

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



Accounts at a Glance

for the year 2022-23



GOVERNMENT OF PUNJAB



Accounts at a Glance
for the year 2022-23

Accountant General
(Accounts and Entitlement)
Punjab

GOVERNMENT OF PUNJAB

Preface

I am happy to present the twenty fifth 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 (Duties, Power and Conditions of Service) 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 State Finances Audit Report for the year 2022-23 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 : 13 October 2023
Chandigarh

Teg Singh
Accountant General (A&E)
Pubjab

Our Vision, Mission and Core Values

VISION

(The vision of Supreme Audit Institution (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 i.e. 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

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Chapter I

Overview

1.1 Introduction

The office of the Accountant General (Accounts and Entitlement), Punjab collates, classifies, compiles the accounts data rendered by multiple agencies, and prepares the accounts of the Government of Punjab. The compilation is done from the initial accounts rendered by the District Treasuries, Public Works Divisions, Forest Divisions, accounts rendered by the other States/accounting offices and advices of Reserve Bank of India. Every month, a Monthly Civil Account is presented by the office of the Accountant General (A&E) to the Government of Punjab. The office of the Accountant General (A&E) also submits a Quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government. Finance Accounts and Appropriation Accounts are prepared annually by the office of the Accountant General (A&E) in accordance with Article 149 of the Constitution of India read with Section 11 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971, which are placed before the State Legislature after audit by the Principal Accountant General (Audit), Punjab and certification by the Comptroller and Auditor General of India.

1.2 Structure of Government Accounts

1.2.1 Government Accounts are kept in three parts:

Structure of Government Accounts

Part 1
CONSOLIDATED FUND

All revenue received by the Government including tax revenues and non-tax revenues, loans raised and repayment of loans given (including interest thereon) form the Consolidated Fund.

All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon) are met from this fund.

Part 2
CONTINGENCY FUND

The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorisation by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund.

The corpus of this fund for the Government of Punjab is ₹ 25.00 crore.

Part 3
PUBLIC ACCOUNT

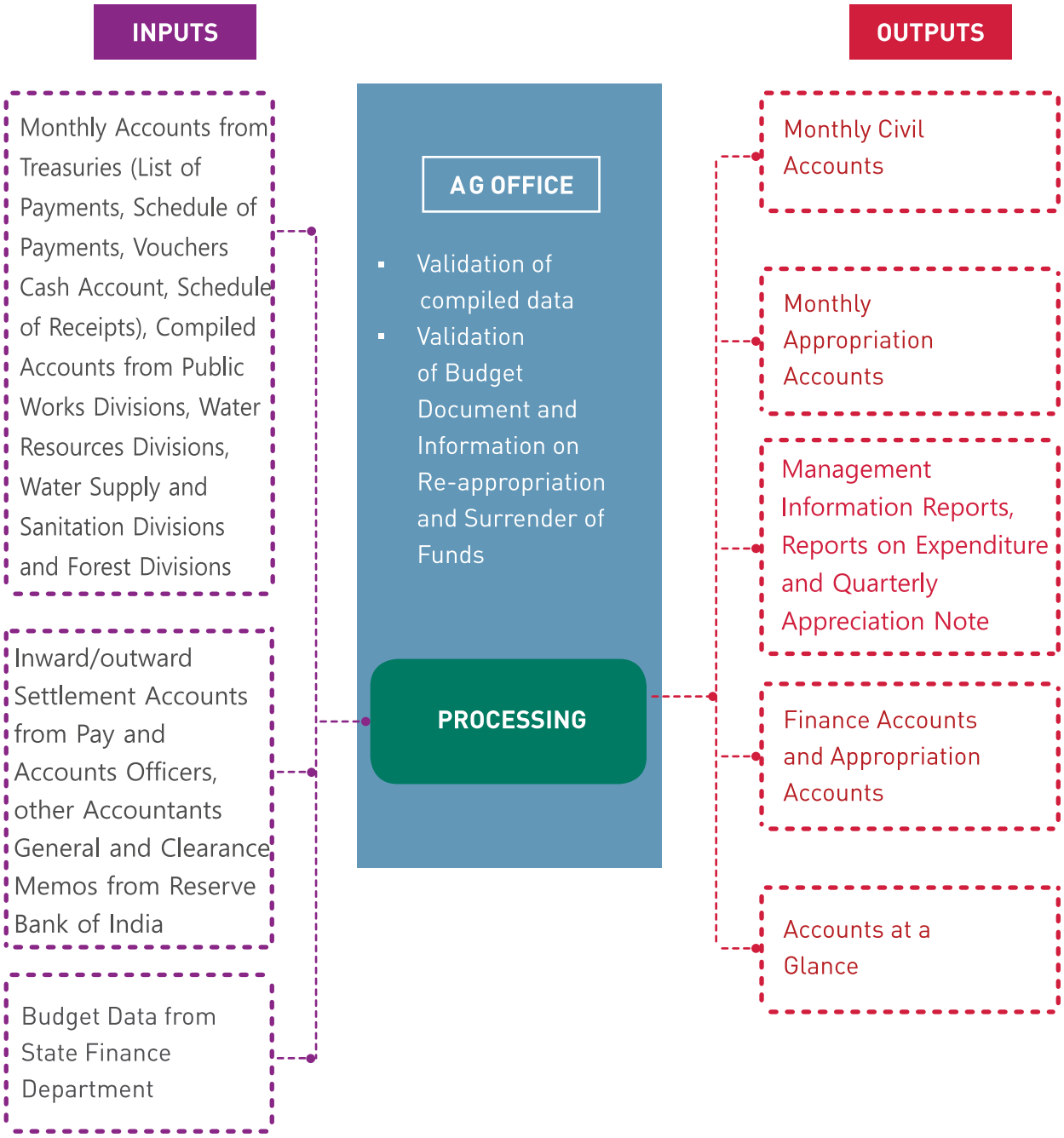
In Public Account, the transactions relating to Debt (Other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' shall be recorded.

The transactions under Debt, Deposit and Advances in this part are such in respect of which Government incurs a liability to repay the money received or has a claim to recover the amount paid, together with the repayments of the former (Debt and Deposits) and the recoveries of the latter (Advances).

The transactions relating to 'Remittances' and 'Suspense' in this Part shall embrace all merely adjusting heads under which shall appear such transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles. The initial debits or credits to these heads will be cleared eventually by booking to the final heads of accounts.

1.2.2 Flow Diagram of Accounts Compilation

Flow Diagram of Accounts Compilation

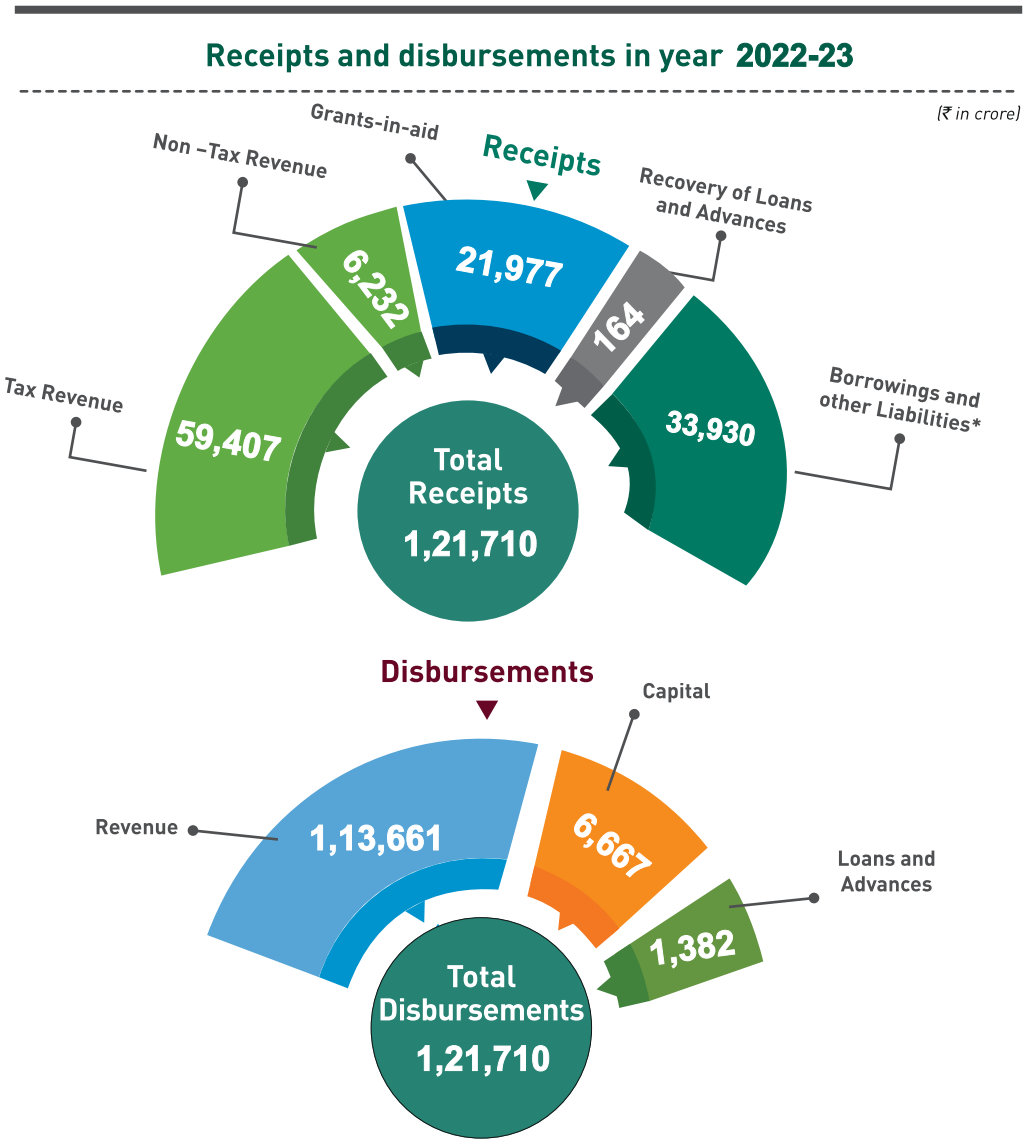


1.3 Finance Accounts and Appropriation Accounts

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 Report 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 and Notes to Finance 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 2022-23 are given below:



** 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.*

The Union Government transfers substantial funds directly to the State Implementing Agencies/Non-Government Organisations for implementation of various schemes and programmes. During the year 2022-23, the Union Government released ₹ 3,547 crore directly to the implementing agencies in Punjab. Since these funds are not routed through the State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix-VI of Volume II of the Finance Accounts.

