

# **GOVERNMENT OF PUNJAB**

## **ACCOUNTS AT A GLANCE** **2009-2010**

**ACCOUNTANT GENERAL**  
**(ACCOUNTS AND ENTITLEMENT)**  
**PUNJAB, CHANDIGARH**

## PREFACE

The annual accounts of the State Government are prepared and examined under the directions of Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature of the State. The annual accounts consist of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the grant-wise expenditure against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided. The Accountant General (Accounts and Entitlement) prepares the State Finance Accounts and the Appropriation Accounts.

'Accounts at a Glance' provides a broad overview of Governmental activities, as reflected in Finance Accounts and Appropriation Accounts. The information is presented through brief explanations, statements and graphs.

We look forward to suggestions that would help us in improving the publication.

**(AJAIB SINGH)**  
Accountant General (A&E)

Chandigarh  
Dated: 1.10.2010

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## INTRODUCTION

The monthly accounts of the State Government are compiled and consolidated from the accounts submitted by the District Treasuries, Public Works and Forest Divisions etc. to the Accountant General (Accounts and Entitlement). Besides, the Finance Accounts and the Appropriation Accounts are prepared annually by the Accountant General under the directions of the Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

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

Part I Consolidated Fund

Part II Contingency Fund

Part III Public Account

There are two main divisions under the Consolidated Fund:

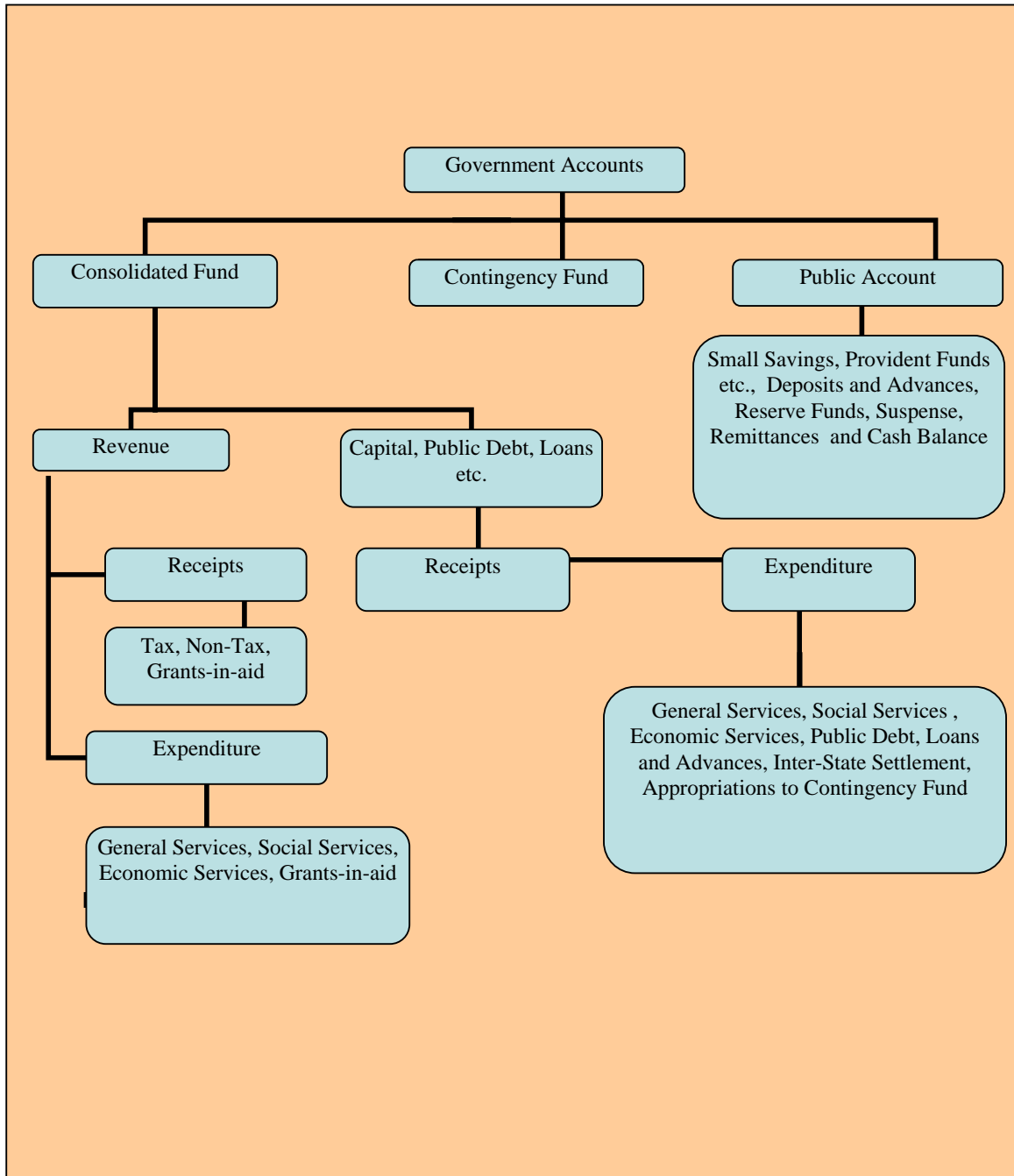
The 'Revenue division (Revenue Account)' deals with the proceeds of taxation and other receipts classed as revenue and the expenditure met there from, the net result of which represents the revenue surplus or deficit for the year.

In the Capital division, the section 'Receipt Heads (Capital Account)' deals with receipts of capital nature which cannot be applied as a set off to capital expenditure. The section 'Expenditure Heads (Capital Account)' deals with expenditure met usually from borrowed funds with the object of increasing concrete assets of a material and permanent character. It also includes receipts of a capital nature intended to be applied as a set off to capital expenditure. The section 'Public Debt, Loans and Advances etc.' comprises loans raised and their repayments by Government such as 'Internal Debt' and 'Loans and Advances' made (and their recoveries) by Government.

In the Contingency Fund, the transactions connected with Contingency Fund established under Article 267 of the Constitution of India are recorded. The Contingency Fund is in the nature of an imprest into which sums as determined by law shall be paid from time to time. Advances are made out of the fund for meeting unforeseen expenditure pending authorization of such expenditure by legislature.

In the Public Account, the transactions relating to 'Debt' (other than those included in Part I), 'Deposits', 'Advances', 'Suspense' and 'Remittances' are recorded. The transactions under 'Debt', 'Deposits' and 'Advances' in this part are those in respect of which Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid, together with the repayments of the former ('Debt' and 'Deposits') and recoveries of the later ('Advances'). The transactions relating to 'Suspense' and 'Remittances' in this part embrace merely all adjusting heads under which appear such transactions as remittances of Cash between treasuries and currency chests, transfer between different accounting circles etc.

