SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
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Report of the Comptroller and Auditor General of India on State Finances for the year 2023-24

Government of Punjab
Department of Finance
Report No. 1 of 2025
(State Finances Audit Report)

Report of the
Comptroller and Auditor General of India
on State Finances for the year 2023-24

Government of Punjab

Department of Finance

Report No. 1 of 2025

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Preface

This Report has been prepared for submission to the Governor of the State of Punjab under Article 151(2) of the Constitution of India.

Chapter I of this Report describes the basis and approach to the Report and the underlying data, provides an overview of structure of Government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/surplus.

Chapter II of this Report provides a broad perspective of the finances of the State and analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2019-20 to 2023-24, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State. Information has been obtained from the Government of Punjab, wherever necessary.

Chapter III of this Report is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from constitutional provisions relating to budgetary management.

Chapter IV of this Report comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.

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

Executive Summary

Executive Summary

About the Report

This Report of the CAG of India is on the State Finances for the year 2023-24. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.

This Executive Summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.

Gross State Domestic Product (GSDP) (at current prices) grew at a compound annual growth rate of 8.52 *per cent* from ₹ 5,37,031 crore in 2019-20 to ₹ 7,44,899 crore in 2023-24. Budget Outlay of the State grew at a compound annual growth rate of 6.50 *per cent* from ₹ 1,62,060.09 crore in 2019-20 to ₹ 2,08,508.68 crore in 2023-24.

There was 9.34 *per cent* growth in GSDP over 2022-23. The revenue receipts grew at 1.80 *per cent and* the percentage of revenue receipts over GSDP decreased from 12.86 *per cent* in 2022-23 to 11.97 *per cent* in 2023-24. The tax revenue increased by 13.90 *per cent* during the period and the State's own tax revenue increased by 11.86 *per cent*. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State of Punjab increased from ₹ 1,21,710 crore in 2022-23 to ₹ 1,22,346 crore in 2023-24 increasing by 0.52 *per cent*. Of this, revenue expenditure showed 3.30 *per cent* increase from 2022-23. Revenue deficit increased from ₹ 26,045 crore to ₹ 28,215 crore registering 8.33 *per cent* increase over 2022-23, while fiscal deficit decreased from ₹ 33,930 crore (2.40 *per cent*) in 2022-23 to ₹ 33,115 crore in 2023-24.

Receipt-Expenditure Mismatch

The continuous mismatch between receipts and expenditure indicates rising fiscal stress. The State has different sources of receipts such as State Own Tax Revenue, Non-tax Revenue, Devolution of States' share in taxes, Grants-in-aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue account as well as capital expenditure (assets creation, loans and advances, investments, etc.).

From 2019-20 to 2023-24, revenue receipts grew from ₹ 61,575 crore to ₹ 89,192 crore, with a compound annual growth rate of 9.71 *per cent*. Capital receipts also increased from ₹ 43,891 crore to ₹ 46,902 crore during this period.

The share of Grants-in-aid in revenue receipts decreased from 23.68 *per cent* in 2019-20 to 16.03 *per cent* in 2023-24, indicating decreased reliance on support from the Government of India. The State Government received ₹ 3,184.97 crore as Central share for the Centrally Sponsored Schemes (CSSs) in the year.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Between 2019-20 and 2023-24, revenue expenditure increased from ₹ 75,860 crore (14.13 *per cent* of GSDP) to ₹ 1,17,407 crore (15.76 *per cent* of GSDP). It consistently made up a significant portion (80 to 96 *per cent*) of the total expenditure during this period, growing at a compound annual growth rate of 11.54 *per cent*.

Result of expenditure beyond means

The gap between the revenue receipt and revenue expenditure results in revenue deficit. The revenue deficit of the State increased to ₹ 28,215 crore (3.79 *per cent* of GSDP) in the current year from ₹ 14,285 crore (2.66 *per cent* of GSDP) in the year 2019-20.

The State Government spent ₹ 4,743 crore only on capital account. This was 3.88 *per cent* of the total expenditure in the year 2023-24. Capital expenditure was just 4.40 *per cent* of the total borrowings. Thus, the borrowed funds were being used mainly for meeting current consumption and repayment of borrowings instead of capital creation/development activities.

The gap between the total expenditure and total non-debt receipt of the State results in fiscal deficit. The fiscal deficit of the State increased to ₹ 33,115 crore (4.45 *per cent* of GSDP) in 2023-24 from ₹ 16,826 crore (3.13 *per cent* of GSDP) in 2019-20.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 62-69 *per cent* of revenue expenditure during 2019-20 (69 *per cent*) and 2023-24 (65 *per cent*). The Committed expenditure increased at a compound annual growth rate of 9.78 *per cent* i.e. from ₹ 52,544 crore in 2019-20 to ₹ 76,388 crore in 2023-24 {an increase of 8.68 *per cent* over 2022-23 (₹ 70,290 crore)}.

In addition to the committed expenditure, inflexible expenditure increased from 7.95 *per cent* to 10.58 *per cent* of revenue expenditure during 2019-20 to 2023-24, indicating a rising trend except for the year 2021-22 when there was slight decrease as compared to 2020-21. The inflexible expenditure increased from ₹ 11,734 crore in 2022-23 to ₹ 12,420 crore in 2023-24 registering an increase of 5.85 *per cent*.

Taken together, the committed and inflexible expenditure in 2023-24 was ₹ 88,808 crore; 75.64 *per cent* of the revenue expenditure. Upward trend on committed and inflexible expenditure leaves the Government with lesser flexibility for other priority sectors and capital creation.

Subsidies constitute major portion of the non-committed expenditure

Within the non-committed expenditure, there is an increasing trend of subsidies, which increased from ₹ 10,161 crore in 2019-20 to ₹ 18,770 crore in 2023-24 i.e., from 13.39 *per cent* of the total revenue expenditure in 2019-20 to 15.99 *per cent* in 2023-24. Power subsidies constituted a significant portion, ranging from 92 *per cent* to 99 *per cent* of the total subsidies during this period. Apart from this, the State Government also spent ₹ 501.24 crore on implicit subsidies.

Off-budget borrowings

The State Government, through Public Sector Undertakings and parastatals, raised ₹ 4,092.78 crore as off-budget borrowings as on 31 March 2024, which did not flow into the Consolidated Fund of the State but are required to be repaid and serviced through budget.

Contingent Liabilities on account of Guarantees

In 2023-24, the Government provided guarantees against borrowings of ₹ 5,594 crore. During the year, Government paid ₹ 1.17 crore for discharge of guarantee invoked in respect of Punjab State Industrial Development Corporation Limited (PSIDC).

The State Government had also notified reversion to the Old Pension Scheme (OPS) vide Notification dated 18 November 2022. The imminent financial burden on account of implementation of OPS also needs to be reckoned while assessing debt sustainability of the State.

Fiscal sustainability

Fiscal sustainability is examined in terms of macro-fiscal parameters such as deficits, level of debt and liabilities, commitments on account of off-budget borrowings, guarantees, subsidies, etc. So far as revenue and expenditure mismatch is concerned, one of the important constraints is committed and inflexible expenditure, which includes salaries and wages, pension payments, interests, etc. and also other inflexible expenditure such as those arising out of commitment for centrally sponsored schemes, transfer to reserve funds, transfer to local bodies, etc.

FRBM requirements and compliance with fiscal parameters

The FRBM Act / Rules prescribes certain limits within which revenue deficit, fiscal deficit, debt as a percentage of the GSDP should be, and similarly for guarantees as a percentage of revenue receipts of the previous year. In compliance with the provisions of State Fiscal Consolidation Roadmap under

FRBM Act, the target of revenue deficit of the State was 3.52 *per cent* of GSDP, whereas the target for fiscal deficit was 4.60 *per cent* against which the revenue deficit was 3.79 *per cent* and fiscal deficit of the State was 4.45 *per cent* respectively. Debt was 43.72 *per cent* as against limit of 46.81 *per cent* and guarantees given were 25.90 *per cent* as against the prescribed limit of 80 *per cent*.

Further, if the quantum of the off-budget borrowings is included as part of debt, the overall liability (includes Public Debt and Public Account Liabilities) of the Government was 44.27 *per cent* of the GSDP. Going by the fiscal trends, the State finances are heavily stressed.

As per the debt stabilisation analysis, the debt of the Government of Punjab has grown on a compound annual average rate of 9.16 *per cent* between 2019-20 to 2023-24. Debt-GSDP ratio of Punjab has increased from 42.71 *per cent* in 2019-20 to 43.72 *per cent* in 2023-24, which indicates that debt stabilisation may not be possible in near future.

During the years 2021-22, 2022-23 and 2023-24 though the Domar gap (expressed as g-r) was positive, the primary deficit was not stable. Therefore, the trends of strong economic growth (expressed as g-r>0) by only observing the Domar gap in 2021-22, 2022-23 and 2023-24 cannot be conclusively generalized. Further, substantial proportion of total debt receipts was being used for repayment for borrowings (including principal and interest), which ranged between 87.94 *per cent* and 117.01 *per cent* during the period 2019-2024. Thus, it becomes evident that depending solely on economic growth (expressed as g-r>0 from 2021-2024) would not suffice to cover the debt obligations of the State.

Going by the analysis and results as discussed above, the finances of the State of Punjab is marked by increasing trend of liabilities (debt, guarantees, off-budget borrowings, etc.) which pose risk to target of debt stabilisation and debt sustainability. Implementation of the Old Pension Scheme shall further add to this fiscal stress.

Budget performance

Aggregate expenditure outturn

Aggregate expenditure outturn measures the deviation in actual expenditure (Actuals) compared with the Budget Estimate (BE) originally approved, both in terms of less than (-) and in excess (+) of approval. In the Revenue section, deviation in outturn compared with Budget Estimates (BE) was (-) 7.29 *per cent*. This was due to deviation up to (±) 25 *per cent* in 35 grants, between (-) 25 *per cent* and (-) 50 *per cent* in three grants; and between (-) 50 *per cent* and (-) 100 *per cent* in four grants. In the Capital section, deviation in outturn compared with BE was (-) 3.52 *per cent*. This was due to deviation up to (-) 25 *per cent* in five grants, between (-) 25 *per cent* and

(-) 50 *per cent* in three grants; and between (-) 50 *per cent* and (-) 100 *per cent* in 28 grants. No provision was made in respect of six grants of the Capital section.

Expenditure composition outturn

Budget performance also looks at the extent to which the re-allocation between the main budget categories during the execution have contributed to variance in expenditure composition. This measure indicates the extent of variation between the final budget and the actual expenditure. In the Revenue section, deviation in outturn compared with Revised Estimates (RE) was (-) 4.01 *per cent*. This was due to deviation up to (±) 25 *per cent* in 40 grants, between (±) 25 *per cent* and (±) 50 *per cent* in one Grant and between (±) 50 *per cent* and (±) 100 *per cent* in one grant. In the Capital section, deviation in outturn compared with RE was 2.91 *per cent*. This was due to deviation up to (±) 25 *per cent* in 16 grants, between (-) 25 *per cent* and (-) 50 *per cent* in four grants, between (-) 50 *per cent* and (-) 100 *per cent* in 14 grants. No budget provision was, however, made in respect of eight grants.

It was noticed that supplementary provisions of ₹ 1,147.64 crore during the year 2023-24 in 20 cases (more than ₹ one crore in each case) proved unnecessary, as the expenditure did not come up even to the level of original provisions.

Overall Budget reliability assessment indicates that though the deviations between the actual expenditure and original budget as well as between the actual expenditure and the final budget were less than 10 per cent, there were deviations up to 25 per cent and even above in different grants. Moreover, it was also noticed that in several cases, there were supplementary grants where expenditure was not even up to the original grant. A reliable budget practice should need to deal with such deviations.

Quality of Accounts and Financial Reporting

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as parking of funds outside the Government accounts and non-discharge or short-discharging of liabilities.

Regularisation of Excess over Grants/ Appropriations

The State Government has to get excesses over grants/appropriations regularised by the State Legislature as per article 204 and 205(1)(b) of the Constitution. It was observed that in 2023-24, there was excess expenditure of ₹ 5,242.75 crore under three grants which required regularisation. Further, excess expenditure of ₹ 1,475.11 crore for the year 2022-23 under three grants also required regularisation.

Compliance with IGAS

As against the requirements of the Indian Government Accounting Standards (IGAS), the State Government did not make compliance with IGAS-2: Accounting and Classification of Grants-in-aid and IGAS-3: Loans and Advances made by the Government.

Funds to Single Nodal Agency

The Government of India and the State Government have introduced system of Single Nodal Agency (SNA) for implementation and fund flow for each Centrally Sponsored Scheme (CSS). The share of the Government of India and the State Government is transferred to the Bank Account of the SNA lying outside the Government Account. As per information available on the PFMS portal, ₹ 6,487.22 crore (₹ 2,758.22 crore share of the Government of India and ₹ 3,729.00 crore share of the State Government) was transferred to the SNAs during 2023-24. However, the State Government intimated that ₹ 6,677.24 crore were transferred to the SNAs during 2023-24, out of which, ₹ 2,914.78 crore were transferred through AC Bills, ₹ 2,974.38 crore through GIA bills and ₹ 788.08 crore through Fully Vouched Contingent Bills. As per data available on PFMS Portal, ₹ 3,372.86 crore was lying unspent in the bank accounts of SNAs as on 31 March 2024. Detailed vouchers and supporting documents of actual expenditure were not received by the office of Accountant General (A&E) Punjab from the SNAs. The State Government has been requested to make the details of the bills drawn, as it is of importance for completeness of the accounts, financial reporting and transparent financial control.

Non-submission of Utilisation Certificates against conditional grants

Despite the requirement of submitting Utilisation Certificates (UCs) against conditional grants within a stipulated time period, 597 outstanding UCs of ₹ 3,089.57 crore were pending as on 31 March 2024.

Utilisation Certificates (UCs) outstanding beyond the specified periods indicate absence of assurance on utilisation of the grants for intended purposes and the expenditure shown in the accounts to that extent cannot be treated as final.

Non-submission of DC bills against AC bills

Similarly, despite the requirement of submitting Detailed Contingency (DC) Bills against the advance money withdrawn through Abstract Contingency (AC) Bills, 2,037 AC bills of ₹ 2,804.85 crore were pending for submission of DC bills as on 31 March 2024, out of which 1,098 AC Bills amounting to ₹ 1,746.84 crore pertained to the period upto 2022-23.

Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills. Further, to the extent of non-receipt

of DC bills, the expenditure shown in the Finance Accounts cannot be asserted as correct or final.

Funds outside Government Account

It was noticed that ₹ 406.98 crore collected on account of cess/levies etc. were not deposited into the Government Account by the DDOs.

Compliance with prevailing rules and codal provisions are meant to ensure control and accountability in accounting and financial reporting. Non-compliance and deviations impact the quality of accounting and financial reporting adversely. Non-timely submission of UCs against conditional grants; non-submission of DC bills against AC bills; non-compliance with IGAS-2 & 3; funds remaining outside Government accounts; and non-supply of details of expenditure from SNAs have impacted the quality of accounts adversely.

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Chapter-I

Overview

Chapter-I

Overview

1.1 Profile of the State

Punjab is predominantly an agrarian State. The State is located in the north-western corner of India. It is spread over a geographical area of 50,362 sq. km. and ranks 20th among States/UTs in terms of area. It has been organised into 23 districts. The districts have further been divided into 97 sub-divisions, 154 blocks and 12,581 inhabited villages.

As per Population Projections by National Commission on Population, Ministry of Health and Family Welfare, Government of India, the State's projected population was 3.09 crore as on March 2024 which accounts for 2.21 *per cent* of the country's projected population (140.07 crore) and ranks 16th among States in terms of population. The population density of the State at 614.07 persons per sq. km. was higher than the national average of 426.09 persons per sq. km. The State's literacy rate is 75.80 *per cent* (as per 2011 Census) ***(Appendix 1.1)***.

1.1.1 Gross State Domestic Product of the State

Gross State Domestic Product (GSDP) is the value of all goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

Changes in sectoral contribution to the GSDP is also important to understand the changing structure of the economy. Economic activity is generally divided into Primary, Secondary and Tertiary sectors, which primarily correspond to the Agriculture, Industry and Service sectors.

Trends in GSDP compared to GDP are shown in **Table 1.1**.

Table 1.1: Trends in GSDP compared to the GDP (at current prices)

(₹ in crore)

Year	2019-20	2020-21	2021-22	2022-23	2023-24
INDIA					
GDP (2011-12 Series)	2,01,03,593	1,98,54,096 3rd RE	2,35,97,399 2nd RE	2,69,49,646 1st RE	2,95,35,667 PE
GVA	1,83,81,117	1,82,10,997	2,16,35,584	2,46,59,041	2,67,62,147
Growth rate of GDP over previous year (in *per cent*)	6.37	(-)1.24	18.85	14.21	9.60
Growth rate of GVA over previous year (in *per cent*)	7.02	(-)0.93	18.81	13.97	8.53
Per Capita GDP (in ₹)	1,49,915	1,46,481	1,72,420	1,94,878	2,11,725
PUNJAB					
GSDP (2011-12 Series)	5,37,031	5,40,853	6,27,717	6,81,251	7,44,899
GSVA	4,90,095	4,86,839	5,62,593	6,26,711	6,82,515
Growth rate of GSDP over previous year (in *per cent*)	4.78	0.71	16.06	8.53	9.34
Growth rate of GSVA over previous year (in *per cent*)	5.63	(-)0.66	15.56	11.40	8.90
Per Capita GSDP (in ₹)	1,73,119	1,72,098	1,97,156	2,11,204	2,27,950

Source: Ministry of Statistics and Programme Implementation (MoSPI), GoI.
RE: Revised Estimates; PE: Provisional Estimates;
2018-19: GVA: ₹ 1,71,75,128 crore; GDP: ₹ 1,88,99,668 crore; GSVA: ₹ 4,63,988 crore; and GSDP: ₹ 5,12,510 crore.

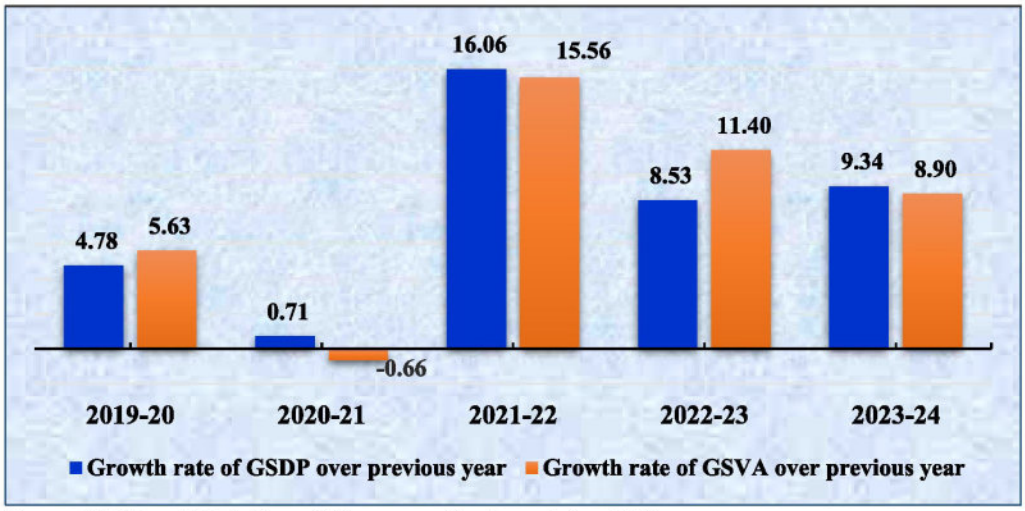
The Gross State Domestic Product (GSDP) of Punjab and the Gross Domestic Product (GDP) of India in 2023-24 were ₹ 7,44,899 crore and ₹ 2,95,35,667 crore respectively at current prices. Further, the per capita GSDP of the State for the year 2023-24 was ₹ 2,27,950 while per capita GDP of the country was ₹ 2,11,725. However, the annual growth of per capita GSDP (7.12 *per cent*) measured by Compound Annual Growth Rate (CAGR) during the period 2019-2024 remained lower than the annual growth in per capita GDP (9.01 *per cent*) during the same period. This is evidenced from the fact that the percentage of per capita GSDP of the State which was 15.48 *per cent* more than the per capita GDP of the country in 2019-20, decreased to 7.66 *per cent* of the per capita GDP as at the end of 2023-24.

Gross Value Added (GVA) is being used for economic analysis by Government of India (GoI) and international organisations like International Monetary Fund (IMF) and World Bank. GVA is considered a better indicator of economic growth compared to GDP as it ignores the impact of taxes and subsidies, while GDP can be and is also computed as the sum total of the various expenditures incurred in the economy including private consumption

spending, government consumption spending and gross fixed capital formation or investment spending, reflecting essentially on the demand conditions in the economy. Both measures have difference in treatment of net taxes as a result of which the inclusion of taxes in GDP may differ from the real output situation. From a policymaker's perspective, it is therefore vital to have a comparison of GVA and GSVA data for better analysis and making policy interventions.

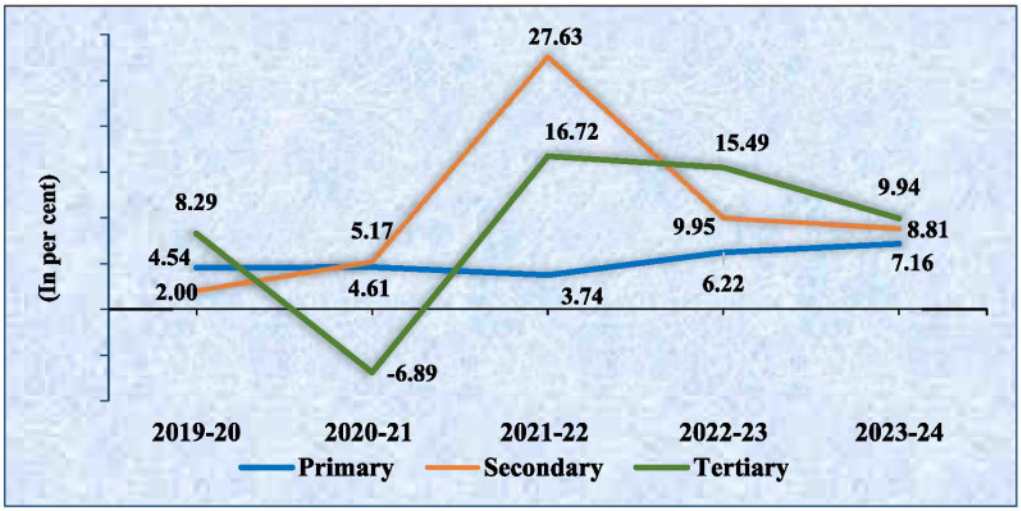
Trends in growth of GSVA compared to GSDP and sectoral growth in GSDP during the period 2019-20 to 2023-24 are depicted in **Chart 1.1** and **Chart 1.2** respectively.

Chart 1.1: Growth rate of GSDP vs GSVA (2019-20 to 2023-24)



Source: Ministry of Statistics and Programme Implementation, GoI.

Chart 1.2: Sectoral growth in GSDP



Source: Ministry of Statistics and Programme Implementation, GoI.

Chart 1.2 shows that during 2023-24, there was decline in two sectors contributing to GSDP *viz.* secondary sector and tertiary sector though there was notable increase in primary sector. However, specific reasons for decrease/increase in sectoral growth were not furnished to Audit.

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151(2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) is prepared and submitted under the Article *ibid* of the Constitution of India.

The Principal Accountant General (Accounts and Entitlements) prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial and subsidiary accounts rendered by the treasuries, offices and Departments responsible for keeping such accounts, functioning under the control of the State Government, and the statements received from the Reserve Bank of India. These accounts are audited independently by the Principal Accountant General (Audit) and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State constitute the core data for this Report. Other sources include the following:

- Budget of the State: for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the office of the Principal Accountant General (Audit);
- Other data available with departmental authorities and treasuries (accounting as well as MIS);
- GSDP data and other State related statistics; and
- Various audit reports of the CAG of India.

The analysis has also been carried out in the context of recommendations of the Fourteenth Finance Commission (14th FC), Fifteenth Finance Commission (15th FC), State Fiscal Responsibility and Budget Management (FRBM) Act, 2003 and best practices and guidelines of the Government of India (GoI).

The audit analysis/findings of the Report were discussed in a meeting held (December 2024) with the Principal Secretary, Department of Finance, Government of Punjab. The replies received as per discussion in the meeting have been suitably incorporated in the Report.

1.3 Overview of Government Accounting Structure and Budgetary Processes

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

I. Consolidated Fund of the State (Article 266(1) of the Constitution of India)

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from financial institutions, special securities issued to National Small Savings Fund, etc.), Ways and Means Advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with the law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments, etc.) constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

II. Contingency Fund of the State (Article 267(2) of the Constitution of India)

This Fund is in the nature of an imprest which is established by the State Legislature by law and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the functional major head concerned relating to the Consolidated Fund of the State.

III. Public Account of the State (Article 266(2) of the Constitution of India)

Apart from the above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayable like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Budget Document

There is a constitutional requirement in India (Article 202) to present before the House or Houses of the Legislature of the State, a statement of estimated

receipts and expenditures of the Government in respect of every financial year. This 'Annual Financial Statement' constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

Revenue receipts consists of tax revenue (Own Tax revenue plus share of Union taxes/duties), non-tax revenue and grants from Government of India.

Revenue expenditure consists of all those expenditures of the Government which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the Government Departments and various services, interest payments on debt incurred by the Government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

Capital receipts consist of:

- **Public debt receipts:** Market loans, bonds, loans from financial institutions, net transaction under Ways and Means Advances, loans and advances from Central Government, etc.; and
- **Non-debt receipts:** Proceeds from disinvestment, recoveries of loans and advances, etc.

Capital expenditure includes expenditure on the acquisition of land, building, machinery, equipment and investment by the Government in shares of Public Sector Undertakings (PSUs).

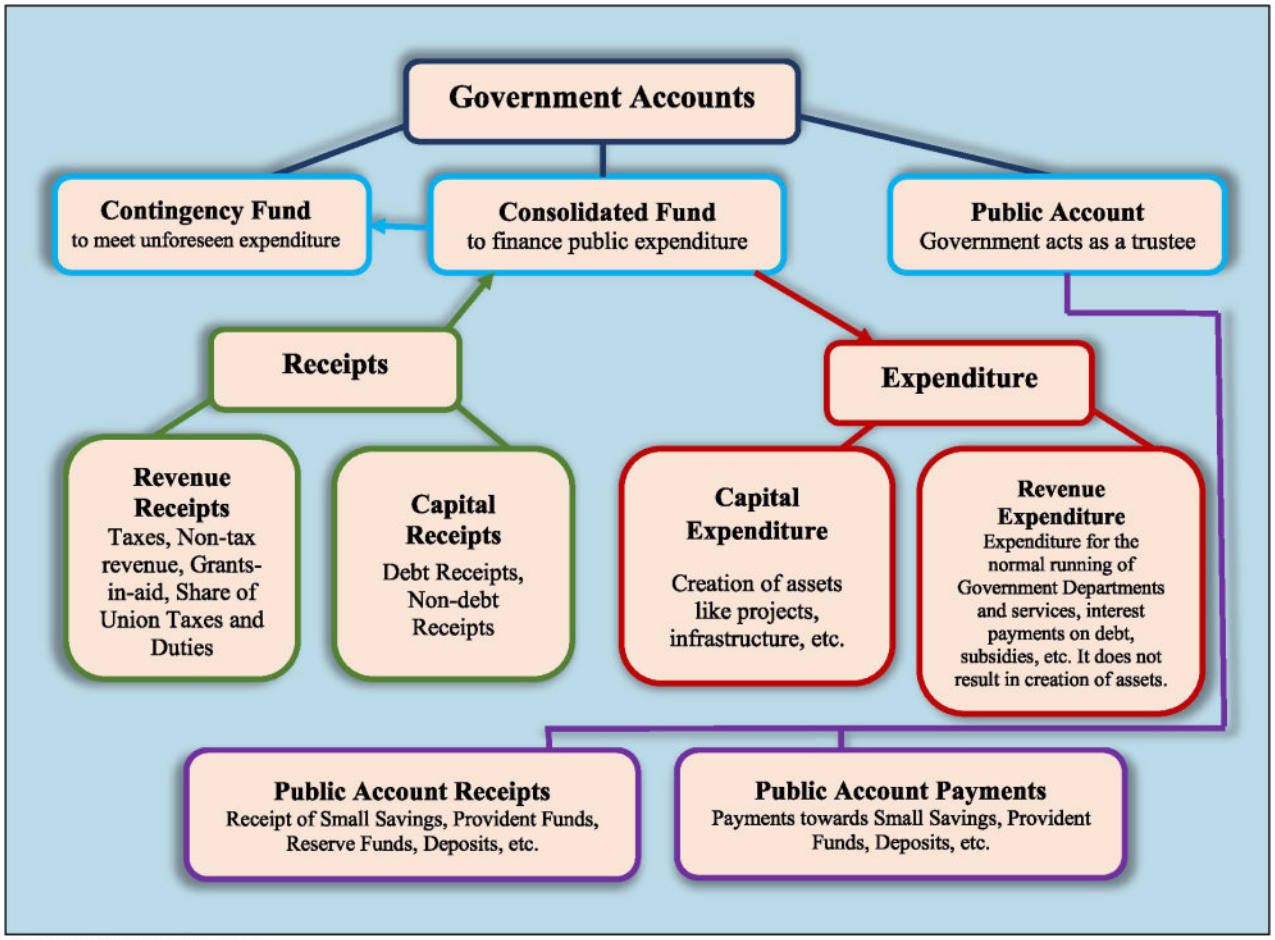
At present, there is an accounting classification system in Government that is both functional and economic.

	Attribute of transaction	**Classification**
Standardised list of Major and Minor Heads by CGA	Function - Education, Health, etc. /Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major Head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (2-digit)
	Sub-scheme	Detailed Head (2-digit)
	Economic nature/ Activity	Object Head-Salary, Minor Works, etc. (2-digit)

The functional classification lets one know the Department, function, scheme or programme, and object of the expenditure. Economic classification helps organise these payments as revenue, capital, debt, etc. Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance, 0 and 1 is for revenue receipts, 2 and 3 for revenue expenditure, etc. Economic classification is also achieved by an inherent definition and distribution of some object heads. For instance, generally "Salary" object head is revenue expenditure, "Construction" object head is

capital expenditure. Object head is the primary unit of appropriation in the budget documents.

Chart 1.3: Structure of Government Accounts



Source: Finance Accounts

Public Debt and Public Liability: In this Report, 'Public Debt' has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSSF), loans given by Central Government etc. For this purpose, the major heads 6003 and 6004 - Public Debt have been taken into consideration.

Further, the transactions relating to 'Small Savings, Provident Fund, etc.', 'Reserve Funds' and 'Deposit and Advances' under Public Account are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. The transactions relating to 'Remittances' and 'Suspense' under Public Account, include merely adjusting heads such as transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles.

In this Report, 'Public Liability' has been taken to include the transactions under major heads 8001 to 8554 relating to 'Small Savings, Provident Fund, etc.', 'Reserve Funds' and 'Deposit and Advances' along with the transactions under major heads 6003 and 6004.

Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of a State causes to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State, in the form of an Annual Financial Statement. In terms of Article 203, the statement is submitted to the State Legislature in the form of Demands for Grants/Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

The State Budget Manual details the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. Results of audit scrutiny of the budget and implementation of other budgetary initiatives of the State Government are detailed in Chapter-III of this Report.

1.3.1 Snapshot of Finances

Table 1.2 shows the details of actual financial results for the years 2022-23 and 2023-24. Comparison of results for the year 2023-24 is also shown *vis-à-vis* Budget Estimates (BE) and GSDP for the year 2023-24.

Table 1.2: Snapshot of Finances

(₹ in crore)

Sr. No.	Components	2022-23 (Actuals)	2023-24 (BE)	2023-24 (Actuals)	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1.	Tax Revenue	59,406.82	70,293.06	67,662.08	96.26	9.08
	Own Tax Revenue	42,243.17	51,835.49	47,252.16	91.16	6.34
	Share of Union taxes/duties	17,163.65	18,457.57	20,409.92	110.58	2.74
2.	Non-Tax Revenue	6,231.94	7,823.99	7,233.63	92.45	0.97
3.	Grants-in-aid and Contributions	21,976.84	20,735.08	14,296.36	68.95	1.92
4.	**Revenue Receipts (1+2+3)**	**87,615.60**	**98,852.13**	**89,192.07**	**90.23**	**11.97**
5.	Recovery of Loans and Advances	163.67	200.00	38.77	19.39	0.01
6.	Other Receipts	0.21	1,000.00	0.00	0.00	0.00
7.	Borrowings and other liabilities*	33,930.04	34,784.15	33,115.16	95.20	4.45
8.	**Net Capital Receipts (5+6+7)**	**34,093.92**	**35,984.15**	**33,153.93**	**92.13**	**4.45**
9.	**Total Receipts (4+8)**	**1,21,709.52**	**1,34,836.28**	**1,22,346.00**	**90.74**	**16.42**
10.	**Revenue Expenditure**	**1,13,660.63**	**1,23,440.91**	**1,17,407.37**	**95.11**	**15.76**
11.	Interest payments#	19,905.13	22,000.00	22,551.93	102.51	3.03
12.	Capital Expenditure	6,667.21	10,354.53	4,742.81	45.80	0.64
13.	Loans and advances	1,381.68	1,040.84	195.82	18.81	0.03
14.	**Total Expenditure (10+12+13)**	**1,21,709.52**	**1,34,836.28**	**1,22,346.00**	**90.74**	**16.42**
15.	**Revenue Deficit (4-10)**	**(-)26,045.03**	**(-)24,588.78**	**(-)28,215.30**	**114.75**	**(-)3.79**
16.	**Fiscal Deficit {(4+5+6)-14}**	**(-)33,930.04**	**(-)34,784.15**	**(-)33,115.16**	**95.20**	**(-)4.45**
17.	**Primary Deficit(-)/ Surplus(+) (16-11)**	**(-)14,024.91**	**(-)12,784.15**	**(-)10,563.23**	**82.63**	**(-)1.42**

Source: Finance Accounts and Annual Financial Statement.

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

Included in the Revenue Expenditure shown at Sr. No. 10.

During the year 2023-24, though the revenue receipts of the State increased by 1.80 *per cent* over the previous year, these fell short by 9.77 *per cent* of the budget estimates. During the current year, there was excess of revenue expenditure (₹ 1,17,407 crore) over revenue receipts (₹ 89,192 crore), thereby resulting in revenue deficit of ₹ 28,215 crore.

Goods and Services Tax (GST) compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. During the current year, GoP received ₹ 3,671 crore as GST compensation.

1.3.2 Snapshot of Assets and Liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. ***Appendix 1.2*** gives an abstract of such liabilities and assets as on 31 March 2024, compared with the corresponding position of the previous year. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds, and the assets comprise mainly of the capital expenditure and loans and advances given by the State Government and cash balances. Summarised position of assets and liabilities is depicted in **Table 1.3**.

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
		2022-23	**2023-24**	**Per cent increase/ decrease**			**2022-23**	**2023-24**	**Per cent increase/ decrease**
Consolidated Fund									
A	Internal Debt	2,50,971.66	2,80,965.94	11.95	a	Gross Capital Expenditure	85,134.74	89,877.55	5.57
B	Loans and Advances from GoI*	25,487.39	25,075.35	(-)1.62	b	Loans and Advances	38,887.68	39,044.72	0.40
Contingency Fund		**25.00**	**25.00**	**0.00**					
Public Account									
A	Small Savings, Provident Funds, etc.	22,404.33	23,005.28	2.68	a	Advances with Departmental officers	0.42	0.42	0.00
B	Deposits	4,913.27	5,072.27	3.24	b	Remittances	44.26	23.99	(-)45.80
C	Reserve Funds	16,795.71	20,682.91	23.14	c	Suspense and Miscellaneous	0.66	0.66	0.00
D	Remittances	0	0	0.00	**Cash balance (including investment in Earmarked Funds)^**		**9,009.46**	**10,158.43**	**12.75**
E	Suspense and Miscellaneous	327.36	341.86	4.43	**Total**		**1,33,077.22**	**1,39,105.77**	**4.53**
					Difference on account of rounding-off		**0.04**	**0.08**	
					Deficit in Revenue Account		**1,87,847.46**	**2,16,062.76**	**15.02**
Total		**3,20,924.72**	**3,55,168.61**	**10.67**	**Total**		**3,20,924.72**	**3,55,168.61**	**10.67**

Source: Finance Accounts

* *Includes back-to-back loans of ₹ 20,491.41 crore (₹ 8,359 crore and ₹ 12,132.41 crore received from the GoI during 2020-21 and 2021-22 respectively), in lieu of GST Compensation shortfall, which are not to be repaid by the State Government from its resources.*

^ *Includes ₹ 6,351.61 crore and ₹ 8,616.66 crore on account of investment from Consolidated Sinking Fund during 2022-23 and 2023-24 respectively.*

1.4 Fiscal Balance: Achievement of deficit and total debt targets

When a Government spends more than it collects by way of revenue, it incurs a deficit. There are various measures that capture Government deficit.

Deficits are financed by borrowings, giving rise to Government debt. The concepts of deficits and debt are closely related. Deficits can be thought of as a flow which add to the stock of debt. If the Government continues to borrow year after year, it leads to accumulation of debt and the Government has to pay more and more by way of interest. These interest payments themselves contribute to the debt.

By borrowing, the Government entails the burden of reduced consumption on future generations. This is because it borrows by issuing bonds to the people living at present but may decide to pay off the bonds some twenty years later by raising taxes or reducing expenditure. Also, Government borrowing from the people reduces the savings available to the private sector. To the extent that this reduces capital formation and growth, debt acts as a 'burden' on future generations.

However, if Government deficits succeed in their goal of raising production, there will be more income and, therefore, more saving. In this case, both Government and industry can borrow more. Also, if the Government invests in infrastructure, future generations may be better off, provided the return on such investments is greater than the rate of interest. The actual debt could be paid off by the growth in output. The debt should not then be considered burdensome. The growth in debt will have to be judged by the growth of the economy (State GDP) as a whole.

Government deficit can be reduced by an increase in taxes or reduction in expenditure. However, the major thrust has been towards reduction in Government expenditure. This could be achieved through making Government activities more efficient through better planning of programmes and better administration.

The Central and individual State Governments have passed the Fiscal Responsibility and Budget Management (FRBM) Act with the objective of ensuring prudence in fiscal management by eliminating revenue deficit, reducing fiscal deficit and overall/outstanding debt to acceptable levels, establishing improved debt management and improving transparency in a medium-term framework. In this context, the Act provides quantitative targets to be adhered to by the State with regard to deficit measures and debt level.

In May 2003, the State Government enacted the Punjab FRBM Act, 2003 to ensure long-term financial stability by achieving revenue surplus, containing fiscal deficit and prudent debt management. Subsequently, in March 2011, the State Government amended the FRBM Act on the recommendations of the

Thirteenth Finance Commission (TFC) and enacted FRBM (Amendment) Act, 2011, on the basis of which fiscal targets up to the year 2014-15 were fixed.

The Fourteenth Finance Commission (14th FC) recommended that the State Government may amend its FRBM Act to provide for statutory flexible limits on fiscal deficit and also to provide a statutory ceiling on the sanction of new capital works to an appropriate multiple of the annual budget provision for ensuring that liabilities of incomplete and ongoing capital projects do not accumulate.

The 14th FC also recommended to the State Government to adopt a template for collating, analysing and annually reporting the total extended public debt in the budget, as a supplement to the budget, to assess the debt position of the State in the context of risks arising from guarantees, off-budget borrowings and accumulated losses from financially weak public sector enterprises. In order to accord greater sanctity and legitimacy to fiscal management legislation, the State Government was recommended to replace the existing FRBM Act with a Debt Ceiling and Fiscal Responsibility Legislation, specifically invoking Article 293(1) of the Constitution of India.

The State Government amended its FRBM Act as per recommendations of the 14th FC in March 2020. The statutory flexible limit on fiscal deficit had been fixed at three *per cent* of the GSDP, besides an additional ₹ 928 crore in the financial year 2019-20.

As per the Fifteenth Finance Commission (15th FC) recommendations, the State Government further amended its FRBM Act in March 2021. The statutory flexible limit on fiscal deficit had been fixed at four *per cent* of GSDP and an additional one *per cent* in the financial year 2020-2021, subject to reforms as laid therein, and maintain thereafter at three *per cent* or as allowed by Government of India, from time to time. The additional one *per cent* in the financial year 2020-2021 would be conditional to various reforms[1].

The State Government further amended its FRBM Act in January 2022. The statutory flexible limit on fiscal deficit had been fixed at 3.50 *per cent* of GSDP and additional 0.50 *per cent* of GSDP on the basis of capital expenditure incurred by the State, in the year 2021-22, and maintain thereafter at three *per cent* or as allowed by Government of India, from time to time. Additional ceiling of 0.50 *per cent* of the projected GSDP was to be allowed if the State Government had spent at least 70 *per cent* of the targeted capital outlay of ₹ 5,421 crore fixed by GoI for the year 2021-22, by December 2021.

[1] (i) Implementation of One Nation One Ration Card System; (ii) Ease of doing business reforms; (iii) Urban Local body/utility reforms; and (iv) Power Sector reforms. The weightage of each reform was 0.25 *per cent* of GSDP totaling to one *per cent*.

The State Government further amended its FRBM Act in July 2022. In accordance with the Net Borrowing Ceiling (NBC) of the State fixed (March 2022) by the Ministry of Finance, Department of Expenditure, GoI:

- the statutory flexible limit on fiscal deficit for the year 2022-23 was fixed at 3.50 *per cent* of GSDP;
- an additional amount equivalent to the employer's and employee's share of contribution of its employees pertaining to the financial year 2022-23 actually deposited with the designated authority i.e. the National Securities Depository Limited (NSDL)/trustee bank as per the guidelines of the National Pension System (NPS);
- an additional amount equivalent to carried forward unutilised borrowing out of the Borrowing Ceiling allowed for the previous years; and
- an additional amount equivalent to interest free loan availed under the "Scheme for Special Assistance to States for Capital Investment for 2022-23", in the financial year 2022-23, and maintain thereafter at three *per cent* or as allowed by the Government of India from time to time.

Further, in accordance with NBC[2] of the State fixed (March 2023) by the Ministry of Finance, Department of Expenditure, GoI:

- the statutory flexible limit on fiscal deficit for the year 2023-24 was fixed at three *per cent* of GSDP;
- an additional amount equivalent to the employer's and employee's share of contribution of its employees pertaining to the financial year 2023-24 actually deposited with the designated authority i.e. the National Securities Depository Limited (NSDL)/trustee bank as per the guidelines of the National Pension System (NPS); and
- an additional amount equivalent to carried forward unutilised borrowing out of the Borrowing Ceiling allowed for the previous years.

Accordingly, the statutory ceiling for the Government of Punjab for the year 2023-24 worked out to ₹ 34,248 crore, as detailed below:

(i) ₹ 22,347 crore (three *per cent* of GSDP of ₹ 7,44,899 crore[3]);

(ii) additional ceiling of ₹ 3,161 crore equivalent to the employer's and employee's share of contribution of its employees pertaining to the financial year 2023-24 actually deposited with the designated

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2 The State Government did not opt for availing additional borrowing ceiling 0.50 *per cent* of GSDP for the participating States on certain performance criteria in the power sector.

3 As per the methodology prescribed by 15th FC, GoI fixed the projected GSDP (₹ 6,87,604 crore) for the year 2023-24. However, GSDP for the year 2023-24 was revised to ₹ 7,44,899 crore as on 1 August 2024, as per Ministry of Statistics and Programme Implementation (MoSPI), GoI.

authority i.e. the National Securities Depository Limited (NSDL)/trustee bank; and

(iii) additional ceiling of ₹ 8,740 crore[4] on account of carry forward of unutilised borrowing out of the borrowing ceiling allowed for the year 2022-23.

Further, the Fiscal Consolidation Roadmap (FCR) under FRBM Act for the period 2015-2020 was prepared and implemented from the year 2017-18. The targets under FCR for the years 2020-21 to 2023-24 have been taken from the Annual Financial Statement (AFS) for the respective years. Compliance with the targets fixed in FCR during the period 2019-20 to 2023-24 is shown in **Table 1.4 (a)**.

Table 1.4(a): Compliance with provisions of State FCR under FRBM Act

Fiscal Parameters		Achievement *vis-à-vis* targets set in the FCR				
		2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Revenue Deficit (-) / Surplus (+) (₹ in crore)	T	(-)11,687	(-)7,712	(-)8,622	(-)12,554	(-)24,589
	A	(-)14,285 ✗	(-)17,296 ✗	(-)18,468 ✗	(-)26,045 ✗	(-)28,215 ✗
Fiscal Deficit (-) / Surplus (+) (₹ in crore) *Figures in parenthesis represent percentage of FD to GSDP.*	T	(-)17,039 (3.17)	(-)21,634 (4.00)	(-)25,109 (4.00)	(-)41,589 (6.10)	(-)34,248 (4.60)
	A	(-)16,826 (3.13) ✓	(-)22,584 (4.18) ✗	(-)27,847 (4.44) ✗	(-)33,930 (4.98) ✓	(-)33,115 (4.45) ✓
Ratio of total outstanding liability to GSDP (in *per cent*)	T	39.74	38.53	45.05	45.23	46.81
	A*	42.71 ✗	46.16 ✗	41.62 ✓	43.12 ✓	43.72 ✓

Source: Annual Financial Statements and Finance Accounts for the years 2019-20 to 2023-24.

T: Target; A: Achievement

* *During the years 2020-21 and 2021-2024, it excludes back-to-back loans of ₹ 8,359 crore and ₹ 20,491.41 crore (₹ 8,359 crore + ₹ 12,132.41 crore) respectively, in lieu of GST Compensation shortfall received from GoI which were not to be treated as debt of the State for any norms, as per the guidelines (August 2020).*

The targets set by 15th FC and those projected in the State budget *vis-à-vis* achievements in respect of major fiscal aggregates with reference to GSDP during 2023-24 are given in **Table 1.4(b)**.

[4] Allowed NBC of ₹ 41,588 crore minus utilised ceiling of ₹ 32,848 crore during 2022-23.

Table 1.4(b): Targets *vis-à-vis* achievements in respect of major fiscal aggregates for the year 2023-24

Fiscal Variables	Targets as prescribed by 15th FC	Targets in the Budget	Actuals*	Percentage variation of actuals over	
				Targets of 15th FC	Targets in Budget
Revenue Deficit/GSDP (*per cent*)	0.00#	(-)3.52	(-)3.79	3.79	0.27
Fiscal Deficit/GSDP (*per cent*)	(-)3.00	(-)4.98	(-)4.45	1.45	(-)0.53
Total outstanding liability/GSDP (*per cent*)	44.90	46.81$	43.72$	(-)1.18	(-)3.09

Source: Recommendations of 15th FC (indicative deficit and debt path for award period 2021-2026), Annual Financial Statement and Finance Accounts

Note: Deficit figures have been shown in minus.

Taking into account post-devolution revenue deficit grant of ₹ 5,618 crore received by the State during the year 2023-24 as per recommendation of 15th FC.

** Calculated on the basis of GSDP figures of ₹ 7,44,899 crore published (as on 01.08.2024) by Ministry of Statistics and Programme Implementation, GoI.*

$ Excluding back-to-back loans of ₹ 20,491.41 crore received from GoI in lieu of GST Compensation shortfall during 2020-21 (₹ 8,359 crore) and 2021-22 (₹ 12,132.41 crore).

During the year 2023-24, the Government was unable to contain the revenue deficit-GSDP and fiscal deficit-GSDP ratios within the levels fixed by 15th FC and revenue deficit-GSDP projected in the budget estimates. In addition to the liabilities shown in the accounts, the State Government also had off-budget liabilities of ₹ 4,092.78 crore as discussed in **Paragraph 2.8(A)**. If these off-budget liabilities were also taken into account, the actual total outstanding liability to GSDP ratio would have been 44.27 *per cent* instead of 43.72 *per cent.*

As per Punjab FRBM Act, 2003, Medium-term Fiscal Policy (MTFP) Statement shall set forth a three-year rolling target for prescribed fiscal indicators with specification of underlying assumptions. Actuals *vis-à-vis* projections made in Medium Term Fiscal Policy (MTFP) are shown in **Table 1.5**.

Table 1.5: Actuals *vis-à-vis* projections in Medium Term Fiscal Policy for the year 2023-24

(₹ in crore)

Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2023-24)	Variation (in *per cent*)
1.	Own Tax Revenue	51,835	47,252	(-)8.84
2.	Non-Tax Revenue	7,824	7,234	(-)7.54
3.	Share of Central Taxes and Duties	18,458	20,410	10.58
4.	Grants-in-aid from GoI*	20,735	14,296	(-)31.05
5.	**Revenue Receipts (1+2+3+4)**	**98,852**	**89,192**	**(-)9.77**
6.	**Revenue Expenditure**	**1,23,441**	**1,17,407**	**(-)4.89**
7.	**Revenue Deficit (-)/ Surplus (+) (5-6)**	**(-)24,589**	**(-)28,215**	**14.75**
8.	**Fiscal Deficit (-)/ Surplus (+)**	**(-)34,784**	**(-)33,115**	**(-)4.80**
9.	***Fiscal Deficit-GSDP ratio (per cent)***	***4.98***	***4.45***	***(-)0.53***
10.	***Debt-GSDP ratio (per cent)#***	***46.81***	***43.72***	***(-)3.09***
11.	***GSDP growth rate at current prices (per cent)***	***9.50***	***9.34***	***(-)0.16***

Source: Finance Accounts and Annual Financial Statements

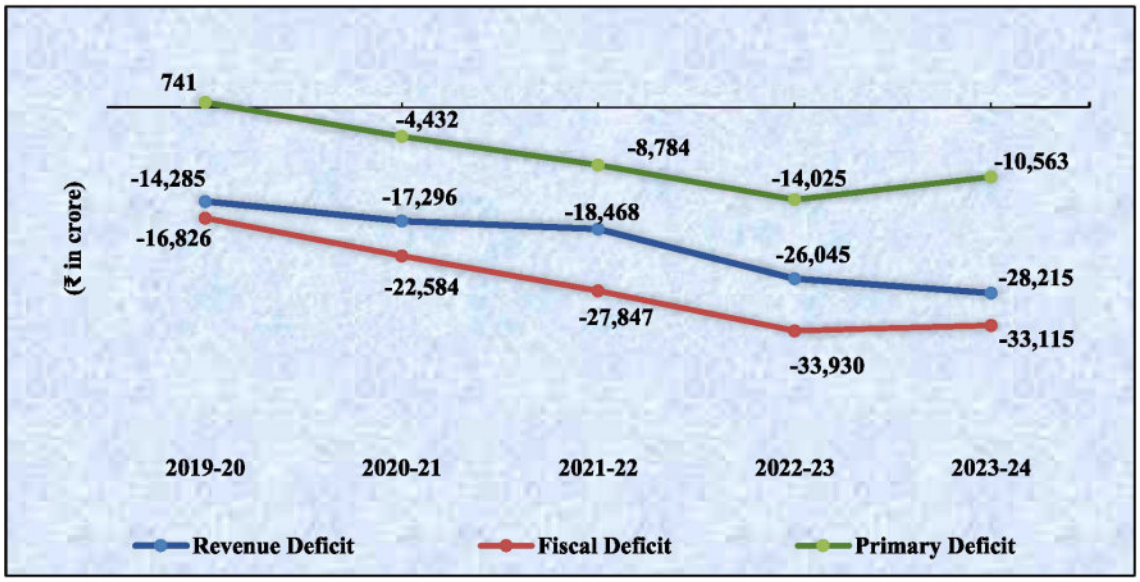
** Includes post devolution revenue deficit grant of ₹ 5,618 crore recommended by 15th FC for the year 2023-24.*

Excluding back-to-back loans of ₹ 20,491 crore received from GoI in lieu of GST Compensation shortfall during 2020-22, which were not to be treated as debt of the State for any norms, as per the guidelines (August 2020).

During the year 2023-24, the Government was unable to contain the revenue deficit within the level projected in the MTFP due to shortfall ranging between 7.54 *per cent* and 31.05 *per cent* in all the components of revenue receipts except in Share of Central Taxes and Duties which registered increase of 10.58 *per cent*. However, the fiscal deficit and the fiscal deficit-GSDP ratio remained within target.

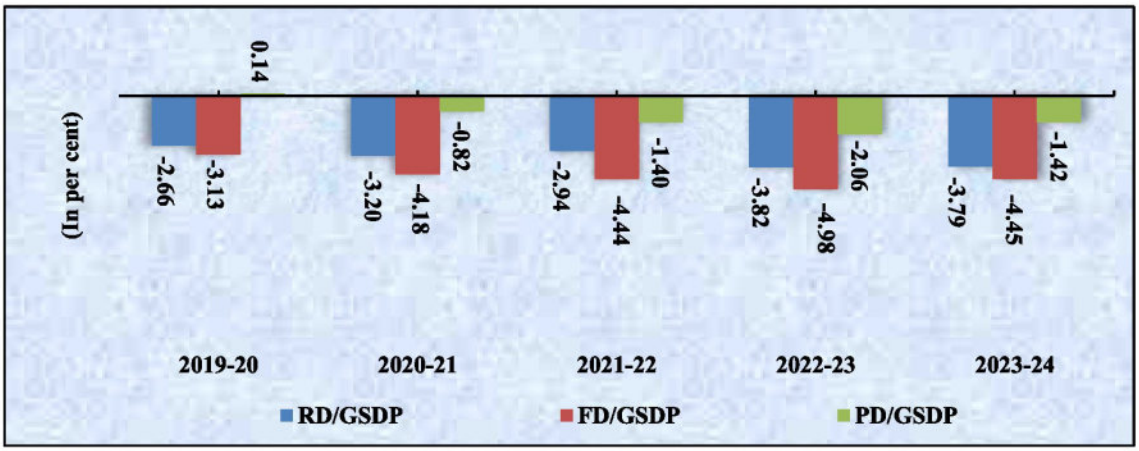
Chart 1.4 and **Chart 1.5** present the trends in deficit parameters and trends relative to GSDP respectively over the period 2019-2024.

Chart 1.4: Trends in deficit parameters



Source: Finance Accounts

Chart 1.5: Trends in Deficit/Surplus relative to GSDP



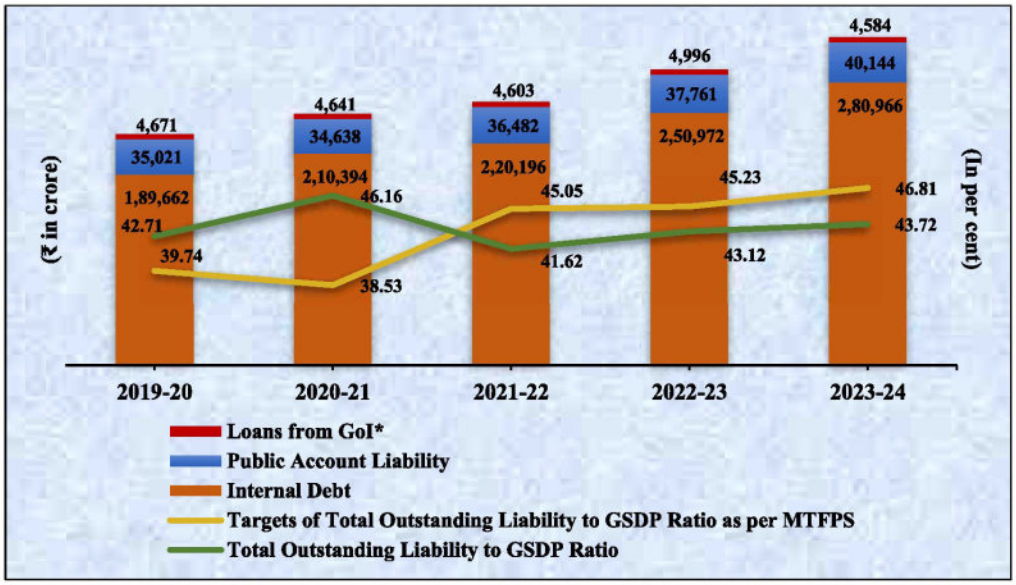
Source: Finance Accounts

Revenue deficit which indicates excess of revenue expenditure over revenue receipts increased to ₹ 28,215 crore (3.79 *per cent* of GSDP) in 2023-24 from ₹ 14,285 crore (2.66 *per cent* of GSDP) in 2019-20. However, as percentage to GSDP, it decreased in 2023-24 (3.79 *per cent*) as compared to the previous year (3.82 *per cent*).

