GOVERNMENT OF PUNJAB

WHITE PAPER ON STATE FINANCES

JUNE 2022 DEPARTMENT OF FINANCE

CONTENTS

Particulars	Page No.
Executive Summary	**1-6**
Chapter 1: Need for White Paper	**7**
Chapter 2: State Finances	**8-28**
Chapter 3: State's Legacy Debt Burden	**29-38**
Chapter 4: State Level Undertakings (SLUs)	**39-47**
Abbreviations/Acronyms	**48-50**
Definitions	**51-54**
List of Tables	**55**
List of Charts	**56**
List of Annexures	**57**
Annexures - 1 to 10	**58-73**
References and Data Sources	**74**

CHAPTER HEADINGS

Title	Page No.
Chapter 1: Need for White Paper	**7**
Chapter 2: State Finances	**8-28**
Gross State Domestic Product (GSDP)	9
Per Capita Income	9
Unpaid Liabilities	10
Pending Liability of 6th Punjab Pay Commission	11
Unpaid Power Subsidy as claimed by PSPCL	11
Unpaid Crop Loan Waiver	12
Total Revenue Receipts	12
State's Own Tax Revenue	15
GST- Fall off the Cliff scenario	17
State's Own Non-Tax Revenue	19
Total Expenditure	20
Revenue Expenditure	21
Miniscule Capital Expenditure	24
Revenue Deficit and Fiscal Deficit	25
Reckless Spending in Tough Times	27
Conclusion/Way Forward	28
Chapter 3: State's Legacy Debt Burden	**29-38**
Debt Profile of the State	29
Financial Burden on account of Ujwal DISCOM Assurance Yojana (UDAY scheme)	35
Burden by Conversion of Cash Credit Limit (CCL) gap of ₹ 30584.11 crore to Long Term Loan	36
Debt Maturity – A Future Perspective	37
Debt Profile of State SLUs / Corporations / Boards / Agencies	38
Conclusion/Way Forward	38
Chapter 4: State Level Undertakings (SLUs)	**39-47**
Punjab State Civil Supplies Corporation Limited (PUNSUP)	40
MARKFED	41
PUNGRAIN	42
Punjab Financial Corporation (PFC)	42
Punjab State Industrial Development Corporation (PSIDC)	43
SUGARFED	44
Punjab Urban Development Authority (PUDA)	45
PEPSU Road Transport Corporation (PRTC)	46
Conclusion/Way Forward	46

EXECUTIVE SUMMARY

1. This White Paper on the State Finances is an attempt to simplify the complex issues / problems being faced by the Government of Punjab in the field of finance, which has become grave over time due to imprudence of Governments of the past.

2. The previous Governments, instead of applying necessary correctives, continued to slip into fiscal profligacy, as evident from the unchecked increase in unproductive revenue expenditure, freebies and unmerited subsidies, virtual collapse in the capital and social sector investments vital for future growth, and non-realization of its potential of tax and non-tax revenues.

3. The current Effective Outstanding Debt of Punjab stands at ₹ 2.63 lac crore (2021-22 RE), which is 45.88% of GSDP.

4. The current debt indicators of the State are, probably, the worst in the country, pushing it deeper into a debt trap.

5. While the State of Punjab used to be number one in Per Capita Income across the country for a long time, it now lags behind many other states and has slid from the top to the 11th position in ranking whereas states like Maharashtra, Kerala, Tamil Nadu, Karnataka, Gujarat, Haryana and even Himachal Pradesh have surpassed Punjab on the Per Capita Income parameter.

6. The previous Government professed of bringing fiscal prudency in management of State Finances while discreetly choosing not to discharge the pending Liabilities of the State Government. Sadly, they have also followed their predecessors and while demitting office, handed over immediate and medium-term staggering liability of ₹ 24,351.29 crore (outlined in Chapter 2) that the new Government has to discharge over the coming years, including claims by agencies like Punjab State Power Corporation Limited (PSPCL).

7. The 6th Punjab Pay Commission, which was otherwise due from 1st January, 2016 was implemented in July, 2021 with quite a delay and in haste with just 6 months before the State Assembly elections. The nature and the way, the 6th Punjab Pay Commission was implemented led to a sense of resentment, uncertainty, anguish and disappointment amongst the employees.

8. The previous Government could not pay the arrears of revised pay w.e.f. 1st January, 2016 to 30th June, 2021 on account of implementation of 6th Punjab Pay Commission. The pending liability on this account alone is expected to be around ₹ 13,759 crore.

9. The amount of arrears of Power Subsidy and interest thereon that has been indicated by Punjab State Power Corporation Limited (PSPCL) to be payable to it for agriculture, domestic and industry is ₹ 7,117.86 crore.

10. Central Transfers (i.e. Share of Central Taxes + Grants from Centre) which was just 23% of Total Revenue Receipts in FY 2011-12 has doubled to 46% of the Total Revenue Receipts in FY 2021-22. The State's Own Tax Revenue as percentage of Total Revenue Receipts has decreased from 72% to 48% in the above period, indicating a perceptible decline in the State's ability to raise resources internally and higher reliance of State Finances on transfers from Union Government.

11. A declining trend in the State's Own Revenues and dependence on the Central Transfer of funds over the period of ten years indicates structural weaknesses in the economy brought about through years of non-committal revenue mobilization measures.

12. GST implementation impacted all the states with varied degree of permanent revenue loss. Since agricultural produce is largely exempted under GST, for Punjab, it has led to permanent loss of around 21% of Protected Revenue, amounting to ₹ 6,791 crore during 2021-22 (applying 14% growth rate to base year figure of ₹ 3,094 crore), on account of inclusion of Purchase Tax, and

Infrastructure Development (I.D.) Fee on food grains in GST. Previous Governments being unable to evolve with the changing indirect tax framework could not consolidate State's Own Tax Revenues and became over - dependent upon GST compensation and Revenue Deficit Grant by the XV Finance Commission.

13. The less than expected buoyancy in VAT, State Excise, Taxes on Vehicles and Stamps and Registrations is a telltale signal of market failure, mismanagement and faulty policies across these revenue generating sectors.

14. There were no attempts or incentive to increase the revenue of the State by the previous Government. It will not be amiss to say that the lack of planning and efforts to consolidate revenue in preparation for end of GST compensation regime has put the State in a compromising situation.

15. The GST compensation regime is ending in June, 2022 and based on the trends of previous years, the State Government would be staring down a big hole left in its finances to the tune of ₹ 14,000- ₹ 15,000 crore in FY 2022-23 itself i.e. ₹ 20,000- ₹ 21,000 crore per annum. This is a "Fall off the Cliff" scenario for the State.

16. Mining, though considered to be one of the highest revenue generating source of State's Own Non-Tax Revenue, shows completely opposite picture in case of Punjab with the revenues from mining being extremely low, i.e. ₹ 137 crore during 2021-22. This is indicative of faulty policy, lack of enforcement and mismanagement in the mining sector and calls for a comprehensive re-visit of the mining sector.

17. Revenue Expenditure as a percentage of Total Expenditure has remained consistently above the 90% mark and as a percentage of Total Revenue Receipts has remained at more than 115% mark, thereby leaving very little scope for developmental expenditure.

18. The Total Revenue Expenditure in last 15 years has been higher than the Total Revenue Receipts, thus indicating that the Expenditure has grown faster than the Receipts, leading to Revenue Deficits.

19. The less than required Capital Expenditure has resulted in non-creation of quality infrastructure in the State, which further deprived the State exchequer of future revenue.

20. A careful analysis of last 15 years will reveal that not only has Punjab clocked consistent Revenue Deficit, it is also on the higher side amongst the other General Category States (GCS).

21. In an attempt to salvage its political fortunes, the previous Government resorted to reckless spending during the fag end of its tenure. Change at the helm of affairs of the State in previous regime came at a huge cost to State exchequer, courtesy various one-time measures, and other decisions that has impacted the future resources of the State.

22. The fiscal metrics, over the last two decades, lead to the undeniable conclusion that the State Finances are in a free fall, and further with the GST Compensation regime ending in June, 2022 and seeing a "Fall off the Cliff" scenario and revenue shortfall of ₹ 15,000 crore (estimated) during 2022-23 and ₹ 21,000 crore (approx.) per annum thereafter, the daunting challenge of managing State's fiscal health is the cause of worry for the State. The State's fiscal is inflicted with a deep-rooted structural imbalance and, if no corrective measures are taken, it will take a heavy toll on the future development of the State.

23. To revive Punjab to its glory days, serious relook into the expenditure commitments coupled with direct revenue enhancement measures needs to be done. To consolidate the State finances, fillip economic revival and growth and reduce reliance on debt, structural and policy initiatives are required with unheard levels of ground-level enforcement.

24. In the last five years, the Debt of the State has grown by 44.23% translating into a compounded growth rate of 7.60% per annum.

25. The State is in a classical debt trap i.e. a significant portion of the annual Gross Debt/Borrowings contracted by the Government is being applied towards repayment of the old debt and interest payments and not for the future development and prosperity of the State.

26. The Outstanding Debt of the State has increased from ₹ 1,009 crore in 1980-81 to ₹ 83,099 crore in 2011-12 and further to ₹ 2,63,265 crore in 2021-22 (RE).

27. In case of Punjab, the ratio of Interest Payments to Total Revenue Receipts has been increasing over the previous years. Also, the ratio of Interest Payments to Total Revenue Receipts is way above 10% benchmark laid out in the XIV Finance Commission Report.

28. Total debt taken over by the State under the UDAY scheme was ₹ 15,628.26 crore through Special State Development Loans (SDLs). Upon conversion of these loans into Equity as per UDAY-MoU, the principal and interest servicing of these loans fell directly upon the State exchequer starting FY 2020-21. On account of this, the State from its own sources will have to spend ₹ 19,605.36 crore from FY 2022-23 till FY 2030-31, out of which ₹ 14,642.35 crore is in principal repayment and ₹ 4,963.01 crore in interest.

29. On account of conversion of Cash Credit Limit (CCL) gap into a long term loan, the State has been burdened with an onerous unsustainable debt with an annual debt servicing liability of ₹ 3,240 crore till September, 2034 resulting in a total outflow of ₹ 57,358 crore (calculated @ 8.25% i.e. original rate of interest) during the repayment tenure of this loan. This however has slightly reduced with reduction in interest rate @ 7.35%.

30. The total debt raised by State SLUs / Corporations / Boards / Agencies stand at ₹ 54,948.75 crore, of which the outstanding amount is ₹ 43,204.59 crore.

Government of Punjab has guaranteed ₹ 22,254.93 crore of the total outstanding debt. If the contingent liabilities on account of Government guarantees to State SLUs / Corporations / Boards / Agencies is also considered, the total outstanding debt amount would be ₹ 2,85,520 crore [₹ 2,63,265 crore (2021-22 RE) + ₹ 22,255 crore].

31. To compensate for this "lost decade", State has to cautiously take debt and invest heavily in high quality Capital Expenditure creation and revenue enhancement measures. This will create a cycle of value-acceleration and hopefully, Punjab will be able to increase growth rate and sustain it for coming years. Debt consolidation is possible only with rapid growth, high quality Capital Expenditure and resource mobilization.

32. Punjab has 46 active State Level Undertakings in its portfolio as on 31.03.2022. Most of these entities have direct equity infusion from the Government of Punjab. Total equity infusion by Government over the years in all these entities is ₹ 23,853.71 crore as on 31.03.2022. In addition to this, Government assistance in terms of Guarantees amounted to ₹ 22,254.93 crore as on 31.03.2022. Despite all this assistance from Government's end, the return on equity remain negligible at ₹ 3.74 crore or 0.016%. Apart from limited returns, many of these entities are on the verge of default due to years of financial imprudence.

33. It is high time for the State to assess these State Level Undertaking (SLUs) for systematic and strategic importance. State Level Undertaking (SLUs) that do not fit the bill needs to be disinvested, merged or wound up to curtail drain on the State Finances.

CHAPTER 1: NEED FOR WHITE PAPER

1.1 A White Paper is an in-depth report or guide about a specific topic and the problems that surround it. It is meant to educate readers and help them understand and solve an issue.

1.2 Today, Punjab is in an economic morass and debt trap. The previous Governments, instead of applying necessary correctives, continued to slip into fiscal profligacy, as evident from the unchecked increase in unproductive revenue expenditure, freebies and unmerited subsidies, virtual collapse in the capital and social sector investments vital for future growth, and non-realization of its potential of tax and non-tax revenues.

1.3 To put things in perspective, the current Effective Outstanding Debt of Punjab stands at ₹ 2.63 lac crore (2021-22 RE), which is 45.88% of GSDP. In addition, State agencies /SLUs / Boards / Corporations have a debt of close to ₹ 55,000 crore, out of which around ₹ 22,250 crore has been guaranteed by the State Government. Since the State is facing adverse revenue situation i.e. Revenue Deficits, it is, therefore, forced to take more debt to pay its old debt. This situation is called “debt trap”, and previous governments are answerable to Punjabis for putting their future in jeopardy.

1.4 In a broader sense, Punjab’s economic decline and fiscal crisis stems from its political economy and lack of State capacity that emerged over the last thirty years, with a negative impact on governance. It seems that Punjab has lacked a “good governance” model, therefore there is a compelling case for change in direction towards investing in its future progress and prosperity, which, in turn, is predicated upon Government’s ability to wriggle out of the current fiscal morass.

1.5 It would be right to conclude that previous Governments failed to initiate GSDP enhancing reforms and curb market failures which formed oligopolies in various sectors of the economy, adversely impacting State revenues.

CHAPTER 2: STATE FINANCES

2.1 While subsequent Governments continued to highlight the fiscal recklessness by their predecessors, little was done to undo or amend the financial dents.

2.2 The current debt indicators of the State are, probably, the worst in the country, pushing it deeper into a debt trap. A relative comparison of Punjab viz-a-viz all General States on key fiscal indicators has been tabulated in Table 2.1 below:

Table 2.1: Key Fiscal Indicators - Punjab vs. General States

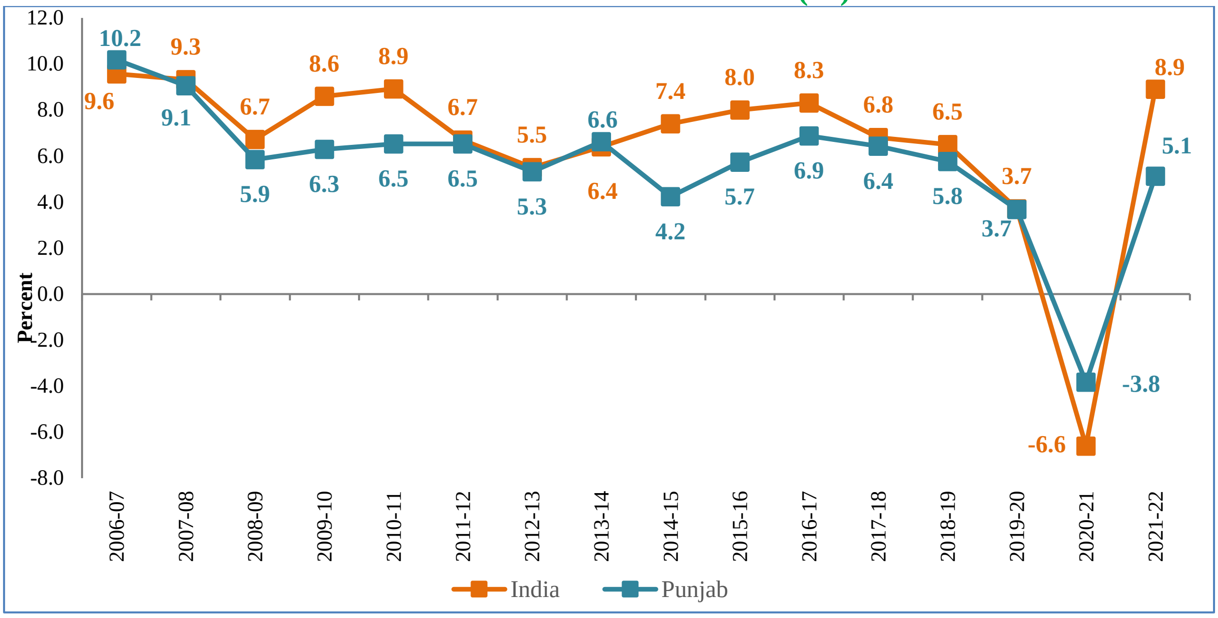
Fiscal Indicators (2018-19)	Punjab	General States
Per Capita GSDP (₹)	171907	141099
Indicators as % of GSDP		
Total Revenue Receipt (TRR)	**11.8**	13.4
Own Tax Revenue (OTR)	**6.0**	6.4
Non-Tax Revenue (NTR)	1.4	1.1
Total Expenditure (TE)	15.0	16.1
Economic Services (ES)	3.4	3.1
Social Services (SS)	3.5	5.4
General Services (GS)	6.9	4.7
Committed Expenditure	**8.9**	5.8
Capital Expenditure	**0.7**	2.5
Revenue Deficit (RD)	**2.5**	0.2
Fiscal Deficit (FD)	**3.1**	2.5
Outstanding Debt (OD)	**40.3**	25.0

Source: XV Finance Commission Report, Volume –IV The States.
*Note: *Committed Expenditure includes Salaries Pensions and, Interest Payments.*

Gross State Domestic Product (GSDP)

2.3 A comparative depiction of the rate of growth of GSDP of the State with India as a whole over the past years (Chart 2.1) divulges that the growth rate of State was one of the highest i.e. 10.2% in 2006-07. Since then, the State has not seen a day of double digit growth rate and has mostly remained lower than the All India average. Furthermore, the State witnessed negative growth rate in GSDP in FY 2020-21 on account of imposition of lockdown due to COVID-19 pandemic.

Chart 2.1: GSDP Growth Rate (%)



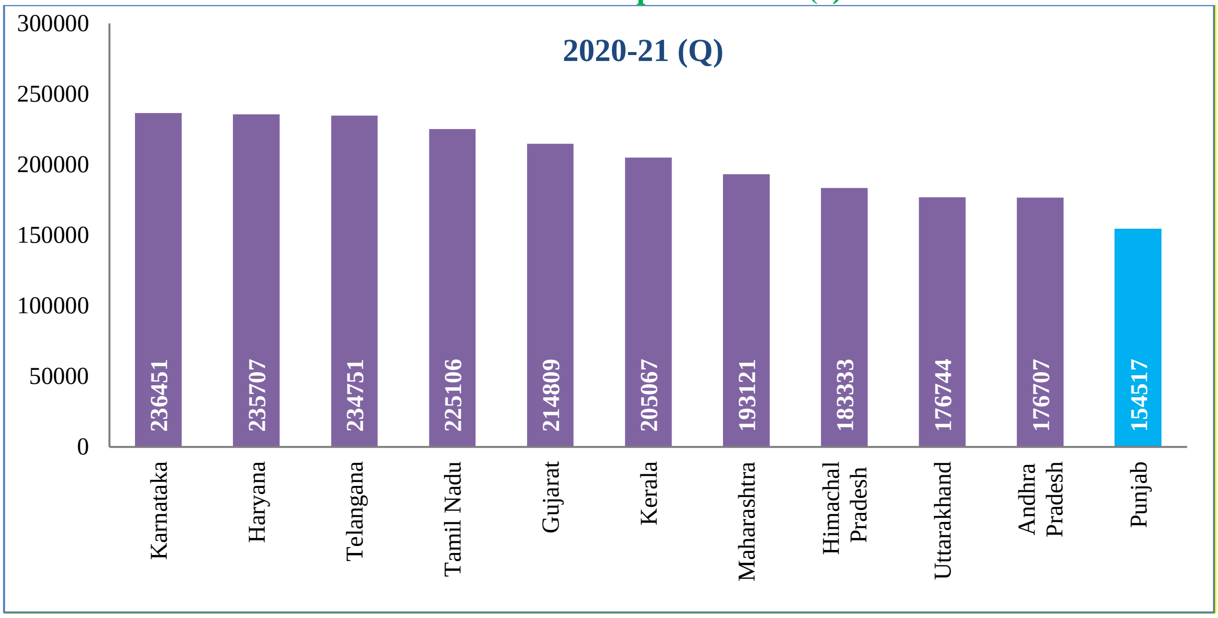
Source: CSO, MoSPI, GoI.
Note- At constant prices i.e. at 2011-12 prices.

