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

सत्यमेव जयते

Accounts at a Glance

for the year 2023-24

GOVERNMENT OF PUNJAB



Accounts at a Glance for the year 2023-24

Accountant General (Accounts and Entitlement) Punjab

GOVERNMENT OF PUNJAB

Preface

I am happy to present the twenty sixth 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 the 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 2023-24 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: 06 November 2024
Chandigarh

Teg Singh
Accountant General (A&E)
Punjab

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

Table of Contents

		Page No.
Chapter I	**Overview**	
1.1	Introduction	1
1.2	Structure of Government Accounts	2
1.3	Finance Accounts and Appropriation Accounts	4
1.4	Sources and Application of Funds	6
1.5	Deficit and Surplus	9
Chapter II	**Receipts**	
2.1	Introduction	12
2.2	Revenue Receipts	12
2.3	Tax Revenue	14
2.4	Efficiency of Tax Collection	16
2.5	Trend in State's Share of Union Taxes/Duties	16
2.6	Grants-in-aid	17
2.7	Public Debt	18
Chapter III	**Expenditure**	
3.1	Introduction	20
3.2	Revenue Expenditure	20
3.3	Capital Expenditure	22
3.4	Committed Expenditure	23
Chapter IV	**Appropriation Accounts**	
4.1	Summary of Appropriation Accounts for 2023-24	25
4.2	Trend of Saving/Excess during the past five years	25
4.3	Significant Savings	26

		Page No.
Chapter V	**Assets and Liabilities**	
5.1	Assets	28
5.2	Debt and Liabilities	29
5.3	Guarantees	30
Chapter VI	**Other Items**	
6.1	Goods and Services Tax (GST)	31
6.2	Outstanding Detailed Contingent (DC) Bills	31
6.3	Outstanding Utilization Certificates (UCs) against Grants-in-aid sanctioned by the State Government	32
6.4	Consolidated Sinking Fund	32
6.5	Guarantee Redemption Fund	32
6.6	Cash with Divisional Officers	33
6.7	Loans and Advances given by the State Government	33
6.8	Submission of Accounts by Accounts rendering units	33
6.9	Reconciliation of Accounts	33
6.10	National Pension System (NPS)	33
6.11	State Compensatory Afforestation Fund	34
6.12	Building and other Construction Workers Welfare Cess	34
6.13	Off-Budget Liabilities of the State Government	34

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 repayment 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

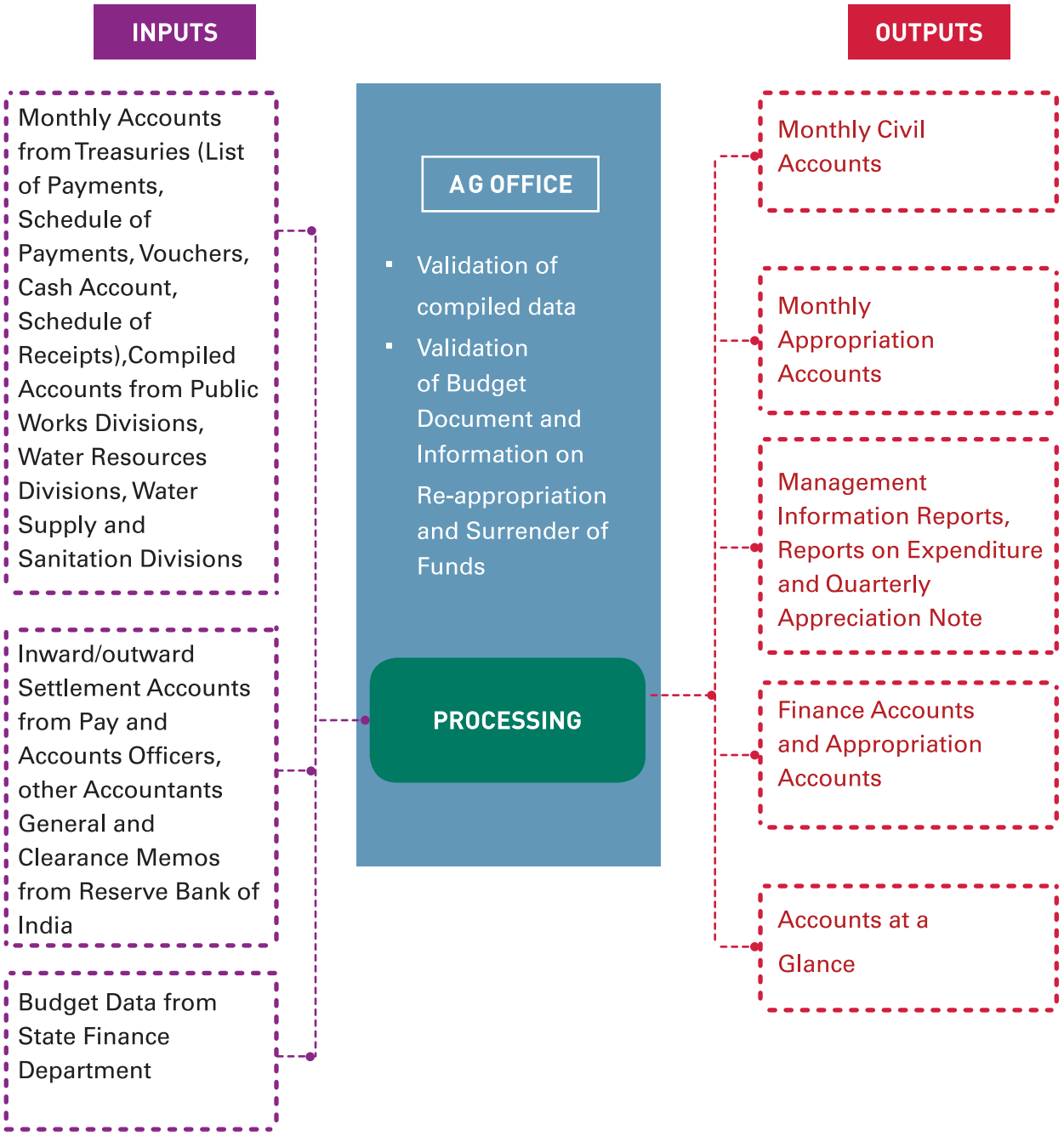
In Public Account, the transactions relating to Debt (Other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' shall be recorded.

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

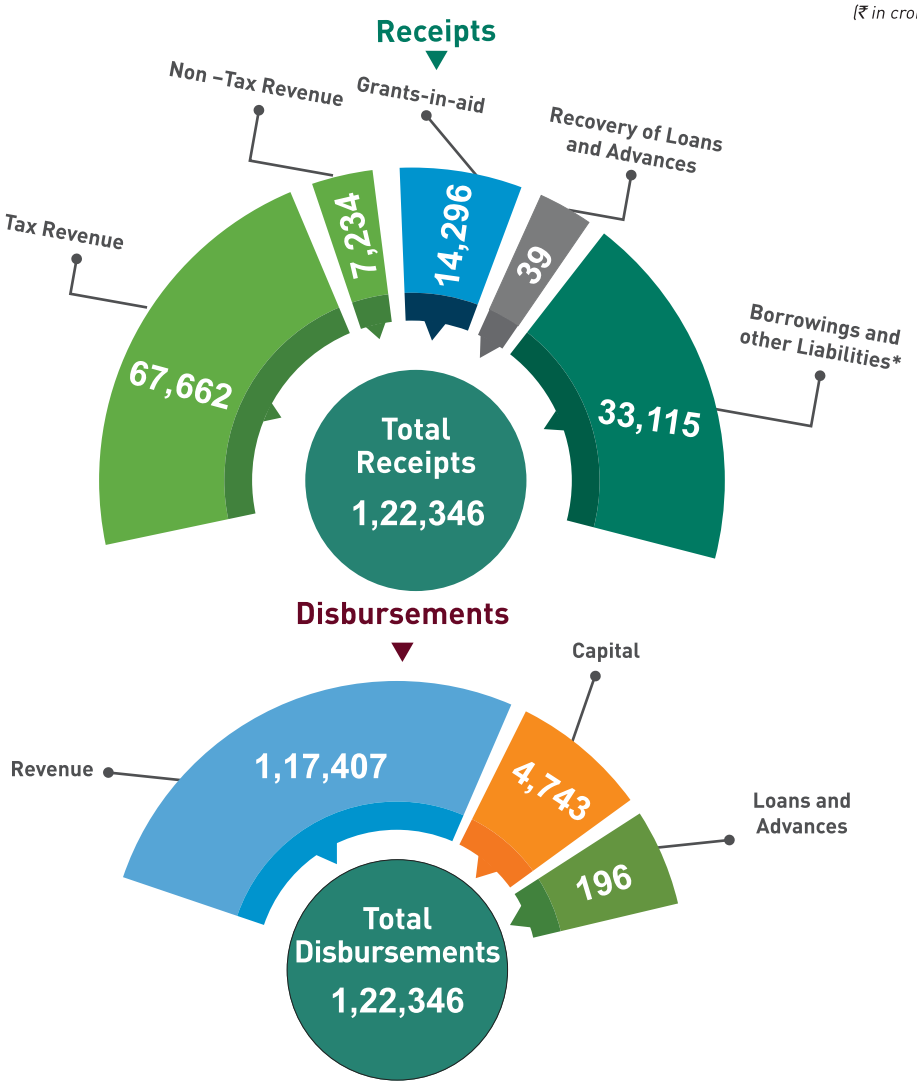
1.3.1 Finance Accounts

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 2023-24 are given below:

Receipts and Disbursements in the year 2023-24

(₹ in crore)



** 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 2023-24, the Union Government released ₹ 3,998 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-à-vis Budget Estimates for the year 2023-24:

(₹ in crore)

Sr. No	Components	Budget Estimates 2023-24	Actuals 2023-24	Percentage of Actual to B.E.	Percentage of Actual to GSDP(c)
1	*Tax Revenue*	60,345	67,662(a)	112	9
2	*Non-Tax Revenue*	6,302	7,234	115	1
3	*Grants-in-aid and Contributions*	28,731	14,296	50	2
4	*Revenue Receipts (1+2+3)*	**95,378**	89,192	94	12
5	*Recovery of Loans and Advances*	200	39	20	..
6	*Other Receipts*	500	..	..	..
7	*Borrowings and other Liabilities (b)*	23,835	33,115	139	4
8	*Capital Receipts (5+6+7)*	24,535	33,154	135	4
9	*Total Receipts (4+8)*	1,19,913	1,22,346	102	16
10	*Revenue Expenditure*	1,07,932	1,17,407	109	16
11	*Expenditure on Interest Payments (Out of Revenue Expenditure)*	20,122	24,302	121	3
12	*Capital Expenditure*	10,981	4,743	43	1
13	*Loans and Advances Disbursed*	1,000	196	20	..
14	*Total Expenditure (10+12+13)*	1,19,913	1,22,346	102	16
15	*Revenue Deficit (4-10)*	12,554	28,215	225	4
16	*Fiscal Deficit (4+5+6-14)*	23,835	33,115	139	4

(a) Includes ₹ 20,410 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: ₹ 7,44,899 crore as per website of the Ministry of Statistics and Programme Implementation, New Delhi uploaded on 01 August 2024.

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 2023-24 comprise accounts of 42 Voted Grants and 34 Charged Appropriations.

1.3.4 Efficiency on Budget Preparation

Appropriation Act 2023-24 had projected Gross Expenditure of ₹ 2,08,509 crore, which includes the Supplementary Grants totalling ₹ 12,046 crore, passed by State Legislature during the year. No amount was projected as recoveries to be treated as reduction of expenditure.

Appropriation Accounts 2023-24 show disbursements aggregating ₹ 1,96,381 crore against the aggregate budget provision of ₹ 2,08,509 crore, resulting in net saving of ₹ 12,128 crore (6 *per cent*). However, net saving of ₹ 7,502 crore (62 *per cent*) was under the Grants controlled by Local Government (₹ 2,659 crore), Education (₹ 1,842 crore), Rural Development and Panchayats (₹ 1,684 crore) and Agriculture (₹ 1,317 crore). There was excess expenditure of ₹ 5,243 crore in three (3) Voted Grants and (2) Charged Appropriation.

Against the Nil projection of recoveries in reduction of expenditure in budget estimates, there were the actual recoveries of ₹ 583 crore during 2023-24.

The Appropriation Accounts show that in the year 2023-24, there was actual expenditure of ₹ 1,96,381 crore, comprising Revenue Expenditure of ₹ 1,17,834 crore, Capital Expenditure of ₹ 4,899 crore, Repayment of Debt of ₹ 73,452 crore and Loans and Advances given by the State Government amounting to ₹ 196 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

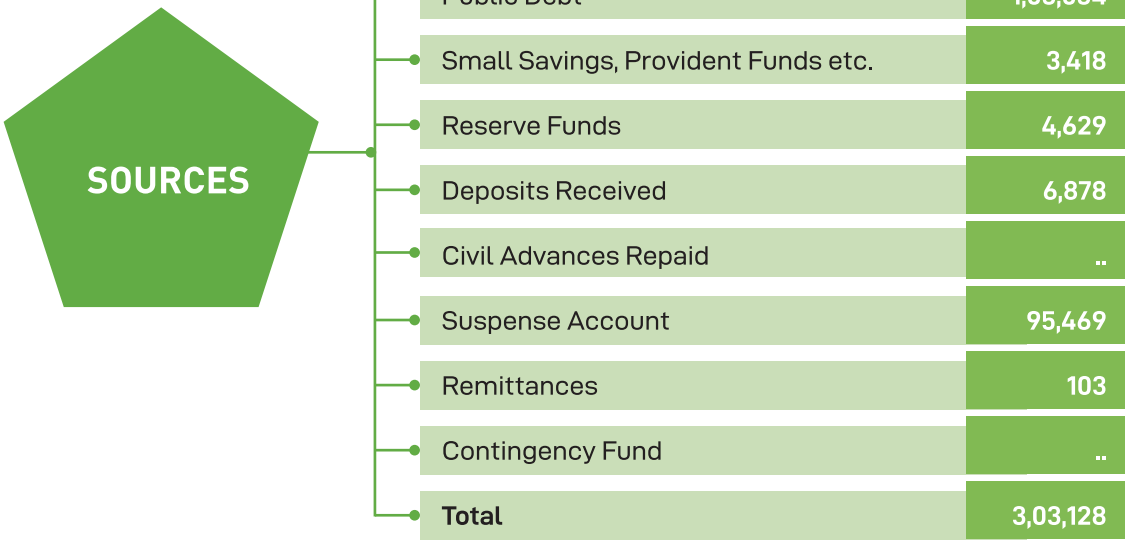
The Reserve Bank of India extends the facility of Ways and Means Advances to enable State Governments to maintain their liquidity. Overdraft facilities are provided when there is a shortfall in the agreed minimum cash balance which is ₹ 1.56 crore. ₹ 3,580 crore was outstanding as on 31 March 2024 as Ways and Means Advances. At the end of the previous year, no amount was outstanding as Ways and Means Advances. During 2023-24, Government obtained ₹ 11,002 crore as Normal Ways and Means Advances on fifty-one occasions, out of which ₹ 9,898 crore was repaid during the year leaving a balance of ₹ 1,104 crore. An amount of ₹ 9 crore was paid as interest on these advances. The Government obtained ₹ 1,941 crore as Overdraft on five occasions, out of which ₹ 1,679 crore was repaid during the year leaving a balance of ₹ 262 crore. An amount of ₹ 1 crore was paid as interest on these advances. The Government obtained ₹ 6 crore as Shortfall on eight occasions, out of which ₹ 4.68 crore was repaid during the year leaving a balance of ₹ 1.56 crore. An amount of ₹ 0.25 lakh was paid as interest on these advances. The Government also obtained ₹ 46,802 crore as Special Drawing Facility on one hundred twenty-four occasions, out of which ₹ 44,589 crore was repaid during the year leaving a balance of ₹ 2,213 crore. An amount of ₹ 65 crore was paid as interest on these advances.

1.4.2 Fund Flow Statement

The State had a Revenue Deficit of ₹ 28,215 crore and a Fiscal Deficit of ₹ 33,115 crores representing 3.79 *per cent* and 4.45 *per cent* of the Gross State Domestic Product (GSDP)[1] respectively. The Fiscal Deficit was around 27.07 *per cent* of Total Expenditure. This deficit was met mainly from Public Debt (₹ 29,582 crore) and increase in Public Account (₹ 3,359 crore). Around 80 *per cent* of the Revenue Receipts (₹ 89,192 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 28,475 crore), Interest Payments (₹ 22,552 crore) and Pensions (₹ 20,096 crore).

Sources and Application of Funds

(₹ in crore)



Opening Cash Balance as on 1.4.2023	366
Revenue Receipts	89,192
Recovery of Loans and Advances	39
Public Debt	1,03,034
Small Savings, Provident Funds etc.	3,418
Reserve Funds	4,629
Deposits Received	6,878
Civil Advances Repaid	..
Suspense Account	95,469
Remittances	103
Contingency Fund	..
Total	3,03,128

1. GSDP at current prices: ₹ 7,44,899 crore as per website of the Ministry of Statistics and Programme Implementation, New Delhi uploaded on 01 August 2024.