Fiscal deficit, which represents total borrowings of the State i.e. its total resource gap, increased substantially to ₹ 33,115 crore (4.45 *per cent* of GSDP) in 2023-24 from ₹ 16,826 crore (3.13 *per cent* of GSDP) in 2019-20. However, as percentage of GSDP, it decreased from 4.98 *per cent* in 2022-23 to 4.45 *per cent* in 2023-24.

Trend in components of fiscal liabilities during the past five years is shown in **Chart 1.6.**

Chart 1.6: Trends in Fiscal Liabilities and GSDP



Source: Finance Accounts and Ministry of Statistics and Programme Implementation (MoSPI), GoI.
** During the years 2020-21 and 2021-24, it excludes back-to-back loans of ₹ 8,359 crore and ₹ 20,491.41 crore (₹ 8,359 crore + ₹ 12,132.41 crore) respectively, in lieu of GST Compensation shortfall received from GoI which were not to be treated as debt of the State for any norms, as per the guidelines (August 2020).*

Chart 1.6 shows that fiscal liabilities had been on rise as it increased by 42 *per cent* from ₹ 2,29,354 crore in 2019-20 to ₹ 3,25,694 crore in 2023-24. The ratio of total outstanding liability to GSDP could not be contained within the FRBM targets during the period 2019-2021 though it remained within the targets during the period 2021-24.

Primary deficit, which indicates the excess of primary expenditure (total expenditure net of interest payments) over non-debt receipts, ranged between 0.82 *per cent* and 2.06 *per cent* of GSDP during the period 2019-24 except for the year 2019-20, when there was primary surplus of ₹ 741 crore (0.14 *per cent* of GSDP).

1.4.1 Performance of the State Government with respect to borrowings according to the limits fixed by 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 Government of India (GoI) if any part of a loan, which has been made to the State by GoI, is still outstanding.

As per Statement 6 of the Finance Accounts *viz.* statement of borrowings and other liabilities, incremental borrowings and other liabilities of the State Government were ₹ 31,964 crore during the financial year 2023-24. Further, if off-budget borrowings of ₹ 2,138 crore resorted to by the State Government during 2023-24 were also taken into account, the actual borrowings during the year would have been ₹ 34,102 crore, which were within the borrowing ceiling of ₹ 34,248 crore[5].

1.5 Deficits post examination by Audit

As per the FRBM Act, the State Government must ensure compliance to the targets fixed for the fiscal indicators such as deficits, ceiling on debt and on guarantees, etc. The revenue deficit and the fiscal deficit as worked out for the State gets impacted due to various circumstances such as misclassification of revenue expenditure as capital and off-budget fiscal operations. Besides, deferment of clear-cut liabilities, not depositing cess/royalty to Consolidated Fund, short contribution to New Pension Scheme, Sinking Fund and Guarantee Redemption Fund, etc. also impacts the revenue and fiscal deficit figures. In order to arrive at actual deficit figures, the effect of misclassification of revenue expenditure/capital outlay and/or any such misclassification needs to be included and the impact of such irregularities needs to be reversed. Analysis of deficits after examination in audit are given in **Table 1.6**.

Table 1.6: Revenue deficit and fiscal deficit, post examination by Audit

Particulars	Impact on Revenue Deficit (Understated (+) / overstated(-)) *(₹ in crore)*	Impact on Fiscal Deficit (Understated (+) / overstated(-)) *(₹ in crore)*	Paragraph Reference
Short transfer to National Pension System (NPS)	(+)10.18	(+)10.18	2.4.1.2 (i)
Non-transfer of guaranteed fee to Guarantee Redemption Fund	(+)57.37	(+)57.37	2.5.2.3
Non-deposit of State levies in the Consolidated Fund of the State	(-)406.98	(-)406.98	2.6
Non-transfer of Labour Cess to the Punjab Building and Other Construction Workers Welfare Board	(+)10.02	(+)10.02	2.6.5
Non-discharge of liability in respect of interest towards interest bearing Deposits/Reserve Funds	(+)42.12	(+)42.12	4.1
Total	**(-)287.29**	**(-)287.29**	

Source: Finance Accounts

During 2023-24, the revenue deficit and fiscal deficit was ₹ 28,215 crore (3.79 *per cent* of GSDP) and ₹ 33,115 crore (4.45 *per cent* of GSDP) respectively, as shown in **Charts 1.4** and **1.5**. If the above transactions were

[5] Worked out on the parameters of NBC of the State fixed (March 2023) by the Ministry of Finance, Department of Expenditure, GoI, as detailed in the preceding paragraph.

taken into account, the actual revenue deficit and fiscal deficit would work out to ₹ 27,928 crore (3.75 *per cent* of GSDP) and ₹ 32,828 crore (4.41 *per cent* of GSDP) respectively and the actual revenue deficit would have exceeded the MTFP targets by ₹ 3,339 crore (13.58 *per cent*) and fiscal deficit would have been lesser by ₹ 1,956 crore (5.62 *per cent*). This also resulted in overstatement of the revenue deficit by 1.02 *per cent* and fiscal deficit by 0.87 *per cent.*

1.6 Post Audit – Total Outstanding Debt

As per the Punjab Fiscal Responsibility and Budget Management Act, 2003, total liabilities means the liabilities under the Consolidated Fund and the Public Account of the State referred to in Article 266 of the Constitution of India. The outstanding debt/liabilities can be split into various components as given in **Table 1.7**.

Table 1.7: Components of outstanding debt/liabilities as on 31 March 2024

(₹ in crore)

Borrowings and other liabilities as per Finance Accounts	Amount
Internal Debt (A)	**2,80,965.94**
Market Loans bearing interest	2,32,555.58
Market Loans not bearing interest	0.02
Compensation and other Bonds	10,363.12
Ways and Means Advances/Special Drawing Facility	3,580.43
Loans from other Institutions, etc.	25,135.25
Special Securities issued to the National Small Savings Fund of the Central Government	9,331.54
Loans and Advances from Central Government (B)	**25,075.35**
Non-plan Loans	7.08
Loans for State Plan Schemes	130.76
Others*	24,937.51
Liabilities upon Public Accounts (C)	**40,143.78**
Small Savings, Provident Funds, etc.	23,005.27
Deposits	5,072.27
Reserve Funds^	12,066.24
Total (A+B+C)	**3,46,185.07**

Source: Finance Accounts

** Includes back-to-back loans of ₹ 20,491 crore (₹ 8,359 crore in 2020-21 and ₹ 12,132 crore in 2021-22) from GoI in lieu of GST Compensation shortfall.*

^ Excludes ₹ 8,616.67 crore on account of investment of Consolidated Sinking Fund.

At the end of the year 2023-24, the overall outstanding debt/liabilities of the State were understated by ₹ 4,409.99 crore by not accounting for the Suspense and Miscellaneous: ₹ 341.20 crore (credit balance), Remittances: ₹ 23.99 crore (debit balance) and off-budget liabilities: ₹ 4,092.78 crore (credit balance) thereby understating the same with respect to GSDP by 0.59 *per cent*. Liabilities to GSDP were more at 44.31 *per cent*[6] against the normative assessment of 46.81 *per cent* under MTFP statement during the current year.

[6] Excluding back-to-back loans of ₹ 20,491.41 crore received from GoI during 2020-2022 in lieu of GST Compensation shortfall, which were not to be treated as debt of the State for any norms, as per the guidelines (August 2020).

Chapter-II

Finances of the State

Chapter-II

Finances of the State

2.1 Major changes in key fiscal aggregates in 2023-24 *vis-à-vis* 2022-23

Major changes in key fiscal aggregates of the State during the financial year 2023-24, compared to the previous year, are given in **Table 2.1**.

Table 2.1: Changes in key fiscal aggregates in 2023-24 compared to 2022-23

Revenue Receipts	• Revenue receipts of the State increased by 1.80 *per cent* • Own tax receipts of the State increased by 11.86 *per cent* • Own Non-tax receipts increased by 16.08 *per cent* • State's Share of Union Taxes and Duties increased by 18.91 *per cent* • Grants-in-aid from Government of India decreased by 34.95 *per cent*
Revenue Expenditure	• Revenue expenditure increased by 3.30 *per cent* • Revenue expenditure on General Services increased by 5.77 *per cent* • Revenue expenditure on Social Services increased by 10.79 *per cent* • Revenue expenditure on Economic Services decreased by 7.28 *per cent* • Expenditure on Grants-in-aid and Contributions decreased by 13.54 *per cent*
Capital Receipts	• Public Debt Receipts decreased by 0.85 *per cent* • Non-debt Receipts decreased by 76.22 *per cent*
Capital Expenditure	• Capital expenditure decreased by 28.86 *per cent* • Capital outlay on General Services increased by 15.11 *per cent* • Capital outlay on Social Services decreased by 45.43 *per cent* • Capital outlay on Economic Services decreased by 5.08 *per cent*
Loans and Advances	• Recoveries of Loans and Advances decreased by 76.22 *per cent* • Disbursement of Loans and Advances decreased by 85.82 *per cent*
Public Debt	• Public Debt Receipts decreased by 0.85 *per cent* • Repayment of Public Debt increased by 7.38 *per cent*
Public Account	• Public Account Receipts decreased by 3.20 *per cent* • Disbursement of Public Account decreased by 3.13 *per cent*
Cash Balance	• Cash balance increased by 12.75 *per cent*

Source: Finance Accounts

2.2 Sources and Application of Funds

Comparison of components of the sources and application of funds of the State during the current year with those of the previous year is given in **Table 2.2**.

Table 2.2: Details of sources and application of funds during 2022-23 and 2023-24

(₹ in crore)

	Particulars	2022-23	2023-24	Increase (+)/ Decrease (-) (*per cent*)
Sources	Opening Cash Balance	6,872	9,009	(+)2,137 (31)
	Revenue Receipts	87,616	89,192	(+)1,576 (2)
	Recoveries of Loans and Advances	164	39	(-)125 (76)
	Public Debt Receipts (Net)	31,168	29,582	(-)1,586 (5)
	Public Account Receipts (Net)	4,899	4,682	(-)217 (4)
	Total	**1,30,719**	**1,32,504**	**(+)1,785 (1)**
Application	Revenue Expenditure	1,13,661	1,17,407	(+)3,746 (3)
	Capital Expenditure	6,667	4,743	(-)1,924 (29)
	Disbursement of Loans and Advances	1,382	196	(-)1,186 (86)
	Closing Cash Balance	9,009	10,158	(+)1,149 (13)
	Total	**1,30,719**	**1,32,504**	**(+)1,785 (1)**

Source: Finance Accounts

Appendix 2.1 provides details of receipts and disbursements and the overall fiscal position of the State during the current year as well as the previous year.

Composition and application of resources in the Consolidated Fund of the State during 2023-24 is given in **Chart 2.1** and **Chart 2.2** respectively.

Chart 2.1: Composition of Resources (In *per cent*)

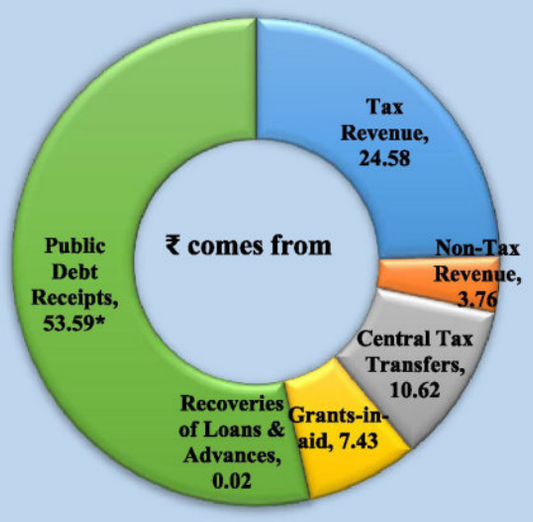
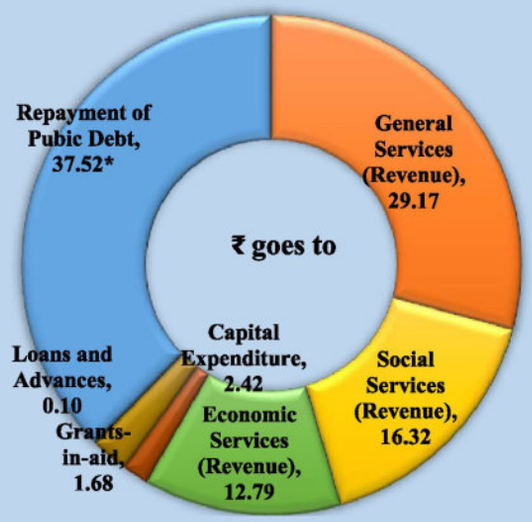


Chart 2.2: Application of Resources (In *per cent*)



Source: Finance Accounts

** Including Ways and Means Advances/Special Drawing Facility/Overdraft availed during the year 2023-24.*

2.3 Resources of the State

The resources of the State are described below:

1. **Revenue receipts** consist of tax revenue (Own Tax revenue plus share of Union taxes/duties), non-tax revenue and Grants-in-aid from the Government of India (GoI).

2. **Capital receipts** (debt and non-debt capital receipts) comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

   Both revenue and capital receipts form part of the Consolidated Fund of the State.

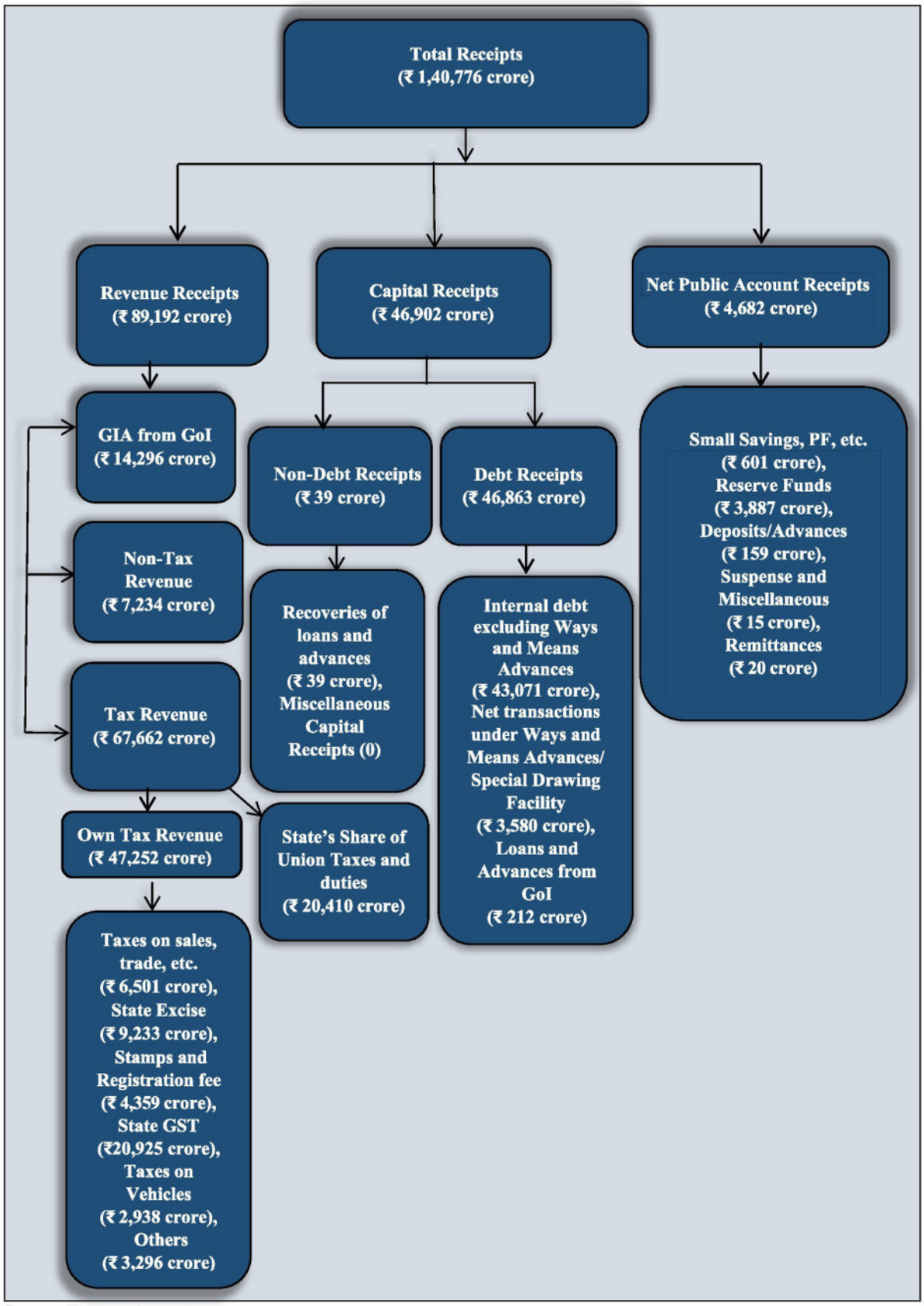
3. **Net Public Account receipts**: There are receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund.

   These 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.

2.3.1 Receipts of the State

This paragraph provides the composition of the overall receipts. Besides, the Revenue and Capital Receipts, funds available in the Public Account (net of disbursement made from it) are also utilised by the Government to finance its deficit. The composition of total receipts of the State is depicted in **Chart 2.3**.

Chart 2.3: Composition of receipts of the State during 2023-24



Source: Finance Accounts

Out of the total resources of ₹ 1,40,776 crore of the State Government during the year 2023-24, Revenue Receipts (₹ 89,192 crore) constituted 63.36 *per cent* while Capital Receipts (₹ 46,902 crore) and net Public Account Receipts (₹ 4,682 crore) constituted 33.32 *per cent* and 3.32 *per cent* of the total resources, respectively.

2.3.2 State's Revenue Receipts

2.3.2.1 Trends and growth of Revenue Receipts

Trends and growth of revenue receipts with respect to Gross State Domestic Product (GSDP) over the five-year period (2019-2024) are shown in **Table 2.3**. The trends and composition of revenue receipts over the same period are presented in ***Appendix 2.2***.

Table 2.3: Trends in Revenue Receipts

(₹ in crore)

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Receipts (RR)	**61,575**	**69,048**	**78,168**	**87,616**	**89,192**
Rate of growth of RR (*per cent*)	(-)1.11	12.14	13.21	12.09	1.80
Tax Revenue	**40,341**	**40,691**	**52,616**	**59,407**	**67,662**
Own Tax Revenue	*29,995*	*30,053*	*37,327*	*42,243*	*47,252*
State's share in Union taxes and duties	*10,346*	*10,638*	*15,289*	*17,164*	*20,410*
Rate of growth of tax revenue (*per cent*)	(-)7.43	0.87	29.31	12.91	13.90
Non-Tax Revenue	**6,654**	**4,152**	**4,783**	**6,232**	**7,234**
Grants-in-aid from GoI	**14,580**	**24,205**	**20,769**	**21,977**	**14,296**
Rate of growth of Grants-in-aid from GoI (*per cent*)	31.26	66.01	(-)14.20	5.82	(-)34.95
Own Revenue (Own Tax and Non-tax Revenue)	**36,649**	**34,205**	**42,110**	**48,475**	**54,486**
Rate of growth of Own Revenue (*per cent*)	(-)6.40	(-)6.67	23.11	15.12	12.40
GSDP (2011-12 Series)	5,37,031	5,40,853	6,27,717	6,81,251	7,44,899
Rate of growth of GSDP (*per cent*)	4.78	0.71	16.06	8.53	9.34
RR/GSDP (*per cent*)	11.47	12.77	12.45	12.86	11.97
Buoyancy Ratios[1]					
Revenue Buoyancy w.r.t GSDP	--*	17.10	0.82	1.42	0.19
State's Own Revenue Buoyancy w.r.t GSDP	--*	--*	1.44	1.77	1.33
State's Tax Revenue Buoyancy w.r.t Revenue receipts	--*	0.07	2.22	1.07	7.72

Source: Finance Accounts for Revenue Receipts and Ministry of Statistics and Programme Implementation, GOI for GSDP figures.

** Buoyancy ratio was not calculated as one of the variables was negative.*

Table 2.3 shows that the revenue receipts increased by 44.85 *per cent* from ₹ 61,575 crore in 2019-20 to ₹ 89,192 crore in 2023-24. During the period of five years, it increased at compound annual growth rate of 9.71 *per cent*. Tax

[1] Buoyancy ratio indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

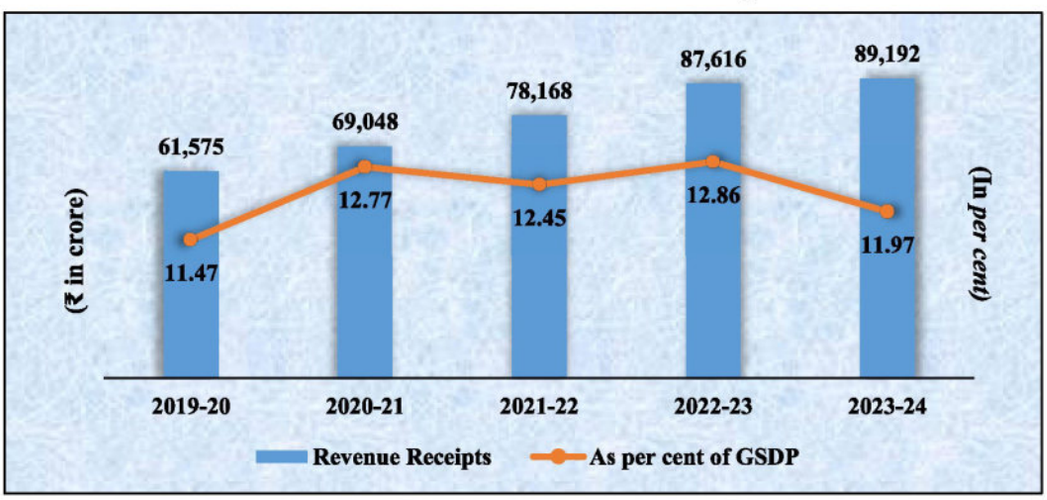
revenue and non-tax revenue increased by ₹ 8,255 crore (13.90 *per cent*) and ₹1,002 crore (16.08 *per cent*), respectively in 2023-24 as compared to 2022-23.

Grants-in-aid from GoI on the other hand decreased by 1.95 *per cent* during the period 2019-20 to 2023-24. It decreased by ₹ 7,681 crore (34.95 *per cent*) in 2023-24 as compared to 2022-23. The decrease in GIA during the current year over the previous year was mainly due to decrease in post devolution revenue deficit grant of ₹ 2,656 crore (32.10 *per cent*) and compensation for loss of revenue arising out of implementation of GST amounting to ₹ 4,198 crore (53.35 *per cent*) as discussed in **Paragraph 2.3.2.3 (ii)**.

The revenue buoyancy with reference to GSDP decreased from 17.10 *per cent* in 2020-21 to 0.19 *per cent* in 2023-24. The State's own revenue buoyancy with reference to GSDP decreased from 1.44 *per cent* in 2021-22 to 1.33 *per cent* in 2023-24. These reflect that revenue collection was not keeping pace with the economic growth. State's tax revenue buoyancy with respect to revenue receipts, however, increased from 0.07 *per cent* in 2020-21 to 7.72 *per cent* in 2023-24. The major increase was in receipts under SGST and State Excise, as shown in **Table 2.4**. Trends in components of own tax revenue and non-tax revenue are discussed in **Paragraphs 2.3.2.2 (i)** and **2.3.2.2 (ii)**, respectively.

Trends of revenue receipts are shown in **Chart 2.4**.

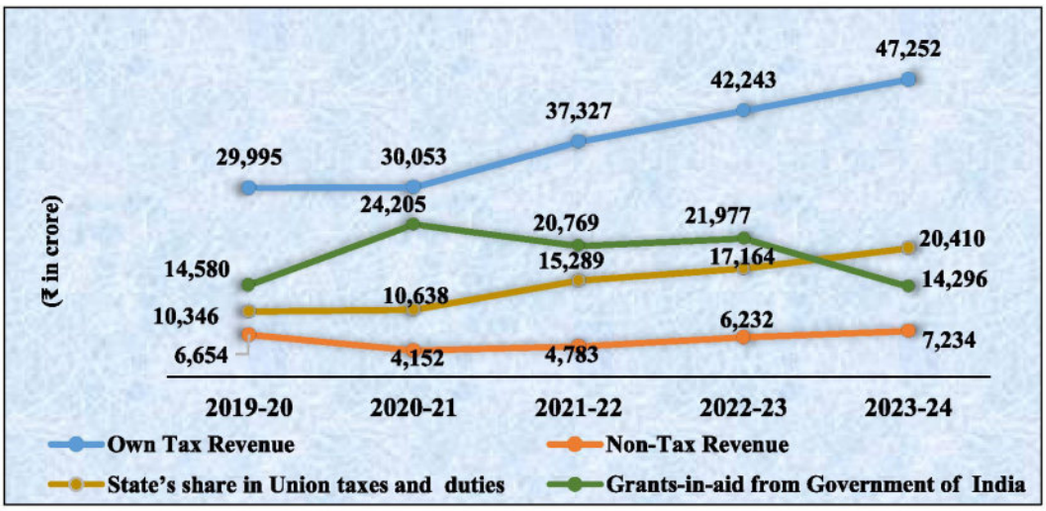
Chart 2.4: Trends of Revenue Receipts



Source: Finance Accounts

Trends in composition of revenue receipts are given in **Chart 2.5**.

Chart 2.5: Trends of components of Revenue Receipts



Source: Finance Accounts

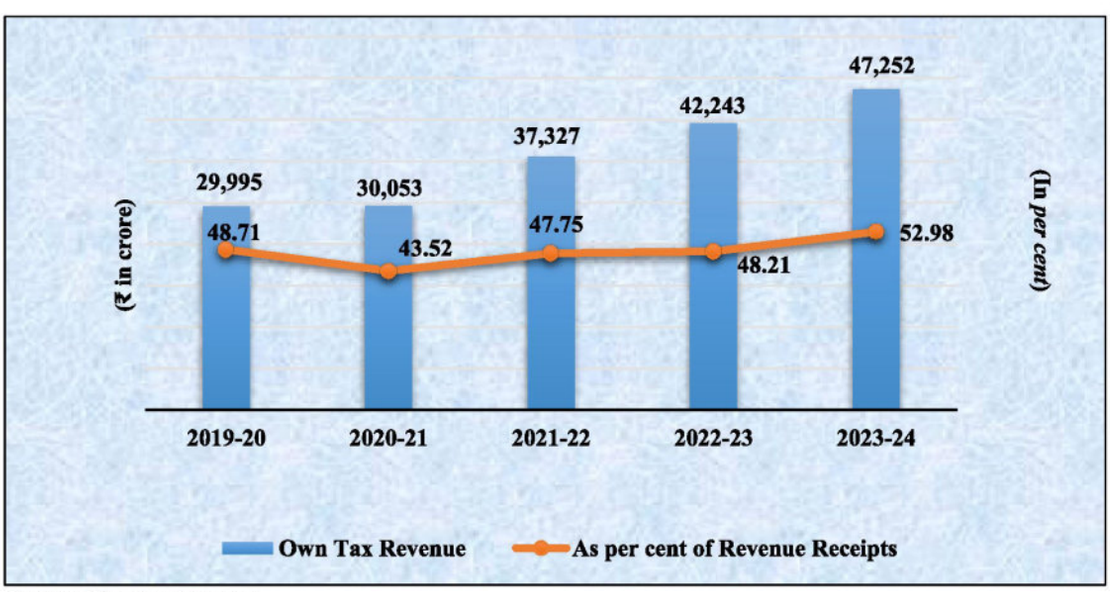
2.3.2.2 State's Own Resources

(i) Own tax revenue

Own tax revenue of the State consists of State Goods and Services Tax (SGST), State Excise, Taxes on Vehicles, Stamp Duty and Registration Fees, Land Revenue, Taxes on Goods and Passengers, etc.

Trends of own tax revenue and analysis of its components during the period 2019-2024 are shown in **Chart 2.6** and **Table 2.4** respectively.

Chart 2.6: Trends of Own Tax Revenue during 2019-2024



Source: Finance Accounts

Table 2.4: Components of State's Own Tax Revenue

(₹ in crore)

Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	Sparkline
Taxes on Sales, Trade etc.	5,223	5,372	6,869	5,637	6,501	
SGST	12,751	11,819	15,542	18,128	20,925	
State Excise	4,865	6,164	6,157	8,437	9,233	
Taxes on Vehicles	1,994	1,472	2,359	2,674	2,938	
Stamp Duty and Registration fees	2,258	2,470	3,308	4,227	4,359	
Land Revenue	66	68	84	93	97	
Taxes on Goods and Passengers	0	3	0	0	0*	
Other taxes	2,838	2,685	3,008	3,047	3,199	
Total	**29,995**	**30,053**	**37,327**	**42,243**	**47,252**	

Source: Finance Accounts (The amount is ₹ 0.08 crore)*

The total own tax revenue increased by ₹ 5,009 crore (11.86 *per cent*) during the current year over the previous year. The major increase was in receipts under SGST (₹ 2,797 crore), Taxes on Sales, Trade etc. (₹ 864 crore), State Excise (₹ 796 crore), Taxes on Vehicles (₹ 264 crore), Other Taxes (₹ 152 crore) and Stamp duty & Registration fee (₹ 132 crore).

(a) State Goods and Services Tax (SGST)

As per the books of RBI, the amount of SGST receipts during 2023-24 was ₹ 8,405.43 crore while as per the Finance Accounts, the amount of SGST receipts was ₹ 7,224.43 crore. The difference of ₹ 1,181.00 crore was due to recovery from State towards the SGST refunds made by Centre to the taxpayers on behalf of the State (₹ 1,182.72 crore), refunds made by the State Government (₹ 59.09 crore) and adjustment on account of inter head transfer received from Government of India for the period 2020-2023 (₹ 60.81 crore).

(b) Audit of GST Receipts

The Government of India's decision to provide access to Pan-India data at GSTN premises was conveyed on 22 June 2020. In case of Punjab, which is a Model-II State[2], role-based access to back-end application was provided to the office of the Principal Accountant General (Audit), Punjab in December 2020. However, the access was limited to GSTN premises only.

(c) Analysis of arrears of revenue and arrears of assessment

The arrears of revenue indicate delayed realisation of revenue due to the Government. Similarly, arrears of assessment indicate potential revenue which

[2] State which has opted for development of backend system by GSTN.

is blocked due to delayed assessment. Both deprive the State of potential revenue receipts and ultimately affect the revenue deficit.

Arrears of revenue

As on 31 March 2024, the arrears of revenue in respect of principal heads of revenue were ₹ 23,167.70 crore, of which ₹ 9,518.89 crore were outstanding for more than five years, as depicted in **Table 2.5**.

Table 2.5: Arrears of revenue

(₹ in crore)

Sr. No.	Head of revenue	Amount outstanding as on 31 March 2024	Amount outstanding for more than five years as on 31 March 2024
1.	Taxes/VAT on Sales, Trade, etc.	18,617.38	8,945.99
2.	Goods and Services Tax	3,697.99	116.78
3.	State Excise	355.32	350.88
4.	Taxes on Vehicles	255.46	105.24
5.	Land Revenue	241.55	0.003
6.	Stamps and Registration Fee	NA	NA
Total		**23,167.70**	**9,518.89**

Source: Departmental Information
NA=Not available, as the requisite information was not provided by the Department.

Arrears in assessment

The information on number of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed during the year and number of cases pending for finalisation at the end of the year, as furnished by the Department of Excise and Taxation in respect of Sales Tax/VAT is depicted in **Table 2.6**.

Table 2.6: Arrears of assessment

Sr. No.	Head of Revenue	Cases pending at the beginning of 2023-24	New cases due for assessment during 2023-24	Total cases due for assessment	Cases disposed of during 2023-24	Balance at the end of the year	Percentage of disposal
1.	Taxes/VAT on Sales, Trade, etc.	32,953*	14,502	47,455	21,037	26,418	44.33

Source: Departmental information
** Opening balance differs by 231 cases from the closing balance of 2022-23 due to revised figures received from the Department.*

During the period 2019-24, the number of pending cases at the end of the respective years were 72,667 (2019-20); 44,577 (2020-21); 32,624 (2021-22); 32,953 (2022-23) as against 26,418 cases at the end of 2023-24. Disposal of cases during this period ranged between 30.94 *per cent* and 64.37 *per cent*.

(d) Details of evasion of tax detected by the Department, refund cases, etc.

Cases of evasion of tax detected, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government. Promptness in disposal of refund cases is an important indicator of performance of the Department concerned.

The details of cases of evasion of tax detected by the Excise and Taxation Department, cases finalised, demand for additional taxes raised are given in **Table 2.7**. Details of refund cases during the year 2023-24, as reported by the Departments concerned, are depicted in **Table 2.8**.

Table 2.7: Evasion of tax detected

Sr. No.	Head of revenue	Cases pending as on 31 March 2023	Cases detected during 2023-24	Total	No. of cases in which assessment / investigation completed and additional demand with penalty, etc. raised		No. of cases pending for finalisation as on 31 March 2024
					No. of cases	Amount of demand (₹ in crore)	
1.	Goods and Services Tax	97	113	210	154	57.34	56

Source: Departmental information

Table 2.8: Details of refund cases

(₹ in crore)

Sr. No.	Particulars	GST		Sales Tax/VAT		State Excise		Taxes on Vehicles	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	1,717	690.38	270	48.38*	212#	27.36#	0	0
2.	Claims received during the year	9,835	2,274.81	1,034	98.00	26	4.44	0	0
3.	Refunds made during the year	8,775	1,666.55	894	80.65	2	1.00	0	0
4.	Refunds rejected during the year	1,350	470.16	168	21.24	0	0	0	0
5.	Balance outstanding at the end of year	1,427	828.48	242	44.49	236	30.80	0	0

Source: Departmental information

* *Differs from closing balance of 2022-23 due to correction of information in respect of one district by the Department.*

\# *Differs from closing balance of 2022-23 due to correction of information in respect of two districts by the Department.*

(ii) Non-tax revenue

Non-tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc. Trends in components of the State's non-tax revenue during 2019-2024 are shown in **Table 2.9**.

Table 2.9: Components of State's Non-tax Revenue

(₹ in crore)

Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	Sparkline
Interest Receipts	2,106	144	181	243	278	
Dividends and Profits	4	1	7	3	4	
Other non-tax receipts	4,544	4,007	4,596	5,986	6,952	
a) Major and Medium Irrigation	92	92	108	134	261	
b) Road Transport	176	110	100	69	98	
c) Urban Development	45	50	92	134	122	
d) Education, Sports, Art and Culture	196	138	155	327	310	
e) Non-ferrous mining	91	121	137	249	289	
f) Pensions and Other Retirement Benefits	122	210	148	159	121	
g) Miscellaneous General Services	2,744	2,208	2,376	2,828	4,060	
h) Other or Miscellaneous	1,078	1,078	1,480	2,086	1,691	
Total	**6,654**	**4,152**	**4,784**	**6,232**	**7,234**	

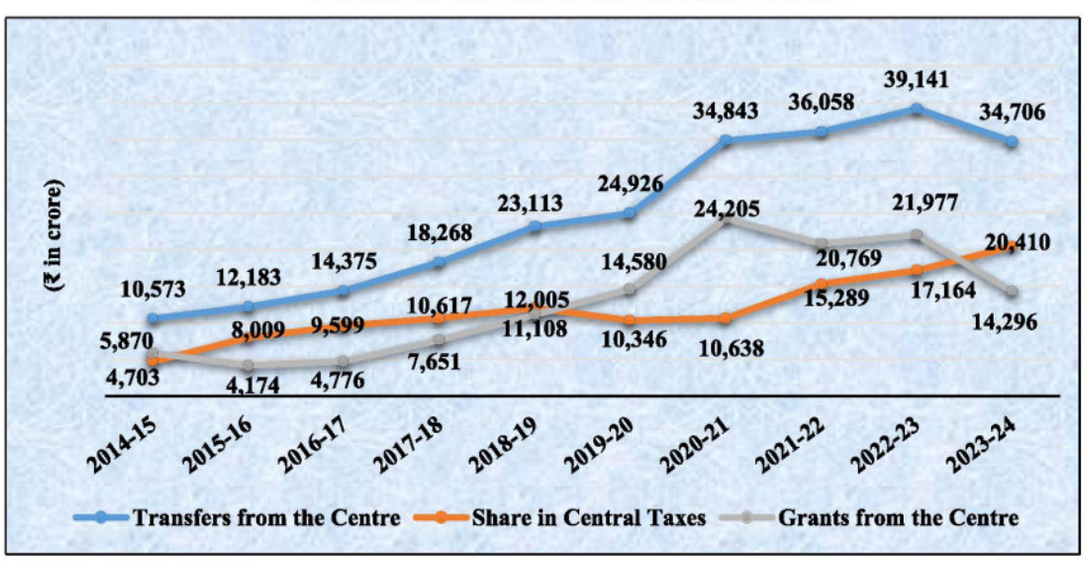
Source: Finance Accounts

During the year 2023-24, there was increase of ₹ 1,002 crore (16.08 *per cent*) in total non-tax revenue over the previous year which was mainly due to increase of ₹ 35 crore in interest receipts and ₹ 966 crore in other non-tax receipts. The increase in other non-tax receipts was mainly under Miscellaneous General Services (₹ 1,232 crore), Major and Medium Irrigation (₹ 127 crore) which was partially offset by decrease in Other or Miscellaneous (₹ 395 crore). The increase in Miscellaneous General Services was mainly due to increase in Other Receipts (₹ 1,520 crore) partially set-off by decrease in State Lotteries (₹ 275 crore).

2.3.2.3 Transfers from the Centre

Trends in transfers from the Centre for the last ten years are shown in **Chart 2.7**.

Chart 2.7: Trends in transfers from Centre



Source: Finance Accounts

(i) Central Tax Transfer

The actual release of share in Union taxes and duties to State Government *vis-à-vis* projections made by 14th Finance Commission and 15th Finance Commission during the period from 2015-16 to 2023-24 is tabulated in **Table 2.10**.

Table 2.10: State's share in Union taxes and duties: Actual devolution *vis-à-vis* Finance Commission projections

(₹ in crore)

Year	Finance Commission projections	Projections as per Finance Commission	Actual tax devolution	Difference
1	2	3	4	5 (4-3)
2015-16	1.577 *per cent* of net proceeds of all shareable taxes excluding service tax and 1.589 *per cent* of net proceeds of shareable service tax (as per recommendations of 14th FC)	9,146	8,009	(-)1,137
2016-17		10,554	9,600	(-)954
2017-18		12,194	10,617	(-)1,577
2018-19		14,108	12,005	(-)2,103
2019-20		16,340	10,346	(-)5,994
2020-21	1.788 *per cent* of the net proceeds of the taxes (divisible pool) (as per recommendations of 15th FC)	15,291	10,638	(-)4,653
2021-22	1.807 *per cent* of the net proceeds of the taxes (divisible pool) (as per recommendations of 15th FC)	11,901	15,289	(+)3,388
2022-23		13,239	17,164	(+)3,925
2023-24		14,897	20,410	(+)5,513

Source: Reports of the 14th FC, 15th FC, and Finance Accounts

The State Government's share in Union taxes and duties increased by ₹ 3,246 crore (18.91 *per cent*) during 2023-24 over the previous year.

During the first four years (2020-2024) of the period of 15th Finance Commission (2020-2026), State's share in Union taxes and duties amounting to ₹ 63,501 crore was 125.55 *per cent* of the total share received during period of 14th Finance Commission (2015-2020).

Trends in components of Central tax transfers are shown in **Table 2.11**.

Table 2.11: Central Tax transfers

(₹ in crore)

Head	2019-20	2020-21	2021-22	2022-23	2023-24
Central Goods and Services Tax (CGST)	2,935.85	3,179.01	4,580.49	4,848.76	6,194.17
Corporation Tax	3,527.47	3,197.28	4,161.71	5,757.06	6,126.11
Taxes on Income other than Corporation Tax	2,764.01	3,276.09	4,714.62	5,616.52	7,074.91
Customs	655.78	576.80	1,091.09	674.54	715.25
Union Excise Duties	455.97	359.30	557.39	211.69	270.66
Service Tax	--	42.87	166.80	26.84	3.79
Other Taxes[3]	6.77	7.03	16.69	28.24	25.03
Total	**10,345.85**	**10,638.38**	**15,288.79**	**17,163.65**	**20,409.92**
Percentage of increase/decrease over previous year	(-)13.82	2.83	43.71	12.26	18.91
Percentage of total Central tax transfers to Revenue Receipts	16.80	15.41	19.56	19.59	22.88

Source: Finance Accounts

[3] Include Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on Commodities and Services.

(ii) Grants-in-aid from Government of India

Trends of Grants-in-aid (GIA) from GoI and its components are shown in **Table 2.12**.

Table 2.12: Grants-in-aid from Government of India

(₹ in crore)

Head	2019-20	2020-21	2021-22	2022-23	2023-24
Grants for Centrally Sponsored Plan Schemes	(-)68.84	(-)0.48	(-)4.03	(-)47.34	(-)20.38
Grants for Centrally Sponsored Schemes	2,864.31	2,880.41	3,678.16	3,776.79	3,184.97
Finance Commission Grants#	2,710.13	11,481.23	12,435.61	10,258.45	7,388.82
Other transfers/Grants to States/Union Territories with Legislature	9,074.43	9,843.85	4,659.15	7,988.94	3,742.95
Total	**14,580.03**	**24,205.01**	**20,768.89**	**21,976.84**	**14,296.36**
Percentage of increase/decrease over the previous year	31.26	66.01	(-)14.20	5.82	(-)34.95
Percentage of GIA to Revenue Receipts	23.68	35.06	26.57	25.08	16.03

Source: Finance Accounts

During 2020-21, 2021-22, 2022-23 and 2023-24, it includes post-devolution Revenue Deficit Grant of ₹ 7,658.90 crore, ₹ 10,080.99 crore, ₹ 8,274 crore and ₹ 5,618 crore respectively, as recommended by 15th FC.

Table 2.12 shows that the GIA from GoI decreased at compound annual growth rate of 0.49 *per cent* during the period 2019-20 to 2023-24. Other transfers to State during 2023-24 include GST Compensation of ₹ 3,670.64 crore. The decrease in GIA during the current year of ₹ 7,680.48 crore (34.95 *per cent*) over the previous year was mainly due to decrease in Other transfers/Grants to States/Union Territories with Legislature by ₹ 4,245.99 crore (53.15 *per cent*) which was attributed to decrease in GST Compensation by ₹ 4,198.29 crore (53.35 *per cent*) and decrease of ₹ 34.80 crore (32.57 *per cent*) in Grants for Central Road and Infrastructure Fund in 2023-24 as compared to the previous year. Further, Finance Commission Grants was also decreased by ₹ 2,869.63 crore (27.97 *per cent*) mainly due to decrease in Post Devolution Revenue Deficit Grant by ₹ 2,656 crore (32.10 *per cent*) and Grants for Rural Local Bodies by ₹ 251.44 crore (23.92 *per cent*). The contribution of GIA towards revenue receipts decreased from 23.68 *per cent* in 2019-20 to 16.03 *per cent* in 2023-24. The State Government attributed (December 2024) the reasons for decline in GIA from GoI to decrease in GST compensation due to completion of five-year period as well as decrease in revenue deficit grant.

(a) Grants for Centrally Sponsored Schemes

Out of the grants of ₹ 3,185 crore for Centrally Sponsored Schemes during 2023-24, major amounts received were for:

- National Education Mission - Samagra Shiksha Abhiyan (erstwhile Sarva Shiksha Abhiyan) (₹ 331 crore: 45.28 *per cent* decrease over previous year);

- Integrated Child Development Services- Anganwadi Services (₹ 308 crore: 308.80 *per cent* increase over previous year);
- Urban Rejuvenation Mission : AMRUT (Atal Mission for Rejuvenation and Urban Transformation and Smart Cities Mission) - Mission for Development for:
  - 100 Smart Cities (₹ 299 crore: 32.15 *per cent* decrease over previous year);
  - 500 Cities (₹ 288 crore: 13.27 *per cent* increase over previous year);
- Pradhan Mantri Krishi Sinchai Yojana- Accelerated Irrigation Benefit Programme (₹ 288 crore: 35.42 *per cent* increase over previous year);
- Pradhan Mantri Gram Sadak Yojana (₹ 265 crore: 14.73 *per cent* increase over previous year);
- Mahatma Gandhi National Rural Employment Guarantee Programme (₹ 242 crore: 38.11 *per cent* decrease over previous year);
- National Programme of Mid-Day Meal in Schools (₹ 200 crore: 6.81 *per cent* increase over previous year);
- Pradhan Mantri Awas Yojana (PMAY) - Urban (₹ 183 crore: 48.16 *per cent* increase over previous year);
- Green Revolution-Rashtriya Krishi Vikas Yojna (₹ 137 crore: 3543.47 *per cent* increase over previous year); and
- Umbrella Scheme for Development of Scheduled Castes - Civil Rights, Educational Empowerment, Infrastructure Development, Livelihoods - Post-Matric Scholarship for SC Students (₹ 111 crore: 100 *per cent* increase over previous year).

(b) Single Nodal Agency

The Government of India, Ministry of Finance, Department of Expenditure, New Delhi stipulated (23 March 2021) that every State Government is required to designate a Single Nodal Agency (SNA) for implementing each Centrally Sponsored Scheme (CSS). The Single Nodal Agency will open a Single Nodal Account for each CSS at the State level in a Scheduled Commercial Bank authorised to conduct business by the State Government. Further, as per the new procedure, it is the responsibility of the State Government concerned to ensure that the entire unspent amount is returned by all the Implementing Agencies (IA) to Single Nodal Account of the Single Nodal Agency.

As per reports available on PFMS portal, the State Government received ₹ 3,094.61 crore being Central share during 2023-24. The State Government transferred ₹ 2,758.22 crore being Central share and corresponding State share of ₹ 3,729.00 crore to SNAs.

However, the State Government intimated that ₹ 6,677.24 crore were transferred to the SNAs during 2023-24, of which, ₹ 2,914.78 crore were

transferred through AC Bills, ₹ 2,974.38 crore through GIA bills and ₹ 788.08 crore through Fully Vouched Contingent Bills. Detailed vouchers and supporting documents of actual expenditure were not received by the office of the Accountant General (A&E), Punjab from SNAs. As per data available on PFMS Portal, ₹ 3,372.86 crore was lying unspent in the bank accounts of SNAs as on 31 March 2024.

(c) Fifteenth Finance Commission Grants

The 15th Finance Commission (15th FC) grants were provided to the States for local bodies, State Disaster Response Fund (SDRF), post-devolution revenue deficit and health sector. Details of grants provided by GoI are given in **Table 2.13**.

Table 2.13: Recommended amount, actual release and transfers of Grants-in-aid

(₹ in crore)

Transfers			Recommendation of 15th FC for 2023-24	Actual release by GoI for 2023-24	Release by State Government Total (%age of release by GoI)
(i) Grants to Panchayati Raj Institutions (PRIs)			**1,074.00**	**481.16**	**--**
(a) Tied Grants			644.40	288.70	--
(b) Untied Grants			429.60	192.46	--
(ii) Grants to Urban Local Bodies (ULBs)			**553.00**	**282.66**	**141.87 (50)**
(a) One million plus cities (for ambient air quality)			50.00	--	--
(b) One million plus cities (for SWM and sanitation)			98.00	--	--
(c) Non-million plus cities (un-tied grants for local needs)			162.00	112.41	56.75 (50)
(d) Non-million plus cities (tied grants for drinking water, rain water harvesting, SWM and Sanitation)			243.00	170.25	85.12 (50)
(iii) Grants for Health Sector			**421.00**	--	
Total for Local Bodies			**2,048.00**	**763.82**	**141.87 (19)**
SDRMF	**SDRF**	Centre share	436.80	436.80	436.80 (100)
		State share	145.60	--	145.60
	Total for SDRF		**582.40**	**436.80**	**582.40**
	SDMF	Centre share	109.20	54.60	54.60 (100)
		State share	36.40	--	18.20
	Total for SDMF		**145.60**	**54.60**	**72.80**
Post Devolution Revenue Deficit Grant			**5,618.00**	**5,618.00**	**--**

Source: 15th *FC Report and departmental information*
PRIs - Panchayati Raj Institutions and ULBs - Urban Local Bodies.

It was noticed that:

- As against the amount of ₹ 1,074 crore recommended by 15th FC in respect of PRIs, GoI released ₹ 481.16 crore[4] during 2023-24 (March 2024). The

[4] Differs by ₹ 318.60 crore from that appearing in Statement No.14 of the Finance Accounts, which pertained to the year 2022-23 but released by GoI in 2023-24.

entire sum of ₹ 481.16 crore was released by GoP during 2024-25 (April-May 2024). Besides, an amount of ₹ 318.60 crore pertaining to tied grant (2nd installment) for the year 2022-23 released by GoI during 2023-24, was released by the State during the same year i.e. 2023-24.

- In respect of ULBs, against the recommended amount of ₹ 553.00 crore, GoI released ₹ 282.66 crore during 2023-24. Out of ₹ 282.66 crore released by the GoI, the State Government released an amount of ₹ 141.87 crore during 2023-24 and the remaining ₹ 140.79 crore was released in 2024-25. Besides, an amount of ₹ 93 crore pertaining to the year 2022-23 released by GoI during 2023-24, was also released by the State during 2023-24.
- In respect of Grants for Health Sector, GoI did not release funds against ₹ 421 crore recommended by 15th FC for the year 2023-24.
- In respect of State Disaster Risk Management Fund (SDRMF), 15th Finance Commission recommended that State Disaster Response Fund (SDRF) and State Disaster Mitigation Fund (SDMF) would receive funds in the ratio of 80:20 of the total funds received under SDRMF. The details of the funds received during the year are as under:
  - In respect of SDRF, 15th FC recommended Centre and State share in the ratio of 75:25. Accordingly, GoI released ₹ 436.80 crore during the year 2023-24 for SDRF. GoP released ₹ 582.40 crore (GoI share: ₹ 436.80 crore and State share: ₹ 145.60 crore) during the same year. Besides, an amount of ₹ 277.07 crore (Central share: ₹ 208 crore released by GoI during 2022-23 and corresponding State share: ₹ 69.07 crore) was also released by the State during 2023-24.
  - In respect of SDMF, 15th FC recommended Centre and State share in the ratio of 75:25. Against the recommended amount of ₹ 109.20 crore, GoI released ₹ 54.60 crore for the year 2023-24. GoP released ₹ 72.80 crore (GoI share: ₹ 54.60 crore and State share: ₹ 18.20 crore) during the same year. Further, during the year 2023-24, GoP received ₹ 104 crore as Central share pertaining to the year 2022-23. Accordingly, during 2023-24, GoP released ₹ 138.60 crore (GoI share: ₹ 104 crore and State share: ₹ 34.60 crore) for the year 2022-23.

2.3.3 Capital receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Trends of capital receipts and its components during 2019-20 to 2023-24 are shown in **Table 2.14**.

Table 2.14: Trends in growth and composition of capital receipts

(₹ in crore)

Sources of State's Receipts	2019-20	2020-21	2021-22	2022-23	2023-24
Capital Receipts	**43,891**	**34,077**	**27,244**	**47,427**	**46,902**
Miscellaneous Capital Receipts	0	0	0	0^	0
Recovery of Loans and Advances	16,070	50	207	164	39
Public Debt Receipts	27,821	34,027	27,037	47,263	46,863
*Internal Debt**	*27,676*	*33,595*	*26,584*	*46,300*	*46,651*
Growth rate (per cent)	*28.01*	*21.39*	*(-)20.87*	*74.16*	*0.76*
Loans and advances from GoI#	*145*	*432*	*453*	*963*	*212*
Growth rate (per cent)	*(-)89.00*	*197.93*	*4.86*	*112.58*	*(-)77.99*
Rate of growth of debt Capital Receipts *(per cent)*	21.28	22.31	(-)20.54	74.81	(-)0.85
Rate of growth of Non-debt Capital Receipts *(per cent)*	1,792.82	(-)99.69	314.00	(-)20.77	(-)76.22
Rate of growth of Capital Receipts (*per cent*)	84.51	(-)22.36	(-)20.05	74.08	(-)1.11

Source: Finance Accounts

* *Including net figure under Ways and Means Advances/Overdraft/Special Drawing Facility, which was ₹ 3,580 crore during 2023-24.*

\# *During the year 2020-21 and 2021-22, it excludes ₹ 8,359 crore and ₹ 12,132 crore respectively as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.*

^ *₹ 0.21 crore*

During the current year, the public debt receipts decreased by ₹ 400 crore (0.85 *per cent*) over the previous year mainly due to decrease of ₹ 751 crore in Loans and advances from GoI which was partially offset by increase in Internal debt by ₹ 351 crore.

2.3.4 State's Performance in Mobilisation of Resources

The State's performance in mobilisation of resources is assessed in terms of its own resources comprising own tax and non-tax sources.

The State's actual own tax and non-tax revenue for the year 2023-24 *vis-à-vis* assessment made by Fifteenth Finance Commission (15th FC) and Budget Estimates are given in **Table 2.15**.

Table 2.15: Tax and non-tax revenue *vis-à-vis* projections during 2023-24

(₹ in crore)

Resources	15th FC projections	Budget Estimates	Actual	Percentage variation of actual over	
				15th FC projections	Budget estimates
Own Tax revenue	43,576	51,835	47,252	8.44	(-)8.84
Non-tax revenue	5,862	7,824	7,234	23.40	(-)7.54

Source: Report of 15th FC, Annual Financial Statement and Finance Accounts.

Own tax revenue of the State Government was higher than projections made by 15th FC by 8.44 *per cent* but fell short of budget estimates by 8.84 *per cent*

mainly due to shortfall by ₹ 2,075 crore (9.02 *per cent)* in SGST collection of ₹ 20,925 crore against budget estimates of ₹ 23,000 crore. Non-tax revenue was higher by 23.40 *per cent* than the projections made by 15th FC but was lower by 7.54 *per cent* than the budget estimates.

2.4 Application of resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. Analysis of allocation of expenditure in the State is given in the succeeding paragraphs.

Growth and composition of expenditure

Revenue Expenditure: Charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for day-to-day running of the organisation, including establishment and administrative expenses are classified as revenue expenditure.

Capital Expenditure: All charges for the first construction of a project as well as charges for intermediate maintenance of the work while not opened for service and also charges for such further additions and improvements as may be sanctioned under the rules made by competent authority are classified as capital expenditure.

Loans and Advances: There are loans and advances made by the Government to Public Sector Undertakings (PSUs) and other parties.

Trends of overall expenditure and its components are shown in **Table 2.16** and **Chart 2.8**.

