

सत्यमेव जयते

Accounts at a Glance

2014-15



Government of Punjab

A decorative graphic consisting of a teal crosshair. It has a vertical bar on the left side and a horizontal bar at the top, both in a medium teal color, intersecting to form a cross shape.

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2014 -15

Government of Punjab

Our Vision, Mission and Core Values

VISION: The vision of SAI India represents what we aspire to become: We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognised for independent, credible, balanced and timely reporting on public finance and governance.

MISSION: Our mission enunciates our current role and describes what we are doing today: Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders, the Legislature, the Executive and the Public, that public funds are being used efficiently and for the intended purposes.

CORE VALUES: Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

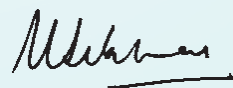
PREFACE

I am happy to present the Seventeenth issue of our annual publication, the 'Accounts at a Glance' of the Government of Punjab. The purpose of this publication is to present a reader friendly summary of the voluminous information available in the Finance Accounts and Appropriation Accounts prepared by my office in accordance with Article 149 of the Constitution of India, read with Section 11 of Comptroller and Auditor General's (D.P.C.) Act, 1971. The annual accounts of the State consist of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. Appropriation Accounts record the grant-wise expenditure against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

'Accounts at a Glance' provides a broad overview of Governmental activities, as reflected in Finance Accounts and Appropriation Accounts. The information is presented through brief explanations, statements, graphs and time series analysis for providing accounting information to the stakeholders-the Legislature, the Executives and the Public. A reading of Finance Accounts, Appropriation Accounts of Government of Punjab and Report of the Comptroller and Auditor General on State Finances for the year 2014 - 15 together with Accounts at a Glance will help the stakeholders to appreciate the various aspects of State Finances in a more effective manner.

We look forward to readers' feedback that would help us in improving the publication.

Date: 19 January 2016
Chandigarh



Namita Sekhon
Principal Accountant General (A&E)
Punjab

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OVERVIEW

1.1 Introduction

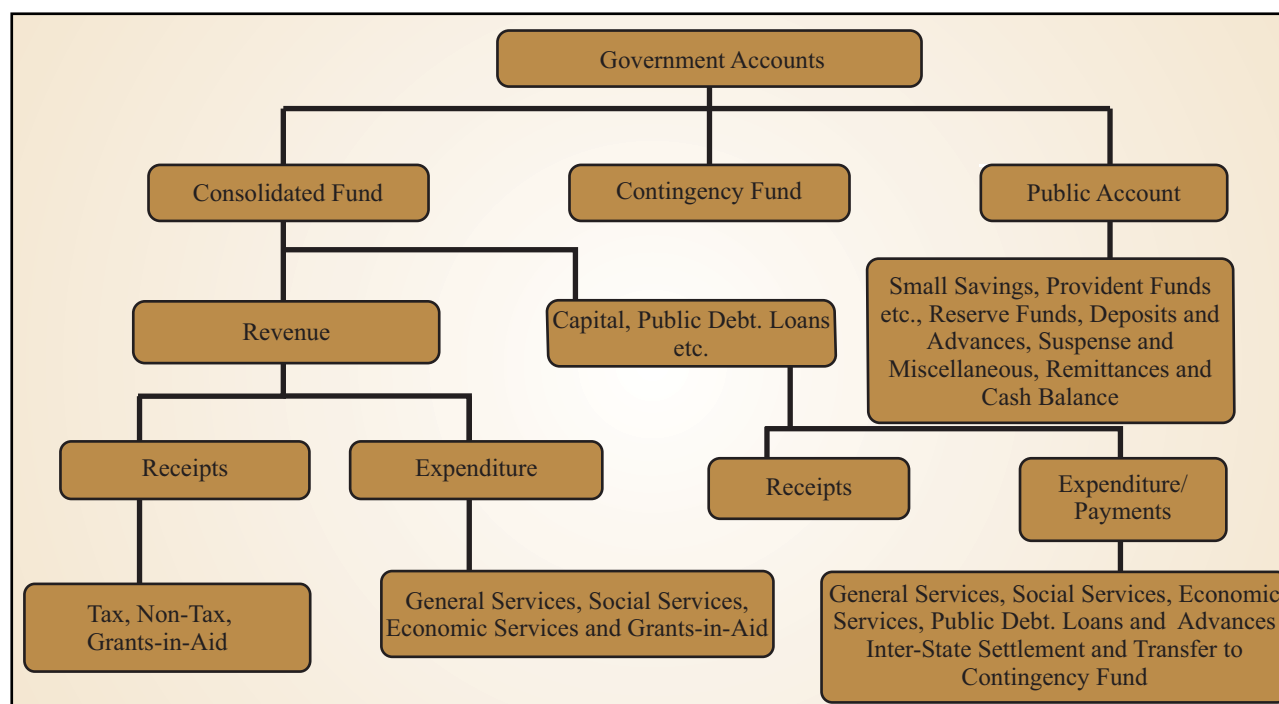
The office of the Principal Accountant General (A&E), Punjab compiles the monthly accounts of the State Government from the accounts submitted by the District Treasuries, Public Works Divisions, Forest Divisions and other accounting circles etc. Besides, Finance Accounts and Appropriation Accounts are prepared annually by the office of the Principal Accountant General in accordance with Article 149 of the Constitution of India read with Section 11 of Comptroller and Auditor General's (D.P.C.) Act, 1971.

1.2 Structure of Government Accounts

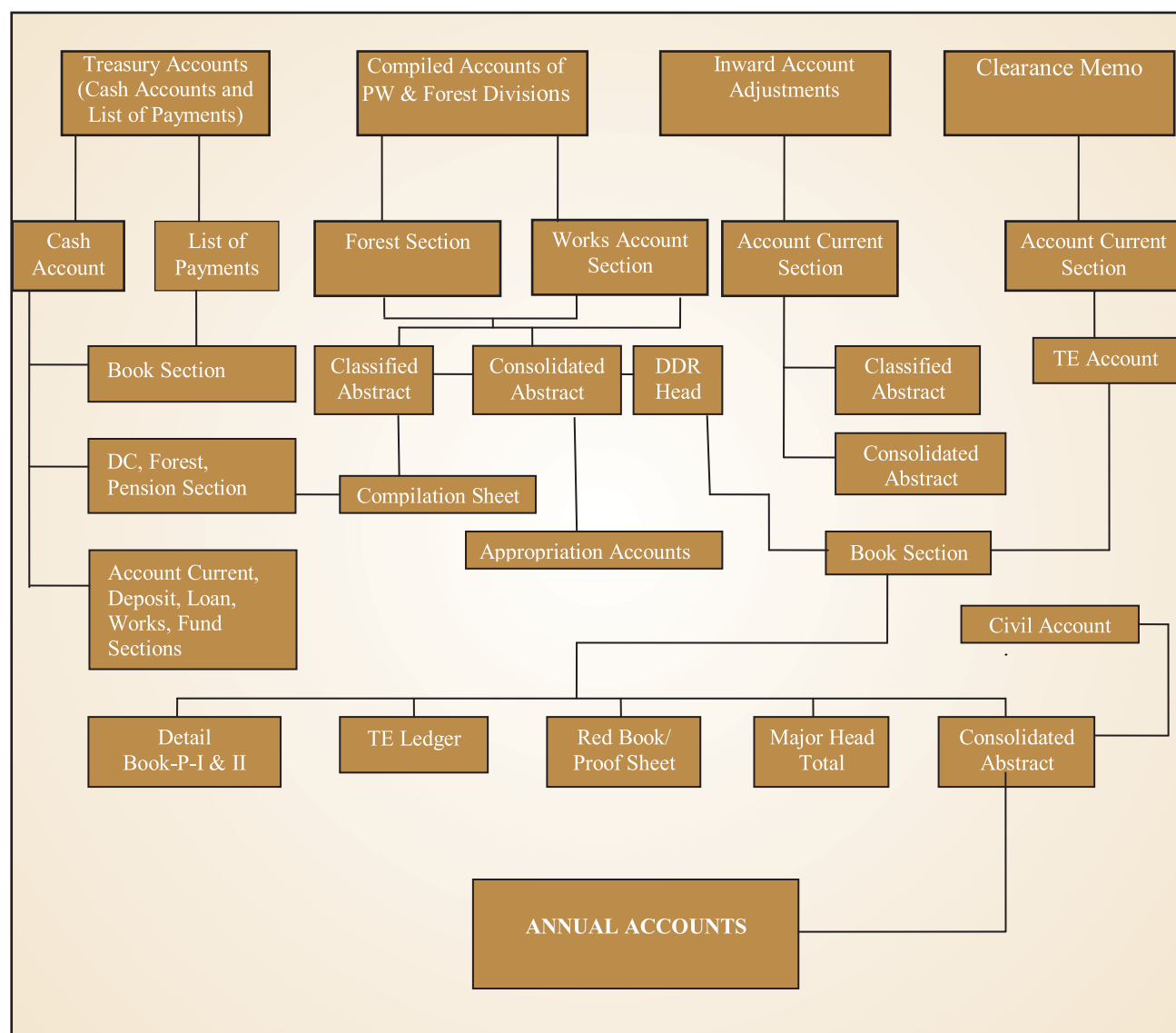
1.2.1 Government Accounts are kept in three parts:

Part I CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part II CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the Budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part III PUBLIC ACCOUNT	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivable of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.

