



**Government of the Punjab,  
Finance Department**

**WHITE  
PAPER  
ON  
BUDGET 1994-95**

**June 10, 1994**



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## **FOREWORD**

The White Paper as tradition demands is being released on Budget day. This paper provides an aggregative overview of budgetary details available in the following accompanying documents :-

- a. Annual Budget Statement
- b. Estimates of Charged Expenditure and Demands for Grants (Current)
- c. Estimates of Charged Expenditure and Demands for Grants (Development)
- d. Tameer-e-Punjab Programme
- e. Schedule of New Expenditure (Continued & New) (Current)
- f. Schedule of New Expenditure (Continued & New) (Development)
- g. Supplementary Budget Statement

While outlining the broad contents of the Budget, the White Paper also enables comparisons with previous budgets. It is hoped that both specialist and casual users of this document would benefit from its descriptive detail and analysis.

Budget making, all would agree, is an arduous exercise requiring sustained hard work and application. It has to be a labour of love for countless individuals, without whose effort and dedication the results would not see the light of the day. I would like to thank Mr. Nasir Mahmood Khosa, Additional Finance Secretary (Budget), Mr. Shujat Ali, Deputy Secretary (Resources), Mr. Karim Baksh Abid, Deputy Secretary (Budget) and all the other dedicated individuals in the Budget and Resource Wings for making all this possible.

**AMINULLAH CHAUDRY**  
Finance Secretary  
Government of the Punjab

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## BUDGET AT A GLANCE

(Rs. in crore)

	Budget 1993-94	Revised 1993-94	Budget 1994-95
<b>CURRENT BUDGET</b>			
General Revenue Receipts	4870.58	5317.32	6004.19
Revenue Expenditure	4926.00	4909.19	5796.94
Revenue Deficit (-)/Surplus (+):	----- (-) 55.42 -----	----- (+) 408.13 -----	----- (+) 207.25 -----
General Capital Receipts	1311.67	1186.31	1040.79
Current Capital Expenditure	1391.16	1286.03	1142.37
Net Capital Receipts:	----- (-) 79.49 -----	----- (-) 99.72 -----	----- (-) 101.58 -----
Public Account Receipts	3843.50	3538.95	3757.29
Public Account Disbursements	3754.42	3388.79	3612.96
Net Public Account Receipts:	----- (+) 89.08 -----	----- (+) 150.16 -----	----- (+) 144.33 -----
Net deficit (-)/Surplus (+) in the Current Budget:	----- (-) 45.83 -----	----- (+) 458.57* -----	----- (+) 250.00 -----
<b>DEVELOPMENT BUDGET</b>			
Expenditure	900.00	779.32	+ 1235.78
Resources	808.10	779.32	1028.35
Operational Shortfall	----- 91.90 -----	----- .. -----	----- 171.65 -----
Population Welfare	..	..	35.78

*\*This is a notional surplus and not available for budgetary expenditure. For further details see explanation on page 2.*

*+ This includes a development grant from Federal government of Rs. 35.78 crore for Population Welfare Programme which is not a part of the Tameer-e-Punjab Programme.*

## BUDGET IN BRIEF

### 1. REVENUE BUDGET

(Rs. in crore)

	Budget 1993-94	Revised 1993-94	Budget 1994-95
<b>GENERAL REVENUE RECEIPTS</b>			
Federal Divisible Taxes	3538.30	4014.88	4761.63
Other Federal Transfers	128.35	134.62	142.77
Provincial Tax Receipts	583.23	571.10	612.96
Income from property and enterprises	14.07	6.07	14.84
<b>Receipts from Civil Administration and other functions :</b>			
General Administration	13.06	12.11	14.14
Law and Order	39.49	41.25	43.57
Community Services	53.51	53.26	55.66
Social Services	120.70	111.41	109.16
Economic Services	180.33	187.61	191.85
Miscellaneous Receipts (including Federal Grants)	199.54	185.01	57.61
<b>Total General Revenue Receipts:</b>	<b>4870.58</b>	<b>5317.32</b>	<b>6004.19</b>
<b>REVENUE EXPENDITURE</b>			
General Administration	506.74	507.57	837.81
Law and Order	457.08	486.11	488.58
Community Services	247.52	219.95	273.94
Social Services	1905.47	1844.49	2154.84
Economic Services	584.01	522.91	635.47
Subsidies	94.73	134.73	136.00
Debt-servicing, Investible Funds and Grants	1129.62	1193.00	1270.27
Miscellaneous (Unallocable)	0.83	0.43	0.03
<b>Total Revenue Expenditure :</b>	<b>4926.00</b>	<b>4909.19</b>	<b>5796.94</b>
<b>a: Revenue deficit (-)/surplus(+)</b>	<b>(-) 55.42</b>	<b>(+) 408.13</b>	<b>(+) 207.25</b>



## 2. CURRENT CAPITAL BUDGET

(Rs. in crore)

	Budget 1993-94	Revised 1993-94	Budget 1994-95
<b>GENERAL CAPITAL RECEIPTS</b>			
Extraordinary Receipts	14.79	13.26	13.25
Public Debt	16.81	35.08	6.21
Recoveries of Loans and Advances	58.07	43.63	59.32
Loans from Commercial Banks (Account No. II)	1222.00	1094.34	962.01
<b>Total General Capital Receipts:</b>	<b>1311.67</b>	<b>1186.31</b>	<b>1040.79</b>
<b>CURRENT CAPITAL EXPENDITURE</b>			
Debt Servicing	131.13	150.85	139.30
Loans and Advances	37.96	40.77	40.98
State Trading in Medical Stores and Coal	0.07	0.07	0.08
Foodgrains (Net) (Account No. II)	358.71	144.07	(-) 79.61
Repayment of Bank Loans (Account No. II)	863.29	950.27	1041.62
<b>Total Current Capital Expenditure:</b>	<b>1391.16</b>	<b>1286.03</b>	<b>1142.37</b>
<b>b: Net Capital Receipts</b>	<b>(-) 79.49</b>	<b>(-) 99.72</b>	<b>(-) 101.58</b>

3. PUBLIC ACCOUNT

(Rs. in crore)

	Budget 1993-94	Revised 1993-94	Budget 1994-95
<b>PUBLIC ACCOUNT RECEIPTS</b>			
Unfunded Debt (Deferred Liabilities)	132.92	146.18	146.19
Deposits and Reserves	1620.18	1302.37	1314.66
Remittances	2090.40	2090.40	2296.44
<b>Total Public Account Receipts :</b>	<b>3843.50</b>	<b>3538.95</b>	<b>3757.29</b>
<b>PUBLIC ACCOUNT DISBURSEMENTS</b>			
Unfunded Debt (Deferred Liabilities)	54.80	65.97	65.97
Deposits and Reserves	1609.22	1232.42	1250.55
Remittances	2090.40	2090.40	2296.44
<b>Total Public Account Disbursements:</b>	<b>3754.42</b>	<b>3388.79</b>	<b>3612.96</b>
<b>c: Net Public Account Receipts:</b>	<b>(+) 89.08</b>	<b>(+) 150.16</b>	<b>(+) 144.33</b>
<b>NET DEFICIT (-)/SURPLUS (+) IN THE CURRENT BUDGET (a+b+c):</b>	<b>(-) 45.83</b>	<b>(+) 458.57</b>	<b>(+) 250.00</b>

## TAMEER-E-PUNJAB PROGRAMME FOR 1994-95

(Rupees in crore)

Sub-Sector/Department	ON-GOING SCHEMES			NEW SCHEMES			TOTAL		
	Capital	Revenue	Total	Capital	Revenue	Total	Capital	Revenue	Total
<b>(A) Production Programme</b>									
i) Agriculture and Agricultural Credit	2.98	17.39	20.37	1.00	3.63	4.63	3.98	21.02	25.00
ii) Farms to Market Roads	100.00	..	100.00	..	..	..	100.00	..	100.00
iii) Livestock and Dairy Development	1.10	5.37	6.47	..	..	..	1.10	5.37	6.47
iv) Forestry and Wildlife	..	2.73	2.73	..	5.21	5.21	..	7.94	7.94
v) Fisheries	0.39	1.26	1.65	..	..	..	0.39	1.26	1.65
vi) Cooperative and Rural Credit	..	..	..	0.17	..	0.17	0.17	..	0.17
vii) Food Storage	0.27	..	0.27	..	..	..	0.27	..	0.27
<b>Total Agriculture</b>	<b>104.74</b>	<b>26.75</b>	<b>131.49</b>	<b>1.17</b>	<b>8.84</b>	<b>10.01</b>	<b>105.91</b>	<b>35.59</b>	<b>141.50</b>
<b>2. Rural Development Programme</b>	<b>..</b>	<b>4.31</b>	<b>4.31</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>4.31</b>	<b>4.31</b>
<b>3. Industries and Minerals</b>	<b>..</b>	<b>9.69</b>	<b>9.69</b>	<b>0.17</b>	<b>1.35</b>	<b>1.52</b>	<b>0.17</b>	<b>11.04</b>	<b>11.21</b>
<b>Total (A) Production Programme</b>	<b>104.74</b>	<b>40.75</b>	<b>145.49</b>	<b>1.34</b>	<b>10.19</b>	<b>11.53</b>	<b>106.08</b>	<b>50.94</b>	<b>157.02</b>
<b>(B) Physical Infrastructure-</b>									
4. Water and Power	27.38	2.62	30.00	4.00	..	4.00	31.38	2.62	34.00
5. Roads and Bridges	70.00	..	70.00	..	..	..	70.00	..	70.00
<b>6. Physical Planning and Housing:</b>									
i) Low Income Housing	10.00	..	10.00	..	..	..	10.00	..	10.00
ii) Rural Water Supplies	0.46	139.54	140.00	..	50.00	50.00	0.46	189.54	190.00
iii) Urban Water Supplies	5.80	8.86	14.66	0.31	6.59	6.90	6.11	15.45	21.56
iv) Government Servant Housing	14.27	..	14.27	3.73	..	3.73	18.00	..	18.00
v) Government Offices and Buildings	12.99	0.05	13.04	6.95	0.01	6.96	19.94	0.06	20.00
vi) Urban Development	34.49	..	34.49	8.23	..	8.23	42.72	..	42.72
<b>Total Physical Planning and Housing</b>	<b>78.01</b>	<b>148.45</b>	<b>226.46</b>	<b>19.22</b>	<b>56.60</b>	<b>75.82</b>	<b>97.23</b>	<b>205.05</b>	<b>302.28</b>
<b>Total (B) Physical Infrastructure</b>	<b>175.39</b>	<b>151.07</b>	<b>326.46</b>	<b>23.22</b>	<b>56.60</b>	<b>79.82</b>	<b>198.61</b>	<b>207.67</b>	<b>406.28</b>

## TAMEER-E-PUNJAB PROGRAMME FOR 1994-95

(Rupees in crore)

Sub-Sector/Department	ON-GOING SCHEMES			NEW SCHEMES			TOTAL		
	Capital	Revenue	Total	Capital	Revenue	Total	Capital	Revenue	Total
<b>(C) Social Infrastructure-</b>									
7. Education and Training	176.69	18.88	195.57	25.91	4.35	30.26	202.60	23.23	225.83
8. Information and Culture	..	1.50	1.50	..	0.50	0.50	..	2.00	2.00
9. Health	47.09	46.60	93.69	16.94	7.21	24.15	64.03	53.81	117.84
10. Tourism	..	0.50	0.50	..	..	..	..	0.50	0.50
11. Social Welfare	0.05	0.26	0.31	0.05	0.40	0.45	0.10	0.66	0.76
12. Manpower Training	0.76	0.44	1.20	0.25	..	0.25	1.01	0.44	1.45
13. Planning and Development	0.08	1.45	1.53	0.15	3.43	3.58	0.23	4.88	5.11
<b>Total (C) Social Infrastructure</b>	<b>224.67</b>	<b>69.63</b>	<b>294.30</b>	<b>43.30</b>	<b>15.89</b>	<b>59.19</b>	<b>267.97</b>	<b>85</b>	<b>353.49</b>
<b>14. Regional Planning</b>									
i) D.G.Khan Development Authority	..	5.75	5.75	..	..	..	..	5.75	5.75
ii) Bahawalpur Development Authority	..	..	..	..	5.00	5.00	..	5.00	5.00
iii) Murree Kahuta Development Authority	..	..	..	..	2.87	2.87	..	2.87	2.87
iv) Cholistan Development Authority	..	1.05	1.05	..	1.82	1.82	..	2.87	2.87
<b>Total Regional Planning</b>	<b>..</b>	<b>6.80</b>	<b>6.80</b>	<b>..</b>	<b>9.69</b>	<b>9.69</b>	<b>..</b>	<b>16.49</b>	<b>16.49</b>
<b>15. Block Allocation for :</b>									
i) Priority Programme	..	..	..	45.00	37.01	82.01	45.00	37.01	82.01
ii) Special Programme for Local Development	..	..	..	81.00	55.00	136.00	81.00	55.00	136.00
iii) Development Schemes of Local Councils	..	..	..	..	30.32	30.32	..	30.32	30.32
iv) Un-funded schemes.	..	..	..	10.00	8.39	18.39	10.00	8.39	18.39
<b>Total Block Allocation</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>136.00</b>	<b>130.72</b>	<b>266.72</b>	<b>136.00</b>	<b>130.72</b>	<b>266.72</b>
<b>Gross Total</b>	<b>504.80</b>	<b>268.25</b>	<b>773.05</b>	<b>203.86</b>	<b>223.09</b>	<b>426.95</b>	<b>708.66</b>	<b>491.34</b>	<b>1200.00</b>
<b>Less-Operational Shortfall</b>									<b>171.65</b>
<b>Net Total</b>									<b>1028.35</b>
<b>SOCIAL ACTION PROGRAMME</b>									
Rural Water Supply Sector									<b>190.00</b>
Education Sector									<b>160.83</b>
Health Sector									<b>50.84</b>
Planning and Development Sector									<b>3.71</b>
Priority Programme of SAP Sectors									<b>19.55</b>
<b>Total Social Action Programme</b>									<b>424.93</b>