1.3.2 Financial Highlights of Accounts

The following table provides the details of actual financial results vis-a-vis Budget Estimates for the year 2022-23:

(₹ in crore)

Sl. No.	Components	Budget Estimates 2022-23	Actuals 2022-23	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP (c)
1.	Tax Revenue	60,345	59,407(a)	98	9
2.	Non-Tax Revenue	6,302	6,232	99	1
3.	Grants-in-aid and Contributions	28,731	21,977	76	3
4.	*Revenue Receipts (1+2+3)*	**95,378**	**87,616**	**92**	**13**
5.	Recovery of Loans and Advances	200	164	82	..
6.	Other Receipts	500	..	..	..
7.	Borrowings and other Liabilities (b)	23,835	33,930	142	5
8.	*Capital Receipts (5+6+7)*	24,535	34,094	139	5
9.	*Total Receipts (4+8)*	1,19,913	1,21,710	102	18
10.	*Revenue Expenditure*	1,07,932	1,13,661	105	17
11.	*Expenditure on Interest Payments (out of Revenue Expenditure)*	20,122	22,905	114	3
12.	*Capital Expenditure*	10,981	6,667	61	1
13.	*Loans and Advances Disbursed*	1,000	1,382	138	..
14.	*Total Expenditure (10+12+13)*	1,19,913	1,21,710	101	18
15.	*Revenue Deficit (4-10)*	12,554	26,045	207	4
16.	*Fiscal Deficit (4+5+6-14)*	23,835	33,930	142	5

(a) Includes ₹ 17,164 crore as State's share of Union Taxes.

(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) GSDP at current prices: ₹ 6,73,107 crore as per website of the Ministry of Statistics and Programme Implementation, New Delhi uploaded on 01 August 2023.

1.3.3 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 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 of the State. The Appropriation Accounts of the Government of Punjab for the year 2022-23 comprise accounts of 42 Voted Grants and 32 Charged Appropriations.

1.3.4 Efficiency on Budget Preparation

Appropriation Act 2022-23 had projected Gross Expenditure of ₹ 1,92,655 crore, which includes the Supplementary Grants totalling ₹ 36,796 crore, passed by State Legislature during the year. No amount was projected as recoveries to be treated as reduction of expenditure.

Appropriation Accounts 2022-23 show disbursements aggregating ₹ 1,80,225 crore against the aggregate budget provision of ₹ 1,92,655 crore, resulting in net saving of ₹ 12,430 crore (6 per cent). However, net saving of ₹ 5,598 crore (45 per cent) was under the Grants controlled by Local Government (₹ 1,808 crore), Education (₹ 1,620 crore), Rural Development and Panchayats (₹ 1,112 crore) and Health and Family Welfare (₹ 1,058 crore). There was excess expenditure of ₹ 1,475 crore in three (3) Voted Grants.

Against the Nil projection of recoveries in reduction of expenditure in budget estimates, there were the actual recoveries of ₹ 139 crore during 2022-23.

The Appropriation Accounts show that in the year 2022-23, there was actual expenditure of ₹ 1,80,225 crore, comprising Revenue Expenditure of ₹ 1,13,738 crore, Capital Expenditure of ₹ 6,729 crore, Repayment of Debt of ₹ 58,376 crore and Loans and Advances given by the State Government amounting to ₹ 1,382 crore. There were savings 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. Nil amount was outstanding as on 31 March 2023 as Ways and Means Advances. During 2022-23, the Government of Punjab obtained ₹ 42,282 crore as Special Drawing Facility and Normal Ways and Means Advances on one hundred sixteen occasions out of which whole amount i.e. ₹ 42,282 crore was repaid during the year leaving nil balance. ₹ 27 crore were paid as interest on these advances.

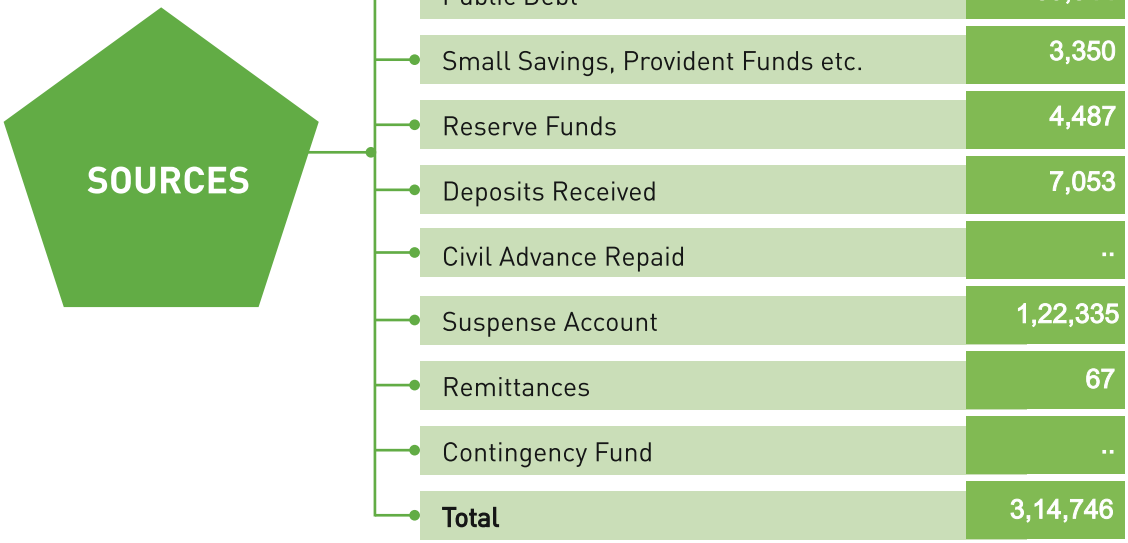
During 2022-23, Government did not avail any shortfall/overdraft.

1.4.2 Fund Flow Statement

The State had a Revenue Deficit of ₹ 26,045 crore and a Fiscal Deficit of ₹ 33,930 crore representing 3.87 *per cent* and 5.04 *per cent* of the Gross State Domestic Product (GSDP[1]) respectively. The Fiscal Deficit was around 28 *per cent* of Total Expenditure. This deficit was met mainly from Public Debt (₹ 31,168 crore) and increase in Public Account (₹ 2,762 crore). Around 79 *per cent* of the Revenue Receipts (₹ 87,616 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 27,538 crore), Interest Payments (₹ 22,905 crore) and Pensions (₹ 19,123 crore).

Sources and Application of Funds

(₹ in crore)



Opening Cash Balance as on 1.4.2022	130
Revenue Receipts	87,616
Recovery of Loans and Advances	164
Public Debt	89,544
Small Savings, Provident Funds etc.	3,350
Reserve Funds	4,487
Deposits Received	7,053
Civil Advance Repaid	..
Suspense Account	1,22,335
Remittances	67
Contingency Fund	..
Total	3,14,746

1 *GSDP at current prices: ₹ 6,73,107 crore as per website of the Ministry of Statistics and Programme Implementation, New Delhi uploaded on 01 August 2023.*

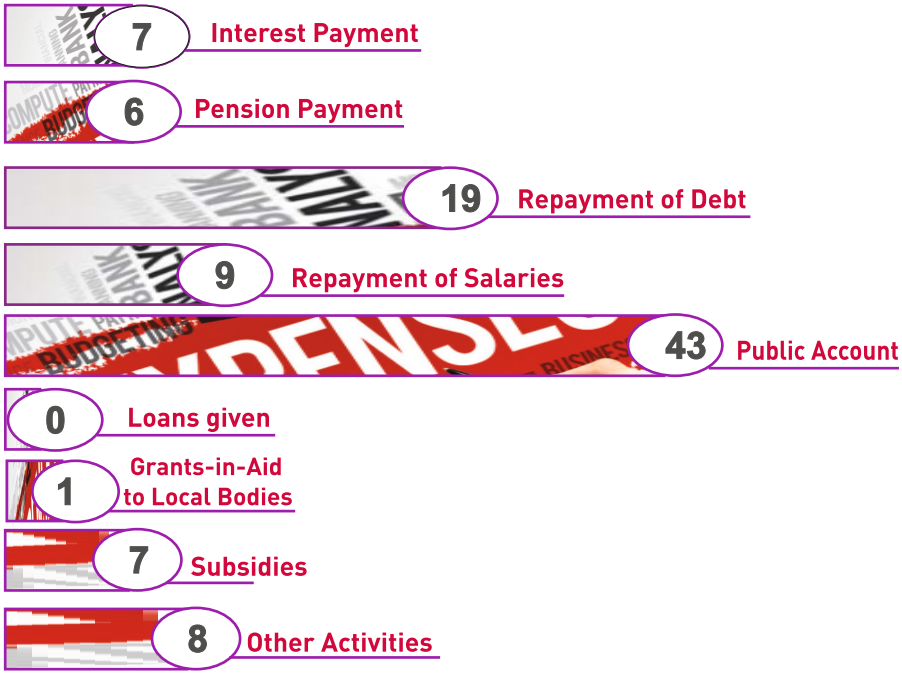
APPLICATION

Revenue Expenditure	1,13,661
Capital Expenditure	6,667
Loans Given	1,382
Repayment of Public Debt	58,376
Small Savings, Provident Funds etc.	3,133
Reserve Funds	3,552
Deposits Spent	6,925
Civil Advance Given	..
Suspense Account	1,20,648
Remittances	36
Closing Cash Balance as on 31.3.2023	366
Total	3,14,746

