

सत्यमेव जयते

**STATE FINANCES AUDIT REPORT
OF
THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

FOR THE YEAR ENDED 31 MARCH 2022



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



GOVERNMENT OF HIMACHAL PRADESH

Report No. 2 of the year 2023

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PREFACE

This Report is prepared for submission to the Governor of the State of Himachal Pradesh under Article 151 of the Constitution of India.

Chapter I provides an overview of the State, sectoral contribution to GSDP, structure of Government Accounts and snapshot of the State's Finances.

Chapters II and III of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts, respectively, of the State Government for the year ended 31 March 2022. Information has been obtained from the Government of Himachal Pradesh wherever necessary.

Chapter IV on 'Quality of Accounts and Financial Reporting Practices' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives relating to Financial Reporting during the current year.

Chapter V on 'State Public Sector Enterprises' contains audit observations on financial statements/performance of Government Companies (GCs), Government Controlled Other Companies (GCOs) and Statutory Corporations (SCs) as per their accounts.

The Report containing the findings of performance audit and audit of transactions in various departments and Report on State Revenues are presented separately.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background

This Report on the finances of the Government of Himachal Pradesh presents an assessment of the financial performance of the State during the year 2021-22 *vis-à-vis* the Budget Estimates and targets prescribed under the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 amended in 2011; and analysis of the dominant trends and structural profile of State Government's receipts and disbursements.

Based on the audited accounts of the Government of Himachal Pradesh for the year ended 31 March 2022 and additional data collated from several sources such as the Economic Survey (brought out by the State government) and Census, this Report provides an analytical review of the Annual Accounts of the State Government in five Chapters.

Chapter-I describe the basis and approach to the Report and the underlying data, providing an overview of the structure of Government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including deficits/surplus.

Chapter-II is based on the audit of Finance Accounts and provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the last five years, debt profile of the State and key Public Account transactions.

Chapter-III is based on the audit of Appropriation Accounts and gives a grant-wise description of appropriations. It contains observations on financial accountability and budget management, deficiencies in working of treasuries and results of review of selected grants.

Chapter-IV presents a description of the State Government's compliance with various reporting requirements and financial rules, and quality of accounts rendered by different authorities of the State Government.

Chapter-V contains audit observations on financial statements/performance of Government Companies (GCs), Government Controlled Other Companies (GCOCs) and Statutory Corporations (SCs) as per their accounts.

Audit findings

Chapter I: Overview

- The State Government passed the Himachal Pradesh Fiscal Responsibility and Budget Management (HP-FRBM) Act in April 2005 (amended in 2011) and provided for quantitative targets to be adhered to by the State with regard to deficit measures and debt levels. The HP-FRBM Act was required to be amended to

prescribe revised targets for deficit and debt levels. However, the same had not been done by the State Government.

- During the year 2021-22, the Government was unable to contain the total outstanding debt-GSDP ratio within the target prescribed by the 15th Finance Commission, however, revenue deficit-GSDP and fiscal deficit-GSDP ratios remained within the levels fixed by 15th Finance Commission and target set in the budget estimates.

(Paragraph 1.5.1; Pages 9-11)

- During the year 2021-22, Revenue deficit (₹ 97 crore) of 2020-21 turned to revenue surplus (₹ 1,115 crore). The fiscal deficit (₹ 5,245 crore) decreased by ₹ 455 crore over the previous year (₹ 5,700 crore). Primary deficit decreased to ₹ 604 crore during 2021-22 from ₹ 1,228 crore in 2020-21.

(Paragraph 1.5.3; Pages 12-14)

Chapter II: Finances of the State

- During the year 2021-22 revenue receipts increased by ₹ 3,871 crore (11.58 *per cent*) over the previous year. During 2021-22, the increase was mainly due to increase in receipts under State's share of Union Taxes and Duties by ₹ 2,595.12 crore (54.59 *per cent*), State's Own Tax Revenue by ₹ 1,631.27 crore (20.18 *per cent*) and Non-Tax Revenue by ₹ 423.90 crore (19.37 *per cent*). The increase was partly counterbalanced by decrease in Grants-in-aid from GoI by ₹ 779.26 crore (4.23 *per cent*).

(Paragraph 2.3.2.1; Pages 20-22)

- Total expenditure increased by ₹ 11,290.53 crore (36.06 *per cent*) over a period of five years (2017-22). During 2021-22, it increased by ₹ 3,437.63 crore (8.78 *per cent*) over the previous year. As a percentage of GSDP, the total expenditure remained in the range of 22.60 *per cent* to 25 *per cent* during 2017-22. Revenue Expenditure increased by 33.79 *per cent* during 2017-22 while capital expenditure increased by 50.47 *per cent* during the same period. The increase in committed expenditure during 2021-22 over the previous year was ₹ 767.71 crore (3.42 *per cent*). During the period 2017-18 to 2021-22, it accounted for a dominant share of revenue expenditure (65-71 *per cent*) and revenue receipts (62-70 *per cent*).

(Paragraphs 2.4.1 and 2.4.2.2; Pages 29-31 & 33-35)

- There was a trend of sustained growth in capital expenditure during the last five years. It increased by ₹ 2,273.71 crore (60.54 *per cent*) during 2017-22. During 2021-22, capital expenditure (₹ 6,029.38 crore) increased by ₹ 720.16 crore (13.56 *per cent*) over the previous year 2020-21 (₹ 5,309.22 crore).

(Paragraph 2.4.3.1; Pages 37-40)

- During 2021-22, the State Government earned 3.39 *per cent* return on its total investments (₹ 4,913.00 crore) in Statutory Corporations, Rural Banks, Government Companies and Co-operatives up to 31 March 2022 and paid 7.03 *per cent* average interest on its borrowings.

(Paragraph 2.4.3.1 (i); Pages 38-39)

- There was no repayment of loans by various public sector undertakings under Power projects and Industries and Minerals over the last five years (up to March 2022) and further additional loans had been extended. The overall outstanding balance increased over the years.

(Paragraph 2.4.3.2; Pages 40-41)

- The overall outstanding debt/liabilities of the State increased by ₹ 18,092.07 crore from ₹ 51,030.51 crore in 2017-18 to ₹ 69,122.58 crore (excluding ₹ 4,412.22 crore (2020-22) as back-to-back loans to State from GoI in lieu of GST compensation shortfall) registering an increase of 35.45 *per cent*, mainly due to increase in internal debt (₹ 10,784.56 crore), loans and advances from GoI (₹ 1,259.76 crore) and public account liabilities (₹ 6,047.75 crore).

(Paragraph 2.6.1; Pages 48-51)

- Out of total outstanding public debt along with interest of ₹ 68,630 crore (principal: ₹ 45,297 crore and interest: ₹ 23,333 crore), 10 *per cent* (₹ 6,952 crore) is payable in the next one year, 40 *per cent* (₹ 27,677 crore) is payable in the next two to five years, while the remaining 50 *per cent* (₹ 34,001 crore) is to be paid after more than five years. Annual outgo on public debt repayment and interest will be approximately ₹ 6,926 crore during the next five years up to 2026-27. Current annual repayment of public debt (principal) including interest is ₹ 6,766 crore (excluding ₹ 1043.74 crore of WMA and Overdrafts).

(Paragraph 2.6.2; Pages 52-54)

Chapter III: Budgetary Management

- The total budget provision for expenditure in 2021-22 was ₹ 55,714.72 crore. The actual expenditure during the year was ₹ 50,129.36 crore (90 *per cent*). This resulted in savings of ₹ 5,585.36 crore (10 *per cent*).

