

GOVERNMENT OF THE PUNJAB
FINANCE DEPARTMENT



WHITE PAPER
BUDGET 1992-93

JUNE 8, 1992

INTRODUCTION

The White Paper is, as usual, being released on the budget day. The object of issuing this document is to assist the reader in understanding the budget documents which accompany the announcement of the budget. The object is to provide a picture of the budget as a whole and to offer some comparison with previous budgets. The finance department would welcome suggestions regarding possible improvements in the format for the White Paper for next year. These suggestions may please be sent to Mr. Zafar Mahmood, Additional Finance Secretary (Budget) in the department.

I would like to take this opportunity to thank Mr. Muhammad Asadullah Khan Sumbal, Deputy Secretary (Resources) in the finance department, for the very useful work put in by him and his staff in compiling this document.

JUNE 8, 1992

TARIQ SULTAN
Finance Secretary
Government of the Punjab

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BUDGET AT A GLANCE

(Rs. in crore)

	Budget 1991-92	Revised 1991-92	Budget 1992-93
NON-DEVELOPMENT ACCOUNT			
General Revenue Receipts	3856.67	3879.33	4474.60
Non-development Revenue Expenditure	3650.65	3705.28	4336.59
Revenue Deficit (-)/Surplus (+):	(+) <u>206.02</u>	(+) <u>174.05</u>	(+) <u>138.01</u>
General Capital Receipts	87.16	117.39	102.82
Non-development Capital Expenditure	118.85	151.37	138.93
Net Capital Receipts:	(-) <u>31.69</u>	(-) <u>33.98</u>	(-) <u>36.11</u>
Public Account Receipts	3427.01	3084.12	2887.79
Public Account Disbursements	3351.34	3010.99	2814.66
Net Public Account Receipts:	75.67	73.13	73.13
Net deficit (-)/Surplus (+) in the Non-development Account:	(+) <u>250.00</u>	(+) <u>213.20</u>	(+) <u>175.03</u>
DEVELOPMENT ACCOUNT			
Expenditure	1050.00	985.09	1385.80
Resources	999.22	985.09	1200.20
Operational Shortfall	50.78	..	185.60

BUDGET IN BRIEF

I. NON-DEVELOPMENT ACCOUNT

(Rs. in crore)

	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<u>Budget 1992-93</u>
A: NON-FOOD ACCOUNT			
GENERAL REVENUE RECEIPTS			
Federal Divisible Taxes	2813.79	2754.69	3122.32
Other Federal Transfers	126.09	127.40	122.57
Provincial Tax Receipts	497.23	532.34	623.47
Income from property and enterprises	8.43	10.03	20.97
Receipts from Civil Administration and other functions :			
General Administration	8.78	8.34	8.90
Law and Order	31.24	31.70	33.58
Community Services	24.57	25.96	48.22
Social Services	64.41	73.97	79.60
Economic Services	157.83	173.21	174.35
Miscellaneous (including ad-hoc Federal Grants)	124.30	141.69	240.62
Total General Revenue Receipts:	3856.67	3879.33	4474.60
NON-DEVELOPMENT REVENUE EXPENDITURE			
General Administration	345.37	329.07	385.89
Law and Order	326.83	387.32	385.71
Community Services	146.58	146.83	249.10
Social Services	1382.77	1355.51	1697.16
Economic Services	464.16	483.86	533.94
Subsidies	81.00	81.00	74.33
Debt-servicing, Investible Funds and Grants	903.91	921.66	1010.43
Miscellaneous (Unallocable)	0.03	0.03	0.03
Total Non-development Revenue Expenditure :	3650.65	3705.28	4336.59
a: Revenue deficit (-)/surplus(+)	206.02	174.05	138.01

	(Rs. in crore)		
	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<u>Budget 1992-93</u>
GENERAL CAPITAL RECEIPTS			
Federal Grants	..	..	..
Extraordinary Receipts	23.66	23.60	23.60
Public Debt	13.73	39.21	15.26
Recoveries of Loans and Advances	49.77	54.58	63.96
Total General Capital Receipts:	87.16	117.39	102.82
NON-DEVELOPMENT CAPITAL EXPENDITURE			
Highways, Roads, Bridges and Irrigation	..	..	..
Debt Servicing	94.65	123.58	114.00
Loans and Advances	25.48	29.08	25.48
State Trading in Medical Stores and Coal	(-) 1.28	(-) 1.29	(-) 0.55
Total Non-Development Capital Expenditure:	118.85	151.37	138.93
b: Net Capital Receipts	(-) 31.69	(-) 33.98	(-) 36.11
PUBLIC ACCOUNT-RECEIPTS			
Unfunded Debt	128.00	113.81	113.81
Deposits and Advances	670.84	879.91	683.58
Remittances	2628.17	2090.40	2090.40
Total Public Account Receipts :	3427.01	3084.12	2887.79

	(Rs. in crore)		
	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<u>Budget 1992-93</u>
PUBLIC ACCOUNT DISBURSEMENTS			
Unfunded Debt	52.38	40.74	40.74
Deposits and Advances	670.79	879.85	683.52
Remittances	2628.17	2090.40	2090.40
Total Public Account Disbursements:	3351.34	3010.99	2814.66
c: Net Public Account Receipts:	75.67	73.13	73.13
Net deficit (-)/surplus (+) in the Non-development Account (a+b+c):	(+) 250.00	(+) 213.20	(+) 175.03
 B: FOOD ACCOUNT - STATE TRADING IN FOODGRAINS AND SUGAR			
RECEIPTS			
Loans from Commercial Banks	675.97	1036.53	779.72
EXPENDITURE			
Foodgrains (Net)	(-) 217.87	357.30	(-) 74.65
Repayment of Bank Loans	893.84	679.23	854.37
Total Expenditure:	675.97	1036.53	779.72

II-DEVELOPMENT ACCOUNT

(Rs. in crore)

	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<u>Budget 1992-93</u>
A: PROVINCIAL CONTRIBUTION			
Provincial Contribution from the Non-development Account	250.00	213.20	175.03
Sub-total (A):	250.00	213.20	175.03
B: FEDERAL ASSISTANCE:			
Cash Development Loans (Normal)	733.17	733.17	668.64
Cash Development Loans (SAP Tied)	..	..	83.34
Federal Grants on matching basis (SAP)	..	..	83.35
Sub-total (B):	733.17	733.17	835.33
C: FOREIGN PROJECT ASSISTANCE:			
Foreign Grants	4.50	16.72	171.19
Foreign Loans	11.55	61.90	18.65
Sub-total (C):	16.05	78.62	189.84
Total Resources (A+B+C):	999.22	1024.99	1200.20
Cash Balance Utilization	..	(-) 39.90	..
Net Resources	999.22	985.09	1200.20

ANNUAL DEVELOPMENT PROGRAMME 1992-93

	Budget 1991-92	Budget 1992-93	% of Total
Agriculture	126.20	143.43	10.35
Rural Development	6.00	7.00	0.51
Industries & Minerals	27.50	27.50	1.98
Water & Power	38.00	42.00	3.03
Roads & Bridges	65.00	66.00	4.76
Physical Planning and Housing	189.00	311.96	22.51
Education & Training	123.00	310.00	22.37
Information & Culture	1.00	2.25	0.16
Health	138.00	174.00	12.56
Tourism	0.25	0.25	0.02
Social Welfare	1.00	2.50	0.18
Manpower & Training	2.00	2.00	0.14
Planning & Development	5.30	7.91	0.57
MKDA	2.50	4.00	0.29
Cholistan Development Authority	1.75	5.00	0.36
D.G. Khan Development Authority	3.00	8.00	0.58
Bahawalpur Development Authority	2.50	5.00	0.36
Block allocation for :			
i: Development Works of Local Councils	..	40.00	2.89
ii: Tameer-e-Watan Programme	..	124.00	8.95
iii: Special Programme for Education and Local Development	218.00	..	..
iv: Priority Programme	100.00	103.00	7.43
Gross Total:	1050.00	1385.80	100

Chapter I

NON-DEVELOPMENT BUDGET

The non-development, or the current budget of the Government of the Punjab comprises Non-development Revenue Account or Non-Food Account, Non-development Capital Account and Public Account of the Province.

I. NON-DEVELOPMENT REVENUE ACCOUNT:

The Non-development Revenue Account consists of general revenue receipts and non-development revenue expenditure.

a: General revenue receipts

These include proceeds of taxes (including the provincial share of federal divisible taxes), charges for services rendered by government agencies, income from commercial activities undertaken by some departments, return on investments in property, securities and enterprises, interest on loans and revenue incidental to control functions of the government (fines and forfeitures).

b: Non-development revenue expenditure

It represents current expenditure on salaries and allowances, pensions, maintenance of socio-economic infrastructure, service of public debt, disaster relief, consumption subsidies and other liabilities to be discharged in connection with the day-to-day functions of the government such as general administration, law and order, and provision of community, social and economic services.

TABLE 1
REVENUE ACCOUNT

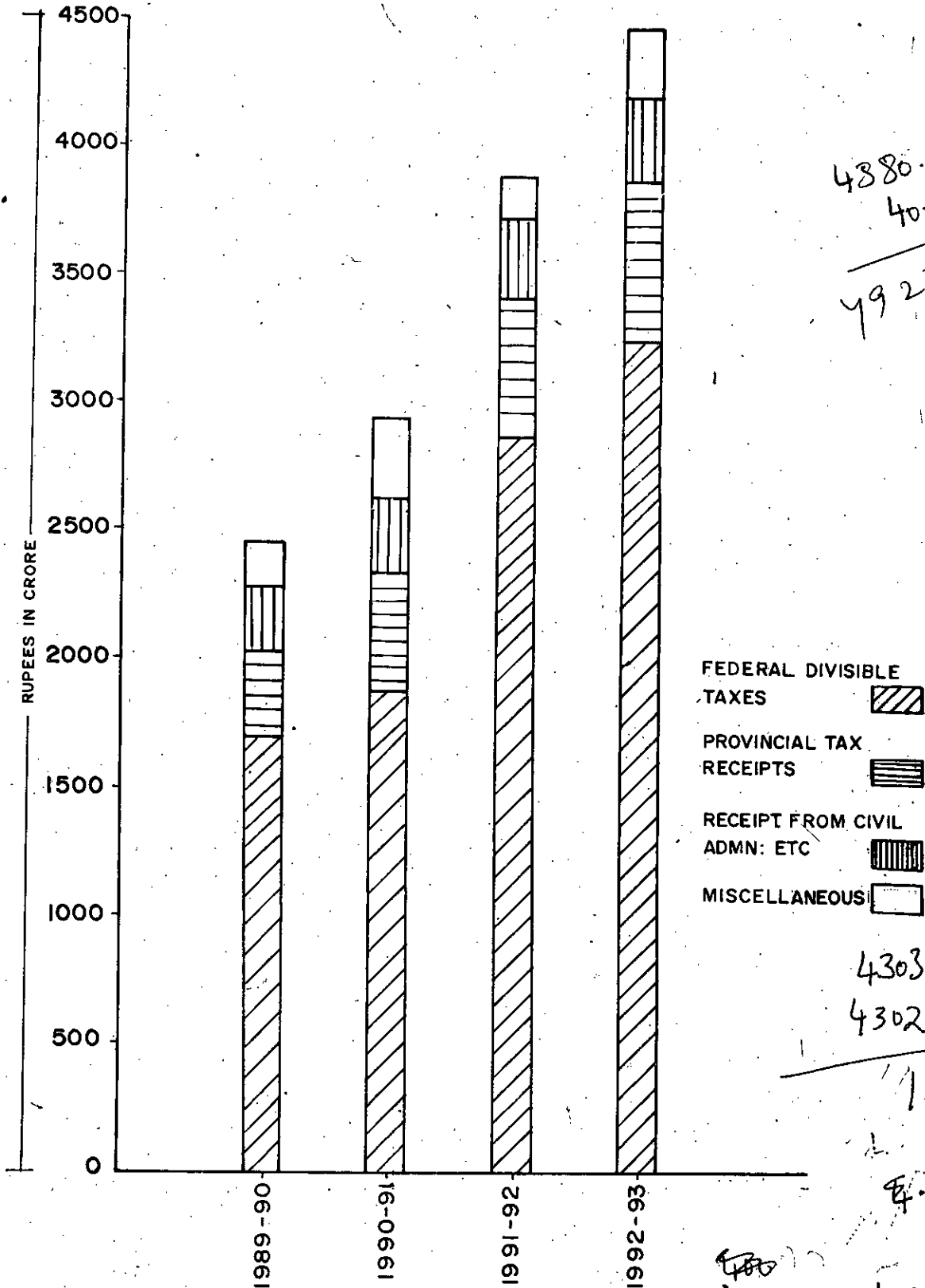
(Rs. in crore)

	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<u>Budget 1992-93</u>
A: GENERAL REVENUE RECEIPTS			
Federal Divisible Taxes	2813.79	2754.69	3122.32
Other Federal Transfers	126.09	127.40	122.57
Provincial Tax Receipts	497.23	532.34	623.47
Income from Property and Enterprises	8.43	10.03	20.97
Receipts from Civil Administration and other functions	286.83	313.18	344.64
Miscellaneous (other sources)	124.30	141.69	240.62
Total General Revenue Receipts:	3856.67	3879.33	4474.60
B: NON-DEVELOPMENT REVENUE EXPENDITURE			
General Administration	345.37	329.07	385.89
Law and Order	326.83	387.32	385.71
Community Services	146.58	146.83	249.10
Social Services	1382.77	1355.51	1697.16
Economic Services	464.16	483.86	533.94
Subsidies	81.00	81.00	74.33
Debt servicing, investible funds and grants	903.91	921.66	1010.43
Miscellaneous (unallocable)	0.03	0.03	0.03
Total Non-development Revenue Expenditure:	3650.65	3705.28	4336.59
Revenue surplus (B-A):	206.02	174.05	138.01

II. NON-DEVELOPMENT CAPITAL ACCOUNT :

The Non-development Capital Account is the account of expenditure incurred with the object of either increasing concrete assets or of reducing recurring liabilities and of receipts of capital nature. It is composed of general capital receipts and non-development capital expenditure.

REVENUE ACCOUNT
GENERAL REVENUE RECEIPTS
1989-90 to 1992-93



4880.11
 40.47

 4920.58

4303.96
 4302.31

 1.65

4880.11
 4920.58

 40.47

4880.11
 4920.58

a: General Capital Receipts

These accrue partly to Account No. 1 (Non-food Account) and partly to Account No. II (Food Account) of the provincial government. General capital receipts consist of grants from the federal government, extraordinary receipts, public debt, recoveries of loans and advances granted by the provincial government and temporary advances from commercial banks under counter-finance arrangements with the State Bank of Pakistan for financing operations of state trading in foodgrains. While the transactions of both Account No. I and II are part of the Provincial Consolidated Fund, for facility of understanding, the transactions relating to Account No. II (or the Food Account) have been omitted from the analysis of non-development account because Account No. II has been created exclusively for the account of state trading in food grains which is done through borrowings from commercial banks. Account No. II has been briefly touched upon in Chapter 6.

b: Non-development capital expenditure

This pertains both to Account No. 1 and Account No. II. It includes expenditure on highways, roads and bridges, irrigation works, repayments of debt, loans and advances by the provincial government, repayment of loans obtained from commercial banks for commodity operations, and state trading in medical stores and coal.