2.4 However, other States like Madhya Pradesh, Andhra Pradesh, West Bengal, Rajasthan, Gujarat, Chhattisgarh and Karnataka have performed better during COVID time (FY 2020-21) which indicates that they were better prepared to face the calamity.

Per Capita Income

2.5 A glooming picture emerges when one compares the Per Capita Income of Punjab with the other States and the national average. While the State of Punjab used to be number one in Per Capita Income across the country for a long time, it now lags behind many other states and has slid from the top to the 11th position in ranking whereas states like Maharashtra, Kerala, Tamil Nadu, Karnataka, Gujarat, Haryana and even Himachal Pradesh have surpassed Punjab on the Per Capita Income parameter (Chart 2.2).

Chart 2.2: Per Capita Income (₹)



Source: CSO, MoSPI, GoI.
Note: (Q)- Quick Estimates at Current Prices.

Unpaid Liabilities

2.6 The previous Government professed of bringing fiscal prudency in management of State Finances while discreetly choosing not to discharge the pending Liabilities of the State Government. Sadly, they have also followed their predecessors and while demitting office, handed over immediate and medium-term staggering liability of ₹ 24,351.29 crore (Table 2.3) that the new Government has to discharge over the coming years, including claims by agencies like PSPCL.

2.7 The previous Government also could not discharge the unpaid pending liabilities of ₹ 1,747.57 crore under the Atta-Dal Scheme that they themselves had reported in the then published White Paper in June 2017. Moreover, the liabilities have increased from ₹ 1,747.57 crore (2016-17) to ₹ 2,274.43 crore (2021-22). The outstanding pending liabilities of various agencies is as per the details given in Table 2.2:

Table 2.2: Pending liabilities of Atta-Dal Scheme

(₹ crore)

S. No.	Name of Agency	Pending Liability
1	PUNSUP	1395.00
2	MARKFED	554.43
3	PAIC	325.00
	Total	**2274.43**

Source: Department of Food & Civil Supplies, GoP.

Pending Liability of 6th Punjab Pay Commission

2.8 Unfortunately, Punjab Government employees and pensioners were not properly handled by the previous Government. One of the big promises made by the previous Government in its manifesto was implementation of the 6th Punjab Pay Commission (PPC). The 6th Punjab Pay Commission, which was otherwise due from January, 2016 was implemented in July, 2021 with quite a delay and in haste with just 6 months before the State Assembly elections. The nature and the way, the 6th Punjab Pay Commission was implemented led to a sense of resentment, uncertainty, anguish and disappointment amongst the employees. Further, the previous Government could not pay the Dearness Allowance on time during its tenure, nor could it pay the arrears of revised pay w.e.f. 1st January, 2016 to 30th June, 2021 on account of implementation of 6th Punjab Pay Commission report. The pending liability on this account alone is expected to be around ₹ 13,759 crore.

Unpaid Power Subsidy as claimed by PSPCL

2.9 The previous Government in their tenure could not fulfill its commitment of paying the amount of power subsidy claimed by Punjab State Power Corporation Limited (PSPCL) on the basis of Tariff Petition filed with the Punjab State Electricity Regulatory Commission (PSERC). The amount of arrears including interest on pending subsidy which has been projected by Punjab State Power Corporation Limited (PSPCL) for agriculture, domestic and industry for 2021-22 is ₹ 7,117.86 crore.

Unpaid Crop Loan Waiver

2.10 Despite being the flagship programme of the previous Government, ₹ 1,200 crore are yet to be paid under Crop Loan Waiver scheme.

Table 2.3: Summary of Unpaid Liabilities

(₹ crore)

S. No.	Particulars	Amount
1	Atta-Dal Scheme	2274.43
2	6th Punjab Pay Commission Arrears	13759.00
3	Power Subsidy Arrears (claimed by PSPCL)	7117.86
4	Crop Loan Waiver	1200.00
	Total	**24351.29**

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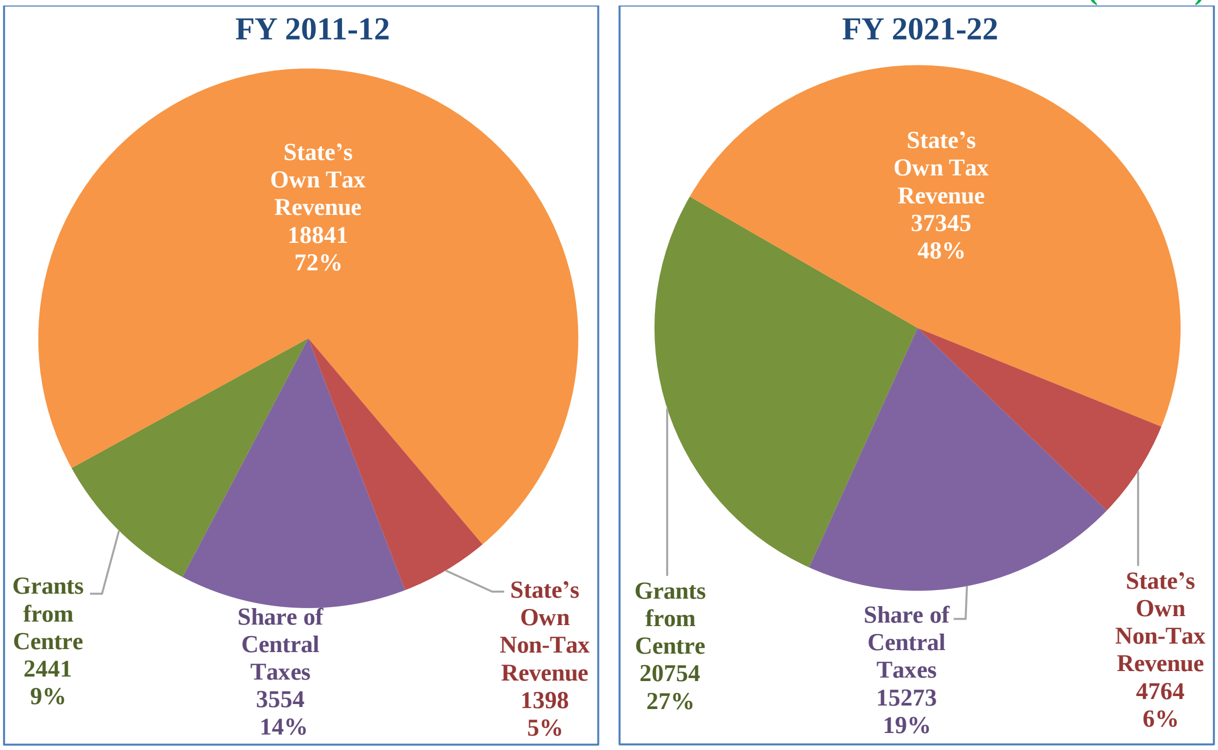
Total Revenue Receipts

2.11 Chart 2.3 depicts the composition of Total Revenue Receipts of Punjab in FY 2011-12 viz-a-viz FY 2021-22. It is evident that the State's dependence on Central Transfers has increased drastically over last decade. Central Transfers (i.e. Share of Central Taxes + Grants from Centre) which was just 23% of Total Revenue Receipts in FY 2011-12 has doubled to 46% of the Total Revenue Receipts in FY 2021-22. The State's Own Tax Revenue as percentage of Total Revenue Receipts has decreased from 72% to 48% in the above period, indicating a perceptible decline in the State's ability to raise resources internally and higher reliance of State Finances on transfers from Union Government.

Chart 2.3: Composition of Total Revenue Receipts

(₹ crore)



Source: Finance Accounts of AG Punjab; 2021-22 (AG Initial Accounts).

2.12 A declining trend in the State's Own Revenues and dependence on the Central Transfer of funds over the period of ten years indicates structural weaknesses in the economy brought about through years of non-committal revenue mobilization measures.

2.13 It can be noticed from Table 2.4 that Total Revenue Receipts have increased from ₹ 16,795 crore in 2006-07 to ₹ 78,137 crore in 2021-22 (an increase of 365%). However, granular analysis shows that though Central Transfers (i.e. share of central taxes and grants from Centre) have increased by 847% i.e. from ₹ 3,806 crore to ₹ 36,027 crore, whereas, State's Own Revenues (Own Tax and Non-Tax Revenues) has increased by only 224% i.e. from ₹ 12,990 crore to ₹ 42,109 crore. The alarming bell for the inevitable dwindling State's fiscal position can be clearly seen from the fact that the Revenue Expenditure increased at a comparatively higher rate i.e. 409% as against the growth rate of Revenue Receipts.

2.14 The State's Own Revenue component which was once 81.8% of the Total Revenue Receipts in 2008-09 has seen a downward trend and has been shrinked to 53.9% in the year 2021-22. Correspondingly over the same period, Central Transfers have increased from 18.2% to 46.1%. (Chart 2.4).

Table 2.4: Composition of Total Revenue Receipts (TRR)

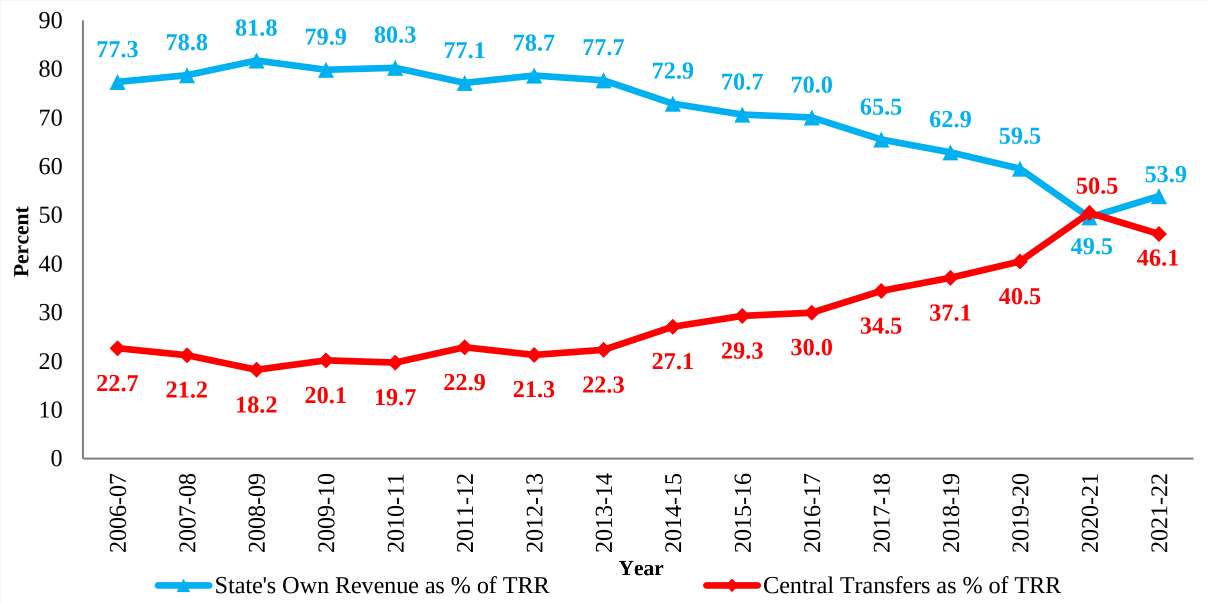
(₹ crore)

Year	State's Own Revenue				Central Transfers				TRR
	Own-Tax Revenue	Own Non-Tax Revenue	Total	Total as % of TRR	Share of Central Taxes	Grants from Centre	Total	Total as % of TRR	
1	2	3	4 (2+3)	5 (4/10)	6	7	8 (6+7)	9 (8/10)	10
2006-07	9017	3973	12990	**77.34**	1566	2240	3806	**22.66**	16795
2007-08	9899	5254	15153	**78.77**	1975	2109	4084	**21.23**	19238
2008-09	11150	5784	16934	**81.76**	2084	1695	3779	**18.24**	20713
2009-10	12039	5653	17692	**79.85**	2144	2320	4464	**20.15**	22157
2010-11	16828	5330	22158	**80.26**	3051	2399	5450	**19.74**	27608
2011-12	18841	1398	20239	**77.15**	3554	2441	5995	**22.85**	26234
2012-13	22588	2629	25217	**78.68**	4059	2776	6834	**21.32**	32051
2013-14	24079	3191	27271	**77.69**	4431	3401	7833	**22.31**	35104
2014-15	25570	2880	28450	**72.91**	4703	5870	10573	**27.09**	39023
2015-16	26690	2650	29341	**70.66**	8009	4174	12183	**29.34**	41523
2016-17	27747	5863	33610	**70.04**	9600	4776	14376	**29.96**	47985
2017-18	30423	4318	34742	**65.54**	10617	7651	18268	**34.46**	53010
2018-19	31574	7582	39157	**62.88**	12005	11107	23113	**37.12**	62269
2019-20	29995	6654	36649	**59.52**	10346	14580	24926	**40.48**	61575
2020-21	30053	4152	34205	**49.54**	10638	24205	34843	**50.46**	69048
2021-22	37345	4764	42109	**53.89**	15273	20754	36027	**46.11**	78137

Source: Finance Accounts of AG Punjab; 2021-22 (AG Initial Accounts).

Chart 2.4: Composition of Total Revenue Receipts

(in %)



Source: Finance Accounts of AG Punjab; 2021-22 (AG Initial Accounts).

State's Own Tax Revenue

2.15 With the implementation of Goods and Services Tax (GST) w.e.f. 01.07.2017, the State lost its taxation autonomy, and the fiscal augmentation capacity of the State has further dwindled. It is important to note that GST implementation impacted all the states with varied degree of permanent revenue loss. Since agricultural produce is largely exempted under GST, for Punjab it has led to permanent loss of around 21% of Protected Revenue, amounting to ₹ 6,791 crore during 2021-22 (applying 14% growth rate to base year figure of ₹ 3,094 crore), on account of inclusion of Purchase Tax, and Infrastructure Development (I.D.) Fee on food grains in GST[1]. Previous Governments being unable to evolve with the changing indirect tax framework could not consolidate State's Own Tax Revenues and became over - dependent upon GST compensation and Revenue Deficit Grant by the XV Finance Commission.

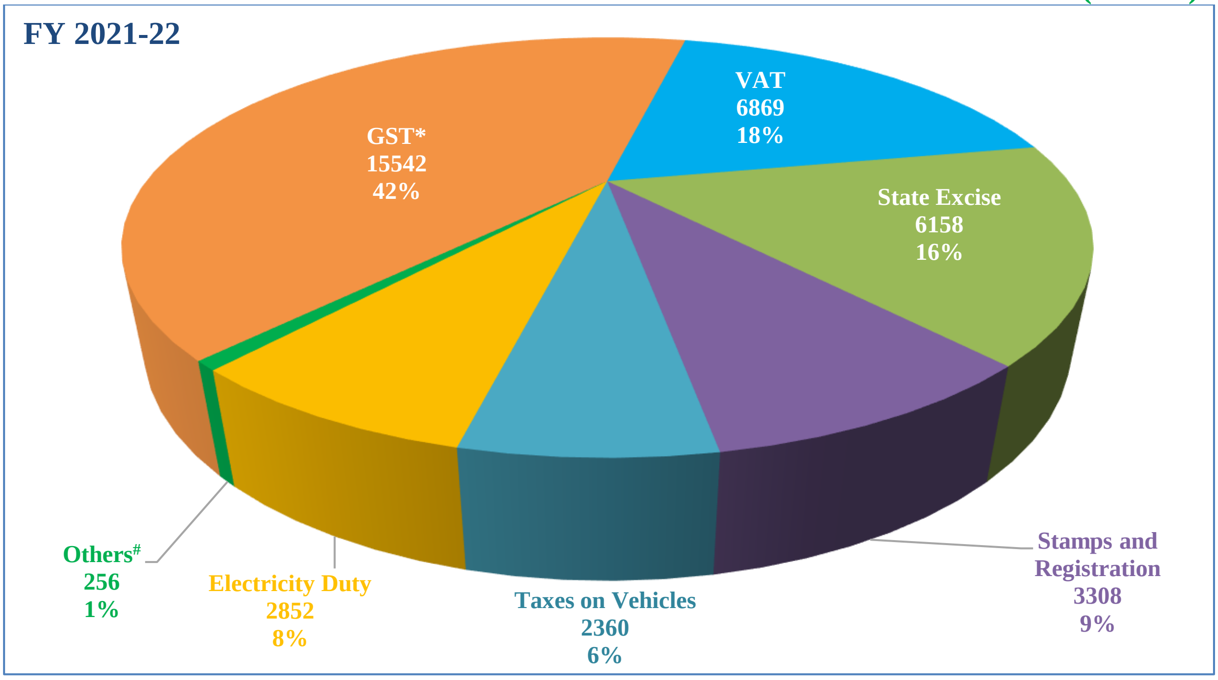
2.16 Chart 2.5 shows the components of Own Tax Revenue for the year 2021-22. GST Revenue is a major part of State's Own-Tax Revenue, and it is

[1] *State's Memorandum submitted to Government of India and GST Council on subject: A Case for Extending Goods and Services Tax (GST) Compensation: Punjab.*

evident that GST comprises 42% of the State's Own Tax Revenue. Overall, GST contributes around 20% of Total Revenue Receipts of the State.