(Paragraph 3.1.1; Page 66)

- During 2021-22, there were 13 cases (₹ one crore or more in each case) under 11 grants (Revenue-Voted/ Capital-Voted) where supplementary provision of ₹ 647.13 crore proved unnecessary as expenditure did not reach even the level of original provision. In 12 cases, supplementary provision of ₹ 876.14 crore proved insufficient as it was not adequate to meet the requirement, leaving aggregate uncovered excess expenditure of ₹ 1,706.13 crore.

(Paragraph 3.3.3; Pages 69-71)

- Re-appropriations in 15 cases (savings of ₹ 10 crore and more in each case) proved unnecessary, as the savings under these cases were more than re-appropriated amount.

(Paragraph 3.3.5; Pages 71-72)

- In 13 grants and two appropriations, expenditure of ₹ 1,782.17 crore was in excess of the authorisation made by the State Legislature. The excess expenditure is required to be regularised by the State Legislature along with excess expenditure of ₹ 8,818.47 crore pertaining to the period 2014-15 to 2020-21.

(Paragraph 3.3.7.3; Pages 78-79)

- Out of 81 schemes, in 10 schemes, no expenditure was incurred in spite of budget provisions of more than ₹ five crore being available in each case. Further, out of which, in 22 schemes the entire budget provision (₹ five crore and more in each case) was removed either by re-appropriation or by surrender. This indicates weak financial planning and management by the State Government departments resulting in denial of intended benefits and blocking of resources.

(Paragraph 3.4.4; Pages 83-84)

- There was rush of expenditure towards the end of the financial year. Under six grants, substantial expenditure was incurred in last quarter (ranged between 50-71 *per cent*) and during March (ranged between 12-65 *per cent*) of 2022.

(Paragraph 3.4.5; Pages 84-85)

Chapter IV: Quality of Accounts and Financial Reporting Practices

- The State Government had yet not fully implemented the notified Indian Government Accounting Standards in the State.

(Paragraph 4.1; Page 99)

- Out of total 3,619 outstanding UCs for grants of ₹ 4,752.14 crore, 1,796 UCs for grants of ₹ 2,359.15 crore pertained to the period 2015-16 to 2019-20. Out of total amount of ₹ 4,752.14 crore for which UCs were outstanding, 81.43 *per cent* (1,497 UCs - ₹ 3,869.88 crore) pertained to four departments – 33.25 *per cent* (₹ 1,580.03 crore) to Panchayati Raj; 23.87 *per cent* (₹ 1,134.45 crore) to Urban Development; 13.42 *per cent* (₹ 637.98 crore) to Ayurveda (Ayush); and 10.89 *per cent* (₹ 517.42 crore) to Rural Development.

(Paragraph 4.3; Pages 102-103)

- Drawing of advances through AC bills without proper mechanism for their identification/ distinction leading to subsequent lack of monitoring, increases the possibilities of mis-utilisation/ misappropriation of Government money.

Similarly, non-submission of accounts by autonomous bodies and non-providing of detailed information as regards bodies/ authorities substantially financed through

grants and loans entailed risk of financial irregularities in such autonomous bodies/ bodies/ authorities going undetected.

(Paragraphs 4.5 and 4.13; Pages 104-105 & 113)

- During 2021-22, an amount of ₹ 2,255.53 crore under 41 Major Heads of account, constituting 5.34 *per cent* of total expenditure (₹ 42,223.92 crore), was classified under Minor Head-800 'Other Expenditure' in the Revenue and Capital accounts. Similarly, ₹ 1,957.37 crore under 46 Major Heads of Account, constituting 5.25 *per cent* of total receipts (₹ 37,316.31 crore), was booked under Minor Head-800 'Other Receipts'.

(Paragraph 4.7; Pages 106-109)

Chapter V: State Public Sector Enterprises

- As on March 2022, there were 29 SPSEs under the audit jurisdiction of the CAG. These include 25 SPSEs (Other than Power Sector) and four Power Sector SPSEs. Out of 25 SPSEs (Other than Power Sector), there are 19 Government Companies, two Statutory Corporations and four Government Controlled Other Companies.

(Paragraph 5.3; Pages 117-118)

- Out of 26 working SPSEs, 10 working SPSEs earned profit of ₹ 21.47 crore as per their latest finalised accounts as on 30 September 2022 as compared to 11 SPSEs which earned profit of ₹ 28.18 crore in 2020-21. Five SPSEs had either not prepared their first accounts/profit and loss account or their excess of expenditure over income was reimbursed by the State Government.

(Paragraph 5.5.1; Page 121)

- Only two SPSEs declared/paid dividend of ₹ 0.71 crore (Himachal Pradesh State Civil Supplies Corporation Limited: ₹ 0.35 crore and Himachal Pradesh General Industries Corporation Limited: ₹ 0.36 crore). Four profit making SPSEs did not pay/ provide dividend of ₹ 2.42 crore to the State Government as per their latest finalised accounts as of 30 September 2022. Remaining four profit making SPSEs were not eligible to pay dividend as per State Government policy.

(Paragraph 5.5.2; Pages 121-122)

- The Return on Equity (RoE) of the profit earning 10 working SPSEs stood at 16.45 *per cent* as per latest finalised accounts as on 30 September 2022. As the net income of all 26 working SPSEs during the period 2019-22 was negative, the RoE could not be calculated.

(Paragraph 5.7.2; Pages 123-124)

- Out of total loss of ₹ 498.55 crore incurred during 2021-22 by 12 SPSEs, Himachal Road Transport Corporation reported loss of ₹ 40.23 crore. Besides this, loss of ₹ 185.32 crore, ₹ 132.06 crore and ₹ 128.24 crore is also attributed to Himachal Pradesh State Electricity Board Limited, Himachal Pradesh Power Transmission

Corporation Limited and Himachal Pradesh Power Corporation Limited respectively as per their latest finalised accounts as of 30 September 2022.

(Paragraph 5.8.1; Page 126)

- There were 14 SPSEs with accumulated losses of ₹ 4,378.24 crore. Of these, 12 SPSEs incurred losses amounting to ₹ 498.55 crore as per latest finalised accounts as of 30 September 2022. The net worth of nine out of 13 SPSEs had been completely eroded by accumulated losses and their net worth was either zero or negative.

(Paragraph 5.8.2; Pages 126-127)

CHAPTER-I

OVERVIEW

CHAPTER - I

Overview

1.1 Profile of State

The State of Himachal Pradesh is located in the Himalayan region of the northern part of India. The altitude of the different areas of the State varies from 350 meters to 6,975 meters above the mean sea level, rendering the climate from humid sub-tropical to dry temperate alpine. Himachal Pradesh is the 17th largest State in terms of geographical area (55,673 sq. km.) and 21st by population (as per 2011 census) (**Appendix-1**).

Himachal Pradesh falls under the category of 'North Eastern and Himalayan State (NE&H State)' and accordingly it is entitled to financial assistance from Government of India (GoI) in the ratio of 90 *per cent* grant and 10 *per cent* loan, unlike General Category States which receive GoI assistance in the ratio of 30 *per cent* grant and 70 *per cent* loan.

1.1.1 Gross State Domestic Product of Himachal Pradesh

Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time. The trend in GSDP of Himachal Pradesh compared with the GDP during the past five financial years are shown in **Table-1.1**.