## TAMEER-E-PUNJAB PROGRAMME 1993-94 AND 1994-95

	Budget 1993-94	Budget 1994-95	% of Total
Agriculture	96.20	141.50	11.79
Rural Development	3.92	4.31	0.36
Industries & Minerals	11.18	11.21	0.94
Water & Power	31.04	34.00	2.83
Roads & Bridges	63.39	70.00	5.83
Physical Planning and Housing	201.82	302.28	25.19
Education & Training	151.70	225.83	18.82
Information & Culture	1.63	2.00	0.17
Health	87.74	117.84	9.82
Tourism	0.16	0.50	0.04
Social Welfare	0.69	0.76	0.06
Manpower & Training	1.31	1.45	0.12
Planning & Development	3.21	5.11	0.43
Unfunded Schemes	16.72	18.39	1.53
MKDA	2.61	2.87	0.24
Cholistan Development Authority	2.61	2.87	0.24
D.G. Khan Development Authority	5.23	5.75	0.48
Bahawalpur Development Authority	3.27	5.00	0.42
Block allocation for :			
i: Development Schemes of Local Councils	27.57	30.32	2.53
ii: Special Programme for Local Development	135.22	136.00	11.33
iii: Priority Programme (including allocation for schemes of S.A.P. Rs.19.55)	52.78	82.01	6.83
<b>Gross Total:</b>	<b>900.00</b>	<b>1200.00</b>	<b>100</b>

# *Chapter I*

## **CURRENT BUDGET**

The Current Budget of the Government of the Punjab comprises Revenue Budget, Current Capital Budget and Public Account of the Province.

### **I. REVENUE BUDGET:**

The Revenue Budget consists of general revenue receipts and 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: Revenue expenditure**

It represents current expenditure on salaries and allowances, pensions, maintenance of socio-economic infrastructure, interest payments on 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.

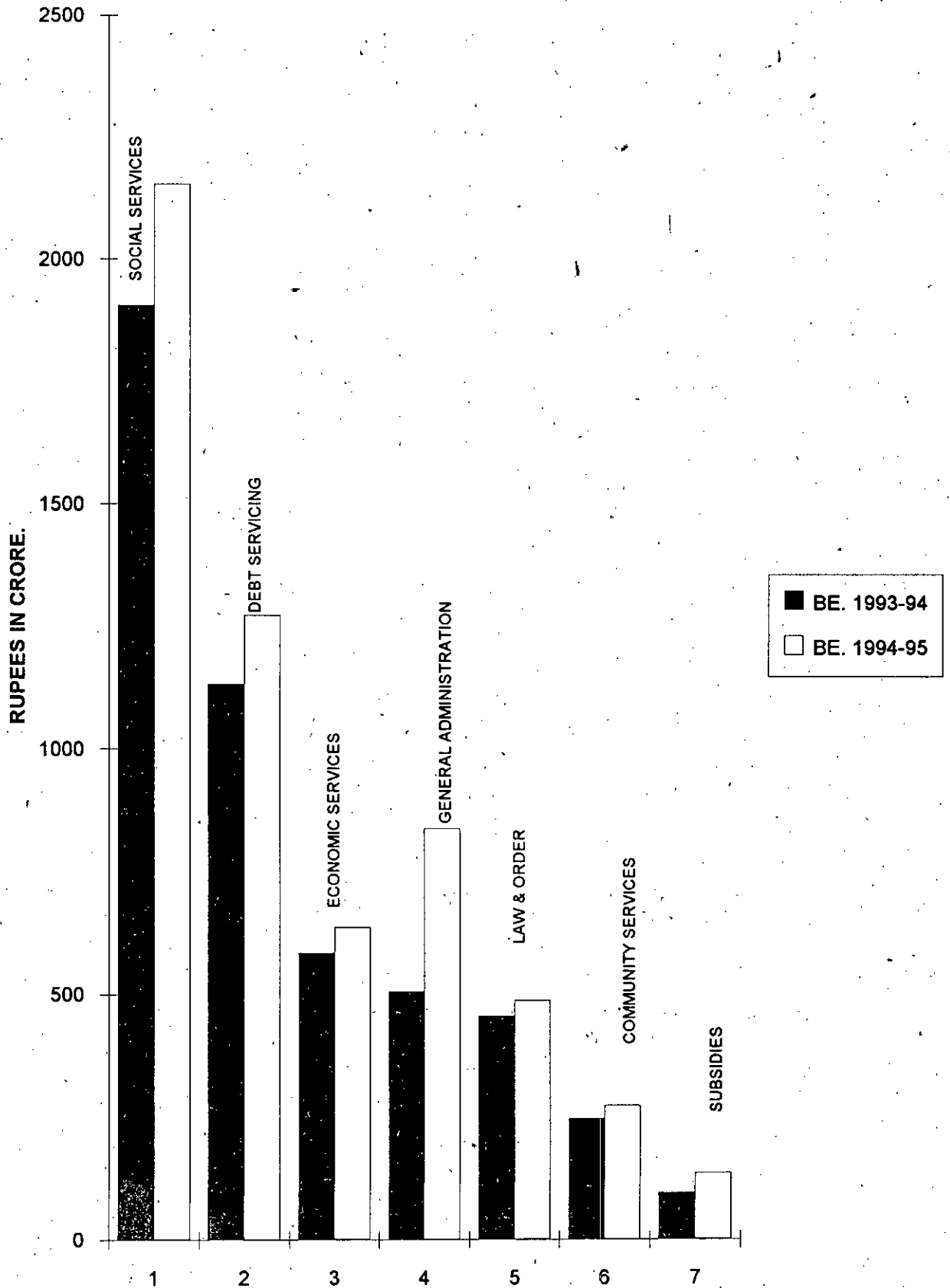
**TABLE 1**  
**REVENUE BUDGET**

(Rs. in crore)

	Budget 1993-94	Revised 1993-94	Budget 1994-95
<b>A: GENERAL REVENUE RECEIPTS</b>			
Federal Divisible Taxes	3538.30	4014.88	4761.63
Other Federal Transfers	128.35	134.62	142.77
Provincial Tax Receipts	583.23	571.10	612.96
Income from Property and Enterprises	14.07	6.07	14.84
Receipts from Civil Administration and other functions	407.09	405.64	414.38
Miscellaneous (other sources)	199.54	185.01	57.61
<b>Total General Revenue Receipts:</b>	<b>4870.58</b>	<b>5317.32</b>	<b>6004.19</b>
<b>B: REVENUE EXPENDITURE</b>			
General Administration	506.74	507.57	837.81
Law and Order	457.08	486.11	488.58
Community Services	247.52	219.95	273.94
Social Services	1905.47	1844.49	2154.84
Economic Services	584.01	522.91	635.47
Subsidies	94.73	134.73	136.00
Debt servicing, investible funds and grants	1129.62	1193.00	1270.27
Miscellaneous (unallocable)	0.83	0.43	0.03
<b>Total Revenue Expenditure:</b>	<b>4926.00</b>	<b>4909.19</b>	<b>5796.94</b>
<b>Revenue surplus/Deficit (A-B):</b>	<b>(-) 55.42</b>	<b>(+) 408.13</b>	<b>(+) 207.25</b>

As indicated in Table 1, in going from Budget estimates to Revised estimates 1993-94, the original deficit of Rs.55.42 crore has on the face of it become a surplus of Rs. 408.13 crore. This surplus, however, is merely notional as it is based on gross revised estimates of divisible pool share and after netting out the adjustments would not be available for actual budgetary expenditure by the provincial government. After at source deduction of Rs.67.67 crore from this on

# COMPARISON OF REVENUE EXPENDITURE BY FUNCTIONAL CLASSIFICATION 1993-94 AND 1994-95





account of claims of WAPDA against the provincial government, the remaining amount would be used towards reduction in the size of floating debt with the State Bank of Pakistan.

## **II CURRENT CAPITAL BUDGET**

The Current Capital Budget is the account of expenditure incurred in reducing liabilities and of receipts of capital nature. It is composed of general capital receipts and current capital expenditure.

### **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 extraordinary receipts, proceeds of 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. The transactions of both Account No. I and II are part of the Provincial Consolidated Fund. 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 again in Chapter 6.

### **b: Current Capital expenditure**

This pertains both to Account No. 1 and Account No. II. It includes repayment (amortisation) of debt, loans and advances made by the provincial government, repayment of loans obtained from commercial banks for commodity operations, and state trading in medical stores and coal.

**TABLE 2**  
**CURRENT CAPITAL BUDGET**

	Budget 1993-94	Revised 1993-94	Budget 1994-95 <i>(Rs. in crore)</i>
<b>GENERAL CAPITAL RECEIPTS</b>			
Extraordinary Receipts	14.79	13.26	13.25
Public Debt	16.81	35.08	6.21
Recoveries of Loans and Advances	58.07	43.63	59.32
Loans from Commercial Banks (Account No. II)	1222.00	1094.34	962.01
<b>Total General Capital Receipts:</b>	<b>1311.67</b>	<b>1186.31</b>	<b>1040.79</b>
<b>CURRENT CAPITAL EXPENDITURE</b>			
Debt Servicing	131.13	150.85	139.30
Loans and Advances	37.96	40.77	40.98
State Trading in Medical Stores and Coal	0.07	0.07	0.08
Foodgrains (Net) (Account No. II)	358.71	144.07	(-) 79.61
Repayment of Bank Loans (Account No. II)	863.29	950.27	1041.62
<b>Total Current Capital Expenditure:</b>	<b>1391.16</b>	<b>1286.03</b>	<b>1142.37</b>
<b>b: Net Capital Receipts</b>	<b>(-) 79.49</b>	<b>(-) 99.72</b>	<b>(-) 101.58</b>

The current capital account had an excess of Rs. 79.49 crore in payments over receipts in the Budget Estimates 1993-94, which increased to Rs. 99.72 crore in the Revised Estimates. The estimated gap for 1994-95 is Rs. 101.58 crore.

**III. PUBLIC ACCOUNT OF THE PROVINCE :**

Public account transactions of the provincial government, which are accounted for separately from the transactions relating to the Provincial Consolidated Fund both on the receipt and expenditure side, comprise unfunded debt (deferred liabilities), deposits and reserves and remittances. These

transactions are merely in the nature of book-keeping adjustments. In other words the government only acts as a passive banker in the case of public account.

**TABLE 3**

**PUBLIC ACCOUNT**

	(Rs. in crore)		
	Budget 1993-94	Revised 1993-94	Budget 1994-95
<b>PUBLIC ACCOUNT RECEIPTS</b>			
Unfunded Debt (Deferred Liabilities)	132.92	146.18	146.19
Deposits and Reserves	1620.18	1302.37	1314.66
Remittances	2090.40	2090.40	2296.44
<b>Total Public Account Receipts :</b>	<b>3843.50</b>	<b>3538.95</b>	<b>3757.29</b>
<b>PUBLIC ACCOUNT DISBURSEMENTS</b>			
Unfunded Debt (Deferred Liabilities)	54.80	65.97	65.97
Deposits and Reserves	1609.22	1232.42	1250.55
Remittances	2090.40	2090.40	2296.44
<b>Total Public Account Disbursements:</b>	<b>3754.42</b>	<b>3388.79</b>	<b>3612.96</b>
<b>Net Public Account Receipts:</b>	<b>(+) 89.08</b>	<b>(+) 150.16</b>	<b>(+) 144.33</b>

Net public account receipts in the Budget Estimates 1993-94 anticipated a surplus of Rs. 89.08 crore . In the Revised Estimates 1993-94, net receipts have increased to Rs.150.16 crore and are estimated at Rs. 144.33 crore for 1994-95. The increase in the size of the surplus on this account in Revised estimates and the and next year's budget is attributable to :-

- a) Excess of receipts in the provident fund (un-funded debt) over disbursements and;
- b) The response of governmental entities in placing their funds in the public account of the province instead of commercial banks

## **A BIRD'S-EYE VIEW OF THE CURRENT BUDGET**

An indepth analysis of the current budget of the Government of the Punjab is available in the following chapters. However, with a view to facilitating comprehension, a brief overview of the current budget follows.

### **REVISED ESTIMATE 1993-94**

The budgetary year 1993-94 got off to a start with an estimated deficit of Rs.55.42 crore in the revenue budget. To bridge this budgetary gap, economy measures were instituted right at the outset of the financial year. Salient features of these economy measures were:

- a) Restrictions/ban on new durable purchases exceeding Rs. 25,000/- except for development schemes;
- b) Ban on creation of new posts except for development projects and specific cases approved by Chief Minister;
- c) Curb on supplementary grant, except under specific orders of the Chief Minister.
- d) No additional allocations for telephone, electricity and other miscellaneous expenses.
- e) A 3% cut/saving on approved grants.

