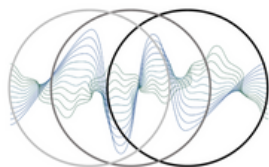


Budget Primer

PUNJAB

2024-25

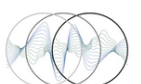


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A KALEIDOSCOPIIC VIEW OF PUNJAB'S BUDGET

Positive strides in capital expenditure growth and fiscal deficit reduction contrast with a concerning rise in debt and dwindling non-repayable funds. The state's dependence on its own tax revenues offers autonomy yet risks instability from local economic fluctuations.

Although increased central tax contributions help, they may not fully counteract the challenges of reduced grants and high debt levels. Achieving long-term fiscal stability for Punjab will require improving revenue collection, prioritising high-yield investments, and implementing a strong debt management plan to lower the debt-to-receipt ratio.



Overview

Receipts

Own Tax Revenue Dominance

Own Tax Revenue constitutes **56%** of total revenue

Central Tax Share Surge

Central Tax contribution **up by 10%**

Declining Grant-in-Aid

Decrease from 2022-23 to 2023-24: **20.34%**

Further drop from 2023-24 to 2024-25: **33%**

Capital Receipts Downturn

Reduction of **10.43%** since 2022-23

Outstanding debt

59.09%

more than total receipts

Total budget: Rs

2,04,918 cr

Fiscal Health

Fiscal Deficit Improvement

Reduced from **4.12% to 3.80%** over the last year

Rising Debt

Outstanding debt up slightly from **43.88% to 44.05%**

Expenditure

Stagnant Revenue Expenditure

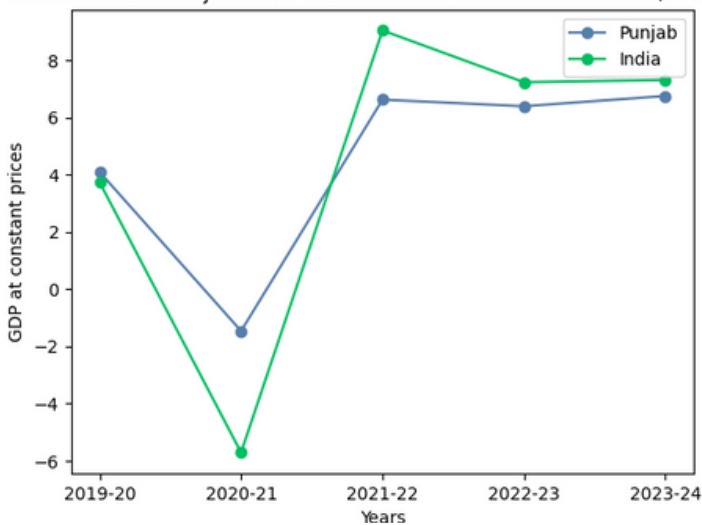
Revenue Expenditure **largely unchanged**

Increasing Capex

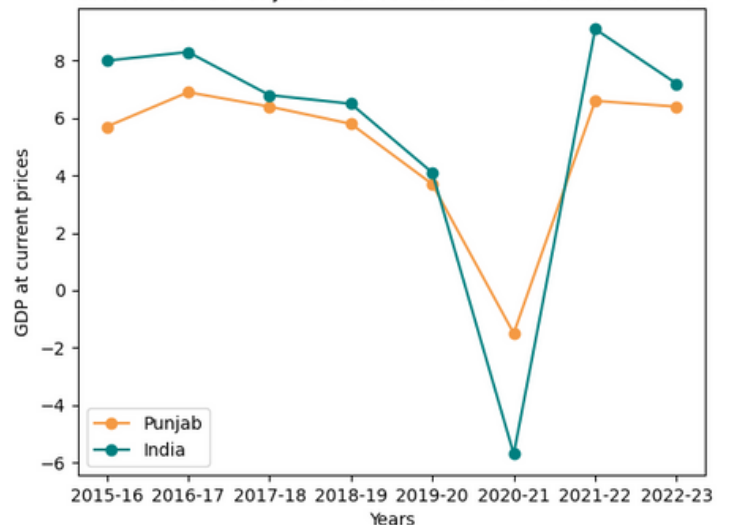
Capital Expenditure increased by **16.21%**

Punjab has grown slowly in comparison to national average

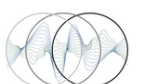
Growth rate of Punjab GSDP vs Indian GDP at Constant Prices (2011-12)