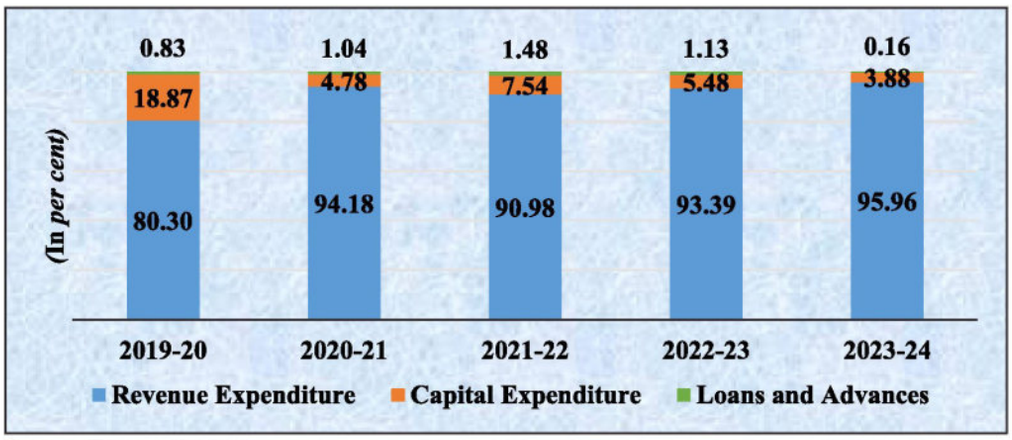
Table 2.16: Total expenditure and its composition

(₹ in crore)

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Total Expenditure (TE)	94,471	91,682	1,06,222	1,21,710	1,22,346
Revenue Expenditure (RE)	75,860	86,344	96,636	1,13,661	1,17,407
Capital Expenditure (CE)	17,828	4,382	8,010	6,667	4,743
Loans and Advances	783	956	1,576	1,382	196
As a percentage of GSDP					
TE/GSDP	17.59	16.95	16.92	17.87	16.42
RE/GSDP	14.13	15.96	15.39	16.68	15.76
CE/GSDP	3.32	0.81	1.28	0.98	0.64

Source: Finance Accounts

Chart 2.8: Total Expenditure: Trends in share of its components



Source: Finance Accounts

Table 2.16 shows that the total expenditure increased by ₹ 27,875 crore (29.51 *per cent*) from ₹ 94,471 crore in 2019-20 to ₹ 1,22,346 crore in 2023-24, which ranged between 16.42 *per cent* and 17.87 *per cent* of GSDP during the period of five years. **Chart 2.8** shows that revenue expenditure constituted the dominant proportion (80 *per cent* to 96 *per cent*) of the total expenditure during 2019-2024. Capital expenditure, on the other hand, constituted a meagre four *per cent* to eight *per cent* except for the year 2019-20 when it was 19 *per cent* due to conversion of UDAY loans amounting to ₹ 15,628 crore into equity in Punjab State Power Corporation Limited (PSPCL), as discussed in Paragraph 2.4.2.2(v) of the State Finances Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2020. The State Government stated (December 2024) that efforts were being made to increase the expenditure on capital outlay.

Relative share of various sectors of expenditure during 2019-2024 is depicted in **Table 2.17** and **Chart 2.9**.

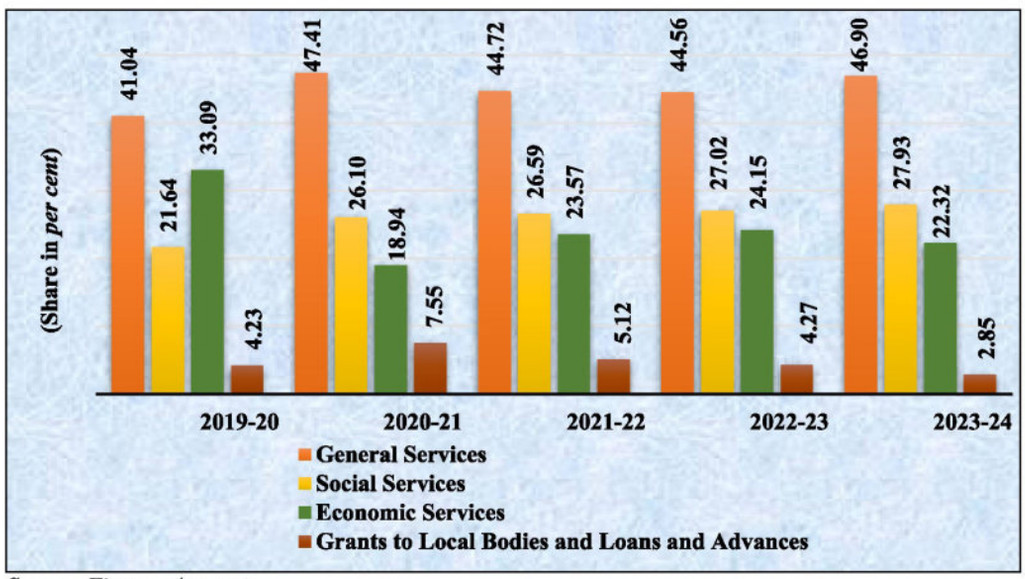
Table 2.17: Relative share of various sectors of expenditure

(₹ in crore)

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
General Services	38,769	43,464	47,504	54,228	57,377
Social Services	20,449	23,926	28,245	32,890	34,166
Economic Services	31,260	17,365	25,039	29,398	27,311
Others (Grants to Local Bodies and Loans and Advances)	3,993	6,927	5,434	5,194	3,492

Source: Finance Accounts

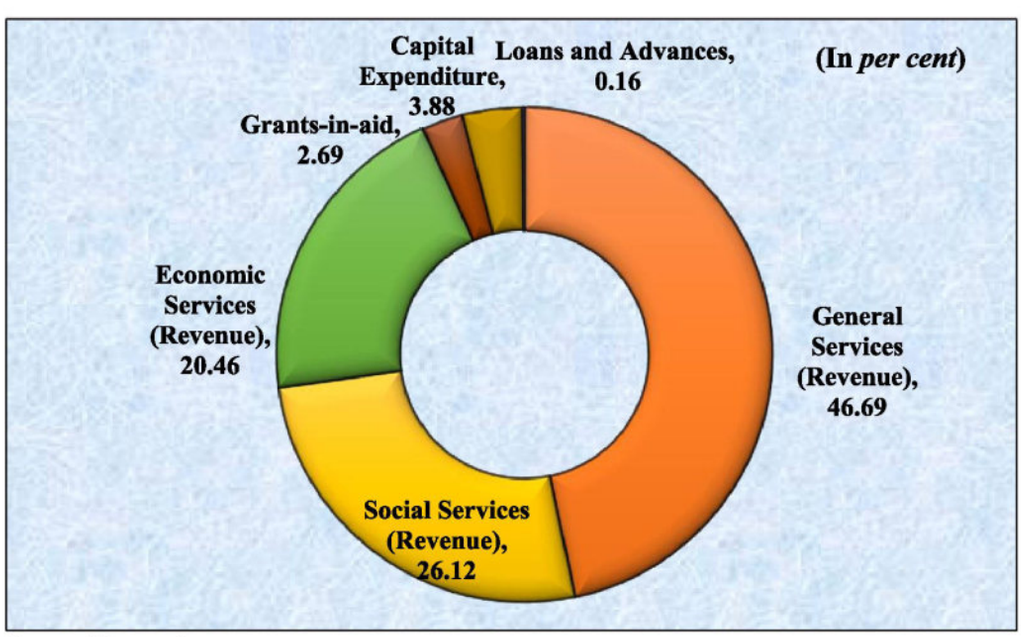
Chart 2.9: Total expenditure - Expenditure by activities



Source: Finance Accounts

Chart 2.9 shows that the relative share of various components of expenditure in total expenditure fluctuated during 2019-2024. The share of General Services and Social Services in total expenditure increased from 41.04 *per cent* and 21.64 *per cent* in 2019-20 to 46.90 *per cent* and 27.93 *per cent* in 2023-24 respectively, while that of Economic Services and Grants to Local Bodies and Loans and Advances decreased from 33.09 *per cent* and 4.23 *per cent* to 22.32 *per cent* and 2.85 *per cent* respectively during the same period. **Chart 2.10** shows composition of expenditure by function.

Chart 2.10: Composition of expenditure by function during 2023-24



Source: Finance Accounts

Note: Capital expenditure shown separately and not included in across General, Social and Economic Services.

2.4.1 Revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations. As such, it does not result in any addition to the State's infrastructure and service network. Growth of revenue expenditure, its ratios to total expenditure, GSDP and revenue receipts are shown in **Table 2.18** and sectoral distribution of revenue expenditure is shown in **Chart 2.11**.

Table 2.18: Revenue Expenditure – Basic Parameters

(₹ in crore)

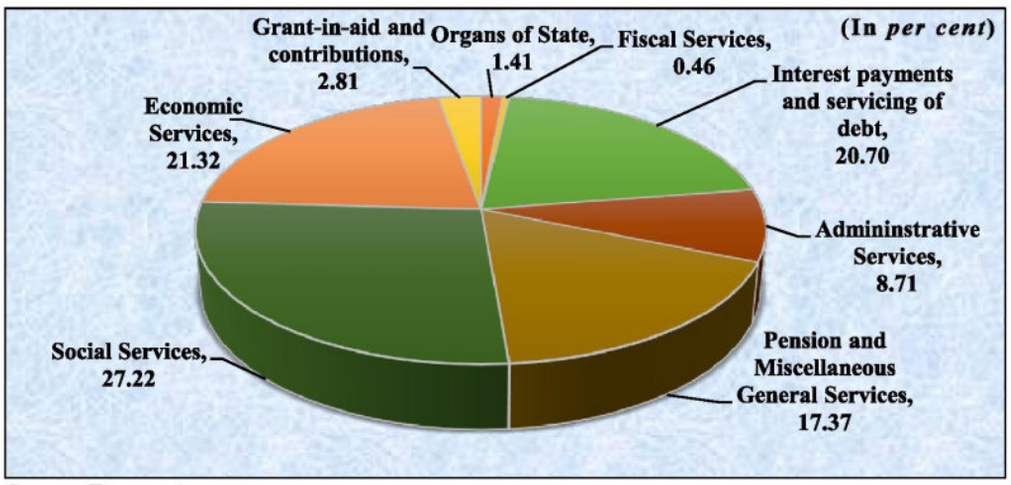
Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Total Expenditure (TE)	94,471	91,682	1,06,222	1,21,710	1,22,346
Revenue Expenditure (RE)	75,860	86,344	96,636	1,13,661	1,17,407
Rate of growth of RE (*per cent*)	0.60	13.82	11.92	17.62	3.30
Revenue Expenditure as percentage of TE	80.30	94.18	90.98	93.39	95.96
RE/GSDP (*per cent*)	14.13	15.96	15.39	16.68	15.76
Revenue Receipts	61,575	69,048	78,168	87,616	89,192
Rate of growth of RR (*per cent*)	(-)1.11	12.14	13.21	12.09	1.80
RE as percentage of RR	123.20	125.05	123.63	129.73	131.63
Rate of growth of GSDP (*per cent*)	4.78	0.71	16.06	8.53	9.34
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.13	19.46	0.74	2.07	0.35
Revenue Receipts (ratio)	--*	1.14	0.90	1.46	1.83

Source: Finance Accounts

** Buoyancy ratio was not calculated as the growth of revenue receipts was negative.*

Revenue expenditure increased by ₹ 41,547 crore (54.77 *per cent*) from ₹ 75,860 crore in 2019-20 to ₹ 1,17,407 crore in 2023-24. It increased at compound annual growth rate of 11.54 *per cent,* whereas as a percentage of GSDP, it increased from 14.13 *per cent* to 15.76 *per cent* during the same period though it was 16.68 *per cent* during 2022-23. Buoyancy of revenue expenditure with reference to revenue receipts increased in 2023-24 as compared to 2020-21, which was a concern.

Chart 2.11: Sector-wise distribution of revenue expenditure during 2023-24



Source: Finance Accounts

2.4.1.1 Major changes in revenue expenditure

Revenue expenditure increased substantially by ₹ 3,746 crore (3.30 *per cent*) from ₹ 1,13,661 crore in 2022-23 to ₹ 1,17,407 crore in 2023-24. Significant variations under various Major Heads of Accounts with regard to revenue expenditure of the State during the current year as compared to the previous year are depicted in **Table 2.19**.

Table 2.19: Significant variations in revenue expenditure during 2023-24 compared to 2022-23

(₹ in crore)

Major Heads of Account	2022-23	2023-24	Increase (+)/ Decrease (-)
2049-Interest Payments	19,905.13	22,551.93	2,646.80
2071-Pensions and Other Retirement Benefits	18,214.25	20,090.34	1,876.09
2210-Medical and Public Health	3,853.56	4,488.07	634.51
2245-Relief on account of Natural Calamities	461.43	1,084.25	622.82
2202-General Education	14,037.36	14,646.66	609.30
2801-Power	8,225.89	6,818.28	(-)1,407.61
2048-Appropriation for Reduction or Avoidance of Debt	3,000.00	1,750.00	(-)1,250.00
2425-Co-operation	1,075.16	434.10	(-)641.06
2075-Miscellaneous General Services	909.14	311.10	(-)598.04
2515-Other Rural Development Programmes	747.64	167.02	(-)580.62

Source: Finance Accounts

Table 2.19 shows:

- increase of ₹ 2,647 crore (13.30 *per cent*) in 'Interest Payments', which was primarily due to increase of ₹ 2,933 crore in 'Interest on Market Loans', ₹ 220 crore in 'Interest on General and Other Reserve Funds' and ₹ 142 crore in 'Interest on Loans for State/Union Territory Plan Schemes' partially offset by decrease of ₹ 530 crore in 'Interest on Other Internal Debts' and ₹ 179 crore in 'Interest on Special Securities issued to National Small Savings Fund of Central Government by State Government';

- increase of ₹ 1,876 crore (10.30 *per cent*) under 'Pensions and Other Retirement Benefits', which was mainly due to increase of ₹ 1,167 crore in 'Superannuation and Retirement Allowances', ₹ 316 crore in 'Gratuities', ₹ 218 crore in 'Family Pensions', ₹ 132 crore in 'Government Contribution for Defined Contribution Pension Scheme' and ₹ 106 crore in 'Commuted Value of Pensions' partially offset by decease of ₹ 47 crore in 'Leave Encashment Benefits';
- increase of ₹ 635 crore (16.48 *per cent*) in 'Medical and Public Health', which was primarily due to increase of ₹ 257 crore in 'Hospital and Dispensaries', ₹ 171 crore in 'Assistance to Public Sector and other undertakings', ₹ 145 crore in 'Special component plan for Scheduled Castes' under 'Urban Health Services-Allopathy' and ₹ 94 crore in 'Direction and Administration' partially offset by decrease of ₹ 54 crore in 'Employees State Insurance Schemes';
- increase of ₹ 623 crore (134.98 *per cent*) in 'Relief on account of Natural Calamities', which was primarily due to increase of ₹ 582 crore in 'Transfer to Reserve Funds and Deposit Accounts-State Disaster Response Fund', ₹ 347 crore in 'Gratuitous Relief' and ₹ 79 crore in 'State Disaster Mitigation Fund' partially offset by decrease of ₹ 359 crore in 'Deduct-Amount met from State Disaster Response Fund' and ₹ 39 crore in 'Other Expenditure';
- increase of ₹ 609 crore (4.34 *per cent*) in 'General Education', which was primarily due to increase of ₹ 265 crore in 'Elementary Education', ₹ 258 crore in 'University and Higher Education' and ₹ 60 crore in 'Secondary Education';
- decrease of ₹ 1,408 crore (17.11 *per cent*) in 'Power', which was mainly due to decrease of 'Assistance to Electricity Boards' by ₹ 773 crore and by ₹ 634 crore on account of 'Special Component Plan for Scheduled Castes' on account of subsidy under rural electrification of Punjab State Electricity Board;
- decrease of ₹ 1,250 crore (41.67 *per cent*) in 'Appropriation for Reduction or Avoidance of Debt', which was due to decrease of ₹ 1,250 crore in contribution to Consolidated Sinking Fund;
- decrease of ₹ 641 crore (59.62 *per cent*) in 'Co-operation', which was primarily due to decrease of ₹ 689 crore in 'Assistance to other co-operatives'[5], partially offset by increase of ₹ 39 crore in 'Assistance to Co-operatives';

[5] Mainly due to assistance given during the previous year to Punjab State Co-operative Agricultural Development Bank for repayment of loan to NABARD and payment of pension and pension arrears to its retirees and assistance to SUGARFED for payment to cane growers.

- decrease of ₹ 598 crore (65.78 *per cent*) in 'Miscellaneous General Services', which was primarily due to decrease of ₹ 576 crore in 'Assistance to Public Sector and other undertakings' on account of assistance to Punjab Infrastructure Development Board and ₹ 23 crore in 'State Lotteries'; and
- decrease of ₹ 581 crore (77.66 *per cent*) in 'Other Rural Development Programmes', which was primarily due to decrease of ₹ 450 crore in 'Special Component Plan for Scheduled Castes' and ₹ 108 crore in 'Other Expenditure' both on account of decrease in expenditure pertaining to Mahatma Gandhi National Rural Employment Guarantee Scheme.

2.4.1.2 Committed Expenditure

The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages, and pensions. It has first charge on Government resources.

Apart from the above, there are certain items of *inflexible expenditure* which cannot be ordinarily altered or varied or are statutorily required on an annual basis, unlike for variable transactions such as capital expenditure, etc. For example, the following items may be considered as inflexible expenditure:

(i) Devolution to local bodies – statutory devolutions to local bodies for pay and allowances (devolution/transfer for capital expenditure).

(ii) Statutory requirements of contribution to Reserve Funds – Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation/Response Fund (SDMF/SDRF), etc.

(iii) Recoupment of Contingency Fund – Amount recouped within the year.

(iv) Transfer of cess to reserve fund/other body, which are statutorily required.

(v) Share contribution of CSS against the Central Fund received – Amount of State share to be transferred to SNAs/spent by the State.

(vi) Payment of interest on the balances of interest-bearing funds as if they could have been invested and payment of interest on public debt as charged expenditure – Interest payment.

Upward trend on committed expenditure leaves the Government with less flexibility for the development sector. Trend analysis of committed and inflexible expenditure and its components is depicted in **Table 2.20** and share of committed expenditure in revenue expenditure is shown in **Chart 2.12**.

Table 2.20: Components of Committed and Inflexible Expenditure

(₹ in crore)

Components of Committed Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24
Salaries & Wages[6]	24,683	25,569	28,086	32,171	33,746
Expenditure on Pensions	10,294	13,680	14,730	18,214	20,090
Interest Payments	17,567	18,153	19,064	19,905	22,552
Total	**52,544**	**57,402**	**61,880**	**70,290**	**76,388**
As a *percentage* of Revenue Receipts (RR)					
Salaries & Wages	40.08	37.03	35.93	36.72	37.84
Expenditure on Pensions	16.72	19.81	18.84	20.79	22.52
Interest Payments	28.53	26.29	24.39	22.72	25.28
Total	**85.33**	**83.13**	**79.16**	**80.23**	**85.64**
As a *percentage* of Revenue Expenditure (RE)					
Salaries & Wages	32.54	29.62	29.06	28.30	28.74
Expenditure on Pensions	13.57	15.84	15.24	16.03	17.11
Interest Payments	23.16	21.02	19.73	17.51	19.21
Total	**69.27**	**66.48**	**64.03**	**61.84**	**65.06**
Non-committed RE	23,315	28,942	34,757	43,371	41,019
Percentage of RE	30.73	33.52	35.97	38.16	34.94
Percentage of TE	24.68	31.57	32.72	35.63	33.53
Components of Inflexible Expenditure					
Statutory devolution to local bodies	3,210	5,971	3,859	3,812	3,296
Contribution to Reserve Funds (including interest)	2,251	2,046	3,503	4,487	4,629
Recoupment of Contingency Fund	0	0	0	0	0
Cess transferred /required to be transferred to reserve fund /other body	290	185	156	152	724
Share contribution of CSS against the Central Fund received*	NA	NA	2,121	3,155	3,729
Payment of interest on the balances of the interest-bearing funds as if they could have been invested and payment of interest on public debt as charged expenditure – Interest payment.	277	563	82	128	42
Total of Inflexible Expenditure	**6,028**	**8,765**	**9,721**	**11,734**	**12,420**
Inflexible Expenditure as a *percentage* of Revenue Expenditure (RE)	7.95	10.15	10.06	10.32	10.58
Subsidies	10,161	9,748	14,516	20,607	18,770
Subsidies as *percentage* of non-committed revenue expenditure	43.58	33.68	41.76	47.51	45.76

Source: Finance Accounts

** Obtained from SNA module of PFMS portal which started functioning from the year 2021-22.*

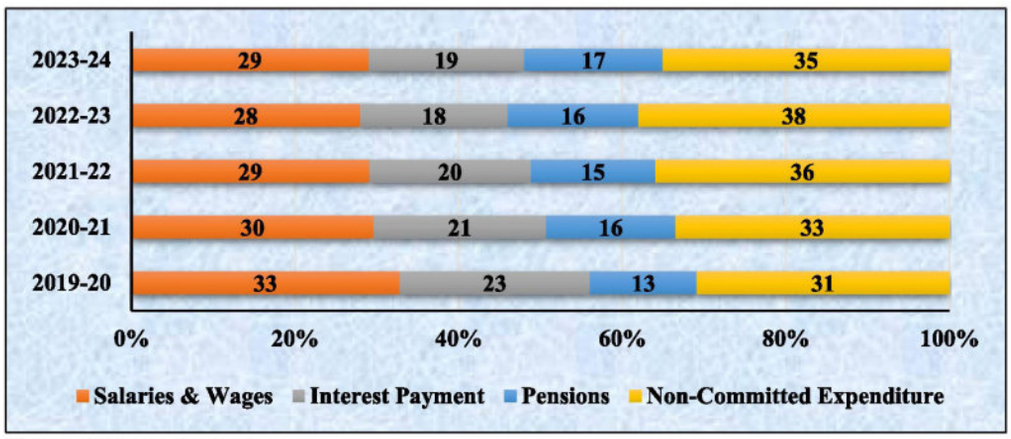
Table 2.20 shows that percentage of non-committed expenditure to revenue expenditure increased from 30.73 *per cent* in 2019-20 to 34.94 *per cent* in 2023-24 in which subsidies constituted dominant proportion ranging from 33.68 *per cent* to 47.51 *per cent* during the period 2019-2024.

Further, the total of components of inflexible expenditure which include among others, statutory devolution to local bodies and contribution to Reserve Funds, increased from ₹ 6,028 crore in 2019-20 to ₹ 12,420 crore in 2023-24. As a

[6] Includes Grants-in-aid (Salary): 2019-20 (₹ 3,248 crore); 2020-21 (₹ 3,795 crore); 2021-22 (₹ 3,899 crore); 2022-23 (₹ 3,997 crore); and 2023-24 (₹ 4,654 crore).

percentage of revenue expenditure, the inflexible expenditure ranged between 7.95 *per cent* and 10.58 *per cent* during the period 2019-2024.

Chart 2.12: Share of committed expenditure in revenue expenditure



Source: Finance Accounts

Salaries and wages

Expenditure on salaries and wages (₹ 33,746 crore) increased by 4.90 *per cent* during 2023-24 over the previous year (₹ 32,171 crore) and constituted 28.74 *per cent* of revenue expenditure.

Interest payment

During 2023-24, interest payments were to the tune of ₹ 22,552 crore (19.21 *per cent* of revenue expenditure). Interest on Market Borrowings (₹ 16,104 crore), Loans from the State Bank of India and other Banks (₹ 1,680 crore) and Special Securities issued to National Small Savings Fund (NSSF) of Central Government (₹ 1,074 crore) continued to be the major components of interest payments.

Pensions

The expenditure on pension and other retirement benefits to State Government pensioners during the year was ₹ 20,090 crore and constituted 17.11 *per cent* of the revenue expenditure. During the year, Superannuation and Retirement Allowances (₹ 11,812 crore) increased by ₹ 1,167 crore, Gratuities (₹ 2,007 crore) increased by ₹ 316 crore and Family Pensions (₹ 2,545 crore) increased by ₹ 218 crore from those in 2022-23. Further, the State Government had notified (November 2022) reversion to the Old Pension Scheme (OPS), wherein it was mentioned that the detailed scheme and Standard Operating Procedures pursuant to the notification would be issued in due course. Thus, reversion of OPS would further increase the committed expenditure of the State.

(i) Undischarged liabilities in National Pension System

The State Government introduced (December 2006) the 'National Pension System' (NPS), in the name of Defined Contribution Pension Scheme (DCPS),

applicable to all new entrants joining State Government service[7] on or after 1 January 2004. Under this system, employees contribute 10 *per cent* of basic pay and dearness allowance, which is matched by the State Government (Government's share has been increased to 14 *per cent* with effect from 1 April 2019). The employees' contribution is booked in Public Account under Major Head '8342-Other Deposits, 117-Defined Contribution Pension Scheme' and the employer's contribution is transferred to the designated authority i.e. National Securities Depository Limited (NSDL), debiting Major Head '2071-Pension and Other Retirement Benefits, 01-Civil, 117-Defined Contributory Pension Scheme'. The State Government further revised the procedure in February 2021. As per the revised procedure, the State Government's share would be transferred by debiting Major Head '2071-Pension and Other Retirement Benefits, 01-Civil, 117-Defined Contributory Pension Scheme' to Major Head '8342-Other Deposits, 117-Defined Contribution Pension Scheme' in the Public Account instead of transferring directly to NSDL. The employer's share along with employees' share would then be transferred to NSDL from the Public Account. The State Government has the responsibility to deposit both employees' and employer's share with NSDL for further investment as per the guidelines of NPS.

Though the State Government implemented DCPS with effect from January 2004, it started deducting the contribution from employees largely from April 2008[8]. The arrears of employees' share for the period from January 2004 to March 2008 was also deducted in 36 installments from April 2008 to March 2011. Though the State Government started receiving the contribution from 2008-09, it started transferring the same to the pension fund from 2010-11 onwards.

During the year 2023-24, total contribution to the NPS was ₹ 3,147.84 crore (Employees' contribution: ₹ 1,315.84 crore and Government's contribution: ₹ 1,832.00 crore). The Government transferred ₹ 3,147.84 crore (Employees' contribution ₹ 1,315.84 crore and Government's contribution ₹ 1,832.00 crore) to the Public Account under Major Head 8342-117 Defined Contribution Pension scheme. An amount of ₹ 0.03 crore was also deposited in the Public Account on account of contribution of employees on Foreign Service. The Government's contribution to the NPS was short by ₹ 10.18 crore, which resulted in understatement of Revenue Expenditure to that extent.

As per provisions of the scheme, during 2023-24, employees' contribution of ₹ 1,315.84 crore was booked under Major Head '8342-Other Deposits 117-Defined Contribution Pension Scheme for Government Employees' in Public Account'. The Government's share of ₹ 1,832.00 crore towards NPS was transferred from Major Head '2071-Pension and Other Retirement Benefits, 01-

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7 For categories mentioned in Rule 1.2 of Punjab Civil Service Rules, Volume-I, Part-I.

8 Meagre amount of ₹ 0.59 crore was collected during 2006-2008.

Civil, 117-Defined Contributory Pension Scheme' to Major Head '8342-Other Deposits, 117-Defined Contribution Pension Scheme' in the Public Account as per revised procedure adopted by the State Government. It was noticed that as against the due amount of ₹ 1,842.18 crore, the Government actually contributed ₹ 1,832 crore during the current year.

During 2023-24, against the balance of ₹ 3,270.34 crore lying in the Public Account, the State Government transferred ₹ 3,161.34 crore to NSDL, leaving a balance of ₹ 109 crore as on 31 March 2024. .

Further, the State Government is liable to pay interest on delayed transfer of NPS balances at the corresponding interest rates applicable to the General Provident Fund (GPF) subscribers. Thus, the State Government has created interest liability on the amount not transferred to NSDL; used the funds that belong to its employees and created uncertainty in respect of benefits due to the affected employees.

The details of the receipts from employees' share, Government's contribution, interest accrued thereon and investment in pension fund are given in **Table 2.21**.

Table 2.21: Details of contribution and investment under DCPS

(₹ in crore)

Years	Receipts				Disbursement (Transferred to Pension Fund)	Short transfer (-)/ Excess transfer (+)
	Employees' share	Government contribution	Interest	Total		
1	2	3	4	5 (2+3+4)	6	7 (6-5)
2008-09	38.76*	33.60	0.00	72.36	0.00	(-)72.36
2009-10	45.38	36.26	0.00	81.64	0.00	(-)81.64
2010-11	54.19	51.90	26.86	132.95	2.33	(-)130.62
2011-12	79.19	85.00	22.45	186.64	26.45	(-)160.19
2012-13	181.48	196.78	24.01	402.27	286.17	(-)116.10
2013-14	242.81	230.00	22.78	495.59	481.53	(-)14.06
2014-15	282.86	290.00	21.35	594.21	804.90	(+)210.69
2015-16	389.39	390.00	18.48	797.87	902.69	(+)104.82
2016-17	436.28	435.81	17.19	889.28	957.69	(+)68.41
2017-18	532.59	520.55	15.55	1,068.69	1,058.51	(-)10.18
2018-19	585.78	584.94	14.70	1,185.42	1,203.28	(+)17.86
2019-20	746.67	707.69	0.00	1,454.36	1,436.41	(-)17.95
2020-21	791.35	1,356.26	0.00	2,147.61	2,196.72	(+)49.11
2021-22	961.47	1,325.67	0.00	2,287.14	2,290.36	(+)3.22
2022-23	1,199.49	1,699.93	0.00	2,899.42	2,925.91	(+)26.49
2023-24	1,315.84	1,832.00	0.00	3,147.84	3,161.34	(+)13.50
Total	**7,883.53**	**9,776.39**	**183.37**	**17,843.29**	**17,734.29**	**(-)109.00**

Source: Finance Accounts

* *Includes amount ₹ 0.59 crore collected/received during the period 2006-08 which was yet to be transferred to Pension Fund as on 1 April 2008.*

During the period 2008-24, against total receipts of ₹ 17,843.29 crore (employees' share: ₹ 7,883.53 crore, State Government contribution: ₹ 9,776.39 crore and interest: ₹ 183.37 crore), substantial amount of ₹ 17,734.29 crore (99 *per cent*) was transferred to the pension fund leaving a balance of ₹ 109 crore as on 31 March 2024. It was noticed that during the last

four years, the State Government contributed/transferred additional funds to minimise the shortfall.

The short contribution/transfer of funds of ₹ 109 crore to NSDL is a deferred liability of the State Government, which would impact the pensionary yield of the employees. Besides, due to delay in release of Government's contribution and transfer to pension fund, the State Government had to contribute an avoidable interest of ₹ 183.37 crore.

2.4.1.3 Subsidies

Table 2.22 depicts the expenditure on subsidies during the period 2019-2024. Subsidies during the current year decreased by ₹ 1,837 crore (8.91 *per cent*) over the previous year. The decrease was mainly due to decrease of ₹ 1,923 crore (9.52 *per cent*) on account of power subsidy partially set-off by increase of ₹ 115 crore on account of free books to scheduled castes students from 1st to 10th class.

Table 2.22: Expenditure on subsidies during 2019-24

	2019-20	2020-21	2021-22	2022-23	2023-24
Subsidies (₹ in crore)	10,161	9,748	14,516	20,607	18,770
Power subsidy (₹ in crore)	9,394	9,657	13,443	20,200	18,177
Subsidies as percentage of Revenue Receipts	16.50	14.12	18.57	23.52	21.04
Subsidies as percentage of Revenue Expenditure	13.39	11.29	15.02	18.13	15.99
Subsidies as percentage of Total Expenditure	10.76	10.63	13.67	16.93	15.34
Subsidies as percentage to Revenue Deficit	71.13	56.36	78.60	79.12	66.52
Power subsidy as percentage to total subsidy	92.45	99.07	92.61	98.02	96.84

Source: Finance Accounts

Power subsidy constituted the major portion of the total subsidies ranging between 92 *per cent* and 99 *per cent;* and the subsidies contributed between 56 *per cent* and 79 *per cent* of the revenue deficit during 2019-2024.

(i) Implicit subsidies

Implicit subsidies arise when the Government provides social and economic goods/services at a price less than the cost of goods and services incurred by the Government. It can be indirect or in kind or can be given as concessions. Some implicit subsidies extended during 2023-24 are detailed in **Table 2.23**.

Table 2.23: Details of implicit subsidies during the year 2023-24

(₹ in crore)

Sr. No.	Scheme	Amount
1.	Reimbursement to Transport Department in lieu of free concessional travel facility to Women above the age of 60 years in Government/ PEPSU Road Transport Corporation (PRTC) buses	450.00
2.	Free travel facility from the rank of Constable to Inspector in Government/ PEPSU Road Transport Corporation (PRTC) Buses	23.00
3.	Reimbursement to Transport Department/ PEPSU Road Transport Corporation (PRTC) in lieu of free/concessional facilities to students of colleges and universities in Government/ PEPSU Road Transport Corporation (PRTC) buses	10.00
4.	Reimbursement to PEPSU Road Transport Corporation (PRTC) in lieu of concessional bus passes to the students of medical education (pass holder)	2.50
5.	Reimbursement to Transport Department/ PEPSU Road Transport Corporation (PRTC) in lieu of free concessional travel facility to students of Engineering Colleges/Polytechnics	6.38
6.	Reimbursement to Transport Department/ PEPSU Road Transport Corporation (PRTC) in lieu of free concessional travel facility to students	8.00
7.	Reimbursement to PEPSU Road Transport Corporation/ Punjab Roadways in lieu of free concessional bus passes to thalassemia/Cancer patients	1.36
Total		**501.24**

Source: Detailed Appropriation Accounts

2.4.1.4 Financial assistance by the State Government to Local Bodies and Other Institutions

Assistance provided by way of grants to local bodies and other institutions during the period 2019-2024 is presented in **Table 2.24**.

Table 2.24: Financial assistance to Local Bodies and other institutions

(₹ in crore)

Institutions	2019-20	2020-21	2021-22	2022-23	2023-24
(A) Local Bodies					
Municipal Corporations and Municipalities	2,365.48	2,694.56	2,424.13	2,345.70	2,419.76
Panchayati Raj Institutions	885.81	3,313.12	1,463.61	1,529.97	888.22
Total (A)	**3,251.29**	**6,007.68**	**3,887.74**	**3,875.67**	**3,307.98**
(B) Others					
Educational Institutions (Aided Schools, Colleges, Universities, etc.)	3,196.94	3,586.92	3,380.66	3,312.94	3,183.40
Development Authorities	1,309.29	1,518.84	1,184.78	1,115.63	789.93
Hospitals and Other Charitable Institutions	1,211.06	1,348.71	1,371.46	1,074.35	801.44
Other Institutions	914.70	2,560.30	2,075.40	3,461.59	3,756.08
Total (B)	**6,631.99**	**9,014.77**	**8,012.30**	**8,964.51**	**8,530.85**
Total (A+B)	**9,883.28**	**15,022.45**	**11,900.04**	**12,840.18**	**11,838.83**
GIA on Salary	3,247.85	3,795.42	3,898.89	3,996.92	4,654.16
GIA for non-salary	5,921.09	8,482.86	7,745.91	8,033.32	6,654.28
GIA for creation of Capital assets	714.34	2,744.17	255.24	809.95	530.40
GIA given in kind	*Information not provided by the State Government*				
Revenue Expenditure	75,860	86,344	96,636	1,13,661	1,17,407
Assistance as percentage of Revenue Expenditure	13.03	17.40	12.31	11.30	10.08

Source: Finance Accounts

During the current year, financial assistance to local bodies and other institutions decreased by ₹ 1,001.35 crore (7.80 *per cent*) over the previous year. The decrease was mainly due to decrease in assistance to Panchayati Raj Institutions (₹ 641.75 crore: 41.95 *per cent),* Development Authorities (₹ 325.70 crore: 29.19 *per cent*).), Hospitals and Other Charitable Institutions (₹ 272.91 crore: 25.40 *per cent*) and Educational Institutions (Aided Schools, Colleges, Universities, etc.) (₹ 129.54 crore: 3.91 *per cent*) partially set-off by increase in Other Institutions (₹ 294.49 crore: 8.51 *per cent*) and Municipal Corporations and Municipalities (₹ 74.06 crore: 3.16 *per cent*). The overall quantum of financial assistance to local bodies and other institutions as percentage of revenue expenditure decreased to 10.08 *per cent* during the current year from 11.30 *per cent* of the previous year.

The financial assistance for salary, non-salary and creation of capital assets had shown an increasing trend during the last five years (except for the years 2021-22 and 2023-24 for non-Salary and for creation of capital assets). Share of financial assistance on salary, non-salary and for creation of capital assets contributed an average of 32 *per cent*, 60 *per cent* and 8 *per cent* respectively. Major recipients of financial assistance are shown in **Table 2.25**.

Table 2.25: Major recipients of financial assistance during the year 2023-24

(₹ in crore)

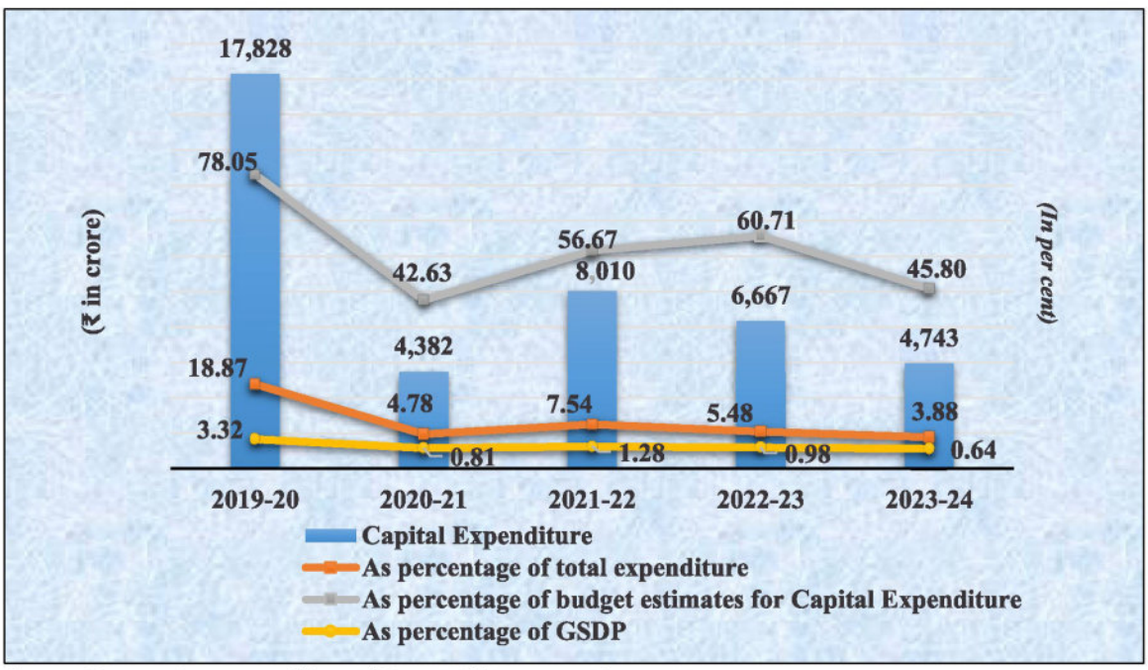
Recipient	Scheme	Amount
Director, Local Bodies	Punjab Municipal Fund - Assistance to Municipalities/ Municipal Councils /Urban Local Bodies	1,547.50
National Health Mission	National Rural Health Mission	764.68
Punjab Health System Corporation	Assistance	632.95
Government Primary Schools	Samagra Shiksha Abhiyaan including Education Guarantee Scheme - National Programme for education of girls of elementary level and Kasturba Gandhi Balika Vidyalaya	627.24
Government Secondary Schools	Information and Communication Technology	575.50
Gram Panchayat Samities	Grants-in-aid to PRIs	531.00
Punjab Agriculture University, Ludhiana	Assistance	474.55
Local Urban Bodies	Grants-in-aid	438.66
Government Secondary Schools	Samagra Shiksha Abhiyaan/Rastriya Madhyamik Shiksha Abhiyan	365.48
Punjabi University, Patiala	Grants-in-aid	360.00
Gram Panchayat Samitis	Mahatman Gandhi National Rural Employment Guarantee Scheme	341.60
Government Primary Schools	Mid-day Meal	327.50
Punjab Infrastructure Development Board	Assistance	232.03
Gram Panchayat Samitis	Compensation in lieu of Tax on the sale of Country Liquor	230.00
Non-Government Colleges and Institutes	Assistance	227.89

Source: Finance Accounts

2.4.2 Capital Expenditure

Capital expenditure is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings, etc. Capital expenditure, in both the Centre and the State, is being met from budgetary support and extra budgetary resources/ off-budget. It also includes investments made by the State Government in Companies/Corporations. Trends of capital expenditure in the State over the last five years i.e. 2019-2024 is given in **Chart 2.13**.

Chart 2.13: Capital Expenditure in the State



Source: Finance Accounts and Annual Financial Statements of respective years

Chart 2.13 shows that capital expenditure fluctuated during the five years' period. It decreased by ₹ 13,085 crore (73.40 *per cent*) from ₹ 17,828 crore (18.87 *per cent* of total expenditure) in 2019-20 to ₹ 4,743 crore (3.88 *per cent* of total expenditure) in 2023-24. Besides, the State Government also gave Grants-in-aid of ₹ 5,054 crore[9] during the period 2019-24 for creation of assets. Utilisation of budget for capital expenditure ranged between 43 *per cent* and 61 *per cent* during 2019-2024 except in the year 2019-20 when it was 78 *per cent* due to conversion of UDAY loans of ₹ 15,628 crore into equity in PSPCL, as discussed in Paragraph 2.4.2.2(v) of the State Finances Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2020. During this period, capital expenditure ranged between 0.64 *per cent* and 1.28 *per cent* of GSDP except for the year 2019-20 when it was 3.32 *per cent* due to conversion of UDAY loans.

[9] 2019-20: ₹ 714.34 crore; 2020-21: ₹ 2,744.17 crore; 2021-22: ₹ 255.24 crore; 2022-23: ₹ 809.95 crore; and 2023-24: ₹ 530.40 crore.

2.4.2.1 Major changes in capital expenditure

Major changes in capital expenditure during 2023-24 compared to 2022-23 are depicted in **Table 2.26**.

Table 2.26: Capital expenditure during 2023-24 compared to 2022-23

(₹ in crore)

Major Head of Accounts	2022-23	2023-24	Increase (+)/ Decrease (-)
4217-Capital Outlay on Urban Development	2,270.03	1,103.51	(-)1,166.52
4210-Capital Outlay on Medical and Public Health	654.10	230.76	(-)423.34
4215-Capital Outlay on Water Supply and Sanitation	599.81	308.76	(-)291.05
4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	193.55	1.21	(-)192.34
4425-Capital Outlay on Co-operation	135.00	0	(-)135.00
4515-Capital Outlay on Other Rural Development Programmes	297.88	171.66	(-)126.22
4202-Capital Outlay on Education, Sports, Arts and Culture	183.24	521.16	(+)337.92
5054-Capital Outlay on Roads and bridges	659.29	932.22	(+)272.93

Source: Finance Accounts

Chart 2.13 shows that capital expenditure decreased by ₹ 1,924 crore (28.86 *per cent*) from ₹ 6,667 crore in 2022-23 to ₹ 4,743 crore in 2023-24. The decrease in overall capital expenditure was mainly due to decrease in Capital Outlay on Urban Development: ₹ 1,167 crore, Capital Outlay on Medical and Public Health: ₹ 423 crore, Capital Outlay on Water Supply and Sanitation: ₹ 291 crore, Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities: ₹ 192 crore, Capital Outlay on Co-operation: ₹ 135 crore and Capital Outlay on Other Rural Development Programmes: ₹ 126 crore. The decrease was partially off-set by increase in Capital Outlay on Education, Sports, Arts and Culture: ₹ 338 crore and Capital Outlay on Roads and Bridges: ₹ 273 crore.

2.4.2.2 Quality of capital expenditure

If the State Government keeps on making investments in loss making Government companies, whose net worth has completely eroded, there are no chances of return on investment. Similarly, experience has shown the inevitability of write-off of the loans given to loss making corporations and other bodies such as sugar mills, financial corporations, etc. Requisite steps have to be taken to infuse transparency in such financial operations. This section presents an analysis of investments and other capital expenditure undertaken by the Government during the current year.

(i) Quality of investments in companies, corporations and other bodies

Capital expenditure in companies, corporations and other bodies which are loss making or where net worth has completely eroded, is not sustainable.

Investments made and loans given to companies (e.g. DISCOMs), corporations (e.g. SC & ST Financial Corporations), and co-operatives (e.g. sugar mills), which are loss making and those where net worth has completely eroded, affect the quality of capital expenditure. Return on investment in share capital invested in Public Sector Undertakings (PSU) and history of repayment of loans given to various bodies are important determinants of quality of capital expenditure.

Total paid up capital of 35 working State PSUs stood at ₹ 23,467.16 crore at the end of 2023-24, of which the State Government's investment (equity) was ₹ 23,314.29 crore (99.35 *per cent*) in 24 State PSUs.

Twelve State PSUs in which the State Government held investment of ₹ 22,501.23 crore had aggregated accumulated losses of ₹ 17,753.96 crore (***Appendix 2.3***).

Net worth of nine out of the above 12 PSUs had completely eroded and had become negative. The net worth of these nine PSUs was (-) ₹ 7,377.96 crore against equity investment of ₹ 462.86 crore (GoP investment: ₹ 423.41 crore) in these PSUs as on 31 March 2024. In five out of nine PSUs whose capital had eroded, Government loans outstanding as on 31 March 2024 amounted to ₹ 21,026.19 crore (***Appendix 2.4***).

The long term loans amounting to ₹ 26,856.59 crore extended by the State Government in respect of ten PSUs were outstanding as on 31 March 2024 (***Appendix 2.5***).

Trends of return on investment in companies, corporations, and co-operative banks and societies, difference between cost of Government borrowings and return on investments are depicted in **Table 2.27**.

Table 2.27: Return on investment

Investment/return/ cost of borrowings	2019-20	2020-21	2021-22	2022-23	2023-24
Investment at the end of the year (₹ in crore)	19,898.08	19,911.84	19,899.69	20,038.52	20,039.78
Return (₹ in crore)[$]	4.24	1.26	6.66	3.11	4.12
Return (*per cent*)[$]	0.02	0.01	0.03	0.02	0.02
Average rate of interest on Government Borrowings (*per cent*)	7.96	7.58	7.46	7.17	7.28
Difference between return and interest rate (*per cent*)	(-)7.94	(-)7.57	(-)7.43	(-)7.15	(-)7.26
Difference between cost of Government borrowings and return on investment (₹ in crore)[#]	(-)1,579.91	(-)1,507.33	(-)1,478.55	(-)1,432.75	(-)1,454.89

Source: Finance Accounts

$ on historical cost

*# (Investment at the end of the year * Difference between interest rate and return)/100.*

During 2023-24, the return on investment was ₹ 4.12 crore[10] (0.02 *per cent*) (based on historical cost and not on net present value basis). The return was only between 0.01 *per cent* and 0.03 *per cent* during 2019-2024 while the average rate of interest paid by the State Government on its borrowings was between 7.17 *per cent* and 7.96 *per cent* during the same period. Over the past five years, the difference in cost of Government borrowings and return on investments in PSUs was to the tune of ₹ 7,453.43 crore.

(ii) Reconciliation of Government Investments with Accounts of Companies

The figures of Government investments as equity in State Public Sector Undertakings (PSU) should agree with those appearing in the accounts of the PSUs. Reconciliation of figures is necessary to figure out the differences in accounts of PSUs and Finance Accounts of the State Government. Scrutiny of both the accounts revealed that as per Finance Accounts, Government investment as equity in 15 PSUs was ₹ 19,014.89 crore whereas as per records of PSUs, it was ₹ 23,103.73 crore. There was a difference of ₹ 4,088.84 crore as detailed in ***Appendix 2.6***. Reconciliation should be carried out in a time bound manner to resolve the difference.

(iii) Loans and advances by State Government

In addition to the investments in co-operative societies, corporations and companies, the State Government has also been providing loans and advances to many institutions/organisations. **Table 2.28** presents the position of outstanding loans and advances as on 31 March 2024 and interest receipts *vis-à-vis* interest payments by the State Government on its borrowings during the last five years.

Table 2.28: Quantum of loans disbursed and recovered during 2019-24

(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening balance of loans outstanding	50,681	35,394	36,301	37,670	38,888
Amount advanced during the year	783	956	1,576	1,382	196
Amount recovered during the year	16,070	50	207	164	39
Closing balance of the loans outstanding	35,394	36,300	37,670	38,888	39,045
Net addition	(-)15,287	906	1,369	1,218	157
Interest received	1,336	25	19	15	28
Interest received *vis-à-vis* loans outstanding (*per cent*)	3.10	0.07	0.05	0.04	0.07
Average rate of interest paid on the outstanding borrowings of the Government	7.96	7.58	7.46	7.17	7.28
Difference between the rate of interest received and interest paid (*per cent*)	(-)4.86	(-)7.51	(-) 7.41	(-) 7.13	(-)7.21

Source: Finance Accounts

[10] Government Companies (₹ 4.00 crore); Joint Stock Companies (₹ 0.11 crore); and Co-operative Banks and Societies (₹ 0.01 crore).

During 2023-24, an amount of ₹ 196 crore was advanced as loans against ₹ 1,382 crore given during the previous year. The loans advanced during the current year included ₹ 100 crore extended to Co-operative Sugar Mills for setting up of new sugar complexes for efficient processing and value addition to sugarcane in Punjab. Loans amounting to ₹ 2,700 crore were outstanding at the beginning of the year against Co-operative Sugar Mills. It was noticed that despite recovery of only ₹ 7 crore of earlier loans, subsequent loans of ₹ 100 crore were given to these sugar mills.

The total outstanding loans advanced by the State Government increased by ₹ 157 crore from ₹ 38,888 crore in 2022-23 to ₹ 39,045 crore in the year 2023-24. Recovery of loans decreased by ₹ 125 crore (76 *per cent)* and interest receipts increased by ₹ 13 crore (87 *per cent)* in 2023-24 as compared to 2022-23. The interest received was only 0.07 *per cent* of the outstanding loans and advances during 2023-24.

The outstanding loans (₹ 39,045 crore) at the close of the year 2023-24 included long-term loans of ₹ 33,014 crore out of ₹ 34,474 crore advanced by the State Government for –

- one-time settlement of Legacy Cash Credit Accounts for food procurement operations during 2016-17 (₹ 29,920 crore[11]), of which ₹ 29,207 crore were outstanding; and
- clearing outstanding Cash Credit Limit (CCL) extended afresh to five State Procurement Agencies (SPA) during 2016-2024 (₹ 4,554 crore), of which ₹ 3,807 crore[12] were outstanding.

Thus, against the total amount of ₹ 34,474 crore advanced for clearing old and fresh CCL to SPAs during 2016-2024, recovery of only ₹ 1,460 crore[13] had been effected.

(iv) Capital locked in incomplete projects

An assessment of trends in capital blocked in incomplete capital works would also indicate quality of capital expenditure. Blocking of funds in incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years lead to extra burden in terms of servicing of debt and interest liabilities. Details of age-wise and Department-wise incomplete projects, which were to be completed upto 2023-24 are shown in **Table 2.29** and **Table 2.30** respectively.

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11 This loan is to be repaid by the State Government in equated monthly instalments of ₹ 270 crore (including interest) except for last installment of ₹ 115 crore which is to be paid in September 2034.

12 Besides, ₹ 41 crore pertaining to the period prior 2010-11 was also outstanding from PUNSUP.

13 ₹ 713 crore (2017-18: ₹ 26 crore, 2018-19: ₹ 61 crore, 2019-20: ₹ 405 crore, 2020-21: ₹ 11 crore, 2021-22: ₹ 172 crore, 2022-23: ₹ 12 crore and 2023-24: ₹ 26 crore) against ₹ 29,920 crore; and ₹ 747 crore (2018-2023) against ₹ 4,554 crore.

Table 2.29: Age profile of incomplete projects as on 31 March 2024

(₹ in crore)

Year of commence-ment	No of incomplete projects	Estimated cost	Expenditure (as on 31 March 2024)
Upto 2012-13	3	2,543.96	1,169.70
2013-14	0	0.00	0.00
2014-15	0	0.00	0.00
2015-16	3	77.42	16.00
2016-17	0	0.00	0.00
2017-18	0	0.00	0.00
2018-19	1	5.48	5.47
2019-20	3	22.43	14.96
2020-21	5	450.62	335.24
2021-22	13	367.78	154.32
2022-23	3	18.56	14.09
2023-24	13	91.76	54.10
Total	**44**	**3,578.01**	**1,763.88**

Table 2.30: Department-wise profile of incomplete projects as on 31 March 2024

(₹ in crore)

Department	No. of incomplete projects	Estimated cost	Expenditure (as on 31 March 2024)
Public Works	24	456.02	237.22
Irrigation	15	2,719.51	1,242.08
Water Supply and Sanitation	5	402.48	284.58
Total	**44**	**3,578.01**	**1,763.88**

Source: Finance Accounts

The expenditure of ₹ 1,764 crore incurred on 44 incomplete projects was yet to yield the intended benefits. Out of 44 incomplete projects, 15 projects on which expenditure of ₹ 1,541.37 crore had been incurred, pertained to the period prior to the year 2021-22.

Punjab being a deficit State, funds spent on these projects were borrowed at a very high cost. Delay in completion of projects not only adversely affected the quality of expenditure but also deprived the State of intended benefits and economic growth.

2.4.2.3 Resource availability of the State under Public Private Partnership projects

Public Private Partnership (PPP) is an arrangement between the government or statutory entity and a private sector entity, to provide a framework that enables them to work together to meet the rising demand of the public for infrastructure development. Sector-wise details of PPP projects are given in **Table 2.31**.

Table 2.31: Sector-wise details of PPP projects as on 31 March 2024

(₹ in crore)

Sr. No.	Sector	Completed			Ongoing			Planned for future	
		No.	Estimated Cost	Revenue generated upto 31 March 2024	No.	Estimated Cost	Revenue generated upto 31 March 2024	No.	Estimated Cost
1.	Roads	8	690.23	74.49	--	--	--	--	--
2.	Health and Family Welfare	2[14]	237.56	171.08	--	--	--	--	--
3.	Technical Education and Industrial Training*	--	--	--	2[15]	23.30	--	--	--
4.	Medical Education & Research	--	--	--	1[16]	131.16	62.55	--	--
Total		**10**	**927.79**	**245.57**	**3**	**154.46**	**62.55**	**--**	**--**

Source: Departmental information

** These projects are sub-judice since February 2018*

2.4.3 Expenditure priorities

Enhancing human development levels requires the State to step up its expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure under a category to total expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better. Fiscal priority[17] of the State Government with regard to expenditure on social and economic sectors, etc. is shown in **Table 2.32**.

Table 2.32: Expenditure priority of the State with regard to health, education and capital expenditure

(In *per cent*)

	TE/GSDP	CE/TE	Education*/TE	Health/ TE
General Category States Average (2019-20)	15.88	14.02	15.79	5.25
Punjab (2019-20)	17.59	19.70	11.74	3.72
General Category States Average (2023-24)	15.66	16.50	14.36	5.71
Punjab (2023-24)	16.42	4.04	12.79	4.09

Source: Figures calculated on the basis of Finance Accounts of the respective States
TE: Total Expenditure and CE: Capital Expenditure (includes Loans and advances disbursed)
**Expenditure on education includes expenditure on sports, art and culture.*

Table 2.32 shows that:

- The State Government's total expenditure as proportion of GSDP, decreased from 17.59 *per cent* in 2019-20 to 16.42 *per cent* in

[14] (i) Development of Green Field Super Specialty Hospital on DBOT at Mohali and (ii) Development of Green Field Super Specialty Hospital on DBOT at Bathinda.