The financial year in review was, however, not without its share of unanticipated budgetary pressures. During September, 1993 an adhoc relief of Rs. 100/-p.m. was sanctioned for the employees of Punjab Government in pay scales BS 1-16, entailing an additional financial liability of Rs. 75 crore. Thereafter, another adhoc relief of Rs. 50/-p.m. to all employees in BS 1-22 was allowed with effect from 1st April, 1994. The financial cost to the provincial budget of this latter measure came to Rs.12.28 crore. In January 1994, all employees of the provincial government were richer by a week's extra salary in accordance with the

announcement of the Prime Minister of Pakistan, a measure which added another Rs. 34.50 crore to the annual salary bill of the provincial government for the current year. On the law and order front, an extra budgetary allocation of Rs. 9.90 crore was made available during the year for general improvements in the police set-up in the province, with the bulk of this amount targeted for the metropolitan area of Lahore. To enable the Health Department to continue providing its hospital services without any inconvenience to the patients, an extra allocation of Rs. 8 crore was provided during the year for payment of electricity bills of hospitals. However, despite these additional pressures, a cautious, balanced approach to expenditure management has brought about a happy situation where the revised expenditures are lower than the Budget estimates.

On the revenue side the total of revised general revenue receipts exceeds the budgeted estimate by Rs.446.74 crore. While the revised estimates of provincial receipts (Tax and Non-tax) have, by and large, remained close to the original budgeted estimates, there is a sizeable upward jump in the receipts from the federal divisible taxes (Revenue assignments) of Rs.476.58 crore (13.47%), which reflects improved yields on the federal taxes in the divisible pool.

The surplus in the revenue budget (revised) of Rs.408.13 crore, while appearing to be largely an outcome of increase in revised figures of divisible tax share, also reflects, in no uncertain terms, the effect of a careful, balanced approach to expenditure management followed during the year, with the revised figure of revenue expenditure coming out lower than the budgeted estimates. Overall, when the net position of the current budget is consolidated across the revenue budget, current capital budget and the public account, the upshot is a surplus of Rs.458.57 crore. (Table 4).

## **BUDGET ESTIMATES 1994-95.**

The budgetary horizon for 1994-95 - the fourth year of the N.F.C. Award 1990-certainly does look less worrisome than in earlier years. While the estimated expenditures have grown in step with the increase in quantum of recurring liabilities, they appear to be more than adequately covered by growth in provincial receipts and anticipated share in federal divisible taxes.

As in earlier years, substantial allocations have also been made during 1994-95 for maintenance and consolidation of physical infrastructure and improved provision of socio-economic and community services to the people. Note-worthy among these provisions are :-

a)	Operation and maintenance of Buildings	Rs.96.86 crore
b)	Operation and maintenance of communications (Roads & Bridges)	Rs.89.00 crore
c)	Operation and maintenance of Irrigation network	Rs.189.00 crore
d)	Operation and Maintenance of Rural Water Supply and Drainage	Rs.23.00 crore
e)	Agricultural Research	Rs.22.31 crore
f)	Allocation for Bait-ul-Mal Punjab in support of its Social and Community welfare activities	Rs.20.00 crore
g)	Replacement/repair of equipment in government hospitals and clinics	Rs. 14.15 crore

In addition, sizeable new initiatives have been planned for execution during 1994-95. Significant among these are the creation of 42821 posts of English teachers at the primary level, for which an allocation of Rs. 125 crore has been provided during the year.

After all the allocations, new and recurrent, are taken into account, the overall size of revenue expenditures is estimated at Rs. 5796.94 which amounts to a 17.68 percent increase over budget estimate 1993-94. This increase is inevitable if the government is to continue to perform its law and order, socio-economic and

welfare functions in an effective, efficient manner. (For a fuller treatment of why current expenditures are a sine-qua non for an effective development strategy, please see Chapter 3).

To support the estimated level of revenue expenditure during 1994-95, general revenue receipts at Rs.6004.19 crore are anticipated. At this level, they represent an increase of 23.27 percent over Budget Estimate 1993-94, which, in turn, is based on an increase both in share of Federal divisible taxes (from Rs.3538.30 crore to Rs.4761.63 crore) and provincial receipts (tax and non-tax) from Rs.1065.64 crore to Rs.1099.80 crore.

**TABLE 4**  
**NET SURPLUS/DEFICIT IN THE CURRENT BUDGET**

	Budget 1993-94	Revised 1993-94	Budget 1994-95 <i>(Rs. in crore)</i>
Revenue deficit (-)/surplus (+)	(-) 55.42	(+) 408.13	(+) 207.25
Deficit in Capital Account	(-) 79.49	(-) 99.72	(-) 101.58
Net Public Account Receipts	(+) 89.08	(+) 150.16	(+) 144.33
<b>Total deficit (-)/surplus (+):</b>	(-) 45.83	(+) 458.57	(+) 250.00

With a surplus of Rs.250.00 crore in the current budget, the province would once again, after the interruption in 1993-94, be in a position to provide its own contribution from the current budget to the financing of its development programme. It, however, needs to be borne in mind that no specific provision has been made in the current budget to bear the full impact of the anticipated pay/salary adjustments that are likely to be announced by the Federal Government in pursuance of the recommendation of the Pay and Pension Committee constituted by the Federal government. To the extent that the burden of these

adjustments would have to be shouldered by the provincial government, suitable adjustments would be made accordingly after ascertaining the exact impact of increase/revision in pay/pension etc. At this stage, only an anticipatory cushion of Rs.187 crore has been provisioned for this purpose under General Administration, although it is quite possible that the actual amount required would be greater.



## 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.4870.58 crore , general revenue receipts increased by Rs. 446.74 crore during the year to Rs.5317.32 crore in Revised Estimates 1993-94. These are expected to rise to Rs. 6004.19 crore in the Budget Estimates 1994-95 which is an increase of Rs.1133.61 crore , or of 23 percent, over the Budget Estimates for the previous financial year. A break-up of general revenue receipts has been shown in the first half of Table 1..

## I. FEDERAL DIVISIBLE TAXES:

The share in the divisible pool of federal taxes is the single most important source of revenue for the provincial budget. The composition of the divisible pool in the national finance commission award 1990, is as under :-

- 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;
- v: excise duty on sugar.

The net distributable share of the federal divisible pool between the federation and the provinces is obtained after deduction of collection charges (5%) and adjustment for federal emoluments (1.35%). This distributable share, in turn, is to be shared by the federation and the provinces in the ratio of 20:80. It has also been decided in the National Finance Commission Award 1990 that pending the next National Census, the provincial share in the divisible pool be provided on the basis of their respective population ratios in the final figures of 1981 Census. These ratios are as follows :-

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

**TABLE 5**  
**FEDERAL DIVISIBLE TAXES**

	Budget 1993-94	Revised 1993-94	Budget 1994-95 <i>(Rs. in crore)</i>
Customs (Export Duty on Cotton)	27.50	19.13	22.00
Income Tax	1703.59	1951.37	2330.80
Sales Tax	1167.08	1412.04	1740.20
Excise Duty on Tobacco and Tobacco Manufactures	400.08	391.50	404.70
Excise Duty on Sugar	240.05	240.84	263.93
<b>Total:</b>	<b>3538.30</b>	<b>4014.88</b>	<b>4761.63</b>

Figures in table 5 show a substantial increase in divisible pool share of Rs.476.58 crore in the revised estimates over budget estimates. This improvement is largely attributable to an increase in share from the income tax and sales tax collection. In 1994-95 the provincial share from divisible pool is estimated at Rs.4761.63 crore, representing a 34.57% increase over budget estimates 1993-94 and 18.60% increase over revised estimates 1993-94.

The lion's share in this increase comes from the two most buoyant taxes in the divisible pool, namely income tax and sales tax.

## **II OTHER FEDERAL TRANSFERS**

The National Finance Commission Award, 1990 provides that in addition to royalty and excise duty on natural gas, net amount of royalty from crude oil, net profits on hydel power generation and net proceeds of development surcharge on natural gas be paid to the provinces. The criteria for distribution of these transfers

to the provinces is based on production and location of these resources in each province.

**TABLE 6**  
**OTHER FEDERAL TRANSFERS**

	Budget 1993-94	Revised 1993-94	Budget 1994-95 <i>(Rs. in crore)</i>
Excise Duty on Natural Gas	5.71	7.95	8.92
Royalty on Natural Gas	11.63	13.20	17.90
Development Surcharge on Natural Gas	56.80	53.82	56.44
Electricity Profit	12.15	12.15	13.36
Royalty on Crude Oil	42.06	47.50	46.15
<b>Total :</b>	<b>128.35</b>	<b>134.62</b>	<b>142.77</b>

The budget estimates 1994-95 reflect an increase of 11.23% over budget estimates 1993-94 and 6.05% over revised estimates 1993-94.

### III. PROVINCIAL TAX RECEIPTS:

Revenue from provincial taxes has decreased from Rs.583.23 crore in the Budget Estimates 1993-94 to Rs. 571.10crore in the Revised Estimates and is expected to be around Rs.612.96 crore during the next financial year. Table 7 provides a breakdown of the total tax revenues by individual tax components:-

**TABLE 7**  
**PROVINCIAL TAX RECEIPTS**

	(Rs. in crore)		
	Budget 1993-94	Revised 1993-94	Budget 1994-95
<b>DIRECT TAXES:</b>			
Tax from Agriculture	0.01	..	..
Urban Immovable Property Tax	14.84	14.85	16.03
Tax on Transfer of property (Registration)	21.43	21.43	23.14
Land Revenue	90.26	89.81	89.88
Tax on Professions, Trades and Callings	5.71	5.71	6.16
<b>Total Direct Taxes:</b>	<b>132.25</b>	<b>131.80</b>	<b>135.21</b>
<b>INDIRECT TAXES:</b>			
Provincial Excise	13.69	11.60	12.52
Sale of Opium	0.66	0.66	0.72
Stamp Duty	265.90	256.11	273.53
Motor Vehicle Tax	68.24	68.50	75.41
Entertainment Tax	17.61	17.61	17.61
Education Cess	0.07	0.07	0.08
Cotton Fee	30.00	30.00	32.40
Tax on Hotels	3.97	3.97	4.28
Electricity Duty	48.16	48.16	58.34
Others	2.68	2.62	2.86
<b>Total Indirect Taxes:</b>	<b>450.98</b>	<b>439.30</b>	<b>477.75</b>
<b>Total Provincial Taxes:</b>	<b>583.23</b>	<b>571.10</b>	<b>612.96</b>

### **DIRECT TAXES**

Direct taxes, which include land revenue, registration fee, professional tax and urban immovable property tax show a slight dip from Rs.132.25 crore in Budget Estimates to Rs.131.80 crore in the Revised Estimates. The estimates for 1994-95 stand at Rs.135.21 crore.

## **INDIRECT TAXES**

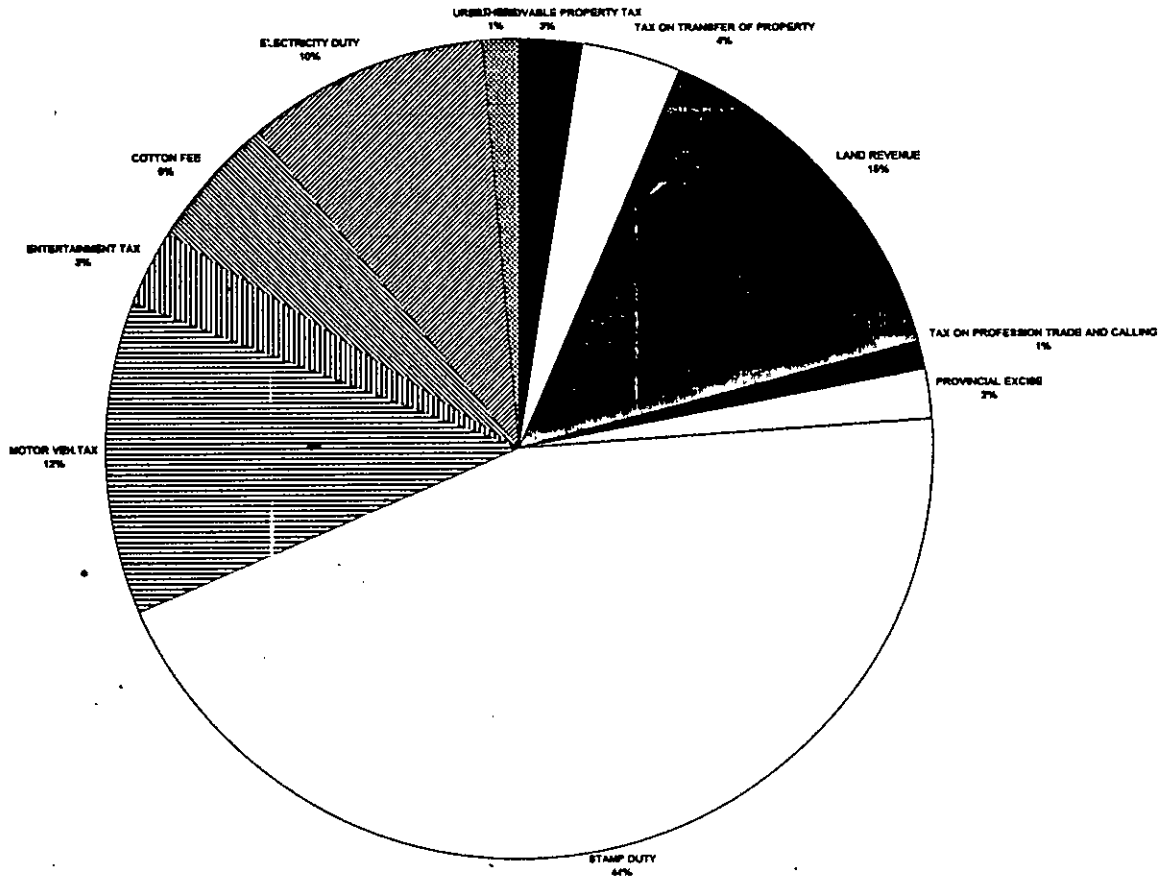
The indirect taxes, which comprise stamp duty, provincial excise, motor vehicle taxes etc., decreased from Rs.450.98 crore to Rs.439.30 crore. As is evident from the figures in Table 7 above, the reduction in Revised Estimates of indirect tax receipts has come largely from lower collections of stamp duty. This drop can be explained in terms of an emerging tendency in property transactions to avoid registration of documents to escape the heavy tax incidence, entailed by registration. Registration of property now not only attracts the usual stamp duty, registration fee, corporation fee, but also a heavy Capital Value Tax, a Federal levy collected by the provincial government for the federal government. As a result of the revision of valuation tables, it was expected that revenue from stamp duties will grow substantially on a continuing basis but the constraining impact of the Capital Value Tax appears to have made a significant dent in the expected growth of revenues from this source.