Table 1.1: Trend in GSDP compared with the GDP (at current prices)

Year	2017-18	2018-19	2019-20	2020-21	2021-22
GDP (2011-12 Series) (₹ in crore)	1,70,90,042.36	1,88,99,668.44*	2,00,74,855.79 [@]	1,98,00,913.82 [#]	2,36,64,636.99 ^{\$}
Growth rate of GDP over previous year (in per cent)	11.24	11.59	6.22	-1.36	19.51
GSDP (2011-12 Series) (₹ in crore)	1,38,551.09	1,48,383.27	1,59,161.70 ^a	1,56,675.06 ^b	1,75,173.31 ^c
Growth rate of GSDP over previous year (in per cent)	10.28	7.10	7.26	-1.56	11.81

Source: National Account Statistics, Central Statistics Office, Ministry of Statistics and Programme Implementation (MoSPI), Department of Economics and Statistics, Himachal Pradesh

*- 3rd Revised Estimates (RE), @- 2nd RE, #- 1st RE and \$- Progressive Estimates (PE)

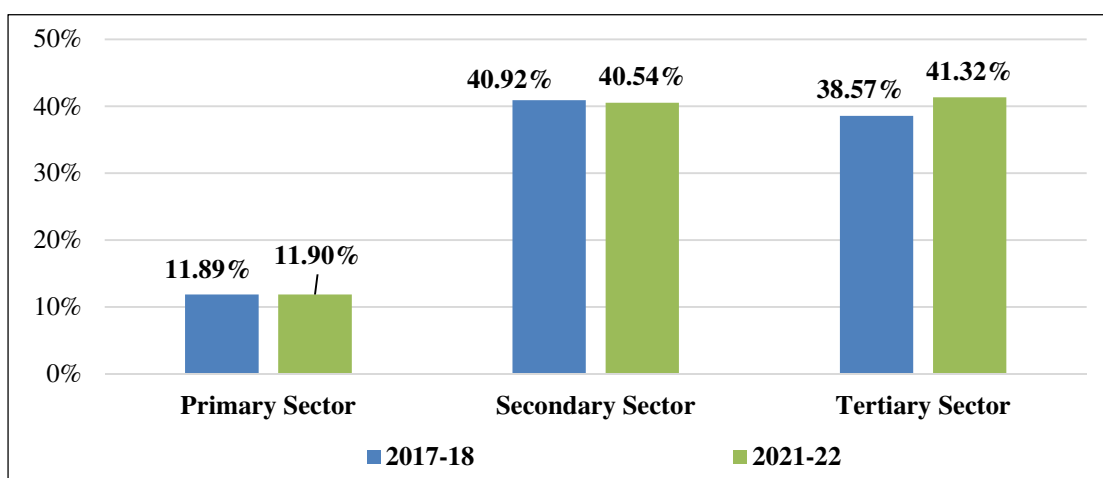
a – Second Revised Estimate, b- First Revised Estimate, c- Advance Estimate

Growth rate of GSDP of Himachal Pradesh during 2021-22 was (+) 11.81 *per cent*, it increased from the previous year due to growth under all sectors i.e. primary, secondary and tertiary sectors in comparison with 2020-21. The Compound Annual Growth Rate (CAGR) of the State's GSDP (at current prices) for the period 2012-13 to 2021-22 was 8.68 *per cent*, marginally below the average CAGR of all NE&H States which was 9.99 *per cent*.

1.1.2 Sectoral contribution to GSDP

Changes in sectoral contribution to the GSDP are important for understanding changes in the structure of the economy. Economic activity is generally divided into primary, secondary and tertiary sectors. The primary sector includes mainly agricultural activities along with other economic activities of primary nature viz. forestry, animal husbandry, fishing and mining. The secondary sector includes manufacturing, construction and infrastructure, supply of electricity, gas, etc. The tertiary sector includes all service-related activities. The change in sectoral contribution to the GSDP and sectoral growth in GSDP between 2017-18 and 2021-22 is depicted in **Charts 1.1 and 1.2**.

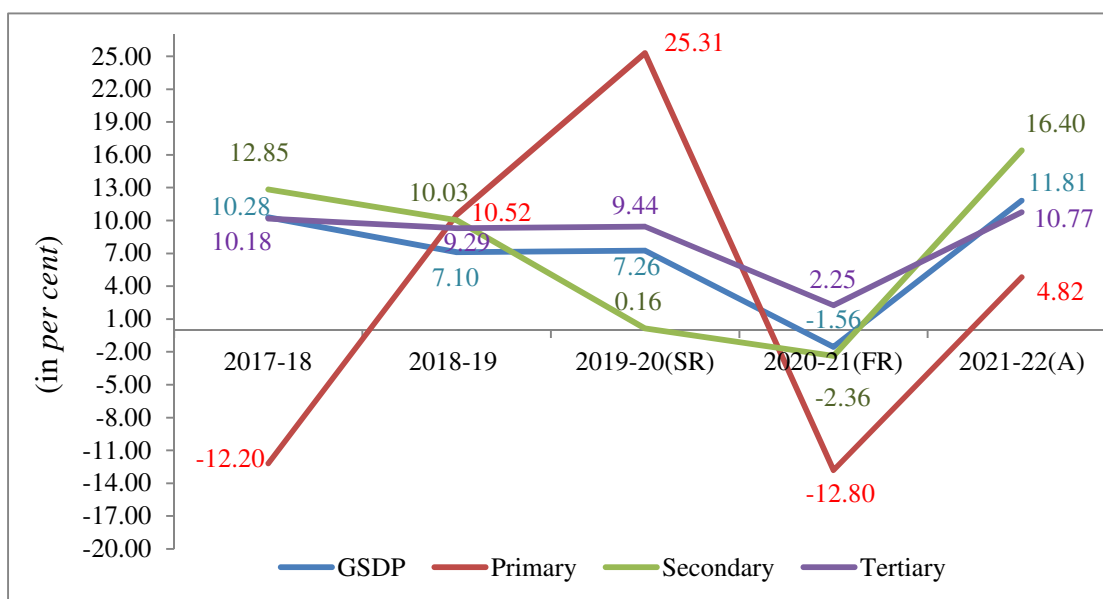
Chart-1.1: Change in sectoral contribution to GSDP (2017-18 to 2021-22)



Source of data: Department of Economics and Statistics, Himachal Pradesh

As can be seen from **Chart 1.1** above, the share of the tertiary sector in GSDP has increased, whereas the share of secondary sector in GSDP decreased marginally and share of primary sector in GSDP remained almost static between 2017-18 and 2021-22.

Chart-1.2: Sectoral growth in GSDP



Source: Department of Economics and Statistics, Himachal Pradesh

The above **Chart-1.2** shows inter-year variations in growth rates of all sectors during 2017-22. During 2020-21, all the sectors have been adversely affected as domestic demand and exports sharply plummeted due to the COVID-19 pandemic and consequent lockdowns. However, during 2021-22, GSDP is showing an upward trend in all sectors, after opening up of economic activities where contraction was seen due to lockdown in previous year.

During 2021-22, there was increase in all sectors i.e. (i) Primary Sector (4.82 *per cent*), (ii) Secondary Sector (16.40 *per cent*) and (iii) Tertiary Sector (10.77 *per cent*) as compared to previous year. Under these sectors, there was increase in Crops (6.25 *per cent*), live stocks (1.65 *per cent*) and forestry & logging (3.95 *per cent*) under primary; manufacturing and construction (17.99 *per cent*) under secondary; and transport, storage and communication and services incidental to transport (34.77 *per cent*), tourism & hospitality (10.01 *per cent*) under tertiary sector.

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) of Himachal Pradesh for the year ended 31 March 2022 has been prepared by the CAG for submission to the Governor of the State under Article 151 (2) of the Constitution of India.