Chart 2.5: State's Own Tax Revenue

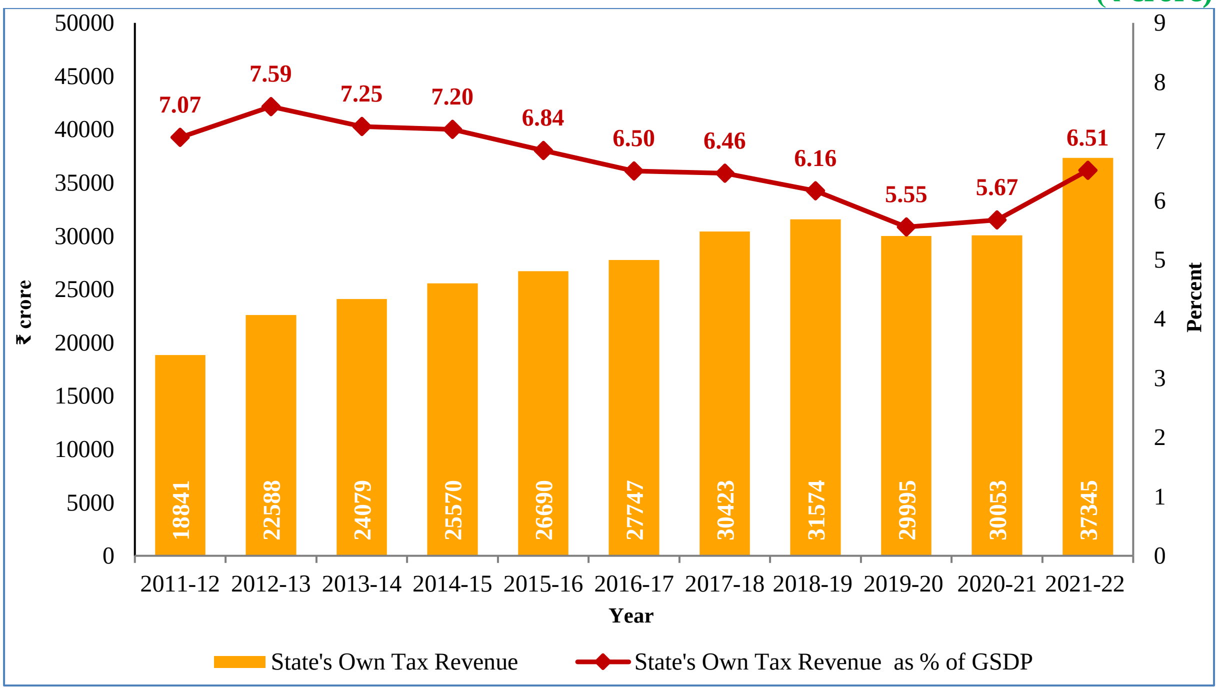
(₹ crore)



Source: 2021-22 (AG Initial Accounts).
*Note: #Others include Land Revenue, Professional Tax etc.; *Excluding GST Compensation*

Chart 2.6: Year-Wise State's Own Tax Revenue

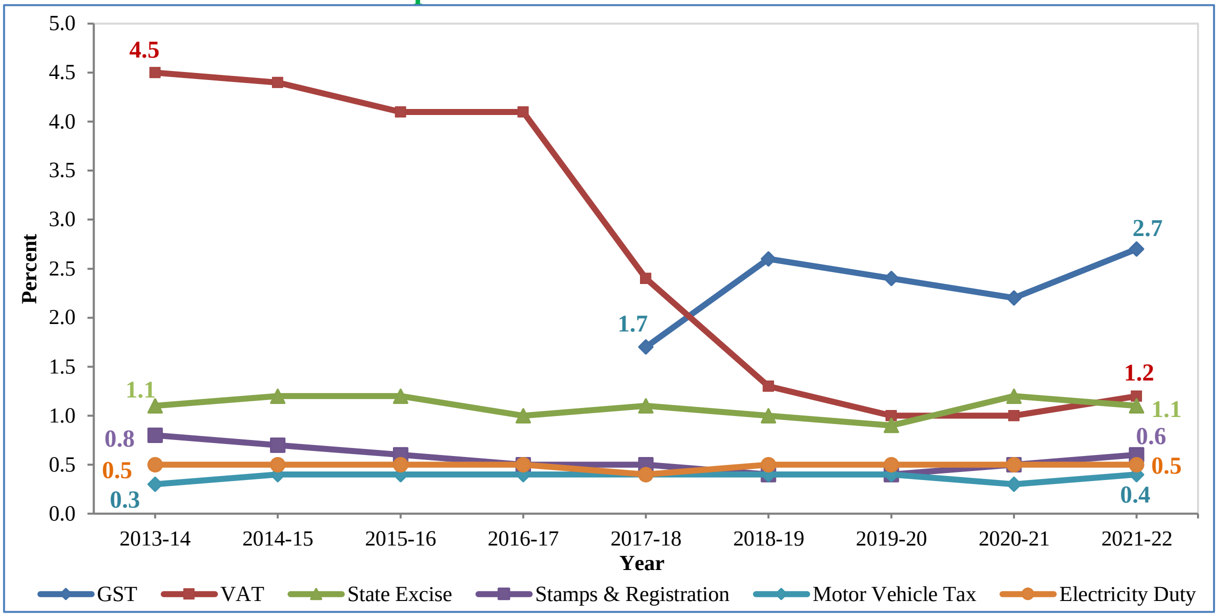
(₹ crore)



Source: Finance Accounts of AG Punjab; 2021-22 (AG Initial Accounts); ESO, DoP, GoP; MoF, GoI.

2.17 Chart 2.6 shows the State's total Own Tax Revenue Receipts (OTR) and OTR as % of GSDP for the period 2011-12 to 2021-22. It can be clearly seen that State's OTR as percentage of GSDP has declined over the years.

Chart 2.7: Components of Own Tax Revenue as % of GSDP



Source: Finance Accounts of AG Punjab; 2021-22 (AG Initial Accounts); ESO, DoP, GoP; MoF, GoI.

2.18 Chart 2.7 above clearly shows the inability of previous Governments to raise internal resources. The less than expected buoyancy in VAT, State Excise, Taxes on Vehicles and Stamps and Registrations is a telltale signal of market failure, mismanagement and faulty policies across these revenue generating sectors.

GST- Fall off the Cliff scenario

2.19 Since introduction of GST in 2017-18 (w.e.f. 1st July, 2017), the GST revenue of the State (SGST + IGST + Compensation) has gone up from ₹ 11,934 crore to ₹ 33,404 crore in FY 2021-22. However, the State's own GST collections have fallen short of the Protected Revenue guaranteed by GoI. As such, the high share of compensation in the overall receipts is a very worrying indicator which currently stands at 49.62% in 2021-22 from 33.83% in 2017-18 (Table 2.5). GST compensation comprised 59% of the total GST revenue in FY 2020-21.

2.20 There were no attempts or incentive to increase the revenue of the State by the previous Government. It will not be amiss to say that the lack of planning and efforts to consolidate revenue in preparation for end of GST compensation regime has put the State in a compromising situation.

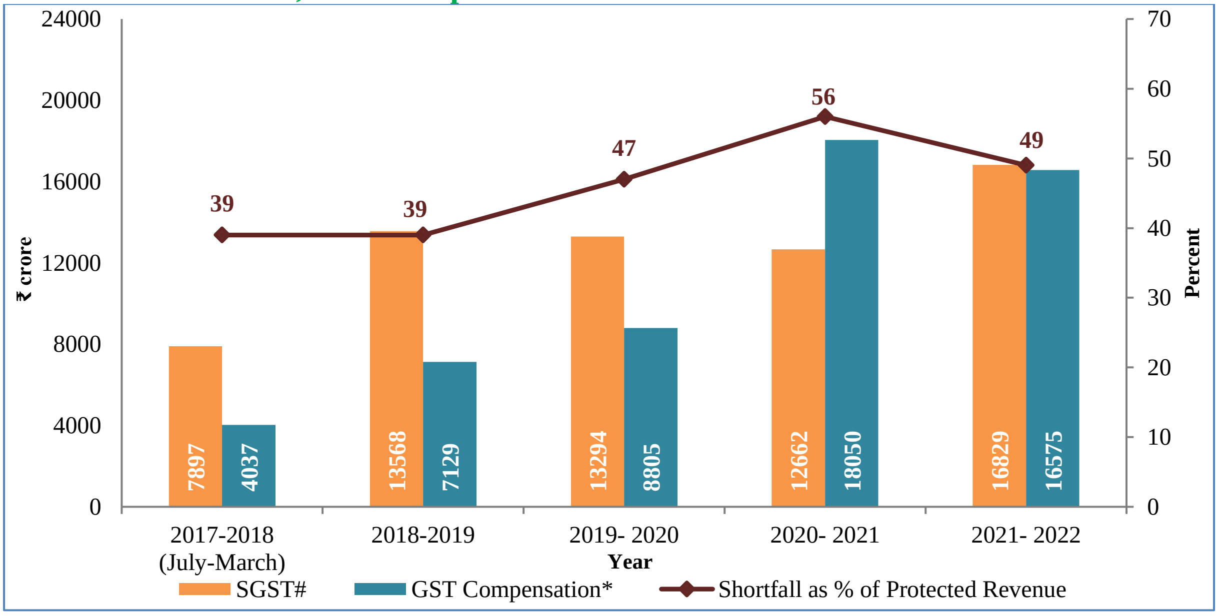
Table 2.5: Contribution of SGST and GST Compensation

Year	SGST # (₹ crore)	% of GST Revenue	GST Compensation* (₹ crore)	% of GST Revenue	GST Revenue (₹ crore)
1	2	3 (2/6)	4	5 (4/6)	6 (2+4)
2017-18	7897	66.17%	4037	33.83%	11934
2018-19	13568	65.56%	7129	34.44%	20697
2019-20	13294	60.16%	8805	39.84%	22099
2020-21	12662	41.23%	18050	58.77%	30712
2021-22	16829	50.38%	16575	49.62%	33404
Total	**64250**	**54.06%**	**54596**	**45.94%**	**118846**

Source: Department of Excise and Taxation, GoP.
Note: #SGST includes IGST Provisional and Adhoc IGST.
**GST Compensation inclusive of Back-to-Back Loans received from GoI.*

2.21 The year-wise SGST collections, GST Compensation and Shortfall as % of Protected Revenue over the last 5 years is reflected in Chart 2.8 below:

Chart 2.8: SGST, GST Compensation and Shortfall as % of Protected Revenue



Source: Department of Excise and Taxation, GoP.
Note: #SGST includes IGST Provisional and Adhoc IGST.
**GST Compensation inclusive of Back-to-Back Loans received from GoI.*

2.22 The GST Compensation regime is ending in June, 2022 and based on the trends of previous years, the State Government would be staring down a big hole left in its finances to the tune of ₹ 14,000 - 15,000 crore in FY 2022-23 itself i.e. ₹ 20,000 - 21,000 crore per annum. This is a "Fall off the Cliff" scenario for the State[2].

State's Own Non-Tax Revenue

2.23 The second component of State's stream of Revenues i.e. State's Own Non-Tax Revenue is in doldrums. The revenue in absolute figures has increased by a meager ₹ 791 crore i.e. from ₹ 3,973 crore in 2006-07 to ₹ 4,764 crore in 2021-22 (Table 2.6). Though the receipts of FY 2018-19 and FY 2019-20 show a substantial increase, however the same is just a window dressing of the accounts done by the previous Government by showing the receipts from Rural Development Fund (RDF) against payment made under Crop Loan Waiver Scheme.

Table 2.6: Contribution of State's Own Non-Tax Revenue

Year	State Own Non-Tax Revenue (₹ crore)	% of Total Revenue Receipts
2006-07	3973	24%
2007-08	5254	27%
2008-09	5784	28%
2009-10	5653	26%
2010-11	5330	19%
2011-12	1398	5%
2012-13	2629	8%
2013-14	3191	9%
2014-15	2880	7%
2015-16	2650	6%
2016-17	5863	12%
2017-18	4318	8%
2018-19	7582	12%
2019-20	6654	11%
2020-21	4152	6%
2021-22	4764	6%

Source: Finance Accounts of AG Punjab; 2021-22 (AG Initial Accounts).

[2] *State's Memorandum submitted to Government of India and GST Council on Subject: A Case for Extending Goods and Services Tax (GST) Compensation: Punjab.*

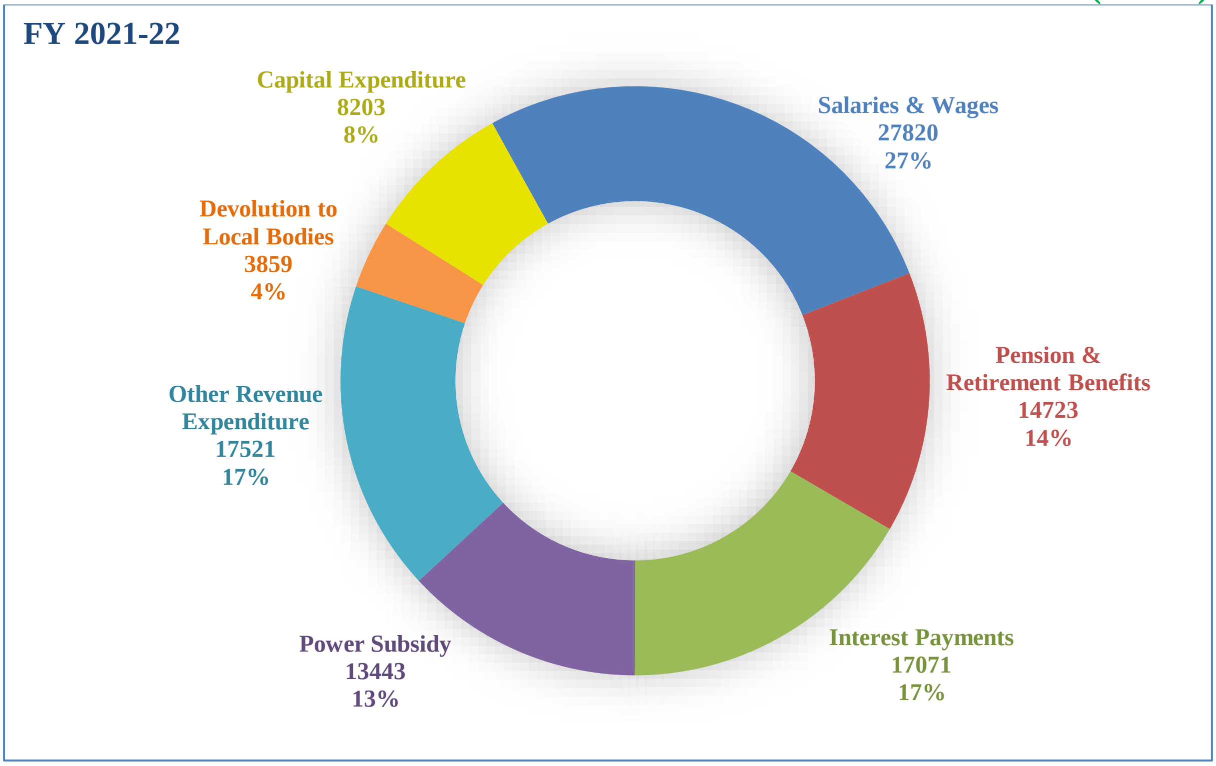
2.24 Mining, though considered to be one of the highest revenue generating source of State's Own Non-Tax Revenue, shows completely opposite picture in case of Punjab with the revenues from mining being extremely low, i.e. ₹ 137 crore during 2021-22. This is indicative of faulty policy, lack of enforcement and mismanagement in the mining sector and calls for a comprehensive re-visit of the mining sector.

Total Expenditure

2.25 Chart 2.9 below depicts the composition of Total Expenditure for the FY 2021-22. It is critical to examine the nature and quality of Expenditure done by the previous Government. It is true that it may not be possible to influence items like Salaries, Pension & Retirement Benefits and Interest Payments but other Revenue Expenditure can be modulated without any adverse impact on development.

Chart 2.9: Composition of Total Expenditure

(₹ crore)

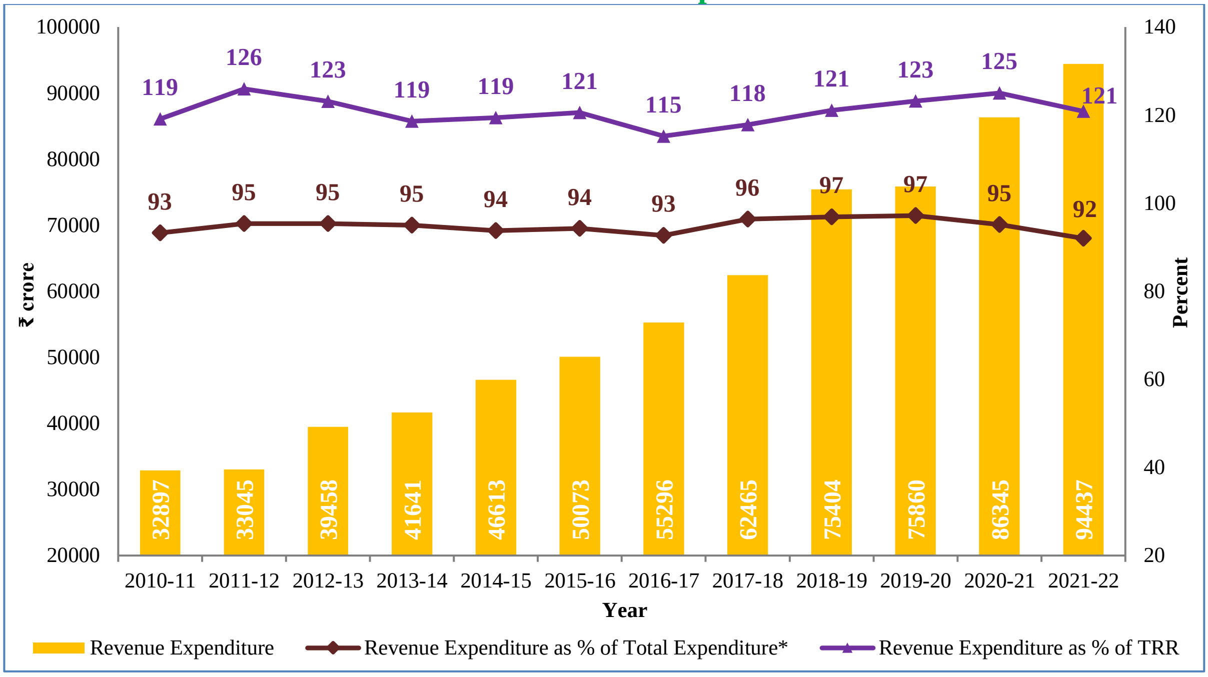


Source: AG Initial Accounts; IFMS Punjab.
Total Expenditure=Revenue Expenditure+ Capital Expenditure.

Revenue Expenditure

2.26 Government Expenditure can be classified into Revenue and Capital Expenditure. The Revenue Expenditure of the State has increased at an alarming rate of 187% from ₹ 32,897 crore in 2010-11 to ₹ 94,437 crore in 2021-22, as evident in Chart 2.10 below. Moreover, it is pertinent to note that Revenue Expenditure as a percentage of Total Expenditure has remained consistently above the 90% mark and as a percentage of Total Revenue Receipts has remained at more than 115% mark, thereby leaving very little scope for developmental expenditure.

Chart 2.10: Revenue Expenditure



Source: Finance Accounts of AG Punjab; 2021-22 (AG Initial Accounts).
Total Expenditure = Revenue Expenditure + Capital Expenditure*
*Note: **Capital Expenditure for 2019-20 has been taken net of equity conversion of UDAY Bonds ₹ 15628.26 crore.*

2.27 Table 2.7 shows the breakup of Revenue Expenditure in the State on the major components viz. Salaries and Wages, Pension and Retirement Benefits, Interest Payments, Power Subsidy and Other Revenue Expenditure. The trend of the State's Revenue Expenditure shows that the Revenue Expenditure has increased from ₹ 18,544 crore (2006-07) to ₹ 94,437 crore (2021-22) i.e. an increase of 409%. During the same period, Committed Expenditure rose from ₹ 13,397 crore to ₹ 59,614 crore (i.e. an increase of 345%), and the expenditure on power subsidy has increased from ₹ 1,424 crore to ₹ 13,443 crore (i.e. an increase of 844%). The Total Revenue Expenditure in all these years had been higher than the Total Revenue Receipts, thus indicating that the Expenditure has grown faster than the Receipts, leading to Revenue Deficits.