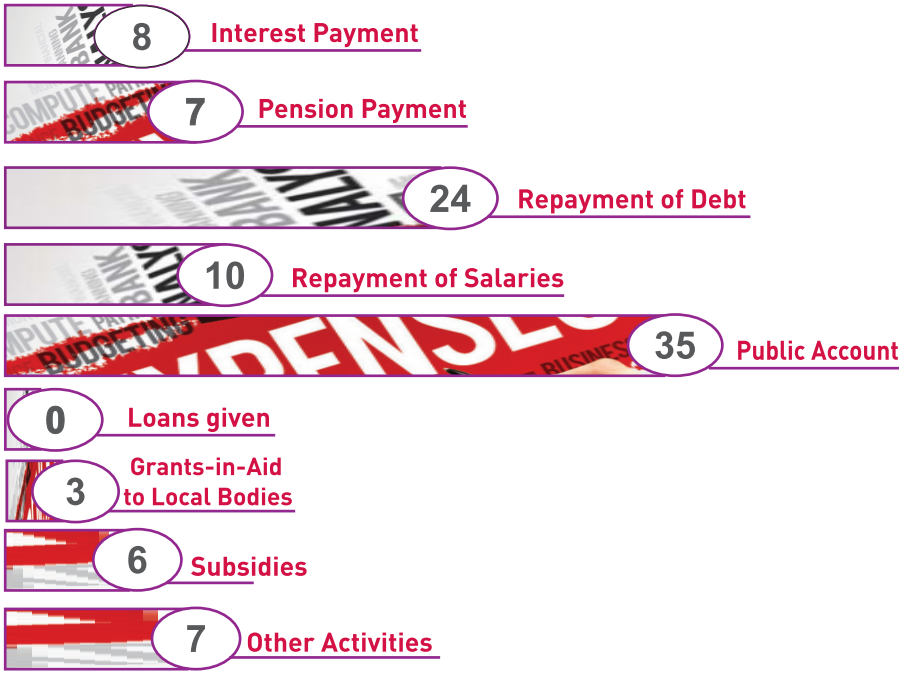
APPLICATION

Revenue Expenditure	1,17,407
Capital Expenditure	4,743
Loans Given	196
Repayment of Public Debt	73,452
Small Savings, Provident Funds etc.	2,817
Reserve Funds	3,007
Deposits Spent	6,719
Civil Advance Given	..
Suspense Account	94,512
Remittances	83
Closing Cash Balance as on 31.3.2024	192
Total	3,03,128

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

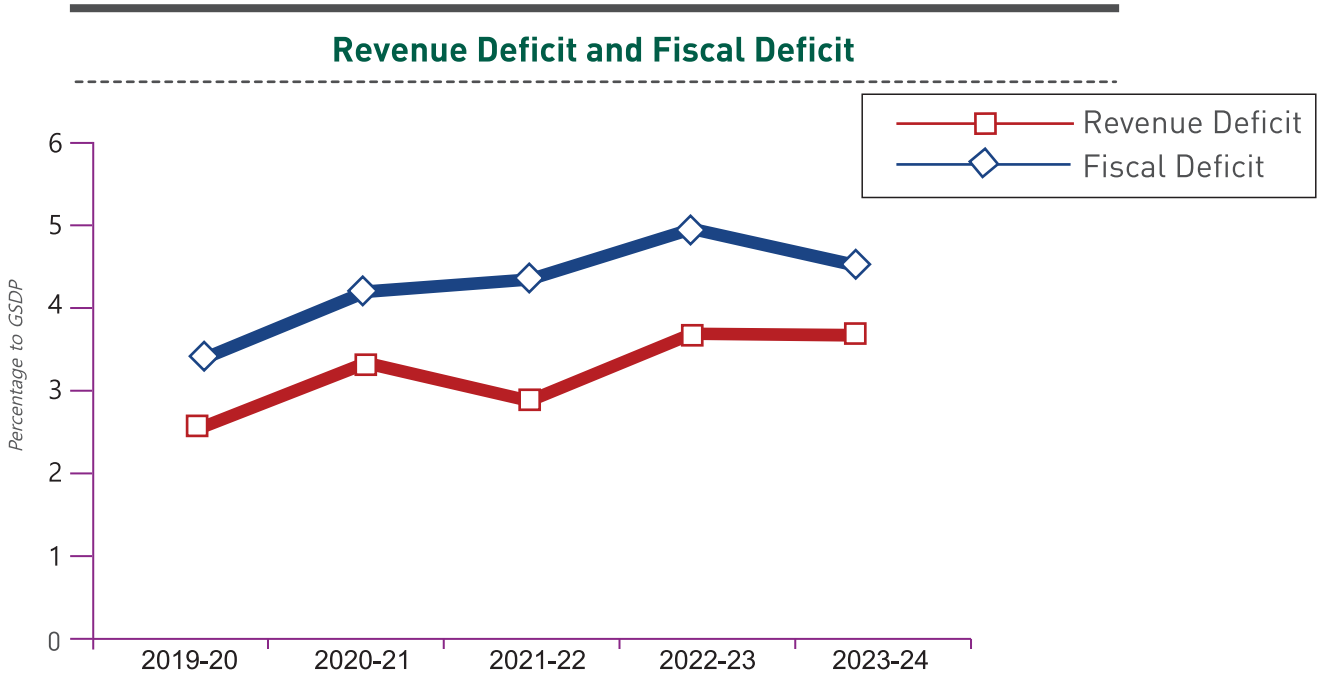
Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the borrowings should be invested in capital projects.

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
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	6,27,717	18,468	2.94	27,847	4.44
2022-23	6,81,251	26,045	3.82	33,930	4.98
2023-24	7,44,899	28,215	3.79	33,115	4.45

Source: GSDP at current prices: ₹ 7,44,899 crore as per website of the Ministry of Statistics and Programme Implementation, New Delhi uploaded on 01 August 2024.



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 2023-24.

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 2023-24 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 2023-24 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	28,215	0.00	3.79
2	Fiscal Deficit	33,115	4.00**	4.45

** GSDP at current prices: ₹ 7,44,899 crore as per website of the Ministry of Statistics and Programme Implementation, New Delhi uploaded on 01 August 2024*

*** Fiscal Deficit shall be contained at 3.5 per cent of GSDP 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 ₹ 31,964 crore during 2023-24

Chapter II

Receipts

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2023-24 were ₹ 89,192 crore.

2.2 Revenue Receipts

The Revenue Receipts of the government comprise 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.

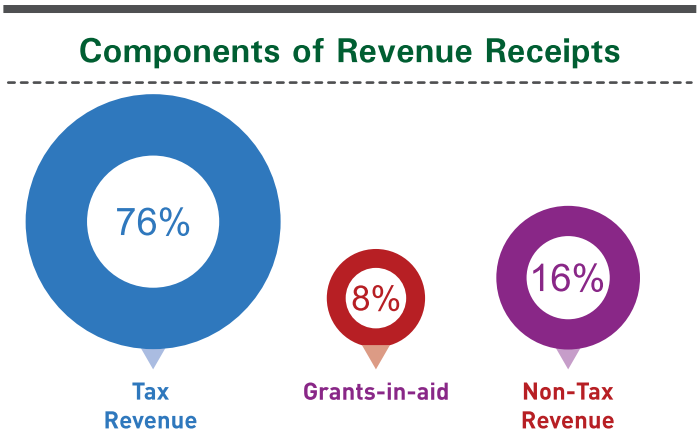
NON-TAX REVENUE — Includes interest receipts, dividends, profits etc.