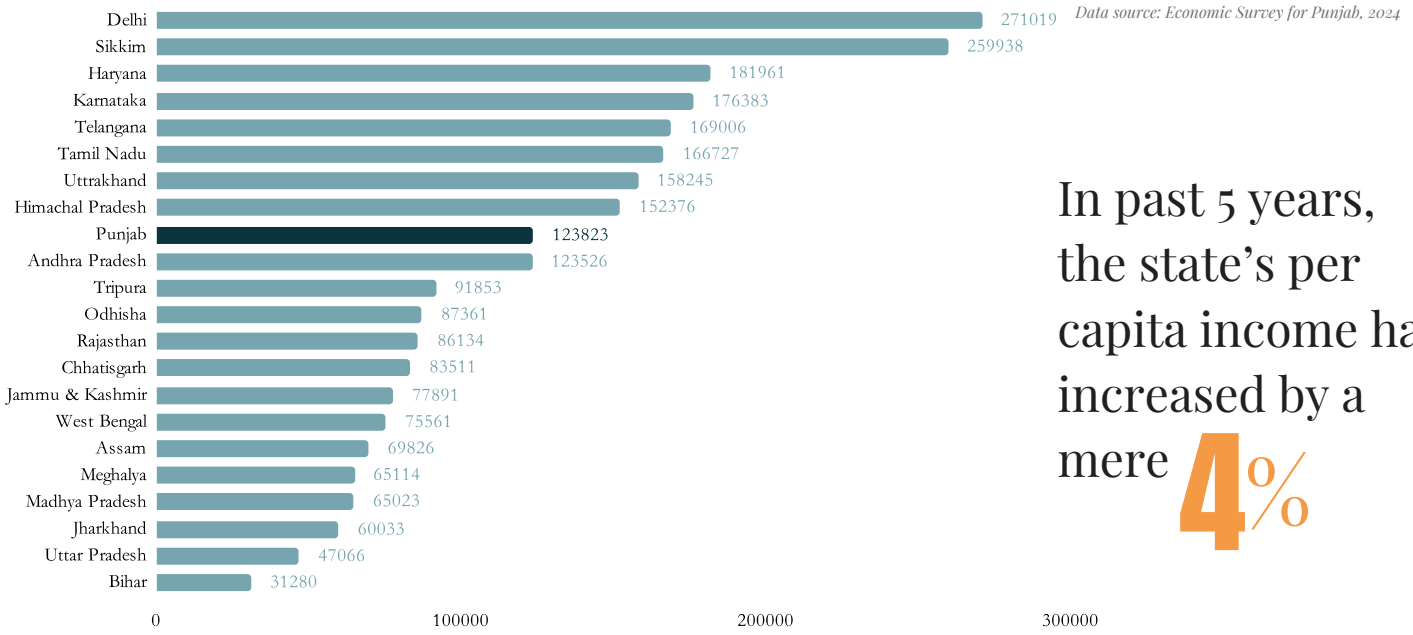
Growth rate of Punjab GSDP vs Indian GDP at Current Prices