[15] (i) Government Polytechnic College, PO Rohon, Distt. Shaheed Bhagat Sigh Nagar and (ii) Government Polytechnic College, Anandpur Shaib, Distt. Ropar.

[16] (i) Punjab Institute of Medical Sciences (PIMS) Hospital & Medical College Jalandhar

[17] Ratio of expenditure in that category to Total Expenditure (TE).

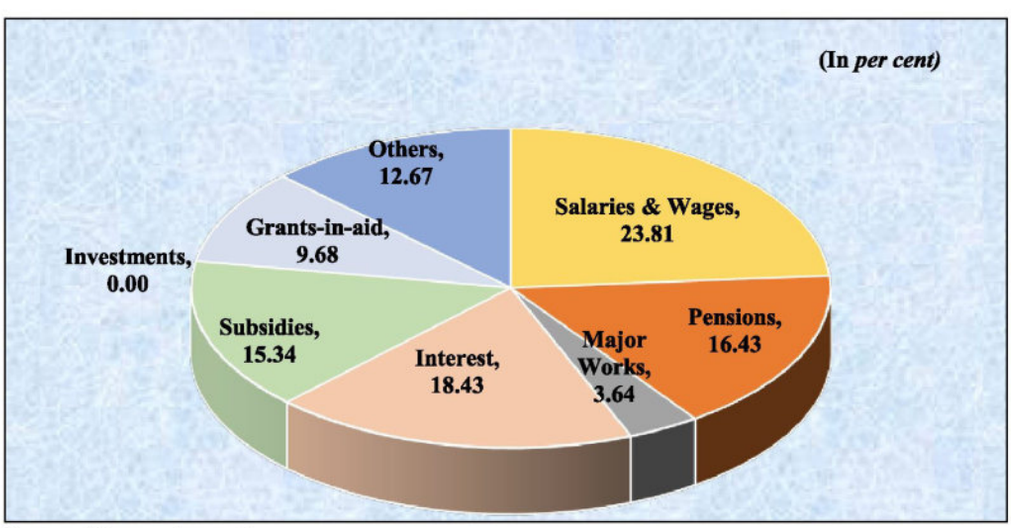
2023-24 whereas for General Category States (GCS), it decreased from 15.88 *per cent* to 15.66 *per cent* during the same period.

- Capital expenditure facilitates asset creation which generates opportunities for higher growth. Ratio of capital expenditure to total expenditure decreased from 19.70 *per cent* in 2019-20 to 4.04 *per cent* in 2023-24. Substantial capital expenditure in 2019-20 was due to conversion of UDAY loans amounting to ₹ 15,628 crore into equity in Punjab State Power Corporation Limited (PSPCL), as discussed in Paragraph 2.4.2.2(v) of the State Finances Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2020. This ratio for GCS increased from 14.02 *per cent* to 16.50 *per cent* during the same period.
- The ratio of expenditure on education to total expenditure in Punjab increased from 11.74 *per cent* in 2019-20 to 12.79 *per cent* in 2023-24 whereas it decreased from 15.79 *per cent* to 14.36 *per cent* in case of GCS during the same period.
- The ratio of expenditure on health to total expenditure in Punjab increased from 3.72 *per cent* in 2019-20 to 4.09 *per cent* in 2023-24 whereas it increased from 5.25 *per cent* to 5.71 *per cent* in case of GCS during the same period.

2.4.4 Object head-wise expenditure

Object head-wise expenditure gives information about the object/purpose of the expenditure. **Chart 2.14** shows object head-wise expenditure.

Chart 2.14: Object head-wise expenditure during 2023-24



Source: Finance Accounts

Note: The object head-wise expenditure obtained from VLC data contains object head-wise expenditure on Salaries & wages and Pensions in all major heads which differs from the committed expenditure on these items (as appearing in Paragraph 2.4.1.2).

2.5 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 the State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.5.1 Net Public Account balances

The component-wise net balances in Public Account of the State are given in **Table 2.33** and yearly changes in composition of Public Account balances are depicted in **Chart 2.15**.

Table 2.33: Component-wise net balances in Public Account

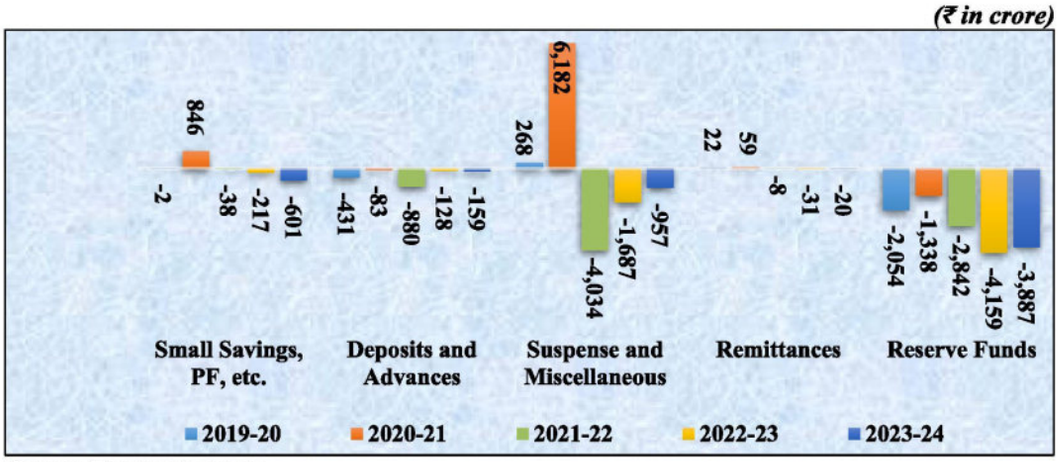
(₹ in crore)

Sector	Sub-Sector	2019-20	2020-21	2021-22	2022-23	2023-24
Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	(-)22,995.06	(-)22,149.54	(-)22,187.70	(-)22,404.33	(-)23,005.28
Reserve Funds	(a) Reserve Funds bearing Interest	(-)8,203.96	(-)8,583.58	(-)9,508.56	(-)10,443.38	(-)12,065.48
	(b) Reserve Funds not bearing Interest	(-)253.20	(-)1,211.33	(-)3,127.96	(-)6,352.33	(-)8,617.43
Deposits and Advances	(a) Deposits bearing Interest	(-)776.16	(-)880.98	(-)1,400.28	(-)1,379.35	(-)1,366.99
	(b) Deposits not bearing Interest	(-)3,045.22	(-)3,023.68	(-)3,384.82	(-)3,533.92	(-)3,705.28
	(c) Advances	0.42	0.42	0.42	0.42	0.42
Suspense and Miscellaneous	(a) Suspense	(-)8.47	(-)102.69	129.71	(-)232.45	(-)246.95
	(b) Other Accounts	1,511.04	7,787.14	3,521.09	2,196.36	1,253.99
	(c) Accounts with Governments of Foreign Countries	0.66	0.66	0.66	0.66	0.66
	(d) Miscellaneous	0.00	0.00	0.00	0.00	0.00
Remittances	(a) Money Orders, and other Remittances	2.68	40.85	18.04	8.40	(-)0.59
	(b) Inter-Governmental Adjustment Account	22.59	43.05	57.40	35.85	24.58
Total		**(-)33,744.68**	**(-)28,079.68**	**(-)35,882.00**	**(-)42,104.07**	**(-)47,728.35**

Source: Finance Accounts
Note: +ve figures denote debit balances and –ve figures denote credit balances.

Chart 2.15: Yearly changes in composition of Public Account balances

(₹ in crore)



Source: Finance Accounts

Public account liabilities increased by ₹ 5,624 crore mainly due to increase of ₹ 2,265 crore in reserve funds not bearing interest. This included contribution of ₹ 1,750 crore to Consolidated Sinking Fund during the current year, which had been invested in Government of India securities, as discussed in **Paragraph 2.5.2.1**.

2.5.2 Reserve Funds

Reserve funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund or from outside agencies. It comprises interest bearing reserve funds and reserve funds not bearing interest.

Details of reserve funds are available in Statements 21 and 22 of the Finance Accounts. There were seven interest bearing funds and two reserve funds not bearing interest as on 31 March 2024. The balances lying in these reserve funds as on 31 March 2024 are given in **Table 2.34**.

Table 2.34: Details of Reserve Funds

(₹ in crore)

Sr. No.	Name of Reserve Fund	Balance as on 31 March 2024
A	**Reserve Funds bearing Interest**	**12,065.48**
1.	Depreciation Reserve Fund-Motor Transport	117.45
2.	Depreciation Reserve Fund-Government Presses	32.27
3.	General Reserve Fund-Motor Transport	55.29
4.	Punjab Road Safety Fund	87.28
5.	State Disaster Response Fund	10,380.41
6.	State Compensatory Afforestation Fund	869.65
7.	State Disaster Mitigation Fund	523.13
B	**Reserve Funds not bearing Interest**	**8,617.43**
1.	Sinking Funds	8,616.66
2.	Other Development and Welfare Fund	0.77
	Grand Total	**20,682.91**

Source: Finance Accounts

2.5.2.1 Consolidated Sinking Fund

The Government of Punjab constituted (December 2006) a Consolidated Sinking Fund in line with the recommendations of the Twelfth Finance Commission (12th FC) with the objective to redeem its outstanding liabilities commencing from the financial year 2011-12. The Fund is managed by the Reserve Bank of India. The State Government is to contribute every year minimum 0.50 *per cent* of the outstanding liabilities at the end of the previous financial year. Contribution to this Fund out of borrowings from the Reserve Bank is not permissible.

There was an opening balance of ₹ 6,351.61 crore in the Fund at the beginning of the current year. As on 31 March 2023, the outstanding liabilities of the Government of Punjab were ₹ 2,93,729.32 crore[18]. Accordingly, the State Government was required to contribute a minimum of ₹ 1,468.65 crore (0.50 *per cent)* during 2023-24 against which the State Government had made contribution of ₹ 1,750 crore to the Fund, which was invested in GoI Securities through RBI, besides accumulation of ₹ 515.05 crore in the Fund was also re-invested. Resultantly, there was a balance of ₹ 8,616.66 crore at the end of the current year.

Though the State Government contributed more than the required share during 2021-22, 2022-23 and 2023-24, there was still a short contribution of ₹ 4,792.16 crore[19] during 2011-2024 to the said Fund in line with the recommendations *ibid* to meet the objective of redeeming its outstanding liabilities.

2.5.2.2 State Disaster Risk Management Fund

The Fifteenth Finance Commission (15th FC) recommended creation of a State Disaster Risk Management Fund (SDRMF) at State level, which would include State Disaster Response Fund (SDRF) and State Disaster Mitigation Fund (SDMF). The total State allocation for SDRMF would be divided into SDRF and SDMF, which together address the full cycle of disaster management needs – response and relief, recovery and reconstruction, preparedness and capacity-building and mitigation. SDRF would receive 80 *per cent* of the total SDRMF, while SDMF would get 20 *per cent* of the allocation.

(i) State Disaster Response Fund

The Government of India (GoI) replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 1 April 2010. In terms of the guidelines of SDRF (September 2010 and July 2015), the Centre and the State Governments were contributing to the Fund in the proportion of

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[18] Excluding ₹ 20,491.41 crore as back-to-back loans from GoI in 2020-2022 in lieu of GST Compensation shortfall, which were not to be repaid by the State from its sources.

[19] Up to 2015-16: ₹ 3,764.81 crore; 2016-17: ₹ 647.20 crore; 2017-18: ₹ 912.63 crore; 2018-19: ₹ 975.76 crore; 2019-20: ₹ 816.59 crore; 2020-21: ₹ 221.76 crore; 2021-22: (-)₹ 571.65 crore; 2022-23: (-)₹ 1,693.59 crore; and 2023-24: (-)₹ 281.35 crore.

75:25. The contributions are to be transferred under the Public Account to Major Head 8121-General and other Reserve Funds. Expenditure during the year is incurred by operating Major Head 2245-Relief on account of Natural Calamities.

The State Governments are required to pay interest to SDRF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half yearly basis. The accretions to SDRF together with the income earned on the investment of SDRF is to be invested in Central Government dated securities, auctioned Treasury Bills and other interest earning deposits with Scheduled Commercial Banks.

SDRF is to be used only for meeting the expenditure for providing immediate relief to the victims of a disaster and the provision for disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF. Such expenditure has to be built into the normal budgetary heads/State Plan Funds, etc.

As per Finance Accounts, as on 1 April 2023, an amount of ₹ 9,041.74 crore was lying in SDRF. During the year 2023-24, ₹ 1,758.42 crore (₹ 436.80 crore as Central share and ₹ 145.60 crore as State share for the year 2023-24; ₹ 208 crore as Central share(received on 31.03.2023) and ₹ 69.07 crore as State share for the year 2022-23; ₹ 81.39 crore towards refund of previous year's unspent balance lying with the Drawing and Disbursing Officers and ₹ 817.56 crore towards payment of interest by the State Government) were transferred to the Fund. An amount of ₹ 419.75 crore was spent from the Fund during the current year leaving a balance of ₹ 10,380.41 crore. The entire balance of ₹ 10,380.41 crore was lying uninvested in SDRF as on 31 March 2024, in violation of GoI guidelines *ibid.*

Details of expenditure charged to SDRF during 2023-24 are given in **Table 2.35**.

Table 2.35: Details of expenditure charged to SDRF during 2023-24

(₹ in crore)

Major Head of Account	Minor Head of Account	Expenditure
2245-Relief on Account of Natural Calamities 02-Floods, Cyclones, etc.	101-Gratuitous Relief	387.07
	102-Drinking Water Supply	1.58
	104-Supply of Fodder	0.18
	105-Veterinary Care	0.09
	106-Repairs and restoration of damaged roads and bridges	21.91
	109-Repairs and restoration of damaged water supply, drainage and sewerage works	2.64
	111-Ex-gratia payments to bereaved families	2.08
	112-Evacuation of population	1.01
	113-Assistance for repairs/ reconstruction of Houses	1.35
	117-Assistance to farmers for purchase of livestock	0.01
	122-Repairs and restoration of damaged irrigation and flood control works	1.83
	Total	**419.75**
2245- Relief on Account of Natural Calamities 05-State Disaster Response Fund	901- Deduct - Amount met from State Disaster Response Fund	(-)419.75

Source: Finance Accounts

(ii) State Disaster Mitigation Fund

In accordance with Section 48(1)(c) of the Disaster Management Act, 2005, the State Government constituted (March 2023) under Major Head 8121-130-State Disaster Mitigation Fund (SDMF). This Fund is exclusively for the purpose of mitigation project in respect of disasters covered under State Disaster Response Fund (SDRF)/National Disaster Response Fund (NDRF) guidelines and the State specific local disaster notified by the State Government from time to time. The Central and the State Governments are required to contribute to the fund in the proportion of 75:25.

As per Finance Accounts, as on 1 April 2023, an amount of ₹ 278.90 crore was lying in SDMF. During the year 2023-24, ₹ 211.40 crore (₹ 54.60 crore as Central share and ₹ 18.20 crore as State share for the year 2023-24; ₹ 104 crore as Central share and ₹ 34.60 crore as State share for the year 2022-23) were transferred to the Fund. The interest amounting to ₹ 32.84 crore has also been credited to the Fund. The closing balance as on 31 March 2024 was ₹ 523.13 crore in the fund.

2.5.2.3 Guarantee Redemption Fund

The State Government constitutes 'Guarantee Redemption Fund' for meeting payment obligations arising out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State Public Sector

Undertakings or other Bodies and invoked by the beneficiaries. The accumulations in the Fund are to be utilised only towards payment of the guarantees issued by the Government and not paid by the institutions on whose behalf guarantee was issued.

In terms of recommendations of the Twelfth Finance Commission, the State Government constituted 'Guarantee Redemption Fund' (GRF) in December 2007 (revised in January 2014 with effect from the financial year 2013-14) with the objective of meeting its obligations arising out of the guarantees issued on behalf of the State bodies. As per the guidelines, the State Government was required to make an initial contribution of at least one *per cent* of outstanding guarantees at the end of the previous year (2012-13) and thereafter at least 0.50 *per cent* of outstanding guarantees at the close of the previous year to achieve a minimum level of three *per cent* of outstanding guarantees in the next five years. However, the State Government had not contributed anything to the Fund.

The State Government further revised (October 2017) the 'Guarantee Redemption Fund Scheme' with effect from the financial year 2017-18. In terms of the Scheme, the State Government was required to make a minimum contribution of one *per cent* and thereafter at the rate of 0.50 *per cent* of outstanding guarantees at the end of the previous year to achieve a minimum level of three *per cent* in next five years. The Fund shall be gradually increased to a desirable level of five *per cent*.

During the year, Government did not make any contribution as against ₹ 606.24 crore it was required to contribute to the Fund (3.00 *per cent* of outstanding guarantees of ₹ 20,207.87 crore as on 31 March 2023). The total accumulation of the Fund was Nil as on 31 March 2024. Further, as per provision of the scheme, Guarantee Fee collected was required to be transferred to the Fund. The Guarantee Fee amounting to ₹ 57.37 crore collected during the year 2023-24 was not transferred to the Fund resulting in understatement of the revenue expenditure and revenue deficit to that extent.

Balances in Reserve funds are either held in cash or are required to be invested in various securities stipulated in the respective fund guidelines. Investment of ₹ 8,616.66 crore (from the Consolidated Sinking Fund) was made upto the end of 2023-24. The general cash balance of ₹ 199.54 crore at the close of the year **(Table 2.45)** was not even equal to the balance of ₹ 12,065.57 crore shown in cash in earmarked reserve funds, which means that reserve funds were being used for other than intended purpose.

2.6 Funds outside Consolidated Fund/Public Account of the State and dedicated Funds

Article 266 (1) of the Constitution of India subject to the provisions of Article 267, provides that all revenues received by the Government of a State,

all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled "the Consolidated Fund of the State". Article 266 (2) provides that all other public moneys received by or on behalf of the Government of a State shall be credited to the public account of the State, as the case may be.

The Department of Finance, GoP directed (February 2018) that no State levies (taxes, duties, fees, user charges etc.) and receipts shall be retained by any Administrative Department or any other agencies under it. These shall be deposited in the Consolidated Fund of the State under the relevant head of account. Any retention or diversion of such funds shall be only with a specific authorisation from the Finance Department, which shall be obtained afresh by 31 March 2018.

The State Government imposed various cesses for meeting expenditure for specific purposes. Audit collected information/data of some cesses being levied by the Departments concerned which are discussed below:

2.6.1 Cultural Cess

The State Government imposed (April 2013) cultural cess at the rate of one *per cent* on construction cost of roads, bridges, flyovers, road over bridges/road under bridges, irrigation works, etc. and on buildings costing more than ₹ 50 crore (revised to ₹ 15 crore with effect from December 2013) under the Punjab Ancient, Historical Monuments, Archeological Sites and Cultural Heritage Maintenance Board Act, 2013. The proceeds of the cess were to be credited by the concerned agencies directly into the Consolidated Fund of the State, within 15 days of its collection.

It was, however, noticed that an amount of ₹ 1.31 crore which was required to be deposited in the Consolidated Fund of the State was lying with the collecting agencies[20] as on 31 March 2024. This was in addition to the total amount deposited (₹ 51.63 crore) under Major Head 0202-Education, Sports, Art and Culture, 04-Art and Culture, 800-Other Receipts during the year 2023-24.

2.6.2 Cancer and Drug Addiction Treatment Fund

The State Government notified (April 2013) the Punjab State Cancer and Drug Addiction Treatment Infrastructure Fund Act, 2013 under which Cancer and Drug Addiction Treatment Fund was constituted. The contribution to the Fund would be made as specified under Section 6 of the Act and will be credited to the Consolidated Fund of the State. The fund would be administered by a

[20] (i) Punjab Water Resources Management and Development Corporation: ₹ 0.19 crore; (ii) Greater Mohali Area Development Authority (GMADA): ₹ 0.69 crore; and (iii) Secretary Punjab Mandi Board: ₹ 0.43 crore.

Board[21] constituted under the Act and it could be utilised for specific purposes as mentioned under Section 5 of the Act.

It was, however, noticed that an amount of ₹ 3.24 crore which was required to be deposited in the Consolidated Fund of the State was lying with the collecting agencies[22] as on 31 March 2024. This was in addition to the total amount deposited (₹ 79.09 crore) under Major Head 0210-Medical and Public Health, 80-General, 800-Other Receipts during the year 2023-24.

2.6.3 Education Cess

Government of Punjab, Punjab Urban Planning and Development Authority (PUDA) issued (March 2008) instructions that Education Cess at the rate of five *per cent* of the total money collected from bidders be imposed on all properties auctioned by six development authorities[23] after 1 April 2007 and be deposited into Government Account.

It was, however, noticed that an amount of ₹ 2.13 crore which was required to be deposited in the Consolidated Fund of the State was lying with the Greater Ludhiana Area Development Authority as on 31 March 2024.

2.6.4 Receipts Collected by Punjab State Power Corporation Limited

The Punjab State Power Corporation Limited (PSPCL) was collecting Dedicated Social Security Fund (DSSF), Electricity Duty (ED), and Infrastructure Development Funds (IDF) under the provisions of notifications issued in January 2005, March 2011 and November 2015 respectively. As per these notifications, the said receipts collected by PSPCL were required to be deposited into the Consolidated Fund of the State.

It was observed that as on 31 March 2024, an amount ₹ 381.81 crore[24] was lying with PSPCL which was not deposited into the Consolidated Fund of the State as required under the provisions of notifications *ibid.*

2.6.5 Building and Other Construction Workers Welfare Cess (Labour Cess)

The State Government instructed (November 2008) all the heads of the Department/Boards/Autonomous Bodies/Local Authorities to collect cess at the rate of one *per cent* of cost of all construction and also from individuals who got approved building plan for own residence having cost of ₹ 10 lakh or more,

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21 Punjab State Cancer and Drug Addiction Treatment Infrastructure Board.

22 (i) Registrar Cooperative Societies Sugarfed: ₹ 0.03 crore; (ii) Punjab Small Industries and Export Corporation Limited: ₹ 0.20 crore; (iii) Punjab Urban Planning and Development Authority (PUDA): ₹ 0.12 crore; and (iv) GMADA: ₹ 2.89 crore.

23 (i) Greater Mohali Area Development Authority; (ii) Greater Ludhiana Area Development Authority; (iii) Jalandhar Development Authority; (iv) Amritsar Development Authority; (v) Bathinda Development Authority; and (vi) PUDA, Patiala.

24 (i) Electricity Duty: ₹ 141.88 crore; (ii) Dedicated Social Security Fund (DSSF): ₹ 48.88 crore; and (iii) Infrastructure Development Funds (IDF): ₹ 191.05 crore.

as notified (September 1996) by the Central Government, and deposit it with the Punjab Building and Other Construction Workers' Welfare Board. The cess so collected was required to be spent for the social security schemes and welfare measures adopted by the Board for the benefit of the building and other construction workers in the State.

However, it was noticed that labour cess amounting to ₹ 22.61 crore, though collected by the collecting agencies[25], was not transferred to the concerned Board as on 31 March 2024, in violation of the instructions *ibid*, which would ultimately hamper the implementation of social security schemes and welfare measures for the benefit of the building and other construction workers in the State.

Further, it was also noticed that Labour Cess amounting to of ₹ 38.66 crore remained un-transferred from Major Head '0230-Labour and Employment' amounting as on 31 March 2023. During the year 2023-24, the Government collected ₹ 10.02 crore as Labour Cess under Major Head '0230-Labour and Employment' but did not transfer any amount to Building and other Construction Workers Welfare Board. Thus, the un-transferred amount from Major Head '0230-Labour and Employment' was ₹ 48.68 crore as on 31 March 2024.

2.6.6 Royalty

As per Rule 23 of Punjab Minor Mineral Rules, 2013 the holder of the mining lease shall pay royalty in respect of any mineral removed by him from the lease area. Further, as per notification (June 2013), the royalty will be deposited into the Consolidated Fund of the State.

The Water Resources Department (WRD) collects royalty for mining activities. It was, however, noticed that out of ₹ 226.86 crore collected as royalty, an amount of ₹ 208.31 crore was deposited in the Consolidated Fund of the State and ₹ 0.06 crore was transferred to the designated authority/body during the year 2023-24, thereby leaving a balance of ₹ 18.49 crore lying with WRD as on 31 March 2024.

Thus, non-deposit of receipts of ₹ 406.98 crore into Consolidated Fund of the State resulted in understatement of revenue receipts, thereby impacting revenue deficit and fiscal deficit to that extent.

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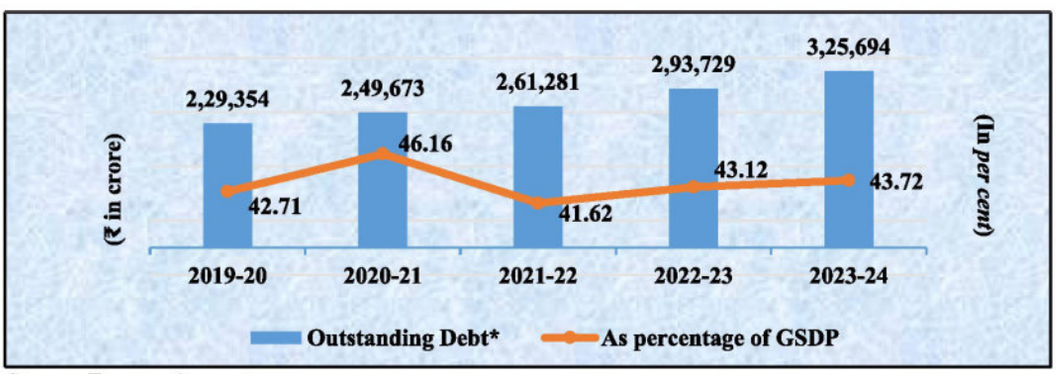
[25] (i) Punjab Small Industries and Export Corporation Limited: ₹ 0.02 crore; (ii) Secretary, Punjab Mandi Board: ₹ 0.15 crore; (iii) Punjab Agro Industries Corporation Limited: ₹ 0.01 crore; (iv) Punjab State Transmission Corporation Limited: ₹ 0.24 crore; (v) Water Supply and Sanitation Department: ₹ 0.34 crore; (vi) Punjab Water Resources Management and Development Corporation: ₹ 0.15 crore; (vii) Bathinda Development Authority: ₹ 0.04 crore; (viii) PUDA: ₹ 0.25crore; (ix) Greater Ludhiana Area Development Authority: ₹ 3.92 crore; (x) Jalandhar Development Authority: ₹ 0.18 crore; (xi) Patiala Development Authority: ₹ 2.35 crore; and (xii) GMADA: ₹ 14.96 crore.

2.7 Public Liability Management

Management of Public Liability is the process of establishing and executing a strategy for managing the Government's liabilities in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

Outstanding liability of the State along with its percentage to GSDP for the years 2019-20 to 2023-24 is depicted in **Chart 2.16**.

Chart 2.16: Outstanding Public Liability and its percentage to GSDP



Source: Finance Accounts

* *During the years 2020-21 and 2021-2024, it excludes ₹ 8,359 crore and ₹ 20,491 crore (₹ 8,359 crore+₹ 12,132 crore) respectively, as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.*

2.7.1 Liability Profile: Components

Total liabilities of the State Government typically constitute Internal Debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund, loans from financial institutions, etc.), loans and advances from the Central Government and Public Account liabilities. The component-wise liability trends of the State for the period of five years beginning from 2019-20 are presented in **Table 2.36**.

Table 2.36: Component-wise outstanding liability trends

(₹ in crore)

Components of fiscal liability	2019-20	2020-21	2021-22	2022-23	2023-24
Outstanding Total liability	**2,29,354**	**2,49,673**	**2,61,281**	**2,93,729**	**3,25,694**
Public Debt	1,94,333	2,15,035	2,24,799	2,55,968	2,85,550
Internal Debt	*1,89,662*	*2,10,394*	*2,20,196*	*2,50,972*	*2,80,966*
*Loans from GoI**	*4,671*	*4,641*	*4,603*	*4,996*	*4,584*
Public Account Liabilities	35,021	34,638	36,482	37,761	40,144
Small Savings, Provident Funds, etc.	*22,995*	*22,149*	*22,188*	*22,404*	*23,005*
Reserve Funds bearing interest	*8,204*	*8,583*	*9,508*	*10,443*	*12,065*
Reserve Funds not bearing interest	*1*	*1*	*1*	*1*	*1*
Deposits bearing interest	*776*	*881*	*1,400*	*1,379*	*1,367*
Deposits not bearing interest	*3,045*	*3,024*	*3,385*	*3,534*	*3,705*
Rate of growth of outstanding total liability (*per cent*)	8.23	8.86	4.65	12.42	10.88
Gross State Domestic Product (GSDP)	5,37,031	5,40,853	6,27,717	6,81,251	7,44,899
Liability/GSDP (*per cent*)	42.71	46.16	41.62	43.12	43.72
Borrowings and Other Liabilities (As per Statement 6 of Finance Accounts)					
Total Receipts (including WMA)#	65,907	64,248	43,605	1,04,434^	1,17,959
Total Repayments (including WMA)	48,470	43,928	31,997	71,986^	85,994
Net funds available	17,437	20,320	11,608	32,448	31,965
Repayments/Receipts (*per cent*)	73.54	68.37	73.38	68.93	72.90

Source: Finance Accounts

** During the years 2020-21 and 2021-2024, it excludes ₹ 8,359 crore and ₹ 20,491 crore (₹ 8,359 crore+₹ 12,132 crore) respectively, as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.*

During the years 2020-21 and 2021-22, these have been calculated after excluding ₹ 8,359 crore and ₹ 12,132 crore respectively, as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.

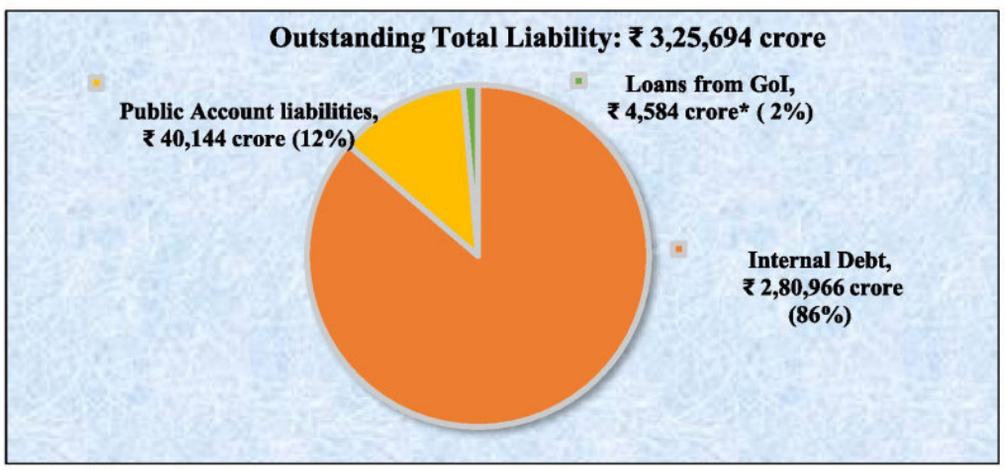
^ No Ways and Means advances were taken in 2022-23.

The total liabilities of the State Government had been on the rise as it increased by 42 *per cent* from ₹ 2,29,354 crore in 2019-20 to ₹ 3,25,694 crore in 2023-24, which included outstanding long term loans raised by the State Government for (i) one-time settlement of Legacy Cash Credit Accounts for food procurement operations during 2016-17 (₹ 22,093 crore out of ₹ 29,920 crore); and (ii) issuing of Bonds for clearing debts of Punjab State Power Corporation Limited (PSPCL) in compliance with the implementation of Ujwal Discom Assurance Yojana (UDAY) during 2015-2017 (₹ 10,363 crore out of ₹ 15,628 crore).

Public Debt increased by ₹ 91,217 crore (46.94 *per cent*) during the period 2019-2024 wherein Internal debt increased by ₹ 91,304 crore (48.14 *per cent*) and Loans from GoI decreased by ₹ 87 crore (1.85 *per cent*). Public Account liabilities increased by ₹ 5,123 crore (14.63 *per cent*) during the period 2019-2024. Major increase was under 'Reserve Funds bearing Interest' (₹ 3,861 crore: 47.06 *per cent*), 'Deposits not bearing Interest' (₹ 660 crore: 21.68 *per cent*) and 'Deposits bearing Interest' (₹ 591 crore: 76.16 *per cent*).

Break-up of outstanding total liabilities at the end of 2023-24 is shown in **Chart 2.17**.

Chart 2.17: Break-up of outstanding total liabilities at the end of 2023-24



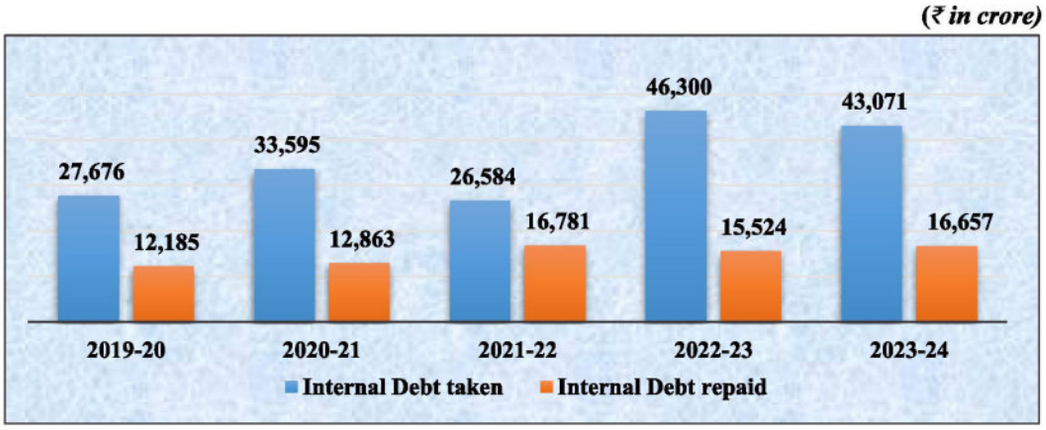
Source: Finance Accounts

** Excludes back-to-back loans of ₹ 20,491 crore received from GoI in lieu of GST Compensation shortfall during 2020-2022, which are not to be repaid by the State from its sources.*

Chart 2.18 depicts the quantum of internal debt taken *vis-à-vis* repaid during the period of five years i.e. 2019-24.

Chart 2.18: Internal debt receipt *vis-a-vis* repayment

(₹ in crore)



Source: Finance Accounts

Internal debt of the State Government increased by ₹ 91,304 crore (48.14 *per cent*) from ₹ 1,89,662 crore in 2019-20 to ₹ 2,80,966 crore in 2023-24 **(Table 2.36)**. An amount of ₹ 19,770 crore was paid towards interest on internal debt during 2023-24.

Table 2.37 depicts financing pattern of the fiscal deficit during 2019-2024 and the financing of fiscal deficit during 2023-24 is expressed through a water flow chart **(Chart 2.19)**.

Table 2.37: Components of fiscal deficit and its financing pattern

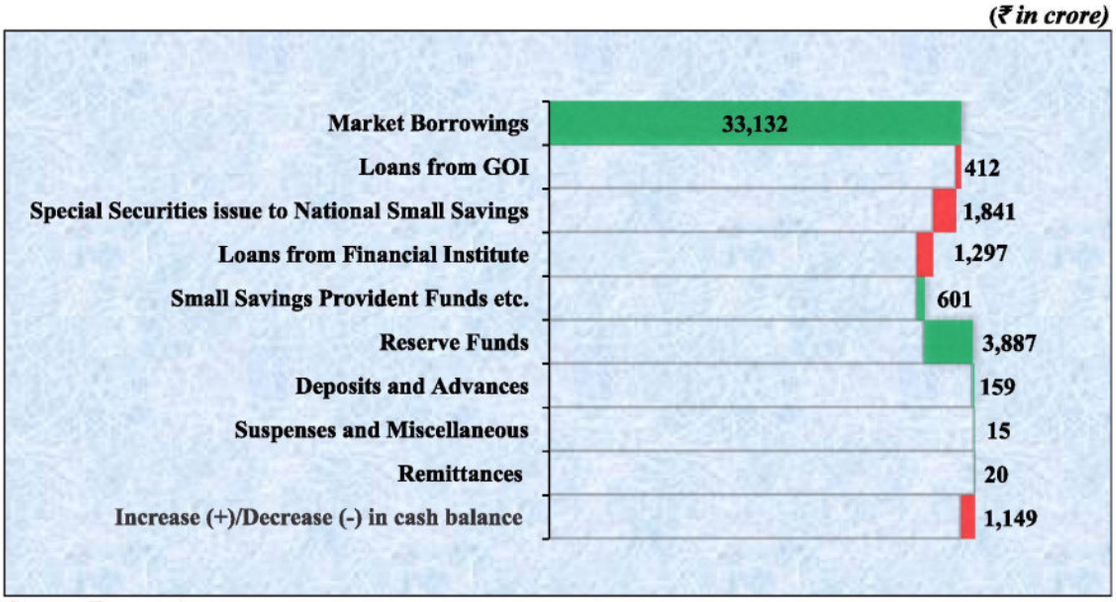
(₹ in crore)

Particulars		2019-20	2020-21	2021-22	2022-23	2023-24
Composition of Fiscal Deficit		**(-)16,826**	**(-)22,584**	**(-)27,847**	**(-)33,930**	**(-)33,115**
1	Revenue Deficit	(-)14,285	(-)17,296	(-)18,468	(-)26,045	(-)28,215
2	Net Capital expenditure	(-)17,828	(-)4,382	(-)8,010	(-)6,667	(-)4,743
3	Net Loans and Advances	15,287	(-)906	(-)1,369	(-)1,218	(-)157
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	18,470	23,467	13,414	33,660	33,132
2	Loans from GoI	(-)288	8,329	12,095	393	(-)412
3	Special Securities issued to NSSF	(-)1,841	(-)1,838	(-)1,841	(-)1,841	(-)1,841
4	Loans from Financial Institutions	(-)1,138	(-)898	(-)1,770	(-)1,043	(-)1,297
5	Small Savings, PF, etc.	2	(-)845	38	217	601
6	Reserve Funds	2,054	1,338	2,842	4,159	3,887
7	Deposits and Advances	431	83	880	128	159
8	Suspense and Miscellaneous	(-)41	130	(-)195	364	15
9	Remittances	(-)23	(-)59	8	30	20
10	**Overall Deficit**	**17,626**	**29,707**	**25,471**	**36,067**	**34,264**
11	Increase (+)/Decrease (-) in cash balance	(-)800	(-)7,123	(+)2,376	(-)2,137	(-)1,149
12	**Gross Fiscal Deficit**	**16,826**	**22,584**	**27,847**	**33,930**	**33,115**

Source: Finance Accounts

Chart 2.19: Financing of fiscal deficit during 2023-24

(₹ in crore)



Source: Finance Accounts

The components of receipts and disbursements financing the fiscal deficit during the year 2023-24 are depicted in **Table 2.38**.

Table 2.38: Receipts and Disbursements under various components financing the fiscal deficit during 2023-24

(₹ in crore)

Particulars		Receipt	Disbursement	Net
1	Market Borrowings*	46,001	12,869	33,132
2	Loans from GoI	212	624	(-)412
3	Special Securities issued to NSSF	0	1,841	(-)1,841
4	Loans from Financial Institutions	650	1,947	(-)1,297
5	Small Savings, PF, etc.	3,418	2,817	601
6	Reserve Funds	4,629	742	3,887
7	Deposits and Advances	6,878	6,719	159
8	Suspense and Miscellaneous	84,216	84,201	15
9	Remittances	103	83	20
10	**Overall Deficit**			**34,264**
11	Increase /Decrease in cash balance	10,158	9,009	(-)1,149
12	**Gross Fiscal Deficit**			**33,115**

Source: Finance Accounts

** Receipts Include net figure of ₹ 3,580 crore under Ways and Means Advances/Overdraft/Special Drawing Facility.*

2.7.2 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Debt maturity profile of the State is depicted in **Table 2.39** and **Chart 2.20**.

Table 2.39: Maturity Profile of repayment of Public debt of the State

Period of repayment (Years)	Principal Amount	Interest Amount#	Public Debt (including interest)	Percentage (w.r.t. total public debt)
	(₹ in crore)			
0 – 1	11,518.38	21,369.29	32,887.67	6.55
1 – 3	29,370.02	39,633.78	69,003.80	13.74
3 – 5	41,261.76	34,574.40	75,836.16	15.10
5 – 7	32,711.43	28,901.66	61,613.09	12.27
7-10	41,823.42	33,737.09	75,560.51	15.04
Above 10	1,20,838.29	58,444.31	1,79,282.60	35.70
Others[26]	8,026.56*	--	8,026.56	1.60
Total	**2,85,549.86**	**2,16,660.53**	**5,02,210.39**	**100.00**

Source: Calculated on the basis of Finance Accounts

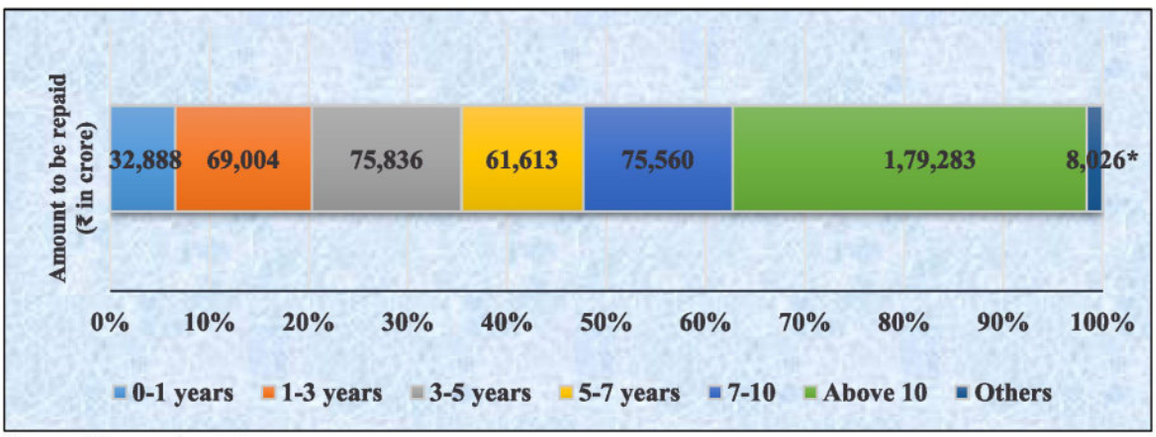
*# Approximate interest calculated at average interest rate of 7.70 per cent (average of interest rates on Public Debt for the last five years i.e. 8.17 per cent in 2019-20; 7.87 per cent in 2020-21; 7.71 per cent in 2021-22; 7.33 per cent in 2022-23; and 7.40 per cent in 2023-24). Average rate for the year= Interest paid/(OB of Public Debt+CB of Public Debt)/2 *100.*

** Excluding ₹ 20,491.41 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall received during 2020-22, which are not to be repaid by the State from its sources.*

[26] Includes loans of ₹ 0.32 crore, repayment of which is on the basis of actual recoveries; net figure of ₹ 3,580.43 crore under Ways and Means Advances/Overdraft/Special Drawing Facility; and ₹ 4,445.81 crore representing loans on back-to-back basis, recoveries of which are being made by the Central Government itself.

Table 2.39 indicates that the State Government has to repay 20.29 *per cent* (₹ 1,01,891.47 crore) of its public debt (including approximate interest) within the next three years, 15.10 *per cent* (₹ 75,836.16 crore) between 3-5 years, 12.27 *per cent* (₹ 61,613.09 crore) between 5-7 years and 15.04 *per cent* (₹ 75,560.51 crore) between 7-10 years. It signifies that the State has to repay 62.70 *per cent* of its debt (₹ 3,14,901.23 crore) in the next ten years.

Chart 2.20: Maturity Profile of Public Debt



Source: Finance Accounts

* *Excluding ₹ 20,491 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall received during 2020-22, which are not to be repaid by the State from its sources.*

Table 2.40 and **Chart 2.21** show the year-wise repayment schedule during the next ten years of the Public Debt outstanding as on 31 March 2024.

Table 2.40: Repayment Schedule of Public Debt (including interest) during next 10 years i.e. upto 2033-34

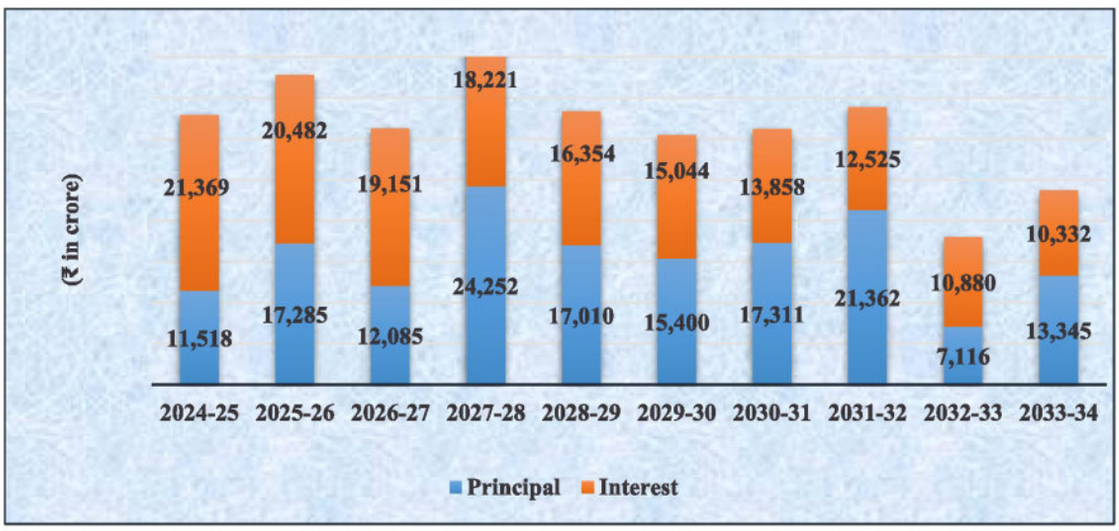
(₹ in crore)

Year	Repayment of		
	Principal	Interest#	Total
2024-25	11,518.38	21,369.29	32,887.67
2025-26	17,285.45	20,482.38	37,767.83
2026-27	12,084.57	19,151.40	31,235.97
2027-28	24,251.57	18,220.89	42,472.46
2028-29	17,010.19	16,353.51	33,363.70
2029-30	15,399.98	15,043.73	30,443.71
2030-31	17,311.45	13,857.93	31,169.38
2031-32	21,362.48	12,524.95	33,887.43
2032-33	7,116.12	10,880.04	17,996.16
2033-34	13,344.82	10,332.10	23,676.92
Total	**1,56,685.01**	**1,58,216.22**	**3,14,901.23**

Source: Finance Accounts

Approximate interest calculated at average interest rate of 7.70 per cent as explained below Table 2.39

Chart 2.21: Repayment Schedule of Public Debt (including interest) during next 10 years i.e. upto 2032-33



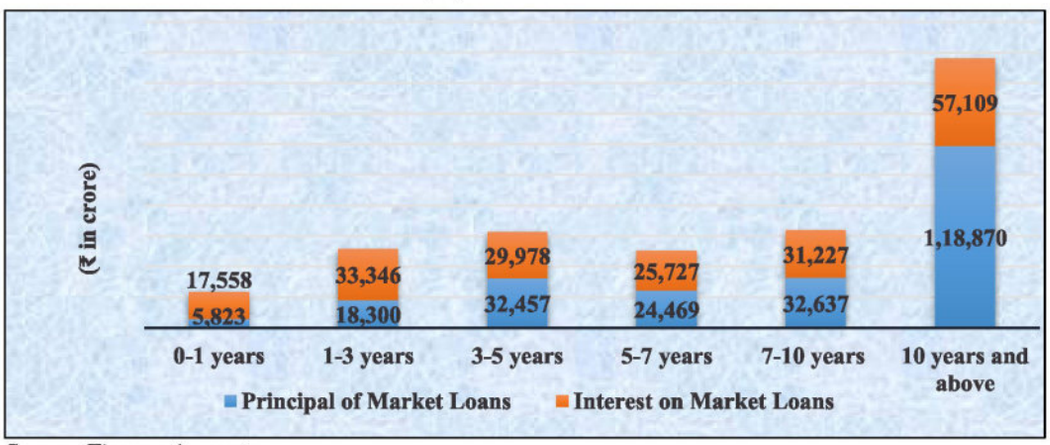
Source: Finance Accounts

Table 2.40 shows that on an average, the State will have to repay public debt of ₹ 31,490 crore (including approximate interest in respect of debt outstanding at the end of 2023-24) annually till 2033-34. In addition to the debt outstanding at the end of 2023-24, the State would have to resort to further borrowings every year to cover the resource gap, which would result in increase in debt and more funds being utilised for repayment of earlier borrowings.

In addition to above, other factors such as public account liabilities and *force majeure*[27] events and/or any other unanticipated loss of revenue also have to be reckoned.

Repayment schedule of market loans along with interest is given in **Chart 2.22**.

Chart 2.22: Repayment schedule of market loans



Source: Finance Accounts.
Note: The maturity profile has been evolved for outstanding market loans as on 31 March 2024 and approximate interest has been calculated at weighted average of interest rate for market loans given in Finance Accounts up to the financial year in which the loans are going to retire.

[27] Like COVID-19 pandemic and its effect on GSDP.

As on 31 March 2024, market loans amounting to ₹ 4,27,501 crore along with approximate interest were due for repayment. The State will have to repay market loans of ₹ 1,37,462 crore (32 *per cent*) (₹ 56,580 crore as principal and ₹ 80,882 crore as approximate interest) during the next five years i.e. up to 2028-2029. Market loans of ₹ 1,14,060 crore (27 *per cent*) (₹ 57,106 crore as principal and ₹ 56,954 crore as approximate interest) will have to be repaid in subsequent five years period up to 2033-34. This means that in the next five years (2024-29), on an average, the State will have to make repayment of ₹ 27,492 crore annually of the market loans which will go down to ₹ 22,812 crore in the subsequent five years (2029-34). The remaining ₹ 1,75,979 crore (41 *per cent*) (₹ 1,18,870 crore as principal and ₹ 57,109 crore as approximate interest) will be repayable after 2034.

2.8 Debt Sustainability Analysis

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters, Domar approach[28] and compliance of macro-fiscal parameters to the respective FRBM targets. The results of the analysis are given in the following paragraphs:

(A) Debt sustainability refers to the ability of the State to service its debt obligation now and in the future. Analysis of variations in debt sustainability indicators is given in **Table 2.41** and **Chart 2.23**.

[28] Based on a study by E.D Domar [Domar, 1944].

Table 2.41: Trends in Debt Sustainability Indicators

(₹ in crore)

Sl. No.	Debt Sustainability Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Overall liabilities or Overall Debt* (As on 31 March of the year)	**2,29,353.72**	**2,49,673.12**	**2,61,281.24**	**2,93,729.32**	**3,25,693.66**
2.	Rate of growth of overall liability (*per cent)*	8.23	8.86	4.65	12.42	10.88
3.	GSDP (in nominal terms)	5,37,031	5,40,853	6,27,717	6,81,251	7,44,899
4.	Nominal GSDP growth (*per cent)*	4.78	0.71	16.06	8.53	9.34
5.	Overall liability /GSDP (*per cent)*	42.71	46.16	41.62	43.12	43.72
6.	Maturity profile of Public Debt (Principal) (*per cent)*[€]					
6a.	0-1 years	6.45	8.36	7.33	6.80	4.03
6b.	1-5 years	31.39	28.38	25.13	25.12	24.74
6c.	5-10 years	41.27	38.65	41.95	30.39	26.10
6d.	Over 10 years	18.93	22.77	23.76	35.86	42.32
6e.	Others	1.96	1.84	1.83	1.83	2.81
7.	Repayment to gross borrowings (*per cent*)	99.22	100.08	96.58	117.01	87.94
8.	Net borrowings available as a percentage of gross borrowings	0.78	(-)0.08	3.42	(-)17.01	12.06
9.	Interest payments on overall liability	17,567.17	18,152.50	19,063.50	19,905.13	22,551.93
10.	Effective rate of interest on overall liability (*per cent)*[$]	8.06	7.68	7.57	7.29	7.40
11.	Interest payment to revenue receipts (*per cent*)	28.53	26.29	24.39	22.72	25.28
12.	Revenue deficit/surplus	(-)14,285	(-)17,296	(-)18,468	(-)26,045	(-)28,215
13.	Primary revenue balance[@]	3,282	857	596	(-)6,140	(-)5,663
14.	Primary balance[#]	741	(-)4,432	(-)8,784	(-)14,025	(-)10,563
15.	Primary balance/GSDP(*per cent)*	0.14	(-)0.82	(-)1.40	(-)2.06	(-)1.42
16.	Difference between effective rate of interest receipts[¥] and effective rate of interest on overall liability	(-)4.96	(-)7.61	(-)7.52	(-)7.25	(-)7.33
17.	Liquidity management (use of financial accommodation instrument available with RBI)[β]	26,957 (181)	21,309 (101)	2,006 (10)	42,282 (116)	59,751 (188)
18.	Debt stabilisation (Quantum spread[α] + Primary balance)	(-)6,682	(-)21,603	13,067	(-)10,443	(-)4,342
19.	Domar model					
a	GSDP (in constant terms)	4,13,295	4,07,264	4,37,373	4,65,079	4,95,881
b	Real growth (*per cent*)	4.10	(-)1.46	7.39	6.33	6.62
c	Inflation based on CPI (*per cent)*	5.02	4.59	4.82	6.08	5.53
d	Effective rate of interest (*per cent)*[$]	8.06	7.68	7.57	7.29	7.40

Sl. No.	Debt Sustainability Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
e	Real effective rate of interest (effective rate of interest – inflation)	3.04	3.09	2.75	1.21	1.87
f	Growth interest differential (real growth - real effective rate of interest(g-r))	1.06	(-)4.55	4.64	5.12	4.75

Source: Finance Accounts, CPI index and Ministry of Statistics and Programme Implementation, GOI for GSDP figures

* *Overall liability is the sum of outstanding balances under Public Debt and Other Liabilities. During the years 2020-21 and 2021-2024, it excluded ₹ 8,359 crore and ₹ 20,491.41 crore (₹ 8,359 crore+₹ 12,132.41 crore) respectively as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.*

€ *Maturity profile represents redemption pressure of principal of public debt over the years.*

$ *Effective Rate of Interest = Interest Payments/ [(Opening Balance of Debt + Closing Balance of Debt)/2] *100.Opening and Closing balance of debt excluding non-interest bearing loans, reserve funds and deposits.*

@ *Primary revenue balance (PRB) = Revenue receipts – revenue expenditure (net of interest payments), where (-) PRB implies primary revenue deficit and vice versa.*

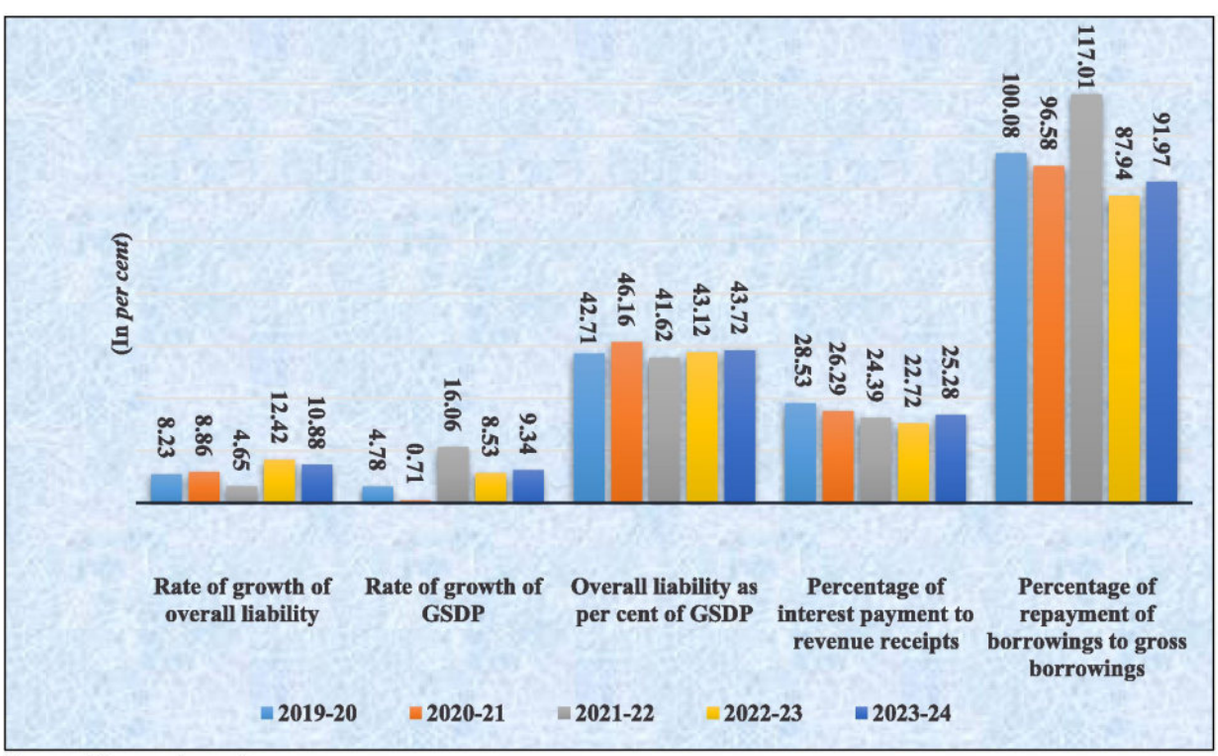
Primary balance (PB) = Total receipts (net of borrowings), – Total expenditure (net of interest payments), where (-) PB implies primary deficit and vice -versa.