Provincial tax receipts during 1994-95 are estimated to be around Rs. 612.96crore which have increased by Rs. 41.86 crore , or about 7.33 percent, over the Revised Estimates of previous financial year. This increase would come, by and large, through normal incremental growth and improvement in recoveries.

### **IV. 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 TAXES 1994-95 PERCENTAGE COMPOSITION OF EACH TAX IN TOTAL PROVINCIAL TAXES



URBAN IMMOVABLE PROPERTY TAX	TAX ON TRANSFER OF PROPERTY	LAND REVENUE	TAX ON PROFESSION TRADE AND CALLING
PROVINCIAL EXCISE	STAMP DUTY	MOTOR VEH. TAX	ENTERTAINMENT TAX
COTTON FEE	ELECTRICITY DUTY	OTHERS	

provincial government's investment in government securities. Receipts from this source are expected to aggregate at Rs. 14.84 crore during 1994-95 against Rs. 14.07 crore in the Budget Estimates 1993-94. The drop in revised estimates is on account of non-performance on some of the loans. Broad details of income from property and Enterprise are given in table 8 below:

**TABLE 8**  
**RECEIPTS ON ACCOUNT OF INCOME FROM**  
**PROPERTY AND ENTERPRISE**

	Budget 1993-94	Revised 1993-94	(Rs. in crore) Budget 1994-95
Interest	12.47	4.99	13.04
Dividends	1.60	1.08	1.80
<b>Total:</b>	<b>14.07</b>	<b>6.07</b>	<b>14.84</b>

**V. RECEIPTS FROM CIVIL ADMINISTRATION  
AND OTHER FUNCTIONS:**

Table 9 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 9**  
**RECEIPTS FROM CIVIL ADMINISTRATION**  
**AND OTHER FUNCTIONS**

(Rs. in crore)

	Budget 1993-94	Revised 1993-94	Budget 1994-95
General Administration	13.06	12.11	14.14
Law and Order	39.49	41.25	43.57
Community Services	53.51	53.26	55.66
Social Services	120.70	111.41	109.16
Economic Services	180.33	187.61	191.85
<b>Total:</b>	<b>407.09</b>	<b>405.64</b>	<b>414.38</b>

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 10.

**TABLE 10**  
**RECEIPTS FROM GENERAL ADMINISTRATION**  
**AND LAW AND ORDER**

	Budget 1993-94	Revised 1993-94	(Rs. in crore) Budget 1994-95
General Administration	13.06	12.11	14.14
Administration of Justice	10.50	12.22	12.88
Police	25.63	26.16	27.70
Jails	3.32	2.82	2.95
Civil Defence	0.03	0.05	0.04
<b>Total:</b>	<b>52.54</b>	<b>53.36</b>	<b>57.71</b>

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 (pension contribution) 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. Estimates for 1994-95 show an

increase of Rs. 5.17 crore (10%) over the budget estimates 1993-94, reflecting a normal year to year growth.

**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 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 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. There has been a noticable drop of Rs. 10.22 crore in the actual receipts from Housing and Physical Planning during 1993-94 because of lower than expected proceeds from sale of plots and income from Satellite Town Schemes. Receipts under the Wild Birds and Wild Animals Protection Act include fines and licence fees.

**TABLE 11**  
**RECEIPTS FROM COMMUNITY AND SOCIAL SERVICES**

	Budget 1993-94	Revised 1993-94	Budget 1994-95 <i>(Rs. in crore)</i>
<b>Buildings</b>	6.56	6.56	6.56
<b>Communications</b>	21.60	21.34	21.72
<b>Public Health</b>	25.36	25.36	27.39
<b>Education</b>	73.53	73.53	71.22
<b>Health</b>	21.18	22.24	22.28
<b>Manpower Management</b>	0.33	0.21	0.23
<b>Housing and Physical Planning</b>	24.95	14.73	14.67
<b>Receipts under the Wild Birds and Wild Animals Protection Act</b>	0.70	0.70	0.75
<b>Total:</b>	<b>174.21</b>	<b>164.67</b>	<b>164.82</b>

Receipts from community and social services decreased by Rs. 9.54 crore in the Revised Estimates over the Budget Estimates of Rs. 174.21 crore in 1993-94. An increase of Rs. 0.15<sup>\*</sup> crore is expected during 1994-95 over the Revised Estimates.

**C: ECONOMIC SERVICES**

Receipts from economic services accrue from agriculture, fisheries, animal husbandry, forests, cooperatives, irrigation, printing, stationery and industries. Details are given in Table 12

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. Cooperative 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 12**  
**RECEIPTS FROM ECONOMIC SERVICES**

	Budget 1993-94	Revised 1993-94	Budget 1994-95
	<i>(Rs. in crore)</i>		
Agriculture	25.64	25.64	27.69
Fisheries	3.00	3.00	3.24
Animal Husbandry	10.40	10.52	11.13
Forest	24.87	24.87	24.87
Cooperation	0.30	0.25	0.27
Irrigation	108.44	114.79	114.24
Printing	4.42	5.17	7.02
Stationery	0.29	0.24	0.24
Industries	2.97	3.13	3.15
<b>Total :</b>	<b>180.33</b>	<b>187.61</b>	<b>191.85</b>

As is shown in Table 12, there has been an improvement in receipts from irrigation which is attributable to the impact of enhancement in Abiana rates during 1993-94.

## VI: MISCELLANEOUS:

Earlier, miscellaneous receipts included 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. However, with the advent of the National Finance Commission Award 1990, the earlier practice of the Federation meeting budgetary deficits and picking up surpluses of the provinces has been discontinued. Instead a Special annual grant of Rs.100 crore was provided to the Punjab for three years from 1st July 1991. This grant would not be available during 1994-95. The other receipts in Table 10 include such items as unclaimed deposits, sale of stores and materials, collection charges of Sugarcane Development Cess, fees for registration of societies, under the Registration Act, Citizenship (Domicile) Fees, amongst others.

**TABLE 13**  
**MISCELLANEOUS RECEIPTS**

	Budget 1993-94	Revised 1993-94	(Rs. in crore) Budget 1994-95
Other grants from Federal Government	138.28	127.88	
Others	61.26	57.13	57.61
<b>Total Miscellaneous Receipts</b>	<b>199.54</b>	<b>185.01</b>	<b>57.61</b>

The total miscellaneous receipts decreased from Rs.199.54 crore in Budget Estimates to Rs. 185.01 crore in the Revised Estimates. In 1994-95, these are estimated at Rs.57.61 crore.

## *Chapter 3*

### **CURRENT (OR REVENUE) EXPENDITURE**

The current (or non-development) 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.

There is a perception, though a wholly misleading one, that all current expenditure on the day-to-day business of the government is unproductive and, therefore, wasteful. Nothing could be further from truth. In fact current 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 current expenditure. Communication and irrigation networks would become a liability rather than an asset if these were not properly maintained.

wasteful expenditure is curtailed. This shall ensure proper utilization of funds and would avoid extra allocation of funds during the year through supplementary grants.

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. Funds have been allocated according to revised yardsticks reflecting current needs for different fields like the repair of buildings, roads, irrigation canals and the provision of medicines and services in hospitals.

Current expenditure was estimated at Rs. 4926.00 crore in the Budget Estimates 1993-94. In the Revised Estimates prudent financial management and an effort at economy have brought the figure down to Rs. 4909.19 crore.

Current expenditure during 1994-95 has been estimated at Rs. 5796.94 crore, showing an increase of 17.68 percent over the Budget Estimates 1993-94 and 18.08 percent over the Revised Estimates. This increase partly reflects the recurrent component --- the effect of adhoc reliefs granted to employees in BS 1-22 during 1993-94 as well as that of transfer of development schemes from development budget to current budget for operation and maintenance --- and partly the necessary growth in expenditure requirement for maintenance and consolidation of assets of the government. This is underpinned by an increase in the federal divisible taxes from Rs. 4014.88 crore in the Revised Estimates to Rs.4761.63 crore in the Budget Estimates and an increase of 5.76 percent in the provincial receipts (both tax and non-tax) in the Budget Estimates 1994-95 over the Revised Estimates 1993-94. The main factors that have contributed to the increase in the current expenditure in 1994-95 over 1993-94 are :-

- i) an additional allocation of Rs. 203.36 crore for primary education, which represents an increase of 26.72% over the budgetary



Furthermore the impression that current expenditure is mostly incurred on administration and, therefore, is wasteful is somewhat erroneous. First, a major portion of the current expenditure is incurred on social, economic and community services. In the Budget Estimates 1994-95, the share of these sectors comes to 52.86% of the budget. Second, only a small percentage of the budget is spent on the so-called non-development departments within these services. Moreover, while the expenditure on expansion of the physical infrastructure is met from the development budget, that on its maintenance as well as on the social infrastructure goes from the current (non-development) budget. Enhanced expenditure on development thus adds to current expenditure when completed projects are transferred to the current side for operation and maintenance.

Traditionally the Government tries to make the current budget complementary to the development effort of the province. To meet this objective, the following guiding principles have been adopted while formulating Budget Estimates 1994-95:

- i: Provision of commodities and services contributing to the social welfare and development functions of the government should be maximised.
- ii: Adequate allocations should be made for proper 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

allocation during 1993-94. This includes an allocation of Rs.125.00 crore for creation of 42821 posts of English teachers at the primary level.

- ii) an allocation of Rs. 136.00 crore for picking up the cost of subsidy on wheat and to clear backlog of arrears on this account incurred by the Food department. This allocation represents an excess of Rs. 41.27 crore over the provision in 1993-94.
- iii) An additional allocation of Rs. 102.78 crore has been provided for pension payments in the light of data/estimates furnished by the Accountant General, Punjab.
- iv) to meet essential departmental expenditures on electricity, telephone services, amongst others of provincial departments an additional sum of Rs. 20.00 crore has been budgeted.
- v) an additionality of Rs. 74.17 crore has been provisioned for 1994-95 to meet the growing debt service (interest) obligations of the provincial government.
- vi) an allocation of Rs.172.50 crore to absorb the recurring impact of adhoc reliefs of Rs.100/- granted during 1992-93 and, then again, in 1993-94 as well as the impact of an additional compensatory allowance of Rs.50/- allowed during 1993-94 to all employees in BS 1-22.

Details of the functional distribution of current expenditure are discussed as under :

**TABLE 14**  
**EXPENDITURE ON GENERAL ADMINISTRATION**

	Budget 1993-94	Revised 1993-94	Budget 1994-95 <i>(Rs. in crore)</i>
Organs of State	108.42	119.93	102.24
Fiscal Administration	378.82	367.68	715.62
Economic Regulation	5.78	5.97	5.84
Statistics	6.84	6.89	7.17
Publicity and Information	6.88	7.10	6.94
<b>Total :</b>	<b>506.74</b>	<b>507.57</b>	<b>837.81</b>

**I. GENERAL ADMINISTRATION:**

Broad details of expenditure on general administration are given in Table 14.

While expenditure on general administration has risen from Rs. 506.74 crore in the Budget Estimates to Rs. 507.57 crore in the Revised Estimates, it is likely to rise further to Rs. 837.81 crore during 1994-95. The Budget Estimates 1994-95 reflects the impact of adhoc reliefs and includes various block allocations for meeting emergent purposes. Amongst these block allocations, Rs.187 crore has been provided to cater to anticipated pay adjustments in the coming year.