Table 2.7: Components of Revenue Expenditure

(₹ crore)

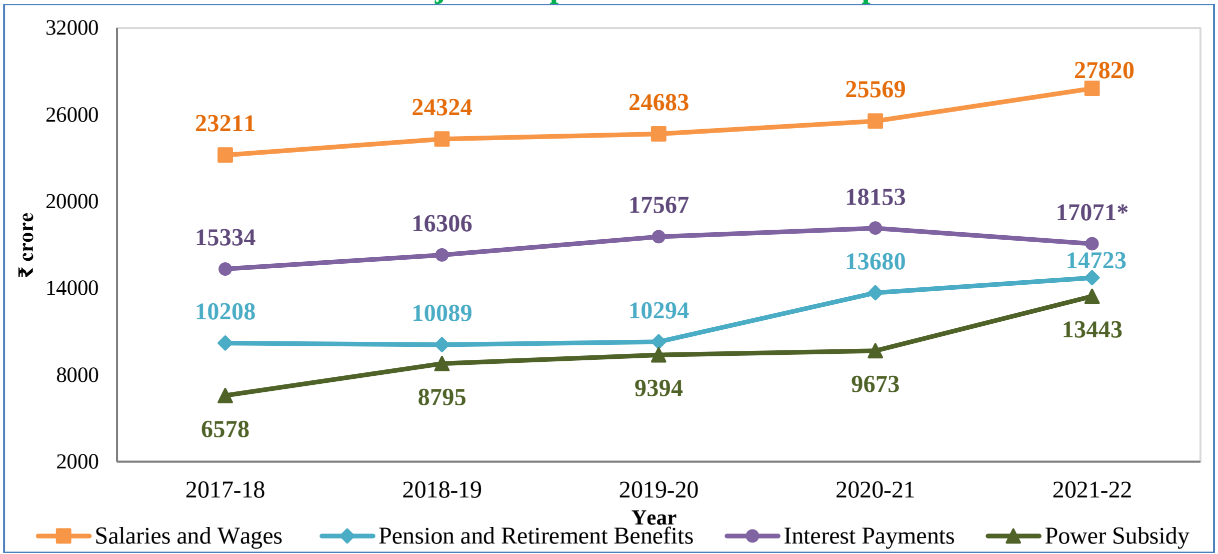
Year	Salaries & Wages	Pension & Retirement Benefits	Interest Payments	Committed Expenditure	Power Subsidy	Other Rev Exp.	Total Revenue Expenditure
1	4	3	2	5 (2+3+4)	6	7	8 (5+6+7)
2006-07	7340	1905	4152	**13397**	1424	3723	**18544**
2007-08	7450	2433	4527	**14409**	2848	5803	**23061**
2008-09	7979	2830	4902	**15711**	2602	6257	**24569**
2009-10	9583	3357	5011	**17952**	2874	6582	**27408**
2010-11	11591	5309	5515	**22416**	3376	7106	**32897**
2011-12	14214	5657	6280	**26151**	3200	3694	**33045**
2012-13	16921	5966	6831	**29718**	5059	4680	**39458**
2013-14	17756	6277	7820	**31853**	4815	4972	**41641**
2014-15	19504	7249	8960	**35714**	4642	6258	**46613**
2015-16	20550	7833	9782	**38165**	4847	7062	**50073**
2016-17	21727	8773	11642	**42142**	5601	7553	**55296**
2017-18	23211	10208	15334	**48753**	6578	7134	**62465**
2018-19	24324	10089	16306	**50719**	8795	15889	**75404**
2019-20	24683	10294	17567	**52544**	9394	13921	**75860**
2020-21	25569	13680	18153	**57402**	9673	19270	**86345**
2021-22	27820	14723	17071*	**59614**	13443	21380	**94437**

Source: Finance Accounts of AG Punjab;2021-22 (AG Initial Accounts); IFMS Punjab.
*Note: *Excludes Interest on Public Account (2021-22 RE-₹ 19,153 crore).*

2.28 Punjab's condition can be explained as a fiscal straight jacket, with no fiscal space, as committed expenditure on Salaries and Wages, Pension & Retirement Benefits and Interest Payments as percentage of Total Revenue Receipts ranged between 81.45% and 99.68% during 2011-12 and 2020-21, averaging around 89.63%.

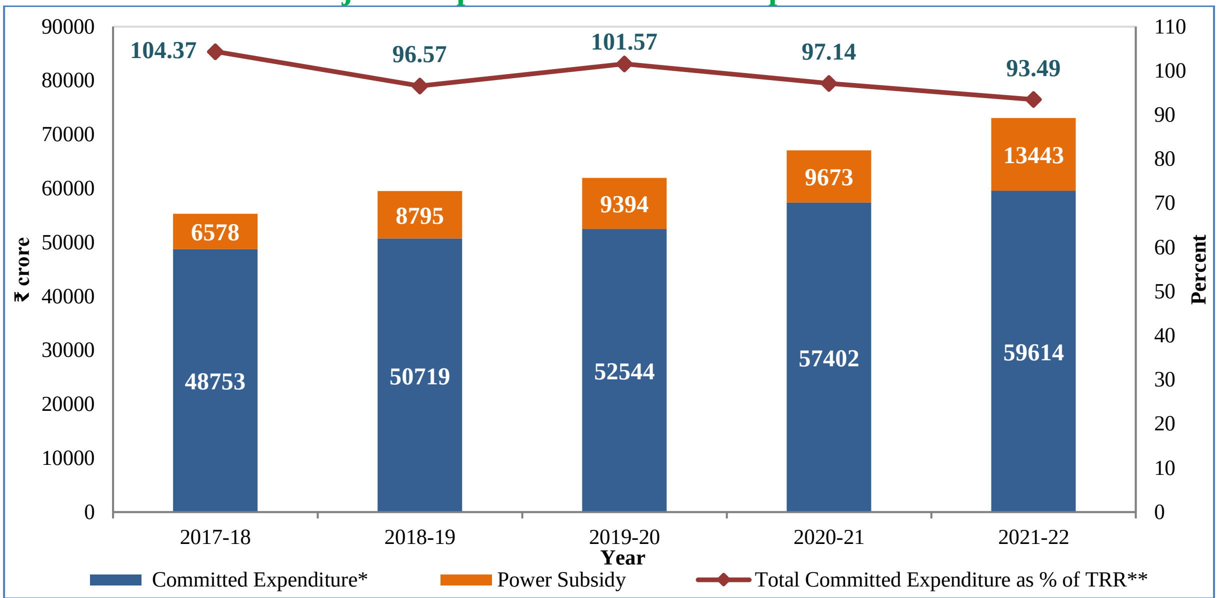
2.29 In 2021-22, 76.29% of Total Revenue Receipts was spent on Committed Expenditure. However, the promised subsidies continue to exhibit similar characteristics to that of the aforementioned expenditure and if considered as part of committed expenditure, this together accounts for 93.49% of the Total Revenue Receipts of the State. These ballooning committed liabilities, depicted in Charts 2.11 and 2.12 below, in the absence of revenue augmenting resources are draining the State exchequer.

Chart 2.11: Major Components of Revenue Expenditure



Source: Finance Accounts of AG Punjab; 2021-22 (AG Initial Accounts); IFMS Punjab.
*Note: *Excludes Interest on Public Account (2021-22 RE-₹ 19,153 crore)*

Chart 2.12: Major Components of Revenue Expenditure as % of TRR

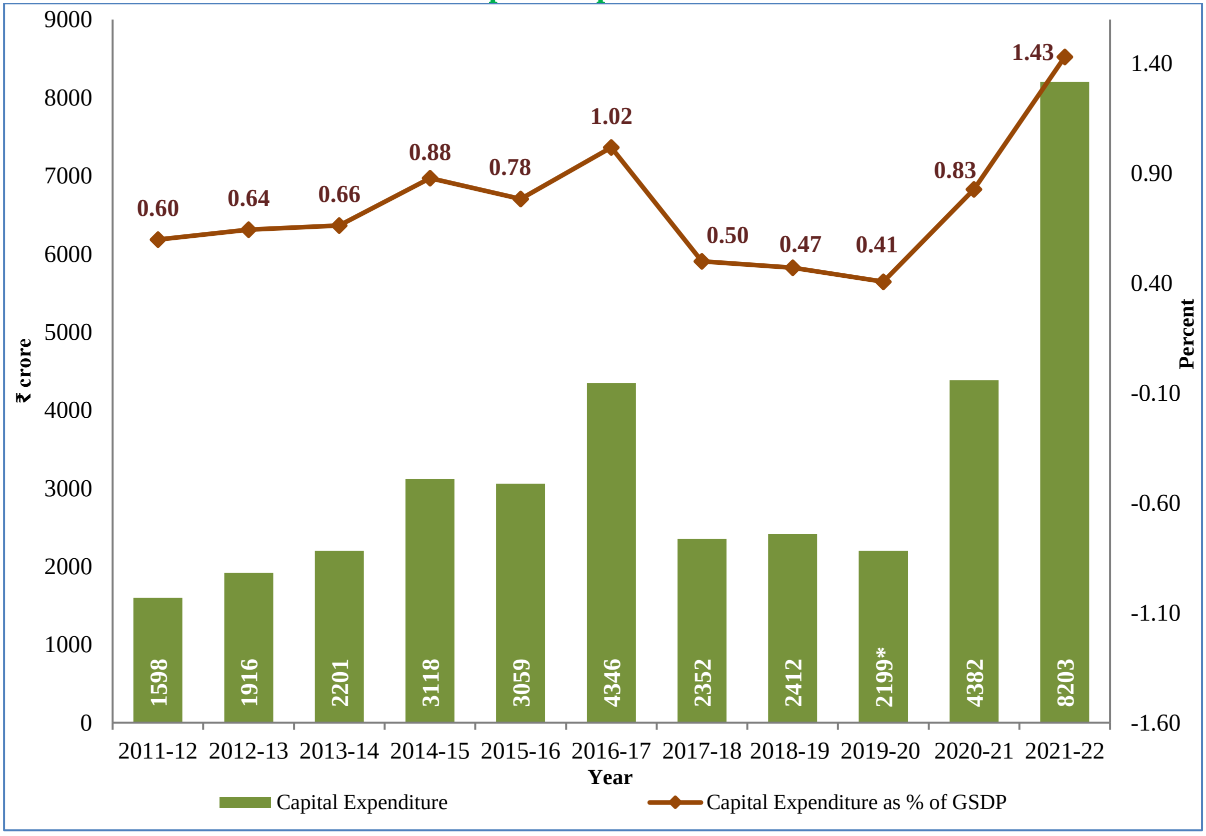


Source: Finance Accounts of AG Punjab; 2021-22 (AG Initial Accounts); IFMS Punjab.
**Committed Expenditure includes Salaries & Wages, Pension & Retirement Benefits and Interest Payments*
*** Total Committed Expenditure= Committed Expenditure + Power Subsidy*

Miniscule Capital Expenditure

2.30 During 2011-12 to 2021-22, capital expenditure ranged between 0.41% to 1.43% of the GSDP (Chart 2.13). However, it was mostly below 1% of GSDP, reaching as low as 0.41% during 2019-20, probably the lowest amongst states.

Chart 2.13: Capital Expenditure as % of GSDP



Source: Finance Accounts of AG Punjab;2021-22 (AG Initial Accounts).
*Note: *Net of Equity conversion of UDAY Bonds ₹ 15628.26 crore.*

2.31 As per AG Accounts, capital expenditure during the year 2019-20 was ₹ 17,827.73 crore but a closer look would yield this amount included capital expenditure of ₹ 15,628.26 crore on account of equity conversion of UDAY Bonds, thus translating to 88% of total Capital Expenditure of that year. Thus the effective Capital Expenditure was only 0.41% of GSDP implying that not only the actual Capital Expenditure was low, also the quality of such Capital Expenditure is questionable.

Table 2.8: Capital Expenditure

(₹ crore)

Year	Capital Expenditure	Total Expenditure	Capital Expenditure as % of Total Expenditure
2016-17	4,346	59642	**7.29%**
2017-18	2,352	64817	**3.63%**
2018-19	2,412	77816	**3.10%**
2019-20*	2,199	78059	**2.82%**
2020-21	4,382	90727	**4.83%**
2021-22	8203	102640	**7.99%**

Source: Finance Accounts of AG Punjab;2021-22 (AG Initial Accounts).
*Note: * Excluding ₹ 15,628.26 crore of UDAY bonds converted into Equity; Total Expenditure= Revenue + Capital Expenditure*

2.32 It is apparent from Table 2.8 above that a very small portion of Total Expenditure was spent on creation of capital assets. The less than required Capital Expenditure has resulted in non-creation of quality infrastructure in the State, which further deprived the State exchequer of future revenue.

Revenue Deficit and Fiscal Deficit

2.33 Revenue Deficit (RD) depicts the gap between the Revenue Receipts and Revenue Expenditure of the State. As per the Fiscal Responsibility and Budget Management (FRBM) Act, 2003, states should aim for a revenue neutral or revenue surplus budget. A careful analysis of last 15 years will reveal that not only has Punjab clocked consistent Revenue Deficit, it is also on the higher side amongst the other General Category States (GCS).

2.34 Delving further into the Revenue Deficit reveals that RD as % of FD has remained fairly high at an average of 69.76% over last 5 years and reaching as high as 84.90% of Fiscal Deficit in 2019-20. This effectively means that on an average around 70% of fresh debt contracted every year was diverted towards Revenue Deficit financing leading to lesser resources being available for high quality Capital Expenditure as evident from Table 2.9.

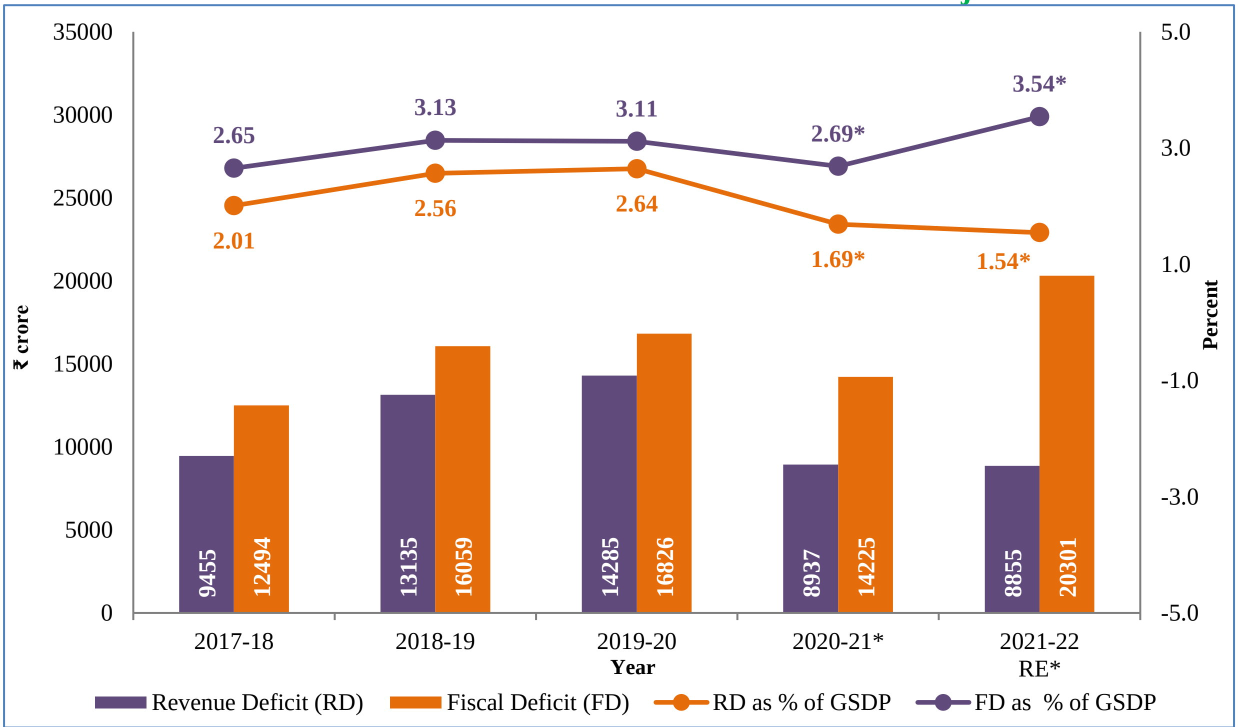
Table 2.9: Revenue Deficit and Fiscal Deficit of Punjab

(₹ crore)

Year	Revenue Deficit (RD)	RD as % of GSDP	Fiscal Deficit (FD)	FD as % of GSDP	GSDP	RD as % of FD
2016-17	7311	1.71%	52840	12.37%	426988	13.84%
2017-18	9455	2.01%	12494	2.65%	471014	75.68%
2018-19	13135	2.56%	16059	3.13%	512510	81.79%
2019-20	14285	2.64%	16826	3.11%	540224	84.90%
2020-21*	8937	1.69%	14225	2.69%	529703	62.83%
2021-22 RE*	8855	1.54%	20301	3.54%	573763	43.62%

Source: Finance Accounts of AG Punjab; State Budget Document; ESO, DoP, GoP;MoF, GoI.
*Note: *Effective Revenue Deficit and Effective Fiscal Deficit - Considering ₹ 8,359 Cr (2020-21) and ₹ 12,132 Cr (2021-22 RE) as part of Revenue Receipts as against Back-to-Back Loans received from GoI in lieu of GST Compensation.*

Chart 2.14: Revenue Deficit and Fiscal Deficit of Punjab



Source: Finance Accounts of AG Punjab; State Budget Document; ESO, DoP, GoP; MoF, GoI.
*Note: * Effective Revenue Deficit and Effective Fiscal Deficit - Considering ₹ 8,359 Cr (2020-21) and ₹ 12,132 Cr (2021-22 RE) as part of Revenue Receipts as against Back-to-Back Loans received from GoI in lieu of GST Compensation.*

2.35 The Revenue Deficit seems to be depicting a decline in FY 2020-21 and FY 2021-22 over previous years, however, one of the primary element which should not be ignored is the receipt of Revenue Deficit Grant as recommended by the XV Finance Commission amounting to ₹ 7,659 crore in FY 2020-21 and ₹ 10,081 crore in FY 2021-22.

2.36 From the Revenue Deficit figures, it is clear that the Government has been incurring high revenue expenditure over the last few years. The real issue however has been the inelastic and committed nature of this expenditure.

2.37 On the Fiscal Deficit front, the State's Fiscal Deficit as % of GSDP has been generally more than 3%. However, due to issuance of UDAY bonds and CCL loan, this ratio jumped to 12.37% in 2016-17. For 2021-22 (RE), this ratio is 3.54% (Chart 2.14).

Reckless Spending in Tough Times

2.38 In an attempt to salvage its political fortunes, the previous Government resorted to reckless spending during the fag end of its tenure. Change at the helm of affairs of the State in previous regime came at a huge cost to State exchequer, courtesy various one-time measures, and other decisions that has impacted the future resources of the State. Since September 20, 2021, a total of ₹ 9,047 crore (approx.) worth of schemes/one-time settlements/waivers were announced by the previous Government in a desperate attempt to consolidate the voters in the State and has put enormous burden on the already fiscally strained State Treasury. The schemes / waivers so announced not only resulted in decreased Revenue Receipts and increased Revenue Expenditure on a one time basis but it would also impact Receipts / Expenditure on a recurring basis.

2.39 To name a few, announcements were made regarding reduction in power prices/water charges, cut in petrol/diesel prices, and VAT Settlements. All these decisions had financial implication on the State's Revenue Receipts, and therefore were at the expense of present and future resources of the State only to achieve political mileage.

2.40 Another case in study could be discretionary grants of Ministers. At the beginning of year 2021-22, the discretionary grant provided for Chief Minister of the State and for Cabinet Ministers was ₹ 50 crore and ₹ 5 crore respectively. However, during the fag end of the previous Government, additional funds to the tune of ₹ 150 crore were released as Chief Minister discretionary grant and ₹ 17.50 crore were released for seven new Cabinet Ministers. This reckless spending in these tough financial times when the State is still recovering from the after-effects of COVID-19 speaks volumes on the expenditure priorities and fiscal management capabilities of the outgoing Government.

Conclusion/Way Forward

2.41 The fiscal metrics, over the last two decades, lead to the undeniable conclusion that the State Finances are in a free fall, and further with the GST Compensation regime ending in June, 2022 and seeing a “Fall off the Cliff” scenario and revenue shortfall of ₹ 15,000 crore (estimated) during 2022-23 and ₹ 21,000 crore (approx.) per annum thereafter, the daunting challenge of managing State’s fiscal health is the cause of worry for the State. The State's fiscal is inflicted with a deep-rooted structural imbalance and, if no corrective measures are taken, it will take a heavy toll on the future development of the State.

2.42 Revenue mobilization, post GST regime implementation remained muted and sluggish at best while expenditure, especially the non-productive revenue expenditure ballooned. Political priorities of subsequent Governments overlooked financial logic and regard for future growth of the State. The ever increasing gap between the receipts and expenditure was filled year-on-year by taking hefty amount of debt. This debt further widened the gap and pushed the State in the current fiscally stressed situation.

2.43 To revive Punjab to its glory days, serious relook into the expenditure commitments coupled with direct revenue enhancement measures needs to be done. To consolidate the State finances, fillip economic revival and growth and reduce reliance on debt, structural and policy initiatives are required with unheard levels of ground-level enforcement.

