

**State Finances Audit Report  
of the  
Comptroller and Auditor General of India  
for the year ended 31 March 2022**



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



**Government of Punjab**  
*Report No. 2 of the year 2023*



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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 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.

Chapters II and III of this Report contain audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2022. Information has been obtained from the Government of Punjab wherever necessary.

Chapter IV 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.

Chapter V on 'State Public Sector Enterprises' provides the analysis of Audit of State Public Sector Enterprises regarding investment, disinvestments, returns, debt servicing, performance and losses incurred, also the CAG's oversight on Audit of accounts of State Public Sector Enterprises.

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

### Background

This Report on the finances of the Government of Punjab is brought out to assess the financial performance of the State during the year 2021-22 *vis-à-vis* the Budget Estimates and the targets as recommended by the Fifteenth Finance Commission (15<sup>th</sup> FC). The report analyses the dominant trends and structural profile of Government's receipts and disbursements. Recommendations of the Fourteenth Finance Commission (14<sup>th</sup> FC) have also been referenced, wherever required.

Based on the audited accounts of the Government of Punjab for the year ended 31 March 2022 and additional data collated from several sources such as the Economic Survey brought out by the State Government and Census, this report provides an analytical review of the Annual Accounts of the State Government and financial performance of the State Public Sector Enterprises (SPSE) in five Chapters.

### Chapter I: Overview

During the year 2021-22, the Government was unable to contain the revenue deficit, fiscal deficit, and debt to GSDP ratio within the targets fixed in the Fiscal Consolidation Roadmap (FCR).

The State continued to be a revenue deficit State. The revenue deficit increased to ₹ 18,468 crore (3.16 *per cent* of GSDP) in the current year from ₹ 9,455 crore (2.01 *per cent* of GSDP) in the year 2017-18. Further, the fiscal deficit increased to ₹ 27,847 crore (4.77 *per cent* of GSDP) in 2021-22 from ₹ 12,494 crore (2.65 *per cent* of GSDP) in 2017-18. Primary deficit increased from ₹ 4,432 crore (0.83 *per cent* of GSDP) in 2020-21 to ₹ 8,784 crore (1.50 *per cent* of GSDP) in 2021-22. There was primary surplus during the years i.e., 2017-18, 2018-19 and 2019-20.

[Paragraph 1.5]

### Chapter II: Finances of the State

During the period 2017-18 to 2021-22, revenue receipts increased from ₹ 53,010 crore to ₹ 78,168 crore at an annual average growth rate of 10.43 *per cent*. Capital receipts increased from ₹ 18,590 crore to ₹ 27,244 crore during the same period.

[Paragraphs 2.3.2.1 and 2.3.3]

The revenue expenditure increased from ₹ 62,465 crore (13.26 *per cent* of GSDP) in 2017-18 to ₹ 96,636 crore (16.55 *per cent* of GSDP) in 2021-22. It continued to constitute a dominant proportion (80 to 95 *per cent*) of the total expenditure during 2017-22 and grew at an annual average growth rate of 12.00 *per cent* during this period. The capital expenditure, on the other hand, constituted three to eight *per cent* during the same period 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).

**[Paragraphs 2.4.1 and 2.4.2]**

Share of committed expenditure in revenue expenditure of the State has been high, which constituted 64.07 *per cent* of the revenue expenditure during the current year.

**[Paragraph 2.4.1.2]**

Subsidies constituted 11.18 *per cent* to 17.72 *per cent* of the revenue expenditure and contributed 56 *per cent* to 102 *per cent* to the revenue deficit during 2017-22. Power subsidy constituted major portion of the total subsidies ranging between 68 *per cent* and 99 *per cent* during the same period.

**[Paragraph 2.4.1.3]**

During 2021-22, the return on investment was ₹ 6.66 crore (0.03 *per cent*) (on historical cost basis) from Co-operative Banks and Societies and Government Companies. The return was only between 0.01 *per cent* and 0.11 *per cent* during 2017-22 while the average rate of interest paid by the State Government on its borrowings was between 6.80 *per cent* and 8.36 *per cent* during the same period.

**[Paragraph 2.4.2.2(i)]**

The total outstanding loans advanced by the State Government increased by ₹ 1,370 crore from ₹ 36,300 crore in 2020-21 to ₹ 37,670 crore in the year 2021-22. Recovery of loans increased by ₹ 156 crore (312 *per cent*) and interest receipts decreased by ₹ 6 crore (24 *per cent*) as compared to 2020-21.

**[Paragraph 2.4.2.2(iii)]**

Eighty-six projects scheduled for completion up to 31 March 2022 were incomplete. The expenditure of ₹ 1,563.74 crore incurred on these incomplete projects was yet to yield the intended benefits.

**[Paragraph 2.4.2.2(iv)]**



The ratio of expenditure on education and health to total expenditure in Punjab decreased from 14.31 *per cent* and 4.19 *per cent* in 2017-18 to 12.15 *per cent* and 3.71 *per cent* in 2021-22 respectively while the ratio of total expenditure to GSDP and capital expenditure to total expenditure increased from 13.92 *per cent* to 18.19 *per cent* and 4.75 *per cent* to 9.02 *per cent* respectively during the same period.

**[Paragraph 2.4.3]**

The State Government had not invested funds of ₹ 8,194.08 crore lying in balance under State Disaster Response Fund (SDRF) as on 31 March 2022.

**[Paragraph 2.5.2.2]**

Outstanding total debt of the State was ₹ 2,61,281 crore (44.74 *per cent* of GSDP) as on 31 March 2022.

**[Paragraph 2.6.1]**

Outstanding public debt increased by 36.40 *per cent* from ₹ 1,64,802.98 crore in 2017-18 to ₹ 2,24,799.18 crore in 2021-22. The percentage of debt repayments to debt receipts decreased from 76.02 *per cent* in 2017-18 to 67.07 *per cent* in 2021-22. The ratio of interest payments to revenue receipts ranged between 21.69 *per cent* and 25.08 *per cent* during 2017-22.

**[Paragraph 2.7]**

The general cash balance at the close of the year was ₹ 2,367.35 crore. The closing cash balance for the year 2021-22 was not even equal to the earmarked reserve funds of ₹ 9,508.58 crore, which means that reserve funds were used for other than intended purposes.

**[Paragraph 2.7.3]**

### **Chapter III: Budgetary Management**

The State Government's budgetary process has not been sound during the year and there were savings under several grants. Expenditure of ₹ 3,492.28 crore was incurred without making budget provision. In 24 cases, augmentation of provision of funds by re-appropriation orders proved unnecessary because expenditure did not come even to the level of the budget provisions. Anticipated savings of ₹ 10,794.86 crore were not surrendered leaving no scope for utilising these funds for other developmental purposes. Excess expenditure of ₹ 37,737.49 crore incurred during 2015-20 required regularisation.

**[Paragraphs 3.3.1, 3.3.4, 3.3.5 and 3.3.6.3]**

During 2021-22, expenditure of ₹ 1,26,570.48 crore was incurred against total budget provision of ₹ 1,79,405.00 crore resulting in total savings of ₹ 52,834.52 crore. Out of the total savings an amount of ₹ 42,039.66 crore (79.57 per cent of savings) was surrendered during the year. All surrenders were made on the last day of the financial year.

[Paragraph 3.4.1]

#### **Chapter IV: Quality of Accounts and Financial Reporting Practices**

As many as 277 utilisation certificates in respect of grants amounting to ₹ 1,800.45 crore were pending for submission by the Departments. The State Government may review whether they should continue to give more grants to the departments with high pendency of utilisation certificates.

[Paragraph 4.4]

As many as 1,675 Abstract Contingent bills for ₹ 4,081.62 crore were awaiting adjustment as on 31 March 2022. Advances drawn and not accounted for increased the possibility of wastage/ misappropriation/ malfeasance, etc.

[Paragraph 4.5]

The State Government has not complied with Indian Government Accounting Standards (IGAS)-2: Accounting and Classification of Grants-in-Aid; and IGAS-3: Loans and Advances made by Government. Disclosures regarding total value of the Grants-in-Aid given in kind was not made, as the requisite information was not provided by the State Government. Further, the closing balances of Loans and Advances made by the State Government as on 31 March 2022 need to be reconciled by the Loanee Entities/State Government.

[Paragraph 4.10]

There were delays in submission of 15 annual accounts by five Autonomous Bodies to Audit.

[Paragraph 4.11]

37 instances of misappropriation, losses, theft, etc. involving an amount of ₹ 74.72 crore were pending for taking appropriate action

[Paragraph 4.13]

#### **Chapter V: State Public Sector Enterprises**

As on 31 March 2022, there were 49 SPSEs in Punjab, including four Statutory Corporations and 42 Government Companies (including 16 inactive government companies) and three Government Controlled Other Companies (GCOs) under the audit jurisdiction of the CAG.

[Paragraph 5.3]

Out of total profit of ₹ 1,710.77 crore earned by 12 SPSEs, 93.28 *per cent* was contributed by only three SPSEs. Out of total loss of ₹ 440.87 crore incurred by 17 SPSEs, loss of ₹ 396.30 crore was contributed by three Agriculture and Allied SPSEs.

**[Paragraphs 5.5.1 and 5.8.1]**

SPSEs were not adhering with the prescribed timeline regarding submission of their Financial Statements. As a result, 212 accounts of 40 SPSEs were in arrears.

**[Paragraphs 5.11.2 and 5.11.3]**

The impact of CAG's comments on the Financial Statements of the SPSEs amounted to ₹ 1,639.47 crore on the profitability and ₹ 354.88 crore on financial position.

**[Paragraph 5.13.4]**



# **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 spreads over a geographical area of 50,362 sq. km. and ranks 20<sup>th</sup> among States in terms of area. It has been organised into 23 districts. The districts have further been divided into 97 sub-divisions, 153 blocks and 12,581 inhabited villages.

As per Population Projections by National Commission on Population, Ministry of Health & Family Welfare, the State's population was 3.05 crore which accounts for 2.22 *per cent* of the country's population and ranks 16<sup>th</sup> among States in terms of population. The population density of the State at 606.31 persons per sq. km. was higher than the national average of 418.43 persons per sq. km. The Gross State Domestic Product (GSDP) in 2021-22 at current prices was ₹ 5,84,042 crore. The State's literacy rate is 75.80 *per cent* (as per 2011 Census) (*Appendix 1.1*). The per capita income of the State for the year 2021-22 was ₹ 1,62,112.

##### 1.1.1 Gross State Domestic Product of the State

Gross State Domestic Product (GSDP) is the value of all the 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 economy. The economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to the Agriculture, Industry and Service sectors.

Trends in GSDP compared to GDP are shown in **Table 1.1**; and sectoral contribution and sectoral growth in GSDP during the period 2017-2018 to 2021-22 are depicted in **Chart 1.1** and **Chart 1.2** respectively.

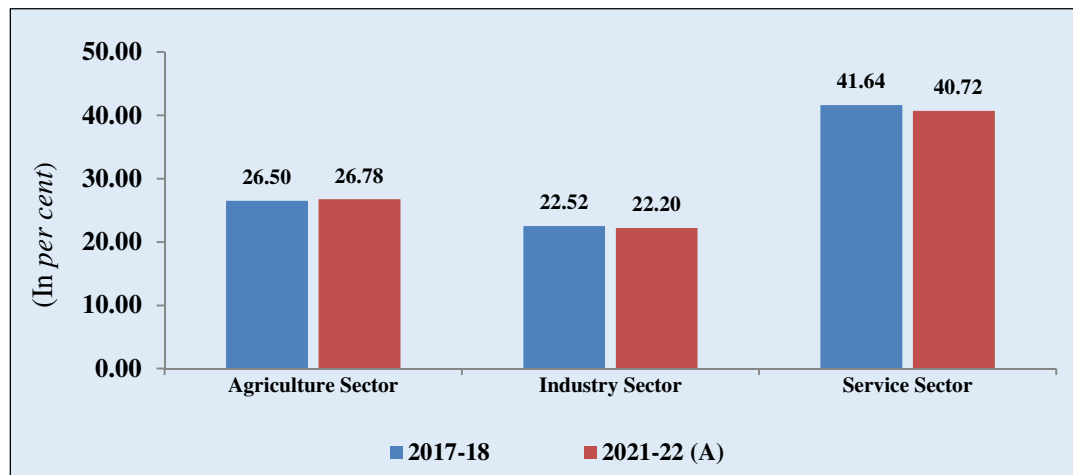
**Table 1.1: Trends in GSDP compared to the GDP  
(at current prices)**

Year	2017-18	2018-19	2019-20	2020-21	2021-22
GDP (2011-12 Series)	1,70,90,042	1,88,99,668 3 <sup>rd</sup> RE	2,00,74,856 2 <sup>nd</sup> RE	1,98,00,914 1 <sup>st</sup> RE	2,36,64,637 PE
Growth rate of GDP over previous year (in per cent)	16.60	10.59	6.22	(-1.36)	19.51
GSDP (2011-12 Series)	4,71,014	5,12,510	5,37,031	5,32,555 (Q)	5,84,042 (A)
Growth rate of GSDP over previous year (in per cent)	10.31	8.81	4.78	(-)0.83	9.67

Source: Economic and Statistical Organisation (ESO), Government of Punjab and National Statistics Office, Ministry of Statistics and Programme Implementation, GoI.

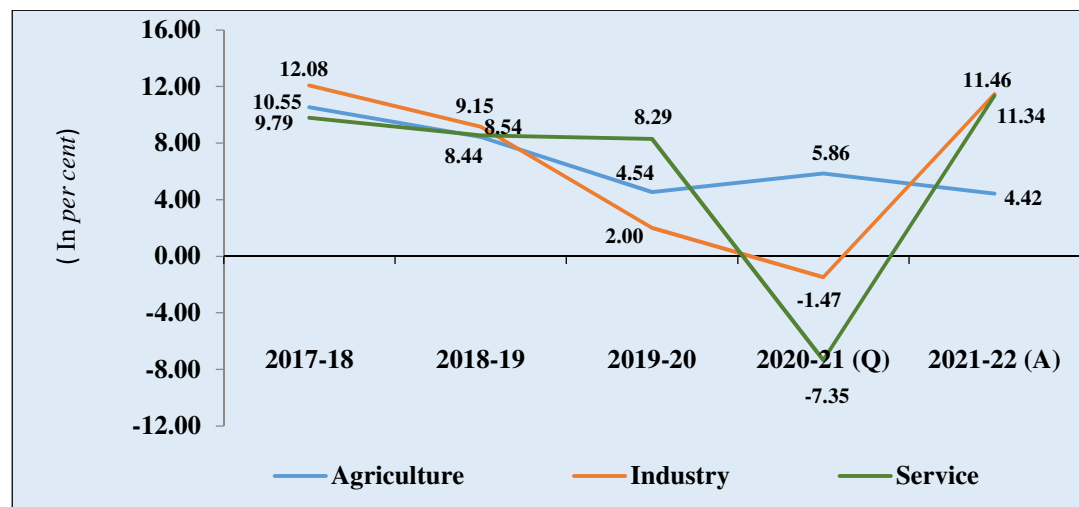
RE- Revised Estimates, PE- Provisional Estimates, Q-Quick Estimates and A-Advance Estimates

**Chart 1.1: Change in sectoral contribution to GDP (2017-18 to 2021-22)**



Source: Economic and Statistical Organisation, Government of Punjab

**Chart 1.2: Sectoral growth in GSDP**



Source: Economic and Statistical Organisation, Government of Punjab



**Chart 1.2** shows that, during 2021-22, there was significant growth in two sectors contributing to GSDP viz. industry and service, which was attributed to recovery of economic activity post COVID-19 pandemic. Almost all the indicators show that impact of the second wave of the pandemic was low as compared to full lockdown phase during 2020-21. The industry sector went through a sharp rebound owing to rise in manufacturing, construction and mining sub-sectors. In service sector, there was wide dispersion in performance of different sub-sectors. While finance, real estate and public administration were well above pre COVID-19 level, segments like travel, trade and hotels were yet to recover fully.

## 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.

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 of 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 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 (14<sup>th</sup> FC), Fifteenth Finance Commission

(15<sup>th</sup> FC), State Fiscal Responsibility and Budget Management (FRBM) Act, 2003, best practices and guidelines of the Government of India (GoI).

The audit analysis/findings of Chapters I to V of the Report were discussed in a meeting held (December 2022) with the Principal Secretary, Department of Finance, Punjab. Replies furnished in the meeting and those received from the State Government in December 2022 have been suitably incorporated in the Report.

### 1.3 Report Structure

The SFAR is structured into the following five chapters:

<b>Chapter-I</b>	<p><b>Overview</b></p> <p>This chapter 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.</p>
<b>Chapter-II</b>	<p><b>Finances of the State</b></p> <p>This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2017-18 to 2021-22, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.</p>
<b>Chapter-III</b>	<p><b>Budgetary Management</b></p> <p>This chapter 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.</p>
<b>Chapter-IV</b>	<p><b>Quality of Accounts and Financial Reporting Practices</b></p> <p>This chapter 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.</p>
<b>Chapter-V</b>	<p><b>State Public Sector Enterprises</b></p> <p>This chapter discusses financial performance of Government Companies, Statutory Corporations and Government Controlled Other Companies as revealed from their latest accounts.</p>

## 1.4 Overview of Government Account 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 concerned functional major head relating to the Consolidated Fund of the State.

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

Apart from 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 repayables 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).

The **capital receipts** consist of:

- **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 (PSU).

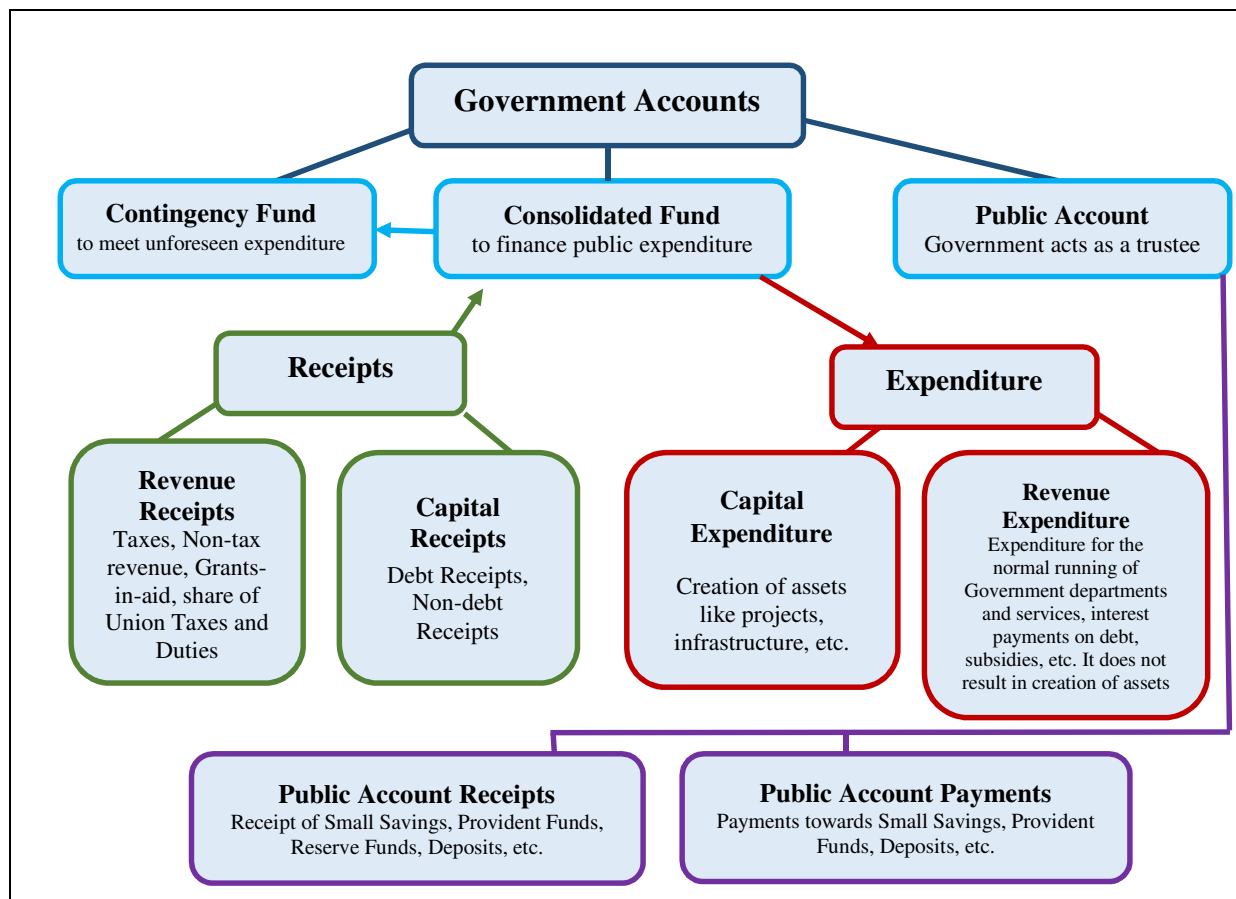
At present, we have an accounting classification system in Government that is both functional and economic.

	Attribute of transaction	Classification
Standardised in 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 us 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

### Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of 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 budget and implementation of other budgetary initiatives of the State Government are detailed in Chapter-III of this Report.

#### 1.4.1 Snapshot of Finances

Table 1.2 shows the details of actual financial results for the years 2020-21 and 2021-22 *vis-à-vis* Budget Estimates (BE) and GSDP for the year 2021-22.

**Table 1.2: Snapshot of Finances**

(₹ in crore)

Sl. No.	Components	2020-21 (Actuals)	2021-22 (BE)	2021-22 (Actuals)	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1.	Tax Revenue	40,691.04	49,460.75	52,615.65	106.38	9.01
	Own Tax Revenue	30,052.83	37,434.04	37,326.86	99.71	6.39
	Share of Union taxes/duties	10,638.21	12,026.71	15,288.79	127.12	2.62
2.	Non-Tax Revenue	4,152.13	7,758.48	4,783.77	61.66	0.82
3.	Grants-in-aid and Contributions	24,205.01	38,038.37	20,768.89	54.60	3.56
<b>4.</b>	<b>Revenue Receipts (1+2+3)</b>	<b>69,048.18</b>	<b>95,257.60</b>	<b>78,168.31</b>	<b>82.06</b>	<b>13.38</b>
5.	Recovery of Loans and Advances	50.37	5.00	206.73	4,134.60	0.04
6.	Other Receipts	0.02	0.00	0.00	0.00	0.00
7.	Borrowings and other liabilities*	22,584.16 <sup>^</sup>	24,239.68	27,847.26 <sup>\$</sup>	114.88	4.77
<b>8.</b>	<b>Capital Receipts (5+6+7)</b>	<b>22,634.55</b>	<b>24,244.68</b>	<b>28,053.99</b>	<b>115.71</b>	<b>4.80</b>
<b>9.</b>	<b>Total Receipts (4+8)</b>	<b>91,682.73</b>	<b>1,19,502.28</b>	<b>1,06,222.30</b>	<b>88.89</b>	<b>18.19</b>
<b>10.</b>	<b>Revenue Expenditure</b>	<b>86,344.62</b>	<b>1,03,879.91</b>	<b>96,636.51</b>	<b>93.03</b>	<b>16.55</b>
11.	Interest payments <sup>#</sup>	18,152.50	21,240.52	19,063.51	89.75	3.26
12.	Capital Expenditure	4,382.32	14,134.27	8,009.98	56.67	1.37
13.	Loans and advances	955.79	1,488.10	1,575.81	105.89	0.27
<b>14.</b>	<b>Total Expenditure (10+12+13)</b>	<b>91,682.73</b>	<b>1,19,502.28</b>	<b>1,06,222.30</b>	<b>88.89</b>	<b>18.19</b>
<b>15.</b>	<b>Revenue Deficit (4-10)</b>	<b>(-17,296.44)</b>	<b>(-8,622.31)</b>	<b>(-18,468.20)</b>	<b>214.19</b>	<b>(-3.16)</b>
<b>16.</b>	<b>Fiscal Deficit {(4+5+6)-14}</b>	<b>(-22,584.16)</b>	<b>(-24,239.68)</b>	<b>(-27,847.26)</b>	<b>114.88</b>	<b>(-4.77)</b>
<b>17.</b>	<b>Primary Deficit(-)/ Surplus(+)</b> <b>(16-11)</b>	<b>(-4,431.66)</b>	<b>(-2,999.16)</b>	<b>(-8,783.75)</b>	<b>292.87</b>	<b>(-1.50)</b>

Source: Finance Accounts

\* 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.

<sup>^</sup> Includes ₹ 8,359 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.

<sup>\$</sup> Includes ₹ 12,132.41 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.

<sup>#</sup> Included in the Revenue Expenditure shown at Sr. No. 10.

During the year 2021-22, the revenue receipts of the State though increased by 13 per cent over the previous year, these fell short by 18 per cent than the budget estimates. During the current year, there was excess of revenue expenditure (₹ 96,636 crore) over revenue receipts (₹ 78,168 crore), thereby resulting into revenue deficit of ₹ 18,468 crore.

The Goods and Services Tax (GST) Compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. However, in addition to receiving the GST compensation of ₹ 4,442 crore as revenue

receipts, due to inadequate balance in GST compensation fund during the year 2021-22, GoP also received back-to-back loans of ₹ 12,132 crore under debt receipts of the State Government, with no repayment liability for the State.

### 1.4.2 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 2022, compared with the corresponding position of 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 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				
		2020-21	2021-22	Per cent increase/decrease		2020-21	2021-22	Per cent increase/decrease	
<b>Consolidated Fund</b>									
A	Internal Debt	2,10,393.75	2,20,196.34	4.66	a	Gross Capital Expenditure	70,457.79	78,467.77	11.37
B	Loans and Advances from GoI*	12,999.91	25,094.25	93.03	b	Loans and Advances	36,300.59	37,669.67	3.77
<b>Contingency Fund</b>		<b>25.00</b>	<b>25.00</b>	<b>0.00</b>					
<b>Public Account</b>									
A	Small Savings, Provident Funds, etc.	22,149.54	22,187.70	0.17	a	Advances with Departmental officers	0.42	0.42	0.00
B	Deposits	3,904.66	4,785.10	22.55	b	Remittances	83.90	75.45	(-) 10.07
C	Reserve Funds	9,794.91	12,636.52	29.01	c	Suspense and Miscellaneous	0.66	130.37	19,653.03
D	Remittances	--	--	0.00		<b>Cash balance (including investment in Earmarked Funds)</b>	<b>9,247.83</b>	<b>6,871.64</b>	<b>(-) 25.69</b>
E	Suspense and Miscellaneous	157.65	92.86	(-)41.10		<b>Total</b>	<b>1,16,091.19</b>	<b>1,23,215.32</b>	<b>6.14</b>
						<b>Difference on account of rounding-off</b>	<b>--</b>	<b>0.02</b>	
						<b>Deficit in Revenue Account</b>	<b>1,43,334.23</b>	<b>1,61,802.43</b>	<b>12.88</b>
<b>Total</b>		<b>2,59,425.42</b>	<b>2,85,017.77</b>	<b>9.87</b>			<b>2,59,425.42</b>	<b>2,85,017.77</b>	<b>9.87</b>

Source: Finance Accounts

\* During the year 2020-21 and 2021-22, it includes back-to-back loans of ₹ 8,359 and ₹ 20,491.41 crore (₹ 8,359 crore + ₹ 12,132.41 crore) respectively, in lieu of GST Compensation shortfall received from GoI.

### 1.5 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 borrowing 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 the 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 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 level, establishing improved debt management and improving transparency in a medium term framework. In this context, the Act provides quantitative targets to be adhered 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 (14<sup>th</sup> 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 14<sup>th</sup> 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 14<sup>th</sup> 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 (15<sup>th</sup> FC), 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 the following reforms:

- (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 totalling to one *per cent*.

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 the GoI for the year 2021-22, by December 2021. The State Government spent ₹ 6,039.61 crore on capital outlay by December 2021 and hence was eligible for additional ceiling of 0.50 *per cent* of the projected

GSDP. Accordingly, statutory flexible limit for the fiscal deficit for the year 2021-22 works out to ₹ 23,362 crore (four per cent of GSDP ₹ 5,84,042 crore).

Further, the Fiscal Consolidation Roadmap (FCR) under FRBM Act for the period 2015-20 was prepared and implemented from the year 2017-18<sup>1</sup>. The targets under FCR for the years 2021-22 to 2023-24 were envisaged in the Annual Financial Statement (AFS) for the year 2021-22. Compliance with the targets fixed in the FCR during the period 2017-18 to 2021-22 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				
		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Deficit (-) / Surplus (+) (₹ in crore)	T	(-14,310)	(-11,919)	(-11,687)	(-7,712)	(-8,622)
	A	(-9,455) ✓	(-13,135) ✗	(-14,285) ✗	(-17,296) ✗	(-18,468) ✗
Fiscal Deficit (-) / Surplus (+) (₹ in crore)	T	(-20,821)	(-17,650)	(-18,171)	(-21,188)	(-23,362)
	A	(-12,494) ✓	(-16,059) ✓	(-16,826) ✓	(-22,584) ✗	(-27,847) ✗
Ratio of total outstanding debt to GSDP (in per cent)	T	41.04	40.96	39.74	38.53	45.05
	A*	41.43 ✗	41.35 ✗	42.71 ✗	46.88 ✗	44.74 ✓

Source: Annual Financial Statements for the years 2017-18 to 2021-22

T: Target; A: Achievement

\* During the year 2020-21 and 2021-22, it excludes back-to-back loans of ₹ 8,359 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 15<sup>th</sup> FC and those projected in the State budget vis-à-vis achievements in respect of major fiscal aggregates with reference to GSDP during 2021-22 are given in **Table 1.4(b)**.

**Table 1.4(b): Targets vis-à-vis achievements in respect of major fiscal aggregates for the year 2021-22**

Fiscal Variables	Targets as prescribed by 15 <sup>th</sup> FC	Targets in the Budget	Actuals*	Percentage variation of actuals over	
				Targets of 15 <sup>th</sup> FC	Targets in Budget
Revenue Deficit/GSDP (per cent)	(-1.66)	(-1.42)	(-3.16)	(-1.50)	(-1.74)
Fiscal Deficit/GSDP (per cent)	(-4.00)	(-3.99)	(-4.77)	(-0.77)	(-0.78)
Total outstanding debt/GSDP (per cent)	45.20	45.05	44.74 <sup>§</sup>	(-0.46)	(-0.31)

Source: Recommendations of 15<sup>th</sup> FC, Annual Financial Statement and Finance Accounts

Note : Deficit figures have been shown in minus.

\* Calculated on the basis of GSDP figures of ₹ 5,84,042 crore published by ESO, GoP.

§ Excluding back-to-back loans of ₹ 20,491.41 crore received from GoI in lieu of GST Compensation shortfall during 2020-22.

During the year 2021-22, the Government was unable to contain the revenue deficit-GSDP and fiscal deficit-GSDP ratios within the levels fixed by 15<sup>th</sup> FC and those projected in the budget estimates but total outstanding debt-GSDP ratio remained within the levels fixed.

<sup>1</sup> FCR for the year 2017-18 also contained targets for the year 2016-17.

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 2021-22**

(₹ in crore)

Sr. No.	Fiscal Variables	Projection as per MTFP	Actuals (2021-22)	Variation (in per cent)
1.	Own Tax Revenue	37,434	37,327	(-0.29)
2.	Non-Tax Revenue	7,759	4,783	(-38.36)
3.	Share of Central Taxes and Duties	12,027	15,289	(+27.12)
4.	Grants-in-aid from GoI	38,038	20,769*	(-45.40)
<b>5.</b>	<b>Revenue Receipts (1+2+3+4)</b>	<b>95,258</b>	<b>78,168</b>	<b>(-17.94)</b>
<b>6.</b>	<b>Revenue Expenditure</b>	<b>1,03,880</b>	<b>96,636</b>	<b>(-6.97)</b>
<b>7.</b>	<b>Revenue Deficit (-)/ Surplus (+) (5-6)</b>	<b>(-8,622)</b>	<b>(-18,468)</b>	<b>(-114.20)</b>
<b>8.</b>	<b>Fiscal Deficit (-)/ Surplus (+)</b>	<b>(-24,240)</b>	<b>(-27,847)</b>	<b>(-14.88)</b>
<b>9.</b>	<b>Debt-GSDP ratio (per cent)</b>	<b>45.05</b>	<b>44.74#</b>	<b>(-0.31)</b>
<b>10.</b>	<b>GSDP growth rate at current prices (per cent)</b>	<b>0.18</b>	<b>9.67</b>	<b>(+9.49)</b>

Source: Finance Accounts

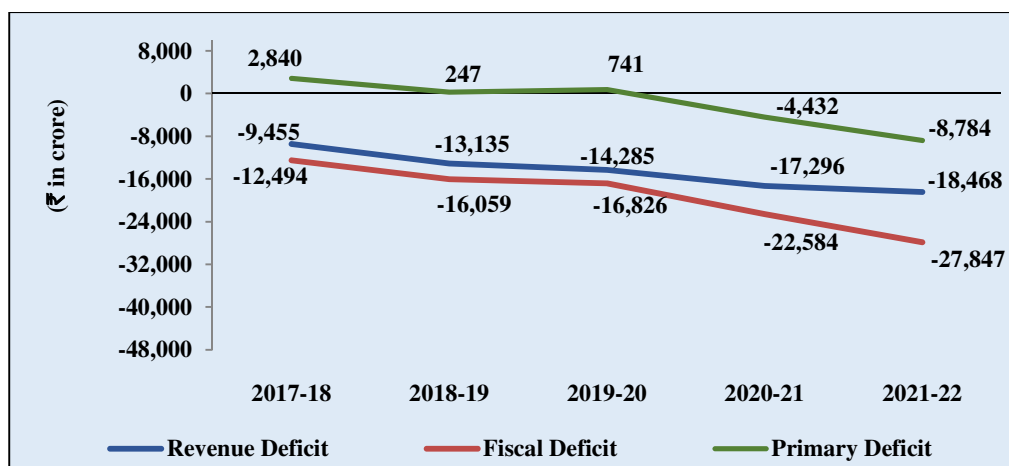
\* Includes post devolution revenue deficit grant of ₹ 10,081 crore recommended by 15<sup>th</sup> FC for the year 2021-22.

# 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 2021-22, the Government was unable to contain the revenue deficit within the level projected in the MTFP due to shortfall ranging between 0.29 per cent and 45.40 per cent in all the components of revenue receipts except in Share of Central Taxes and Duties which registered increase of 27.12 per cent. Consequently, the fiscal deficit also exceeded the target projected in the MTFP.

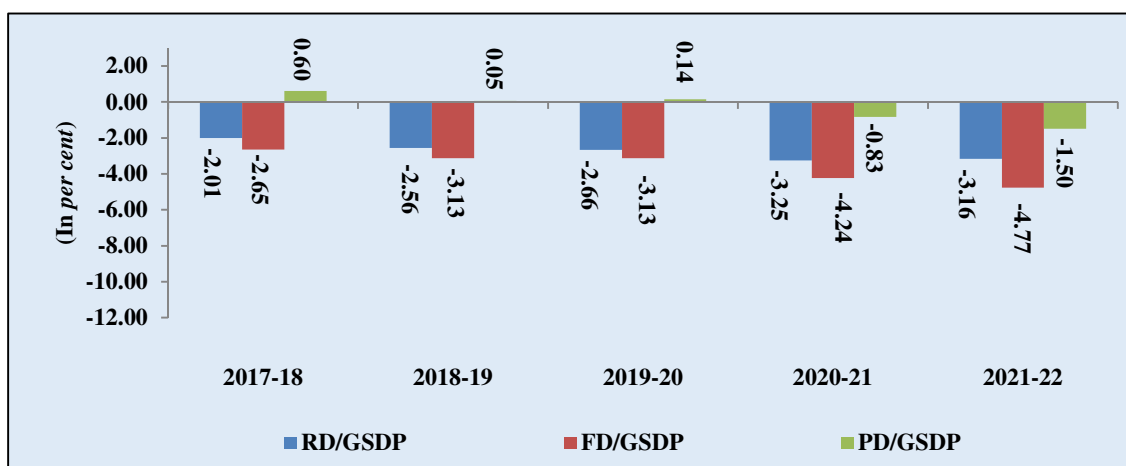
**Chart 1.4** and **Chart 1.5** present the trends in deficit parameters and trends relative to GSDP respectively over the period 2017-22.

**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** indicates excess of revenue expenditure over revenue receipts, which was to be brought down to zero by 2008-09 in terms of FRBM Act, 2003, increased to ₹ 18,468 crore (3.16 per cent of GSDP) in 2021-22 from ₹ 9,455 crore (2.01 per cent of GSDP) in 2017-18. The revenue deficit as percentage of GSDP decreased marginally in 2021-22 (3.16 per cent) as compared to previous year (3.25 per cent).

**Fiscal deficit**, which represents total borrowings of the State i.e. its total resource gap, increased substantially to ₹ 27,847 crore (4.77 per cent of GSDP) in 2021-22 from ₹ 22,584 crore (4.24 per cent of GSDP) in 2020-21.

**Primary deficit**, which indicates the excess of primary expenditure (total expenditure net of interest payments) over non-debt receipts, was ₹ 4,432 crore (0.83 per cent of GSDP) in 2020-21 and ₹ 8,784 crore (1.50 per cent of GSDP) in 2021-22. In 2017-18, 2018-19 and 2019-20, there was primary surplus of ₹ 2,840 crore (0.60 per cent of GSDP), ₹ 247 crore (0.05 per cent of GSDP) and ₹ 741 crore (0.14 per cent of GSDP) respectively. This indicated excess of non-debt receipts over primary expenditure.

The State Government stated (December 2022) that the revenue growth was adversely effected by the COVID-19 pandemic on one hand and on the other hand, the State Government incurred huge spending to bring relief to the common man, which was the prime reason for increase in the deficits. Efforts should be made by the State Government to comply with the FRBM guidelines.

### 1.5.1 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.

The GoI, Ministry of Finance, Department of Expenditure fixed (March 2021) the net borrowing ceiling of the State Government for the financial year

2021-22 as ₹ 22,951 crore<sup>2</sup> and instructed the State Government to ensure that its incremental borrowings from all sources remained within this ceiling. Borrowing Ceiling of ₹ 22,951 crore included additional ceiling of ₹ 2,869 crore (0.50 per cent of the projected GSDP) which 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 the GoI for the year 2021-22, by December 2021. The State Government spent ₹ 6,040 crore on capital outlay by December 2021. Hence, the State Government was eligible for the additional ceiling of 0.50 per cent of the projected GSDP.

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 ₹ 11,608 crore<sup>3</sup> during the financial year 2021-22 which remained within the borrowing ceiling of ₹ 23,362 crore (four per cent of revised GSDP of ₹ 5,84,042 crore).

### 1.6 Deficits post examination by Audit

Misclassification of revenue expenditure as capital and off-budget fiscal operations impacts deficit figures. 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 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 contribution to National Securities Depository Limited (NSDL)	(+)20.39	(+)20.39	2.4.1.2 (i)
Inadmissible expenditure met from SDRF (MH-2245)	(+)455.04	(+)455.04	2.5.2.2
Non-transfer of Guarantee fee to Guarantee Redemption Fund	(+)38.24	(+)38.24	2.5.2.3
Non-deposit of State levies in the Consolidated Fund of the State	(-)17.89	(-)17.89	4.1
Non-transfer of Labour Cess to the Punjab Building and Other Construction Workers Welfare Board	(+)15.96	(+)15.96	4.1.5
Non-discharge of liability in respect of interest towards interest bearing Deposits/Reserve Funds	(+)82.13	(+)82.13	4.3
<b>Total</b>	<b>(+)593.87</b>	<b>(+)593.87</b>	

Source: Finance Accounts

<sup>2</sup> Four per cent of GSDP (₹ 5,73,763 crore) of the year 2021-22, calculated by GoI based on the GSDP estimated as per the methodology prescribed by the 15<sup>th</sup> FC, however, the GSDP for the year 2021-22 was revised to ₹ 5,84,042 crore as on 22 July 2022, as per Economic and Statistical Organisation, Government of Punjab.

<sup>3</sup> Excluding GoI back-to-back loans of ₹ 12,132 crore 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).

During 2021-22, the revenue deficit and fiscal deficit was ₹ 18,468 crore (3.16 per cent of GSDP) and ₹ 27,847 crore (4.77 per cent of GSDP) respectively, as shown in Charts 1.4 and 1.5. If the above transactions were taken into account, the actual revenue deficit and fiscal deficit would work out to ₹ 19,062 crore (3.26 per cent of GSDP) and ₹ 28,441 crore (4.87 per cent of GSDP) respectively and the actual revenue deficit and fiscal deficit would have exceeded the Fiscal Consolidation Roadmap (FCR) targets by ₹ 10,440 crore (121.08 per cent) and ₹ 5,079 crore (21.74 per cent) respectively. This also resulted in understatement of the revenue deficit by 3.22 per cent and fiscal deficit by 2.13 per cent.

### 1.7 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 2022**

(₹ in crore)	
<b>Borrowings and other liabilities as per Finance Accounts</b>	<b>Amount</b>
<b>Internal Debt (A)</b>	<b>2,20,196.34</b>
Market Loans bearing interest	1,65,099.00
Market Loans not bearing interest	0.03
Compensation and other Bonds	1,4642.35
Loans from other Institutions, etc.	27,440.47
Special Securities issued to the National Small Savings Fund of the Central Government	13,014.49
<b>Loans and Advances from Central Government (B)</b>	<b>25,094.25</b>
Non-plan Loans	12.24
Loans for State Plan Schemes	1,782.21
Others	23,299.80*
<b>Liabilities upon Public Accounts (C)</b>	<b>36,369.10</b>
Small Savings, Provident Funds, etc.	22,187.70
Deposits	4,785.10
Reserve Funds	9,509.26
Suspense and Miscellaneous Balances	(-37.51)
Remittances	(-75.45)
<b>Total (A+B+C)</b>	<b>2,81,659.69</b>

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.

At the end of the year 2021-22, the overall outstanding debt/liabilities of the State were overstated by ₹ 112.96 crore by not accounting for the Suspense, Miscellaneous and Remittance balances, thereby overstating the same with respect to GSDP by 0.02 per cent. Liabilities to GSDP were lesser at 44.72 per cent<sup>4</sup> against the normative assessment of 45.05 per cent under MTFP Statement during the current year.

<sup>4</sup> Excluding back-to-back loans of ₹ 20,491.41 crore received from GoI during 2020-22 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 2021-22 vis-à-vis 2020-21

Major changes in key fiscal aggregates of the State during the financial year 2021-22, compared to the previous year, are given in **Table 2.1**.

**Table 2.1: Changes in key fiscal aggregates in 2021-22 compared to 2020-21**

<b>Revenue Receipts</b>	<ul style="list-style-type: none"><li>• Revenue receipts of the State increased by 13.21 <i>per cent</i></li><li>• Own tax receipts of the State increased by 24.20 <i>per cent</i></li><li>• Own Non-tax receipts increased by 15.20 <i>per cent</i></li><li>• State's Share of Union Taxes and Duties increased by 43.71 <i>per cent</i></li><li>• Grants-in-Aid from Government of India decreased by 14.20 <i>per cent</i></li></ul>
<b>Revenue Expenditure</b>	<ul style="list-style-type: none"><li>• Revenue expenditure increased by 11.92 <i>per cent</i></li><li>• Revenue expenditure on General Services increased by 9.22 <i>per cent</i></li><li>• Revenue expenditure on Social Services increased by 16.88 <i>per cent</i></li><li>• Revenue expenditure on Economic Services increased by 30.81 <i>per cent</i></li><li>• Expenditure on Grants-in-Aid and Contributions decreased by 35.39 <i>per cent</i></li></ul>
<b>Capital Expenditure</b>	<ul style="list-style-type: none"><li>• Capital expenditure increased by 82.79 <i>per cent</i></li><li>• Capital outlay on General Services increased by 25.32 <i>per cent</i></li><li>• Capital outlay on Social Services increased by 29.32 <i>per cent</i></li><li>• Capital outlay on Economic Services increased by 151.74 <i>per cent</i></li></ul>
<b>Loans and Advances</b>	<ul style="list-style-type: none"><li>• Recoveries of Loans and Advances increased by 310.42 <i>per cent</i></li><li>• Disbursement of Loans and Advances increased by 64.87 <i>per cent</i></li></ul>
<b>Public Debt</b>	<ul style="list-style-type: none"><li>• Public Debt Receipts decreased by 20.54 <i>per cent</i>*</li><li>• Repayment of Public Debt increased by 29.63 <i>per cent</i></li></ul>
<b>Public Account</b>	<ul style="list-style-type: none"><li>• Public Account Receipts increased by 21.46 <i>per cent</i></li><li>• Disbursement of Public Account increased by 17.71 <i>per cent</i></li></ul>
<b>Cash Balance</b>	<ul style="list-style-type: none"><li>• Cash balance decreased by 25.69 <i>per cent</i></li></ul>

Source: Finance Accounts

\* Excluding ₹ 8,359 crore and ₹ 12,132.41 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.

#### 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 2020-21 and 2021-22**

(₹ in crore)

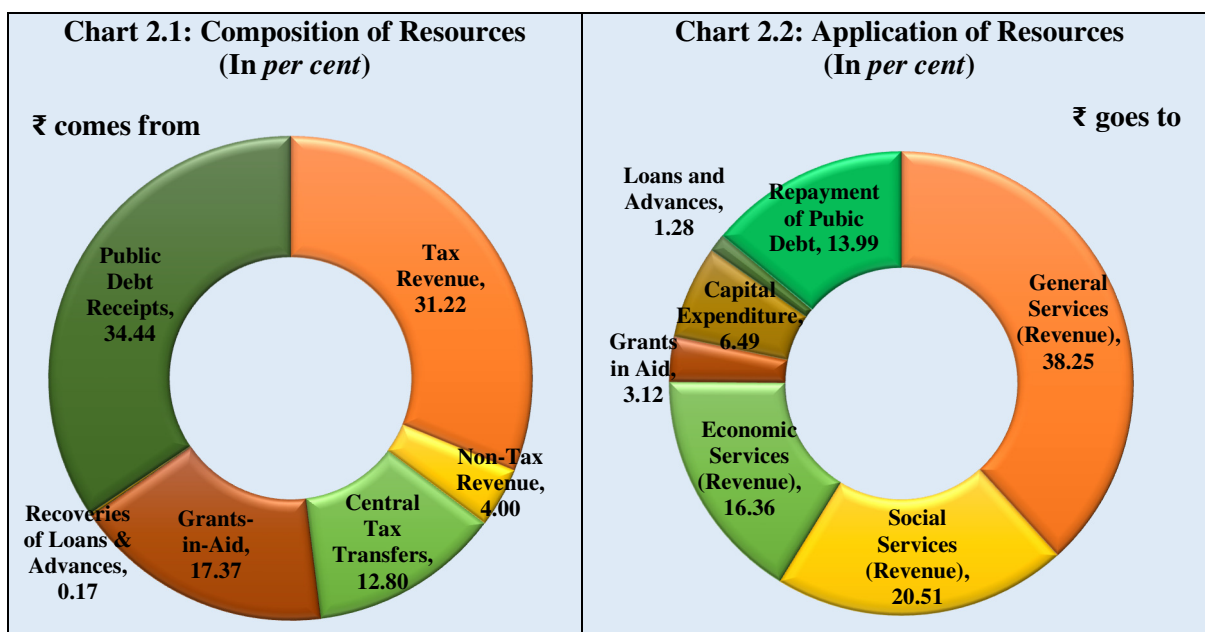
	Particulars	2020-21	2021-22	Increase (+)/ Decrease (-) (per cent)
<b>Sources</b>	Opening Cash Balance with RBI	2,125	9,248	(+) 7,123 (335)
	Revenue Receipts	69,048	78,168	(+) 9,120 (13)
	Recoveries of Loans and Advances	50	207	(+) 157 (314)
	Public Debt Receipts (Net)*	29,061	21,897	(-) 7,164 (-25)
	Public Account Receipts (Net)	646	3,574	(+) 2,928 (453)
	<b>Total</b>	<b>1,00,930</b>	<b>1,13,094</b>	<b>(+) 12,164 (12)</b>
<b>Application</b>	Revenue Expenditure	86,344	96,636	(+) 10,292 (12)
	Capital Expenditure	4,382	8,010	(+) 3,628 (83)
	Disbursement of Loans and Advances	956	1,576	(+) 620 (65)
	Closing Cash Balance with RBI	9,248	6,872	(-) 2,376 (-26)
	<b>Total</b>	<b>1,00,930</b>	<b>1,13,094</b>	<b>(+) 12,164 (12)</b>

Source: Finance Accounts

\* Includes ₹ 8,359 crore and ₹ 12,132 crore received during 2020-21 and 2021-22 respectively as back-to-back loans from GoI in lieu of GST Compensation shortfall

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

Composition and application of resources in the Consolidated Fund of the State during 2021-22 is given in **Chart 2.1** and **Chart 2.2**.



Source: Finance Accounts

## 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** 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.

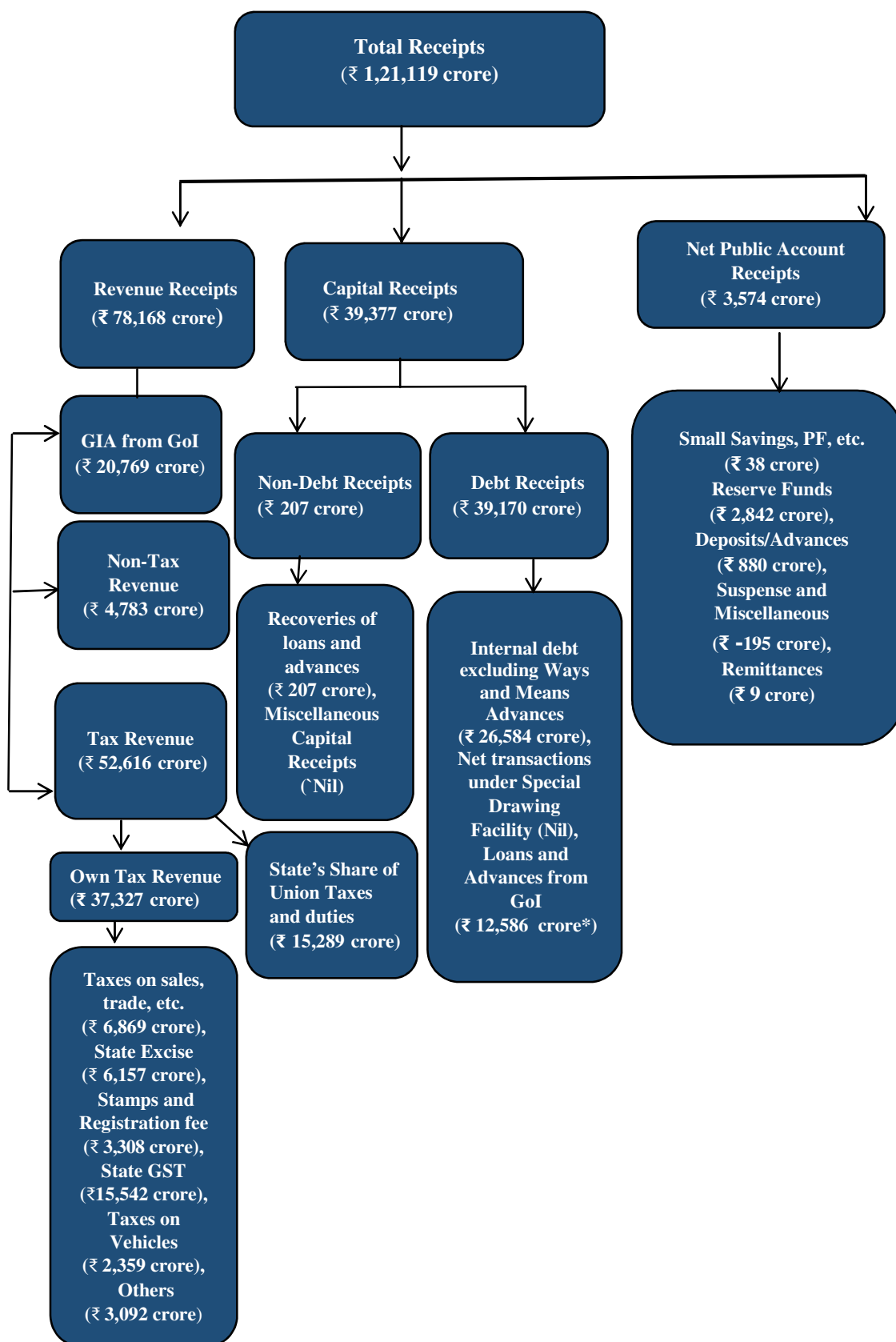
3. **Net Public Account receipts:** There are receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund.