## PICTORIAL REPRESENTATION OF STRUCTURE OF GOVERNMENT ACCOUNTS



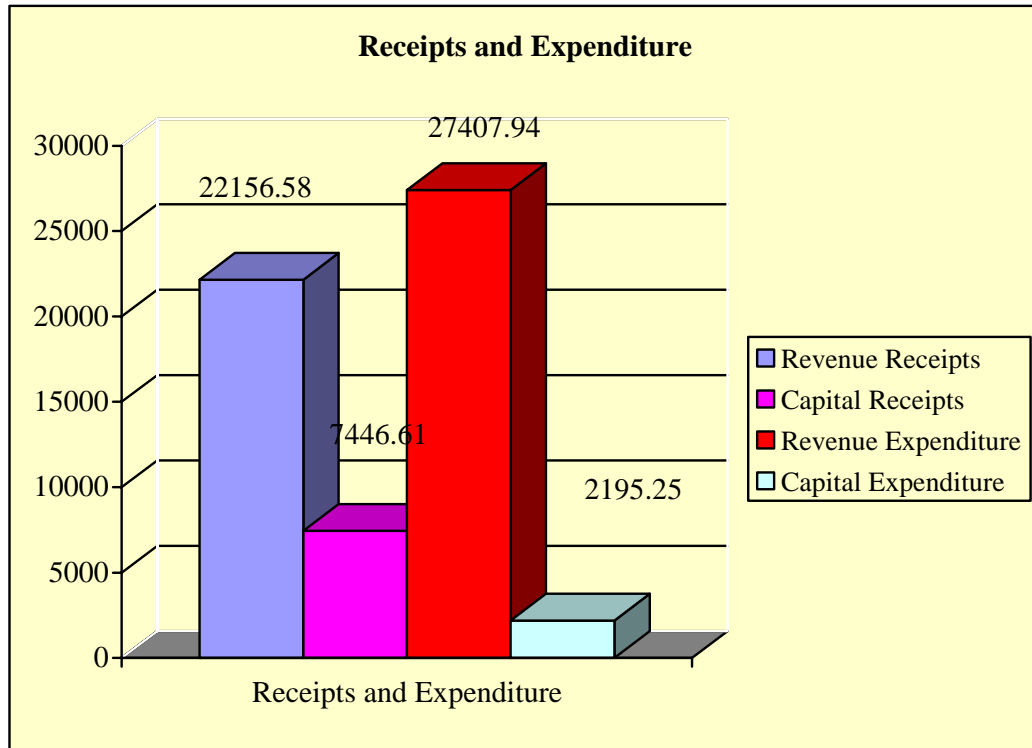
## CHAPTER 1 FINANCE ACCOUNT

### 1.1 Introduction

Finance Accounts present the accounts of net receipts and outgoings of the Government for the year together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debt and the liabilities and assets as worked out from the balances recorded in the accounts.

During 2009-2010, Total Receipts amounted to ₹ 2,96,03.19 crore comprising ₹ 2,21,56.58 crore (74.85 percent) Revenue Receipts (₹ 1,41,83.58 crore Tax Revenue, ₹ 56,52.70 crore Non-Tax Revenue and ₹ 23,20.30 crore Grants-in-aid and Contributions) and ₹ 74,46.61 crore (25.15 percent) Capital Receipts.

Total Disbursements during the year were ₹ 2,96,03.19 crore comprising ₹ 2,74,07.94 crore (92.58 percent ) Revenue Account and ₹ 21,95.25 crore (7.42 percent) Capital Account.



## 1.2 Highlights of Accounts

(₹ in crore)

Sr. No.	Particulars	Budget Estimate	Actuals	Percentage of Actuals to Budget Estimate	Percentage of Actuals to GSDP(a)
1	Tax Revenue	1,65,89.69	1,41,83.58	85.50	7.37
2	Non-Tax Revenue	74,32.62	56,52.70	76.05	2.94
3	Grants-in-aid and Contributions	20,50.04	23,20.30	113.18	1.21
4	Revenue Receipts (1+2+3)	2,60,72.35	2,21,56.58	84.98	11.52
5	Recovery of Loans and Advances	1,67.25	12,76.02	762.94	0.66
6	Other Receipts	..	0.51	..	..
7	Borrowings and other Liabilities (b)	76,59.93	61,70.08	80.55	3.21
8	Capital Receipts (5+6+7)	78,27.18	74,46.61	95.14	3.87
9	Total Receipts (4+8)	3,38,99.53	2,96,03.19	87.33	15.39
10	Non-Plan Expenditure (NPE)	2,83,95.75	2,61,98.83	92.26	13.62
11	NPE on Revenue Account	2,80,73.65	2,59,83.48	92.55	13.51
12	NPE on Interest Payments out of 11	53,48.64	50,10.99	93.69	2.60
13	NPE on Capital Account	3,22.10	2,15.35	66.86	0.11
14	Plan Expenditure (PE)	55,03.78	34,04.36	61.85	1.77
15	PE on Revenue Account	22,32.61	14,24.46	63.80	0.74
16	PE on Capital Account	32,71.17	19,79.90	60.53	1.03
17	Total Expenditure (10+14)	3,38,99.53	2,96,03.19	87.33	15.39
18	Revenue Expenditure (11+15)	3,03,06.26	2,74,07.94	90.44	14.25
19	Capital Expenditure (13+16) (c)	35,93.27	21,95.25	61.09	1.14
20	Revenue Surplus / Deficit (4-18 or 18-4) (d)	-42,33.91	-52,51.36	124.03	(f)
21	Fiscal Surplus/Deficit (4+5+6-17) (e)	-76,59.93	-61,70.08	80.55	(f)

- (a) GSDP during 2009-2010: ₹19,23,63.89 crore.
- (b) Borrowings and other liabilities: Net (Receipts minus Disbursement) of Public Debt plus Net of Contingency Fund plus Net (Receipts minus Disbursement) of Part III Public Account Plus Net of Opening and Closing Cash Balance. Here decrease of Cash Balance over the year means that it has become a source for financing fiscal deficit, hence it should be taken as a positive figure and vice versa for an increase in Cash Balance.
- (c) Expenditure on Capital Account includes Capital Expenditure (₹ 21,66.41 crore) and Loan and Advances disbursed (₹ 28.84 crore).
- (d) Revenue Deficit: Revenue Expenditure minus Revenue Receipts (As per the traditional theory of financial management Revenue Expenditure is required to maintain the existing establishment of Government and should be met out of Revenue Receipts).
- (e) Fiscal Deficit: Total Expenditure minus Total Receipts (Revenue Receipts plus Capital Receipts excluding liabilities). It is a measure of Total Expenditure which is financed by Borrowings.
- (f) Percentage in real terms cannot be worked out due to Revenue Deficit and Fiscal Deficit.

### 1.3 Sources and Application of Funds

The cash balance with Reserve Bank of India increased from ₹ -3,01.18 crore as on 1st April 2009 to ₹ -2,75.19 crore as on 31st March 2010, the details of source and application of funds are as follows:

(₹ in crore)