CHAPTER 3: STATE’S LEGACY DEBT BURDEN

3.1 Economic theory states that debt is sustainable if the rate of growth of nominal GSDP is more than the rate of interest and the primary balance is positive. However, this thesis does not hold good in respect of states like Punjab, which carry a huge interest burden of accumulated historical debt and has a low tax buoyancy. No wonder, despite fulfilling both the conditions (higher nominal GSDP growth rate and positive primary balance) during 2017-18, 2018-19 and 2019-20, Punjab’s debt woes only multiplied.

Debt Profile of the State

3.2 Today, Punjab has total outstanding liabilities of ₹ 2,63,265 crore as on March 31, 2022 (RE) which translates into Outstanding Debt-to-GSDP ratio of 45.88%. In the last five years, the Debt of the State has grown by 44.23% translating into a compounded growth rate of 7.60% per annum. Not only is such high level of debt unsustainable from a servicing perspective, but it also puts a tremendous pressure on present and future expenditure capabilities of the State.

3.3 The State is in a classical debt trap i.e. a significant portion of the annual Gross Debt/Borrowings contracted by the Government is being applied towards repayment of the old debt and interest payments and not for the future development and prosperity of the State. Net fund availability to the State after repayment of principal and interest of legacy debt since 2010-11 is a very small portion of State’s gross borrowings and in certain years has ventured into the negative territory, as evident from Table 3.1 and Chart 3.1.

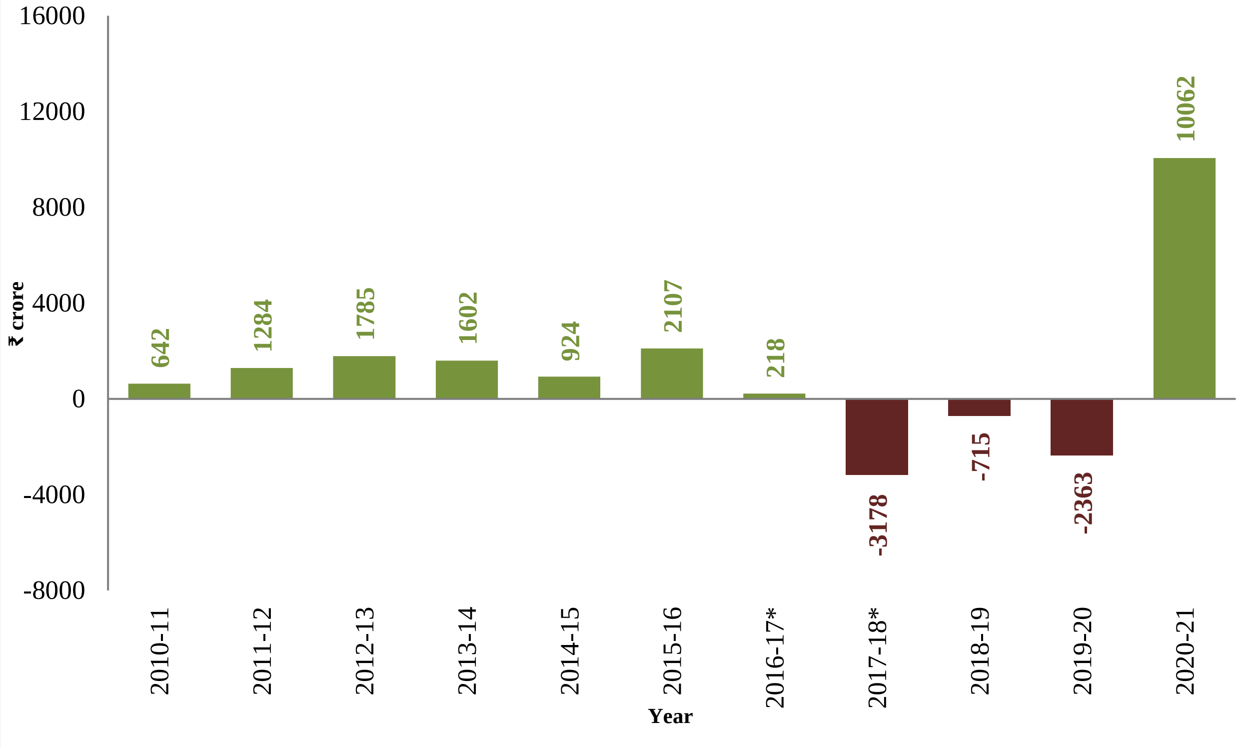
Table 3.1: Year–wise Net Fund Availability

(₹ crore)

Fiscal Year	Gross Borrowings	Principal Repayment	Interest Servicing	Net Fund Availability
1	2	3	4	5 (2-3-4)
2010-11	8497	2340	5515	642
2011-12	10239	2675	6280	1284
2012-13	12290	3674	6831	1785
2013-14	13072	3650	7820	1602
2014-15	13098	3214	8960	924
2015-16	15719	3830	9782	2107
2016-17*	15910	4050	11642	218
2017-18*	19643	7487	15334	-3178
2018-19	24202	8611	16306	-715
2019-20	27822	12618	17567	-2363
2020-21	41540	13325	18153	10062

Source: Finance Accounts of AG Punjab.
*Note: *Excluding CCL and UDAY Loans.*

Chart 3.1: Year-wise Net Fund Availability



Source: Finance Accounts of AG Punjab.
*Note: *Excluding CCL and UDAY Loans.*

3.4 Another way of looking at the debt trap is the worsening debt service ratio (ratio of interest to State's own revenue receipts), which was 31.03% in 2011-12 and stood at 43.05% in 2021-22 (RE).

3.5 The Outstanding Debt of the State has increased from ₹ 1,009 crore in 1980-81 to ₹ 83,099 crore in 2011-12 and further to ₹ 2,63,265 crore in 2021-22 (RE). The growth rate of debt burgeoned to 41.67% in 2016-17 primarily on account of issuance of UDAY Bonds and conversion of Cash Credit Limit (CCL) gap on procurement of food grains into a Long-Term Loan. The accumulation of debt from 1980 onwards is clearly brought out in Table 3.2 and growth rate of Outstanding Debt has been presented in Chart 3.2.

Table 3.2: Outstanding Debt (including Reserves and Deposits)

(₹ crore)

Year	Total Outstanding Debt	% increase
1980-81	1009	-
1990-91	7102	21.55 (CAGR)
2000-01	29099	15.15 (CAGR)
2010-11	74777	9.90 (CAGR)
2011-12	83099	11.13
2012-13	92282	11.05
2013-14	102234	10.78
2014-15	112366	9.91
2015-16	128835*	14.66
2016-17	182526**	41.67
2017-18	195152	6.92
2018-19	211917	8.59
2019-20	229354	8.23
2020-21	249673#	8.86
2021-22 (RE)	263265#	5.44

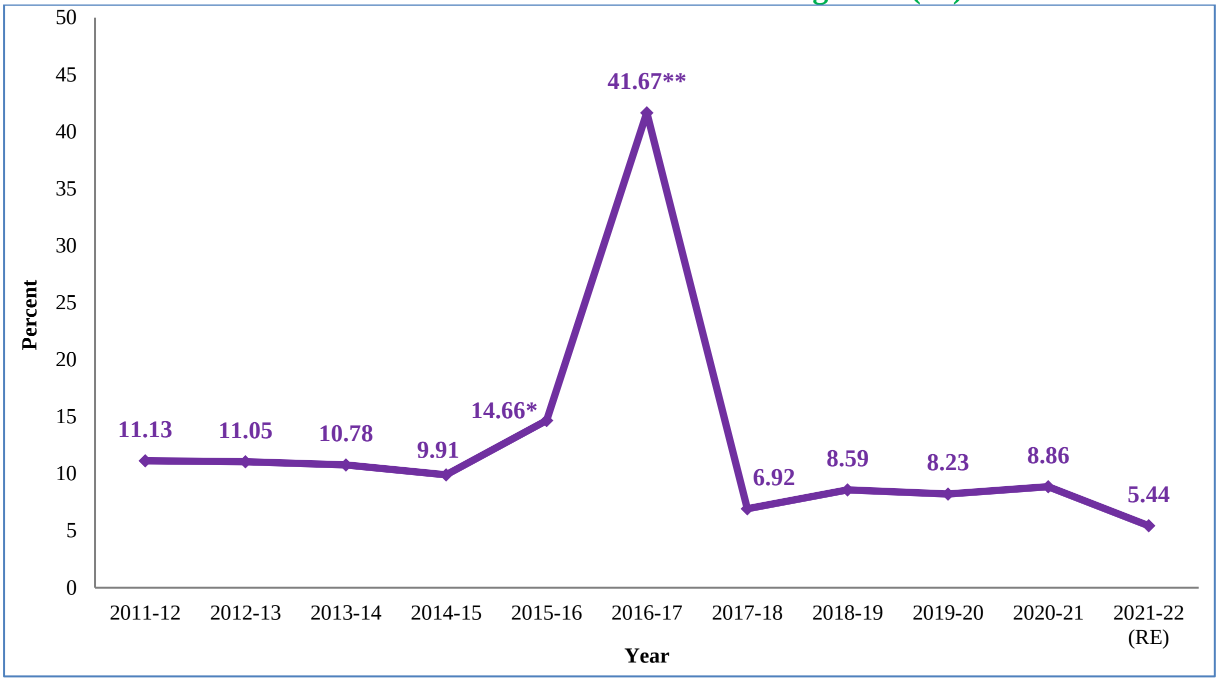
Source: RBI State Finances –A Study of Budgets (Various Years); State Budget Document.

*Note: * Including UDAY Bonds ₹ 5,597.07 crore.*

*** This abnormal increase is on account of UDAY Bonds ₹ 10,031.19 crore, and conversion of ₹ 30,584.11 crore CCL gap for procurement of food grains and includes outstanding amount of ₹ 29,919.96 crore.*

#Excluding ₹ 8,359 crore (2020-21) and ₹ 20,491 crore in 2021-22 (₹ 8,359 crore of 2020-21+₹ 12,132 crore of 2021-22) received as Back-to-Back loans in lieu of GST Compensation.

Chart 3.2: Growth Rate of Outstanding Debt (%)



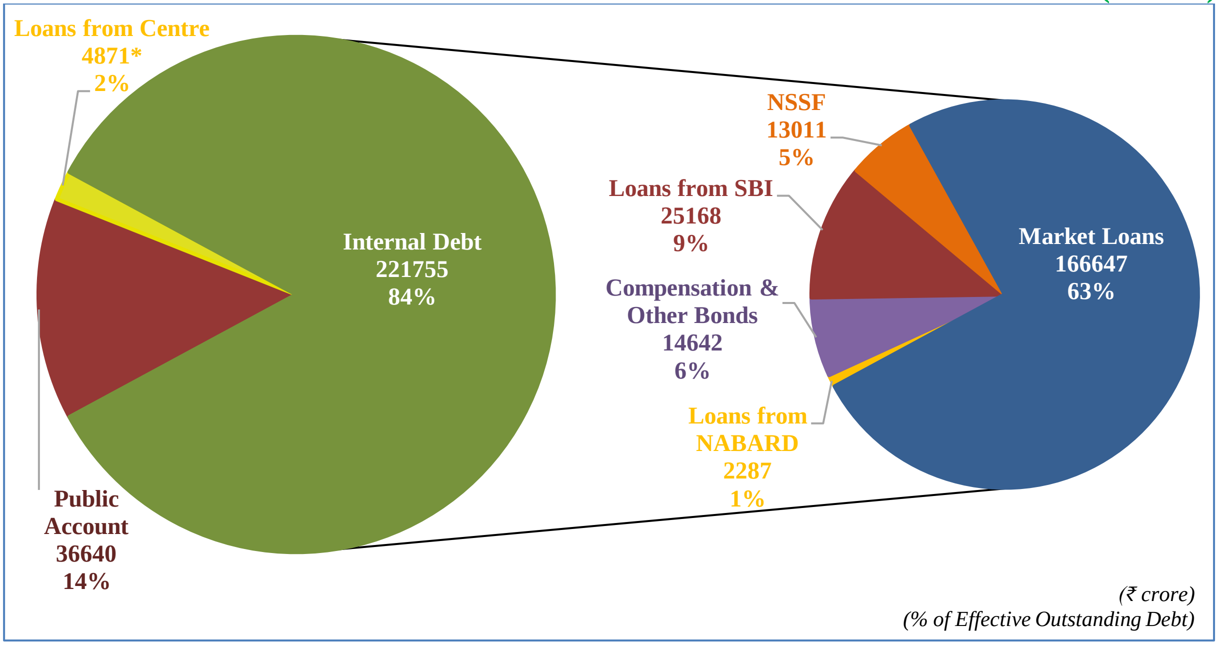
Source: Finance Accounts of AG Punjab; State Budget Document.
*Note: * Including UDAY Bonds ₹ 5,597.07 crore.*
*** This abnormal increase is on account of UDAY Bonds ₹ 10,031.19 crore, and conversion of ₹ 30,584.11 crore CCL gap for procurement of food grains, and includes outstanding amount of ₹ 29,919.96 crore.*

3.6 Debt Liabilities of the State, inter-alia, consist of Internal Debt of the State, Loans and Advances from Government of India and Public Account Liabilities. As the Revenue Receipts are not able to finance the State's entire Expenditure, over the years there has been a growing dependence on Public Debt as a major source of financing Government's Expenditure.

3.7 As depicted in Chart 3.3, Internal Debt and Public Account (incl. Reserve Funds and Deposits) constitute almost the entire Effective Outstanding Debt as on March 31, 2022. Loans from Centre have reduced in importance and currently comprise 1.85% of the Effective Outstanding Debt of the State. Internal Debt comprises 84.23%, while the remaining 13.92% is constituted of Public Account. As per the Revised Estimates of 2021-22, Market Loans are the major constituent at 63.30%, followed by Loans from SBI at 9.56%, Compensation and Other Bonds at 5.56% and NSSF loans at 4.94% of the Outstanding Debt. Over the years, market borrowings have gained prominence over all other sources of loans.

Chart 3.3: Composition of Effective Outstanding Debt as on March 31, 2022 (RE)

(₹ crore)



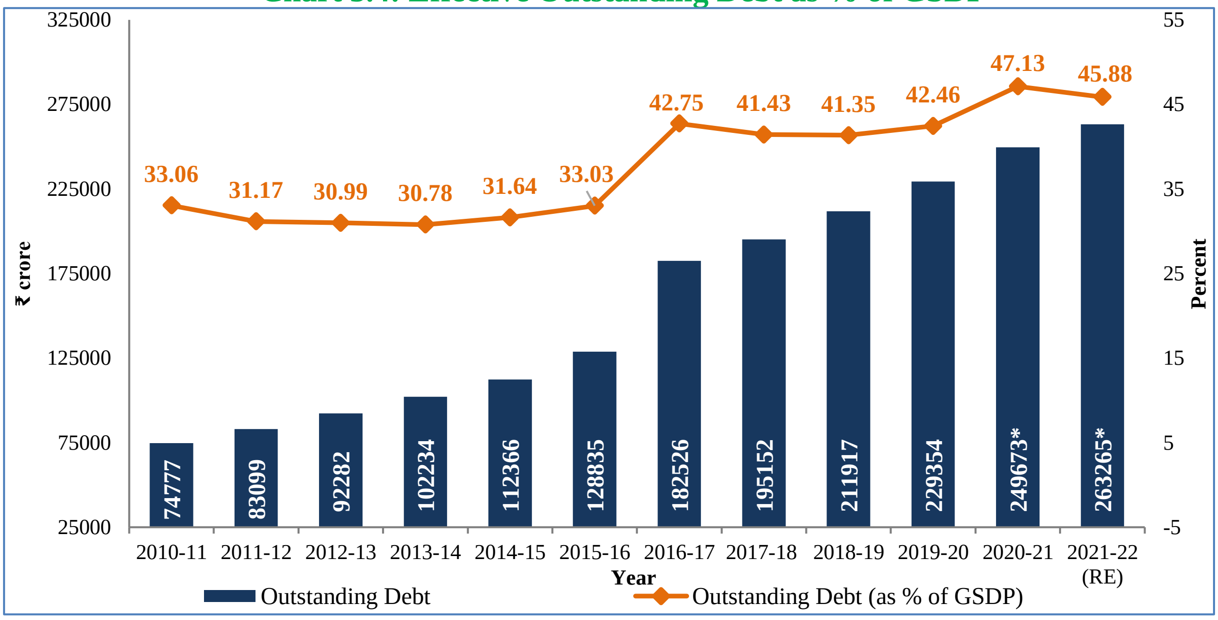
Source: State Budget Document.

*Note: * Excluding ₹ 20,491 crore received from GoI as Back-to-Back Loans in lieu of GST Compensation (₹ 8,359 crore and ₹ 12,132 crore received during 2020-21 and 2021-22 respectively).*

 # Comprising Public Account, Reserve Funds and Deposits.

3.8 The Debt to GSDP ratio has grown over the years. It was 33.06% 2010-11 and jumped to 42.75% in the year 2016-17 because of issue of UDAY bonds of and conversion of CCL gap into long term loan (details in subsequent paras). Currently the Effective Debt to GSDP ratio stands at 45.88% in 2021-22 as shown in Chart 3.4 below:

Chart 3.4: Effective Outstanding Debt as % of GSDP



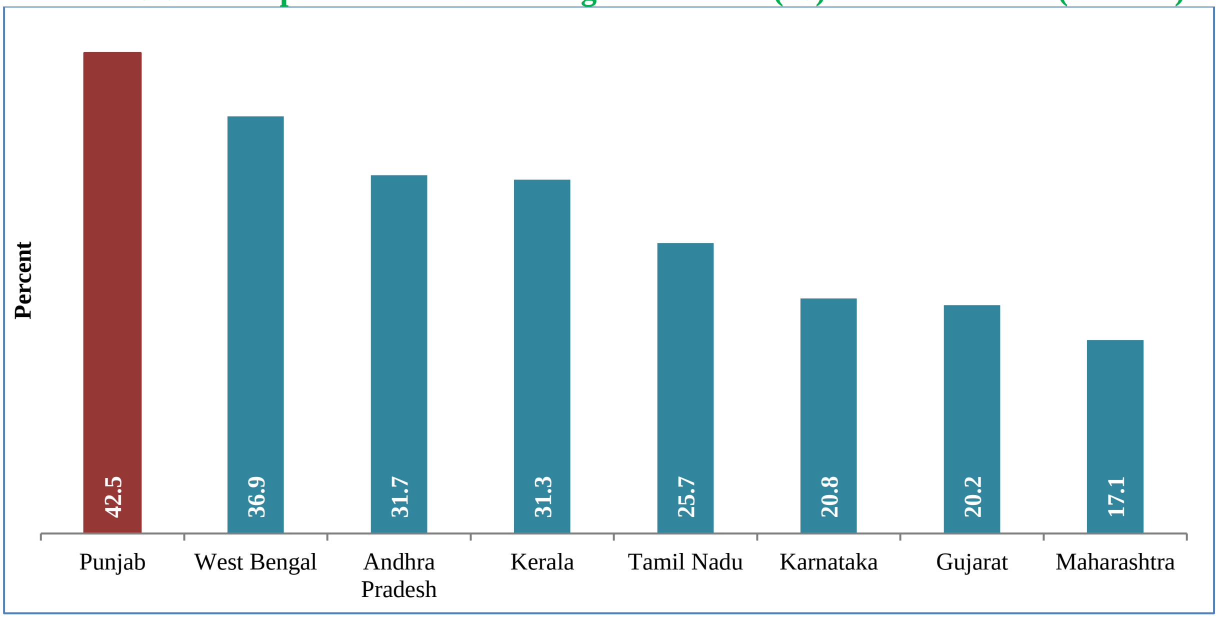
Source: Finance Accounts of AG Punjab; State Budget Document.

Note:# Excluding ₹ 8,359 crore (2020-21) and ₹ 20,491 crore in 2021-22 (₹ 8,359 crore of 2020-21+₹ 12,132 crore of 2021-22) received as Back-to-Back loans in lieu of GST Compensation.