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 (2023-24)

(₹ in crore)

	Components	Actual
A.	Tax Revenue	67,662
	Goods and Services Tax	27,119
	Taxes on Income and Expenditure	13,369
	Taxes on Property and Capital Transactions	4,456
	Taxes on Commodities and Services	22,718
B.	Non-Tax Revenue	7,234
	Interest Receipts, Dividends and Profits	282
	General Services	4,461
	Social Services	1,173
	Economic Services	1,318
C.	Grants-in-aid and Contributions	14,296
	Total Revenue Receipts	89,192



2.2.2 Trend of Revenue Receipts

(₹ in crore)

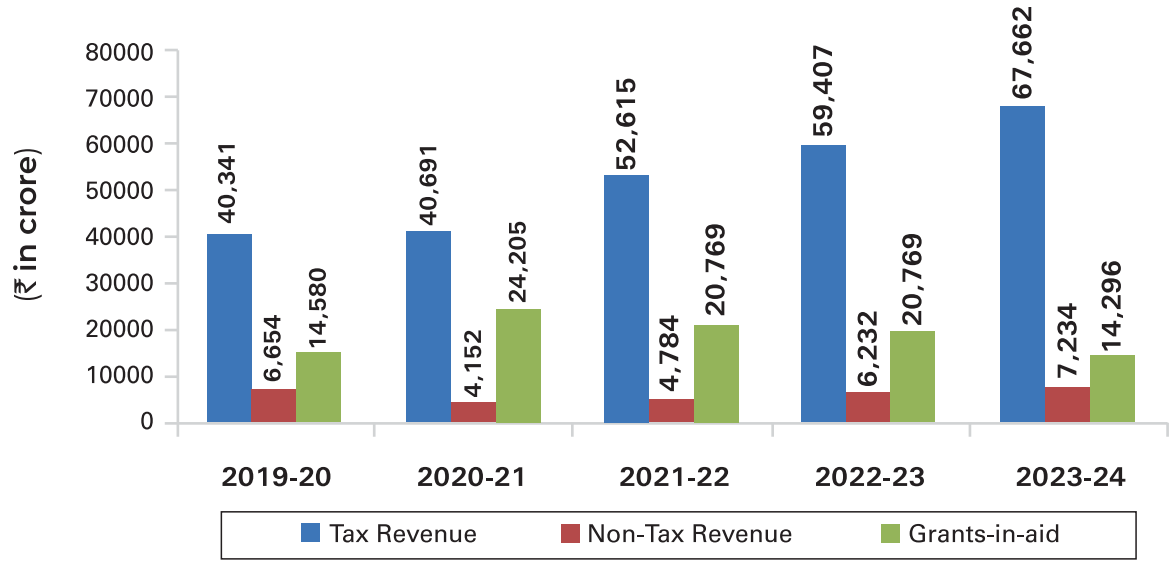
Components	2019-20	2020-21	2021-22	2022-23	2023-24
Tax Revenue	40,341 (7)	40,691 (8)	52,615 (9)	59,407 (9)	67,662 (9)
Non-Tax Revenue	6,654 (1)	4,152 (1)	4,784 (1)	6,232 (1)	7,234 (1)
Grants-in-aid	14,580 (3)	24,205 (4)	20,769 (3)	21,977 (3)	14,296 (2)
Total Revenue Receipts	**61,575 (11)**	**69,048 (13)**	**78,168 (12)**	**87,616 (13)**	**89,192 (12)**
GSDP (i)	**5,37,031**	**5,40,853**	**6,27,717**	**6,81,251**	**7,44,899**

Note: (i) Please refer Footnote below Para 1.5.1.

(ii) Figure in bracket represents percentage to GSDP.

The GSDP increased by 9 *per cent* during 2023-24 in comparison to 2022-23 while the Revenue Receipts increased by 2 *per cent* during the corresponding period.

Trend of Components Revenue Receipts

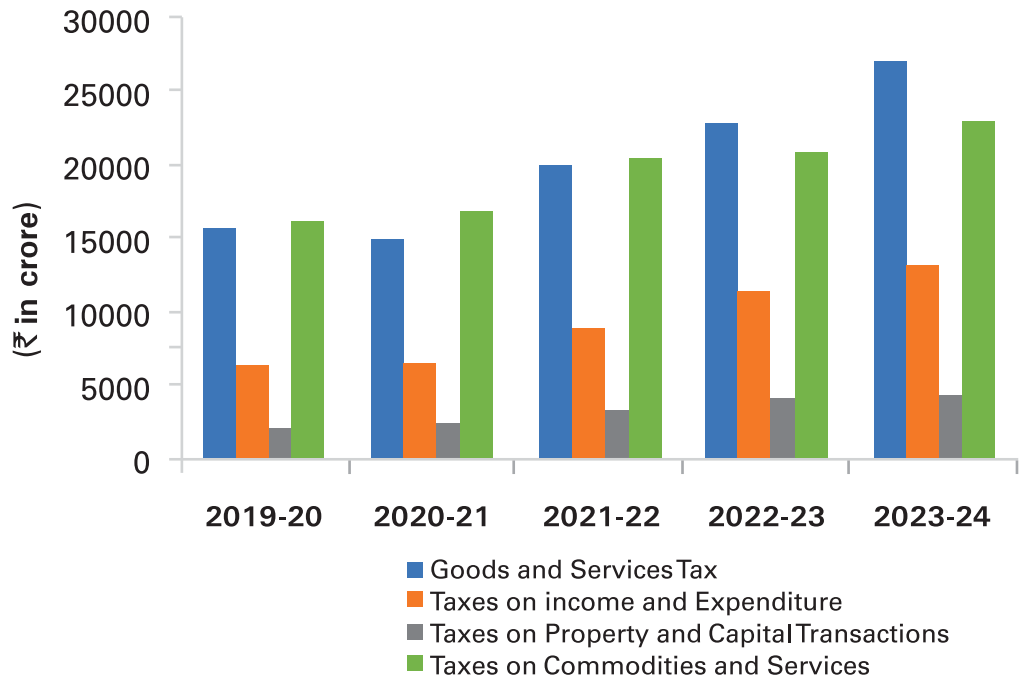


2.3 Tax Revenue

(₹ in crore)

Sub-Sector-wise Tax Revenue					
Sub-Sector	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Goods and Services Tax	15,687	14,998	20,122	22,977	27,119
Taxes on Income and Expenditure	6,430	6,616	9,032	11,532	13,369
Taxes on Property and Capital Transactions	2,324	2,538	3,393	4,319	4,456
Taxes on Commodities and Services	15,900	16,539	20,068	20,579	22,718
Total Tax Revenue	**40,341**	**40,691**	**52,615**	**59,407**	**67,662**

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)

Year	GSDP *	Tax Revenue	State share of Union Taxes/Duties	State's Own Tax Revenue	
				Amount	Percentage to GSDP
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	6,27,717	52,615	15,288	37,327	6
2022-23	6,81,251	59,407	17,164	42,243	6
2023-24	7,44,899	67,662	20,410	47,252	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	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Collection	2,325	2,538	3,393	4,319	4,456
Expenditure on Collection	190	173	194	242	218
Efficiency in per cent of Tax Collection	*8*	*7*	*6*	*6*	*5*

B. Taxes on Commodities and Services

(₹ in crore)

Components	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Collection	15,899	16,539	20,068	20,579	22,718
Expenditure on Collection	227	250	264	302	306
Efficiency in *per cent* of Tax Collection	*1*	*2*	*1*	*1*	*1*

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

(₹ in crore)

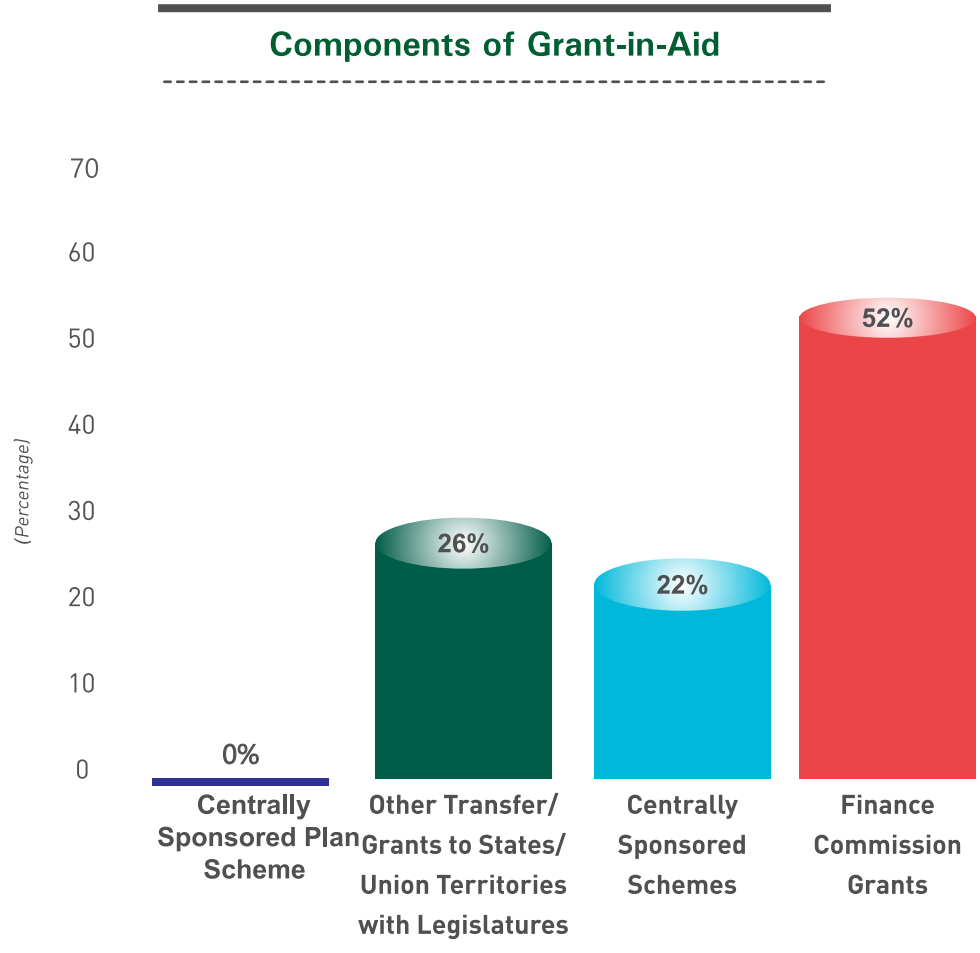
Components	2019-20	2020-21	2021-22	2022-23	2032-24
Central Goods and Services Tax	2,936	3,179	4,580	4,849	6,194
Integrated Goods and Services Tax	..	..	..	..	..
Corporation Tax	3,527	3,197	4,162	5,757	6,126
Taxes on Income other than Corporation Tax	2,764	3,276	4,714	5,616	7,075
Other Taxes on Income and Expenditure	..	..	..	..	..
Taxes on Wealth	..	..	1	..	..
Customs	656	577	1,091	675	715
Union Excise Duties	456	359	557	212	271
Service Tax	..	43	167	27	4
Other Taxes and Duties on Commodities and Services	7	7	16	28	25
Total State's Share of Union Taxes	**10,346**	**10,638**	**15,288**	**17,164**	**20,410**
Total Tax Revenue	**40,341**	**40,691**	**52,615**	**59,407**	**67,662**
Percentage of Union Taxes to Total Tax Revenue	*26*	*26*	*29*	*29*	*30*