The Principal Accountant General (Accounts & Entitlements) annually compiles the Finance Accounts and Appropriation Accounts of the State, from vouchers, challans and initial and subsidiary accounts rendered by the treasuries, offices and departments responsible for keeping of such accounts functioning under the control of the State Government, and statements received from the Reserve Bank of India. These accounts are audited independently by the Principal Accountant General (Audit), and certified by the CAG.

The Finance Accounts and Appropriation Accounts of the State for the year 2021-22 constitute the core data for this SFAR. Other sources include:

- Budget of the State for the year 2021-22: for assessing fiscal parameters and allocative priorities *vis-à-vis* projections, evaluating the effectiveness of budget implementation and compliance with relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Pr. Accountant General (Audit), Himachal Pradesh,
- Other data with departmental authorities and treasuries (accounting as well as MIS),
- GSDP data and other related statistics; and
- Audit Reports of the CAG of India.

In addition to the above, the analyses carried out in this SFAR are based on the recommendations of the 14th and 15th Finance Commissions, State Fiscal Responsibility

and Budget Management (FRBM) Act, and relevant guidelines of the Government of India (GoI).

The draft of this SFAR was forwarded (31st October 2022) to the State Government for comments; reply / comments of the Government had not been received as of 30th November 2022. However, an exit conference with the Secretary (Finance) to the Government of Himachal Pradesh was held on 6th December 2022 to discuss the salient issues highlighted in this SFAR; the views of the Government have been incorporated at appropriate places.

1.3 Report Structure

This SFAR is structured into the following five chapters:

Chapter-I	Overview This Chapter describes the basis and approach to the Report and the underlying data, an overview of the structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and the State's fiscal position including the deficit/ surplus.
Chapter-II	Finances of the State This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2017-18 to 2021-22, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter-III	Budgetary Management This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from constitutional provisions relating to budgetary management.
Chapter-IV	Quality of Accounts and Financial Reporting Practices This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departments of the State Government.
Chapter-V	State Public Sector Enterprises This chapter discusses financial performance of Government Companies, Statutory Corporations and Government Controlled Other Companies as revealed from their latest accounts.

1.4 Overview of Government Accounts Structure and Budgetary Processes

The Accounts of the State Government are maintained in three parts:

Part I: Consolidated Fund of the State (Article 266(1) of the Constitution of India)

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from financial institutions, special securities issued to National Small Savings Fund, etc.), Ways and Means Advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in

the manner provided by the Constitution of India. Certain categories of expenditure (e.g. salaries of constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

Part II: Contingency Fund of the State (Article 267(2) of the Constitution of India)

This Fund is in the nature of an imprest, established by the State Legislature by law, and placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorization of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the functional major head concerned relating to the Consolidated Fund of the State.

Part III: Public Accounts of the State (Article 266 (2) of the Constitution of India)

Apart from the above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Budget Document

There is a constitutional requirement (Article 202) to present before the House(s) of the Legislature of the State, a statement of estimated receipts and expenditures of the government in respect of every financial year. This 'Annual Financial Statement' constitutes the main budget document. The budget document makes a distinction between expenditure on the revenue account from other expenditures.

Revenue receipts consist of tax revenue, non-tax revenue, share of Union taxes/ duties, and grants from Government of India.

Revenue expenditure consists of all expenditures which do not result in creation of physical or financial assets. It relates to expenses incurred for the normal functioning of government departments and various services, interest payments on debt incurred by the government, and grants given to various institutions (including grants meant for creation of assets).

Capital receipts consist of:

- **Debt receipts:** Market loans, bonds, loans from financial institutions, net transactions under Ways and Means Advances, loans and advances from Central Government, etc.;
- **Non-debt receipts:** Proceeds from disinvestment, recoveries of loans and advances.

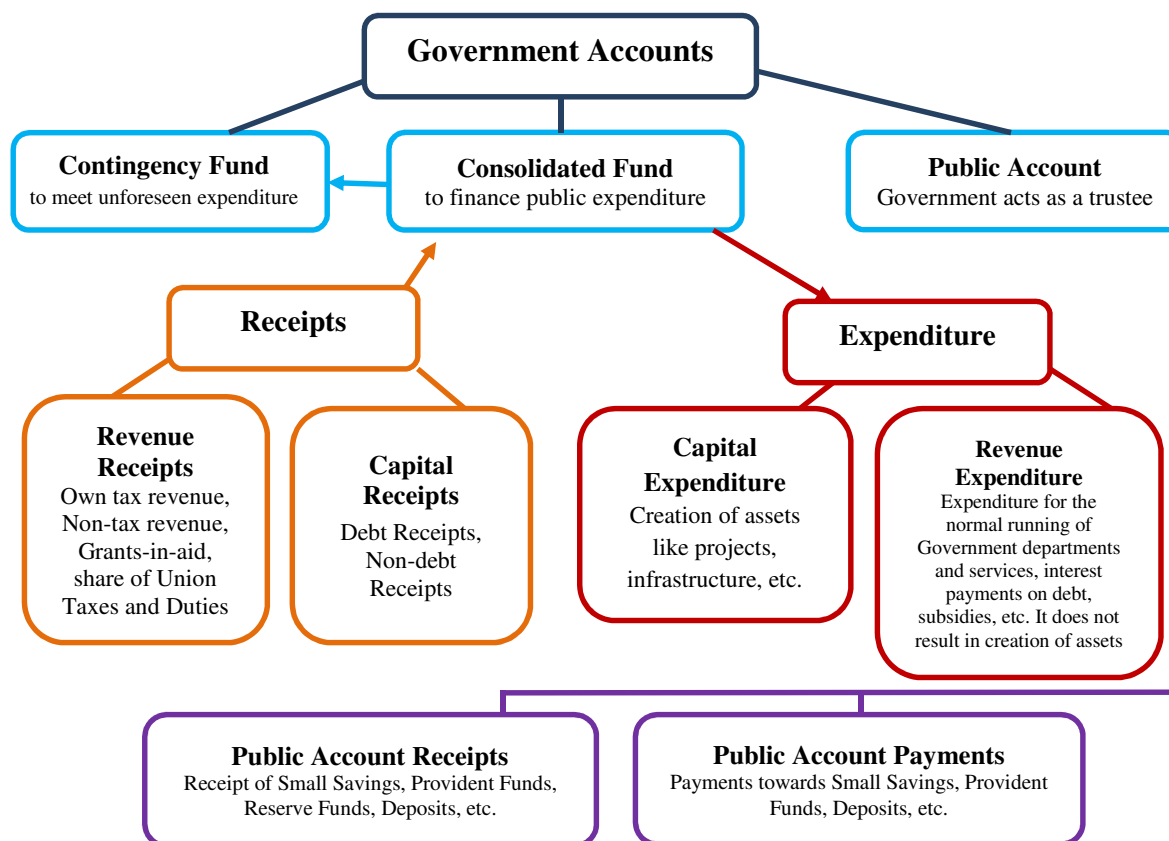
Capital Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the government to PSUs and other parties.

The accounting classification system in government is both functional and economic.

	Attribute of transaction	Classification
Standardised in List of Major and Minor Heads by Controller General of Accounts	Function – Education, Health, etc. / Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (2-digit)
	Sub-scheme	Detailed Head (2-digit)
	Economic nature/ Activity	Object Head-salary, minor works, etc. (2-digit)

The functional classification captures the department, function, scheme or programme, and object of expenditure. Economic classification helps organise these payments as revenue, capital, debt, etc. The classification system of government accounts is depicted in **Chart 1.3**.