## 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 15.

**TABLE 15**

### **EXPENDITURE ON LAW AND ORDER**

	Budget 1993-94	Revised 1993-94	(Rs. in crore) Budget 1994-95
Justice : Law Courts	32.51	33.07	33.40
Police and Civil Armed Forces	381.22	408.25	409.06
Jails and Detention Places	32.42	33.69	34.20
Civil Defence	2.41	2.35	2.75
Training and Research in Law and Order	8.52	8.75	9.17
<b>Total :</b>	<b>457.08</b>	<b>486.11</b>	<b>488.58</b>

The increase in the Revised Estimates over the Budget Estimates is due to the effect of the adhoc reliefs granted during 1993-94 and purchase of new equipment for the police. The Budget Estimates 1994-95 would increase to Rs. 488.58 crore largely on account of normal incremental increase in salaries and other recurring liabilities.

## 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 16. 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 1993-94 are lower than the Budget Estimates 1993-94 by Rs. 27.57 crore as a result of economy measures. The Budget Estimate 1994-95 has been anticipated at Rs.273.94 crore.

**TABLE 16**

**EXPENDITURE ON COMMUNITY SERVICES**

	<i>(Rs. in crore)</i>		
	<b>Budget 1993-94</b>	<b>Revised 1993-94</b>	<b>Budget 1994-95</b>
<b>Works</b>	213.14	190.60	235.34
<b>Public Health Services (water-supply, sanitation, sewerage and refuse disposal)</b>	32.67	27.59	36.85
<b>Other Community Services</b>	1.71	1.76	1.75
<b>Total :</b>	<b>247.52</b>	<b>219.95</b>	<b>273.94</b>

**IV. SOCIAL SERVICES :**

The details of expenditure on social services are indicated in Table 17.

Revised Estimates of expenditure on social services have decreased to Rs. 1844.49 crore from the Budget Estimates of Rs.1905.47 crore in 1993-94. The reduction in large part is in education, health, social security and social welfare where as a result of economy measures including ban on filling of vacant posts, savings have been effected. The excess of Budget Estimates 1994-95 over both the Budget Estimates and Revised Estimates 1993-94 represents impact of normal increase in recurrent liabilities and provisioning of funds for filling of vacancies, amongst others. The enhanced allocation for education reflects to a very large degree the special emphasis of the incumbent provincial government on primary education. The government having announced a programme of compulsory English

teaching from the primary level, an allocation of Rs. 125.00 crore has been provided for recruitment of English Teachers.

**TABLE 17**  
**EXPENDITURE ON SOCIAL SERVICES**

	Budget 1993-94	Revised 1993-94	Budget 1994-95
<b>Education</b>	1472.92	1447.11	1722.94
<b>Health</b>	352.28	336.76	351.15
<b>Manpower and Labour Management</b>	8.35	8.44	9.51
<b>Housing and Physical Planning</b>	18.22	17.66	18.94
<b>Sports and recreational facilities</b>	6.82	6.87	6.77
<b>Social security and social welfare</b>	39.86	21.02	39.63
<b>Natural calamities and other disasters</b>	2.39	2.38	1.45
<b>Religious affairs</b>	4.63	4.25	4.45
<b>Total :</b>	1905.47	1844.49	2154.84

**V. ECONOMIC SERVICES :**

Revised Estimates 1993-94 have decreased by Rs.61.10 crore due to the effect of economy measures adopted early in the year.

Detailed expenditure incurred on economic services is indicated in Table 18.

**TABLE 18**  
**EXPENDITURE ON ECONOMIC SERVICES**

	Budget 1993-94	Revised 1993-94	Budget 1994-95
Agriculture and Food	228.98	233.19	244.04
Irrigation	303.81	234.05	331.18
Land Reclamation	4.22	4.36	4.50
Rural Development	24.45	29.68	33.85
Industrial and Mineral Resources	22.55	21.63	21.90
<b>Total :</b>	<b>584.01</b>	<b>522.91</b>	<b>635.47</b>

The increase in the Budget Estimates 1994-95 over the Budget Estimates 1993-94 amounting to Rs.51.46 crore is mainly due to additional expenditure in the irrigation sector for maintenance of irrigation infrastructure. The allocation for agriculture and food has also been enhanced from Rs.228.98 crore in the Budget Estimates 1993-94 to Rs.244.04 crore in the Budget Estimates for 1994-95 and the increase reflects a normal increase in recurrent liabilities.

**VI: SUBSIDIES:**

Revised Estimates 1993-94 show an increase of Rs.40.00 crore over Budget Estimates of Rs.94.73 crore. This increase reflects additional expenditure on subsidies provided on wheat imported during the year. Estimates for 1994-95 have been anticipated at Rs.136.00 crore partly to meet the purchase target and partly to meet the previous backlog of expenditure incurred on this account.

**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 and the Punjab Land Utilisation Authority. Details are given in Table 19.

**TABLE 19**  
**DEBT SERVICING, INVESTIBLE FUNDS AND GRANTS**

	Budget 1993-94	Revised 1993-94	Budget 1994-95
Interest on Domestic Debt	96.85	154.51	101.57
Interest on Federal Loans	1007.39	1019.30	1145.65
Interest on Foreign Loans	16.74	14.35	15.11
Sub-total	1120.98	1188.16	1262.33
Grants and Subventions	8.64	4.84	7.94
<b>Total</b>	<b>1129.62</b>	<b>1193.00</b>	<b>1270.27</b>

Debt servicing liability of the province was projected at Rs.1120.98 crore in the Budget Estimates 1993-94. It increased to Rs.1188.16 crore in the Revised Estimates on account of additional liability. During 1994-95, debt servicing liability is estimated at Rs.1262.33 crore. The increase is due to the expansion in the quantum of cash development loans obtained from the federal government for the Annual Development Programme over the years.

Grants and subventions decreased from Rs.8.64 crore in the Budget Estimates 1993-94 to Rs.4.84 crore in the Revised Estimates and have been estimated at Rs.7.94 crore during 1994-95.

**VII: MISCELLANEOUS (UNALLOCABLE) ITEMS OF EXPENDITURE:**

The Budget Estimates 1993-94 showed an amount of Rs.0.83 crore under this head which decreased to Rs.0.43 crore during the year. Budget Estimates 1994-95 have been fixed as Rs.0.03 crore. This amount includes expenditure for reconstruction and repair of boundary pillars along the Indo-Pak border.



## *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. 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.1222.00 crore in the Budget Estimates 1993-94 decreased to Rs.1094.34 crore in the Revised Estimates 1993-94 due to the decrease in the target for procurement of wheat from 35.00 lac metric tons to 26.65 lac metric tons. The budget on this account for 1994-95 has been fixed at Rs.962.01 crore keeping in view the anticipated procurement.

Details of capital receipts accruing to Account No. 1 and Account No. 2 are given in Table 20. These show a decrease of Rs. 125.36 crore in the Revised Estimates over the Budget Estimates 1993-94 and are expected to be Rs. 1040.79 crore in 1994-95. In what follows, an effort is made to explain the broad movements in the individual items that make up general capital receipts.

**TABLE 20**  
**GENERAL CAPITAL RECEIPTS**

	Budget 1993-94	Revised 1993-94	Budget 1994-95
	<i>(Rs. in crore)</i>		
Extraordinary Receipts	14.79	13.26	13.25
Permanent Debt (Borrowing)	10.69	10.60	0.09
Floating Debt (Ways & Means Advance)	6.12	24.48	6.12
Recoveries of Loans and Advances	58.07	43.63	59.32
Loans from Commercial Banks (Account No. II)	1222.00	1094.34	962.01
<b>Total :</b>	<b>1311.67</b>	<b>1186.31</b>	<b>1040.79</b>

**1. 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.13.26 crore show a decrease of Rs.1.53 crore over the Budget Estimates of Rs.14.79 crore for 1993-94. These are expected to be at Rs.13.25 crore for 1994-95.

**2. PERMANENT DEBT:**

Public debt of the province includes floating debt and permanent domestic debt which, in turn, 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. As a new loan is scheduled to be floated in June 1993-94, the Revised Estimates stand at Rs.10.60 crore.

### **3. 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.24.48 crore in the Revised Estimates as ways and means advances had to be rolled over every three months during the course of the year.

### **4. 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\*, 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 decreased from Rs.58.07 crore in the Budget Estimates to Rs.43.63 crore in the Revised Estimates 1993-94. A provision of Rs.59.32 crore for 1994-95 has been made in anticipation of recoveries of loans and advances during 1994-95. The shortfall in actual recoveries against the budgeted estimates is largely on account

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*\*No new loans were sanctioned during the year as the grant of these loans has been discontinued w.e.f. 1-7-1990 and recoveries are being made against loans advanced in the past.*

of non-performance of loans made to various autonomous bodies/corporations of the provincial government. The major defaulters are the Punjab Road Transport Corporation (P.R.T.C.), Tourism Development Corporation of Punjab (T.D.C.P.), W.A.S.A. (L.D.A.), W.A.S.A. (F.D.A.), Auqaf Department, amongst others,

## Chapter 5

### CURRENT CAPITAL EXPENDITURE

Current Capital Expenditure, like the general capital receipts, figures in both Account No. I and Account No. II of the provincial government maintained with the State Bank of Pakistan. The expenditure in Account No. I under this head would consist of 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 current capital expenditure are given in Table 21.

**TABLE 21**  
**CURRENT CAPITAL EXPENDITURE**

	Budget 1993-94	Revised 1993-94	(Rs. in crore) Budget 1994-95
<b>ACCOUNT NO. I</b>			
Debt Servicing (Principal repayment)	131.13	150.85	139.30
Loans and Advances	37.96	40.77	40.98
State Trading in Medicines and Coal	0.07	0.07	0.08
<b>Total Account No. I:</b>	<b>169.16</b>	<b>191.69</b>	<b>180.36</b>
<b>ACCOUNT NO. II</b>			
State Trading in Foodgrains (Net)	358.71	144.07	(-) 79.61
Debt Servicing	863.29	950.27	1041.62
<b>Total Account No. II:</b>	<b>1222.00</b>	<b>1094.34</b>	<b>962.01</b>
<b>Grand Total Accounts I &amp; II:</b>	<b>1391.16</b>	<b>1286.03</b>	<b>1142.37</b>

## I. DEBT SERVICING IN ACCOUNT NO. I:

Debt servicing (Amortisation) in Account No. I consists of payment of principal instalments on market loans, ways and means advances, federal government loans and foreign debt.

The expenditure has increased from Rs.131.13 crore in Budget Estimates 1993-94 to Rs.150.85 crore in the Revised Estimates. Budget estimates 1994-95 have been fixed at Rs.139.30 crore. The details of debt servicing in Account No. I are as follows :

### A: REPAYMENT OF FEDERAL LOANS

Since 1970, the Annual Development 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 1993-94, the total debt liability of the Punjab Government will be Rs.7935.46 crore. The details are as follows:

	(Rs. in crore)
a: on account of rupee loans received from federal government	7304.83
b: on account of counterpart fund rupee loans	21.97
c: on account of foreign exchange loans	608.66
<b>Total:</b>	<b>7935.46</b>

Rupee loans are utilized for financing the development programme, for installation of Scarp tubewells and for other emergent projects on the basis of need. Details of the loans outstanding against the provincial government on 30-6-1994 are given in Table 22.

**TABLE 22**  
**LOANS OUTSTANDING ON 30.6.1994**

		(Rs. in crore)
<b>A:</b>	<b>CASH DEVELOPMENT LOANS</b>	
1.	1973-74	37.38
2.	1974-75	60.76
3.	1975-76	92.48
4.	1976-77	119.00
5.	1977-78	85.34
6.	1978-79	106.54
7.	1979-80	99.02
8.	1981-82	136.10
9.	1982-83	200.77
10.	1983-84	320.62
11.	1984-85	349.00
12.	1985-86	407.48
13.	1986-87	572.02
14.	1987-88	280.52
15.	1988-89	261.10
16.	1989-90	651.61
17.	1990-91	747.20
18.	1991-92	733.17
19.	1992-93 (Normal)	668.64
20.	1992-93 (SAP Tied)	41.67
21.	1993-94 (Normal)	464.31
22.	1993-94 (SAP Tied)	343.79
<b>Total Cash Development Loans:</b>		----- <b>6778.52</b> -----
<b>B:</b>	<b>CASH DEVELOPMENT LOANS FOR SCARP TUBEWELL PROJECTS</b>	
1.	1974-75	5.47
2.	1975-76	11.63
3.	1976-77	16.25
4.	1977-78	15.38
5.	1978-79	16.63
6.	1979-80	19.37
7.	1980-81	20.99

8.	1981-82	24.49
9.	1982-83	25.79
10.	1983-84	23.71
11.	1984-85	33.51
12.	1985-86	42.21
13.	1986-87	42.29
14.	1987-88	52.81
15.	1988-89	31.44
16.	1989-90	43.15
17.	1990-91	30.98
18.	1991-92	33.75
19.	1992-93	36.15

**Total loans for SCARP Tubewells:**

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526.00  
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**C: OTHER LOANS**

1.	Non-development loan for meeting railway losses	1973-74	..
2.	Non-development loan for augmentation of Police Force	1973-74	..
3.	Non-development loan for Rawalpindi Municipal Committee	1974-75	0.01
4.	Non-development loan for Murree Municipality	1975-76	0.05
5.	Non-development interest-free loan to organize the National Horse and Cattle Show	1978-79	0.13
6.	Non-development interest-free loan for Data Darbar Mosque at Lahore	1978-79	0.12

**Total Other Loans:**

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0.31  
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**D: FOREIGN EXCHANGE LOANS**