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 2023-24 under Grants-in-aid were ₹ 14,296 crore as shown below:

(₹ in crore)

Components	Amount
Centrally Sponsored Plan Schemes	(-) 20
Centrally Sponsored Schemes	3,185
Finance Commission Grants	7,388
Other Transfer/ Grants to States/ Union Territories with Legislatures	3,743
Total- Grants-in-aid	**14,296**

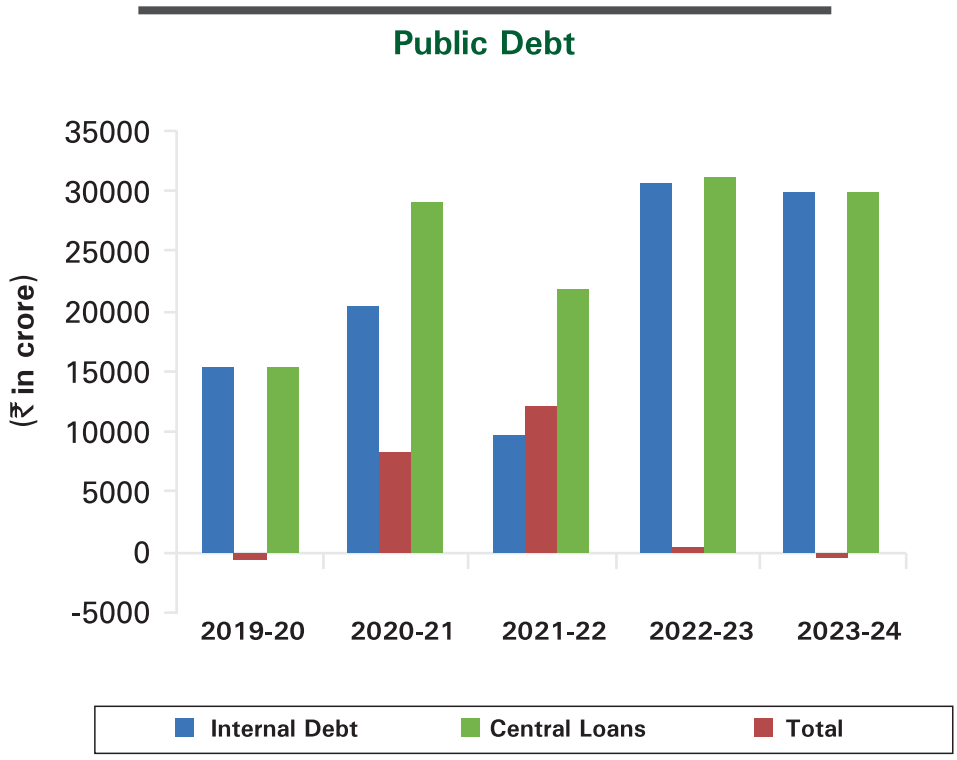


2.7 Public Debt

(₹ in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
Internal Debt	15,490	20,732	9,803	30,775	29,994
Central Loans	-288	8,329	12,094	393	-412
Total	15,202	29,061	21,897	31,168	29,582

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



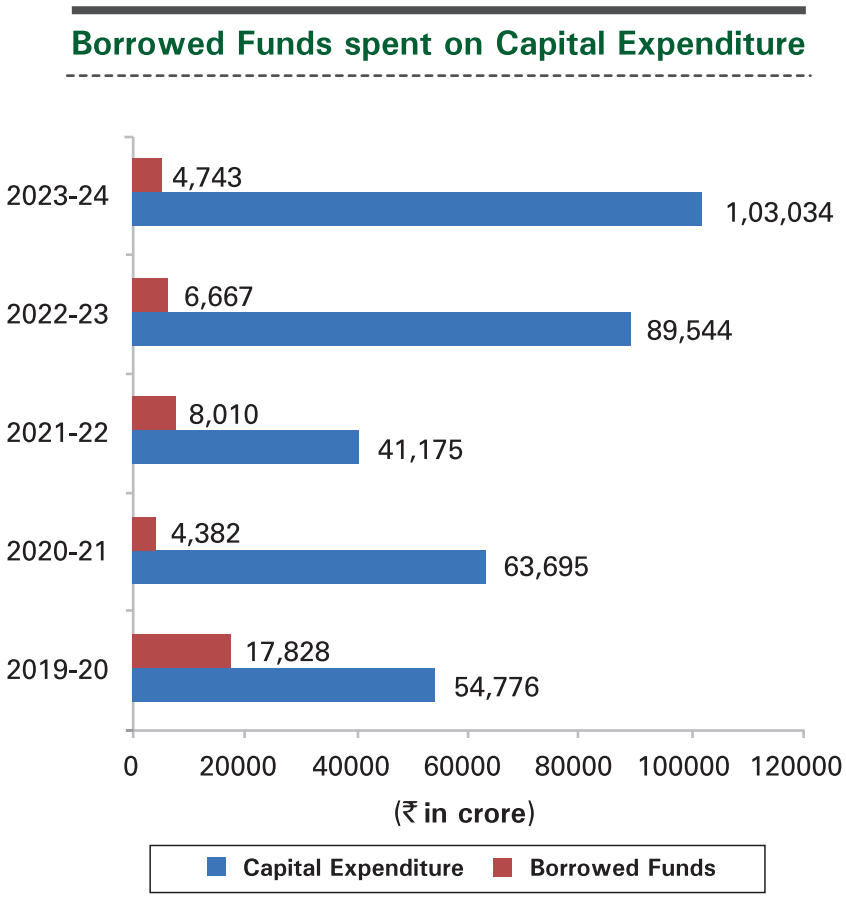
During 2023-24, 25 Market Loans totalling ₹ 42,386 crore at interest rates varying from 7.37 *per cent* to 7.79 *per cent* redeemable in the year 2033 to 2038, 2043 and 2048 were raised.

During the year 2023-24, against the total Internal Debt of ₹ 1,02,822 crore and the Central Loan of ₹ 212 crore, Capital Expenditure of the State Government was only ₹ 4,743 crore (5 *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
2019-20	54,776	17,828
2020-21	63,695	4,382
2021-22	41,175	8,010
2022-23	89,544	6,667
2023-24	1,03,034	4,743



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 5 *per cent* of the borrowings of the current year (₹1,03,034 crore) on Capital Expenditure (₹ 4,743 crore). It appears that 95 *per cent* of the Public Debt (₹ 98,291 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 : Include Justice, Police, Jail, PWD, Pension etc.

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

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

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 1,17,407 crore for 2023-24 exceeds of budget estimates by ₹ 9,475 crore.