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 2021-22**



Source: Finance Accounts

\* Includes ₹ 12,132 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.

Out of the total resources of ₹ 1,21,119 crore of the State Government during the year 2021-22, Revenue Receipts (₹ 78,168 crore) constituted 64.54 *per cent*. Capital Receipts (₹ 39,377 crore) and net Public Account Receipts (₹ 3,574 crore) constituted 32.51 *per cent* and 2.95 *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 (2017-22) 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**

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Revenue Receipts (RR)</b>	<b>53,010</b>	<b>62,269</b>	<b>61,575</b>	<b>69,048</b>	<b>78,168</b>
Rate of growth of RR ( <i>per cent</i> )	10.47	17.47	(-)1.11	12.14	13.21
<b>Tax Revenue</b>	<b>41,040</b>	<b>43,579</b>	<b>40,341</b>	<b>40,691</b>	<b>52,616</b>
Own Tax Revenue	30,423	31,574	29,995	30,053	37,327
State's share in Union taxes and duties	10,617	12,005	10,346	10,638	15,289
<b>Non-Tax Revenue</b>	<b>4,319</b>	<b>7,582</b>	<b>6,654</b>	<b>4,152</b>	<b>4,783</b>
<b>Grants- in aid from GoI</b>	<b>7,651</b>	<b>11,108</b>	<b>14,580</b>	<b>24,205</b>	<b>20,769</b>
Own Revenue (Own Tax and Non-tax Revenue)	34,742	39,156	36,649	34,205	42,110
Rate of growth of Own Revenue ( <i>per cent</i> )	3.37	12.71	(-)6.40	(-)6.67	23.11
GSDP (2011-12 Series)	4,71,014	5,12,510	5,37,031	5,32,555	5,84,042
				(Q)	(A)
Rate of growth of GSDP ( <i>per cent</i> )	10.31	8.81	4.78	(-)0.83	9.67
RR/GSDP ( <i>per cent</i> )	11.25	12.15	11.47	12.97	13.38
<b>Buoyancy Ratios<sup>1</sup></b>					
Revenue Buoyancy w.r.t GSDP	1.02	1.98	(-) 0.23	--*	1.37
State's Own Revenue Buoyancy w.r.t GSDP	0.33	1.44	(-) 1.34	--*	2.39

Source: Finance Accounts for Revenue Receipts and Economic and Statistical Organisation, GoP for GSDP figures Q-Quick Estimates and A-Advance Estimates

\* Buoyancy ratio was not calculated as GSDP growth was negative.

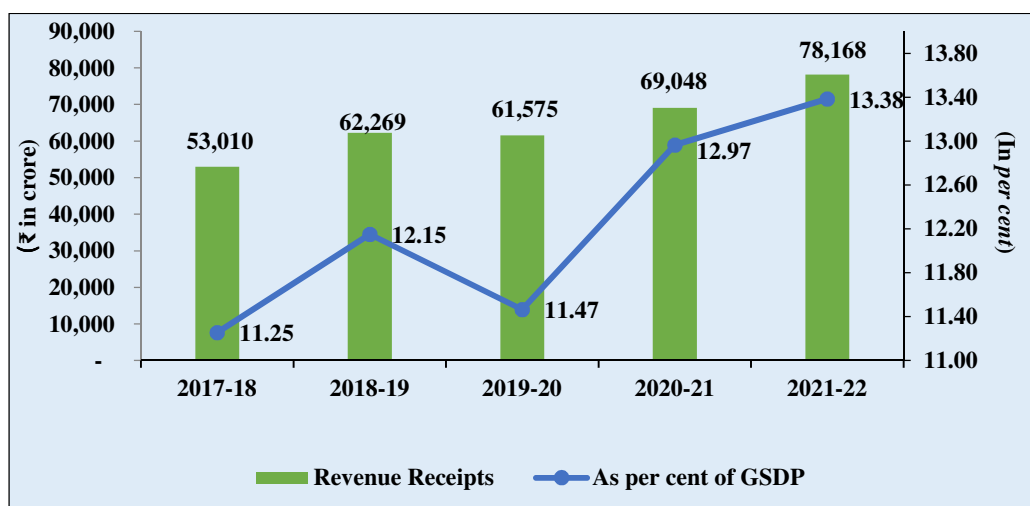
**Table 2.3** shows that the revenue receipts increased by 47.46 *per cent* from ₹ 53,010 crore in 2017-18 to ₹ 78,168 crore in 2021-22. During the period of five years, it increased at an annual average growth rate of 10.43 *per cent*. Tax revenue and non-tax revenue increased by ₹ 11,925 crore (29.30 *per cent*) and ₹631 crore (15.20 *per cent*) respectively in 2021-22 as compared to 2020-21. The revenue buoyancy with reference to GSDP increased from 1.02 *per cent* in 2017-18 to 1.37 *per cent* in 2021-22. The State's own revenue buoyancy with

<sup>1</sup> Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

reference to GSDP also increased considerably from 0.33 *per cent* in 2017-18 to 2.39 *per cent* in 2021-22. The sudden spike in own revenue buoyancy in 2021-22 vis-à-vis the previous years was primarily due to sharp increase in own tax revenue of the State. The major increase was in receipts under SGST, Taxes on Sales, Trade etc., Taxes on Vehicles and Stamp duty & Registration fee. Increase in these heads was attributed to resumption of business activities to full strength and healthy economic recovery post Covid-19 pandemic. There was also an increase in non-tax revenue in the current year over the previous year. 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**.

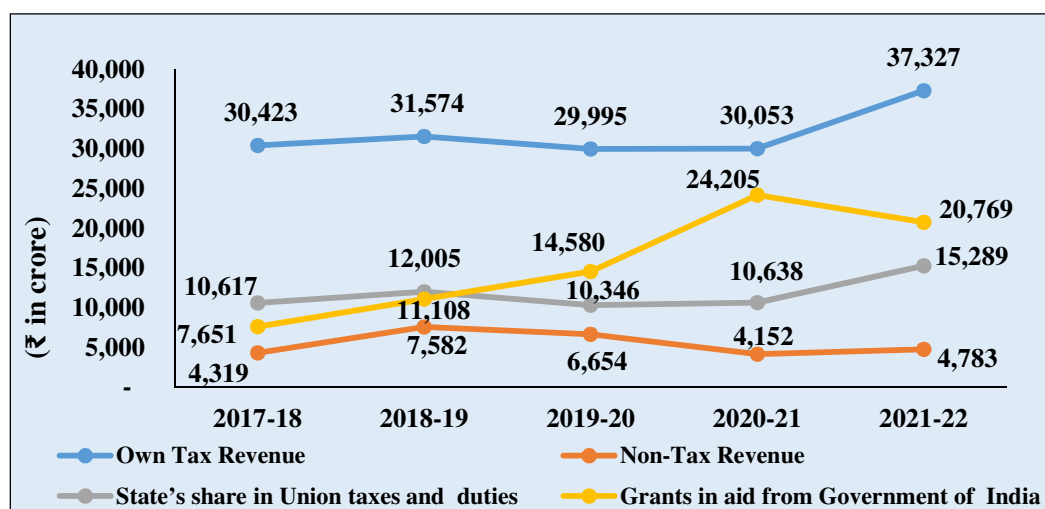
**Chart 2.4: Trends of Revenue Receipts**



Source: Finance Accounts

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

**Chart 2.5: Trend of components of Revenue Receipts**



Source: Finance Accounts

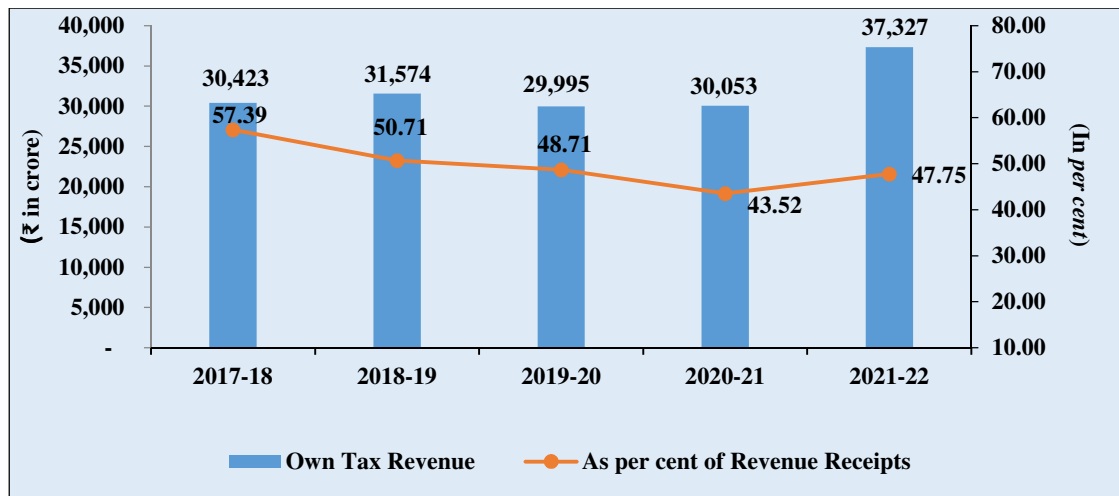
### 2.3.2.2 State's Own Resources

#### (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 2017-22 are shown in **Chart 2.6** and **Table 2.4** respectively.

**Chart 2.6: Trends of Own Tax Revenue during 2017-22**



Source: Finance Accounts

**Table 2.4: Components of State's Own Tax Revenue**

(₹ in crore)

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	Sparkline
Taxes on Sales, Trade etc.	11,160	6,572	5,223	5,372	6,869	
SGST	7,901	13,273	12,751	11,819	15,542	
State Excise	5,136	5,072	4,865	6,164	6,157	
Taxes on Vehicles	1,911	1,861	1,994	1,472	2,359	
Stamp Duty and Registration fees	2,135	2,298	2,258	2,470	3,308	
Land Revenue	91	69	66	68	84	
Taxes on Goods and Passengers	0	0	0	3	0	
Other taxes	2,089	2,429	2,838	2,685	3,008	
<b>Total</b>	<b>30,423</b>	<b>31,574</b>	<b>29,995</b>	<b>30,053</b>	<b>37,327</b>	

Source: Finance Accounts

The total own tax revenue increased by ₹ 7,274 crore (24.20 per cent) during the current year over the previous year. The major increase was in receipts under

SGST (₹ 3,723 crore), Taxes on Sales, Trade etc. (₹ 1,497 crore), Taxes on Vehicles (₹ 887 crore) and Stamp duty & Registration fee (₹ 838 crore).

Increase in State Goods and Services Tax (SGST) was attributed to resumption of business activities to full strength and healthy economic recovery post COVID-19 pandemic, increase in wholesale and retail prices of commodities and increased enforcement by the department. Further, increase in taxes on sales was on account of increase in VAT revenue due to higher consumption of petrol and diesel owing to increased economic activity in FY 2021-22 due to lesser impact of COVID-19. The retail prices of diesel and petrol also remained substantially high in FY 2021-22. Increase in Taxes on Vehicles was attributed to registration of more number of vehicles and restoration of taxes of all commercial vehicles and Stage Carriage and Educational Institution buses which were exempted by Government of Punjab during 2020-21. Increase in Stamp duty and Registration fees was due to increase in collector rates and number of registrations during 2021-22.

**(a) State Goods and Services Tax (SGST)**

As per the GST (Compensation to States) Act, 2017, States will be compensated for the shortfall in revenue arising on account of implementation of the goods and services tax considering an annual growth of 14 *per cent* from the base year, for a period of five years. In case of Punjab, the finalised revenue figure was ₹ 14,975.46 crore during the base year of 2015-16.

The projected revenue in accordance with base year figure, actual revenue collected and compensation due and received from GoI during the period 2017-18 to 2021-22 is given in **Table 2.5**.

**Table 2.5: Detail of collection of GST and compensation from GoI**

(₹ in crore)

Year	Projected revenue amount	Revenue collected amount <sup>#</sup>	Compensation due amount	Compensation received amount <sup>*</sup>	Shortfall (-)/ Excess (+)
1	2	3	4 = 2-3	5	6 = 5-4
2017-18 <sup>2</sup>	14,596.58	9,486.15	5,110.43	4,037.00	(-)1,073.43
2018-19	22,186.80	12,482.76	9,704.04	7,129.00	(-)2,575.04
2019-20	25,292.96	12,676.00	12,616.96	8,804.54	(-)3,812.42
2020-21	28,833.97	11,685.98	17,147.99	18,053.05	(+) 905.06
2021-22	32,870.00	15,482.79	17,387.21	16,574.74	(-)812.47
<b>Total</b>	<b>1,23,780.31</b>	<b>61,813.68</b>	<b>61,966.63</b>	<b>54,598.33</b>	<b>(-)7,368.30</b>

Source: Finance Accounts of the respective years and Excise and Taxation Department

<sup>#</sup> includes pre-GST figures of VAT and CST (net of refunds) and revenue from taxes subsumed in GST by excluding VAT and GST on petroleum products and liquor.

<sup>\*</sup> During the year 2020-21 and 2021-22, it includes ₹ 8,359 crore and ₹ 12,132.41 crore respectively, given as loan by GoI to the State Government and booked under Major Head '6004-Loans and Advances from the Central Government 09-Other Loans for States/ Union Territory with Legislature Schemes 101-Block Loans'.

<sup>2</sup> Amount for the year 2017-18 pertains to nine months period i.e. from July 2017 to March 2018.



The growth in GST collection in the State was lesser than projected growth and there was total shortfall of ₹ 61,966.63 crore during 2017-22 against the projected GST receipt of ₹ 1,23,780.31 crore. GoI has released ₹ 54,598.33 crore upto March 2022 as compensation including release of ₹ 20,491.41 crore as back-to-back loan to the State in lieu of GST Compensation shortfall.

The State Government stated (December 2022) that the matter was being taken up aggressively with GoI for release of the remaining compensation.

### **(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, role-based access to back-end application was provided to office of the Principal Accountant General (Audit), Punjab in December 2020. However, the access was limited to their premises only and the matter of providing remote access was under consideration. The accounts for the year 2021-22 have, therefore, been certified on the basis of test audit, as was being done when records were being maintained manually, pending full implementation of the GoI's decision to provide Audit access to GSTN data.

### **(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 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 2022, the arrears of revenue in respect of principal heads of revenue were ₹ 17,170 crore, of which ₹ 4,278.48 crore were outstanding for more than five years, as depicted in **Table 2.6**.

**Table 2.6: Arrears of revenue**

(₹ in crore)

Sr. No.	Head of revenue	Amount outstanding as on 31 March 2022	Amount outstanding for more than five years as on 31 March 2022
1.	Taxes/VAT on Sales, Trade, etc.	15,086.79	3,826.39
2.	Goods and Services Tax	958.41	0.00
3.	Forests and Wildlife	42.72	36.40
4.	State Excise	356.97	209.87
5.	Taxes on Vehicles	246.08	32.34
6.	Land Revenue	303.22	0.00
7.	Stamps and Registration Fee	175.81	173.48
<b>Total</b>		<b>17,170.00</b>	<b>4,278.48</b>

Source: Departmental Information

**Arrears in assessment**

The information on number of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed off during the year and number of cases pending for finalisation at the end of the year, as furnished by the Department of Excise and Department of Taxation in respect of Sales Tax/VAT is depicted in **Table 2.7**.

**Table 2.7: Arrears of assessment**

Sr. No.	Head of Revenue	Cases pending at the beginning of 2021-22	New cases due for assessment during 2021-22	Total cases due for assessment	Cases disposed of during 2021-22	Balance at the end of the year	Percentage of disposal
1.	Taxes/VAT on Sales, Trade, etc.	44,577*	21,553	66,130	29,008	37,122	43.87

Source: Departmental information

\* Opening Balance differs by 12575 cases from the closing balance of 2020-21 due to revised assessment policy of the State Government.

During the period 2017-22, the number of pending cases at the end of the respective years were 1,06,781 (2017-18); 94,605 (2018-19); 72,667 (2019-20); 57,152 (2020-21) as against 37,122 cases at the end of 2021-22. Disposal of cases during this period ranged between 19.47 per cent and 54.32 per cent.

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

The 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, cases finalised and the demand for additional tax raised; and details of refund cases during the year 2020-21, as reported by the departments concerned, are depicted in **Table 2.8** and **Table 2.9** respectively.

**Table 2.8: Evasion of tax detected**

Sr. No.	Head of revenue	Cases pending as on 31 March 2021	Cases detected during 2021-22	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 2022
					No. of cases	Amount of demand (₹ in crore)	
1.	Goods and Services Tax	25 <sup>#</sup>	39	64	20	13.67	44
<b>Total</b>		<b>25</b>	<b>39</b>	<b>64</b>	<b>20</b>	<b>13.67</b>	<b>44</b>

Source: Departmental information

# The Department attributed (October 2022) the variation in closing balance of previous year and opening balance of current year to change in source/method of collection of information.

Table 2.9: 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	1,948	263.51	1,181	74.46*	208#	27.12#	4	0.02
2.	Claims received during the year	9,284	1,573.27	1,822	221.13	4	0.13	0	0.00
3.	Refunds made during the year	8,968	1,335.49	2,089	169.64	3	0.43	0	0.00
4.	Refunds rejected during the year	1,225	300.02	531	68.83	0	0.00	0	0.00
5.	Balance outstanding at the end of year	1,039	201.27	383	57.12	209	26.82	4	0.02

Source: Departmental information

\* Differs by ₹ 0.02 Crore from the closing balance of 2020-21. The matter was taken up with the Taxation Commissioner, Punjab. Their reply is awaited (November 2022).

# Differs from closing balance of 2020-21 due to correction of information in respect of one district 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 State's non-tax revenue during 2017-22 are shown in **Table 2.10**.

Table 2.10: Components of State's Non-tax Revenue

₹ in crore)

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	Sparkline
Interest Receipts	1,404.94	1,455.26	2,105.51	144.38	181.08	
Dividends and Profits	4.45	4.24	4.24	1.26	6.66	
Other non-tax receipts	2,909.00	6,122.79	4,544.33	4,006.49	4,596.03	
a) Major and Medium Irrigation	71.37	24.22	92.49	91.92	108.14	
b) Road Transport	158.69	208.99	176.35	110.17	99.77	
c) Urban Development	72.43	65.31	44.53	49.78	92.52	
d) Education, Sports, Art and Culture	41.87	56.75	196.22	137.70	155.19	
e) Non-ferrous mining	122.40	36.13	90.88	120.56	136.53	
f) Pensions and Other Retirement Benefits	32.14	26.03	121.88	209.90	148.35	
g) Miscellaneous General Services	1,478.97	4,851.58	2,743.87	2,208.41	2,375.91	
h) Other or Miscellaneous	931.13	853.78	1,078.11	1,078.05	1,479.62	
<b>Total</b>	<b>4,318.39</b>	<b>7,582.29</b>	<b>6,654.08</b>	<b>4,152.13</b>	<b>4,783.77</b>	

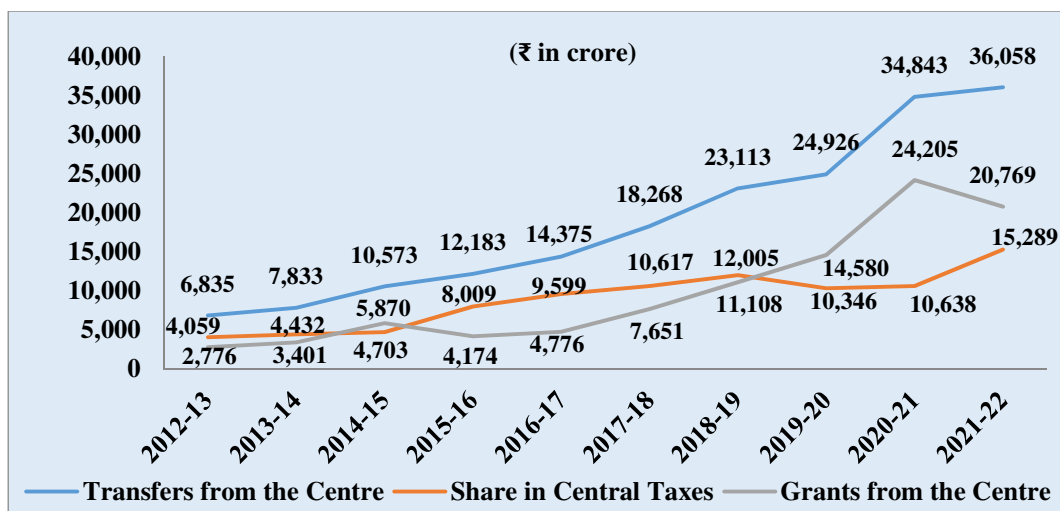
Source: Finance Accounts

During the year 2021-22, there was increase of ₹ 631.64 crore (15.21 per cent) in total non-tax revenue over the previous year which was mainly due to increase of ₹ 36.70 crore in interest receipts and ₹ 589.54 crore in other non-tax receipts. The increase in other non-tax receipts was mainly under Miscellaneous General Services (₹ 167.50 crore) and Other or Miscellaneous (₹ 401.57 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 Thirteenth Finance Commission, Fourteenth Finance Commission and Fifteenth Finance Commission during the period from 2010-11 to 2021-22 is tabulated in **Table 2.11**.

**Table 2.11: State's share in Union taxes and duties:  
Actual devolution *vis-à-vis* Finance Commission projections**

(₹ in crore)				
Year	Finance Commission projections	Projections in FCR	Actual tax devolution	Difference
1	2	3	4	5 (4-3)
2010-11		3,207	3,051	(-)156
2011-12	1.389 per cent of net proceeds of all shareable taxes excluding service tax and 1.411 per cent of net proceeds of shareable service tax (as per recommendations of 13 <sup>th</sup> FC)	3,665	3,554	(-)111
2012-13		4,398	4,059	(-)339
2013-14		5,278	4,432	(-)846
2014-15		6,333	4,703	(-)1,630
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 14 <sup>th</sup> FC)	8,009*	8,009	--
2016-17		9,600*	9,600	--
2017-18	As per Fiscal Consolidation Roadmap of State Government	10,617*	10,617	--
2018-19		12,009	12,005	(-)4
2019-20		13,319	10,346	(-)2,973
2020-21	1.788 per cent of the net proceeds of the taxes (divisible pool) (as per recommendations of 15 <sup>th</sup> FC)	9,834	10,638	(+)804
2021-22	1.807 per cent of the net proceeds of the taxes (divisible pool) (as per recommendations of 15 <sup>th</sup> FC)	12,027	15,289	(+)3,262

Source: Reports of the 13<sup>th</sup> FC, 14<sup>th</sup> FC, 15<sup>th</sup> FC, Finance Accounts and Annual Financial Statements

\* Fiscal Consolidation Roadmap (FCR) for the years 2015-16 to 2019-20 was prepared by the State Government in 2017-18 and the actual tax devolution figures for the year 2015-16, 2016-17 and 2017-18 were adopted as the projected figures for the respective years.

The State Government's share in Union taxes and duties increased by ₹ 4,651 crore (43.72 per cent) during 2021-22 over the previous year.

During the first two years (2020-22) of period of Fifteenth Finance Commission (2020-26), State's share in Union taxes and duties amounting to ₹ 25,927 crore was 51.26 per cent of the total share during period of Fourteenth Finance Commission (2015-20).

Trends in components of Central tax transfers are shown in **Table 2.12**.

**Table 2.12: Central Tax transfers**

(₹ in crore)					
Head	2017-18	2018-19	2019-20	2020-21	2021-22
Central Goods and Services Tax (CGST)	151.60	2,964.16	2,935.85	3,179.01	4,580.49
Integrated Goods and Services Tax (IGST)	1,072.32	236.60	--*	--#	--
Corporation Tax	3,252.81	4,176.53	3,527.47	3,197.28	4,161.71
Taxes on Income other than Corporation Tax	2,746.76	3,075.85	2,764.01	3,276.09	4,714.62
Customs	1,072.00	851.31	655.78	576.80	1,091.09
Union Excise Duties	1,120.50	565.74	455.97	359.30	557.39
Service Tax	1,201.05	109.29	--	42.87	166.80
Other Taxes <sup>3</sup>	(-)0.10	25.66	6.77	7.03	16.69
<b>Total</b>	<b>10,616.94</b>	<b>12,005.14</b>	<b>10,345.85</b>	<b>10,638.38</b>	<b>15,288.79</b>
Percentage of increase/decrease over previous year	10.60	13.08	(-)13.82	2.83	43.71
Percentage of total Central tax transfers to Revenue Receipts	20.03	19.28	16.80	15.41	19.56

Source: Finance Accounts

\* Amount of ₹ 7,166.64 crore received from GoI during 2019-20 was accounted for under Major Head 0006 - SGST.

# Booking of share of net proceeds assigned to States (Minor Head-901) under Sub-Major Heads '01-IGST on Import/Export of Goods and Services' and '02-IGST on Domestic Supply of Goods and Services' has been discontinued w.e.f. 01 April 2020 as per correction slip issued by the Controller General of Accounts, New Delhi.

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

Trend of Grants-in-aid (GIA) from GoI and its components are shown in **Table 2.13**.

<sup>3</sup> Include Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on Commodities and Services.

**Table 2.13: Grants-in-aid from Government of India**(*₹ in crore*)

Head	2017-18	2018-19	2019-20	2020-21	2021-22
Grants for Centrally Sponsored Plan Schemes*	(-)-0.63	(-)-74.21	(-)-68.84	(-)-0.48	(-)-4.03
Grants for Centrally Sponsored Schemes	3,096.13	3,091.70	2,864.31	2,880.41	3,678.16
Finance Commission Grants <sup>#</sup>	355.69	719.54	2,710.13	11,481.23	12,435.61
Other transfers/Grants to States/Union Territories with Legislature	4,199.81	7,370.34	9,074.43	9,843.85	4,659.15
<b>Total</b>	<b>7,651.00</b>	<b>11,107.37</b>	<b>14,580.03</b>	<b>24,205.01</b>	<b>20,768.89</b>
Percentage of increase/ decrease over the previous year	60.20	45.18	31.26	66.01	(-)-14.20
Percentage of GIA to Revenue Receipts	14.43	17.84	23.68	35.06	26.57

Source: Finance Accounts

\* Non-plan and plan grants merged with effect from 01 April 2017.

# During 2020-21 and 2021-22, it includes post-devolution Revenue Deficit Grant of ₹ 7,658.90 and ₹ 10,080.99 crore respectively, as recommended by the 15<sup>th</sup> FC.

**Table 2.13** shows that the GIA from GoI increased at an annual average rate of 37.69 per cent during the period 2017-18 to 2021-22. Other transfers to State during 2021-22 include GST Compensation of ₹ 4,442.34 crore. The decrease in GIA during the current year (14.20 per cent) over the previous year was due to substantial decrease in Other transfers/Grants to States/Union Territories with Legislature by ₹ 5,184.70 crore (52.67 per cent) which was attributed to decrease in GST Compensation by ₹ 5,251.71 crore partially offset by increase of ₹ 52.17 crore in Grants for Central Road Fund in 2021-22 as compared to the previous year. Further, the contribution of GIA towards revenue receipts increased from 14.43 per cent in 2017-18 to 26.57 per cent in 2021-22.

#### (a) Grants for Centrally Sponsored Schemes

Out of the Grants of ₹ 3,678 crore for Centrally Sponsored Schemes during 2021-22, the major amounts were given to:

- Urban Rejuvenation Mission : AMRUT (Atal Mission for Rejuvenation and Urban Transformation and Smart Cities Mission) - Urban Rejuvenation Mission - 500 Cities (₹ 649 crore- 433.86 per cent increase over previous year);
- National Education Mission - Samagra Shiksha Abhiyan (erstwhile Sarva Shiksha Abhiyan) (₹ 506 crore-3.86 per cent decrease over previous year);
- National Health Mission (NHM) - National Rural Health Mission (₹ 526 crore-19.13 per cent decrease 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 (₹ 370 crore-100 per cent increase over previous year); and
- Mahatma Gandhi National Rural Employment Guarantee Programme (₹ 269 crore-22.35 per cent increase over previous year).

**(b) Fifteenth Finance Commission Grants**

The Fifteenth Finance Commission (15<sup>th</sup> FC) grants were provided to the States for local bodies and State Disaster Response Fund (SDRF), post devolution revenue deficit and health sector. Details of grants provided by GoI are given in **Table 2.14**.

**Table 2.14: Recommended amount, actual release and transfers of Grant-in-aid**

(₹ in crore)

Transfers		Recommendation of 15 <sup>th</sup> FC for 2021-22	Actual release by GoI during 2021-22	Release by State Government
				Total (%age of release by GoI)
<b>(i) Grants to PRIs</b>		<b>1,026.00</b>	<b>718.20</b>	<b>718.20 (100)</b>
(a) Tied Grant		615.60	307.80	307.80 (100)
(b) Un-tied Grants		410.40	410.40	410.40 (100)
<b>(ii) Grants to ULBs</b>		<b>505.00</b>	<b>493.75</b>	<b>292.75 (59)</b>
(a) One million plus cities (for ambient air quality)		45.00	33.75*	33.75 (100)
(b) One million plus cities (for SWM and sanitation)		90.00	90.00	0.00 (0)
(c) Non-million plus cities (un-tied grants for local needs)		148.00	148.00	148.00 (100)
(d) Non-million plus cities (tied grants for drinking water, rain water harvesting, SWM and Sanitation)		222.00	222.00	111.00 (50)
<b>Total for Local Bodies</b>		<b>1,531.00</b>	<b>1,211.95</b>	<b>1,010.95 (83)</b>
<b>SDRF</b>	Centre share	495.00	396.00	396.00 (100)
	State share	165.00		132.00
<b>Total for SDRF</b>		<b>660.00</b>	<b>396.00</b>	<b>528.00</b>
<b>Grants for Health Sector</b>		<b>401.00</b>	<b>399.66</b>	<b>248.96 (62)</b>
<b>Post Devolution Revenue Deficit Grant</b>		<b>10,081.00</b>	<b>10,081.00</b>	<b>--</b>

Source: 15<sup>th</sup> FC Report and departmental information

PRIs - Panchayati Raj Institutions and ULBs - Urban Local Bodies.

\* ₹ 33.75 crore were released by GoI against recommended amount of ₹ 45 crore, based on the performance assessment and recommendation from the Ministry of Environment, GoI.

- As against the amount of ₹ 1,026 crore recommended by the 15<sup>th</sup> FC in respect of PRIs, GoI released ₹ 718.20 crore<sup>4</sup> during 2021-22 and remaining amount of ₹ 307.80 crore was released during 2022-23. The amount released by GoI was released by GoP during the same period.
- In respect of ULBs, against the recommended amount of ₹ 505.00 crore, GoI released ₹ 493.75 crore during 2021-22. Out of ₹ 493.75 crore

<sup>4</sup> Differs by ₹ 347.00 crore from that appearing in Statement No.14 of the Finance Accounts, which pertained to the year 2020-21 but released by GoI in 2021-22.

released by the GoI, the State Government released ₹ 292.75 crore during 2021-22 and remaining ₹ 201 crore were released in 2022-23.

- In respect of SDRF, 15<sup>th</sup> FC recommended Centre and State share in the ratio of 75:25. As against the recommended share of ₹ 495 crore, GoI released ₹ 396 crore during the year 2021-22 and ₹ 99 crore during 2022-23. GoP released ₹ 528 crore (GoI share: ₹ 396 crore and State share: ₹ 132 crore) during 2021-22.
- In respect of Grants for Health Sector, GoI released ₹ 399.66 crore against ₹ 401 crore recommended by the 15<sup>th</sup> FC. Out of ₹ 399.66 crore released by GoI, GoP released ₹ 248.96 crore in 2021-22 and remaining ₹ 150.70 crore in 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 2017-18 to 2021-22 are shown in **Table 2.15**.

**Table 2.15: Trends in growth and composition of capital receipts**

(₹ in crore)

Sources of State's Receipts	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Capital Receipts</b>	<b>18,590</b>	<b>23,788</b>	<b>43,891</b>	<b>34,077</b>	<b>27,244</b>
Miscellaneous Capital Receipts	0	0	0	0	0
Recovery of Loans and Advances	73	849	16,070	50	207
Public Debt Receipts	18,517	22,939	27,821	34,027	27,037
<i>Internal Debt*</i>	<i>18,057</i>	<i>21,621</i>	<i>27,676</i>	<i>33,595</i>	<i>26,584</i>
<i>Growth rate ( per cent)</i>	<i>(-)66.92</i>	<i>19.74</i>	<i>28.01</i>	<i>21.39</i>	<i>(-)20.87</i>
<i>Loans and advances from GoI<sup>#</sup></i>	<i>460</i>	<i>1,318</i>	<i>145</i>	<i>432</i>	<i>453</i>
<i>Growth rate ( per cent)</i>	<i>(-)29.77</i>	<i>186.52</i>	<i>(-)89.00</i>	<i>197.93</i>	<i>4.86</i>
Rate of growth of debt Capital Receipts ( per cent)	(-)66.48	23.88	21.28	22.31	(-)20.54
Rate of growth of Non-debt Capital Receipts ( per cent)	(-)59.67	1,063.01	1,792.82	(-)99.69	314.00
Rate of growth of GSDP ( per cent)	10.31	8.81	4.78	(-)0.83	9.67
Rate of growth of Capital Receipts ( per cent)	(-)66.45	27.96	84.51	(-)22.36	(-)20.05

Source: Finance Accounts

\* Including net figure under Ways and Means Advances/Overdraft/Special Drawing Facility, which was Nil during 2021-22.

<sup>#</sup> 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.

During the current year, after excluding back-to-back loans given by GoI during 2020-22 in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources, the public debt receipts decreased substantially by



₹ 6,990 crore (20.54 per cent) over the previous year. Internal debt also decreased by ₹ 7,011 crore (20.87 per cent) over the previous year.

### 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 2021-22 *vis-à-vis* assessment made by Fifteenth Finance Commission (15<sup>th</sup> FC) and Budget Estimates are given in **Table 2.16**.

**Table 2.16: Tax and non-tax revenue *vis-à-vis* projections during 2021-22**

(₹ in crore)

Resources	15 <sup>th</sup> FC projections	Budget Estimates	Actual	Percentage variation of actual over	
				15 <sup>th</sup> FC projections	Budget estimates
<b>Own Tax revenue</b>	35,988	49,461	37,327	3.72	(-)24.53
<b>Non-tax revenue</b>	4,935	7,758	4,783	(-)3.08	(-)38.35

Source: Report of 15<sup>th</sup> FC, Annual Financial Statement and Finance Accounts.

Own tax revenue of the State Government was higher than projections made by 15<sup>th</sup> FC by 3.72 per cent but fell short of budget estimates by 24.53 per cent. Non-tax revenue was lower by 3.08 per cent than the projections made by 15<sup>th</sup> FC and was lower by 38.35 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 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 the day-to-day running of the organisation, including establishment and administrative expenses shall be 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 shall be classified as capital expenditure.

**Loans and Advances:** Loans and advances by the Government to Public Sector Undertakings (PSU) and other parties.

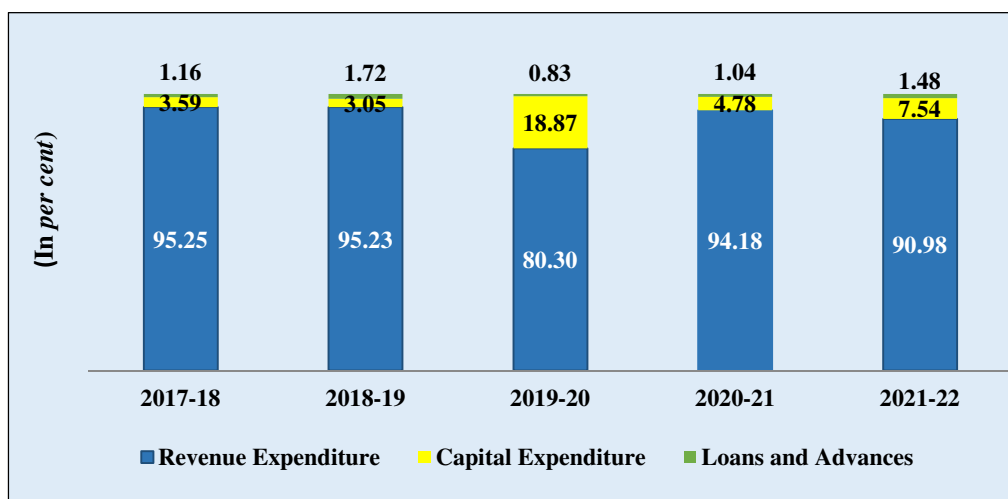
Trends of overall expenditure and its components are shown in **Table 2.17** and **Chart 2.8**.

**Table 2.17: Total expenditure and its composition**

Parameters	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	65,577	79,177	94,471	91,682	1,06,222
Revenue Expenditure (RE)	62,465	75,404	75,860	86,344	96,636
Capital Expenditure (CE)	2,352	2,412	17,828	4,382	8,010
Loans and Advances	760	1,361	783	956	1,576
As a percentage of GSDP					
TE/GSDP	13.92	15.45	17.59	17.22	18.19
RE/GSDP	13.26	14.71	14.13	16.21	16.55
CE/GSDP	0.50	0.47	3.32	0.82	1.37

Source: Finance Accounts

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



Source: Finance Accounts

**Table 2.17** shows that the total expenditure increased by ₹ 40,645 crore (61.98 per cent) from ₹ 65,577 crore in 2017-18 to ₹ 1,06,222 crore in 2021-22, which ranged between 13.92 per cent to 18.19 per cent of GSDP during the period of five years. **Chart 2.8** shows that the revenue expenditure constituted dominant proportion (80 to 95 per cent) during 2017-22 of the total expenditure. The capital expenditure, on the other hand, constituted between three and 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 2022) that earnest efforts would be made to bring some improvement in this area during 2023-24.

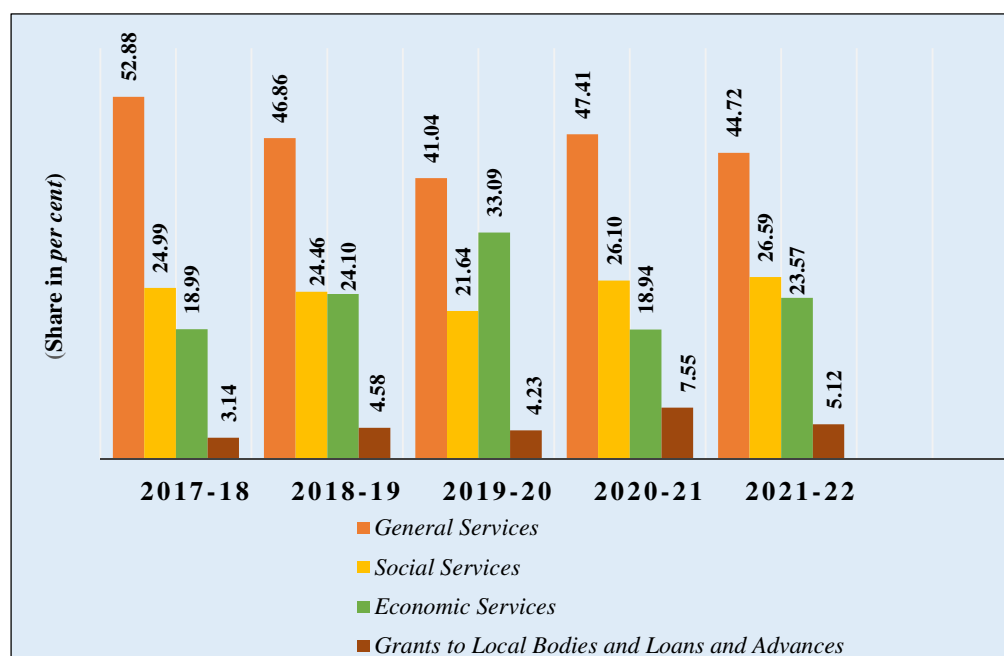
Relative share of various sectors of expenditure during 2017-22 is depicted in **Table 2.18** and **Chart 2.9**.

**Table 2.18: Relative share of various sectors of expenditure**

Parameters	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
General Services	34,680	37,100	38,769	43,464	47,504
Social Services	16,386	19,367	20,449	23,926	28,245
Economic Services	12,450	19,084	31,260	17,365	25,039
Others (Grants to Local Bodies and Loans and Advances)	2,061	3,626	3,993	6,927	5,434

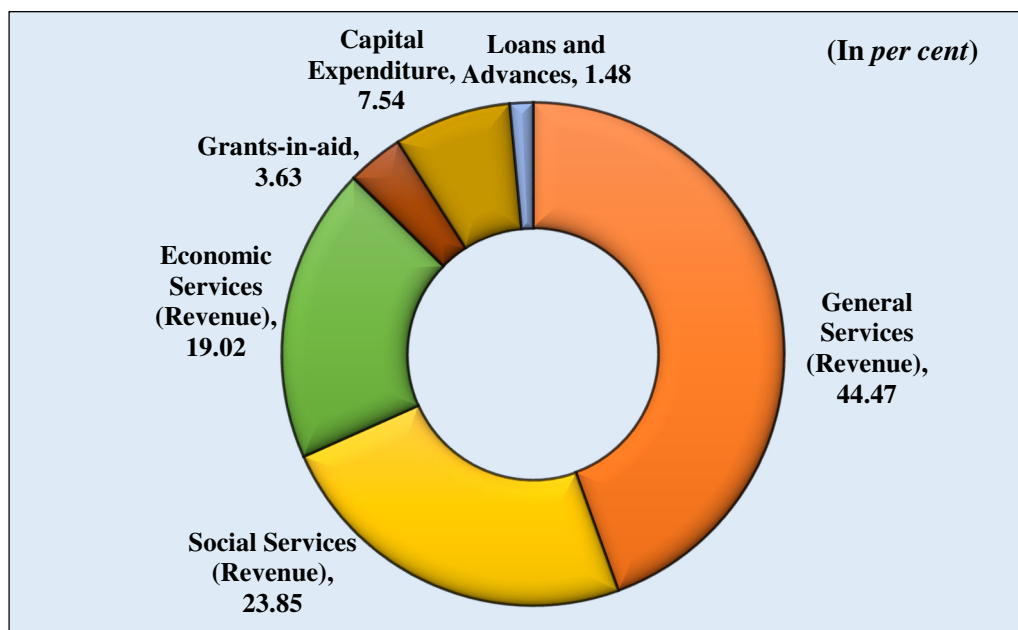
Source: Finance Accounts

**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 the total expenditure fluctuated during 2017-22. The share of Social Services, Economic Services and Grants to local bodies and loan and advances in total expenditure increased from 24.99 per cent, 18.99 per cent and 3.14 per cent in 2017-18 to 26.59 per cent, 23.57 per cent and 5.12 per cent respectively in 2021-22, while that of General Services decreased from 52.88 per cent to 44.72 per cent during the same period. **Chart 2.10** shows composition of expenditure by function.

**Chart 2.10: Composition of expenditure by function during 2021-22**

Source: Finance Accounts

### 2.4.1 Revenue expenditure

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. Growth of revenue expenditure, its ratio to total expenditure, GSDP and revenue receipts is shown in **Table 2.19** and sectoral distribution of revenue expenditure is shown in **Chart 2.11**.

**Table 2.19: Revenue Expenditure – Basic Parameters**

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	65,577	79,177	94,471	91,682	1,06,222
Revenue Expenditure (RE)	62,465	75,404	75,860	86,344	96,636
Rate of Growth of RE (per cent)	12.96	20.71	0.60	13.82	11.92
Revenue Expenditure as percentage of TE	95.25	95.23	80.30	94.18	90.98
RE/GSDP (per cent)	13.26	14.71	14.13	16.21	16.55
Revenue Receipts	53,010	62,269	61,575	69,048	78,168
Rate of Growth of RR (per cent)	10.47	17.47	(-)1.11	12.14	13.21
RE as percentage of RR	117.84	121.09	123.20	125.05	123.63
Rate of Growth of GSDP (per cent)	10.31	8.81	4.78	(-)0.83	9.67
<b>Buoyancy of Revenue Expenditure with</b>					
GSDP (ratio)	1.26	2.35	0.13	--*	1.23
Revenue Receipts (ratio)	1.24	1.19	(-)0.54	1.14	0.90

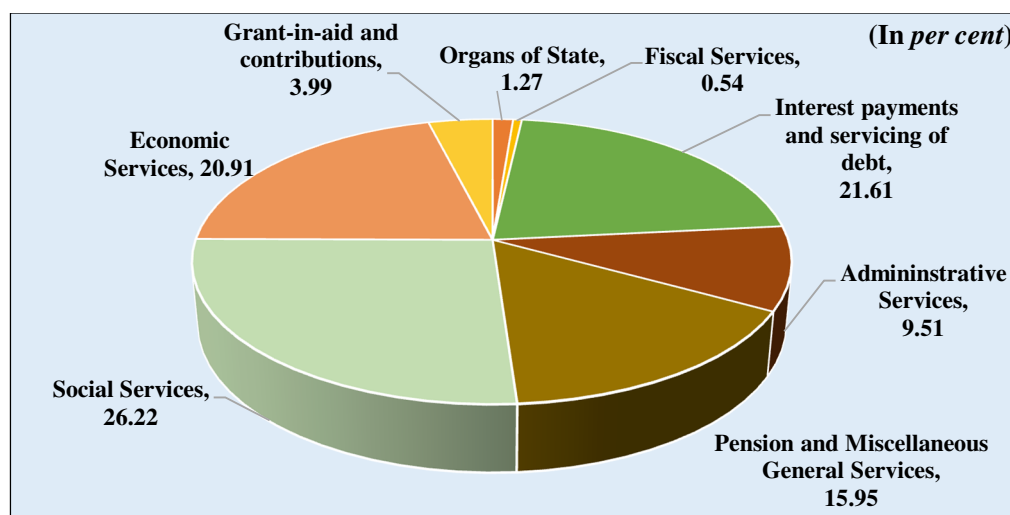
Source: Finance Accounts

\* Buoyancy ratio was not calculated as GSDP growth was negative.

The revenue expenditure increased by ₹ 34,171 crore (54.70 per cent) from ₹ 62,465 crore in 2017-18 to ₹ 96,636 crore in 2021-22. It increased at an annual

average growth rate of 12 per cent, whereas as percentage of GSDP, it increased from 13.26 per cent to 16.55 per cent during the same period. Buoyancy of revenue expenditure with reference to revenue receipts also improved in 2021-22.

**Chart 2.11: Sector-wise distribution of revenue expenditure during 2021-22**



Source: Finance Accounts

#### 2.4.1.1 Major changes in revenue expenditure

The revenue expenditure increased substantially by ₹ 10,292 crore (11.92 per cent) from ₹ 86,344 crore in 2020-21 to ₹ 96,636 crore in 2021-22. 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 2.20**.

**Table 2.20: Variations in revenue expenditure during 2021-22 compared to 2020-21**

Major Heads of Account	2020-21	2021-22	Increase (+)/ Decrease (-)
2235-Social Security and Welfare	3,212.66	5,487.65	2,274.99
2801-Power	2,189.41	4,382.98	2,193.57
2401-Crop Husbandry	6,895.84	8,568.18	1,672.34
2071-Pensions and Other Retirement Benefits	13,680.00	14,729.94	1,049.94
2049-Interest Payments	18,152.50	19,063.50	911.00
2048-Appropriation for Reduction or Avoidance of Debt	925.01	1,820.02	895.01
2055-Police	6,138.20	7,021.71	883.51
2245-Relief on account of Natural Calamities	620.05	1,427.76	807.71
2202-General Education	11,599.18	12,339.27	740.09
3604-Compensation and assignments to Local Bodies and Panchayati Raj Institutions	5,971.31	3,858.69	(-),2,112.62

Source: Finance Accounts

**Table 2.20** shows:

- increase of ₹ 2,275 crore (70.81 *per cent*) under ‘Social Security and Welfare’, which was mainly due to increase of ₹ 1,091 crore in ‘Pensions under Social Security Schemes’ and increase of ₹ 919 crore in ‘Special Component plan for Scheduled Castes’ which was due to revision of rates of pension to old age persons/ widows and destitutes/handicapped person;
- increase of ₹ 2,194 crore in Power was mainly due to increase of ‘Assistance to Electricity Boards’ by ₹ 2,155 crore on account of subsidy under rural electrification of Punjab State Electricity Board;
- increase of ₹ 1,672 crore in ‘Crop Husbandry’ which was mainly due to increase of ₹ 688 crore in ‘Other Expenditure’ mainly on account of increase of ₹ 409 crore in debt relief to farmers and ₹ 279 crore in grant to Punjab Rural Development Board, ₹ 552 crore in ‘Agricultural Farms’ for power subsidy and ₹ 288 crore in ‘Special Component Plan for Scheduled Castes’ which was attributed to increase in debt relief and power subsidy to farmers;
- increase of ₹ 1,050 crore under ‘Pensions and Other Retirement Benefits’, which was mainly due to increase of ₹ 765 crore in ‘Superannuation and Retirement Allowances’, ₹ 437 crore in ‘Gratuities’ and ₹ 127 crore in ‘Commuted Value of Pensions’ partially offset by decrease of ₹ 365 crore in ‘Leave Encashment Benefits’. This was attributed to increased retirement due to the decision of the State Government to do away with the optional extension for employees to generate employment for the youth;
- increase of ₹ 911 crore in ‘Interest Payments’ which was primarily due to increase of ₹ 1,245 crore in ‘Interest on Market Loans’ partially offset by decrease of ₹ 183 crore in ‘Interest on Special Securities issued to National Small Savings Fund of Central Government by State Government’ and ₹ 120 crore in ‘Interest on Other Internal Debt’;
- increase of ₹ 895 crore in ‘Appropriation for Reduction or Avoidance of Debt’ due to increase of ₹ 895 crore in contribution to Consolidated Sinking Fund;
- increase of ₹ 884 crore in ‘Police’ which was primarily due to increase of ₹ 653 crore in ‘District Police’, ₹ 169 crore in ‘Special Police’ and ₹ 50 crore in ‘Criminal Investigation Vigilance’;
- increase of ₹ 808 crore in ‘Relief on account of Natural Calamities’ which was primarily due to increase of ₹ 464 crore in ‘Transfer to Reserve Funds and Deposit Accounts- State Disaster Response Fund’, ₹ 389 crore in ‘Other Expenditure’ and ₹ 161 crore in ‘Gratuitous Relief’ partially offset by decrease of ₹ 276 crore in ‘Repairs and restoration of damaged irrigation and flood control works’;

- increase of ₹ 740 crore in ‘General Education’ which was primarily due to increase of ₹ 709 crore in ‘Secondary Education’ and ₹ 151 crore in ‘Elementary Education’ partially offset by decrease of ₹ 119 crore in ‘University and Higher Education’; and
- decrease of ₹ 2,113 crore under ‘Compensation and assignments to Local Bodies and Panchayati Raj Institutions’ which was due to decrease of ₹ 2,113 crore in ‘Other Miscellaneous Compensations and Assignments’. Increase in 2020-21 to Urban Local Bodies and Panchayati Raj Institutions was due to clearance of backlog as per 14th FC recommendations.

#### 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. Upward trend on committed expenditure leaves the Government with lesser flexibility for development sector. Trend analysis of committed expenditure and its components is depicted in **Table 2.21** and share of committed expenditure in revenue expenditure is shown in **Chart 2.12**.