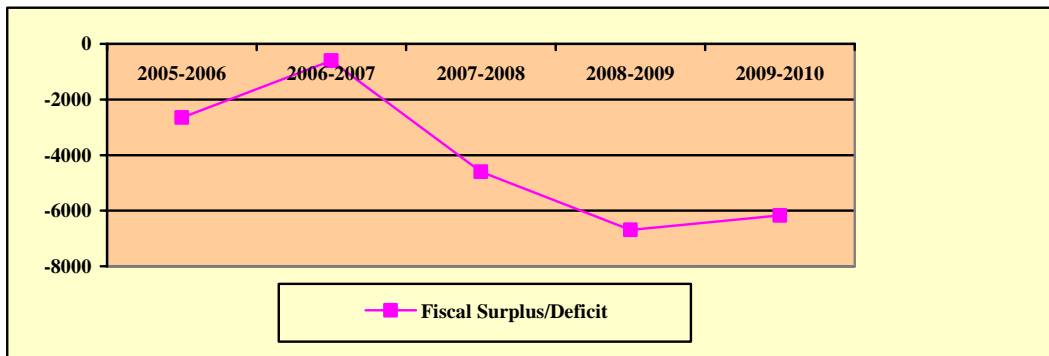
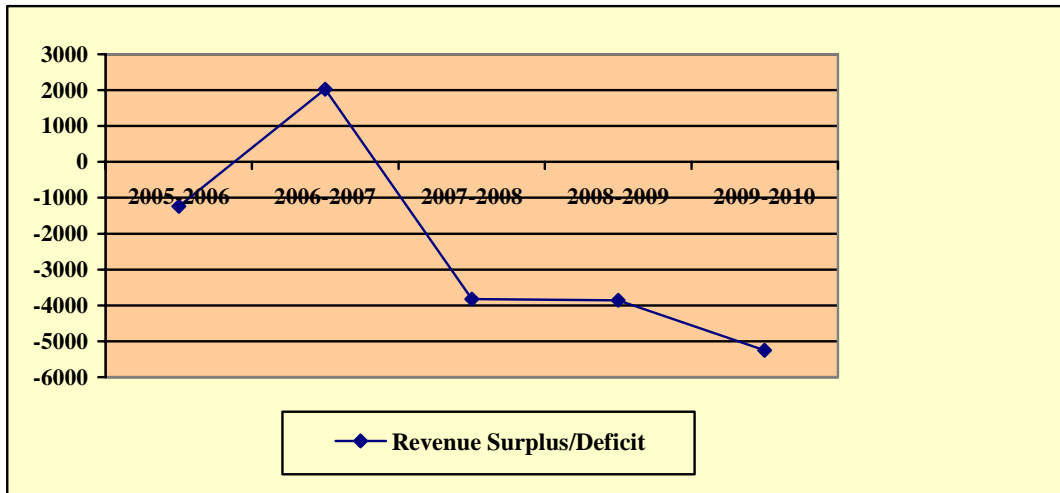
SOURCE			APPLICATION				
Sr. No.	Particulars	Amount	Sr. No.	Particulars	Amount		
					Non-Plan	Plan	Total
1	Opening cash balance	-3,01.18	1	Revenue Expenditure	2,59,83.48	14,24.46	2,74,07.94
2	State's share of Union Taxes	21,44.10	2	Capital Expenditure	1,86.51	19,79.90	21,66.41
3	State's own revenue collection	1,20,39.48	3	Loans and advances repaid <ul style="list-style-type: none"> <li>• to Central Government</li> <li>• to others</li> </ul>			1,73.97 51,34.39
4	Central grants/ assistance other than loans	23,20.30	4	Loans and advances given	28.84	..	28.84
5	Miscellaneous Receipts	56,52.70	5	Net effect of adjustment of suspense and remittance balances and increase / decrease of reserve funds			
6	Other Receipts	0.51					
7	Receipts from public debt, small savings, deposits and advances (other than Central loans)	1,50,27.83	6	Small Savings, Deposits and Advances			38,78.90
8	Receipts from central loans	71.40	7	Closing cash balance			-2,75.19
9	Recoveries from borrowers	12,76.02					
10.	Net contribution from Contingency Fund	..					
11	Net effect of adjustment of suspense and remittance balances and increase/decrease of reserve funds	2,84.10					
12	<b>Total</b>	<b>3,85,15.26</b>					<b>3,85,15.26</b>

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

(₹ in crore)



Year	Revenue Surplus/Deficit	Fiscal Surplus/Deficit
2005-2006	-12,40.25	-26,53.92
2006-2007	+20,23.36	-6,11.53
2007-2008	-38,23.24	-46,03.83
2008-2009	-38,56.20	-66,90.45
2009-2010	-52,51.36	-61,70.08



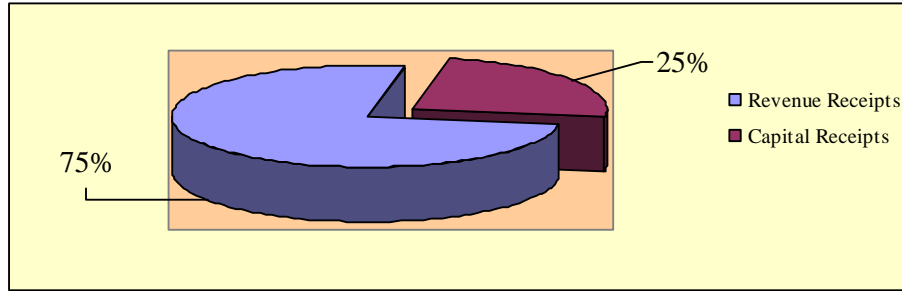
1. Financial parameters tilted towards high rate of Revenue Deficit during 2005-2006, 2007-2008, 2008-2009 and 2009-2010 except status of Revenue Surplus during 2006-2007 and that too on account of debt and interest relief of ₹ 39,03.43 crore given by Ministry of Finance, Government of India on repayment of consolidated loan.
2. The Fiscal Deficit of the state decreased from ₹ 66,90.45 crore in 2008-2009 to ₹ 61,70.08 crore in 2009-2010.

As per Punjab Government Fiscal Responsibility Act, the Government has committed to reduce the ratio of Fiscal Deficit to Gross Domestic Product every year by 2 percent per annum in nominal terms until fiscal deficit is brought down to 3 percent of GSDP. During 2009-2010, Fiscal Deficit was 3.21 percent of the GSDP.

## CHAPTER 2 RECEIPTS

### 2.1 Introduction

Total Receipts during the year were ₹ 2,96,03.19 crore (Revenue Receipts ₹ 2,21,56.58 crore and Capital Receipts ₹ 74,46.61 crore).



### 2.2 Revenue Receipts

Net Tax Revenue of ₹ 1,41,83.58 crore and Non-Tax Revenue of ₹ 56,52.70 crore formed 7.37 percent and 2.94 percent of the GSDP respectively. 'Taxes on Commodities and Services' of ₹ 1,12,41.41 crore (5.84 percent of GSDP) was major contributor to Revenue.

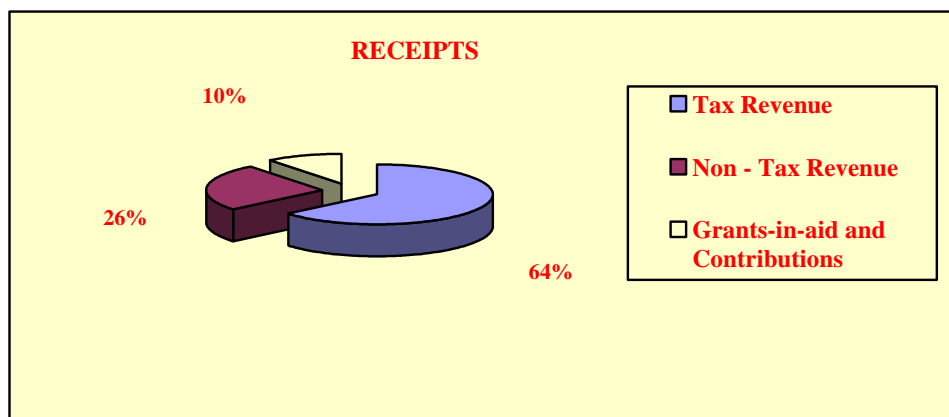
Net Tax Revenue during the year was lower than the budget estimates by ₹ 24,06.11 crore, mainly on account of less collections under 'Taxes on Vehicles' and 'Stamps and Registration Fees'.

Share of various taxes, non-tax revenue and grants-in-aid and contributions to Total Revenue Receipts is given below:

(₹ in crore)

Component	Actual	Percentage to Total Revenue Receipts
<b>A. Tax Revenue</b>	<b>1,41,83.58</b>	<b>64.02</b>
Taxes on Income and Expenditure *	13,73.92	6.20
Taxes on Property and Capital Transactions	15,68.25	7.08
Taxes on Commodities and Services	1,12,41.41	50.74
<b>B. Non-Tax Revenue</b>	<b>56,52.70</b>	<b>25.51</b>
Fiscal Services	..	..
Interest Receipts, Dividends and Profits	1,65.60	0.74
General Services	48,89.49	22.07
Social Services	2,23.39	1.01
Economic Services	3,74.22	1.69
<b>C. Grants-in-aid and Contributions</b>	<b>23,20.30</b>	<b>10.47</b>
Grants for State Non Plan Schemes	3,90.31	1.76
Grants for State Plan Schemes	12,79.25	5.77
Grants for Central Plan Schemes	38.20	0.17
Grants for Centrally Sponsored Plan Schemes	6,12.54	2.77
<b>Total - Revenue Receipts</b>	<b>2,21,56.58</b>	<b>100.00</b>

\* Share of Income Tax received from Union Government.