The non-development capital account had an excess of Rs. 31.69 crore in payments over receipts in the Budget Estimates 1991-92, which increased to Rs. 33.98 crore in the Revised Estimates. The estimated gap for 1992-93 is Rs. 36.11 crore.

III. PUBLIC ACCOUNT OF THE PROVINCE :

Public account transactions of the provincial government, which are outside the Provincial Consolidated Fund both on the receipt and expenditure side,

comprise unfunded debt, deposits and advances and remittances. These transactions are merely in the nature of book keeping adjustment. In other words the government only acts as a banker in the case of public account.

Net public account receipts in the Budget Estimates 1991-92 anticipated a surplus of Rs. 75.67 crore. In the Revised Estimates 1991-92, net receipts went down to Rs. 73.13 crore and are estimated to remain at Rs. 73.13 crore during 1992-93. The surplus in the public account transactions is on account of higher receipts from contributions of government employees into the provident fund as compared to disbursements. These transactions are reflected under unfunded debt.

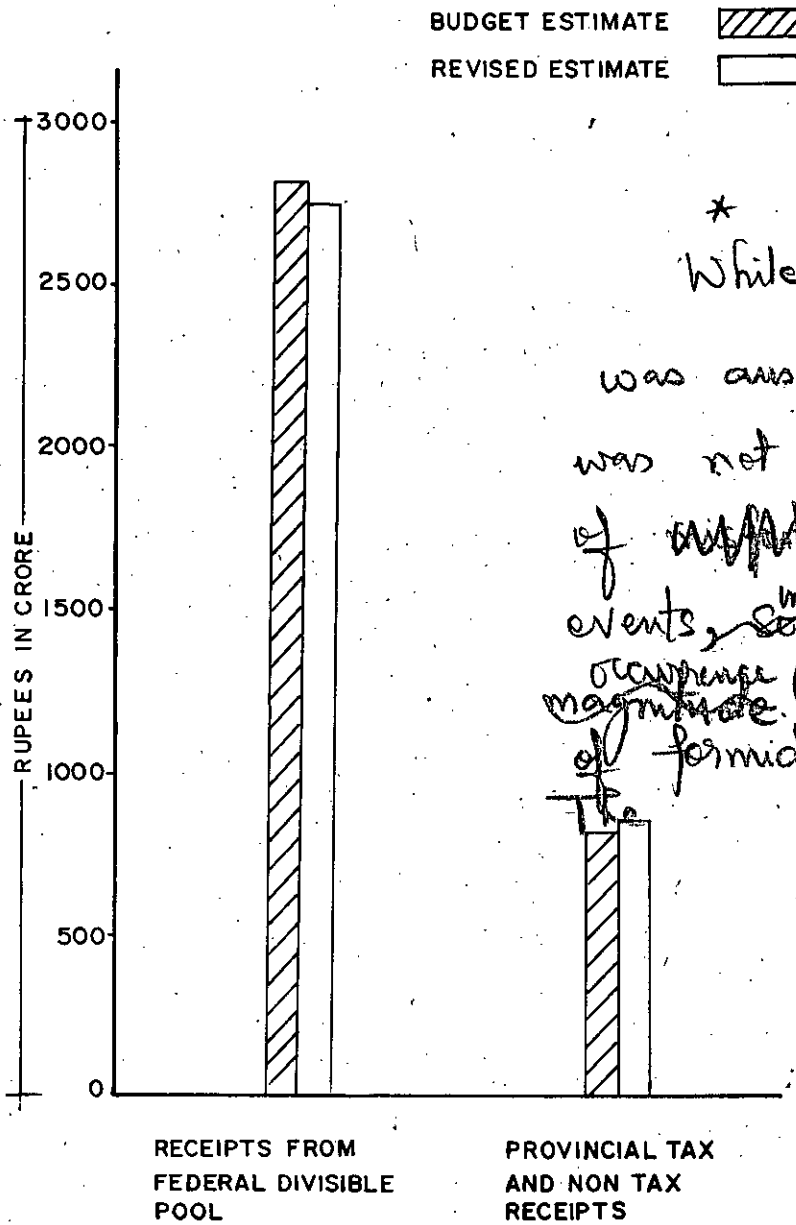
AN OVERVIEW OF THE NON-DEVELOPMENT ACCOUNT

The details of various components of the non-development budget of the Government of the Punjab are available in the following chapters. However, with a view to making it more comprehensible, a brief overview of the non-development account is given in the following lines.

REVISED ESTIMATE 1991-92

The non development budget, as per the Budget Estimates ¹⁹⁹²⁻⁹³ ~~1991-92~~ had a surplus of Rs. ^{175.00 Crores} ~~250.00 crore~~, which was ^{to be} transferred to the development account as provincial contribution to the financing of the ^{Annual Development} ~~Tancheer-Watah~~ Programme. ~~This~~ rather comfortable position in which the provincial finances found themselves in the beginning of the financial year 1991-92 faced a major upheaval when the provincial government, in accordance with the Award of the National Pay Commission, increased the pay of its employees. The liability of Rs. 252.65 crore, which the federal government, contrary to the traditional practice, refused to pick up for the first year of increase, literally and virtually played havoc with the budgetary estimates on the expenditure side. This was not the only tumble which

PROVINCIAL SHARE OF FEDERAL DIVISIBLE TAXES
AND PROVINCIAL TAX AND NON TAX RECEIPTS
IN 1991-92



** shortage*

** While the beginning was auspicious, the year was not without its share of ~~un~~ unanticipated events, including a natural occurrence (e.g. the November floods) of formidable proportions.*

the provincial finances received during the year. The user charges for two major commodities; telephone and electricity, were enhanced as WAPDA & Pak Telecom were directed by the federal government to manage their own finances and these two organisations started recovery of their outstanding arrears with a commercial zeal. Last but not the least, the federal government reported a shrinkage in the quantum of its tax collection, comprising the federal divisible pool, from which the provinces receive their shares under the NFC Award. The share of the Punjab from federal divisible taxes is the main component of provincial government's revenue receipts. The estimated amount of Rs. 2813.79 crore, which was 73 percent of total general revenue receipts in the Budget Estimates, was reduced to Rs. 2754.69 crore in the Revised Estimates. As expenditure authorizations were made on the basis of projected receipts, our budget was put under additional strain.

These jolts were sufficient to warp the most absorbent of budget estimates. However, the provincial government picked up the gauntlet thrown by the force of adverse financial circumstances. The remedial measures adopted are given below. These were meant to enhance receipts while curtailing expenditure:

- i) an economy cut of 5 to 10 percent was applied on the grants of all departments;
- ii) embargo on filling up of vacant posts was continued (this was removed towards the later part of the year);
- iii) all provincial government departments were asked to enhance their non-tax receipts by 8 percent over the revised estimates of 1990-91 through better collection, and
- iv) Board of Revenue and Excise and Taxation Department were asked to enhance their receipts through incentives and followup.

Aware of the difficult financial position of the government, the departments responded positively. The efforts made by the government are evident from the

fact that while the increase in the non-development revenue expenditure was kept at a minimum of 1.5 percent as the Revised Estimates increased over the Budget Estimates, by Rs. 54.63 crore, provincial tax and non-tax receipts increased by Rs. 65.12 crore or 7.98 percent during the year .

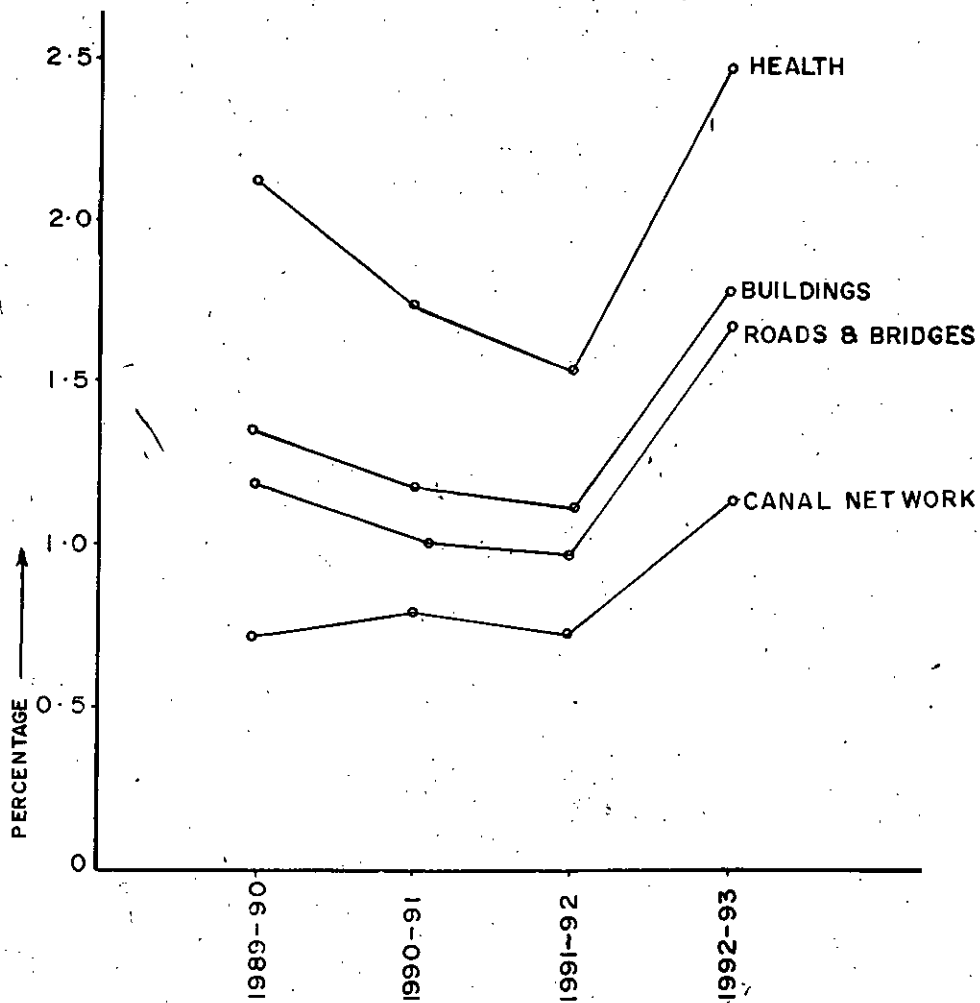
The adverse financial picture given above, meant that the surplus of Rs. 250.00 crore, which the non-development account had thrown up and which had been transferred to the financing of the Tameer-e-Watan Programme, was either going to be wiped out totally or would have been reduced to an insignificant figure. This in turn would have meant that the finances for the Tameer-e-Watan Programme would have shrunk drastically from Rs. 999.22 crore in the Budget Estimates 1991-92. However, through severe economy and resource mobilization measures mentioned above, a reduced surplus of Rs. 213.20 crore was managed in the Revised Estimates of non-development budget. The size of Tameer-e-Watan Programme was maintained almost at its original level.

BUDGET ESTIMATE 1992-93

This did not end the financial hardships for the provincial government. Increase in pays/pensions and allowances, made in 1991-92 is a recurring liability so are the enhanced tariffs of electricity and telephones (user charges of telephone have been further increased in the Federal Budget 1992-93). The vigour in the campaign for recovery of outstanding arrears of WAPDA and Pak Telecom is expected to increase during the year 1992-93. However, the increased load of expenditure on account of pay increase and user charges has not made the provincial government oblivious to its long deferred responsibilities. As a measure to maintain and consolidate the assets of the government, yardstick for maintenance has been revised. For this purpose a total allocation of Rs. 100.00 crore has been made with the following breakup :

THIS GRAPH SEPARATELY SHOWS THE ALLOCATIONS FOR MAINTENANCE OF ASSETS AND OPERATIONS OF HOSPITALS (INCLUDING MEDICINES) AS PERCENTAGE OF TOTAL NON-DEVELOPMENT BUDGET. IT ILLUSTRATES:

- a. CONTINUOUS DECREASING TREND TILL 1991-92.
- b. INCREASED PERCENTAGE IN THE BUDGET OF 1992-93, DUE TO REVISION OF YARDSTICKS.



i:	Roads and Highways	Rs. 35.00 crore
ii:	Buildings	Rs. 35.00 crore
iii:	Irrigation network	Rs. 30.00 crore

In addition to this, the allocation for provision of medicines and other services in hospitals has been enhanced by Rs. 50.00 crore. This does not include a provision of Rs. 5.00 crore for replacement and repair of equipment in various government hospitals and clinics. An allocation of Rs. 20.50 crore has been made for maintenance of rural water supply and drainage schemes by the Public Health Engineering Department. These enhanced allocations, alongwith repeated provision of Rs. 10.00 crore each for Bait-ul-Maal and Jahez Fund, meant an additionality of Rs. 527.15 crore in the non-development revenue expenditure in the Budget Estimates 1992-93. This additional liability does not include the normal increase in non-development revenue expenditure which takes place when schemes from development budget are completed and transferred to the non-development side for operation and maintenance. Resultantly the total non-development revenue expenditure in 1992-93 is estimated to be Rs. 4336.59 crore, which is an increase of 19 percent over the Budget Estimates 1991-92 of Rs. 3650.65 crore and 17 percent over the Revised Estimates 1991-92 of Rs. 3705.28 crore.

TABLE 2

NET SURPLUS/DEFICIT IN THE NON-DEVELOPMENT BUDGET

	<u>Budget</u> <u>1991-92</u>	<u>Revised</u> <u>1991-92</u>	<i>(Rs. in crore)</i> <u>Budget</u> <u>1992-93</u>
Revenue deficit (-)/surplus (+)	(+) 206.02	(+) 174.05	(+) 138.01
Deficit in Capital Account	(-) 31.69	(-) 33.98	(-) 36.11
Net Public Account Receipts	75.67	(+) 73.13	(+) 73.13
Total deficit (-)/surplus (+):	(+) 250.00	(+) 213.20	(+) 175.03

As explained above this large increase in the non-development expenditure was not only necessary, it was essential. (The details regarding components of non-development revenue expenditure, alongwith an explanation of the classification of "non-development" are given in chapter 3). This increase was possible only because the general revenue receipts in the Budget Estimates 1992-93 came to Rs. 4474.60 crore which was an increase of 16 percent over the Budget Estimates and 15 percent over the Revised Estimates of 1991-92. This increase is due to an increase in federal divisible taxes, which go up from the Revised Estimates figure of Rs. 2754.69 crore to Rs. 3122.32 crore and increase in provincial receipts, both tax and non-tax from the Revised Estimates of Rs. 881.05 crore to Rs. 1015.85 crore in the Budget Estimates 1992-93, which is an increase of Rs. 15.30 percent. The details are given in table 1.

By virtue of the increase in receipts, the government has been able to not only cover the increase in the non-development expenditure but also present a surplus of Rs. 175.03 crore, which has been utilized in the financing of the Annual Development Programme 1992-93.

Chapter 2

GENERAL REVENUE RECEIPTS

General revenue receipts of the province comprise:

- a: proceeds from taxes (including the provincial share of federal divisible taxes);
- b: other federal transfers that include royalties on natural gas and crude oil, excise duty and development surcharge on natural gas and electricity profits;
- c: charges for services rendered by government agencies;
- d: income from commercial activities undertaken by some departments;
- e: return on investment in properties, securities and enterprises;
- f: interest on loans advanced to public corporations, local councils and government servants;
- g: revenue incidental to control functions of the government (fines and forfeitures);
- h: federal grants; and
- i: miscellaneous receipts.