1.2.2 Pictorial Representation of Structure of Government Accounts



1.2.3 Flow Chart of Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account Balances recorded in the accounts. Finance Accounts have been prepared in two volumes to make them more comprehensive and informative. **Volume I** contains the Certificate of the Comptroller and Auditor General of India, the Guide to the Finance Accounts, 13 Statements which give summarised information on the financial position and transactions of the State Government for the current financial year, Notes to Accounts and Annexure to the Notes to Accounts. **Volume II** of the Finance Accounts contains two parts - 9 Detailed Statements in Part I and 13 Appendices in Part II.

The Receipts and disbursements of the Government of Punjab as depicted in the Finance Accounts 2014 - 15 are given below:

(₹ In crore)			
Receipts (50,002)	Revenue (39,023)	Tax Revenue	30,273
		Non –Tax Revenue	2,880
		Grants-in-aid	5,870
	Capital (10,979)	Recovery of Loans and Advances	137
		Borrowings and other Liabilities*	10,842
Disbursements (50,002)	Revenue		46,613
	Capital		3,118
	Loans and Advances		270

* **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.**

Till 31 March 2014, Government of India transferred substantial funds directly to State Implementing Agencies/ Non-Government Organizations (NGOs) for implementation of various schemes/ programmes; however, the existing 137 Centrally Sponsored Schemes and 5 Additional Central Schemes have now been restructured into 66 Centrally Sponsored Schemes / Additional Central Schemes / Flagship Schemes in the 12th Plan. From 1 April 2014 onwards, Government of India released

central assistance for CSS/ ACA/Flagship schemes directly to the State Government and these releases are now classified as 'Central Assistance to the State Plan'. As per the PFMS portal (formerly known as Central Plan Schemes Monitoring System - CPSMS) of the Controller General of India (CGA), Government of India released ₹ 2,518 crore to the implementing agencies during 2014-15. In spite of Government of India's decision to release all assistance to CSSs/ ACA directly to the State Government instead of implementing agencies, the direct transfers to implementing agencies in 2014-15 is ₹ 2,518 crore against ₹ 1,751 crore in 2013-14, leading to an increase of ₹ 767 crore which is 44 *per cent* higher in the year as compared to 2013-14.

1.3.2 Appropriation Accounts

Appropriation Accounts bring out the Gross Expenditure (both voted and charged) of the State Government incurred from the Consolidated Fund for each financial year compared with the accounts of Voted Grants and Charged Appropriations for the different purposes as specified in the Schedules appended to the Appropriation Acts passed by the State Legislature under Article 204 and 205 of the Constitution of India. The Appropriation Accounts supplement the Finance Accounts. The Appropriation Accounts of the Government of Punjab for the year 2014 - 15 expended in the year ended 31 March 2015 comprise accounts of 23 Charged Appropriations and 30 Voted Grants.

Appropriation Act, 2014 - 15 had projected Gross Expenditure of ₹ 81,804 crore, which includes the Supplementary Grants totalling ₹ 8,211 crore, passed by State Legislature during the year. No amount was projected as recoveries to be treated as reduction of expenditure.

Appropriation Accounts 2014-15 show disbursements aggregating ₹ 73,354 crore against the aggregate budget provision of ₹ 81,804 crore, resulting in savings of ₹ 8,450 crore (10 *per cent*). However, savings of ₹ 5,631 crore (67 *per cent*) were under the Grants controlled by Departments of Agriculture and Forests (₹ 2,712 crore), Local Government, Housing and Urban Development ₹ 1, 180 crore), Education (₹ 962 crore) and Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes (₹ 777 crore).

Against the Nil projection of recoveries in reduction of expenditure in budget estimates, there were actual recoveries of ₹ 277 crore during 2014-15.

The Appropriation Accounts show that in the year 2014-15, there was actual expenditure of ₹ 73,354 crore, comprising Revenue Expenditure of ₹ 46,813 crore, Capital Expenditure of ₹ 3,196 crore, Repayment of Debt of ₹ 23,075 crore and Loans and Advances by the State Government of ₹ 270 crore. There was saving/excess under Revenue, Capital, Public Debt and Loans and Advances with reference to total grants allocated by the State Legislature.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India extends the facility of Ways and Means Advances to enable State Governments to maintain their liquidity. Overdraft facilities are provided when there is a shortfall in the agreed minimum cash balance which is ₹ 1.56 crore. An amount of ₹ 547 crore was outstanding as on 31 March 2014 against Ways and Means Advances. During 2014-15, the Government of Punjab obtained ₹ 10,239 crore as Ways and Means Advances on eighty four occasions. ₹ 10,786 crore were repaid during the year leaving a nil balance. ₹ 28 crore were paid as interest on these advances.

Moreover, at the end of the previous year ₹ 46 crore were outstanding as shortfall/overdraft. During 2014-15, Government has availed shortfall of ₹ 33 crore on twenty two occasions and overdraft of ₹ 8,996 crore on seventy six occasions. ₹ 9,075 crore were repaid during the year leaving nil balance. ₹ 13 crore were paid as interest on these shortfalls/overdrafts.

However, this has to be viewed against the fact that there was saving of ₹ 8,450 crore in all 30 grants which represents 10 *per cent* shortfall in expenditure against estimates.

1.4.2 Fund Flow Statement

The State had a Revenue Deficit of ₹ 7,591 crore and a Fiscal Deficit of ₹ 10,842 crore representing 2.17 *per cent* and 3.10 *per cent* of the Gross State Domestic Product (GSDP) ¹ respectively. The Fiscal Deficit was around 22 *per cent* of Total Expenditure. This deficit was met from Public Debt (₹ 8,149 crore), increase in Public Account (₹ 1,698 crore) and net of opening and closing cash balance (₹ 995 crore). Around 83 *per cent* of the Revenue Receipts (₹ 39,023 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 16,034 crore), Interest Payments (₹ 8,960 crore) and Pensions (₹ 7,249 crore).

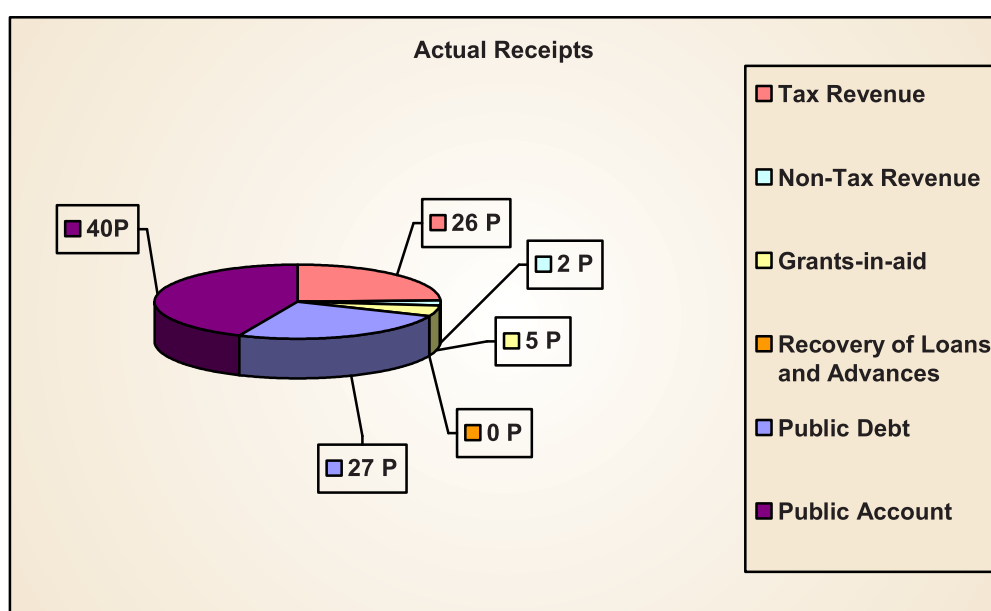
¹ GSDP figure (₹ 3,49,826 crore) is taken from the web site of Ministry of Statistics and Programme Implementation as on 31 July 2015 as accepted by Department of Economic Survey, Government of Punjab.