¥ *Effective Rate of Interest Receipts = Interest Receipts/ [(Opening Balance of Outstanding Loans and Advances Disbursed + Closing Balance of Outstanding Loans and Advances Disbursed)/2] *100*

β *Liquidity Management: Amount availed against SDF, WMA & OD. Figures in parenthesis indicate number of occasions the State Government resorted to SDF, WMA and OD*

α *Quantum Spread = (Interest Spread* Debt excluding non-interest bearing loans, reserve funds and deposits)/100, where Interest spread = GSDP (Nominal Growth) - Effective Rate of interest on overall liability.*

Chart 2.23: Trends of Debt Sustainability Indicators



Source: Finance Accounts

Note: During 2020-21 and 2021-2024 Overall Liability excluded ₹ 8,359 crore and ₹ 20,491 crore (₹ 8,359 crore+ ₹ 12,432 crore) respectively as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.

- Debt-GSDP ratio measures State's financial leverage i.e. its capability to repay its debt. A low value of the debt-GSDP ratio indicates that the

State's economy is vibrant to pay the debt without incurring further debt. **Chart 2.23** shows that on average, the State's debt burden as a ratio of total liabilities to GSDP remained elevated over 41 *per cent* during the period 2019-2024, even if the pandemic year (2020-21) is considered an exception year. The State's overall liabilities continued to grow at a faster pace than nominal growth of GSDP, except in the post-pandemic year (2021-22), when the State recorded a high nominal growth of 16.06 *per cent* over 2020-21 due to low base effect. Following a steady increase thereafter, total liabilities to GSDP reached 43.72 *per cent* in 2023-24. Thus, the Debt to GSDP ratios were significantly high during 2019-2024 which signifies that the State's overall liability burden is substantial compared to its economic output and indicates financial vulnerability and reduced fiscal flexibility.

- In addition to the overall liability during 2023-24 (as shown in **Table 2.41**), the State Government also resorted to off-budget borrowings of ₹ 4,092.78 crore as on 31 March 2024, where principal and interest were to be serviced through the State budget and/or by assignment of State revenue. Therefore, the actual overall liability of the State Government amounts to ₹ 3,29,786.44 crore and consequently the actual total overall liability to GSDP ratio would have increased to 44.27 *per cent*, thereby worsening the State's financial leverage i.e. its capability to repay its debt.

- Debt stabilisation condition states that if quantum spread together with primary balance is zero, debt-GSDP ratio would tend to be constant, or debt would stabilise eventually. On the other hand, if primary balance 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. **Table 2.41** shows that debt stabilisation had been negative during the years 2019-20, 2020-21, 2022-23 and 2023-24 and consequently the debt-GSDP ratio rose, thereby making the debt unsustainable during these four years.

- Primary Revenue Balance (PRB) should be in surplus and adequate enough to meet interest payments. Though during the period 2019-2022, PRB was in surplus, it was not adequate enough to meet the interest payments. Further, surplus PRB kept on decreasing from the year 2020-21 onwards and eventually became deficit during the years 2022-23 and 2023-24, which indicates that the debt was not on the sustainable path.

- Interest payment (IP) as *per cent* of GSDP, revenue receipts as well as revenue expenditure should be falling over time so that more resources are left for other productive purposes. A declining trend in these IP ratios is an indication of sustainable debt whereas an increasing trend

indicates an unsustainable debt trajectory. Though the ratios of IPs to GSDP, revenue receipts and revenue expenditure came down from 3.27 *per cent*, 28.53 *per cent* and 23.16 *per cent* in 2019-20 to 3.03 *per cent*, 25.28 *per cent* and 19.21 *per cent* in 2023-24 respectively, these were still substantially high and need further decline to have more resources left for other purposes and to make the debt sustainable.

- Higher the percentage of debt repayments to debt receipts, the greater the proportion of debt utilised for debt servicing rather than productively. Ratio of repayment of borrowings (including principal and interest) to Gross borrowings ranged between 88 *per cent* and 117 *per cent* during the period 2019-2024, which means that most of the borrowings were used for repayment of earlier borrowings leaving less space for productive use.

- Maturity profile captures redemption pressure on the State's debt; higher maturity means lower redemption pressure in future. As of March 2024, an amount of ₹ 2,85,549.86 crore was repayable towards public debt. Accordingly, the State Government has to repay 28.77 *per cent* within the next five years and 26.10 *per cent* between 5-10 years. Thus, the State has to repay 54.87 *per cent* of its outstanding public debt in the next ten years, thereby reflecting greater redemption pressure in future.

- Number of occasions a State resorted to Special Drawing Facility (SDF), Ways and Means Advances (WMA), shortfall and Overdraft (OD) facility to manage short-term funding gaps reflects their liquidity position. Sustainable use of WMA and Overdraft facility in large amount indicates poor liquidity management, which warrants poor fiscal management and hinders short-term debt sustainability. **Table 2.41** shows that the State Government resorted to WMA and OD facilities ranging between ₹ 21,309 crore (101 occasions) and ₹ 59,751 crore (188 occasions) during the five-years period[29], which reflected poor liquidity management.

- The Domar model of Debt Sustainability Analysis states that the necessary premise for ensuring stability of public indebtedness is that the interest rates for Government loans should not exceed the growth rate of GDP. As shown in **Table 2.41**, for the initial year of the subject period i.e. 2019-20, the State had primary surplus and the growth interest differential (expressed as g-r>0) also remained positive, which supported the debt sustainability as per Domar model. However, the primary balance turned into deficit and the growth interest differential also remained negative, showing that debt would increase without

[29] Except for the year 2021-22, when the State resorted to Special Drawing Facility for ₹ 2,006 crore on 10 occasions.

limitation and become unsustainable. Further, during the years 2021-22, 2022-23 and 2023-24 though the growth interest differential was positive, there was primary deficit during these years. Therefore, the trends of strong economic growth (expressed as g-r>0) by only observing the Domar gap in 2021-22, 2022-23 and 2023-24 cannot be generalised. Favourable GID during 2022-2024 was not sufficient to offset the impact of persistent primary deficit, thereby restraining the growth in debt-GSDP during these years. Further, substantial proportion of public debt receipts was being used for repayment for borrowings, which ranged between 87.94 *per cent* and 117.01 *per cent* during the period 2019-2024, thereby implying that economic growth is not robust enough to service the debt. Thus, it becomes evident that depending solely on economic growth (expressed as g-r>0 from 2021-2024) would not suffice to cover the debt obligations of the State. The annual increase in overall liabilities, which exceeded the nominal growth, thereby preventing the debt-GSDP ratio from converging to the pre-pandemic levels.

(B) Details of achievements *vis-à-vis* targets set in FCR are shown in **Table 2.42**:

Table 2.42: Achievements *vis-à-vis* targets set in FCR

Fiscal Parameters		Achievement *vis-à-vis* targets set in the FCR				
		2019-20	2020-21	2021-22	2022-23	2023-24
Revenue deficit (-) / Surplus (+) to GSDP (in *per cent*)	T	(-)2.02	(-)1.20	(-)1.42	(-)1.99	(-)3.52
	A	(-)2.66	(-)3.20	(-)2.94	(-)3.82	(-)3.79
Fiscal deficit (-) /Surplus (+) to GSDP (in *per cent*)	T^	(-)3.40	(-)2.92	(-)3.99	(-)3.78	(-)4.98
	A	(-)3.13	(-)4.18	(-)4.44	(-)4.98	(-)4.45
Ratio of total outstanding liability to GSDP (in *per cent*)	T	39.74	38.53	45.05	45.23	46.81
	A*	42.71	46.16	41.62	43.12	43.72
Guarantees in terms of percentage of revenue receipts of previous year	T	80	80	80	80	80
	A	40.71	38.25	29.20	25.85	25.90

Source: Annual Financial Statements for the years 2019-20 to 2023-24 *T: Target; A: Achievement*

* *During the years 2020-21 and 2021-2024, it excludes back-to-back loans of ₹ 8,359 crore and ₹ 20,491.41 crore (₹ 8,359 crore + ₹ 12,132.41 crore) respectively, in lieu of GST Compensation shortfall received from GoI which were not to be treated as debt of the State for any norms, as per the guidelines (August 2020).*

^ *Taken from the Annual Financial Statement without considering the FRBM amendments during the respective years as given in Table 1.4 (a).*

During the period 2019-2024, the ratios of revenue deficit-GSDP increased from 2.66 to 3.79, fiscal deficit-GSDP from 3.13 to 4.45 and outstanding liability-GSDP from 42.71 to 43.72. The State breached the total outstanding debt-GSDP ratio ceiling provided in State FCR under FRBM Act in the year 2019-20 and 2020-21 though it remained within the ceiling during 2021-22 to 2023-24. Considering the off-budget borrowings of ₹ 4,093 crore resorted to by the State as on 31 March 2024, as discussed in Part-A of this paragraph, the actual overall liability to GSDP ratio would have increased to 44.27 *per cent* during 2023-24. The Government was unable to meet the targets of RD-GSDP

in any of the years during 2019-20 to 2023-24. It was also not able to contain FD-GSDP during the period 2020-2023. Ratio of total outstanding liability to GSDP could not be contained within the targets during the period 2019-2021 but remained within the targets during 2021-2024. However, the guarantees given by the State Government were within the limits prescribed in the FRBM Act during 2019-2024.

Further, there has been an increase in the committed expenditure as a percentage of the revenue receipts from 85 *per cent* in 2019-20 to 86 *per cent* in 2023-24. It has been consistently around 80 *per cent,* thereby showing the limited availability of revenue resources for other purposes including debt servicing.

The State Government had also notified (November 2022) reversion to the Old Pension Scheme (OPS), wherein it was mentioned that the detailed scheme and Standard Operating Procedures pursuant to the notification would be issued in due course. The imminent financial burden on account of implementation of OPS also needs to be reckoned while assessing debt sustainability of the State.

Breaching the levels of the fiscal indicators continuously may lead to the risk of the fiscal situation becoming unmanageable especially when the State Government is yet to contribute to mandatory reserve funds like Guarantee Redemption fund, payment of implicit subsidies, etc.

On the basis of the above, it is inferred that the State's fiscal sustainability has risks in the short to medium term unless remedial measures are taken to rationalise expenditure, explore further sources of income, expand the revenue base, and invest in revenue generating assets.

2.8.1 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not a healthy trend. **Table 2.43** depicts the utilisation of borrowed funds during 2019-2024.

Table 2.43: Utilisation of borrowed funds

(₹ in crore)

Sr. No.	Year	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Total borrowings*	57,200	55,982	32,617	94,443	1,07,716
2.	Repayment of borrowings (Principal) (*percentage*)	39,574 (70)	34,634 (62)	19,279 (59)	58,376 (62)	73,452 (68)
3.	Net capital expenditure (*percentage*)	17,828 (31)	4,382 (8)	8,010 (25)	6,667 (7)	4,743 (5)
4.	Net loans and advances (*percentage*)	(-)15,287 (-27)	906 (2)	1,369 (4)	1,218 (1)	157 (0)^
5.	Portion of Revenue expenditure met out of net available borrowings (*percentage*) (1-2-3-4)	15,085 (26)	16,060 (28)	3,959 (12)	28,182 (30)	29364 (27)
6.	Total budget of the State	1,62,060	1,61,329	1,79,405	1,92,656	2,08,509
7.	Expenditure against total budget	1,34,882	1,27,409	1,26,570	1,80,224	1,96,381
8.	Repayment of borrowings (Principal) to total expenditure (*per cent*)	29.34	27.18	15.23	32.39	37.40

Source: Finance Accounts

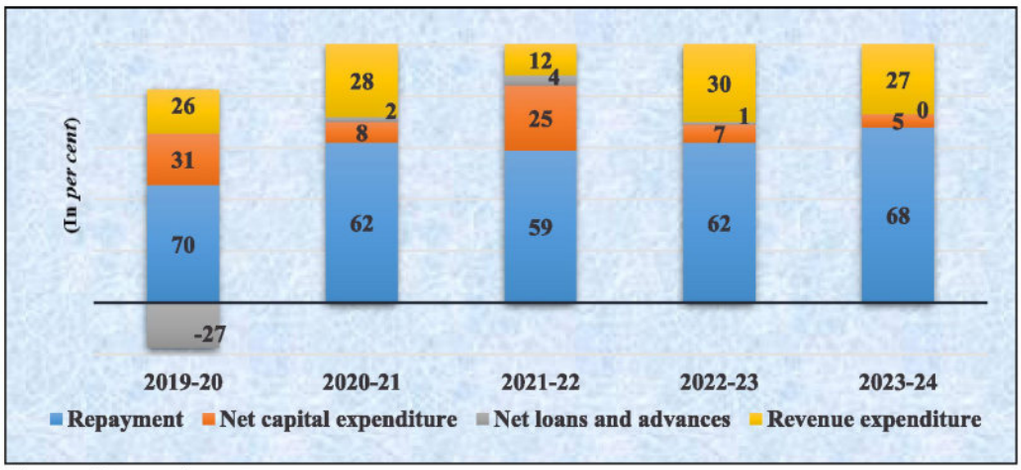
* *Includes Public Debt receipts and net of Public Accounts receipts. These exclude ₹ 8,359 crore and ₹ 12,132 crore as back-to-back loans from GoI during 2020-21 and 2021-22 respectively, in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.*

^ *0.15 per cent*

Table 2.43 shows that the repayment of borrowings (principal) to total expenditure of the State ranged between 15 *per cent* and 37 *per cent* of the total expenditure during the period 2019-2024. During this period, the State Government utilised 59-70 *per cent* of its current borrowings for repayment of borrowings (principal). Revenue expenditure met out of net available borrowings ranged between 12 *per cent* and 30 *per cent*. The capital outlay of the State witnessed a declining trend. The Capital outlay decreased from ₹ 17,828 crore in 2019-20 to ₹ 4,743 crore in 2023-24. Capital outlay of the State registering sharp contraction of 17 *per cent* in 2022-23 and 28 *per cent* in 2023-24 reduced from ₹ 8,010 crore in 2021-22 to ₹ 6,667 crore in 2022-23 and ₹ 4,743 crore in 2023-24. Net capital expenditure ranged between 5 *per cent* and 31 *per cent* during the period 2019-2024. Higher net capital expenditure (31 *per cent*) during 2019-20 was mainly due to conversion of UDAY loans of ₹ 15,628 crore into equity in PSPCL, as discussed in Paragraph 2.4.2.2(v) of the State Finances Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2020. Thus, the borrowed funds were being used mainly for meeting current consumption and repayment of borrowings instead of capital creation/development activities. Though during 2021-22, the State Government spent ₹ 8,010 crore (25 *per cent* of the borrowed funds) on capital expenditure which showed notable improvement in utilisation of borrowed funds towards creation of concrete assets, the expenditure decreased to seven *per cent* and five *per cent* during 2022-23 and 2023-24 respectively.

Trends of utilisation of borrowed funds during the period 2019-24 is depicted in **Chart 2.24**.

Chart 2.24: Trends of utilisation of borrowed funds



Source: Finance Accounts

As per the recommendation of Fifteenth Finance Commission (15th FC), States are being given revenue deficit grants to reduce and ultimately eliminate revenue deficit and enable all borrowings to be used for capital expenditure. In 2023-24, which is the third year of 15th FC period, the State Government has not been able to reduce the revenue deficit but has borrowed to meet its revenue deficit.

The State Government admitted (December 2024) the fact that part of the borrowings being spent on capital expenditure was very low, which is a matter of concern for the State.

2.8.2 Status of Guarantees – Contingent Liabilities

Guarantees, in case of defaults by borrowers for whom the guarantees have been extended, are liabilities contingent on the Consolidated Fund of the State. The State Government gives guarantees for repayments of loans raised by statutory corporations/boards, local bodies, co-operative banks and societies, etc. As per the Punjab FRBM Act, 2003, outstanding guarantees were to be capped at 80 *per cent* of revenue receipts of the previous year. As per Statement 9 of the Finance Accounts, details of the guarantees and status of outstanding guarantees to total receipts for the last five years are given in **Table 2.44**.

Table 2.44: Guarantees given by the State Government

(₹ in crore)

Guarantees	2019-20	2020-21	2021-22	2022-23	2023-24
Ceiling applicable to the outstanding amount of guarantees (i.e. 80 *per cent* of revenue receipts of previous year)	49,815	49,260	55,238	62,534	70,093
Outstanding amount of guarantees	25,352	23,552	20,165	20,208	22,691

Source: ibid from Finance Accounts and Annual Financial Statements

The outstanding guarantees for ₹ 22,691 crore as on 31 March 2024 were in respect of Power (₹ 17,224 crore); Co-operatives (₹ 750 crore); State Finance

Companies/Corporations (₹ 158 crore); Food and Civil Supplies (₹ 791 crore); and Others (₹ 3,768 crore).

The Government gave guarantees within the limits prescribed in the FRBM Act during 2019-2024.

Out of the outstanding guarantees for ₹ 22,691 crore as on 31 March 2024, the State Government had given guarantees amounting to ₹ 909.59 crore[30] to five PSUs whose net worth had become negative. This means that the actual liability lies with the State Government to repay their loans.

In 2023-24, the Government provided guarantees against borrowings of ₹ 5,594 crore. During 2023-24, the State Government paid ₹ 1.17 crore for discharge of guarantee invoked in respect of Punjab State Industrial Development Corporation Limited (PSIDC).

2.8.3 Management of Cash Balances

As per an agreement with the Reserve Bank of India (RBI), State Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/ Special Drawing Facility (SDF)/ Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government is revised by the RBI from time to time.

The State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The cash balances in the earmarked reserve funds such as State Disaster Response Fund, Consolidated Sinking Fund, Guarantee Redemption Fund, etc. are also invested in these instruments. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'.

It is not desirable that the State Government take recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting it to productive use. Details of cash balances and their investment during 2022-23 and 2023-24 are given in **Table 2.45**.

[30] (i) Punjab State Civil Supplies Corporation Limited: ₹ 507.29 crore; (ii) Punjab Agro Foodgrains Corporation Limited: ₹ 107.73 crore; (iii) Punjab State Industrial Development Corporation Limited: ₹ 103.53 crore; (iv) Punjab State Warehousing Corporation: ₹ 176.42 crore; and (v) Punjab Financial Corporation: ₹ 14.62 crore.

Table 2.45: Cash Balances and their investment

(₹ in crore)

	Opening balance as on 1 April 2023	Closing balance as on 31 March 2024
A. General Cash Balances		
Deposits with Reserve Bank of India	365.90	192.20
Investments held in Cash Balance Investment Account	912.67	7.34
Total (A)	**1,278.57**	**199.54**
B. Other Cash Balances and Investments		
Cash with departmental officers viz. Forest and Public Works	1,378.34	1341.28
Permanent advances with departmental officers for contingent expenditure	0.26	0.27
Investments of earmarked funds	6,352.29	8,617.34
Total (B)	**7,730.89**	**9,958.89**
Total (A + B)	**9,009.46**	**10,158.43**
Interest realized	**2.69**	**(-)0.57**

Source: Finance Accounts

The closing cash balance at the end of the current year (₹ 10,158.43 crore) increased by ₹ 1,148.97 crore over the previous year (₹ 9,009.46 crore).

The cash balance included investment of ₹ 8,617.34 crore from earmarked funds. During the year 2023-24, the State Government was able to maintain a minimum cash balance of ₹ 1.56 crore for 43 days and had to maintain the minimum balance by availing SDF on 186 days, WMA on 105 days and Overdrafts on 16 days. There was shortfall in minimum balance for 16 days even after taking the above advances, but no Overdraft was taken. The State had to pay ₹ 75.05 crore as interest on aforesaid advances during the year 2023-24.

The general cash balance of ₹ 199.54 crore at the close of the year was not even equal to the balance of ₹ 12,065.57 crore shown in cash in earmarked reserve funds, which means that reserve funds were used for other than intended purpose.

Details of Cash Balance Investment Account during the last five years; and month-wise movement of cash balance and net cash balance investments at the end of month during the year 2023-24 are depicted in **Table 2.46** and **Chart 2.25** respectively.

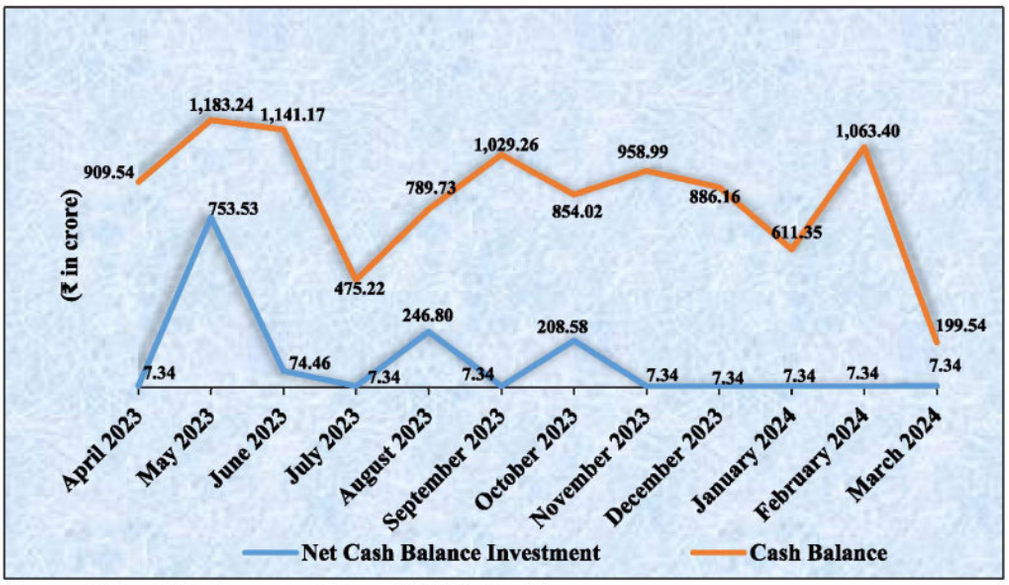
Table 2.46: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / Decrease (-)	Interest earned
2019-20	468.56	805.39	(+) 336.83	5.60
2020-21	805.39	6,710.25	(+) 5,904.86	10.30
2021-22	6,710.25	2,237.59	(-)4,472.66	35.08
2022-23	2,237.59	912.67	(-)1,324.92	2.69
2023-24	912.67	7.34	(-)905.33	(-)0.57

Source: Finance Accounts

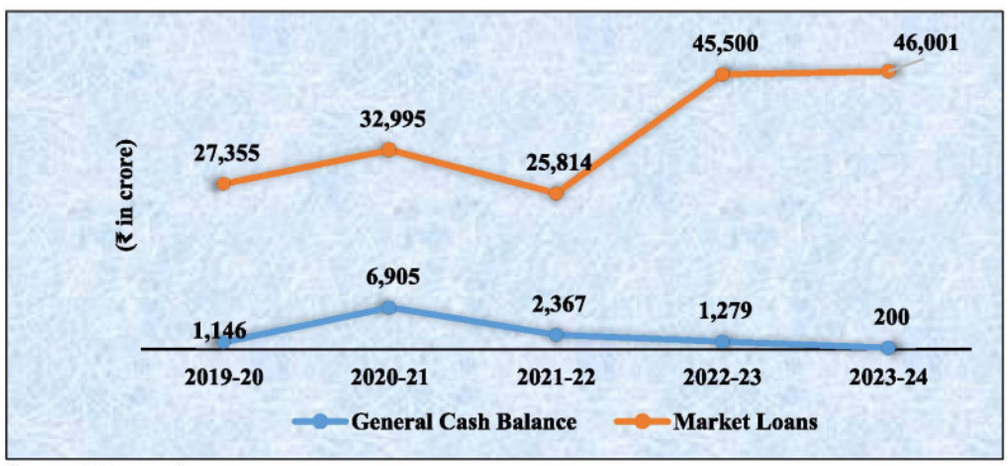
Chart 2.25: Month-wise movement of net cash balance investments and cash balance at the end of month during 2023-24



Source: Office of the Accountant General (A&E), Punjab

Details of market loans *vis-à-vis* cash balances during the last five years are shown in **Chart 2.26**.

Chart 2.26: Market Loans *vis-à-vis* Cash Balance



Source: Finance Accounts

During the year 2023-24, the State could have avoided market borrowings to the extent of the general cash balance (₹ 200 crore). The general cash balance of ₹ 200 crore included cash balance investment of ₹ 7 crore.

2.9 Salient features

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. Comparison of key parameters of State Finances during 2023-24 with that of the previous year i.e. 2022-23 is summarised in **Table 2.47**.

Table 2.47: Key parameters

Positive Indicators	Parameters requiring close watch
⇑ Increase in own tax receipts by 11.86 *per cent.*	⇓ Increase in revenue deficit by 8.33 *per cent.*
⇑ Increase in own non-tax revenue by 16.08 *per cent*	⇓ Decrease in recovery of loans and advances by 76.22 *per cent.*
⇑ Increase in revenue expenditure on Social Services by 10.79 *per cent.*	⇓ Decrease in capital expenditure by 28.86 *per cent.*

2.10 Conclusion

The State passed the FRBM Act, 2003 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit. The State continued to be a revenue deficit State.

Revenue deficit of the State increased from ₹ 14,285 crore (2.66 per cent of GSDP) in 2019-20 to ₹ 28,215 crore (3.79 per cent of GSDP) in 2023-24, which indicates that the State had borrowed funds for meeting current consumption.

Subsidies constituted 11 *per cent* to 18 *per cent* of the revenue expenditure and contributed 56 *per cent* to 79 *per cent* to the revenue deficit during 2019-2024. Power subsidy constituted the major portion of total subsidies ranging between 92 *per cent* and 99 *per cent.*

Fiscal deficit of the State was ₹ 33,115 crore (4.45 *per cent* of the GSDP) during 2023-24 against the target of ₹ 34,784 crore (4.98 *per cent* of the GSDP) fixed by the State Government in Medium Term Fiscal Policy. The fiscal deficit was mainly financed through market borrowings.

Out of total borrowings of ₹ 1,07,716 crore during 2023-24, the State Government incurred capital expenditure of only ₹ 4,743 crore (5 *per cent*).

Revenue receipts increased by ₹ 1,576 crore (1.80 *per cent*) during the current year over the previous year whereas revenue expenditure grew by ₹ 3,746 crore (3.30 *per cent*). Further, the State's own revenue registered a positive growth of 12.40 *per cent* over the previous year.

The State incurred 65 *per cent* of the total revenue expenditure on committed liabilities like salaries and wages, pensions, interest payments, leaving only 35 *per cent* for priority sector expenditure.

There was a difference of ₹ 4,089 crore in equity investment figures as per State Finance Accounts and as per the accounts of 15 PSUs. The difference was under reconciliation (May 2024).

The State Government earned a meagre 0.02 *per cent* return on its total investment (₹ 20,040 crore) in Statutory Corporations, Government Companies and Co-operatives up to 31 March 2024.

The State Government received ₹ 28 crore (0.07 *per cent*) as interest on outstanding loans during 2023-24 while it paid interest at 7.28 *per cent* on outstanding debt.

Loans amounting to ₹ 2,700 crore were outstanding at the beginning of 2023-24 against co-operative sugar mills. Despite recovery of only ₹ 7 crore of earlier loans, subsequent loans of ₹ 100 crore were given to these sugar mills.

Total outstanding liabilities including public debt and public account liabilities were 43.72 *per cent*[31] of GSDP. The total liability grew by 10.88 *per cent* over the previous year. During the year, outgo because of interest payments was equal to 19 *per cent* of revenue expenditure and 25 *per cent* of revenue receipts.

The State Government had not invested funds of ₹ 10,380.41 crore available under State Disaster Response Fund, which means that the funds were used for other than intended purpose.

As many as 44 projects scheduled for completion up to 31 March 2024 were incomplete. The expenditure of ₹ 1,764 crore incurred on these incomplete projects was yet to yield the intended benefits.

The State Government had given guarantees amounting to ₹ 909.59 crore to five PSUs whose net worth had become negative. This means that the actual liability lies with the State Government to repay their loans.

2.11 Recommendations

In light of the audit observations, the State Government may:

(i) assess the reasons for insufficient return on investment from statutory corporations, Government companies, cooperative banks and societies and take remedial measures;

(ii) ensure time bound completion of incomplete projects;

(iii) mobilise its resources to minimise dependence on borrowings; and

(iv) assess the debt servicing capacity of the institutions before providing guarantees/ loans.

[31] Excluding back-to-back loans of ₹ 20,491 crore received from GoI in lieu of GST Compensation shortfall during 2020-22, which are not to be repaid by the State from its sources.

Chapter-III

Budgetary Management

Chapter-III

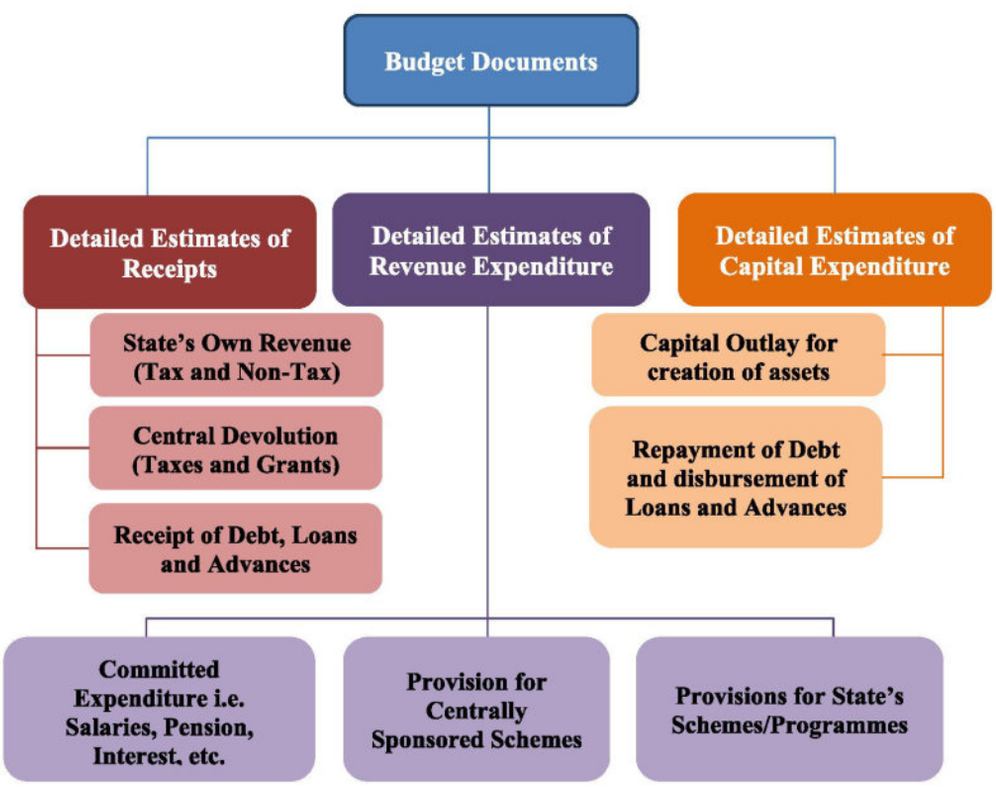
Budgetary Management

3.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called "the Annual Financial Statement (Budget)" is to be laid before the State Legislature. The estimates of the expenditure show 'charged' and 'voted' items[1] of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

As per the Punjab Budget Manual, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various Departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the Head of Departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demand for Grants'. The State Budget comprises following documents as given in **Chart 3.1**.

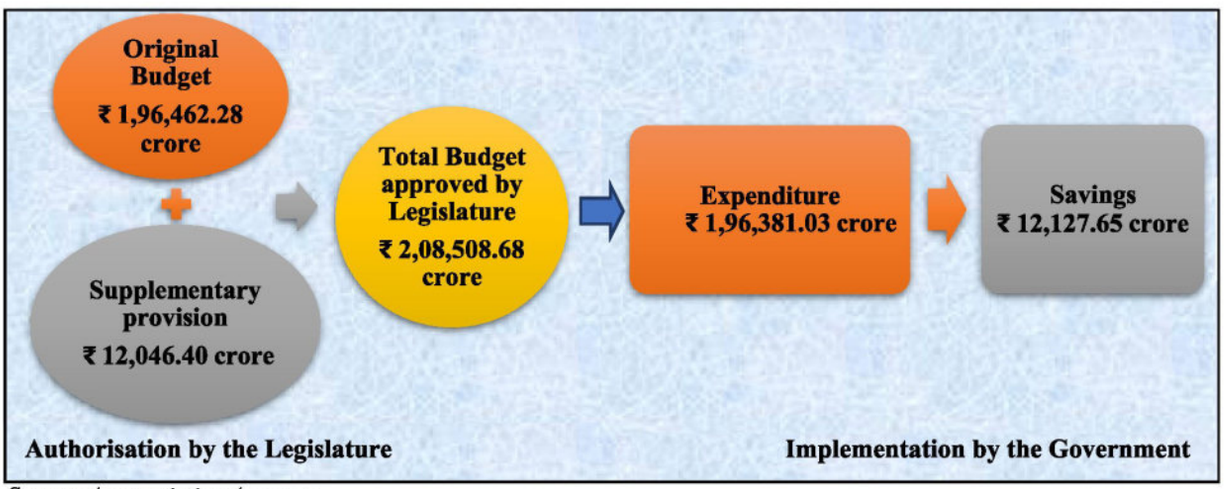
Chart 3.1: Details of State Budget Documents



[1] **Charged expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

Various components of the budget for the year 2023-24 are depicted in **Chart 3.2**.

Chart 3.2: Flow chart of budget implementation



Source: Appropriation Accounts

3.1.1 Gender Responsive Budgeting

Gender Responsive Budgeting (GRB) is an effective tool to ensure that resources are better targeted towards addressing gender gaps, inequalities and implementing a gender transformative agenda. The Government of Punjab (GoP) has introduced Gender Budgeting during 2023-24 to ensure integration of gender equity and equality in all the development processes and plans of the State. The Department of Social Security, Women and Child Development has been designated as the nodal Department for implementing Gender Responsive Budgeting in the State. The Gender Budget Statement (GBS) presented by Government of Punjab for the year 2023-24 includes information under three categories:

Part A - 100 *per cent* women specific schemes: All policies/programs/schemes which are wholly targeted for women and girl beneficiaries were placed in this part. There were 26 schemes under this category, of which four schemes were having original budget provision exceeding ₹ 50 crore **(*Appendix 3.1*)**.

Part B - Schemes with 30 *per cent* to 99 *per cent* expenditure on women related components: There were 35 schemes under this category, of which 11 schemes were having original budget provisions of ₹ 50 crore or more **(*Appendix 3.1*)**.

Part C - Schemes with less than 30 *per cent* expenditure on women related components: There were 19 schemes under this category, of which four schemes were having original budget provisions of ₹ 50 crore or more **(*Appendix 3.1*)**.

It is vital that the process of planning and designing of policies, schemes and programmes should ensure a gender responsive approach backed by adequate resource allocation. It was, however, noticed that original budget provisions ranging between ₹ 11.74 crore and ₹ 221.46 crore under 13 schemes were

withdrawn through re-appropriation ***(Appendix 3.1)***. Further, savings exceeding ₹ 100.00 crore were noticed under two[2] schemes and no expenditure was incurred under one[3] scheme.

3.1.2 Summary of total provisions, actual disbursements and savings during financial year 2023-24

A summarised position of total budget provisions, disbursements and savings with its further bifurcation into voted/charged during 2023-24 for total 42 grants/appropriations is given in **Table 3.1**.

Table 3.1: Budget provisions, disbursements and savings during the year 2023-24

(₹ in crore)

Description	Total Budget provisions		Disbursements		Savings (-)/Excess (+)	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	1,02,498.62	24,600.93	93,209.66	24,624.09	(-)9,288.96	(+)23.16
Capital	10,699.81	0.00	4,899.67	0.00	(-)5,800.14	0.00
Loans and Advances	1,083.32	0.00	195.82	0.00	(-)887.50	0.00
Public Debt	0.00	69,626.00	0.00	73,451.79	0.00	(+)3,825.79
Total	**1,14,281.75**	**94,226.93**	**98,305.15**	**98,075.88**	**(-)15,976.60**	**(+)3,848.95**

Source: Appropriation Accounts

3.1.3 Charged and voted disbursements

Table 3.2: Break-up of total disbursements into Charged and Voted during the years 2019-2024

(₹ in crore)

Year	Disbursements		Savings(-)/Excess(+)	
	Voted	Charged	Voted	Charged
2019-20	77,284.43	57,597.68	(-)22,051.09	(-)5,126.89
2020-21	73,489.75	53,919.66	(-)20,175.01	(-)13,744.55
2021-22	86,173.21	40,397.27	(-)23,236.63	(-)29,597.87
2022-23	98,613.31	81,611.41	(-)10,656.60	(-)1,774.34
2023-24	98,305.15	98,075.88	(-)15,976.60	(+)3,848.95

Source: Appropriation Accounts

3.1.4 Budget Marksmanship

3.1.4.1 Aggregate Expenditure Outturn

Aggregate expenditure outturn measures the deviation in actual expenditure (Actuals) compared with the Budget Estimate (BE) originally approved, both in terms of less than and in excess of approval, as given in **Table 3.3**.

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2 (i) Mahatma Gandhi National Rural Employment Guarantee Scheme (₹ 138.40 crore); and (ii) Grant recommended by 15th Finance Commission for Panchayati Raj Institutions (₹ 702.85 crore).

3 Post-matric Scholarship to Other Backward Classes for Study in India.

Table 3.3: Comparison of Budget Estimates and Actual Outturn during the year 2023-24

(₹ in crore)

Description	Approved Budget (Original + Supplementary) (BE)	Actual Outturn	Difference between Actual and BE*
(1)	(2)	(3)	(4=3-2)
Revenue	1,27,099.55	1,17,833.75	(-)9,265.80
Capital	81,409.13	78,547.28	(-)2,861.85
Total	**2,08,508.68**	**1,96,381.03**	**(-)12,127.65**

Source: Appropriation Accounts

** Shortage of actuals over original provision is denoted as (-) figure*

In the Revenue section, there was overall saving of 7.29 *per cent* compared with Budget Estimates (BE). This was due to excess/saving up to 25 *per cent* in 35 Grants; between 25 *per cent* and 50 *per cent* in three Grants; and between 50 *per cent* and 100 *per cent* in four Grants (***Appendix 3.2***).

In the Capital section, there was saving of 3.52 *per cent* compared with BE. This was due to excess/saving up to 25 *per cent* in five Grants, between 25 *per cent* and 50 *per cent* in three Grants; and between 50 *per cent* and 100 *per cent* in 28 Grants, of which no expenditure was incurred in six Grants. No budget provision was made in six Grants (***Appendix 3.3***).

3.1.4.2 Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition as given in **Table 3.4**.

Table 3.4: Comparison of Budget Estimates, Revised Estimates and Actual Outturn during the year 2023-24

(₹ in crore)

Description	Budget Estimates (BE)	Revised Estimates (RE)	Actual Outturn	Difference between BE and RE	Difference between Actual and RE*
(1)	(2)	(3)	(4)	(5=2-3)	(6=4-3)
Revenue	1,27,099.55	1,22,751.46	1,17,833.75	4,348.09	(-)4,917.71
Capital	81,409.13	76,324.90	78,547.28	5,084.23	(+)2,222.38
Total	**2,08,508.68**	**1,99,076.36**	**1,96,381.03**	**9,432.32**	**(-)2,695.33**

Source: Appropriation Accounts (2023-24) and Annual Financial Statement (2024-25)

** Excess of actuals over revised estimate is denoted as (+) and shortage of actuals over revised estimates is denoted as (-).*

In the Revenue section, there was saving of 4.01 *per cent* compared with Revised Estimates (RE). This was due to excess/saving up to 25 *per cent* in 40 Grants, saving between 25 *per cent* and 50 *per cent* in one Grant and excess between 50 *per cent* and 100 *per cent* in one Grant (***Appendix 3.4***).

In the Capital section, there was excess expenditure of 2.91 *per cent* compared with RE. This was due to excess/saving up to 25 *per cent* in 16 Grants (including

no variation in one grant), between 25 *per cent* and 50 *per cent* in four Grants, between 50 *per cent* and 100 *per cent* in 14 Grants, of which no expenditure was incurred in four Grants. No budget provision was, however, made in respect of eight Grants (Grant Nos. 10, 14, 16, 18, 22, 26, 32 and 37) (***Appendix 3.5***).

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amount of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 of the Constitution of India. Appropriation Accounts are on gross basis. These Accounts depict the original budget provisions, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts, thus, facilitate understanding of utilisation of funds, management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Integrity of budgetary and accounting process

3.3.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Paragraph 14.1 of the Punjab Budget Manual provides that no expenditure shall be incurred which may have the effect of exceeding the total grant or appropriation authorised by the Appropriation Act for a financial year, except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund. It was, however, observed that an expenditure of ₹ 2,340.79 crore was incurred in 18 schemes (more than ₹ one crore in each scheme) under five grants during the year 2023-24 without having any provision in the original budget estimates/supplementary demands and without issuing any re-appropriation orders to this effect (***Appendix 3.6***). The State Government stated (December 2024) that the matter would be looked into.

3.3.2 Unnecessary/excessive supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned proposes to the Finance Department for supplementary or additional grant or appropriation.

It was noticed that supplementary provisions of ₹ 1,147.64 crore during the year 2023-24 in 20 cases (more than ₹ one crore in each case) proved unnecessary ***(Appendix 3.7)*** as the expenditure did not come up even to the level of original provisions. Similarly, supplementary provisions of ₹ 356.61 crore in seven cases (more than ₹ one crore in each case) proved excessive ***(Appendix 3.8)*** as full amount of supplementary provisions could not be utilised.

3.3.3 Unnecessary 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 2023-24, re-appropriation orders under 41 grants amounting to ₹ 19,045.57 crore were issued of which 37 re-appropriation orders amounting to ₹ 17,283.41 crore were issued on 31 March 2024.

Further, in seven schemes ***(Appendix 3.9* - Sr. Nos. 5, 11, 12, 14, 16, 18 and 26)**, reduction of provision (₹ one crore or more in each scheme) through re-appropriation orders effected by various Departments proved injudicious as there was excess expenditure under these cases. In 22 schemes, augmentation of provision through re-appropriation orders proved unnecessary because expenditure did not come up to the level of original/supplementary budget provision.

3.3.4 Unspent amount and surrendered appropriation and/or large savings/surrenders

Complete accuracy of estimates may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, it is a matter of concern. All Estimating Officers should strive to provide in the budget for everything that can be foreseen and to provide only as much as is necessary. The Administrative and Finance Departments should consider this while carrying out a final check on the estimates.

Budgetary allocations based on unrealistic proposals, overstretching the potential of resource mobilisation, poor expenditure monitoring mechanism and weak scheme implementation capacities/weak internal controls promote release

of funds towards the end of the financial year. Excessive savings in some heads also deprive other Departments of the funds which they could have utilised.

Analysis of grants and appropriations for the year 2023-24 showed savings (excluding surrenders) exceeded ₹ 100 crore in each case in 15 cases (under 12 grants) (***Appendix 3.10***). It was further noticed that in six grants, no expenditure *vis-à-vis* total budget amounting to ₹ 116.76 crore (**Table 3.5**) was incurred during the current year.

Table 3.5: Entire grant (exceeding ₹ one crore) remaining unutilised during the year 2023-24

(₹ in crore)

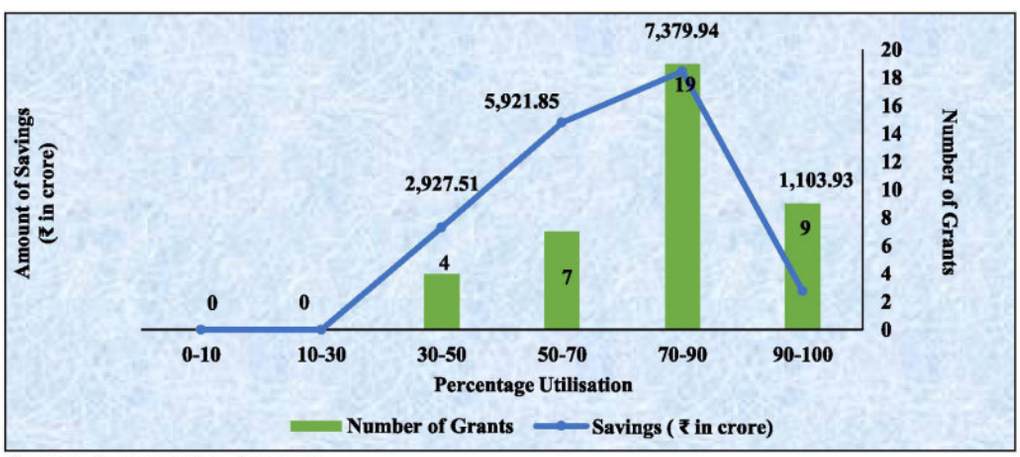
Sr. No.	Number and Name of grant	Amount
1.	01-Agriculture (Capital – Voted)	48.79
2.	07-Excise and Taxation (Capital – Voted)	25.00
3.	16-Labour (Capital – Voted)	5.00
4.	22-Revenue, Rehabilitation and Disaster Management (Capital – Voted)	8.00
5.	34-Horticulture (Capital – Voted)	25.97
6.	39-Printing and Stationery (Capital – Voted)	4.00
Total		**116.76**

Source: Appropriation Accounts

Further, it was observed that in 15 cases under 12 grants, there were persistent savings exceeding ₹ 100 crore in each case during 2021-22 to 2023-24 (***Appendix 3.11***).

Details of grants grouped by percentage of utilisation along with total savings during 2023-24 is shown in ***Appendix 3.12*** and **Chart 3.3**.

Chart 3.3: Distribution of number of Grants/Appropriations grouped by percentage of utilisation along with total savings



Source: Appropriation Accounts
In three grants there was more than 100 per cent utilization (Grant no. 04, 08 and 22).

No objective is served by keeping back savings which should ideally be surrendered in time. For this reason, appropriations which are likely to remain

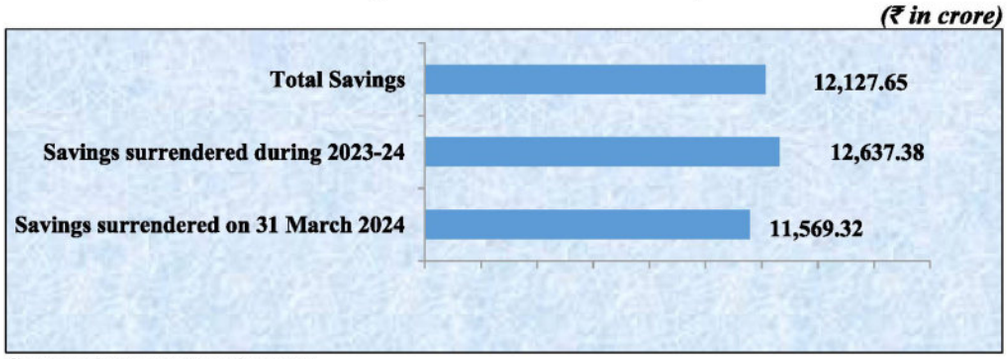
unspent must be reported for surrender as early as possible. If this is not done, other spending Departments are deprived of funds which they could have utilised. Surrenders are being made generally in the month of March, and a careful study of figures of expenditure incurred and watch over the progress of last month's expenditure should enable a Controlling Officer to fix his final requirements with a reasonable degree of exactness.

When the need for surrender manifests itself, the Controlling Officers should carefully estimate the amounts they can surrender. The aim should be to surrender as much as possible to keep the expenditure just within the modified grant.

It was noticed that savings (exceeding ₹ one crore in each case) under 14 grants and one appropriation amounting to ₹ 3,245.71 crore (***Appendix 3.13)*** were not surrendered at all. Details of savings (exceeding ₹ 10 crore in each case) surrendered on the last day of March 2024 (₹ 11,503.12 crore) are given in ***Appendix 3.14***. Further, an amount of ₹ 4,500.00 crore was surrendered under Grant 08-Finance (Capital-Charged) and ₹ 1.70 crore under Grant 04-Defence Services Welfare (Revenue-Voted) though there was an excess expenditure of ₹ 3,825.79 crore and ₹ 41.79 crore respectively thereunder.

Chart 3.4: Savings and surrenders for the year 2023-24

(₹ in crore)



Source: Appropriation Accounts

Chart 3.4 shows that 91.55 *per cent* of the savings surrendered was made on the last day of the financial year i.e. 31 March 2024.

3.3.5 Excess expenditure and its regularisation

As per Article 204 of the Constitution of India, no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of the Article *ibid.* Further, Article 205(1)(b) of the Constitution 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 presented to the Legislative Assembly of the State, a demand for such excess. This implies that it is mandatory for a State Government to get excesses over grants/appropriations

regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

3.3.5.1 Excess expenditure

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring legislative sanction but also indicative of bad planning, which could be avoided by keeping track of expenditure progression with the budget made for the purpose.

The details of excess expenditure during the year 2023-24 requiring regularisation by the Legislature are given in **Table 3.6**.

Table 3.6: Excess expenditure during 2023-24 requiring regularisation

(₹ in crore)

Grant No./ Appropriation	Grant/Appropriation details	Excess expenditure requiring regularisation
04	Defence Services Welfare (Revenue – Voted)	41.79
08	Finance (Revenue – Voted)	1,146.84
	Finance (Revenue – Charged)	51.93
	Finance (Capital – Charged)	3,825.79
22	Revenue, Rehabilitation and Disaster Management (Capital – Voted)	176.40
Total		**5,242.75**

Source: Appropriation Accounts

Table 3.6 shows that there was an excess disbursement of ₹ 5,242.75 crore over the authorisation made by the State Legislature under three Grants during 2023-24.

3.3.5.2 Persistent excesses in certain Grants

Despite Public Accounts Committee's recommendations to minimise the cases of excesses, persistent excesses were noticed in one grant. Persistent excess expenditure indicates that the budgetary control in the Department was ineffective and budget estimates were not prepared on a realistic basis. Such repeated excess expenditure is in violation of the will of the Legislature. Strictly, not a rupee can be spent without prior legislative authorisation and, therefore, this is to be viewed seriously. Persistent excesses may be due to improper estimation at the time of preparation of budget.

Audit noticed that in one scheme under Grant-08-Finance, there was persistent excess expenditure of more than ₹ 10 crore during the last five years, as detailed in **Table 3.7**.

Table 3.7: Persistent excess expenditure during 2019-20 to 2023-24

(₹ in crore)

Sr. No.	Description of Grant/ Appropriation	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Grant No.-08-Finance 2071-Pensions and other Retirement benefits 01-Civil, 101-Superannuation and Retirement Allowances 01-Pension and other Retirement Benefits					
	Total Budget	6,300.00	7,400.00	8,100.00	10,180.00	11,189.42
	Expenditure	6,487.05	8,031.84	8,796.77	10,644.66	11,811.90
	Excess	187.05	631.84	696.77	464.66	622.48

Source: Appropriation Accounts

3.3.5.3 Regularisation of excess expenditure of previous financial year

Excess expenditure remaining unregularised for extended periods dilutes Legislative control over the Executive. Excess disbursement of ₹ 1,475.11 crore pertaining to the year 2022-23, as shown in **Table 3.8**, is yet to be regularised by the State Legislature.

Table 3.8: Excess expenditure relating to previous year requiring regularisation

(₹ in crore)

Year	Grant No./ Appropriation	Grant/Appropriation details	Excess expenditure requiring regularisation
2022-2023	08	Finance (Revenue-Voted)	1,405.65
	21	Public Works (Revenue-Voted)	52.93
	41	Water Supply and Sanitation (Revenue-Voted)	16.53
Total			**1,475.11**

Source: Appropriation Accounts

The excess expenditure indicates that the budgetary control in the Department was ineffective, and budget estimates were not prepared on realistic basis. Such repeated excess expenditure over grants approved by the State Legislature is in violation of the will of the Legislature and the basic principle of democracy that not a rupee can be spent without the approval of the State Legislative Assembly, therefore, need to be viewed seriously. All the existing cases of excess expenditure need to be regularised at the earliest and, in future, such unvoted expenditure may be completely stopped.

3.4 Effectiveness of budgetary and accounting process

3.4.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities and weak internal controls lead to sub-optimal allocation among various developmental

needs. Excessive savings in some Departments deprive other Departments of the funds which they could have utilised.

The total provision for expenditure in 2023-24 was ₹ 2,08,508.68 crore. The actual gross expenditure during the year was ₹ 1,96,381.03 crore. This resulted in savings of ₹ 12,127.65 crore. An amount of ₹ 12,637.38 crore was surrendered during the year of which ₹ 11,569.32 crore (91.55 *per cent*) were surrendered on the last day of the financial year i.e. 31 March 2024. The details are given in **Table 3.9**.