1.4.3 Where the Rupee came from



1.4.4 Where the Rupee went



1.5 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

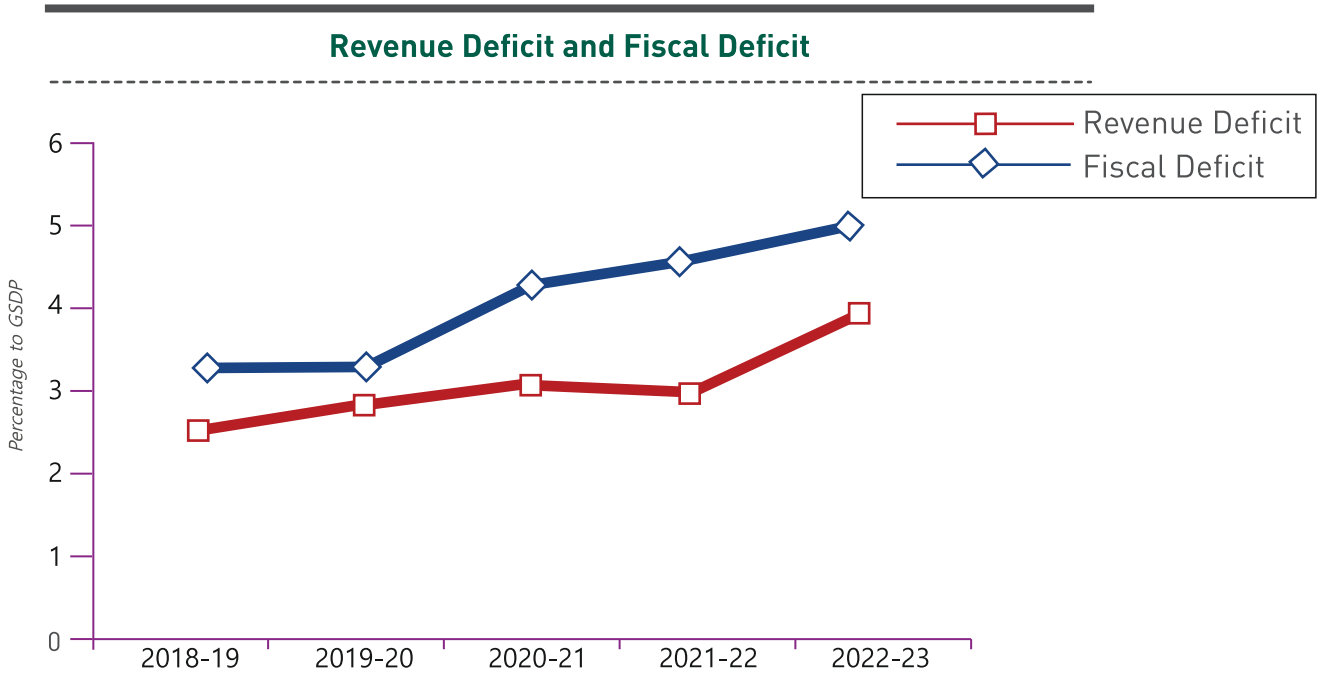
Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the borrowings should be invested in capital projects.

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

(₹ in crore)

Year	GSDP (i)	Revenue Deficit	Percentage to GSDP	Fiscal Deficit	Percentage to GSDP
2018-19	5,12,510	13,135	2.56	16,059	3.13
2019-20	5,37,031	14,285	2.66	16,826	3.13
2020-21	5,40,853	17,297	3.20	22,585	4.18
2021-22	6,14,227	18,468	3.01	27,847	4.53
2022-23	6,73,107	26,045	3.87	33,930	5.04

Source: As per website of the Ministry of Statistics and Programme Implementation, New Delhi, uploaded on 01 August 2023.



1.5.2 Punjab Fiscal Responsibility and Budget Management (PFRBM) Act

1.5.2.1 In terms of PFRBM Act 2003, the Government of Punjab presented the Medium Term Fiscal Policy and Strategy Statement along with the State Budget for the year 2022-23.

The status of target and achievement is required to be disclosed by the State Government in the Legislature at the time of presentation of the Budget for the year 2022-23 as stipulated by the PFRBM Act and Rules. In this context, no disclosure has been made on significant changes in the accounting standards, policies and practices affecting or likely to affect the computation of the prescribed fiscal indicators.

1.5.2.2 Performance of the Government of Punjab for the year 2022-23 as depicted in the accounts vis-à-vis targets fixed in the PFRBM Act for Revenue Deficit and Fiscal Deficit is as under:

Sr. No.	Financial Parameter	Actual (₹ in crore)	Financial Parameter to GSDP* percentage Percentage to GSDP	
			Target	Achievement
1	Revenue Deficit	26,045	0.00	3.87
2	Fiscal Deficit	33,930	4.00**	5.04

* GSDP at current prices ₹ 6,73,107 crore as per website of the Ministry of Statistics and Programme Implementation, New Delhi uploaded on 01 August 2023.

** Fiscal Deficit shall be contained at 3.5 *per cent* and an additional 0.5 *per cent* can be increased on the basis of Capital Expenditure incurred by the state.

1.5.2.3 Net borrowings of the Government of Punjab were ₹ 32,448 crore during 2022-23.

Chapter II

Receipts

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2022-23 were ₹ 1,21,710 crore.

2.2 Revenue Receipts

The Revenue Receipts of the Government comprises of three components viz. Tax Revenue, Non Tax Revenue and Grants-in-Aid received from the Union Government.

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.

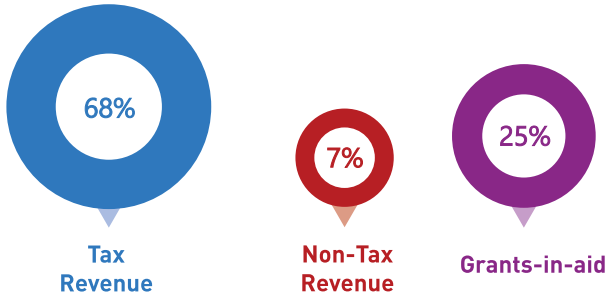
GRANTS-IN-AID — Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material and Equipment' received from Foreign Governments and channelized through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.

2.2.1 Revenue Receipts Components (2022-23)

(₹ in crore)

Components	Actuals
A. Tax Revenue	**59,407**
Goods and Services Tax	22,977
Taxes on Income and Expenditure	11,532
Taxes on Property and Capital Transactions	4,319
Taxes on Commodities and Services	20,579
B. Non-Tax Revenue	**6,232**
Interest Receipts, Dividends and Profits	246
General Services	3,289
Social Services	1,009
Economic Services	1,688
C. Grants-in-aid & Contributions	21,977
Total Revenue Receipt	**87,616**

Components of Revenue Receipts



2.2.2 Trend of Revenue Receipts

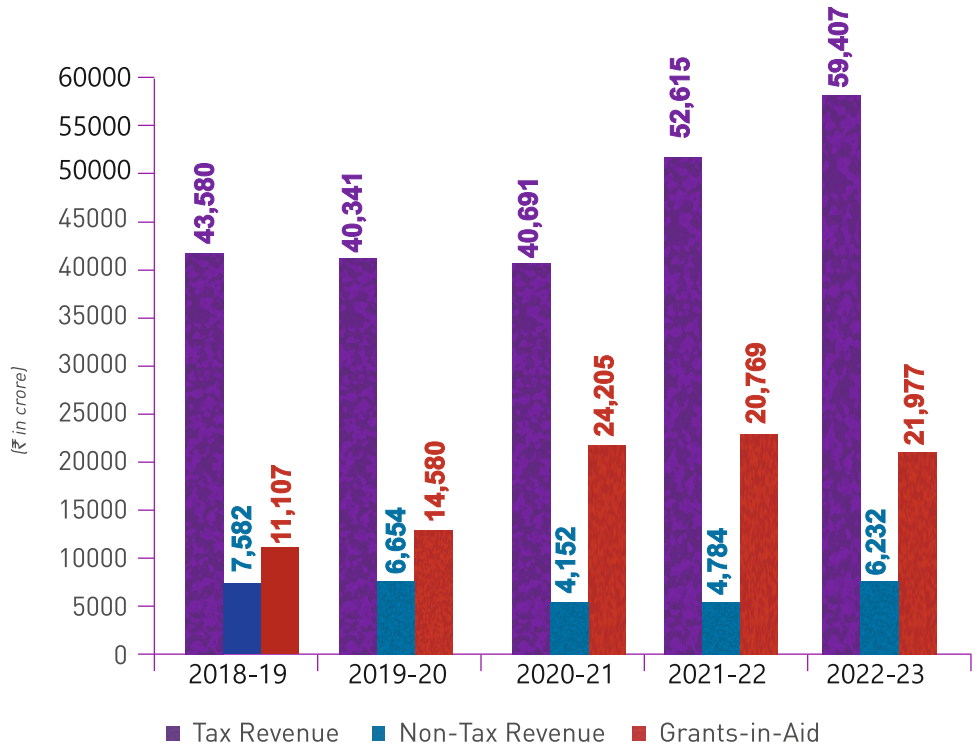
(₹ in crore)

Components	2018-19	2019-20	2020-21	2021-22	2022-23
Tax Revenue	43,580 (8)	40,341 (7)	40,691 (8)	52,615 (9)	59,407 (9)
Non-Tax Revenue	7,582 (1)	6,654 (1)	4,152 (1)	4,784 (1)	6,232 (1)
Grants-in-aid	11,107 (2)	14,580 (3)	24,205 (4)	20,769 (3)	21,977 (3)
Total Revenue Receipts	**62,269 (12)**	**61,575 (11)**	**69,048 (13)**	**78,168 (13)**	**87,616 (13)**
GSDP (i)	**5,12,510**	**5,37,031**	**5,40,853**	**6,14,227**	**6,73,107**

Note: (i) Please refer Footnote below Para 1.5.1.
(ii) Figure in bracket represents percentage to GSDP.