Source and Application of Funds

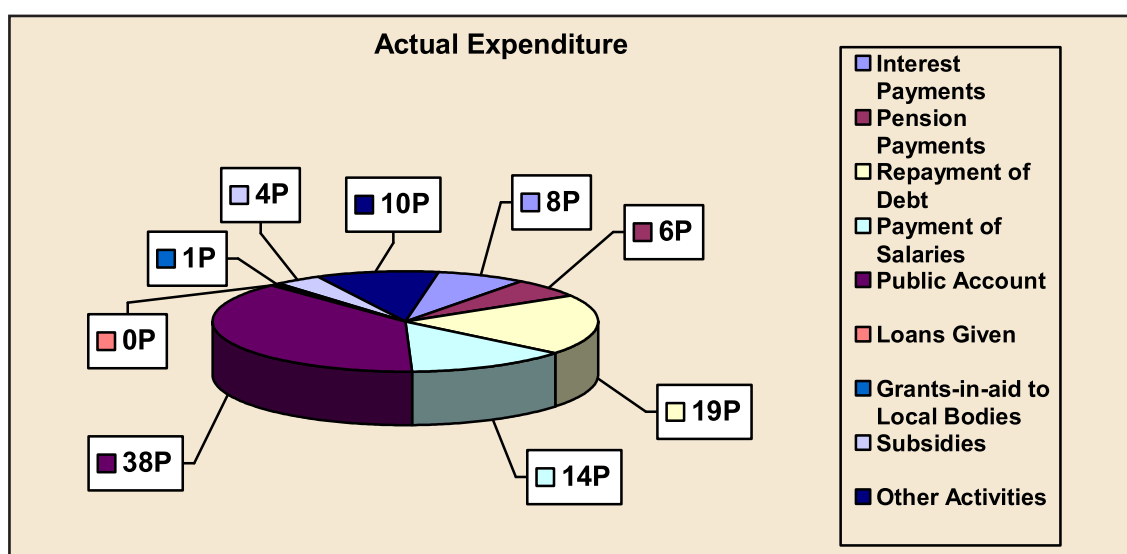
(₹ in crore)

	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2014	-69
	Revenue Receipts	39,023
	Recovery of Loans and Advances	137
	Public Debt	31,224
	Small Savings, Provident Funds etc.	3,683
	Reserve Funds	669
SOURCE	Deposits Received	4,449
	Civil Advance Repaid	..
	Suspense Account	38,098
	Remittances	91
	Contingency Fund	..
	Total	1,17,305
	Revenue Expenditure	46,614
	Capital Expenditure	3,118
	Loans Given	270
	Repayment of Public Debt	23,075
	Small Savings, Provident Funds etc.	1,948
	Reserve Funds	19
APPLICATION	Deposits Spent	4,851
	Civil Advance Given	..
	Suspense Account	38,387
	Remittances	87
	Closing Cash Balance as on 31.3.2015	-1,064
	Total	1,17,305

1.4.3 Where the Rupee came from



1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(₹ in crore)

Sr. No.	Components	B.E. 2014-15	Actual	Percentage of Actual to B.E.	Percentage of Actual to GSDP(e)
1	Tax Revenue (a)	33,880	30,273	89	8
2	Non-Tax Revenue	2,783	2,880	103	1
3	Grants-in-aid and Contributions	8,231	5,870	71	2
4	Revenue Receipts (1+2+3)	44,894	39,023	87	11
5	Recovery of Loans and Advances	210	137	65	0.04
6	Other Receipts
7	Borrowings and other Liabilities (b)	10,373	10,842	105	3
8	Capital Receipts (5+6+7)	10,583	10,979	104	3
9	Total Receipts (4+8)	55,477	50,002	90	14
10	Non-Plan Expenditure (c)	42,892	42,150	98	12
11	NPE on Revenue Account	42,432	41,701	98	12
12	NPE on Interest Payments out of 11	8,472	8,960	106	3
13	NPE on Capital Account(c)	460	449	97	0.13
14	Plan Expenditure	12,585	7,852	62	2
15	PE on Revenue Account	6,715	4,913	73	1
16	PE on Capital Account	5,870	2,939	50	1
17	Total Expenditure (10+14)	55,477	50,002	90	14
18	Revenue Expenditure (11+15)	49,147	46,614	95	13
19	Capital Expenditure (13+16) (d)	6,330	3,388	54	1
20	Revenue Deficit (4-18)	-4,253	-7591	178	2
21	Fiscal Deficit (4+5+6-17)	-10,373	-10,842	105	3

(a) Includes State's share of Union Taxes of ₹ 4,703 crore.

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

(c) Includes ₹ 270 crore under Non-Plan which pertains to Loans and Advances.

(d) Expenditure on Capital Account includes Capital Expenditure (₹ 3,118 crore) and Loans and Advances disbursed (₹ 270 crore).

(e) GSDP figure (₹3,49,826 crore) is taken from the web site of Ministry of Statistics and Programme Implementation as on 31 July 2015 as accepted by Department of Economic Survey, Government of Punjab.

1.6 Deficit and Surplus

Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/ Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit/Surplus	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the borrowings should be invested in capital projects.

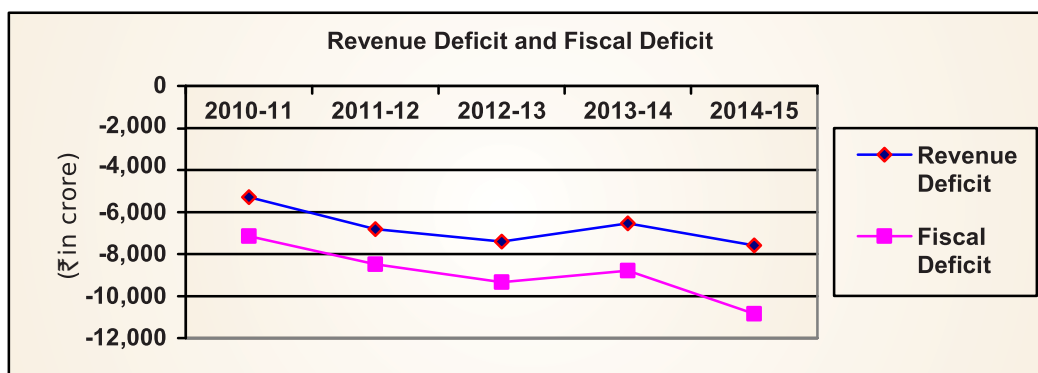
1.6.1 Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The Thirteenth Finance Commission has recommended that the State achieve revenue balance by 2014-15 and reduce Gross Fiscal Deficit to 3 *per cent* of GSDP by 2014-15. It has recommended a Fiscal Consolidated Roadmap for Punjab. Accordingly, Revenue and Fiscal Deficit paths are as under:

Year	Percentage of Revenue Deficit to GSDP	Percentage of Fiscal Deficit to GSDP
2010-11	*	3.50
2011-12	1.80	3.50
2012-13	1.20	3.50
2013-14	0.60	3.00
2014-15	0.00	3.00

* Not prescribed by Thirteenth Finance Commission.