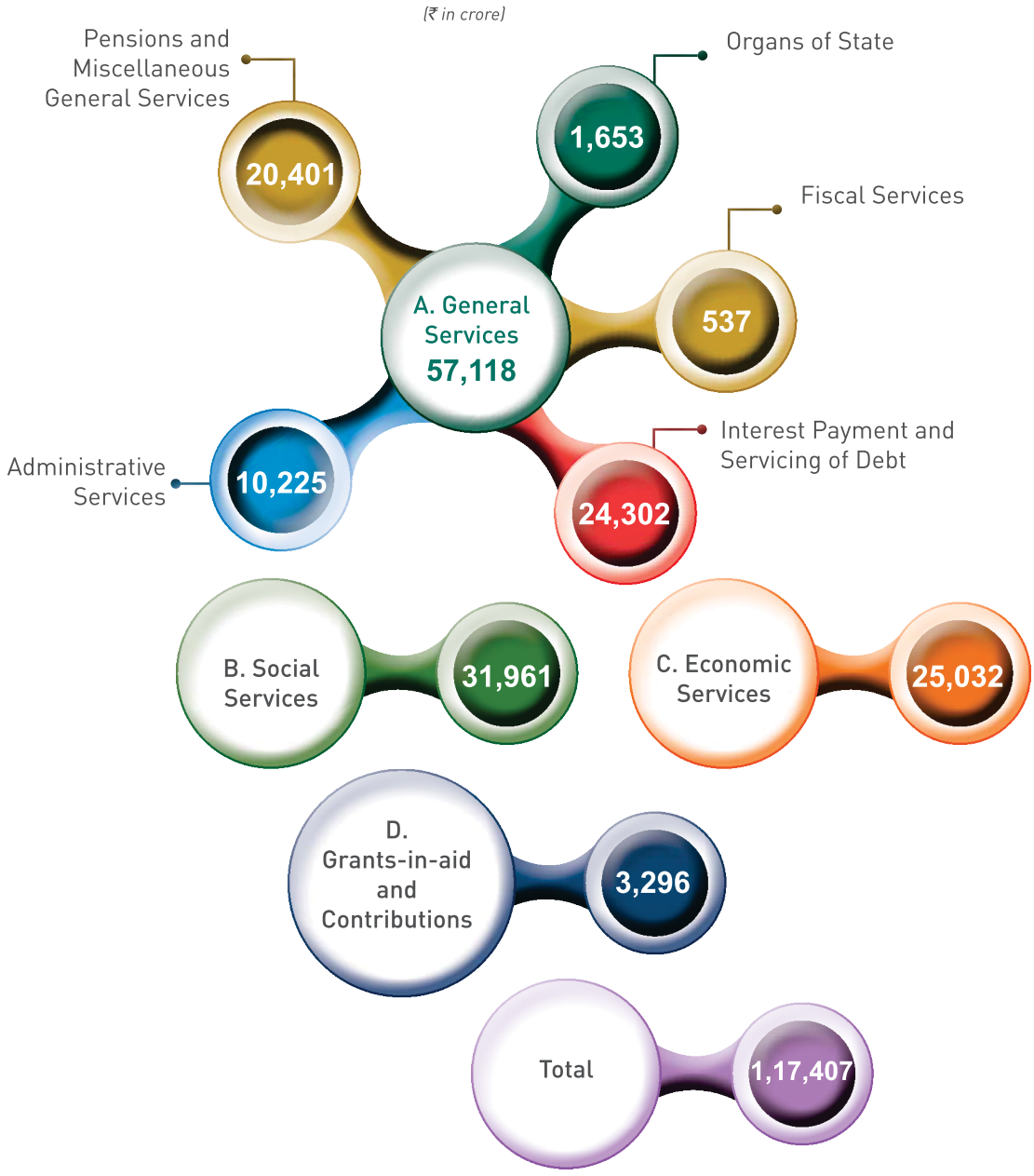
The shortfall/ excess of expenditure against budget estimates under Revenue section during the past five years is given below:

(₹ in crore)

Components	2019-20	2020-21	2021-22	2022-23	2023-24
Budget Estimates	90,197	95,716	1,03,880	1,07,932	1,07,932
Actual Expenditure	75,859	86,345	96,636	1,13,661	1,17,407
Gap	14,337	9,371	7,244	(-)5,729	(-)9,475
Percentage of Gap over BE	***16***	***10***	***7***	***(-)5***	***(-)9***

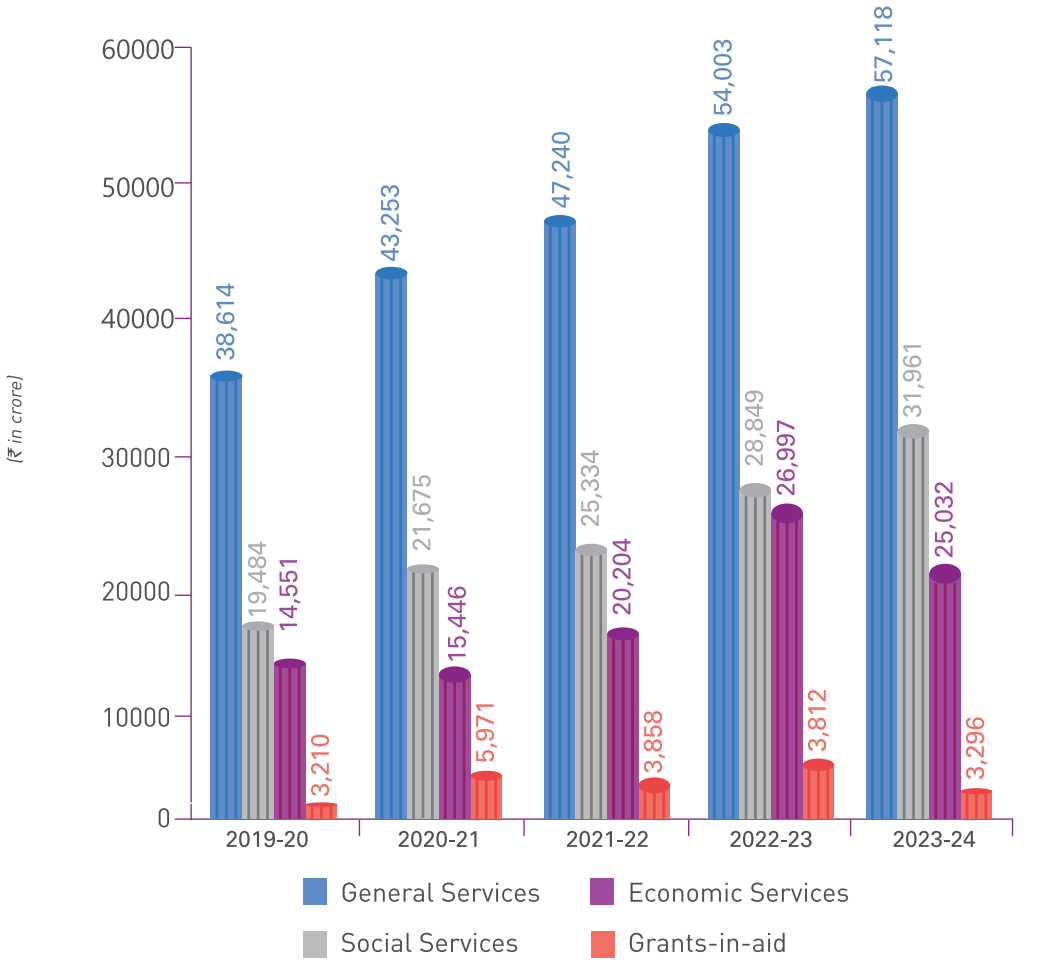
3.2.1 Sector wise Distribution of Revenue Expenditure (2023-24)

Sr. No.	Component	Amount (₹ in crore)	Percentage
A.	General Services	57,118	*49*
A.1	Organs of State	1,653	*1*
A.2	Fiscal Services	537	*1*
A.3	Interest Payment and Servicing of Debt	24,302	*21*
A.4	Administrative Services	10,225	*9*
A.5	Pensions and Miscellaneous General Services	20,401	*17*
B.	Social Services	31,961	*27*
C.	Economic Services	25,032	*21*
D.	Grants-in-aid and Contributions	3,296	*3*
	Total	1,17,407	*100*



3.2.2 Trends of Major Components of Revenue Expenditure

Trend of major components of Revenue Expenditure



3.3 Capital Expenditure

Capital disbursements for 2023-24 at 1 *per cent* of GSDP were less than Budget Estimates by ₹ 7,042 crore.