**Table 2.21: Components of Committed Expenditure**

(₹ in crore)

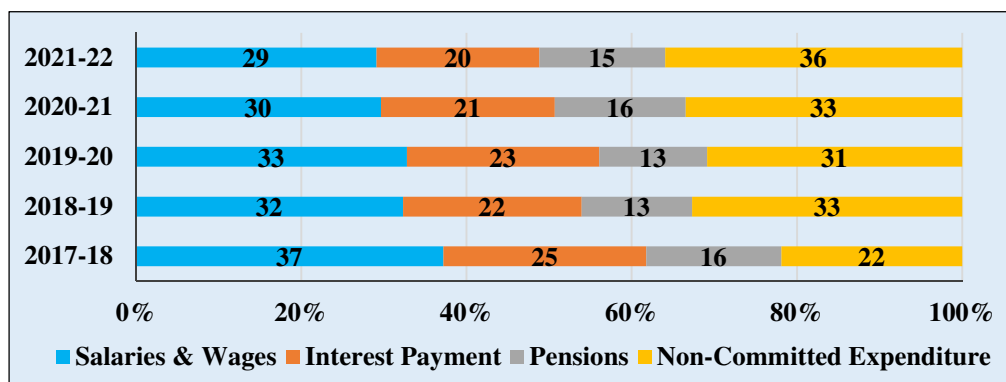
Components of Committed Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Salaries & Wages <sup>5</sup>	23,255	24,376	24,729	25,607	28,124
Expenditure on Pensions	10,208	10,089	10,294	13,680	14,730
Interest Payments	15,334	16,306	17,567	18,153	19,064
<b>Total</b>	<b>48,797</b>	<b>50,771</b>	<b>52,590</b>	<b>57,440</b>	<b>61,918</b>
<b>As a percentage of Revenue Receipts (RR)</b>					
Salaries & Wages	43.87	39.15	40.16	37.09	35.98
Expenditure on Pensions	19.26	16.20	16.72	19.81	18.84
Interest Payments	28.93	26.19	28.53	26.29	24.39
<b>Total</b>	<b>92.06</b>	<b>81.54</b>	<b>85.41</b>	<b>83.19</b>	<b>79.21</b>
<b>As a percentage of Revenue Expenditure (RE)</b>					
Salaries & Wages	37.23	32.33	32.60	29.66	29.10
Expenditure on Pensions	16.34	13.38	13.57	15.84	15.24
Interest Payments	24.55	21.62	23.16	21.02	19.73
<b>Total</b>	<b>78.12</b>	<b>67.33</b>	<b>69.33</b>	<b>66.52</b>	<b>64.07</b>
Non-committed RE	13,668	24,633	23,270	28,904	34,718
Percentage of RE	21.88	32.67	30.67	33.48	35.93
Percentage of TE	20.84	31.11	24.63	31.53	32.69
Subsidies	6,982	13,361	10,161	9,748	14,516
Subsidies as percentage of non-committed expenditure	51.08	54.24	43.67	33.72	41.81

Source: Finance Accounts

<sup>5</sup> Includes Grants-in-aid (Salary): 2017-18 (₹ 3,225 crore); 2018-19 (₹ 3,491 crore); 2019-20 (₹ 3,248 crore); 2020-21 (₹ 3,795 crore) and 2021-22 (₹ 3,899).

**Table 2.21** shows that percentage of non-committed expenditure to revenue expenditure increased from 21.88 *per cent* in 2017-18 to 35.93 *per cent* in 2021-22 to which subsidies constituted dominant proportion ranging from 34 *per cent* to 54 *per cent*.

**Chart 2.12: Share of committed expenditure in revenue expenditure**



Source: Finance Accounts

### Salaries and wages

Expenditure on salaries and wages (₹ 28,124 crore) increased by 9.83 *per cent* during 2021-22 over the previous year (₹ 25,607 crore) and constituted 29.10 *per cent* of revenue expenditure.

### Interest payment

During 2021-22, interest payments were to the tune of ₹ 19,064 crore (19.73 *per cent* of revenue expenditure). Interest on Market Borrowings (₹ 11,937 crore), Loans from the State Bank of India and other Banks (₹ 2,098 crore) and Special Securities issued to National Small Savings Fund (NSSF) of Central Government (₹ 1,432 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 ₹ 14,730 crore and constituted 15.24 *per cent* of the revenue expenditure. During the year, Superannuation and Retirement Allowances (₹ 8,797 crore) increased by ₹ 765 crore, Family Pensions (₹ 1,905 crore) increased by ₹ 143 crore and Commuted Value of Pensions (₹ 414 crore) increased by ₹ 127 crore, from those in 2020-21.

#### (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 the State Government Service<sup>6</sup> 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

<sup>6</sup> For categories mentioned in Rule 1.2 of Punjab Civil Service Rules, Volume-I, Part-I.



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 (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 the 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<sup>7</sup>. 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.

As per provisions of the scheme, during 2021-22, employees' contribution of ₹ 961.47 crore was booked under Major Head '8342-Other Deposits 117-Defined Contribution Pension Scheme for Government Employees' in Public Account' as per prescribed procedure. Government's share of ₹ 1,325.67 crore towards New Pension Scheme was transferred from 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, as per revised procedure adopted by the State Government.

During 2021-22, against the balance of ₹ 2,439.35 crore lying in the Public Account, the State Government transferred ₹ 2,290.36 to NSDL, leaving a balance of ₹ 148.99 crore as on 31 March 2022, which could not be transferred to the fund managers for want of complete particulars of the employees. Thus, as against the due amount of ₹ 1,346.06 crore, the Government actually contributed ₹ 1,325.67 crore during the current year, thereby resulting in short transfer of ₹ 20.39 crore, which understated the revenue and fiscal deficit to that extent.

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; incorrectly used the

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<sup>7</sup> Meagre amount of ₹ 0.59 crore was collected during 2006-08.

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 2.22**.

**Table 2.22: 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
<b>Total</b>	<b>5,368.20</b>	<b>6,244.46</b>	<b>183.37</b>	<b>11,796.03</b>	<b>11,647.04</b>	<b>(-)148.99</b>

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 2008-22, against total receipts of ₹ 11,796.03 crore (employees' share: ₹ 5,368.20 crore, State Government contribution: ₹ 6,244.46 crore and interest: ₹ 183.37 crore), amount of ₹ 11,647.04 crore was transferred to the pension fund. Thus, there was short transfer of ₹ 148.99 crore, which is a deferred liability of the State Government.

The short contribution/transfer of funds to NSDL 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 suffer an avoidable interest of ₹ 183.37 crore.

### 2.4.1.3 Subsidies

**Table 2.23** depicts the expenditure on subsidies during the period 2017-22. The subsidies during the current year increased by ₹ 4,768 crore (48.91 per cent) from the previous year. The increase was mainly due to increase of ₹ 3,786 crore on account of power subsidy, ₹ 590 crore on account of debt relief to farmers and ₹ 175 crore on account of subsidy scheme for cane price payment to the cane farmers.

**Table 2.23: Expenditure on subsidies during 2017-22**

	2017-18	2018-19	2019-20	2020-21	2021-22
Subsidies (₹ in crore)	6,982	13,361	10,161	9,748	14,516
Power subsidy (₹ in crore)	6,578	9,036	9,394	9,657	13,443
Subsidies as percentage of Revenue Receipts	13.17	21.46	16.50	14.12	18.57
Subsidies as percentage of Revenue Expenditure	11.18	17.72	13.39	11.29	15.02
Subsidies as percentage of Total Expenditure	10.65	16.87	10.76	10.63	13.67
Subsidies as percentage to Revenue Deficit	73.84	101.72	71.13	56.36	78.60
Power subsidy as percentage to total subsidy	94.21	67.63	92.45	99.07	92.61

Source: Finance Accounts

Power subsidy constituted major portion of the total subsidies ranging between 68 per cent and 99 per cent; and the subsidies contributed 56 per cent to 102 per cent to the revenue deficit during 2017-22.

**(i) Implicit subsidies**

Implicit subsidies arise when the Government provides social and economic goods/services at a price lesser than the cost of goods and services incurred by the Government. It can be indirect or in kind or can be given as concessions. Some implicit subsidies extended during 2021-22 are detailed in **Table 2.24**.

**Table 2.24: Details of implicit subsidies during the year 2021-22**

(₹ 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	246.79
2.	Ashirwad to Scheduled Caste girls/widows/divorcees and daughters of widows at the time of their marriages	89.64
3.	Ashirwad to Backward Classes and Christian girls/widows/ divorcees and daughters of widows of any caste at the time of marriage	44.99
4.	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	22.79
5.	Reimbursement to Transport Department/ PEPSU Road Transport Corporation (PRTC) in lieu of free concessional travel facility to students	6.26
6.	Reimbursement to PEPSU Road Transport Corporation (PRTC) in lieu of concessional bus passes to the students of medical education (pass holder)	5.50
7.	Reimbursement to Transport Department/ PEPSU Road Transport Corporation (PRTC) in lieu of free concessional travel facility to students of Engineering Colleges/Polytechnics	3.50
8.	Reimbursement to PEPSU Road Transport Corporation (PRTC)/Punjab Roadways in lieu of concessional bus passes to Thalassemia/Cancer patients	1.49
<b>Total</b>		<b>420.96</b>

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 the local bodies and other institutions during the period 2017-18 to 2021-22 is presented in **Table 2.25**.

**Table 2.25: Financial assistance to Local Bodies and other institutions**

(₹ in crore)					
Institutions	2017-18	2018-19	2019-20	2020-21	2021-22
<b>(A) Local Bodies</b>					
Municipal Corporations and Municipalities	1,091.64	1,747.28	2,365.48	2,694.56	2,424.13
Panchayati Raj Institutions	230.36	530.18	885.81	3,313.12	1,463.61
<b>Total (A)</b>	<b>1,322.00</b>	<b>2,277.46</b>	<b>3,251.29</b>	<b>6,007.68</b>	<b>3,887.74</b>
<b>(B) Others</b>					
Educational Institutions (Aided Schools, Colleges, Universities, etc.)	2,117.63	2,824.52	3,196.94	3,586.92	3,380.66
Development Authorities	0.00	0.00	1,309.29	1,518.84	1,184.78
Hospitals and Other Charitable Institutions	627.74	967.34	1,211.06	1,348.71	1,371.46
Other Institutions	2,095.85	2,795.04	914.70	2,560.30	2,075.40
<b>Total (B)</b>	<b>4,841.22</b>	<b>6,586.90</b>	<b>6,631.99</b>	<b>9,014.77</b>	<b>8,012.30</b>
<b>Total (A+B)</b>	<b>6,163.22</b>	<b>8,864.36</b>	<b>9,883.28</b>	<b>15,022.45</b>	<b>11,900.04</b>
Revenue Expenditure	62,465	75,404	75,860	86,344	96,636
Assistance as percentage of Revenue Expenditure	9.87	11.76	13.03	17.40	12.31

Source: Finance Accounts

During the current year, financial assistance to the local bodies and other institutions decreased by ₹ 3,122.41 crore (20.78 per cent) over the previous year. The decrease was mainly due to decrease in assistance to Municipal Corporations and Municipalities (₹ 270.43 crore: 10.04 per cent) and Panchayati Raj Institutions (₹ 1,849.51 crore: 55.82 per cent). During the previous year, more assistance to Municipal Corporations and Municipalities and Panchayati Raj Institutions was mainly on account of clearance of backlog of grants recommended by the Fourteenth Finance Commission (14<sup>th</sup> FC) and payment of grants recommended by the Fifteenth Finance Commission (15<sup>th</sup> FC). The overall quantum of financial assistance to the local bodies and other institutions as percentage to revenue expenditure decreased to 12.31 per cent during the current year from 17.40 per cent of the previous year.

Major recipients of the financial assistance are shown in **Table 2.26**.

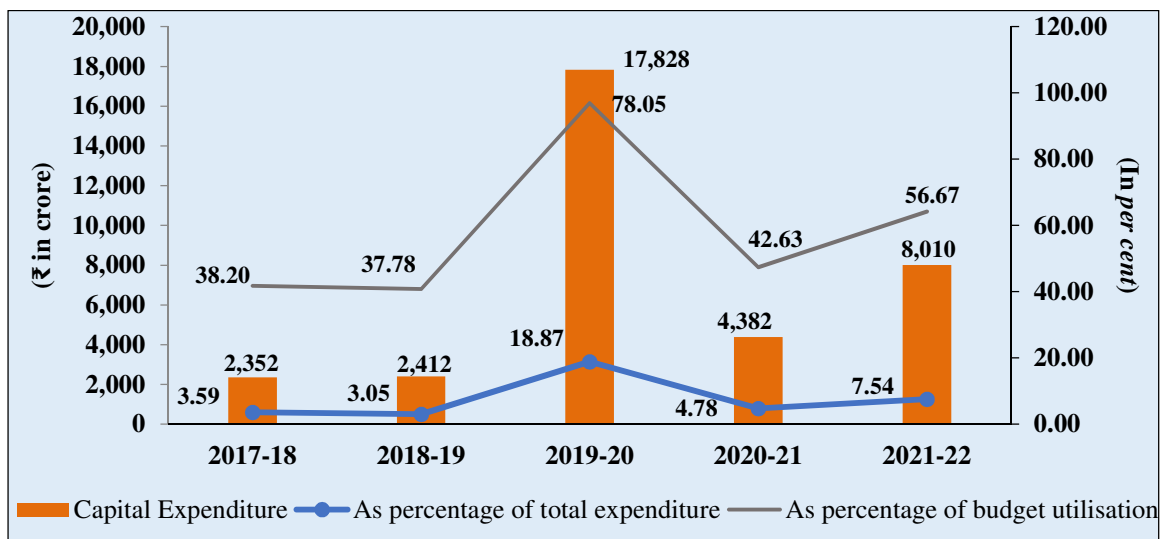
**Table 2.26: Major recipients of financial assistance during the year 2021-22**

(₹ in crore)		
Recipient	Scheme	Amount
Director, Local Bodies	Punjab Municipal Fund - Assistance to Municipalities/ Municipal Councils /Urban Local Bodies	1,450.00
Gram Panchayat Samities	Grants-in-aid to PRIs	1,207.00
National Health Mission	National Rural Health Mission	946.63
Government Secondary Schools	Information and Communication Technology	646.42
Local Urban Bodies	Grants-in-aid	616.18
Punjab Infrastructure Development Board	Assistance	567.59
Government Secondary Schools	Samagra Shiksha Abhiyaan/ Rashtriya Madhyamik Shiksha Abhiyan	503.15
Government Primary Schools	Samagra Shiksha Abhiyaan	479.55
Punjab Agriculture University, Ludhiana	Assistance	406.31
Non-Government Colleges and Institutes	Assistance	288.01
Gram Panchayat Samities	Mahatma Gandhi National Rural Employment Guarantee Scheme	356.03
Government Primary Schools	Mid-day Meal	341.15
Punjabi University, Patiala	Grants-in-aid	204.66

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. Trend of capital expenditure in the State over the last five years i.e. 2017-22 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 the capital expenditure fluctuated during the five years' period. It increased by ₹ 5,658 crore (240.56 per cent) from ₹ 2,352 crore (3.59 per cent of total expenditure) in 2017-18 to ₹ 8,010 crore (7.54 per cent of total expenditure) in 2021-22. Besides, the State Government also gave Grants-in-aid of ₹ 4,053 crore<sup>8</sup> during the period 2017-22 for creation of assets. Utilisation of budget for capital expenditure ranged between 38 per cent and 57 per cent during 2017-22 except for 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.

#### 2.4.2.1 Major changes in capital expenditure

Major changes in capital expenditure during 2021-22 compared to 2020-21 are depicted in **Table 2.27**.

**Table 2.27: Capital expenditure during 2021-22 compared to 2020-21**

Major Head of Accounts	2020-21	2021-22	Increase (+)/
			Decrease (-)
4215-Capital Outlay on Water Supply and Sanitation	584.59	660.96	(+) 76.37
4217-Capital Outlay on Urban Development	1,301.16	1,918.93	(+) 617.77
4515-Capital Outlay on Other Rural Development Programmes	214.37	356.00	(+) 141.63
4701-Capital Outlay on Medium Irrigation	425.45	552.05	(+) 126.60
4705-Capital Outlay on Command Area Development	60.62	10.82	(-) 49.80
4711-Capital Outlay on Flood Control Projects	66.99	107.73	(+) 40.74
4801-Capital Outlay on Power Projects	0.00	40.00	(+) 40.00
5054-Capital Outlay on Roads and Bridges	582.20	1,014.67	(+) 432.47
5452-Capital Outlay on Tourism	130.33	36.70	(-) 93.63
5475-Capital Outlay on Other General Economic Services	186.56	2,311.59	(+) 2,125.03

Source: Finance Accounts

**Chart 2.13** shows that the capital expenditure increased by ₹ 3,628 crore (82.79 per cent) from ₹ 4,382 crore in 2020-21 to ₹ 8,010 crore in 2021-22. The increase in overall capital expenditure was mainly due to increase in Capital Outlay on Other General Economic Services: ₹ 2,125 crore; Capital Outlay on Urban Development: ₹ 618 crore; Capital Outlay on Roads and Bridges: ₹ 432 crore; Capital Outlay on Medium Irrigation: ₹ 127 crore; etc., as detailed in **Table 2.27**. Increase of ₹ 2,125 crore in 'Capital Outlay on Other General Economic Services' was mainly due to increase of ₹ 1,390 crore in 'Major Works' and ₹ 679 crore in 'Special Component Plan for Scheduled Castes'.

<sup>8</sup> 2017-18: ₹ 0.50 crore; 2018-19: ₹ 338.94 crore; 2019-20: ₹ 714.34 crore; 2020-21: ₹ 2,744.17 crore and 2021-22: ₹ 255.24 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 the companies, corporations and other bodies*

Capital expenditure in the 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 quality of capital expenditure. Return on investment in share capital invested in Public Sector Undertakings (PSUs) and history of repayment of loans given to various bodies are important determinants of quality of capital expenditure.

As per the latest finalised accounts, total paid up capital of 33 working State PSUs stood at ₹ 23,516.93 crore at the end of 2021-22, of which the State Government's investment (equity) was ₹ 23,314.29 crore (99.14 *per cent*) in 23 State PSUs.

Eleven State PSUs, in which the State Government held investment of ₹ 22,501.24 crore had aggregated accumulated losses of ₹ 13,465.82 crore (*Appendix 2.3*).

Net worth of eight out of above 11 PSUs with accumulated losses had completely eroded and had become negative. The net worth of these eight PSUs was (-) ₹ 7,093.18 crore against equity investment of ₹ 462.86 crore (GoP investment: ₹ 423.42 crore) in these PSUs as on 31 March 2022. In five out of eight PSUs whose capital had eroded, Government loans outstanding as on 31 March 2022 amounted to ₹ 20,079.11 crore (*Appendix 2.4*).

The long term loans amounting to ₹ 25,907.24 crore extended by the State Government in respect of eight PSUs were outstanding as on 31 March 2022 (*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 2.28**.

**Table 2.28: Return on investment**

Investment/return/ cost of borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
Investment at the end of the year (₹ in crore)	4,189.27	4,263.25	19,898.08	19,911.84	19,899.69
Return (₹ in crore)*	4.45	4.24	4.24	1.26	6.66
Return ( <i>per cent</i> )*	0.11	0.10	0.02	0.01	0.03
Average rate of interest on Government Borrowings ( <i>per cent</i> )	7.70	8.36	7.31	6.80	7.08
Difference between interest rate and return ( <i>per cent</i> )	7.59	8.26	7.29	6.79	7.05
Difference between cost of Government borrowings and return on investment (₹ in crore)#	317.97	352.14	1,450.57	1,352.01	1,402.93

Source: Finance Accounts

\* on historical cost

# Investment at the end of the year X Difference between interest rate and return

100

During 2021-22, the return on investment was ₹ 6.66 crore<sup>9</sup> (0.03 *per cent*) (based on historical cost and not on net present value basis). The return was only between 0.01 *per cent* and 0.11 *per cent* during 2017-22 while the average rate of interest paid by the State Government on its borrowings was between 6.80 *per cent* and 8.36 *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 ₹ 4,875.62 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 18 PSUs was ₹ 19,012.15 crore whereas as per records of PSUs, it was ₹ 23,104.50 crore. There was a difference of ₹ 4,092.35 crore as detailed in **Appendix 2.6**. Reconciliation should be carried out in a time bound manner to figure out 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 2.29** presents the position of outstanding loans and advances as on 31 March 2022 and interest receipts

<sup>9</sup> Government Companies (₹ 6.49 crore); Joint Stock Companies (₹ 0.16 crore); and Co-operative Banks and Societies (₹ 0.01 crore).



vis-à-vis interest payments by the State Government on its borrowings during the last five years.

**Table 2.29: Quantum of loans disbursed and recovered during 2017-22**

Particulars	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Opening Balance of loans outstanding	49,482	50,169	50,681	35,394	36,300
Amount advanced during the year	760	1,361	783	956	1,576
Amount recovered during the year	73	849	16,070	50	206
Closing Balance of the loans outstanding	50,169	50,681	35,394	36,300	37,670
Net addition	687	512	(-)15,287	906	1,370
Interest received	1,339	1,341	1,336	25	19
Interest rate on Loans and Advances given by the Government	2.69	2.66	3.10	0.07	0.05
Rate of Interest paid on the outstanding borrowings of the Government	8.12	8.00	7.93	7.44	7.05
Difference between the rate of interest received and interest paid ( <i>per cent</i> )	(-)5.43	(-)5.34	(-)4.83	(-)7.37	(-) 7.00

Source: Finance Accounts

During 2021-22, amount of ₹ 1,576 crore was advanced as loans against ₹ 956 crore during the previous year. The loans advanced during the current year included ₹ 601 crore extended to the Punjab State Civil Supplies Corporation (PUNSUP) for procurement and supply of essential commodities and ₹ 438 crore to other procurement agencies against liability of Atta Dal Scheme. Loans amounting to ₹ 1,184.22 crore were outstanding at the beginning of the year against Co-operative Sugar Mills. Further, loans of ₹ 285 crore were given to these sugar mills without recovery of earlier loans.

The total outstanding loans advanced by the State Government increased by ₹ 1,370 crore from ₹ 36,300 crore in 2020-21 to ₹ 37,670 crore in the year 2021-22. Recovery of loans increased by ₹ 156 crore (312 *per cent*) and interest receipts decreased by ₹ 6.00 crore (24 *per cent*) respectively in 2021-22 as compared to 2020-21. The interest received was only 0.05 *per cent* of the outstanding loans and advances during 2021-22.

The outstanding loans (₹ 37,670 crore) at the close of year 2021-22 included the long term loans of ₹ 32,592 crore out of ₹ 33,973 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<sup>10</sup>), of which ₹ 29,244 crore were outstanding; and

<sup>10</sup> 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.

- clearing outstanding Cash Credit Limit (CCL) extended afresh to five State Procurement Agencies (SPA) during 2016-22 (₹ 4,053 crore), of which ₹ 3,307 crore<sup>11</sup> were outstanding.

Thus, against the total amount of ₹ 33,973 crore advanced for clearing old and fresh CCL to SPAs during 2016-22, recovery of only ₹ 1,422 crore<sup>12</sup> 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 2021-22 are shown in **Table 2.30** and **Table 2.31** respectively.

Year of commencement	No of incomplete projects	Estimated cost	Expenditure (as on 31 March 2022)
Upto 2012-13	3	2,543.96	1,026.38
2013-14	0	0.00	0.00
2014-15	0	0.00	0.00
2015-16	3	77.42	14.09
2016-17	2	82.15	44.26
2017-18	2	67.64	51.10
2018-19	10	199.54	110.41
2019-20	8	233.59	134.85
2020-21	21	222.34	103.64
2021-22	37	170.50	79.01
<b>Total</b>	<b>86</b>	<b>3,597.14</b>	<b>1,563.74</b>

Source: Finance Accounts

Department	No. of incomplete projects	Estimated cost	Expenditure (as on 31 March 2022)
Public Works	58	890.36	457.41
Irrigation	20	2,644.66	1,067.83
Water Supply and Sanitation	8	62.12	38.50
<b>Total</b>	<b>86</b>	<b>3,597.14</b>	<b>1,563.74</b>

The expenditure of ₹ 1,563.74 crore incurred on 86 incomplete projects was yet to yield the intended benefits. Out of 86 incomplete projects, 20 projects on which expenditure of ₹ 1,246.24 crore had been incurred, pertained to the period prior to the year 2019-20.

Delay in completion of projects not only adversely affected the quality of expenditure but also deprived the State of intended benefits and economic growth.

<sup>11</sup> Besides, ₹ 41 crore pertaining to the period prior 2010-11 was also outstanding from PUNSUP.

<sup>12</sup> ₹ 675 crore (2017-18: ₹ 26 crore, 2018-19: ₹ 61 crore, 2019-20: ₹ 405 crore, 2020-21: ₹ 11 crore; and 2021-22: ₹ 172 crore ) against ₹ 29,920 crore; and ₹ 747 crore (2018-22) against ₹ 3,452 crore.

### 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 2.32**.

**Table 2.32: Sector-wise details of PPP projects as on 31 March 2022**

Sl. No.	Sector	Completed			Ongoing			Planned for future	
		No.	Estimated Cost	Revenue generated upto 31 <sup>st</sup> March 2022	No.	Estimated Cost	Revenue generated upto 31 <sup>st</sup> March 2022	No.	Estimated Cost
1.	Roads	14	1,027.02	60.00	--	--	--	--	--
2.	Urban Infrastructure	01 <sup>13</sup>	9.00	1.05	02 <sup>14</sup>	130.00	--	02 <sup>15</sup>	255.00
3.	Agriculture	04 <sup>16</sup>	177.35	6.30	--	--	--	02 <sup>17</sup>	44.00
4.	Local Government	01 <sup>18</sup>	57.78	5.02	--	--	--	--	--
5.	Health and Family Welfare	01 <sup>19</sup>	131.16	136.41	06 <sup>20</sup>	383.64	125.34	--	--
6.	Education Development	05	36.76	--	19	85.82	--	--	--
7.	Technical Education and Industrial Training	--	--	--	03 <sup>21</sup>	213.30	41.25*	--	--
8.	Employment Generation and Skill Development	8 <sup>22</sup>	7.65	--	4 <sup>23</sup>	3.15	0.25	8 <sup>24</sup>	15.60
9.	Revenue, rehabilitation and disaster Management	--	--	--	1 <sup>25</sup>	40.00	76.00	--	--
<b>Total</b>		<b>34</b>	<b>1,446.72</b>	<b>208.78</b>	<b>35</b>	<b>855.91</b>	<b>242.84</b>	<b>12</b>	<b>314.60</b>

Source: Departmental information

\* Includes revenue of ₹ 10.18 crore generated but not received till 31 March 2022.

<sup>13</sup> Refurbishment, Operation and Maintenance of Urban Haat located at Amritsar.

<sup>14</sup> (i) Construction and Maintenance of exhibition centre at Ludhiana, (ii) Development, refurbishment, operation and maintenance of Heritage Hotel at Amritsar.

<sup>15</sup> (i) Development of Amritsar Commercial Complex-cum-Convention Centre, (ii) Development of International Standard Tourism on Pathankot Dalhousie Road.

<sup>16</sup> (i) Nawanshahar Co-operative Sugar Mill (15 MW) Co-generation Project on BOOT Basis set up by Nawanshahar Power Plant Ltd. (ii) Steel Silos, Sunam (iii) Steel Silos Ahmedgarh (iv) Steel Silos, Malerkotla.

<sup>17</sup> (i) Batala Bio-CNG Project at Co-operative Sugar Mill, Batala; and (ii) Bhogpur Bio-CNG Project at Bhogpur Co-operative Sugar Mill, Bhogpur.

<sup>18</sup> Installation of Street Light ESCO at Ludhiana under Ludhiana Smart City Ltd.

<sup>19</sup> Punjab Institute of Medical Sciences Hospital & Medical College, Garha Road, Jalandhar.

<sup>20</sup> (i) Development operation and maintenance of radio diagnostic centre in selected hospitals in Punjab, (ii) Development operation and maintenance of Laboratory diagnostic centre in selected hospitals in Punjab, (iii) Setting up, operation and maintenance of cardiac facilities on PPP Model (iv) Development of green field super-speciality hospital on DBOT basis at Mohali (v) Development of green field super-speciality hospital on DBOT basis at Bathinda (vi) Development of mother and child hospital at Fatehgarh sahib.

<sup>21</sup> (i) Govt. Polytechnic College Village Chokhra, SBS Nagar, (ii) Govt. Polytechnic College, Anandpur Sahib, Ropar and (iii) 76 Industrial Training Institutes.

<sup>22</sup> Multi Skill Development Centre (MSDC) at Hoshiarpur, Amritsar, Jalandhar and Ludhiana, Bathinda. Health Sector Skill Development Centre (HSDC) at Patiala, Amritsar and Faridkot.

<sup>23</sup> Multi Skill Development Centre (MSDC) at Amritsar and Ludhiana. Health Sector Skill Development Centre (HSDC) at Patiala and Amritsar.

<sup>24</sup> Multi Skill Development Centre (MSDC) at Hoshiarpur, Amritsar, Jalandhar and Ludhiana, Bathinda. Health Sector Skill Development Centre (HSDC) at Patiala, Amritsar and Faridkot.

<sup>25</sup> (i) Computerization & land record management system and provisioning of citizen and back end services through establishment and operations and management of citizen services centres.

### 2.4.3 Expenditure priorities

Enhancing human development levels requires the States to step up their 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<sup>26</sup> of the State Government with regard to expenditure on social and economic sectors, etc. is shown in **Table 2.33**.

**Table 2.33: Expenditure priority of the State with regard to health, education and capital expenditure**

	TE/GSDP	CE/TE	Education*/TE	Health/ TE
<b>General Category States Average (2017-18)</b>	16.13	15.56	15.17	5.09
<b>Punjab (2017-18)</b>	13.92	4.75	14.31	4.19
<b>General Category States Average (2021-22)</b>	15.84	14.41	14.66	6.20
<b>Punjab (2021-22)</b>	18.19	9.02	12.15	3.71

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 2.33** shows that:

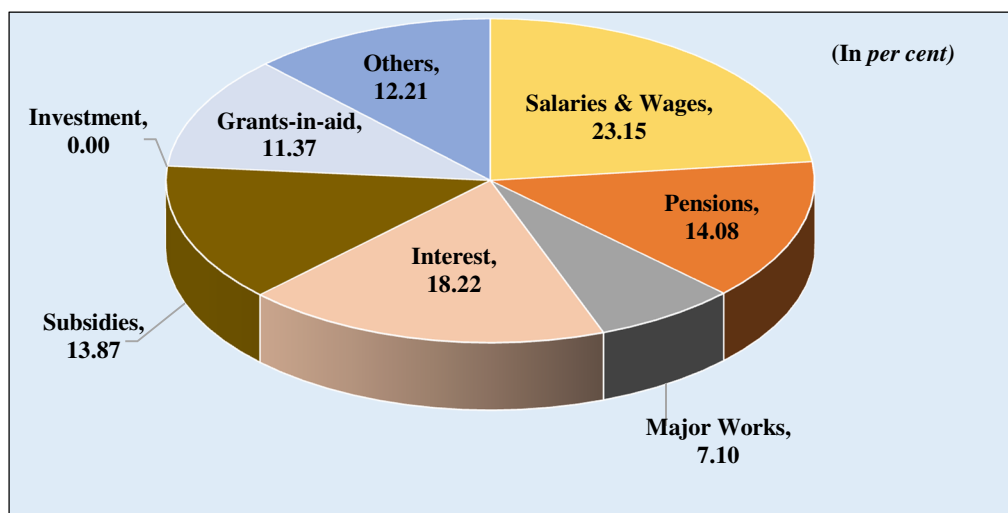
- The State Government's total expenditure as proportion of GSDP, increased from 13.92 *per cent* in 2017-18 to 18.19 *per cent* in 2021-22 whereas for General Category States (GCS) it decreased from 16.13 *per cent* to 15.84 *per cent* during the same period.
- Capital expenditure facilitates asset creation which generates opportunities for higher growth. The ratio of capital expenditure to total expenditure increased from 4.75 *per cent* in 2017-18 to 9.02 *per cent* in 2021-22. This ratio for General Category States decreased from 15.56 *per cent* to 14.41 *per cent* during the same period.
- The ratio of expenditure on education to the total expenditure in Punjab decreased from 14.31 *per cent* in 2017-18 to 12.15 *per cent* in 2021-22 whereas it decreased from 15.17 *per cent* to 14.66 *per cent* in the case of GCS during the same period.
- The ratio of expenditure on health to total expenditure in Punjab decreased from 4.19 *per cent* in 2017-18 to 3.71 *per cent* in 2021-22 whereas it increased from 5.09 *per cent* to 6.20 *per cent* in the case of GCS during the same period.

<sup>26</sup> Ratio of expenditure in that category to Total Expenditure (TE).

### 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 2021-22**



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 is given in **Table 2.34** and yearly changes in composition of Public Account balances are depicted in **Chart 2.15**.

**Table 2.34: Component-wise net balances in Public Account**

(₹ in crore)

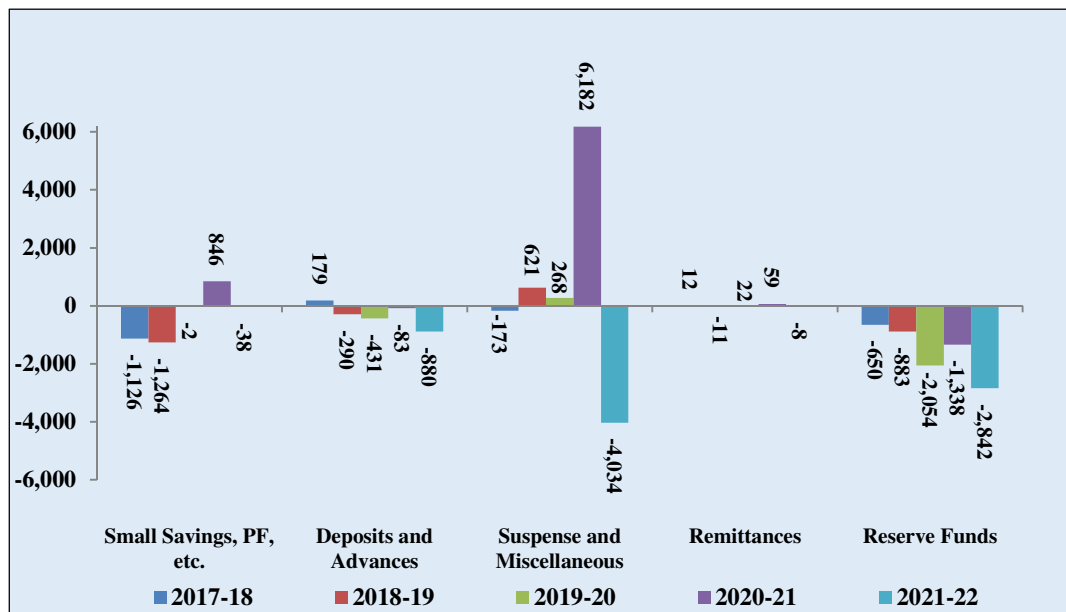
Sector	Sub-Sector	2017-18	2018-19	2019-20	2020-21	2021-22
Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	(-)21,729.73	(-)22,993.55	(-)22,995.06	(-)22,149.54	(-)22,187.70
Reserve Funds	(a) Reserve Funds bearing Interest	(-)5,519.49	(-)6,402.59	(-)8,203.96	(-)8,583.58	(-)9,508.56
	(b) Reserve Funds not bearing Interest	(-)0.68	(-)0.68	(-)253.20	(-)1,211.33	(-)3,127.96
Deposits and Advances	(a) Deposits bearing Interest	(-)825.92	(-)808.08	(-)776.16	(-)880.98	(-)1,400.28
	(b) Deposits not bearing Interest	(-)2,273.62	(-)2,581.87	(-)3,045.22	(-)3,023.68	(-)3,384.82
	(c) Advances	0.42	0.42	0.42	0.42	0.42
Suspense and Miscellaneous	(a) Suspense	50.87	(-)38.05	(-)8.47	(-)102.69	129.71
	(b) Other Accounts	562.71	1,272.82	1,511.04	7,787.14	3,521.09
	(c) Accounts with Governments of Foreign Countries	0.66	0.66	0.66	0.66	0.66
	(d) Miscellaneous	0	0	0	0	0.00
Remittances	(a) Money Orders, and other Remittances	0	(-)9.02	2.68	40.85	18.04
	(b) Inter-Governmental Adjustment Account	13.59	11.93	22.59	43.05	57.40
<b>Total</b>		<b>(-)29,721.19</b>	<b>(-)31,548.01</b>	<b>(-)33,744.68</b>	<b>(-)28,079.68</b>	<b>(-)35,882.00</b>

Source: Finance Accounts

Note: +ve figures denote debit balance and –ve figures denote credit balances.

**Chart 2.15: Yearly changes in composition of Public Account balances**

(₹ in crore)



Source: Finance Account

### 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 six interest bearing funds and two Reserve Funds not bearing interest as on 31 March 2022. The fund balances lying in these Reserve Funds as on 31 March 2022 are given in **Table 2.35**.

**Table 2.35: Detail of Reserve Funds**

<i>(₹ in crore)</i>		
Sr. No.	Name of Reserve Fund	Balance as on 31 March 2022
<b>A</b>	<b>Reserve Funds bearing Interest</b>	<b>9,508.56</b>
1.	Depreciation Reserve Fund-Motor Transport	116.70
2.	Depreciation Reserve Fund-Government Presses	28.05
3.	General Reserve Fund-Motor Transport	0.72
4.	Punjab Road Safety Fund	61.01
5.	State Disaster Response Fund	8,194.08
6.	State Compensatory Afforestation Fund	1,108.00
<b>B</b>	<b>Reserve Funds not bearing Interest</b>	<b>3,127.96</b>
1.	Sinking Funds	3,127.26
2.	Other Development and Welfare Fund	0.70
	<b>Grand Total</b>	<b>12,636.52</b>

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 (12<sup>th</sup> 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 ₹ 1,210.65 crore in the Fund at the beginning of the current year. As on 31 March 2021, the outstanding liabilities of the Government of Punjab were ₹ 2,49,673.12 crore<sup>27</sup>. Accordingly, the State Government was required to contribute a minimum of ₹ 1,248.37 crore (0.50 per cent) during 2021-22 against which the State Government had made contribution of ₹ 1,820.02 crore to the Fund, which had been invested and an

<sup>27</sup> Excluding ₹ 8,359 crore as back-to-back loans from GoI in 2020-21 in lieu of GST Compensation shortfall, which were not to be repaid by the State from its sources.

interest of ₹ 96.59 crore was earned. Resultantly, there was a balance of ₹ 3,127.26 crore at the end of the current year.

Thus, the State Government has not made the minimum contribution of ₹ 6,767.10 crore<sup>28</sup> during 2011-22 to the said Fund since its inception.

### **2.5.2.2 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 75:25. The contributions are to be transferred under the Public Account to Major Head – 8121. Expenditure during the year is incurred by operating Major Head – 2245.

The State Governments are required to pay interest to the 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 the 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.

The 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 2021, an amount of ₹ 7,334.00 crore was lying in the SDRF. During the year 2021-22, ₹ 1,521.00 crore (₹ 396 crore as Centre share and ₹ 132 crore as State share for the year 2021-22; ₹ 247.50 crore as Centre share and ₹ 82.50 crore as State share for the year 2020-21; ₹ 52.51 crore towards refund of previous year's unspent balance lying with the Drawing and Disbursing Officers; ₹ 127.57 crore towards excess funds released by State Govt. for COVID-19 as per norms set by NDMA/GoI; and ₹ 482.92 crore towards payment of interest by the State Government) were transferred to the Fund. An amount of ₹ 660.92 crore was spent from the Fund during the current year leaving a balance of ₹ 8,194.08 crore. The entire balance of ₹ 8,194.08 crore was lying uninvested in SDRF as on 31 March 2022, in violation of GoI guidelines *ibid*.

The State Government stated (December 2022) that it acts as custodian and banker to SDRF and interest is credited every year, as mandated by law. It was added that given the lower rate of interest on permissible investment options vis-à-vis payable rate for these reserve funds, the Government was averse to

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<sup>28</sup> 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 and 2021-22: (-) ₹ 571.65 crore.



investing in these securities and also that the Government had been crediting interest to the Fund without fail. The State Government was required to invest balances in the SDRF as per the guidelines of the Fund.

Details of expenditure charged to SDRF during 2021-22 are given in **Table 2.36**.

**Table 2.36: Details of expenditure charged to SDRF during 2021-22**

(₹ 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	205.88
	104-Supply of Fodder	0.26
	106-Repairs and restoration of damaged roads and bridges	0
	111-Ex-gratia payments to bereaved families	83.95
	113-Assistance for repairs/reconstruction of Houses	1.93
	117-Assistance to farmers for purchase of livestock	0.02
	122-Repairs and restoration of damaged irrigation and flood control works	368.88
	<b>Total</b>	<b>660.92</b>
2245- Relief on Account of Natural Calamities 05-State Disaster Response Fund	901- Deduct - Amount met from State Disaster Response Fund	(-)660.92
Expenditure charged to SDRF in violation of SDRF guidelines		455.04

Source: Finance Accounts

As per the SDRF guidelines, only the amount booked under 2245-02-101 is admissible expenditure to be met from SDRF. Hence, expenditure of ₹ 455.04 crore out of ₹ 660.92 crore met from SDRF was in contravention of the guidelines. This led to understatement of revenue expenditure to the extent of ₹ 455.04 crore during 2021-22 with consequent impact on revenue deficit and fiscal deficit of the State.

### 2.5.2.3 Guarantee Redemption Fund

The State Government constitutes 'Guarantee Redemption Fund' for meeting the 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 previous year to achieve a minimum level of three *per cent* of outstanding guarantees in 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, State Government was required to make a minimum contribution 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*. However, no contribution was made by the State Government to the Fund during this period.

During the year, Government did not make any contribution as against ₹ 117.76 crore (0.50 *per cent* of outstanding guarantees of ₹ 23,551.58 crore at the end of previous year) it was required to contribute to the Fund. Besides, guarantee fee of ₹ 38.24 crore<sup>29</sup> was also received during the current year which was not transferred to GRF. Non-transfer of guarantee fee to GRF has resulted in understatement of revenue expenditure by ₹ 38.24 crore during 2021-22 with consequent impact on revenue deficit and fiscal deficit of the State.

The State Government stated (December 2022) that it was not contributing to GRF as no additional benefit was seen and that the State Government stood committed to honour the guarantees given in respect of its PSUs. The State Government should have contributed to the Fund as per the GRF guidelines.

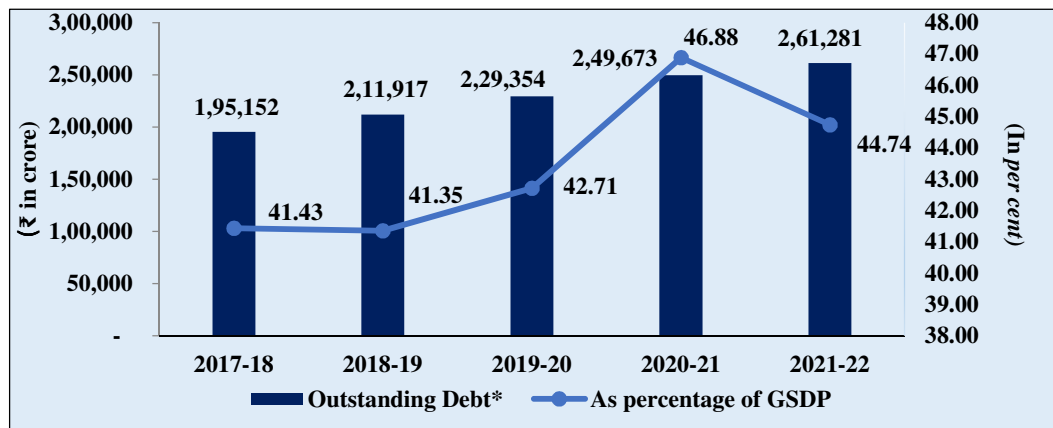
## 2.6 Debt management

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

Outstanding debt of the State along with its percentage to GSDP for the years 2017-18 to 2021-22 is depicted in **Chart 2.16**.

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<sup>29</sup> Power: ₹ 33.20 crore; Co-operatives: ₹ 4.88 crore; and State Finance Companies/Corporations: ₹ 0.16 crore.

**Chart 2.16: Outstanding debt and its percentage to GSDP**

Source: Finance Accounts

\* During the year 2020-21 and 2021-22, 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.

### 2.6.1 Debt profile: Components

Total debt of the State Government typically constitutes Internal Debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government, and Public Account Liabilities. The component-wise debt trends of the State for the period of five years beginning from 2017-18 are presented in **Table 2.37**.

**Table 2.37: Component-wise debt trends**

	(₹ in crore)				
Components of fiscal liability	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Outstanding Total Debt</b>	<b>1,95,152</b>	<b>2,11,917</b>	<b>2,29,354</b>	<b>2,49,673</b>	<b>2,61,281</b>
Public Debt	1,64,803	1,79,130	1,94,333	2,15,035	2,24,799
<i>Internal Debt</i>	1,60,785	1,74,172	1,89,662	2,10,394	2,20,196
<i>Loans from GoI*</i>	4,018	4,958	4,671	4,641	4,603
Public Account Liabilities	30,349	32,787	35,021	34,638	36,482
<i>Small Savings, Provident Funds, etc.</i>	21,730	22,993	22,995	22,149	22,188
<i>Reserve Funds bearing Interest</i>	5,519	6,403	8,204	8,583	9,508
<i>Reserve Funds not bearing Interest</i>	1	1	1	1	1
<i>Deposits bearing Interest</i>	826	808	776	881	1,400
<i>Deposits not bearing Interest</i>	2,273	2,582	3,045	3,024	3,385
Rate of growth of outstanding total debt (per cent)	6.92	8.59	8.23	8.86	4.65
Gross State Domestic Product (GSDP)	4,71,014	5,12,510	5,37,031	5,32,555	5,84,042
Debt/GSDP (per cent)	41.43	41.35	42.71	46.88	44.74
Total Debt Receipts (including WMA)#	53,363	61,155	65,907	64,248	43,605
Total Debt Repayments (including WMA)	40,737	44,390	48,470	43,928	31,997
Total Debt available	12,626	16,765	17,437	20,320	11,608
Debt Repayments/Debt Receipts (per cent)	76.34	72.59	73.54	68.37	73.38

Source: Finance Accounts

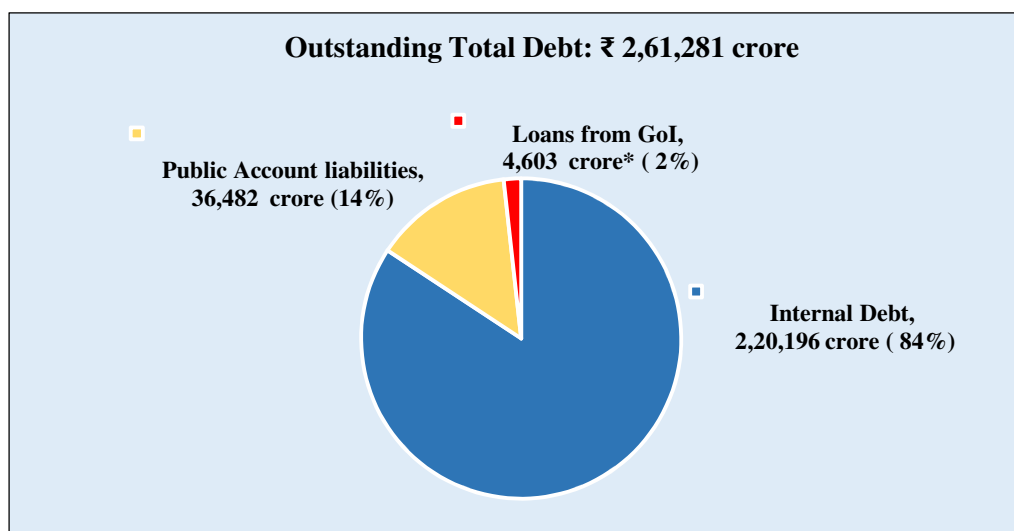
\* During the year 2020-21 and 2021-22, it excludes ₹ 8,359 crore and ₹ 20,491 crore (₹ 8,359 crore+₹ 12,132 crore) respectively, as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.

# During the year 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.

The total debt of the State Government had been on the rise as it increased by 33.89 per cent from ₹ 1,95,152 crore in 2017-18 to ₹ 2,61,281 crore in 2021-22, 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 (₹ 25,106 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 2015-17 (₹ 14,642 crore out of ₹ 15,628 crore). Public Account liabilities increased by ₹ 6,133 crore (20.21 per cent) during the period 2017-22. Major increase was under and 'Reserve Funds bearing Interest' (₹ 3,989 crore: 72.27 per cent) and 'Deposits bearing Interest' (₹ 574 crore: 69.49 per cent).

Break-up of outstanding total debt at the end of 2021-22 is shown in **Chart 2.17**.

**Chart 2.17: Break-up of outstanding total debt at the end of 2021-22**

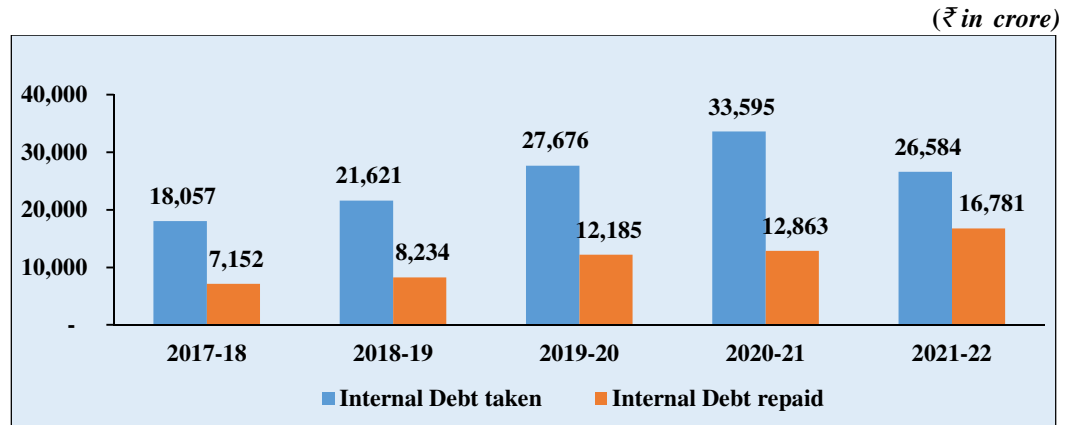


Source: Finance Accounts

\* Excludes 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.

The State Government stated (December 2022) that the Government had to take over liabilities on account of cash credit limit (CCL) of the State Procurement Agencies (₹ 29,920 crore) and the State Discom under UDAY scheme (₹ 15,628 crore) during the period 2015-17, which lead to an increase in fiscal liabilities of the State.

**Chart 2.18** depicts the quantum of internal debt taken *vis-à-vis* repaid during the period of five years i.e. 2017-22.

**Chart 2.18: Internal debt taken vis-a-vis repaid**

Source: Finance Accounts

Internal debt of the State Government increased by ₹ 59,411 crore (36.95 per cent) from ₹ 1,60,785 crore in 2017-18 to ₹ 2,20,196 crore in 2021-22 (Table 2.37). An amount of ₹ 16,892 crore was paid towards interest on internal debt during 2021-22.

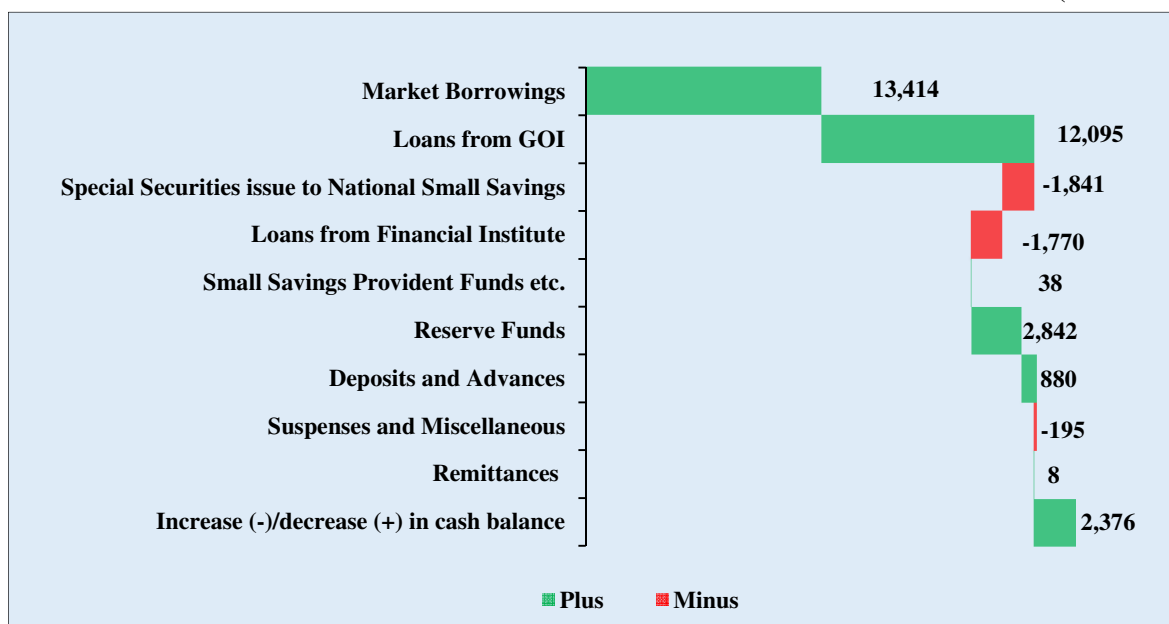
Table 2.38 depicts financing pattern of the fiscal deficit during 2017-22 and the financing of fiscal deficit during 2021-22 is expressed through a water flow chart (Chart 2.19).