Table 3.9: Actual expenditure *vis-à-vis* budget provisions during the year 2023-24

(₹ in crore)

Nature of expenditure		Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total Budget	Actual expenditure	Savings (-) /Excess (+)	Surrenders	
							Amount	*Per cent*
Voted	I. Revenue	1,00,149.28	2,349.34	1,02,498.62	93,209.66	(-)9,288.96	3,196.36	34.41
	II. Capital	10,354.53	345.28	10,699.81	4,899.67	(-)5,800.14	4,214.81	72.67
	III. Loans & Advances	1,040.84	42.48	1,083.32	195.82	(-)887.50	720.00	81.12
Total		**1,11,544.65**	**2,737.10**	**1,14,281.75**	**98,305.15**	**(-)15,976.60**	**8,131.17**	**50.90**
Charged	IV. Revenue	23,291.63	1,309.30	24,600.93	24,624.09	(+)23.16	6.21	-
	V. Capital	0	0	0	0	0	0	0
	VI. Public Debt-Repayment	61,626.00	8,000.00	69,626.00	73,451.79	(+)3,825.79	4,500.00	-
Total		**84,917.63**	**9,309.30**	**94,226.93**	**98,075.88**	**(+)3,848.95**	**4,506.21**	**-**
Appropriation to Contingency Fund (if any)		0	0	0	0	0	0	0
Grand Total		**1,96,462.28**	**12,046.40**	**2,08,508.68**	**1,96,381.03**	**(-)12,127.65**	**12,637.38**	**-**

Source: Appropriation Accounts

Note: The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹ 426.39 crore) and Capital Heads (₹ 156.88 crore).

Composition of expenditure during 2023-24 is given in **Table 3.10**.

Table 3.10: Composition of expenditure

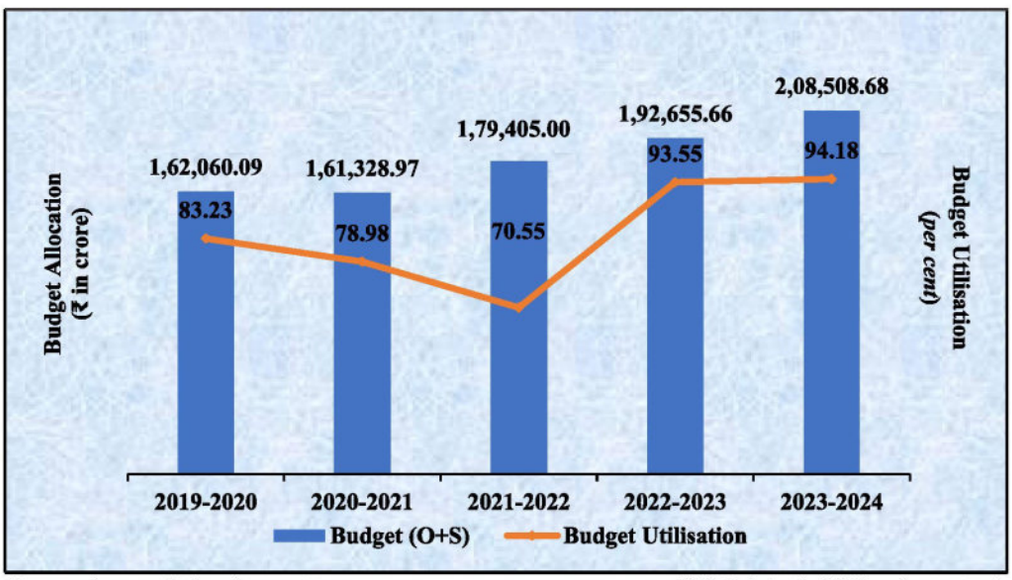
(₹ in crore)

Parameters	Amount	Percentage
Revenue expenditure	1,17,833.75	60.00
Capital expenditure	4,899.67	2.50
Loans and Advances	195.82	0.10
Public Debt	73,451.79	37.40
Total expenditure	**1,96,381.03**	**100.00**

Source: Appropriation Accounts.

The position of budget utilisation during the previous five years is given in **Chart 3.5.**

Chart 3.5: Budget utilisation during 2019-20 to 2023-24



Source: Appropriation Accounts *('O'-Original; 'S'-Supplementary)*

Trends in the original and supplementary budget, revised estimate and actual expenditure for the period 2019-20 to 2023-24 are given in **Table 3.11**.

Table 3.11: Original Budget, Supplementary Budget, Revised Estimate and Actual Expenditure during 2019-2024

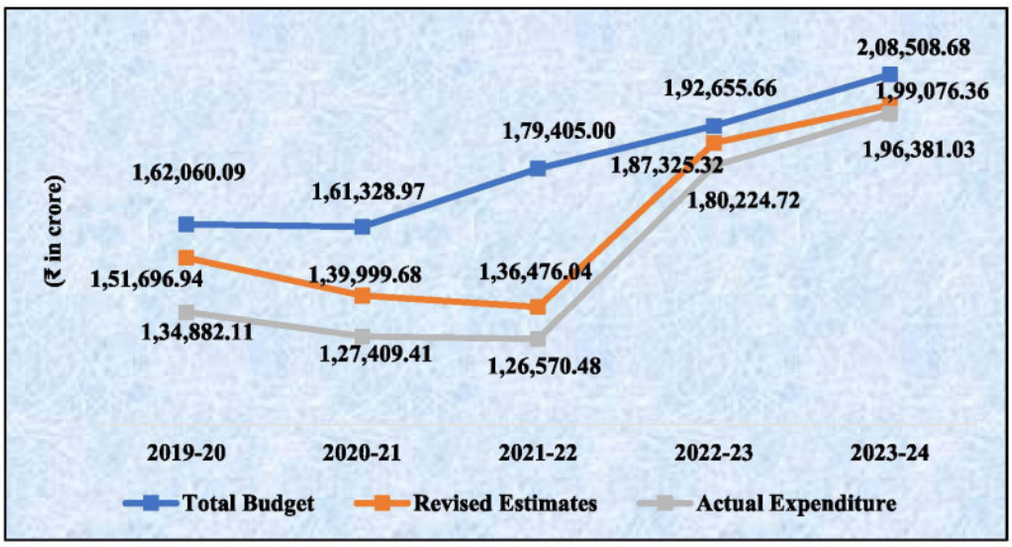
(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Original Budget	1,58,492.66	1,54,805.29	1,68,015.19	1,55,859.78	1,96,462.28
Supplementary budget	3,567.43	6,523.68	11,389.81	36,795.88	12,046.40
Total budget (TB)	1,62,060.09	1,61,328.97	1,79,405.00	1,92,655.66	2,08,508.68
Revised Estimate (RE)	1,51,696.94	1,39,999.68	1,36,476.04	1,87,325.32	1,99,076.36
Actual Expenditure (AE)	1,34,882.11	1,27,409.41	1,26,570.48	1,80,224.72	1,96,381.03
Savings	27,177.98	33,919.56	52,834.52	12,430.94	12,127.65
Percentage of supplementary to the original provision	2.25	4.21	6.78	23.61	6.13
Percentage of overall savings to the overall provisions	16.77	21.02	29.45	6.45	5.82
TB-RE	10,363.15	21,329.29	42,928.96	5,330.34	9,432.32
RE-AE	16,814.83	12,590.27	9,905.56	7,100.60	2,695.33
(TB-RE) as *per cent* of TB	6.39	13.22	23.93	2.77	4.52
(RE-AE) as *per cent* of TB	10.38	7.80	5.52	3.69	1.29

Source: Annual Financial Statement and Appropriation Accounts

Trend showing total budget (TB), revised estimates (RE) and actuals is depicted in **Chart 3.6**.

Chart 3.6: Trend showing TB, RE and Actuals during 2019-2024

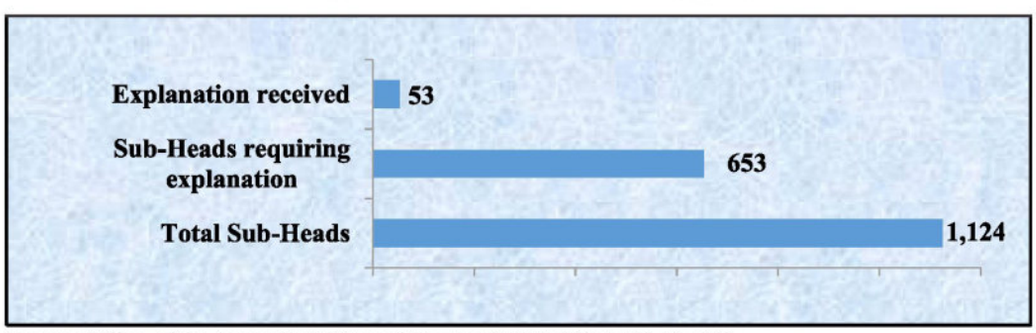


Source: Annual Financial Statement and Appropriation Accounts

Table 3.11 and **Chart 3.6** show that over the years from 2019-20 to 2023-24, RE was always lower than Total Budget of the State. The gap between RE and TB showed an increasing trend during the first three years i.e. 2019-20 (6.39 *per cent*) to 2021-22 (23.93 *per cent*) though it came down to 2.77 *per cent* during 2022-23 and again increased to 4.52 *per cent* during the current year. The supplementary provisions proved unnecessary as the expenditure did not come up even to the level of original budget provisions during last five years except for the year 2022-23. The overall savings ranged between 5.82 *per cent* and 29.45 *per cent* of the budget provisions during the period 2019-2024 though the savings remained less than 10 *per cent* during last two years i.e. 2022-23 and 2023-24.

Status of explanations received in case of variations in Appropriation Accounts is depicted in **Chart 3.7**.

Chart 3.7: Status of explanations for variation in Appropriation Accounts



Source: Office of the Accountant General (Accounts & Entitlement), Punjab

3.4.2 Major policy pronouncements in budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the Government are wholly or partially not executed due to non-approval of scheme guidelines/modalities,

non-commencement of works for want of administrative sanction, non-release of budget, etc. This deprives the beneficiaries of intended benefits. Savings in such schemes deprive other Departments of the funds which they could have utilised.

It was observed that under 12 schemes, there was a budget provision of ₹ 4,090.86 crore (₹ 100 crore or more in each scheme) which was further revised to ₹ 2,196.56 crore through re-appropriation ***(Appendix 3.15)***. However, no expenditure was incurred in these schemes.

Further, under 24 schemes, there was approved outlay of ₹ 6,488.94 crore (₹ 10 crore or more in each scheme) which was fully withdrawn through re-appropriation orders, as shown in ***Appendix 3.16***. This reflects that budgetary allocations were based on unrealistic proposals.

Audit further noticed that out of total 37 schemes i.e. six core of core schemes and 31 core schemes (as categorised by GoI during 2022-23), 21 schemes i.e. two core of core schemes and 19 core schemes were being implemented by the State Government during 2023-24. Of these, ten schemes had original budget provisions exceeding ₹ 100.00 crore (***Appendix 3.17)***. The position of budget allotment under these ten schemes showed that original budget provision under eight schemes (***Appendix 3.17*** **- Scheme No. I to IX)** ranging between five *per cent* and 69 *per cent* was withdrawn through re-appropriation. This shows lack of budget intent on the part of the State Government, thereby affecting the implementation of the respective schemes.

3.4.3 New Schemes

There were 102 new schemes/services which were being implemented by the State Government during 2023-24. The details of budget provisions (more than ₹ 100 crore in each scheme) and expenditure incurred there against under 12 new schemes are given in ***Appendix 3.18***.

It was noticed that less expenditure than the amount envisaged in original budget provision was incurred under these new schemes during the year 2023-24. This was due to the fact that either budget provision was withdrawn through re-appropriation and/or budget provision was not fully utilised.

3.4.4 Rush of expenditure

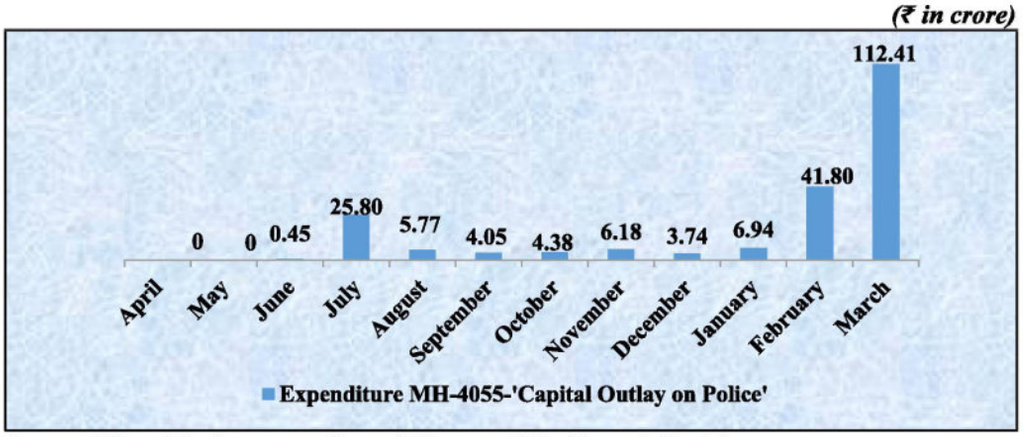
Government funds should be spent evenly throughout the year. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalances and temporary cash crunches arising out of unanticipated heavy expenditure.

Audit noticed that under eight major heads, expenditure incurred during the month of March 2024 ranged between 50.43 *per cent* and 93.02 *per cent* of the total expenditure, as detailed in ***Appendix 3.19***. Month-wise expenditure under

Major Head 4055-'Capital Outlay on Police' having highest expenditure amongst these eight major heads during 2023-24 is detailed in **Chart 3.8**.

Chart 3.8: Month-wise expenditure under Major Head 4055-'Capital Outlay on Police' during 2023-24

(₹ in crore)



Source: Office of the Accountant General (Accounts & Entitlement), Punjab

Chart 3.8 shows that under Major Head-4055, 53.14 *per cent* (₹ 112.41 crore) of the total expenditure of ₹ 211.52 crore was incurred in the month of March 2024.

Further, the entire expenditure of ₹ 3,106.45 crore in 18 sub-heads (exceeding ₹ 10 crore in each case) was incurred in the month of March 2024 (***Appendix 3.20***).

3.4.5 Review of selected grants

A review of budgetary procedure and control over expenditure in respect of two selected grants i.e. '01-Agriculture' and '17-Local Government' was conducted wherein the magnitude of variations in original grants, supplementary demands and actual expenditure were analysed.

3.4.5.1 Grant No. 1-Agriculture

(i) Introduction

Grant No. 01-Agriculture includes Major Heads '2401-Crop Husbandry', '2402-Soil and Water Conservation', '2415-Agricultural Research and Education', '2435-Other Agriculture Programmes', '4401-Capital Outlay on Crop Husbandry' and '6401-Loans for Crop Husbandry'.

(ii) Budget and Expenditure

The overall position of budget provisions, expenditure and savings under Grant No. 01 for the last three years (2021-22 to 2023-24) is given in **Table 3.12**.

Table 3.12: Budget and Expenditure under Grant No. 01 during 2021-2024

(₹ in crore)

Year	Section	Budget provision	Total	Expenditure	Unutilised provision (percentage)
2021-22	Revenue-Original (V)	10,795.53	10,795.53	9,095.93	1,699.60 (15.74)
	Supplementary	0.00			
	Revenue-Original (C)	0.06	0.06	0.02	0.04 (66.67)
	Supplementary	0.00			
	Capital-Original (V)	145.46	145.46	2.26	143.20 (98.45)
	Supplementary	0.00			
2022-23	Revenue-Original (V)	9,389.64	11,069.73	10,516.91	552.82 (4.99)
	Supplementary	1,680.09			
	Revenue-Original (C)	0.08	0.52	0.47	0.05 (9.62)
	Supplementary	0.44			
	Capital-Original (V)	8.36	81.33	5.62	75.71 (93.09)
	Supplementary	72.97			
2023-24	Revenue-Original (V)	11,961.10	11,978.81	10,710.17	1,268.64 (10.59)
	Supplementary	17.71			
	Revenue-Original (C)	0.10	0.10	0.08	0.02 (20.00)
	Supplementary	0.00			
	Capital-Original (V)	6.31	48.79	0.00	48.79 (100.00)
	Supplementary	42.48			

Source: Appropriation Accounts

Table 3.12 shows that unutilised budget provision under Revenue (Voted) ranged between 5 *per cent* and 16 *per cent* and under Capital (Voted) it ranged between 93 *per cent* and 100 *per cent* during the period 2021-2024.

The overall position of budget provisions, expenditure and savings under 21 programmes (having original budget provisions or total budget provisions of ₹ 10 crore or more) implemented under Grant No. 01 (***Appendix 3.21***) shows that there were substantial savings of more than 20 *per cent* in three programmes and no expenditure was incurred in seven programmes (**Sr. No. 11 to 16 and 21 of *Appendix 3.21***).

(iii) Non-surrender of savings

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 savings are anticipated. The position of savings and surrenders under Grant No. 01-Agriculture during 2021-2024 is depicted in **Table 3.13**.

Table 3.13: Non-surrender of savings under Grant No. 01 during 2021-2024

(₹ in crore)

Year	Savings			Amount surrendered (percentage)		
	Revenue(V)	Revenue(C)	Capital(V)	Revenue(V)	Revenue(C)	Capital(V)
2021-22	1,699.60	0.04	143.20	2,245.12 (132.10)	0.02 (50.00)	142.10 (99.23)
2022-23	552.82	0.05	75.71	302.67 (54.75)	0	1.08 (1.43)
2023-24	1,268.64	0.02	48.79	391.33 (30.85)	0	3.79 (7.77)

Source: Appropriation Accounts.
V-Voted, C-Charged.
Figures in parenthesis indicate percentage to total savings.

Table 3.13 shows that only 30.85 *per cent* of savings under Revenue (Voted) and 7.77 *per cent* under Capital (Voted) was surrendered during the year 2023-2024; thereby depriving the other Departments of the funds to that extent which they could have utilised for other purposes.

(iv) Entire provision remained unutilised

It was observed that the entire budget allocation (₹ one crore or more in each case) remained unutilised under six schemes (Grant No. 01) during 2023-24, indicating non-implementation of the schemes, as shown in **Table 3.14**.

Table 3.14: Entire provision (₹ one crore or more) remained unutilised under Grant No. 01 during 2023-24

(₹ in crore)

Sr. No.	Head of Account	Original Budget	Supplementary	Re-appropriation	Total Budget
1.	2401-00-104-03- Save Water Earn Money Scheme of Direct Benefit Transfer for Electricity to Agriculture Consumers	1.00	0.00	0.00	1.00
2.	2401-00-105-15- National Mission for Sustainable Agriculture Soil Health Management-08- Soil Health Card Scheme	10.95	0.00	(-)9.32	1.63
3.	2401-00-109-14- Rashtriya Krishi Vikas Yojana	85.83	0.00	61.17	147.00
4.	2401-00-789-19- Rashtriya Krishi Vikas Yojana	13.97	0.00	14.03	28.00
5.	2401-00-789-35- Sub Mission on Agricultural Mechanization	58.10	0.00	(-)16.82	41.28
6.	6401-00-190-04- Loan to Punjab Agri Export Corporation (PAGRFXCOI) under SIDBI Cluster Development Scheme Fund (SCDF)	0.00	42.48	2.52	45.00

Source: Appropriation Accounts

(v) Submission of wrong Utilisation Certificates

During review of Grant No. 1, Audit noticed that

(a) The Department of Agriculture and Farmers Welfare, Punjab approved the project "Strengthening of State Agmark Laboratories" under the Centrally Sponsored Scheme - Rastriya Krishi Vikas Yojana (RKVY) during 2018-19 with an outlay of ₹ 2.11 crore. Accordingly, the Department released ₹ 0.60 crore (March 2021) and ₹ 1.50 crore (April 2021) to the Joint Director (Cash Crops) and Assistant Marketing Officer (AMO), SAS Nagar respectively. Of these, funds of ₹ 1.39 crore were released to the Executive Engineer (EE), Provincial Division, PWD (B&R), Faridkot in June 2021 (₹ 0.35 crore) and August 2023 (₹ 1.04 crore) for construction of State Agmark Laboratory in Agriculture Office Complex at Faridkot. The work was allotted to a contractor at a cost of ₹ 1.29 crore. The work was started in March 2023, which was to be completed by September 2023[4].

It was noticed that though EE submitted (April 2024) the provisional UC amounting to ₹ 0.72 crore against the receipt of ₹ 1.39 crore, the Joint Director furnished (May 2024) UC for ₹ 1.39 crore to GoI. The Department did not furnish specific reply.

Thus, furnishing of UCs without actual utilisation of funds was irregular.

3.4.5.2 Grant No. 17-Local Government

(i) Introduction

Grant No. 17-Local Government includes Major Heads 2216-Housing, '2217-Urban Development', '3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions' and '4217-Capital Outlay on Urban Development'.

(ii) Budget and Expenditure

The overall position of budget provisions, expenditure and savings under the Grant for the last three years is given in **Table 3.15**.

[4] The work was yet to be completed (September 2024).

Table 3.15: Budget and Expenditure under Grant No. 17 during 2021-2024

(₹ in crore)

Year	Section	Budget provision	Total budget provision	Expenditure	Unutilised provision (percentage)
2021-22	Revenue-Original (V)	3,342.43	3,342.43	2,495.65	846.78 (25.33)
	Supplementary	0			
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	3,849.78	3,849.78	1,918.93	1,930.85 (50.15)
	Supplementary	0			
2022-23	Revenue-Original (V)	3,237.81	3,241.30	2,623.73	617.57 (19.05)
	Supplementary	3.49			
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	3,098.19	3,459.99	2,270.02	1,189.97 (34.39)
	Supplementary	361.80			
2023-24	Revenue-Original (V)	4,008.72	4,008.72	2,668.38	1,340.34 (33.44)
	Supplementary	0			
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	2,422.56	2,422.56	1,103.51	1,319.05 (54.45)
	Supplementary	0			

Source: Appropriation Accounts

Table 3.15 shows that unutilised budget provision under Revenue (Voted ranged between 19 *per cent* and 33 *per cent* and under Capital (Voted) it ranged between 34 *per cent* and 54 *per cent* during 2021-22 to 2023-24, which reflected inadequate performance on the part of the State Government.

The Department attributed (October 2024) the reasons for savings during 2023-24 to non-release of 15th FC grant under Health Sector by GoI; release of funds under various Centrally Sponsored Schemes on 31 March 2024; and non-clearance of bills under various schemes by the State Government.

The overall position of budget provisions, expenditure and savings under 28 programmes (having original budget provisions or total budget provisions of ₹ 10 crore or more) implemented under Grant No. 17 ***(Appendix 3.22)*** shows that there were substantial savings of more than 20 *per cent* in 14 programmes and no expenditure was incurred in five programmes ***(Sr. Nos. 10 to 12, 23 and 24 of Appendix 3.22)***.

(iii) Non-surrender of savings

Rule 17.20 of the Punjab Financial Rules provides that the spending Departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when savings are anticipated. The position of surrender of unutilised provision is depicted in **Table 3.16**.

Table 3.16: Non-surrender of savings under Grant No. 17 during 2021-2024

(₹ in crore)

Year	Savings			Amount surrendered (percentage)		
	Revenue (V)	Revenue (C)	Capital (V)	Revenue (V)	Revenue (C)	Capital (V)
2021-22	846.78	0	1,930.85	230.85 (27.26)	0	1,724.24 (89.30)
2022-23	617.57	0	1,189.97	35.84 (5.80)	0	296.67 (24.93)
2023-24	1,340.34	0	1,319.05	534.04 (39.84)	0	660.12 (50.05)

Source: Appropriation Accounts
V-Voted, C-Charged
Figures in parenthesis indicate percentage to total savings.

Table 3.16 shows that only 39.84 *per cent* and 50.05 *per cent* savings were surrendered during 2023-24 under Revenue-Voted and Capital-Voted section respectively resulting in depriving other Departments of the funds which they could have utilised.

The Department stated (October 2024) that excessive budget provisions were made in anticipation of receipt of funds under various Central Schemes, but the requisite funds were not received from GoI during the year. The Department also attributed the reasons for non-surrender of unutilised funds to non-clearance of bills by the State Government under various schemes.

(iv) Persistent savings

A substantial portion of the budget allocation remained unutilised (exceeding ₹ one crore in each case) under three schemes during 2021-22 to 2023-24, indicating non-achievement of the projected financial outlays in the respective years, as detailed in **Table 3.17**.

Table 3.17: Persistent savings (exceeding ₹ one crore) under Grant No. 17 during 2021-2024

(₹ in crore)

Sr. No.	Head of Account	2021-22	2022-23	2023-24	Reasons/Reply of Department (October 2024)
Revenue (V)					
1.	2217-80-001-02- Local Government Directorate	1.94 (16.97)	1.68 (11.23)	1.36 (10.45)	Due to non-clearance of arrear bills under salary and medical heads and receipt of less bills under hiring of vehicles, petrol oil lubricant, office expenses, telephone expenses and electricity expenses heads.
2.	2216-02-800-01- Pradhan Mantri Awas Yojana Housing for all (Urban)-01- Preparation of Action Plan and Establishment of Technical Cell	5.07 (100)	1.28 (24.57)	1.42 (44.10)	Due to non-release of funds by GoI.
3.	3604-00-200-28- Grants-in-Aid to Urban Local Bodies as per recommendations of 15th Central Finance Commission-01- General Basic Grant	212.25 (26.57)	545.21 (56.04)	273.63 (39.09)	Due to non-clearance of bills by the State Government and non-release of tied grant under Health Sector by GoI.

Source: Appropriation Accounts
Figures in parenthesis indicate percentage of savings to total provisions.

(v) Entire provision remained unutilised

The entire budget allocation (exceeding ₹ one crore in each case) remained unutilised under three schemes during 2023-24, indicating non-implementation of schemes as shown in **Table 3.18**.

Table 3.18: Entire provision (exceeding ₹ one crore in each case) remained unutilised under Grant No. 17 during 2023-24

(₹ in crore)

Sr. No.	Head of Account	Original Budget	Supplementary	Re-appropriation	Total Budget	Reasons/Reply of Department (October 2024)
1.	2217-80-004-01- Urban Rejuvenation Mission 500 Habitations AMRUT-03-AMRUT 2.0 Administrative and Office Expenses (A and OE)	9.80	0.00	(-)8.33	1.47	Expected funds were not released by GoI.
2.	2217-80-800-02- Building Fiscal and Institutional Resilience for Growth of Punjab	49.74	0.00	(-)47.74	2.00	Expected funds were not released by World Bank.
3.	4217-60-051-14- Mission for Development of 100 Smart Cities-03- Development of Sultanpur Lodhi	25.00	0.00	1.57	26.57	Due to late release of funds by GoI in March 2024, the State Government released the funds in 2024-25.

Source: Appropriation Accounts

(vi) Non-submission of Utilisation Certificate to GoI

Para No.10(vi) of the Operational Guidelines for implementation of the recommendations of 15th Finance Commission (FC) on Health Sector Grant

issued (July 2021) by Government of India (GoI), Ministry of Finance (MoF), Department of Expenditure (DoE) provides that the State Health Department shall get monthly progress (physical and financial) from all District Level Committees (FC-XV) and submit the progress quarterly to the State Level Committee for review and directions". Further, Para No.10(vii) provides that on the basis of Utilisation Certificates collected from different entities, the State Health Department along with the Panchayati Raj Department shall prepare a joint Utilisation Certificate (UC) with the signatures of the Secretaries of both the Departments and submit the same to the State Finance Department for onward transmission to DoE, MoF and MoH&FW.

The Finance Commission Division (15th FC) released (November 2021) first instalment of ₹ 248.96 crore[5] to the State Government for Health Sector Grant under for the year 2021-22. The Government of Punjab, Department of Local Government transferred (November 2021) the funds to the Secretary (Health)-cum-Mission Director (State Health Society), Punjab for utilisation as per the guidelines.

The GoI issued (24 March 2023) instructions regarding furnishing UCs for the grant released for the year 2021-22 so that eligibility for the release of Grant for the year 2022-23 could be considered.

It was noticed that the Health Department did not submit the requisite UCs to the Department of Local Government for onward submission to GoI. As a result thereof, GoI did not release Health Sector Grants of ₹ 510.36 crore for the years 2022-23 and 2023-24 **(Table 3.19)** as recommended by 15th FC.

Table 3.19: Non-Release of Health Sector Grants

(₹ in crore)

Year	Support diagnostic infrastructure to the primary healthcare facilities in Urban PHCs	Urban Health and Wellness Centres (UHWCs)	Total
2022-23	7.21	241.75	248.96
2023-24	7.57	253.83	261.40
Total	**14.78**	**495.58**	**510.36**

Source: Information collected from department

The Department of Local Government stated (June 2024) that the Health Sector Grant was released to the Health Department directly through the State Government and this Department submitted bills of the grant only. The UCs were to be uploaded on the Portal of Central Government by the Health Department and there was no role of this Department. The Health Department did not furnish any reply.

[5] ₹ 7.21 crore: To support diagnostic infrastructure to the primary healthcare facilities in Urban PHCs: and ₹ 241.75 crore: For Urban Health and Wellness Centres.

(vii) Non-Submission of DC Bills

When money is required in advance or when they are not able to calculate the exact amount required, Drawing and Disbursing Officers (DDO) are permitted to draw money, through Abstract Contingent (AC) bills, by debiting service heads and the expenditure is reflected as an expense under the service head. Rule 274 of Punjab Treasury Rules as amended by State Government in December 2016 provides that DDOs are required to present Detailed Contingent (DC) bills containing vouchers in support of financial expenditure within six months from the date of drawing of such advance. Delayed submission or prolonged non-submission of DC bills may affect the completeness and correctness of accounts.

During audit of Grant No. 17, it was noticed that following DC Bills were pending as on 31 March 2024.

Table 3.20: Detail of pending DC Bills

(₹ in crore)

Sr. No.	Name of Scheme	No. of pending DC Bills	Amount
1.	Atal Mission for Rejuvenation and Urban Transformation (AMRUT) Scheme	68	1,021.13
2.	Swachh Bharat Mission - Urban	40	404.48
3.	Smart City Jalandhar	24	438.03
4.	Smart City Amritsar	25	388.91
5.	Smart City Ludhiana	12	230.00
Total		**169**	**2,482.55**

Source: Departmental information

Table 3.21: Age-wise pending DC bills

(₹ in crore)

Due Year	No. of DC bills	Amount
2017-18	01	0.47
2018-19	01	4.27
2020-21	07	96.78
2021-22	24	56.23
2022-23	97	1,866.91
2023-24	39	457.89
Total	**169**	**2,482.55**

Source: Departmental information

The Department without taking cognizance of the Rules *ibid* stated (June 2024) that DC Bills would be submitted after incurring expenditure.

3.5 Conclusion

The overall utilisation of budget was 94.18 *per cent* of total grants and appropriations during 2023-24.

Expenditure of ₹ 2,340.79 crore was incurred in 18 schemes under five grants during the year 2023-24 without having any provision in the original budget estimates/supplementary demands and without issuing any re-appropriation orders to this effect.

Supplementary provisions were also not on a realistic basis as in 20 cases, the supplementary provisions of ₹ 1,147.64 crore proved unnecessary as the expenditure did not come up even to the level of the original provisions. Budgetary allocations were based on unrealistic proposals as in 12 out of 42 grants, savings excluding surrenders were more than ₹ 100 crore.

The excess expenditure of ₹ 5,242.75 crore for the current year 2023-24 and ₹ 1,475.11 crore for the year 2022-23 was required to be regularised by the State Legislature.

Under 12 schemes, there was an approved outlay of ₹ 4,090.86 crore (₹ 100 crore or more in each scheme) which was revised to ₹ 2,196.56 crore, but no expenditure was incurred. Further, under 24 schemes, there was approved outlay of ₹ 6,488.94 crore which was fully withdrawn through re-appropriation orders, thereby depriving the beneficiaries of the intended benefits.

There was rush of expenditure at fag end of the year. In eight major heads, more than 50 *per cent* of the expenditure under each major head was incurred in the month of March 2024.

3.6 Recommendations

In light of the audit observations, the State Government may

(i) *prepare realistic budget estimates, backed with correct assessment of availability of resources and capacity to expend, to avoid large savings and supplementary provisions;*

(ii) *ensure strict compliance of provisions of Budget Manual in preparation of supplementary provisions and ensure transparency in estimation for avoiding unnecessary supplementary provisions;*

(iii) *consider formulating strategies for actual execution of major policy decisions in the State at the time of preparing budgetary estimates; and*

(iv) *avoid rush of expenditure towards the end of the year, and for proper utilisation of savings through timely surrender.*

Chapter-IV
Quality of Accounts and Financial Reporting Practices

Chapter-IV

Quality of Accounts and Financial Reporting Practices

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

Issues Related To Completeness Of Accounts

4.1 Non-discharge of liability of interest towards Reserve Funds bearing interest and Deposits bearing interest

Government is liable to pay/adjust interest in respect of balances under Reserve Funds bearing interest and Deposits bearing interest. Audit observed that ₹ 42.12 crore was required to be paid as interest on the balances lying under Reserve Funds bearing interest and Deposits bearing interest as on 31 March 2024, as shown in **Table 4.1**.

Table 4.1: Details of non-discharge of liability of interest towards Reserve Funds bearing interest and Deposits bearing interest

(₹ in crore)

Sr. No.	Name/Head of Reserve Funds bearing interest and Deposits being interest	Basis for calculation of interest	Amount of Interest not provisioned[1]
1.	Defined Contribution Pension Scheme for Government employees	Interest calculated at the rate of 7.10 *per cent* as per interest payable to General Provident Fund.	7.88
2.	Depreciation Reserve Fund (Motor Transport)	Interest calculated taking rate applicable for 14-Days treasury bill investment i.e. Reserve Repo Rate at the rate of 3.35 *per cent* minus one *per cent* i.e. 2.35 *per cent* for the year 2023-24.	2.75
3.	General Reserve Fund (Motor Transport)		0.44
4.	Punjab Road Safety Fund		1.49
5.	Deposits of Government companies, corporations, etc. and Miscellaneous Deposits		29.56
Total			**42.12**

Source: Finance Accounts

Non-payment of interest amounting to ₹ 42.12 crore resulted into understatement of Revenue Deficit, Revenue Expenditure and Fiscal Deficit to that extent.

[1] Calculated on progressive monthly balances as of March 2024.

4.2 Funds transferred directly to State implementing agencies

The Government of India (GoI) has been transferring sizeable funds directly to the State implementing agencies for implementation of various schemes. GoI decided to route these funds through the State Budget from 2014-15 onwards. However, during the year 2023-24, Central share of ₹ 3,997.84 crore (₹ 3,921.41 crore pertaining to 10 Central Schemes exceeding ₹ ten crore each and ₹ 76.43 crore pertaining to other Schemes having release less than ₹ ten crore each) was transferred directly to the State implementing agencies bypassing the Consolidated Fund of the State and state budget as detailed in ***Appendix 4.1***. Of this, Central share of ₹ 1,083.35 crore under seven Centrally Sponsored Schemes (CSS), as detailed in ***Appendix 4.2***, was transferred directly to the implementing agencies, which ranged from 0.50 *per cent* to 100 *per cent* of the total transfers by GoI under each scheme.

The funds transferred directly to State implementing agencies constituted 4.48 *per cent* and 27.96 *per cent* of total revenue receipts (₹ 89,192.07 crore) and Grants-in-aid (₹ 14,296.36 crore) respectively. The direct transfer of funds increased by 12.72 *per cent* as compared to 2022-23 (from ₹ 3,546.60 crore in 2022-23 to ₹ 3,997.84 crore in 2023-24).

The State Government accounts for the year 2023-24 depicts only ₹ 3,184.97 crore under Central share of Centrally Sponsored Schemes. Thus, budget and expenditure to the extent of ₹ 3,997.84 crore remained outside the accounts of the State, thereby depicting incomplete picture of the State's financial position.

Issues related to transparency

4.3 Delay in submission of Utilisation Certificates

Rule 8.14 (b) of the Punjab Financial Rules, Volume-1 prescribes that where grants are sanctioned and cases in which conditions are attached to the utilisation of grant in the form of specification of particular objects of expenditure or the time within which the money must be spent or otherwise, the departmental officer on whose signature or countersignature the Grants-in-aid bill was drawn should be primarily responsible for certifying to the Accountant General, the fulfilment of the conditions attached to the grant. Utilisation Certificates (UCs) outstanding beyond the specified periods (i.e. 18 months from the sanction of grant) indicate absence of assurance on utilisation of the grants for intended purposes and the expenditure shown in the accounts to that extent cannot be treated as final.

During the year 2023-24, 1,508 UCs amounting to ₹ 10,593.04 crore were due for submission (GIA Bills drawn up to September 2022). Of these, 911 UCs amounting to ₹ 7,503.47 crore were cleared. The age-wise pendency of 597 outstanding UCs amounting to ₹ 3,089.57 crore as on 31 March 2024 is given in **Table 4.2**.

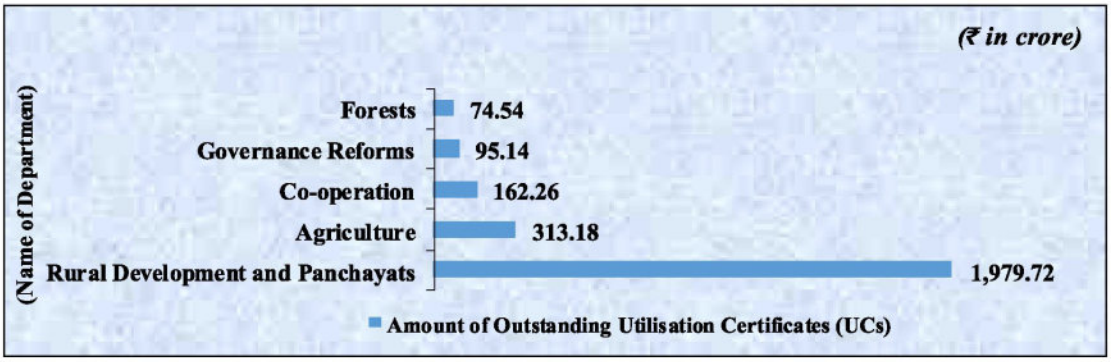
Table 4.2: Age-wise pendency of Utilisation Certificates

(₹ in crore)

UC due year*	No. of UCs	Amount
2017-18	01	50.00
2018-19	01	0.05
2019-20	09	24.67
2020-21	68	46.69
2021-22	61	175.63
2022-23	189	1,472.87
2023-24 (drawn up to September 2022)	268	1,319.66
Total	**597****	**3,089.57****

Source: Finance Accounts and O/o the Accountant General (A&E) Punjab
**The year mentioned above relates to "Due year" i.e. after 18 months of actual drawl.*
*** These include 91 outstanding UCs amounting to ₹ 625.97 crore relating to Grants to Single Nodal Agencies.*

Chart 4.1: Outstanding UCs in respect of five major Departments as on 31 March 2024



Source: O/o the Accountant General (A&E) Punjab

Chart 4.1 shows that ₹ 2,624.84 crore i.e. 84.96 *per cent* of the total outstanding UCs (₹ 3,089.57 crore) pertained to five departments, of which 64.08 *per cent* pertained to one department *viz.*. Rural Development and Panchayats Department (₹ 1,979.72 crore). The amount of outstanding UCs of the Agriculture Department and Rural Development and Panchayats Department increased by 36.83 *per cent* and 3.75 *per cent* respectively as on 31 March 2024 as compared to the previous year i.e. as on 31 March 2023[2].

Since non-submission of UCs is fraught with the risk of misutilisation, it is imperative that the State Government should monitor this aspect closely and hold the persons concerned accountable for non-submission of UCs in a timely manner.

4.4 Abstract Contingent bills

When money is required in advance or when they are not able to calculate the exact amount required, Drawing and Disbursing Officers (DDOs) are permitted

[2] Amount of outstanding UCs of Agriculture Department (₹ 228.88 crore) and Rural Development and Panchayats Department (₹ 1,908.10 crore) at the end of 2022-23.

to draw money; through Abstract Contingent (AC) bills, by debiting service heads and the expenditure is reflected as an expense under the service head. Rule 274 of Punjab Treasury Rules as amended by State Government in December 2016 provides that Drawing and Disbursing Officers (DDOs) are required to present Detailed Contingent (DC) bills containing vouchers in support of financial expenditure within six months from the date of drawing of such advance. Delayed submission or prolonged non-submission of DC bills may affect the completeness and correctness of accounts.

The details of AC bills, pending adjustment, as on 31 March 2024 is given in **Table 4.3**.

Table 4.3: Age-wise pending adjustment of AC bills

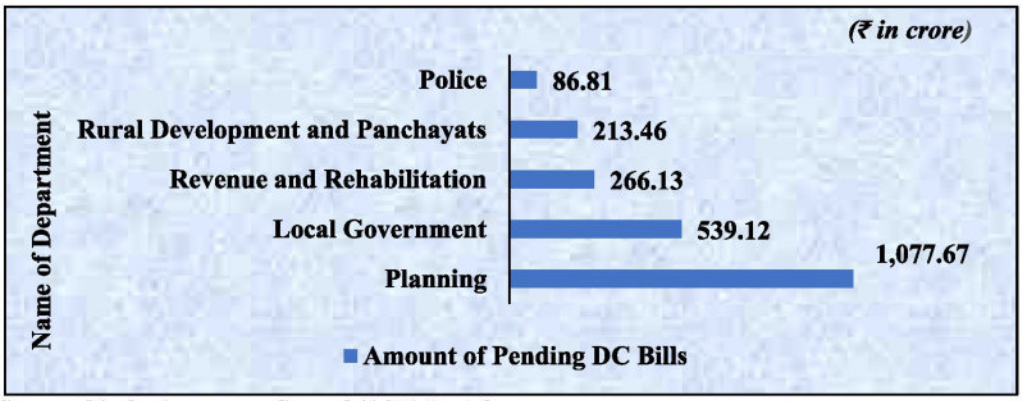
(₹ in crore)

Due Year	No. of AC bills	Amount
2014-15	06	12.84
2015-16	11	1.72
2016-17	07	3.84
2017-18	10	0.96
2018-19	17	20.61
2019-20	60	36.21
2020-21	165	135.82
2021-22	401	782.55
2022-23	421	752.29
2023-24 (drawn up to September 2023)	939	1,058.01
Total	**2,037***	**2,804.85***

Source: Finance Accounts and O/o the Accountant General (A&E) Punjab
** These do not include AC Bills relating to transfer to Single Nodal Agency.*

It was observed that out of 2,543 AC bills amounting to ₹ 1,991.67 crore drawn during 2023-24, 483 AC bills amounting to ₹ 192.84 crore (9.68 *per cent*) were drawn in March 2024. Expenditure against AC bills at the end of the financial year indicates poor management of public expenditure as it could be that AC bills were drawn primarily to exhaust the budget provision.

Chart 4.2: Pending DC Bills (Non-SNA) in respect of five major Departments



Source: O/o the Accountant General (A&E) Punjab

It is evident from the above chart that ₹ 2,183.19 crore i.e. 77.84 *per cent* of the total outstanding AC bills (₹ 2,804.85 crore) pertained to five Departments.

Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be asserted as correct or final.

The State Government stated (December 2024) that serious efforts were being made by holding regular meetings with the line departments to bring down the number of outstanding AC bills.

4.5 Indiscriminate use of Minor Head-800

Minor Head-800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate minor head has not been provided in the accounts. Regular operation of Minor Head-800 is to be discouraged, as it renders the accounts opaque. Classification of large amounts under the omnibus Minor Head-800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

It was observed that during the year 2023-24, ₹ 2,360.17 crore under 46 Major Heads of account, constituting 1.93 *per cent* of the total Revenue and Capital expenditure (₹ 1,22,150.18 crore) was classified under the Minor Head-800-Other Expenditure in the accounts. Details of substantial expenditure (more than ₹ 10 crore and 50 *per cent* or above of the total expenditure under each Major Head) booked under Minor Head-800-Other Expenditure are given in ***Appendix 4.3***.

Similarly, ₹ 10,404.19 crore under 50 Major Heads of account, constituting 11.66 *per cent* of the total Revenue and Capital Receipts (₹ 89,192.07 crore) was classified under 800-Other Receipts in the accounts. Details of substantial receipts (more than ₹ 10 crore and 50 *per cent* or above of the total receipts under each Major Head) booked under the Minor Head-800-Other Receipts are given in ***Appendix 4.4***.

Some instances where sub-heads were operated under Minor Head 800-Other expenditure instead of relevant Minor head are given in ***Appendix 4.5***.

The State Government stated (December 2024) that regular meetings were being held with the concerned departments to address the issue.

Issues Related To Measurement

4.6 Outstanding balance under major Suspense and DDR Heads

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads worked out by aggregating the outstanding debit and credit balances separately under various heads. Suspense and Remittance head balances for the last three years have been shown in **Table 4.4**.

Table 4.4: Balances under Suspense and Remittance Heads

(₹ in crore)

Head of Account		2021-22		2022-23		2023-24	
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658	**Suspense Account**						
101	Pay and Accounts Office-Suspense	113.19	0.07	60.45	0.05	90.76	0.05
	Net Debit (Dr.) / Credit (Cr.)	**113.12 Dr.**		**60.40 Dr.**		**90.71 Dr.**	
102	Suspense Account-(Civil)	147.49	57.09	108.83	16.10	90.77	..
	Net Debit (Dr.) / Credit (Cr.)	**90.40 Dr.**		**92.73 Dr.**		**90.77 Dr.**	
109	Reserve Bank Suspense-(Headquarters)	0.42	..	0.01	..	0.01	..
	Net Debit (Dr.) / Credit (Cr.)	**0.42 Dr.**		**0.01 Dr.**		**0.01 Dr.**	
110	Reserve Bank Suspense- (Central Accounts Office)	32.11	..	45.52	..	41.41	..
	Net Debit (Dr.) / Credit (Cr.)	**32.11 Dr.**		**45.52 Dr.**		**41.41 Dr.**	
112	Tax Deducted at Source (TDS) Suspense	..	106.12	..	430.84	..	469.54
	Net Debit (Dr.) / Credit (Cr.)	**106.12 Cr.**		**430.84 Cr.**		**469.54 Cr.**	
123	AIS Officers' Group Insurance Scheme	..	0.22	..	0.26	..	0.31
	Net Debit (Dr.) / Credit (Cr.)	**0.22 Cr.**		**0.26 Cr.**		**0.31 Cr.**	
8782	**Cash Remittance and adjustments between officers rendering account to the same Accounts Officer**						
102	Public Works Remittances	0.12	..	2.87	..	1.99	..
	Net Debit (Dr.) / Credit (Cr.)	**0.12 Dr.**		**2.87 Dr.**		**1.99 Dr.**	
103	Forest Remittances	17.93	..	5.54	..	(-)2.59	..
	Net Debit (Dr.) / Credit (Cr.)	**17.93 Dr.**		**5.54 Dr.**		**(-)2.59 Dr.**	
8793	**Inter-State Suspense Account**	57.40	..	35.85	..	24.58	..
	Net Debit (Dr.) / Credit (Cr.)	**57.40 Dr.**		**35.85 Dr.**		**24.58 Dr.**	

Source: Finance Accounts

As on 31 March 2024, there was net credit balance of ₹ 222.97 crore under various heads. Non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

4.7 Reconciliation of Cash Balances

As per accounts of the Accountant General (A&E) Punjab, the Cash Balance of the State Government as on 31 March 2024 was ₹ 192.20 crore (Debit) and that reported by the Reserve Bank of India (RBI) was ₹ 49.60 crore (Debit). Thus, there was a net difference of ₹ 241.80 crore (Debit), mainly due to pending reconciliation between the Treasury/RBI/Agency Bank and AG (A&E) Office.

4.8 Unspent amount lying with Divisional Officers

As per Codal provisions, funds received by Public Works Divisions towards Deposit Works from non-government agencies are required to be credited under Minor Head '108 - Public Works Deposits' below Major Head '8443-Civil Deposits'. The expenditure for related Deposit Works is also met from the same head of account. In the Monthly Divisional Accounts, un-remitted amount of such deposits are classified under Major Head '8671-Departmental Balances, 101-Civil', by the PW Divisions, under Public Account of the State and then form part of the Government Accounts. However, the funds received towards Deposits Works are being kept in the bank accounts of Divisional Officers operated by PW Divisions instead of remitting them into the Government Accounts and thus are not forming part of cash balance of the State with RBI.

The State Government directed (2 March 2015) Public Works Divisions to deposit the funds in the accounts to be opened at the Treasury under the head '8443-Civil Deposits, 108-Public Works Deposits'. However, despite the above order, the Divisional Officers are still depositing the funds in their bank accounts. As on 31 March 2024, an amount of ₹ 1,253.85 crore was lying in the bank accounts of 177 Public Works Divisional Officers as per their cash books. Had the funds been deposited in the treasury, the same would have impacted on the daily Cash Balance of the State Government.

Department-wise details of the amounts lying in bank accounts being operated by the Divisional Officers is detailed in **Table 4.5**.

Table 4.5: Details showing unspent amount lying with Divisional Officers

(₹ in crore)

Sr. No.	Name of Department	Number of Divisional Officers operating Bank Accounts	Amount lying in Bank Accounts
1.	Public Works (Building and Roads Divisions)	69	548.10
2.	Rural Development and Panchayats (Panchayati Raj Divisions)	16	204.72
3.	Water Resources	39	421.67
4.	Water Supply and Sanitation	53	79.36
Total		**177**	**1,253.85**

Source: Finance Accounts

The State Government stated (December 2024) that the Divisional Officers would be pursued to deposit the unspent amount into the treasury.

Issues related to disclosure

4.9 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe

the form of accounts of the Union and of the States. On the advice of the CAG, the President of India has so far notified four Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards by Government of Punjab as well as deficiencies therein during 2023-24 is detailed in **Table 4.6**.

Table 4.6: Compliance with Accounting Standards

Sr. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Deficiency
1.	IGAS-1:	Guarantees Given by the Government	Complied (Statements 9 and 20 of Finance Accounts)	-
2.	IGAS-2:	Accounting and Classification of Grants-in-aid	Not fully complied (Statement 10 of Finance Accounts)	Information regarding total value of Grants-in-aid in kind and value of Grants-in-aid in kind being Capital assets has not been received from State Government.
3.	IGAS-3:	Loans and Advances made by Government	Not complied (Statement 7 and 18 of Finance Accounts)	Loans and Advances are subject to confirmation by the State Government.
4.	IGAS-4:	Prior period adjustments	Complied	-

Source: Finance Accounts

4.10 Submission of accounts of Autonomous Bodies

As on 31 March 2024, 17 accounts in respect of six Autonomous Bodies (AB) were pending from 2017-18 to 2022-23 as detailed in **Table 4.7**.

Table 4.7: Arrears of accounts of Autonomous Bodies as on 31 March 2024

Sr. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending
1.	Punjab Building and Other Construction Workers Welfare Board, SAS Nagar	2020-21	3
2.	Punjab Bus Metro Society	2018-19	5
3.	Punjab Labour Welfare Board, Chandigarh	2017-18	6
4.	Punjab Khadi and Village Industries Board, Chandigarh	2022-23	1
5.	Real Estate Regulatory Authority, Chandigarh	2022-23	1
6.	Punjab State Human Rights Commission, Chandigarh	2022-23	1
Total			**17**

Source: Departmental data/information

Pendency in submission of accounts ranged from one to six years, of which the Punjab Labour Welfare Board had not submitted its accounts since 2017-18. Delay in finalisation of accounts carries the risk of financial irregularities going undetected and, therefore, the accounts need to be finalised and submitted to Audit at the earliest.

Further, it was also noticed that audit of Punjab State Co-operative Supply and Marketing Federation (MARKFED), Punjab Land Records Society (PLRS), Jalandhar and Punjab Water Supply and Sewerage Board (PWSSB) could not be taken up due to non-entrustment to the Comptroller and Auditor General of India despite repeated requests. Further, audit of Improvement Trusts could not be taken up due to non-finalisation of terms and conditions despite entrustment of audit by State Government.

The State Government may consider evolving a system to expedite the process of compilation and submission of annual accounts by autonomous bodies, besides entrustment of audit of MARKFED, PLRS and PWSSB in order to assess their financial position.

The State Government stated (December 2024) that corrective action would be taken in this regard.

4.11 Departmental Commercial Undertakings/Corporations/Companies

According to Sections 394 and 395 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report should be laid before the State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Similar provisions exist in the respective Acts regulating Statutory Corporations. The above mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies and corporations from the Consolidated Fund of the State.

It was observed that accounts of 25 Public Sector Undertakings (PSUs)/Corporations were in arrears (as on 30 June 2024), of which nine were non-working. Out of the remaining 16 working PSUs, ten[3] were loss making. Audit further noticed that budgetary support of ₹ 3,137.31 crore was provided to six loss making working PSUs/Corporations during each of the last three years despite their accounts being in arrears, as detailed in **Table 4.8**.

[3] (i) Punjab State Grains Procurement Corporation Limited; (ii) Gulmohar Tourist Complex (Holiday Home) Limited; (iii) Punjab State Civil Supplies Corporation Limited; (iv) Punjab State Warehousing Corporation; (v) PEPSU Road Transport Corporation; (vi) Punjab Financial Corporation; (vii) Punjab State Industrial Development Corporation Limited; (viii) Punjab Schedule Castes Land Development and Finance Corporation; (ix) Ludhiana Smart City Limited; and (x) Jalandhar Smart City Limited.

Table 4.8: Year-wise details of budgetary support to loss making working Commercial Undertakings/Corporations/Companies having accounts in arrear

(₹ in crore)

Sr. No.	Name of Company/Corporation	Budgetary support			
		2021-22	2022-23	2023-24	Total
1.	Punjab State Civil Supplies Corporation Limited (PUNSUP)	571.07	487.10	100.00	1158.17
2.	Punjab State Warehousing Corporation	60.08	59.00	15.97	135.05
3.	PEPSU Road Transport Corporation	353.11	74.12	70.14	497.37
4.	Jalandhar Smart City Limited	135.25	214.75	20.75	370.75
5.	Punjab Financial Corporation	8.00	92.41	40.00	140.41
6.	Punjab State Industrial Development Corporation Limited	49.00	254.09	532.47	835.56
Total		**1,176.51**	**1,181.47**	**779.33**	**3,137.31**

Source: Information provided by PSUs

Age profile of PSUs/Corporations having accounts in arrears is given in **Table 4.9**.

Table 4.9: Age profile of PSUs/Corporations having accounts in arrears

Range in years	Number of PSUs/Corporations
0-1	0
2-3	11
4-5	07
>5	07
Total	**25**

Source: Information supplied by PSUs

Table 4.9 shows that accounts in respect of seven PSUs were in arrears for more than five years. In the absence of timely finalisation of accounts, results of investments of the Government remain outside the purview of the State Legislature and escape scrutiny by Audit. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency cannot be taken in time. Risk of fraud and mis-utilisation of public money cannot be ruled out.

It is recommended that the State Government should evolve a system and direct the authorities of the PSUs/Corporations to complete their up-to-date accounts (i.e. last preceding year) for making them eligible for financial support of the State Government, if required.

Other Issues

4.12 Misappropriations, losses, thefts, etc.

Rule 2.33 of the Punjab Financial Rules stipulates that every Government employee would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or any loss arising from fraud or negligence on the part of any other Government employee to the extent that he contributed to the loss by his own action or negligence. Further, as per Rule 2.34 *ibid*, the cases of defalcations and losses are required to be reported to The Accountant General (Accounts & Entitlement), Punjab.

As on 31 March 2024, 36 cases of misappropriation, losses, theft, etc. involving ₹ 97.56 crore were pending. The department-wise break-up of pending cases is given in **Table 4.10**.

Table 4.10: Details of pending cases of misappropriation, losses, theft, etc.

(₹ in crore)

Name of Department/ Corporation	Cases of misappropriation/ losses /theft		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised		Criminal Proceedings finalised but recovery of the amount pending	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Punjab Agro Foodgrains Corporation Limited	5	6.97	5	6.97	0	0	0	0
Punjab State Warehousing Corporation	11	12.23	10	11.89	1	0.34	0	0
Punjab State Seeds Corporation Limited	1*	4.10	0	0	0	0	0	0
PUNSUP	9	31.74	7	19.99	2	11.75	0	0
PUNGRAIN	8	41.87	6	19.18	2	22.69	0	0
Municipal Corporation, Patiala	2	0.65	0	0	2	0.65	0	0
Total	**36**	**97.56**	**28**	**58.03**	**7**	**35.43**	**0**	**0**

Source: Departmental data/information

** Status in respect of one case was not available.*

Out of the total 36 cases, in respect of seven cases (₹ 35.43 crore), departmental action had been initiated but not finalised, while in 28 cases (₹ 58.03 crore) departmental and criminal proceedings were pending.

