Treasury	Name	C&R no. and Date	Amount (₹)	D.D.O.
1	TO Pathankot	Sh. Balwant Singh	P.8/2181204948/2012-13/	9000.00	Punjab Roadways Pathankot
2	TO Talwara	Sh.Sudarshan Kumar	4s-57/8642-43 dated 5/3/2012	700.00	Pr. GSSS Hajipur, (Hoshiarpur)
3		Sh. Surinder Singh	P.7/S109/08-09/5402-03 dated 8/2/2012	15120.00	XEN Shah Nahar Talwara, (Hoshiarpur)
Total				24820.00	

**Appendix 3.1**  
(Referred to in paragraph 3.1.1 page 59)  
**Outstanding utilisation certificates as on 31 March 2014**

(₹ in crore)

Sr. No.	Department	Year of payment of grant	Total grants paid		Utilization Certificates			
			Number of UCs	Amount	Received		Outstanding	
					Number of UCs	Amount	Number of UCs	Amount
1.	2.	3.	4.	5.	6.	7.	8.	9.
1.	Rural Development and Panchayat	2006-07	1	25.00	Partial	23.88	1	1.12
		2009-10	3	33.40	3	33.40	0	0
		2010-11	3	66.76	3	66.76	0	0
		2011-12	2	9.46	2	9.46	0	0
		2012-13	3	0.65	3	0.65	0	0
		2013-14	1	0.15	1	0.15	0	0
2.	Education	2007-08	4	14.70	4	14.70	0	0
		2008-09	4	6.10	4	6.10	0	0
		2010-11	3	7.63	3	7.63	0	0
		2011-12	144	148.77	144	148.77	0	0
		2012-13	96	139.33	95	139.31	1	0.02
		2013-14	84	60.34	0	0	84	60.34
3.	Small Scale Industries	2012-13	3	6.90	0	0	3	6.90
		2013-14	4	2.00	2	1.00	2	1.00
4.	Science & Technology	2011-12	1	0.25	1	0.25	0	0
		2012-13	1	0.60	1	0.60	0	0
		2013-14	5	1.23	4	0.98	1	0.25
5	Director health & Family Welfare	2011-12	1	1.00	1	1.00	0	0
		2012-13	4	55.98	4	55.98	0	0
6.	DCFA, Information & Public Relation	2010-11	2	1.91	2	1.91	0	0
		2013-14	3	1.17	1	0.16	2	1.01
7.	Controller (F&A) Director General of Police	2012-13	2	32.40	2	32.40	0	0
8.	Sports & Youth Services	2012-13	24	42.04	4	6.60	20	35.44
		2013-14	7	13.81	2	0.34	5	13.47
9.	Director Local Bodies	2012-13	1	0.66	0	0	1	0.66

Sr. No.	Department	Year of payment of grant	Total grants paid		Utilization Certificates			
			Number of UCs	Amount	Received		Outstanding	
					Number of UCs	Amount	Number of UCs	Amount
1.	2.	3.	4.	5.	6.	7.	8.	9.
10.	State Transport Commission	2013-14	2	3.11	2	3.11	0	0
11.	Director Technical Education	2013-14	6	0.86	6	0.86	0	0
12.	Home Affairs & Justice	2013-14	7	1.08	1	0.25	6	0.83
13.	Director Industries & Commerce	2013-14	2	2.02	0	0	2	2.02
14.	Cultural Affairs	2013-14	4	11.90	1	0.50	3	11.40
15.	Labours Commissioner	2013-14	2	0.27	2	0.27	0	0
16.	Irrigation Works	2013-14	2	0.77	1	0.38	1	0.39
	<b>TOTAL</b>		<b>431</b>	<b>692.25</b>	<b>299</b>	<b>557.40</b>	<b>132</b>	<b>134.85</b>

Source: Office of the Pr. A.G. (A & E), Punjab

## Appendix 3.2

(Referred to in paragraph 3.2, page 60)

Status of the Accounts and the Separate Audit Reports of the autonomous bodies  
as on 31 March 2014

(₹ in lakh)

Sr. No.	Name of Body	Period of entrustment	Years for which accounts not rendered (Grant released)	Delay in submission of accounts			Period upto which SARs issued and date of issue		Position of placement of SARs in the Legislature
				Delayed Account	Date of Receipt	Delay (in Months)	Year	Date of issue	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1.	Punjab Legal Services Authority, Chandigarh	As per Act	2011-12 (651.58) 2012-13 (997.09)	2010-11	11-11-11	4	2010-11	16.02.2012	SAR for 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 not presented
2.	Punjab Khadi and Village Industries Board, Chandigarh	2008-2012	2012-13 (626.38)	2009-10 2010-11 2011-12	29-8-13 29-8-13 29-8-13	37 25 13	2010-11	08.07.2014	SAR for the year 2010-11 on ward not presented
3.	Punjab State Human Rights Commission, Chandigarh.	As per Act	-	-	-	-	2012-13	26.02.14	SAR for 2009-10 to 2012-13 not presented.
4.	Punjab Labour Welfare Board, Chandigarh	2010-11 to 2013-14	2003-04 to 2012-13 (260.00 <sup>10</sup> )	2002-03	05-11-13	124	2001-02	24.02.2010	SAR for 2000-01 and 2001-02 not presented
5.	Pushpa Gujral Science City, Kapurthala	2009-10 to 2014-15	2012-13 (Nil)	2011-12	24-02-14	19	2011-12	4.6.2014	Not to be placed in State Legislature

*Source: Information on the basis of departmental record*

Note - Delay in submission of Accounts is to be worked out from 30<sup>th</sup> June of respective Balance Sheet Year. Reasons for delay were not intimated by the department (August 2014).