3.3.1 Sectoral distribution of Capital Expenditure

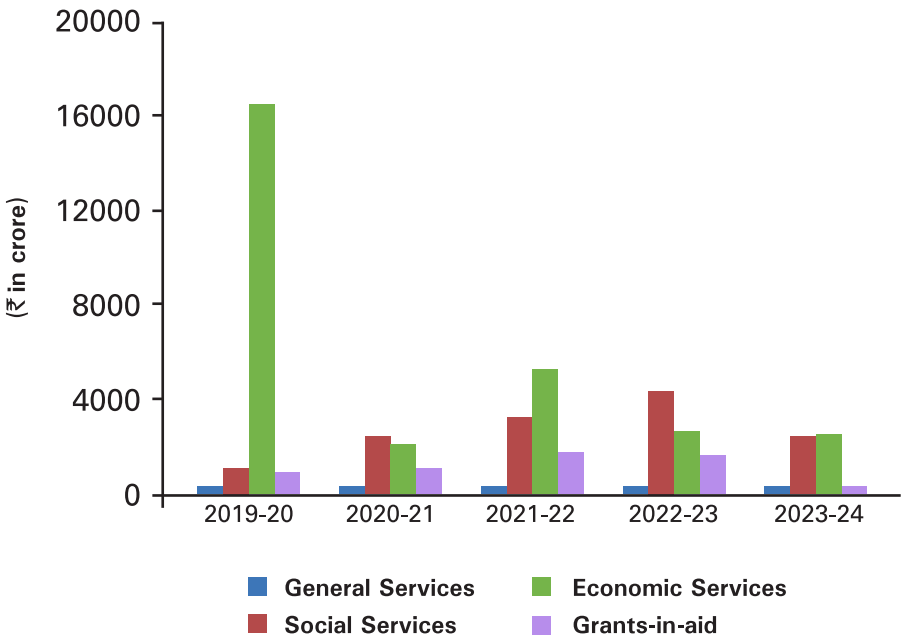
Sr. No.	Sector	Amount (₹ in crore)	Percentage
A.	General Services - Police, Public Works, etc.	259	*5*
B.	Social Services-Education, Health and Family Welfare, Water Supply, Welfare of SC/ST etc.	2,205	*45*
C.	Economic Services-Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	2,279	*46*
F.	Loans and Advances Disbursed	196	*4*
	Total	**4,939**	***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
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
2023-24	259	2,205	2,279	196	4,939

Sector wise distribution of Capital Expenditure

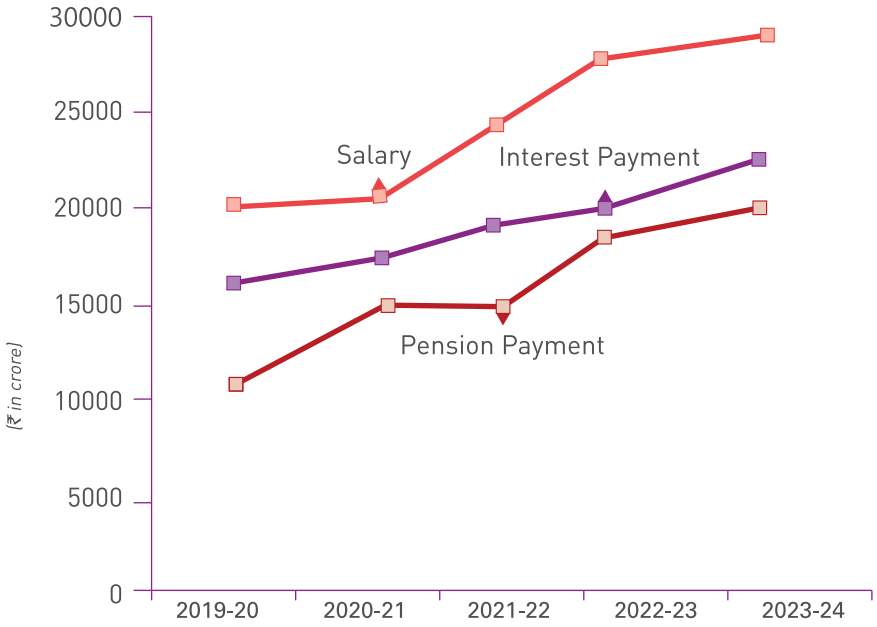


3.4 Committed Expenditure

(₹ in crore)

Year	Salary	Interest	Pension	Total
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
2023-24	28,475	22,552	20,096	71,123

Trend of Committed Expenditure



Committed Expenditure Vs Revenue Expenditure and Revenue Receipts

(₹ in crore)

Components	2019-20	2020-21	2021-22	2022-23	2023-24
Committed Expenditure	50,100	54,127	57,483	65,710	71,123
Revenue Receipts	61,575	69,048	78,168	87,616	89,192
Percentage of Committed Expenditure to Revenue Receipts	81	78	74	75	80
Revenue Expenditure	75,859	86,345	96,636	1,13,661	1,17,407
Percentage of Committed *Expenditure to Revenue* Expenditure	*66*	*63*	*60*	*58*	*61*

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 2023-24

(₹ in crore)

Sr. No.	Nature of Expenditure	Original Grant	Supplementary Grant	Total Budget	Actual Expenditure	Savings (-) Excess (+)
1	**Revenue** Voted Charged	1,00,149 23,292	2,350 1,309	1,02,499 24,601	93,210 24,624	(-)9,289 23
2	**Capital** Voted	10,355	345	10,700	4,899	(-)5,801
3	**Public Debt** Charged	61,626	8,000	69,626	73,452	3,826
4	**Loans and Advances** Voted	1,041	42	1,083	196	(-)887
	Total	**1,96,463**	**12,046**	**2,08,509**	**1,96,381**	**(-)12,128**

4.2 Trend of Saving/Excess during the past five years

(₹ in crore)

Saving(-) /Excess(+)					
Year	Revenue	Capital	Public Debt	Loans and Advances	Total
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
2023-24	(-)9,266	(-)5,801	3,826	(-)887	(-)12,128

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 under:

(in percentage)

Grant No.	Nomenclature	2019-20	2020-21	2021-22	2022-23	2023-24
17	Local Government	46	21	39	27	41
23	Rural Development and Panchayats	67	36	50	30	51
28	Tourism and Cultural Affairs	42	36	61	46	41
31	Employment	64	45	81	58	68
34	Horticulture	45	43	80	48	59
41	Water Supply and Sanitation	48	37	42	40	39

During 2023-24, Supplementary Grants totalling ₹ 12,046 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	Capital (V)	682	116	441
09	Food, Civil Supplies and Consumer Affairs	Revenue (V)	779	149	753
11	Health and Family Welfare	Revenue (V)	4,721	406	4,303
25	Social Security, Women and Child Development	Revenue (V)	7,487	199	7,196
41	Water Supply and Sanitation	Revenue (V)	981	50	935

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
04	Defence Services Welfare	Revenue (V)	63	6	112
08	Finance	Revenue (V)	19,067	91	20,305
08	Finance	Revenue (C)	23,000	1,250	24,302
08	Finance	Capital (C)	61,626	8,000	73,452
22	Revenue, Rehabilitation and Disaster Management	Revenue (V)	1,825	312	2,314

Chapter V

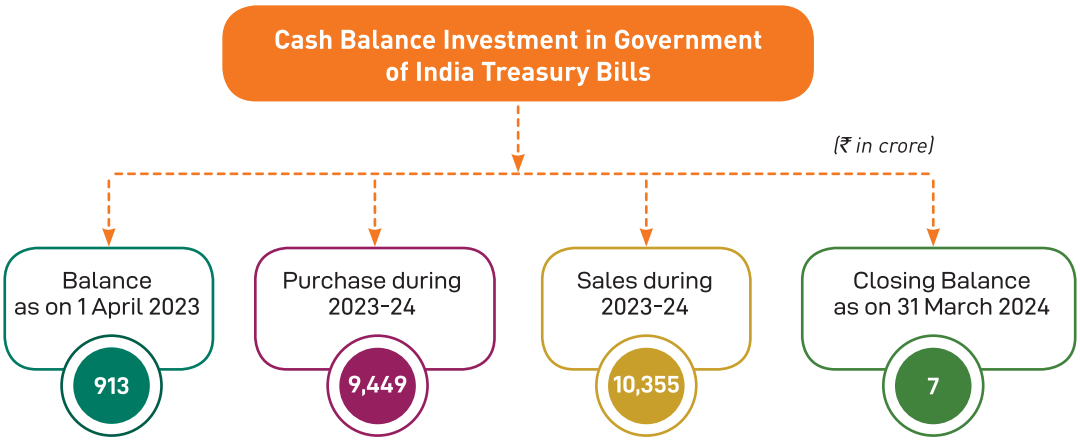
Assets and Liabilities

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 ₹ 20,040 crore at the end of 2023-24. Dividend on these investments amounting to ₹ 4.12 crore was received during the year. An amount of ₹ 5000 was disinvested during 2023-24.

Cash Balance with Reserve Bank of India stood at ₹ 366 crore on 1 April 2023 and ₹ 192 crore on 31 March 2024.