3.9 Chart 3.5 highlights that Punjab's Outstanding Debt to GSDP ratio stood at 42.5% (2019-20) and is significantly higher than select General Category States (GCS), which also includes states such as Andhra Pradesh, West Bengal and Kerala which received Revenue Deficit Grants from XIV Finance Commission.

3.10 This ratio is significantly higher as compared to the prudent medium-term ceiling of 20% recommended by FRBM Review Committee for the states in its report titled "Responsible Growth: A Debt and Fiscal Framework for 21st Century India". Punjab is thereby undoubtedly a debt stressed State and requires immediate course correction measures in order to maintain its fiscal balance and sustainability.

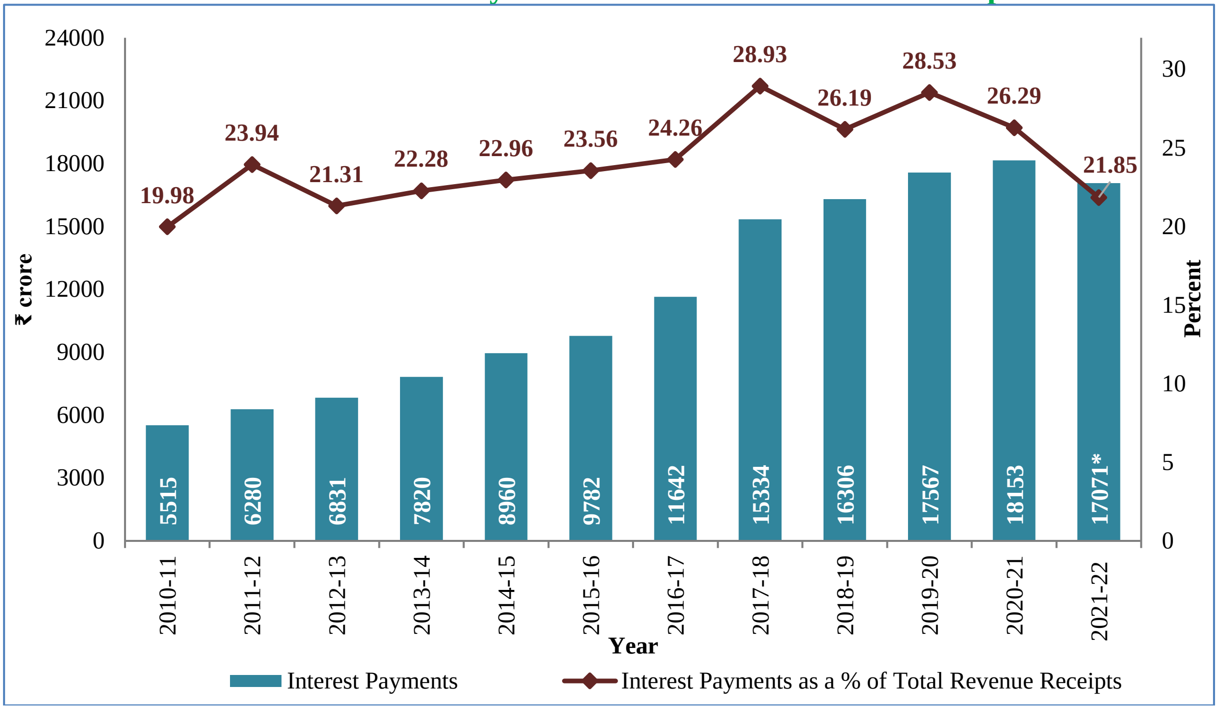
Chart 3.5: A Comparison of Outstanding Debt/GSDP (%) of selected GCS (2019-20)



Source: RBI State Finances –A Study of Budgets of 2021-22.

3.11 In case of Punjab, the ratio of Interest Payments to Total Revenue Receipts (Chart 3.6) has been increasing over the previous years. The impact of increase in interest liability due to CCL loan and UDAY bonds can be clearly seen in the ratio crossing 25% mark after 2016-17. Also, the ratio of Interest Payments to Total Revenue Receipts is way above 10% benchmark laid out in the XIV Finance Commission Report.

Chart 3.6: Interest Payments as % of Total Revenue Receipts



Source: Finance Accounts of AG Punjab;2021-22 (AG Initial Accounts).
*Note: * Excludes Interest on Public Account (2021-22 RE- ₹ 19,153 crore).*

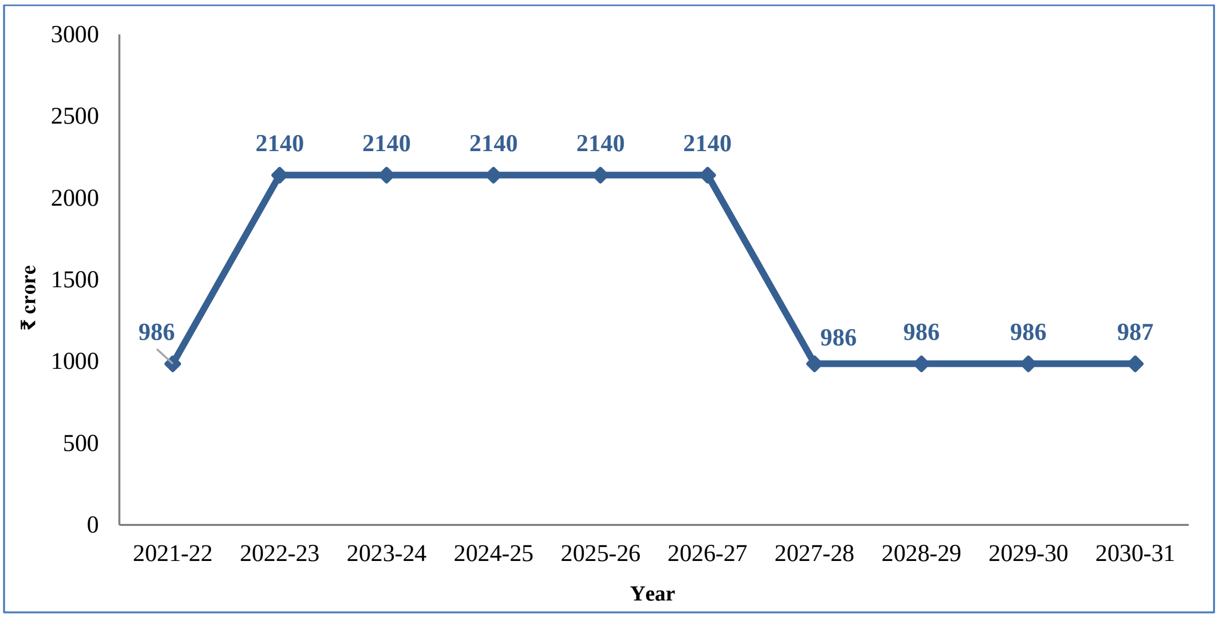
Financial Burden on account of Ujwal DISCOM Assurance Yojana (UDAY scheme)

3.12 Total debt taken over by the State under the UDAY scheme was ₹ 15,628.26 crore through Special State Development Loans (SDLs). Upon conversion of these loans into Equity as per UDAY-MoU, the principal and interest servicing of these loans fell directly upon the State exchequer starting FY 2020-21. On account of this, the State from its own sources will have to spend ₹ 19,605.36 crore from FY 2022-23 till FY 2030-31, out of which ₹ 14,642.35 crore is in principal repayment and ₹ 4,963.01 crore in interest.

3.13 Chart 3.7 highlights the maturity profile of UDAY Loans. The burden of repayment commenced from 2021-22 and the last payment will be in 2030-31. Furthermore, it is evident that from 2022-23 to 2026-27, the State will be burdened with annual repayment of ₹ 2140 crore, and from 2027-28 to 2030-31 of ₹ 986 crore on these loans, in addition to recurring interest payment on the same.

Chart 3.7 Maturity Profile of UDAY Loans

(₹ crore)



Source: Department of Finance (Budget Branch), GoP.

3.14 However, since the takeover of debt under UDAY, PSPCL has reported a total of ₹ 4,939 crore in losses during the period 2016-17 to 2019-20 and losses of ₹ 821.05 crore have been taken over and funded by the State. PSPCL has a total debt of ₹ 17,324.47 crore as on 31st March, 2022 (provisional) which is perilously close to debt level of ₹ 20,837 crore at the time of introduction of scheme.

Burden by Conversion of Cash Credit Limit (CCL) gap of ₹ 30584.11 crore to Long Term Loan

3.15 State Government was burdened with the conversion of the whopping CCL gap of ₹ 30,584.11 crore into a clean term loan against a principal amount of ₹ 12,161 crore, and ₹ 18,423 crore has been levied as interest by the banks. The long term CCL debt has been forced on the State Government at an interest rate of 8.25%, whereas the average cost of market borrowings for the State was 7.38% in 2016-17 and 7.69% in 2017-18. With constant persuasion with the consortium of banks, the interest rate on CCL long term loan has been revised to 7.35% recently in March, 2022.

3.16 The State has been burdened with an onerous unsustainable debt burden with an annual debt servicing liability of ₹ 3,240 crore till September, 2034 resulting in a total outflow of ₹ 57,358 crore[3] during the repayment tenure of this loan. This however has slightly reduced with reduction in interest rate @ 7.35%.

3.17 Besides this, the State Government is expected to meet future gap periodically, arising because of such operations every season, before approaching the Reserve Bank of India (RBI) for authorization of Cash Credit Limit (CCL) for the next season.

3.18 Accumulation of interest burden on account of UDAY Bonds along with servicing of interest on the bonds raised for the settlement of CCL account, together has saddled State's finances.

Debt Maturity – A Future Perspective

3.19 The Debt Profile of the State indicates huge repayment liabilities during 2022-23 to 2029-30. These factors are clearly brought out in Table 3.3.

Table 3.3: Maturity Profile of Outstanding Debt payable till March 31, 2030

(₹ crore)

Years	Market Loans	NABARD	Compensation and Other Bonds	Loans from SBI	NSSF Loans	Loans from Centre	Loans from Other Institutions	Total Principal Outflow
2022-23	9700	393	2140	1209	1841	180	7	15470
2023-24	10729	416	2140	1313	1841	122	7	16568
2024-25	5823	448	2140	1425	1841	7	7	11690
2025-26	11800	374	2140	1547	1551	5	7	17423
2026-27	6500	334	2140	1680	1137	3	-	11793
2027-28	19801	154	986	1824	1067	1	-	23832
2028-29	12656	154	986	1980	936	1	-	16713
2029-30	11200	-	986	2150	767	-	-	15102

Source: Department of Finance (Budget Branch), GoP.

3.20 The above maturity profile does not include repayments of fresh debt to be raised by the Government after March 31, 2022. It also does not include repayment liabilities of (a) GPF and GIS of ₹ 22,450 crore; (b) Deposits and

[3] *Calculated at original Rate of Interest i.e. 8.25%.*

Reserve Funds of ₹ 14,189 crore outstanding as on March 31, 2022 and any fresh additions to it after March 31, 2022.

Debt Profile of State SLUs / Corporations / Boards / Agencies

3.21 The total debt raised by State SLUs / Corporations / Boards / Agencies stand at ₹ 54,948.75 crore, of which the outstanding amount is ₹ 43,204.59 crore. Government of Punjab has guaranteed ₹ 22,254.93 crore of the total outstanding debt.

3.22 As per State Budget documents, Effective Outstanding Debt is ₹ 2,63,265 crore at the end of 2021-22 (RE). In reality however, it is far higher, if deferred liabilities and contingent liabilities are reckoned. If the contingent liabilities on account of Government guarantees to State SLUs / Corporations / Boards / Agencies is also considered, the total outstanding debt amount would be ₹ 2,85,520 crore (₹ 2,63,265 crore + ₹ 22,255 crore).

Conclusion/Way Forward

3.23 The neck breaking pace at which the debt has grown over the years is a case study underscoring the need for strong fiscal management practices. For Punjab, the last decade has been nothing short of a "lost decade" because of the sluggish growth and high debt taken by the State. The objective stated under Fiscal Responsibility and Budget Management (FRBM) Act, 2003 has remained elusive.

3.24 To compensate for this "lost decade", State has to cautiously take debt and invest heavily in high quality Capital Expenditure creation and revenue enhancement measures. This will create a cycle of value-acceleration and hopefully, Punjab will be able to increase growth rate and sustain it for coming years. Debt consolidation is possible only with rapid growth, high quality Capital Expenditure and resource mobilization.

CHAPTER 4: STATE LEVEL UNDERTAKINGS (SLUs)

4.1 SLUs are unarguably the pillars of any thriving State and therefore their finances have a direct bearing on the finances of the State. An ecosystem of healthy SLUs not only leads to significant economic gains but also assists the State in creating a conducive environment of growth and development.

4.2 As on 31.03.2022, Government of Punjab has 46 (39 Corporations + 7 Boards) working State Level Undertaking (SLUs) and another 7 inactive SLUs. Out of these 46 working SLUs of Punjab, there are some cooperative apex institutions and authorities such as MARKFED, SUGARFED, MILKFED, HOUSEFED, Punjab State Cooperative Bank, Punjab State Cooperative Agricultural Development Bank Ltd. (PSCADB), in which Government of Punjab holds stake in the form of equity and/or debt. Besides, Government of Punjab also provides substantial financial support to various SLUs in the form of grants and Government Guarantee.

4.3 The total amount of equity infused by Government of Punjab in these SLUs/cooperative apex institutions stands at a staggering figure of ₹ 23,853.71 crore as on 31.03.2022 whereas the total amount of outstanding loans payable by these entities to Government of Punjab is ₹ 2,311.08 crore as on 31.03.2022.

4.4 As per latest records, the total outstanding debt of SLUs of Government of Punjab stands at ₹ 43,204.59 crore. It is pertinent to note that several SLUs of the State have taken huge loans which do not commensurate with the resources generated by them to repay these liabilities. Thus, these entities create a future contingency on the State exchequer in addition to running risk of a contagion in the system. The total outstanding guarantee issued by Government of Punjab to these entities as on 31.03.2022 stands at ₹ 22,254.93 crore. In case of any default, the State Government would come under obligation to repay these loans to the lenders which would invariably impair the State finances. Default by any of these

SLUs will not only erode the credit worthiness of the State and its undertakings but also deeply impact the fiscal health of the State.

4.5 State has directed its SLUs to provide a modest 5% Return on Equity (ROE) to the exchequer on an annual basis. However, this direction has barely materialized, and the returns remain elusive since out of 46 working SLUs, only three SLUs-Punjab State Container and Warehousing Corporation, Punjab State Small Industries and Export Corporation Limited (PSIEC) and Punjab Forest Development Corporation have paid the required 5% ROE. Total dividend of ₹ 3.74 crore in FY 2021-22 translates to a total ROE from all State SLUs at 0.016%, which is miniscule to say the least.

4.6 Finances of major SLUs of the State namely PUNSUP, MARKFED, PUNGRAIN, PFC, PSIDC, SUGARFED, PUDA and PRTC have been analyzed below in detail.

Punjab State Civil Supplies Corporation Limited (PUNSUP)

4.7 The Punjab State Civil Supplies Corporation Limited (PUNSUP) was incorporated on February 14, 1974 as a wholly owned Government Company with an Equity infusion of ₹ 3.73 crore by Government of Punjab. The Government has given a Guarantee of ₹ 550 crore to PUNSUP out of which ₹ 549.37 crore are outstanding as on 31.03.2022. PUNSUP was making negligible profits till 2013-14 but it slipped into losses from the year 2014-15. Since then, it has accumulated losses amounting to ₹ 2,326.20 crore as on 31.03.2022. Apart from the loans raised against Government Guarantee, PUNSUP has outstanding loans of ₹ 662.91 crore from several institutions as on 30.04.2022.

4.8 PUNSUP on various occasions has come close to defaulting on the payments to lenders and has been at the brink of a collapse. The pending liabilities mainly on account of Atta-Dal scheme and inherent inefficiencies, continue to weigh heavy on the organization. PUNSUP has paid ₹ 1,185.95 crore in interest on loans taken against principal of ₹ 1,695 crore from November, 2014 to

March, 2022. Pending loans of PUNSUP on account of Atta-Dal scheme stand at ₹ 1,395 crore as on 31.03.2022.

Imprudent Financial Management - Case of PUNSUP

Government owned entities are governed and regulated by their respective Administrative Departments. These entities in many cases are custodians of valuable assets of the State like land. It is both an accepted norm and procedure to obtain approval of any loans to be taken by these entities. However, some entities at their own level violate these norms and take loans by either pledging their assets, escrowing their future revenue or hypothecating movable assets or not informing Department of Finance in a timely manner w.r.t. the status of such loans. A similar case came to the fore when Punjab State Civil Supplies Corporation (PUNSUP) approached the Department of Finance for a financial assistance of ₹ 452 crore during FY 2022-23. The said assistance was for repayment of NPA loan extended by various financial institution/Banks in the form of STLs. While PUNSUP took this loan as per the advice of the State Government, the said loan continued to slip in NPA category with Finance Department being uninformed of the same. PUNSUP contracted these loans at high interest rates ranging from 8.5% to 11%, whereas the Government of Punjab contracted loans from the market around the same time @ 6.8%- 8.9%.

MARKFED

4.9 The Punjab State Cooperative Supply & Marketing Federation Ltd. known as "MARKFED" was registered in 1954. Government of Punjab has invested ₹ 20.10 crore as share capital of MARKFED. MARKFED was making profits till 2010-11 but slipped into losses from 2011-12 onwards. MARKFED suffered a loss amounting to ₹ 92.50 crore during the year 2021-22 and has accumulated losses amounting to ₹ 3,003.30 crore as on 31.03.2022. The figures unequivocally indicate the deteriorating health of this institution.

PUNGRAIN

4.10 PUNGRAIN came into existence in March, 2003 with an objective of procurement of food grains (Wheat & Paddy) for Central/State Pool. Government of Punjab has a stake of ₹ 1.05 crore in the equity share capital of PUNGRAIN. PUNGRAIN has raised an amount of ₹ 1496.38 crore by way of loans from banks and financial institutions. The loan amount to the tune of ₹ 66.38 crore was secured by Government guarantee, out of which ₹ 13.52 crore are outstanding. Besides, ₹ 1430 crore were raised against non-guaranteed loans, of which the outstanding amount is ₹ 1206.72 crore, as on 31.03.2022. Due to partial reimbursement of incidental charges by Food Corporation of India (FCI), PUNGRAIN is suffering heavy losses. The institution incurred heavy losses during the year 2020-21 which of ₹ 394.80 crore while the total accumulated losses of PUNGRAIN as on 31.03.2021 stood at a staggering ₹ 4,797 crore.

Punjab Financial Corporation (PFC)

4.11 Punjab Financial Corporation was incorporated on 01.02.1953 under the State Financial Corporations Act 1951, with the main objective to grant loans for the establishment of new micro, small & medium scale industrial units, modernization, expansion/ diversification of existing units in the State of Punjab. Out of total equity of ₹ 40.39 crore, Punjab Government holds ₹ 29.31 crore in PFC. Government of Punjab has lent ₹ 16.53 crore to PFC which is outstanding as on 31.03.2022. It is also noteworthy that State Government stands as an unconditional and irrevocable guarantor to the original bond issue of ₹ 250 crore by PFC. As on 30.04.2022, the outstanding amount of bonds on account of principal is ₹ 122.65 crore and ₹ 74.03 crore as interest on these bonds.

4.12 As of now, the Corporation is running into losses, resulting in its weak financial health. For instance, as on 31.03.2021, PFC has accumulated losses amounting to ₹ 258.25 crore. The bonds and the interest thereon are guaranteed by the State Government. If PFC’s financial heath does not improve, the due/outstanding principal and interest amount of bonds secured by Government guarantee shall devolve on the State Government further burdening its stressed finances.

Punjab State Industrial Development Corporation (PSIDC)

4.13 Punjab State Industrial Development Corporation (PSIDC) was incorporated in 1966 to act as a catalyst for the development of large and medium scale industries in Punjab. In 1976, PSIDC was also declared as a second State level financial institution under the Refinance Scheme of IDBI/SIDBI.