Originally estimated at Rs. 3856.67 crore, general revenue receipts increased by Rs. 22.66 crore, during the year to Rs. 3879.33 crore in Revised Estimates 1991-92. These are expected to rise to Rs. 4474.60 crore in the Budget Estimates 1992-93 which is an increase of Rs. 617.93 crore, or of 16 percent, over the Budget Estimates for the previous financial year. A break-up of general revenue receipts has been given in the first half of Table 1.

I. FEDERAL DIVISIBLE TAXES:

With effect from 1-7-1991 the provinces receive their shares from the pool of divisible taxes in accordance with the Award of the National Finance Commission announced on April 20, 1991.

The Award of the National Finance Commission expanded the pool of divisible taxes and guaranteed additional transfers to the provinces. The shares out of the divisible pool are distributed on the basis of population according to the final figures of the 1981 Census, while other federal transfers are distributed on the basis of location and production. The divisible pool comprises:

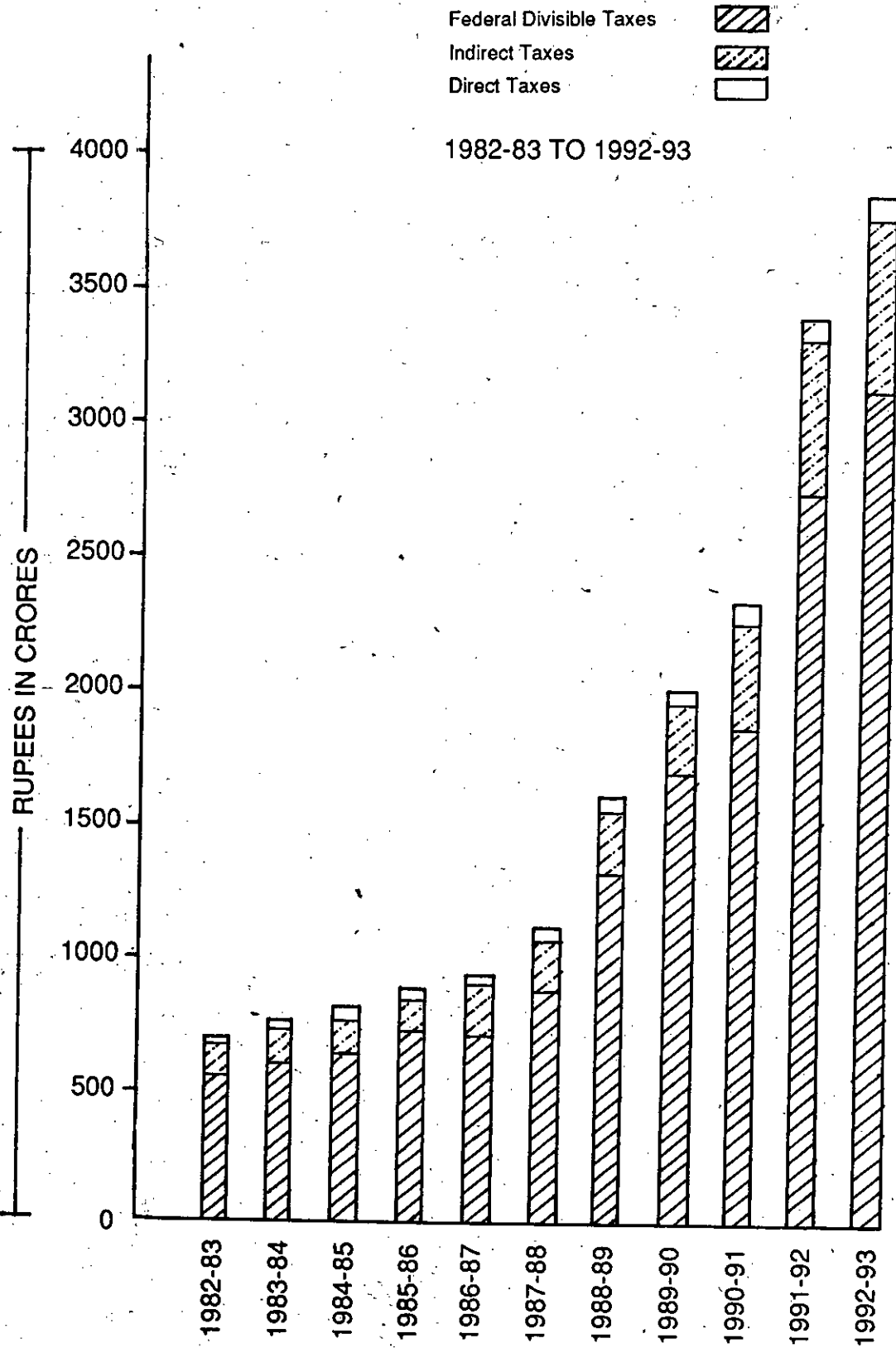
- i: export duty on cotton;
- ii: taxes on sales and purchases of goods imported, exported, produced, manufactured or consumed;
- iii: income and corporate tax, excluding taxes on income consisting of remuneration paid out of the Federal Consolidated Fund;
- iv: excise duty on tobacco and tobacco manufactures and excise duty on sugar.

The percentage share of the provinces in the divisible pool, based on their respective population of the final figures of 1981 Census, is as follows:

Punjab	57.88
Sindh	23.28
N.W.F.P.	13.54
Balochistan	5.30

The details of receipts from federal divisible taxes, other taxes collected by the federal government for the provinces and straight transfers, as intimated by the federal government, are indicated in table 3. While the federal transfers increased from the Budget Estimates of Rs. 126.09 crore to Rs. 127.40 crore in the Revised Estimates, the provincial share out of the federal divisible taxes was reduced from Rs. 2813.79 crore in Budget Estimates to Rs. 2754.69 crore in the Revised

PROPORTION OF FEDERAL DIVISIBLE TAXES, PROVINCIAL
DIRECT AND INDIRECT TAXES IN THE GENERAL REVENUE
RECEIPTS



Estimates. The decrease of Rs. 59.1 crore was due to the shrinking of the divisible pool. In 1992-93 the provincial share from divisible pool is estimated at Rs. 3122.32 crore while the federal transfers are estimated at Rs. 122.57 crore.

TABLE 3
FEDERAL DIVISIBLE TAXES

	<u>Budget</u> 1991-92	<u>Revised</u> 1991-92	<u>Budget</u> 1992-93
	<i>(Rs. in crore)</i>		
Customs (Export Duty on Cotton)	140.76	89.47	96.78
Income Tax	1019.05	1123.85	1258.72
Sales Tax	1060.13	945.76	1064.00
Excise Duty on Tobacco and Tobacco Manufactures	422.29	395.90	467.16
Excise Duty on Sugar	171.56	199.71	235.66
Total:	2813.79	2754.69	3122.32

OTHER FEDERAL TRANSFERS

Excise Duty on Natural Gas	5.63	7.25	8.02
Royalty on Natural Gas	5.94	9.15	7.92
Development Surcharge on Natural Gas	45.53	45.42	33.49
Electricity Profit	10.04	10.04	11.04
Royalty on Crude Oil	58.95	55.54	62.10
Total :	126.09	127.40	122.57
Grand Total :	2939.88	2882.09	3244.89

II. PROVINCIAL TAX RECEIPTS:

Income from provincial taxes increased from Rs. 497.23 crore in the Budget Estimates 1991-92 to Rs. 532.34 crore in the Revised Estimates and is expected to

be around Rs. 623.47 crore during the next financial year. Details are given in Table 4.

TABLE 4
PROVINCIAL TAX RECEIPTS

	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<u>Budget 1992-93</u>
<i>(Rs. in crore)</i>			
DIRECT TAXES:			
Urban Immovable Property Tax	12.49	12.50	13.75
Tax on Transfer of property (Registration)	17.00	17.00	17.23
Land Revenue	54.85	58.71	64.05
Tax on Professions, Trades and Callings	4.40	4.40	4.86
Total Direct Taxes:	88.74	92.61	99.89
INDIRECT TAXES:			
Provincial Excise	10.00	11.57	12.44
Sale of Opium	0.60	0.60	0.65
Stamp Duty	260.37	289.66	315.90
Motor Vehicle Tax	60.65	60.65	62.77
Entertainment Tax	17.48	17.54	17.61
Education Cess	0.06	0.06	0.06
Cotton Fee	24.00	24.00	24.00
Tax on Hotels	2.50	2.85	3.00
Electricity Duty	29.73	30.38	34.62
Others	3.10	2.42	52.53
Total Indirect Taxes:	408.49	439.73	523.58
Total Provincial Taxes:	497.23	532.34	623.47

The increase of Rs. 35.11 crore in the Revised Estimates over the Budget Estimates is primarily because of resource mobilization efforts during the last financial year which included the following major measures:

- i: all departments were directed to increase their receipts through better collection. A target of 8 percent increase in non-tax receipts over the Revised Estimates of financial year 1990-91 was given.
- ii: Board of Revenue and Excise and Taxation Department were asked to increase their receipts through incentives and followup.

Direct taxes, which include land revenue, registration fee, professional tax and urban immovable property tax, increased from Rs. 88.74 crore in Budget Estimates to Rs 92.61 crore in the Revised Estimates and will amount to Rs. 99.89 crore during 1992-93. Indirect taxes, which comprise stamp duty, provincial excise, motor vehicle taxes etc., increased from Rs. 408.49 crore to Rs. 439.73 crore. Indirect taxes during 1992-93 will be Rs. 523.58 crore. Provincial tax receipts during 1992-93 are estimated to be around Rs. 623.47 crore which is an increase of Rs. 126.24 crore, or about 25.39 percent, over the previous financial year.

During 1992-93, receipts from stamp duties are expected to rise still further and will increase by Rs. 26.24 crore over the Revised Estimates of Rs. 289.66 crore in 1991-92. These additional receipts have accrued basically on account of revision of valuation tables which are used for determining of stamp duty payable on transactions pertaining to sale of property in urban areas and removal of exemption from payment of stamp duty to co-operative societies. Both these measures were taken through the Budget 1991-92. The increase under the head "Others" in the indirect taxes has been made on account of additional resources anticipated during the year through fresh resource mobilization measures.

III. INCOME FROM PROPERTY AND ENTERPRISE:

Income from property and enterprises represents mark-up on soft loans advanced by the provincial government to its employees for construction of houses and purchase of conveyance, to farmers for purchase of agricultural inputs and sinking of tubewells etc., and to local councils and provincial autonomous bodies

for financing their development programmes. It also includes dividends on provincial government's investment in government securities. Receipts from this source are expected to aggregate at Rs. 20.97 crore during 1992-93 against Rs. 10.03 crore in the Revised Estimates 1991-92 and Rs. 8.43 crore in the Budget Estimates 1991-92.

IV. RECEIPTS FROM CIVIL ADMINISTRATION AND OTHER FUNCTIONS:

Table 5 contains the broad details of receipts incidental to law enforcement and other control functions of the government and charges on account of services rendered by government agencies.

TABLE 5
RECEIPTS FROM CIVIL ADMINISTRATION AND OTHER FUNCTIONS

	<u>Budget</u> <u>1991-92</u>	<u>Revised</u> <u>1991-92</u>	<i>(Rs. in crore)</i> <u>Budget</u> <u>1992-93</u>
General Administration	8.78	8.34	8.90
Law and Order	31.24	31.70	33.58
Community Services	24.57	25.96	48.22
Social Services	64.41	73.97	79.59
Economic Services	157.83	173.21	174.35
Total:	286.83	313.18	344.64

Non-tax receipts of civil administration and other functions include income from fines imposed by courts, driving licence fee, fees charged by various educational institutions, hospital receipts, sale proceeds of forest produce, water rate (Abiana), hire charges of agricultural machinery, income from tolls, sale of

tender forms and stationery, etc., and printing charges recovered by the Government Press.

A: GENERAL ADMINISTRATION AND LAW AND ORDER

Details of receipts on account of general administration and law and order are given in Table 6.

TABLE 6
RECEIPTS FROM GENERAL ADMINISTRATION
AND LAW AND ORDER

	<u>Budget</u> <u>1991-92</u>	<u>Revised</u> <u>1991-92</u>	<i>(Rs. in crore)</i> <u>Budget</u> <u>1992-93</u>
General Administration	8.78	8.34	8.90
Administration of Justice	7.03	7.03	7.49
Police	21.91	21.99	23.29
Jails	2.26	2.62	2.75
Civil Defence	0.04	0.05	0.05
Total:	40.02	40.03	42.48

Receipts from general administration and law and order accrue from general administration, administration of justice, police, jails and civil defence.

Receipts from general administration include examination fees, receipts-in-aid of superannuation and receipts under the Weights and Measures and Trade Employees Act. Receipts under administration of justice mainly comprise general fees, fines and forfeitures, receipts from record rooms and collection of payments for services rendered. Receipts from the police include charges for force supplied to the federal and provincial government departments, fees, fines and forfeitures. Receipts from jails mainly accrue from sale of manufactured goods, and in case of civil defence, these are reimbursements from the federal government and

realization of fines. Against a nominal increase in the Revised Estimates, additional resources of more than Rs. 2.45 crore are anticipated during 1992-93, as per normal pattern of increase through fines and fees.

B: COMMUNITY AND SOCIAL SERVICES

Receipts from community and social services accrue from:

a: Community Services

- i: Tolls on roads and bridges;
- ii: Sale of tender forms;
- iii: Registration fee for contractors;
- iv: Confiscation of earnest money;
- v: Payments for services rendered and recovery of departmental charges by Public Health Departments.

b: Social Services

- i: Education
- ii: Health
- iii: Manpower Management
- iv: Housing and Physical Planning
- v: Receipts under the Wild Birds and Wild Animals Protection Act.

Receipts from buildings and communications accrue from civil works, tolls on roads and bridges, sale of tender forms, registration fee of contractors and confiscation of earnest money. Receipts from public health include collection of payments for services rendered and recovery of departmental charges. The major increase in receipts under the head of public health is expected in the wake of the decision of maintaining rural water supply and sanitation schemes by the Public Health Engineering Department. Additional revenue to be generated through collection of user charges has increased the estimated receipts of Public Health from Rs. 2.43 crore in the Revised Estimates 1991-92 to Rs. 24.11 crore in the

Budget Estimates 1992-93. The main source of revenues from education are fees in educational institutions. Receipts from health include hospitals receipts and fees charged by medical colleges. Manpower management receipts include receipts from employment organizations and receipts under the West Pakistan Shops and Establishments Ordinance, 1969. Housing and Physical Planning receipts are from the sale of plots and buildings, income from satellite town schemes and collection of payments for services rendered etc. Receipts under the Wild Birds and Wild Animals Protection Act include fines and licence fees.

Receipts from community and social services increased by Rs. 10.95 crore in the Revised Estimates over the Budget Estimates, of Rs. 88.98 in 1991-92. An increase of Rs. 27.89 crore is expected during 1992-93 over the Revised Estimates. The details are given in table 7.

TABLE 7
RECEIPTS FROM COMMUNITY AND SOCIAL SERVICES

	<u>Budget</u> <u>1991-92</u>	<u>Revised</u> <u>1991-92</u>	<u>Budget</u> <u>1992-93</u>
	(Rs. in crore)		
Buildings	4.21	4.95	4.95
Communications	18.11	18.58	19.16
Public Health	2.25	2.43	24.11
Education	42.48	44.37	49.40
Health	11.81	12.12	12.72
Manpower Management	0.22	0.22	0.23
Housing and Physical Planning	9.24	16.61	16.59
Receipts under the Wild Birds and Wild Animals Protection Act	0.66	0.65	0.66
Total:	88.98	99.93	127.82

C: ECONOMIC SERVICES

Receipts from economic services accrue from agriculture, fisheries, animal husbandry, forests, cooperation, irrigation, printing, stationery and industries. Details are given in Table 8.