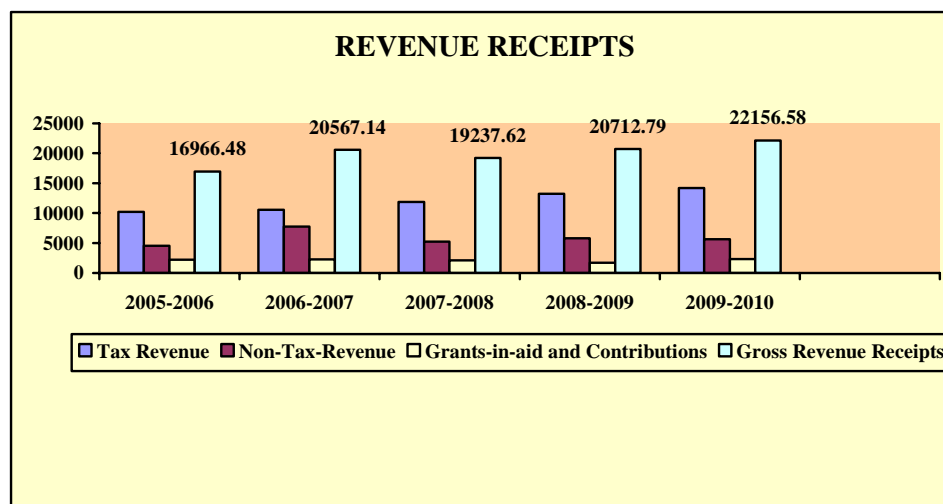


### 2.3 Trend in Revenue Receipts

Trend in Revenue Receipts during the period from 2005-2006 to 2009-2010 is given below:-  
(₹ in crore)

Year	Tax Revenue	Non-Tax Revenue	Grants-in-aid and Contributions	Gross Revenue Receipts	GSDP#	Percentage of Gross Revenue Receipts to GSDP
2005-2006	1,02,16.83	45,36.33	22,13.32	1,69,66.48	10,86,53.34	15.62
2006-2007	1,05,82.91	77,44.58	22,39.65	2,05,67.14	12,12,09.38	16.97
2007-2008	1,18,74.16	52,53.97	21,09.49	1,92,37.62	14,43,09.33	13.33
2008-2009	1,32,34.20	57,83.91	16,94.68	2,07,12.79	16,58,03.64	12.49
2009-2010	1,41,83.58	56,52.70	23,20.30	2,21,56.58	19,23,63.89	11.52

# GSDP figure adopted for 2005-2006, 2006-2007 are revised, for 2007-2008 is provisional, for 2008-2009 is on quick basis whereas for 2009-2010 is advance figure.



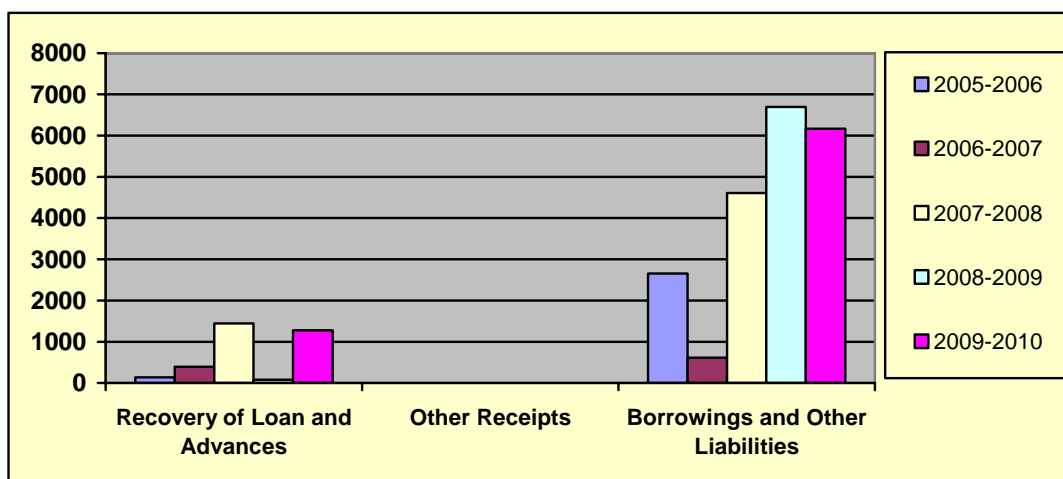
## 2.4 Trend in Capital Receipts

Trend in Capital Receipts during the period from 2005-2006 to 2009-2010 is given below:-  
(₹ in crore)

Year	Recovery of Loan and Advances	Other Receipts	Borrowings and Other Liabilities	Total Capital Receipts	GSDP#	Percentage of Gross Capital Receipts to GSDP
2005-2006	1,36.70	..	26,53.92	27,90.62	10,86,53.34	2.57
2006-2007	3,95.45	..	6,11.53	10,06.98	12,12,09.38	0.83
2007-2008	14,45.15	0.71	46,03.83	60,49.69	14,43,09.33	4.19
2008-2009	77.63	1.12	66,90.45	67,69.20	16,58,03.64	4.08
2009-2010	12,76.02*	0.51	61,70.08	74,46.61	19,23,63.89	3.87

# GSDP figure adopted for 2005-2006 and 2006-2007 are revised, for 2007-2008 is provisional, for 2008-2009 is on quick basis whereas for 2009-2010 is advance figure.

\* Includes ₹11,92.84 crore on account of book adjustment representing electricity duty (₹52.41 crore) and subsidy (₹11,40.43 crore) as repayment of Loan by State Electricity Board.

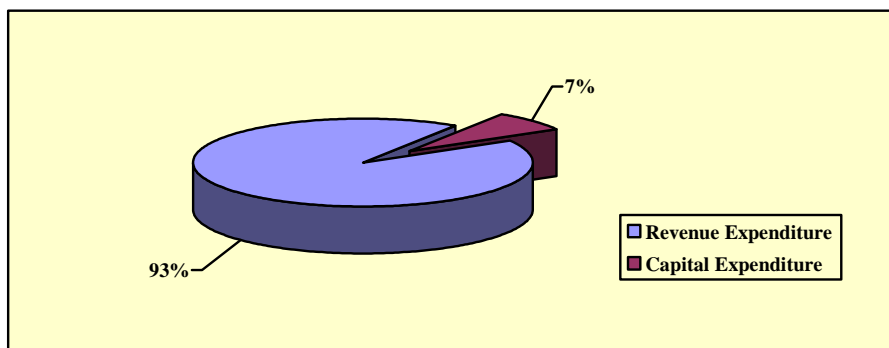


## CHAPTER 3 EXPENDITURE

### 3.1 Introduction

The Expenditure of the Government consists of Revenue Expenditure and Capital Expenditure. Based on the purpose and nature of expenditure these are further segregated into plan and non-plan.

Total Expenditure during the year was ₹ 2,96,03.19 crore (Revenue Expenditure ₹ 2,74,07.94 crore and Capital Expenditure ₹ 21,95.25 crore).

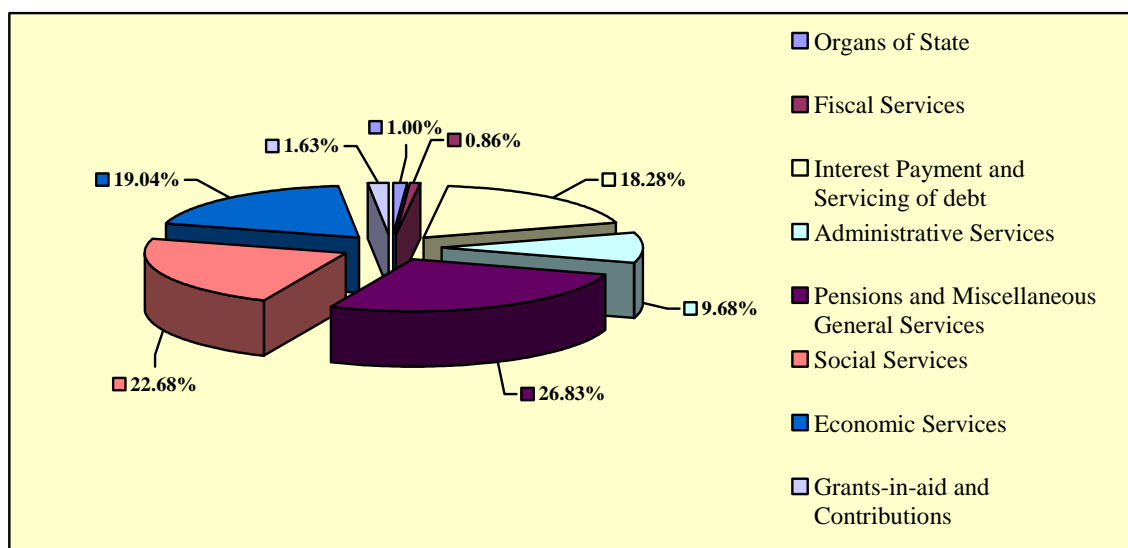


During the year 2009-2010 Plan Expenditure was ₹ 34,04.36 crore consisting of ₹ 28,50.53 crore under State Plan and ₹ 5,53.83 crore under Centrally Sponsored Plan. Non-Plan Expenditure during 2009-2010 was ₹ 2,61,98.83 crore consisting of ₹ 2,59,83.48 crore under Revenue and ₹ 2,15.35 crore under Capital.