**Table 2.38: Components of fiscal deficit and its financing pattern**

(₹ in crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Composition of Fiscal Deficit</b>	<b>(-)12,494</b>	<b>(-)16,059</b>	<b>(-)16,826</b>	<b>(-)22,584</b>	<b>(-)27,847</b>
1 Revenue Deficit	(-)9,455	(-)13,135	(-)14,285	(-)17,296	(-)18,468
2 Net Capital expenditure	(-)2,352	(-)2,412	(-)17,828	(-)4,382	(-)8,010
3 Net Loans and Advances	(-)687	(-)512	15,287	(-)906	(-)1,369
<b>Financing Pattern of Fiscal Deficit</b>					
1 Market Borrowings	13,349	17,053	18,470	23,467	13,414
2 Loans from GoI	125	940	(-)288	8,329	12,095
3 Special Securities issued to NSSF	(-)1,742	(-)1,801	(-)1,841	(-)1,838	(-)1,841
4 Loans from Financial Institutions	(-)702	(-)1,865	(-)1,138	(-)898	(-)1,770
5 Small Savings, PF, etc.	1,126	1,264	2	(-)845	38
6 Reserve Funds	650	883	2,054	1,338	2,842
7 Deposits and Advances	(-)180	290	431	83	880
8 Suspense and Miscellaneous	(-)27	120	(-)41	130	(-)195
9 Remittances	(-)12	11	(-)23	(-)59	8
<b>10 Overall Deficit</b>	<b>12,587</b>	<b>16,895</b>	<b>17,626</b>	<b>29,707</b>	<b>25,471</b>
11 Increase(-)/Decrease(+) in cash balance	(-)93	(-)836	(-)800	(-)7,123	(+)2,376
<b>12 Gross Fiscal Deficit</b>	<b>12,494</b>	<b>16,059</b>	<b>16,826</b>	<b>22,584</b>	<b>27,847</b>

Source: Finance Accounts

**Chart 2.19: Financing of fiscal deficit during 2021-22**(*₹ in crore*)

Source: Finance Accounts

The components of receipts and disbursements financing the fiscal deficit during the year 2021-22 are depicted in **Table 2.39**.

**Table 2.39: Receipts and Disbursements under various components financing the fiscal deficit during 2021-22**(*₹ in crore*)

Particulars	Receipt	Disbursement	Net
1 Market Borrowings	25,814	12,400	13,414
2 Loans from GoI	12,586*	491	12,095
3 Special Securities issued to NSSF	-	1,841	(-)1,841
4 Loans from Financial Institutions	770	2,540	(-)1,770
5 Small Savings, PF, etc.	3,153	3,115	38
6 Reserve Funds	3,503	661	2,842
7 Deposits and Advances	7,906	7,026	880
8 Suspense and Miscellaneous	76,619	76,814	(-)195
9 Remittances	52	44	8
<b>10 Overall Deficit</b>			<b>25,471</b>
11 Increase (-)/Decrease (+) in cash balance	6,872	9,248	(+)2,376
<b>12 Gross Fiscal Deficit</b>			<b>27,847</b>

Source: Finance Accounts

\* Includes ₹ 12,132 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.

## 2.6.2 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 2.40** and **Chart 2.20**.

**Table 2.40: Maturity Profile of repayment of Public debt of the State**

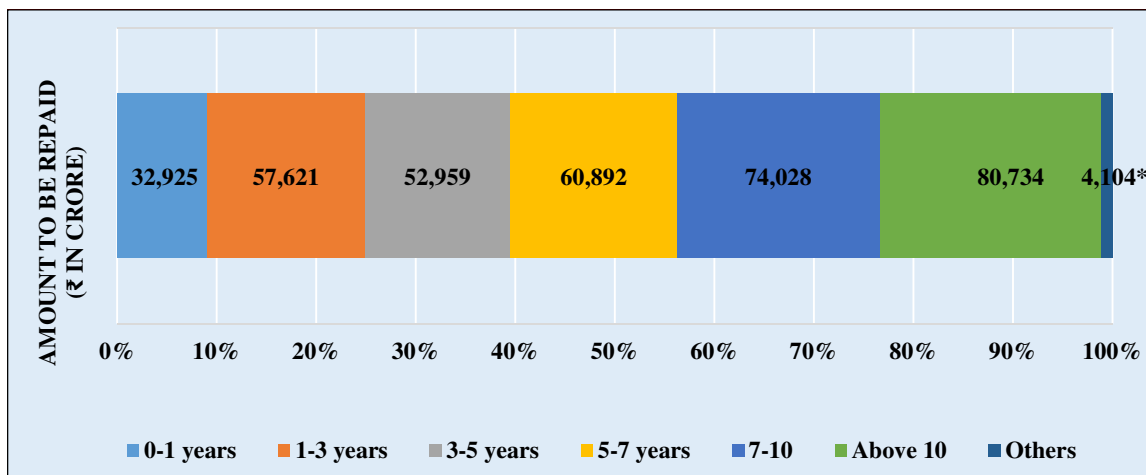
Period of repayment (Years)	Principal Amount	Interest Amount <sup>#</sup>	Public Debt (including interest)	Percentage (w.r.t. total public debt)
	(₹ in crore)			
0 – 1	16,483.29	16,441.80	32,925.09	9.06
1 – 3	28,431.61	29,188.93	57,620.54	15.86
3 – 5	28,066.31	24,893.08	52,959.39	14.58
5 – 7	40,667.20	20,224.78	60,891.97	16.76
7-10	53,633.21	20,395.09	74,028.30	20.38
Above 10	53,413.64	27,320.07	80,733.71	22.23
Others <sup>30</sup>	4,103.92*	--	4,103.92	1.13
<b>Total</b>	<b>2,24,799.18</b>	<b>1,38,463.74</b>	<b>3,63,262.92</b>	<b>100.00</b>

Source: Calculated on the basis of Finance Accounts

# Approximate interest calculated at average interest rate of 7.45 per cent (average of interest rates for the last five years as given in Table 2.41 at page 65).

\* 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.

**Table 2.40** indicates that the State Government has to repay 24.92 per cent (₹ 90,545.63 crore) of its public debt (including approximate interest) within the next three years, 14.58 per cent (₹ 52,959.39 crore) between 3-5 years, 16.76 per cent (₹ 60,891.97 crore) between 5-7 years and 20.38 per cent (₹ 74,028.30 crore) between 7-10 years. It signifies that the State has to repay 76.64 per cent of its debt (₹ 2,78,425.29 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.

<sup>30</sup> Includes loans of ₹ 0.32 crore, repayment of which is on the basis of actual recoveries; and ₹ 4,103.60 crore representing loans on back to back basis, recoveries of which are being made by the Central Government itself.

**Table 2.41** and **Chart 2.21** show the year-wise repayment schedule during next ten years of the Public Debt outstanding as on 31 March 2022.

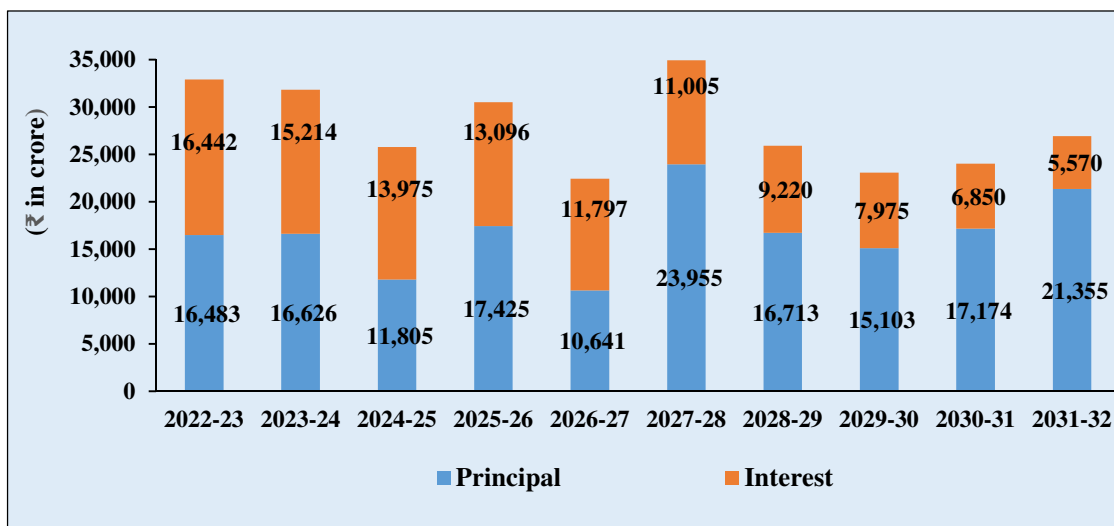
**Table 2.41: Repayment Schedule of Public Debt (including interest) during next 10 years i.e. upto 2031-32**

(₹ in crore)

Year	Repayment of		
	Principal	Interest <sup>#</sup>	Total
2022-23	16,483.29	16,441.80	32,925.09
2023-24	16,626.15	15,213.79	31,839.94
2024-25	11,805.46	13,975.14	25,780.60
2025-26	17,425.45	13,095.64	30,521.09
2026-27	10,640.86	11,797.44	22,438.30
2027-28	23,954.58	11,004.70	34,959.28
2028-29	16,712.62	9,220.08	25,932.70
2029-30	15,103.25	7,974.99	23,078.24
2030-31	17,174.46	6,849.80	24,024.26
2031-32	21,355.49	5,570.30	26,925.79
<b>Total</b>	<b>1,67,281.61</b>	<b>1,11,143.68</b>	<b>2,78,425.29</b>

<sup>#</sup> Approximate interest calculated at average interest rate of 7.45 per cent (average of interest rates for the last five years as given in Table 2.41).

**Chart 2.21: Repayment Schedule of Public Debt (including interest) during next 10 years i.e. upto 2031-32**



**Table 2.41** shows that on an average, the State will have to repay public debt of ₹ 27,843 crore (including approximate interest in respect of debt outstanding at the end of 2021-22) annually till 2031-32. In addition to the debt outstanding at the end of 2021-22, 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. Taking the past trends into account, by the year 2031-32, the projected outstanding debt stock

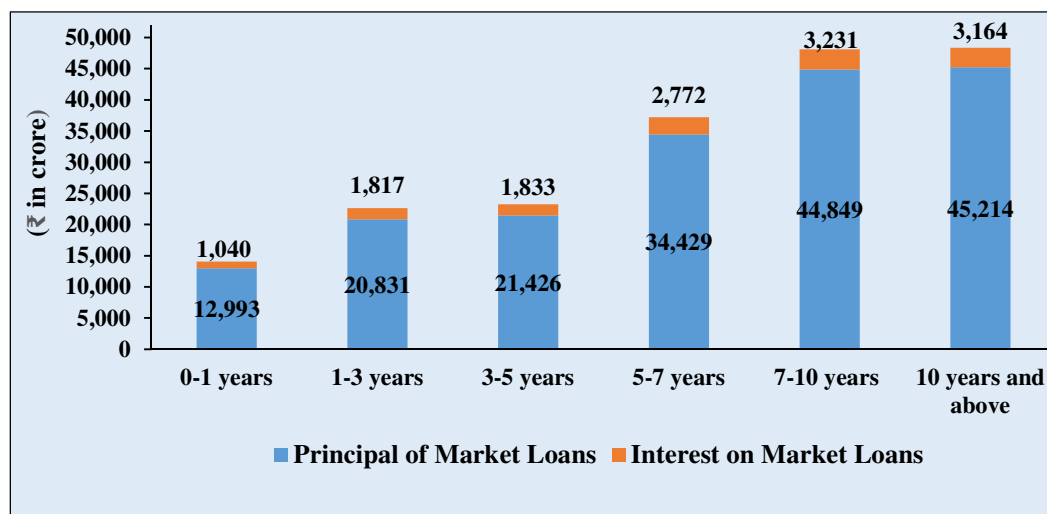


(principal+interest) would increase to ₹ 5,14,697 crore approximately, as depicted in **Appendix 2.7 (A)**. Resultantly, revenue deficit would increase to ₹ 50,134 crore and ratio of interest payment to revenue deficit would increase to 118 *per cent* approximately (**Appendix 2.7 (B)**).

In addition to above, other factors such as public account liabilities and *force majeure*<sup>31</sup> events and/or any other unanticipated loss of revenue also have to be reckoned.

Repayment schedule of market loans (including UDAY bonds) along with interest is given in **Chart 2.22**.

**Chart 2.22: Repayment schedule of market loans**



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

Note: The maturity profile has been evolved for outstanding market loans and UDAY bonds as on 31 March 2022 and interest has been calculated up to the financial year in which the loans are going to retire.

As on 31 March 2022, market loans amounting to ₹ 1,93,598 crore (including UDAY bonds) along with interest were due for repayment. The State will have to repay market loans of ₹ 59,940 crore (31 *per cent*) (₹ 55,250 crore as principal and ₹ 4,690 crore as interest) during the next five years i.e. up to 2026-27. Market loans of ₹ 85,281 crore (44 *per cent*) (₹ 79,278 crore as principal and ₹ 6,003 crore as interest) will have to be repaid in subsequent five years period up to 2031-32. This means that in the next five years (2022-27), on an average, the State will have to make repayment of ₹ 11,988 crore annually of the market loans which will go up to ₹ 17,056 crore in the subsequent five years (2027-32). Remaining ₹ 48,378 crore (25 *per cent*) (₹ 45,214 crore as principal and ₹ 3,164 crore as interest) will be repayable after 2032.

The State Government stated (December 2022) that the State of Punjab had incorporated a Debt Management Unit in the Department of Finance that had been actively looking at the maturity profile of the debt and taking proactive steps to avoid regions of high concentration. The State has been extending the yield curve by issuing long-term securities and that the State Government had

<sup>31</sup> Like COVID-19 pandemic and its effect on GSDP.

started raising loans for the gap years. It was also added that concentration risk of the state was being monitored actively and was being mitigated while keeping the credit cost in check.

## 2.7 Debt Sustainability Analysis

Debt sustainability refers to the ability of the State to service its debt obligation now and in future. Analysis of variations in debt sustainability indicators is given in **Table 2.42** and **Chart 2.23**.

**Table 2.42: Trends in Debt Sustainability Indicators**

(₹ in crore)					
Debt Sustainability Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Outstanding Public Debt*</b>	<b>1,64,802.98</b>	<b>1,79,130.45</b>	<b>1,94,332.64</b>	<b>2,15,034.65</b>	<b>2,24,799.18</b>
Rate of Growth of Outstanding Public Debt	7.17	8.69	8.49	10.65	4.54
GSDP	4,71,014	5,12,510	5,37,031	5,32,555	5,84,042
Rate of Growth of GSDP	10.31	8.81	4.78	(-)0.83	9.67
Public Debt/GSDP	34.99	34.95	36.19	40.38	38.49
Debt maturity profile of repayment of State debt – including default history, if any	7,317.19	8,318.37	12,238.76	12,525.98	17,975.59
Weighted average interest rate on Public Debt ( <i>per cent</i> )	7.70	8.36	7.31	6.80	7.08
Interest Payment on Public Debt	13,292.74	14,114.89	15,254.34	16,104.99	16,956.97
Percentage of Interest Payment to Revenue Deficit	140.59	107.46	106.79	93.11	91.82
Percentage of Interest Payment to Revenue Receipts	25.08	22.67	24.77	23.32	21.69
Percentage of Debt Repayment to Debt Receipts	76.02	72.50	72.25	62.59	67.07
Net Debt available to the State <sup>#</sup>	(-)2,263.00	212.00	(-)52.15	4,597.02	(-)7,492.45
Net Debt available as <i>per cent</i> to Debt Receipts	(-)4.92	0.41	(-)0.10	8.31	(-)26.07
Primary deficit (-)/ Primary surplus (+)	2,840	247	741	(-)4,432	(-)8,784
Debt Stabilisation (Quantum spread <sup>\$</sup> + Primary Deficit)	7,141.36	1,053.09	(-)4,175.62	(-)20,839.14	(-)2,961.70

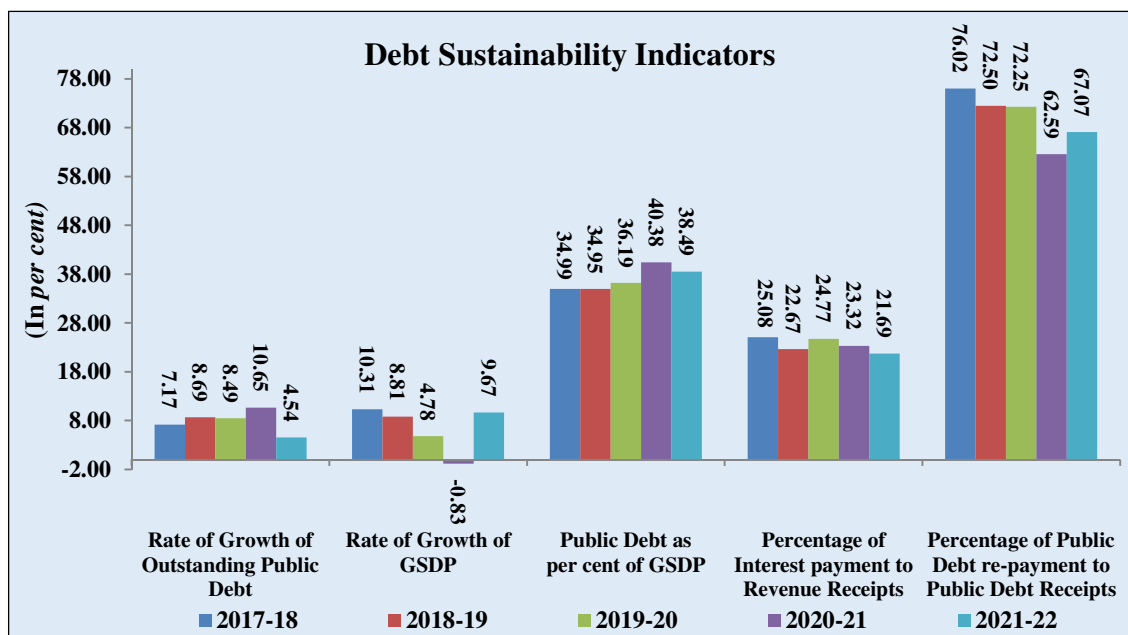
Source Finance Accounts

\* Outstanding Public Debt is the sum of outstanding balances under the Heads 6003- 'Internal Debt' and 6004- 'Loans and Advances from the Central Government'. During 2020-21 and 2021-22, 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.

<sup>#</sup> Net debt available to the State Government is calculated as excess of Public debt receipts over Public debt repayment and interest payment on Public debt.

<sup>\$</sup> Quantum spread = (Debt \* rate spread) where rate spread = (GSDP growth rate – interest rate).

Chart 2.23: Trends of Debt Sustainability Indicators



Source: Finance Accounts

Note: During 2020-21 and 2021-22, Public debt 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.

- A falling debt-GSDP ratio can be considered as leading towards stability. Debt-GSDP ratio rose from 34.99 per cent in 2017-18 to 40.38 per cent in 2020-21 which cannot be considered as leading towards stability. In 2021-22, however, it went down marginally to 38.49 per cent. Also, debt stabilisation condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would tend to be constant or debt would stabilise eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling. **Table 2.42** shows that this trend had been negative since 2019-20 which indicates that debt-GSDP ratio would eventually be rising.
- Interest payments on Public Debt ranged between 91.82 per cent and 140.59 per cent of the Revenue Deficit during 2017-22, which was substantially high.
- The ratio of interest payments to revenue receipts is also a good measure of debt sustainability. This ratio ranged between 21.69 per cent and 25.08 per cent during the period 2017-22, which was substantially high.
- Higher the percentage of public debt repayments to public debt receipts, the greater the proportion of debt utilised for debt servicing rather than productively. Ratio of public debt repayments to public debt receipts ranged between 62.59 per cent and 76.02 per cent during the period

2017-22, which means that most of the public borrowings were used for repayment of earlier borrowings leaving less space to use productively.

### 2.7.1 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 2017-22.

**Table 2.43: Utilisation of borrowed funds**

		(₹ in crore)				
Sr. No.	Year	2017-18	2018-19	2019-20	2020-21	2021-22
1.	Total borrowings*	47,757	53,925	57,200	55,982	32,617
2.	Repayment of earlier borrowings (Principal) (percentage)	34,970 (73)	37,771 (70)	39,574 (70)	34,634 (62)	19,279 (59)
3.	Net capital expenditure (percentage)	2,352 (5)	2,412 (4)	17,828 (31)	4,382 (8)	8,010 (25)
4.	Net loans and advances (percentage)	687 (1)	512 (1)	(-)15,287 (-27)	906 (2)	1,369 (4)
5.	Portion of Revenue expenditure met out of net available borrowings (percentage) (1-2-3-4)	9,748 (21)	13,230 (25)	15,085 (26)	24,419 (28)	3,959 (12)

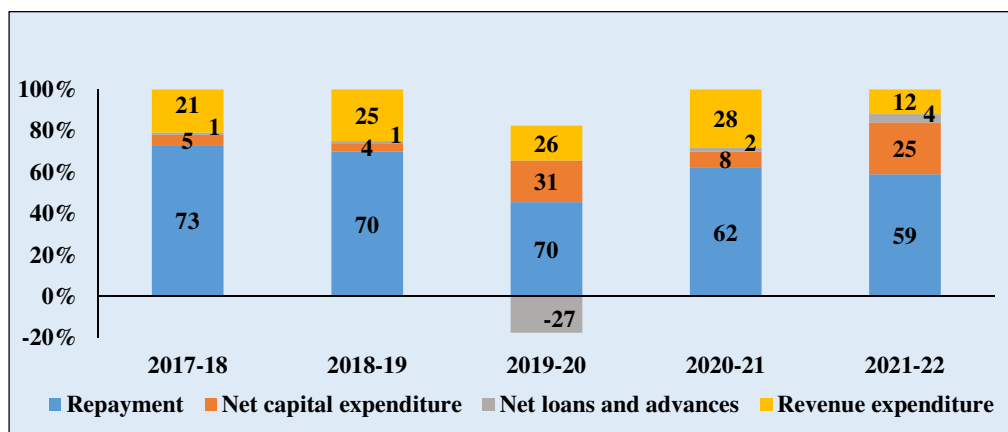
Source: Finance Accounts

\* Excluding ₹ 8,359 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.

**Table 2.43** shows that during the period 2017-22, the State Government utilised 59-73 per cent of its current borrowings for repayment of earlier borrowings. Revenue expenditure met out of net available borrowings ranged between 12 per cent and 28 per cent. Net capital expenditure ranged between 4 and 8 per cent during the period 2017-21 except for the year 2019-20 when it was 31 per cent. Increase in net capital expenditure 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 earlier borrowings instead of capital creation/development activities. However, 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.

Trends of utilisation of borrowed funds during the period 2017-22 is depicted in **Chart 2.24**.

Chart 2.24: Trends of utilisation of borrowed funds



Source: Finance Accounts

The State Government stated (December 2022) that efforts were being made to increase spending on capital asset creation, which would have a multiplier effect on the economy; increase both tax and non-tax revenue; cut wasteful expenditure; and increase efficiency in outcomes.

### 2.7.2 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 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 is given in **Table 2.44**.

**Table 2.44: Guarantees given by the State Government**

Guarantees	( $\text{₹}$ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Ceiling applicable to the outstanding amount of guarantees (i.e. 80 per cent of revenue receipts of previous year)	38,388	42,408	49,815	49,260	55,238
Outstanding amount of guarantees	19,760	23,719	25,352	23,552	20,165

Source: Finance Accounts and Annual Financial Statements

The outstanding guarantees for ₹ 20,165 crore as on 31 March 2022 was in respect of Power (₹ 13,616 crore); Co-operatives (₹ 1,587 crore); State Finance Companies/Corporations (₹ 708 crore); Food and Civil Supplies (₹ 983 crore); and Others (₹ 3,271 crore).

The Government gave guarantees within the limits prescribed in the FRBM Act during 2017-22.

Out of the outstanding guarantees for ₹ 20,165 crore during the current year, the State Government had given guarantees amounting to ₹ 1,609.07<sup>32</sup> crore to six PSUs whose net worth had become negative. This means that the actual liability lies with the State Government to repay their loans.

### 2.7.3 Management of Cash Balances

As per an agreement with the Reserve Bank of India, 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 Reserve 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 2020-21 and 2021-22 are given in **Table 2.45**.

**Table 2.45: Cash Balances and their investment**

(₹ in crore)

	Opening balance as on 1 April 2021	Closing balance as on 31 March 2022
<b>A. General Cash Balances</b>		
Deposits with Reserve Bank of India	194.40	129.76
Investments held in Cash Balance Investment Account	6,710.25	2,237.59
<b>Total (A)</b>	<b>6,904.65</b>	<b>2,367.35</b>
<b>B. Other Cash Balances and Investments</b>		
Cash with departmental officers viz. Forest and Public Works	1,131.59	1,376.09
Permanent advances with departmental officers for contingent expenditure	0.26	0.26
Investment of earmarked funds	1,211.33	3,127.94
<b>Total (B)</b>	<b>2,343.18</b>	<b>4,504.29</b>
<b>Total (A + B)</b>	<b>9,247.83</b>	<b>6,871.64</b>
<b>Interest realised</b>	<b>10.30</b>	<b>35.08</b>

Source: Finance Accounts

<sup>32</sup> (i) Punjab State Civil Supplies Corporation Limited: ₹ 549.37 crore; (ii) Punjab State Industrial Development Corporation Limited: ₹ 406.26 crore; (iii) Punjab Agro Foodgrains Corporation Limited: ₹ 322.56 crore; (iv) Punjab Financial Corporation: ₹ 220.45 crore; (v) Punjab State Warehousing Corporation: ₹ 96.90 crore; and (vi) Punjab State Grains Procurement Corporation Limited: ₹ 13.53 crore.

The closing cash balance at the end of the current year (₹ 6,871.64 crore) decreased by ₹ 2,376.19 crore over the previous year (₹ 9,247.83 crore).

The cash balance included investment of ₹ 3,127.94 crore from earmarked funds. During the year 2021-22, the State Government was able to maintain a minimum cash balance of ₹ 1.56 crore for 353 days and had also to maintain the minimum balance by taking ordinary WMA on 12 days. The State had to pay ₹ 0.38 crore as interest on WMA/SDF during the year 2021-22.

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 only ₹ 3,127.26 crore (from the Consolidated Sinking Fund) was made upto the end of 2021-22. The general cash balance of ₹ 2,367.35 crore at the close of the year was not even equal to the balance of ₹ 9,508.58 crore held 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 2021-22 are depicted in **Table 2.46** and **Chart 2.25** respectively.

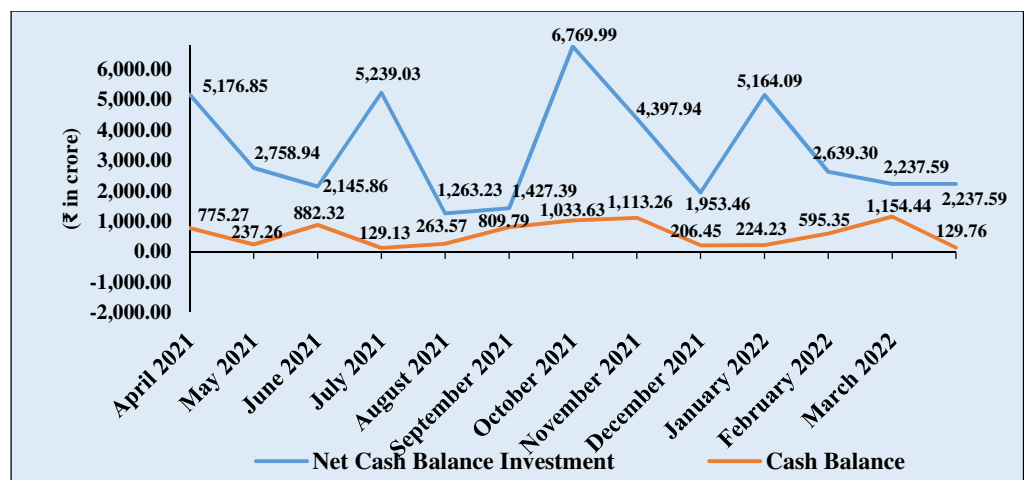
**Table 2.46: Cash Balance Investment Account (Major Head-8673)**

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / Decrease (-)	Interest earned
2017-18	0.04	0.04	0.00	1.56
2018-19	0.04	468.56	(+) 468.52	4.92
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

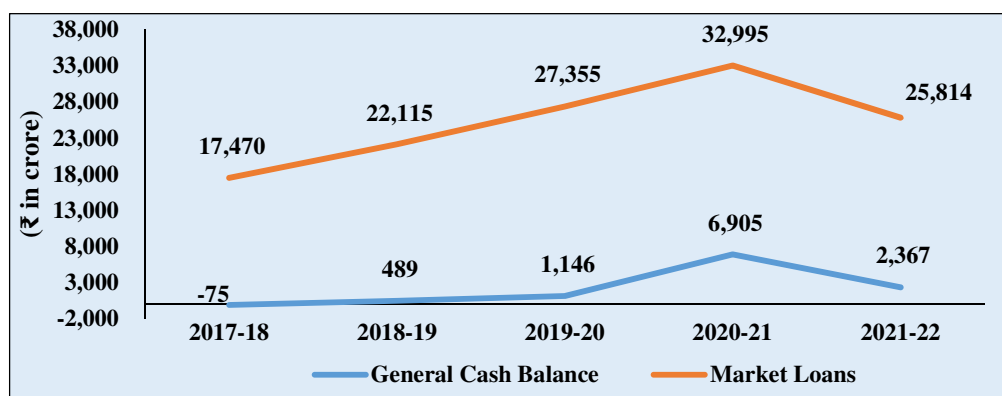
Source: Finance Accounts

**Chart 2.25: Month-wise movement of net cash balance investments and cash balance at the end of month during 2021-22**



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 2021-22, the State could have avoided market borrowings to the extent of the general cash balance (₹ 2,367 crore). The general cash balance of ₹ 2,367 crore included cash balance investment of ₹ 2,238 crore. An interest of ₹ 35.08 crore (0.76 per cent) was earned on these investments whereas the State Government paid average rate of interest of 7.54 per cent on market borrowings during 2021-22.

## 2.8 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 2021-22 with that of the previous year i.e. 2020-21 is summarised in **Table 2.47**.

**Table 2.47: Key parameters**

Positive Indicators	Parameters requiring close watch
↑ Increase in Revenue Receipts by 13.21 per cent.	↓ Increase in expenditure on subsidies by 48.91 per cent.
↑ Increase in Capital Expenditure by 82.79 per cent.	↓ Increase in fiscal deficit by 23.30 per cent.
↑ Increase in Revenue Expenditure on Social Services by 16.88 per cent.	

## 2.9 Conclusions

The State passed 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. The revenue deficit was 23 per cent of revenue receipts during 2021-22 against 25 per cent during 2020-21.

The revenue deficit which was to be brought down to zero by 2008-09, increased to ₹ 18,468 crore during 2021-22. It 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 102 *per cent* to the revenue deficit during 2017-22. Power subsidy constituted major portion of the total subsidies ranging between 68 *per cent* and 99 *per cent*.

Fiscal deficit of the State was ₹ 27,847 crore during 2021-22 which was 4.77 *per cent* of the GSDP and exceeded the target of ₹ 24,240 crore fixed by the State Government in Medium Term Fiscal Policy. The fiscal deficit was mainly financed through market borrowings and loans from GoI in lieu of GST compensation shortfall.

Out of total borrowings of ₹ 44,749 crore<sup>33</sup> during 2021-22, the State Government incurred capital expenditure of only ₹ 8,010 crore (17.90 *per cent*).

Revenue Receipts increased by ₹ 9,120 crore (13.21 *per cent*) during the current year over the previous year whereas, Revenue Expenditure grew by ₹ 10,292 crore (11.92 *per cent*). Further, State's own revenue registered a positive growth of 23.11 *per cent* over the previous year.

State incurred 64 *per cent* of the total revenue expenditure on committed liabilities like salaries and wages, pensions, interest payments, leaving only 36 *per cent* for priority sector expenditure.

There was a difference of ₹ 4,092 crore in equity investment figures as per State Accounts and as per the accounts of 18 PSUs. The difference was under reconciliation (September 2022).

The State Government earned a meagre 0.03 *per cent* return on its total investment (₹ 19,900 crore) in Statutory Corporations, Government Companies and Co-operatives up to 31 March 2022.

The State Government received ₹ 19 crore (0.05 *per cent*) as interest on outstanding loans during 2021-22 while paid interest at 7.07 *per cent* on outstanding debt.

Loans amounting to ₹ 1,184 crore were outstanding at the beginning of 2021-22 against co-operative sugar mills. Further loans of ₹ 285 crore were given to these sugar mills without recovery of earlier loans.

Total outstanding debt including public debt and public account liabilities were 44.74 *per cent*<sup>34</sup> of the GSDP. The total debt grew by 4.65 *per cent* over previous year. During the year, outgo because of interest payments was equal to 20 *per cent* of revenue expenditure and 24 *per cent* of revenue receipts.

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<sup>33</sup> Includes ₹ 12,132 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.

<sup>34</sup> 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.

The State Government had not invested funds of ₹ 8,194 crore available under State Disaster Response Fund, which means that the funds were used for other than intended purpose.

As many as 86 projects scheduled for completion up to 31 March 2022 were incomplete. The expenditure of ₹ 1,564 crore incurred on these incomplete projects was yet to yield the intended benefits.

The State Government had given guarantees amounting to ₹ 1,609.07 crore to six PSUs whose net worth had become negative. This means that the actual liability lies with the State Government to repay their loans.

## **2.10 Recommendations**

- (i) The State Government may consider forming a committee to assess the reasons for insufficient return on investment from statutory corporations, Government companies, cooperative banks and societies and to suggest the remedial measures.
- (ii) The State may ensure time bound completion of the incomplete projects.
- (iii) The State Government should mobilise its resources to minimise dependence on borrowings.
- (iv) State Government may place on record the debt servicing capacity of the institutions before providing guarantees/ loans. Future guarantees/ loans may be predicated on furnishing of the audited accounts of the concerned entities to whom guarantees are provided.

# **Chapter-III**

## **Budgetary Management**



## Chapter-III

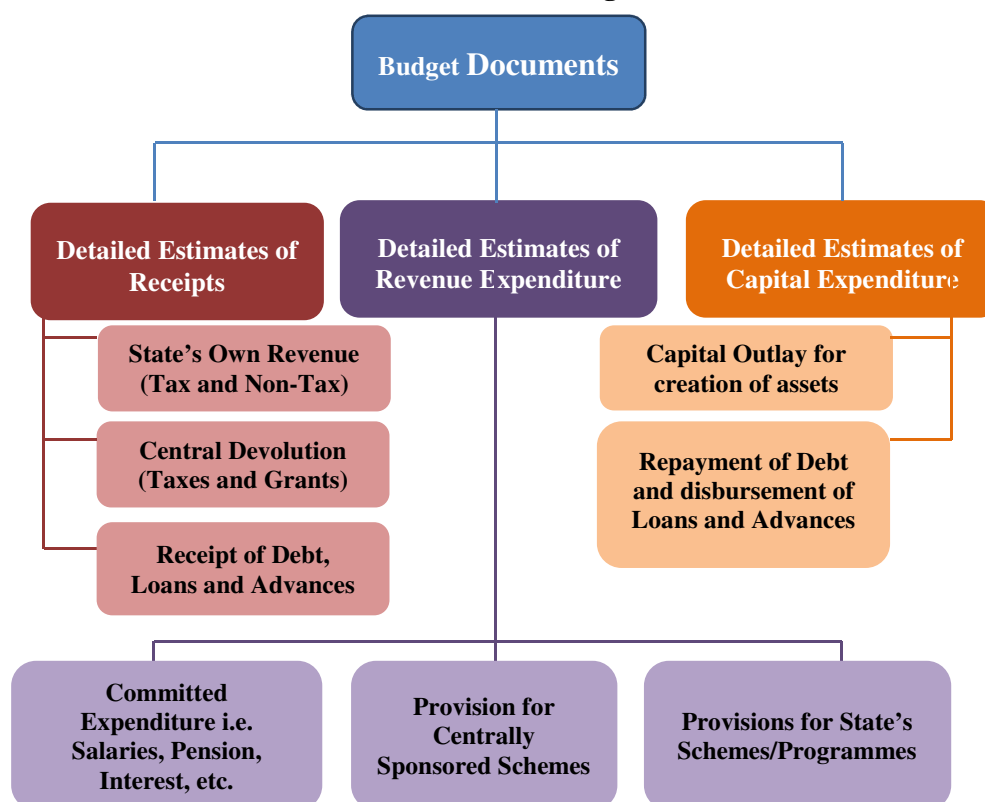
### Budgetary Management

#### 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<sup>1</sup> 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 heads 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*.

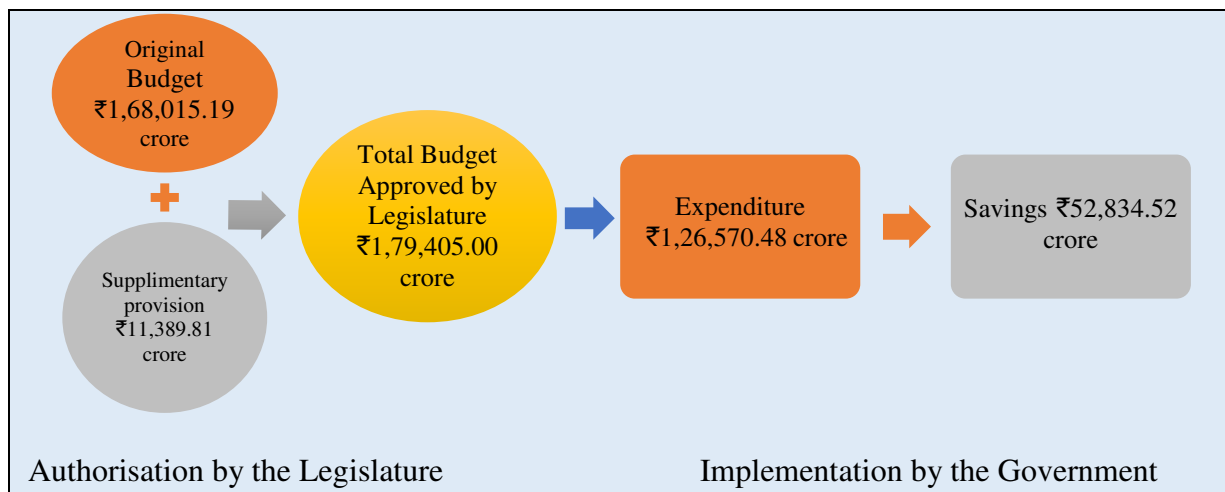
Chart 3.1: Details of State Budget Documents



<sup>1</sup> **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.

The various components of budget are depicted in the **Chart 3.2**.

**Chart 3.2: Flow chart of budget implementation**



Source: Appropriation Accounts

### 3.1.1 Summary of total provisions, actual disbursements and savings during financial year 2021-22

A summarised position of total budget provision, disbursement and saving/excess with its further bifurcation into voted/charged during 2021-22 for the total 42 grants/appropriations is given in **Table 3.1**.

**Table 3.1: Budget provision, disbursement and savings during the financial year 2021-22**

(₹ in crore)

	Total Budget provision		Disbursements		Saving	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	91,276.19	21,482.23	76,384.95	21,118.72	14,891.24	363.51
Capital	16,127.91	0	8,212.45	0	7,915.46	0
Loans and Advances	2,005.76	0	1,575.81	0	429.95	0
Public Debt	0	48,512.91	0	19,278.55	0	29,234.36
<b>Total</b>	<b>1,09,409.86</b>	<b>69,995.14</b>	<b>86,173.21</b>	<b>40,397.27</b>	<b>23,236.65</b>	<b>29,597.87</b>

Source: Appropriation Accounts

### 3.1.2 Charged and voted disbursements

**Table 3.2: Break-up of total disbursement into charged and voted during the last five years (2017-22)**

(₹ in crore)

Year	Disbursements		Saving (-)/Excess (+)	
	Voted	Charged	Voted	Charged
2017-18	50,617.81	50,499.83	(-)18,842.61	(+)75.58
2018-19	63,196.26	54,259.02	(-)16,027.89	(-)872.72
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	(-)23,236.65	(-)29,597.87

Source: Appropriation Accounts

## 3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts 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 provision, 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, the 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 expenditure on new scheme should not be incurred without provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State. It was, however, observed that an expenditure of ₹ 3,492.28 crore (*Appendix 3.1*), was incurred in 18 cases (more than ₹ one crore in each case) under various components of seven grants during the year 2021-22 without having any provision in the original budget estimates/ supplementary demands and without issuing any re-appropriation orders to this effect.

### 3.3.2 Incorrect classification of Head of Account in Budget Estimates

During scrutiny of budget, it was noticed that an amount of ₹ 425.88 crore under four schemes (exceeding ₹ one crore in each scheme) was booked under wrong head of account as given in **Table 3.3**.

**Table 3.3: Budget provision under wrong Head of Account during 2021-22***(₹ in crore)*

Sr. No.	Head of Account printed in budget document	Amount	Head of Account approved by PAG (A&E) office
1.	2202-01-101-34-EPS-57- Attendance Scholarship to SC Primary Girls Students	9.00	2202-01-789-19-EPS-57- Attendance Scholarship to SC Primary Girls Students
2.	4217-60-051-20-Punjab Municipal Services Improvement Project (PMSIP) World Bank Project -99-53-Major Works	400.00	4217-60-051-18-Punjab Municipal Services Improvement Project (PMSIP) World Bank Project -99-53-Major Works
3.	4515-00-789-41-Modernization and Improvement of SC Village having more than 50 per cent SC population-99-53-Major Works	10.00	4515-00-789-08- Modernization and Improvement of SC Village having more than 50 per cent SC population-99-53-Major Works
4.	4515-00-789-44-RDO (S) 18-To make one joint cremation ground in village-99-53-Major Works	6.88	4515-00-789-21-RDO (S) 18-To make one joint cremation ground in village-99-53-Major Works
<b>Total</b>		<b>425.88</b>	

Source: Information supplied by the O/o the Pr. Accountant General (A&E), Punjab and Demand for Grants

### 3.3.3 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 the 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 ₹ 2,519.67 crore during the year 2021-22 in 13 cases (more than ₹ one crore in each case) proved unnecessary (**Appendix 3.2**) as the expenditure did not come up even to the level of original provision. Similarly, supplementary provisions of ₹ 1,322.25 crore in 12 cases (more than ₹ one crore in each case) proved excessive (**Appendix 3.3**) as full amount of supplementary provisions could not be utilised.

The State Government stated (December 2022) that the matter would be taken up with the concerned line departments to demand apt budget and submit the bills on time to avoid such instances in future.



### 3.3.4 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 2021-22, re-appropriation orders under 40 grants amounting to ₹ 47,969.41 crore were issued. All re-appropriation orders were issued on 31 March 2022.

Further, in seven schemes (*Appendix 3.4-Sr. Nos. 2, 3, 14, 19, 27, 28 and 31*), reduction of provision exceeding ₹ one crore through re-appropriation orders effected by various departments proved injudicious as there was excess expenditure under these cases. In 24 schemes, augmentation of provision also proved unnecessary because expenditure was either equal to or did not come up to the level of original/supplementary budget provision.

### 3.3.5 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, neglect of the obvious or unrealistic estimating, 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 exercising final check on the estimates.

Budgetary allocations based on unrealistic proposals, overstretching the potential of resource mobilisation, poor expenditure monitoring mechanism, 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.

The analysis of grants and appropriations showed that in 19 cases (under 15 grants) during the year 2021-22, the savings (excluding surrenders) exceeded ₹ 100 crore in each case (*Appendix 3.5*). It was further noticed that in two grants no expenditure vis-à-vis total grant amounting to ₹ 18.65 crore as given in **Table 3.4** was incurred during the year 2021-22.

**Table 3.4: Entire grant remaining unutilised during the financial year 2021-22**

(₹ in crore)		
Sr. No.	Number and Name of grant	Amount
1	18-Personnel (Capital – Voted)	16.14
2	39-Printing and Stationery (Capital – Voted)	2.51
<b>Total</b>		<b>18.65</b>

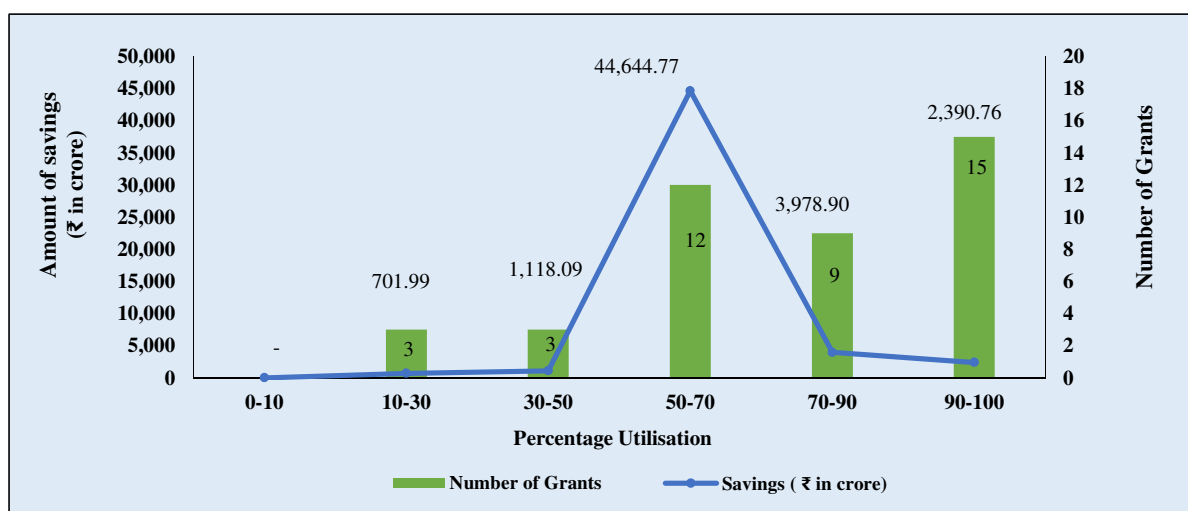
Source: Appropriation Accounts

The State Government stated (December 2022) that the matter would be taken up with the concerned line departments to demand apt budget and submit the bills on time to avoid such instances in future.

Further, it was also observed that in 20 cases under 17 grants, there was persistent saving exceeding ₹ 100 crore in each case (*Appendix 3.6*) during 2019-20 to 2021-22.

Detail of grants grouped by the percentage of utilisation along with total savings during 2021-22 has been shown in *Appendix 3.7* and **Chart 3.3**.

**Chart 3.3: The distribution of the number of Grants/Appropriations grouped by the percentage of Savings along with total savings**

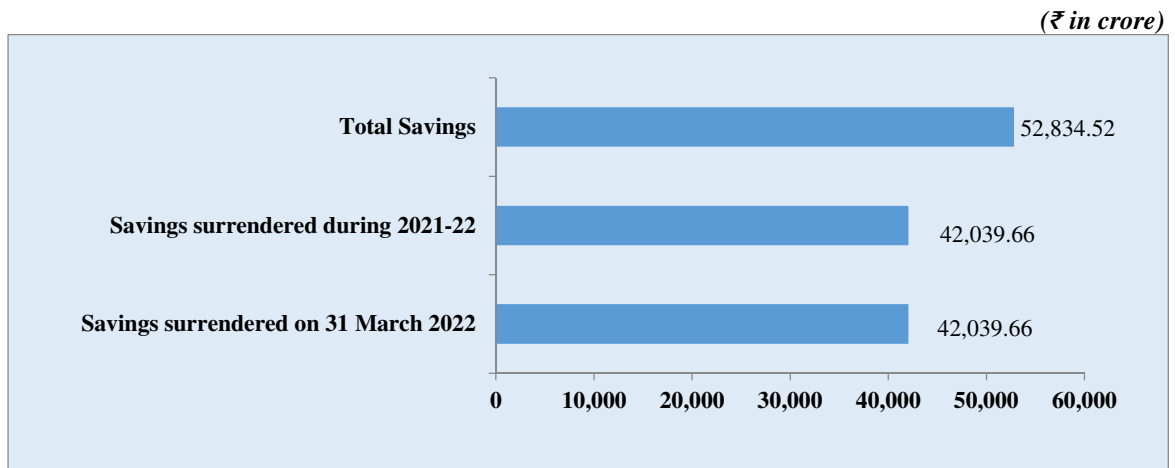


Source: Appropriation Accounts

No object 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 the funds which they could have utilised and thus avoidable demands for Supplementary Grants are preferred. 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 upon his final requirements with a reasonable degree of exactness.

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

It was noticed that savings under 17 Grants and seven Appropriations amounting to ₹ 4,699.02 crore (*Appendix 3.8*) were not surrendered at all. Details of savings (exceeding ₹ 10 crore in each case) surrendered on the last day of March 2022 is given in *Appendix 3.9*.

**Chart 3.4: Savings and surrenders for the year 2021-22**

Source: Appropriation Accounts

Analysis of **Chart 3.4** revealed that only 79.57 per cent of the savings were surrendered. All surrenders were made on 31 March 2022.

### 3.3.6 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. Further, as per Article 205 of the Constitution of India, 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.

#### 3.3.6.1 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 budget made for the purpose.

**Table 3.5: Excess expenditure during 2021-22 requiring regularisation**

(₹ in crore)

Grant No./ Appropriation	Grant/Appropriation details	Amount of excess expenditure required to be regularised
09	Food and Supplies (Capital-Voted)	22.43
21	Public Works (Revenue - Voted)	358.68
37	Law and Justice (Revenue - Charged)	0.14
<b>Total</b>		<b>381.25</b>

Source: Appropriation Accounts

**Table 3.5** shows that there was an excess disbursement of ₹ 381.25 crore over the authorisation made by the State Legislature under two Grants and one Appropriation during 2021-22.

### 3.3.6.2 Persistent excesses in certain Grants

Despite Public Accounts Committee's recommendations to minimise the cases of excesses, persistent excesses were noticed in two grants. The persistent 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 is in violation of the will of the State 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.

Scrutiny revealed that in three cases under two grants, there was persistent excess expenditure of more than ₹ 10 crore in each case during the last five years as detailed in **Table 3.6**. In two cases (**Sr. No.2 and 3**), the expenditure was incurred without any budget provision during 2017-22 except 2020-21.

**Table 3.6: Persistent excess expenditure during 2017-18 to 2021-22**

(₹ in crore)						
Sr. No.	Description of Grant/Appropriation	2017-18	2018-19	2019-20	2020-21	2021-22
1.	Grant No.-08-Finance 2071-Pensions and other Retirement benefits 01-Civil 101-Superannuation and Retirement Allowances 01-Pension and other Retirement Benefits Grant	5,574.45	6,000.00	6,300.00	7,400.00	8,100.00
	Expenditure	6,191.40	6,290.39	6,487.05	8,031.84	8,796.77
	Excess	616.95	290.39	187.05	631.84	696.77
2.	Grant No.-21-Public Works 2059-Public Works 80-General 001-Direction and Administration 07-Establishment Charges paid to Public Health Department for Works done by that Department					
	Grant	0.00	0.00	0.00	165.41	0.00
	Expenditure	146.84	97.58	118.91	178.33	174.37
	Excess	146.84	97.58	118.91	12.92	174.37
3.	Grant No.-21-Public Works 3054-Roads and Bridges 80-General 001-Direction and Administration 01-Establishment charges transferred on pro-rata basis to the Major Head 3054-Roads and Bridges					
	Grant	0.00	0.00	0.00	160.00	0.00
	Expenditure	141.29	169.87	213.90	192.51	57.34
	Excess	141.29	169.87	213.90	32.51	57.34

Source: Appropriation Accounts

All the existing cases of excess expenditure need to be got regularised at the earliest and, in future, such un-voted expenditure may be completely stopped.