1.	US Aid 391-H-055	4.61
2.	US Aid 391-H-060	0.51
3.	US Aid 391-H-069	2.09
4.	US Aid 391-H-079	1.40
5.	US Aid 391-H-084	3.44
6.	US Aid 391-H-087	6.24
7.	US Aid 391-H-103	0.74
8.	US Aid 391-H-107	3.38
9.	US Aid 391-H-128	1.16
10.	US Aid 391-H-135	1.67
11.	IDA-30-Pak	1.90
12.	IDA-50-Pak	12.07



13.	IDA-54-Pak	7.61
14.	IDA-106-Pak	3.40
15.	IDA-106-Pak	0.20
16.	IDA-466-Pak	21.40
17.	IDA-620-Pak	34.73
18.	IDA-630-Pak	59.61
19.	IDA-678-Pak	5.40
20.	IDA-683-Pak	36.87
21.	IDA-813-Pak	28.62
22.	IDA-892-Pak	8.29
23.	IDA-1109-Pak	23.26
24.	IDA-1113-Pak	2.70
25.	IDA-1163-Pak	51.50
26.	IDA-1239-Pak	54.36
27.	IBRD-1366-Pak	11.25
28.	IBRD-578-Pak	0.59
29.	PK-4-Japanese Project loan	51.09
30.	Second Danish Credit (Highway)	0.88
31.	ADB-438-Pak	4.37
32.	ADB-331-Pak	83.67
33.	ADB-495-Pak	22.29
34.	ADB-433-Pak	4.84
35.	AFAD-48-Pak	10.74
36.	IFAD-83-Pak	15.78
37.	IFAD-18-Pak	3.03
38.	DDA-1348-Pak	5.57
39.	IDA-1375-Pak	5.57
40.	IDA-1487-Pak	11.77
		-----
	<b>Total Foreign Exchange Loans:</b>	<b>608.66</b>
		-----
E:	<b>COUNTERPART FUNDS LOANS</b>	
1.	US Aid 391-G-009	0.89
2.	US Aid 391-G-065	0.78
3.	US Aid 391-G-120	8.17
4.	US Aid 391-G-122	4.40
5.	US Aid 391-G-132	6.18
6.	US Aid 391-G-133	0.94
7.	US Aid 391-G-147	0.20

8.	German Loan 1969-70	0.12
9.	German Loan 1971-72	0.29
		-----
Total Counterpart Fund Loans:		21.97

Of the total liability of Rs.7935.46 crore, about 92 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 1993-94 are given in Table 23.

**TABLE 23**  
**MARKET LOANS OF PUNJAB GOVERNMENT**

			(Rs. in crore)	
Name of the loan	Year of issue	Date of maturity	Amount	
1.	10.75% Punjab Loan 1996	1986	13.9.1996	2.73
2.	10.75% Punjab Loan 1997	1987	27.8.1997	5.06
3.	10.50% Punjab Loan 1998	1988	12.10.1998	7.58
4.	10.50% Punjab Loan 1999	1989	17.9.1999	7.85
5.	15% of Punjab Loan 2001	1991	27.8.2001	7.52
6.	16% Punjab Loan 2004	1994	21.6.2004	10.60
				-----
Total:			41.34	

### C: WAYS AND MEANS ADVANCES

The Punjab Government can draw ways and means advances from the State Bank of Pakistan upto a total amount of Rs.6.12 crore 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. Under the revised interest rate structure, applicable to these advances from 16.08.1993, the maximum penal rate of interest chargeable by the State Bank of Pakistan on these advances was raised from 12.50% to 19.50% per annum. However, in line with a general reduction in markups by State Bank of Pakistan, this was reduced to 17.50% with effect from 1-3-1994.

## **II. LOANS AND ADVANCES:**

The provincial government advances loans to cultivators and local/autonomous bodies for specific purposes. Against a provision of Rs.37.96 crore in the Budget Estimates, loans of Rs.40.77 crore were advanced in 1993-94. The increase reflects loans to Multan Development Authority and Tourism Development Corporation of Punjab for payment of salaries and other current expenditures. The Budget Estimates 1994-95 are going to be Rs.40.98 crore, the large part of which would finance salary expenditure of the Punjab Road Transport Corporation. Budget Estimates 1994-95 also include a provision of Rs.5.00 crore for loans and advances to government servants.

## **III. STATE TRADING IN MEDICINES AND COAL:**

This component of the current 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 are concentrated in 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. State trading in foodgrains is carried on with borrowings from nationalised commercial banks, as per cash credit accomodation facilities by the State Bank of Pakistan. The details of receipts and expenditure resulting from state trading operations of the provincial government are given in Table 24.

**TABLE 24**  
**STATE TRADING SCHEMES**

		(Rs. in crore)		
		Budget 1993-94	Revised 1993-94	Budget 1994-95
<b>A:</b>	<b>FOODGRAINS</b>			
	Gross Expenditure on Purchase of Foodgrains	1412.44	1277.61	1279.14
	Deduct recoveries	(-) 1053.73	(-) 1133.54	(-) 1358.75
	<b>Net Expenditure:</b>	<b>(+) 358.71</b>	<b>(+) 144.07</b>	<b>(-) 79.61</b>
<b>B:</b>	<b>STATE TRADING IN MEDICAL STORES:</b>			
	Expenditure	32.07	11.27	15.00
	Deduct Recoveries	(-) 32.07	(-) 11.27	(-) 15.00
	<b>Net Expenditure:</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>C:</b>	<b>STATE TRADING IN COAL:</b>			
	Expenditure	0.07	0.07	0.08
	Deduct Recoveries	..	..	..
	<b>Net Expenditure:</b>	<b>(+) 0.07</b>	<b>(+) 0.07</b>	<b>(+) 0.08</b>

## **I. FOODGRAINS:**

The expenditure on purchase, handling and storage of wheat during 1993-94 decreased from the estimated amount of Rs.1412.44 crore to Rs.1277.61 crore in the Revised Estimates as a consequence of decrease in the procurement target from 35.00 lac metric tons to 26.65 lac metric tons. In the Budget Estimates 1993-94 receipts from the sale of foodgrains were estimated at Rs.1053.73 crore. In the revised estimates these receipts stand at Rs.1133.54 crore.

The procurement price of indigenous wheat for 1994-95 has been fixed at Rs.4000 per metric ton for indigenous wheat and Rs.4882.57 per metric ton for imported wheat, while incidental charges have been fixed at Rs.725.31 per metric ton for indigenous wheat and Rs.488.88 per metric ton for imported wheat. The purchase target for 1994-95 is 27.00 lac metric ton of wheat (23.00 lac metric ton of indigenous wheat and 4.00 lac metric ton of imported wheat). To meet this target, initially only an amount of Rs.1279.14 crore has been made available in 1994-95. Receipts during the year from the sale of foodgrains are estimated at Rs.1358.75 crore. Receipts have been budgeted more than expenditure because carry over stocks from the reserve of 1993-94 would be accounted for at the higher issue price.

## **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 1993-94, no sale proceeds of coke from the stocks are expected as against an expenditure of Rs.0.07 crore. In 1994-95, against an expenditure provision of Rs.0.08 crore, no sales from stocks are anticipated.

# 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 (deferred liabilities), deposits and reserves, and remittances.

Table 25 shows receipts and disbursements from the public account transactions and their net effect in 1993-94 and in the Budget Estimates 1994-95.

	Budget 1993-94	Revised 1993-94	Budget 1994-95
<b>RECEIPTS</b>			
Unfunded Debt (Deferred Liabilities)	132.92	146.18	146.19
Deposits and Reserves	1620.18	1302.37	1314.66
Remittances	2090.40	2090.40	2296.44
<b>Total:</b>	<b>3843.50</b>	<b>3538.95</b>	<b>3757.29</b>
<b>DISBURSEMENTS</b>			
Unfunded Debt (Deferred Liabilities)	54.80	65.97	65.97
Deposits and Reserves	1609.22	1232.42	1250.55
Remittances	2090.40	2090.40	2296.44
<b>Total:</b>	<b>3754.42</b>	<b>3388.79</b>	<b>3612.96</b>
<b>NET</b>			
Unfunded Debt (Deferred Liabilities)	78.12	80.21	80.22
Deposits and Reserves	10.96	69.95	64.11
Remittances	"	"	"
<b>Total:</b>	<b>(+) 89.08</b>	<b>(+) 150.16</b>	<b>(+) 144.33</b>

## **I. UNFUNDED DEBT:**

Unfunded debt is the deferred 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 1993-94 increased to Rs.146.18 crore from the Budget Estimate of Rs. 132.92 crore . Budget Estimates for 1994-95 have been fixed at Rs. 146.19 crore .

## **II. DEPOSITS AND RESERVES:**

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 in suspense accounts, as receipts and disbursement of equal size are shown on both sides of the account.

## **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 1994-95 as was done for 1993-94.

## Chapter 8

### ANALYSIS OF THE REVENUE BUDGET

The revenue budget 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, those derived from income from property and enterprises, receipts-in-aid of superannuation and federal grants.

#### I. REVENUE RECEIPTS:

Budget Estimates 1994-95 show the provincial government's general revenue receipts at Rs. 6004.19 crore. A major part of these receipts, amounting to Rs. 5374.59 crore and constituting almost 90 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 revenue receipts for 1993-94 and 1994-95 is given in Table 26.

TABLE 26

#### REVENUE RECEIPTS

(Rs. in crore)

	Tax receipts	%	Non-tax receipts	%	Transfer receipts	%	Total
Budget 1993-94	4121.53	84.62	456.47	9.37	292.58	6.01	4870.58
Revised 1993-94	4585.98	86.25	452.77	8.51	278.57	5.24	5317.32
Budget 1994-95	5374.59	89.51	460.12	7.67	169.48	2.82	6004.19



**TAX RECEIPTS:**

Tax receipts include the provincial government's share in the federal divisible taxes and its own tax revenues. These will constitute 89.51 percent of the total general revenue receipts in Budget Estimates 1994-95 against 84.62 percent in the Budget Estimates 1993-94 and 86.25 percent in the Revised Estimates. The rise in the ratio of tax receipts in the Revised Estimates was due to increase 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 26 shows that non-tax receipts, other than transfers, accounted for 8.51 percent of total revenue receipts in the Revised Estimates as compared to 9.37 percent in the Budget Estimates 1993-94. These are estimated to be 7.67 percent of the total revenue receipts during 1994-95. Tables 8 to 13 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 (pension contribution) and federal transfers. Table 26 shows that transfer receipts constitute 2.82 percent of the estimates for 1994-95. Transfer receipts decreased in the Revised Estimates because of reduced level of receipts in aid of superannuation, reduction in Development Surcharge on natural gas and lower interest receipts on provincial loans and advances. There is a drop in Budget estimates 1994-95 mainly because of the discontinuation of special grant of Rs. 100.00 crore to Punjab province which under the National Finance Commission

Award 1990 was only available for three years upto 1993-94 (inclusive). For a fuller detail of estimated receipts of Federal transfers, Tables 5 and 6 may be referred to.

### CLASSIFICATION OF TAX REVENUE:

The distribution of tax revenue between receipts from direct and indirect taxes is given in Table 27. The ratio between direct (income tax plus the direct provincial taxes) and indirect taxes (export duty on cotton, sales tax, excise duty on tobacco and sugar and indirect provincial taxes) works out at roughly 46:54 in the Budget Estimates 1994-95 as compared to 45:55 in the Budget Estimates for 1993-94.

**TABLE 27**  
**CLASSIFICATION OF TAX REVENUE**

	DIRECT		INDIRECT		Total
	Amount	%	Amount	%	
Budget 1993-94	1835.84	44.54	2285.69	55.46	4121.53
Revised 1993-94	2083.17	45.42	2502.81	54.58	4585.98
Budget 1994-95	2466.01	45.88	2908.58	54.12	5374.59

A major part of the tax receipts of the province is drawn from federally collected divisible taxes. Table 28 indicates the ratio such taxes bear to the receipts of provincial government from other taxes.