The age-profile of the pending cases and the number of cases pending in each category-theft and misappropriation/loss of Government material is summarised in **Table 4.11**.

Table 4.11: Profile of misappropriations, losses, defalcations, etc.

(₹ in crore)

Age-profile of the pending cases			Nature of the pending cases	Number of cases	Amount involved
Range in years	Number of cases	Amount involved			
0-5	22	71.70	Theft cases	6	0.57
			Misappropriation/loss of Government material	16	71.13
5-10	8	10.53	Theft cases	4	0.43
			Misappropriation/loss of Government material	4	10.10
10-15	6	15.33	Misappropriation/loss of Government material	6	15.33
Total	**36**	**97.56**	**Total**	**36**	**97.56**

Source: Departmental data/information

Out of the total cases, six cases involving ₹ 15.33 crore pertaining to misappropriation/loss of Government material were pending for more than ten years.

The Government may consider preparing a time-bound framework for taking prompt action in cases of theft, misappropriation, losses, etc.

The State Government stated (December 2024) that efforts would be made to bring down the number of cases of misappropriation, losses, thefts, etc.

4.13 Follow-up action on State Finances Audit Reports

The Committee on Estimates and the Finance Department require the line departments to provide a *suo-motu* Explanatory Note on the paragraphs featuring in the Audit Reports of the CAG within one month of placing the Reports in the Legislature. The line departments are also required to provide Action Taken Notes (ATN) to the Secretary, Punjab Vidhan Sabha within three months of tabling the Reports.

The Public Accounts Committee (PAC) has raised concerns in different meetings regarding non submission of replies and directed the Finance Department to submit the replies of State Finances Audit Reports for the years 2017-18 and 2019-20 to 2021-22. Replies for the State Finances Audit Report for the years 2015-16, 2016-17 and 2018-19 have been received in the office of the Principal Accountant General (Audit), Punjab. The State Finances Audit Report for the year 2016-17 was discussed in a PAC meeting but discussion on the State Finances Audit Report for the years 2015-16 and 2018-19 was still pending. Last year, the discussion of the State Finances Audit Report was assigned (April 2023) to the Committee on Estimates, but no discussion took place during 2023-24.

4.14 Implementation of Recommendations of Sixth Punjab Finance Commission on fiscal devolution

The Sixth Punjab Finance Commission was constituted by the State Government under section 3(1) of the Punjab Finance Commission for Panchayats and Municipalities Act, 1994. The Commission submitted its report for the years 2021-22 to 2025-26 on 29 March 2022. The Commission recommended devolution of 3.5 *per cent* share of State's Net Own Tax Revenues to the Local Bodies. The State Government has accepted the recommendation. Accordingly, ₹ 1,504 crore for the year 2023-24 were required to be devolved to local bodies. However, only ₹ 100.00 crore were devolved during 2023-24. A budget provision of ₹ 338.00 crore was made for the year 2023-24, of which ₹ 83.00 crore was withdrawn through re-appropriation order and bills of ₹ 155.00 crore were not cleared by the Finance Department/Treasury.

4.15 Conclusion

Utilisation Certificates (UCs) amounting to ₹ 3,089.57 crore (597 UCs) were awaited which indicates lack of internal control of administrative departments and tendency on the part of the Government to disburse fresh grants without ascertaining proper utilisation of earlier grants. Similarly, Detailed Contingent (DC) bills amounting to ₹ 2,804.85 crore (2,037 DC bills) were also awaited. There was an un-reconciled difference of ₹ 241.80 crore (Debit) in the Cash Balance of the State Government for 2023-24. An amount of ₹ 1,253.85 crore was still lying in the bank accounts of Divisions pertaining to four Departments.

Six autonomous bodies and 25 Public Sector Undertakings/Corporations did not submit their final accounts for considerable periods. As a result, their financial position could not be assessed and results of investments of the Government remained outside the purview of the State Legislature.

Further, in 36 cases of theft, misappropriation and loss of Government material departmental action was pending for long periods. Only ₹ 100.00 crore were devolved to the Local Bodies during 2023-24 against the recommended amount of ₹ 1,504.00 crore by 6th Punjab Finance Commission.

4.16 Recommendations

In light of the audit observations, the State Government may:

(i) *ensure timely submission of Utilisation Certificates by the Departments in respect of the grants released for specific purposes;*

(ii) *ensure adjustment of Abstract Contingent bills within the stipulated period, as required under the Rules;*

(iii) *put in place a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings in order to assess their financial position; and*

(iv) *consider preparing a time bound framework for taking prompt action in cases of misappropriation, losses, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.*

Chandigarh
The 1 May 2025

(NAZLI J. SHAYIN)
Principal Accountant General (Audit), Punjab

Countersigned

New Delhi
The 9 May 2025

(K. SANJAY MURTHY)
Comptroller and Auditor General of India

Appendices

Appendix 1.1

(Referred to in paragraph 1.1)

Profile of Punjab

A.	General Data		
Sr. No.	**Particulars**		**Figures**
1.	Area		50,362 sq km
2.	Population		3.09 crore
3.	Density of Population (All India Density= 426.09 persons per Sq. km.)		614.07 persons per Sq. km.
4.	Population below poverty line (All India Average = 21.92 *per cent*)		8.26 *per cent*
5.	Literacy (as per 2011 census) (All India Average = 73 *per cent*)		75.80 *per cent*
6.	Infant mortality (per 1000 live births) (All India Average = 28 per 1000 live births)		18
7.	Life Expectancy at birth (All India Average = 70 years)		72.50
8.	Gross State Domestic Product (GSDP) 2023-24 at current prices		₹ 7,44,899 crore
9.	Per capita GSDP CAGR* (2014-15 to 2023-24)	General Category States Average	9.56
		Punjab	7.18
		All India Average	8.89
10.	GSDP CAGR (2014-15 to 2023-24)	General Category States Average	10.76
		Punjab	8.58
		All India Average	10.06
11.	Population Growth (2014 to 2024)	General Category States Average	10.33
		Punjab	8.20
		All India Average	11.26
12.	Total cropped area		78.88 lakh hectares
13.	Gross Irrigated area		78.79 lakh hectares
14.	Percentage of total irrigated area to cropped area		99.80 *per cent*

* *Compound Annual Growth Rate*

Source: (i) Economic and Statistical Organisation, Government of Punjab, (ii) Population Projections by National Commission on Population, Ministry of Health & Family Welfare, GoI, (iii) Ministry of Statistics and Programme Implementation (MoSPI), GoI and (iv) Statistical Abstract of Punjab 2023.

B.	**Financial Data**								
Sr. No.	**Particulars**	**Figures (in *per cent*)**							
		2014-15 to 2017-18		**2018-19 to 2021-22**		**2021-22 to 2022-23**		**2022-23 to 2023-24**	
	CAGR	**General Category States**	**Punjab**	**General Category States**	**Punjab**	**General Category States**	**Punjab**	**General Category States**	**Punjab**
a.	Of Revenue Receipts	12.61	10.75	7.12	7.88	13.41	12.08	8.19	1.80
b.	Of Own Tax Revenue	7.17	5.96	19.80	5.74	10.58	13.17	10.58	11.86
c.	Of Non-Tax Revenue	6.52	14.46	5.44	(-)14.23	12.94	30.27	14.62	16.07
d.	Of Total Expenditure	12.05	9.46	7.57	10.29	12.53	14.58	10.56	0.52
e.	Of Capital Expenditure*	12.02	(-)2.79	4.80	36.45	18.92	(-)16.03	19.85	(-)38.64
f.	Of Revenue Expenditure on Education	9.33	7.57	7.34	8.13	13.21	13.75	5.11	4.19
g.	Of Revenue Expenditure on Health	14.09	5.12	14.96	7.07	0.88	6.96	10.34	15.78
h.	Of Salary and Wages	9.86	7.02	8.19	5.10	9.71	16.48	7.52	3.26
i.	Of Pension	14.24	12.09	9.58	13.44	11.38	23.65	6.27	10.30

Source: Finance Accounts

***** *Includes Capital Outlay and Loans and Advances disbursed.*

Appendix 1.2

(Referred to in paragraphs 1.3.2)

Summarised financial position of the Government of Punjab as on 31 March 2024

(₹ in crore)

LIABILITIES	As on 31.03.2023	As on 31.03.2024
Internal Debt -	**250971.66**	**280965.94**
Market Loans bearing interest	200898.53	232555.58
Market Loans not bearing interest	0.03	0.02
Loans from other Institutions	50073.10	44829.91
Ways and Means Advances, Special Drawing Facility and Overdrafts from Reserve Bank of India	--	3580.43
Loans and Advances from Central Government-	**25487.39**	**25075.35**
Non-Plan Loans	9.58	7.08
Loans for State Plan Schemes	1215.06	130.76
Pre 1984-85 Loans	0.30	0.30
Other loans for State*	24262.45	24937.21
Contingency Fund	**25.00**	**25.00**
Small Savings, Provident Funds, etc.	**22404.33**	**23005.28**
Deposits	**4913.27**	**5072.27**
Reserve Funds	**16795.71**	**20682.91**
Suspense and Miscellaneous Balances	**327.36**	**341.86**
Remittance Balances	--	--
TOTAL	**320924.72**	**355168.61**
ASSETS		
Gross Capital Outlay on Fixed Assets -	**85134.74**	**89877.55**
Investments in shares of Companies, Corporations, etc.	20038.52	20039.78
Other Capital Expenditure	65096.22	69837.77
Loans and Advances -	**38887.68**	**39044.72**
Loans for Power Projects	734.48	730.85
Other Development Loans	38145.10	38305.29
Loans to Government servants and miscellaneous loans	8.10	8.58
Advances with Departmental Officers	**0.42**	**0.42**
Remittance Balances	**44.26**	**23.99**
Cash	**9009.46**	**10158.43**
Cash in Treasuries and local remittances	--	--
Departmental Cash Balance	1378.34	1341.28
Permanent Advances/Cash Imprest	0.26	0.27
Cash Balance Investments	912.67	7.34
Deposits with Reserve Bank of India	365.90	192.20
Investments from Earmarked Funds	6352.29	8617.34
Suspense and Miscellaneous Balances	**0.66**	**0.66**

ASSETS	As on 31.03.2023	As on 31.03.2024
Add difference on account of rounding-off	**0.04**	**0.08**
Deficit on Government Account -	**187847.46**	**216062.76**
Add Revenue Deficit of the current year	26045.03	28215.30
Accumulated deficit at the beginning of the year	161802.43	187847.46
TOTAL	**320924.72**	**355168.61**

Source: Finance Accounts

** Includes ₹20,491.41 crore as back-to-back loans from GoI during 2020-22 in lieu of GST compensation shortfall, which are not to be paid by the State out of its sources.*

Appendix 2.1

(Referred to in paragraph 2.2)

Abstract of receipts and disbursements for the year 2023-24

(₹ in crore)

Receipts	**2022-23**	**2023-24**	**Disbursements**	**2022-23**	**2023-24**
1	**2**	**3**	**4**	**5**	**6**
Section-A: Revenue					
I-Revenue receipts	**87615.60**	**89192.07**	**I-Revenue expenditure-**	**113660.67**	**117407.39**
(i) Tax revenue	42243.17	47252.16	**General services**	**54002.90**	**57118.45**
(ii)Non-tax revenue	6231.94	7233.63	**Social Services-**	**28849.10**	**31960.96**
(iii) State's share of Union Taxes and Duties	17163.65	20409.92	Education, Sports, Art and Culture	14465.34	15121.51
(iv)Non-Plan Grants	0.00	0.00	Health and Family Welfare	4127.75	4778.98
(v) Grants for State Plan Schemes	0.00	0.00	Water Supply, Sanitation, Housing and Urban Development	1319.29	1376.55
(vi) Grants for Centrally Sponsored Plan Schemes	(-)47.34	(-)20.38	Information and Broadcasting	228.35	555.80
(vii) Grants for Centrally Sponsored Schemes	3776.79	3184.97	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	615.88	1062.62
(viii) Finance Commission Grants	10258.45	7388.82	Labour and Labour Welfare	283.28	297.71
(ix) Other Transfer/ Grants to States/ Union Territories with Legislatures	7988.94	3742.95	Social Welfare and Nutrition	7762.35	8713.63
			Others	46.86	54.16
			Economic Services-	**26996.39**	**25031.91**
			Agriculture and Allied Activities	12457.81	12092.84
			Rural Development	858.07	605.91
			Irrigation and Flood Control	1067.33	1095.71
			Energy	8225.89	6818.28
			Industry and Minerals	3450.03	2937.50
			Transport	500.96	631.24
			Science, Technology and Environment	31.97	27.16
			General Economic Services	404.33	823.27

Receipts	2022-23	2023-24	Disbursements	2022-23	2023-24
1	2	3	4	5	6
			Grants-in-aid and Contributions	**3812.28**	**3296.07**
Difference on account of rounding-off	**0.04**	**0.02**			
II. Revenue deficit carried over to Section B	**26045.03**	**28215.30**	**II. Revenue Surplus carried over to Section-B**	**--**	**--**
Total Section A	**113660.67**	**117407.39**		**113660.67**	**117407.39**
Section-B : Others					
III-Opening Cash balance including Permanent Advances and Cash Balance Investment	**6871.64**	**9009.46**	**III Opening Overdraft from Reserve Bank of India**	**--**	**--**
IV – Misc. Capital Receipts	**0.21**	**0.00**	**IV-Capital Outlay**	**6667.21**	**4742.81**
			General Services	**224.98**	**258.79**
			Social Services-	**4041.21**	**2205.36**
			Education, Sports, Art and Culture	183.23	521.17
			Health and Family Welfare	654.60	230.76
			Water Supply, Sanitation, Housing and Urban Development	2903.41	1415.62
			Information and Broadcasting	0.00	0.00
			Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	193.55	1.21
			Labour and Labour Welfare	0.00	0.00
			Social Welfare and Nutrition	52.84	13.58
			Other Social Services	53.58	23.02
			Economic Services-	**2401.02**	**2278.66**
			Agriculture and Allied Activities	142.75	0.10
			Rural Development	297.88	171.66
			Irrigation and Flood Control	1002.98	930.56
			Energy	65.73	22.36
			Industry and Minerals	60.01	51.94

Receipts	**2022-23**	**2023-24**	**Disbursements**	**2022-23**	**2023-24**
1	**2**	**3**	**4**	**5**	**6**
			Transport	681.65	969.11
			Science, Technology and Environment	6.00	0.43
			General Economic Services	144.02	132.50
V-Recoveries of Loans and Advances	**163.67**	**38.77**	**V-Loans and Advances Disbursed**	**1381.67**	**195.82**
From Power Projects	5.21	3.64	For Power Projects	0.00	0.00
From Government Servants	31.91	24.12	To Government Servants	27.90	24.61
From others	126.55	11.01	To Others	1353.77	171.21
VI-Revenue surplus brought down	--	--	**VI-Revenue Deficit Brought down**	**26045.03**	**28215.30**
VII- Public debt receipts	**47262.48**	**46863.23**	**VII-Repayment of Public Debt**	**16094.00**	**17281.01**
External Debt	--	--	External Debt	--	--
Internal debt other than Ways and Means Advances, Special Drawing Facility and Overdraft	46299.53	43070.98	Internal debt other than Ways and Means Advances, Special Drawing Facility and Overdraft	15524.19	16657.15
Net transactions under Ways and Means Advances and Special Drawing Facility	0.00	3580.43	Net transactions under Ways and Means Advances and Special Drawing Facility	0.00	0.00
Net transactions under overdraft	0.00	0.00	Net transactions under overdraft	0.00	0.00
Loans and Advances from Central Government	962.95	211.82	Repayment of Loans and Advances to Central Government	569.81	623.86
VIII-Appropriation to Contingency fund	**Nil**	**Nil**	**VIII-Appropriation to Contingency fund**	**Nil**	**Nil**
IX-Amount transferred to Contingency fund	**Nil**	**Nil**	**IX-Expenditure from Contingency fund**	**Nil**	**Nil**
X-Public Account Receipts#	**102519.38**	**99243.03**	**X-Public Account Disbursement#**	**97620.01**	**94561.12**
Small Savings, Provident Funds, etc.	3349.65	3417.67	Small Savings, Provident Funds, etc.	3133.02	2816.73

Receipts	**2022-23**	**2023-24**	**Disbursements**	**2022-23**	**2023-24**
1	**2**	**3**	**4**	**5**	**6**
Reserve Funds	4487.48	4629.01	Reserve Funds^	328.30	741.82
Deposits and Advances	7052.95	6877.88	Deposits and Advances	6924.79	6718.88
Suspense and Miscellaneous#	87562.41	84215.64	Suspense and Miscellaneous#	87198.20	84201.13
Remittances	66.89	102.83	Remittances	35.70	82.56
XI-Closing Overdraft from Reserve Bank of India	**Nil**	**Nil**	**XI Cash Balance at end**	**9009.46**	**10158.43**
			Cash in Treasuries and Local Remittances	--	--
			Deposits with Reserve Bank	365.90	192.20
			Other cash balance and Investments*	7730.89	9958.89
			Cash Balance Investment	912.67	7.34
Total Section-B	**156817.38**	**155154.49**		**156817.38**	**155154.49**
Total (A+B)	**270478.05**	**272561.88**	**Total**	**270478.05**	**272561.88**

Source: Finance Accounts

^ *It excludes* ₹ 2,265.05 *crore on account of investment of Consolidated Sinking Fund.*

\# *Excluding transactions under Major Heads '8671-Departmental Balances' and '8673- Cash Balance Investment Account', which forms part of Cash Balance.*

* *It includes investment made from consolidated sinking fund.*

Appendix 2.2

(Referred to in paragraph 2.3.2.1)

Time Series data on State Government Finances

(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Part A: Receipts					
1. Revenue Receipts	**61575**	**69048**	**78168**	**87616**	**89192**
(i) Own Tax Revenue[1]	**29995 (49)**	**30053 (44)**	**37327 (48)**	**42243 (48)**	**47252 (53)**
State's Goods and Service Tax[2]	12751 (43)	11819 (39)	15542 (42)	18128 (43)	20925 (44)
Taxes on Sales, Trade, etc.[2]	5223 (17)	5372 (18)	6869 (18)	5637 (13)	6501 (14)
State Excise[2]	4865 (16)	6164 (20)	6157 (16)	8437 (20)	9233 (20)
Taxes on vehicles[2]	1994 (7)	1472 (5)	2359 (6)	2674 (6)	2938 (6)
Stamps and Registration fees[2]	2258 (8)	2470 (8)	3308 (9)	4227 (10)	4359 (9)
Land Revenue	67	68	84	93	97
Other Taxes [2]	2837 (9)	2688 (9)	3008 (8)	3047 (7)	3199 (7)
(ii) Non-Tax Revenue[1]	**6654 (11)**	**4152 (6)**	**4783 (6)**	**6232 (7)**	**7234 (8)**
(iii) State's share of Union taxes and duties[1]	**10346 (17)**	**10638 (15)**	**15289 (20)**	**17164 (20)**	**20410 (23)**
(iv) Grants-in-aid from GoI[1]	**14580 (23)**	**24205 (35)**	**20769 (27)**	**21977 (25)**	**14296 (16)**
2. Misc. Capital Receipts	**0**	**0**	**0**	**0**	**0**
3. Recoveries of Loans and Advances	**16070**	**50**	**207**	**164**	**39**
4. Total revenue and Non-debt capital receipts (1+2+3)	**77645**	**69098**	**78375**	**87780**	**89231**
5. Public Debt Receipts	**27821**	**42386[3]**	**39170[4]**	**47263**	**46863**
Internal Debt (excluding Ways & Means Advances, Special Drawing Facility and Overdrafts)	27674	33595	26584	46300	43071
Net transactions under Ways and Means Advances, Special Drawing Facility and Overdrafts	2	0	0	0	3580
Loans and Advances from Government of India	145	8791	12586	963	212
6. Total receipts in the Consolidated Fund (4+5)	**105466**	**111484**	**117545**	**135043**	**136094**
7. Contingency Fund Receipts	**0**	**0**	**0**	**0**	**0**
8. Public Account Receipts	**66752**	**75117**	**91234**	**102519**	**99243**
9. Total receipts of the State (6+7+8)	**172218**	**186601**	**208779**	**237562**	**235337**

1 Figures in parenthesis indicate percentage to Revenue Receipts.
2 Figures in parenthesis indicate percentage to Tax Revenue.
3 Includes ₹ 8,359 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.
4 Includes ₹ 12,132 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Part B: Expenditure/ Disbursement					
10. Revenue Expenditure[5]	**75860 (80)**	**86344 (94)**	**96636 (91)**	**113661 (93)**	**117407 (96)**
General Services including interest payments[6]	38615 (51)	43253 (50)	47240 (49)	54003 (48)	57118 (49)
Social Services[6]	19484 (26)	21675 (25)	25334 (26)	28849 (25)	31961 (27)
Economic Services[6]	14551 (19)	15445 (18)	20204 (21)	26997 (24)	25032 (21)
Grants-in-aid and Contributions[6]	3210 (4)	5971 (7)	3858 (4)	3812 (3)	3296 (3)
11. Capital Outlay[5]	**17828 (19)**	**4382 (5)**	**8010 (8)**	**6667 (5)**	**4743 (4)**
General Services[7]	154 (1)	211 (5)	264 (4)	225 (3)	259 (5)
Social Services[7]	965 (5)	2251 (51)	2911 (36)	4041 (61)	2205 (47)
Economic Services[7]	16709 (94)	1920 (44)	4835 (60)	2401 (36)	2279 (48)
12. Disbursement of Loans and Advances [5]	**783 (1)**	**956 (1)**	**1576 (1)**	**1382 (1)**	**196 (0)**
13. Total of revenue expenditure, capital expenditure and disbursement of loans and advances (10+11+12)	**94471**	**91682**	**106222**	**121710**	**122346**
14. Repayments of Public Debt	**12618**	**13325**	**17273**	**16094**	**17281**
Internal Debt (excluding Ways and Means Advances, Special Drawing Facility and Overdraft)	12185	12863	16782	15524	16657
Net transactions under Ways and Means advances, Special Drawing Facility and Overdraft	0	0	0	0	0
Loans and Advances from Government of India	433	462	491	570	624
15. Appropriation to Contingency Fund	0	0	0	0	0
16. Total disbursement out of Consolidated Fund (13+14+15)	**107089**	**105007**	**123495**	**137804**	**139627**
17. Contingency Fund disbursements	**0**	**0**	**0**	**0**	**0**
18. Public Account disbursements	**64328**	**74471**	**87659**	**97620**	**94561**
19. Total disbursements by the State (16+17+18)	**171417**	**179478**	**211154**	**235424**	**234188**
Part C: Deficits					
20. Revenue Deficit (1-10)	**(-)14285**	**(-)17296**	**(-)18468**	**(-)26045**	**(-)28215**
21. Fiscal Deficit (4-13)	**(-)16826**	**(-)22584**	**(-)27847**	**(-)33930**	**(-)33115**
22. Primary Deficit (-)/ Surplus (+) (21-23)	**741**	**(-)4432**	**(-)8784**	**(-)14025**	**(-)10563**

[5] Figures in parenthesis indicate percentage to total expenditure.
[6] Figures in parenthesis indicate percentage to revenue expenditure.
[7] Figures in parenthesis indicate percentage to capital outlay.

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Part D: Other data					
23. Interest Payments (included in the revenue expenditure)	**17567**	**18152**	**19063**	**19905**	**22552**
24. Financial Assistance to local bodies, PSUs, ABs, etc.	**9883**	**15022**	**11900**	**12840**	**11839**
25. Ways and Means Advances/Overdraft/Special Drawing Facility/Shortfall availed (days)	**227**	**145**	**12**	**221**	**323**
Ways and Means Advances availed (days)	183	145	0	0	105
Overdraft/Special Drawing Facility/Shortall availed (days)	44	0	12	221	218
26. Interest on Ways and Means Advances/Overdraft	**24**	**6**	**0**	**27**	**75**
27.Gross State Domestic Product (GSDP)	**537031**	**540853**	**627717**	**681251**	**744899**
28. Total Outstanding Debt (year end)[8]	**229354**	**249673**	**261281**	**293729**	**325694**
29. Outstanding Guarantees (year end)	**25352**	**23552**	**20165**	**20208**	**22691**
30. Maximum amount guaranteed (year end)	**14434**	**23170**	**25850**	**27809**	**33760**
31. Number of incomplete projects	**52**	**96**	**86**	**69**	**44**
32. Capital blocked in incomplete projects	**1201**	**1209**	**1564**	**1625**	**1764**
Part E: Fiscal Health Indicators (per cent)					
I Resource Mobilization					
Own Tax revenue/GSDP	5.59	5.56	5.95	6.20	6.34
Own Non-tax revenue/GSDP	1.24	0.77	0.76	0.91	0.97
Central Tax Transfers/GSDP	1.93	1.97	2.44	2.52	2.74
II Expenditure Management					
Total Expenditure/GSDP	17.59	16.95	16.92	17.87	16.42
Total Expenditure/Revenue Receipts	153.42	132.78	135.89	138.91	137.17
Revenue Expenditure/Total Expenditure	80.30	94.18	90.98	93.39	95.96
Expenditure on Social Services/ Total Expenditure	21.65	26.10	26.59	27.02	27.93
Expenditure on Economic Services/ Total Expenditure*	33.88	19.96	25.06	25.29	22.48
Capital Outlay/ Total Expenditure	18.87	4.78	7.54	5.48	3.88
Capital Outlay on Social & Economic Services/ Total Expenditure	18.71	4.55	7.29	5.29	3.67
III Management of fiscal Imbalances					
Revenue Deficit /GSDP	(-)2.66	(-)3.20	(-)2.94	(-)3.82	(-)3.79

[8] During the years 2020-21 and 2021-2024, it excludes back-to-back loans of ₹ 8,359 crore and ₹ 20,491.41 crore (₹ 8,359 crore + ₹ 12,132.41 crore) respectively, in lieu of GST Compensation shortfall received from GoI which were not to be treated as debt of the State for any norms, as per the guidelines (August 2020).

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Fiscal Deficit/GSDP	(-)3.13	(-)4.18	(-)4.44	(-)4.98	(-)4.45
Primary Deficit (surplus)/GSDP	0.14	(-)0.82	(-)1.40	(-)2.06	(-)1.42
Revenue Deficit/Fiscal Deficit	84.90	76.59	66.32	76.76	85.20
IV Management of Fiscal Liabilities					
Total Outstanding Debt/GSDP	42.71	46.16	41.62	43.12	43.72
Total Outstanding Debt/RR	372.48	361.59	334.26	335.25	365.16
V Other Fiscal Health Indicators					
Return on Investment *(per cent)*	0.02	0.01	0.033	0.016	0.021
Financial Assets/Liabilities	45.12	42.91[$]	38.83[#]	37.47[#]	35.44[#]

Source: Finance Accounts

** Including Loans and Advances disbursed.*

$ Calculated after excluding ₹ 8,359 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be paid by the State out of its sources.

Calculated after excluding ₹ 20,491 crore as back-to-back loans from GoI during 2020-2022 in lieu of GST Compensation shortfall, which are not to be paid by the State out of its sources.

Appendix 2.3

(Referred to in paragraph 2.4.2.2 (i))

Statement showing accumulated losses in PSUs in which State Government has equity investment

(₹ in crore)

Sr. No.	Name of the PSU	GoP equity at close of the year 2023-24	Accumulated Losses
1.	Ludhiana Smart City Limited	0.005	0.20
2.	Jalandhar Smart City Limited	0.005	6.63
3.	Gulmohar Tourist Complex (Holiday Home) Limited	0.02	5.48
4.	Punjab Scheduled Castes Land Development and Finance Corporation	68.09	32.06
5.	Punjab Water Resource Management and Development Corporation Limited	300.00	235.05
6.	Punjab Financial Corporation	29.31	249.03
7.	PEPSU Road Transport Corporation	307.08	396.20
8.	Punjab State Industrial Development Corporation Limited	78.21	661.60
9.	Punjab State Warehousing Corporation	4.00	550.06
10.	Punjab State Civil Supplies Corporation Limited	3.73	2276.19
11.	Punjab State Grains Procurement Corporation Limited	1.05	3721.91
12.	Punjab State Power Corporation Limited	21709.73	9619.55
Total		**22501.23**	**17753.96**

Source: Finalised accounts of the PSUs upto September 2024 and information provided by PSUs.

Appendix 2.4

(Referred to in paragraph 2.4.2.2 (i))

PSUs with negative net worth and accumulated losses in which Government of Punjab invested as equity

(₹ in crore)

Sr. No.	Name of Company	Total paid up capital	GoP equity	Net profit after interest, tax and dividend	Accumulated losses	Net worth	GoP loans as on 31 March 2024
1.	Punjab State Grains Procurement Corporation Limited	1.05	1.05	(-)224.05	(-)3721.91	(-)3720.86	6513.65
2.	Gulmohar Tourist Complex (Holiday Home) Limited	0.02	0.02	(-)0.27	(-)5.48	(-)5.46	0.00
3.	Punjab State Civil Supplies Corporation Limited	3.73	3.73	(-)262.15	(-)2276.19	(-)2272.46	10776.51
4.	Punjab State Industrial Development Corporation Limited	78.21	78.21	0.02	(-)661.60	(-)583.39	0.00
5.	PEPSU Road Transport Corporation	331.44	307.08	(-)2.67	(-)396.20	(-)64.76	23.75
6.	Ludhiana Smart City Limited	0.01	0.005	(-)0.04	(-)0.20	(-)0.19	0.00
7.	Punjab State Warehousing Corporation	8.00	4.00	(-)177.05	(-)550.06	(-)515.58	3702.44
8.	Punjab Financial Corporation	40.39	29.31	8.36	(-)249.03	(-)208.64	9.84
9.	Jalandhar Smart City Limited	0.01	0.005	(-)6.57	(-)6.63	(-)6.62	0.00
Total		**462.86**	**423.41**	**(-)664.42**	**(-)7867.30**	**(-)7377.96**	**21026.19**

Source: Finalised accounts of the PSUs upto September 2024 and information provided by the PSUs.
Note: Net Profit, Accumulated losses, Net Worth and Paid up Capital is as per latest finalised accounts.

Appendix 2.5

(Referred to in paragraph 2.4.2.2 (i))

Position of outstanding long-term loans extended by Government of Punjab to State PSUs as on 31 March 2024

(₹ in crore)

Sr. No.	Name of the PSU	Amount of outstanding loan
1.	Punjab Agro Foodgrains Corporation Limited	5568.50
2.	Punjab State Grains Procurement Corporation Limited	6513.65
3.	Punjab Water Resources Management and Development Corporation Limited	222.26
4.	Punjab State Civil Supplies Corporation Limited	10776.51
5.	Punjab State Warehousing Corporation	3702.44
6.	PEPSU Road Transport Corporation	23.75
7.	Punjab Financial Corporation	9.84
8.	Punjab Agri Export Corporation Limited	30.00
9.	Punjab State Hosiery and Knitwear Development Corporation Limited	9.64
10.	Punjab State Handloom and Textile Development Corporation Limited	0.004
Total		**26856.59**

Source: Information provided by the PSUs
Note: PSUs at Sr. No. 9 and 10 are non-working companies.

Appendix 2.6

(Referred to in paragraph 2.4.2.2 (ii))

Government Investment as per Finance Accounts *vis-à-vis* records of Public Sector Undertakings

(₹ in crore)

Sr. No.	Name of the PSU	As per Finance Accounts	As per records of PSUs	Difference
1.	Punjab Agro Industries Corporation Limited	46.23	45.46	(-)0.77
2.	Punjab State Seeds Corporation Limited	3.70	4.51	0.81
3.	Punjab Small Industries and Export Corporation Limited	4.77	49.86	45.09
4.	Punjab Water Resources Management & Development Corporation Limited	206.90	300.00	93.10
5.	Punjab Tourism Development Corporation Limited	5.34	6.66	1.32
6.	Punjab State Warehousing Corporation	3.92	4.00	0.08
7.	Punjab Scheduled Castes Land Development and Finance Corporation	84.30	68.09	(-)16.21
8.	PEPSU Road Transport Corporation	255.05	307.08	52.03
9.	Punjab State Handloom and Textile Development Corporation Limited	3.63	2.43	(-)1.20
10.	Amritsar Smart City Limited	0.00	0.005	0.005
11.	Jalandhar Smart City Limited	0.00	0.005	0.005
12.	Ludhiana Smart City Limited	0.00	0.005	0.005
13.	Punjab State Power Corporation Limited	18401.05	21709.73	3308.68
14.	Punjab State Transmission Corporation Limited	0.00	605.88	605.88
15.	Punjab Rural Water Utility	0.00	0.01	0.01
	Total	**19014.89**	**23103.73**	**4088.84**

Source: Finance Accounts and information obtained from the PSUs

Appendix 3.1

(Referred to in paragraph 3.1.1)

Details of budget allotment and expenditure under Gender Responsive Budgeting Schemes (having original budget provision of ₹ 50 crore or more)

(₹ in crore)

Sr. No.	Name of Scheme	Original grant	Supplementary grant	Re-appropriation	Total	Expenditure	Savings
Part A- 100 *per cent* women specific schemes							
1.	Financial Assistance to Widows and Destitute Women	1063.13	0.00	22.87	1086.00	1084.92	1.08
2.	Reimbursement to Transport Department in lieu of Free Concessional Travel facility to Women above the age of 60 years in Government/PRTC Buses in the State of Punjab.	497.50	0.00	-47.50	450.00	450.00	0.00
3.	*Ashirwaad* to SC Girls/Widows/Divorcees and Daughters of Widows at the time of their marriages	250.00	0.00	-30.00	220.00	165.51	54.49
4.	Punjab State Rural Livelihoods Mission	77.08	0.00	0.00	77.08	76.52	0.56
Part B - Schemes with 30 *per cent* to 99 *per cent* expenditure on women related components							
5.	Nutrition ICDS (50% of actual expenditure reimburses by GoI) (SNP)	180.00	0.00	100.00	280.00	184.65	95.35
6.	Integrated Child Development Services Scheme (60:40) (GoI:GoP)	779.82	0.00	-221.46	558.36	517.76	40.60
7.	National Nutrition Mission (60:40) (GoI:GoP)	61.42	0.00	-61.03	0.39	0.23	0.16
8.	Indira Gandhi National Old Age Pension	54.00	0.00	-44.50	9.50	9.35	0.15
9.	Financial Assistance to Disabled Persons	478.48	0.00	-16.98	461.50	461.07	0.43
10.	Financial Assistance to Dependent Children	388.73	0.00	-11.74	376.99	374.04	2.95
11.	Financial Assistance to Old Age Persons	1860.14	59.48	80.38	2000.00	1982.94	17.06
12.	Post-matric Scholarship to Other Backward Classes for Study in India	50.00	0.00	-49.00	1.00	0.00	1.00
13.	Scholarship for Post Matric Students for Scheduled Castes	245.00	366.00	0.00	611.00	611.00	0.00
14.	Pradhan Mantri Awaas Yojana (G) (60:40) (GoI:GoP)	150.00	0.00	-90.00	60.00	54.58	5.42
15.	Mahatma Gandhi National Rural Employment Guarantee Scheme (90:10) (GoI:GoP)	655.19	0.00	-175.19	480.00	341.60	138.40
Part C - Schemes with less than 30 *per cent* expenditure on women related components							
16.	Scheme for Implementation of Persons with Disabilities Act, 1995 (SIPDA) (100% GoI)	70.00	0.00	-40.00	30.00	0.48	29.52
17.	Rashtriya Gram Swaraj Abhiyan	80.00	0.00	-60.00	20.00	16.66	3.34
18.	Grant Recommended by 15th Finance Commission for Panchayati Raj Institutions	1233.85	0.00	0.00	1233.85	531.00	702.85
19.	Shyama Parsad Mukherji Rurban Mission (SPMRM) (60:40)	50.00	0.00	-22.36	27.64	27.64	0.00

Source: Detailed Appropriation Accounts

Appendix 3.2

(Referred to in paragraph 3.1.4.1)

Budget Estimates and Actual Outturn under Revenue Section

(₹ in crore)

Grant No.	Budget Estimate			Actual Outturn			Deviation	Percent-age
	Revenue Voted	Revenue Charged	Total	Revenue Voted	Revenue Charged	Total		
1.	11978.81	0.10	11978.91	10710.17	0.08	10710.25	-1268.66	-10.59
2.	603.38	0.05	603.43	582.15	0.05	582.20	-21.23	-3.52
3.	553.32	0.07	553.39	434.03	0.07	434.10	-119.29	-21.56
4.	69.81	0.00	69.81	111.60	0.00	111.60	41.79	59.86
5.	16390.81	0.80	16391.61	14905.16	0.33	14905.49	-1486.12	-9.07
6.	183.58	0.01	183.59	160.31	0.00	160.31	-23.28	-12.68
7.	307.53	0.23	307.76	282.53	0.23	282.76	-25.00	-8.12
8.	19157.68	24250.01	43407.69	20304.52	24301.94	44606.46	1198.77	2.76
9.	928.60	0.10	928.70	752.65	0.09	752.74	-175.96	-18.95
10.	305.41	15.29	320.70	276.42	14.43	290.85	-29.85	-9.31
11.	5127.71	0.66	5128.37	4303.13	0.55	4303.68	-824.69	-16.08
12.	8783.82	2.32	8786.14	8512.22	0.46	8512.68	-273.46	-3.11
13.	3697.62	0.10	3697.72	2936.08	0.00	2936.08	-761.64	-20.60
14.	567.09	0.00	567.09	555.80	0.00	555.80	-11.29	-1.99
15.	1228.26	4.82	1233.08	1091.05	4.78	1095.83	-137.25	-11.13
16.	31.64	0.00	31.64	29.84	0.00	29.84	-1.80	-5.69
17.	4008.72	0.00	4008.72	2668.38	0.00	2668.38	-1340.34	-33.44
18.	33.08	13.67	46.75	29.80	9.95	39.75	-7.00	-14.97
19.	45.02	0.00	45.02	33.93	0.00	33.93	-11.09	-24.63
20.	7813.98	0.19	7814.17	6820.65	0.19	6820.84	-993.33	-12.71
21.	777.57	0.06	777.63	615.92	0.03	615.95	-161.68	-20.79
22.	2137.59	2.70	2140.29	2314.00	2.43	2316.43	176.14	8.23
23.	2974.14	0.10	2974.24	1463.16	0.06	1463.22	-1511.02	-50.80
24.	37.10	0.00	37.10	27.16	0.00	27.16	-9.94	-26.79
25.	7686.22	0.10	7686.32	7196.15	0.00	7196.15	-490.17	-6.38
26.	59.39	1.24	60.63	58.45	0.78	59.23	-1.40	-2.31
27.	498.23	0.02	498.25	414.62	0.02	414.64	-83.61	-16.78
28.	134.81	0.00	134.81	101.37	0.00	101.37	-33.44	-24.81
29.	592.64	1.03	593.67	538.55	1.03	539.58	-54.09	-9.11
30.	79.05	0.52	79.57	75.05	0.39	75.44	-4.13	-5.19
31.	230.31	0.00	230.31	77.93	0.00	77.93	-152.38	-66.16
32.	257.90	0.55	258.45	231.26	0.54	231.80	-26.65	-10.31
33.	72.13	0.00	72.13	60.84	0.00	60.84	-11.29	-15.65
34.	226.78	0.07	226.85	103.73	0.06	103.79	-123.06	-54.25

Grant No.	Budget Estimate			Actual Outturn			Deviation	Percent-age
	Revenue Voted	Revenue Charged	Total	Revenue Voted	Revenue Charged	Total		
35.	165.10	0.00	165.10	151.99	0.00	151.99	-13.11	-7.94
36.	332.82	0.00	332.82	298.52	0.00	298.52	-34.30	-10.31
37.	1131.54	304.09	1435.63	1076.97	285.36	1362.33	-73.30	-5.11
38.	716.70	0.02	716.72	692.86	0.00	692.86	-23.86	-3.33
39.	32.07	0.00	32.07	28.95	0.00	28.95	-3.12	-9.73
40.	254.92	0.00	254.92	184.18	0.00	184.18	-70.74	-27.75
41.	1030.83	2.00	1032.83	934.96	0.24	935.20	-97.63	-9.45
42.	1254.91	0.01	1254.92	1062.62	0.00	1062.62	-192.30	-15.32
Total	**102498.62**	**24600.93**	**127099.55**	**93209.66**	**24624.09**	**117833.75**	**-9265.80**	**-7.29**

Source: Appropriation Accounts

Appendix 3.3

(Referred to in paragraph 3.1.4.1)

Budget Estimates and Actual Outturn under Capital Section

(₹ *in crore*)

Grant No.	Budget Estimate			Actual Outturn			Deviation	Percentage
	Capital Voted	Capital Charged	Total	Capital Voted	Capital Charged	Total		
1.	48.79	0.00	48.79	0.00	0.00	0.00	-48.79	-100.00
2.	2.10	0.00	2.10	0.10	0.00	0.10	-2.00	-95.24
3.	250.59	0.00	250.59	121.21	0.00	121.21	-129.38	-51.63
4.	20.50	0.00	20.50	7.23	0.00	7.23	-13.27	-64.73
5.	797.66	0.00	797.66	441.20	0.00	441.20	-356.46	-44.69
6.	10.28	0.00	10.28	1.28	0.00	1.28	-9.00	-87.55
7.	25.00	0.00	25.00	0.00	0.00	0.00	-25.00	-100.00
8.	40.25	69626.00	69666.25	24.61	73451.79	73476.40	3810.15	5.47
9.	800.23	0.00	800.23	50.18	0.00	50.18	-750.05	-93.73
10.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11.	144.16	0.00	144.16	143.80	0.00	143.80	-0.36	-0.25
12.	243.01	0.00	243.01	198.32	0.00	198.32	-44.69	-18.39
13.	132.80	0.00	132.80	51.94	0.00	51.94	-80.86	-60.89
14.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15.	1417.56	0.00	1417.56	967.84	0.00	967.84	-449.72	-31.72
16.	5.00	0.00	5.00	0.00	0.00	0.00	-5.00	-100.00
17.	2422.56	0.00	2422.56	1103.51	0.00	1103.51	-1319.05	-54.45
18.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19.	174.52	0.00	174.52	132.32	0.00	132.32	-42.20	-24.18
20.	101.85	0.00	101.85	22.36	0.00	22.36	-79.49	-78.05
21.	2519.05	0.00	2519.05	1093.09	0.00	1093.09	-1425.96	-56.61
22.	8.00	0.00	8.00	0.00	0.00	0.00	-8.00	-100.00
23.	345.00	0.00	345.00	171.66	0.00	171.66	-173.34	-50.24
24.	8.28	0.00	8.28	0.43	0.00	0.43	-7.85	-94.81
25.	145.03	0.00	145.03	6.35	0.00	6.35	-138.68	-95.62
26.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27.	116.78	0.00	116.78	37.64	0.00	37.64	-79.14	-67.77
28.	146.36	0.00	146.36	63.75	0.00	63.75	-82.61	-56.44
29.	60.11	0.00	60.11	36.18	0.00	36.18	-23.93	-39.81
30.	0.38	0.00	0.38	0.11	0.00	0.11	-0.27	-71.05
31.	15.82	0.00	15.82	0.09	0.00	0.09	-15.73	-99.43
32.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33.	12.47	0.00	12.47	4.92	0.00	4.92	-7.55	-60.55
34.	25.97	0.00	25.97	0.00	0.00	0.00	-25.97	-100.00
35.	3.70	0.00	3.70	3.35	0.00	3.35	-0.35	-9.46

Grant No.	Budget Estimate			Actual Outturn			Deviation	Percentage
	Capital Voted	Capital Charged	Total	Capital Voted	Capital Charged	Total		
36.	68.31	0.00	68.31	13.59	0.00	13.59	-54.72	-80.11
37.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38.	351.65	0.00	351.65	86.96	0.00	86.96	-264.69	-75.27
39.	4.00	0.00	4.00	0.00	0.00	0.00	-4.00	-100.00
40.	3.01	0.00	3.01	1.50	0.00	1.50	-1.51	-50.17
41.	1003.34	0.00	1003.34	308.76	0.00	308.76	-694.58	-69.23
42.	309.01	0.00	309.01	1.21	0.00	1.21	-307.80	-99.61
Total	**11783.13**	**69626.00**	**81409.13**	**5095.49**	**73451.79**	**78547.28**	**-2861.85**	**-3.52**

Source: Appropriation Accounts

Appendix 3.4

(Referred to in paragraph 3.1.4.2)

Revised Estimates and Actual Outturn under Revenue Section

(₹ *in crore*)

Grant No.	Revised Estimate			Actual Outturn			Deviation	Percentage
	Revenue Voted	Revenue Charged	Total	Revenue Voted	Revenue Charged	Total		
1.	11587.48	0.10	11587.58	10710.17	0.08	10710.25	-877.33	-7.57
2.	588.01	0.05	588.06	582.15	0.05	582.20	-5.86	-1.00
3.	513.26	0.07	513.33	434.03	0.07	434.10	-79.23	-15.43
4.	68.11	0.00	68.11	111.60	0.00	111.60	43.49	63.85
5.	15545.75	0.36	15546.11	14905.16	0.33	14905.49	-640.62	-4.12
6.	183.32	0.00	183.32	160.31	0.00	160.31	-23.01	-12.55
7.	297.85	0.23	298.08	282.53	0.23	282.76	-15.32	-5.14
8.	19151.10	24250.01	43401.11	20304.52	24301.94	44606.46	1205.35	2.78
9.	927.27	0.10	927.37	752.65	0.09	752.74	-174.63	-18.83
10.	293.83	14.95	308.78	276.42	14.43	290.85	-17.93	-5.81
11.	4501.43	0.66	4502.09	4303.13	0.55	4303.68	-198.41	-4.41
12.	8544.46	1.07	8545.53	8512.22	0.46	8512.68	-32.85	-0.38
13.	3478.49	0.10	3478.59	2936.08	0.00	2936.08	-542.51	-15.60
14.	564.66	0.00	564.66	555.80	0.00	555.80	-8.86	-1.57
15.	1168.8	4.81	1173.61	1091.05	4.78	1095.83	-77.78	-6.63
16.	30.16	0.00	30.16	29.84	0.00	29.84	-0.32	-1.06
17.	3472.05	0.00	3472.05	2668.38	0.00	2668.38	-803.67	-23.15
18.	30.25	10.84	41.09	29.80	9.95	39.75	-1.34	-3.26
19.	41.45	0.00	41.45	33.93	0.00	33.93	-7.52	-18.14
20.	7792.98	0.19	7793.17	6820.65	0.19	6820.84	-972.33	-12.48
21.	664.64	0.06	664.70	615.92	0.03	615.95	-48.75	-7.33
22.	2045.05	2.70	2047.75	2314.00	2.43	2316.43	268.68	13.12
23.	2575.39	0.10	2575.49	1463.16	0.06	1463.22	-1112.27	-43.19
24.	27.99	0.00	27.99	27.16	0.00	27.16	-0.83	-2.97
25.	7505.29	0.00	7505.29	7196.15	0.00	7196.15	-309.14	-4.12
26.	59.39	1.24	60.63	58.45	0.78	59.23	-1.40	-2.31
27.	426.36	0.02	426.38	414.62	0.02	414.64	-11.74	-2.75
28.	106.22	0.00	106.22	101.37	0.00	101.37	-4.85	-4.57
29.	582.77	1.03	583.80	538.55	1.03	539.58	-44.22	-7.57
30.	76.46	0.47	76.93	75.05	0.39	75.44	-1.49	-1.94
31.	83.79	0.00	83.79	77.93	0.00	77.93	-5.86	-6.99
32.	252.73	0.55	253.28	231.26	0.54	231.80	-21.48	-8.48
33.	72.09	0.00	72.09	60.84	0.00	60.84	-11.25	-15.61
34.	104.85	0.07	104.92	103.73	0.06	103.79	-1.13	-1.08
35.	164.64	0.00	164.64	151.99	0.00	151.99	-12.65	-7.68

Grant No.	Revised Estimate			Actual Outturn			Deviation	Percentage
	Revenue Voted	Revenue Charged	Total	Revenue Voted	Revenue Charged	Total		
36.	315.60	0.00	315.60	298.52	0.00	298.52	-17.08	-5.41
37.	1131.53	304.10	1435.63	1076.97	285.36	1362.33	-73.30	-5.11
38.	716.70	0.01	716.71	692.86	0.00	692.86	-23.85	-3.33
39.	29.64	0.00	29.64	28.95	0.00	28.95	-0.69	-2.33
40.	229.31	0.00	229.31	184.18	0.00	184.18	-45.13	-19.68
41.	1030.83	0.80	1031.63	934.96	0.24	935.20	-96.43	-9.35
42.	1174.79	0.00	1174.79	1062.62	0.00	1062.62	-112.17	-9.55
Total	**98156.77**	**24594.69**	**122751.46**	**93209.66**	**24624.09**	**117833.75**	**-4917.71**	**-4.01**

Source: Appropriation Accounts and Demand for Grants 2023-24

Appendix 3.5

(Referred to in paragraph 3.1.4.2)

Revised Estimates and Actual Outturn under Capital Section

(₹ *in crore*)

Grant No.	Revised Estimate			Actual Outturn			Deviation	Percentage
	Capital Voted	Capital Charged	Total	Capital Voted	Capital Charged	Total		
1.	45.00	0.00	45.00	0.00	0.00	0.00	-45.00	-100.00
2.	0.10	0.00	0.10	0.10	0.00	0.10	0.00	0.00
3.	141.22	0.00	141.22	121.21	0.00	121.21	-20.01	-14.17
4.	8.50	0.00	8.50	7.23	0.00	7.23	-1.27	-14.94
5.	512.32	0.00	512.32	441.20	0.00	441.20	-71.12	-13.88
6.	10.28	0.00	10.28	1.28	0.00	1.28	-9.00	-87.55
7.	0.01	0.00	0.01	0.00	0.00	0.00	-0.01	-100.00
8.	26.40	69626.00	69652.40	24.61	73451.79	73476.40	3824.00	5.49
9.	80.20	0.00	80.20	50.18	0.00	50.18	-30.02	-37.43
10.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11.	144.16	0.00	144.16	143.80	0.00	143.80	-0.36	-0.25
12.	207.78	0.00	207.78	198.32	0.00	198.32	-9.46	-4.55
13.	132.00	0.00	132.00	51.94	0.00	51.94	-80.06	-60.65
14.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15.	992.27	0.00	992.27	967.84	0.00	967.84	-24.43	-2.46
16.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17.	1716.68	0.00	1716.68	1103.51	0.00	1103.51	-613.17	-35.72
18.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19.	145.12	0.00	145.12	132.32	0.00	132.32	-12.80	-8.82
20.	46.21	0.00	46.21	22.36	0.00	22.36	-23.85	-51.61
21.	1296.68	0.00	1296.68	1093.09	0.00	1093.09	-203.59	-15.70
22.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23.	198.34	0.00	198.34	171.66	0.00	171.66	-26.68	-13.45
24.	1.29	0.00	1.29	0.43	0.00	0.43	-0.86	-66.67
25.	53.72	0.00	53.72	6.35	0.00	6.35	-47.37	-88.18
26.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27.	54.85	0.00	54.85	37.64	0.00	37.64	-17.21	-31.38
28.	69.00	0.00	69.00	63.75	0.00	63.75	-5.25	-7.61
29.	47.04	0.00	47.04	36.18	0.00	36.18	-10.86	-23.09
30.	0.38	0.00	0.38	0.11	0.00	0.11	-0.27	-71.05
31.	15.82	0.00	15.82	0.09	0.00	0.09	-15.73	-99.43
32.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33.	12.47	0.00	12.47	4.92	0.00	4.92	-7.55	-60.55
34.	2.21	0.00	2.21	0.00	0.00	0.00	-2.21	-100.00
35.	3.70	0.00	3.70	3.35	0.00	3.35	-0.35	-9.46

Grant No.	Revised Estimate			Actual Outturn			Deviation	Percentage
	Capital Voted	Capital Charged	Total	Capital Voted	Capital Charged	Total		
36.	17.30	0.00	17.30	13.59	0.00	13.59	-3.71	-21.45
37.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38.	145.72	0.00	145.72	86.96	0.00	86.96	-58.76	-40.32
39.	2.00	0.00	2.00	0.00	0.00	0.00	-2.00	-100.00
40.	3.00	0.00	3.00	1.50	0.00	1.50	-1.50	-50.00
41.	400.78	0.00	400.78	308.76	0.00	308.76	-92.02	-22.96
42.	166.35	0.00	166.35	1.21	0.00	1.21	-165.14	-99.27
Total	**6698.90**	**69626.00**	**76324.90**	**5095.49**	**73451.79**	**78547.28**	**2222.38**	**2.91**

Source: Appropriation Accounts and Demand for Grants 2023-24.