Data source: Economic Survey for Punjab, 2024

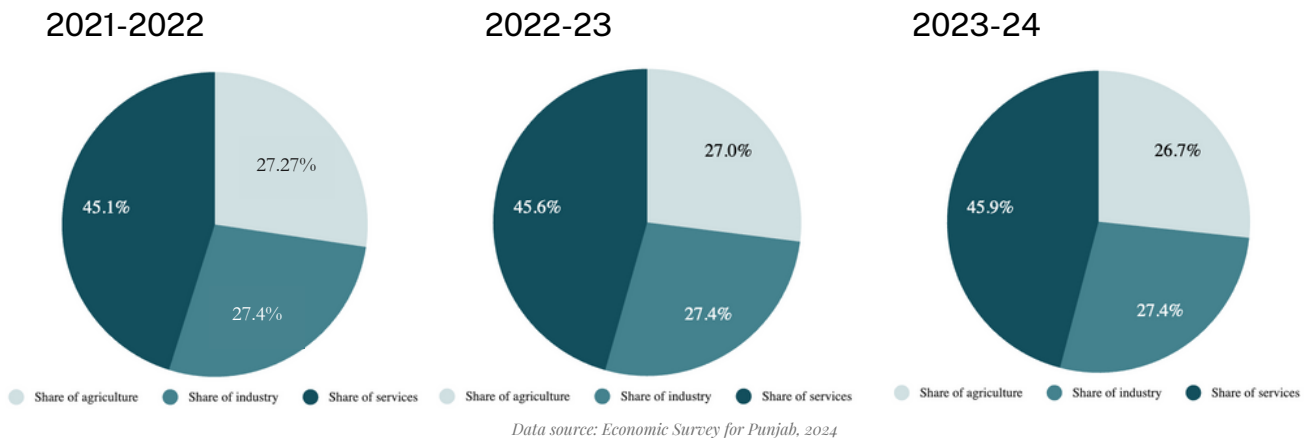


Punjab's per capita income does not fair well in comparison to other states

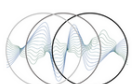
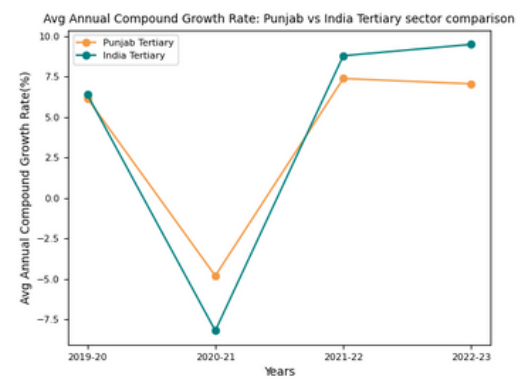
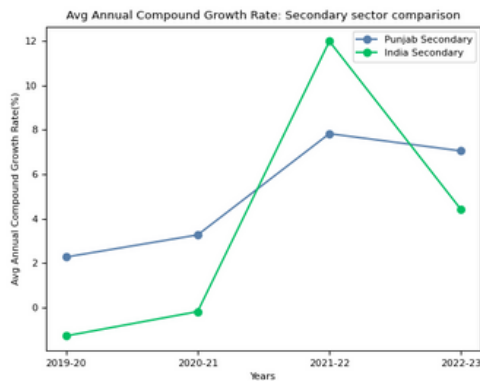
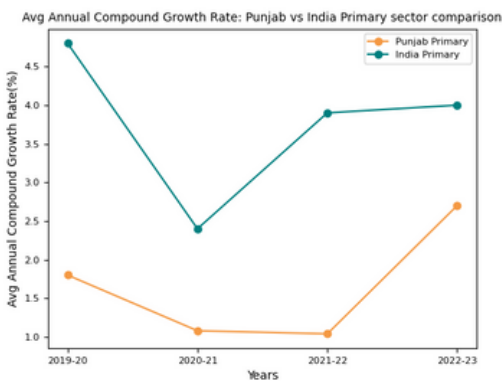


In past 5 years, the state's per capita income has increased by a mere **4%**

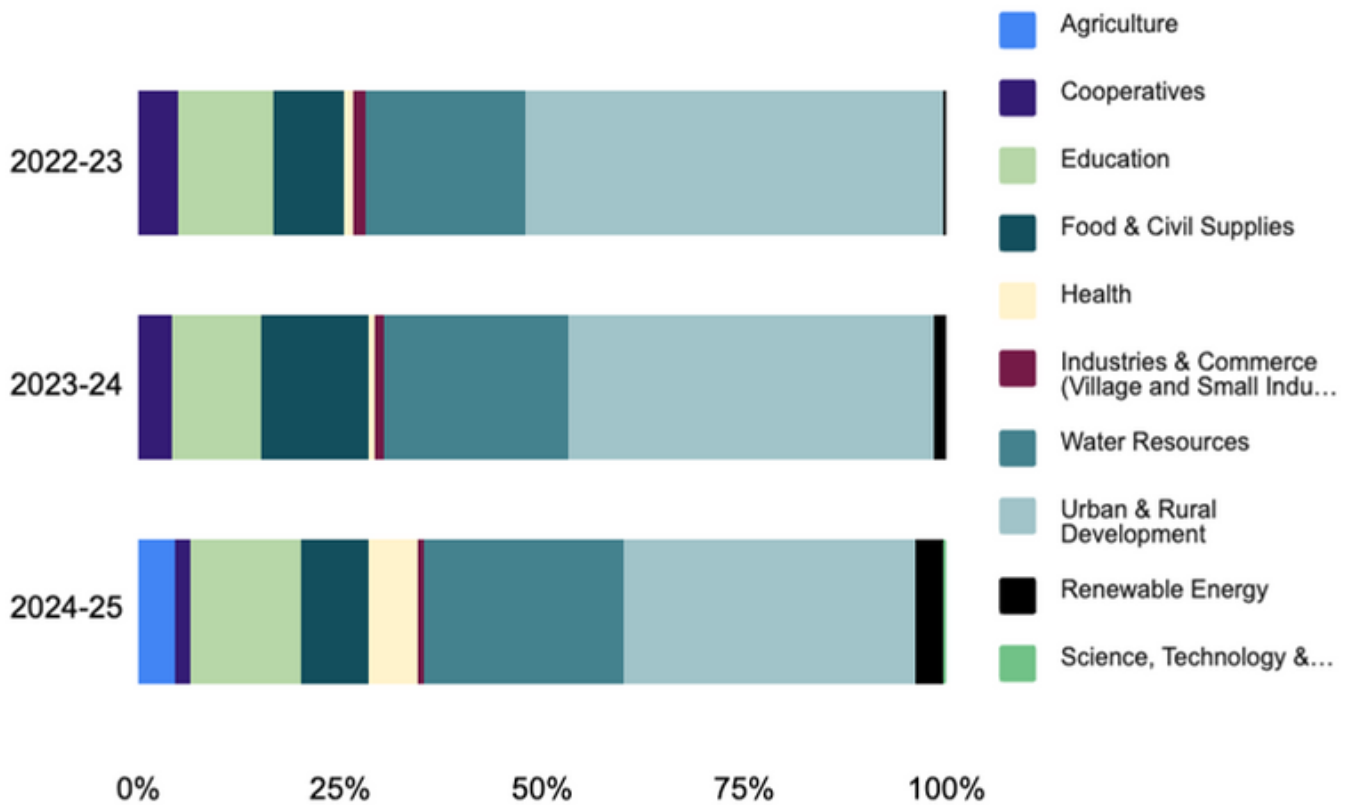
Share of industry to the nominal GSDP has stagnated in the past 3 years