### 3.2 Sectoral distribution of Expenditure and its percentage to Total Revenue Expenditure is given below:

(₹ in crore)		
Components*	Amount	Percentage to Total Revenue Expenditure
<b>A. Organs of State</b>	<b>2,74.27</b>	<b>1.00</b>
<b>B. Fiscal Services</b>	<b>2,35.37</b>	<b>0.86</b>
(i) Collection of Taxes on Income and Expenditure	..	..
(ii) Collection of Taxes on Property and Capital transactions	1,36.86	0.50
(iii) Collection of Taxes on Commodities and Services	88.81	0.32
(iv) Other Fiscal Services	9.70	0.04
<b>C. Interest Payment and Servicing of Debt</b>	<b>50,10.99</b>	<b>18.28</b>
<b>D. Administrative Services</b>	<b>26,51.85</b>	<b>9.68</b>
<b>E. Pensions and Miscellaneous General Services</b>	<b>73,52.80</b>	<b>26.83</b>
<b>F. Social Services</b>	<b>62,17.13</b>	<b>22.68</b>
<b>G. Economic Services</b>	<b>52,18.62</b>	<b>19.04</b>
<b>H. Grants-in-aid and Contributions</b>	<b>4,46.91</b>	<b>1.63</b>
<b>Total Expenditure (Revenue Account)</b>	<b>2,74,07.94</b>	<b>100.00</b>

\* A pie chart showing the distribution of expenditure is as under:-



### 3.3 Statement of Expenditure in Selected Sectors

(₹ in crore)

Sector	2005-06	Percent to B.E./R.E.	2006-07	Percent to B.E./R.E.	2007-08	Percent to B.E./R.E.	2008-09	Percent to B.E./R.E.	2009-10	Percent to B.E./R.E.
<b>A. Social Services</b>										
(i) Education, Sports, Art and Culture	22,89.09	90.44 (88.63)	23,18.26	83.94 (86.49)	26,73.99	91.53 (88.53)	30,65.30	96.63 (91.73)	36,45.23	91.77 (89.07)
(ii) Health and Family Welfare	6,95.85	94.38 (88.30)	6,89.02	75.73 (87.18)	7,56.47	89.20 (92.64)	8,29.23	92.92 (81.57)	9,80.67	99.53 (85.89)
<b>B. Economic Services</b>										
(i) Agriculture and Allied Activities	4,87.32	47.07 (59.97)	4,73.72	80.28 (87.45)	6,62.15	75.78 (84.00)	7,48.90	79.19 (86.61)	7,36.30	81.38 (82.66)
(ii) Rural Development	47.56	74.10 (69.09)	66.23	70.25 (43.36)	65.68	17.55 (25.95)	74.49	18.02 (34.76)	1,02.41	94.15 (93.96)
(iii) Irrigation and Flood Control	5,94.16	106.95 (93.42)	5,19.43	90.75 (85.06)	5,67.67	84.94 (87.58)	6,13.27	90.50 (88.62)	7,68.66	101.60 (89.74)
(iv) Energy	15,51.31	153.96 (96.63)	14,27.47	82.65 (73.13)	28,51.06	142.25 (100.21)	26,02.28	129.81 (99.77)	28,74.67	110.35 (91.40)
(v) Transport	3,50.78	44.10 (87.84)	5,51.60	109.91 (111.39)	3,63.64	71.96 (76.97)	3,26.41	68.56 (73.33)	4,59.87	98.56 (96.80)
(vi) General Economic Services	6,09.10	118.29 (92.24)	5,95.37	104.98 (89.24)	8,26.05	78.63 (75.86)	2,44.52	49.24 (48.30)	2,39.96	42.19 (78.23)

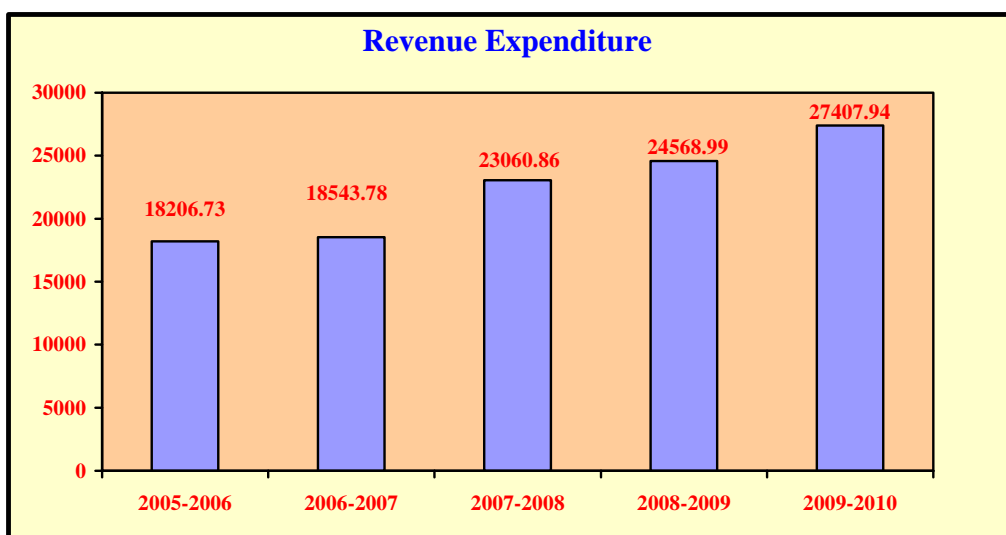
Note:-Figure in brackets represent percentage with reference to revised estimates.

### 3.4 Trend in Revenue Expenditure

(₹ in crore)

Year	Revenue Expenditure	Total Expenditure	GSDP#	Percentage increase over 2005-2006 to 2009-2010			Percentage of Total Expenditure to GSDP
				Revenue Expenditure	Total Expenditure	GSDP	
2005-2006	1,82,06.73	1,97,57.10	10,86,53.34	5.87	9.42	12.41	18.18
2006-2007	1,85,43.78	2,15,74.12	12,12,09.38	1.85	9.20	11.56	17.80
2007-2008	2,30,60.86	2,52,87.31	14,43,09.33	24.36	17.21	19.06	17.52
2008-2009	2,45,68.99	2,74,81.99	16,58,03.64	6.54	8.68	14.89	16.58
2009-2010	2,74,07.94	2,96,03.19	19,23,63.89	11.56	7.72	16.02	15.39

# GDP figure adopted for 2005-2006 and 2006-2007 are revised, for 2007-2008 is provisional, for 2008-2009 is on quick basis whereas for 2009-2010 is advance figure.