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 2024 was ₹ 3,06,041 crore comprising Internal Debt of ₹ 2,80,966 crore and Loans and Advances from Central Government ₹ 25,075 crore. Other liabilities accounted under Public Account were ₹ 40,144 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 ₹ 2,382 crore in respects of such liabilities of State Government during 2023-24.

Interest payment on Debt and Other Liabilities totalling ₹ 22,489 crore constituted 19 *per cent* of Revenue Expenditure of ₹ 1,17,407 crore. Interest payment on Public Debts was ₹ 20,034 crore (interest on Internal Debt ₹19,770 crore and interest on Loans and Advances from Central Government ₹ 264 crore). Expenditure on account of interest payment on Debt and other liabilities has increased by ₹ 2,641 crore during 2023-24 as compared to 2022-23.

Internal Debt of ₹ 1,02,822 crore raised during 2023-24 was mainly used for (i) discharge of debt obligations (₹ 72,828 crore) and (ii) payment of interest (₹ 28,489 crore).

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

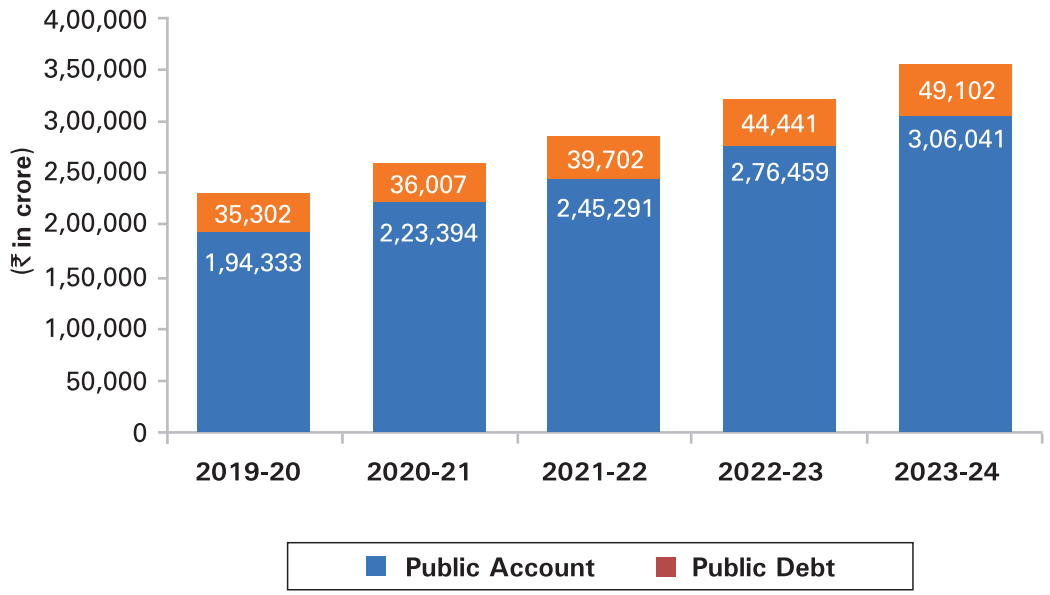
(₹ in crore)

Year	GSDP*	Public Debt	Percentage to GSDP	Public Account	Percentage to GSDP	Total Liability**	Percentage to GSDP
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	6,27,717	2,45,291	39	39,702	6	2,85,018	45
2022-23	6,81,251	2,76,459	41	44,441	7	3,20,925	47
2023-24	7,44,899	3,06,041	41	49,102	7	3,55,168	48

* *Please refer Footnote below Para 1.5.1.*
** *includes ₹ 25 crore pertaining to Contingency Fund.*

There is a net increase of ₹ 1,25,508 crore (55 *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 2023-24 was ₹ 33,760 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 2024 was ₹ 22,691 crore. Further, an amount of ₹ 205 crore was receivable as Guarantee Fee in 2023-24. Against this, only two entities paid an amount of ₹ 57 crore as Guarantee Fee.

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed	Amount outstanding at the end of the year
2019-20	14,434	25,352
2020-21	23,170	23,552
2021-22	25,850	20,165
2022-23	27,809	20,208
2023-24	33,760	22,691

Chapter VI

Other Items

6.1 Goods and Services Tax (GST)

During the year 2023-24, the State Goods and Services Tax (SGST) collection was ₹ 20,925 crore compared to ₹ 18,128 crore in 2022-23 registering an increase of SGST amounting to ₹ 2,797 crore. In addition, the State received ₹ 6,194 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 ₹ 27,119 crore. The State received provisional compensation of ₹ 3,671 crore during 2023-24 on account of loss of revenue arising out of implementation of GST .

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 2024 are given under:

Year	Outstanding Detailed Contingent Bills	
	Number	Amount (₹ in crore)
Up to 2022-23	1,098	1,747
2023-24 (Drawn up to September 2023)	939	1,058
Total	**2,037**	**2,805**

**These do not include AC bills pertaining to transfer to Single Nodal Agency (SNA).*

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 2022-23	329	1,770
2023-24 (Drawn up to September 2023)	268	1,320
Total	**597**	**3,090**

*The year mentioned above relates to 'Due year' i.e. after eighteen months of actual drawl.
**These include 91 outstanding UCs amounting to ₹ 626 crore related to Grants to SNA.

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 2023-24, Government contributed ₹ 1,750 crore to the fund as against minimum required contribution of ₹ 1,444 crore. The total accumulation of the Fund was ₹ 8,617 crore as on 31 March 2024 (₹ 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 ₹ 606 crore it was required to contribute to the Fund. The total accumulation of the Fund was Nil as on 31 March 2024.

Further, as per provision of the Scheme, Guarantee Fee collected is required to be transferred to the Fund. The Guarantee Fee amounting to ₹ 57 crore collected during the year 2023-24 has not been transferred to the Fund. Non-transfer of Guarantee Fee of ₹ 57 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 2024, an amount of ₹ 1,254 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 2023-24 was ₹ 39,045 crore. During the year 2023-24, the State Government disbursed ₹ 196 crore as Loans and Advances. State Government received ₹ 39 crore (₹ 24 crore towards repayment of Loans and Advances by Government Servants and ₹ 15 crore as repayment of other outstanding loans and advances) which is 0.1 *per cent* of total outstanding loans and advances on 1 April 2024 i.e. ₹ 39,045 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 rendering 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, 139 Public Works Divisions (70 Buildings and Roads, 16 Panchayati Raj, 53 Water Supply and Sanitation), 54 Water Resources Divisions, 38 Forest Divisions, one Pay and Accounts Office 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. During the year 2023-24, 98.92 *per cent* of total (Revenue Receipts, Revenue Expenditure and Capital Expenditure) was reconciled.

6.10 National Pension System (NPS)

State Government employees recruited on or after 01.01.2004 are covered under the National Pension System (NPS), which is a Defined Contribution Pension Scheme. In terms of the scheme, the employee has to contribute 10 *per cent* of his/her monthly pay and the State Government has to make contribution at the rate of 14 *per cent*. The entire amount has to be transferred to the designated Fund Manager through the National Securities Depository Limited (NSDL)/Trustee Bank.

During the year 2023-24, total contribution to the NPS was ₹ 3,148 crore (Employees' contribution

₹ 1,316 crore and Government's contribution ₹1,832 crore). The detailed information on Government contribution is available in Statement No. 15 of the Finance Accounts under Major Head 2071. The Government transferred ₹ 3,148 crore (Employees' contribution ₹ 1,316 crore and Government's contribution ₹ 1,832 crore) to the Public Account under Major Head 8342-117 Defined Contribution Pension scheme. An amount of ₹ 0.03 crore was also deposited in the Public Account on account of contribution of employees on Foreign Service. The Government's contribution to the NPS was short by ₹ 10 crore, which resulted in understatement of Revenue Expenditure to that extent. The State Government on 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.

6.11 State Compensatory 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 2023-24, the expenditure under Major Head 2406- 04- 103- State Compensatory Afforestation of ₹117 crore has been recouped from State Compensatory Afforestation Fund under Major Head 8121- 129.

During the year 2023-24, the State Government has paid interest amounting to ₹ 51 crore (For the year 2022-23, ₹ 27 crore and for the year 2023-24, ₹ 24 crore) to the Fund.

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 ₹ 39 crore as on 31 March 2023. During the year 2023-24, the Government collected ₹ 10 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 ₹ 49 crore as on 31 March 2024. Un-transferred amount during the year has overstated the Revenue Receipt to that extent.

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 ₹ 2,138 crore as on 31 March 2024, 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 ₹18,303 crore on account of non-recovery of cost was also provided in the year. The Government paid ₹ 1 crore in discharge of guarantee invoked. These affect fiscal balance. The

State Government on 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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