**TABLE 28****RATIO OF RECEIPTS FROM FEDERAL DIVISIBLE TAXES  
AND PROVINCIAL TAXES***(Rs. in crore)*

	<u>Federal Divisible Taxes</u>		<u>Provincial Taxes</u>		<b>Total</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	
<b>Budget 1993-94</b>	3538.30	86	583.23	14	4121.53
<b>Revised 1993-94</b>	4014.88	88	571.10	12	4585.98
<b>Budget 1994-95</b>	4761.63	89	612.96	11	5374.59

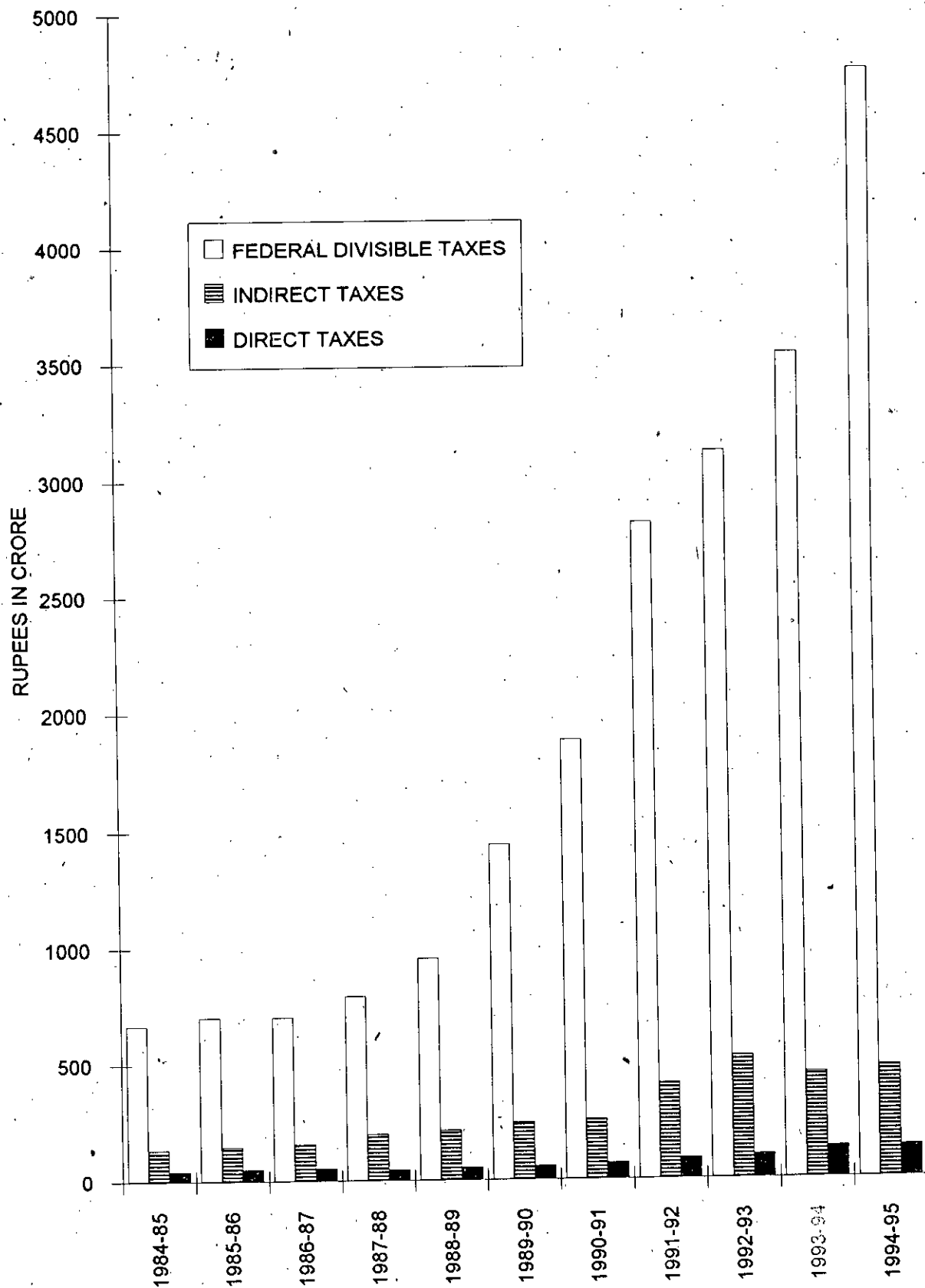
The percentage of the federal divisible taxes in the total tax receipts of the provincial government will increase marginally from 88 percent in the Revised Estimates 1993-94 to 89 percent in the Budget Estimates 1994-95.

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 29 shows details of federal divisible taxes which are passed on to this province.

**TABLE 29****COMPOSITION OF THE PUNJAB'S SHARE OF  
FEDERAL DIVISIBLE TAXES***(Rs. in crore)*

	<u>Budget 1993-94</u>		<u>Revised 1993-94</u>		<u>Budget 1994-95</u>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Income Tax</b>	1703.59	48	1951.37	49	2330.80	49
<b>Sale Tax</b>	1167.08	33	1412.04	35	1740.20	37
<b>Customs</b>	27.50	1	19.13	..	22.00	..
<b>Excise Duty on Tobacco and Tobacco Manufactures</b>	400.08	11	391.50	10	404.70	8
<b>Excise Duty on Sugar</b>	240.05	7	240.84	6	263.93	6
<b>Total:</b>	<b>3538.30</b>	<b>100</b>	<b>4014.88</b>	<b>100</b>	<b>4761.63</b>	<b>100</b>

# TREND IN FEDERAL DIVISIBLE TAXES AND PROVINCIAL DIRECT AND INDIRECT TAXES IN THE GENERAL REVENUE RECEIPTS 1984-85 TO 1994-95



A comparison of the receipts from different taxes levied and collected by the provincial government is given in Table 30. Stamp duty, despite the adverse impact on its collection from the Capital Value Tax, continues to be the largest contributor to provincial tax receipts with a share of 45 percent in the total tax receipts for 1994-95. Land Revenue and Motor Vehicles Tax follow with a contribution of 15 percent and 12 percent respectively in the total revenue. Other important sources of provincial tax receipts are electricity duty and cotton fee, which will contribute 9% and 5% of the provincial tax receipts respectively.

**TABLE 30**  
**PROVINCIAL TAX RECEIPTS**

(Rs. in crore)

	<u>Budget 1993-94</u>		<u>Revised 1993-94</u>		<u>Budget 1994-95</u>	
	Amount	%	Amount	%	Amount	%
Tax from Agriculture	0.01	..	..	..	..	..
Urban immovable property tax	14.84	3	14.85	3	16.03	3
Taxes on transfer of property	21.43	4	21.43	4	23.14	4
Land revenue	90.26	15	89.81	16	89.88	15
Tax on professions, trades and callings	5.71	1	5.71	1	6.16	1
Provincial excise	13.69	2	11.60	2	12.52	2
Sale of opium	0.66	..	0.66	..	0.72	..
Stamp duty	265.90	46	256.11	45	273.53	45
Motor vehicles tax	68.24	12	68.50	12	75.41	12
Entertainment tax	17.61	3	17.61	3	17.61	3
Education cess	0.07	..	0.07	..	0.08	..
Cotton fee	30.00	5	30.00	5	32.40	5
Tax on hotels	3.97	1	3.97	1	4.28	1
Electricity duty	48.16	8	48.16	8	58.34	9
Others	2.68	..	2.62	..	2.86	..
<b>Total:</b>	<b>583.23</b>	<b>100</b>	<b>571.10</b>	<b>100</b>	<b>612.96</b>	<b>100</b>

Revised Stamp Duty receipts have declined by Rs. 9.79 crore from a Budget Estimate of Rs.265.90 crore. The main reason for this is a growing tendency in property transactions to avoid registration of documents which attracts a capital value tax at the rate of 5% of the capital value in addition to the usual stamp duty. The heavy incidence of taxes on property transactions combined with a dull property market have had a significant effect in slowing down the growth in revenue from this potentially buoyant source of revenue.

## II: REVENUE EXPENDITURE:

The revenue expenditure of the provincial government comprises :

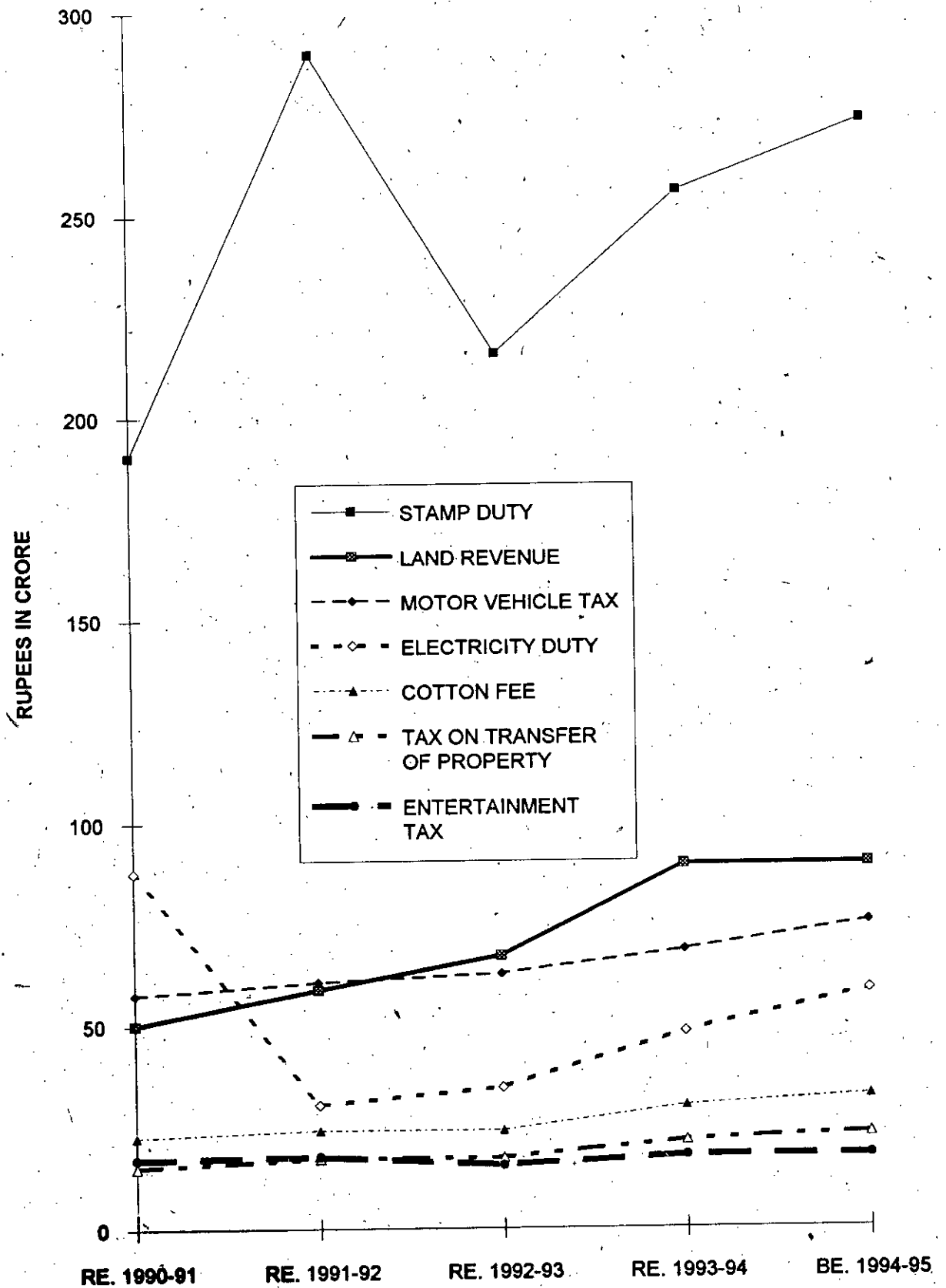
- a: consumption expenditure (payments on account of wages, and salaries, goods and services) and
- b: transfer payments (interest on provincial debt, subsidies, pensions, grants, etc.).

Table 31 indicates the trend of the revenue expenditure, showing increase of Rs.774.06 crore in the consumption expenditure and of Rs.113.69 crore in the transfer payments in the Budget Estimates 1994-95 as compared to the Revised Estimates 1993-94.

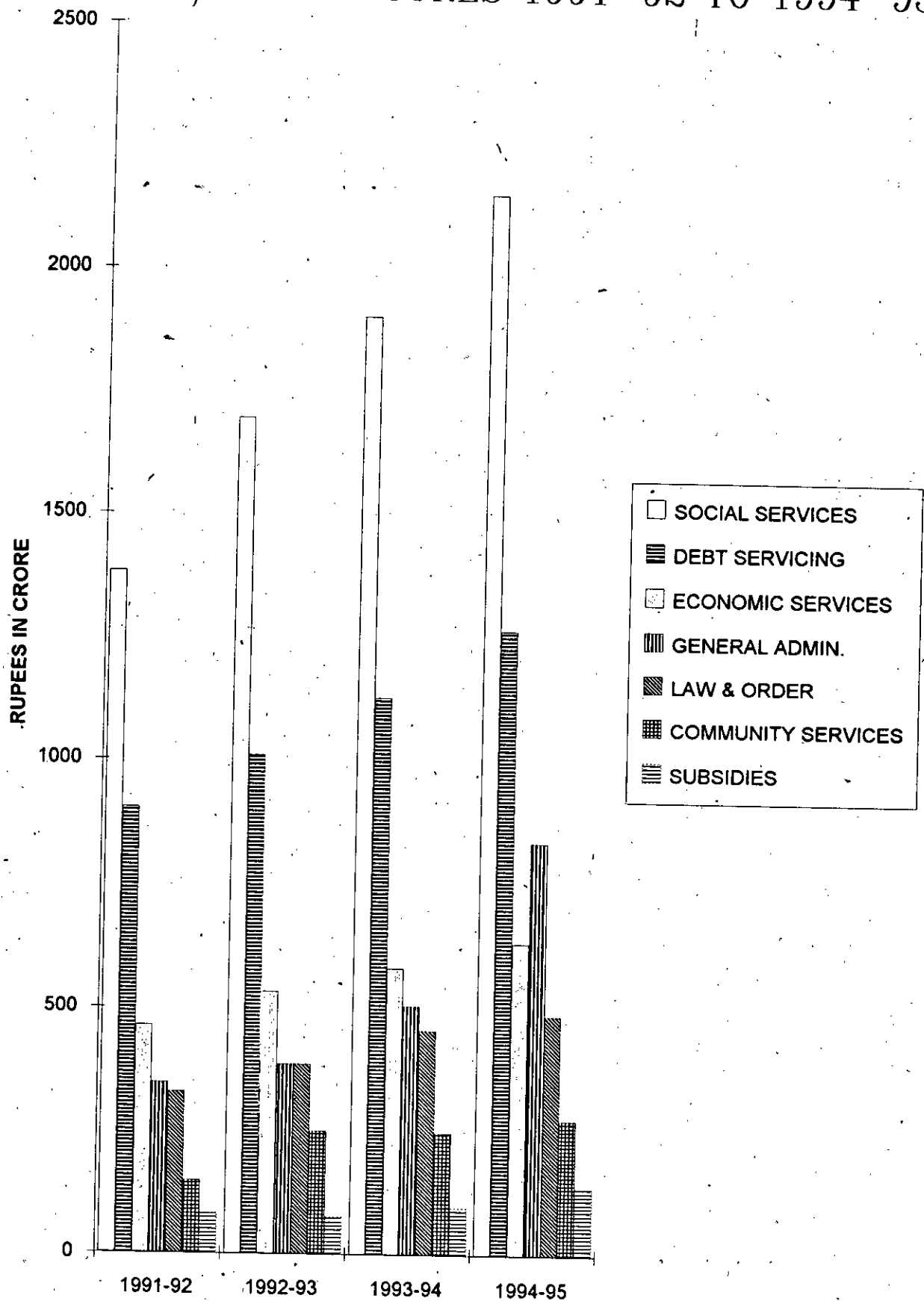
**TABLE 31**  
**REVENUE EXPENDITURE**

	CONSUMPTION EXPENDITURE		TRANSFER PAYMENTS		Total
	Amount	%	Amount	%	
Budget 1993-94	3402.05	69.06	1523.95	30.94	4926.00
Revised 1993-94	3224.29	65.68	1684.90	34.32	4909.19
Budget 1994-95	3998.35	68.97	1798.59	31.03	5796.94