Chart 1.3: Structure of Government Accounts



Source: Budget Manual

Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of a State will cause to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State, in the form of an **Annual Financial Statement**. In terms of Article 203, the statement is submitted to the State Legislature in the form of Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money

out of the Consolidated Fund. Some States have more than one consolidated Budget – there could be sub-budgets like Child Budget, Agriculture Budget, Weaker Sections (SC/ST) Budget, Disability Budget, etc.

The State Budget Manual details the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities.

Results of audit of budgetary management of the State Government are detailed in **Chapter 3** of this Report.

1.4.1 Snapshot of Finances

Table-1.2 provides the details of actual financial results *vis-a-vis* budget estimates for the year 2021-22 and actuals of 2020-21:

Table 1.2 Actual Financial Results *vis-à-vis* Budget Estimates

(₹ in crore)						
	Components	2020-21 (Actuals)	2021-22 (Budget Estimates)	2021-22 (Actuals)	Percentage of Actuals to BE	Percentage of Actuals to GSDP
A	Tax Revenue (i+ii)	12,837.23	14,806.38	17,063.62	115.25	9.74
	(i) Own Tax Revenue	8,083.31	9,282.22	9,714.58	104.66	5.55
	(ii) Share of Union taxes/ duties	4,753.92	5,524.16	7,349.04	133.03	4.20
B	Non-Tax Revenue	2,188.46	2,753.66	2,612.36	94.87	1.49
C	Grants-in-aid and contributions	18,412.58	19,467.90	17,633.32	90.58	10.07
D	Revenue Receipts (A+B+C)	33,438.27	37,027.94	37,309.30	100.76	21.30
E	Capital Receipts (i+ii+iii)	5,725.99	7,830.18	5,292.59*	67.59	3.02
	(i) Recovery of Loans and Advances	23.02	41.06	40.73	99.20	0.02
	(ii) Other Receipts	2.88	0.00	7.01	0.00	0.00
	(iii) Borrowings and other Liabilities ^(a)	5,700.09	7,789.12	5,244.85*	67.34	2.99
F	Total Receipts (D+E)	39,164.26	44,858.12	42,601.89*	94.97	24.32
G	Revenue Expenditure Of which,	33,534.93	38,490.88	36,194.54	94.03	20.66
	(i) Interest payments	4,472.45	5,017.57	4640.79	92.49	2.65
H	Capital Expenditure	5,629.33	6,367.24	6,407.35	100.63	3.66
	(i) Capital outlay	5,309.21	6013.37	6,029.38	100.27	3.44
	(ii) Disbursement of Loans and advances	320.12	353.87	377.97	106.81	0.22
I	Total Expenditure (G+H)	39,164.26	44,858.12	42,601.89	94.97	24.32
J	Revenue Deficit (-)/ Revenue Surplus (+) (D-G)	(-) 96.66	(-) 1,462.94	1,114.76	(-) 76.20	0.64
K	Fiscal Deficit (-) {I-(D+E(i)+E(ii))}	(-) 5,700.09	(-) 7,789.12	(-) 5,244.85	67.34	(-) 2.99
L	Primary Deficit (-){K-G(i)}	(-) 1,227.64	(-) 2,771.55	(-) 604.06	21.80	(-) 0.34

Source: Finance Account and State's budget documents

(a) Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

* Includes ₹ 2,695.22 crore as back-to-back loans to State from GoI in lieu of GST compensation shortfall.

Goods and Services Tax (GST) Compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. However, in addition to receiving the GST Compensation of ₹ 1,167.99 crore as revenue receipts, due to inadequate balance in GST compensation fund during the year 2021-22, the State also received back-to-back loan of ₹ 2,695.22 crore under debt receipts of the State Government, with no repayment liability for the State.

1.4.2 Snapshot of Assets and Liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix-1.2** gives an abstract of such liabilities and assets as on 31 March 2022. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds; whereas the assets consist mainly of capital outlay, loans and advances given by the State Government and cash balances. Summarised position of Assets and Liabilities of the State is given in **Table-1.3** below:

Table 1.3 Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities as on				Assets as on					
	31 March 2021	31 March 2022	Per cent increase		31 March 2021	31 March 2022	Per cent increase		
Consolidated Fund									
A	Internal Debt	42,918.21	44,376.03	3.40	A	Gross Capital Outlay	49,430.11	55,459.49	12.20
B	Loans and Advances from GoI	3,261.54*	6,751.41*	107	B	Loans and Advances	7,687.59	8,024.83	4.39
Contingency Fund									
A	Contingency Fund	5.00	5.00	--	--	--	--	---	
Public Account									
A	Small Savings, Provident Funds, etc.	16,522.64	17,006.28	2.93	A	Cash balance (including investment in Earmarked Fund)	1,756.24	2,522.86	43.65
B	Deposits and Advances	3,461.64	3,426.66	-1.01					
C	Reserve Funds	2,717.19	1,973.90	-27.36					
D	Remittances	541.91	653.50	20.59					
E	Suspense and Miscellaneous	-1,539.83	-292.98	-80.97		Cumulative excess of expenditure over receipts	9,014.36	7,892.62	(-12.44)
Total:		67,888.30	73,899.80	8.85	Total:	67,888.30	73,899.80	8.85	

* Includes ₹ 1,717 crore during 2020-21 and ₹ 4,412.22 crore (2020-21: ₹ 1,717 crore + 2021-22: ₹ 2,695.22 crore) during 2021-22 as back-to-back loans to State from GoI in lieu of GST compensation shortfall

1.5 Fiscal Balance: Achievement of deficit and total debt targets

When a government spends more than it collects by way of revenue, it incurs a deficit. There are various measures that capture government deficit – fiscal deficit (difference of the total expenditure and the sum of revenue receipts and non-debt capital receipts), revenue deficit (difference of revenue expenditure and revenue receipts), primary deficit (difference of fiscal deficit and interest payments).

Deficits must be financed by borrowings giving rise to government debt. The concepts of deficits and debt are closely related. Deficits can be thought of as a flow which add to the stock of debt. If the government continues to borrow year after year, it leads to the accumulation of debt and the government has to pay more and more by way of interest. These interest payments themselves contribute to the debt.

By borrowing, the government transfers the burden of reduced consumption on future generations. This is because it borrows from the people living at present but may decide to pay off the debt many years / decades later by raising taxes or reducing expenditure. Also, government borrowing from the people reduces the savings available to the private sector. To the extent that this reduces capital formation and growth, debt acts as a 'burden' on future generations.

However, if government deficits succeed in their goal of raising production, there will be more income and, therefore, more saving. In this case, both government and industry can borrow more. Also, if the government invests in infrastructure, future generations may be better off, provided the return on such investments is greater than the rate of interest. The actual debt could be paid off by the growth in output, in which case the debt would not be considered burdensome. The growth in debt will have to be judged with reference to the growth of the economy (State GDP) as a whole.

Government deficit can be reduced by an increase in taxes or reduction in expenditure. However, the major thrust has been towards reduction in government expenditure. This can be achieved, in part, by making government activities more efficient through better planning of programmes and better administration.