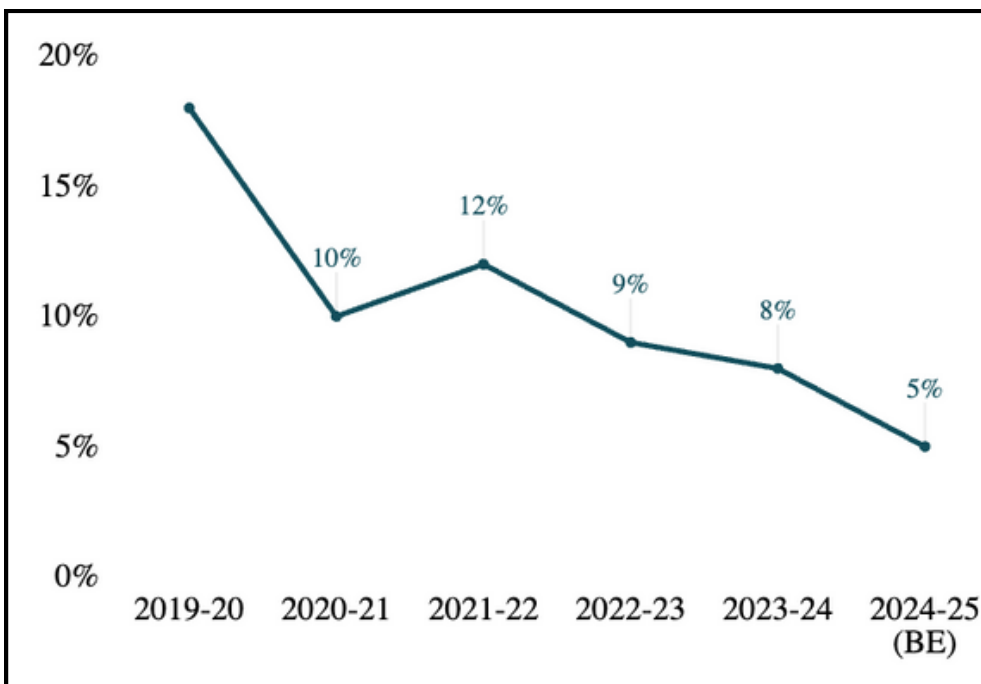
Punjab's sectoral-growth has faired poorly in comparison to national average, over the past 5 years



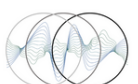
Total Capital Outlay for key sectors over the last 3 budgets



An increase in capital expenditure for **agriculture** and **renewable energy** was noticed in this year's budget



Capital expenditure as part of total expenditure has seen a **drop of 13%** over the last 5 years