As regards, excess under '2071- Pensions and other Retirement benefits', the Finance Department stated (December 2022) that the department was making efforts to collect the pensioner's data and that the position would improve in the coming years. Regarding excess expenditure under the scheme 'Establishment Charges paid to Public Health Department for Works done by that Department' and '-Establishment charges transferred on pro-rata basis to the Major Head 3054-Roads and Bridges', it was stated that budget provisions under these schemes would be made in the coming years.

### 3.3.6.3 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended periods dilutes Legislative control over the executive. Excess disbursements of ₹ 37,737.49 crore pertaining to 2015-16 to 2019-20 (no excess expenditure during 2020-21) as shown in **Table 3.7** are yet to be regularised from the State Legislature.

**Table 3.7: Excess expenditure relating to previous years requiring regularisation**

(₹ in crore)				
Year	Grant No./ Appropriation	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts	Status of regularisation
2015-16	02	Animal Husbandry and Fisheries (Revenue-Charged)	0.04	Not regularised
	08	Finance (Revenue-Voted)	456.24	
		Finance (Capital -Charged)	952.79	
	21	Public Works (Revenue-Voted)	221.51	
	22	Revenue and Rehabilitation (Revenue-Voted)	430.88	
26	State Legislature (Revenue-Charged)	0.20		
2016-17	08	Finance (Revenue-Voted)	400.48	
		Finance (Capital -Charged)	921.19	
	09	Food and Supplies (Capital-Voted)	29,081.45	
	12	Home Affairs and Justice (Capital -Charged)	1.15	
	15	Irrigation and Power (Capital-Voted)	3,852.06	
	21	Public Works (Revenue-Voted)	182.71	
		Public Works (Revenue-Charged)	0.40	
Public Works (Capital -Charged)		19.36		
2017-18	08	Finance (Revenue-Charged)	159.25	
	10	General Administration (Capital-Charged)	0.33	
	21	Public Works (Revenue-Voted)	264.20	
2018-19	09	Food and Supplies (Revenue-Charged)	0.53	
	10	General Administration (Capital-Voted)	7.77	

Year	Grant No./ Appropriation	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts	Status of regularisation
	21	Public Works (Revenue-Voted)	315.75	
		Public Works (Revenue-Charged)	0.99	
2019-20	21	Public Works (Revenue-Voted)	437.84	
	37	Law and Justice (Revenue-Charged)	4.18	
	41	Water Supply and Sanitation (Revenue-Voted)	26.19	
<b>Total</b>			<b>37,737.49</b>	

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 got regularised at the earliest and, in future, such unvoted expenditure may be completely stopped.

The State Government stated (December 2022) that process for regularization of excess expenditure for the year 2015-16 to 2018-19 had been initiated and it would be got regularized in the coming budget session.

### 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 2021-22 was ₹ 1,79,405.00 crore. The actual gross expenditure during the year was ₹ 1,26,570.48 crore. This resulted in savings of ₹ 52,834.52 crore in 2021-22 of which only ₹ 42,039.66 crore (79.57 per cent) was surrendered. All surrenders were made on 31 March 2022. The details are given in **Table 3.8**.

**Table 3.8: Actual expenditure vis-à-vis budget provision during the financial year 2021-22**

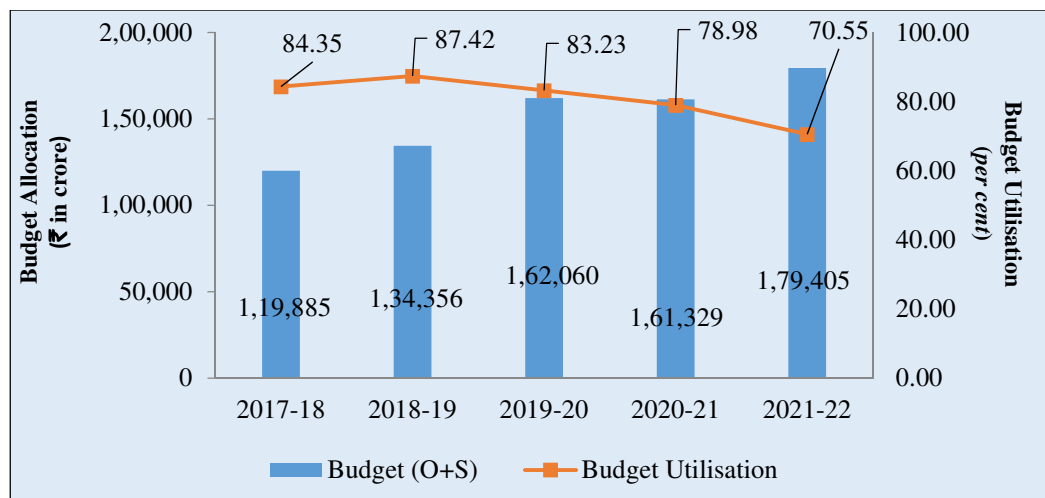
(₹ in crore)

	Nature of expenditure	Original Grant/ App.	Supplementary Grant/ App.	Total Budget	Actual expenditure	Savings	Surrender during 2021-22	
							Amount	Per cent
Voted	I. Revenue	82420.92	8855.27	91276.19	76384.95	14891.24	11204.14	75.24
	II. Capital	14134.27	1993.64	16127.91	8212.45	7915.46	4403.75	55.63
	III. Loans & Advances	1488.10	517.66	2005.76	1575.81	429.95	8.75	2.04
<b>Total</b>		<b>98043.29</b>	<b>11366.57</b>	<b>109409.86</b>	<b>86173.21</b>	<b>23236.65</b>	<b>15616.64</b>	<b>67.21</b>
Charged	V. Revenue	21458.99	23.24	21482.23	21118.72	363.51	269.07	74.02
	VII. Capital	0	0	0	0	0	0	0
	VIII. Public Debt- Repayment	48512.91	0	48512.91	19278.55	29234.36	26153.95	89.46
<b>Total</b>		<b>69971.90</b>	<b>23.24</b>	<b>69995.14</b>	<b>40397.27</b>	<b>29597.87</b>	<b>26423.02</b>	<b>89.27</b>
Appropriation to Contingency Fund (if any)		0	0	0	0	0	0	0
<b>Grand Total</b>		<b>168015.19</b>	<b>11389.81</b>	<b>179405.00</b>	<b>126570.48</b>	<b>52834.52</b>	<b>42039.66</b>	<b>79.57</b>

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 (₹ 867.14 crore) and Capital Heads (₹ 202.48 crore).

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

**Chart 3.5: Budget Utilisation during 2017-18 to 2021-22**

Source: Appropriation Accounts

Trends in the original budget, revised estimate, actual expenditure for the period 2017-18 to 2021-22 are given in **Table 3.9**.

**Table 3.9: Original Budget, Revised Estimate and Actual Expenditure during 2017-22**

(₹ in crore)

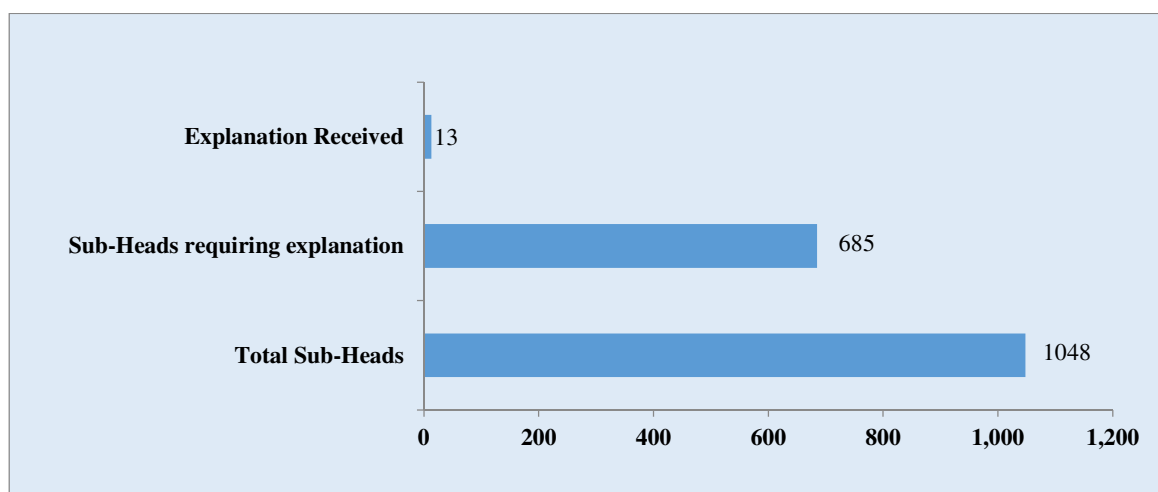
	2017-18	2018-19	2019-20	2020-21	2021-22
Original Budget	1,18,237.89	1,29,697.63	1,58,492.66	1,54,805.29	1,68,015.19
Supplementary budget	1,646.78	4,658.26	3,567.43	6,523.68	11,389.81
Total budget	1,19,884.67	1,34,355.89	1,62,060.09	1,61,328.97	1,79,405.00
Revised Estimate	1,12,797.42	1,27,415.49	1,51,696.94	1,39,999.68	1,36,476.04
Actual Expenditure	1,01,117.64	1,17,455.28	1,34,882.11	1,27,409.41	1,26,570.48
Savings	18,767.03	16,900.61	27,177.98	33,919.56	52,834.52
Percentage of supplementary to the original provision	1.39	3.59	2.25	4.21	6.78
Percentage of overall saving/excess to the overall provision	15.65	12.58	16.77	21.02	29.45

Source: Annual Financial Statement and Appropriation Accounts

**Table 3.9** shows that supplementary provision of ₹ 11,389.81 crore during 2021-22 constituted 6.78 per cent of the original provision as against 4.21 per cent in the previous year. However, the supplementary provisions during the years 2017-18 to 2021-22 proved unnecessary as the expenditure did not come up even to the level of original budget provisions.

This reflects that budgetary allocations were based on unrealistic proposals.

The summary of explanations received in case of variations in Appropriation Accounts is depicted in **Chart 3.6**.

**Chart 3.6: Summary of Explanation for Variation in Appropriation Accounts**

Source: Information supplied by office of the Pr. 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 deprives other Departments of the funds which they could have utilised.

It was observed that under nine schemes, there was revised outlay of ₹ 7,201.46 crore (₹ 100 crore or more in each scheme) but no expenditure was incurred resulting in non-implementation of schemes as shown in *Appendix 3.10*.

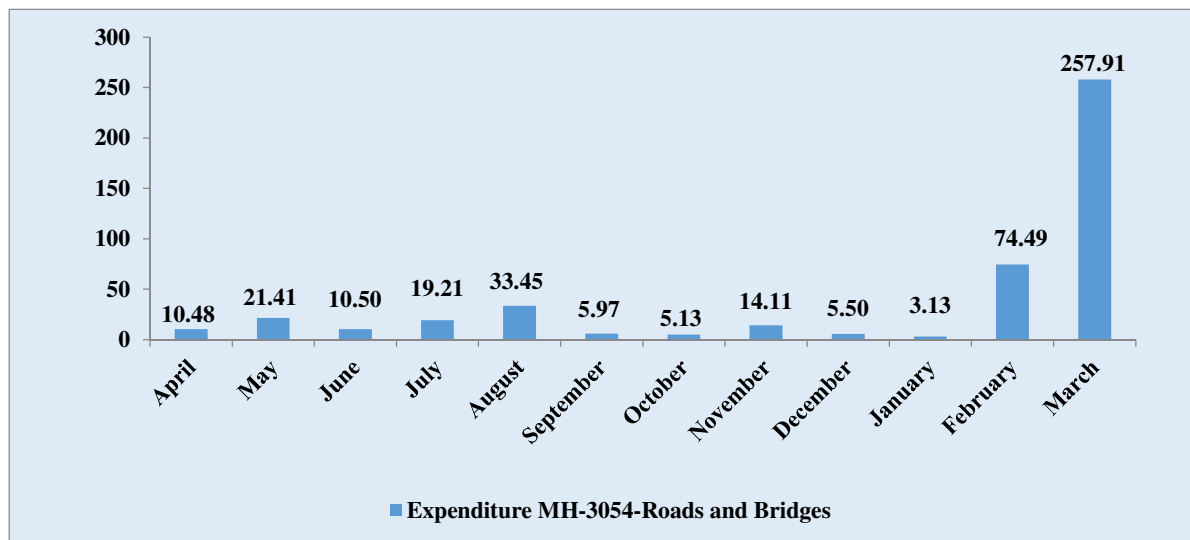
Further, under 31 schemes, there was approved outlay of ₹ 10,210.58 crore which was fully withdrawn in revised outlay as shown in *Appendix 3.11*. This reflects that budgetary allocations were based on unrealistic proposals.

### 3.4.3 Rush of expenditure

Rule 62(3) of the General Financial Rules provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided.

Audit scrutiny revealed that under seven major heads as given in *Appendix 3.12*, the expenditure incurred during 4<sup>th</sup> quarter of the year ranged between 66.67 *per cent* and 100 *per cent* against the target of 20 *per cent* and the expenditure incurred during the month of March 2022 alone ranged between 50.18 and 100 *per cent*. It was also observed that under Major Head-3054, 55.91 *per cent* expenditure (₹ 257.91 crore) of the total expenditure of ₹ 461.29 crore (excluding recovery of ₹ 2.41 crore) was incurred in March 2022.

Month wise expenditure under Major Head 3054-Roads and Bridges during 2021-22 is depicted in **Chart 3.7**.

**Chart 3.7: Month wise expenditure under Major Head 3054-Roads and Bridges during 2021-22**(*₹ in crore*)

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

Further entire expenditure of ₹ 4,994.58 crore in 22 sub-heads was incurred in the month of March 2022 alone (*Appendix 3.13*).

### 3.4.4 Review of selected grants

A review of budgetary procedure and control over expenditure in respect of two selected grants i.e., 05-Education and 11-Health and Family Welfare was conducted wherein magnitude of variations in original grants, supplementary demands and actual expenditure were analysed.

#### 3.4.4.1 Grant No. 05-Education

##### (i) Introduction

Grant 05 -Education includes Major Heads 2071-Pension and Other Retirement Benefits, 2075-Miscellaneous General Services, 2202-General Education, 2204-Sports and Youth Services, 2205-Art and Culture, 2235-Social Security and Welfare and 4202-Capital Outlay on Education, Sports, Art and Culture.

##### (ii) Budget and Expenditure

The overall position of budget provisions, actual disbursement and savings under the grant for the last three years (2019-20 to 2021-22) is given in **Table 3.10**.

**Table 3.10: Budget and Expenditure during the year 2019-20 to 2021-22**

(₹ in crore)

Year	Section	Budget provision	Total	Expenditure	Un-utilised provision and its percentage
2019-20	Revenue-Original (V)	12,078.32	12,176.70	10,674.04	1,502.66 (12.34)
	Supplementary	98.38			
	Revenue-Original (C)	0.93	6.21	5.39	0.82 (13.20)
	Supplementary	5.28			
	Capital-Original (V)	156.63	156.63	47.03	109.60 (69.97)
Supplementary	0				
2020-21	Revenue-Original (V)	12,310.03	12,718.45	11,837.58	880.87 (6.93)
	Supplementary	408.42			
	Revenue-Original (C)	0.44	0.44	0.13	0.31 (70.45)
	Supplementary	0			
	Capital-Original (V)	177.39	177.39	100.64	76.75 (43.27)
Supplementary	0				
2021-22	Revenue-Original (V)	12,865.52	13,616.06	12,565.91	1,050.15 (7.71)
	Supplementary	750.54			
	Revenue-Original (C)	0.31	0.31	0.16	0.15 (48.39)
	Supplementary	0			
	Capital-Original (V)	214.31	214.31	115.72	98.59 (46.00)
Supplementary	0				

Source: Appropriation Accounts

**Table 3.10** shows that un-utilised budget provision under Capital (Voted) ranged between 43 per cent and 70 per cent, which reflected complete non-performance on the part of the State Government.

**(iii) Incorrect classification of Head of Account in Budget Estimates**

During scrutiny of budget, it was noticed that a budget provision of ₹ 0.42 crore was made under head 2204-102-01-52 but the SOE 52-Machinery and Equipment relates to capital expenditure. It cannot be booked under Revenue Major Head.

**(iv) 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-05-Education during 2019-22 has been depicted in **Table 3.11**.

**Table 3.11: Non-surrender of savings under Grant-05**

(₹ in crore)

Year	Savings			Amount surrendered (percentage)		
	Revenue(V)	Revenue(C)	Capital(V)	Revenue(V)	Revenue(C)	Capital(V)
2019-20	1502.66	0.82	109.60	962.05 (64.02)	0.04 (4.88)	63.65 (58.07)
2020-21	880.87	0.31	76.75	390.71 (44.36)	0.25 (80.65)	26.55 (34.59)
2021-22	1050.15	0.15	98.59	618.79 (58.92)	0.15 (100.00)	24.70 (25.05)

Source: Appropriation Accounts

Figures in parenthesis indicate percentage to total savings

**(v) Persistent savings**

It was observed that a substantial portion of the budget allocation remained unutilised under eight schemes under Grant 05-Education during 2019-20 to 2021-22, indicating non-achievement of the projected financial outlays in the respective years as shown in the **Table 3.12**.

**Table 3.12: Persistent savings under Grant No. 05**

(₹ in crore)				
Sr. No.	Head of Account	2019-20	2020-21	2021-22
1.	2202-01-101-27-Samagra Shiksha Abhiyan Punjab-01-Assistance to Samagra Shiksha Abhiyan Society	49.08 (14.71)	81.27 (22.96)	6.96 (2.48)
2.	2202-01-789-18-Samagra Shiksha Abhiyan Punjab-01-Assistance to Samagra Shiksha Abhiyan Society	158.71 (27.34)	134.80 (24.69)	298.20 (62.75)
3.	2202-01-109-32-Teacher Education Establishment of District Institute of Education and Training (DIETS)	2.07 (16.05)	5.92 (39.52)	3.50 (26.36)
4.	2202-01-110-02-Grants-in-Aid to Punjab Education Development Board for Opening and Running of Adarsh and Meritorious Schools through Education Cess in Punjab	7.25 (10.90)	12.24 (18.59)	22.37 (34.01)
5.	2202-01-789-32-Grants-in-Aid Punjab Education Development Board for Opening and Running of Adarsh and Meritorious School through Education Cess in Punjab	3.36 (10.73)	6.78 (21.19)	2.05 (9.15)
6.	2202-03-103-01-Government Arts Colleges	8.39 (5.42)	6.10 (4.56)	21.59 (15.67)
7.	2202-03-800-01-Reimbursement to Transport Department/PRTC in Lieu of Free/Concessional Facilities to Students of Colleges and Universities in Government/PRTC Buses	7.68 (11.82)	19.77 (13.92)	5.21 (18.61)
8.	2202-80-001-01-Direction and Administration	5.94 (15.62)	2.11 (6.10)	4.67 (12.89)

Source: Appropriation Accounts

Figures in parenthesis indicate percentage of savings to total provisions

**(vi) Entire provision remained unutilised**

It was observed that entire budget allocation remained unutilised under six schemes during 2021-22, indicating non-implementation of schemes as shown in the **Table 3.13**.

**Table 3.13: Entire provision (₹ one crore or more) remained unutilised under Grant No. 05**

(₹ in crore)				
Sr. No.	Head of Account	Original Budget	Re-appropriation/ Supplementary	Savings
1.	2202-01-101-25-Award for Best Government School in each District	1.00	0	1.00
2.	2202-01-101-30-Government Aid to Primary Schools-01-Uniform for Pre-Primary, Primary and Middle Students of Government Schools	0	15.98	15.98
3.	2202-02-106-02-Providing Shaheed-e-Azam Bhagat Singh Jail Notebook in Government Schools	0	1.87	1.87
4.	2202-02-789-39-Pre-matric Scholarship to Children whose Parents are Engaged in Unclean Occupation	1.00	0.05	1.05
5.	2202-03-789-08-Rashtriya Uchchar Shiksha Abhiyan	23.39	(-) 19.64	3.75
6.	4202-01-202-21-Rashtriya Uchchar Shiksha Abhiyan	11.75	(-) 4.25	7.50

Source: Appropriation Accounts

**(vii) Unnecessary 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 the 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.

Audit analysis showed that supplementary provisions of ₹ 77.90 crore (Revenue-Voted) during the year 2021-22 proved unnecessary as the expenditure of ₹ 660.94 crore did not come up even to the level of original provision of ₹ 1,271.60 crore as shown in the **Table 3.14**.

**Table 3.14: Unnecessary supplementary grants under Grant No. 05***(₹ in crore)*

Sr. No.	Head of Account	Original Budget	Supplementary	Actual expenditure	Savings out of Original Provision
1.	2202-01-101-27- Samagra Shiksha Abhiyan Punjab-01- Assistance to Samagra Shiksha Abhiyan Society	361.00	3.45	273.97	87.03
2.	2202-01-112-01- Mid Day Meal	133.00	32.75	71.36	61.64
3.	2202-01-789-18- Samagra Shiksha Abhiyan Punjab-01- Assistance to Samagra Shiksha Abhiyan Society	589.00	5.63	177.05	411.95
4.	2202-01-789-36- Samagra Shiksha Abhiyan -01-Assistance to Samagra Shiksha Abhiyan	155.00	33.02	107.00	48.00
5.	2202-80-001-01-Direction and Administration	33.60	3.05	31.56	2.04
<b>Total</b>		<b>1,271.60</b>	<b>77.90</b>	<b>660.94</b>	<b>610.66</b>

Source: Appropriation Accounts

**(viii) 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 2021-22, it was observed that reduction of provision (exceeding ₹ one crore in each case) by re-appropriation orders (**Sr. No. 1, 3, 4 and 5 of Table 3.15**) proved injudicious as there was excess expenditure under these cases. In the remaining two cases, augmentation of provision also proved unnecessary because expenditure did not come up to the level of original / supplementary budget provision.

**Table 3.15: Statement showing unnecessary re-appropriation of funds***(₹ in crore)*

Sr. No.	Number and Name of grant/Head of Account	Original grant	Supplementary grant	Re-appropriation	Total	Expenditure	Saving(-)/ Excess(+)
<b>05-Education</b>							
1.	2202-01-109-65-Samagra Shiksha Abhiyan, Punjab (Secondary)- 01-Assistance to Samagra Shiksha Abhiyan	95.00	20.23	-30.35	84.88	101.81	16.93
2.	2202-01-789-36-Samagra Shiksha Abhiyan-01-Assistance to Samagra Shiksha Abhiyan	155.00	33.02	49.42	237.44	107.00	-130.44
3.	2202-03-102-20-Setting up of Centre on Studies Sri Guru Granth Sahib	5.00	0	-5.00	0.00	3.54	3.54
4.	2071-01-109-01-Pension to Employees of State aided Education Institutions (Schools)	192.00	0	-17.00	175.00	193.13	18.13
5.	2202-02-109-01-Government Secondary Schools, Sports and Youth Services	5738.16	73.00	-1.16	5810.00	6231.92	421.92
6.	4202-01-203-29-Establishment of Guru Teg Bahadur Punjab State University of Law, Tarn Taran	7.00	0	18.00	25.00	0.27	-24.73
<b>Total</b>		<b>6,192.16</b>	<b>126.25</b>	<b>13.91</b>	<b>6,332.32</b>	<b>6,637.67</b>	<b>305.35</b>

Source: Appropriation Accounts

**(ix) Expenditure without budget provisions**

Article 205(1)(b) of the Constitution of India provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess.

Audit observed that an expenditure of ₹ 5.00 crore was incurred under two schemes without any budget provision during the year 2021-22 as detailed in the **Table 3.16**.

**Table 3.16: Expenditure without budget provisions (exceeding ₹ one crore)***(₹ in crore)*

Sr. No.	Head of Account	Expenditure
<b>Capital (V)</b>		
1.	2202-03-102-20-Setting up of Centre on Studies Guru Granth Sahib	3.54
2.	2202-03-102-02-06- Setting up of Centre on Studies in Sri Guru Granth Sahib	1.46
<b>Total</b>		<b>5.00</b>

Source: Appropriation Accounts

### 3.4.4.2 Grant No. 11-Health and Family Welfare

#### (i) Introduction

Grant 11-Health and Family Welfare includes Major Heads 2210-Medical and Public Health, 2211-Family Welfare, 2235-Social Security and Welfare and 4210-Capital Outlay on Medical and Public Health.

#### (ii) Budget and Expenditure

The overall position of budget provisions, actual disbursement and savings under the grant for the last three years is given in **Table 3.17**.

**Table 3.17: Budget and Expenditure during the year 2019-20 to 2021-22**

(₹ in crore)

Year	Section	Budget provision	Total	Expenditure	Un-utilised provision and its percentage
2019-20	Revenue-Original (V)	3,447.46	3,576.96	3,095.87	481.09
	Supplementary	129.50			(13.45)
	Revenue-Original (C)	0.87	1.62	1.33	0.29
	Supplementary	0.75			(17.90)
	Capital-Original (V)	16.73	16.73	5.59	11.14
	Supplementary	0			(66.59)
2020-21	Revenue-Original (V)	3,731.66	3,902.89	3,520.80	382.09
	Supplementary	171.23			(9.79)
	Revenue-Original (C)	1.49	1.49	0.19	1.30
	Supplementary	0			(87.25)
	Capital-Original (V)	44.69	44.69	10.61	34.08
	Supplementary	0			(76.26)
2021-22	Revenue-Original (V)	3,705.49	4,364.33	3,509.47	854.86
	Supplementary	658.84			(19.59)
	Revenue-Original (C)	0.78	0.78	0.22	0.56
	Supplementary	0			(71.79)
	Capital-Original (V)	115.58	115.58	11.51	104.07
	Supplementary	0			(90.04)

Source: Appropriation Accounts

**Table 3.17** shows that un-utilised budget provision under Capital (Voted) ranged between 67 per cent and 90 per cent, which reflected complete non-performance on the part of the State Government.

#### (iii) Incorrect classification of Head of Account in Budget Estimates

During scrutiny of budget, it was noticed that a budget provision of ₹ 133.28 crore was made under wrong head of account as given in **Table 3.18**.

**Table 3.18: Budget provision under wrong Head of Account during 2021-22***(₹ in crore)*

Sr. No.	Head of Account printed in budget document	Amount	Remarks
1.	2210-01-001-Direction and Administration 49-31-Grants-in-Aid General (Salary)	29.92	The operation of SOE 31 under establishment sub-head as mentioned in this case does not depict clear picture to whom grants-in-aid is provided. For operating this SOE separate new sub-head should have been opened under relevant minor head.
2.	2210-01-001-Direction and Administration 54-36-Grants-in-Aid General (Salary)	1.36	The operation of SOE 36 under establishment sub-head as mentioned in this case does not depict clear picture to whom grants-in-aid is provided. For operating this SOE separate new sub-head should have been opened under relevant minor head.
3.	2210-01-001-Direction and Administration 58-36-Grants-in-Aid General (Salary)	102.00	
<b>Total</b>		<b>133.28</b>	

Source: Demand for Grants

**(iv) 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 3.19**.

**Table 3.19: Non-surrender of savings***(₹ in crore)*

Year	Savings			Amount surrendered (percentage)		
	Revenue (V)	Revenue (C)	Capital (V)	Revenue (V)	Revenue (C)	Capital (V)
2019-20	481.09	0.29	11.14	180.37 (37.49)	0.01 (3.45)	1.66 (14.90)
2020-21	382.09	1.30	34.08	196.72 (51.49)	1.12 (86.15)	0
2021-22	854.86	0.56	104.07	0	0	0

Source: Appropriation Accounts

Figures in parenthesis indicate percentage to total savings

**Table 3.19** shows that no savings were surrendered during the year 2021-22 despite having large savings.

**(v) Persistent savings**

It was observed that a substantial portion of the budget allocation remained unutilised under five schemes during 2019-20 to 2021-22, indicating non-achievement of the projected financial outlays in the respective years as detailed in the **Table 3.20**.



**Table 3.20: Persistent savings (exceeding ₹ one crore)**

(₹ in crore)

Sr. No.	Head of Account	2019-20	2020-21	2021-22
<b>Revenue (V)</b>				
1.	2210-01-102-01-Employee State Insurance Scheme	10.42 (9.95)	3.50 (3.62)	13.90 (12.06)
2.	2210-01-110-65-National Urban Health Mission	21.18 (39.38)	11.45 (18.52)	8.99 (31.36)
3.	2210-01-789-24-Assistance to Punjab Health System Corporation-04-Sarbat Sehat Bima Yojana	40.00 (35.71)	38.48 (54.41)	103.59 (65.15)
4.	2210-02-101-43-Grants-in-Aid to State Health Society AYUSH	4.18 (41.80)	2.17 (23.59)	5.35 (38.52)
<b>Capital (V)</b>				
5.	4210-01-110-55-Punjab Urban Infrastructure	4.69 (60.99)	21.31 (78.35)	58.00 (85.29)

Source: Appropriation Accounts

Figures in parenthesis indicate percentage of savings to total provisions

**(vi) Entire Provision remained unutilised**

It was observed that entire budget allocation remained unutilised under four schemes during 2021-22, indicating non-implementation of schemes as shown in the **Table 3.21**.

**Table 3.21: Entire Provision remained unutilised**

(₹ in crore)

Sr. No.	Head of Account	Original Budget	Supplementary	Re-appropriation	Savings
1.	2210-01-190-01-Assistance to Punjab Health System Corporation-05-Setting up of Trauma Care Centre on National Highway in Punjab State	3.79	0.60	-1.61	2.78
2.	4210-01-102-02-Welfare of Insured Persons	4.00	0	0	4.00
3.	4210-01-110-02-Strengthening of Fire safety Services in the Hospitals	10.00	0	0	10.00
4.	4210-01-789-13-Urban Health Infrastructure	32.00	0	0	32.00

Source: Appropriation Accounts

**(vii) Entire Provision withdrawn**

It was observed that entire budget allocation was withdrawn under four schemes during 2021-22, indicating non-implementation of schemes as shown in the **Table 3.22**.

**Table 3.22: Entire Provision withdrawn***(₹ in crore)*

Sr. No.	Head of Account	Total Provision
1.	2210-01-001-54-Matching Grant to State Blood Transfusion Council under the control of AIDs Society	1.36
2.	2210-01-001-58-Seed Corpus of Cancer Relief Fund	102.00
3.	2210-01-789-12- Seed Corpus of Cancer Relief Fund	48.00
4.	2210-06-104-09-Setting up of Food and Drug Authority	31.16

Source: Appropriation Accounts

**(viii) Unnecessary 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 the 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 observed that supplementary provisions of ₹ 228.88 crore (Revenue-Voted) during the year 2021-22 proved unnecessary as the expenditure of ₹ 520.02 crore did not come up even to the level of original provision of ₹ 723.21 crore as shown in the **Table 3.23**.

**Table 3.23: Unnecessary/excessive supplementary grants***(₹ in crore)*

Sr. No.	Number and Name of grant/Head of Account	Original grant	Supplementary grant	Re-appropriation	Total	Expenditure	Savings
1.	2210-01-102-01- Employees State Insurance Scheme	101.70	15.50	-1.99	115.21	101.32	13.89
2.	2210-01-190-01- Assistance to Punjab Health System Corporation-06- Assistance to Punjab Health System Corporation	254.63	125.99	0	380.62	142.62	238.00
3.	2210-01-789-06-National Rural Health Mission	263.17	32.10	0	295.27	220.67	74.60
4.	2210-01-789-24- Assistance to Punjab Health System Corporation-04-Sarbat Sehat Bima Yojana	103.71	55.29	0	159.00	55.41	103.59
<b>Total</b>		<b>723.21</b>	<b>228.88</b>	<b>-1.99</b>	<b>950.10</b>	<b>520.02</b>	<b>430.08</b>

Source: Appropriation Accounts

**(ix) 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 2021-22, it was observed that augmentation of provision through re-appropriation (₹ 20.34 crore) under Major Head 2210-01-110-56-National Rural Health Mission proved unnecessary because expenditure (₹ 725.96 crore) did not come up to the level of the total budget provision of ₹ 938.59 crore.

**(x) 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, neglect of the obvious or unrealistic estimating, 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 exercising final check on the estimates.

Budgetary allocations based on unrealistic proposals, overstretching the potential of resource mobilisation, poor expenditure monitoring mechanism, 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.

During the year 2021-22, total provision of ₹ 4364.33 crore (Revenue-voted) and ₹ 115.58 crore (Capital-voted) was made under Grant-11-Health and Family Welfare against which only ₹ 3509.47 crore and ₹ 11.51 crore was incurred resulted in huge saving of ₹ 854.86 crore and ₹ 104.07 crore respectively. No amount was surrendered out of the savings.

**(xi) Expenditure without budget provisions**

Article 205(1)(b) of the Constitution of India provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess.

Audit observed that an expenditure of ₹ 65.75 crore was incurred without having any budget provision under eight schemes during the year 2021-22 as detailed in the **Table 3.24**.

**Table 3.24: Expenditure without budget provisions  
(Exceeding ₹ one Crore)**

(₹ in crore)

Sr. No.	Head of Account	Expenditure
	<b>Capital (V)</b>	
1.	2210-06-101-06-National Rural Health Mission-01-National TB Control Programme	16.29
2.	2210-06-101-26-National Rural Health Mission-03-National Vector Borne Disease Control Programme	1.23
3.	2210-06-789-18-National Rural Health Mission-01-National TB Control Programme	4.60
4.	2210-06-101-18-National Rural Health Mission-02-National Viral Hepatitis Control Programme (NVHCP)	8.59
5.	2211-00-109-01-National Component-01-Routine Immunization Programme under NRHM	12.77
6.	2211-00-109-01-National Component-02-Pulse Polio Programme under NRHM	2.46
7.	2211-00-789-09-National Rural Health Mission -01-Routine Immunization Programme under NRHM	18.64
8.	2211-00-789-09-National Rural Health Mission -02-Pulse Polio Programme under NRHM	1.17
	<b>Total</b>	<b>65.75</b>

Source: Appropriation Accounts

### 3.5 Conclusions

An expenditure of ₹ 3,492.28 crore was incurred during the year 2021-22 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 realistic basis as in 13 cases, the supplementary provisions were unnecessary. Budgetary allocations were based on unrealistic proposals as out of total 42 grants, in 15 grants, savings excluding surrenders were more than ₹ 100 crore.

The excess expenditure of ₹ 37,737.49 crore for the period 2015-16 to 2019-20 (no excess expenditure during 2020-21) and ₹ 381.25 crore for the year 2021-22 is required to be regularised from the State Legislature.

The budgetary system of the State Government was not up to the mark, as overall utilisation of budget was 70.55 per cent of total grants and appropriations during 2021-22.

Under nine schemes, there was approved out lay of ₹ 7,201.46 crore (₹ 100 crore or more in each scheme) but no expenditure was incurred. Further, under 31 schemes, there was approved out lay of ₹ 10,210.58 crore which was withdrawn in revised outlay which deprived the beneficiaries of intended benefits.

There was rush of expenditure at fag end of the year. In seven major heads, more than 50 per cent of the expenditure under each major head was incurred in the month of March 2022.

### **3.6 Recommendations**

- (i) Government should prepare realistic budget estimates, backed with correct assessment for availability of resources and potential to expend, to avoid large savings and supplementary provisions;
- (ii) Government should ensure strict compliance of provisions of budget manual in preparation of supplementary provisions and ensure transparency in estimation for avoiding unnecessary supplementary provisions;
- (iii) Government may consider formulating strategies for actual execution of major policy decisions in the State at the time of preparing budgetary estimates; and
- (iv) Government should adhere to quarterly targets fixed for incurring expenditure through periodic monitoring, to avoid rush of expenditure towards 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 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 Cess for meeting expenditure for specific purposes. Audit collected information/data regarding cesses being levied by the Departments concerned which are discussed below:

##### 4.1.1 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.

It was, however, noticed that an amount of ₹ 7.84 crore which was required to be deposited in the Consolidated Fund of the State was lying with the collecting agencies<sup>1</sup> as on 31 March 2022 and was neither deposited in the Consolidated Fund nor the Public Account of the State. It was in addition to the total amount deposited (₹ 37.64 crore) under Major Head 0202-Education, Sports, Art and Culture, 04-Art and Culture, 800-Other Receipts during the year 2021-22.

#### **4.1.2 Cancer and Drug Addiction Treatment Fund**

The State Government notified (April 2013) the Punjab State Cancer and Drug Addiction Treatment and 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 Board<sup>2</sup> 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 ₹ 7.60 crore which was required to be deposited in the Consolidated Fund of the State was lying with the collecting agencies<sup>3</sup> as on 31 March 2022 and was neither deposited in the Consolidated Fund nor the Public Account of the State. It was in addition to the total amount deposited (₹ 85.71 crore) under Major Head 0210-Medical and Public Health, 80-General, 800-Other Receipts during the year 2021-22.

#### **4.1.3 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<sup>4</sup> after 1 April 2007 and be deposited into Government Accounts.

It was, however, noticed that an amount of ₹ 2.45 crore which was required to be deposited in the Consolidated Fund of the State was lying with the Jalandhar Development Authority (JDA) as on 31 March 2022 and was neither deposited in the Consolidated Fund nor the Public Account of the State.

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<sup>1</sup> (i) Public Works Department: ₹ 5.63 crore; (ii) Executive Engineer under Punjab Mandi Board: ₹ 1.44 crore; and (iii) GMADA: ₹ 0.77 crore.

<sup>2</sup> Punjab State Cancer and Drug Addiction Treatment Infrastructure Board.

<sup>3</sup> (i) PWD: ₹ 1.47 crore; (ii) PUDA: ₹ 2.55 crore; (iii) Punjab Small Industries and Export Corporation Limited: ₹ 2.72 crore; (iv) PEPSU Township Development Board Rajpura: ₹ 0.53 crore; and (v) GMADA: ₹ 0.33 crore.

<sup>4</sup> (i) Greater Mohali Area Development Authority; (ii) Greater Ludhiana Area Development Authority (iii) Jalandhar Development Authority, (iv) Amritsar Development Authority; (v) Bathinda Development Authority; (vi) PUDA, Patiala.

#### 4.1.4 Market Fee

In order to regulate the purchase, sale, storage, processing of agriculture produce and the establishment of markets for the purpose in the State of Punjab, the State Government notified (May 1961) the Punjab Agricultural Produce Markets Act, 1961 (PAPM Act) under which Punjab State Agricultural Marketing Board (PSAMB) was established. As per Section 23 of the Act, a market fee on *ad valorem* basis, at the rate of one rupee and fifty paise for every one hundred rupees on the agricultural produce bought or sold by licensee in the notified market area was levied. The market fee was revised (2017) as (i) fee on agriculture produce bought or sold by a licensee in the notified market area at the rate not exceeding three rupees for every one hundred rupees; and (ii) additional fee on the agriculture produce when sold by a producer to a licensee in the notified market area at a rate not exceeding one rupee for every one hundred rupees.

There was an opening balance of ₹ 623.45 crore, receipts during the year were ₹ 1,980.04 crore and expenditure was ₹ 2,128.76 crore thereby leaving unutilised amount of ₹ 474.73 crore at the end of the year with the Board.

#### 4.1.5 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 ₹ 10 lakh or more, 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 ₹ 10.58 crore though collected by the collecting agencies<sup>5</sup>, was not transferred to the concerned Board as on 31 March 2022.

<sup>5</sup> (i) GMADA: ₹ 4.34 crore; (ii) Public Works Department: ₹ 3.50 crore; (iii) GLADA: ₹ 0.84 crore; (iv) Water Supply and Sanitation Department: ₹ 0.63 crore; (v) Executive Engineer, Punjab Mandi Board: ₹ 0.34 crore; (vi) Amritsar Development Authority: ₹ 0.33 crore; (vii) Jalandhar Development Authority: ₹ 0.11 crore; (viii) Executive Engineer, Panchayati Raj: ₹ 0.08 crore; (ix) Patiala Development Authority: ₹ 0.20 crore; (x) Punjab Small Industries Export Corporation Limited: ₹ 0.04 crore; (xi) Department of Soil and Water Conservation: ₹ 0.02 crore; and (xii) Ludhiana Smart City Ltd: ₹ 0.02 crore; and (xiii) PUDA: ₹ 0.13 crore.

Further it was also noticed that there was un-transferred amount of Labour Cess from Major Head 0230-Labour and Employment of ₹ 12.17 crore as on 31 March 2021. During the year 2021-22, the Government collected ₹ 15.96 crore as Labour Cess under Major Head 0230-Labour and Employment and 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 ₹ 28.13 crore as on 31 March 2022.

#### 4.1.6 Urban Infrastructure Development Cess

As per guidelines issued (December 2010) by Government of Punjab, Local Government Department, all the Improvement Trusts will collect four *per cent* of the sale proceeds of the properties of Improvement Trusts as Urban Infrastructure Development Cess (UIDC) which will be deposited in a separate Fund (Urban Infrastructure Development Fund) maintained for this purpose.

It was observed that, the Department collected UIDC amounting to ₹ 1.06 crore upto 31 March 2021 and during the year 2021-22, an amount of ₹ 1.24 crore was collected as UIDC. Thus, total available balance of ₹ 2.30 crore was lying with Department which was not transferred to the dedicated Fund as on 31 March 2022.

The State Government stated (December 2022) that a comprehensive analysis was being done in this regard and acts/rules through which these cess were implemented were being analyzed.

#### 4.2 Non-discharge of liability in respect of interest towards interest bearing deposits/Reserve Funds

The Government has a liability to provide and pay interest on the amounts in the Interest-bearing Deposits/Reserve Funds.

Audit observed that ₹ 82.13 crore were required to be paid as interest on the balance of ₹ 2,104.40 crore lying under interest bearing deposits/Reserve Funds as on 1 April 2021 as shown in **Table 4.1**. Non-payment of interest liability has resulted in understatement of Revenue Deficit and Fiscal Deficit to that extent.

**Table 4.1: Details of non-discharge of liability in respect of interest towards interest bearing deposits/Reserve Funds**

(₹ in crore)				
Sr. No.	Name/Head of the interest bearing deposit	Opening Balance as on 1 April 2021	Basis for calculation of interest	Amount of Interest not provisioned
1.	Deposits of Municipal Corporations and other Autonomous Bodies	0.15	Interest calculated at the rate of 4.00 <i>per cent</i> taking into account conservative estimate of the borrowing cost during the year 2021-22 taking average Ways and Means interest rate as 4 <i>per cent</i> for the year 2021-22.	0.01
2.	Deposits of Government companies, corporations etc. and Miscellaneous Deposits	728.62		29.14
3.	Punjab Road Safety Fund	44.01		1.76

Sr. No.	Name/Head of the interest bearing deposit	Opening Balance as on 1 April 2021	Basis for calculation of interest	Amount of Interest not provisioned
4.	General Reserve Fund (Motor Transport)	22.22		0.89
5.	Depreciation Reserve Fund (Motor Transport)	116.35		4.65
6.	Defined Contribution Pension Scheme for Government employees	152.21	Interest calculated at the rate of 7.10 per cent as per interest payable to General Provident Fund.	10.81
7.	State Compensatory Afforestation Fund	1,040.84	Interest calculated at the rate of 3.35 per cent as per Ministry of Environment, Forest and climate change, Government of India letter (11 January 2022).	34.87
<b>Total</b>		<b>2,104.40</b>		<b>82.13</b>

Source: Finance Accounts

### 4.3 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 State Budget from 2014-15 onwards. However, during the year 2021-22, central share of ₹ 5,617.90 crore under 28 Central Schemes as detailed in *Appendix 4.1* was transferred directly to the Implementing Agencies bypassing the Consolidated Fund of the State. Of this, central share of ₹ 1,387.70 crore under 15 Centrally Sponsored Schemes (CSS) as detailed in *Appendix 4.2* was transferred directly to the Implementing Agencies. This constituted 7.19 per cent and 27.05 per cent of total Revenue Receipts (₹ 78,168.31 crore) and Grants-in Aid (₹ 20,768.89 crore) respectively. The State Government accounts for the year 2021-22 depicts only ₹ 3,678.16 crore under central share of Centrally Sponsored Schemes. Besides contracting the budget and expenditure of State Government to the extent of ₹ 5,617.90 crore, the assets created and expenditure for the Public were out of the State Government Accounts making it incomplete. In all the 15 Centrally Sponsored Schemes, the amount of direct transfer to the Implementing Agencies ranged from 1.61 per cent to 100 per cent of the total transfers under these schemes.

The State Government stated (December 2022) that Government of Punjab had taken up the matter with GoI.

CSS, where funds directly transferred exceeded ₹ 400 crore, were Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP) and Jal Jeevan Mission (JJM). As per Public Financial Management System (PFMS) portal, under MGNREGP (75:25), only ₹ 37.01 crore were released as matching contribution by the State Government against proportionate share of ₹ 120.00 crore and ₹ 79.02 crore were released by the State Government out of ₹ 360 crore released by GoI to the State Government. No matching contribution

was released by the State Government against ₹ 402.24 crore released by GoI under the JJM (50:50) during 2021-22.

### Issues related to transparency

#### 4.4 Delay in submission of Utilisation Certificates

Rule 8.14 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 Grant-in-Aid bill was drawn should be primarily responsible for certifying to the Accountant General, the fulfilment of the conditions attaching to the grant. 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 can't be treated as final. The status of outstanding UCs as on 31 March 2022 is given in **Table 4.2**.

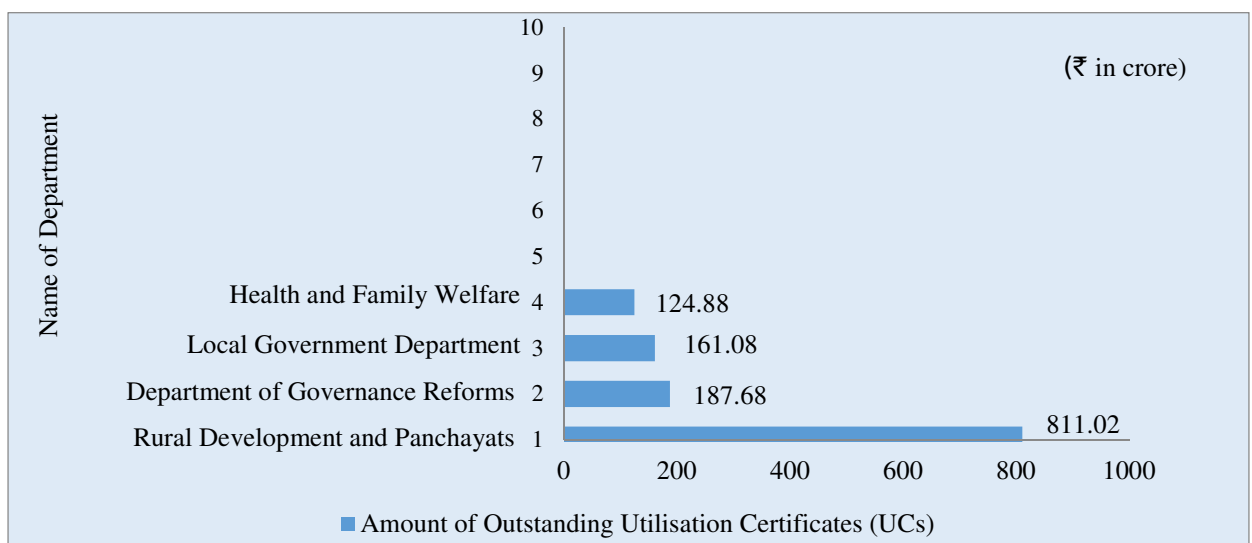
**Table 4.2: Age-wise pendency of Utilisation Certificates**

Year *	No. of UCs	Amount (₹ in crore)
Upto 2019-20	22	93.97
2020-21	86	178.66
2021-22 (Drawn upto September 2020)	169	1,527.82
<b>Total</b>	<b>277</b>	<b>1,800.45</b>

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 drawal.

**Chart 4.1: Outstanding UCs in respect of four major Departments as on 31 March 2022**



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

From **Chart 4.1**, it is evident that ₹ 1,284.66 crore i.e. 71.35 *per cent* of the total outstanding UCs (₹ 1,800.45 crore) pertains to four Departments viz. Rural Development and Panchayats (₹ 811.02 crore), Governance Reforms (₹ 187.68 crore), Local Government (₹ 161.08 crore) and Health and Family Welfare (₹ 124.88 crore).

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 concerned persons accountable for submission of UCs in a timely manner.

#### 4.4.1 Recording of Grantee Institution as ‘Others’

Out of total Grants-in-Aid (GIA) of ₹ 11,900.02 crore during 2021-22, name of grantee institutions was mentioned as ‘Others’ in respect of ₹ 1,951.38 crore (16.40 *per cent* of total GIA). Out of this, ₹ 56.52 crore was meant for creation of capital assets. Position of GIA disbursed to ‘Others’ during 2017-22 is shown in **Table 4.3**.

**Table 4.3: Grants-in-Aid to Grantee Institution of Type ‘Others’**

(₹ in crore)

Year	Total GIA amount	Amount to Grantee Institutions of Type ‘Others’	Percentage to total GIA
2017-18	6,163.22	283.25	4.60
2018-19	8,864.36	512.70	5.78
2019-20	9,883.28	369.60	3.74
2020-21	15,022.45	928.09	6.18
2021-22	11,900.02	1,951.38	16.40

Source: Finance Accounts

Grants-in-Aid constituted 9.48 *per cent* of the total expenditure of ₹ 1,25,500.84 crore (excluding recovery) of the State. In the absence of name of each grantee institution, it is not possible to monitor the submission of UCs outstanding against each institution.

#### 4.5 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 to draw money without supporting documents, 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 November and 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 drawal 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, under objection, pending adjustment, as on 31 March 2022 is given in **Table 4.4**.

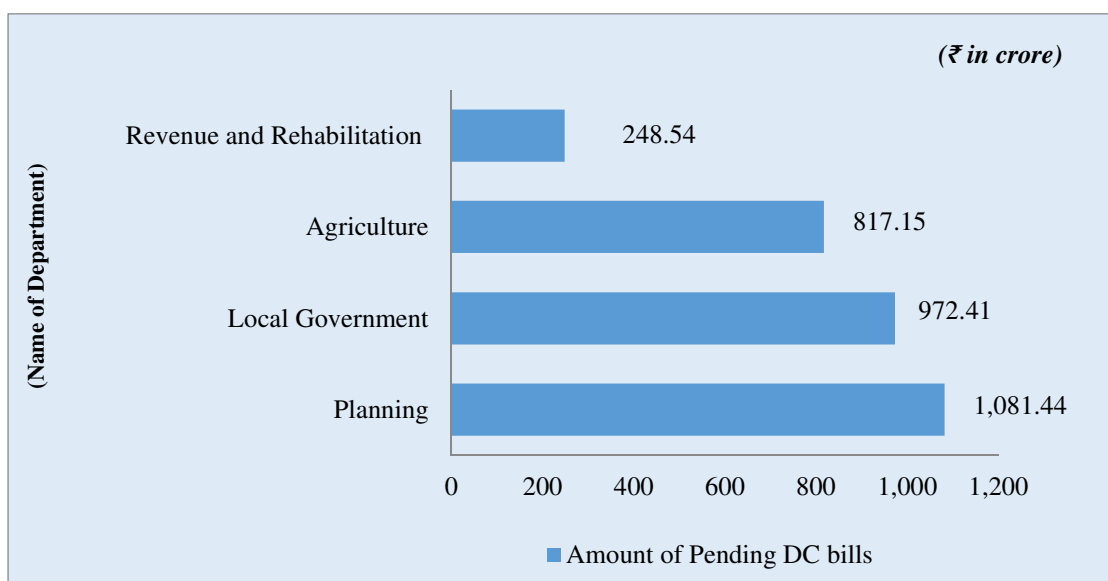
**Table 4.4: Age-wise pendency of AC bills**

(₹ in crore)		
Year of Grant	No. of AC bills	Amount
Upto 2019-20	186	191.69
2020-21	335	764.02
2021-22(drawn upto September 2021)	1154	3,125.91
<b>Total</b>	<b>1675</b>	<b>4,081.62</b>

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

It was observed that total 1835 AC bills amounting to ₹ 7,821.89 crore were drawn during 2021-22, out of which 189 AC bills amounting to ₹ 724.96 crore (9.27 per cent) were drawn in March 2022. Out of total bills drawn in March 2022, 80 AC bills amounting to ₹ 481.81 crore were drawn on the last day of March. Expenditure against AC bills at the end of the year indicates poor public expenditure management and may point to the drawal being done primarily to exhaust the budget provision.