1.5.1 HP-FRBM Targets on Key Fiscal Parameters and Achievements

The State Government passed the Himachal Pradesh Fiscal Responsibility and Budget Management (HP-FRBM) Act in April 2005 (amended in 2011) with the objective of ensuring prudence in fiscal management by eliminating revenue deficit, reducing fiscal deficits and overall / outstanding debt to acceptable level, establishing improved debt management and transparency in a medium-term framework. The Act provided for quantitative targets to be adhered to by the State with regard to deficit measures and debt levels *viz.* eliminating revenue deficit by 2011-12 and maintaining revenue surplus thereafter, maintaining fiscal deficit at 3 *per cent* or less of GSDP from 2011-12 onwards, and reducing outstanding debt to 40.1 *per cent* of GSDP by 2014-15. The HP-FRBM Act was required to be amended to prescribe revised targets for deficit and debt levels.

Further, the Ministry of Finance, GoI considering the centrality of the financial strength of DISCOMs to the soundness of State finances recommended an additional borrowing space of 0.5 *per cent* of GSDP for the State for four-year period 2021-22 to 2024-25. This is a conditional borrowing space – the recommended modalities for availing this space is relating to recommendation on grants-in-aid. The power sector reforms include (i) reduction in operational losses, (ii) reduction in revenue gap, (iii) reduction in payment of cash subsidy by adopting direct benefit transfer, and (iv) reduction in tariff subsidy as a percentage of revenue.

However, to operationalise this condition, no such amendment had been done by the State Government. Thus, as per the HP-FRBM Act, the State had to maintain revenue surplus along with maintaining fiscal deficit at three *per cent* or less of GSDP, whereas no targets had been set for the level of outstanding debt from 2015-16 onwards.

The performance of State Government on major fiscal parameters against the targets recommended by HP-FRBM Act are shown in the **Table-1.4 (a)**:

Table 1.4 (a): Compliance with provisions of HP-FRBM Act

Fiscal Parameters	Fiscal targets set in the HP-FRBM Act	Achievement (₹ in crore)				
		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Maintain Revenue Surplus	314	1,508	12	- 97	1,115
		✓	✓	✓	✗	✓
Fiscal Deficit (-)/ Surplus (+) (as per cent of GSDP)	Three or less	-2.79	-2.37	-3.52	- 3.64	- 2.99
		✓	✓	✗	✗	✓
Ratio of total outstanding debt [@] to GSDP (in per cent)	As per MTFPS ^{\$} 2017-18: 32.92; 2018-19: 35.00; 2019-20: 34.04; 2020-21: 33.62; 2021-22: 40.26	36.83	36.59	39.09	42.87**	39.46**
		✗	✗	✗	✗	✓

[@] Total outstanding debt includes public debt plus other (public accounts) liabilities.

^{**} Calculated by excluding ₹ 1,717 crore during 2020-21 and ₹ 4,412.22 crore (2020-21: ₹ 1,717 crore + ₹ 2,695.22 crore) during 2021-22 received as back-to-back loans from GoI in lieu of GST compensation shortfall, as the Department of Expenditure, GoI has decided that it will not be treated as debt of the State Government for any norms which may be prescribed by the Finance Commission.

^{\$} Ratio of total outstanding debt to GSDP has been compared with targets set in MTFPS, as the State Government of Himachal Pradesh had not amended the FRBM Act since 2011.

- The State Government achieved the targets of eliminating the revenue deficit and maintaining revenue surplus as prescribed in the HP-FRBM Act during 2017-22 (except during 2020-21) due to increase in central devolutions pursuant to the recommendations of the Finance Commissions.
- During 2017-22, Fiscal Deficit targets were within three *per cent* of GSDP against the target set in the HP-FRBM Act except in 2019-20 and 2020-21.
- During the period 2017-18 to 2020-21, the total outstanding debt/ GSDP ratio was higher than the targets made/set in the MTFPS, whereas during 2021-22 it was within the target set in the MTFPS. No comparison could be made with the HP-FRBM Act since no revised targets are prescribed due to non-amendment of the Act after 2011.

The targets set by 15th FC and those projected in the State budget *vis-à-vis* achievements in respect of major fiscal aggregates with reference to GSDP during 2021-22 are given in **Table 1.4 (b)**.

Table 1.4 (b): Targets vis-à-vis achievements in respect of major fiscal aggregates for the year 2021-22

Fiscal Variables	Targets as prescribed by 15 th FC	Targets in the Budget	Actuals	Percentage variation of actuals over	
				Targets of 15 th FC	Targets in Budget
Revenue Surplus (+) or Deficit (-)/GSDP (<i>per cent</i>)	0.5	(-) 0.85	0.64	0.14	1.49
Fiscal Deficit (-)/GSDP (<i>per cent</i>)	(-) 4.0	(-) 4.52	(-) 2.99	(-) 1.01	(-) 1.53
Total outstanding debt/GSDP (<i>per cent</i>)	38.3	40.26	39.46 [#]	1.16	(-) 0.80

Source: Recommendations of 15th FC, Annual Financial Statement and Finance Accounts

Excluding back-to-back loans of ₹ 4,412.22 crore received from GoI in lieu of GST Compensation shortfall during 2020-22.

During the year 2021-22, the Government was unable to contain the total outstanding debt-GSDP ratio within the target prescribed by the 15th FC, however, revenue deficit-GSDP and fiscal deficit-GSDP ratios remained within the levels fixed by 15th FC and target set in the budget estimates.

1.5.2 Medium Term Fiscal Plan

As per the FRBM Act, the State Government is required to lay before the Legislative Assembly in every financial year, the Medium Term Fiscal Plan Statement (MTFPS) along with the budget. The MTFPS sets forth the fiscal objectives and strategic priorities of the State Government along with a three-year rolling target for fiscal management.

Table-1.5 indicates the variation between the projections made for 2021-22 in MTFPS presented to the State Legislature with the Actuals for the year 2021-22.

Table-1.5: Actuals vis-à-vis projection in MTFPS for 2021-22

(₹ in crore)				
	Fiscal Variables	Target/ projection as per MTFPS	Actuals (2021-22)	Variation (in per cent)
A	Tax Revenue (i+ii)	14,806.38	17,063.62	15.25
i	Own Tax Revenue	9,282.22	9,714.58	4.66
ii	Share of Union taxes/ duties	5,524.16	7,349.04	33.03
B	Non-Tax Revenue	2,753.66	2,612.36	-5.13
C	Grants-in-aid from GoI	19,467.90	17,633.32	-9.42
D	Revenue Receipts (A+B+C)	37,027.94	37,309.30	0.76
E	Revenue Expenditure	38,490.88	36,194.54	-5.97
F	Revenue Deficit (-)/ Surplus (+) (D+E)	(-) 1,462.94	1,114.76	176.20
G	Fiscal Deficit	(-) 7,789.12	(-) 5,244.86	(-) 32.66
H	Debt-GSDP ratio (<i>per cent</i>)	40.26	39.46*	(-) 0.80
I	GSDP growth rate at current prices (<i>per cent</i>)	10.00	11.81	1.81

Source: Finance Account and Budget document

* Calculated by excluding ₹ 4,412.22 crore (2020-21: ₹ 1,717 crore + 2021-22: ₹ 2,695.22 crore) as back-to-back loans to State from GoI in lieu of GST compensation shortfall