The agriculture receipts comprise income from experimental and seed farms, hire charges of bulldozers, boring operations, research stations and soil conservation. Animal husbandry includes receipts from livestock and broiler farms, insemination fees and income from research institutes. Forest income includes sale proceeds of timber and other produce and from the Jallo Rosin Factory. Cooperation receipts are mainly on account of income from demonstration farms and training institutes. Irrigation receipts are derived from water rates, direct receipts from canals, land reclamation and irrigation research institutes. Receipts under printing and stationery include printing charges, sale of government publications, forms, registers and stationery while receipts from industries comprise proceeds of finished goods, store purchases and fees, etc.

TABLE 8
RECEIPTS FROM ECONOMIC SERVICES

(Rs. in crore)

	<u>Budget</u> <u>1991-92</u>	<u>Revised</u> <u>1991-92</u>	<u>Budget</u> <u>1992-93</u>
Agriculture	23.15	24.14	24.14
Fisheries	2.30	2.36	2.43
Animal Husbandry	8.06	8.33	9.37
Forest	20.77	22.61	22.61
Cooperation	0.20	0.27	0.23
Irrigation	94.67	108.68	108.68
Printing	3.70	3.95	3.95
Stationery	2.42	0.29	0.29
Industries	2.56	2.58	2.65
Total :	157.83	173.21	174.35

The increase in the Revised Estimates over the Budget Estimates in 1991-92 was mainly because of better collection of receipts and recovery of arrears of water rate.

V: MISCELLANEOUS:

Miscellaneous receipts include grants from the federal government for meeting the budgetary deficit, increase in salaries, allowances and pensions and reimbursements for performance of agency functions and any other matching grants to the provincial government. (The grants for meeting the budgetary deficit of the province have been discontinued after the NFC Award). Details are given in table 9. These also include other minor receipts such as unclaimed deposits, sale of stores and materials, collection charges of Sugarcane Development Cess, fees for registration of societies, etc. Originally estimated at Rs. 100.86 crore, federal grants increased to Rs. 116.19 crore in the Revised Estimates mainly because of the following:

- i: Special grant of 12.50 crore for Punjab Police. This is part of the grant of Rs. 50 crore promised to the Punjab Police by the Prime Minister of Pakistan.
- ii: Special federal grant of Rs. 1.00 crore for strengthening of judiciary.
- iii: Grant of Rs. 76.00 lacs under USAID Forestry Planning and Development Project.

The total miscellaneous receipts increased from Rs. 124.30 crore in Budget Estimates to Rs. 141.69 crore in the Revised Estimates. In 1992-93, these are estimated at Rs. 240.62 crore. This includes the special grant of Rs. 100.00 crore which is made to the province by the federal government for three financial years effective from 1991-92 as a part of the NFC Award, matching grant of Rs. 75.00 crore from the federal government against our additional resource mobilization efforts of equal amount in 1991-92 and the remaining Rs. 37.50 crore of the special

grant of Rs. 50.00 crore for Punjab Police announced by the Prime Minister of Pakistan.

TABLE 9

MISCELLANEOUS RECEIPTS

	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<i>(Rs. in crore)</i> <u>Budget 1992-93</u>
Other grants from Federal Government	100.86	116.19	213.85
Others	23.44	25.50	26.77
Total Miscellaneous Receipts	124.30	141.69	240.62

Chapter 3

NON-DEVELOPMENT REVENUE EXPENDITURE

The non-development revenue expenditure of the provincial government is incurred on:

- i: General Administration;
- ii: Law and Order;
- iii: Social Services;
- iv: Community Services;
- v: Economic Services;
- vi: Subsidies;
- vii: Debt Servicing and Investible Funds and Grants; and
- viii: Miscellaneous (unallocable) Items.

The expression non-development expenditure is misleading as it conveys the impression that all current expenditure on the day-to-day business of the government is unproductive and, therefore, wasteful. This is far from the truth; in fact the so-called non-development expenditure has a strong socio-economic bias as it is necessary not only to maintain assets created by investment in the development programme of the government but also to provide essential services necessary for progress. No meaningful development can take place without expenditure on maintenance of law and order, administration of justice and the maintenance of existing socio-economic infrastructure. A school or a hospital building would be useless without teachers, doctors or equipment which are provided from the non-development expenditure. Communication and irrigation networks would become a liability rather than an asset if these were not properly maintained.

The impression that non-development expenditure, which is mostly incurred on administration, is wasteful expenditure is also not correct. Firstly, a major portion of the expenditure is incurred on social, economic and community services. In the Budget Estimates 1992-93 the share of these sectors comes to 57.19 per cent of the budget which is an improvement of 2.58 per cent over Budget Estimates 1991-92. Secondly, only a small percentage of the budget is spent on the so-called non-development departments within these services. In this way, the expenditure on expansion of the physical infrastructure is met from the development budget while that on its maintenance as well as on the social infrastructure takes place through the non-development budget. Enhanced expenditure on development thus adds to non-development expenditure when completed projects are transferred to the non-development account for operation and maintenance.

Traditionally the Government tries to make the non-development budget complementary to the development effort of the province. To meet this objective, the following guiding principles have been adopted while formulating Budget Estimates 1992-93:

- i: to maximise the provision of commodities and services contributing to the social welfare and development functions of the government;
- ii: special allocations should be made, where necessary, to improve the maintenance of the capital assets of the government;
- iii: in order to ensure a reasonable level of operational efficiency in government, adequate funds should be provided to cover the expenditure on consumable items like stationery, equipment etc. and for charges on account of POL, electricity and telephones, while at the same time ensuring that maximum economy is exercised and wasteful expenditure is curtailed to the minimum. This shall ensure

proper utilization of funds and would avoid extra allocation of funds during the year through supplementary grants, and

- iv: in order to ensure proper maintenance of government assets, yardsticks for maintenance be revised as far as possible.

Keeping these guidelines in view an effort has been made to make good the deficiencies in areas of maintenance of physical assets and in provision of social services. Yardsticks for the allocation of funds have been revised for different fields like the repair of buildings, roads, irrigation canals and the provision of medicines and services in hospitals.

Non-development revenue expenditure was estimated at Rs. 3650.65 crore in the Budget Estimates 1991-92. In the Revised Estimates, the increase in expenditure was kept at a minimum to Rs. 3705.28 crore; while it will go up to Rs. 4336.59 crore in 1992-93. The increase of Rs. 54.63 crore in expenditure in the Revised Estimates is mainly because of additional liability as a result of revision of salaries, allowances and pensions and the additional allocations made to the departments as WAPDA and Pak Telecom not only enhanced the rates of electricity and telephone calls but also started a hectic campaign for recovery of arrears of both these services. This was, however, counter-balanced to some extent through austerity measures, economy cuts, ban on purchase of durable goods and non-essential items, an embargo on the filling of vacant posts and better collection of receipts.

Non-development expenditure during 1992-93 has been estimated at Rs. 4336.59 crore, showing an increase of 19 percent over the Budget Estimates 1991-92 and 17 percent over the Revised Estimates. This increase was partly automatic --- by increase in salaries which is a recurring liability as are the enhanced user charges of commodities services like charges of telephone calls and electricity and by transfer of completed schemes from the development budget to

the non-development for operation and maintenance --- and partly necessary for maintenance and consolidation of the assets of the government. The increase was made possible by an increase in the federal divisible taxes from Rs. 2754.69 crore in the Revised Estimates to Rs. 3122.32 crore in the Budget Estimates and an increase of 15.30 percent in the provincial receipts (both tax and non-tax) in the Budget Estimates 1992-93 over the Revised Estimates 1991-92. The major factors that have contributed to the increase in the non-development revenue expenditure estimates for the next financial year are as follows :

- Repeated* i: an allocation of Rs. 20.00 crore has been made to clear electricity and telephone bills payable by government departments; — *to clear arrears further - lights not lit*
- Repeated* ii: an allocation of Rs. 2.00 crore has been made for medical treatment abroad;
- iii: *doubled* an allocation of Rs. ~~10.00~~ 20.00 crore has been made for replacement and repair of equipment in various government hospitals and clinics; — *for update healthcare*
- iv: *doubled* Rs. 20.00 crore have been set aside for the Bait-ul-Maal established by the Punjab Government during 1990-91;
- v: ~~a provision of Rs. 10.00 crore has been made towards the Jahez-Fund;~~
- ~~100 Crores~~ vi: ~~an allocation of Rs. 311.65 crore has been made for enhanced pays/increments and pensions;~~ *85 crores for ad hoc relief*
- vii: a provision of Rs. 150.00 crore has been made for highways, buildings, irrigation and health with the following breakup:
- | | | |
|----|---|-----------------|
| a: | Roads and Highways | Rs. 35.00 crore |
| b: | Buildings | Rs. 35.00 crore |
| c: | Irrigation Network | Rs. 30.00 crore |
| d: | Provision of medicines and services in hospitals. | Rs. 50.00 crore |

additional 48 crores for pensionary benefits in the wake of Supreme Court decision enhancing pensionary

73 crores additional liability

Details of the functional distribution of non-development revenue expenditure are discussed as under :

I. GENERAL ADMINISTRATION:

Broad details of expenditure on general administration are given in Table 10.

TABLE 10
EXPENDITURE ON GENERAL ADMINISTRATION

	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<u>Budget 1992-93</u>
	<i>(Rs. in crore)</i>		
Organs of State	66.46	84.58	80.44
Fiscal Administration	259.62	222.61	282.25
Economic Regulation	3.61	4.04	4.42
Statistics	5.22	5.48	6.20
Publicity and Information	10.46	12.36	12.58
Total :	345.37	329.07	385.89

Although expenditure on general administration went down significantly from Rs. 345.37 crore in the Budget Estimates to Rs. 329.07 crore in the Revised Estimates, it is likely to rise to Rs. 385.89 crore during 1992-93 on account of usual budgetary enhancements and a block allocation for clearing the arrears of telephone and electricity bills by government departments.

II. LAW AND ORDER :

Expenditure on law and order involves disbursements related to administration of justice, police and civil armed forces, jails, civil defence etc., as detailed in Table 11.

TABLE 11**EXPENDITURE ON LAW AND ORDER**

(Rs. in crore)

	<u>Budget</u> <u>1991-92</u>	<u>Revised</u> <u>1991-92</u>	<u>Budget</u> <u>1992-93</u>
Justice : Law Courts	22.11	25.23	27.08
Police and Civil Armed Forces	271.90	325.46	321.38
Jails and Detention Places	24.90	27.37	27.77
Civil Defence	1.78	1.87	2.15
Training and Research in Law and Order	6.14	7.39	7.33
Total :	326.83	387.32	385.71

The increase in the Revised Estimates over the Budget Estimates is due to additional expenditure of Rs. 25.00 crore incurred on the police force, and enhanced allocation due to pay revision and increase in telephone and electricity charges. However, total expenditure will decrease to Rs. 385.71 crore in 1992-93.

III. COMMUNITY SERVICES :

Community services include the road communication network, government buildings, water supply, sanitation and sewerage arrangements. Details of expenditure on community services are given in Table 12. The responsibility for providing community services vests solely in the government for the obvious reason that these services cannot be provided individually in the private sector.

Revised Estimates 1991-92 show only a marginal increase over the Budget Estimates. Budget Estimates show additional allocation of Rs. 102.52 crore during 1992-93 over Budget Estimates 1991-92 on account of anticipated expenditure of Rs. 20.50 crore on maintenance of rural water supply and sanitation schemes by the Public Health Engineering Department and block allocation of Rs. 70.00 crore

for the revision of yardstick for maintenance of physical assets in civil works and communication i.e. buildings and highways.

TABLE 12
EXPENDITURE ON COMMUNITY SERVICES

	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<i>(Rs. in crore)</i> <u>Budget 1992-93</u>
Works	135.64	135.00	215.66
Public Health Services (water-supply, sanitation, sewerage and refuse disposal)	9.68	10.32	31.96
Other Community Services	1.26	1.51	1.48
Total :	146.58	146.83	249.10

IV. SOCIAL SERVICES :

The details of expenditure on social services are indicated in Table 13.

Revised Estimates decreased to Rs. 1355.51 crore from the Budget Estimates of Rs. 1382.77 crore in 1991-92. Budget Estimates 1992-93 for social services show an increase of Rs. 341.65 crore over the Revised Estimates. The main increase once again is in the education and health which together register an increase of Rs. 256.13 crore over the Budget Estimates for 1991-92 and Rs. 290.74 crore over the Revised Estimates. The reason for decreased expenditure in Revised Estimates was mainly the ban on filling up of vacant posts. As the embargo has been lifted, hence enhanced allocations for 1992-93. The allocation made for Health Department is also inclusive of a block allocation of Rs. 50.00 crore for increased provision of medicines and other services in the government hospitals which is part of the revision of yardstick undertaken in 1992-93.

TABLE 13
EXPENDITURE ON SOCIAL SERVICES

(Rs. in crore)

	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<u>Budget 1992-93</u>
Education	1076.64	1057.01	1251.76
Health	248.73	233.75	329.74
Manpower and Labour Management	5.73	6.01	7.00
Housing and Physical Planning	5.51	9.30	19.25
Sports and recreational facilities	6.52	5.90	7.94
Social security and social welfare	35.68	36.99	76.10
Natural calamities and other disasters	1.17	2.56	1.36
Religious affairs	2.79	3.99	4.01
Total :	1382.77	1355.51	1697.16

V. ECONOMIC SERVICES :

Revised Estimates 1991-92 have increased by Rs. 19.70 crore due to additional demands from irrigation, agriculture, rural development and tourism sectors.

Detailed expenditure incurred on economic services is indicated in Table 14.

TABLE 14
EXPENDITURE ON ECONOMIC SERVICES

(Rs. in crore)

	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<u>Budget 1992-93</u>
Agriculture and Food	175.80	183.94	203.21
Irrigation	243.22	248.44	277.54
Land Reclamation	3.49	3.39	3.77
Rural Development	20.22	29.39	28.68
Industrial and Mineral Resources	21.43	18.70	20.74
Total :	464.16	483.86	533.94

The increase in the Budget Estimates 1992-93 over the Revised Estimates 1991-92 amounting to Rs. 50.08 crore is essentially due to additional expenditure in the irrigation sector due to revision of yardstick for maintenance of canal network. The allocation for agriculture and food has also been enhanced from Rs. 183.94 crore in the Revised Estimates to Rs. 203.21 crore in the Budget Estimates for 1992-93, the major increase being in the components of agriculture and land management.

VI: SUBSIDIES:

Revised Estimates 1991-92 remained the same as Budget Estimates at Rs. 81.00 crore. Estimates for 1992-93 have been kept at Rs. 74.33 crore.

VII: DEBT SERVICING, INVESTIBLE FUNDS AND GRANTS:

Expenditure under this head is mainly incurred as payment of mark-up on provincial debt. It also includes grants made by the provincial government to autonomous bodies and other institutions like the Punjab Economic Research Institute, Cholistan Development Authority, Punjab Engineering Academy, Punjab Highways Authority and the Punjab Land Utilisation Authority. Details are given in Table 15.