Growth in major areas of Revenue Expenditure is shown in the following table:

(₹ in crore)

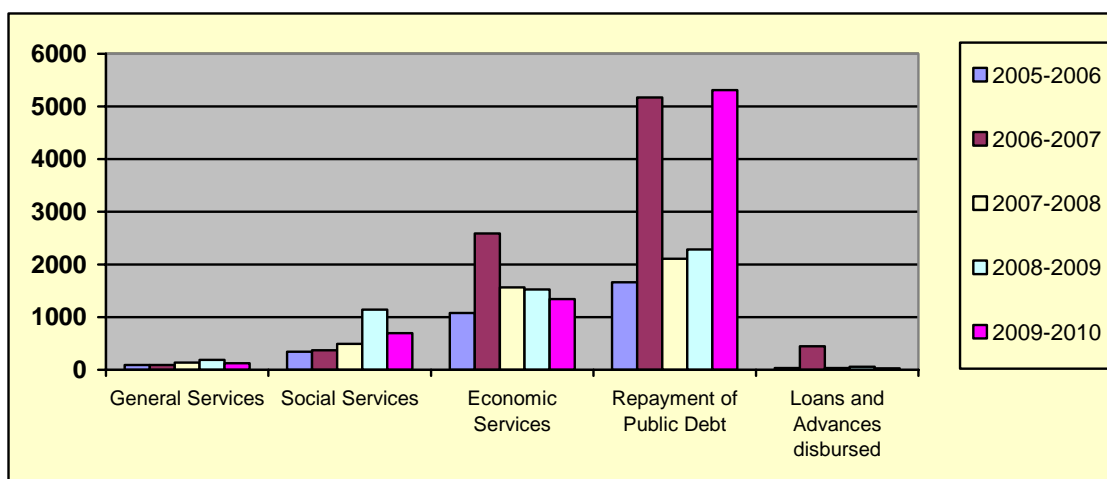
Area of Expenditure	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	Percentage increase in 2009-2010 over last year
Interest Payments and Servicing of Debt	37,15.16	41,51.78	45,26.92	49,01.68	50,10.99	2.23
Pension and Miscellaneous General Services	47,54.79	39,51.87	59,01.24	63,51.13	73,52.80	15.77
Education, Sports, Art and Culture	22,89.09	23,18.26	26,73.99	30,65.30	36,45.24	18.92

### 3.5 Trend in Capital Expenditure

(₹ in crore)

Year	General Services	Social Services	Economic Services	Repayment of Public Debt	Loans and Advances disbursed	Total Capital Expenditure	GSDP#	Percentage of Total Capital Expenditure to GSDP
2005-2006	90.20	3,43.99	10,82.70	16,63.82	33.48	32,14.19	10,86,53.34	2.96
2006-2007	93.82	3,70.52	25,86.18	51,70.55	4,44.16	86,65.23	12,12,09.38	7.15
2007-2008	1,35.22	4,90.08	15,66.30	21,07.65	34.85	43,34.10	14,43,09.33	3.00
2008-2009	1,86.91	11,44.84	15,26.18	22,88.52	55.07	52,01.52	16,50,03.64	3.15
2009-2010	1,25.70	6,99.23	13,41.48	53,08.36	28.84	75,03.61	19,23,63.89	3.90

# GSDP figure, adopted for 2005-2006 and 2006-2007 are revised, for 2007-2008 is provisional, for 2008-2009 is on quick basis whereas for 2009-2010 are advance figure.



### 3.6 Rush of Expenditure

The financial rules require that rush of expenditure primarily in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred in March 2010 ranged from 45 percent to 87 percent of the total expenditure during the year indicating a tendency to utilise the budget at the close of the financial year. A few illustrations are mentioned below:-

#### Statement showing flow of expenditure during the four quarters of 2009-2010

(₹ in crore)

Sr. No.	Head of Account	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	During 3/2010	Percentage of 3/2010 w.r.t. Total Expenditure of 2009-2010
1.	3425 – Other Scientific Research	..	..	0.38	1.34	1.72	1.34	77.91
2.	4202 - Capital Outlay on Education, Sports, Art and Culture	4.35	20.29	27.45	1,24.19	1,76.28	80.68	45.77
3.	4216 - Capital Outlay on Housing	..	..	1.20	3.08	4.28	3.08	71.96
4.	4250 - Capital Outlay on Other Social Services	0.62	0.78	1.88	14.76	18.04	10.66	59.09
5.	4403 - Capital Outlay on Animal Husbandry	..	..	0.31	2.09	2.40	2.09	87.08



## CHAPTER 4 ASSETS AND LIABILITIES

### 4.1 Balance Sheet of the Core Government<sup>1</sup>

There is no concept of a Balance Sheet as in the case of a commercial enterprise for the Government; however it is possible to construct one from the information available in the accounts in the form of assets and liabilities or in terms of a statement of balances of resources. Liabilities of the Government include its internal debt, external debt, small savings and provident fund<sup>2</sup>, reserve fund<sup>3</sup> and other deposits. The assets<sup>4</sup> of the Government include its capital expenditure on creation of economic and social infrastructure and its loans and advances.

#### Assets and Liabilities

(₹ in crore)

Assets		As at 31st March 2010	As at 31st March 2009	Liabilities		As at 31st March 2010	As at 31st March 2009
<b>Cash</b>		<b>2,25.77</b>	<b>2,69.97</b>	<b>Borrowings (Public Debt)</b>		<b>5,32,52.82</b>	<b>4,84,53.34</b>
(i)				(i)	Internal Debt	4,99,66.46	4,50,64.41
	Cash in Treasuries and Local Remittances	..	..	(ii)	Loans and Advances from Central Government	32,86.36	33,88.93
(ii)	Departmental Balances	2,08.04	3,73.10		Non-Plan Loans	41.01	40.96
(iii)	Permanent Imprest	0.22	0.22		Loans for State Plan Schemes	31,97.42	32,93.57
(iv)	Cash Balance	2,92.00	1,97.13		Loans for Central Plan Schemes	..	..
(v)	Investments	-2,75.19	-3,01.18		Loans for Centrally Sponsored Plan Schemes	47.61	54.08
(vi)	Deposits with Reserve Bank of India	0.70	0.70		Other Loans	0.32	0.32
	Investments from Earmarked Funds						
<b>Capital Expenditure</b>		<b>2,47,03.02</b>	<b>2,25,37.12</b>	<b>Contingency Fund (balance)</b>		<b>25.00</b>	<b>25.00</b>
(i)	Investments in shares of Companies, Corporations, etc.	38,32.39	38,41.34	<b>Liabilities on Public Account</b>		<b>1,48,34.08</b>	<b>1,34,85.61</b>
(ii)	Other Capital Expenditure	2,08,70.63	1,86,95.78	(i)	Small Savings, Provident Funds etc.	1,01,82.44	93,33.63
<b>Contingency Fund (un-recouped)</b>		<b>..</b>	<b>..</b>	(ii)	Reserve funds	22,89.20	20,80.85
<b>Loans and Advances</b>		<b>28,52.90</b>	<b>41,00.08</b>	(iii)	Deposits	22,46.51	19,82.67
<b>Advances with departmental officers</b>		<b>0.77</b>	<b>0.61</b>	(iv)	Suspense and Miscellaneous Balances	..	11.91
<b>Suspense and Miscellaneous Balances</b>		<b>22.57</b>	<b>0.66</b>	(v)	Remittance Balances	1,15.93	76.55
<b>Remittance Balances</b>		<b>..</b>	<b>..</b>				
<b>Cumulative excess of expenditure over receipts</b>		<b>4,03,06.87</b>	<b>3,50,55.51</b>	<b>Cumulative excess of Receipts over Expenditure</b>		<b>..</b>	<b>..</b>
<b>Total</b>		<b>6,81,11.90</b>	<b>6,19,63.95</b>	<b>Total</b>		<b>6,81,11.90</b>	<b>6,19,63.95</b>

1. Core Government indicates Government Department and Departmental Undertakings (but excluding Public Sector Undertaking / Autonomous Bodies that maintained independent accounts)
2. Public Account includes small savings, provident fund and deposits and are maintained by Government more in its capacity as a banker.
3. Reserve Funds are created by charging the amount in revenue account of Consolidated Fund. These are purpose specific and despite being aberrations in cash based accounting, visualizes year marked resources flows these are largely self liquidating.
4. Though the capital expenditure which includes expenditure on machinery, buildings and others, is of different vintages, there aggregation is treat and without any discounting. It is the best possible figures of assets because expenditure is incurred from the revenue and capital receipts, there is a direct relation ship between the liabilities and assets defined in this manner.