4.14 With the passage of time, PSIDC was unable to service the debt it had incurred as part of its operations and the Government had to give support by way of guarantee(s) to the Corporation for raising funds through private placement of bonds and interest payments thereof. The total bonds of ₹ 1,811.28 crore were raised out of which ₹ 406.30 crore are outstanding on account of principal and ₹ 135.94 crore is outstanding on account of interest on these bonds as on 31.03.2022. Out of the outstanding principal of ₹ 406.30 crore, ₹ 366.41 crore was due for the payment as on 31.03.2022 and PSIDC has not been able to pay the due principal amount of bonds.

4.15 The Corporation was profitable till the year 1994-95. The accumulated losses of PSIDC as on 31.03.2022 are ₹ 681.30 crore, thereby wiping off its entire net worth.

4.16 PSIDC's current financial position seems to be a result of mismanagement on financial and estate front. Over last few years, multiple One-Time Settlement (OTS) policies for loans and equity in loanee companies of PSIDC have failed to yield the desired results and collection. At the same time, PSIDC's estate management practices of transferring its stake in industrial plots to PSIEC and allowing the sale by splitting of the said plots by private entities have been nothing short of imprudent. These estate management practices have resulted in financial losses to the entity and ultimately exchequer in many cases.

4.17 Since year 2012, PSIDC is a defaulter in the repayment of bonds aggregating ₹ 366.41 crore and interest of ₹ 135.94 crore on these bonds. Over the years, PSIDC has also not paid guarantee fee of ₹ 26.63 crore as well as stamp duty of ₹ 10.11 crore to the exchequer. Further, PSIDC and Government has been pulled into legal battles with the creditors for non-payment of their principal and interest. The bonds and the interest thereon are guaranteed by the State Government. If PSIDC fails to come out of the present situation, the due/outstanding principal and interest amount of Bonds secured by Government guarantee of about ₹ 547.50 crore shall devolve on the State Government further straining its precarious finances. Presence of such defaulting entities in the State's portfolio harms resource mobilization prospects of other SLUs in the State.

SUGARFED

4.18 The Punjab State Federation of Cooperative Sugar Mills Limited (SUGARFED) was established in 1966 under the Punjab State Cooperative Societies Act, 1961 with objectives of assistance in the promotion & organization of Sugar Mills; facilitation and coordination in the working of Cooperative Sugar Mills in the State of Punjab; providing technical know-how and other aspects in the selection of manpower; purchase, installation and maintenance of plant & machinery and other equipment including expansion proposal, cogeneration and downstream industrialization; assisting sugar mills in securing the financial assistance from the State Government or Central Government or from other 'Financial Institutions'; and purchase or assistance in purchase of bulk gunny bags, Sulfur, limestone, lubricants, chemicals, spares and stores required by the sugar mills for their use and for the use of their ancillary units and allied industries.

4.19 Government of Punjab has invested ₹ 752.84 crore in SUGARFED by way of equity, besides providing financial assistance of ₹ 1,652.85 crore by way of loan. During the year 2016-17, a loan of ₹ 51.31 crore (₹ 45.99 crore principal + ₹ 5.32 crore interest) of Bhogpur Cooperative Sugar Mills (CSM) was converted into share capital. In addition this, out of ₹ 752.84 crore equity capital, ₹ 569.50 crore was infused in the FY 2020-21 on account of installation of new sugar complexes at Batala and Gurdaspur by converting their Government loan along with interest till 30.09.2020. As per latest records, SUGARFED has raised ₹ 2,322.03 crore as loan from various entities including NCDC, GoP and GoI. Due to under procurement of sugarcane, untimely sale of sugar at lower prices and low revenue for high priced inputs, SUGARFED has run into red.

4.20 The accumulated losses of SUGARFED as on 31.03.2022 amounted to ₹ 3,111.60 crore out of which ₹ 365.20 crore pertains to 2021-22 itself. Due to poor financial health of its nine (09) running Cooperative Sugar Mills, these mills are not in a position to re-pay loans taken and has also defaulted in repayment of ₹ 1,557.33 crore and ₹ 795.83 crore on account of principal and interest respectively as on 31.03.2022.

4.21 It has come to the notice that Cooperative societies' employees in several cases don't present the true picture of their accounts. At one side, the management of SUGARFED presents losses and consequent inability to pay to the farmers against their sugarcane crop, on the other, they keep their sugar stock unliquidated. Such a situation proves it to be a drain to the State exchequer.

Punjab Urban Development Authority (PUDA)

4.22 Punjab Urban Development Authority was constituted in 1995 under the Punjab Regional and Town Planning and Development Act, 1995, to promote and secure better planning and development of area of State. The entity had received a State guarantee of ₹ 1,000 crore, out of which the outstanding guarantee as on 30.04.2022 is ₹ 433.27 crore. The outstanding amount of loans taken other than backed by Government guarantee is ₹ 165.27 crore.

PEPSU Road Transport Corporation (PRTC)

4.23 PEPSU Road Transport Corporation (PRTC) was set up in 1956 as a Public Sector Undertaking and presently has a fleet of 1294 buses. Government of Punjab has provided equity and debt to the entity amounting to ₹ 307.08 crore and ₹ 23.75 crore respectively as on 31.03.2022. On account of poor operational and financial performance, PRTC has been consistently suffering from losses. Upto 31.03.2022, the Corporation has a total of ₹ 489.44 crore (provisional) as accumulated losses. The financial position of PRTC is so weak that it is liable to transfer the losses to the State Government.

CONCLUSION/WAY FORWARD

4.24 The key objective of establishing SLUs is to play a versatile role in the economy and contribute positively to the entire State's infrastructural and industrial development by facilitating the ecosystem. However, in the case of Punjab these entities have not been able to contribute positively and instead have been a drag on the State's resources. On one hand the State's capital is being under-utilised as evident from return on investment from these SLUs and at the same time the Financial Assistance and Guarantees being given to these inefficient and loss-making entities has been putting undue pressure on exchequer leaving fewer resources for the citizen-centric initiatives.

4.25 The funds of State Public Sector Enterprises (SPSEs) in case of Punjab has been misappropriated in a manner wherein these are either have not been used for the mandated purpose or diverted for works beyond their jurisdiction. There is a need to do a thorough assessment of the entire SLU portfolio of the State and outline a way to exit or disinvest non-strategic or non-essential entities to stop this drain on State resources. In addition to this, possible merger, acquisition or consolidation opportunities must be considered to create synergies in the SLU portfolio.

4.26 It is noteworthy to mention that the topic of financial health of SLUs of Punjab was probed in depth in year 2017 in "White Paper on State Finances" and this chapter closely resembles the chapter in the given White Paper. While the said paper highlighted the financial woes of these entities in detail, little was done to improve the health of these entities in the past. The financial condition of various entities has only worsened, and no active consolidation or revival efforts were taken up. SLUs that have been a drag on the State exchequer continued to bleed all these years and inevitable fall of many of these was kicked down the road by taking hefty loans/advances. Actual revival of State Finances is possible only when the financial troubles of its SLUs are addressed in a timely manner.

ABBREVIATIONS/ ACRONYMS

S. No.	Abbreviation/ Acronym	Full Form
1.	AG	Accountant General
2.	BACKFINCO	Punjab Backward Classes Land Development and Finance Corporation
3.	CAGR	Compound Annual Growth Rate
4.	CCL	Cash Credit Limit
5.	CMM	Council of Ministers Meeting
6.	COVID	Coronavirus Disease
7.	CSM	Cooperative Sugar Mills
8.	CSO	Central Statistical Office
9.	DoP	Department of Planning
10.	ES	Economic Services
11.	ESO	Economic and Statistical Organization
12.	FCI	Food Corporation of India
13.	FD	Fiscal Deficit
14.	FI	Financial Institutions
15.	FRBM	Fiscal Responsibility and Budget Management Act
16.	FY	Financial Year
17.	GCS	General Category States
18.	GIS	Group Insurance Scheme
19.	GMADA	Greater Mohali Area Development Authority
20.	GoI	Government of India
21.	GoP	Government of Punjab
22.	GPF	General Provident Fund
23.	GS	General Services
24.	GSDP	Gross State Domestic Product
25.	GST	Goods and Services Tax
26.	HOUSEFED	Punjab State Federation of Cooperative House Building societies
27.	ID	Infrastructure Development
28.	IDBI	Industrial Development Bank of India
29.	IFMS	Integrated Financial Management System

S. No.	Abbreviation/ Acronym	Full Form
30.	IGST	Integrated Goods and Services Tax
31.	LABOURFED	Punjab State Cooperative Labour & Construction Federation Limited
32.	Ltd.	Limited
33.	MARKFED	The Punjab State Cooperative Supply and Marketing Federation Limited
34.	MILKFED	The Punjab State Cooperative Milk Producers Federation Limited
35.	MoF	Ministry of Finance
36.	MoSPI	Ministry of Statistics and Programme Implementation
37.	MoU	Memorandum of Understanding
38.	NABARD	National Bank for Agriculture and Rural Development
39.	NCDC	National Cooperative Development Corporation
40.	NPA	Non-Performing Assets
41.	NSSF	National Small Saving Fund
42.	NTR	Non-Tax Revenue
43.	OMB	Open Market Borrowings
44.	OTR	Own Tax Revenue
45.	OTS	One Time Settlement
46.	PAIC	Punjab Agro Industries Corporation
47.	PEDA	Punjab Energy Development Agency
48.	PESCO	Punjab Ex-Serviceman Corporation
49.	PFC	Punjab Financial Cooperation
50.	PHSC	Punjab Health System Corporation
51.	PPC	Punjab Pay Commission
52.	PPCB	Punjab Pollution Control Board
53.	PPHC	Punjab Police Housing Corporation
54.	PRBDB	Punjab Roads & Bridges Development Board
55.	PRTC	PEPSU Road Transport Corporation
56.	PSCADB	Punjab State Cooperative Agriculture Development Bank Limited
57.	PSCFC	Punjab Schedule Castes Land Development and Finance Corporation
58.	PSERC	Punjab State Electricity Regulatory Commission
59.	PSIDC	Punjab State Industrial Development Corporation

S. No.	Abbreviation/ Acronym	Full Form
60.	PSIEC	Punjab Small Industries and Export Corporation
61.	PSPCL	Punjab State Power Corporation Limited
62.	PSU	Public Sector Undertaking
63.	PSWC	Punjab State Warehousing Corporation
64.	PTDC	Punjab Tourism Development Corporation
65.	PUDA	Punjab Urban Development Authority
66.	PUNCOFED	Punjab State Cooperative Development Federation Limited
67.	PUNCOM	Punjab Communications Limited
68.	PUNGRAIN	Punjab State Grains Procurement Corporation Limited
69.	Punjab Infotech	Punjab Information and Communication Technology Corporation Limited
70.	PUNSUP	Punjab State Civil Supplies Corporation
71.	RBI	Reserve Bank of India
72.	RD	Revenue Deficit
73.	RDF	Rural Development Fund
74.	RE	Revised Estimates
75.	ROE	Return on Equity
76.	SDLs	State Development Loans
77.	SFC	State Finance Commission
78.	SGST	State Goods and Services Tax
79.	SIDBI	Small Industries Development Bank of India
80.	SLU	State Level Undertaking
81.	SPSE	State Public Sector Enterprises
82.	SS	Social Services
83.	STL	Short Term Loan
84.	SUGARFED	Punjab State Federation of Cooperative Sugar Mills Limited
85.	TRR	Total Revenue Receipts
86.	UDAY	Ujwal DISCOM Assurance Yojana
87.	VAT	Value Added Tax
88.	WMA	Ways and Means Advances

DEFINITIONS

S. No.	Term Used	Definition / Description
1.	Budget Estimates (BE)	The Budget attempts to arrive at an accurate estimate of the receipts and expenditure under each of the heads of accounts for the forthcoming year. The estimates are based upon the experience of the past years and the present policies of the Government and the anticipated events likely to occur in the future.
2.	Capital Account	Capital Account are the transactions of the Government outside the Revenue Budget. Capital Account relates to the expenditure on items which lead to direct capital formation like buildings, roads, irrigation projects, machinery and equipment, share capital investments, etc. Capital Account also includes loans and advances given or obtained by the State Government. This would therefore, include the loans and advances received from the Centre and repayment thereof and the loans and advances made by the State Government to Boards, Corporations and other institutions and the repayment of such advances. The interest on these loans forms part of the revenue account.
3.	Consolidated Fund	Consolidated Fund is the expression, which came into use, based on Article 266(1) of the Constitution. The normal revenues of the Government for the year, as shown in Revenue Account Receipts of the Budget, form part of the Consolidated Fund. Loans raised by the Government from the public, including financial institutions and from the Government of India, enter the Consolidated Fund. Moneys received by the Government in repayments of loans are also included in the Consolidated Fund. The disbursements made out of these sources are consequently shown under the head of the Consolidated Fund. All expenditure proposed to

S. No.	Term Used	Definition / Description
		be met from the Consolidated Fund should be placed before the Legislature and should be voted by the Legislature, except certain items classified as “charged” expenditure.
4.	Contingent Liability	The State Government provides guarantee for loans of Boards and Corporations and these guarantees form the basis for the Government’s committed liability. In case of a default by the Board or Corporation on its loan repayment, the guarantee would get invoked by the lender and the State Government would be required to step in to repay the loan on behalf of the entity.
5.	Fiscal Deficit	Fiscal Deficit means the excess of total disbursements from the Consolidated Fund of the State (excluding repayment of debt) over total receipts into the Consolidated Fund excluding the debt receipts during a financial year.
6.	Fiscal Responsibility and Budget Management	The State Legislature has enacted this Act to provide for the responsibility of the State Government to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and for matters connected therewith or incidental thereto.
7.	Gross State Domestic Product (GSDP)	It is defined as a measure in monetary terms of the volume of all goods and services produced within the boundary of the State during a given period of time accounted without duplication.
8.	Per Capita Income (PCI)	The fixed assets are consumed in the process of production of goods and services in an economy during the given period of time. These fixed assets are known as consumption of fixed capital (CFC). When the CFC

S. No.	Term Used	Definition / Description
		is deducted from GSDP, it gives NSDP (Net State Domestic Product). The NSDP divided by population is Per Capita Income.
9.	Public Account	Receipts and disbursements, such as deposits, reserve funds, remittances, etc. which do not form part of the "Consolidated Fund", are included in the Public Account and are not subject to a vote by the Legislature, as they are not moneys issued out of the Consolidated Fund. All revenues received by the Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all money received by the Government in repayment of loans granted by that Government are credited into the Consolidated Fund of the State and provision is made in the Appropriation Bill passed under Article 204 of the Constitution for the appropriation out of the Consolidated Fund of all moneys required to meet the grants made by the Assembly and the expenditure charged on the above Fund. All other public moneys received by or on behalf of the Government of a State are credited to the Public Account of the State, and disbursements from that account, outside the Consolidated Fund of the State, do not require any appropriation of funds by the Legislature.
10.	Revenue Deficit	When the expenditure as summarized in Revenue Account Disbursements is deducted from the Revenue Account Receipts, we get the "Revenue Surplus" which is available for financing capital expenditure for the year. Revenue Deficit otherwise means the excess of revenue expenditure over revenue receipts
11.	Revenue Expenditure	Revenue Account Disbursements give particulars of the estimated current expenditure of the different

S. No.	Term Used	Definition / Description
		Departments of the Government. Revenue Expenditure consist of Salaries and Wages, Pension and Retirement Benefits, Office and Other Administrative Expenditure, Subsidies and Interest Payments etc. In other words, it is primarily restricted to expenditure that does not lead to capital formation.
12.	Revenue Receipts	Revenue Account Receipts constitute the "Revenue Budget" which takes into account all revenue receipts. The total revenue receipts include State's Own Taxes and Non-Tax Revenues and Grants-in-Aid and Share in Central Taxes from the Government of India.
13.	Revised Estimates	Revised Estimates (RE) are estimates of projected amounts of receipts and expenditure until the end of the financial year.

LIST OF TABLES

S. No.	Title	Page No.
Table 2.1	Key Fiscal Indicators - Punjab vs. General States	8
Table 2.2	Pending liabilities of Atta- Dal Scheme	11
Table 2.3	Summary of Unpaid Liabilities	12
Table 2.4	Composition of Total Revenue Receipts (TRR)	14
Table 2.5	Contribution of SGST and GST Compensation	18
Table 2.6	Contribution of State's Own Non-Tax Revenue	19
Table 2.7	Components of Revenue Expenditure	22
Table 2.8	Capital Expenditure	25
Table 2.9	Revenue Deficit and Fiscal Deficit of Punjab	26
Table 3.1	Year-wise Net Fund Availability	30
Table 3.2	Outstanding Debt (including Reserves and Deposits)	31
Table 3.3	Maturity Profile of Outstanding Debt payable till March 31, 2030	37

LIST OF CHARTS

S. No.	Title	Page No.
Chart 2.1	GSDP Growth Rate (%)	9
Chart 2.2	Per Capita Income (₹)	10
Chart 2.3	Composition of Total Revenue Receipts	13
Chart 2.4	Composition of Total Revenue Receipts (in %)	15
Chart 2.5	State’s Own Tax Revenue	16
Chart 2.6	Year wise State’s Own Tax Revenue	16
Chart 2.7	Components of Own Tax Revenue as % of GSDP	17
Chart 2.8	SGST, GST Compensation and Shortfall as % of Protected Revenue	18
Chart 2.9	Composition of Total Expenditure	20
Chart 2.10	Revenue Expenditure	21
Chart 2.11	Major Components of Revenue Expenditure	23
Chart 2.12	Major Components of Revenue Expenditure as % of TRR	23
Chart 2.13	Capital Expenditure as % of GSDP	24
Chart 2.14	Revenue Deficit and Fiscal Deficit of Punjab	26
Chart 3.1	Year-wise Net Fund Availability	30
Chart 3.2	Growth Rate of Outstanding Debt (%)	32
Chart 3.3	Composition of Effective Outstanding Debt as on March 31, 2022 (RE)	33
Chart 3.4	Effective Outstanding Debt as % of GSDP	33
Chart 3.5	A Comparison of Outstanding Debt/GSDP (%) of selected GCS (2019-20)	34
Chart 3.6	Interest Payments as % of Total Revenue Receipts	35
Chart 3.7	Maturity Profile of UDAY Loans	36

LIST OF ANNEXURES

S. No.	Title	Page No.
Annexure-1	Growth Rate of Gross State Domestic Product at Constant Prices (2011-12): General Category States	58
Annexure -2	6th Punjab Pay Commission Arrears	59
Annexure-3	Power Subsidy Arrears (as claimed by PSPCL)	60
Annexure -4	Revenue Deficit (+)/ Surplus (-): General Category States	61
Annexure-5	Year-wise Outstanding Debt	62-64
Annexure-6	Details of SLUs (Working/Non-Working)	65-68
Annexure-7	Details of Outstanding Guarantees to the SLUs as on 31.03.2022	69
Annexure-8	Details of Equity Infusion to the SLUs as on 31.03.2022	70-71
Annexure-9	Details of Outstanding Debt of SLUs	72
Annexure-10	Government loans outstanding against SLUs as on 31.03.2022	73

ANNEXURE-1

Growth Rate of Gross State Domestic Product at Constant Prices (2011-12) - General Category States

S. No.	States	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1	Andhra Pradesh	6.96	9.20	12.16	8.34	10.09	5.36	6.89	0.08
2	Bihar	4.98	3.65	6.08	7.52	7.91	10.86	7.41	2.50
3	Chhattisgarh	10.00	1.77	2.57	12.13	3.01	7.98	5.12	-1.77
4	Goa	-11.94	27.08	14.89	11.19	2.74	0.78	0.07	1.62
5	Gujarat	7.56	10.51	10.23	9.71	10.72	8.88	7.26	-1.95
6	Haryana	8.29	6.63	11.57	10.48	5.55	8.74	7.99	-5.27
7	Jharkhand	1.57	12.49	-6.25	10.46	9.01	8.87	3.98	-4.75
8	Karnataka	9.49	5.22	11.08	13.29	8.28	6.17	6.21	-0.52
9	Kerala	3.89	4.26	7.44	7.56	6.36	7.37	2.22	-9.20
10	Madhya Pradesh	3.82	5.15	9.06	12.40	5.62	9.28	5.95	-1.92
11	Maharashtra	6.90	6.31	7.20	9.23	4.52	4.46	3.60	-7.57
12	Odisha	9.26	1.80	7.97	15.44	7.21	6.95	6.07	-5.35
13	**Punjab**	**6.63**	**4.23**	**5.74**	**6.87**	**6.43**	**5.76**	**3.68**	**-3.83**
14	Rajasthan	6.97	7.26	8.02	5.93	5.24	2.37	5.70	-2.86
15	Tamil Nadu	7.60	4.92	8.24	7.15	8.59	7.01	6.13	1.42
16	Telangana	5.36	6.76	11.58	9.34	9.74	9.15	4.98	-3.49
17	Uttar Pradesh	5.79	4.03	8.85	11.37	4.44	4.28	3.27	-4.22
18	West Bengal	3.01	2.84	6.13	7.20	6.36	6.35	6.13	1.06
	GDP India	**6.40**	**7.40**	**8.00**	**8.30**	**6.80**	**6.50**	**3.70**	**-6.60**

Source: CSO, MoSPI, GoI.