TABLE 15
DEBT SERVICING, INVESTIBLE FUNDS AND GRANTS

	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<u>Budget 1992-93</u>
	<i>(Rs. in crore)</i>		
Interest on Domestic Debt	95.41	97.14	82.52
Interest on Federal Loans	794.19	798.66	907.57
Interest on Foreign Loans	8.02	11.31	11.43
Sub-total	897.62	907.11	1001.52
Grants and Subventions	6.29	14.55	8.91
Total	903.91	921.66	1010.43

Debt servicing liability of the province was projected at Rs. 897.62 crore in the Budget Estimates 1991-92. It increased to Rs. 907.11 crore in the Revised Estimates on account of additional liability. During 1992-93, debt servicing liability is estimated at Rs. 1001.52 crore. The increase is due to the expansion in the quantum of cash development loans obtained from the federal government for the Tamir-e-Watan Programme.

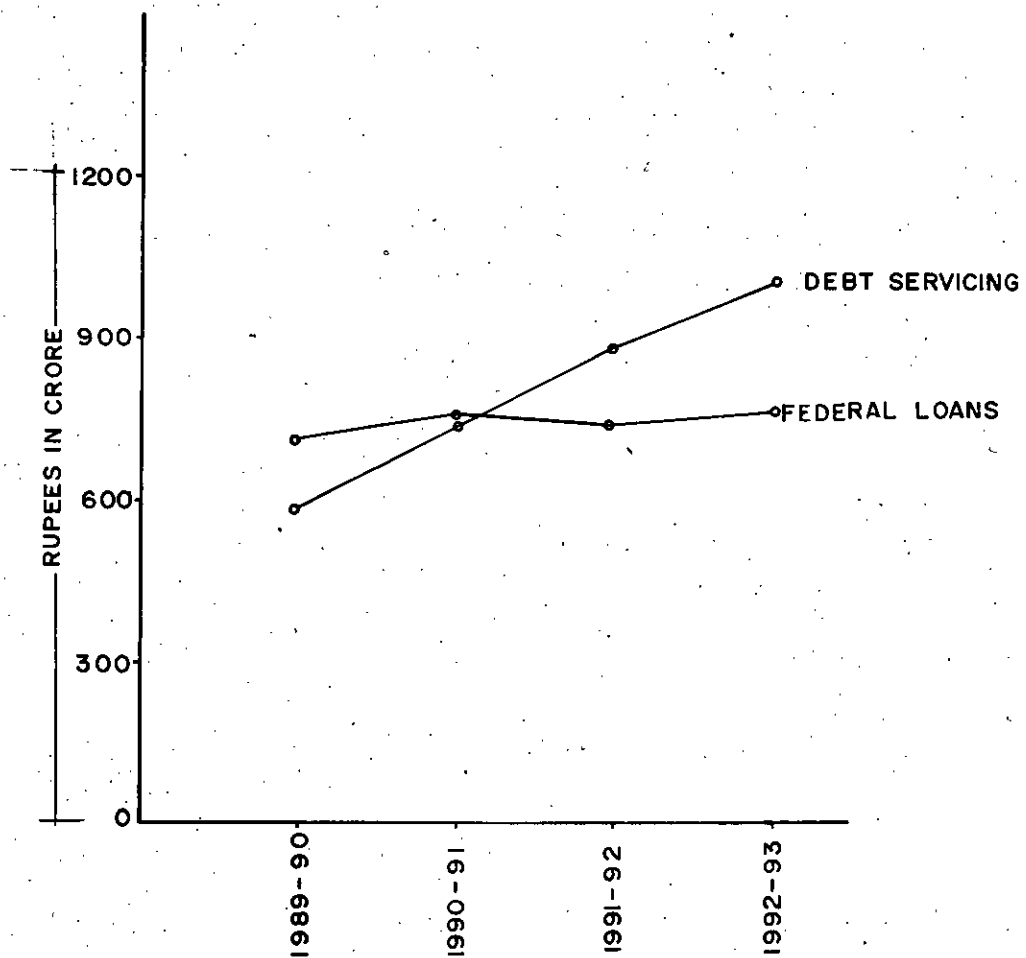
Grants and subventions increased from Rs. 6.29 crore in the Budget Estimates 1991-92 to Rs. 14.55 crore in the Revised Estimates and have been estimated at Rs. 8.91 crore during 1992-93.

VII: MISCELLANEOUS (UNALLOCABLE) ITEMS OF EXPENDITURE:

The Budget Estimates 1991-92 showed an amount of Rs. 0.03 crore under this head which has been repeated for 1992-93.

GRAPH ILLUSTRATING THE TOTAL YEARLY INFLOW ON ACCOUNT OF FEDERAL LOANS AND TOTAL YEARLY OUTFLOW FROM GOVT. OF PUNJAB TO FEDERAL GOVT. ON ACCOUNT OF DEBT SERVICING

1989-90 to 1992-93



Chapter 4

GENERAL CAPITAL RECEIPTS

General capital receipts accrue partly to the provincial government's Account No. 1 (Non-food Account) and partly to Account No. II (Food Account), maintained with the State Bank of Pakistan. Non-development capital receipts, which accrue to Account No. 1, comprise:

- i: grants from the federal government;
- ii: extraordinary receipts;
- iii: public debt, and
- iv: recoveries of loans and advances extended by the provincial government.

The receipts forming part of Account No. II consist of temporary advances from commercial banks under counter-finance arrangements with the State Bank of Pakistan for financing operations of state trading in foodgrains. The cash credit limit for food advances is fixed by the federal government and these advances are secured against food stocks which constitute the primary security for the commercial banks. Account No. II is maintained with the State Bank of Pakistan exclusively for transactions relating to receipts and expenditure of the Food Department. The quantum of such temporary advances estimated at Rs. 675.97 crore in the Budget Estimates 1991-92 increased to Rs. 1036.53 crore in the Revised Estimates 1991-92 due to the enhancement of the purchase/sale price of wheat by the Federal Government and increase in the target for procurement of wheat from 25.00 lac metric tons to 27.00 lac metric tons. The target for 1992-93 has been fixed at Rs. 779.73 crore keeping in view the anticipated procurement.

Details of capital receipts accruing to Account No. 1 are given in Table 16. These show an increase of Rs. 30.23 crore in the Revised Estimates over the Budget Estimates and are expected to decrease to Rs. 102.82 crore in 1992-93.

TABLE 16

NON-DEVELOPMENT CAPITAL RECEIPTS

	(Rs. in crore)		
	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<u>Budget 1992-93</u>
Grants from the Federal Government	..	..	..
Extraordinary Receipts	23.66	23.60	23.60
Public Debt:			
Permanent Debt (Borrowing)	7.61	7.52	9.14
Floating Debt (Ways & Means Advance)	6.12	31.69	6.12
Recoveries of Loans and Advances	49.77	54.58	63.96
Total :	87.16	117.39	102.82

1. FEDERAL GRANTS :

The federal government reimburses expenditure incurred on improvement of national highways and construction of certain other roads and bridges of national importance as well as for performing agency functions in respect of subjects transferred from the federal government. No provision was made in the Budget Estimates 1991-92 under this head. Provision has again not been made under this head in 1992-93, however, if any releases are made by the federal government, these will be reflected in the Revised Estimates.

2. EXTRAORDINARY RECEIPTS:

Extraordinary receipts accrue mainly from the sale of government land, interest on deferred payments of land sold in colony districts and proceeds from sale of plots in industrial estates. The Revised Estimates of Rs. 23.60 crore show a

minor decrease over the Budget Estimates of Rs. 23.66 crore for 1991-92. These are expected to remain at Rs. 23.60 crore for 1992-93.

3. PERMANENT DEBT:

Public debt includes floating debt and permanent domestic debt which includes direct debt and debt received from the federal government. The provincial government's permanent domestic debt, or direct debt, represents market loans and land commission compensation bonds. Market loans are long-term loans obtained by the provincial government from the general public and financial institutions. Receipts decreased to Rs. 7.52 crore in the Revised Estimates over Budget Estimates of Rs. 7.61 crore for 1991-92. In 1992-93, permanent debt receipts have been estimated at Rs. 9.14 crore. The increase over 1991-92 is due to anticipated receipts from floatation of a loan during 1992-93 to retire a loan that will mature during the financial year.

4. FLOATING DEBT (WAYS AND MEANS ADVANCES):

Floating debt represents temporary borrowings from the State Bank of Pakistan, commonly known as ways and means advances. Ways and means advances are resorted to as and when the provincial government's cash balance with the State Bank of Pakistan falls below the minimum required to be maintained as a result of uneven flow of receipts into government account or delay in the release of funds due from the federal government. Floating debt increased to Rs. 31.69 crore in the Revised Estimates as ways and means advances had to be obtained frequently from the State Bank of Pakistan during the course of the year.

5. RECOVERY OF LOANS AND ADVANCES:

Receipts under this head accrue from recovery of loans, which include short-term and medium-term loans given to the cultivators for purchase of agricultural implements and inputs; loans to government employees for purchase, repair and construction of houses and for purchase of motor cars, motor cycles and

bicycles (the grant of these loans has been discontinued w.e.f. 1-7-1990. Recoveries are being made against loans advanced in the past), loans to local bodies for financing their water supply, sewerage and drainage schemes and loans to autonomous bodies for financing specific development projects. Receipts on account of recoveries of loans and advances have increased from Rs. 49.77 crore in the Budget Estimates to Rs. 54.58 crore in the Revised Estimates 1991-92. A provision of Rs. 63.96 crore has been made in anticipation of recoveries of loans and advances during 1992-93. The increase in Revised Estimates 1991-92 and Budget Estimates 1992-93 is due to improved recoveries from municipal committees and autonomous bodies.

Chapter 5

NON-DEVELOPMENT CAPITAL EXPENDITURE

Non-development capital expenditure, like the general capital receipts, pertains both to Account No. I and Account No. II of the provincial government maintained with the State Bank of Pakistan. The expenditure in Account No. I relates to highways, roads and bridges, repayment of debt, loans and advances by the provincial government and state trading in medicines and coal.

Expenditure in Account No. II mainly concerns state trading in foodgrains and the repayment of loans taken from the commercial banks for state trading operations of the Food Department.

Details of the non-development capital expenditure are given in Table 17.

TABLE 17

NON-DEVELOPMENT CAPITAL EXPENDITURE

	<u>Budget 1991-92</u>	<u>Revised 1991-92</u>	<u>Budget 1992-93</u>
<i>(Rs. in crore)</i>			
ACCOUNT NO. I			
Highways, Roads and Bridges	..	..	..
Debt Servicing	94.65	123.58	114.00
Loans and Advances	25.48	29.08	25.48
State Trading in Medicines and Coal	(-) 1.28	(-) 1.29	(-) 0.55
Total Account No. I:	118.85	151.37	138.93
ACCOUNT NO. II			
State Trading in Foodgrains (Net)	(-) 217.87	357.30	(-) 74.65
Debt Servicing	893.84	679.23	854.37
Total Account No. II:	675.97	1036.53	779.72
Grand Total Accounts I & II:	794.82	1187.90	918.65

I. DEBT SERVICING IN ACCOUNT NO. I:

Debt servicing in Account No. I consists of repayment of domestic debt; which comprises market loans, ways and means advances, federal government loans and foreign debt.

The expenditure has increased from Rs. 94.65 crore in Budget Estimates 1991-92 to Rs. 123.58 crore in the Revised Estimates due to interest paid on ways and means advances. Budget estimates 1992-93 have been fixed at Rs. 114.00 crore. The details of debt servicing in Account No. I are as follows :

A: REPAYMENT OF FEDERAL LOANS

Since 1970, the Annual Development Programme, lately known as the Tamir-e-Watan Programme, has been financed mostly through borrowings from the federal government and foreign agencies. Rupee loans received from the federal government are repaid in equal instalments over a period of 20 years after an initial grace period of five years while the terms and conditions of repayment of foreign exchange loans by the province are the same as those between the federal government and lending agencies. Repayment in case of U.S. AID Counterpart Fund loans is made in 61 half-yearly instalments with an initial grace period of ten years. For the repayment of German Counterpart Fund loans, the terms and conditions are the same as those for repayment of cash development loans obtained from the federal government.

At the end of the financial year 1991-92, the total debt liability of the Punjab Government will be Rs. 6434.66 crore. The details are as follows:

	<i>(Rs. in crore)</i>
a: on account of rupee loans received from federal government	5783.37
b: on account of counterpart fund rupee loans	23.85
c: on account of foreign exchange loans	627.44
Total:	6434.66

Rupee loans are utilized for financing the development programme, for installation of Scarp tubewells and for other emergent projects on the basis of need. The quantum of development funds for the provinces is determined each year by the National Economic Council and distribution is made on the principle of population after setting aside 10 percent of total funds for NWFP and Balochistan. Details of the loans outstanding against the provincial government on 30-6-1992 are given in Table 18.

TABLE 18
LOANS OUTSTANDING ON 30.6.1992

		<i>(Rs. in crore)</i>
A:	CASH DEVELOPMENT LOANS	
1.	1973-74	48.27
2.	1974-75	73.54
3.	1975-76	108.86
4.	1976-77	136.19
5.	1977-78	94.83
6.	1978-79	116.49
7.	1979-80	107.12
8.	1981-82	143.67
9.	1982-83	210.37
10.	1983-84	331.57
11.	1984-85	359.19
12.	1985-86	417.66
13.	1986-87	584.77
14.	1987-88	283.20
15.	1988-89	261.09
16.	1989-90	651.61
17.	1990-91	747.20
18.	1991-92	733.17

	Total Cash Development Loans:	5408.80

B:	CASH DEVELOPMENT LOANS FOR SCARP TUBEWELL PROJECTS	
1.	1974-75	7.01
2.	1975-76	14.09
3.	1976-77	19.09
4.	1977-78	17.45
5.	1978-79	18.48
6.	1979-80	21.23

7.	1980-81	22.60
8.	1981-82	25.71
9.	1982-83	26.34
10.	1983-84	23.78
11.	1984-85	34.15
12.	1985-86	40.51
13.	1986-87	37.35
14.	1987-88	33.68
15.	1988-89	9.16
16.	1989-90	19.01
17.	1990-91	4.16

Total loans for SCARP Tubewells: 373.80

C: OTHER LOANS

1.	Non-development loan for meeting railway losses	1973-74	0.03
2.	Non-development loan for augmentation of Police Force	1973-74	0.25
3.	Non-development loan for Rawalpindi Municipal Committee	1974-75	0.04
4.	Non-development loan for Murree Municipality	1975-76	0.10
5.	Non-development interest-free loan to organize the National Horse and Cattle Show	1978-79	0.17
6.	Non-development interest-free loan for Data Darbar Mosque at Lahore	1978-79	0.18

Total Other Loans: 0.77

D: FOREIGN EXCHANGE LOANS

1.	US Aid 391-H-055	5.71
2.	US Aid 391-H-060	0.62
3.	US Aid 391-H-069	2.57
4.	US Aid 391-H-079	1.65
5.	US Aid 391-H-084	4.10
6.	US Aid 391-H-087	7.14
7.	US Aid 391-H-103	0.84
8.	US Aid 391-H-107	3.89
9.	US Aid 391-H-128	1.32
10.	US Aid 391-H-135	1.89
11.	IDA-30-Pak	2.14
12.	IDA-50-Pak	13.53
13.	IDA-54-Pak	8.52

14.	IDA-106-Pak	3.77
15.	IDA-106-Pak	0.20
16.	IDA-466-Pak	22.01
17.	IDA-620-Pak	35.62
18.	IDA-630-Pak	61.11
19.	IDA-678-Pak	5.79
20.	IDA-683-Pak	37.80
21.	IDA-813-Pak	29.33
22.	IDA-892-Pak	8.49
23.	IDA-1109-Pak	25.18
24.	IDA-1113-Pak	2.87
25.	IDA-1163-Pak	53.32
26.	IDA-1239-Pak	55.66
27.	IBRD-1366-Pak	14.39
28.	IBRD-578-Pak	0.82
29.	PK-4-Japanese Project loan	60.59
30.	Second Danish Credit (Highway)	1.09
31.	ADB-438-Pak	5.55
32.	ADB-331-Pak	88.13
33.	ADB-495-Pak	25.14
34.	ADB-433-Pak	5.16
35.	AFAD-48-Pak	11.42
36.	IFAD-83-Pak	16.81
37.	IFAD-18-Pak	3.27

	Total Foreign Exchange Loans:	627.44

E:	COUNTERPART FUNDS LOANS	
1.	US Aid 391-G-009	1.03
2.	US Aid 391-G-065	0.98
3.	US Aid 391-G-120	8.64
4.	US Aid 391-G-122	4.55
5.	US Aid 391-G-132	6.43
6.	US Aid 391-G-133	0.98
7.	US Aid 391-G-147	0.22
8.	German Loan 1967-68	0.05
9.	German Loan 1968-69	0.19
10.	German Loan 1969-70	0.32
11.	German Loan 1971-72	0.46

	Total Counterpart Fund Loans:	23.85

Of the total liability of Rs. 6434.66 crore, about 90 per cent is on account of rupee loans which are owed to the federal government.