Appendix 3.6

(Referred to in paragraph 3.3.1)

Statement showing expenditure incurred without budget provision (exceeding ₹ one crore)

(*₹ in crore*)

Sr. No.	Number and Name of grant	Expenditure without provision	Head of Account
1.	08-Finance	29.67	2235-60-200-02-Ex-Gratia Payments to Families of Ministers, Government Servants etc. dying in Harness
2.		3.36	2049-03-104-04-Interest on Indian Civil Services Provident Fund.
3.		32.84	2049-05-105-03-Interest on General Reserve Funds (SDMF)
4.		1560.08	6004-00-107-01-Loan to clear Legacy Amount of Cash Credit Limit in Respect of PUNGRAIN
5.		443.63	6004-09-101-01- Block Loans
6.	11-Health and Family Welfare	12.26	2210-06-101-26-01-National TB Control Programme
7.		1.05	2210-06-101-26-02-National Viral Hepatitis Control Programme (NVHCP)
8.		6.72	2210-06-789-18-01-National TB Control Programme
9.		4.17	2210-06-789-18-02-National Viral Hepatitis Control Programme (NVHCP)
10.		44.19	2211-00-109-01-01-Routine Immunization Programme under NRHM
11.		3.03	2211-00-109-01-02-Pulse Polio Programme under NRHM
12.		13.56	2211-00-789-09-01-Routine Immunization Programme under NRHM
13.		1.35	2211-00-789-09-02- Pulse Polio Programme under NRHM
14.	15- Water Resources	153.76	2700-04-001-01-Direction
15.		2.28	4700-02-799-01-Debit to Stock
16.		2.20	4711-01-799-01-Debit to Stock
17.	40- Sports and Youth Services	15.00	2204-00-104-40-Grants-in-Aid to Punjab Sports Council for Sports Equipment's in the Memory of Sahibzada Zorawar Singh
18.	41-Water Supply and Sanitation	11.64	2215-01-799-02- Debit to Miscellaneous Advance
Total		**2340.79**	

Source: Appropriation Accounts

Appendix 3.7

(Referred to in paragraph 3.3.2)

Statement showing cases where supplementary provisions (exceeding ₹ one crore in each case) proved unnecessary

(₹ in crore)

Sr. No.	Number and Name of grant	Original provision	Supplementary provision	Actual expenditure	Savings out of original Provision
1	2	3	4	5	6 (3-5)
A-Revenue (Voted)					
1.	1-Agriculture	11961.10	17.71	10710.17	1250.93
2.	6-Elections	174.84	8.74	160.31	14.53
3.	9-Food, Civil Supplies and Consumer Affairs	779.43	149.17	752.65	26.78
4.	10-General Administration	299.19	6.22	276.42	22.77
5.	11-Health and Family Welfare	4721.12	406.59	4303.13	417.99
6.	19-Planning	39.75	5.27	33.93	5.82
7.	25- Social Security, Woman and Child Development	7486.87	199.35	7196.15	290.72
8.	30- Vigilance	77.73	1.32	75.05	2.68
9.	33- Governance Reforms	67.48	4.65	60.84	6.64
10.	41- Water Supply and Sanitation	981.16	49.67	934.96	46.20
Total		**26588.67**	**848.69**	**24503.61**	**2085.06**
B-Capital (Voted)					
11.	1- Agriculture	6.31	42.48	0.00	6.31
12.	5- Education	682.06	115.60	441.20	240.86
13.	6-Elections	8.50	1.78	1.28	7.22
14.	12- Home Affairs	240.83	2.18	198.32	42.51
15.	13- Industries and Commerce	53.30	79.50	51.94	1.36
16.	15-Water Resources	1402.05	15.51	967.84	434.21
17.	19-Planning	169.02	5.50	132.32	36.70
18.	20- Power	84.03	17.82	22.36	61.67
19.	31- Employment Generation, Skill Development and Training	0.20	15.62	0.09	0.11

Sr. No.	Number and Name of grant	Original provision	Supplementary provision	Actual expenditure	Savings out of original Provision
1	**2**	**3**	**4**	**5**	**6 (3-5)**
20.	33- Governance Reforms	9.51	2.96	4.92	4.59
Total		**2655.81**	**298.95**	**1820.27**	**835.54**
Grand Total		**29244.48**	**1147.64**	**26323.88**	**2920.60**

Source: Appropriation Accounts

Appendix 3.8

(Referred to in paragraph 3.3.2)

Statement showing cases where supplementary provisions (exceeding ₹ one crore in each case) proved excessive

(₹ in crore)

Sr. No.	Number and Name of grant	Original provision	Supplementary provision	Total budget	Actual expenditure	Excessive supplementary provision (savings)
1	2	3	4	5 (3+4)	6	7 (5-6)
A-Revenue (Voted)						
1.	14-Information and Public Relations	426.47	140.62	567.09	555.80	11.29
2.	16-Labour	29.72	1.92	31.64	29.84	1.80
3.	29-Transport	507.29	85.35	592.64	538.55	54.09
4.	37- Law and Justice	840.21	291.33	1131.54	1076.97	54.57
5.	38- Medical Education and Research	663.32	53.38	716.70	692.86	23.84
6.	42- Welfare of SC, ST, OBC and minorities	736.98	517.93	1254.91	1062.62	192.29
Total		**3203.99**	**1090.53**	**4294.52**	**3956.64**	**337.88**
B-Revenue (Charged)						
7.	37- Law and Justice	254.55	49.54	304.09	285.36	18.73
Total		**254.55**	**49.54**	**304.09**	**285.36**	**18.73**
Grand Total		**3458.54**	**1140.07**	**4598.61**	**4242.00**	**356.61**

Source: Appropriation Accounts

Appendix 3.9

(Referred to in paragraph 3.3.3)

Injudicious/unnecessary re-appropriation of funds (where amount of re-appropriation was ₹ one crore or more in each case)

(₹ in crore)

Sr. No.	Head of Account	Original grant	Supplementary grant	Re-appropriation	Total	Expenditure	Savings(-)/ Excess(+)
Grant No. 01- Agriculture							
1.	2401-00-109-14- Rashtriya Krishi Vikas Yojana	85.83	0.00	61.17	147.00	0.00	-147.00
2.	2401-00-789-19- Rashtriya Krishi Vikas Yojana	13.97	0.00	14.03	28.00	0.00	-28.00
3.	6401-00-190-04- Loan to Punjab Agri Export Corporation (PAGRFXCOI) under SIDBI Cluster Development Scheme Fund (SCDF)	0.00	42.48	2.52	45.00	0.00	-45.00
Grant No. 03-Co-operation							
4.	6425-00-108-12- Construction of New Godowns for storage of Central Pool Wheat Stocks (Rural Infrastructure Development Board XXVII)	100.00	0.00	20.00	120.00	0.00	-120.00
Grant No. 04-Defence Services Welfare							
5.	3604-00-200-12-Grants-in-Aid to Municipal Committees/Corporations Notified Area Committees In lieu of Abolition of Octroi on Liquor in the State-	2.01	0.00	-2.01	0.00	50.00	+50.00
Grant No. 05-Education							
6.	2202-01-789-18-01- Assistance to Samagra Shiksha Abhiyan Society	573.88	0.00	9.75	583.63	353.82	-229.81
7.	2202-02-107-08- Pre-Matric Scholarship for Other Backward Classes Students-	17.49	0.00	1.37	18.86	7.10	-11.76
8.	2202-02-789-36-01- Assistance to Samagra Shiksha Abhiyan	309.37	0.00	23.14	332.51	155.96	-176.55
9.	4202-01-789-32- Additional Classrooms for Rural Areas School in the State (RIDF-XXVII and XXVIII) (85:15)	0.00	61.80	10.90	72.70	49.23	-23.47
Grant No. 06- Elections							
10.	2015-00-105-01- Elections to Parliament	64.03	8.74	2.57	75.34	60.51	-14.83
Grant No. 08- Finance							
11.	2049-01-115-01- Interest on Ways and Means Advances from Reserve Bank of India	35.00	0.00	-32.52	2.48	8.94	+6.46
12.	2049-04-101-01- Interest on Block Loans	5.43	0.00	-2.19	3.24	244.07	+240.83
Grant No. 09- Food, Civil Supplies and Consumer Affairs							
13.	2408-01-103-02- Prime Minister Formalization of Micro Food Processing Enterprises	18.34	19.95	4.18	42.47	32.02	-10.45
14.	3456-00-800-03- Loan to Procurement Agencies against liability of Atta Dal Scheme- 01- Punjab State Civil Supplies Corporation (PUNSUP)	350.00	0.00	-300.00	50.00	72.43	+22.43

Sr. No.	Head of Account	Original grant	Supplementary grant	Re-appropriation	Total	Expenditure	Savings(-)/ Excess(+)
Grant No. 11- Health and Family Welfare							
15.	2210-06-003-01- Training of Para Health Staff	13.77	0.00	1.18	14.95	10.97	-3.98
Grant No. 15-Water Resources							
16.	4700-05-001-08- Work Expenditure	121.56	0.00	-32.26	89.30	91.01	+1.71
17.	4701-57-800-02-65- Concrete Lining of Karamgarh Distributary System	5.00	0.00	1.00	6.00	4.28	-1.72
18.	4705-00-800-11- Construction of Field Channels on Kotla Canal Branch-Phase II system (AIBP)	110.00	0.00	-37.23	72.77	94.42	+21.65
Grant No. 17-Local Government							
19.	4217-60-051-13- Swachh Bharat Mission (Urban)-01-Sanitation	18.53	0.00	3.13	21.66	8.26	-13.40
20.	4217-60-051-14-Mission for Development of 100 Smart Cities-03-Development of Sultanpur Lodhi	25.00	0.00	1.57	26.57	0.00	-26.57
Grant No. 25-Social Security, Women and Child Welfare							
21.	2235-02-102-16- Integrated Child Protection Scheme (ICPS)	15.97	0.00	4.03	20.00	9.26	-10.74
22.	2235-02-789-26-Pradhan Mantri Matru Vandana Yojana	20.89	0.00	9.11	30.00	17.47	-12.53
23.	2235-02-789-27-Integrated Child Protection Scheme	15.97	0.00	4.03	20.00	9.26	-10.74
24.	2236-02-789-01- Nutrition- Integrated Child Development Scheme	126.00	0.00	70.00	196.00	100.65	-95.35
Grant No. 29- Transport							
25.	3055-00-800-01- Government Central Workshop Punjab	15.90	37.22	12.85	65.97	15.38	-50.59
26.	3055-00-797-03- Punjab State Road Safety Fund	40.00	0.00	-12.00	28.00	67.97	+39.97
Grant No. 33- Government Reforms							
27.	4070-00-800-29- E-Office	0.00	1.49	2.22	3.71	0.00	-3.71
Grant No. 40- Sports and Youth Services							
28.	2204-00-104-48- Assistance to Punjab State Sports Council-09-Grants-in-Aid to Punjab State Sports Council (Establishment)	69.74	0.00	2.26	72.00	44.74	-27.26
Grant No. 42- Welfare of SC, ST, OBC and Minorities							
29.	4225-03-190-01- Share Capital Contribution to BACKFINCO Margin Money to BACKFINCO (i) Share Capital-	0.01	0.00	1.99	2.00	0.00	-2.00
Total		**2173.69**	**171.68**	**-155.21**	**2190.16**	**1507.75**	**-682.41**

Source: Appropriation Accounts

Appendix 3.10

(Referred to in paragraph 3.3.4)

Details of grants having large savings excluding surrenders (exceeding ₹ 100 crore) during the year 2023-24

(₹ in crore)

Sr. No.	Number and Name of grant	Total budget provision	Actual expenditure	Savings	Surrender	Savings excluding surrender
1	2	3	4	5 (3-4)	6	7 (5-6)
Revenue (Voted)						
1.	01- Agriculture	11978.81	10710.17	1268.64	391.33	877.31
2.	03- Co-operation	553.32	434.03	119.29	0.00	119.29
3.	05- Education	16390.81	14905.16	1485.65	641.81	843.84
4.	09- Food and Supplies	928.60	752.65	175.95	1.33	174.62
5.	11- Health and Family Welfare	5127.71	4303.13	824.58	0.00	824.58
6.	13- Industries	3697.62	2936.08	761.54	0.00	761.54
7.	17- Local Government	4008.72	2668.38	1340.34	534.04	806.30
8.	20- Power	7813.98	6820.65	993.33	0.00	993.33
9.	23- Rural Development and Panchayats	2974.14	1463.16	1510.98	398.75	1112.23
10.	25- Social Security, Women and Child Welfare	7686.22	7196.15	490.07	180.93	309.14
11.	42- Welfare of SC, ST, OBC and Minorities	1254.91	1062.62	192.29	80.12	112.17
Total		**62414.84**	**53252.18**	**9162.66**	**2228.31**	**6934.35**
Capital (Voted)						
12.	03- Co-operation	250.59	121.21	129.38	0.00	129.38
13.	17-Local Government	2422.56	1103.51	1319.05	660.12	658.93
14.	21-Public Works	2519.05	1093.09	1425.96	1220.06	205.90
15.	42- Welfare of SC, ST, OBC and Minorities	309.01	1.21	307.80	142.66	165.14
Total		**5501.21**	**2319.02**	**3182.19**	**2022.84**	**1159.35**
Grand Total (Revenue + Capital)		**67916.05**	**55571.20**	**12344.85**	**4251.15**	**8093.70**

Source: Appropriation Accounts

Appendix 3.11

(Referred to in paragraph 3.3.4)

Details of grants having persistent savings (exceeding ₹ 100 crore) during the years 2021-2024

(₹ in crore)

Sr. No.	Name of Grant	2021-22	2022-23	2023-24
Revenue (V)				
1.	01-Agriculture	1699.60	552.82	1268.64
2.	05-Education	1050.15	842.16	1485.65
3.	09- Food and Supplies	109.47	426.35	175.95
4.	11-Health and Family Welfare	854.86	926.32	824.58
5.	17-Local Government	846.79	617.57	1340.34
6.	23-Rural Development and Panchayats	952.76	812.65	1510.98
7.	25-Social Security, Women and Child Welfare	612.95	409.00	490.07
8.	31-Employment	343.78	114.35	152.38
9.	42-Welfare of SC, ST, OBC and Minorities	570.62	376.75	192.29
Capital (V)				
10.	15-Water Resources	1154.50	390.52	449.72
11.	17-Local Government	1930.85	1189.97	1319.05
12.	21-Public Works	606.67	752.93	1425.96
13.	23-Rural Development and Panchayats	1368.49	299.39	173.34
14.	41-Water Supply and Sanitation	811.17	994.76	694.58
15.	42-Welfare of SC, ST, OBC and Minorities	103.24	108.40	307.80

Source: Appropriation Accounts

Appendix 3.12

(Referred to in paragraph 3.3.4)

Grant-wise utilisation and savings

(₹ *in crore*)

Sr. No.	Grant No.	Total Budget	Total Expenditure	Savings(-)	Utilisation (*Per cent*)	Range of utilisation (*Per cent*)
1.	09	1728.93	802.92	-926.01	46.44	30 to 50
2.	23	3319.24	1634.88	-1684.36	49.25	
3.	31	246.13	78.02	-168.11	31.70	
4.	34	252.82	103.79	-149.03	41.05	
Total		**5547.12**	**2619.61**	**-2927.51**	**47.22**	
5.	03	803.98	555.31	-248.67	69.07	50 to 70
6.	17	6431.28	3771.89	-2659.39	58.65	
7.	21	3296.68	1709.04	-1587.64	51.84	
8.	24	45.38	27.59	-17.79	60.80	
9.	28	281.17	165.12	-116.05	58.73	
10.	41	2036.17	1243.96	-792.21	61.09	
11.	42	1563.93	1063.83	-500.10	68.02	
Total		**14458.59**	**8536.74**	**-5921.85**	**59.04**	
12.	01	12027.70	10710.25	-1317.45	89.05	70 to 90
13.	05	17189.27	15346.69	-1842.58	89.28	
14.	06	193.87	161.59	-32.28	83.35	
15.	07	332.76	282.76	-50.00	84.97	
16.	11	5272.53	4447.48	-825.05	84.35	
17.	13	3830.52	2988.02	-842.50	78.01	
18.	15	2650.64	2063.67	-586.97	77.86	
19.	16	36.64	29.84	-6.80	81.44	
20.	18	46.75	39.75	-7.00	85.03	
21.	19	219.54	166.25	-53.29	75.73	
22.	20	7916.02	6843.20	-1072.82	86.45	
23.	27	615.03	452.28	-162.75	73.54	
24.	29	653.78	575.76	-78.02	88.07	
25.	32	258.45	231.80	-26.65	89.69	
26.	33	84.60	65.76	-18.84	77.73	
27.	36	401.13	312.11	-89.02	77.81	
28.	38	1068.37	779.82	-288.55	72.99	
29.	39	36.07	28.95	-7.12	80.26	
30.	40	257.93	185.68	-72.25	71.99	
Total		**53091.60**	**45711.66**	**-7379.94**	**86.10**	
31.	02	605.53	582.30	-23.23	96.16	90 to 100
32.	10	320.70	290.85	-29.85	90.69	
33.	12	9029.15	8711.00	-318.15	96.48	
34.	14	567.09	555.80	-11.29	98.01	
35.	25	7831.35	7202.50	-628.85	91.97	
36.	26	60.63	59.23	-1.40	97.69	
37.	30	79.95	75.55	-4.40	94.50	
38.	35	168.80	155.34	-13.46	92.03	

Sr. No.	Grant No.	Total Budget	Total Expenditure	Savings(-)	Utilisation (*Per cent*)	Range of utilisation (*Per cent*)
39.	37	1435.63	1362.33	-73.30	94.89	
Total		**20098.83**	**18994.90**	**-1103.93**	**94.51**	

Source: Appropriation Accounts

Appendix 3.13

(Referred to in paragraph 3.3.4)

Details of Appropriations/Grants in which savings (exceeding ₹ one crore in each case) not surrendered at all

(₹ in crore)

Sr. No.	Number and Name of Grant	Revenue/ Capital	Total Grant/Appropriation	Actual expenditure	Savings
1	2	3	4	5	6 (4-5)
Voted Grant					
1.	03-Co-operation	Revenue	553.32	434.03	119.29
		Capital	250.59	121.21	129.38
2.	06- Elections	Capital	10.28	1.28	9.00
3.	08- Finance	Capital	40.25	24.61	15.64
4.	11- Health and Family Welfare	Revenue	5127.71	4303.13	824.58
5.	13-Industries	Revenue	3697.62	2936.08	761.54
		Capital	132.80	51.94	80.86
6.	16-Labour	Revenue	31.64	29.84	1.80
		Capital	5.00	0.00	5.00
7.	20- Power	Revenue	7813.98	6820.65	993.33
		Capital	101.85	22.36	79.49
8.	22-Revenue, Rehabilitation and Disaster Management	Capital	8.00	0.00	8.00
9.	31- Employment	Capital	15.82	0.09	15.73
10.	33- Governance Reforms	Capital	12.47	4.92	7.55
11.	37- Law and Justice	Revenue	1131.54	1076.97	54.57
12.	38-Medical Education and Research	Revenue	716.70	692.86	23.84
13.	40- Sports and Youth Services	Capital	3.01	1.50	1.51
14.	41- Water Supply and Sanitation	Revenue	1030.83	934.96	95.87
Total			**20683.41**	**17456.43**	**3226.98**
Charged Appropriation					
15.	37-Law and Justice	Revenue	304.09	285.36	18.73
Total			**304.09**	**285.36**	**18.73**
Grand Total			**20987.50**	**17741.79**	**3245.71**

Source: Appropriation Accounts

Appendix 3.14

(Referred to in paragraph 3.3.4)

Details of surrender of funds in excess of ₹ 10 crore on the last day of March 2024

(₹ in crore)

Sr. No.	Grant Number	Total Provision	Actual expenditure	Savings (-)/Excess (+)	Amount surrendered
A- Revenue (Voted)					
1.	1-Agriculture	11978.81	10710.17	-1268.64	391.33
2.	02-Animal Husbandry and Fisheries	603.38	582.15	-21.23	15.38
3.	05-Education	16390.81	14905.16	-1485.65	641.81
4.	10-General Administration	305.41	276.42	-28.99	11.58
5.	12- Home Affairs	8783.82	8512.22	-271.60	239.37
6.	15- Water Resources	1228.26	1091.05	-137.21	60.12
7.	17-Local Government	4008.72	2668.38	-1340.34	534.04
8.	21-Public Works	777.57	615.92	-161.65	112.60
9.	23- Rural Development and Panchayats	2974.14	1463.16	-1510.98	398.75
10.	25-Social Security, Women and Child welfare	7686.22	7196.15	-490.07	180.93
11.	28-Tourism and Culture Affairs	134.81	101.37	-33.44	28.59
12.	31- Employment	230.31	77.93	-152.38	146.52
13.	32-Forestry and Wildlife	257.90	231.26	-26.64	70.88
14.	34-Horticulture	226.78	103.73	-123.05	121.93
15.	36- Jails	332.82	298.52	-34.30	17.22
16.	40-Sports and Youth Services	254.92	184.18	-70.74	25.61
17.	42-Welfare of SC, ST, OBC and Minorities	1254.91	1062.62	-192.29	80.12
Total		**57429.59**	**50080.39**	**-7349.20**	**3076.78**
B- Capital (Voted)					
18.	04-Defence Services Welfare	20.50	7.23	-13.27	12.00
19.	05-Education	797.66	441.20	-356.46	295.34
20.	07- Excise and Taxation	25.00	0.00	-25.00	24.99
21.	12-Home Affairs	243.01	198.32	-44.69	35.21
22.	15-Water Resources	1417.56	967.84	-449.72	500.83
23.	17-Local Government	2422.56	1103.51	-1319.05	660.12
24.	19- Planning	174.52	132.32	-42.20	29.40
25.	21-Public Works	2519.05	1093.09	-1425.96	1220.06
26.	23- Rural Development and Panchayats	345.00	171.66	-173.34	146.66

Sr. No.	Grant Number	Total Provision	Actual expenditure	Savings (-)/Excess (+)	Amount surrendered
27.	25-Social Security, Women and Child Welfare	145.03	6.35	-138.68	91.31
28.	28-Tourism and Cultural Affairs	146.36	63.75	-82.61	77.36
29.	29-Transport	60.11	36.18	-23.93	13.07
30.	34-Horticulture	25.97	0.00	-25.97	23.76
31.	36-Jails	68.31	13.59	-54.72	51.01
32.	41-Water Supply and Sanitation	1003.34	308.76	-694.58	602.56
33.	42- Welfare of SC, ST, OBC and Minorities	309.01	1.21	-307.80	142.66
Total		**9722.99**	**4545.01**	**-5177.98**	**3926.34**
C- Capital (Charged)					
34.	08-Finance	69626.00	73451.79	+3825.79	4500.00
Total		**69626.00**	**73451.79**	**+3825.79**	**4500.00**
Grand Total (A+B+C)		**136778.58**	**128077.19**	**-8701.39**	**11503.12**

Source: Appropriation Accounts

Appendix 3.15

(Referred to in paragraph 3.4.2)

Details of the schemes for which provision (₹ 100 crore and above) was made but was withdrawn and/or no expenditure was incurred

(₹ in crore)

Sr. No.	Grant No.	Head of Account	Approved Outlay (Original + Supplementary)	Total Budget (after re-appropriation)	Reasons
1.	01- Agriculture	2401-00-109-14-Rashtriya Krishi Vikas Yojana	147.00	147.00	Reasons for non-utilisation of entire provision have not been intimated (July 2024).
2.	03-Co-operation	6425-00-108-12-Construction of New Godowns for Storage of Central Pool Wheat Stocks (Rural Infrastructure Development Board XXVII)-	100.00	120.00	Reasons for non-utilization of entire provision have not been intimated (July 2024).
3.	08-Finance	6003-00-107-02-Repayment of Temporary Loan Taken for Purchase of Food Grains-	1312.57	1312.57	Reasons for non-utilization of entire charged appropriation have not been intimated (July 2024).
4.	09-Food and Supplies	6408-01-190-01-Loans to Punjab State Civil Supplies Corporation for Procurement and Supply of Essential Commodities-	450.00	30.00	Reduction in provision by ₹420.00 crore through re-appropriation in March 2024 was due to less release of funds by Finance Department for loans and advances. It was intimated that the non-utilization of the entire provision was due to non-submission of bills in treasury because instalment of interest on bank loan was not due at that time.
5.	11-Health and Family Welfare	2210-01-190-02-03-Ayushman Bharat Health Infrastructure Mission	103.10	63.76	Reasons for non-utilization of entire provision have not been intimated (July 2024).
6.	15-Water Resources	2700-04-101-01-Share to BBMB for Bhakra Dam, Nangal (Works and Establishment)	126.30	113.17	Reduction in provision by ₹13.13 crore through re-appropriation in March 2024 was due to less release of funds by Finance Department for contributions. It was intimated that the non-utilization of the entire provision was due to works not been taken up due to code of conduct.

Sr. No.	Grant No.	Head of Account	Approved Outlay (Original + Supplementary)	Total Budget (after re-appropriation)	Reasons
7.	17- Local Government	2216-02-800-01-04-Assistance to Beneficiaries for Construction-	199.07	0.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department for other charges.
8.		4217-60-051-15-Urban Rejuvenation Mission-500 Habitations - AMRUT 07 AMRUT 2.0 - Project Funds-	763.92	0.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to cut imposed by the Finance Department for major works.
9.	21- Public Works	4059-80-051-63-02-Creation/Upgradation of Infrastructure of Judicial Court (14th Finance Commission)-	220.90	0.01	Reduction in provision by ₹ 220.89 crore through re-appropriation in March 2024 was due to less receipt of bills of major works.
10.	23-Rural Development and Panchayats	3604-00-200-33-Grant-in-Aid to PRIs as per Recommendations of State Finance Commission-	413.00	250.00	Reduction in provision by ₹ 163.00 crore through re-appropriation in March 2024 was due to less release of funds by the Finance Department under grants-in-aid general (non-salary).Reasons for non-utilization of entire provision have not been intimated (July 2024).
11.	42-Welfare of SC, ST, OBC and Minorities	4225-01-190-789-08-Pradhan Mantri Adarsh Gram Yojana-	155.00	155.00	Reasons for non-utilization of entire provision have not been intimated (July 2024).
12.		4225-01-190-04-800-01-Multi Sectoral Development Programme for Minorities	100.00	5.05	Reduction in provision by ₹9,494.80 lakh through re-appropriation in March 2024 was due to cut imposed by the Finance Department on major works. Reasons for non-utilization of entire provision have not been intimated (July 2024).
Total			**4090.86**	**2196.56**	

Source: Appropriation Accounts.

Appendix 3.16

(Referred to in paragraph 3.4.2)

Details of the schemes for which provision (₹ 10 crore and above) was made but were withdrawn fully through re-appropriation

(₹ in crore)

Sr. No.	Grant No.	Head of Account	Approved Outlay	Reason for Withdrawal
1.	02-Animal Husbandry and Fisheries	2403-00-101-13-Assistance to States for control of Animal Diseases- Creation of Disease-Free Zone	15.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-implementation of the scheme.
2.	05- Education	2202-02-109-32-Teacher Education Establishment of District Institute of Education and Training (DIETS)	10.85	Withdrawal of the entire provision through re-appropriation in March 2024 was due to merger of the scheme in Samagra Shiksha Abhiyan.
3.		2202-02-109-37- Information and Communication Technology (ICT) Project in Schools-01-Establishment of Modern Digital Classrooms (Connected Classrooms) in Government Schools	28.20	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department under grants-in-aid general (non-salary).
4.		2202-02-109-65- Samagra Shiksha Abhiyan, Punjab (Secondary)-03-Additional Classrooms for Rural Area Schools in the State (RIDF-XXIII, XXIV and XXV)	48.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department under grants-in-aid for creation of capital assets.
5.		2202-02-109-65- Samagra Shiksha Abhiyan, Punjab (Secondary)- 05- Repair and Maintenance of Infrastructure in Existing Schools	34.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department under grants-in-aid for creation of capital assets.
6.		2202-02-789-01- Information and Communication Technology Project- 05-Establishment of Modern Digital Classrooms (Connected Classrooms) in Government Schools	12.80	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department under grants-in-aid general (non-salary).
7.		2202-02-789-07- Information and Communication Technology Project ICT at Schools	10.40	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department under grants-in-aid general (non-salary).
8.		2202-02-789-36- Samagra Shiksha Abhiyan- 03- Additional Classrooms for Rural Area Schools in the State (RIDF-XXIII), (RIDF-XXIV) and (RIDF-XXV)	52.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department under grants-in-aid for creation of capital assets.
9.		2202-02-789-36- Samagra Shiksha Abhiyan- 05- Repair and Maintenance of Infrastructure in Existing Schools	16.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department under grants-in-aid general (non-salary).

Sr. No.	Grant No.	Head of Account	Approved Outlay	Reason for Withdrawal
10.	08-Finance	6003-00-110-01- Loans and Advances from RBI	5000.00	Withdrawal of the entire charged appropriation was due to non-receipt of bills of lump sum provision.
11.	17- Local Government	2216-02-800-01- Pradhan Mantri Awas Yojana Housing for all (Urban)- 04- Assistance to Beneficiaries for Construction	199.07	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department for other charges.
12.		2217-80-004-03- Swachh Bharat Mission (Urban)- IEC and Public Awareness	21.35	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department for (i) other charges (₹2,028.61 lakh) and (ii) advertising and publicity (₹106.70 lakh).
13.		4217-60-051-15- Urban Rejuvenation Mission-500 Habitations- AMRUT-07- AMRUT 2.0- Project Funds	763.92	Reduction in provision by ₹ 76,392.00 lakh through re-appropriation in March 2024 was due to cut imposed by the Finance Department for major works.
14.	21- Public Works	4059-80-201-02- Land Acquisition for Dedicated Freight Corridor	37.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-receipt of bills of major works.
15.	25- Social Security, Women and Child Welfare	4235-02-789-07-Construction of Anganwadi Working Centres Buildings under MGNREGA in Convergence with Integrated Child Development Scheme	14.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-receipt of bills of major works.
16.	27- Technical Education and Training	4250-00-789-15- Skill Strengthening for Industrial Value Enhancement (STRIVE)	11.88	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department for machinery and equipments.
17.		4250-00-800-25- Skill Strengthening for Industrial Value Enhancement (STRIVE)	25.24	
18.	28- Tourism and Cultural Affairs	4202-04-106-07- Upgradation of Museums	10.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department for major works.
19.	34-Horticulture	2401-00-119-54- Post Graduate Institute of Horticulture Education and Research	55.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department under grants-in-aid for creation of capital assets.
20.	34-Horticulture	2401-00-119-58- Scheme to give Impetus to the Diversification of Horticulture	20.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-release of funds by the Finance Department under grants-in-aid general (non-salary).
21.		2401-00-190-03- Assistance to Punjab Mandi Board (PMB)- 01- Bhaav Antar Bhugtan Yojna (BBY)	15.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-implementation of the scheme.
22.	40- Sports and Youth Services	2204-00-104-48-Assistance to Punjab State Sports Council-03- Construction of Multi-Purpose Stadium at Gidderbaha (Mukatsar)	35.00	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-implementation of the scheme.

Sr. No.	Grant No.	Head of Account	Approved Outlay	Reason for Withdrawal
23.	41- Water Supply and Sanitation	4215-02-102-02- Swachh Bharat Mission (Gramin)-07- Faecal Sludge Management	32.54	Withdrawal of the entire provision through re-appropriation in March 2024 was due to non-receipt of bills of major works.
24.		4215-02-789-01- Swachh Bharat Mission (Gramin)-07- Faecal Sludge Management	21.69	
Total			**6488.94**	

Source: Appropriation Accounts

Appendix 3.17

(Referred to in paragraph 3.4.2)

Details of the budget provisions and expenditure under Core of Core schemes and Core schemes (having original budget provisions of ₹ 100 crore or more in each case)

(₹ in crore)

Sr. No.	Name of Scheme	Original Budget	Supplementary	Re-Appropriation (percentage of original budget)	Total	Expenditure	Savings
I - Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)							
1.	2505-02-101-01-Mahatma Gandhi National Rural Employment Guarantee Scheme	655.19	0.00	-175.19	480.00	341.60	138.40
Total		**655.19**	**0.00**	**-175.19 (-26.74)**	**480.00**	**341.60**	**138.40**
II - Swachh Bharat Mission							
2.	4215-02-102-02-Swachh Bharat Mission (Gramin)	240.00	0.00	-166.61	73.39	46.53	26.86
3.	4215-02-789-01-Swachh Bharat Mission (Gramin)	160.00	0.00	-110.77	49.23	31.02	18.21
Total		**400.00**	**0.00**	**-277.38 (-69.35)**	**122.62**	**77.55**	**45.07**
III - National Rural Drinking Water Programme Renamed Jal Jeevan Mission							
4.	4215-01-102-32-National Rural Drinking Water Programme Renamed Jal Jeevan Mission	120.00	0.00	-69.10	50.90	39.00	11.90
5.	4215-01-789-16-National Rural Drinking Water Programme Renamed Jal Jeevan Mission	80.00	0.00	-45.80	34.20	26.00	8.20
Total		**200.00**	**0.00**	**-114.90 (-57.45)**	**85.10**	**65.00**	**20.10**
IV- Pradhan Mantri Awas Yojana							
6.	4515-103-04-Pradhan Mantri Awas Yojana	42.00	0.00	-25.20	16.80	16.80	0.00
7.	4515-789-10-Pradhan Mantri Awas Yojana	108.00	0.00	-64.80	43.20	37.78	5.42
Total		**150.00**	**0.00**	**-90.00 (-60.00)**	**60.00**	**54.58**	**5.42**

Sr. No.	Name of Scheme	Original Budget	Supplementary	Re-Appropriation (percentage of original budget)	Total	Expenditure	Savings
V - Urban Rejuvenation Mission (AMRUT)							
8.	2217-80-004-01-Urban Rejuvenation Mission	12.25	0.00	-9.06	3.19	2.31	0.88
9.	4217-60-051-15-Urban Rejuvenation Mission	1136.50	0.00	-471.05	665.45	387.87	277.58
Total		**1148.75**	**0.00**	**-480.11 (-41.79)**	**668.64**	**390.18**	**278.46**
VI - Ayushman Bharat Health Infrastructure Mission							
10.	2210-01-190-02-03-Ayushman Bharat Health Infrastructure Mission	103.10	0.00	-39.34	63.76	0.00	63.76
11.	2210-01-789-26-01-Ayushman Bharat Health Infrastructure Mission	48.52	0.00	-18.51	30.01	0.00	30.01
Total		**151.62**	**0.0**	**-57.85 (-38.15)**	**93.77**	**0.00**	**93.77**
VII - Swachh Bharat Mission (Urban)							
12.	2217-80-004-03-Swachh Bharat Mission (Urban)	37.37	0.00	-31.84	5.53	5.53	0.00
13.	4217-60-051-13-Swachh Bharat Mission (Urban)	387.61	0.00	-135.02	252.59	182.16	70.43
Total		**424.98**	**0.00**	**-166.86 (-39.26)**	**258.12**	**187.69**	**70.43**
VIII - Assistance to National Health Mission							
14.	2210-01-789-26-Assistance to National Health Mission	48.52	0.00	-18.51	30.01	0	30.01
15.	2210-01-190-02-Assistance to National Health Mission	166.69	0.00	-39.74	126.95	58.97	67.98
Total		**215.21**	**0.00**	**-58.25 (-27.07)**	**156.96**	**58.97**	**97.99**
IX - Pradhan Mantri Gram Sadak Yojana							
16.	3054-03-337-04-Pradhan Mantri Gram Sadak Yojana	25.60	0.00	-8.40	17.20	17.12	0.08
17	5054-03-337-46-Pradhan Mantri Gram Sadak Yojana	0.50	0.00	0.00	0.50	0.24	0.26

Sr. No.	Name of Scheme	Original Budget	Supplementary	Re-Appropriation (percentage of original budget)	Total	Expenditure	Savings
18.	5054-04-337-04 - Pradhan Mantri Gram Sadak Yojana	22.64	0.00	-22.31	0.33	0.33	0.00
19.	5054-04-337-07 - Pradhan Mantri Gram Sadak Yojana	540.00	0.00	0.00	540.00	482.71	57.29
20.	5054-04-789-03 - Pradhan Mantri Gram Sadak Yojana	60.00	0.00	0.00	60.00	0.00	60.00
Total		**648.74**	**0.00**	**-30.71 (-4.73)**	**618.03**	**500.40**	**117.63**
X - Mission for Development of 100 Smart Cities							
21.	2217-80-004-02-Mission for Development of 100 Smart Cities	11.43	0.00	13.75	25.18	23.34	1.84
22.	4217-60-051-14-Mission for Development of 100 Smart Cities	188.45	0.00	334.74	523.19	381.37	141.82
Total		**199.88**	**0.00**	**348.49 (174.35)**	**548.37**	**404.71**	**143.66**

Source: Annual Detailed Appropriation Accounts

Appendix 3.18

(Referred to in paragraph 3.4.3)

Details of budget provisions and expenditure on New Schemes during 2023-24 (having original budget provisions of more than ₹ 100 crore in each case)

(₹ in crore)

Sr. No.	Name of the scheme	Original Budget	Supplementary	Reappropriation	Total	Expenditure	Savings
1.	2401-109-21-Intervention in Agriculture for Resource Conservation and Crop Diversification	839.50	0.00	-812.62	26.88	25.44	1.44
2.	2401-789-45-Intervention in Agriculture for Resource Conservation and Crop Diversification	160.50	0.00	-155.38	5.12	4.19	0.93
3.	2700-04-101-01-99-Share to BBMB for Bhakra Dam, Nangal (Works and Establishment)	126.30	0.00	-13.13	113.17	0.00	113.17
4.	4217-60-051-15-07-Amrut 2.0- Project Funds	763.92	0.00	-763.92	0.00	0.00	0.00
5.	4059-80-051-63-02-Creation/Upgradation of Infrastructure of Judicial Court (14th Finance Commission)	220.90	0.00	-220.89	0.01	0.00	0.01
6.	3604-00-200-33-99 Grant-in-Aid to PRI's as per recommendations of State Finance Commission	413.00	0.00	-163.00	250.00	0.00	250.00
7.	4202-01-202-29 Schools of Eminence - 01 -Construction/Repair of Buildings	100.21	0.00	-81.84	18.37	18.37	0.00
8.	2851-190-06-Assistance to PSIDC/PFC for discharge of their debt liability	300.00	0.00	-2.76	297.24	205.00	92.24
9.	4217-60-051-13-Municipal Development Fund-02-User Water Management	215.33	0.00	-127.91	87.42	87.42	0.00
10.	4217-60-051-13-Municipal Development Fund-03-Solid Waste Management	153.74	0.00	-10.24	143.50	86.48	57.02

Sr. No.	Name of the scheme	Original Budget	Supplementary	Reappropriation	Total	Expenditure	Savings
11.	4217-60-051-15- Urban Rejuvenation Mission-500 Habitations - Amrut-05-Amrut 1.0 - Project Funds	372.58	0.00	212.87	585.45	387.87	197.58
12.	2505-02-101-01- Mahatma Gandhi National Rural Employment Guarantee Scheme-01- Material & Skilled- Semi Skilled Labour	589.19	0.00	-159.19	430.00	316.95	113.05
Total		**4255.17**	**0.00**	**-2298.01**	**1957.16**	**1131.72**	**825.44**

Source: Appropriation Accounts and Detailed Appropriation Accounts

Appendix 3.19

(Referred to in paragraph 3.4.4)

Statement showing Major Heads where more than 50 *per cent* of expenditure was incurred in March 2024

(₹ in crore)

Sr. No.	Major Head	Description	Total expenditure during 2023-24	Expenditure of 4th Quarter	Expenditure during March 2024	Expenditure in 4th Quarter as percentage of total expenditure	Expenditure in March 2024 as percentage of total expenditure
1.	2030	Stamps and Registration	11.09	10.20	10.08	91.97	90.89
2.	2408	Food Storage and Warehousing	33.68	29.66	21.68	88.06	64.37
3.	3054	Road and Bridges	145.93	100.38	73.59	68.79	50.43
4.	3452	Tourism	61.43	47.99	32.00	78.12	52.09
5.	4055	Capital Outlay on Police	211.52	161.15	112.41	76.19	53.14
6.	4235	Capital Outlay on Social Security and Welfare	13.58	10.62	8.47	78.20	62.37
7.	4851	Capital Outlay on Village and Small Industries	51.94	31.51	26.42	60.67	50.87
8.	5425	Capital Outlay on Other Scientific and Environmental Research	0.43	0.43	0.40	100.00	93.02

Source: Office of the Accountant General (Accounts & Entitlement), Punjab

Appendix 3.20

(Referred to in paragraph 3.4.4)

Details of sub-heads where entire expenditure (exceeding ₹ 10 crore in each case) was incurred in March 2024

(₹ in crore)

Sr. No.	Major Head	Sub Major head	Minor Head	Sub-head/ scheme	Details of sub heads	Expenditure in month of March 2024
1.	2014	00	102	01	High Court	285.36
2.	2049	03	104	01	Interest on General Provident Fund	1482.62
3.	2049	03	104	02	Interest on Contributory Provident Fund	19.32
4.	2049	03	108	01	Interest on Punjab Government Employees Group Insurance Scheme	46.40
5.	2049	05	105	01	Interest on General and other Reserve Funds (Natural Calamity Fund)	817.56
6.	2049	05	105	03	Interest on General Reserve Fund (SDMF)	32.84
7.	2210	06	101	26	National Rural Health Mission	13.31
8.	2210	06	789	18	National Rural Health Mission	10.88
9.	2211	00	109	01	National Component	47.22
10.	2211	00	789	09	National Rural Health Mission	14.90
11.	2515	00	101	10	Rashtriya Gram Swaraj Abhiyan	11.33
12.	3054	03	337	05	Expenditure Related to Court Cases of Miscellaneous Land Acquisition, Arbitration etc	29.41
13.	3054	80	797	01	Amount Transferred to Subvention from Central Road Fund	72.04
14.	3055	00	797	03	Punjab State Road Safety Fund	67.97
15.	3604	00	200	13	Devolution of Share of Taxes and Duties to Municipalities as recommended by the 2nd Punjab Finance Commission	100.00
16.	4210	01	110	55	Punjab Urban Infrastructure	13.60
17.	4210	03	789	30	Punjab Institute of Liver and Biliary Sciences	14.53
18.	5054	03	101	08	World Bank Scheme for Road Infrastructure	27.16
Total						**3106.45**

Source: Information supplied by office of the Accountant General (Accounts & Entitlement), Punjab

Appendix 3.21

(Referred to in paragraph 3.4.5.1)

Budget provision and expenditure on various programmes (having original budget provisions or total budget provisions of ₹ 10 crore or more) being implemented under Grant No. 01

(₹ in crore)

Sr. No.	Major Head and Description	Original Budget	Supplementary	Re-appropriation	Total Budget	Expenditure	Savings (Percentage)
1.	2401-00-109-10-Agriculture Extension (Krishionnati Yojana)	35.50	0.00	-14.20	21.30	15.75	5.55 (26.06)
2.	2401-00-109-21-Intervention in Agriculture for Resource Conservation and Crop Diversification	839.50	0.00	-812.62	26.88	25.44	1.44 (5.36)
3.	2401-00-113-15-Submission on Agricultural Mechanization	291.90	0.00	-75.18	216.72	175.00	41.72 (19.25)
4.	2401-00-789-32-Agriculture Extension (Krishionnati Yojana)	14.50	0.00	-5.80	8.70	7.38	1.32 (15.17)
5.	2401-00-789-45-Intervention in Agriculture for Resource Conservation and Crop Diversification	160.50	0.00	-155.38	5.12	4.19	0.93 (18.16)
6.	2401-00-789-47-Incentivizing Direct Seeding of Rice (DSR)	12.00	0.00	-8.00	4.00	4.00	0.00
7.	2401-00-800-28-Incentivizing Direct Seeding of Rice (DSR)	63.00	0.00	-42.00	21.00	21.00	0.00
8.	2402-00-102-40-NABARD-RIDF-Projects-01- Project for Utilization of Treated Water for Irrigation from Sewerage Treatment Plants in Punjab (NABARD-RIDF-XXIV)	23.50	0.00	-7.84	15.66	10.13	5.53 (35.31)
9.	2402-00-102-40-NABARD-RIDF-Projects-03-Utilization of Treated Water of Sewage Treatment Plants (STPs) (NABARD-RIDF-26)	13.80	0.00	-3.41	10.39	10.39	0.00
10.	2402-00-102-44-Assistance on Community and Individual Level Projects of Underground Pipeline for judicious use of available Irrigation	18.80	0.00	-3.64	15.16	15.16	0.00

Sr. No.	Major Head and Description	Original Budget	Supplementary	Re-appropriation	Total Budget	Expenditure	Savings (Percentage)
11.	2401-00-105-15-National Mission for Sustainable Agriculture Soil Health Management-08- Soil Health Card Scheme	10.95	0.00	-9.32	1.63	0.00	1.63 (100.00)
12.	2401-00-105-17-Paramparagat Krishi Vikas Yojana	14.28	0.00	-13.47	0.81	0.00	0.81 (100.00)
13.	2401-00-109-14-Rashtriya Krishi Vikas Yojana	85.83	0.00	61.17	147.00	0.00	147.00 (100.00)
14.	2401-00-112-01-Promotion of Pulses in Punjab	41.79	0.00	-41.78	0.01	0.00	0.01 (100.00)
15.	2401-00-789-19-Rashtriya Krishi Vikas Yojana	13.97	0.00	14.03	28.00	0.00	28.00 (100.00)
16.	2401-00-789-35-Submission on Agricultural Mechanization	58.10	0.00	-16.82	41.28	0.00	41.28 (100.00)
17.	2401-00-108-22-Subsidy Scheme for Cane Price Payment to the Cane Farmers	0.00	0.00	247.33	247.33	116.52	130.81 (52.89)
18.	2401-00-800-24-Grants-in-Aid to Punjab Rural Development Board	0.00	0.00	545.00	545.00	545.00	0.00
19.	2402-00-102-40-NABARD-RIDF-Projects-06-Conservation of Water Resources by promoting Underground Pipelines System (NABARD-RIDF-29)	0.00	1.64	13.35	14.99	14.97	0.02 (0.13)
20.	2415-01-120-02-Grants-in-Aid to the Punjab Agriculture University and Constituent College of the University-01-Assistance for University and Constituent Colleges	422.45	0.00	47.55	470.00	470.00	0.00
21.	6401-00-190-04-Loan to Punjab Agri Export Corporation (PAGRFXCOI) under SIDBI Cluster Development Scheme Fund (SCDF)	0.00	42.48	2.52	45.00	0.00	45.00 (100.00)

Source: Annual Detailed Appropriation Accounts

Appendix 3.22

(Referred to in paragraph 3.4.5.2(ii))

Budget provision and expenditure on various programmes (having original budget provisions or total budget provisions of ₹ 10 crore or more) being implemented under Grant No. 17

(₹ in crore)

Sr. No.	Major Head and Description	Original Budget	Supple-mentary	Re-appropriation	Total Budget	Expendi-ture	Savings (Percentage)
1.	2216-02-800-01-Pradhan Mantri Awas Yojana Housing for all 01- Preparation of Action Plan and Establishment of Technical Cell	10.77	0	-7.55	3.22	1.80	1.42 (44.10)
2.	2217-80-001-02- Local Government Directorate	14.04	0	-1.01	13.03	11.67	1.36 (10.44)
3.	2217-80-003-Training 04-National Urban Livelihood Mission	78.28	0	-50.07	28.21	28.21	0
4.	2217-80-004-Research-03-02-Capacity Building	16.01	0	-10.48	5.53	5.53	0
5.	2217-80-003-789-Special Component Plan for Scheduled Castes-01-National Urban Livelihood Mission	23.41	0	-15.47	7.94	7.94	0
6.	3604-00-200-12-Grants-in-Aid to Municipal Committees/Corporations Notified Area Committees in Lieu of Abolition of Octroi on Liquor in the State	213.00	0	-38.00	175.00	124.97	50.03 (28.59)
7.	3604-00-200-13- Devolution of Share of Taxes and Duties to Municipalities as recommended by the 2nd Punjab Finance Commission	338.00	0	-83.00	255.00	100.00	155.00 (60.78)
8.	3604-00-200-26- Punjab Municipal Fund (Punjab Municipal Fund Act, 2006)-	1850.00	0	0	1850.00	1547.50	302.50 (16.35)
9.	3604-00-200-28-Grants-in-Aid to Urban Local Bodies as per recommendations of 15th Central Finance Commission-01-General Basic Grant	814.40	0	-114.40	700.00	426.37	273.63 (39.09)
10.	2217 -80-004 -800-02-Building Fiscal and Institutional Resilience for Growth of Punjab	49.74	0	-47.74	2.00	0	2.00 (100.00)
11.	2216 -02 -800- 01-Pradhan Mantri Awas Yojana Housing for all (Urban)- 04-Assistance to Beneficiaries for Construction	199.07	0	-199.07	0	0	0

Sr. No.	Major Head and Description	Original Budget	Supple-mentary	Re-approp riation	Total Budget	Expendi -ture	Savings (Percentage)
12.	2217 -80-004-03-Swachh Bharat Mission (Urban)- 01-IEC and Public Awareness	21.35	0	-21.35	0	0	0
13.	2216 -02 -789- 01-Pradhan Mantri Awas Yojana Housing for all (Urban)- 04-Beneficiary led Enhancement	0	0	10.72	10.72	10.72	0
14.	2217-80-004- 02-Mission for Development of 100 Smart Cities-03-Administrative and Office Expenses (A and OE) Amritsar Smart City	4.85	0	7.35	12.20	12.08	0.12 (0.98)
15.	3604-00-200-27-Punjab Municipal Infrastructure Development Fund (PMIDF Act 2011)-	150.00	0	8.63	158.63	158.63	0
16.	3604-00-200-31--Grant-in-Aid to Urban Local Bodies from Cow Cess collected in Urban Areas of Punjab on Liquor	0.01	0	24.55	24.56	12.28	12.28 (50.00)
17.	4217-60-051-09-Municipal Development Fund	192.50	0	-11.55	180.95	114.04	66.91 (36.98)
18.	4217-60-051-13-Swachh Bharat Mission (Urban)- 01-Sanitation -	18.53	0	3.13	21.66	8.26	13.40 (61.87)
19.	4217-60-051-13-Swachh Bharat Mission (Urban)- 02-User Water Management -	215.33	0	-127.91	87.42	87.42	0
20.	4217-60-051-13-Swachh Bharat Mission (Urban)-03-Solid Waste Management -	153.74	0	-10.24	143.50	86.48	57.02 (39.74)
21.	4217-60-051-18-Punjab Municipal Services Improvement Project (PMSIP)- World Bank Project	460.00	0	-373.80	86.20	32.45	53.75 (62.35)
22.	4217-60-051-789-Special Component Plan for Scheduled Castes-11-Municipal Development Fund	57.50	0	-3.45	54.05	5.61	48.44 (89.62)
23.	4217-60-051-14-Mission for Development of 100 Smart Cities-03-Development of Sultanpur Lodhi-	25.00	0	1.57	26.57	0	26.57 (100.00)
24.	4217-60-051-15-Urban Rejuvenation Mission-500 Habitations - AMRUT07-AMRUT 2.0 - Project Funds	763.92	0	-763.92	0	0	0
25.	4217-60-051-14-Mission for Development of 100 Smart Cities-04-Smart City Ludhiana	23.25	0	94.75	118.00	96.50	21.50 (18.22)

Sr. No.	Major Head and Description	Original Budget	Supple-mentary	Re-appropriation	Total Budget	Expendi-ture	Savings (Percentage)
26.	4217-60-051-14-Mission for Development of 100 Smart Cities-05-Smart City Jalandhar	70.10	0	72.85	142.95	118.95	24.00 (16.79)
27.	4217-60-051-14-Mission for Development of 100 Smart Cities-06-Smart City Amritsar	70.10	0	165.57	235.67	165.92	69.75 (29.60)
28.	4217-60-051-15-Urban Rejuvenation Mission-500 Habitations-AMRUT-05-AMRUT 1.0 - Project Funds	372.58	0	212.87	585.45	387.87	197.58 (33.75)

Source: Annual Detailed Appropriation Accounts

Appendix 4.1

(Referred to in paragraph 4.2)

Details of Central Scheme funds transferred by Government of India (GoI) directly to State implementing agencies during 2023-24

(₹ in crore)

Sr. No.	Name of the Scheme of GoI (Code of scheme)	Names of the Implementing Agency	Amount of release
1.	Food Subsidy for Decentralised Procurement of Foodgrains under NFSA (9533)	Punjab State Grains Procurement Corporation Limited	2064.56
2.	Mahatma Gandhi National Rural Employment Guarantee Programme (9178) (9219)	The Punjab State Rural Employment Guarantee Society	947.78
3.	Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) (3624)	Department of Agriculture, Punjab	598.29
4.	Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission (NRDWP) (9150)	Department of Water Supply and Sanitation, Punjab	119.76
5.	National AIDS and STD Control Programme (NACO) (9316)	Punjab State AIDS Control Society	75.01
6.	Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (3685)	State Health Agency, Punjab	59.53
7.	National Programme for Dairy Development (9148)	The Punjab State Cooperative Milk Producers Federation Limited (Milkfed)	20.90
8.	Works under Roads Wing (0833)	1. Competent Authority for Land Acquisition-cum-SDM Budhlada, Dharmkot, Patiala, Patti 2. Accounts Officer TL TLSC Accounting Unit PSPCL Patiala 3. Government Contractors	14.58
9.	Amended Technology Upgradation Fund Scheme (ATUFS) (1878)	Miscellaneous agencies	10.69
10.	PM Vikas Committed Liabilities (Virasat ka Samvardhan) (4173)	Miscellaneous agencies	10.31
Total			**3921.41**
11.	Other schemes having release below ₹ 10.00 crore in each case (Base year 2023-24)	Miscellaneous agencies	76.43
Total			**76.43**
Grand Total			**3997.84**

Source: Finance Accounts

Appendix 4.2

(Referred to in paragraph 4.2)

Statement showing details of Centrally Sponsored Scheme wherein Government of India (GoI) transferred its share directly to State implementing agencies

(₹ in crore)

Sr. No.	Name of the Scheme (Code of Scheme)	Amount released by GoI directly to implementing agencies	Amount released through State Government	*Per cent* of direct release to total release
1.	Krishionnati Yojana (4138)	4.83	42.95	10.11
2.	Rashtriya Krishi Vikas Yojna (9145)	2.86	136.63	2.05
3.	National Livestock Mission (9008)	1.52	0.00	100.00
4.	Mahatma Gandhi National Rural Employment Guarantee Programme (9219)	947.78	241.60	79.69
5.	Tertiary Care Programs (2035)	6.55	0.00	100.00
6.	Rashtriya Gram Swaraj Abhiyan (3617)	0.05	10.00	0.50
7.	Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission (NRDWP) (9150)	119.76	0.00	100.00
Total		**1083.35**	**431.18**	**71.53**

Source: PFMS Portal

Appendix 4.3

(Referred to in paragraph 4.5)

Details of substantial expenditure (more than ₹ 10 crore and 50 *per cent* or above of the total expenditure under Major Head) booked under Minor Head-800-Other Expenditure

(₹ in crore)

Sr. No.	Description of Major Head	Expenditure under Minor Head-800	Total expenditure under Major Head	Percentage
1.	2013- Council of Ministers	36.51	41.61	87.74
2.	3053- Civil Aviation	24.61	29.40	83.71
3.	4250- Capital Outlay on Other Social Services	16.69	23.02	72.50
4.	4701- Capital Outlay on Medium Irrigation	518.02	537.01	96.46
5.	4702- Capital Outlay on Minor Irrigation	37.50	41.07	91.31
6.	4705- Capital Outlay on Command Area Development	104.42	146.38	71.33
7.	4851- Capital Outlay on Village and Small Industries	50.20	51.94	96.65
Total		**787.95**	**870.43**	**90.52**

Source: Finance Accounts

Appendix 4.4

(Referred to in paragraph 4.5)

Details of substantial receipts (more than ₹ 10 crore and 50 *per cent* or above of the total receipts under Major Head) booked under Minor Head-800-Other Receipts

(₹ in crore)

Sr. No.	Major Head	Receipts under Minor Head-800	Total receipts under Major Head	Percentage
1.	0029-Land Revenue	96.82	96.92	99.90
2.	0049-Interest Receipts	227.26	277.53	81.89
3.	0070-Other Administrative Services	87.93	149.86	58.67
4.	0075-Miscellaneous General Service	3927.44	4059.96	96.74
5.	0216-Housing	92.59	105.60	87.68
6.	0217-Urban Development	119.10	121.88	97.72
7.	0235-Social Security and Welfare	93.46	94.87	98.51
8.	0401-Crop Husbandry	15.96	22.99	69.42
9.	0406-Forestry and Wildlife	221.08	268.32	82.39
10.	0515-Other Rural Development Programmes	24.13	24.57	98.21
11.	0701-Medium Irrigation	30.00	30.00	100.00
12.	1452-Tourism	14.90	14.90	100.00
13.	1456-Civil Supplies	191.00	191.00	100.00
14.	1475-Other General Economic Services	37.68	63.72	59.13
Total		**5179.35**	**5522.12**	**93.79**

Source: Finance Accounts

Appendix 4.5

(Referred to in paragraph 4.5)

List of sub-heads operated during 2023-24 under Minor head 800-Other expenditure instead of relevant Minor Head

(₹ in crore)

Sr. No.	Grant No.	Existing accounting classification	Proposed accounting classification	Budget allotment
1.	4	2235-60-800-Other expenditure-98-Computerization in State	2235-60-102- Pension under Social Security Schemes-98-Computerization in State	0.10
2.	6	2015-800-Other expenditure-98-Computerization in State	2015-102- Electoral Officer-98-Computerization in State	0.55
3.	8	3451-800-Other expenditure-98-Computerization in State	3451-101- Niti Aayog -98-Computerization in State	0.15
4.	12	2075-800-98-Computerization in State	2075-103- State Lotteries -98-Computerization in State	0.01
5.	17	2217-80-800-Other expenditure-98-Computerization in State	2217-80-001-Direction and Administration-98-Computerization in State	0.20
Total				**1.01**

Source: Detailed Demand for Grants

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