<sup>10</sup> 2003-04: ₹ 16.00 lakh; 2004-05: ₹ 16.00 lakh; 2005-06: ₹ 16.00 lakh; 2006-07: ₹ 116.00 lakh; 2007-08: ₹ 16.00 lakh; 2008-09: ₹ 16.00 lakh; 2009-10: ₹ 16.00 lakh; 2010-11: ₹ 16.00 lakh; 2011-12: ₹ 16.00 lakh and 2012-13: ₹ 16.00 lakh.

**Appendix 3.3**  
(Referred to in paragraph 3.4, page 62)  
**Statement showing age-wise profile of cases of misappropriation, losses, thefts etc.**

(₹ in lakh)

Age profile of the pending cases			Nature of pending cases		
Range in years	Number of cases	Amount	Nature of cases	Number of cases	Amount
0-5	123	121.42	Theft	3	6.21
			Misappropriation/Loss of material etc.	120	115.21
5-10	31	5.44	Theft	1	0.42
			Misappropriation/Loss of material etc.	30	5.02
20-25	4	6.84	Theft	1	0.06
			Misappropriation/Loss of material etc.	3	6.78
Above 25	3	5.61	Theft	0	--
			Misappropriation/Loss of material etc.	3	5.61
<b>Total</b>	<b>161</b>	<b>139.31</b>	<b>Theft</b>	<b>5</b>	<b>6.69</b>
			<b>Misappropriation/Loss of material etc.</b>	<b>156</b>	<b>132.62</b>

*Source: Information as provided by the departments*

**Appendix 3.4**  
(Referred to in paragraph 3.6, page 64)  
**Statement showing expenditure and receipts booked under  
minor head-800-Other Expenditure/Receipts.**

(₹ in crore)

Sr. No.	Major Head of Account		Expenditure/ receipts booked under Minor Head-800- Other Expenditure/ Receipts	Total Expenditure/ receipts under Major Head	Percentage
		<b>EXPENDITURE</b>			
1	2013	Council of Ministers	27.56	31.28	88.11
2	2801	Power	4,815.00	4,815.00	100.00
3	3053	Civil Aviation	19.04	20.65	92.20
4	4055	Capital Outlay on Police	61.85	67.64	91.44
5	4515	Capital Outlay on Other Rural Development Programme	108.91	129.88	83.85
6	4702	Capital Outlay on Minor Irrigation	21.92	22.05	99.41
7	4705	Capital Outlay on Command Area Development	124.90	124.90	100.00
<b>TOTAL</b>			<b>5,179.18</b>	<b>5,211.40</b>	<b>99.38</b>
		<b>RECEIPTS</b>			
1	0029	Land Revenue	41.17	42.46	96.96
2	0056	Jails	21.31	22.30	95.56
3	0059	Public Works	37.95	46.73	81.21
4	0211	Family Welfare	36.61	36.61	100.00
5	0217	Urban Development	126.77	128.50	98.65
6	0401	Crop Husbandry	14.36	20.66	69.51
7	0435	Other Agricultural Programme	41.15	39.99	102.90
8	0515	Other Rural Development Programme	77.04	77.09	99.94
9	0700	Major Irrigation	37.49	46.70	80.28
10	1456	Civil Supplies	78.02	78.00*	100.03
<b>TOTAL</b>			<b>511.87</b>	<b>539.04</b>	<b>94.96</b>

(\* There was a deduct refund of ₹ 0.02 crore under major head-1456)

**Appendix-4.1**  
**Glossary of terms**

Sr. No.	Terms	Description
1.	Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one <i>per cent</i>
2.	Core Public and Merit goods	<i>Core public goods</i> are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. <i>Merit goods</i> are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.
3.	Debt Stabilization	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the Debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt x rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, Debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, Debt-GSDP ratio would be rising and in case it is positive, Debt-GSDP ratio would eventually be falling.
4.	Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant Debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional

Sr. No.	Terms	Description
		borrowings with returns from such borrowings. It means that rise in fiscal deficit should match the increase in capacity to service the debt.
5.	Development Expenditure	The analysis of expenditure data is disaggregated into development and non development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.
6.	Fiscal Liabilities	Fiscal liabilities comprise Internal debt (market loans, loans from NSSF and loans from other financial institutions), loans and advances from GoI and the liabilities arising from the transactions in the Public Account of the State.
7.	GSDP	GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices.
8.	Net availability of borrowed funds	Ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
9.	State Implementing Agency	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorized by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for SSA and State Health Mission for NRHM etc.
10.	Sufficiency of Non-debt receipts (Resource Gap)	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.