# TREND IN MAJOR PROVINCIAL TAXES 1990-91 TO 1994-95



# TREND IN COMPONENTS OF REVENUE (OR CURRENT) EXPENDITURES 1991-92 TO 1994-95





## FUNCTIONAL DISTRIBUTION OF REVENUE EXPENDITURE

The functional distribution of revenue expenditure of the provincial government is shown in Table 32.

Social services continue to account for the largest proportion of revenue expenditure with a share of about 37 percent in 1994-95. Out of the total allocation of Rs.2154.84 crore for social services, Rs.1722.94 crore (80 percent) have been set aside for education while Rs.351.15 crore (16.3 percent) have been earmarked for health services. Except a 5% increase in share of general administration, the overall pattern of distribution is, by and large, the same for the budgetary year 1994-95 as in the revised estimates 1993-94.

**TABLE 32**  
**FUNCTIONAL DISTRIBUTION OF REVENUE EXPENDITURE**

	(Rs. in crore)					
	Budget 1993-94		Revised 1993-94		Budget 1994-95	
	Amount	%	Amount	%	Amount	%
General Administration	506.74	10	507.57	10	837.81	15
Law and order	457.08	9	486.11	10	488.58	8
Community services	247.52	5	219.95	4	273.94	5
Social services	1905.47	39	1844.49	38	2154.84	37
Economic services	584.01	12	522.91	11	635.47	11
Subsidies	94.73	2	134.73	3	136.00	2
Debt servicing, investible funds and grants	1129.62	23	1193.00	24	1270.27	22
Unallocable	0.83	..	0.43	..	0.03	..
<b>Total:</b>	<b>4926.00</b>	<b>100</b>	<b>4909.19</b>	<b>100</b>	<b>5796.94</b>	<b>100</b>

## Chapter 9

### FINANCING OF TAMEER-E-PUNJAB PROGRAMME

The gross size of the development programme for 1993-94 was fixed at Rs.900.00 crore against an estimated resource availability of Rs.808.10 crore and an operational shortfall of Rs.91.90 crore, or of 10.21 percent. In the Revised Estimates 1993-94, the Programme is expected to close at Rs.779.32 crore. The details of financing for Tameer-e-Punjab Programme 1994-95 are given in Table 33.

**TABLE 33**  
**FINANCING OF THE TAMEER-E-PUNJAB PROGRAMME 1994-95.**

	(Rs. in crore)
	<b>Budget 1994-95</b>
<b>A: PROVINCIAL CONTRIBUTION</b>	
Provincial Contribution from the Current Account	250.00
<b>B: FEDERAL ASSISTANCE :</b>	
Cash Development Loans (Normal)	203.65
Cash Development Loans (SAP tied)	182.31
Federal Grants (SAP)	182.32
Sub-total (B):	568.28
<b>C: FOREIGN ASSISTANCE :</b>	
Loans	201.97
Grants	8.10
Sub-total (C):	210.07
Grand Total	1028.35
Cash Balance Utilization	..
Net Resources	1028.35

Since 1992-93, a federally sponsored initiative focused on the development of Primary Education, Basic Health, Preventive Health and Water Supply and

Sanitation facilities is underway in the rural areas. This Social Action Programme (S.A.P.) has been initially conceived as a three years rolling plan from 1992 to 1995. Under S.A.P., Punjab Government shall receive Rs.424.93 crore in 1994-95. This includes S.A.P. tied C.D.L. of Rs.182.31 crore, Federal grant of Rs.182.32 crore, foreign loans of Rs.56.70 crore and foreign grants of Rs. 3.60 crore.

The resources available for financing of the Tameer-e-Punjab Programme 1994-95, are made up of federal assistance amounting to Rs.385.96 crore in the shape of cash development loan (including Rs.182.31 crore as S.A.P. tied) and cash grants of Rs.182.32 crore (SAP tied), foreign project assistance of Rs.210.07 crore and Provincial Contribution of Rs.250.00 crore. As the size of the Tameer-e-Punjab Programme has been fixed at Rs.1200.00 crore, an operational shortfall of Rs.171.65 crore, or of 14.30 percent, is expected.

Inter-sectoral and intra-sectoral priorities for the Programme 1994-95 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*

### **STRATEGY AND SECTORAL ALLOCATION PATTERN OF TAMEER-E-PUNJAB PROGRAMME 1994-95**

Sectorwise allocations of Tameer-e-Punjab Programme 1994-95 have been given in Table 34. These allocations embody a development strategy, the main elements of which are :-

a) Timely completion of a maximum number of ongoing schemes is a major objective, as not only would this bring quick returns to the beneficiary population but also avoid expensive cost over-runs. For this purpose, an amount of Rs.773.05 crore or 64.42 percent of the total, has been allocated for completion of ongoing projects. It is expected that about 1800 ongoing schemes would be completed during 1994-95.

b) Foreign aided projects including SAP Schemes, have been provided adequate allocations to fulfill commitments/agreements with donor agencies and to ensure completion within the envisaged time frames.

c) Rural areas continue to remain the focus of attention in the Tameer-e-Punjab programme and about 80.50 percent of the programme funds in 1994-95 would be utilized on schemes in rural sector. The sustained trend of increase in investment in rural areas is plainly evident from the fact that the allocation for this purpose was only a mere 44.6 percent in 1978-79.

d) Expansion of educational infrastructure and facilities also receive special attention in the programme. An allocation of Rs.225.83 crore has been set aside in the programme for this purpose (Rs.65 crore for the normal programme and Rs.160.83 crore under SAP). This allocation represents a 49 percentage increase over the allocation for the previous year, indicating the high priority being

accorded to this sector under the programme. While the SAP component focuses mainly on construction of buildings for primary schools throughout the province, the normal programme provides adequate allocations for the expansion and improvement of infrastructure facilities for other tiers of the educational system.

e) To address pressures on urban civic services on account of population growth, the allocation for development authorities in Lahore, Multan, Faisalabad, Gujranwala and Rawalpindi has been enhanced from Rs.33.01 crore in 1993-94 to Rs.42.72 crore in 1994-95. This amount would be utilised on various urban projects involving construction of roads, overhead bridges, water supply schemes and other urban infrastructure.

f) The development of backward regions also remains an important objective of the Tameer-e-Punjab programme. For this purpose, the allocation for Dera Ghazi Khan Development Authority, Bahawalpur Development Authority, Murree-Kahuta Development Authority, and Cholistan Development Authority has been raised from Rs.13.72 during 1993-94 to Rs.16.49 for 1994-95.

g) A major development thrust is targetted at the barani areas, which would receive an allocation of Rs.180 crore during 1994-95. To alleviate shortage of water, which is a critical input into the diverse economic activities in these areas, construction of small dams would continue to be taken up as a priority activity.

h) Allocation for low cost housing schemes has been revived after a hiatus of some years. During 1994-95 Rs. 10 crore have been provided for development of 19,613 plots, the bulk of which would be 3 -marla plots (i.e. 15,635 plots). These schemes would be taken up in small cities and towns including Bhakkar, Vehari, Gujrat, Jhang, Mianwali, Khanewal, Muzaffargarh, Sahiwal, Yazman, Mamoon Kanjan, Mandi Baha-ud-Din, Narang Mandi, Sargodha, Joharabad, Toba Tek Singh, Dera Ghazi Khan, Layyah, Bahawalpur and Rahim Yar Khan.

i) Agriculture being the pivotal activity in the provincial economy, a sizeable allocation has been kept in the programme for agriculture and related activities.

j) Development of communications infrastructure being a strategic component of a meaningful development programme, an allocation of Rs.70 crore has been provided for ongoing road and bridges schemes. This amount is in addition to the projects being undertaken in this sector with the assistance of the Asian Development Bank.

k) There being an undeniable link between the health, productivity and well being of a population, allocation for the health sector under the programme has been increased from Rs.87.74 crore in 1993-94 to Rs.117.84 crore in 1994-95 (including Rs.50.84 for the SAP component). This allocation represents a 34% enhancement over the previous year. The Punjab Health Foundation, which has been set up to encourage private sector initiatives, has an allocation of Rs.3.50 crore, to be provided as concessional credit for setting up of hospital, clinics, dispensaries etc.

l) Provision of clean water and adequate drainage facilities in the rural areas being an important policy goal, the sector receives a large allocation of Rs.190 crore under SAP. It is anticipated that by June 1995, clean water and drainage facilities would be available to 52 percent and 23.55 percent of rural population in the province respectively.

**TABLE 34**  
**SECTORAL ALLOCATIONS IN TAMEER-E-PUNJAB PROGRAMME**

(Rs. in crore)

	Budget 1993-94		Budget 1994-95	
	Amount	%	Amount	%
Agriculture	96.20	10.69	141.50	11.79
Rural Development	3.92	0.44	4.31	0.36
Industries & Minerals	11.18	1.24	11.21	0.94
Water & Power	31.04	3.45	34.00	2.83
Roads & Bridges	63.39	7.04	70.00	5.83
Physical Planning and Housing	201.82	22.42	302.28	25.19
Education & Training	151.70	16.86	225.83	18.82
Information & Culture	1.63	0.18	2.00	0.17
Health	87.74	9.75	117.84	9.82
Tourism	0.16	0.02	0.50	0.04
Social Welfare	0.69	0.08	0.76	0.06
Manpower & Training	1.31	0.15	1.45	0.12
Planning & Development	3.21	0.36	5.11	0.43
Unfunded Schemes	16.72	1.86	18.39	1.53
MKDA	2.61	0.29	2.87	0.24
Cholistan Development Authority	2.61	0.29	2.87	0.24
D.G. Khan Development Authority	5.23	0.58	5.75	0.48
Bahawalpur Development Authority	3.27	0.36	5.00	0.42
Block allocation for :				
i: Development Schemes of Local Councils	27.57	3.06	30.32	2.53
ii: Special Programme for Local Development	135.22	15.02	136.00	11.33
iii: Priority Programme (including allocation for schemes of S.A.P. sectors Rs.19.55)	52.78	5.86	82.01	6.83
<b>Gross Total:</b>	<b>900.00</b>	<b>100</b>	<b>1200.00</b>	<b>100</b>
<b>Less Operational Shortfall</b>	<b>91.90</b>	<b>..</b>	<b>171.65</b>	<b>..</b>
<b>Total Expenditure (Net)</b>	<b>808.10</b>	<b>..</b>	<b>1028.35</b>	

## 1. SOCIAL ACTION PROGRAMME 1994-95

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. Against Rs. 343.79 crore in 1992-93, Rs. 424.93 crore have been provided for this purpose during 1994-95.

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, Sanitation facilities for rural areas, and Priority Programme. 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 aims at both quantitative expansion and the qualitative improvements in the provision of facilities.

Sectorwise details of SAP are as under :

a:	Education	160.83
b:	Health	50.84
c:	Rural Water Supply	190.00
d:	Planning & Development	3.71
f:	Priority Programme	19.55
		-----
	<b>Total</b>	<b>424.93</b>
		-----



## **2. BLOCK ALLOCATIONS**

A Block Allocation of Rs.82.0 crore (including Rs.19.55 crore for schemes of S.A.P.) has been made in the Tameer-e-Punjab Programme 1994-95 for Priority Programme. Block allocations of Rs.30.32 crore for development schemes of local councils, Rs.136.00 crore for Special Programme for Local Development and Rs.18.39 crore for Un-funded schemes have also been made in Tameer-e-Punjab Programme.