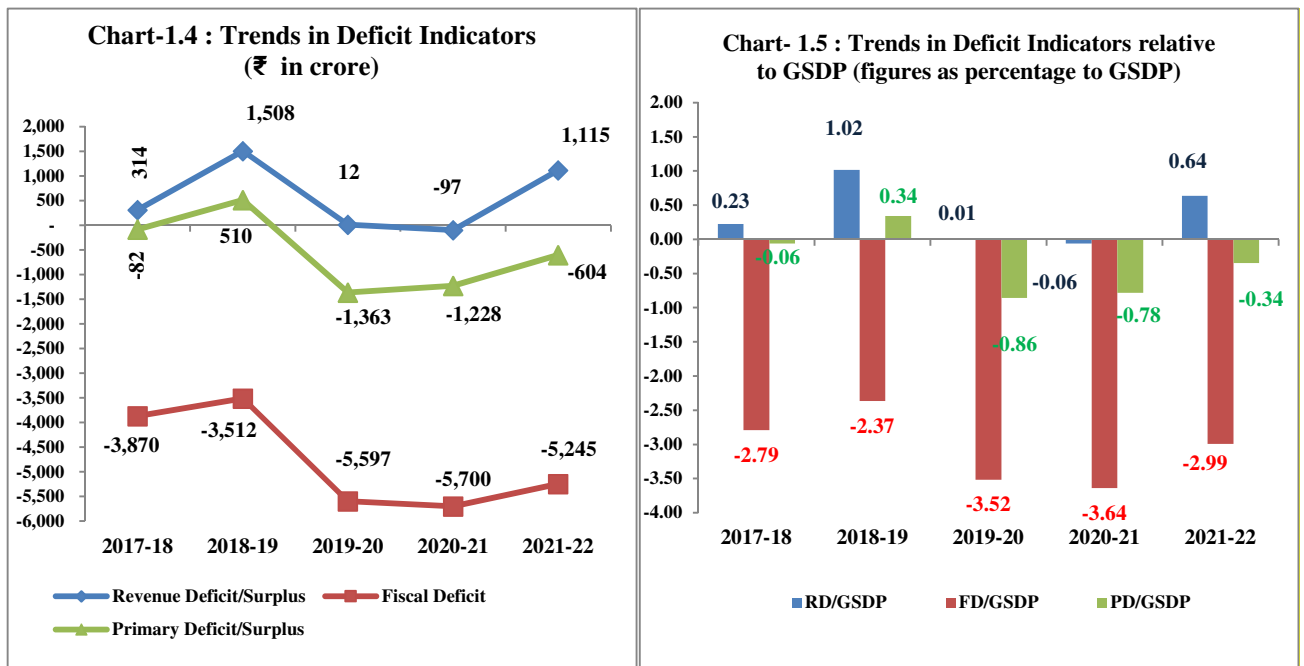
It can be seen from the above table that there was variation between the targets projected in the MTFPS and actual figures. As against the projected revenue receipts of ₹ 37,028 crore and revenue expenditure for ₹ 38,491 crore, the actuals remained at

₹ 37,309 crore and ₹ 36,195 crore respectively during 2021-22. As a result, there was a revenue surplus of ₹ 1,115 crore against projected revenue deficit of ₹ 1,463 crore. Fiscal deficit decreased to ₹ 5,245 crore against projected fiscal deficit of ₹ 7,789 crore in the MTFPS.

The slight increase in actual revenue receipts (₹ 281 crore) from the projected was due to more receipts under own tax revenue and share of central taxes. The actual revenue expenditure was less than the estimated revenue expenditure by ₹ 2,296 crore, mainly on account of lesser committed and developmental expenditure against the estimated amounts. The difference between projected and actual figures for revenue deficit/surplus was due to incurring of lesser revenue expenditure than planned in the budget estimates. This indicated that either the State Government had not properly assessed the estimated expenditure at the time of budget preparation, or that the State Government lacked the capacity to spend.

1.5.3 Trends of Deficit/ Surplus

The State had been able to achieve the target of Revenue Surplus prescribed under the HP-FRBM Act during the period 2017-18 to 2021-22 except in 2020-21 when the State had a Revenue Deficit of ₹ 97 crore. The Fiscal Deficit in 2021-22 decreased to ₹ 5,245 crore from ₹ 5,700 crore over the previous year, representing 2.99 per cent of the GSDP. The Primary deficit of ₹ 1,228 crore in 2020-21 decreased to ₹ 604 crore during 2021-22. The trend of these deficits over the five-year period from 2017-18 to 2021-22 is depicted in **Chart-1.4** and trend in deficits relative to GSDP is given in **Chart-1.5**.



Revenue Deficit

Revenue deficit indicates the excess of revenue expenditure over revenue receipts. Revenue surplus helps to decrease the borrowings. As per the HP-FRBM Act 2005 (amended in 2011), the State was to eliminate revenue deficit by financial year 2011-12 and maintain revenue surplus thereafter. Revenue deficit (₹ 97 crore) of 2020-21 turned to revenue surplus (₹ 1,115 crore) in 2021-22 due to increase in own tax revenue and share of Union taxes/duties.

However, to maintain revenue surplus, the State Government should endeavor to make medium term corrections on the expenditure side to moderate committed revenue expenditures and streamline revenue collections. High percentage of committed revenue expenditure reduces maneuverability around expenditure decisions by the State and indicates that the State has limited revenue space available after accounting for its committed expenditure needs.

Fiscal Deficit

Fiscal deficit represents the net incremental liabilities of the Government or its additional borrowings. The shortfall could be met either by additional public debt (internal or external) or by the use of surplus funds from Public Account. During 2021-22, fiscal deficit (₹ 5,245 crore) decreased by ₹ 455 crore over the previous year (₹ 5,700 crore). Fiscal Deficit was 2.99 *per cent* of the GSDP, which was within the targets set in the HP-FRBM Act.

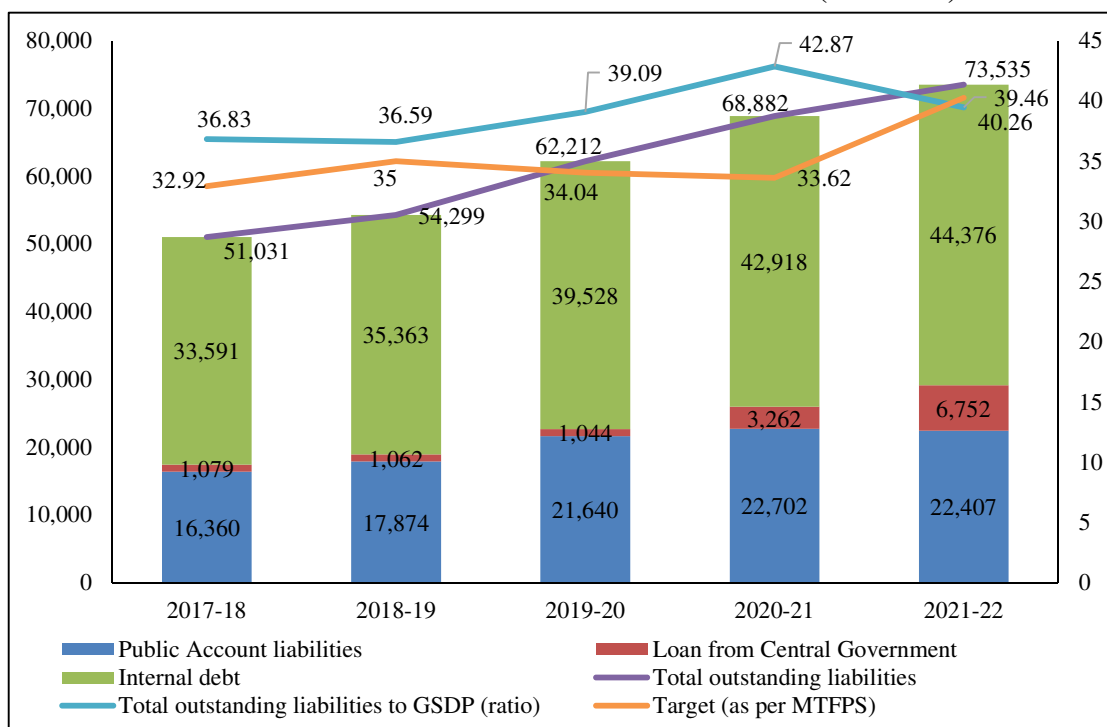
Primary Deficit

While fiscal deficit represents the need for additional resources in general, a part of such resources may be needed to finance interest payments in respect of States having deficit on revenue account. Interest payments represent the expenditure of past obligations and are independent of ongoing expenditure. To look at the imbalances of current nature, these payments need to be separated and deducted from the total imbalances. The primary deficit is thus an important parameter that reflects a State's current financial position. If there is primary deficit it means that the State has a deficit even after netting out interest, and it will have to borrow even to pay interest on its borrowings. Primary deficit decreased to ₹ 604 crore during 2021-22 from ₹ 1,228 crore in 2020-21.