B: MARKET LOANS

Market loans are a tool of fiscal management. These are floated for a fixed amount of public subscription at a guaranteed rate of return and are retired on maturity usually through floatation of new loans. The details of market loans outstanding at the end of the financial year 1991-92 are given in Table 19.

TABLE 19
MARKET LOANS OF PUNJAB GOVERNMENT

(Rs. in crore)			
Name of the loan	Year of issue	Date of maturity	Amount
1. 10.75% Punjab Loan 1992	1982	13.9.1992	9.05
2. 10.75% Punjab Loan 1994	1984	21.6.1994	10.60
3. 10.75% Punjab Loan 1996	1986	13.9.1996	2.73
4. 10.75% Punjab Loan 1997	1987	27.8.1997	5.06
5. 10.50% Punjab Loan 1998	1988	12.10.1998	7.58
6. 10.50% Punjab Loan 1999	1989	17.9.1999	7.85
7. 15% of Punjab Loan 2001	1991	27.8.2001	7.52
Total:			50.31

C: WAYS AND MEANS ADVANCES

The Punjab Government can draw ways and means advances from the State Bank of Pakistan at a mark-up of 9% upto Rs. 54 lac and at 10% on amounts exceeding Rs. 54 lac upto a limit of Rs. 5.58 crore. Thus a total amount of Rs. 6.12 crore can be drawn at a time. These advances are resorted to when the provincial government experiences shortfalls in its cash balance and temporary loans thus become necessary to run the government's day-to-day business.

II. LOANS AND ADVANCES:

The provincial government advances loans to cultivators and local/autonomous bodies for specific purposes. Against a provision of Rs. 25.48 crore in the Budget Estimates loans of Rs. 29.08 crore were advanced in 1991-92. An allocation of Rs. 25.48 crore has again been made in Budget Estimates 1992-93 on this account.

III. STATE TRADING IN MEDICINES AND COAL:

This component of the non-development capital expenditure has been dealt with in the next chapter on state trading in both Accounts I and II.

Chapter 6

STATE TRADING

State trading operations of the provincial government pertain to foodgrains, medical stores, coal and coke. Transactions pertaining to state trading in foodgrains are kept separate and their receipts and expenditure are credited and debited to the provincial government's Food Account with the State Bank of Pakistan. The expenditure on state trading in foodgrains is met out of borrowings from commercial banks. The details of receipts and expenditure resulting from state trading operations of the provincial government are given in Table 20.

TABLE 20
STATE TRADING SCHEMES

(Rs. in crore)			
	<u>Budget</u> <u>1991-92</u>	<u>Revised</u> <u>1991-92</u>	<u>Budget</u> <u>1992-93</u>
A: FOODGRAINS			
Gross Expenditure on Purchase of Foodgrains	886.71	1226.13	958.68
Deduct recoveries	(-) 1104.58	(-) 868.83	(-) 1033.33
Net Expenditure:	(-) 217.87	357.30	(-) 74.65
B: STATE TRADING IN MEDICAL STORES:			
Expenditure	31.88	21.95	31.99
Deduct Recoveries	(-) 31.88	(-) 21.95	(-) 31.99
Net Expenditure:	..	..	..
C: STATE TRADING IN COAL:			
Expenditure	0.11	0.10	0.12
Deduct Recoveries	(-) 1.39	(-) 1.39	(-) 0.67
Net Expenditure:	(-) 1.28	(-) 1.29	(-) 0.55

I. FOODGRAINS:

The expenditure on purchase, handling and storage of wheat during 1991-92 increased from the estimated amount of Rs. 886.71 crore to Rs. 1226.13 crore in the Revised Estimates as a consequence of increase in the target from 25.00 lac metric tons to 27.00 lac metric tons. The rate of purchase/procurement price of wheat was also enhanced from Rs. 2700 per metric ton to Rs. 3100 per metric ton. In the Budget Estimates 1991-92, receipts from the sale of foodgrains were estimated at Rs. 1104.58 crore. These are expected to be Rs. 868.83 crore in the Revised Estimates.

The procurement price of wheat for 1992-93 has been fixed at Rs. 3100 per metric ton while incidental charges have been fixed at Rs. 547.03 per metric ton. In order to purchase, handle and store 25.00 lac metric tons of indigenous wheat, an amount of Rs. 958.68 crore has been provided in the Budget Estimates 1992-93. Receipts from the sale of foodgrains are estimated at Rs. 1033.33 crore, providing an excess of Rs. 74.65 crore over expenditure.

II. STATE TRADING IN COAL, COKE AND MEDICINES:

The expenditure on state trading in medical stores is completely counter-balanced by receipts and recoveries.

The provincial government procures coal and coke through the Trading Corporation of Pakistan and then sells it for use in the public and private sectors. During 1991-92, sale proceeds of coke from the stocks were estimated at Rs. 1.39 crore as against an expenditure of Rs. 0.11 crore, thereby showing a surplus of Rs. 1.28 crore. However, in the Revised Estimates, the surplus came to Rs. 1.29 crore. In 1992-93, against an expenditure provision of Rs. 0.12 crore, recoveries are likely to be made to the extent of Rs. 0.67 crore from sale of coal and coke giving a surplus of Rs. 0.55 crore.

Chapter 7

PUBLIC ACCOUNT TRANSACTIONS

Public Account has been briefly touched upon in Chapter 1. The transactions which comprise the public account of the provincial government are outside the Provincial Consolidated Fund both on the receipt and expenditure side. These are categorised broadly as unfunded debt, deposits and advances, and remittances.

Table 21 shows receipts and disbursements from the public account transactions and their net effect in 1991-92 and in the Budget Estimates 1992-93.

TABLE 21
PUBLIC ACCOUNT TRANSACTIONS

(Rs. in crore)

	<u>Budget</u> <u>1991-92</u>	<u>Revised</u> <u>1991-92</u>	<u>Budget</u> <u>1992-93</u>
RECEIPTS			
Unfunded Debt	128.00	113.81	113.81
Deposits and Advances	670.84	879.91	683.58
Remittances	2628.17	2090.40	2090.40
Total :	3427.01	3084.12	2887.79
DISBURSEMENTS			
Unfunded Debt	52.38	40.74	40.74
Deposits and Advances	670.79	879.85	683.52
Remittances	2628.17	2090.40	2090.40
Total:	3351.34	3010.99	2814.66
NET			
Unfunded Debt	75.62	73.07	73.07
Deposits and Advances	0.05	0.06	0.06
Remittances	..	..	..
Total:	75.67	73.13	73.13

I. UNFUNDED DEBT:

Unfunded debt is the liability of provincial government on account of balances in provident funds of government employees. As the number of government employees increases from year to year, their contributions to provident funds also increase. As the payments into such funds usually exceed withdrawals therefrom the net result is an increase in government's liability. Receipts in the Revised Estimates 1991-92 decreased to Rs. 113.81 crore from the Budget Estimate of Rs. 128.00 crore. Budget Estimates for 1992-93 have been placed at Rs. 113.81 crore.

II. DEPOSITS AND ADVANCES:

Deposits and advances cover a large number of items of miscellaneous receipts and expenditure, most of which do not follow any fixed pattern. This is especially true of receipts and expenditures pertaining to personal ledger accounts of autonomous and local bodies of the provincial government kept with government treasuries. This also applies to receipts and expenditure pertaining to various suspense accounts. Whether net receipts from suspense accounts will be positive or negative depends entirely on whether misclassification in respect of receipts has been greater than that in respect of expenditure and vice versa. Therefore, for purposes of budgeting, the net effect of such receipts and expenditure is assumed to be nil.

III. REMITTANCES:

The net effect of the transactions pertaining to the remittance heads, including the inter-provincial suspense accounts and the adjusting account between the federal government and the provincial government, has also been assumed to be nil during 1992-93 as was done for 1991-92.

Chapter 8

ANALYSIS OF THE NON-DEVELOPMENT REVENUE ACCOUNT

The non-development account includes tax receipts from the federal divisible taxes and provincial taxes, revenue emanating from economic services, civil administration and other functions of the government. It also includes receipts on account of transfers derived from income from property and enterprises, receipts-in-aid of superannuation and federal grants.

I. REVENUE RECEIPTS:

Budget Estimates 1992-93 show the provincial government's general revenue receipts at Rs. 4474.60 crore. A major part of these receipts, amounting to Rs. 3745.79 crore and constituting almost 84 percent of total revenue income will accrue from taxes. The rest of the provincial government's revenue receipts will accrue on account of non-tax revenues and from transfers. The composition of the non-development revenue receipts for 1991-92 and 1992-93 is given in Table 22.

TABLE 22

NON-DEVELOPMENT REVENUE RECEIPTS

	Tax receipts	%	Non-tax receipts	%	Transfer receipts	%	Total
Budget 1991-92	3311.02	85.85	302.24	7.84	243.41	6.31	3856.67
Revised 1991-92	3287.03	84.73	331.21	8.54	261.09	6.73	3879.33
Budget 1992-93	3745.79	83.71	363.58	8.13	365.23	8.16	4474.60

Details of these receipts are as follows:

TAX RECEIPTS:

Tax receipts include the provincial government's share in the federal divisible taxes and its own tax revenues. These will constitute 83.71 percent of the total non-development revenue receipts in Budget Estimates 1992-93 against 85.85 percent in the Budget Estimates 1991-92 and 84.73 percent in the Revised Estimates. The decline in the ratio of tax receipts in the Revised Estimates was due to a decrease in size of the federal divisible pool of taxes from which the provinces receive their shares in accordance with NFC Award.

NON-TAX RECEIPTS:

Non-tax receipts of the provincial government comprise revenues generated by government departments (civil administration and other functions) excluding receipts-in-aid of superannuation, plus miscellaneous receipts, excluding federal grants and royalty on natural gas which are transfer payments received from the federal government. Table 22 shows that non-tax receipts, other than transfers, accounted for 8.54 percent of total revenue receipts in the Revised Estimates as compared to 7.84 percent in the Budget Estimates 1991-92. These are estimated to be 8.13 percent of the total revenue receipts during 1992-93. Tables 5 to 8 in Chapter 2 give details of non-tax receipts of the provincial government.

TRANSFER RECEIPTS:

Transfer receipts include interest receipts, federal grants, receipts-in-aid of superannuation and federal transfers. Table 22 shows that transfer receipts constitute 8.16 percent of the estimates for 1992-93. Transfer receipts increased in the Revised Estimates because of larger federal grants and will further increase in ratio over the Budget Estimates 1991-92 because of increase in size of transfer on account of royalty on crude oil, excise duty on natural gas and electricity profits. Details of transfer receipts under NFC Award are shown in Table 3 under "Other Federal Transfers".

CLASSIFICATION OF TAX REVENUE:

The distribution of tax revenue between receipts from direct and indirect taxes is given in Table 23. The ratio between direct (income tax plus the direct provincial taxes) and indirect taxes (export duty on cotton, sales tax and indirect provincial taxes) works out at roughly 36:64 in the Budget Estimates 1992-93 as compared to 33:67 in the Budget Estimates for 1991-92.

TABLE 23

CLASSIFICATION OF TAX REVENUE

(Rs. in crore)

	DIRECT		INDIRECT		Total
	Amount	%	Amount	%	
Budget 1991-92	1107.79	33.46	2203.23	66.54	3311.02
Revised 1991-92	1216.46	37.01	2070.57	62.99	3287.03
Budget 1992-93	1358.61	36.27	2387.18	63.73	3745.79

A major part of the tax receipts of the province is drawn from federally collected divisible taxes. Table 24 indicates the ratio such taxes bear to the receipts of provincial government from other taxes.

TABLE 24

RATIO OF RECEIPTS FROM FEDERAL DIVISIBLE TAXES AND PROVINCIAL TAXES

(Rs. in crore)

	Federal Divisible Taxes		Provincial Taxes		Total
	Amount	%	Amount	%	
Budget 1991-92	2813.79	85	497.23	15	3311.02
Revised 1991-92	2754.69	84	532.34	16	3287.03
Budget 1992-93	3122.32	83	623.47	17	3745.79

The percentage of the federal divisible taxes in the total tax receipts of the provincial government will decrease marginally from 84 percent in the Revised Estimates 1991-92 to 83 percent in the Budget Estimates 1992-93.

The large proportion of federal taxes in the total tax receipts of the province is explained by the fact that most of the important direct and indirect taxes are constitutionally within the jurisdiction of the federal government. Table 25 shows details of federal divisible taxes which are passed on to this province.

TABLE 25
COMPOSITION OF THE PUNJAB'S SHARE OF
FEDERAL DIVISIBLE TAXES

	<u>Budget 1991-92</u>		<u>Revised 1991-92</u>		<u>Budget 1992-93</u>	
	Amount	%	Amount	%	Amount	%
Income Tax	1019.05	36	1123.85	41	1258.72	40
Sale Tax	1060.13	38	945.76	34	1064.00	34
Customs	140.76	5	89.47	3	96.78	3
Excise Duty on Tobacco and Tobacco Manufactures	422.29	15	395.90	15	467.16	15
Excise Duty on Sugar	171.56	6	199.71	7	235.66	8
Total:	2813.79	100	2754.69	100	3122.32	100

A comparison of the receipts from different taxes levied and collected by the provincial government is given in Table 26. Stamp duty continues to be the largest contributor to provincial tax receipts with a share of 51 percent in the total tax receipts for 1992-93. Motor vehicles tax and Land Revenue follow with a contribution of 10 percent each in the total revenue. Other important sources of provincial tax receipts are electricity duty which will contribute 6 percent and cotton fee with 4 percent.