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

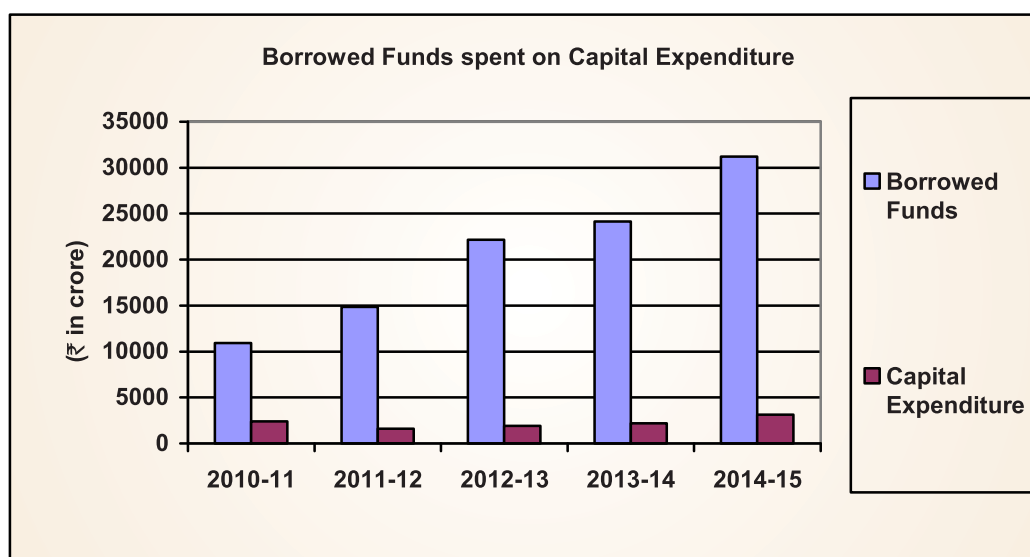
(₹ in crore)					
Year	GSDP	Revenue Deficit	Percentage to GSDP	Fiscal Deficit	Percentage to GSDP
2010-11	2,26,204	5,289	2.34	7,143	3.16
2011-12	2,56,374	6,811	2.66	8,491	3.31
2012-13	2,85,119	7,407	2.60	9,346	3.28
2013-14	3,17,556	6,537	2.06	8,791	2.77
2014-15	3,49,826	7,591	2.17	10,841	3.10



1.6.3 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

Year	Borrowed Funds	Capital Expenditure
2010-11	10,934	2,384
2011-12	14,871	1,598
2012-13	22,167	1,916
2013-14	24,140	2,201
2014-15	31,224	3,118



It is desirable to fully utilise borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 10 *per cent* of the borrowings of the current year (₹ 31,224 crore) on capital expenditure (₹ 3,118 crore). It appears that 90 *per cent* of the public debt (₹ 28,106 crore) was utilised on the following: (i) to repay the principal and interest on public debt of previous years and (ii) to meet periodic shortfalls of revenues against expenditure in the current year.

RECEIPTS

2.1 Introduction

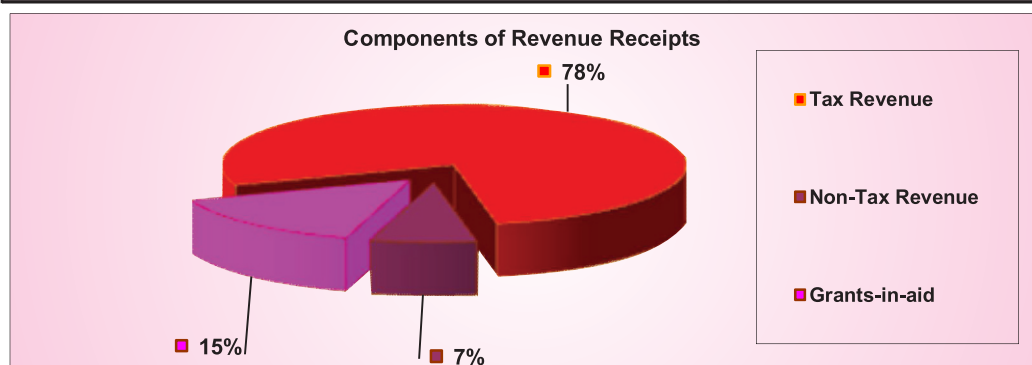
Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2014-15 were ₹ 50,002 crore.

2.2 Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants-in-aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material and Equipment' received from foreign Governments and channelized through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.

Components of Revenue Receipts (2014-15)

Components	Actual (₹ in crore)
A. Tax Revenue	30,273
Taxes on Income and Expenditure	2,815
Taxes on Property and Capital Transactions	2,526
Taxes on Commodities and Services	24,932
B. Non-Tax Revenue	2,880
Interest Receipts, Dividends and Profits	195
General Services	1,712
Social Services	462
Economic Services	511
C. Grants-in-aid and Contributions	5,870
Total	39,023



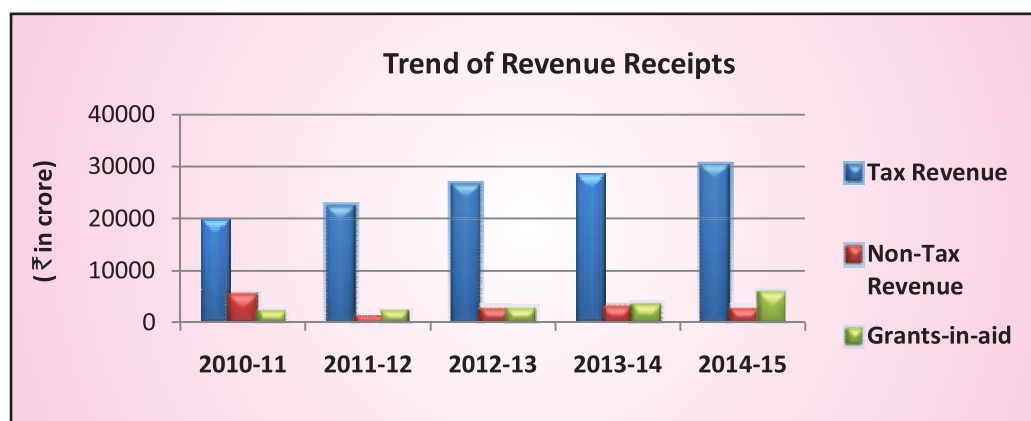
2.3 Trend of Revenue Receipts

(₹ in crore)

Components	2010-11	2011-12	2012-13	2013-14	2014-15
Tax Revenue	19,879 (9)	22,395 (9)	26,646 (9)	28,511 (9)	30,273 (9)
Non-Tax Revenue	5,330 (2)	1,398 (1)	2,629 (1)	3,192 (1)	2,880 (1)
Grants-in-aid	2,399 (1)	2,441 (1)	2,776 (1)	3,401 (1)	5,870 (2)
Total	27,608 (12)	26,234 (11)	32,051 (11)	35,104 (11)	39,023 (11)
GSDP	2,26,204	2,56,374	2,85,119	3,17,556	3,49,826

Note: Figure in bracket represents percentage to GSDP

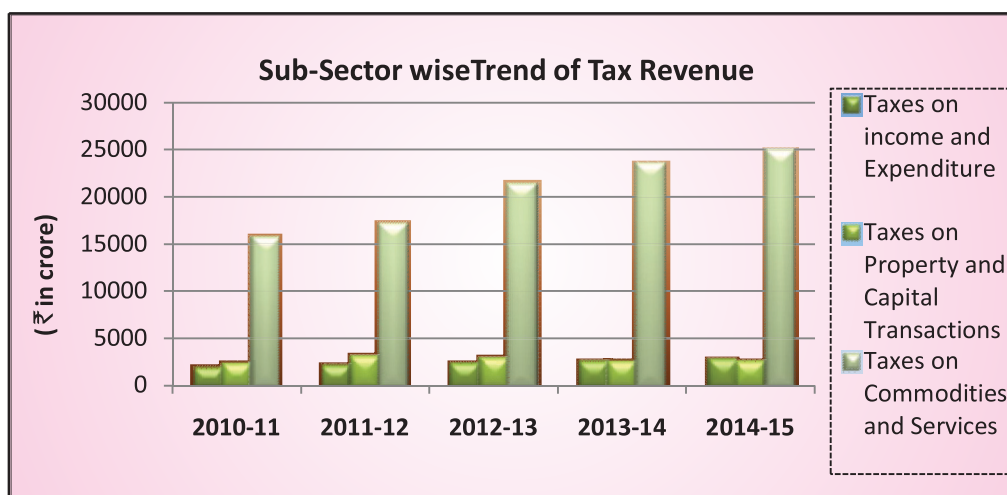
The ratio of Revenue Receipts to GSDP remained constant at 11 *per cent* from 2011-12 to 2014-15 except for the year 2010-11 (12 *per cent*) whereas Revenue Receipts increased by 41 *per cent* during the same span.