The GSDP increased by 10 *per cent* during 2022-23 in comparison to 2021-22 while the Revenue Receipts increased by 12 *per cent* during the corresponding period.

Trend of Components of Revenue Receipts

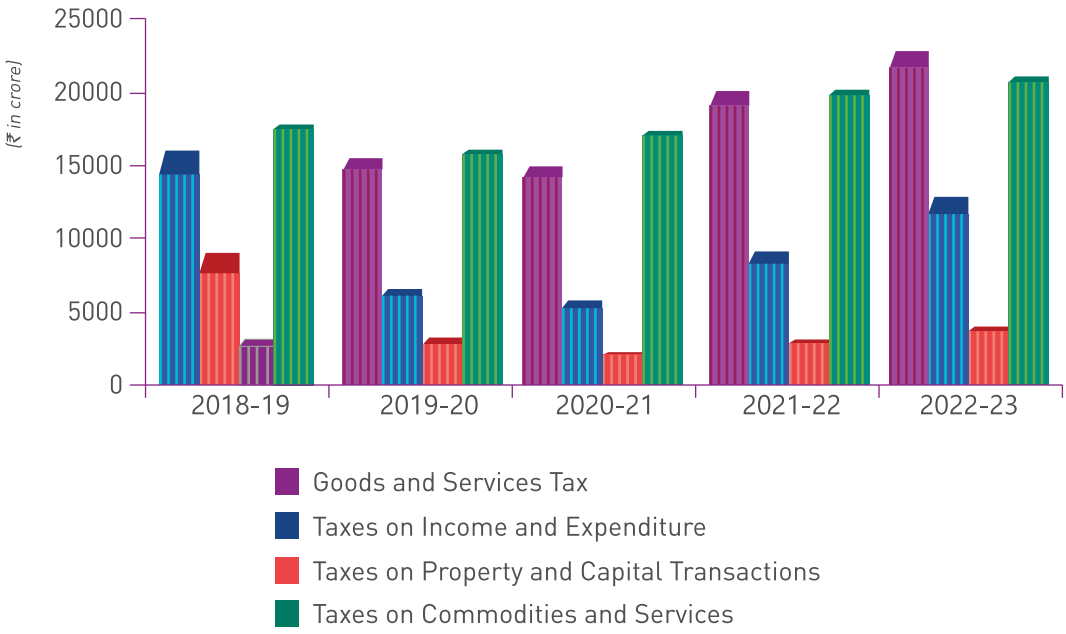


2.3 Tax Revenue

(₹ in crore)

Sub-Sector-wise Tax Revenue					
Sub-Sector	2018-19	2019-20	2020-21	2021-22	2022-23
Goods and Services Tax	16,474	15,687	14,998	20,122	22,977
Taxes on Income and Expenditure	7,369	6,430	6,616	9,032	11,532
Taxes on Property and Capital Transactions	2,368	2,324	2,538	3,393	4,319
Taxes on Commodities and Services	17,369	15,900	16,539	20,068	20,579
Total Tax Revenue	**43,580**	**40,341**	**40,691**	**52,615**	**59,407**

Sub-Sector wise Trend of Tax Revenue



2.3.1 Performance of State's own Tax Revenue collection

Tax Revenue of the State Government comes from two sources viz. State's Own Tax collections and Devolution of Union Taxes.

(₹ in crore)

	GSDP *	Tax Revenue	State share of Union Taxes/Duties	State's Own Tax Revenue	
				Amount	Percentage to GSDP
2018-19	5,12,510	43,580	12,005	31,575	6
2019-20	5,37,031	40,341	10,346	29,995	6
2020-21	5,40,853	40,691	10,638	30,053	6
2021-22	6,14,227	52,615	15,288	37,327	6
2022-23	6,73,107	59,407	17,164	42,243	6

** Please refer Footnote below Para 1.5.1.*

2.4 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

Components	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Collection	2,368	2,325	2,538	3,393	4,319
Expenditure on Collection	216	190	173	194	242
Efficiency in *per cent* of Tax Collection	*9*	*8*	*7*	*6*	*6*

B. Taxes on Commodities and Services

(₹ in crore)

Components	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue collection	17,369	15,899	16,539	20,068	20,579
Expenditure on collection	202	227	250	264	302
Efficiency in *per cent* of Tax Collection	*1*	*1*	*2*	*1*	*1*

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

(₹ in crore)

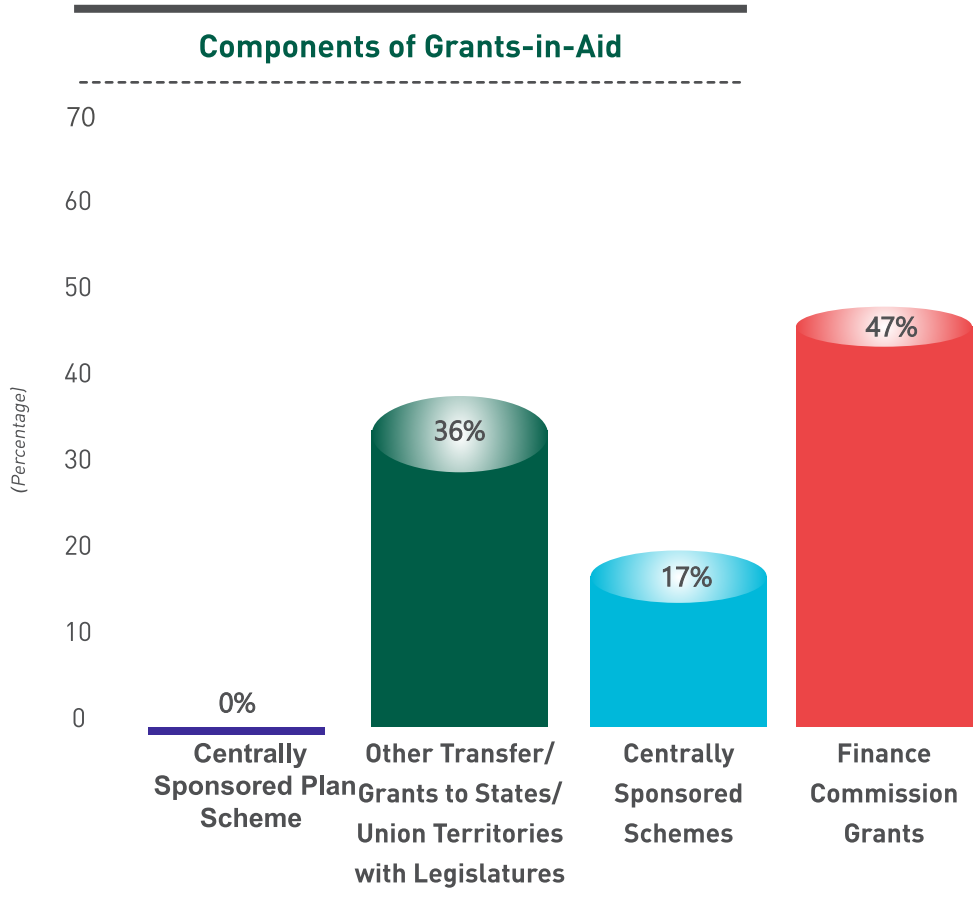
Components	2018-19	2019-20	2020-21	2021-22	2022-23
Central Goods and Services Tax	2,964	2,936	3,179	4,580	4,849
Integrated Goods and Services Tax	237	..	..	..	..
Corporation Tax	4,177	3,527	3,197	4,162	5,757
Taxes on Income other than Corporation Tax	3,076	2,764	3,276	4,714	5,616
Other Taxes on Income and Expenditure	22	..	..	..	..
Taxes on Wealth	1	..	..	1	..
Customs	851	656	577	1,091	675
Union Excise Duties	566	456	359	557	212
Service Tax	109	..	43	167	27
Other Taxes and Duties on Commodities and Services	2	7	7	16	28
Total State's Share of Union Taxes	**12,005**	**10,346**	**10,638**	**15,228**	**17,164**
Total Tax Revenue	**43,580**	**40,341**	**40,691**	**52,615**	**59,407**
Percentage of Union Taxes to Total Tax Revenue	*28*	*26*	*26*	*29*	*29*

2.6 Grants-in-Aid

Grants-in-aid represent assistance from the Government of India, and comprise, Grants for Centrally Sponsored Plan Schemes, Centrally Sponsored Schemes, Finance Commission Grants and other transfers/Grants. Total receipts during 2022-23 under Grants-in-aid were ₹ 21,977 crore as shown below:

(₹ in crore)

Components	Amount
Centrally Sponsored Plan Schemes	(-)47
Centrally Sponsored Schemes	3,777
Finance Commission Grants	10,258
Other Transfer/ Grants to States/ Union Territories with Legislatures	7,989
Total-Grants-in-Aid	**21,977**