TABLE 26
PROVINCIAL TAX RECEIPTS

(Rs. in crore)

	<u>Budget 1991-92</u>		<u>Revised 1991-92</u>		<u>Budget 1992-93</u>	
	Amount	%	Amount	%	Amount	%
Urban immovable property tax	12.49	3	12.50	2	13.75	2
Taxes on transfer of property	17.00	3	17.00	3	17.23	3
Land revenue	54.85	11	58.71	11	64.05	10
Tax on professions, trades and callings	4.40	1	4.40	1	4.86	1
Provincial excise	10.00	2	11.57	2	12.44	2
Sale of opium	0.06	..	0.60	..	0.60	..
Stamp duty	260.37	52	289.66	54	315.90	51
Motor vehicles tax	60.65	12	60.65	11	62.77	10
Entertainment tax	17.48	4	17.54	3	17.61	3
Education cess	0.06	..	0.06	..	0.06	..
Cotton fee	24.00	5	24.00	5	24.00	4
Tax on hotels	2.50	..	2.85	1	3.00	..
Electricity duty	29.73	6	30.38	6	34.62	6
Others	3.10	1	2.42	1	52.53	8
Total:	497.23	100	532.34	100	623.47	100

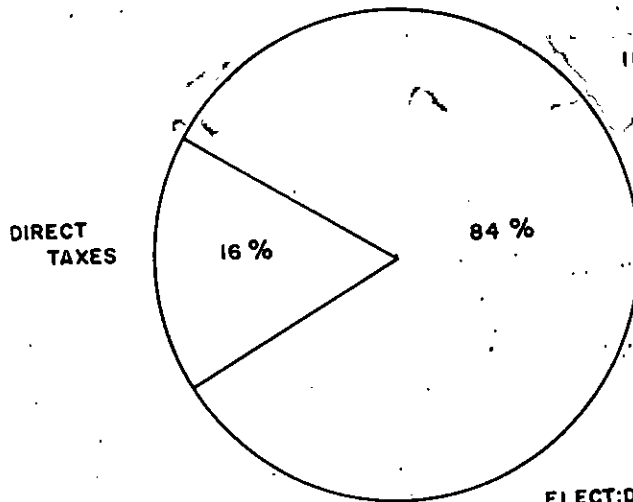
Despite an anticipated increase in revenues from other main sources, such as land revenue, motor vehicles tax and cotton fee, their proportionate share in the total will decrease because of the heavy rise in receipts from stamp duties expected during the year.

II: CURRENT EXPENDITURE:

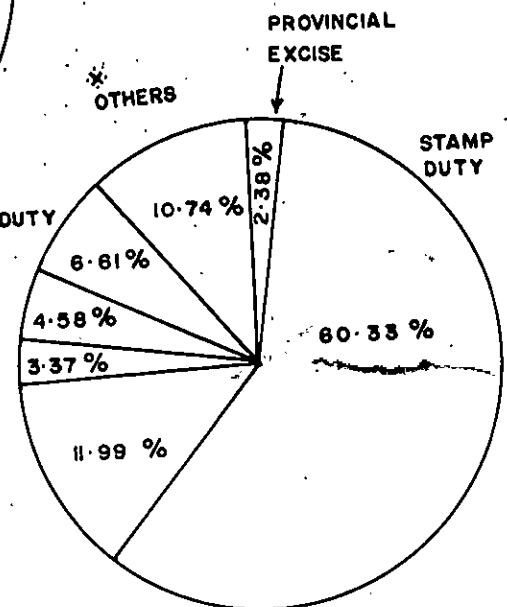
The current expenditure of the provincial government comprises :

- a: consumption expenditure (payments on account of wages and salaries, goods and services) and
- b: transfer payments (interest on provincial debt, subsidies, pensions, grants, etc.).

PROVINCIAL TAX RECEIPTS 1992-93

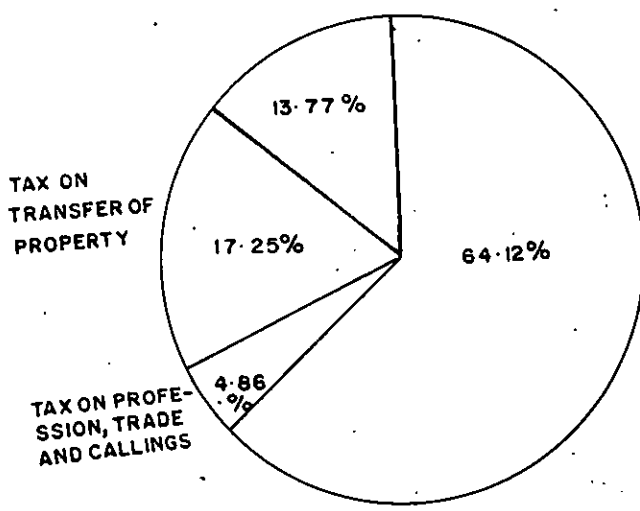


INDIRECT TAXES



U.I.P TAX

MOTOR VEH: TAX



INDIRECT TAXES

LAND REVENUE

* OTHERS ALSO INCLUDE:
1. SALE OF OPIUM
2. EDUCATION CESS
3. TAX ON HOTELS

Table 27 indicates the trend of the current expenditure, showing an increase of Rs. 501.24 crore in the consumption expenditure and Rs. 130.07 crore in the transfer payments in the Budget Estimates 1992-93 as compared to the Revised Estimates 1991-92.

TABLE 27
CURRENT EXPENDITURE

(Rs. in crore)

	CONSUMPTION EXPENDITURE		TRANSFER PAYMENTS		Total
	Amount	%	Amount	%	
Budget 1991-92	2663.73	72.97	986.92	27.03	3650.65
Revised 1991-92	2466.42	66.57	1238.86	33.43	3705.28
Budget 1992-93	2967.66	68.43	1368.93	31.57	4336.59

FUNCTIONAL DISTRIBUTION OF CURRENT EXPENDITURE

The functional distribution of non-development revenue expenditure of the provincial government is shown in Table 28.

Social services continue to account for the largest proportion of current expenditure with a share of about 39 percent which is an increase of one percent over 1991-92. Out of the total allocation of Rs. 1697.16 crore for social services, Rs. 1251.76 crore (73.8 percent) have been set aside for education while Rs. 329.74 crore (19.43 percent) have been earmarked for health services. There is no major change in allocation in other sectors in the Budget Estimates 1992-93, compared to Revised Estimates of 1991-92.

TABLE 28**FUNCTIONAL DISTRIBUTION OF CURRENT EXPENDITURE**

(Rs. in crore)

	Budget 1991-92		Revised 1991-92		Budget 1992-93	
	Amount	%	Amount	%	Amount	%
General Administration	345.37	9	329.07	9	385.89	9
Law and order	326.83	9	387.32	10	385.71	9
Community services	146.58	4	146.83	4	249.10	6
Social services	1382.77	38	1355.51	37	1697.16	39
Economic services	464.16	13	483.86	13	533.94	12
Subsidies	81.00	2	81.00	2	74.33	2
Deb servicing, investible funds and grants	903.91	25	921.66	25	1010.43	23
Unallocable	0.03	..	0.03	..	0.03	..
Total:	3650.65	100	3705.28	100	4336.59	100

Chapter 9

FINANCING OF TAMEER-E-WATAN PROGRAMME

The gross size of the Tameer-e-Watan Programme (TWP) for 1991-92 was fixed at Rs. 1050.00 crore against an estimated resource availability of Rs. 999.22 crore with an operational shortfall of Rs. 50.78 crore, or of 4.84 percent. In the Revised Estimates 1991-92, the Programme is expected to close at Rs. 985.09 crore. Financing for 1991-92 and 1992-93 is given in Table 29.

TABLE 29
**FINANCING OF THE TAMEER-E-WATAN PROGRAMME/
ANNUAL DEVELOPMENT PROGRAMME
1991-92 AND 1992-93**

	Budget 1991-92	Revised 1991-92	Budget 1992-93
<i>(Rs. in crore)</i>			
A: PROVINCIAL CONTRIBUTION			
Provincial Contribution from the Non-development Account	250.00	213.20	175.03
B: FEDERAL ASSISTANCE:			
Cash Development Loans (Normal)	733.17	733.17	668.64 ✓
Cash Development Loans (SAP tied)	..	..	83.34 ✓
Federal Grants on matching basis (SAP)	..	..	83.35 ✓
Sub-total (B):	733.17	733.17	835.33
C: FOREIGN ASSISTANCE:			
Foreign Loans	11.55	61.90	18.65 ✓
Foreign Grants	4.50	16.72	171.19 ✓
Sub-total (C):	16.05	78.62	189.84
Grand Total:	999.22	1024.99	1200.20
Cash Balance Utilization	..	(-) 39.90	..
Net Resources	999.22	985.09	1200.20

In the year 1992-93, the federal government has decided to start a new programme for development of Primary Education, Basic Health, Preventive Health and Water Supply and Sanitation facilities in the rural areas. This Social Action Programme (S.A.P.) is a three years rolling plan from 1992 to 1995. Under S.A.P., Punjab Government shall receive Rs. 333.38 crore in 1992-93. This includes S.A.P. tied C.D.L. of Rs. 83.34 crore, a federal matching grant of Rs. 83.35 crore and a foreign grant of Rs. 166.69 crore. The provincial government would be required to make a matching grant of Rs. 83.35 crore in S.A.P. This is included in the provincial contribution of Rs. 175.03 crore made towards the financing of Annual Development Programme 1992-93.

The resources available for financing of the Annual Development Programme 1992-93, comprise federal assistance amounting to Rs. 751.98 crore in the shape of cash development loan (including Rs. 83.34 crore as S.A.P. tied C.D.L.), foreign assistance to the extent of Rs. 189.84 crore (including foreign grants of Rs. 166.69 crore under S.A.P.), a federal matching grant of Rs. 83.35 crore under S.A.P. and a provincial contribution of Rs. 175.03 crore. This shall make a total resource availability of Rs. 1200.20 crore. The size of the ADP has been fixed at Rs. 1385.80 crore implying a shortfall of Rs. 185.60 crore, or of 13.39 percent.

Inter-sectoral and intra-sectoral priorities for the Programme 1992-93 have been determined in consultation with the administrative departments of the provincial government. While determining inter-se priorities, due consideration has been given to the contribution of each sector to the gross domestic product, employment generation impact, their backward and forward linkages and throw forward effect of on-going programmes in various sectors.

Chapter 10

SECTORAL ALLOCATIONS IN THE ANNUAL DEVELOPMENT PROGRAMME 1992-93

Sectoral allocations in the Annual Development Programme for 1992-93 are given in Table 30. For comparison, allocations made in 1991-92 have also been indicated with percentage shares. The strategies of the ADP for 1992-93 are as under :

1. An effort has been made to protect the on-going programme. An amount of Rs. 562.32 crore, or 40.58 percent of the total, has thus been set aside for completion of on-going projects. Foreign-aided projects have similarly been protected to ensure that commitments to donor agencies are fulfilled. Allocations for foreign-aided schemes have been made in accordance with the approved phasing so that such schemes are completed within the stipulated period and optimum benefits are derived from external assistance.

2. The policy to invest heavily in rural areas will be continued during 1992-93 and 80 percent of the development funds would be spent on projects in the rural areas. The sustained trend of increase in investment in rural areas is evident from the fact that this allocation was a mere 44.6 percent in 1978-79.

3. In order to develop backward areas, priority would be attached to fourteen backward districts of the province. In addition, special allocations have been made for Murree Kahuta Development Authority (Rs. 4.00 crore), Cholistan Development Authority (Rs. 5.00 crore), Bahawalpur Development Authority (Rs. 5.00 crore) and D.G. Khan Development Authority (Rs. 8.00 crore). The allocation for development of "barani" areas has been increased from Rs. 166.00 crore to Rs. 175.00 crore.

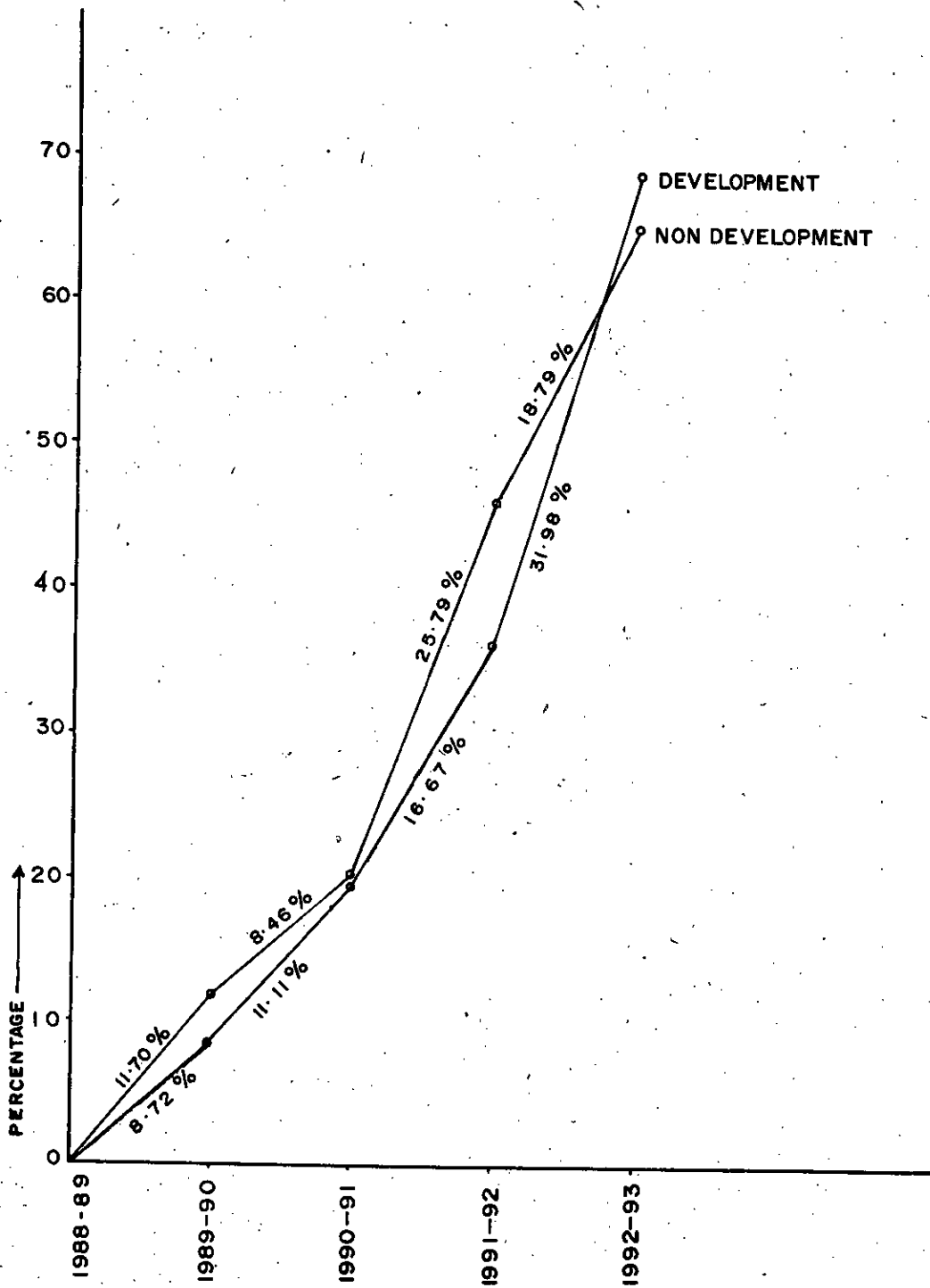
TABLE 30
SECTORAL ALLOCATIONS IN ANNUAL DEVELOPMENT PROGRAMME

(Rs. in crore)

	Budget 1991-92		Budget 1992-93	
	Amount	%	Amount	%
Agriculture	126.20	12.02	143.43	10.35
Rural Development	6.00	0.57	7.00	0.51
Industries & Minerals	27.50	2.62	27.50	1.98
Water & Power	38.00	3.62	42.00	3.03
Roads & Bridges	65.00	6.19	66.00	4.76
Physical Planning and Housing	189.00	18.00	311.96	22.51
Education & Training	123.00	11.71	310.00	22.37
Information & Culture	1.00	0.10	2.25	0.16
Health	138.00	13.14	174.00	12.56
Tourism	0.25	0.02	0.25	0.02
Social Welfare	1.00	0.10	2.50	0.18
Manpower & Training	2.00	0.19	2.00	0.14
Planning & Development	5.30	0.50	7.91	0.57
MKDA	2.50	0.24	4.00	0.29
Cholistan Development Authority	1.75	0.17	5.00	0.36
D.G. Khan Development Authority	3.00	0.29	8.00	0.58
Bahawalpur Development Authority	2.50	0.24	5.00	0.36
Block allocation for :				
i: Development Works of Local Councils	..	..	40.00	2.89
ii: Tameer-e-Watan Programme	..	..	124.00	8.95
iii: Special Programme for Education and Local Development	218.00	20.76	..	..
iv: Priority Programme	100.00	9.52	108.00	7.43
Gross Total:	1050.00	100	1385.80	100
Less Operational Shortfall	50.78	..	185.60	..
Total Expenditure (Net)	999.22	..	1200.20	..