### 4.2 Assets

Government has variable assets in the form of Buildings, Factories etc. Most of these assets of the Government don't easily lend themselves to an accurate valuation and Government Accounts do not exhibit comprehensive valuation of fixed assets like Land, Buildings etc. However, the Government Accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government.

#### **4.3 Investments and Returns**

Total investments as share capital in Statutory Corporations/Boards, Government Companies, Joint Stock Companies, Co-operative Banks and Societies etc. stood at ₹38,32.41 crore as on 31st March 2010. Dividend received during the year was ₹ 0.91 crore (i.e. 0.02 percent) on investment.

#### **4.4 Loans and Advances by the State Government**

Total loans and advances made by the State Government at the end of 2009-2010 were ₹28,52.90 crore. The detailed accounts of loans are maintained by the administrative departments of the State Government. The details of the arrears in recovery of principal and interest are required to be intimated by them. Against 106 statements relating to 2009-2010 due from departmental officers, 2 have been received till June 2010.

In respect of Loans advanced to various bodies, the detailed accounts of which are kept in the accounts office, total principal amounting to ₹ 84.15 crore and interest amounting to ₹48.51 crore were in arrear as on 31st March 2010.

#### **4.5 Debts and Liabilities**

Outstanding Public Debt as on 31<sup>st</sup> March 2010 was ₹ 5,32,52.82 crore comprising internal debt of ₹ 4,99,66.46 crore and loans and advances from Central Government ₹ 32,86.36 crore. Other liabilities accounted under Public Account were ₹ 1,48,34.08 crore.

The State also acts as a banker and trustee in respect of deposits like small savings collections, provident funds and deposits. There was an overall increase of ₹ 16,12.31 crore in respect of such liabilities of State Government during 2009-2010.

Interest payments on debt and other liabilities totalling ₹ 50,10.99 crore constituted 18.28 percent of Revenue Expenditure of ₹ 2,74,07.94 crore. Interest payments on Public Debts were ₹ 42,47.54 crore (interest on Internal Debt ₹ 40,22.90 crore and interest on loans and Advances from Central Government ₹ 2,24.64 crore). Expenditure on account of interest payments increased by ₹ 1,09.31 crore during 2009-2010.

Internal Debt of ₹ 1,00,36.44 crore raised during 2009-2010 was mainly used for (i) discharge of debt obligations ₹ 51,34.39 crore and (ii) payment of interest ₹ 50,10.99 crore.

#### **4.6 Liabilities**

Liabilities of the State Government increased by ₹ 1,64,87.45 crore from ₹ 5,16,24.45 crore in 2005-2006 to ₹ 6,81,11.90 crore during 2009-2010. Public debt comprising internal debt of the State Government and loans and advances from the Central Government increased by ₹ 1,19,90.63 crore from ₹ 4,12,62.19 crore in 2005-2006 to ₹ 5,32,52.82 crore at the end of the 2009-2010. Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature. Details of the Public Debt and total liabilities of the State Government are as under:

(₹ in crore)

Year	Internal Debt	Loans and Advances from Central Government	Total Public Debt	Small Savings	Provident Funds	Other Obligations	Total Liabilities	GSDP#	Percent age of Total Liability to GSDP
2005-2006	3,40,41.35	72,20.84	4,12,62.19	2,27.07	73,48.35	27,86.84	5,16,24.45	10,86,53.34	47.51
2006-2007	3,71,53.67	32,12.96	4,03,66.63	2,24.37	77,53.08	29,10.14	5,12,54.22	12,12,09.38	42.29
2007-2008	4,10,25.28	32,84.34	4,43,09.62	2,43.52	83,69.77	31,72.08	5,60,94.99	14,43,09.33	38.87
2008-2009	4,50,64.41	33,88.93	4,84,53.34	2,84.28	90,49.35	41,76.98	6,19,63.95	16,58,03.64	37.37
2009-2010	4,99,66.46	32,86.36	5,32,52.82	3,06.16	98,76.28	46,76.64	6,81,11.90	19,23,63.89	35.41

# GSDP figure adopted for 2005-2006 and 2006-2007 are revised, for 2007-2008 is provisional, for 2008-2009 is on quick basis whereas for 2009-2010 is advance figure.

## CHAPTER 5 APPROPRIATION ACCOUNTS

### 5.1 Introduction

Appropriation Accounts bring out the expenditure of the State Government incurred from the Consolidated Fund against amounts voted by the State Legislature and charged on the Consolidated Fund of the State and supplement the Finance Accounts. These comprise accounts of 16 Charged Appropriations and 29 Voted Grants.

Appropriation Act 2009-2010 had projected for a Gross Expenditure of ₹ 4,19,45.89 crore including the Supplementary Grants totalling ₹ 16,76.89 crore, voted by State Legislature during the year. An amount of ₹ 6.85 crore was projected as recoveries in reduction of expenditure.

Appropriation Accounts 2009-2010 show disbursements aggregating ₹ 3,54,96.10 crore against the aggregate budget provision of ₹ 4,19,45.89 crore, resulting in savings of ₹64,49.79 crore against Grants and Appropriations. However, 53.58 percent i.e. ₹ 34,56.03 crore were under the Grants controlled by Finance Department (₹ 22,29.15 crore), Housing and Urban Development Department (₹ 6,43.03 crore) and Education Department (₹5,83.85 crore).

Recoveries in reduction of expenditure amounted to ₹ 5,84.55 crore reflecting an increase of ₹ 5,77.70 crore vis-à-vis budget estimates.

### 5.2 Highlights of Appropriation Accounts

The Appropriation Accounts of the Government of Punjab for the year 2009-2010 present the accounts of sums expended in the year ended 31st March 2010 compared with the sums specified in the Schedules appended to the Appropriation Act passed under Articles 204 and 205 of the Constitution of India.

The Appropriation Accounts show that in the year 2009-2010, there was actual expenditure of ₹ 3,54,96.10 crore, comprising ₹ 2,79,15.44 crore Revenue Expenditure, ₹ 22,43.46 crore Capital Expenditure, ₹ 53,08.36 crore Repayment of Debt and ₹ 28.84 crore Loans and Advances by the State Government. There were savings/excesses under Revenue / Capital / Public Debt /Loans and Advances with reference to total grants allocated by the State Legislature.

(₹ in crore)

Sr. No.	Nature of Expenditure	Original Grant	Supplementary Grant	Re-appropriation	Total	Actual Expenditure	Saving(-) Excess(+)
1	Revenue Voted	2,49,09.59	11,26.00	..	2,60,35.59	2,28,35.71	-31,99.88
	Charged	54,03.52	74.13	..	54,77.65	50,79.73	-3,97.92
2	Capital Voted	35,50.15	4,76.76	..	40,26.91	22,43.46	-17,83.45
	Charged	..	..	..	..	..	..
3	Public Debt Charged	63,62.62	..	..	63,62.62	53,08.36	-10,54.26
4	Loans and Advances Voted	43.12	..	..	43.12	28.84	-14.28
	<b>Total</b>	<b>4,02,69.00</b>	<b>16,76.89</b>	<b>..</b>	<b>4,19,45.89</b>	<b>3,54,96.10</b>	<b>-64,49.79</b>

### 5.3 Trend of Expenditure on selected Grants Showing Persistent Savings / Excess

(₹ in crore)

Year	Grant No.	Total Allocation	Percentage of Saving(-)/ Excess (+) to Total Grant
2007-2008	9- Food and Supplies	3,11.55	-71.79
	17- Local Government, Housing and Urban Development	6,71.52	-42.33
	23- Rural Development and Panchayats	12,24.04	-64.58
	27- Technical Education and Industrial Training	1,52.76	-38.30
2008-2009	9- Food and Supplies	3,72.81	-64.15
	17- Local Government, Housing and Urban Development	11,70.50	-36.46
	23- Rural Development and Panchayats	12,39.10	-57.25
	27- Technical Education and Industrial Training	2,11.91	-38.51
2009-2010	9- Food and Supplies	3,67.61	-82.97
	17- Local Government, Housing and Urban Development	9,92.58	-64.78
	23- Rural Development and Panchayats	9,74.51	-41.80
	27- Technical Education and Industrial Training	2,78.95	-41.64

## CHAPTER 6 GENERAL

### 6.1 Government Account

The fiscal deficit decreased from ₹ 66, 90.45 crore in 2008-2009 to ₹ 61,70.08 crore in 2009-2010.