Sub-Sector - wise Tax Revenue

(₹ in crore)

Sub-Sector	2010-11	2011-12	2012-13	2013-14	2014-15
Taxes on Income and Expenditure	1,823	2,110	2,331	2,472	2,815
Taxes on Property and Capital Transactions	2,340	3,109	2,960	2,546	2,526
Taxes on Commodities and Services	15,716	17,176	21,355	23,493	24,932
Total Tax Revenue	19,879	22,395	26,646	28,511	30,273



2.4 Performance of State's own Tax Revenue collection

(₹ in crore)

Year	GSDP	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
				Amount	Percentage to GSDP
2010-11	2,26,204	19,879	3,051	16,828	7
2011-12	2,56,374	22,395	3,554	18,841	7
2012-13	2,85,119	26,646	4,059	22,587	8
2013-14	3,17,556	28,511	4,431	24,080	8
2014-15	3,49,826	30,273	4,703	25,570	7

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

Components	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	2,340	3,109	2,960	2,546	2,526
Expenditure on Collection	167	210	215	209	225
Efficiency in <i>per cent</i> of Tax Collection	7	7	7	8	9

B. Taxes on Commodities and Services

(₹ in crore)

Components	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue collection	15,716	17,176	21,355	23,493	24,932
Expenditure on collection	142	149	178	166	188
Efficiency in <i>per cent</i> of Tax Collection	1	1	1	1	1

2.6 Trend in State's Share of Union Taxes/Duties

(₹ in crore)

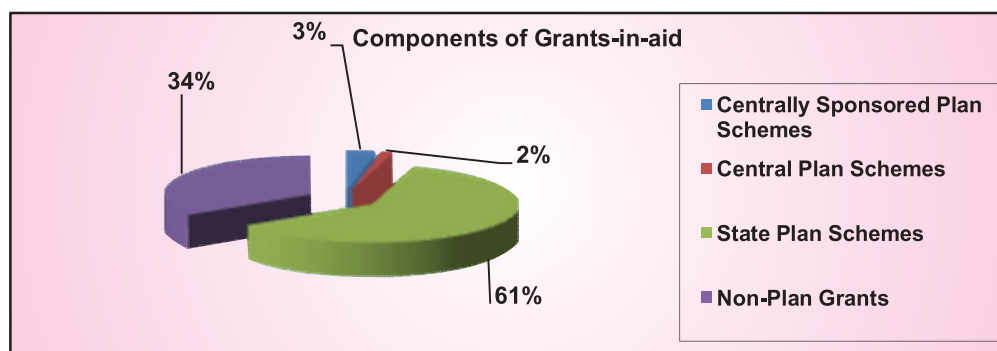
Components	2010-11	2011-12	2012-13	2013-14	2014-15
Corporation Tax	1,193	1,399	1,458	1,490	1,642
Taxes on Income other than Corporation Tax	630	711	873	981	1,173
Taxes on Wealth	2	5	2	4	4
Customs	534	616	675	723	761
Union Excise Duties	388	399	458	511	430
Service Tax	304	424	593	722	693
Total State's Share of Union Taxes	3,051	3,554	4,059	4,431	4,703
Total Tax Revenue	19,879	22,395	26,646	28,511	30,273
Percentage of Union Taxes to Total Tax Revenue	15	16	15	16	16

2.7 Grants-in-aid

Grants-in-aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Plan Schemes approved by the Planning Commission and State Non-Plan Grants recommended by the Finance Commission. Total receipts during 2014-15 under Grants-in-aid were ₹ 5,870 crore as shown below:

(₹ in crore)

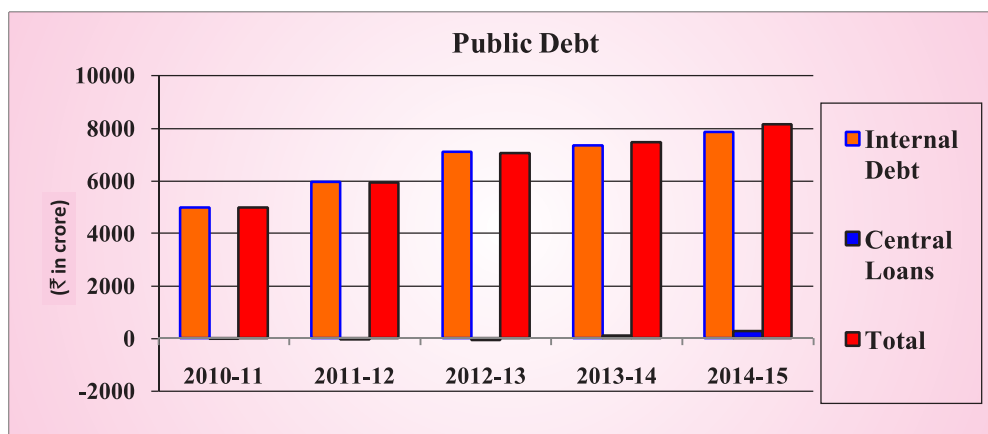
Components	Amount
Non-Plan Grants	2,004
State Plan Schemes	3,598
Central Plan Schemes	80
Centrally Sponsored Plan Schemes	188
Total- Grants-in-aid	5,870

**2.8 Public Debt**

(₹ in crore)

Year	Internal Debt	Central Loans	Total
2010-11	4,974	8	4,982
2011-12	5,962	-38	5,924
2012-13	7,099	-49	7,050
2013-14	7,336	121	7,457
2014-15	7,865	284	8,149

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



During 2014-15, 18 loans totalling ₹ 8,950 crore at interest rates varying from 8.05 *per cent* to 9.63 *per cent* redeemable in the year 2019, 2024 and 2025 were raised.

Against the total internal debt of ₹ 30,657 crore of the State Government in 2014-15 and the central loan of ₹ 567 crore received during this period, capital expenditure was only ₹ 3,118 crore (10 *per cent*), indicating that the rest of the public debt was used for non-development purposes.

EXPENDITURE

3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue Expenditure is used to meet the day-to-day running of the organisation. Capital Expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

General Services	Includes Justice, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health and Family Welfare, Water Supply, Welfare of SC/ST etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 46,614 crore for 2014-15 fell short of budget estimates by ₹ 2,533 crore due to less disbursement of ₹ 1,802 crore under Plan Expenditure and ₹ 731 crore under Non-Plan Expenditure.

The shortfall of expenditure against budget estimates under Revenue section during the past five years is given below:

(₹ in crore)					
Components	2010-11	2011-12	2012-13	2013-14	2014-15
Budget Estimates	33,406	35,406	41,167	44,412	49,147
Actual Expenditure	32,897	33,045	39,458	41,641	46,614
Gap	509	2,361	1,709	2,771	2,533
Percentage of Gap over BE	2	7	4	6	5

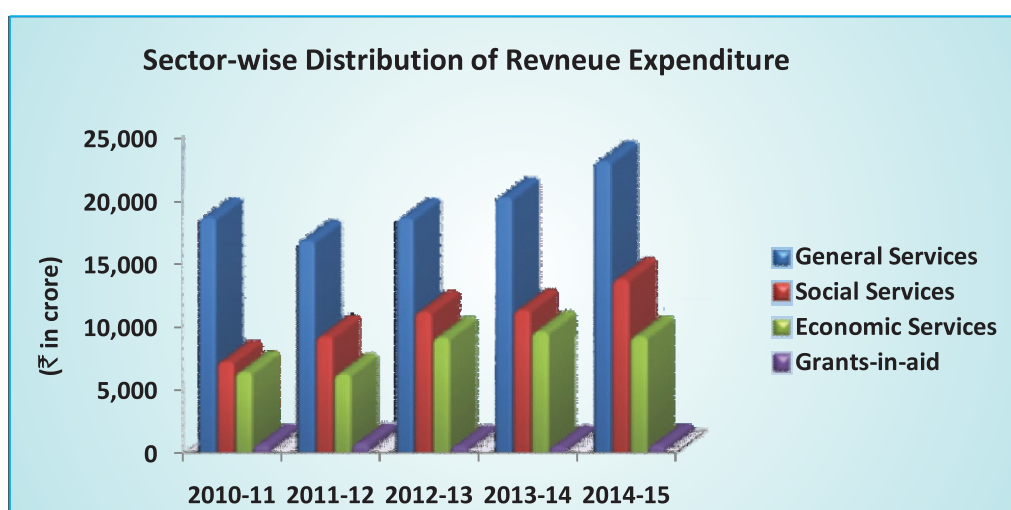
3.2.1 Sector wise Distribution of Revenue Expenditure (2014-15)

(₹ in crore)			
Sr. No.	Component	Amount	Percentage
A.	General Services	23,043	49
A.1	Organs of State	639	1
A.2	Fiscal Services	420	1
A.3	Interest Payment and Servicing of Debt	8,960	19
A.4	Administrative Services	5,718	12
A.5	Pensions and Miscellaneous General Services	7,306	16
B.	Social Services	13,729	30
C.	Economic Services	9,238	20
D.	Grants-in-aid and Contributions	604	1
Total		46,614	100

3.2.2 Trends of Major Components of Revenue Expenditure

(₹ in crore)

Year	General Services	Social Services	Economic Services	Grants-in-aid
2010-11	18,598	7,261	6,399	639
2011-12	16,788	9,246	6,264	747
2012-13	18,572	11,190	9,152	544
2013-14	20,192	11,319	9,600	530
2014-15	23,043	13,729	9,238	604



3.3 Capital Expenditure

Capital disbursements for 2014-15 at 1 *per cent* of GSDP were less than Budget Estimates by ₹ 2,943 crore (less disbursement of ₹ 2,931 crore under Plan Expenditure and ₹ 12 crore under Non-Plan expenditure).