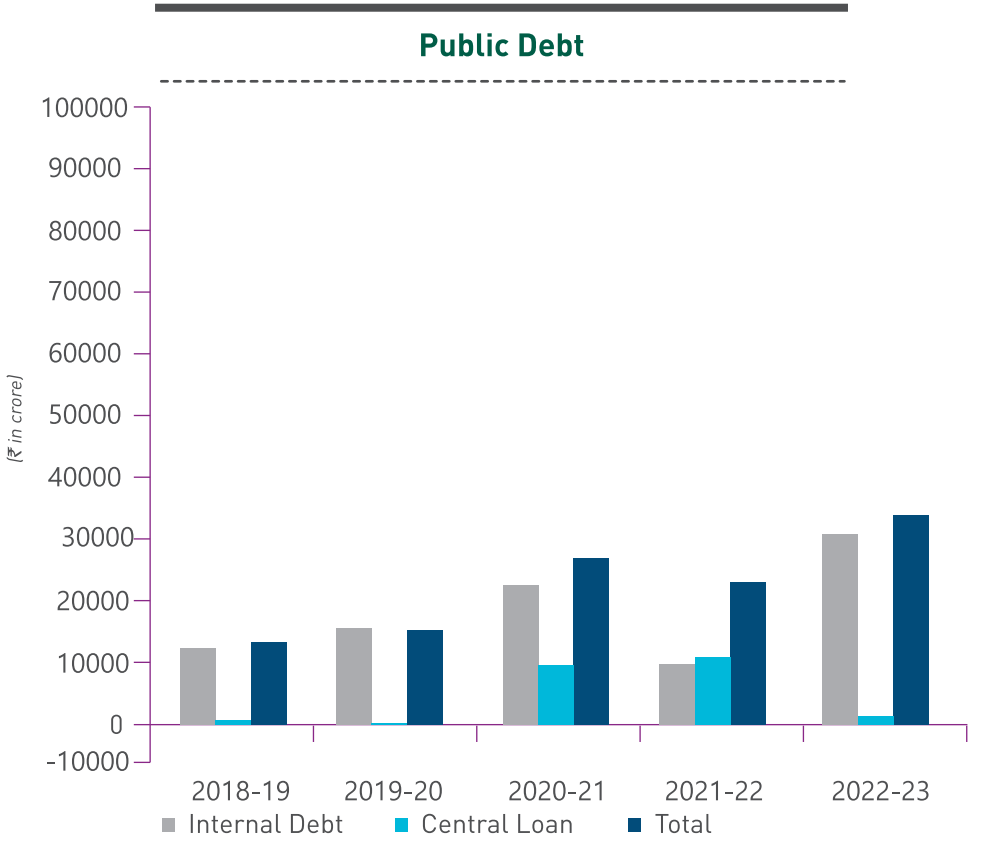


2.7 Public Debt

(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
Internal Debt	13,387	15,490	20,732	9,803	30,775
Central Loans	940	-288	8,329	12,094	393
Total	14,327	15,202	29,061	21,897	31,168

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



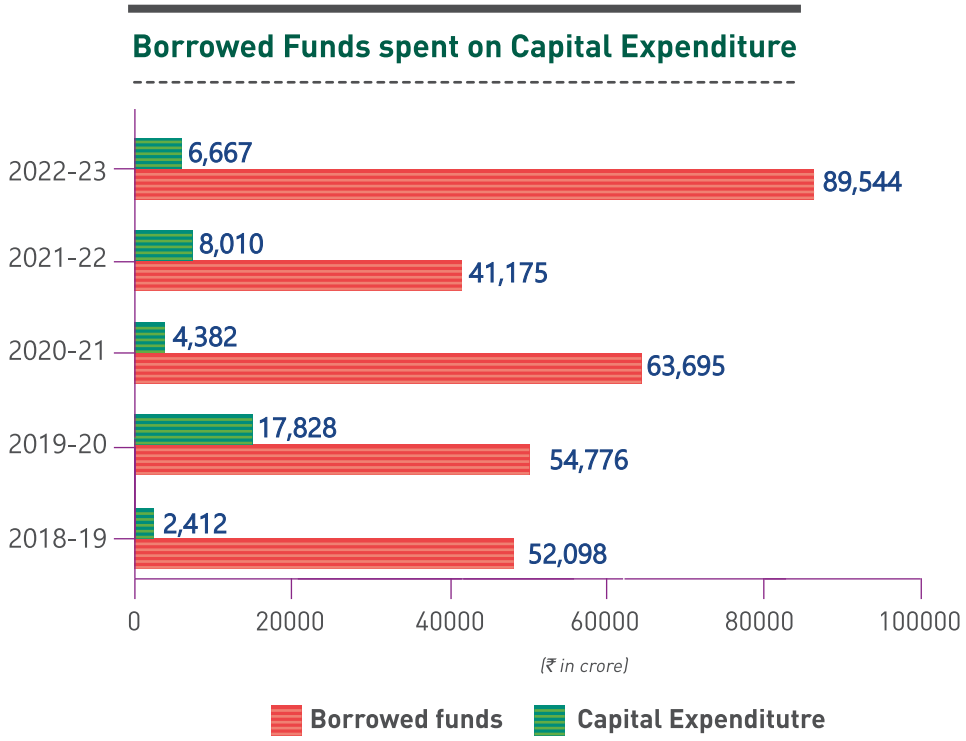
During 2022-23, 25 Market Loans totalling ₹ 45,500 crore at interest rates varying from 7.41 per cent to 8.04 *per cent* redeemable in the year 2032, 2037 to 2040 and 2042 were raised.

During the year 2022-23, against the total Internal Debt of ₹ 88,581 crore and the Central Loan of ₹ 963 crore, Capital Expenditure of the State Government was only ₹ 6,667 crore (7 per cent), indicating that the rest of the Public Debt was used for non-development purposes.

2.7.1 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

Year	Borrowed Funds	Capital Expenditure
2018-19	52,098	2,412
2019-20	54,776	17,828
2020-21	63,695	4,382
2021-22	41,175	8,010
2022-23	89,544	6,667



The governments usually run Fiscal Deficits and borrow funds for capital/ assets formation or creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus, 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 7 *per cent* of the borrowings of the current year (₹ 89,544 crore) on Capital Expenditure (₹ 6,667 crore). It appears that 93 *per cent* of the Public Debt (₹ 82,877 crore) was utilised (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.

Chapter III

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 Government. Capital Expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities.

GENERAL SERVICES : Includes Justice, Police, Jail, PWD, Pension etc.

Includes Education, Health and Family Welfare, Water Supply, Welfare of SC/ST etc. : **SOCIAL SERVICES**

ECONOMIC SERVICES : Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

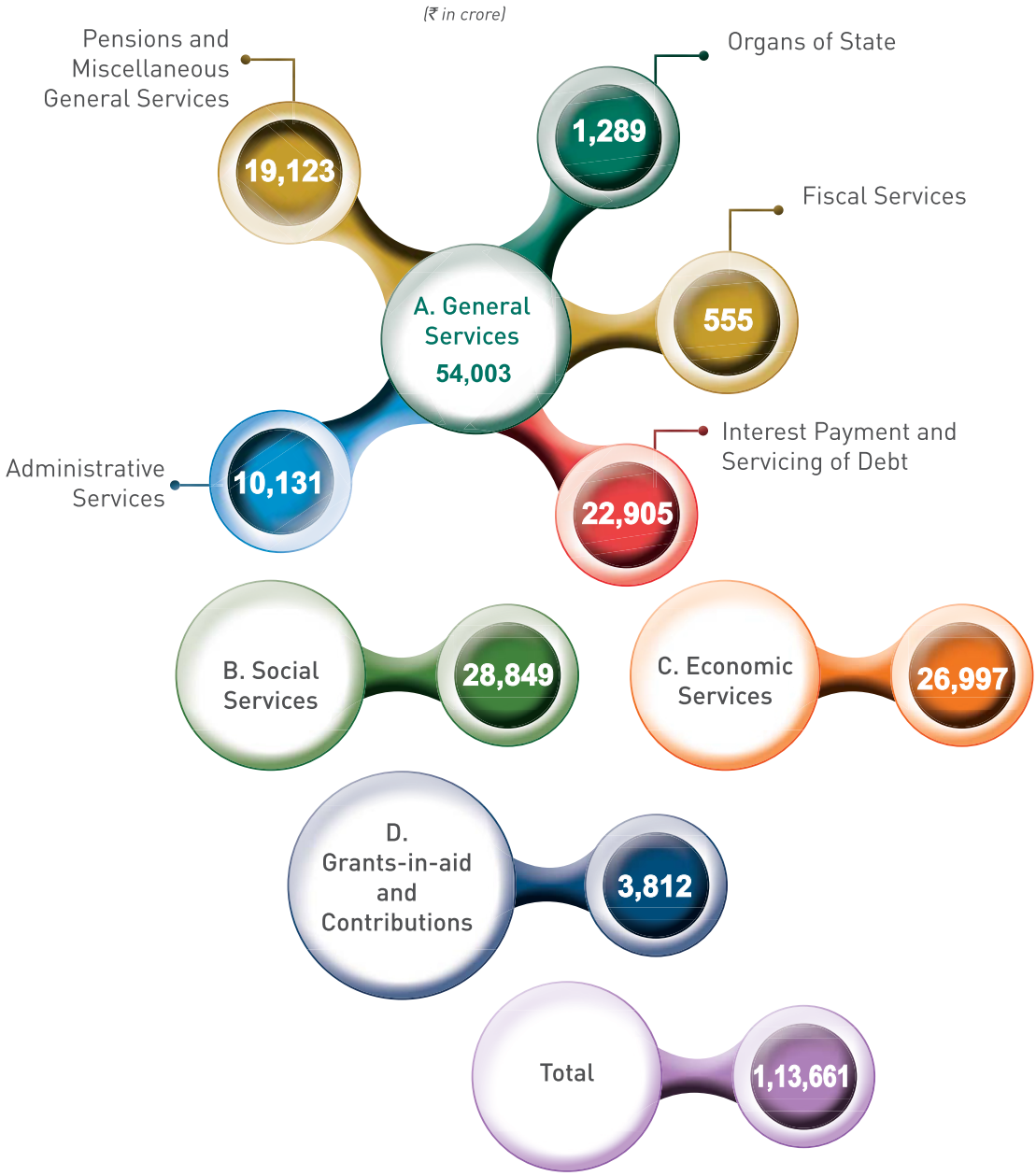
Revenue Expenditure of ₹ 1,13,661 crore for 2022-23 fell short of budget estimates by ₹ 5,729 crore. The shortfall of expenditure against budget estimates under Revenue section during the past five years is given below:

(₹ in crore)

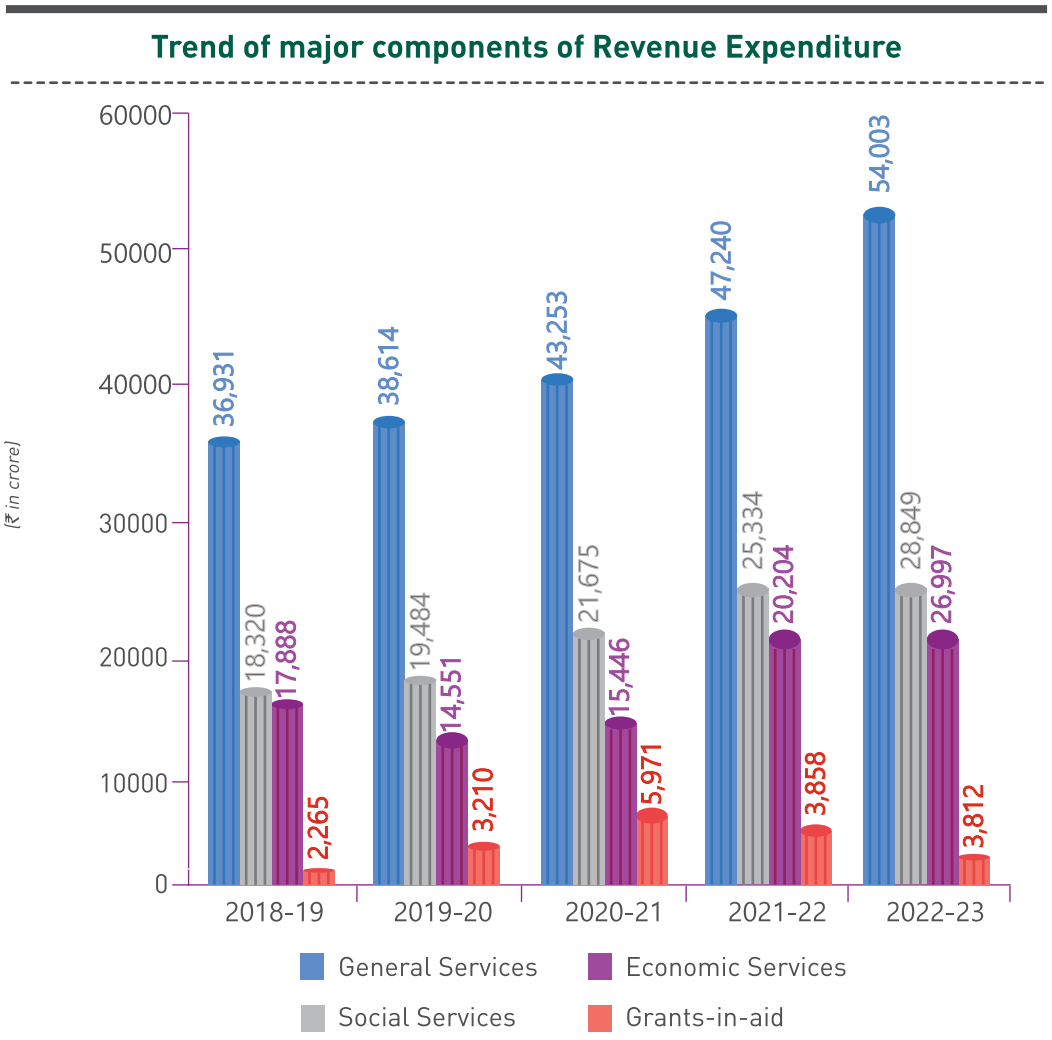
Components	2018-19	2019-20	2020-21	2021-22	2022-23
Budget Estimates	86,351	90,197	95,716	1,03,880	1,07,932
Actual Expenditure	75,404	75,859	86,345	96,636	1,13,661
Gap	10,947	14,337	9,371	7,244	(-)5,729
Percentage of Gap over BE	***13***	***16***	***10***	***7***	***(-)5***

3.2.1 Sector wise Distribution of Revenue Expenditure (2022-23)

Sr. No.	Component	Amount (₹ in crore)	Percentage
A.	**General Services**	54,003	*48*
A.1	Organs of State	1,289	*1*
A.2	Fiscal Services	555	*1*
A.3	Interest Payment and Servicing of Debt	22,905	*20*
A.4	Administrative Services	10,131	*9*
A.5	Pensions and Miscellaneous General Services	19,123	*17*
B.	**Social Services**	28,849	*25*
C.	**Economic Services**	26,997	*24*
D.	**Grants-in-aid and Contributions**	3,812	*3*
	Total	1,13,661	*100*



3.2.2 Trends of Major Components of Revenue Expenditure



3.3 Capital Expenditure

Capital disbursements for 2022-23 at 1 *per cent* of GSDP were less than Budget Estimates by ₹ 3,932 crore.

3.3.1 Sectoral distribution of Capital Expenditure

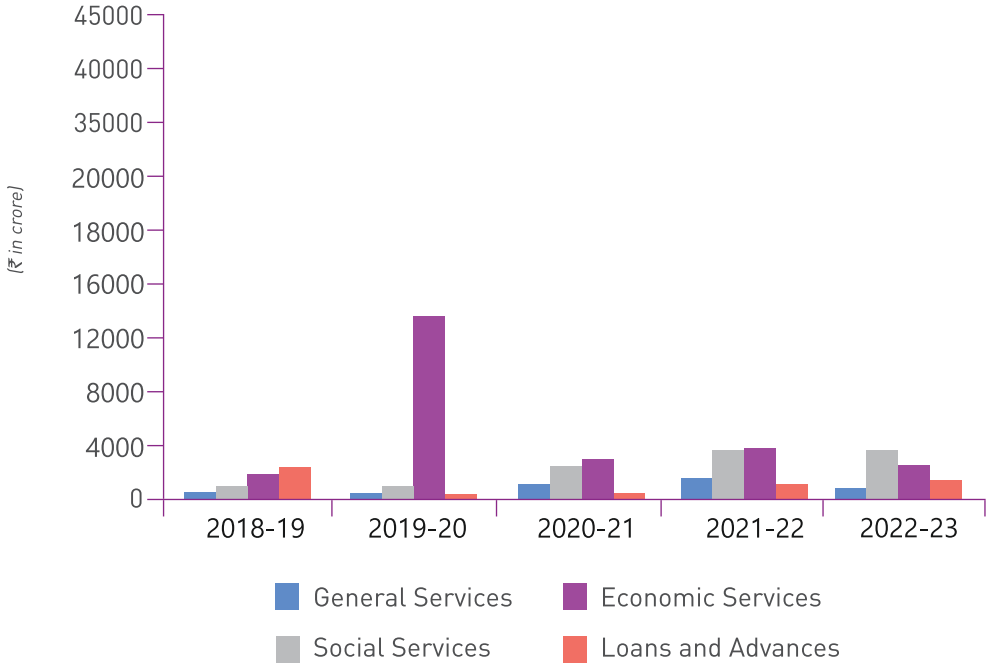
Sr. No.	Sector	Amount (₹ in crore)	Percentage
A	General Services - Police, Public Works, etc.	**225**	**3**
B	Social Services - Education, Health and Family Welfare, Water Supply, Welfare of SC/ST etc.	**4,041**	**50**
C	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	**2,401**	**30**
F	Loans and Advances Disbursed	**1,382**	**17**
	Total	**8,049**	**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
2018-19	169	1,047	1,196	1,361	3,773
2019-20	154	965	16,709	784	18,612
2020-21	211	2,251	1,920	956	5,338
2021-22	264	2,911	4,835	1,576	9,586
2022-23	225	4,041	2,401	1,382	8,049

Sector wise distribution of Capital Expenditure

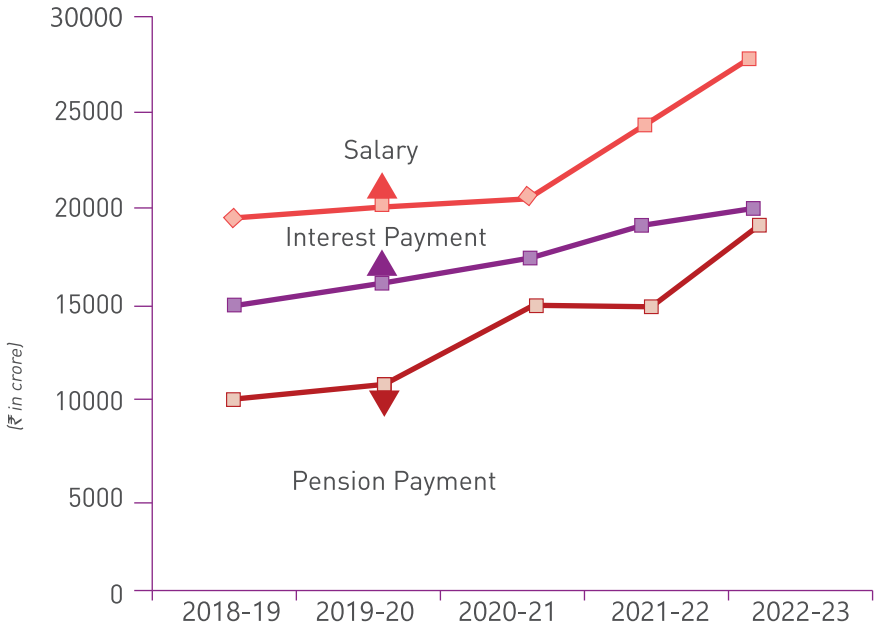


3.4 Committed Expenditure

(₹ in crore)