**Chart 4.2: Pending DC Bills in respect of major Departments**



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

It was evident from above chart that ₹ 3,119.54 crore i.e. 76.43 per cent of the total outstanding AC bills amounting to ₹ 4,081.62 crore pertains to four Departments viz. Planning (₹ 1,081.44 crore), Local Government (₹ 972.41 crore), Agriculture (₹ 817.15 crore) and Revenue, Rehabilitation and Disaster Management (₹ 248.54 crore).



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.

#### 4.6 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. Routine operation of Minor Head-800 is to be discouraged, since 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 2021-22, ₹ 5,119.05 crore under 48 Major Heads of account, constituting 4.89 *per cent* of the total Revenue and Capital expenditure (₹ 1,04,646.49 crore) was classified under the Minor Head-800-Other Expenditure in the accounts. Details of substantial expenditure (50 *per cent* and above) booked under Minor Head-800-Other Expenditure are given at *Appendix 4.3*.

Similarly, ₹ 5,152.15 crore under 49 Major Heads of Account, constituting 6.59 *per cent* of the total Revenue Receipts (₹ 78,168.31 crore) was classified under 800 - Other Receipts in the accounts. Details of substantial receipts (50 *per cent* and above) booked under the Minor Head 800-Other Receipts are given in *Appendix 4.4*.

### Issues related to measurement

#### 4.7 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 are worked out by aggregating the outstanding debit and credit balances separately under various heads. Significant suspense items have been shown as gross debit and credit balances for the last three years, in **Table 4.5**.

**Table 4.5: Balances under Suspense and Remittance Heads**

Head of Account		2019-20		2020-21		2021-22	
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
1							
<b>8658</b>	<b>Suspense Account</b>						
101	Pay and Accounts Office-Suspense	70.75	0.04	110.53	106.87	113.19	0.07
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	<b>70.71 Dr.</b>		<b>3.66 Dr.</b>		<b>113.12 Dr.</b>	
102	Suspense Account-(Civil)	18.30	..	53.13	..	147.49	57.09
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	<b>18.30 Dr.</b>		<b>53.13 Dr.</b>		<b>90.40 Dr.</b>	

(₹ in crore)

Head of Account		2019-20		2020-21		2021-22	
109	Reserve Bank Suspense-(Headquarters)	0.33	..	0.28	..	0.42	..
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	<b>0.33 Dr.</b>		<b>0.28 Dr.</b>		<b>0.42 Dr.</b>	
110	Reserve Bank Suspense- (Central Accounts Office)	22.27	..	151.86	..	32.11	..
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	<b>22.27 Dr.</b>		<b>151.86 Dr.</b>		<b>32.11 Dr.</b>	
112	Tax Deducted at Source (TDS) Suspense	..	119.96	..	311.47	..	106.11
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	<b>119.96 Cr.</b>		<b>311.47 Cr.</b>		<b>106.11 Cr.</b>	
123	AIS Officers' Group Insurance Scheme	..	0.11	..	0.15	..	0.22
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	<b>0.11 Cr.</b>		<b>0.15 Cr.</b>		<b>0.22 Cr.</b>	
<b>8782</b>	<b>Cash Remittance and adjustments between officers rendering account to the same Accounts Officer</b>						
102	Public Works Remittances	(-) 3.51	..	19.55	..	0.12	..
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	<b>(-) 3.51 Dr.</b>		<b>19.55 Dr.</b>		<b>0.12 Dr.</b>	
103	Forest Remittances	6.19	..	21.30	..	17.93	..
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	<b>6.19 Dr.</b>		<b>21.30 Dr.</b>		<b>17.93 Dr.</b>	
<b>8793</b>	<b>Inter-State Suspense Account</b>	22.59	..	43.05	..	57.40	..
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	<b>22.59 Dr.</b>		<b>43.05 Dr.</b>		<b>57.40 Dr.</b>	

Source: Finance Accounts

#### 4.8 Reconciliation of Cash Balances

The Cash Balance of the State Government as on 31 March 2022 as per Accounts of the Principal Accountant General (A&E) was ₹ 129.76 crore (Debit) while the same was reported as ₹ 209.30 crore (Debit) by the Reserve Bank of India. As such, there was an un-reconciled difference of ₹ 339.06 crore (Debit).

The difference was mainly due to wrong reporting and non-reconciliation of figures by Agency Banks with the treasuries, which is under reconciliation. After integration of e-Kuber system (of the RBI) with State Integrated Financial Management System (IFMS) for payments in the State, the difference in reported transactions has increased as the State IFMS reports on transaction date basis whereas the e-Kuber system reports the transactions on scroll date basis.

#### 4.9 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 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 into the Government Accounts and thus not forming part of cash balance of the State with Reserve Bank of India.

The State Government directed (2 March 2015) Public Works Divisions to deposit the funds in the accounts to be opened at the Treasury under head 8443 - Civil Deposits 108 - Public Works Deposits. However, despite above order, the

Divisional Officers are still depositing the funds in their Bank Accounts. As on 31 March 2022, an amount of ₹ 1,374.99 crore was lying in the Bank Accounts of Public Works Divisional Officers as per their cashbooks. If the funds were deposited in treasury, the same would have impacted on the daily Cash Balance of the State Government.

Department-wise details of amount lying in Bank Accounts being operated by Divisional Officers is detailed in **Table 4.6**.

**Table 4.6: 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)	70	618.44
2.	Rural Development and Panchayats (Panchayati Raj Divisions)	19	163.73
3.	Water Resources	38	459.13
4.	Water Supply and Sanitation	53	133.69
<b>Total</b>		<b>180</b>	<b>1374.99</b>

Source: Finance Accounts

## Issues related to disclosure

### 4.10 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 three Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards by Government of Punjab as well as deficiencies therein during 2021-22 is detailed in **Table 4.7**.

**Table 4.7: Compliance to Accounting Standards**

Sr. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Deficiency
1.	IGAS-1:	Guarantees Given by the Government – Disclosure requirements	Complied (Statements 9 and 20 of Finance Accounts)	-
2.	IGAS-2:	Accounting and Classification of Grants-in-aid	Not complied (Statement 10 of Finance Accounts)	Information regarding total value of Grants-in-aid given in kind was not provided by the State Government.
3.	IGAS-3:	Loans and Advances made by Government	Not complied (Statement 7 and 18 of Finance Accounts)	The closing balances of Loans and Advances made by the State Government as on 31 March 2022 need to be reconciled by the Loanee Entities/State Government.

Source: Finance Accounts

#### 4.11 Submission of accounts of Autonomous Bodies

As on 31 March 2022, 15 accounts in respect of five out of nine autonomous bodies (ABs) from 2015-16 to 2020-21 were pending as detailed in **Table 4.8**.

**Table 4.8: Arrears of accounts of Autonomous Bodies as on 31 March 2022**

Sr. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending
1.	Punjab Legal Services Authority, Chandigarh	-	0
2.	Punjab Khadi and Village Industries Board, Chandigarh	2017-18	04
3.	Punjab State Human Rights Commission, Chandigarh	2020-21	01
4.	Punjab Labour Welfare Board, Chandigarh	2015-16	06
5.	Pushpa Gujral Science City, Kapurthala	-	0
6.	Punjab Building and Other Construction Workers Welfare Board, SAS Nagar	2020-21	01
7.	Punjab Bus Metro Society	2018-19	03
8.	Punjab State Electricity Regulatory Commission, Chandigarh	-	0
9.	Real Estate Regulatory Authority, Chandigarh	-	0
<b>Total</b>			<b>15</b>

Source: Departmental data/information.

Pendency in submission of accounts ranged between one to six years, of which the Punjab Labour Welfare Board had not submitted its accounts since 2015-16. 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 Infrastructure Development Board (PIDB), Punjab State Co-operative Supply and Marketing Federation (MARKFED) and Punjab Land Records Society (PLRS) Jalandhar could not be taken up due to non-entrustment despite repeated requests. Entrustment in respect of Punjab Labour Welfare Board was also upto the year 2019-20. No entrustment thereafter was provided despite repeated requests.

The State Government may consider evolving a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and to entrust the audit of requested body/authority in order to assess their financial.

The State Government stated (December 2022) that the matter had been taken up with the concerned ABs.

## 4.12 Departmental Commercial Undertakings/Corporations/Companies

According to Section 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. Almost 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 40 Public Sector Undertakings (PSU)/Corporations whose accounts were due as arrears as on 31 March 2022 were not received upto 30 September 2022, of which 22<sup>6</sup> were loss making. Further, audit noticed that a budgetary support of ₹ 2,653.93 crore was provided to nine PSUs/Corporations during the last three years despite their accounts being in arrears as detailed in **Table 4.9**.

**Table 4.9: Year wise details of Budgetary support to loss making Commercial Undertakings/Corporations/Companies**

(₹ in crore)

Sr. No.	Name of Company/Corporations	Budgetary support			
		2019-20	2020-21	2021-22	Total
1.	Punjab State Grains Procurement Corporation Limited (PUNGRAIN)	35.00	155.45	250.47	440.92
2.	Punjab Water Resources Management and Development Corporation Limited	97.51	73.38	90.22	261.11
3.	Punjab State Civil Supplies Corporation Limited (PUNSUP)	122.43	247.02	571.07	940.52
4.	Punjab State Industrial Development Corporation	22.00	17.38	49.00	88.38
5.	Ludhiana Smart City Limited	0.00	25.00	222.76	247.76
6.	Punjab State warehousing Corporation	10.00	67.47	60.08	137.55

<sup>6</sup> (i) Punjab Agro Foodgrains Corporation Limited, (ii) Punjab State grain procurement Corporation Limited, (iii) Punjab Water Resources Management and Development Corporation Limited, (iv) Gulmohar Tourist Complex (Holiday Home) Limited, (v) Punjab State Civil Supplies Corporation Limited, (vi) Punjab State Industrial Development Corporation, (vii) Ludhiana Smart City Limited, (viii) Punjab State warehousing Corporation, (ix) Punjab Scheduled Casts Land Development and Finance Corporation, (x) PEPSU Road Transport Corporation, (xi) Punjab Financial Corporation, (xii) Punjab Poultry Development Corporation Limited, (xiii) Punjab Film and News Corporation Limited, (xiv) Punjab Footweares Limited, (xv) Punjab State Handloom and Textile Development Corporation Limited, (xvi) Punjab State Hosiery and Knitwear Development Corporation Limited, (xvii) Punjab State Leather Development Corporation Limited and (xviii) Punjab Venture Investors Trust Limited, (xix) Punjab Micro Nutrients Limited, (xx) Punjab Bio-Medical Equipments Limited, (xxi) Punjab Power packs Limited and (xxii) Electronic Systems Punjab Limited.

Sr. No.	Name of Company/Corporations	Budgetary support			
		2019-20	2020-21	2021-22	Total
7.	Punjab Scheduled Castes Land Development and Finance Corporation	1.09	5.41	41.48	47.98
8.	PEPSU Road Transport Corporation	50.98	65.62	353.11	469.71
9.	Punjab Financial Corporation	4.00	8.00	8.00	20.00
<b>Total</b>		<b>343.01</b>	<b>664.73</b>	<b>1646.19</b>	<b>2653.93</b>

Source: Information provided by the PSUs

Age profile of PSUs/Corporations having accounts in arrear is given in **Table 4.10**.

**Table 4.10: Age profile of PSUs/Corporations having accounts in arrear**

Range in years	Number of PSUs/Corporations
0-1	13
1-3	14
3-5	04
>5	09
<b>Total</b>	<b>40</b>

Source: Information supplied by the PSUs

**Table 4.10** shows that accounts in respect of nine 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 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 its up-to date accounts (i.e., last preceding year) for making them eligible for financial support of the State Government, if required.

## Other Issues

### 4.13 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 AG (A&E).

As on 31 March 2022, 37 cases of misappropriation, losses, theft, etc. involving ₹ 74.72 crore were pending. The department-wise break-up of pending cases is given in **Table 4.11**.

**Table 4.11: Details of pending cases of misappropriation, losses, theft, etc.**

(₹ in crore)

Name of Department/ Corporation	Cases of misappropriation/ losses /theft of Government material		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
Punjab Agro Foodgrains Corporation Limited	7	15.51	0	0	0	0	0	0
Punjab State Warehousing Corporation	11	12.22	1	0.11	0	0	0	0
Punjab Agro Juice Limited	1	0.71	0	0	0	0	0	0
Punjab State Seeds Corporation Limited	1	4.10	0	0	0	0	0	0
PUNSUP	6	19.86	1	0.13	0	0	1	7.07
PUNGRAIN	5	19.10	0	0	0	0	0	0
Assistant Registrar Co-operative Societies	1	0.36	0	0	1	0.36	0	0
Municipal Corporation	2	0.65	0	0	2	0.65	0	0
Education	3	2.21	0	0	3	2.21	0	0
<b>Total</b>	<b>37*</b>	<b>74.72</b>	<b>2</b>	<b>0.24</b>	<b>6</b>	<b>3.22</b>	<b>1</b>	<b>7.07</b>

Source: Departmental data/information

\*Status in respect of 28 cases was not available.

Out of the total 37 cases, in respect of six cases (₹ 3.22 crore), departmental action had not been finalised while in one case (₹ 7.07 crore) criminal proceedings were finalised but recovery of the amount was 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 4.12**.

**Table 4.12: Profile of misappropriations, losses, defalcations, etc.***(₹ in crore)*

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved		Number of cases	Amount involved
0-5	26	50.12	Theft cases	10	8.05
			Misappropriation/ loss of Government material	16	42.07
5-10	11	24.60	Theft cases	1	0.12
			Misappropriation/ loss of Government material	10	24.48
<b>Total</b>	<b>37</b>	<b>74.72</b>	<b>Total</b>	<b>37</b>	<b>74.72</b>

Source: Departmental data/information

Out of the total cases, 11 cases amounting to ₹ 8.17 crore were related to theft of Government money/store. It was, further, noticed that out of total 37 cases of theft/misappropriation/loss of Government material, 11 cases of ₹ 24.60 crore were more than five years old.

The Government may consider preparing a time bound framework for taking prompt action in cases of theft, misappropriation, etc.

#### **4.14 Follow up action on State Finances Audit Report**

In every State, the Public Accounts Committee (PAC)/Finance Department require the line Departments to provide a *suo-motu* Explanatory Note (EN) on the paragraphs featuring in the Audit Reports within one month of placing the Reports in the Legislature. The line Departments are also required to provide Action Taken Notes (ATNs) to the AG (for vetting and onward transmission to the PAC) within three months of tabling the Reports.

Discussion on the State Finances Audit Report for the year 2013-14 was held on 03 August 2015 in the PAC meeting and the Committee directed the Finance Department for submission of reply of all the paragraphs within three weeks, but no reply was furnished by the Finance Department within stipulated period.

The matter regarding non submission of reply was discussed by PAC on 05 July 2019, 22 October 2019, 02 June 2020 and 12 September 2022 who directed the Finance Department for submission of replies of State Finances Audit Reports for the year 2014-15 to 2017-18. Replies for State Finances Audit Report for the year 2015-16 to 2017-18 have been received. The State Finances Audit Report for the year 2016-17 was discussed on 7 September 2021 in PAC meeting but discussion on State Finances Audit Report for the year 2015-16 is still pending. State Finance Audit Report for the years ended 31 March 2020 and 31 March 2021 were laid in the Legislature on 29 June 2022.



The State Government stated (December 2022) that the ADs were being instructed to take action on the observations/ recommendations made by audit in the State Finances Audit Report (SFAR). A digitized system was being evolved to speed up the submission of replies. Replies to SFAR for the year 2017-18 would be submitted shortly.

#### **4.15 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 year 2021-22 on 29 January 2021. The Commission recommended four *per cent* share of State's Net Own Tax Revenues for vertical devolution to the Local Bodies. The State Government formed a Group of Ministers (GoM) to examine the proposal in entirety and to give its recommendations, but no recommendation was given by the GoM for the year 2021-22. Therefore, no vertical devolution of share in taxes took place during 2021-22.

The State Government stated (December 2022) that the matter was under active consideration of the Government.

#### **4.16 Conclusions**

Various Cess collected to the tune of ₹ 17.89 crore was not transferred to the Consolidated Fund of the State. Government departments did not transfer various cesses amounting to ₹ 12.88 crore to the concerned Boards.

Utilisation Certificates (UC) amounting to ₹ 1,800.45 crore (277 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 ₹ 4,081.62 crore (1,675 DC bills) were also awaited. There was an un-reconciled difference of ₹ 339.06 crore (Debit) in the Cash Balance of the State Government for 2021-22. An amount of ₹ 1,374.99 crore was still lying in the bank accounts of Divisions pertaining to four Departments.

Five autonomous bodies and 40 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 37 cases of theft, misappropriation, loss of Government material and defalcation, departmental action was pending for long periods.

#### **4.17 Recommendations**

- (i) The Government should prescribe a proper mechanism for collection, depositing and utilisation of various cesses so that the details of cess and data are easily accessible.
- (ii) The Government should ensure timely submission of utilisation certificates by the departments in respect of the grants released for specific purposes.
- (iii) The Government should ensure adjustment of Abstract Contingent bills within stipulated period, as required under the Rules.
- (iv) The Finance Department should 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.
- (v) The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriation, loss, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.

# **Chapter-V**

## **State Public Sector Enterprises**



## Chapter-V

### State Public Sector Enterprises

This chapter discusses the financial performance of Government Companies, Statutory Corporations and Government Controlled Other Companies (GCOCs). Impact of significant comments issued as a result of supplementary audit of the Financial Statements of these State Public Sector Enterprises (SPSEs) conducted by the Comptroller and Auditor General (CAG) of India for the year 2021-22 (or of earlier years which were finalised during the current year) has also been discussed.

#### 5.1 Definition of Government Companies

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company.

Besides, any other company<sup>1</sup> owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government Controlled Other Companies.

#### 5.2 Mandate of Audit

Audit of Government Companies and Government Controlled Other Companies is conducted by the CAG of India under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for Companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct a supplementary audit of the company's financial statements. The statutes governing some Statutory Corporations require their accounts to be audited only by CAG.

#### 5.3 SPSEs and their contribution to the GSDP of the State

SPSEs consist of State Government Companies and Statutory Corporations. SPSEs are established to carry out activities of commercial nature keeping in

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<sup>1</sup> Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs *vide* Gazette Notification dated 4 September 2014.

view the welfare of people and occupy an important place in the State economy. As on 31 March 2022, there were 49 SPSEs in Punjab, including four<sup>2</sup> Statutory Corporations and 42 Government Companies (including 16 inactive government companies<sup>3</sup>) and three<sup>4</sup> Government Controlled Other Companies (GCOCs) under the audit jurisdiction of the CAG. The names of these SPSEs are given in **Appendix 5.1**. One SPSE (Punjab Communications Limited) was listed on the stock exchange.

There are 16 inactive SPSEs (including four under liquidation) in the State. These inactive SPSEs have investment of ₹ 57.23 crore, towards capital ₹ 23.24 crore (State Government: ₹ 17.05 crore and Others: ₹ 6.19 crore) and long-term loans ₹ 33.99 crore (State Government: ₹ 14.71 crore and Others: ₹ 19.28 crore). This is a critical area as the investments in inactive SPSEs do not contribute to the economic growth of the State.

A ratio of turnover of the SPSEs to the Gross State Domestic Product (GSDP) shows the extent of activities of the SPSEs in the State economy. The details of turnover of working SPSEs are given in **Appendix 5.2**. Turnover of working SPSEs and GSDP for a period of three years ending 31 March 2022 are given in **Table 5.1**.

**Table 5.1: Details of turnover of SPSEs vis-à-vis GSDP of Punjab**

(₹ in crore)

Particulars	2019-20	2020-21	2021-22
<b>Turnover</b>			
Power Sector SPSEs	33,262.60	33,113.25	35,478.80
Agriculture and Allied sector SPSEs	38,884.93	36,595.60	35,144.11
Other SPSEs	1,142.59	1,315.79	1,333.23
<b>Total</b>	<b>73,290.12</b>	<b>71,024.64</b>	<b>71,956.14</b>
<b>GSDP of Punjab</b>			
	5,39,687.00	5,29,703.00	5,84,042.00
Percentage of Turnover to GSDP of Punjab			
Power Sector SPSEs	<b>6.16</b>	<b>6.25</b>	<b>6.07</b>
Agriculture and Allied sector SPSEs	<b>7.21</b>	<b>6.91</b>	<b>6.02</b>
Other SPSEs	<b>0.21</b>	<b>0.25</b>	<b>0.23</b>
<b>Total</b>	<b>13.58</b>	<b>13.41</b>	<b>12.32</b>

Source: Compilation based on Turnover figures as per latest finalised accounts of SPSEs and GSDP figures as per Economic and Statistical Organisation, Government of Punjab

<sup>2</sup> Punjab State Warehousing Corporation, Punjab Scheduled Castes Land Development and Finance Corporation, PEPSU Road Transport Corporation and Punjab Financial Corporation.

<sup>3</sup> Inactive SPSEs are those which have ceased to carry out their operations.

<sup>4</sup> Amritsar Smart City Limited, Ludhiana Smart City Limited and Jalandhar Smart City Limited.

The contribution of SPSEs to the GSDP of Punjab reduced from 13.41 per cent in 2020-21 to 12.32 per cent in 2021-22. The contribution of Power sector SPSEs to the GSDP was 6.07 per cent while Agriculture and Allied sector SPSEs contributed 6.02 per cent in the year 2021-22.

Other sector SPSEs contribution to the GSDP though was minimal (from 0.21 to 0.25 per cent) but were having staff of 6,657<sup>5</sup> employees (Permanent/on deputation/ contract basis) including staff in district offices. As on 31 March 2022, State Government had investment of ₹ 648.28 crore (Equity ₹ 614.69 crore and long-term loans ₹ 33.59 crore) in these SPSEs. In addition to it, ₹ 1,288.79 crore of Grants and subsidies was provided to nine of these SPSEs by GoP during the period 2019-22.

## 5.4 Investment in SPSEs and Budgetary Support

### 5.4.1 Equity holding and Loans in SPSEs

The sector wise Total Equity, Equity Contribution by State Government and Long Term Loans including the loans given by State Government in 33 working SPSEs as on 31 March 2022 is given below in **Table 5.2**.

**Table-5.2: Sector-wise investment in SPSEs**

Particulars	Investment <sup>6</sup> (₹ in crore)					Percentage of Total Equity and Long-Term Loans
	Total Equity	State Government Equity	Total Long Term Loans	State Government Loans	Total Equity and Long Term Loans	
Power Sector SPSEs	22,338.61	22,315.61	18,057.20	8.86	40,395.81	57.69
Agriculture and Allied SPSEs	452.86	384.00	26,674.20	25,894.79	27,127.06	38.74
Other SPSEs	725.47	614.69	1,776.44	33.59	2,501.91	3.57
<b>Total</b>	<b>23,516.94</b>	<b>23,314.30</b>	<b>46,507.84</b>	<b>25,937.24</b>	<b>70,024.78</b>	<b>100.00</b>

Source: Information provided by the SPSEs

The thrust of SPSEs investment was mainly on power sector SPSEs which had received as much as 57.69 per cent (₹ 40,395.81 crore) of total investment of ₹ 70,024.78 crore as on 31 March 2022. The State Government share was 70.33 per cent (₹ 49,251.54 crore) of total investment of ₹ 70,024.78 crore.

<sup>5</sup> Includes 5,363 employees in two SPSEs of transport sector (PEPSU Road Transport Corporation and Punjab State Bus Stand Management Company Limited).

<sup>6</sup> Investment includes equity and long-term loans.

#### 5.4.2 Market Capitalisation of equity investment in SPSEs

Market Capitalisation represents market value of shares of companies which are listed. As on 31 March 2022, shares of only one SPSE (Punjab Communications Limited) was listed on the Bombay Stock Exchange (BSE) in India. This SPSE having total equity investment of ₹ 12.02 crore is a subsidiary of Punjab Information & Communication Technology Corporation Limited (₹ 8.55 crore i.e. 71.13 per cent of total equity investment of ₹ 12.02 crore) and has no investment of equity either by the State Government or the Central Government. The total market value of shares of the above listed SPSE stood at ₹ 43.28<sup>7</sup> crore as on 31 March 2022 as compared to ₹ 24.17<sup>8</sup> crore as on 31 March 2021.

#### 5.4.3 Disinvestment, Restructuring and Privatisation

During the year 2021-22, there was no case of disinvestment, restructuring and privatisation of working as well as in-active SPSEs.

### 5.5 Returns from SPSEs

#### 5.5.1 Profit earned by SPSEs

The number of SPSEs<sup>9</sup> that earned profit was 12<sup>10</sup> in 2021-22 as compared to 13 in 2020-21. The profit earned decreased to ₹ 1,710.77 crore in 2021-22 from ₹ 1,819.73 crore in 2020-21.

The top three SPSEs which contributed maximum profit are summarised in **Table 5.3**.

**Table 5.3: Top three SPSEs which contributed maximum profit**

Name of SPSE	Net profit (₹ in crore)	Percentage of profit to total profit of SPSEs
Punjab State Power Corporation Limited	1,069.21	62.50
Punjab State Warehousing Corporation	311.53	18.21
Punjab State Transmission Corporation Limited	215.10	12.57
<b>Total</b>	<b>1,595.84</b>	<b>93.28</b>

Source: Latest Financial Statements of SPSEs

These three SPSEs alone had contributed as much as 93.28 per cent of the total profit (₹ 1,710.77 crore) earned by 12 SPSEs during 2021-22.

<sup>7</sup> 1,20,23,565 shares \* ₹ 36 per share against face value of ₹ 10 per share.

<sup>8</sup> 1,20,23,565 shares \* ₹ 20.10 per share against face value of ₹ 10 per share.

<sup>9</sup> Accounts received upto 30 September 2022.

<sup>10</sup> Including one SPSE which earned Zero profit/loss but having accumulated profits.



Net profit ratio<sup>11</sup> of SPSEs is depicted in **Table 5.4**.

**Table 5.4: Net Profit Ratio of SPSEs**

Sector	Net Profit	Turnover	Net profit Ratio (in per cent)
Power Sector SPSEs	1,286.04	35,478.80	3.62
Agriculture and Allied sector SPSEs	(-)103.40	35,144.11	
Other SPSEs	87.26	1,333.23	6.55
<b>Total</b>	<b>1,269.90</b>	<b>71,956.14</b>	<b>1.76</b>

### 5.5.2 Dividend paid by SPSEs

The Thirteenth Finance Commission had recommended (December 2009) that a minimum dividend of five *per cent* on Government equity should be paid by all enterprises. The State Government adopted the recommendations and directed (July 2011) all its Public Sector Enterprises (PSEs) to pay a minimum return of five *per cent* on the funds invested by the State Government. The dividend paid by SPSEs is shown in **Table 5.5**.

**Table 5.5: Dividend Payout by SPSEs**

(₹ in crore)

Year	Particulars	No. of SPSEs which declared dividend	Paid Up Capital	Net Profit	Dividend Declared
1		2	3	4	5
2019-20	Power Sector SPSEs	1	22.90	3.93	1.83
	Agriculture and Allied sector SPSEs	2	25.25	16.78	1.38
	Other SPSEs	-	-	-	-
	<b>Total</b>	<b>3</b>	<b>48.15</b>	<b>20.71</b>	<b>3.21</b>
2020-21	Power Sector SPSEs	-	-	-	-
	Agriculture and Allied sector SPSEs	2	25.25	4.96	1.38
	Other SPSEs	1	50.01	76.15	2.50
	<b>Total</b>	<b>3</b>	<b>75.26</b>	<b>81.11</b>	<b>3.88</b>
2021-22	Power Sector SPSEs	1	22.90	1.73	1.83
	Agriculture and Allied sector SPSEs	2	25.25	4.80	1.38
	Other SPSEs	1	50.01	76.15	2.50
	<b>Total</b>	<b>4</b>	<b>98.16</b>	<b>82.68</b>	<b>5.71</b>

Source: Latest Financial Statement of SPSEs.

During 2021-22, out of 12 SPSEs which earned profits as per their latest finalised accounts, only four SPSEs declared dividend, three<sup>12</sup> SPSEs didn't earn enough profit to declare dividend and remaining five SPSEs which earned aggregate profit of ₹ 557.18 crore had not declared/paid dividend. In

<sup>11</sup> Net Profit/Turnover\*100

<sup>12</sup> Punjab State Power Corporation Limited (PSPCL), Punjab Agro Industries Corporation Limited and Punjab Information & Communication Technology Corporation Limited.

case of three major profit earning SPSEs (Punjab State Warehousing Corporation: ₹ 311.53 crore, Punjab State Transmission Corporation Limited (PSTCL): ₹ 215.10 crore and Punjab State Industrial Development Corporation Limited: ₹ 22.64 crore) during the year 2021-22, minimum dividend payable as per guidelines worked out to ₹ 34.60<sup>13</sup> crore. However, no dividend was declared/ paid by the Companies.

## 5.6 Debt Servicing

### 5.6.1 Interest Coverage Ratio

Interest coverage ratio is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An interest coverage ratio of below one indicates that the company was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio in SPSEs which had interest burden are given below in **Table 5.6**.

**Table 5.6: Interest coverage ratio of SPSEs**

Year	Particulars	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	Number of SPSEs having liability of loans from Government, and other financial institutions	Number of companies having interest coverage ratio more than 1	Number of companies having interest coverage ratio less than 1
<b>2019-20</b>	Power Sector SPSEs	3,461.24	2,269.47	2	0	2
	Agriculture and Allied sector SPSEs	333.87	418.54	2	1	1
	Other SPSEs	31.27	51.83	6	3	3
	<b>Total</b>	<b>3,826.38</b>	<b>2,739.84</b>	<b>10</b>	<b>4</b>	<b>4</b>
<b>2020-21</b>	Power Sector SPSEs	2,004.42	3,471.29	2	2	0
	Agriculture and Allied sector SPSEs	360.12	480.16	2	1	1
	Other SPSEs	32.29	46.14	5	2	3
	<b>Total</b>	<b>2,396.83</b>	<b>3,997.59</b>	<b>9</b>	<b>5</b>	<b>4</b>
<b>2021-22</b>	Power Sector SPSEs	1,684.84	2,969.15	2	2	0
	Agriculture and Allied sector SPSEs	193.23	369.68	2	1	1
	Other SPSEs	30.96	57.91	5	2	3
	<b>Total</b>	<b>1,909.03</b>	<b>3,396.74</b>	<b>9</b>	<b>5</b>	<b>4</b>

Source: Latest Financial Statement of SPSEs

<sup>13</sup> PSTCL ₹ 30.29 crore (₹ 605.88 crore \* five per cent), PSWC ₹ 0.40 crore (₹ 8.00 crore \* five per cent) and PSIDC ₹ 3.91 crore (₹ 78.22 crore \* five per cent).

It was observed that both the SPSEs pertaining to Power Sector which had the liability of loans, had interest coverage ratio of more than one during 2021-22. However, in case of Agriculture and Allied sector SPSEs and Other SPSEs, which have the liability of loans, only three SPSEs had interest coverage ratio of more than one and remaining four SPSEs had interest coverage ratio of less than one. Thus, these SPSEs were not generating sufficient revenues to meet their expenses on interest.

## 5.7 Financial performance of SPSEs

### 5.7.1 Return on Capital Employed

Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. RoCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed<sup>14</sup>. The details of RoCE during the period from 2019-20 to 2021-22 are given below in **Table 5.7**.

**Table-5.7: Return on Capital Employed**

Year	Particulars	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (in per cent)
2019-20	Power Sector SPSEs	2,274.97	31,148.54	7.30
	Agriculture and Allied sector SPSEs	138.29	11,512.37	1.20
	Other SPSEs	36.69	86.94	42.20
	<b>Total</b>	<b>2,449.95</b>	<b>42,747.85</b>	<b>5.73</b>
2020-21	Power Sector SPSEs	3,474.72	33,799.47	10.28
	Agriculture and Allied sector SPSEs	199.34	11,521.74	1.73
	Others SPSEs	140.76	872.08	16.14
	<b>Total</b>	<b>3,814.82</b>	<b>46,193.29</b>	<b>8.26</b>
2021-22	Power Sector SPSEs	2,971.50	35,203.79	8.44
	Agriculture and Allied sector SPSEs	104.91	12,357.09	0.85
	Others SPSEs	147.15	980.98	15.00
	<b>Total</b>	<b>3,223.56</b>	<b>48,541.86</b>	<b>6.64</b>

Source: Latest Financial Statement of working SPSEs

It was observed that RoCE was positive during 2019-20 to 2021-22. However, the RoCE reduced in 2021-22 as compared to 2020-21 due to decrease in EBIT and increase in Capital Employed.

<sup>14</sup> Capital Employed = Paid up Share capital + Free Reserves and surplus + Long term loans – Accumulated losses – Deferred Revenue Expenditure.

### 5.7.2 Return on Equity by SPSEs

Return on Equity (RoE) is a measure of financial performance to assess how effectively a company's assets are being used to create profits. RoE is calculated by dividing net income (*i.e.* net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any company if net income and shareholders' fund are both positive numbers.

The Return on Equity<sup>15</sup> (RoE) of the profit earning 12 working SPSEs stood at 9.96 *per cent* in 2021-22. The RoE in all the 29<sup>16</sup> working SPSEs including 17<sup>17</sup> loss making SPSEs was 12.34 *per cent* in 2021-22.

Shareholders' fund is calculated by adding paid up capital and free reserves minus net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a company's shareholders if all assets were sold and all debts paid. A positive shareholder's fund reveals that the company has enough assets to cover its liabilities while negative shareholder equity means liabilities exceed assets.

The details of Shareholders' Fund and RoE relating to working SPSEs are given below in **Table 5.8**.

**Table-5.8: Return on Equity relating to SPSEs**

Year	Particulars	Net Income (₹ in crore)	Shareholders' Fund (₹ in crore)	ROE (Percentage)
2019-20	Power Sector SPSEs	(-) 1,187.84	14,675.57	--
	Agriculture and Allied sector SPSEs	(-) 200.33	(-) 6,913.01	--
	Others SPSEs	(-) 3.94	(-) 387.88	--
	<b>Total</b>	<b>(-) 1,392.11</b>	<b>7,374.68</b>	<b>--</b>
2020-21	Power Sector SPSEs	1,469.08	16,144.56	9.10
	Agriculture and Allied sector SPSEs	(-) 175.91	(-) 7,052.96	--
	Others SPSEs	80.21	(-) 281.80	--
	<b>Total</b>	<b>1,373.38</b>	<b>8,809.80</b>	<b>15.59</b>
2021-22	Power Sector SPSEs	1,286.04	17,425.53	7.38
	Agriculture and Allied sector SPSES	(-) 103.40	(-) 6,881.87	--
	Others SPSEs	87.26	(-) 254.99	--
	<b>Total</b>	<b>1,269.90</b>	<b>10,288.67</b>	<b>12.34</b>

Source: As per latest finalised accounts of SPSEs

<sup>15</sup> Return on equity= (Net Profit after Tax/ Shareholder's Equity) X 100 where Shareholder's equity= paid up capital + free reserves -accumulated losses- deferred revenue expenditure.

<sup>16</sup> Excluding four SPSEs working on no profit/no loss basis: Punjab Police Security Corporation Limited, Punjab Municipal Infrastructure Development Company, Punjab State Biotech Corporation (Mohali Biotechnology Park) and Punjab Police Housing Corporation Limited.

<sup>17</sup> Including one SPSE which earned Zero profit/loss and also having Zero accumulated profits/losses.

During 2019-20 RoE could not be calculated as the net income of all SPSEs was negative, whereas during 2020-21 and 2021-22, overall RoE turned positive attributable to Power sector SPSEs reporting profits. However, RoE reduced from 15.59 per cent in 2020-21 to 12.34 per cent in 2021-22 due to decrease in net income earned and increase in shareholder's funds of PSPCL.

### 5.7.3 Rate of Return on the basis of Present Value of Investment

In order to bring the historical cost of investment to its present value at the end of each year upto 31 March 2022, the past investments/ year-wise funds infused by the State Government in the SPSEs have been compounded at the year-wise average rate of interest on Government borrowings which is considered as the minimum cost of funds to the Government for the concerned year. Therefore, PV of the State Government investment was computed where funds had been infused by the State Government in the shape of equity, interest free loans and grants/subsidies for operational and management expenses, if any less: disinvestments since inception of these Companies till 31 March 2022.

The PV of the State Government investment in SPSEs was computed on the basis of following assumptions:

- Interest free loans have been considered as investment infusion by the State Government as no amount of interest free loans have been repaid by SPSEs. Further, in those cases where interest free loans given to the SPSEs were later converted into equity, the amount of loan converted into equity has been deducted from the amount of interest free loans and added to the equity of that year.
- The average rate of interest on Government borrowings for the concerned financial year<sup>18</sup> was adopted as compounded rate for arriving at PV since they represent the cost incurred by the Government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments made by the Government.

SPSE wise position of State Government investment in the 21 SPSEs (Other than GCOCs) in the form of equity and interest free loans on historical cost basis for the period from 2010-11 to 2021-22 have been given in **Appendix 5.3**. The consolidated position of the PV of the State Government investment and the total earnings relating to 21 SPSEs for the same period is indicated below in **Table 5.9**.

<sup>18</sup> The average rate of interest on Government borrowings was adopted from the Reports of the CAG on State Finances (Government of Punjab) for the concerned year wherein the average rate for interest paid = Interest payment/ [(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/ 2] \*100.

**Table 5.9: Year-wise details of investment by the State Government and its present value (PV) of Government investment for the period from 2010-11 to 2021-22**

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Equity infused by the State Government during the year	Interest free loans given by the State Government during the year	Grants/subsidies given by State Government for operational and management expenses	Total investment during the year	Total investment at the end of the year	Average rate of interest on government borrowings (in per cent)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year <sup>19</sup>	Total Earning for the year <sup>20</sup>
i	ii	iii	iv	v	vi= iii + iv + v	vii = ii + vi	viii	ix={vii*(1 + viii/100)}	x= ix-vii	xi
Upto 2010-11	789.79 <sup>21</sup>	6,687.35 <sup>22</sup>	-	-	6,687.35	7,477.14	7.73	8,055.12	577.98	(-)1,696.24
2011-12	8,055.12	196.93	-	108.48	305.41	8,360.53	7.96	9,026.03	665.50	(-)779.63
2012-13	9,026.03	15.91	30.00	190.29	236.20	9,262.23	7.79	9,983.76	721.53	43.23
2013-14	9,983.76	22.35	-	242.25	264.60	10,248.36	8.04	11,072.33	823.97	(-)55.02
2014-15	11,072.33	72.07	-	337.75	409.82	11,482.15	8.35	12,440.91	958.76	(-)673.78
2015-16	12,440.91	32.24	-	324.21	356.45	12,797.36	8.09	13,832.67	1,035.31	(-)2,315.70
2016-17	13,832.67	10.83	-	504.28	515.11	14,347.78	7.48	15,420.99	1,073.21	(-)4,327.30
2017-18	15,420.99	-	-	168.62	168.62	15,589.61	8.12	16,855.49	1,265.88	(-)2,799.39
2018-19	16,855.49	(-) 97.97 <sup>23</sup>	-	205.76	107.79	16,963.28	8.00	18,320.34	1,357.06	(-)604.73
2019-20	18,320.34	15,629.35	-	160.28	15,789.63	34,109.97	7.93	36,814.89	2,704.92	(-)1,228.59
2020-21	36,814.89	(-)44.58	-	145.59	101.01	36,915.90	7.44	39,662.44	2,746.54	1,503.72
2021-22	39,662.44	-	-	439.14	439.14	40,101.58	7.05	42,928.74	2,827.16	1421.97
<b>Total</b>			<b>30.00</b>	<b>2,826.65</b>	<b>25,381.13</b>					

The balance of investment by the State Government in the SPSEs at the end of the year 2021-22 increased to ₹ 40,101.58 crore in 2021-22 from ₹ 7,477.14 crore at the end of 2010-11. The State Government made further investments in shape of equity (₹ 15,837.13 crore) and interest free loans (₹ 30 crore) and grants/subsidies for operational and management expenses (₹ 2,826.65 crore) during the period 2011-12 to 2021-22 in these SPSEs. The PV of funds infused by the State Government upto 31 March 2022 amounted to ₹ 42,928.74 crore. During all the years 2011-12 to 2021-22, total earnings remained below the minimum expected return to recover cost of funds infused in these SPSEs.

- <sup>19</sup> Present value of total investment at the end of the year *less*: Total investment at the end of the year.
- <sup>20</sup> Total Earnings for the year depicts total of net earnings (profit/loss) as per latest finalised Accounts relating to those 22 SPSEs (excluding GCOCs) where funds were infused by State Government.
- <sup>21</sup> ₹ 789.79 crore is the investment, on historical cost basis, by Government of Punjab upto financial year 2010-11.
- <sup>22</sup> It represents equity of PSPCL and PSTCL created out of transfer of assets and liabilities on unbundling of erstwhile Punjab State Electricity Board. No accumulated losses were transferred to Power Sector SPSEs as accumulated losses of ₹ 10,180.35 crore were set off against capital reserve created on land revaluation.
- <sup>23</sup> While finalising the accounts for the year 2017-18, Punjab Water Resources Management & Development Corporation Limited (PWRMDC) treated the capital grant amounting to ₹ 97.97 crore received from the State Government for sinking and installation of tubewells as deferred revenue which was earlier being treated as 'Share application money pending allotment'.

## 5.8 SPSEs incurring losses

### 5.8.1 Losses incurred

There were 17 working SPSEs that incurred losses as per their latest finalised accounts. The losses incurred by these SPSEs decreased to ₹ 440.87 crore as per their latest finalised accounts from ₹ 1,680.13 crore in 2019-20 due to loss incurring Power Sector SPSEs (PSPCL and PSTCL), earning profit during 2021-22 as given below in **Table 5.10**.

**Table-5.10: Number of SPSEs that incurred losses during 2019-20 to 2021-22**

(₹ in crore)

Year	Particulars	No of loss making SPSEs	Net loss for the year	Accumulated loss	Net Worth <sup>24</sup>
2019-20	Power Sector SPSEs	2	(-)1,191.77	(-) 7,811.36	14,526.33
	Agriculture and Allied SPSEs	5	(-) 460.39	(-) 6,777.91	(-)6,418.13
	Other SPSEs	8	(-) 27.97	(-) 1,116.94	(-) 546.49
	<b>Total</b>	<b>15</b>	<b>(-) 1,680.13</b>	<b>(-) 15,706.21</b>	<b>7,561.71</b>
2020-21	Power Sector SPSEs	2	-	(-) 0.10	-
	Agriculture and Allied SPSEs	6	(-)423.56	(-) 6,907.27	(-) 6,541.87
	Other SPSEs	8	(-) 22.79	(-) 714.65	(-) 194.39
	<b>Total</b>	<b>16</b>	<b>(-) 446.35</b>	<b>(-) 7,622.02</b>	<b>(-) 6,736.26</b>
2021-22	Power Sector SPSEs	2	-	(-) 0.11	(-) 0.01
	Agriculture and Allied SPSEs	7	(-) 420.71	(-) 7,060.18	(-) 6,689.78
	Other SPSEs	8	(-) 20.16	(-) 731.80	(-) 199.76
	<b>Total</b>	<b>17</b>	<b>(-) 440.87</b>	<b>(-) 7,792.09</b>	<b>(-) 6,889.55</b>

Source: As per latest finalised accounts of SPSEs

In 2021-22, out of total loss of ₹ 440.87 crore incurred by 17 SPSEs, loss of ₹ 396.30 crore was attributed to three Agriculture and Allied sector SPSEs (Punjab State Grains Procurement Corporation Limited, Punjab State Civil Supplies Corporation Limited and Punjab Agro Foodgrains Corporation Limited).

### 5.8.2 Erosion of Capital in SPSEs

As on 31 March 2022, there were 16 SPSEs with accumulated losses of ₹ 14,712.33 crore. Of these, 11 SPSEs incurred losses amounting to ₹ 431.25 crore as per latest finalised accounts as of 30 September 2022.

The net worth of 13 out of these 16 SPSEs had been completely eroded by accumulated losses and their net worth was either zero or negative. The net worth of these 13 SPSEs was (-) ₹ 8,263.51 crore against equity investment of ₹ 529.98 crore as on 31 March 2022. Out of 13 SPSEs, whose capital had

<sup>24</sup> Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits but do not include reserves created out of revaluation of assets and write back of depreciation provision.

eroded, two<sup>25</sup> had earned profit of ₹ 334.17 crore during 2021-22. Out of 13, there were seven SPSEs with outstanding Government loans of ₹ 25,706.12 crore as on 31 March 2022 as detailed in **Table 5.11**.

**Table 5.11: Details of SPSEs whose net worth has eroded as per their latest finalised accounts**

(₹ in crore)

Sl. No.	Name of SPSE	Latest year of Account	Total Paid up capital	Net profit (+)/ (-) after Interest and Tax	Accumulated Losses	Net worth	State Government Equity as on 31 March 2022	State Government Loans as on 31 March 2022
1	Punjab Thermal Generation Limited	2021-22	0.05	0.00	-0.05	0.00	0.00	0.00
2	Gidderbaha Power Limited	2021-22	0.05	0.00	-0.06	-0.01	0.00	0.00
3	Punjab State Grains Procurement Corporation Limited	2017-18	1.05	-224.05	-3,721.91	-3,720.86	1.05	6,764.37
4	Punjab State Civil Supplies Corporation Limited	2018-19	3.73	-37.17	-1,985.55	-1,981.82	3.73	9,806.24
5	Punjab Agro Foodgrains Corporation Limited	2020-21	5.00	-135.08	-1,111.59	-1,106.59	0.00	5,597.01
6	Punjab Agro Juices Limited	2021-22	50	-5.05	-75.01	-25.01	0.00	30.00
7	Punjab State Warehousing Corporation	2018-19	8.00	311.53	-554.17	-519.69	4.00	3474.91
8	Gulmohar Tourist Complex (Holiday Home) Limited	2019-20	0.02	-0.27	-5.48	-5.46	0.02	0.00
9	Punjab State Industrial Development Corporation Limited	2020-21	78.22	22.64	-661.62	-583.4	78.22	0.00
10	Punjab Communications Limited	2021-22	12.02	-12.49	-59.7	-38.72	0.00	0.00
11	PEPSU Road Transport Corporation	2017-18	331.44	-2.67	-396.2	-64.76	307.08	23.75
12	Punjab Financial Corporation	2019-20	40.39	-0.29	-257.39	-217	29.31	9.84
13	Ludhiana Smart City Ltd	2019-20	0.01	-0.04	-0.2	-0.19	0.005	0.00
	<b>Grand Total</b>		<b>529.98</b>	<b>-82.94</b>	<b>-8,828.93</b>	<b>-8,263.51</b>	<b>423.42</b>	<b>25,706.12</b>

<sup>25</sup> Punjab State Industrial Development Corporation Limited and Punjab State Warehousing Corporation.



## **5.9 Audit of State Public Sector Enterprises**

CAG appoints the statutory auditors of a Government Company and Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some Corporations require that their accounts be audited by the CAG and a report be submitted to the Legislature.

## **5.10 Appointment of statutory auditors of State Public Sector Enterprises by CAG**

Sections 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year.

The statutory auditors of the above Companies for the year 2021-22 were appointed by the CAG upto September 2022.

## **5.11 Submission of accounts by State Public Sector Enterprises**

### **5.11.1 Need for timely submission**

According to Section 394 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<sup>26</sup> (AGM). As soon as may be after such preparation, the Annual Report must be laid before Legislature, together with a copy of the Audit Report and comments of the CAG upon or as supplement to the Audit Report. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary Legislative control over the utilisation of public funds invested in the Companies from the Consolidated Fund of State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM for their consideration.

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<sup>26</sup> In case of the first AGM, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case within a period of six months, from the date of closing of the financial year *i.e.* 30 September.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

The annual accounts of various SPSEs were pending as on 30 September 2022, as detailed in the following paragraph.

### 5.11.2 Timeliness in preparation of accounts by SPSEs

As of 31 March 2022, there were 45 SPSEs<sup>27</sup> under the purview of CAG's audit. Of these, accounts for the year 2021-22 were due from 45 SPSEs including four under liquidation. However, only nine SPSEs submitted their accounts for the year 2021-22 for audit by CAG by 30 September 2022. 202 Accounts of 36 SPSEs were in arrears, as detailed in *Appendix 5.4*, for various reasons. Details of arrears in submission of accounts of SPSEs are given in **Table 5.12**.

**Table-5.12: Details of arrears in submission of accounts**

Particulars		SPSEs	Number of Accounts
Total number of Companies under the purview of CAG's audit as on 31.03.2022		45	--
Less: New Companies from which accounts for 2021-22 were not due		0	0
Number of companies from which accounts for 2021-22 were due		45	45
Number of companies which presented the accounts for the year 2021-22 for CAG's audit by 30 September 2022		9	9
<b>Number of accounts in arrears</b>		36	202
Break- up of Arrears	(i) Under Liquidation	04	87
	(ii) Defunct	10	72
	(iii) Others	22	43
Age-wise analysis of arrears against 'Others' category	One year (2021-22)	11	11
	Two years (2020-21 and 2021-22)	05	10
	Three years and more	06	22

Source: Complied on the basis of annual accounts received in the office of Accountant General (Audit) Punjab

### 5.11.3 Timeliness in preparation of accounts by Statutory Corporations

Audit of four<sup>28</sup> statutory corporations is conducted by the CAG and out of these, for two<sup>29</sup> Statutory Corporations, CAG is the sole auditor. No Statutory Corporations presented the accounts for the year 2021-22 for audit before 30 September 2022. As on 30 September 2022, 10 accounts of four Statutory Corporations were pending.

<sup>27</sup> Excluding four Statutory Corporations discussed in paragraph 5.11.3.

<sup>28</sup> Punjab State Warehousing Corporation, PEPSU Road Transport Corporation, Punjab Financial Corporation and Punjab Scheduled Castes Land Development and Finance Corporation.

<sup>29</sup> Punjab Scheduled Castes Land Development and Finance Corporation and PEPSU Road Transport Corporation.

## **5.12 CAG's oversight - Audit of accounts and supplementary audit**

### **5.12.1 Financial reporting framework**

Companies are required to prepare the Financial Statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards renamed as National Financial Reporting Authority<sup>30</sup>. The Statutory Corporations are required to prepare their accounts in the format prescribed under the rules framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such Corporations.

### **5.12.2 Audit of accounts of Government Companies by Statutory Auditors**

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of public sector undertakings with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power to:

- issue directions to the statutory auditors under Section 143 (5) of the Companies Act, 2013; and
- supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

### **5.12.3 Supplementary Audit of accounts of Government Companies**

The primary responsibility for preparation of Financial Statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The statutory auditors appointed by the CAG under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the Financial Statements under section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India and directions given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by CAG by carrying out a

<sup>30</sup> Effective from 01 October 2018.

supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the AGM.

### **5.13 Result of CAG's oversight role**

#### **5.13.1 Audit of accounts of SPSEs**

Twenty seven Financial Statements for the year 2021-22 and previous years were received from 24 SPSEs from 01 December 2021 to 30 September 2022. 21 Financial Statements of 18 SPSEs were reviewed in audit by the CAG and Non-Review Certificate was issued for the six accounts of six SPSEs. The results of the review are detailed below:

#### **5.13.2 Amendment of Financial Statements**

During 2021-22 there is no case of SPSEs amending their Financial Statements before laying the same in the AGM.

#### **5.13.3 Revision of Auditors Report**

During 2021-22, there is no case of revision of statutory auditors' report as a result of supplementary audit of the Financial Statements conducted by the CAG.

### **5.14 Conclusions**

As on 31 March 2022, there were 49 SPSEs including four Statutory Corporations. Out of 49 SPSEs, there are 16 inactive SPSEs. SPSEs did not adhere to the prescribed timeline regarding submission of their Financial Statements. There were 212 accounts of 40 SPSEs in arrears.