3.3.1 Sectoral distribution of Capital Expenditure

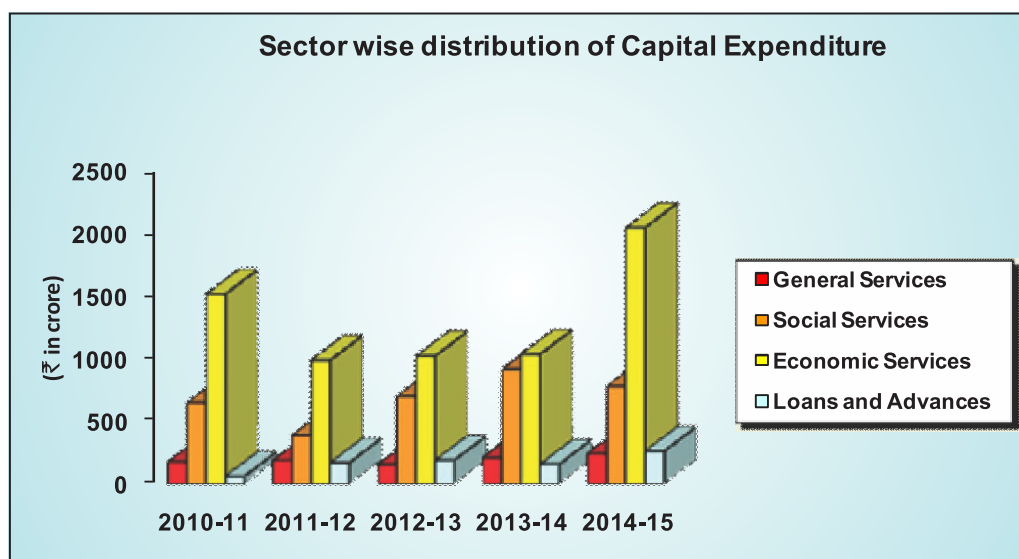
(₹ in crore)

Sr. No	Sector	Amount	Percentage
A.	General Services - Police, Public Works, etc.	252	7
B.	Social Services - Education, Health and Family Welfare, Water Supply, Welfare of SC/ST etc.	795	24
C.	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	2,071	61
F.	Loans and Advances Disbursed	270	8
Total		3,388	100

3.3.2 Sector wise distribution of Capital Expenditure over the past 5 years

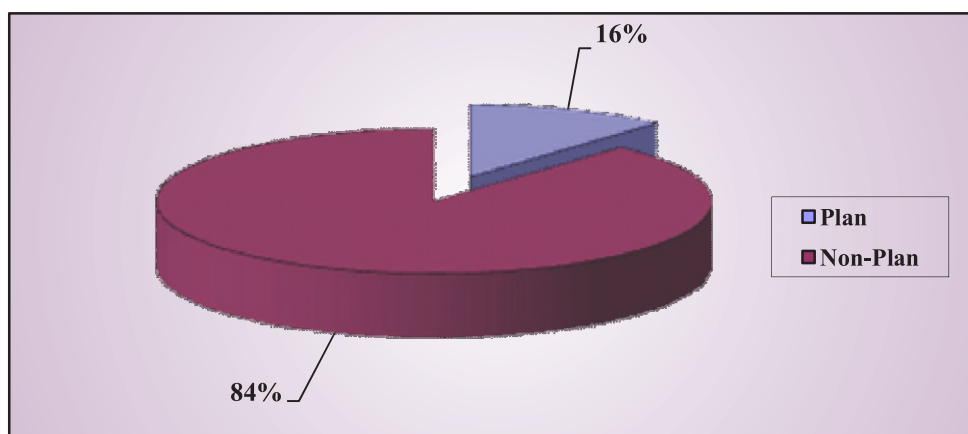
(₹ in crore)

Year	General Services	Social Services	Economic Services	Loans and Advances	Total
2010-11	185	663	1,536	68	2,452
2011-12	196	398	1,004	177	1,775
2012-13	162	716	1,038	197	2,113
2013-14	219	930	1,052	165	2,366
2014-15	252	795	2,071	270	3,388



PLAN AND NON-PLAN EXPENDITURE

4.1 Distribution of Plan and Non-Plan Expenditure



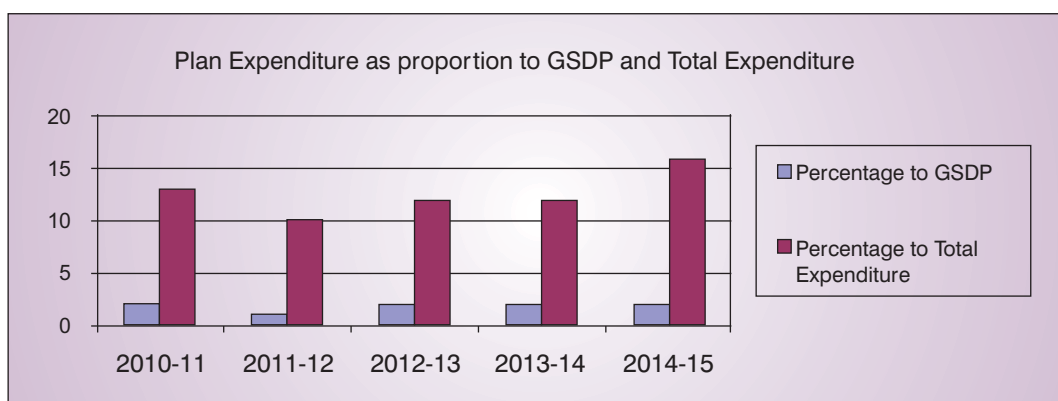
4.2 Plan Expenditure

During 2014-15, Plan Expenditure, representing 16 *per cent* of total disbursements, was ₹ 7,852 crore (₹ 7,357 crore under State Plan, ₹ 495 crore under Centrally Sponsored Plan Schemes)

Plan Expenditure as proportion to GSDP and Total Expenditure

(₹ in crore)

Year	Plan Expenditure	GSDP	Percentage to GSDP	Total Expenditure	Percentage to Total Expenditure
2010-11	4,498	2,26,204	2	35,349	13
2011-12	3,366	2,56,374	1	34,821	10
2012-13	4,830	2,85,119	2	41,571	12
2013-14	5,147	3,17,556	2	44,007	12
2014-15	7,852	3,49,826	2	50,002	16



4.2.1 Plan Expenditure under Capital Account

(₹ in crore)

Year	Plan - Capital Expenditure	Total - Capital Expenditure	Percentage of Plan-Capital Expenditure to Total Capital Expenditure
2010-11	2,166	2,384	91
2011-12	1,361	1,775	77
2012-13	1,767	2,113	84
2013-14	2,011	2,201	91
2014-15	2,939	3,118	94

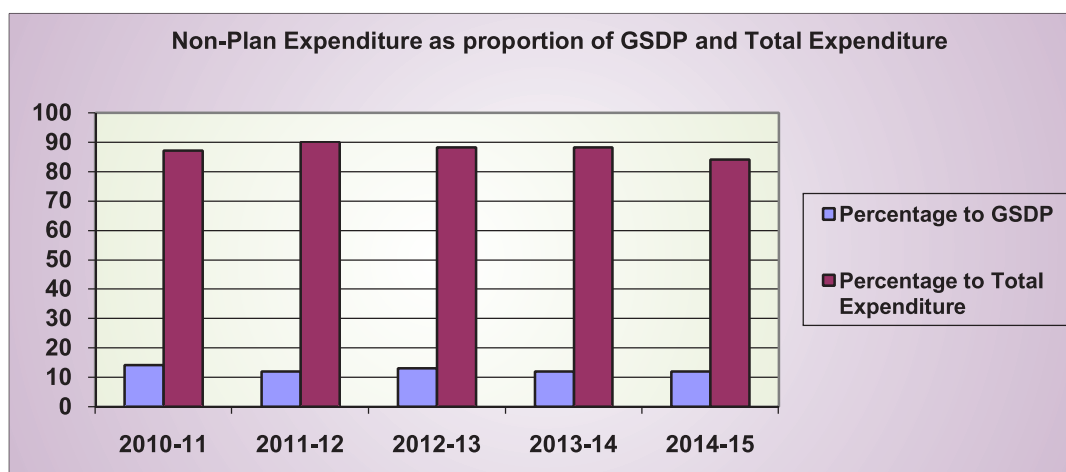
4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2014-15 representing 84 per cent of total disbursements, was ₹ 42,150 crore (₹ 41,701 crore under Revenue and ₹ 449 crore under Capital).