4. The programme also envisages balanced growth in the province through removal of regional disparities. To achieve this, 47 percent of the allocable

PERCENTAGE INCREASE IN DEVELOPMENT AND NON DEVELOPMENT BUDGETS OVER THE PRECEDING YEARS ILLUSTRATING THAT COMPARATIVE INCREASE IN DEVELOPMENT IS HIGHER THAN THE NON DEVELOPMENT BUDGET IN 1992-93



portion of the ADP 1992-93 has been set aside for the southern region of Punjab as against 46 percent in 1991-92.

5. In order to provide adequate transport facilities to farmers, the programme for establishing an integrated network of farm-to-market roads has been attached high priority by the provincial government over the years. An amount of Rs. 87.89 crore will be spent on this important sector during 1992-93. This amount would be spent on construction of 1450 km. of new roads in the province.

6. Alongwith the emphasis on development of rural and backward areas, attention has been paid to urban development to preserve assets, absorb the effect of migration from rural to urban areas and provide an impetus to industrial growth. An amount of Rs. 37.00 crore has accordingly been allocated for urban development in ADP 1992-93 which will be in addition to schemes that will be implemented by various development authorities through self-financing.

7. As it is not financially possible for the provincial government to invest in all socio-economic sectors, attempts will continue to be made to invite the private sector to construct and manage roads and bridges in the province so that public sector resources can be diverted towards sectors where private investment is neither practical nor feasible.

8. The policy to provide clean and hygienic water and drainage facilities to rural population shall continue to be a strategic imperative in the Annual Development Programme. To this purpose, an amount of Rs. 209 crore will be spent on rural water supply and drainage schemes.

9. An allocation of Rs. 174 crore has been made for health which is 12.56 percent of the total. Out of this, Rs. 25.00 crore has been allocated for the Health Foundation which is meant to expand health facilities in the far-flung areas of the province.

10. Out of the allocation of Rs. 310 crore under the programme for education, 42.59 percent will be spent on primary and secondary education. An amount of Rs. 25.00 crore has again been allocated for the Education Foundation which was established in 1991-92 and is working to provide incentives to the private sector for promotion and extension of education services, particularly in rural areas. This includes Rs. 187 crore under S.A.P., which would be utilized for expansion of Primary Education Programme in the Province.

11. An amount of Rs. 2.00 crore has been allocated for development of 3-marla plots for distribution to needy families during 1992-93.

12. In order to eliminate overt and disguised unemployment from rural areas, a gigantic programme was launched by the government for self-employment and industrialization in rural areas. The programme will be continued with a provision of Rs. 25.00 crore through ADP 1992-93.

1. AGRICULTURE

Agriculture holds a pivotal position in the economic prosperity of the province. Therefore agriculture and its related sectors e.g. livestock, forestry, fisheries, cooperatives, farm-to-market roads and food storage have been provided with an allocation of Rs. 143.43 crore, which is 10.35 percent of the total development outlay during 1992-93. If the proposed allocation of Rs. 42.00 crore for Water and Power, which are key inputs for agricultural development, is added, the share of agriculture and its related sectors would be 13.38 percent of total investment in ADP 1992-93.

An allocation of Rs. 122.89 crore has been proposed for Agriculture during 1992-93. Details are given in Table 31. The major emphasis once again has been placed on physical infrastructure with Farm-to-Market Roads programme

accounting for 71.52 percent of the total outlay. In addition to this, large allocations have been made for water management, agricultural extension and agricultural research.

TABLE 31
SUB-SECTORAL ALLOCATIONS FOR AGRICULTURE

(Rs. in crore)

Farm-to-Market Roads	87.89
Tubewell Electrification by PLUA	4.37
Water Management	14.92
Agriculture (Extension)	5.62
Agriculture Mech. Water Resources Development	1.18
Agriculture Education & Training	0.85
Agriculture Economics and Marketing	0.24
Agriculture Research	7.39
Regional Planning	0.43
Total:	122.89

During 1992-93, the physical targets will include :

1. construction of 1450 km. of Farm-to-Market Roads;
2. improvement of 1900 water-courses;
3. installation of 1151 diesel/electric tubewells;
4. precision land-levelling over 17000 acres;
5. development of 889 demonstration plots for water-use efficiency, and
6. training of 7470 farmers in water management.

2. LIVESTOCK AND DAIRY DEVELOPMENT

This sector has been allocated an amount of Rs. 6.88 crore as is shown in Table 32.

TABLE 32
SUB-SECTORAL ALLOCATIONS FOR LIVESTOCK AND DAIRY DEVELOPMENT

	<i>(Rs. in crore)</i>
Livestock Production	5.93
Animal Health	0.15
Poultry Production	0.29
Science and Research	0.51

Total:	6.88

The main focus in this sector is on research, breed improvement, livestock management programme, health coverage and increase in the supply of fodder. Physical targets include treatment and vaccination of 69 m. animals, insemination of 700,000 animals and production of 125 m. doses of sera and vaccine.

3. FORESTRY, WILDLIFE AND FISHERIES

An allocation of Rs. 13.10 crore (0.95 percent of the total) has been made for this sector during 1992-93. The main emphasis in Forestry would be on raising compact plantation in irrigated, riverain and bela areas. Afforestation, Range Management and Parks and Recreation would also be given priority. Programme-wise details are given in Table 33.

Physical targets include raising of woodlots and linear plantation over 3400 acres and 1000 avenue km., respectively, alongwith raising of potted plants over 26

acres. Three new parks will be established and 400 acres of existing parks will be improved upon during the year. Moreover, sericulture will be developed over 50 acres and 0.23 lac Mulberry plants will be raised.

TABLE 33

**SUB-SECTORAL ALLOCATIONS FOR FORESTRY,
WILDLIFE AND FISHERIES.**

		(Rs. in crore)
a:	FORESTRY	
	1. Afforestation	2.39
	2. Social Forestry	2.80
	3. Range Management	0.80
	4. Parks & Recreation	1.42
	5. Research & Education	0.48
	6. Sericulture	0.09
b:	WILDLIFE	3.02
c:	FISHERIES	2.10

	Total:	13.10

An allocation of Rs. 2.10 crore has been provided for Fisheries during 1992-93. Efforts will be made for improvement and identification of fish culture activities in the private sector and development of natural and other feasible resources in the public sector. Public sector activities have mainly been confined to creation of infrastructure for establishment of hatcheries and nurseries in addition to providing research, training and extension services. Physical targets entail production of 445 lac fish seed and 49000 metric tons of fish.

4. INDUSTRIES AND MINERAL DEVELOPMENT

An allocation of Rs. 27.50 crore has been proposed for this sector during 1992-93. The break-up is given in Table 34.

TABLE 34**SUB-SECTORAL ALLOCATIONS FOR INDUSTRIES
AND MINERAL DEVELOPMENT**

	(Rs. in crore)
Directorate of Industries	0.19
Punjab Small Industries Corporation	25.78
Punjab Mineral Development Corporation	1.04
Punjab Printing Press	0.49

Total:	27.50

Major emphasis in this area is once again being placed on small industries due to their tremendous potential for growth and employment. The main focus of the sub-sector programme will be self-employment and industrialisation of rural areas with an investment of Rs. 25.00 crore.

5. WATER AND POWER

An allocation of Rs. 42.00 crore has been earmarked for Water and Power Programme against an allocation of Rs. 38.00 crore in 1991-92. Physical targets will be as under :

1. remodelling and improvement of 72 km. of canals;
2. lining of 24 km. of channels;
3. construction and extension of 16 km. of canal system;
4. completion of three small-dams;
5. rehabilitation of 960 km. of canals and drains, and
6. construction of 13 km. of new surface drains.

6. ROADS AND BRIDGES

An allocation of Rs. 66.00 crore has been provided during 1992-93 for this sector. A major allocation of Rs. 56.49 crore has been made to complete on-going schemes. Programme-wise details are given in table 35:-

TABLE 35

SUB-SECTORAL ALLOCATIONS FOR ROADS AND BRIDGES

	<i>(Rs. in crore)</i>
1. Widening/Improvement	41.97
2. New Roads	7.35
3. Bridges	15.58
4. Punjab Highways Authority	0.10
5. Block allocation	1.00

Total:	66.00

The major point of emphasis is widening and improvement of deteriorating road network. This programme will get Rs. 41.97 crore which is 63.59 percent of the total allocation and will involve widening and improvement of 242 km. of roads during the year. Construction of new roads with a total combined length of 102 km. will also be undertaken. An allocation of Rs. 0.10 crore has also been made for the Punjab Highway Authority.

7. RURAL WATER SUPPLIES

Keeping in view the policy to provide clean and hygienic water and drainage facilities to rural population, an allocation of Rs. 209.00 crore (including Rs. 107.00 crore under SAP) has been proposed for rural water supplies during 1992-93. Out

of the total allocation, Rs. 102.00 crore will be spent on on-going schemes. Physical targets will include completion of 375 rural water supply schemes and finalization of 527 sewerage and drainage schemes. As such clean drinking water facilities and sewerage and drainage facilities shall be extended to additional population of 15.85 lac and 24.30 lac respectively.

8. URBAN DEVELOPMENT AND WATER SUPPLIES

An amount of Rs. 37.00 crore has been provided for Urban Development during 1992-93. Details of sub-sectoral allocations are given in Table 36.

TABLE 36

SUB-SECTORAL ALLOCATIONS FOR URBAN DEVELOPMENT

	<i>(Rs. in crore)</i>
1. Lahore Development Authority	6.00
2. Faisalabad Development Authority	15.00
3. Multan Development Authority	10.00
4. Rawalpindi Development Authority	3.00
5. Gujranwala Development Authority	3.00

Total:	37.00

An allocation of Rs. 14.00 crore has also been made for urban water supplies. The programme envisages completion of 19 water supply and 13 sewerage and drainage schemes in urban areas. Additional population of 2.55 lac will thus be served with clean drinking water and an additional population of 2.00 lac will be provided with sewerage and drainage facilities. Moreover, various development authorities will invest in the urban areas through self-financing to supplement the investments being made through the ADP. In the housing sector,

8100 plots, under 3-marla schemes, will be developed during 1992-93 with an expenditure of Rs. 2.00 crore for distribution among the needy. In addition, 3100 plots will also be developed to provide houses for low-income people and 1150 units will be constructed to supplement the existing government servants' housing.

9. EDUCATION AND TRAINING

Table 37 gives details of allocation for various sub-sectors of education:-

1.	Primary Education	16.26
2.	Secondary Education	36.12
3.	Teacher Education	0.92
4.	Technical Education	7.85
5.	College Education	25.90
6.	Special Education	0.44
7.	Scholarships	5.50
8.	Eduction Foundation	25.00
9.	Miscellaneous	5.01
10.	Social Action Programme	187.00
	Total:	310.00

A sum of Rs. 310.00 crore (including Rs. 187.00 crore under S.A.P.) has been provided for Education during 1992-93. A major part of the allocation relates to the achievement of targets laid down under accelerated programme for rural education. Major physical targets will include :

1. provision of drinking water and wash-room facilities in 3000 girls primary schools;
2. construction of boundary walls around 1000 girls primary schools;
3. addition of one room in 1000 single-room primary schools;
4. provision of furniture and equipment to 3500 upgraded middle/high schools;
5. construction of additional classrooms in 300 middle and high schools;
6. continuation of projects for construction of buildings of 28 existing colleges;
7. continuation of projects for construction of buildings for five commercial and vocational training institutes, and
8. provision of play grounds in 5000 primary schools.

10. HEALTH

An amount of Rs. 174.00 crore (including Rs. 36.00 crore under SAP) has been proposed for the Health Sector during 1992-93. Details are given in Table 38.

An allocation of Rs. 25.00 crore has been made for the Health Foundation to promote provision of health facilities in rural areas through private sector. Physical targets in the health sector are :

1. completion of 12 tehsil headquarters hospitals;
2. addition of 480 beds in tehsil headquarters hospitals;
3. completion of 5 district headquarters hospitals;
4. completion of work on 150 basic health units and upgradation of 400 existing ones;
5. completion of 8 rural health centers and upgradation of 60 existing ones; and
6. addition of 1200 beds in district headquarters hospitals.

TABLE 38**SUB-SECTORAL ALLOCATIONS FOR HEALTH**

(Rs. in crore)

1.	Teaching Hospitals	28.52
2.	Specialized Medical Institutions	11.58
3.	Medical Colleges	20.11
4.	Stipends and Scholarships	10.04
5.	Preventive Health	1.16
6.	Miscellaneous	1.75
7.	Rural Health Programme	17.94
8.	Health Foundation	25.00
9.	Upgradation and Improvement of T.H.Q. Hospitals.	8.64
10.	Upgradation and Improvement of D.H.Q. Hospitals.	13.26
	Social Action Programme:	36.00

	Total:	174.00

11. SOCIAL ACTION PROGRAMME 1992-93

In accordance with the national priorities the Social Action Programme has been prepared by the federal government in consultation with the provinces in the shape of three years rolling plan starting from the year 1992-93. In the context of development, SAP is the first step as a followup of the Structural Adjustment Strategy for Pakistan.

The basic objectives of SAP include significant expansion in Primary Education (with a special emphasis on female education), Basic Health and Preventive Health and Water Supply and Sanitation facilities for rural areas. The programme aims at correcting the glaring imbalances which have been noticed in

the provision of facilities among the rural and urban areas. In the specified social sectors, SAP includes the qualitative improvements in the provision of facilities alongwith quantitative expansion.

Sectorwise details of SAP are as under :

a:	Education	187.00
b:	Health	36.00
c:	Rural Water Supply	107.00
d:	Planning & Development	3.36

	Total	333.36

12. BLOCK ALLOCATIONS

A Block Allocation of Rs. 103.00 crore has been made in the ADP 1992-93 for Priority Programme. Block allocations of Rs. 40.00 crore for development works of local councils and Rs. 124.00 crore for Taameer-e-Watan Programme have also been made.