Out of the total profit of ₹ 1,710.77 crore earned by 12 SPSEs 93.28 per cent was contributed by three SPSEs. Out of total loss of ₹ 440.87 crore incurred by 17 SPSEs, loss of ₹ 396.30 crore was incurred by three SPSEs (Punjab Agro Foodgrain Corporation Limited, Punjab State Grains Procurement Corporation Limited and Punjab State Civil Supplies Corporation Limited). Out of 12 SPSEs which earned profits as per the latest finalised accounts, only four SPSEs declared dividend. Three SPSEs didn't earn enough profit to declare dividend and remaining five SPSEs which earned aggregate profit of ₹ 557.18 crore had not declared/paid dividend.

Financial impact of significant comments issued during December 2021 to September 2022 on Financial Statement of SPSEs was ₹ 1,639.47 crore on profitability and ₹ 354.88 crore on the financial position.

### **5.15 Recommendations**

(i) State Government may impress upon the managements of SPSEs to ensure timely submission of their Financial Statements. As many as 212 accounts of 40 SPSEs were in arrears in the absence of finalised accounts,


Government investments in such SPSEs remain outside the oversight of the State Legislature;

(ii) The 16 inactive SPSEs are neither contributing to State economy nor meeting the intended objectives. Out of 16, process of liquidation for four SPSEs has been started. The State Government needs to take a policy decision regarding commencement of liquidation process in respect of remaining 12 inactive SPSEs;

(iii) Out of 12 SPSEs which earned profits as per the latest finalised accounts only four SPSEs declared dividend, three SPSEs didn't earn enough profit to declare dividend and remaining five SPSEs which earned aggregate profit of ₹ 557.18 crore had not declared/paid dividend; and


(iv) State Government may analyse the reasons of losses in those SPSEs whose net worth has been eroded and initiate steps to make their operations efficient and profitable.

**Chandigarh**  
**The 13 February 2023**

  
**(NAZLI J. SHAYIN)**  
**Principal Accountant General (Audit), Punjab**

**Countersigned**

**New Delhi**  
**The 13 February 2023**

  
**(GIRISH CHANDRA MURMU)**  
**Comptroller and Auditor General of India**



# **Appendices**





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

<b>A. General Data</b>			
<b>Sr. No.</b>	<b>Particulars</b>	<b>Figures</b>	
1.	Area	50,362 sq km	
2.	Population	3.05 crore	
3.	Density of Population (All India Density= 418.43 persons per Sq. km.)	606.31 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 = 69.70 years)	72.8	
8.	Gross State Domestic Product (GSDP) 2021-22 at current prices	₹ 5,84,042 crore	
9.	Per capita GSDP CAGR* (2012-13 to 2021-22)	General Category States Average	9.34 per cent
		Punjab	6.38 per cent
		All India Average	8.86 per cent
10.	GSDP CAGR (2012-13 to 2021-22)	General Category States Average	10.62 per cent
		Punjab	7.77 per cent
		All India Average	10.11 per cent
11.	Population Growth (2012 to 2022)	General Category States Average	11.98 per cent
		Punjab	8.96 per cent
		All India Average	12.12 per cent
12.	Total cropped area	78.18 lakh hectares	
13.	Gross Irrigated area	76.80 lakh hectares	
14.	Percentage of total irrigated area to cropped area	98.23 per cent	

\* *Compounded Annual Growth Rate*

Source: (i) Economic and Statistical Organisation, Government of Punjab, (ii) Population Projections by National Commission on Population, (iii) Ministry of Health & Family Welfare, GoI, (iv) Ministry of Statistics and Programme Implementation (MoSPI), GoI, (v) Office of the Registrar General & Census Commissioner, India (ORGI) and (vi) Statistical Abstract of Punjab 2021.

<b>B. Financial Data</b>									
Sr. No.	Particulars	Figures (in per cent)							
		2012-13 to 2015-16		2016-17 to 2019-20		2019-20 to 2020-21		2020-21 to 2021-22	
		General Category States	Punjab	General Category States	Punjab	General Category States	Punjab	General Category States	Punjab
	<u>CAGR</u>								
a.	Of Revenue Receipts	13.79	9.01	8.68	8.67	(-)4.12	12.14	25.60	13.21
b.	Of Own Tax Revenue	8.92	5.72	9.15	2.63	(-)4.06	0.19	25.62	24.20
c.	Of Non Tax Revenue	9.80	0.27	15.41	4.30	(-)34.63	(-)37.62	45.46	15.25
d.	Of Total Expenditure	16.32	12.44	6.99	(-)2.20	4.99	(-)2.95	13.96	15.86
e.	Of Capital Expenditure*	25.38	62.27	(-)4.95	(-)25.88	(-)2.09	(-)71.32	25.59	79.58
f.	Of Revenue Expenditure on Education	12.31	8.97	9.26	7.12	(-)0.90	10.79	11.47	6.63
g.	Of Revenue Expenditure on Health	17.22	13.22	11.86	5.73	15.29	10.91	19.71	2.64
h.	Of Salary and Wages	10.50	7.29	9.86	5.08	2.83	1.58	11.23	11.08
i.	Of Pension	12.16	9.50	15.01	5.47	6.48	32.89	11.88	7.73

Source: Finance Accounts

\* Includes Capital Outlay and Loans and Advances disbursed.

## Appendix 1.2

(Referred to in paragraphs 1.4.2 page 9)

Summarised financial position of the Government of Punjab  
as on 31 March 2022

(₹ in crore)

LIABILITIES	As on 31.03.2021	As on 31.03.2022
<b>Internal Debt -</b>	<b>210393.75</b>	<b>220196.34</b>
Market Loans bearing interest	151684.67	165099.00
Market Loans not bearing interest	0.03	0.03
Loans from Life Insurance Corporation of India	--	--
Loans from other Institutions	58709.05	55097.31
Ways and Means Advances and Overdrafts from Reserve Bank of India	--	--
<b>Loans and Advances from Central Government-</b>	<b>12999.91</b>	<b>25094.25</b>
Non-Plan Loans	15.10	12.24
Loans for State Plan Schemes	2270.53	1782.21
Pre 1984-85 Loans	0.30	0.30
Other loans for State	10713.98	23299.50*
<b>Contingency Fund</b>	<b>25.00</b>	<b>25.00</b>
<b>Small Savings, Provident Funds, etc.</b>	<b>22149.54</b>	<b>22187.70</b>
<b>Deposits</b>	<b>3904.66</b>	<b>4785.10</b>
<b>Reserve Funds</b>	<b>9794.91</b>	<b>12636.52</b>
<b>Suspense and Miscellaneous Balances</b>	<b>157.65</b>	<b>92.86</b>
<b>Remittance Balances</b>	<b>--</b>	<b>--</b>
<b>TOTAL</b>	<b>259425.42</b>	<b>285017.77</b>
ASSETS		
<b>Gross Capital Outlay on Fixed Assets -</b>	<b>70457.79</b>	<b>78467.77</b>
Investments in shares of Companies, Corporations, etc.	19911.84	19899.69
Other Capital Expenditure	50545.95	58568.08
<b>Loans and Advances -</b>	<b>36300.59</b>	<b>37669.67</b>
Loans for Power Projects	744.91	739.70
Other Development Loans	35545.54	36917.86
Loans to Government servants and miscellaneous loans	10.14	12.11
<b>Advances with Departmental Officers</b>	<b>0.42</b>	<b>0.42</b>
<b>Remittance Balances</b>	<b>83.90</b>	<b>75.45</b>
<b>Cash</b>	<b>9247.83</b>	<b>6871.64</b>
Cash in Treasuries and local remittances	--	--
Departmental Cash Balance	1131.59	1376.09
Permanent Advances/Cash Imprest)	0.26	0.26
Cash Balance Investments	6710.25	2237.59
Deposits with Reserve Bank of India	194.40	129.76
Investments from Earmarked Funds	1211.33	3127.94
<b>Suspense and Miscellaneous Balances</b>	<b>0.66</b>	<b>130.37</b>
<b>Add difference on account of rounding-off</b>	<b>--</b>	<b>0.02</b>
<b>Deficit on Government Account -</b>	<b>143334.23</b>	<b>161802.43</b>
Add Revenue Deficit of the current year	17296.44	18468.20
Accumulated deficit at the beginning of the year	126037.79	143334.23
<b>TOTAL</b>	<b>259425.42</b>	<b>285017.77</b>

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, page 18)

**Abstract of receipts and disbursements for the year 2021-22***(₹ in crore)*

<b>Receipts</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Disbursements</b>	<b>2020-21</b>	<b>2021-22</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Section-A: Revenue</b>					
<b>I-Revenue receipts</b>	<b>69048.18</b>	<b>78168.31</b>	<b>I-Revenue expenditure-</b>	<b>86344.62</b>	<b>96636.51</b>
(i)-Tax revenue	30052.83	37326.86	<b>General services</b>	<b>43253.01</b>	<b>47239.77</b>
(ii)-Non-tax revenue	4152.13	4783.77	<b>Social Services-</b>	<b>21674.90</b>	<b>25334.31</b>
(iii) State's share of Union Taxes and Duties	10638.21	15288.79	-Education, Sports, Art and Culture	11948.73	12712.39
(iv) Non-Plan Grants	0.00	0.00	-Health and Family Welfare	3759.55	3859.61
(v) Grants for State Plan Schemes	0.00	0.00	Water Supply, Sanitation, Housing and Urban Development	1043.01	517.70
(vi) Grants for Centrally Sponsored Plan Schemes	(-)0.48	(-)4.03	-Information and Broadcasting	69.79	255.27
(vii) Grants for Centrally Sponsored Schemes	2880.41	3678.16	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	587.51	670.82
(viii) Finance Commission Grants	11481.23	12435.61	-Labour and Labour Welfare	255.28	274.94
(ix) Other Transfer/ Grants to States/ Union Territories with Legislatures	9843.85	4659.15	-Social Welfare and Nutrition	3969.89	7005.83
			-Others	41.14	37.75
			<b>Economic Services-</b>	<b>15445.40</b>	<b>20203.74</b>
			-Agriculture and Allied Activities	8312.28	10231.78
			-Rural Development	627.88	560.58
			-Irrigation and Flood Control	1009.76	1036.79
			-Energy	2189.41	4382.98

<b>Receipts</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Disbursements</b>	<b>2020-21</b>	<b>2021-22</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
			-Industry and Minerals	2118.57	2519.08
			-Transport	877.65	1054.73
			-Science, Technology and Environment	11.55	20.31
			-General Economic Services	298.30	397.49
			<b>Grants-in-aid Contributions</b>	<b>5971.31</b>	<b>3858.69</b>
<b>II. Revenue deficit carried over to Section B</b>	<b>17296.44</b>	<b>18468.20</b>	<b>II. Revenue Surplus carried over to Section-B</b>	--	--
<b>Total Section A</b>	<b>86344.62</b>	<b>96636.51</b>		<b>86344.62</b>	<b>96636.51</b>
<b>Section-B : Others</b>					
<b>III-Opening Cash balance including Permanent Advances and Cash Balance Investment</b>	<b>2125.06</b>	<b>9247.83</b>	<b>III Opening Overdraft from Reserve Bank of India</b>	--	--
<b>IV – Misc. Capital Receipts</b>	<b>0.02</b>	<b>0.00</b>	<b>IV-Capital Outlay</b>	<b>4382.32</b>	<b>8009.98</b>
			<b>General Services</b>	<b>210.99</b>	<b>264.42</b>
			<b>Social Services-</b>	<b>2250.80</b>	<b>2910.80</b>
			-Education, Sports, Art and Culture	200.49	195.74
			-Health and Family Welfare	93.80	82.86
			Water Supply, Sanitation, Housing and Urban Development	1887.22	2580.09
			-Information and Broadcasting	0.00	0.00
			-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	54.52	35.77
			-Social Welfare and Nutrition	14.76	16.12
			-Other Social Services	0.01	0.22

<b>Receipts</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Disbursements</b>	<b>2020-21</b>	<b>2021-22</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
			<b>Economic Services-</b>	<b>1920.53</b>	<b>4834.76</b>
			-Agriculture and Allied Activities	(-)2.08	0.81
			-Rural Development	214.37	356.00
			-Irrigation and Flood Control	752.63	935.14
			Energy	20.11	154.41
			Industry and Minerals	12.62	16.83
			Transport	587.86	1016.08
			Science Technology and Environment	18.13	7.20
			General Economic Services	316.89	2348.29
<b>V- Recoveries of Loans and Advances</b>	<b>50.37</b>	<b>206.73</b>	<b>V-Loans and Advances Disbursed</b>	<b>955.79</b>	<b>1575.81</b>
-From Power Projects	16.31	5.21	-For Power Projects	0.00	0.00
-From Government Servants	22.43	29.00	-To Government Servants	23.92	30.97
-From others	11.63	172.52	-To Others	931.87	1544.84
<b>VI- Revenue surplus brought down</b>	--	--	<b>VI-Revenue Deficit Brought down</b>	<b>17296.44</b>	<b>18468.20</b>
<b>VII- Public debt receipts</b>	<b>42386.01</b>	<b>39169.85</b>	<b>VII-Repayment of Public Debt</b>	<b>13324.99</b>	<b>17272.92</b>
-External Debt	--	--	-External Debt	--	--
-Internal debt other than ways and means Advances and Overdraft	33595.00	26584.33	-Internal debt other than ways and means Advances and Overdraft	12863.32	16781.74
-Net transactions under Ways and Means Advances	0.00	0.00	-Net transactions under Ways and Means Advances	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	8791.01 <sup>1</sup>	12585.52 <sup>2</sup>	-Repayment of Loans and Advances to Central Government	461.67	491.18

<sup>1</sup> Includes ₹8,359 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.

<sup>2</sup> Includes ₹12,132.41 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.

Receipts	2020-21	2021-22	Disbursements	2020-21	2021-22
1	2	3	4	5	6
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
<b>X-Public Account Receipts#</b>	<b>75116.87</b>	<b>91233.63</b>	<b>X-Public Account Disbursement#</b>	<b>74470.97</b>	<b>87659.49</b>
-Small Savings and Provident funds	3228.74	3152.78	-Small Savings and Provident funds	4074.26	3114.62
-Reserve funds	2045.86	3503.06	-Reserve funds	708.10	661.45
-Deposits and Advances	3637.68	7906.11	-Deposits and Advances	3554.40	7025.67
-Suspense and Miscellaneous#	66179.15	76619.49	-Suspense and Miscellaneous#	66050.14	76814.01
-Remittances	25.44	52.19	-Remittances	84.07	43.74
<b>XI-Closing Overdraft from Reserve Bank of India</b>	<b>Nil</b>	<b>Nil</b>	<b>XI-Cash Balance at end</b>	<b>9247.83</b>	<b>6871.64</b>
			Cash in Treasuries and Local Remittances	--	--
			Deposits with Reserve Bank	194.40	129.76
			Other cash balance and Investments	2343.18	4504.29
			Cash Balance Investment	6710.25	2237.59
<b>Total Section-B</b>	<b>119678.34</b>	<b>139858.04</b>		<b>119678.34</b>	<b>139858.04</b>
<b>Total (A+B)</b>	<b>206022.96</b>	<b>236494.55</b>	<b>Total</b>	<b>206022.96</b>	<b>236494.55</b>

Source: Finance Accounts

# Excluding transactions under Major Heads '8671-Departmental Balances' and '8673- Cash Balance Investment Account', which forms part of Cash Balance.

**Appendix 2.2**

(Referred to in paragraphs 2.3.2.1 page 21)

**Time Series data on State Government Finances***(₹ in crore)*

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Part A: Receipts</b>					
<b>1. Revenue Receipts</b>	<b>53010</b>	<b>62269</b>	<b>61575</b>	<b>69048</b>	<b>78168</b>
(i) Tax Revenue <sup>3</sup>	30423 (57)	31574 (51)	29995 (49)	30053 (44)	37327 (48)
State's Goods and Service Tax <sup>4</sup>	7901 (26)	13273 (42)	12751 (43)	11819 (39)	15542 (42)
Taxes on Sales, Trades etc. <sup>4</sup>	11160 (37)	6572 (21)	5223 (17)	5372 (18)	6869 (18)
State Excise <sup>4</sup>	5136 (17)	5072 (16)	4865 (16)	6164 (20)	6157 (16)
Taxes on vehicles <sup>4</sup>	1911 (6)	1861 (6)	1994 (7)	1472 (5)	2359 (6)
Stamps and Registration fees <sup>4</sup>	2135 (7)	2298 (7)	2258 (8)	2470 (8)	3308 (9)
Land Revenue	91	69	67	68	84
Other Taxes <sup>4</sup>	2089 (7)	2429 (8)	2837 (9)	2688 (9)	3008 (8)
(ii) Non-Tax Revenue <sup>3</sup>	4319 (8)	7582 (12)	6654 (11)	4152 (6)	4783 (6)
(iii) State's share of Union taxes and duties <sup>3</sup>	10617 (20)	12005 (19)	10346 (17)	10638 (15)	15289 (20)
(iv) Grants in aid from GOI <sup>3</sup>	7651 (14)	11108 (18)	14580 (23)	24205 (35)	20769 (27)
<b>2. Misc. Capital Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3. Recoveries of Loans and Advances</b>	<b>73</b>	<b>849</b>	<b>16070</b>	<b>50</b>	<b>207</b>
<b>4. Total revenue and Non-debt capital receipts (1+2+3)</b>	<b>53083</b>	<b>63118</b>	<b>77645</b>	<b>69098</b>	<b>78375</b>
<b>5. Public Debt Receipts</b>	<b>18517</b>	<b>22939</b>	<b>27821</b>	<b>42386<sup>5</sup></b>	<b>39170<sup>6</sup></b>
Internal Debt (excluding Ways & Means Advances and Overdrafts)	17622	22325	27674	33595	26584
Net transactions under Ways and Means advances and Overdrafts	435	(-)704	2	0	0
Loans and Advances from Government of India	460	1318	145	8791 <sup>5</sup>	12586 <sup>6</sup>
<b>6. Total receipts in the Consolidated Fund (4+5)</b>	<b>71600</b>	<b>86057</b>	<b>105466</b>	<b>111484</b>	<b>117545</b>
<b>7. Contingency Fund Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8. Public Account Receipts</b>	<b>47083</b>	<b>64840</b>	<b>66752</b>	<b>75117</b>	<b>91234</b>
<b>9. Total receipts of the State (6+7+8)</b>	<b>118683</b>	<b>150897</b>	<b>172218</b>	<b>186601</b>	<b>208779</b>

<sup>3</sup> Figures in parenthesis indicate percentage to Revenue Receipts.<sup>4</sup> Figures in parenthesis indicate percentage to Tax Revenue.<sup>5</sup> Includes ₹8,359 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.<sup>6</sup> Includes ₹12,132 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.



Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Part B: Expenditure/ Disbursement</b>					
<b>10. Revenue Expenditure<sup>7</sup></b>	<b>62465</b>	<b>75404</b>	<b>75860</b>	<b>86344</b>	<b>96636</b>
	(95)	(95)	(80)	(94)	(91)
General Services including interest payments <sup>8</sup>	34500	36931	38615	43253	47240
	(55)	(49)	(51)	(50)	(49)
Social Services <sup>8</sup>	15470	18320	19484	21675	25334
	(25)	(24)	(26)	(25)	(26)
Economic Services <sup>8</sup>	11194	17888	14551	15445	20204
	(18)	(24)	(19)	(18)	(21)
Grants in aid and Contributions <sup>8</sup>	1301	2265	3210	5971	3858
	(2)	(3)	(4)	(7)	(4)
<b>11. Capital Expenditure<sup>7</sup></b>	<b>2352</b>	<b>2412</b>	<b>17828</b>	<b>4382</b>	<b>8010</b>
	(4)	(3)	(19)	(5)	(8)
General Services <sup>9</sup>	180	169	154	211	264
	(8)	(7)	(1)	(5)	(4)
Social Services <sup>9</sup>	916	1047	965	2251	2911
	(39)	(43)	(5)	(51)	(36)
Economic Services <sup>9</sup>	1256	1196	16709	1920	4835
	(53)	(50)	(94)	(44)	(60)
<b>12. Disbursement of Loans and Advances<sup>7</sup></b>	<b>760</b>	<b>1361</b>	<b>783</b>	<b>956</b>	<b>1576</b>
	(1)	(2)	(1)	(1)	(1)
<b>13. Total of revenue expenditure, capital expenditure and disbursement of loan and advances (10+11+12)</b>	<b>65577</b>	<b>79177</b>	<b>94471</b>	<b>91682</b>	<b>106222</b>
<b>14. Repayments of Public Debt</b>	<b>7487</b>	<b>8611</b>	<b>12618</b>	<b>13325</b>	<b>17273</b>
Internal Debt (excluding Ways and Means Advances and Overdraft)	7152	8234	12185	12863	16782
Net transactions under Ways and Means advances and Overdraft	0	0	0	0	0
Loans and Advances from Government of India	335	377	433	462	491
<b>15. Appropriation to Contingency Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>73064</b>	<b>87788</b>	<b>107089</b>	<b>105007</b>	<b>123495</b>
<b>17. Contingency Fund disbursements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>18. Public Account disbursements</b>	<b>45526</b>	<b>62272</b>	<b>64328</b>	<b>74471</b>	<b>87659</b>
<b>19. Total disbursements by the State (16+17+18)</b>	<b>118590</b>	<b>150060</b>	<b>171417</b>	<b>179478</b>	<b>211154</b>
<b>Part C: Deficits</b>					
<b>20. Revenue Deficit (1-10)</b>	<b>(-)9455</b>	<b>(-)13135</b>	<b>(-)14285</b>	<b>(-)17296</b>	<b>(-)18468</b>
<b>21. Fiscal Deficit (4 – 13)</b>	<b>(-)12494</b>	<b>(-)16059</b>	<b>(-)16826</b>	<b>(-)22584</b>	<b>(-)27847</b>
<b>22. Primary Deficit (-)/ Surplus (+) (21-23)</b>	<b>2840</b>	<b>247</b>	<b>741</b>	<b>(-)4432</b>	<b>(-)8784</b>

<sup>7</sup> Figures in parenthesis indicate percentage to total expenditure.

<sup>8</sup> Figures in parenthesis indicate percentage to revenue expenditure.

<sup>9</sup> Figures in parenthesis indicate percentage to capital outlay.

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Part D: Other data</b>					
<b>23. Interest Payments (included in the revenue expenditure)</b>	<b>15334</b>	<b>16306</b>	<b>17567</b>	<b>18152</b>	<b>19063</b>
<b>24. Financial Assistance to local bodies etc.</b>	<b>6163</b>	<b>8864</b>	<b>9883</b>	<b>15022</b>	<b>11900</b>
<b>25. Ways and Means Advances/Overdraft/Special Drawing Facility availed (days)</b>	<b>313</b>	<b>233</b>	<b>227</b>	<b>145</b>	<b>12</b>
Ways and Means Advances availed (days)	213	170	183	145	0
Overdraft/Special Drawing Facility availed (days)	100	63	44	0	12
<b>26. Interest on Ways and Means Advances/Overdraft</b>	<b>48</b>	<b>27</b>	<b>24</b>	<b>6</b>	<b>0</b>
<b>27. Gross State Domestic Product (GSDP)</b>	<b>471014</b>	<b>512510</b>	<b>537031</b>	<b>532555</b>	<b>584042</b>
<b>28. Total Outstanding Debt (year end)</b>	<b>195152</b>	<b>211917</b>	<b>229354</b>	<b>249673<sup>10</sup></b>	<b>261281<sup>11</sup></b>
<b>29. Outstanding Guarantees (year end)</b>	<b>19760</b>	<b>23719</b>	<b>25352</b>	<b>23552</b>	<b>20165</b>
<b>30. Maximum amount guaranteed (year end)</b>	<b>14214</b>	<b>14287</b>	<b>14434</b>	<b>23170</b>	<b>25850</b>
<b>31. Number of incomplete projects</b>	<b>40</b>	<b>53</b>	<b>52</b>	<b>96</b>	<b>86</b>
<b>32. Capital blocked in incomplete projects</b>	<b>118</b>	<b>158</b>	<b>1201</b>	<b>1209</b>	<b>1564</b>
<b>Part E: Fiscal Health Indicators (per cent)</b>					
<b>I Resource Mobilization</b>					
Own Tax revenue/GSDP	6.46	6.16	5.59	5.64	6.39
Own Non-tax revenue/GSDP	0.92	1.48	1.24	0.78	0.82
Central Transfers/GSDP	2.25	2.34	1.93	2.00	2.62
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	13.93	15.45	17.59	17.22	18.19
Total Expenditure/Revenue Receipts	123.71	127.15	153.42	132.78	135.89
Revenue Expenditure/Total Expenditure	95.25	95.23	80.30	94.18	90.98
Expenditure on Social Services/ Total Expenditure	24.99	24.46	21.65	26.10	26.59
Expenditure on Economic Services/ Total Expenditure*	20.09	25.78	33.88	19.96	25.06
Capital Expenditure/ Total Expenditure	3.59	3.05	18.87	4.78	7.54
Capital Expenditure on Social & Economic Services/ Total Expenditure	3.31	2.83	18.71	4.55	7.29

<sup>10</sup> 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.

<sup>11</sup> Excluding ₹ 20,491 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.

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
<b>III Management of fiscal Imbalances</b>					
Revenue deficit /GSDP	(-2.01)	(-2.56)	(-2.66)	(-3.25)	(-3.16)
Fiscal deficit/GSDP	(-2.65)	(-3.13)	(-3.13)	(-4.24)	(-4.77)
Primary deficit (surplus)/GSDP	0.60	0.05	0.14	(-0.83)	(-1.50)
Revenue Deficit/Fiscal Deficit	75.68	81.79	84.90	76.59	66.32
<b>IV Management of Fiscal Liabilities</b>					
Total Outstanding Debt/GSDP	41.43	41.35	42.71	46.88	44.74
Total Outstanding Debt/RR	368.14	340.33	372.48	361.59	334.26
<b>V Other Fiscal Health Indicators</b>					
Return on Investment (per cent)	0.11	0.10	0.02	0.01	0.033
Financial Assets/Liabilities	49.47	47.29	45.12	42.91 <sup>\$</sup>	38.83 <sup>#</sup>

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 2020-22 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), page 47)***Statement showing accumulated losses in PSUs in which State Government has equity investment***(₹ in crore)*

<b>Sr. No.</b>	<b>Name of the PSU</b>	<b>GoP equity at close of the year 2021-22</b>	<b>Accumulated Profits (+)/ Losses (-)</b>
1.	Ludhiana Smart City Limited	0.01	(-)0.20
2.	Gulmohar Tourist Complex (Holiday Home) Limited	0.02	(-)5.48
3.	Punjab Scheduled Castes Land Development and Finance Corporation	68.09	(-)26.80
4.	Punjab Water Resource Management and Development Corporation Limited	300.00	(-)212.45
5.	Punjab Financial Corporation	29.31	(-)257.39
6.	PEPSU Road Transport Corporation	307.08	(-)396.20
7.	Punjab State Industrial Development Corporation Limited	78.22	(-)661.62
8.	Punjab State Warehousing Corporation	4.00	(-)554.17
9.	Punjab State Civil Supplies Corporation Limited	3.73	(-)1985.55
10.	Punjab State Grains Procurement Corporation Limited	1.05	(-)3721.91
11.	Punjab State Power Corporation Limited	21709.73	(-)5644.05
<b>Total</b>		<b>22501.24</b>	<b>(-)13465.82</b>

*Source: Finalised accounts of the PSUs upto September 2022*

**Appendix 2.4***(Referred to in paragraph 2.4.2.2 (i), page 47)***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 2022
1.	Punjab State Grains Procurement Corporation Limited	1.05	1.05	(-)224.05	(-)3721.91	(-)3720.86	6764.37
2.	Gulmohar Tourist Complex (Holiday Home) Limited	0.02	0.02	(-)0.27	(-)5.48	(-)5.46	0
3.	Punjab State Civil Supplies Corporation Limited	3.73	3.73	(-)37.17	(-)1985.55	(-)1981.82	9806.24
4.	Punjab State Industrial Development Corporation Limited	78.22	78.22	22.64	(-)661.62	(-)583.40	0
5.	PEPSU Road Transport Corporation	331.44	307.08	(-)2.67	(-)396.20	(-)64.76	23.75
6.	Ludhiana Smart City Limited	0.01	0.01	(-)0.04	(-)0.20	(-)0.19	0
7.	Punjab State Warehousing Corporation	8.00	4.00	311.53	(-)554.17	(-)519.69	3,474.91
8.	Punjab Financial Corporation	40.39	29.31	(-)0.29	(-)257.39	(-)217.00	9.84
<b>Total</b>		<b>462.86</b>	<b>423.42</b>	<b>69.68</b>	<b>(-)7582.52</b>	<b>(-)7093.18</b>	<b>20079.11</b>

Source: Finalised accounts of the PSUs upto September 2022

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), page 47)

**Position of outstanding long term loans extended by  
Government of Punjab to State PSUs as on 31 March 2022**

(₹ in crore)

<b>Sr. No.</b>	<b>Name of the PSU</b>	<b>Amount of outstanding loan</b>
1.	Punjab Agro Foodgrains Corporation Limited	5597.01
2.	Punjab State Grains Procurement Corporation Limited	6764.37
3.	Punjab Water Resources Management and Development Corporation Limited	222.26
4.	Punjab State Civil Supplies Corporation Limited	9806.24
5.	Punjab State Warehousing Corporation	3474.91
6.	PEPSU Road Transport Corporation	23.75
7.	Punjab Financial Corporation	9.84
8.	Punjab State Power Corporation Limited	8.86
<b>Total</b>		<b>25907.24</b>

Source: Information provided by the PSUs

**Appendix 2.6***(Referred to in paragraph 2.4.2.2 (ii), page 48)***Government Investment as per Finance Accounts vis-à-vis records of Public Sector Undertakings***(₹ in crore)*

<b>Sr. No.</b>	<b>Name of the PSU</b>	<b>As per Finance Accounts</b>	<b>As per records of PSUs</b>	<b>Difference</b>
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.	Gulmohar Tourist Complex (Holiday Home) Limited	0.00	0.02	0.02
6.	Punjab Tourism Development Corporation Limited	5.40	6.66	1.26
7.	Punjab State Warehousing Corporation	3.92	4.00	0.08
8.	Punjab Scheduled Castes Land Development and Finance Corporation	82.25	68.09	(-)14.16
9.	PEPSU Road Transport Corporation	255.05	307.08	52.03
10.	Punjab Poultry Development Corporation Limited	2.88	3.09	0.21
11.	Amritsar Hotel Limited	0.00	0.02	0.02
12.	Neem Chameli Tourist Complex Limited	0.00	0.02	0.02
13.	Punjab Police Housing Corporation Limited	0.00	0.05	0.05
14.	Amritsar Smart City Limited	0.00	0.01	0.01
15.	Jalandhar Smart City Limited	0.00	0.01	0.01
16.	Ludhiana Smart City Limited	0.00	0.01	0.01
17.	Punjab State Power Corporation Limited	18401.05	21709.73	3308.68
18.	Punjab State Transmission Corporation Limited	0.00	605.88	605.88
	<b>Total</b>	<b>19012.15</b>	<b>23104.50</b>	<b>4092.35</b>

*Source: Finance Accounts and information obtained from the PSUs*

## Appendix 2.7 (A)

(Referred to in paragraph 2.6.2 page 65)

## Actuals and projections of Public Debt

(₹ in crore)

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Actuals										
Borrowings	10724	11108	11363	9013*	15283**	18517	22939	27821	34027@	27038#
Growth Rate (per cent)	24.71	3.58	2.30	-20.68	69.57	21.16	23.88	21.28	22.31	-20.54
Repayment of Principal <sup>\$</sup>	3674	3650	3214	3830	4050	6677	7736	11672	12285	15145
Growth Rate (per cent)	37.35	-0.65	-11.95	19.17	5.74	64.86	15.86	50.88	5.25	23.28
Interest Payment	5458	6183	6941	7781	9722	13293	14115	15254	16105	16957
Growth Rate (per cent)	8.02	13.28	12.26	12.10	24.95	36.73	6.18	8.07	5.58	5.29
Projected										
Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Opening Debt Stock	363263	376004	389776	404529	420165	436511	453305	470164	486551	501727
Projected Fresh Borrowings	31029	35609	40864	46896	53818	61761	70877	81339	93345	107122
Growth Rate (per cent)	Projected at annual average growth rate of 14.76 per cent (average of annual growth rates of the last ten years)									
Projected Interest on fresh borrowings	19238	22077	25336	29076	33367	38292	43944	50430	57874	66416
Growth Rate (per cent)	Calculated at 62 per cent of the projected fresh borrowings on the basis of interest to principal ratio at the end of 2021-22									
Projected Repayment of principal	18322	22166	26817	32443	39250	47484	57447	69499	84080	101720
Growth Rate (per cent)	Projected at annual average growth rate of 20.98 per cent (average of annual growth rates of the last ten years)									
Projected Interest Payment	19204	21748	24630	27893	31589	35775	40515	45883	51963	58848
Growth Rate (per cent)	Projected at annual average growth rate of 13.25 per cent (average of annual growth rates of the last ten years)									
Closing Debt Stock	376004	389776	404529	420165	436511	453305	470164	486551	501727	514697

Source: Finance Accounts for actuals

\* Excludes additional borrowings of ₹ 5,597 crore, advanced to PSPCL for taking DISCOMs debt under UDAY.

\*\* Excludes additional borrowings of ₹ 39,951 crore, advanced to food procuring agencies against the legacy amount in the food procurement (₹ 29,920 crore) and to PSPCL for taking DISCOMs debt under UDAY (₹ 10,031 crore).

@ Excludes ₹ 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.

# Excludes ₹ 12,132 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.

\$ During 2017-22, it excludes repayments of borrowings on account of UDAY during 2015-17 and CCL during 2016-17.



### Appendix 2.7 (B)

(Referred to in paragraph 2.6.2 page 65)

#### Actuals and projections of Revenue Receipts, Revenue Expenditure, Revenue Deficit and Interest Payments on Debt

(₹ in crore)

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Actual</b>										
Revenue Receipts	32051	35104	39023	41523	47985	53010	62269	61575	69048	78168
Growth Rate (per cent)	22.17	9.53	11.16	6.41	15.56	10.47	17.47	(-)1.11	12.14	13.21
Revenue Expenditure	39458	41641	46614	50073	55296	62465	75404	75860	86344	96636
Growth Rate (per cent)	19.41	5.53	11.94	7.42	10.43	12.96	20.71	0.60	13.82	11.92
Revenue Deficit	-7407	-6537	-7591	-8550	-7311	-9455	-13135	-14285	-17296	-18468
Interest Payment	5458	6183	6941	7781	9722	13293	14115	15254	16105	16957
Growth Rate (per cent)	8.02	13.28	12.26	12.10	24.95	36.73	6.18	8.07	5.58	5.29
Interest Payment/ Revenue Deficit (per cent)	-74	-95	-91	-91	-133	-141	-107	-107	-93	-92
<b>Projected</b>										
Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Revenue Receipts	87314	97530	108941	121687	135924	151827	169591	189433	211597	236354
Growth Rate (per cent)	<i>Projected at annual average growth rate of 11.70 per cent (average of annual growth rates of the last ten years)</i>									
Revenue Expenditure	107730	120097	133884	149254	166388	185489	206783	230522	256986	286488
Growth Rate (per cent)	<i>Projected at annual average growth rate of 11.48 per cent (average of annual growth rates of the last ten years)</i>									
Revenue Deficit	-20416	-22567	-24943	-27567	-30464	-33662	-37192	-41089	-45389	-50134
Interest Payment	19204	21748	24630	27893	31589	35775	40515	45883	51963	58848
Growth Rate (per cent)	<i>Projected at annual average growth rate of 13.25 per cent (average of annual growth rates of the last ten years)</i>									
Interest Payment/ Revenue Deficit (per cent)	-94	-96	-99	-101	-104	-106	-109	-112	-115	-118

Source: Finance Accounts for actuals

**Appendix 3.1**

(Referred to in paragraph 3.3.1; page 77)

**Statement showing expenditure incurred without budget provision  
(exceeding ₹ one crore)**

Sr. No.	Number and Name of grant	Expenditure without provision (₹ in crore)	Head of Account
1.	01-Agriculture	175.00	2401-00-108-22-Subsidy Scheme for Cane Price Payment to the Cane Farmers
2.		605.00	2401-00-800-24-Grants-in-Aid to Punjab Rural Development Board
3.	08-Finance	27.61	2235-60-200-02-Ex-Gratia Payments to Families of Ministers, Government Servants etc. dying in Harness
4.		2005.62	6003-00-112-01-Special Drawing Facility on 91 days deposits
5.	09-Food and Supplies	22.43	6408-01-190-02-Loan to Procuring Agencies for funding GAP of Cash Credit Limit (CCL) etc.- 02-Punjab State Grains Procurement Corporation Limited (PUNGRAIN)
6.	15-Water Resources	20.87	2701-01-799-02-Debit to Miscellaneous Advance
7.		3.25	4700-02-799-01-Debit to Stock
8.	21-Public Works	174.37	2059-80-001-07-Establishment Charges paid to Public Health Department for works done by that Department
9.		3.16	2059-80-799-02-Debit to Miscellaneous Advance
10.		57.34	3054-80-001-01-Establishment Charges, Transferred on Pro rata Basis to the Major Head "3054" Roads and Bridges
11.		193.35	3054-80-797-01-Amount Transferred to Subvention from Central Road Fund
12.		2.41	3054-80-799-02-Debit to Miscellaneous Advance
13.		6.62	5054-03-101-02-Bridges on Ropar NurpurBedi Road
14.		1.92	5054-03-337-03-Four Laning of KiratPur Sahib Anandpur Sahib Road
15.		8.17	5054-03-337-04- Improvement of PWD Roads within Municipal Committee Limits.
16.		179.94	5054-03-337-47- Construction of Roads and Bridges 01-Construction of 10 Rural Roads and 1 Bridge Project under (Rural Infrastructure Development Fund)-XXIV (I)
17.		23-Rural Development and Panchayats	1.01
18.	41-Water Supply and Sanitation	4.21	2215-01-799-02-Debit to Miscellaneous Advances.
<b>Total</b>		<b>3,492.28</b>	

Source: Appropriation Accounts

**Appendix 3.2***(Referred to in paragraph 3.3.3; page 78)***Statement showing cases where supplementary provision  
(₹ one crore or more in each case) proved unnecessary***(₹ in crore)*

Sr. No.	Number and Name of grant	Original provision	Supplementary provision	Actual expenditure	Savings out of Original Provision
<b>A-Revenue (Voted)</b>					
1.	5-Education	12865.52	750.54	12565.91	299.61
2.	09-Food and Supplies	440.21	28.56	359.30	80.91
3.	10-General Administration	258.35	14.15	248.61	9.74
4.	11-Health and Family Welfare	3705.49	658.84	3509.47	196.02
5.	23-Rural Development and Panchayats	2019.23	928.51	1994.98	24.25
6.	26-State Legislature	53.92	4.75	53.55	0.37
7.	37-Law and Justice	634.26	36.77	605.49	28.77
8.	38-Medical Education and Research	511.89	9.96	496.74	15.15
9.	40-Sports and Youth Services	146.72	12.00	111.32	35.40
<b>Total</b>		<b>20,635.59</b>	<b>2,444.08</b>	<b>19,945.37</b>	<b>690.22</b>
<b>B-Capital (Voted)</b>					
10.	21-Public Works	1842.18	32.22	1267.73	574.45
11.	27-Technical Education and Training	56.87	3.03	0.07	56.80
12.	35-Housing and Urban Development	0.22	31.81	0.20	0.02
13.	42-Welfare of SC, ST, OBC and Minorities	130.48	8.53	35.77	94.71
<b>Total</b>		<b>2,029.75</b>	<b>75.59</b>	<b>1,303.77</b>	<b>725.98</b>
<b>Grand Total</b>		<b>22,665.34</b>	<b>2,519.67</b>	<b>21,249.14</b>	<b>1,416.20</b>

*Source: Appropriation Accounts*

**Appendix 3.3**

(Referred to in paragraph 3.3.3; page 78)

**Statement showing cases where supplementary provision  
(₹ one crore or more 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)
<b>A-Revenue (Voted)</b>						
1.	03-Co-operation	119.36	222.48	341.84	230.62	111.22
2.	07-Excise and Taxation	240.60	22.74	263.34	243.17	20.17
3.	12-Home Affairs	7311.96	534.23	7846.19	7555.12	291.07
4.	13-Industries	2115.23	417.85	2533.08	2518.85	14.23
5.	18-Personnel	29.18	3.08	32.26	31.07	1.19
6.	20-Power	1521.03	2869.57	4390.60	4386.47	4.13
7.	22-Revenue and Rehabilitation	1715.12	1250.90	2966.02	2776.34	189.68
8.	25- Social Security, Women and Child Welfare	5060.14	744.76	5804.90	5191.95	612.95
9.	29-Transport	378.04	272.37	650.41	638.55	11.86
10.	30-Vigilance	58.76	8.04	66.80	63.39	3.41
<b>Total</b>		<b>18,549.42</b>	<b>6,346.02</b>	<b>24,895.44</b>	<b>23,635.53</b>	<b>1,259.91</b>
<b>B-Revenue (Charged)</b>						
11.	18-Personnel	8.96	2.39	11.35	9.49	1.86
<b>Total</b>		<b>8.96</b>	<b>2.39</b>	<b>11.35</b>	<b>9.49</b>	<b>1.86</b>
<b>C-Capital (Voted)</b>						
12.	19-Planning	453.82	1917.93	2371.75	2311.27	60.48
<b>Total</b>		<b>453.82</b>	<b>1,917.93</b>	<b>2,371.75</b>	<b>2,311.27</b>	<b>60.48</b>
<b>Grand Total</b>		<b>19,012.20</b>	<b>8,266.34</b>	<b>27,278.54</b>	<b>25,956.29</b>	<b>1,322.25</b>

Source: Appropriation Accounts

### Appendix 3.4

(Referred to in paragraph 3.3.4; page 79)

#### Statement showing unnecessary re-appropriation of funds

(₹ in crore)

Sr. No.	Number and Name of grant/Head of Account	Original grant	Supplementary grant	Re-appropriation	Total	Expenditure	Saving(-)/ Excess(+)
<b>Grant No. 06- Elections</b>							
1.	2015-00-102-01- Electoral Officers	67.30	0	12.38	79.68	58.79	-20.89
<b>Grant No. 08- Finance</b>							
2.	2049-01-305-02- Expenditure relating to the Issue of New Loans	4.96	0	-1.46	3.50	29.04	+25.54
3.	7610-00-800-11- Wheat Advance	20.00	0	-6.48	13.52	16.77	+3.25
4.	6003-00-108-01- Loans from National Co-operative Development Corporation	6.96	0	6.96	13.92	0	-13.92
<b>Grant No. 09- Food and Supplies</b>							
5.	3456-00-789-02-Smart Ration Card Scheme- 03-To implement Public Distribution System in the State -	108.80	12.22	1.26	122.28	103.11	-19.17
<b>Grant No. 12- Home Affairs</b>							
6.	4055-00-207-18-Better Policing-05- Project of Strengthening of Forensic Science Laboratory for DNA Analysis & Cyber Forensic and related Facilities-	2.50	0	1.46	3.96	0	-3.96
<b>Grant No. 15- Water Resources</b>							
7.	2701-80-800-08-Works Expenditure	50.00	0	10.85	60.85	49.15	-11.70
8.	4700-01-800-08-Works Expenditure	100.00	0	10.00	110.00	63.31	-46.69
9.	4701-02-800-08-Works Expenditure	38.75	0	22.04	60.79	32.26	-28.53
10.	4701-46-800-02-Rehabilitation of Bist Doab Canal System (AIBP)	9.00	0	4.37	13.37	0	-13.37
11.	4701-57-800-01-Concrete Lining of Distributaries and Minors-01-Concrete Lining of Bathinda Distributary System Bibiwala Minor, Mehta Minor and Jai Sing Wala Minor	0.01	0	1.66	1.67	0	-1.67
12.	4701-57-800-02-Reconstruction of Distributaries-08-Rehabilitation of Khemkaran System	0.01	0	2.49	2.50	0	-2.50
13.	4705-00-800-30-Construction of Field Channels of Kandi Canal Stage 1 by Laying Under Ground Pipe Line in the Outlets of Canal (PMKSY)	0.01	0	3.75	3.76	0	-3.76
<b>Grant No. 17-Local Government</b>							
14.	4217-60-051-18-Punjab Municipal Services Improvement Project (PMSIP)- Work Bank Project	400.00	0	-399.99	0.01	4.09	+4.08
<b>Grant No. 21-Public Works</b>							
15.	2059-60-053-19-Electrical Operational Works	24.80	3.50	3.50	31.80	26.69	-5.11
16.	3054-03-337-04-Maintenance of Roads under Pradhan Mantri Gram Sadak Yojana	13.00	2.00	2.00	17.00	0	-17.00
17.	5054-03-789-03- Pradhan Mantri Gram Sadak Yojana-01-Phase III	0	25.00	25.00	50.00	18.59	-31.41
18.	5054-03-337-46- Pradhan Mantri Gram Sadak Yojana-01-Rural Road Project-NABARD (Rural Infrastructure Development Fund-XX)	9.00	0	2.00	11.00	5.66	-5.34

Sr. No.	Number and Name of grant/Head of Account	Original grant	Supplementary grant	Re-appropriation	Total	Expenditure	Saving(-)/ Excess(+)
19.	5054-03-337-47- Construction of Road and Bridges-02-Construction of Rural Roads and Bridges Project under Rural Infrastructure Development Fund-XXV	80.00	0	-16.00	64.00	121.62	+57.62
<b>Grant No. 27-Technical Education and Training</b>							
20.	4250-00-789-10-New and Upgradation of Industrial Training Institutes/Skill Development Centres	1.79	1.79	5.95	9.53	0	-9.53
21.	4250-00-800-25-Skill Strengthening for Industrial Value Enhancement (STRIVE)	0	0.08	12.55	12.63	0	-12.63
<b>Grant No. 28- Tourism and Cultural Affairs</b>							
22.	4202-04-800-03-Infrastructure Development-01-550 <sup>th</sup> years Celebration of Birthday of Sri Guru Nanak Dev Ji	51.38	0	1.38	52.76	12.11	-40.65
<b>Grant No. 31-Employment</b>							
23.	2230-03-003-66-Grants-in-Aid to Punjab Skill Development Mission Society-03-Pradhan Mantri Kaushal Vikas Yojana	39.53	0	3.22	42.75	16.46	-26.29
<b>Grant No. 32-Forestry and Wild Life</b>							
24.	2406-04-103-01-State Authority-01-Compensatory Afforestation	37.41	0	12.24	49.65	31.90	-17.75
<b>Grant No. 33-Governance Reforms</b>							
25.	2052-00-092-26-Directorate Governance Reforms	81.72	0	1.07	82.79	59.21	-23.58
<b>Grant No. 35-Housing and Urban Development</b>							
26.	2216-02-789-01-Pradhan Mantri Awas Yojana Housing for all (Urban)-03-Assistance to PUDA-Affordable Housing in Partnership (AHP Vertical-III)	3.70	0.53	1.33	5.56	0	-5.56
<b>Grant No. 40-Sports and Youth Services</b>							
27.	2204-00-001-01-Direction and Administration	84.21	0.59	-24.55	60.25	75.05	+14.80
<b>Grant No. 41-Water Supply and Sanitation</b>							
28.	4215-01-102-33-Second Punjab Rural Water Supply and Sanitation Sector Improvement Programme-World Bank Assisted Project-01-Works	216.00	0	-117.00	99.00	114.93	+15.93
29.	4215-02-102-02-Swachh Bharat Mission (Gramin)-03-Individual household Latrines	27.00	0	27.75	54.75	13.93	-40.82
30.	4215-02-789-01-Swachh Bharat Mission (Gramin)-03-Individual household Latrines	18.00	0	18.50	36.50	9.24	-27.26
31.	4215-01-789-17-Second Punjab Rural Water Supply and Sanitation Sector Improvement Programme-World Bank Assisted Project-01-Works	144.00	0	-78.00	66.00	76.47	+10.47
<b>Total</b>		<b>1,639.84</b>	<b>45.71</b>	<b>-449.77</b>	<b>1,235.78</b>	<b>938.38</b>	<b>-297.40</b>

Source: Appropriation Accounts

**Appendix 3.5**

(Referred to in paragraph 3.3.5; page 79)

**Statement showing details of grants having large savings excluding surrendered (exceeding ₹ 100 crore) during the year**

(₹ in crore)

Sr. No.	Number and Name of grant	Total budget provision	Actual Expenditure	Saving	Surrendered	Saving excluding surrender
<b>Revenue (Voted)</b>						
1.	03-Co-operation	341.84	230.62	111.22	0	111.22
2.	05-Education	13616.06	12565.91	1050.15	618.79	431.36
3.	06-Elections	456.09	286.24	169.85	0.22	169.63
4.	11-Health and Family Welfare	4364.33	3509.47	854.86	0	854.86
5.	12-Home Affairs	7846.19	7555.12	291.07	3.32	287.75
6.	17-Local Government	3342.43	2495.65	846.78	230.85	615.93
7.	22-Revenue and Rehabilitation	2966.02	2776.34	189.68	0	189.68
8.	23-Rural Development and Panchayats	2947.74	1994.98	952.76	0	952.76
9.	25-Social Security, Women and Child Welfare	5804.90	5191.95	612.95	111.93	501.02
10.	32-Forestry and Wild life	671.49	352.35	319.14	30.62	288.52
11.	42-Welfare of SC, ST, OBC and Minorities	1241.44	670.82	570.62	445.68	124.94
<b>Total</b>		<b>43,598.53</b>	<b>37,629.45</b>	<b>5,969.08</b>	<b>1,441.41</b>	<b>4,527.67</b>
<b>Capital (Voted)</b>						
12.	03-Co-operation	1172.70	504.75	667.95	0	667.95
13.	11-Health and Family Welfare	115.58	11.51	104.07	0	104.07
14.	15-Water Resources	2098.79	944.29	1154.50	631.10	523.40
15.	17-Local Government	3849.78	1918.93	1930.85	1724.24	206.61
16.	21-Public Works	1874.40	1267.73	606.67	393.59	213.08
17.	23-Rural Development and Panchayats	1724.49	356.00	1368.49	0	1368.49
18.	41-Water Supply and Sanitation	1472.13	660.96	811.17	493.74	317.43
<b>Total</b>		<b>12,307.87</b>	<b>5,664.17</b>	<b>6,643.70</b>	<b>3,242.67</b>	<b>3,401.03</b>
<b>Capital (Charged)</b>						
19.	8- Finance	48512.91	19278.55	29234.36	26153.95	3080.41
<b>Total</b>		<b>48,512.91</b>	<b>19,278.55</b>	<b>29,234.36</b>	<b>26,153.95</b>	<b>3,080.41</b>
<b>G Total (Revenue + Capital)</b>		<b>1,04,419.31</b>	<b>62,572.17</b>	<b>41,847.14</b>	<b>30,838.03</b>	<b>11,009.11</b>

Source: Appropriation Accounts

**Appendix 3.6**

(Referred to in paragraph 3.3.5; page 80)

**Statement showing details of grants having persistent savings  
(exceeding ₹ 100 crore) during the years 2019-22***(₹ in crore)*

Sr. No.	Name of Grant	2019-20	2020-21	2021-22
<b>Revenue (V)</b>				
1.	01-Agriculture	5792.19	4354.29	1699.60
2.	05-Education	1502.66	880.87	1050.15
3.	08-Finance	1073.07	2610.79	6130.50
4.	11-Health and Family Welfare	481.09	382.09	854.86
5.	12-Home Affairs	496.75	375.21	291.08
6.	17-Local Government	1503.35	358.44	846.79
7.	22-Revenue and Rehabilitation	377.74	874.68	189.68
8.	23-Rural Development and Panchayats	2184.36	925.85	952.76
9.	25-Social Security, Women and Child Welfare	284.96	443.25	612.95
10.	31-Employment	148.48	149.96	343.78
11.	32-Forstery and Wild Life	199.60	298.63	319.13
12.	42-Welfare of SC, ST, OBC and Minorities	713.48	575.05	570.62
<b>Capital (V)</b>				
13.	15-Water Resources	472.22	555.93	1154.50
14.	17-Local Government	863.24	751.64	1930.85
15.	21-Public Works	731.25	791.33	606.67
16.	23-Rural Development and Panchayats	736.14	1285.20	1368.49
17.	28-Tourisim and Cultural Affairs	254.26	148.61	183.62
18.	38-Medical Education and Research	220.24	402.16	424.44
19.	41-Water Supply and Sanitation	759.13	689.62	811.17
<b>Capital (C)</b>				
20.	08-Finance	5066.02	13294.32	29234.36