Non- Plan Expenditure as proportion to GSDP and Total Expenditure

(₹ in crore)

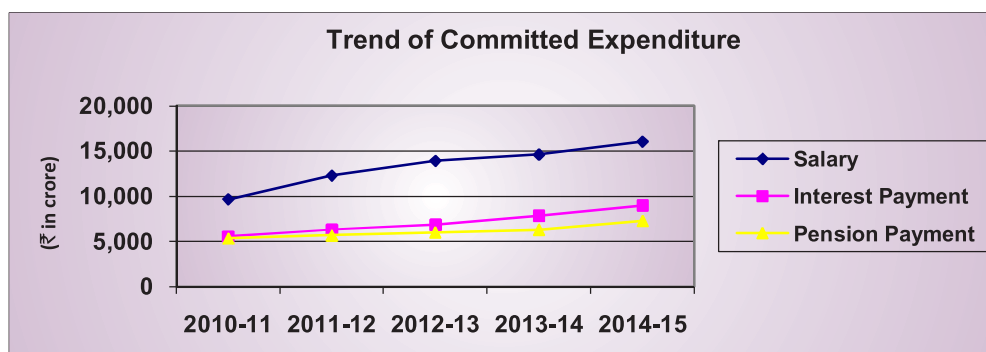
Year	Non - Plan Expenditure	GSDP	Percentage to GSDP	Total Expenditure	Percentage to Total Expenditure
2010-11	30,851	2,26,204	14	35,349	87
2011-12	31,454	2,56,374	12	34,820	90
2012-13	36,741	2,85,119	13	41,571	88
2013-14	38,860	3,17,556	12	44,007	88
2014-15	42,150	3,49,826	12	50,002	84



4.4 Committed Expenditure

(₹ in crore)

Year	Salary	Interest	Pension	Total
2010-11	9,635	5,515	5,309	20,459
2011-12	12,274	6,280	5,657	24,211
2012-13	13,902	6,831	5,966	26,699
2013-14	14,591	7,820	6,277	28,688
2014-15	16,034	8,960	7,249	32,243



Committed Expenditure Vs Revenue Expenditure and Revenue Receipts

(₹ in crore)

Component	2010-11	2011-12	2012-13	2013-14	2014-15
Committed Expenditure	20,459	24,211	26,699	28,688	32,243
Revenue Receipts	27,608	26,234	32,051	35,104	39,023
Percentage of Committed Expenditure to Revenue Receipts	74	92	85	82	83
Revenue Expenditure	32,897	33,045	39,458	41,641	46,614
Percentage of Committed Expenditure to Revenue Expenditure	62	73	69	69	69

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

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts

(₹ in crore)

Sr. No	Nature of Expenditure	Original Grant	Supplementary Grant	Total	Actual Expenditure	Savings (-) Excess (+)
1	Revenue Voted Charged	40,536 8,611	3,864 454	44,400 9,065	37,694 9,119	-6,706 +54
2	Capital Voted	6,066	273	6,339	3,196	-3,143
3	Public Debt Charged	18,116	3,557	21,673	23,075	+1,402
4	Loans and Advances Voted	264	63	327	270	-57
	Total	73,593	8,211	81,804	73,354	-8,450

5.2 Trend of Saving/Excess

(₹ in crore)

Year	Revenue	Capital	Public Debt	Loans and Advances	Total Saving/Excess
2010-11	-1,753	-1,464	-1,477	+1	-4,693
2011-12	-4,402	-3,822	+322	..	-7,902
2012-13	-6,258	-4,454	+454	-53	-10,311
2013-14	-6,554	-5,758	-305	-253	-12,870
2014-15	-6,652	-3,143	+1,402	-57	-8,450

Note: Saving as (-) and Excess as (+)

5.3 Significant Savings

Substantial Savings under Grants indicate either non-implementation or slow implementation of certain schemes/programmes.

Some Grants with persistent and significant saving are as under :

(in percentage)

Grant No.	Nomenclature	2010-11	2011-12	2012-13	2013-14	2014-15
4	Defence Services Welfare	34	40	58	49	57
9	Food and Supplies	82	48	59	22	57
13	Industries	17	77	67	87	63
24	Science, Technology and Environment	95	84	79	92	58

During 2014-15, Supplementary Grants totalling ₹ 8,211 crore (11 *per cent* of total expenditure) proved to be unnecessary in some cases, where there were

significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
1	Agriculture and Forests	Revenue (V)	5,979	20	3,291
5	Education	Revenue (V)	7,626	548	7,520
6	Elections	Revenue (V)	141	31	119
9	Food and Supplies	Revenue (V)	601	1	261
10	General Administration	Revenue (V) Capital (V)	221 73	8 4	191 23
11	Health and Family Welfare	Revenue (V)	2,655	191	2,481
12	Home Affairs and Justice	Revenue (V) Capital (V)	4,732 78	441 82	5,025 95
15	Irrigation and Power	Capital (V)	1,368	31	736
17	Local Government, Housing and Urban Development	Revenue (V)	841	243	825
19	Planning	Revenue (V)	70	3	46
21	Public Works	Capital (V)	1,601	60	1,364
22	Revenue and Rehabilitation	Revenue (V)	1,199	199	875
25	Social and Women Welfare and Welfare of Scheduled Castes and Backward Classes	Revenue (V)	2,404	316	2,065
29	Transport	Revenue (V)	406	24	388

ASSETS AND LIABILITIES

6.1. Assets

The existing form of accounts does not easily depict valuation of Government assets like Land, Building etc., except in the year of acquisition/purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

6.1.1 Investment

Total investment stood at ₹ 3,977 crore at the end of 2014-15. Dividend on these investments amounting to ₹ 1.48 crore was received during the year as compared to dividend of ₹ 1.46 crore received during 2013-14. ₹ 110 crore were invested during 2014-15.

6.1.2 Cash Balance

Cash Balance with Reserve Bank of India stood at ₹ -69 crore on 31 March 2014 and decreased to ₹ -1,064 crore as on 31 March 2015.

6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature.

Outstanding Public Debt as on 31 March 2015 was ₹ 86,818 crore comprising internal debt of ₹ 83,203 crore and loans and advances from Central Government ₹ 3,615 crore. Other liabilities accounted under Public Account were ₹ 25,548 crore.

The State also acts as a banker and trustee in respect of deposits like small savings, provident funds and deposits etc. There was an overall increase of ₹ 1,968 crore in respects of such liabilities of State Government during 2014-15.

Interest payment on debt and other liabilities totalling ₹ 8,960 crore constituted 19 *per cent* of Revenue Expenditure of ₹ 46,614 crore. Interest payment on

Public Debts was ₹ 6,941 crore (interest on Internal Debt ₹ 6,777 crore and interest on Loans and Advances from Central Government ₹ 164 crore). Expenditure on account of interest payment has increased by ₹ 1,140 crore during 2014-15 as compared to 2013-14.

Internal Debt of ₹ 30,657 crore raised during 2014-15 was mainly used for (i) discharge of debt obligations (₹ 22,792 crore) and (ii) payment of interest (₹ 6,777 crore).