ANNEXURE-2

6th Punjab Pay Commission Arrears (01.01.2016 to 30.06.2021)

(₹ crore)

Particulars	2016	2017	2018	2019	2020	2021 (upto June)	Total
Employees	1199	286	821	1423	1241	618	5588
Pensioners	1242	876	1158	1586	1609	785	7256
Retiral Benefits	131	89	122	159	304	110	915
Grand Total	**2572**	**1252**	**2101**	**3167**	**3154**	**1513**	**13759**

Source: 6th Punjab Pay Commission Memorandum, CMM dated 25.08.2021.

ANNEXURE-3

Power Subsidy Arrears (as claimed by PSPCL)

(₹ crore)

S. No.	Particulars	Amount
1.	Industries	664.92
2.	Domestic and Others	1415.67
3.	Agriculture	5037.27
Total		**7117.86**

Source: PSERC- Tariff Order Financial Year 2021-22 forepartment of Finance (FE-4 Branch), GoP.

ANNEXURE-4

Revenue Deficit (+)/ Surplus (-): General Category States

(₹ crore)

S. No.	Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (RE)	2021-22 (BE)
1	Andhra Pradesh	-3140	-1130	-340	24190	7300	17190	16152	13899	26441	34927	5000
2	Bihar	-4820	-5100	-6440	-5850	-12510	-10820	-14823	-6897	699	5187	-9196
3	Chhattisgarh	-3240	-2610	810	1560	-2370	-5520	-3417	-684	9609	12304	3702
4	Goa	-300	220	350	-280	-130	-700	-511	13516	219	133	-59
5	Gujarat	-3210	-5570	-4720	-5330	-1700	-5950	-5232	-3212	-1945	21952	-1209
6	Haryana	1460	4440	3880	8320	11680	15910	10563	11270	16990	20856	29194
7	Jharkhand	-1430	-1370	-2710	230	-4900	-1970	-1806	-5896	-1961	869	-952
8	Karnataka	-4690	-1880	-350	-530	-1790	-1290	-4517	-679	1185	19486	15134
9	Kerala	8030	9350	11310	13800	9660	15480	16928	17462	14495	24206	16910
10	Madhya Pradesh	-9910	-7460	-5880	-6270	-5740	-3770	-4629	-8815	2801	21376	8294
11	Maharashtra	2270	-4210	5080	12140	5340	8540	-2083	11975	17116	46178	10225
12	Odisha	-5610	-5700	-3330	-5860	-10140	-9260	-13367	-14190	-2430	-2336	-6033
13	Punjab	6810	7410	6540	7590	8550	7310	9455	13135	14285	20730	8622
14	Rajasthan	-3360	-3450	1040	3220	5950	18110	18534	28900	36371	41722	23750
15	Tamil Nadu	-1360	-1760	1790	6410	11990	12960	21594	23459	35909	65994	58693
16	Telangana	-	-	-	-370	-240	-1390	-3459	-4337	6254	16227	-6744
17	Uttar Pradesh	-6980	-5180	-10070	-22390	-14340	-20280	-12552	-28250	-67560	13161	-23210
18	West Bengal	14570	13820	18920	17140	9100	16090	9807	10399	19661	34345	26755

Source: RBI State Finances - A study of Budgets (Various Years).

ANNEXURE-5
Year-wise Outstanding Debt

(₹ crore)

Year	Market Loan			LIC/GIC			NABARD		
	Receipt	Payment	Outstanding	Receipt	Payment	Outstanding	Receipt	Payment	Outstanding
2010-11	4928.00	398.96	26763.92	-	0.94	2.21	385.37	248.41	1887.61
2011-12	8200.00	459.62	34504.30	-	0.79	1.41	510.43	302.58	2095.46
2012-13	9700.00	1141.19	43063.11	-	0.64	0.76	190.00	360.03	1925.43
2013-14	9000.00	1744.77	50318.34	-	0.40	0.36	495.00	402.70	2017.73
2014-15	8950.00	1265.40	58002.94	-	0.22	0.14	393.65	435.67	1975.71
2015-16	10800.00	1600.99	67201.95	-	0.07	0.07	563.32	397.16	2141.87
2016-17	13600.00	1456.49	79345.47	-	0.07	-	759.99	406.16	2495.70
2017-18	17470.00	4121.28	92694.19	-	-	-	141.54	414.23	2223.00
2018-19	22114.67	5061.19	109747.67	-	-	-	198.42	436.25	1985.18
2019-20	27355.00	8885.00	128217.67	-	-	-	299.99	488.63	1796.55
2020-21	32995.00	9528.00	151684.67	-	-	-	600.00	467.67	1928.91
2021-22 (RE)	27362.74	12400.00	166647.41	-	-	-	770.00	412.23	2286.68

Source: Department of Finance (Budget Branch), GoP.

ANNEXURE-5 (Contd.)

Year-wise Outstanding Debt

(₹ crore)

Year	Compensation and Other Bond			SBI and Other Banks			NCDC/Other Inst.		
	Receipt	Payment	Outstanding	Receipt	Payment	Outstanding	Receipt	Payment	Outstanding
2010-11	-	63.73	318.67	-	629.50	2028.28	-	58.93	425.27
2011-12	-	63.73	254.94	-	684.93	1343.32	-	52.00	373.27
2012-13	-	63.73	191.20	-	737.71	605.62	-	35.28	337.99
2013-14	-	63.73	127.47	-	-	605.62	-	42.08	295.90
2014-15	-	63.73	63.73	-	-	605.62	-	46.27	249.63
2015-16	5597.07	63.73	5597.07	-	-	605.62	-	50.92	198.71
2016-17	10031.19	-	15628.26	29919.96	-	29919.96	-	55.42	143.29
2017-18	-	-	15628.26	-	809.84	29110.12	10.44	64.01	89.71
2018-19	-	-	15628.26	-	875.11	28235.00	12.18	60.05	41.84
2019-20	-	-	15628.26	-	947.11	27287.89	19.13	23.24	37.73
2020-21	-	-	15628.26	-	1039.61	26248.29	-	-9.87	47.60
2021-22 (RE)	-	985.91	14642.35	-	1113.53	25134.76	-	13.92	33.68

Source: Department of Finance (Budget Branch), GoP.

ANNEXURE-5 (Contd.)

Year-wise Outstanding Debt

(₹ crore)

Year	NSSF			Government of India			Public Account		
	Receipt	Payment	Outstanding	Receipt	Payment	Outstanding	Receipt	Payment	Outstanding
2010-11	1447.23	754.06	23146.37	192.92	185.31	3296.96	2355.13	1358.47	11357.08
2011-12	-	924.14	22222.23	149.50	187.37	3259.09	3105.72	1465.54	12997.26
2012-13	561.16	1064.36	21719.02	221.94	270.73	3210.29	3205.98	1640.74	14562.50
2013-14	799.99	1139.48	21379.53	377.96	256.72	3331.55	7775.82	5280.98	23565.27
2014-15	2045.16	1119.58	22305.11	566.62	283.08	3615.09	8800.62	6818.03	25547.86
2015-16	2981.48	1402.91	23883.69	265.33	314.52	3565.89	9724.45	9026.60	26245.71
2016-17	-	1804.41	22079.27	654.94	327.84	3892.99	10662.77	8155.89	28752.59
2017-18	-	1742.42	22336.85	460.31	335.09	4018.22	7364.03	5767.17	30349.45
2018-19	-	1801.47	18535.38	1317.45	376.97	4958.7	9056.33	6619.00	32786.78
2019-20	-	1841.47	16693.91	144.88	433.00	4670.57	5288.87	4857.45	3821.38
2020-21	-	1837.94	14855.96	8791.00	461.67	12999.91*	8912.28	9294.89	34638.46
2021-22 (RE)	-	1845.00	13010.96	12950.91	588.35	25362.47*	2000.00	-	36638.46

Source: Department of Finance (Budget Branch), GoP.

Note: [#]Including ₹ 8,359 crore (2020-21) and ₹ 20,491 crore in 2021-22 (₹ 8,359 crore of 2020-21+₹ 12,132 crore of 2021-22) received as Back-to-Back loans in lieu of GST Compensation

ANNEXURE-6

Details of SLUs (Working/Non-Working)

S. No.	List of Working SLUs/Corporations
Department of Agriculture	
1	Punjab Agro Industries Corporation
2	Punjab Agri Export Corporation Ltd.
3	Punjab State Container & Warehousing Corporation
4	Punjab State Warehousing Corporation
5	Punjab Agro Foodgrains Corporation Ltd.
6	Punjab State Seeds Corporation
7	Punjab Agro Juices Ltd.
Department of Cooperation	
8	Punjab State Cooperative Milk Products Federation Ltd (MILKFED)
9	Punjab State Cooperative Supply & Marketing Federation Ltd (MARKFED)
10	Punjab State Federation of Cooperative Sugar Mills Ltd (SUGARFED)
11	Punjab State Cooperative Agricultural Development Bank Ltd. (PSCADB)
12	Punjab State Cooperative Bank
13	Punjab State Cooperative Development Federation Ltd (PUNCOFED)
14	Punjab State Federation of Cooperative House Building societies (HOUSEFED)
15	Punjab Cooperative Labour and Construction Ltd. (LABOURFED)
Department of Defence Service Welfare	
16	Punjab Ex-servicemen Corporation (PESCO)
Department of Food Civil Supplies and Consumer Affairs	
17	Punjab State Grains Procurement Corporation Ltd. (PUNGRAIN)

S. No.	List of Working SLUs/Corporations
18	Punjab State Civil Supplies Corporation Ltd. (PUNSUP)
Department of Forest and Wild Life Preservation	
19	Punjab Forest Development Corporation
Department of Health & Family Welfare	
20	Punjab Health System Corporation (PHSC)
Department of Home Affairs and Justice	
21	Punjab Police Housing Corporation (PPHC)
Department of Housing and Urban Development	
22	Punjab Urban Development Authority (PUDA)
23	Greater Mohali Area Development Authority (GMADA)
Department of Irrigation	
24	Punjab Water Resources Management and Development Corporation
Department of Industries and Commerce	
25	Punjab Financial Corporation (PFC)
26	Punjab State Industrial Development Corporation Ltd. (PSIDC)
27	Punjab State Small Industries and Export Corporation Ltd. (PSIEC)
28	Punjab Information and Communication Technology Corporation Ltd (Punjab Infotech)
29	Punjab Communication Ltd. (PUNCOM)
Department of Local Government	
30	Punjab Municipal infrastructure Development Company (PMIDC)
Department of Power	
31	Punjab State Power Corporation Ltd. (PSPCL)
32	Punjab State Transmission Corporation Ltd. (PSTCL)

S. No.	List of Working SLUs/Corporations
Department of Social Justice and Empowerment and Minorities	
33	Punjab Backward Classes Land Development and Finance Corporation (BACKFINCO)
34	Punjab Scheduled Castes Land Development and Finance Corporation (PSCFC)
Department of Science and Technology	
35	Punjab State Biotech Corporation
Department of New and Renewable Energy	
36	Punjab Energy Development Agency (PEDA)
Department of Transport	
37	Punjab State Bus Stand Management Company (PUNBUS)
38	PEPSU Road Transport Corporation (PRTC)
Department of Tourism and Cultural Affairs	
39	Punjab Tourism Development Corporation (PTDC)

List of Working Boards	
Department of Agriculture	
40	Punjab Mandi Board
41	Punjab Rural Development Board
Department of Finance	
42	Punjab Infrastructure Development Board (PIDB)
Department of Industries and Commerce	
43	Punjab Khadi and Village Industries Board
Department of Local Government	
44	Punjab Water Supply and Sewerage Board

List of Working Boards	
Department of Public Works	
45	Punjab Roads & Bridges Development Board (PRBDB)
Department of Science and Technology	
46	Punjab Pollution Control Board (PPCB)

S. No.	List of Non-Working SLUs
Department of Animal Husbandry, Dairy Development and Fisheries	
1	Punjab Poultry Development Corporation
Department of Industries and Commerce	
2	Punjab State Leather Development Corporation Ltd.
3	Punjab State Handloom and Textiles Development Corporation (PUNTEX)
4	Punjab State Hosiery and Knitwear Development Corporation Ltd.
5	Punjab Footwears Ltd.
6	Punjab Tanneries Limited
Department of Information and Public Relation	
7	Punjab Film and News Corporation

Source: DPED, GoP.

ANNEXURE-7

Details of Outstanding Guarantees to the SLUs as on 31.03.2022

S. No.	Name of SLU	Amount (₹ crore)
1.	Punjab State Power Corporation Ltd. (PSPCL)	12772.77
2.	Punjab Municipal Infrastructure Development Company	1404.10
3.	Punjab Rural Development Board	1362.00
4.	Punjab Mandi Board	1338.83
5.	Punjab State Cooperative Agricultural Development Bank Ltd. (PSCADB)	1315.41
6.	Punjab State Transmission Corporation Ltd. (PSTCL)	843.23
7.	PUNSUP	550.00
8.	Punjab State Industrial Development Corporation Ltd.	547.50
9.	PUDA	459.74
10.	Punjab State Bus Stand Management Company (PUNBUS)	400.00
11.	PIDB	321.67
12.	Punjab State Federation of Cooperative Sugar Mills Ltd (SUGARFED)	272.00
13.	Punjab Financial Corporation (PFC)	184.48
14.	Punjab Police Housing Corporation (PPHC)	140.63
15.	Punjab Agro Foodgrains Corporation Ltd.	125.00
16.	Punjab State Warehousing Corporation (PSWC)	96.90
17.	Punjab Backward Classes Land Development and Finance Corporation	64.16
18.	Punjab Khadi and Village Industries Board	27.92
19.	Punjab Forest Development Corporation	20.00
20.	Punjab Scheduled Castes Land Development and Finance Corporation, Chandigarh (PSCFC)	17.05
21.	Punjab Agro Industries Corporation	0.54
	Total	**22254.93**

Source: DPED, GoP.

ANNEXURE-8

Details of Equity Infusion to the SLUs as on 31.03.2022

S. No.	Name of SLU	Amount (₹ crore)
1.	Punjab State Power Corporation Ltd. (PSPCL)	21709.73
2.	Punjab State Federation of Cooperative Sugar Mills Ltd. (SUGARFED)	752.84
3.	Punjab State Transmission Corporation Ltd. (PSTCL)	605.88
4.	PEPSU Road Transport Corporation (PRTC)	307.08
5.	Punjab Scheduled Castes Land Development and Finance Corporation (PSCFC)	131.15
6.	Punjab State Industrial Development Corporation Ltd. (PSIDC)	78.21
7.	Punjab State Bus Stand Management Company (PUNBUS)	56.15
8.	PSIEC	49.86
9.	Punjab Financial Corporation (PFC)	29.31
10.	Punjab State Container and Warehousing Corporation	25.00
11.	MARKFED	20.10
12.	Punjab Infotech	19.23
13.	BACKFINCO	18.00
14.	MILKFED	15.00
15.	PUNCOM	8.56
16.	Punjab Water Supply and Sewerage Board	6.58
17.	Punjab State Warehousing Corporation (PSWC)	4.00
18.	Punjab State Hosiery and Knitwear Development Corporation	3.90
19.	PUNSUP	3.73
20.	PUNTEX	3.63
21.	Punjab State Leather Development Corporation	3.41

S. No.	Name of SLU	Amount (₹ crore)
22.	PUNGRAIN	1.05
23.	Punjab State Cooperative Agricultural Development Bank Ltd. (PSCADB)	0.51
24.	Punjab State Forest Development Corporation	0.25
25.	PUNCOFED	0.25
26.	Punjab State Cooperative Bank	0.20
27.	Punjab Municipal Infrastructure Development Company (PMIDC)	0.05
28.	Punjab Police Housing Corporation	0.05
29.	Punjab Tanneries Ltd.	0.005
30.	Punjab Footwears Ltd.	0.002
	Total	**23853.71**

Source: DPED, GoP.

ANNEXURE-9
Details of Outstanding Debt of SLUs

S. No.	Name of SLU	Amount (₹ crore)
1.	Punjab State Power Corporation Ltd. (PSPCL)	19825.4
2.	Punjab State Cooperative Bank	4063.08
3.	GMADA	3997.50
4.	Punjab State Federation of Cooperative Sugar Mills Ltd. (SUGARFED)	2322.03
5.	Punjab State Cooperative Agricultural Development Bank Ltd. (PSCADB)	1477.81
6.	Punjab State Transmission Corporation Ltd. (PSTCL)	1421.74
7.	Punjab Municipal Infrastructure Development Company	1404.10
8.	Punjab Mandi Board	1401.73
9.	Punjab Rural Development Board	1362.00
10.	PUNGRAIN	1220.24
11.	PUNSUP	1216.43
12.	MILKFED	801.54
13.	PUDA	598.15
14.	Punjab State Industrial Development Corporation Ltd.	542.19
15.	Punjab Agro Foodgrains Corporation Ltd.	400.00
16.	PIDB	329.93
17.	Punjab State Warehousing Corporation	177.97
18.	HOUSEFED	163.89
19.	Punjab State Bus Stand Management Company	160.79
20.	PPHC	140.63
21.	PEPSU Road Transport Corporation	88.60
22.	BACKFINCO	43.26
23.	Punjab Khadi and Village Industries Board	27.92
24.	Punjab Scheduled Castes Land Development and Finance Corporation (PSCFC)	17.05
25.	Punjab Poultry Development Corporation	0.61
	Total	**43204.59**

Source: DPED, GoP.
Note: As per latest records.

ANNEXURE-10

Government Loans outstanding against SLUs as on 31.03.2022

S. No.	Name of SLU	Amount (₹ crore)
1.	Punjab State Federation of Cooperative Sugar Mills Ltd. (SUGARFED)	1652.85
2.	Punjab Agro Foodgrains Corporation Ltd.	325.00
3.	MILKFED	123.30
4.	Punjab State Cooperative Agricultural Development Bank Ltd.	100.00
5.	Punjab Backward Classes Land Development and Finance Corporation	43.27
6.	PRTC	23.75
7.	Punjab Financial Corporation (PFC)	16.53
8.	Punjab State Grains Procurement Corporation Ltd (PUNGRAIN)	13.52
9.	Punjab State Power Corporation Ltd. (PSPCL)	8.86
10.	Punjab Agro Industries Corp.	3.07
11.	Punjab Information & Communication Technology Corporation Ltd. (Punjab Infotech)	0.81
12.	Punjab State Cooperative Bank	0.12
	Total	**2311.08**

Source: DPED, GoP.

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15. Department of Finance (Budget Branch), GoP.
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