Source: Appropriation Accounts



**Appendix 3.7**

(Referred to in paragraph 3.3.5; Page 80)

**Statement showing grant-wise savings**(*₹ in crore*)

Sr. No.	Grant No.	Total Budget	Total Expenditure	Savings	Utilization (Per cent)	Range of utilization (Per cent)
1.	31	428.01	79.37	348.64	18.54	10 to 30
2.	34	292.21	58.59	233.62	20.05	
3.	35	155.76	36.03	119.73	23.13	
<b>Total</b>		<b>875.98</b>	<b>173.99</b>	<b>701.99</b>		
4.	28	393.70	152.64	241.06	38.77	30 to 50
5.	33	185.26	87.40	97.86	47.18	
6.	3	1514.58	735.41	779.17	48.56	
<b>Total</b>		<b>2,093.54</b>	<b>975.45</b>	<b>1,118.09</b>		
7.	23	4672.56	2351.22	2321.34	50.32	50 to 70
8.	42	1380.45	706.59	673.86	51.19	
9.	32	671.59	352.44	319.15	52.48	
10.	24	51.36	27.51	23.85	53.56	
11.	38	1017.66	568.08	449.58	55.82	
12.	41	2147.79	1247.54	900.25	58.08	
13.	6	508.09	303.36	204.73	59.71	
14.	8	91304.10	55572.82	35731.28	60.87	
15.	17	7192.21	4414.58	2777.63	61.38	
16.	15	3213.75	2002.78	1210.97	62.32	
17.	39	36.56	23.62	12.94	64.61	
18.	18	59.75	40.56	19.19	67.88	
<b>Total</b>		<b>1,12,255.87</b>	<b>67,611.10</b>	<b>44,644.77</b>		
19.	40	158.81	111.42	47.39	70.16	70 to 90
20.	27	513.84	370.87	142.97	72.18	
21.	11	4480.69	3521.20	959.49	78.59	
22.	36	382.73	307.26	75.47	80.28	
23.	2	589.26	483.72	105.54	82.09	
24.	4	135.12	111.98	23.14	82.87	
25.	1	10941.05	9098.21	1842.84	83.16	
26.	16	27.61	23.08	4.53	83.59	
27.	25	5974.81	5197.28	777.53	86.99	
<b>Total</b>		<b>23,203.92</b>	<b>19,225.02</b>	<b>3,978.90</b>		
28.	21	2544.91	2296.83	248.08	90.25	90 to 100
29.	26	59.83	54.11	5.72	90.44	
30.	10	286.57	261.79	24.78	91.35	
31.	5	13830.68	12681.79	1148.89	91.69	
32.	7	264.16	243.99	20.17	92.36	
33.	37	878.00	812.61	65.39	92.55	
34.	22	2966.24	2776.51	189.73	93.60	
35.	9	1486.77	1399.73	87.04	94.15	
36.	30	67.24	63.73	3.51	94.78	
37.	12	8058.12	7675.19	382.93	95.25	
38.	29	662.41	639.96	22.45	96.61	
39.	14	264.11	255.32	8.79	96.67	
40.	19	2420.89	2346.78	74.11	96.94	
41.	20	4631.55	4540.88	90.67	98.04	
42.	13	2554.21	2535.71	18.50	99.28	
<b>Total</b>		<b>40,975.69</b>	<b>38,584.93</b>	<b>2,390.76</b>		

Source: Appropriation Accounts

**Appendix 3.8**

(Referred to in paragraph 3.3.5; page 80)

**Statement showing details of appropriations/grants in which savings not surrendered at all**

(₹ in crore)

Sr. No.	Number and Name of grant	Revenue/ Capital	Total Grant Appropriation	Actual expenditure	Savings
<b>Voted Grant</b>					
1.	03-Co-operation	Revenue	341.84	230.62	111.22
		Capital	1172.70	504.75	667.95
2.	07-Excise and Taxation	Revenue	263.34	243.17	20.17
3.	11- Health and Family Welfare	Revenue	4364.33	3509.47	854.86
		Capital	115.58	11.51	104.07
4.	13-Industries	Revenue	2533.08	2518.85	14.23
5.	16-Labour	Revenue	27.61	23.08	4.53
6.	18-Personnel	Revenue	32.26	31.07	1.19
		Capital	16.14	0	16.14
7.	19-Planning	Capital	2371.75	2311.28	60.47
8.	20- Power	Revenue	4390.60	4386.47	4.13
		Capital	240.95	154.41	86.54
9.	22-Revenue and Rehabilitation	Revenue	2966.02	2776.34	189.68
10.	23-Rural Development and Panchayats	Revenue	2947.74	1994.98	952.76
		Capital	1724.49	356.00	1368.49
11.	24-Science, Technology and Environment	Capital	14.60	7.20	7.40
12.	26-State Legislature	Revenue	58.67	53.55	5.12
13.	30-Vigilance	Revenue	66.80	63.39	3.41
14.	35-Housing and Urban Development	Revenue	123.72	35.84	87.88
		Capital	32.03	0.20	31.83
15.	37- Law and Justice	Revenue	671.03	605.49	65.54
16.	38-Medical Education and Research	Revenue	521.85	496.74	25.11
17.	39- Printing and Stationery	Revenue	33.59	23.61	9.98
		Capital	2.51	0	2.51
<b>Total</b>			<b>25,033.23</b>	<b>20,338.02</b>	<b>4,695.21</b>
<b>Charged Appropriation</b>					
18.	11- Health and Family Welfare	Revenue	0.78	0.22	0.56
19.	12-Home Affairs	Revenue	1.59	0.86	0.73
20.	18-Personnel	Revenue	11.34	9.49	1.85
21.	21-Public Works	Revenue	0.15	0.06	0.09
22.	22-Revenue and Rehabilitation	Revenue	0.20	0.17	0.03
23.	23-Rural Development and Panchayats	Revenue	0.33	0.24	0.09
24.	39- Printing and Stationery	Revenue	0.46	0	0.46
<b>Total</b>			<b>14.85</b>	<b>11.04</b>	<b>3.81</b>
<b>Grand Total</b>			<b>25,048.08</b>	<b>20,349.06</b>	<b>4,699.02</b>

Source: Appropriation Accounts

## Appendix 3.9

(Referred to in paragraph 3.3.5; page 80)

## Statement showing details of surrender of funds in excess of ₹ 10 crore on the last day of March 2022

(₹ in crore)

Sr. No.	Grant Number	Original Budget	Supplementary	Total Provision	Actual expenditure	Savings(-)/ Excess(+)	Amount Surrendered
<b>A-Voted (Revenue)</b>							
1.	1-Agriculture	10795.53	0	10795.53	9095.93	-1699.60	2245.12
2.	2-Animal Husbandry and Fisheries	551.35	0	551.35	483.00	-68.35	37.19
3.	5-Education	12865.52	750.54	13616.06	12565.91	-1050.15	618.79
4.	8-Finance	21510.26	0	21510.26	15379.76	-6130.50	6655.73
5.	9-Food and Supplies	440.21	28.56	468.77	359.30	-109.47	33.05
6.	17-Local Government	3342.43	0	3342.43	2495.65	-846.78	230.85
7.	21-Public Works	606.68	63.68	670.36	1029.04	358.68	14.27
8.	25-Social Security, Women and Child welfare	5060.14	744.76	5804.90	5191.95	-612.95	111.93
9.	27-Technical Education and Training	453.92	0	453.92	370.79	-83.13	65.62
10.	28-Tourism and Culture Affairs	93.36	0	93.36	35.92	-57.44	53.80
11.	31-Employment	422.99	0	422.99	79.21	-343.78	296.12
12.	32-Forestry and Wildlife	671.48	0	671.48	352.35	-319.13	30.62
13.	33-Governance Reforms	124.78	0	124.78	81.88	-42.90	15.02
14.	34-Horticulture	260.71	0	260.71	58.52	-202.19	200.69
15.	40-Sports and Youth Services	146.72	12.00	158.72	111.32	-47.40	33.53
16.	41-Water Supply and Sanitation	673.16	0	673.16	584.94	-88.22	59.51
17.	42-Welfare of SC, ST, OBC and Minorities	1241.44	0	1241.44	670.82	-570.62	445.68
<b>Total</b>		<b>59,260.68</b>	<b>1,599.54</b>	<b>60,860.22</b>	<b>48,946.29</b>	<b>-11,913.93</b>	<b>11,147.52</b>
<b>B-Revenue (charged)</b>							
18.	8-Finance	21240.53	0	21240.53	20883.54	-356.99	267.68
<b>Total</b>		<b>21,240.53</b>	<b>0</b>	<b>21,240.53</b>	<b>20,883.54</b>	<b>-356.99</b>	<b>267.68</b>
<b>C-Voted (Capital)</b>							
19.	1-Agriculture	145.46	0	145.46	2.26	-143.20	142.10
20.	2-Animal Husbandry and Fisheries	37.90	0	37.90	0.72	-37.18	31.75
21.	5-Education	214.31	0	214.31	115.72	-98.59	24.70
22.	6-Elections	52.00	0	52.00	17.12	-34.88	25.00
23.	12-Home Affairs	210.31	0.02	210.33	119.21	-91.12	46.81
24.	15-Water Resources	2098.79	0	2098.79	944.29	-1154.50	631.10
25.	17-Local Government	3849.78	0	3849.78	1918.93	-1930.85	1724.24
26.	21-Public Works	1842.18	32.22	1874.40	1267.73	-606.67	393.59
27.	25-Social Security, Women and Child welfare	169.81	0	169.81	5.32	-164.49	150.33
28.	28-Tourism and Culture Affairs	300.34	0	300.34	116.72	-183.62	141.38
29.	29-Transport	12.00	0	12.00	1.41	-10.59	10.50

Sr. No.	Grant Number	Original Budget	Supplementary	Total Provision	Actual expenditure	Savings(-)/ Excess(+)	Amount Surrendered
30.	33-Governance Reforms	60.48	0	60.48	5.52	-54.96	43.42
31.	34-Horticulture	31.50	0	31.50	0.08	-31.42	31.16
32.	36-Jails	112.21	0	112.21	60.58	-51.63	45.48
33.	38-Medical Education and Research	495.78	0	495.78	71.34	-424.44	357.99
34.	41-Water Supply and Sanitation	1472.13	0	1472.13	660.96	-811.17	493.74
35.	42-Welfare of SC, ST, OBC and Minorities	130.48	8.53	139.01	35.77	-103.24	84.92
<b>Total</b>		<b>11,235.46</b>	<b>40.77</b>	<b>11,276.23</b>	<b>5,343.68</b>	<b>-5,932.55</b>	<b>4,378.21</b>
<b>D-Capital (charged)</b>							
36.	8-Finance	48512.91	0	48512.91	19278.55	-29234.36	26153.95
<b>Total</b>		<b>48,512.91</b>	<b>0</b>	<b>48,512.91</b>	<b>19,278.55</b>	<b>-29,234.36</b>	<b>26,153.95</b>
<b>Grand Total</b>		<b>1,40,249.58</b>	<b>1,640.31</b>	<b>1,41,889.89</b>	<b>94,452.06</b>	<b>-47,437.83</b>	<b>41,947.36</b>

Source: Appropriation Accounts

**Appendix 3.10***(Referred to in paragraph 3.4.2; page 87)***Details of the schemes for which provision (₹ 100 crore and above) was made but was either withdrawn or no expenditure was incurred***(₹ in crore)*

Sr. No.	Grant No.	Head of Account	Approved Outlay (Original + Supplementary)	Revised Outlay (after re-appropriation)
1.	03-Co-operation	2425-00-108-05-Assistance to Sugarfed-02-Assistance for Revenue Gap due to Lower Power Tariff	107.00	107.00
2.		4425-00-190-08-Re-capitalisation of Central Co-operative Banks	225.00	224.99
3.		6404-00-195-02-Loans to the Punjab State Co-operative Milk Producers Federation Limited (MILKFED)- 02-Setting up of Automatic Paneer Manufacturing plant at Milk Union Mohali	130.00	130.00
4.		6404-00-195-02-Loans to the Punjab State Co-operative Milk Producers Federation Limited (MILKFED)- 03-Strengthening of Milk Processes and Marketing Infrastructure in Verka Diaries-	120.00	120.00
5.	08-Finance	7610-00-110-01-Loans and Advances from Reserve Bank of India	30000.00	5000.00
6.	15-Water Resources	4701-51-800-08-Works Expenditure	470.00	226.47
7.	23-Rural Development and Panchayats	4515-00-103-42-Smart Village Scheme 01- Smart Village Scheme	702.00	702.00
8.		4515-00-789-31-Smart Village Scheme	468.00	468.00
9.	32-Forestry and Wild Life	2406-02-904-01-State Compensatory Afforestation fund (SCAF)	223.00	223.00
<b>Total</b>			<b>32,445.00</b>	<b>7,201.46</b>

*Source: Appropriation Accounts.*

**Appendix 3.11**

(Referred to in paragraph 3.4.2; page 87)

**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 Withdrawn
1.	01-Agriculture	2401-00-109-21-Intervention in Agriculture for Resource Conservation and Crop Diversification	57.00	Due to non-release of fund by the Finance Department
2.		2401-00-115-02-Compensation for Stubble Management	34.00	-do-
3.		4401-00-104-02- Intervention in Agriculture for Resource Conservation and Crop Diversification	133.00	-do-
4.	02-Animal Husbandry	2403-00-190-01-Assistance to Guru Angad Dev University of Veterinary and Animal Sciences, Ludhiana-04-Establishment of Multispecialty Veterinary Hospital and Regional Research Center District Fazilka-	18.33	Due to non-implementation of scheme by the Finance Department
5.		4403-00-101-18-National Livestock Mission	13.60	-do-
6.	08-Finance	2070-00-800-08-Provision for Implementation of Recommendations of 6 <sup>th</sup> Punjab Pay Commission	9000.00	Due to non-release of fund by the Finance Department
7.	15-Water Resources	4700-06-789-02-Construction of 9 New Low Dams in Kandi Area	30.50	Due to non-implementation of scheme by the Finance Department
8.		4700-06-800-08-Works Expenditure	45.00	-do-
9.		4701-57-800-02-Reconstruction of Distributaries-13-Project Estimate for Relining of Choa link No. 2 distributary System Off taking at RD 372970/L of BML Canal-	15.60	-do-
10.		4701-57-800-02-Reconstruction of Distributaries-25-Concrete Lining of Southern Distributary System-	10.00	-do-
11.		4702-00-102-08-Works Expenditure	12.00	-do-
12.		4711-03-103-57-Construction of Flood Protection Works Along Left Side and Right Side of River Beas in District Gurdaspur, Hoshiarpur and Kapurthala FMP, NABARD RIDF XXIV-	18.80	-do-
13.		17-Local Government	4217-60-051-14-Mission for Development of 100 Smart Cities-01-Green Public Transportation	10.67
14.	4217-60-051-14-Mission for Development of 100 Smart Cities-03-Development of Sultanpur Lodhi		153.57	-do-

Sr. No.	Grant No.	Head of Account	Approved Outlay	Reason for Withdrawn
15.		4217-60-051-15-Urban Rejuvenation Mission-500 Habitations -AMRUT-01- Canal Based Water Supply for Patiala (Asian Development Bank)-	50.00	-do-
16.		4217-60-051-15-Urban Rejuvenation Mission-500 Habitations -AMRUT-02- Canal Based Water Supply for Jalandhar (Asian Development Bank)-	50.00	-do-
17.		4217-60-051-15-Urban Rejuvenation Mission-500 Habitations -AMRUT-03-Canal Based Water Supply for Amritsar (World Bank)-	50.00	-do-
18.		4217-60-051-15-Urban Rejuvenation Mission-500 Habitations -AMRUT-04-Canal Based Water Supply for Ludhiana (World Bank)-	50.00	-do-
19.	27-Technical Education and Training	2230-03-003-67-Skill Strengthening for Industrial Value Enhancement (STRIVE)-	26.25	-do-
20.	28-Tourism and Cultural Affairs	4202-04-106-07-Upgradation of Museums	10.00	-do-
21.	29-Transport	3055-00-190-04-Assistance to Pepsu Road Transport Corporation-02-New Bus Stand at Patiala	10.00	Due to less release of funds by the Finance Department
22.	31-Employment	2230-02-101-12-Urban Employment Programme	69.30	Due to non-release of funds by the Finance Department
23.		2230-02-789-08-Urban Employment Programme	20.70	-do-
24.	33-Governance Reforms	4070-00-800-31-Digital Punjab	18.21	Due to non-payment to the vendor due to contractual dispute
25.	34-Horticulture	2401-00-119-42-National Horticulture Mission	85.00	Due to non-release of funds by the Finance Department
26.		2401-00-119-54-Post Graduate Institute of Horticulture Education and Research	23.63	-do-
27.		2401-00-119-58-Scheme to give Impetus to the Diversification of Horticulture	53.50	Due to non-implementation of scheme by the Finance Department
28.		2401-00-789-22-National Horticulture Mission	33.00	Due to non-release of funds by the Finance Department

Sr. No.	Grant No.	Head of Account	Approved Outlay	Reason for Withdrawn
29.		4401-00-119-04-Scheme to give Impetus to Diversification of Horticulture	26.50	Due to non-implementation of scheme by the Finance Department
30.	42-Welfare of SC, ST, OBC and Minorities	2225-01-789-66-Pre-Matric Scholarship for Scheduled Castes Students Studying in Class IX and X-	60.00	-do-
31.		2225-01-277-06-Pre-Matric Scholarship for Other Backward Classes Students-	22.42	-do-
<b>Total</b>			<b>10,210.58</b>	

Source: Appropriation Accounts.



### Appendix 3.12

(Referred to in paragraph 3.4.3; page 87)

#### Statement showing Major Heads where more than 50 per cent of expenditure was incurred in March 2022 alone

(₹ in crore)

Sr. No.	Major Head	Description	Expenditure of 4 <sup>th</sup> Quarter	Total expenditure during 2021-22	Expenditure* during March 2022	Expenditure in 4 <sup>th</sup> Quarter as percentage of total expenditure	Expenditure in March 2022 as percentage of total expenditure
1.	2030	Stamps and Registration	40.97	47.72	39.44	85.85	82.65
2.	2408	Food, Storage and Warehousing	9.83	13.79	9.83	71.28	71.28
3.	3054	Road and Bridges	335.53	463.70	257.91	72.36	55.62
4.	4070	Capital outlay on other Administrative services	4.14	5.52	2.77	75.00	50.18
5.	4701	Capital outlay on Medium Irrigation	495.60	552.05	295.18	89.77	53.47
6.	4705	Capital outlay on command area development	10.82	10.82	10.82	100.00	100.00
7.	5425	Capital outlay on other Scientific and Environmental Research	4.80	7.20	4.80	66.67	66.67

Source: Information supplied by office of the Accountant General (Accounts & Entitlement), Punjab

\* The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure

**Appendix 3.13***(Referred to in paragraph 3.4.3; page 88)***Statement showing sub heads where entire expenditure (exceeding ₹ ten crore in each case) was incurred in March 2022***(₹ in crore)*

Sr. No.	Major Head	Sub Major head	Minor Head	Sub-head/scheme	Detail of sub head	Expenditure in month of March 2022
1.	2014	00	102	01	High Court	207.12
2.	2049	01	200	01	Interest on temporary loans obtained from the State Bank of India and other banks for purchase of food grains	2097.87
3.	2049	03	104	01	Interest on General Provident Fund	1456.02
4.	2049	03	104	02	Interest on Contributory Provident Fund	16.84
5.	2049	03	108	01	Interest on Punjab Government Employees Group Insurance Scheme	38.20
6.	2049	05	105	01	Interest on General and other Reserve Funds (Natural Calamity Fund)	482.92
7.	2049	05	105	02	Interest on State Compensatory Afforestation Fund	67.16
8.	2059	80	001	07	Establishment Charges paid to Public Health Department for Works done by that Department	174.37
9.	2202	01	101	98	Computerisation in the State	19.00
10.	2202	01	789	14	Providing Furniture for Students at Primary Level in Government Schools	16.11
11.	2202	01	789	98	Computerisation in the State	31.00
12.	2210	01	190	02	Assistance to National Health Mission	10.71
13.	2210	06	101	26	National Rural Health Mission	17.52
14.	2210	06	789	18	National Rural Health Mission	13.19
15.	2211	00	109	01	National Component	15.22
16.	2211	00	789	09	National Rural Health Mission	19.81
17.	2235	01	800	03	Compensation to the farmers of border area whose land is situated between border fence and international border	17.08
18.	2225	00	101	10	Rashtriya Gram Swaraj Abhiyan	12.22
19.	3054	80	001	01	Establishment Charges, transferred on pro rata basis to the Major Head "3054" Roads and Bridges.	57.34

Sr. No.	Major Head	Sub Major head	Minor Head	Sub-head/scheme	Detail of sub head	Expenditure in month of March 2022
20.	3054	80	797	01	Amount transferred to subvention from Central Road Fund	193.35
21.	4215	01	102	38	Construction of Jal Bhawan Office Complex and other office buildings	12.94
22.	5054	04	789	03	Pradhan Mantri Gram Sadak Yojana	18.59
<b>Total</b>						<b>4,994.58</b>

Source: Information supplied by office of the Accountant General (Accounts & Entitlement), Punjab

**Appendix 4.1***(Referred to in paragraph 4.3; page 105)***Statement showing details of Central Scheme Funds transferred by Government of India directly to State implementing agencies***(₹ in crore)*

Sr. No.	Name of the Schemes of Government of India	Name of the Implementing Agencies	Government of India direct releases of funds during 2021-22
1.	Food Subsidy for Decentralised Procurement of Foodgrains under NFSA (9533)	Punjab State Grains Procurement Corporation Limited	2047.53
2.	Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) (3624)	Department of Agriculture, Punjab	1057.21
3.	Mahatma Gandhi National Rural Employment Guarantee Programme (9178) (9219)	The Punjab State Rural Employment Guarantee Society	914.47
4.	Jal Jeevan Mission (JJM) (National Rural Drinking Water Mission) (9150)	Head of Department, Water Supply and Sanitation	402.24
5.	Promotion of Agricultural Mechanisation for in-situ Management of Crop Residue (3618)	Department of Agriculture, Punjab	331.94
6.	Works under Roads Wing (0833)	1. Punjab State Forest Development Corporation Limited 2. Competent Authority for Land Acquisition-cum-SDM Bathinda, Ferozepur, Zira, Jalalabad, Budhlada, Baghapurana, Dharmkot, Malout, Moonak, Lehragagga 3. Executive Engineer - Central Works Division, Punjab, PWD B & R No. 1 Amritsar, Ferozepur 4. Greening Punjab Mission 5. Government Contractors	134.49
7.	National Highway Authority of India (0845)	1. Competent Authority for Land Acquisition cum SDM Nihal Singh Wala 2. Executive Engineer - Central Works Division, Punjab, PWD B & R Sangrur at Patiala, 3. Government Contractors	88.13

Sr. No.	Name of the Schemes of Government of India	Name of the Implementing Agencies	Government of India direct releases of funds during 2021-22
8.	Scheme for Assistance to Sugar Mills for 2019-20 Season (3684) (3816)	1. Nahar Industrial Enterprises Limited 2. The Gurdaspur Co-operative Sugar Mills Limited 3. The Batala Co-operative Sugar Mills Limited 4. Indian Sucrose Limited 5. The Nakodar Co-operative Sugar Mills Limited 6. The Budhewal Co-operative Sugar Mills Limited 7. The Morinda Co-operative Sugar Mills Limited	61.73
9.	National AIDS and STD Control Programme (NACO) (9316)	Punjab State AIDS Control Society	53.18
10.	Assistance to State Agencies for inter-state movement of foodgrains and FPS dealers margin under NFSA (3424)	Punjab State Grains Procurement Corporation Limited (PUNGRAIN)	51.08
11.	Member of Parliament Local Area Development Scheme (MPLADS) (1261)	Deputy Commissioners	49.00
12.	Scheme for providing assistance to Sugar Mills for expenses on marketing costs including handing upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar (3918)	1. Rana Sugar Limited 2. Nahar Sugar 3. Chadha Sugars and Industries Private Limited	43.84
13.	National Programme for Dairy Development (9148)	The Punjab State Cooperative Milk Producers Federation Limited (Markfed)	35.91
14.	Amended Technology Upgradation Fund Scheme (ATUFS) (1878)	Miscellaneous Agencies	28.52
15.	Kisan Urja Suraksha Evam Utthaan Mahabhiyan - Off-grid (KUSUM) (3832)	The Punjab Energy Development Agency (PEDA)	23.70
16.	Infrastructure Development and Capacity Building (MSME) (0646)	1. Policy Implementation Unit 2. Punjab Small Industries and Export Corporation Limited	22.52

Sr. No.	Name of the Schemes of Government of India	Name of the Implementing Agencies	Government of India direct releases of funds during 2021-22
17.	Pradhan Mantri Kisan Sampada Yojana - Integrated Cold Chain and Value addition Infrastructure (3608)	Miscellaneous Agencies	21.03
18.	Official Development Assistance for Sustainable Development Goals (EAP Component) (3961)	1. Special Purpose Vehicle (SPV) - Ferozepur 2. Special Purpose Vehicle (SPV) - Moga	21.02
19.	Integrated Development of Tourist Circuits around specific themes (Swadesh Darshan) (9368)	Punjab Heritage and Tourism Promotion Board	20.45
20.	Livestock Health and Disease Control (9979)	The Punjab Livestock Development Board	20.16
21.	Samarthya (BBBP, Creche, PMMVY, Gender Budget, Research, Skilling Training etc.) (3980)	Deputy Commissioners	20.03
22.	Biotechnology Research and Development (0150)	1. Christian Medical College Ludhiana Society 2. DAV College Trust and Management Society 3. Guru Angad Dev Veterinary and Animal Sciences University, Ludhiana 4. Guru Nanak Dev University, Amritsar 5. Hans Raj Mahila Maha Vidyalaya managed by DAV College Management Committee, New Delhi 6. Doaba college, Jalandhar 7. Sri Guru Teg Bahadur Khalsa College 8. Punjab Agricultural University, Ludhiana 9. DAV College, Bathinda 10. S.D. College, Barnala 11. Guru Nanak College, Sri Muktsar Sahib 12. Thapar Institute of Engineering and Technology, Patiala 13. Punjabi University, Patiala.	19.67
23.	Scheme for Creation and Maintenance of Buffer	1. The Ajnala Co-operative Sugar Mills Limited 2. The Fazilka Co-operative	18.00

Sr. No.	Name of the Schemes of Government of India	Name of the Implementing Agencies	Government of India direct releases of funds during 2021-22
	Stock of 40 LMT of Sugar (3815) (3623)	Sugar Mills Limited 3. The Gurdaspur Co-operative Sugar Mills Limited 4. The Batala Co-operative Sugar Mills Limited 5. Indian Sucrose Limited 6. The Bhogpur Co-operative Sugar Mills Limited 7. The Nakodar Co-operative Sugar Mills Limited 8. The Budhewal Co-operative Sugar Mills Limited 9. The Morinda Co-operative Sugar Mills Limited 10. Cosmos Industries Limited 11. The Nawanshehar Co-operative Sugar Mills Limited	
24.	Solar Power-Grid Interactive (3321)	The Punjab Energy Development Agency (PEDA)	16.61
25.	Science and Technology Institutional and Human Capacity Building (1817)	1. DAV College for Women, Amritsar 2. Chandigarh University under Chandigarh Educational Trust 3. DAV University, Jalandhar 4. Guru Angad Dev Veterinary and Animal Sciences University, Ludhiana 5. Guru Nanak Dev University, Amritsar 6. Kanya Maha Vidyalaya-Arya Shikha Mandal, Jalandhar 7. Punjab Agricultural University, Ludhiana 8. Mata Gujri College, Fatehgarh Sahib 9. Govt College for Girls, Ludhiana 10. Punjab Technical University, Kapurthala 11. Thapar Institute of Engineering and Technology, Patiala 12. Punjabi University, Patiala	10.75
26.	National Hydrology Project (NHP) (1163)	Water Resources Administration of Department of Water Resources, Punjab	10.50

<b>Sr. No.</b>	<b>Name of the Schemes of Government of India</b>	<b>Name of the Implementing Agencies</b>	<b>Government of India direct releases of funds during 2021-22</b>
27.	Trade Infrastructure for Export Schemes (TIES) (3021)	Punjab Small Industries and Export Corporation Limited	10.00
28.	Other Schemes having a release below ₹ 10.00 crore in each case (Base Year: 2021-22)	Miscellaneous Agencies	84.19
<b>Total</b>			<b>5617.90</b>

Source: Finance Accounts



### Appendix 4.2

(Referred to in paragraph 4.3; page 105)

#### Statement showing details of Centrally Sponsored Scheme Funds transferred by Government of India directly to State implementing agencies

(₹ in crore)

Sr. No.	Name of the Schemes	Government of India direct releases to implementing agencies during 2021-22	Release to State Government	Per cent of direct release to total release
1.	Incentivization of Panchayat	1.74	0.00	100.00
2.	Seed and Planting Material	0.89	0.00	100.00
3.	Conservation of Aquatic Eco Systems	0.06	0.00	100.00
4.	Development of Skills	0.75	0.00	100.00
5.	Promotion of Apprenticeship	0.07	0.00	100.00
6.	National Action Plan for Drug Demand Reduction (SJE)	0.29	0.00	100.00
7.	PM Formalization of Micro Food Processing Enterprises PM-FME	1.12	5.62	16.62
8.	Atal Vayo Abhyuday Yojana (AVYAY)	0.06	0.00	100.00
9.	SAMBAL (Beti Bachao Beti Padhao One Stop Centre Mahila Police Volunteer Women helpline Nari Adalat etc.)	3.85	0.00	100.00
10.	SAMARTHAYA (Shakti Sadan Swadhar Ujjawala Widow Home) Shakti Niwas Plan PMMVY National Hub for Women Empowerment Gender Budgeting Research Skilling Training Media etc.)	20.03	0.00	100.00
11.	Agriculture Census and Statistics	4.99	0.00	100.00
12.	Rashtriya Krishi Vikas Yojna	1.23	75.36	1.61
13.	National Programme for Dairy Development (9148)	35.91	0.00	100.00
14.	Jal Jeevan Mission (JJM) (National Rural Drinking Water Mission) (9150)	402.24	0.00	100.00
15.	Mahatma Gandhi National Rural Employment Guarantee Programme (9178) (9219)	914.47	359.99	71.75
<b>Total</b>		<b>1387.70</b>	<b>440.97</b>	

Source: Finance Accounts and PFMS Portal

**Appendix 4.3***(Referred to in paragraph 4.6; page 109)***Details of substantial expenditure (50 per cent and above of the total expenditure) booked under Minor Head-800-Other Expenditure***(₹ in crore)*

<b>Sr. No.</b>	<b>Description of Major Head</b>	<b>Expenditure under Minor Head 800</b>	<b>Total Expenditure</b>	<b>Percentage</b>
1.	2013-Council of Ministers	36.84	43.37	84.94
2.	2250-Other Social Services	2.75	3.21	85.67
3.	2852-Industries	1927.51	2381.85	80.92
4.	3053-Civil Aviation	9.79	14.07	69.58
5.	4070-Capital Outlay on Other Administrative Services	5.52	5.52	100.00
6.	4235-Capital Outlay on Social Security and Welfare	10.80	16.12	67.00
7.	4515-Capital Outlay on Other Rural Development Programmes	215.64	356.00	60.57
8.	4701-Capital Outlay on Medium Irrigation	521.62	552.05	94.49
9.	4702- Capital Outlay on Minor Irrigation	28.21	39.25	71.87
10.	4705-Capital Outlay on Command Area Development	8.82	10.82	81.52
11.	4851- Capital Outlay on Village and Small Industries	16.00	16.83	95.07
<b>Total</b>		<b>2783.50</b>	<b>3439.09</b>	<b>80.94</b>

*Source: Finance Accounts*

**Appendix 4.4***(Referred to in paragraph 4.6; page 109)***Details of substantial receipts (50 per cent and above of the total receipts)  
booked under Minor Head-800-Other Receipts***(₹ in crore)*

Sr. No.	Major Head	Receipts under Minor Head 800	Total Receipts	Percentage
1.	0029-Land Revenue	83.37	83.54	99.80
2.	0049-Interest Receipts	141.77	181.08	78.29
3.	0055-Police	87.88	142.34	61.74
4.	0056-Jails	1.05	2.07	50.72
5.	0075-Miscellaneous General Service	2164.37	2375.91	91.10
6.	0217-Urban Development	90.70	92.52	98.03
7.	0235-Social Security and Welfare	280.10	280.42	99.89
8.	0406-Forestry and Wildlife	181.97	193.48	94.05
9.	0515-Other Rural Development Programmes	3.42	3.42	100.00
10.	0701-Medium Irrigation	8.73	8.73	100.00
11.	0702-Minor Irrigation	26.59	26.59	100.00
12.	1456-Civil Supplies	246.41	246.41	100.00
13.	1475-Other General Economic Services	39.98	63.47	62.99
<b>Total</b>		<b>3356.34</b>	<b>3699.98</b>	<b>90.71</b>

*Source: Finance Accounts*

**Appendix-5.1***(Referred to in paragraph 5.3; page 120)***List of State Public Sector Enterprises**

Sr.No.	State Public Sector Enterprises	Remarks
<b>Power Sector SPSEs</b>		
1.	Gidderbaha Power Limited	Working
2.	Punjab Genco Limited	Working
3.	Punjab State Power Corporation Limited	Working
4.	Punjab Thermal Generation Limited	Working
5.	Punjab State Transmission Corporation Limited	Working
<b>Agriculture and Allied SPSEs</b>		
6.	Punjab State Grains Procurement Corporation Limited	Working
7.	Punjab State Civil Supplies Corporation Limited	Working
8.	Punjab State Warehousing Corporation	Working
9.	Punjab Agro Foodgrains Corporation Limited	Working
10.	Punjab Agro Industries Corporation Limited	Working
11.	Punjab Agro Juices Limited	Working
12.	Punjab State Seeds Corporation Limited	Working
13.	Punjab Agri Export Corporation Limited	Working
14.	Punjab State Container and Warehousing Corporation Limited	Working
15.	Punjab State Forest Development Corporation Limited	Working
16.	Punjab Water Resources Management & Development Corporation Limited	Working
17.	Punjab Land Development and Reclamation Corporation Limited	Inactive
18.	Punjab Poultry Development Corporation Limited	Inactive
19.	Punjab Micro Nutrients Limited	Inactive-under liquidation
<b>Other SPSEs</b>		
20.	Gulmohar Tourist Complex (Holiday Home) Limited	Working
21.	Punjab Police Security Corporation Limited	Working
22.	Punjab State Bus Stand Management Company Limited	Working
23.	Punjab Tourism Development Corporation Limited	Working
24.	Punjab State Biotech Corporation (Mohali Biotechnology Park)	Working
25.	PEPSU Road Transport Corporation	Working
26.	Punjab Small Industries and Export Corporation Limited	Working
27.	Punjab Information & Communication Technology Corporation Limited	Working
28.	Punjab Police Housing Corporation Limited	Working
29.	Amritsar Smart City Limited	Working
30.	Jalandhar Smart City Limited	Working
31.	Ludhiana Smart City Limited	Working
32.	Punjab Municipal Infrastructure Development Company	Working
33.	Punjab Communications Limited	Working
34.	Punjab State Industrial Development Corporation Limited	Working
35.	Punjab Financial Corporation	Working
36.	Punjab Scheduled Castes Land Development and Finance Corporation	Working
37.	Punjab Venture Capital Limited	Inactive

<b>Sr.No.</b>	<b>State Public Sector Enterprises</b>	<b>Remarks</b>
38.	Punjab Venture Investors Trust Limited	Inactive
39.	Punjab Film and News Corporation Limited	Inactive
40.	Amritsar Hotel Limited	Inactive
41.	Neem Chameli Tourist Complex Limited	Inactive
42.	Punjab State Handloom and Textile Development Corporation Limited	Inactive
43.	Punjab State Hosiery and Knitwear Development Corporation Limited	Inactive
44.	Punjab State Leather Development Corporation Limited	Inactive
45.	Punjab Recorders Limited	Inactive
46.	Punjab Footweares Limited	Inactive
47.	Electronic Systems Punjab Limited	Inactive-under liquidation
48.	Punjab Bio-Medical Equipments Limited	Inactive-under liquidation
49.	Punjab Power Packs Limited	Inactive-under liquidation

Source: Information provided by SPSEs

**Appendix-5.2**

(Referred to in paragraph 5.3; page 120)

**Summarised financial position and working results of Government Companies and Statutory Corporations  
as per their latest finalised accounts as on 30 September 2022***(₹ in crore)*

Sr. No.	Name of SPSE	Period of accounts	Paid up capital	Long Term Loans	Net profit/loss before interest and tax	Net profit/loss after interest and tax	Turnover	Net worth	Capital employed	Accumulated profit(+)/ Loss (-)
<b>A</b>	<b>Power Sector SPSEs</b>									
1.	Gidderbaha Power Limited	2021-22	0.05	12.03	0.00	0.00	D	(-)0.01	12.02	(-) 0.06
2.	Punjab Genco Limited	2020-21	22.90	0.00	2.35	1.73	7.77	151.25	151.25	128.35
3.	Punjab State Power Corporation Limited	2021-22	21,709.73	13,748.87	2,404.37	1,069.21	33,998.45	16,085.76	29,834.63	(-) 5,644.05
4.	Punjab Thermal Generation Limited	2021-22	0.05	0.00	0.00	0.00	D	0.00	0.00	(-) 0.05
5.	Punjab State Transmission Corporation Limited	2021-22	605.88	4,017.36	564.78	215.10	1,472.58	1,188.53	5,205.89	580.65
	<b>Total A</b>		<b>22338.61</b>	<b>17,778.26</b>	<b>2,971.50</b>	<b>1,286.04</b>	<b>35,478.80</b>	<b>17,425.53</b>	<b>35,203.79</b>	<b>(-) 4,935.16</b>
<b>B</b>	<b>Agriculture and Allied SPSEs</b>									
6.	Punjab State Grains Procurement Corporation Limited	2017-18	1.05	6,873.58	(-)224.05	(-)224.05	15,587.31	(-)3,720.86	3,152.72	(-)3,721.91
7.	Punjab State Civil Supplies Corporation Limited	2018-19	3.73	0.00	(-)37.17	(-)37.17	11,604.63	(-)1,981.82	(-)1,981.82	(-)1,985.55
8.	Punjab State Warehousing Corporation	2018-19	8.00	6,101.09	312.03	311.53	6,150.23	(-)519.69	5,581.40	(-)554.17
9.	Punjab Agro Foodgrains Corporation Limited	2020-21	5.00	5,999.85	57.65	(-)135.08	1,661.65	(-)1,106.59	4,893.26	(-)1,111.59
10.	Punjab Agro Industries Corporation Limited	2020-21	49.21	4.95	1.21	0.98	42.59	66.81	71.76	17.60
11.	Punjab Agro Juices Limited	2021-22	50.00	30.00	(-) 5.03	(-) 5.05	16.69	(-)25.01	4.99	(-)75.01
12.	Punjab State Forest Development Corporation Limited	2020-21	0.25	0.00	2.17	1.57	31.99	62.35	62.35	57.91
13.	Punjab State Seeds Corporation Limited	2020-21	5.62	0.00	(-) 3.41	(-) 3.42	12.66	14.45	14.45	8.83
14.	Punjab Water Resources Management & Development Corporation Limited	2019-20	300.00	229.49	(-) 9.76	(-) 9.76	0.00	87.55	317.04	(-) 212.45
15.	Punjab Agri Export Corporation Limited	2021-22	5.00	0.00	(-) 6.78	(-) 6.19	8.68	42.50	42.50	37.50
16.	Punjab State Container and Warehousing Corporation Limited	2020-21	25.00	0.00	18.05	3.23	27.68	198.44	198.44	173.44
	<b>Total B</b>		<b>452.86</b>	<b>19,238.96</b>	<b>104.91</b>	<b>(-) 103.40</b>	<b>35,144.11</b>	<b>(-) 6,881.87</b>	<b>12,357.09</b>	<b>(-)7,365.40</b>

Sr. No.	Name of SPSE	Period of accounts	Paid up capital	Long Term Loans	Net profit/loss before interest and tax	Net profit/loss after interest and tax	Turnover	Net worth	Capital employed	Accumulated profit(+)/ Loss (-)
<b>C</b>	<b>Other SPSEs</b>									
17.	Punjab Small Industries and Export Corporation Limited	2019-20	50.01	0.00	101.78	76.15	313.94	403.64	403.64	353.63
18.	Gulmohar Tourist Complex (Holiday Home) Limited	2019-20	0.02	1.04	(-) 0.27	(-) 0.27	0.01	(-) 5.46	(-) 4.42	(-) 5.48
19.	Punjab Information & Communication Technology Corporation Limited	2020-21	19.23	0.00	1.01	0.72	5.07	45.83	45.83	26.60
20.	Punjab Police Security Corporation Limited	2020-21	0.05	0.00	B	B	B	0.05	0.05	B
21.	Punjab State Bus Stand Management Company Limited	2015-16	56.15	22.25	13.07	7.91	455.89	78.40	100.53	22.25
22.	Punjab Tourism Development Corporation Limited	2018-19	6.66	0.00	(-)0.02	(-)0.02	0.00	22.01	22.01	13.97
23.	Punjab Municipal Infrastructure Development Company	2018-19	0.05	252.18	B	B	B	0.05	252.23	B
24.	Punjab State Biotech Corporation (Mohali Biotechnology Park)	2020-21	0.00	0.00	B	B	B	0.00	0.00	B
25.	Punjab State Industrial Development Corporation Limited	2020-21	78.22	596.02	35.76	22.64	18.90	(-)583.40	12.61	(-)661.62
26.	Punjab Communications Limited	2021-22	12.02	0.00	(-)13.22	(-)12.49	10.76	(-)38.72	(-)38.72	(-)59.70
27.	Punjab Police Housing Corporation Limited	2020-21	0.05	100.00	B	B	B	0.05	100.05	B
28.	Punjab Scheduled Castes Land Development and Finance Corporation	2020-21	131.15	15.74	(-)3.95	(-)4.38	6.81	104.35	120.09	(-)26.80
29.	PEPSU Road Transport Corporation	2017-18	331.44	73.38	13.19	(-)2.67	518.55	(-)64.76	8.62	(-)396.20
30.	Punjab Financial Corporation	2019-20	40.39	175.48	(-)0.16	(-)0.29	3.30	(-)217.00	(-)41.52	(-)257.39
31.	Amritsar Smart City Limited	2019-20	0.01	0.00	0.00	0.00	0.00	0.15	0.15	0.14
32.	Jalandhar Smart City Limited	2018-19	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.00
33.	Ludhiana Smart City Limited	2019-20	0.01	0.00	(-)0.04	(-)0.04	0.00	(-)0.19	(-)0.19	(-)0.20
	<b>Total C</b>		<b>725.47</b>	<b>1,235.97</b>	<b>147.15</b>	<b>87.26</b>	<b>1,333.23</b>	<b>(-) 254.99</b>	<b>980.98</b>	<b>(-) 990.80</b>
	<b>Grand Total (A+B+C)</b>		<b>23,516.94</b>	<b>38,253.19</b>	<b>3,223.56</b>	<b>1,269.90</b>	<b>71,956.14</b>	<b>10,288.67</b>	<b>48,541.86</b>	<b>(-) 13,291.36</b>

**Note:** 1. 'B' represents SPSEs working on no profit/no loss basis.

2. 'D' represents SPSEs which have not commenced commercial operations.

3. Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits but do not include reserves created out of revaluation of assets and write back of depreciation provision.

**Appendix-5.3**

(Referred to in paragraph 5.7.3; page .127)

**Statement showing State Government funds infused in SPSEs during the period from 2010-11 to 2021-22**

(₹ in crore)

Sl. No.	1		2		3		4		5		6		7		8	
	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL
Year	Punjab Agro Industries Corporation Limited (11 February 1966)		Punjab Agro Juices Limited (01 February 2006)		Punjab State Forest Development Corporation Limited (23 May 1983)		Punjab State Grains Procurement Corporation Limited (10 March 2003)		Punjab State Seeds Corporation Limited (27 March 1976)		Punjab Small Industries and Export Corporation Limited (17 March 1962)		Punjab Water Resources Management and Development Corporation Limited (26 December 1970)		Gulmohar Tourist Complex (Holiday Home) Limited (09 July 2003)	
Upto 2010-11	45.46	0.00	50.00	0.00	0.25	0.00	1.05	0.00	4.51	0.00	49.86	0.00	296.16	0.00	0.02	0.00
2011-12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2012-13	0.00	0.00	0.00	30.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.00	0.00	0.00	0.00
2013-14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.93	0.00	0.00	0.00
2014-15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41.65	0.00	0.00	0.00
2015-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.82	0.00	0.00	0.00
2016-17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.41	0.00	0.00	0.00
2017-18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2018-19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(-) 97.97	0.00	0.00	0.00
2019-20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2020-21	0.00	0.00	(-) 50.00 <sup>12</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2021-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>45.46</b>	<b>0.00</b>	<b>00.00</b>	<b>30.00</b>	<b>0.25</b>	<b>0.00</b>	<b>1.05</b>	<b>0.00</b>	<b>4.51</b>	<b>0.00</b>	<b>49.86</b>	<b>0.00</b>	<b>300.00</b>	<b>0.00</b>	<b>0.02</b>	<b>0.00</b>

<sup>12</sup> The equity share capital of ₹ 50.00 crore of the GoP in the Punjab Agro Juices Limited were transferred to the Punjab Agri Export Corporation Limited during 2020-21.



Sl. No.	9		10		11		12		13		14		15		16	
Year	Punjab Information & Communication Technology Corporation Limited (27 March 1976)		Punjab State Bus Stand Management Company Limited (07 March 1995)		Punjab State Civil Supplies Corporation Limited (14 February 1974)		Punjab State Container and Warehousing Corporation Limited (26 April 1995)		Punjab Tourism Development Corporation Limited (26 March 1979)		Punjab State Warehousing Corporation (01 November 1967)		Punjab Scheduled Castes Land Development and Finance Corporation (18 January 1971)		PEPSU Road Transport Corporation (07 January 1956)	
	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL
Upto 2010-11	19.23	0.00	56.15	0.00	3.73	0.00	25.00	0.00	6.66	0.00	4.00	0.00	33.32	0.00	86.82	0.00
2011-12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.67	0.00	195.26	0.00
2012-13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.91	0.00	0.00	0.00
2013-14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.42	0.00	0.00	0.00
2014-15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.42	0.00	25.00	0.00
2015-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.42	0.00	0.00	0.00
2016-17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.42	0.00	0.00	0.00
2017-18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2018-19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2019-20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.09	0.00	0.00	0.00
2020-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.42	0.00	0.00	0.00
2021-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>19.23</b>	<b>0.00</b>	<b>56.15</b>	<b>0.00</b>	<b>3.73</b>	<b>0.00</b>	<b>25.00</b>	<b>0.00</b>	<b>6.66</b>	<b>0.00</b>	<b>4.00</b>	<b>0.00</b>	<b>68.09</b>	<b>0.00</b>	<b>307.08</b>	<b>0.00</b>

Sl. No.	17		18		19		20		21		Total		G. Total
Year	Punjab State Industrial Development Corporation Limited (31 January 1966)		Punjab Financial Corporation (01 February 1953)		Punjab Police Housing Corporation Limited (30 March 1989)		Punjab State Power Corporation Limited		Punjab State Transmission Corporation Limited		Total		
	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL	Equity	IFL	
Upto 2010-11	78.21	0.00	29.31	0.00	0.05	0.00	6,081.47	0.00	605.88	0.00	7,477.14	0.00	7,477.14
2011-12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	196.93	0.00	196.93
2012-13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.91	30.00	45.91
2013-14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.35	0.00	22.35
2014-15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	72.07	0.00	72.07
2015-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.24	0.00	32.24
2016-17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.83	0.00	10.83
2017-18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2018-19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(-)97.97	0.00	(-)97.97
2019-20	0.00	0.00	0.00	0.00	0.00	0.00	15628.26	0.00	0.00	0.00	15,629.35	0.00	15,629.35
2020-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(-)44.58	0.00	(-)44.58
2021-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>78.21</b>	<b>0.00</b>	<b>29.31</b>	<b>0.00</b>	<b>0.05</b>	<b>0.00</b>	<b>21709.73</b>	<b>0.00</b>	<b>605.88</b>	<b>0.00</b>	<b>23,314.27</b>	<b>30.00</b>	<b>23,344.27</b>

Source: Information provided by SPSEs

**Appendix-5.4***(Referred to in paragraph 5.11.2; page 132)***Information regarding accounts in arrear of State Public Sector Undertakings**

Sr. No.	Name of the Company	Year for which Accounts are in arrear	No. of accounts in arrear	Status of the Company
1	Punjab State Civil Supplies Corporation Limited	2019-20 to 2021-22	03	Working
2	Punjab State Grains Procurement Corporation Limited	2018-19 to 2021-22	04	Working
3	Punjab Tourism Development Corporation Limited	2019-20 to 2021-22	03	Working
4	Gulmohar Tourist Complex (Holiday Home) Limited	2020-21 to 2021-22	02	Working
5	Punjab State Bus Stand Management Company Limited	2016-17 to 2021-22	06	Working
6	Punjab Small Industries and Export Corporation Limited	2020-21 to 2021-22	02	Working
7	Punjab Information & Communication Technology Corporation Limited	2021-22	01	Working
8	Punjab State Industrial Development Corporation Limited	2021-22	01	Working
9	Punjab Municipal Infrastructure Development Company	2019-20 to 2021-22	03	Working
10	Amritsar Smart City Limited	2020-21 to 2021-22	02	Working
11	Jalandhar Smart City Limited	2019-20 to 2021-22	03	Working
12	Ludhiana Smart City Limited	2020-21 to 2021-22	02	Working
13	Punjab Water Resources Management and Development Corporation Limited	2020-21 to 2021-22	02	Working
14	Punjab Agro Foodgrains Corporation Limited	2021-22	01	Working
15	Punjab Agro Industries Corporation Limited	2021-22	01	Working
16	Punjab State Seeds Corporation Limited	2021-22	01	Working
17	Punjab State Container & warehousing Corporation Limited	2021-22	01	Working

Sr. No.	Name of the Company	Year for which Accounts are in arrear	No. of accounts in arrear	Status of the Company
18	Punjab State Forest Development Corporation Limited	2021-22	01	Working
19	Punjab Police Housing Corporation Limited	2021-22	01	Working
20	Punjab Police Security Corporation Limited	2021-22	01	Working
21	Punjab State Biotech Corporation	2021-22	01	Working
22	Punjab Genco Limited	2021-22	01	Working
	<b>Total</b>		<b>43</b>	
23	Punjab Land Development and Reclamation Corporation Limited	1995-96 to 2021-22	27	Non working
24	Punjab Poultry Development Corporation Limited	2016-17 to 2021-22	06	Non working
25	Amritsar Hotel Limited	2020-21 to 2021-22	02	Non working
26	Neem Chameli Tourist Complex Limited	2020-21 to 2021-22	02	Non working
27	Punjab Footwears Limited	2019-20 to 2021-22	03	Non working
28	Punjab State Hosiery and Knitwear Development Corporation Limited	2006-07 to 2021-22	16	Non working
29	Punjab State Leather Development Corporation Limited	2018-19 to 2021-22	04	Non working
30	Punjab State Handloom and Textile Development Corporation Limited	2018-19 to 2021-22	04	Non working
31	Punjab Venture Investor Trust Limited	2021-22	01	Non working
32	Punjab Film and News Corporation Limited	2015-16 to 2021-22	07	Non working
	<b>Total</b>		<b>72</b>	
33	Punjab Micro Nutrients Limited	Under liquidation		
34	Electronic Systems Punjab Limited	Under liquidation		
35	Punjab Bio-Medical Equipments Limited	Under liquidation		
36	Punjab Power Packs Limited	Under liquidation		



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