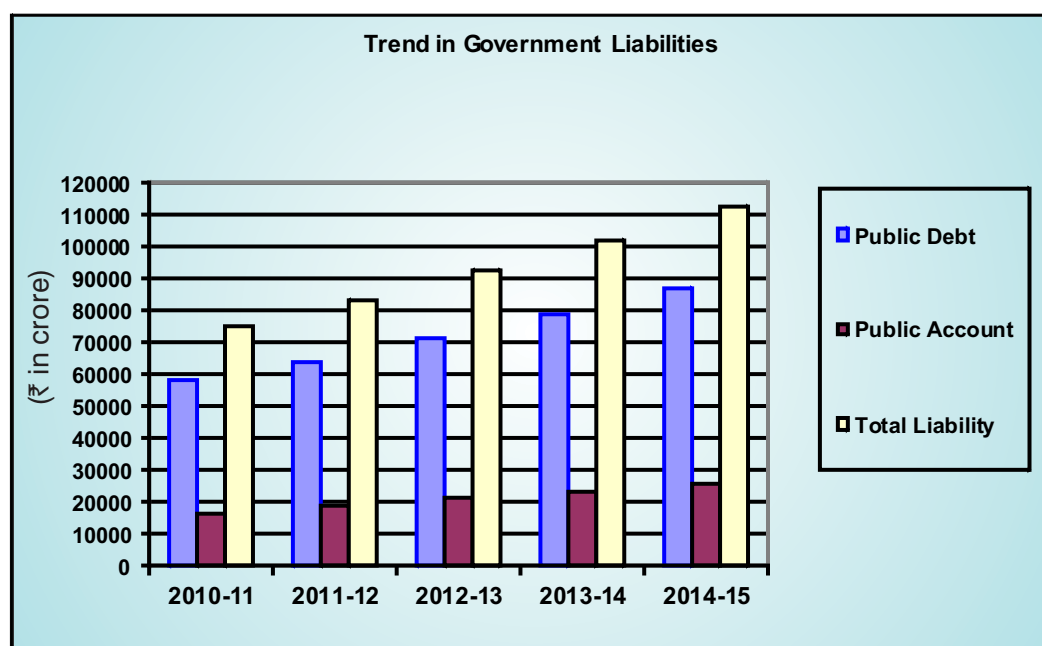
Details of the Public Debt and Total Liabilities of the State Government are as under:

(₹ in crore)

Year	GSDP	Public Debt	Percentage to GSDP	Public Account	Percentage to GSDP	Total Liability*	Percentage to GSDP
2010-11	2,26,204	58,237	26	16,638	7	74,900	33
2011-12	2,56,374	64,161	25	19,136	7	83,322	33
2012-13	2,85,119	71,212	25	21,306	7	92,543	32
2013-14	3,17,556	78,669	25	23,581	7	1,02,275	32
2014-15	3,49,826	86,818	25	25,548	7	1,12,391	32

* includes ₹ 25 crore pertaining to Contingency Fund.

There is a net increase of ₹ 37,491 crore (50 per cent) in Net Liabilities during the last five years.



6.3 Guarantees

Maximum amount guaranteed by the State Government during the year 2014-15 was ₹ 45,347 crore for repayment of loans raised by Statutory Corporations/ Boards, Government Companies, Local Bodies, Co-operative Banks and Societies whereas Outstanding amount as on 31 March 2014 was ₹ 61,411 crore. Further an amount of ₹ 182 crore was payable as Guarantee Fee in 2014-15. Against this, only seven entities paid an amount of ₹ 77 crore as Guarantee Fee.

GENERAL

7.1 Outstanding Abstract Contingent (AC) Bills:

Drawing and Disbursing officers are authorized to draw sums of money by preparing Abstract Contingent (AC) bills by debiting Service Heads. They are required to present Detailed Contingent (DC) bills (vouchers in support of final expenditure) in all these cases within one month under Rule 274 of Punjab Treasury Rules. Prolonged non-submission of supporting DC bills renders the expenditure under AC Bills opaque.

Details of outstanding AC bills as on 31 March 2015 are given under:

(₹ in crore)

Year	Abstract Contingent Bills Drawn		Detailed Contingent Bills Received		Outstanding Abstract Contingent Bills	
	Number	Amount	Number	Amount	Number	Amount
Up to 2012-13	1977	1,808	1861	1,425	116	383
2013-14	644	1,292	416	473	228	819
2014-15	943	1,751	154	324	789	1,427
Total	3564	4,851	2431	2,222	1133	2,629

Out of 943 AC bills amounting to ₹ 1,751 crore drawn during 2014-15, 197 AC bills amounting to ₹ 295 crore (17 *per cent*) were drawn in March 2015 alone and of these 79 AC bills of ₹ 111 crore (38 *per cent*) were drawn on the last day of the financial year. Significant expenditure against AC bills in March, especially on the last day of March, indicates that the drawl was primarily to exhaust the budget provisions and reveals inadequate budgetary control.

7.2 Outstanding Utilization Certificates (UCs) against Grants-in-aid sanctioned by the State Government:

Rule 8.14 (b) of the Punjab Financial Rules Volume I prescribes that, the Utilization Certificate should be submitted by the sanctioning authority to Principal Accountant General (A&E) not later than eighteen months from the date of sanction of Grants-in-Aid.

Utilization Certificates in respect of 60 cases amounting to ₹ 415 crore pertaining to 2014-15 are due for submission in the office of Principal Accountant General (A&E) within a period of 18 months from the date of the

sanction. Delayed submission and non-submission of UCs makes it difficult to ensure that the funds have been utilized for the intended purposes.

The position of outstanding UCs is as under:

(₹ in crore)

Year in which UCs due	Number of UCs awaited	Amount
Up to 2012-13	14	22
2013-14	15	2
Total	29	24

Outstanding Utilization Certificates pertain to the Department of Education (13), Sports (11), Industries (2), Urban Development (1), Information and Public Relations (1) and Rural Development and Panchayats (1).

7.3 Cash with Departmental Officers (PWD and Irrigation):

In terms of Rule 2.10 of Punjab Financial Rules Vol. I, no money is withdrawn from the treasury unless it is required for immediate disbursement or has already been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time. An amount of ₹ 575 crore as on 31 March 2015 pertaining to Major Head 8671-Departmental Balances was lying with Departmental Officers as idle cash. The amount should have been remitted by the Departmental officers to treasury by 31 March 2015.

7.4 Consolidated Sinking Fund:

The Government of Punjab constituted a Consolidated Sinking Fund vide order dated 20 December 2006 with the objective to redeem its outstanding liabilities commencing from the financial year 2011-12. 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. As on 31 March 2014, the outstanding liabilities of the Government of Punjab were ₹ 1,02,234 crore. Accordingly, the State Government was required to contribute a minimum of ₹ 511 crore (0.50 *per cent*). However, the State Government has not made any contribution to the said Fund since its inception.

7.5 Guarantee Redemption Fund:

In terms of recommendation of the Twelfth Finance Commission, the State Government introduced the 'Guarantee Redemption Fund Scheme' in December

2007 (revised on 8 January 2014 with effect from the financial year 2013-14) with the objective to meet its obligations arising out of the Guarantees extended to State level entities. As per the guidelines, the Fund shall be set up by the Government with an initial contribution of minimum 1 *per cent* of outstanding guarantees at the end of the previous year and thereafter minimum 0.50 *per cent* every year to achieve a minimum level of 3 *per cent* in next five years. Accordingly State Government was required to make a minimum contribution of ₹ 601 crore for the year 2013-14 (1 *per cent* of outstanding guarantee of ₹ 60,061 crore at the end of the previous year i.e. 2012-13) and ₹ 307 crore for the year 2014-15 (0.50 *per cent* of outstanding guarantee of ₹ 61,411 crore at the end of the previous year i.e. 2013-14 as conveyed by the State Government) which was not done.

7.6 Off-Budget Borrowings:

Government of Punjab permitted Punjab Urban Planning and Development Authority (PUDA) to borrow from the Banks/ Financial Institutions with responsibility of repaying the loans raised by PUDA. PUDA raised a loan of ₹ 2,000 crore (2012-13 - ₹ 1,000 crore and 2013-14 - ₹ 1,000 crore) from various banks which was remitted to Government accounts and booked under Major Head 0075 - Miscellaneous General Services in the accounts of the respective years instead of passing the amount through Major Head 6003- Internal Debt of the State Government. The liability towards repayment of principal and interest on these loans, however, has been taken by the State Government by way of assistance to PUDA.

In Office Memorandum No.2/11/2014-4H2/427414/1 dated 3 March 2015, Government sanctioned ₹ 467 crore towards repayment of Principal and Interest on the loan raised by PUDA. The Government also instructed in the said Memorandum that the amount of ₹ 467 crore is to be classified under Major Head 2216-Housing, 02-Urban Housing, 190-Assistance to Public Sector and other Undertakings, 01-Assistance to Punjab Urban Development Authority, 50- Other Charges during 2014-15. The said amount has been accordingly booked as assistance to PUDA under Major Head 2216 in the Finance Accounts 2014-15.

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