Year	Salary	Interest	Pension	Total
2018-19	20,300	16,306	10,089	46,695
2019-20	20,857	17,567	11,676	50,100
2020-21	21,198	18,152	14,777	54,127
2021-22	23,683	19,063	14,737	57,483
2022-23	27,584	19,905	18,221	65,710

Trend of Committed Expenditure



Committed Expenditure Vs Revenue Expenditure and Revenue Receipts

(₹ in crore)

Component	2018-19	2019-20	2020-21	2021-22	2022-23
Committed Expenditure	46,695	50,100	54,127	57,483	65,710
Revenue Receipts	62,269	61,575	69,048	78,168	87,616
Percentage of Committed Expenditure to Revenue Receipts	*75*	*81*	*78*	*74*	*75*
Revenue Expenditure	75,404	75,859	86,345	96,636	1,13,661
Percentage of Committed Expenditure to Revenue Expenditure	*62*	*66*	*63*	*60*	*58*

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

Chapter IV

Appropriation Accounts

4.1 Summary of Appropriation Accounts for 2022-23

(₹ in crore)

Sr. No.	Nature of Expenditure	Original grant	Supplementary grant	Total Budget	Actual Expenditure	Savings(-) Excesses(+)
1.	**Revenue**					
	Voted	86,592	9,015	95,607	90,502	(-)5,105
	Charged	21,340	2,099	23,439	23,236	(-)203
2.	**Capital**					
	Voted	10,981	1,258	12,239	6,729	(-)5,510
3.	**Public Debt**					
	Charged	35,946	24,000	59,946	58,376	(-)1,570
4.	**Loans and Advances**					
	Voted	1,000	424	1,424	1,382	(-)42
	Total	1,55,859	36,796	1,92,655	1,80,225	(-)12,430

4.2 Trend of Saving / Excess during the past five years

(₹ in crore)

Savings (-) / Excess (+)					
Year	Revenue	Capital	Public Debt	Loans & Advances	**Total**
2018-19	(-)11,695	(-)4,083	(-)853	(-)270	(-)16,901
2019-20	(-)17,106	(-)4,816	(-)5,066	(-)190	(-)27,178
2020-21	(-)14,778	(-)5,741	(-)13,294	(-)106	(-)33,919
2021-22	(-)15,255	(-)7,916	(-) 29,234	(-) 430	(-)52,835
2022-23	(-)5,308	(-)5,510	(-)1,570	(-)42	(-)12,430

4.3 Significant savings

Substantial savings under a grant indicate either non-implementation or slow implementation of certain schemes/programmes.

Some grants with persistent and significant saving are as given below:

(in percentage)

Grant No.	Nomenclature	2018-19	2019-20	2020-21	2021-22	2022-23
6	Elections	12	42	44	40	41
23	Rural Development and Panchayats	62	67	36	50	30
28	Tourism & Cultural Affairs	59	42	36	61	46
31	Employment	69	64	45	81	58
34	Horticulture	6	45	43	80	48
42	Welfare of SC, ST, OBC and Minorities	52	63	49	49	37

During 2022-23, Supplementary Grants totalling ₹ 36,796 crore 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
5	Education	Revenue (V)	14,374	768	14,301
17	Local Government	Capital (V)	3,098	362	2,270
22	Revenue and Rehabilitation	Revenue (V)	1,885	99	1,384
23	Rural Development and Panchayats	Revenue (V)	2,405	702	2,295
31	Employment	Revenue (V)	169	28	83
42	Welfare of ST, SC, OBC and Minorities	Revenue (V) Capital (V)	947 265	46 36	616 194

Instances where there was excess expenditure at the end of the year even after supplementary allocations were made are as below:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
8	Finance	Revenue (V)	16,493	1,119	19,017
41	Water Supply and Sanitation	Revenue (V)	777	82	876

Chapter V

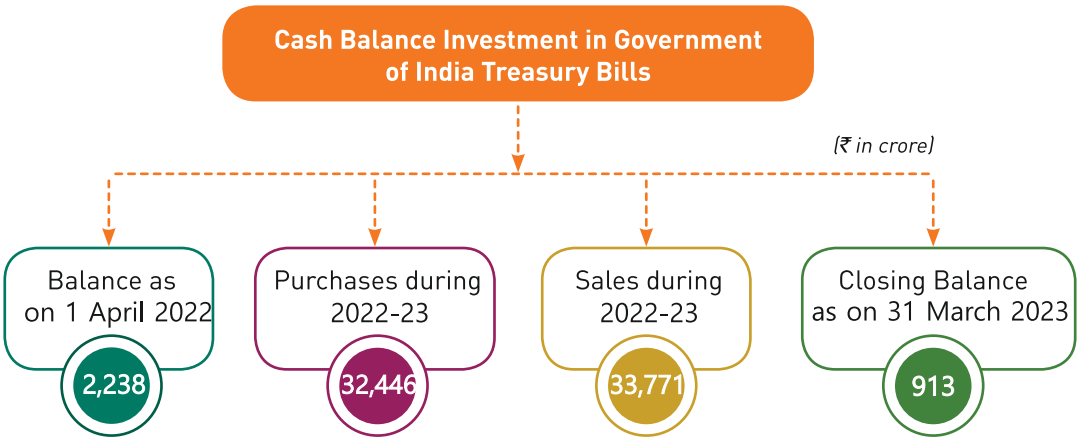
Assets and Liabilities

5.1 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.

Total investment stood at ₹ 20,039 crore at the end of 2022-23. Dividend on these investments amounting to ₹ 3.11 crore was received during the year. An amount of ₹ 0.21 crore were disinvested during 2022-23.

Cash Balance with Reserve Bank of India stood at ₹ 130 crore on 1 April 2022 and ₹ 366 crore on 31 March 2023.



5.2 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 2023 was ₹ 2,76,459 crore comprising Internal Debt of ₹ 2,50,972 crore and Loans and Advances from Central Government ₹ 25,487 crore. Other liabilities accounted under Public Account were ₹ 37,762 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 ₹1,280 crore in respects of such liabilities of State Government during 2022-23.

Interest payment on Debt and Other Liabilities totalling ₹ 19,848 crore constituted 17 *per cent* of Revenue Expenditure of ₹ 1,13,661 crore. Interest payment on Public Debts was ₹ 17,632 crore (interest on Internal Debt ₹ 17,499 crore and interest Loans and Advances from Central Government ₹ 133 crore). Expenditure on account of interest payment on Debt and other Liabilities has increased by ₹ 785 crore during 2022-23 as compared to 2021-22.

Internal Debt of ₹ 88,581 crore raised during 2022-23 was mainly used for (i) discharge of debt obligations (₹ 57,806 crore) and (ii) payment of interest (₹ 19,848 crore).

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

(₹ in crore)

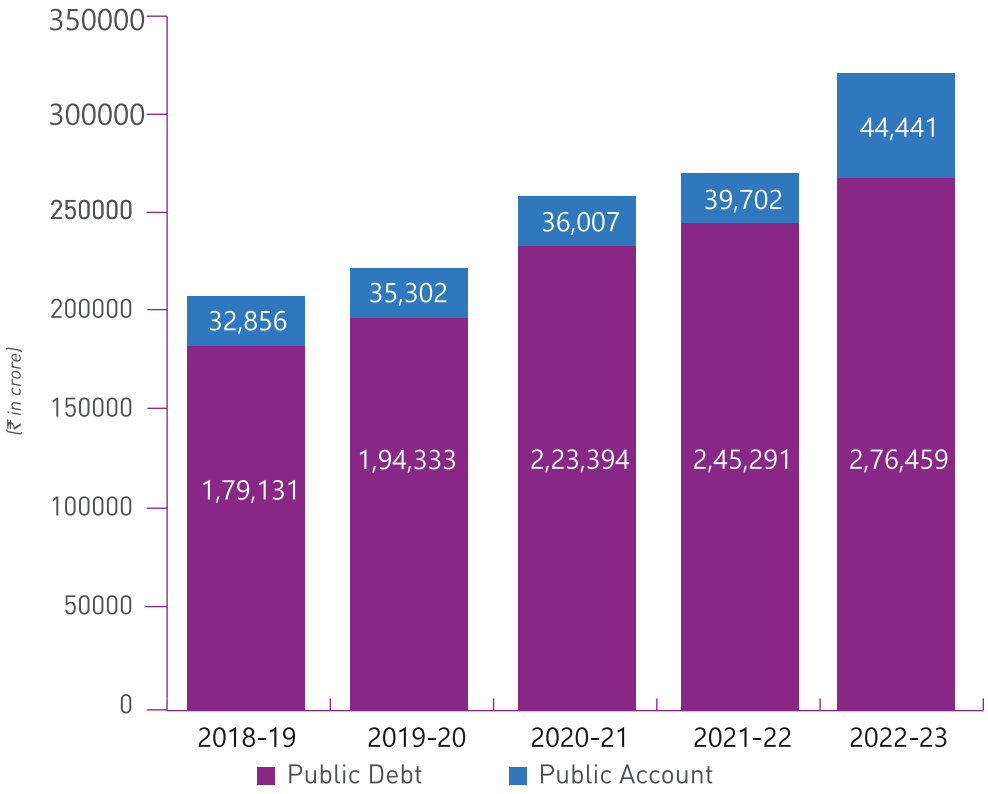
Year	GSDP*	Public Debt	Percentage to GSDP	Public Account	Percentage to GSDP	Total Liability**	Percentage to GSDP
2018-19	5,12,510	1,79,131	35	32,856	6	2,12,012	41
2019-20	5,37,031	1,94,333	36	35,302	7	2,29,660	43
2020-21	5,40,853	2,23,394	41	36,007	7	2,59,426	48
2021-22	6,14,227	2,45,291	40	39,702	6	2,85,018	46
2022-23	6,73,107	2,76,459	41	44,441	7	3,20,925	48

* *Please refer Footnote below Para 1.5.1.*

** *includes ₹ 25 crore pertaining to Contingency Fund.*

There is a net increase of ₹ 1,08,913 crore (51 *per cent*) in Net Liabilities during the last five years.