The Total Expenditure (Revenue and Capital) for the year is netted against Total Receipts (Revenue and non-debt Capital Receipts) of the year and the surplus/deficit thereof is transferred to a separate ledger called “Government Account”. In addition, net effect of Prior Period Adjustments, Miscellaneous Government Accounts etc. is also transferred to the ledger “Government Account”. Thus, the ledger “Government Account” represents the cumulative surplus/deficit of the operations of the Government. The details of the ledger “Government Account” for the past five years are given below:

(₹ in crore)

Year	Revenue Heads			Capital Heads			Other Heads*	Surplus/Deficit for the year	Cumulative Surplus/Deficit at the end of the year
	Receipts	Disbursements	Surplus(+) Deficit (-)	Receipts	Disbursements	Surplus (+) / Deficit (-)			
2005-06	1,69,66.48	1,82,06.73	-12,40.25	..	15,16.89	-15,16.89	-1,14.24	-28,71.38	-4,43,22.71
2006-07	2,05,67.14	1,85,43.78	+20,23.36	..	25,86.18	-25,86.18	+20.03	-5,42.79	-4,48,65.50
2007-08	1,92,37.62	2,30,60.86	-38,23.24	0.71	21,91.60	-21,90.89	..	-60,14.13	-5,08,79.63
2008-09	2,07,12.79	2,45,68.99	-38,56.20	1.12	28,57.93	-28,56.81	..	-67,13.01	-5,75,92.64
2009-10	2,21,56.58	2,74,07.94	-52,51.36	0.51	21,66.41	-21,65.90	..	-74,17.26	-6,50,09.90

\*It includes amount of miscellaneous government account and proforma transfer of balances.

### 6.2 Ways and Means Advances

The State Government, in order to maintain and sustain its liquidity position, takes Ways and Means Advances from the Reserve Bank of India and thereafter, draws upon overdraft whenever there is shortfall in the agreed minimum cash balance in its account with the Reserve Bank of India. The State Government is required to maintain the minimum cash balance of ₹ 1.56 crore with Reserve Bank of India. The larger the amount and greater the number of times such ways and means advances are taken or drawls made, the more it reflects over the adverse position of the cash balance of the State Government.

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
i) Number of days on which minimum balance was maintained	365	365	365	365	336
a) Without obtaining any advance	343	..	325	342	224
b) By obtaining Ways and Means Advance	22	..	40	23	112
ii) Number of days on which overdraft was taken	..	..	..	..	29

### 6.3 Contingency Fund

Contingency Fund of the State is designed to meet contingencies. The following details will indicate the extent of use of this Fund during the year.

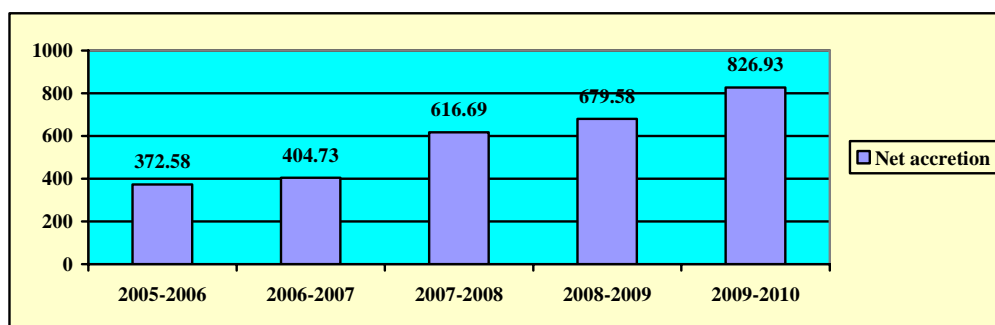
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Number of withdrawals from Contingency Fund	..	..	..	..	..
Total withdrawals from Contingency Fund (₹ in crore)	..	..	..	..	..
Withdrawals from Contingency Fund as a percentage of Total Budget Provisions	..	..	..	..	..

### 6.4 State Provident Funds

The details of transactions under State Provident Funds are shown in the following table:

(₹ in crore)

Year	Opening Balance	Receipt	Disbursements	Net accretion for the year	Closing Balance	Interest charged on balance of Provident Funds
2005-2006	69,75.77	14,49.96	10,77.38	3,72.58	73,48.35	5,52.50
2006-2007	73,48.35	14,99.89	10,95.16	4,04.73	77,53.08	5,80.73
2007-2008	77,53.08	18,38.95	12,22.26	6,16.69	83,69.77	6,18.57
2008-2009	83,69.77	19,97.07	13,17.49	6,79.58	90,49.35	6,68.28
2009-2010	90,49.35	21,57.74	13,30.81	8,26.93	98,76.28	7,27.58



### 6.5 Guarantees

The position of guarantees given by the State Government for repayment of loans and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies, etc. is given below:

(₹ in crore)

Year	Maximum Amount Guaranteed	Amount outstanding	
		Principal	Interest
2005-2006	2,20,86.36	88,18.99	31.96
2006-2007	2,56,96.51	1,38,59.89	59.00
2007-2008	2,60,93.87	1,09,91.06	23.36
2008-2009	4,68,15.23	2,57,58.38	1,09.88
2009-2010	5,13,57.20	3,25,28.15	7,66.67

₹ 53.18 crore were received as Guarantee Fee whereas an amount of ₹ 1,45.18 crore were receivable as Guarantee Fee. No amount has been transferred to Guarantee Redemption Fund during 2009-10.

#### **6.6 Grants-in-aid paid in Cash**

₹ 14,84.83 crore were released as Grants-in-aid during 2009-2010 against ₹ 15,70.88 crore released during 2008-2009. ₹ 4,12.29 crore constituting 27.77 percent of Total amount of Grants-in-aid released were given to Panchayati Raj Institutions. Grants-in-aid amounting to ₹ 1,26.11 crore was disbursed from the Capital Heads constituting 8.49 percent of Total amount of Grants-in-aid which is against the Financial Rules.

#### **6.7 Utilisation Certificates**

Sums released as Grants-in-aid to beneficiaries stipulate the submission of Utilisation certificates within specified period. 194 Utilisation Certificates for ₹ 2,42.80 crore were awaited as on 31<sup>st</sup> March 2010.

#### **6.8 Reconciliation of Accounts**

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the departmental figures with the accounts figures.

All the COs/CCOs are required to reconcile the Receipts and Expenditure of the Government with the figures accounted for by the Accountant General. Reconciliation status was 100 percent in respect of Expenditure amount and almost 100 percent in respect of Receipt amount (except Major Head 0050-Dividends and Profits having amount of ₹0.91 crore only).

#### **6.9 Submission of Accounts by Treasuries and Divisions**

252 Treasury Accounts rendered by 21 District Treasuries were received and accounted for during the year. The delay ranging from 1 to 7 days has been noticed in rendition of monthly accounts by the treasuries. 244 Public Works Divisions and 37 Forest Divisions rendered 3372 accounts during the year. The delay ranged from 1 to 12 days in rendition of monthly accounts by the Divisional Authorities.