% share of allocation to key sectors of Punjab's economy



Social welfare



Science & Tech



Rural Development



Industry & Mineral



Agriculture & allied



Transport

Year	Social welfare	Science & Tech	Rural Development	Industry & Mineral	Agriculture & allied	Transport
2022-23	65%	1%	9%	2%	9%	5%
2023-24	65%	1%	8%	2%	8%	7%
2024-25	70%	1%	7%	1%	7%	6%

In view: Government spending over the past half-decade



Health

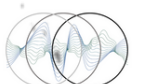
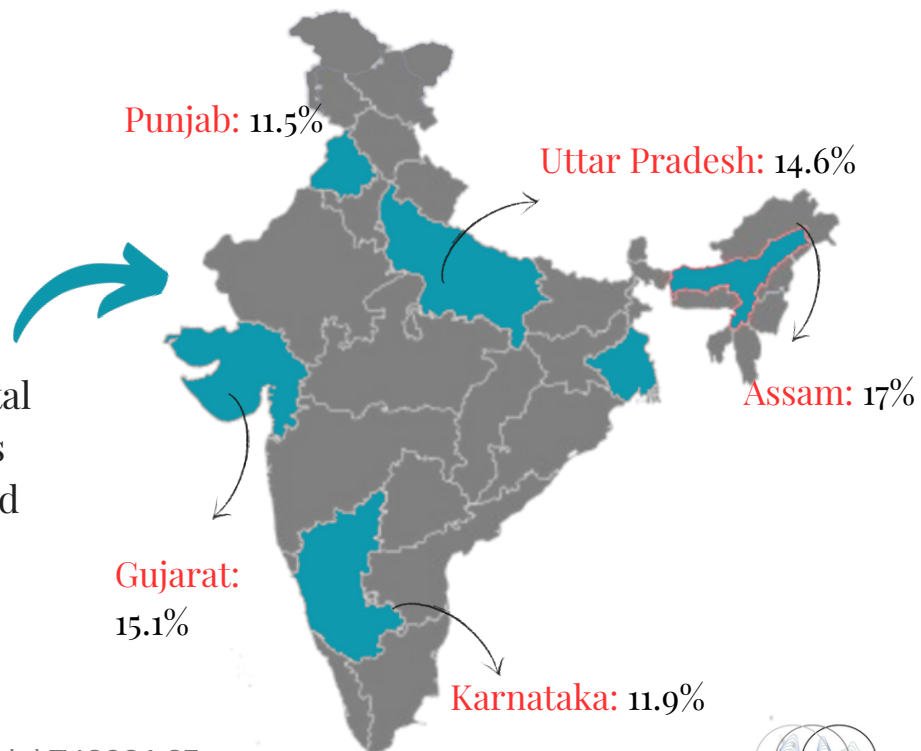
Urban public health allocation has seen a decline of **16.8%** when compared to the revised estimates of 2023-24



Education

Education as % of total expenditure of states which have presented their budget 2024-25

Year	% spending on Health	% spending on Education
2020-21	4.30%	12.30%
2021-22	4%	11.60%
2022-23	4.70%	13.20%
2023-24	4.20%	13.10%
2024-25	3.90%	11.50%



Key scheme highlights

Agriculture

- ✎ Mission Unnat Kisaan: For Cotton crops
- ✎ PHASE (Punjab Horticulture Advancement and Sustainable Entrepreneurship)
- ✎ Project related to Horticulture in assistance with SIDBI

Food supplies

Ghar Ghar Muft Ration - New Initiative. Allocated budget Rs 250 cr

Employment Generation and Training

Punjab Hunar Vikas Yojana Launched

Education

- ✎ Mission Samrath: Skills to Primary and Upper Primary Students
- ✎ School of Applied Learning: High tech vocational labs
- ✎ School of Eminence funding reduced by 100 Cr
- ✎ Punjab Young Entrepreneurship Program funding reduced by >50%

Renewable energy

65 cr allocated for solarisation of Agricultural Pumps

Water Supply and resources

- 💧 Increased spending to strengthen Canal System
- 💧 New Malwa Canal Project covering 1,78,000 Acres

Gender budget: 2nd time in a row

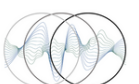
AIM *ensuring parity and more attention to the welfare of women.*

62 %

increase in
budget allocation
from the last
financial year

396 cr

decrease in 100% women specific schemes, including maternity benefit programme, mission for empowerment and protection of women

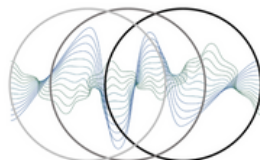




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