Trend in Government Liabilities



5.3 Guarantees

Maximum amount guaranteed by the State Government during the year 2022-23 was ₹ 27,809 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 2023 was ₹ 20,208 crore. Further, an amount of ₹ 200 crore was receivable as Guarantee Fee in 2022-23. Against this, only two entities paid an amount of ₹ 61 crore as Guarantee Fee.

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed	Amount outstanding at the end of the year
2018-19	14,287	23,816
2019-20	14,434	25,352
2020-21	23,170	23,552
2021-22	25,850	20,165
2022-23	27,809	20,208

Chapter VI

Other Items

6.1 Goods and services Tax (GST):

During the year 2022-23, the State Goods and Services Tax (SGST) collection was ₹ 18,128 crore compared to ₹ 15,542 crore in 2021-22 registering a increase of SGST amounting to ₹ 2,586 crore. In addition, the State received ₹ 4,849 crore as its share of net proceeds assigned to the State under Central Goods and Services Tax as per the recommendations of the Fourteenth Finance Commission. The total receipts under GST were ₹ 22,977 crore. The State received provisional compensation of ₹ 7,869 crore on account of loss of revenue arising out of implementation of GST during 2022-23.

6.2 Outstanding Detailed Contingent (DC) 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 duly countersigned by the Controlling Officer in all these cases within six months under Rule 274 of Punjab Treasury Rules as amended vide instructions issued by State Government on 11 November and 19 December 2016. Prolonged non-submission of supporting DC bills renders the expenditure under AC Bills opaque.

Details of outstanding DC bills as on 31 March 2023 are given under:

Year	Outstanding Detailed Contingent Bills	
	Number	Amount (₹ in crore)
Up to 2021-22	1006	1,963
2022-23 (Drawn up to September 2022)	1068	3,805
Total	**2074**	**5,768**

6.3 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 Accountant General (A&E) not later than eighteen months from the date of sanction of Grants-in-aid.

The position of outstanding UCs is as under:

Year *	Number of Utilization Certificates awaited	Amount (₹ in crore)
Up to 2021-22	194	361
2022-23 (Drawn up to September 2021)	598	3,313
Total	**792**	**3,674**

(The year mentioned above relates to 'Due year' i.e. after eighteen months of actual drawal.)*

Delayed submission and non-submission of UCs impedes the assurance that the funds have been utilized for the intended purposes.

6.4 Consolidated Sinking Fund:

The Government of Punjab set up the Consolidated Sinking Fund in 2006 for amortisation of loans. According to the guidelines of the Fund, State may contribute a minimum of 0.50 per cent of their outstanding liabilities (Internal Debt + Public Account) as at the end of the previous year to the Consolidated Sinking Fund.

In the year 2022-23, Government contributed ₹ 3,000 crore to the fund as against minimum required contribution of ₹ 1,283 crore. The total accumulation of the Fund was ₹ 6,352 crore as on 31 March 2023.

6.5 Guarantee Redemption Fund (GRF):

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 and further revised on 23 October 2017 with effect from the financial year 2017-18) 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 one *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 3.00 *per cent* in next five years. The Fund shall be gradually increased to a desirable level of 5.00 *per cent*. During the year, Government did not make any contribution as against ₹ 605 crore it was required to contribute to the Fund. The total accumulation of the Fund was Nil as on 31 March 2023.

Further, as per provision of the Scheme, Guarantee Fee collected is required to be transferred to the Fund. The Guarantee Fee amounting to ₹ 61 crore collected during the year 2022-23 has not been transferred to the Fund. Non-transfer of Guarantee Fee of ₹ 61 crore to the Fund has resulted in overstatement of the Revenue Receipts.

6.6 Cash with Divisional Officers:

As per codal provisions, funds received towards Deposit Works from non-Government Agencies by Public Works Divisions 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 such deposits are depicted under Major Head 8671-Departmental Balances, 101- Civil, by the PW Divisions, so it has become part of 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 Treasury and thus not forming of cash balance of the State with Reserve Bank of India.

State Government in March 2015, directed Public Works Divisions to deposit the funds in the accounts to be opened at the Treasury under head 8443 - Civil Deposits 108 - PW Deposit. However, despite above dated order, the Divisional Officers are still depositing the funds in their Bank Accounts. As on 31 March 2023, an amount of ₹ 1,312 crore was lying in the Bank Accounts of Public Works Divisional Officers. If the funds were deposited in treasury, the same would have impact on the daily Cash Balance of State Government.

6.7 Loans and Advances given by the State :

Total Loans and Advances made by the State Government at the end of 2022-23 was ₹ 38,888 crore. During the year 2022-23, the State Government disbursed ₹ 1,382 crore as Loans and Advances. State Government received ₹ 164 crore (₹ 32 crore towards repayment of Loans and Advances by Government Servants and ₹ 132 crore as repayment of other outstanding loans and advances) which is 0.42 *per cent* of total outstanding loans and advances as on 1 April 2023 i.e. ₹ 38,888 crore. Effective steps to recover the outstanding loans and advances would help the Government improve its fiscal position.

6.8 Submission of Accounts by Accounts Rendring Units :

The accounts of receipts and expenditure of the Government of Punjab have been compiled based on the initial accounts rendered by the 21 District Treasuries, 142 Public Works Divisions (70 Buildings and Roads, 19 Panchayati Raj, 53 Water Supply and Sanitation), 51 Water Resources Divisions, 38 Forest Divisions and Advices of the Reserve Bank of India. No account has been excluded at the end of the Financial Year.

6.9 Reconciliation of Accounts :

The Head of the Department and the Accountant General (A&E) are jointly responsible for reconciling differences and correcting misclassifications. Such reconciliation has been completed by all the Chief Controlling Officers (CCOs) responsible for Expenditure and Receipt Heads.

6.10 National Pension System (NPS):

During the year 2022-23, total contribution to Defined Contribution Pension Scheme was ₹ 2,899 crore (Employees' contribution ₹ 1,199 crore and Government's contribution ₹ 1,700 crore). The detailed information on Government contribution is available in Statement No. 15 of the Finance Accounts. The Government transferred ₹ 2,899 crore to the Public Account under Major Head 8342 - 117 Defined Contribution Pension Scheme. An amount of ₹123 crore of previous years was yet to be transferred to National Securities Depository Limited (NSDL).

The State Government of Punjab has notified reversion to the Old Pension Scheme (OPS) vide Notification dated 18 November 2022, wherein it was mentioned that detailed scheme and Standard Operating Procedures pursuant to the notification would be issued in due course.

6.11 State Compansatory Afforestation Fund :

Parliament has enacted 'The Compensatory Afforestation Fund Act, 2016' on 3 August, 2016. For the purpose of the Act, a special fund to be called the "Punjab State Compensatory Afforestation Fund" under Public Account of Punjab has been established by Government of Punjab, which is to be managed by Punjab State Compensatory Afforestation Fund Management and Planning Authority.

The expenditure under Major Head 2406 for Compensatory Afforestation is done through the treasury from the State budget and recouped later from the State Compensatory Afforestation Fund.

During the year 2022-23, the expenditure under Major Head 2406 - 04 - 103 - State Compensatory Afforestation of ₹ 130 crore has been recouped from State Compensatory Afforestation Fund under Major Head 8121 - 129.

During the year 2022-23, the State Government has paid interest amounting to ₹ 29 crore due for the year 2021-22. However, the State Government did not credit interest for the year 2022-23 to the Fund. To this extent, Revenue Expenditure is understated.

6.12 Building and other Construction Workers Welfare Cess:

The Government of India enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) to levy and collect Cess for providing benefits to the workers.

There was un-transferred amount of Labour Cess from Major Head 0230 of ₹ 28 crore as on 31 March 2022. During the year 2022-23, the Government collected ₹ 11 crore as Labour Cess under Major Head 0230 and did not transfer any amount to the Building and Other Construction Workers Welfare Board. Thus, the un-transferred amount from the Major Head 0230 was ₹ 39 crore as on 31 March 2023. Un-transferred amount during the year has impact on overstatement of Revenue Receipts.

6.13 Off-Budget Liabilities of the State Government

The State Government did not disclose the off-budget liabilities in their budget documents/annual financial statements. Off-Budget Borrowing is a liability of the Government in as much as the principal and the interest thereon invariably are serviced through the Government Budget, either as assistance or grant to State entity. As per information provided by the State Government, which was vetted and modified by Audit, there were Off-budget borrowings amounting to ₹ 3,243 crore as on 31 March 2023, where principal/interest are to be serviced through State Budget and/or by assignment of State Revenue. In addition to the Off-Budget borrowing, implicit subsidies to the power utility of ₹ 20,200 crore on account of non-recovery of cost was also provided in the year. The Government paid ₹ 1 crore in discharge of guarantee invoked and did not discharge guarantee invoked for ₹ 12 crore. These affect fiscal balance. The State Government on dated 18 November 2022 notified reversion to the Old Pension Scheme (OPS) by the State, wherein it had been mentioned that detailed scheme and Standard Operating Procedure pursuant to the notification would be notified in due course. The implementation will have additional financial impact on the State Government.

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