Fiscal Liabilities

The trend in Fiscal Liabilities and its components during the past five financial years is shown in **Chart-1.6**.

Chart-1.6: Trends in Fiscal Liabilities* and GSDP (₹ in crore)



* Total outstanding liabilities included ₹ 1,717 crore during 2020-21 and ₹ 4,412.22 crore (2020-21: ₹ 1,717 crore + 2021-22: ₹ 2,695.22 crore) during 2021-22 as back-to-back loans to State from GoI in lieu of GST compensation shortfall, however, these amounts excluded for calculating the ratio of total outstanding liabilities to GSDP

As can be seen from the **Chart-1.6**, the total outstanding liabilities increased by ₹ 4,653 crore (6.76 per cent) from ₹ 68,882 crore in 2020-21 to ₹ 73,535 crore in 2021-22. The ratio of total outstanding liabilities to GSDP also increased over the past five years and remained well above the State's own target set in the MTFPS during the period 2017-18 to 2021-22.

1.6 Deficits and Total Debt after examination in Audit

The deficit and debt figures are sometimes rendered inaccurate on account of misclassification of revenue expenditures as capital expenditure, non-creation of statutory funds, off-budget fiscal operations, deferment of clear-cut liabilities, etc. by the State Government.

1.6.1 Revenue surplus and Fiscal deficit – Audit Observation

Misclassification of revenue expenditure as capital and vice versa, off-budget fiscal operations, deferment of firm liabilities, non-payment of interest balance lying under Defined Contribution Pension Scheme for Government employees (NPS) / State Disaster Response Fund (SDRF), etc. impact deficit parameters. In order to arrive at actual deficit figures, the impact has been re-computed as detailed in the **Table-1.6**.

Table-1.6: Revenue and Fiscal Deficit, post examination by Audit*(₹ in crore)*

Particulars	Impact on Revenue Surplus (₹ in crore)		Impact on Fiscal Deficit (₹ in crore)		Para Reference
	Overstated	Understated	Overstated	Understated	
Non-payment of interest on balances lying under SDRF	0.47	0	0	0.47	2.5.2.2
Short-transfer of State share of SDRF	0.20	0	0	0.20	
Non-provision/payment of interest on balances lying under NPS	0.54	0	0	0.54	2.4.2.3
Short-contribution by the Government to NPS	5.42	0	0	5.42	
Misclassification of capital expenditure as revenue expenditure and vice-versa	0	2.77	0	0	3.3.3
Clearance of transactions from Objection Book Suspense Account	0	1,057.29	1,190.78	0	2.5.3 and 4.10
Non-conversion of interest bearing loans into grants	2,167.50	0	0	2,167.50	5.9.1
Total	2,174.13	1,060.06	1,190.78	2,174.13	
Net impact	1,114.07 (overstated)		983.35 (understated)		

Source: Finance Accounts and audit analysis

During 2021-22, the revenue surplus and fiscal deficit was ₹ 1,114.76 crore (0.64 per cent of GSDP) and ₹ 5,244.86 crore (2.99 per cent of GSDP) respectively, as shown in **Charts 1.4 and 1.5**. If the above transactions were taken into account, the actual revenue surplus would decrease and work out to ₹ 0.69 crore whereas fiscal deficit would work out to ₹ 6,228.21 crore (i.e. 3.56 per cent of GSDP) and the actual fiscal deficit would have exceeded the target of HP-FRBM Act (i.e. three per cent or less). This also resulted in overstatement of the net revenue surplus by ₹ 1,114.07 crore and understatement of net fiscal deficit by ₹ 983.35 crore.

1.6.2 Total Public Debt – Audit Observation

As per amendments in the FRBM Act in 2018, “debt” includes public debt (internal and external debt), total outstanding liabilities on public account and ‘such financial liabilities of any body-corporate or other entity owned or controlled by the (Central) Government, which the Government has to repay or service from the AFS, reduced by cash balance at the end of that date’.

As stated in the explanatory note to the Budget, the debt liabilities of the State consist of internal debt, loans from Central Government, liabilities on Public Account and other debt liabilities of PSUs. There is no explicit definition of total liabilities in the HP-FRBM Act. However, it is mentioned that borrowing by Public Sector Undertakings and Special Purpose Vehicles and other equivalent instruments, where the liability for repayment is on the State Government are also to be treated as borrowings of the State Government.

The total outstanding public debt of the State Government for the year ending 2021-22 comprising liabilities on the Consolidated Fund and Public Account, and other borrowings is shown in **Table - 1.7**.

Table-1.7: Components of total outstanding debt/fiscal liabilities

<i>(₹ in crore)</i>	
Liabilities upon the Consolidated Fund (Public Debt)	Amount
Internal Debt (A)	44,376.03
Market Loans	33,772.16
Loan from Life Insurance Corporation of India	18.68
Loan from NABARD	3,164.12
Loan from National Co-operative Development Corporation	120.43
Compensation and other Bonds	2,890.50
Loans from other Institutions, etc.	20.38
Special Securities issued to the National Small Saving Fund of the Central Government	4,389.76
Loans and Advances from Central Government (B)	6,751.41
Non-plan Loans	1.94
Loans for State Plan Schemes	3,162.03
Others	3,587.44
Liabilities upon Public Accounts (C)	22,407.36
Small Savings, Provident Funds, etc.	17,006.29
Deposits	3,427.17
Reserve Funds	1,973.90
Total (A+B+C)	73,534.80*

* Includes an amount of ₹ 4,412.22 crore (2020-21: ₹ 1,717 crore + 2021-22: ₹ 2,695.22 crore) as back-to-back loans to State from GoI in lieu of GST compensation shortfall

There were no cases of off-budget fiscal operations such as: borrowings by State PSUs, Special Purpose Vehicles (SPVs) on behalf of the State Government where principal and / or interest are to be serviced out of the State budget; deployment of own funds by the State PSUs, SPVs, etc. for execution of deposit works of the State Government which was to be financed by the State Government through borrowings; or non-reimbursement of principal/ interest component by the State Government to State PSUs, SPVs, etc. of the loan taken by them on behalf of the State Government. As such, there was no impact of these on the overall debt of the State Government.

CHAPTER-II
FINANCES OF THE STATE

CHAPTER - II

Finances of the State

This chapter provides a broad perspective of the finances of the State and analyses the critical changes in major fiscal aggregates relative to the previous year. It discusses overall trends during the five-year period from 2017-18 to 2021-22, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State and information obtained from the State Government.

2.1 Major changes in key fiscal aggregates

This section gives an overview of the major changes in key fiscal aggregates of the State during the financial year 2021-22 as compared with the previous year. Each of these indicators has been analysed in the succeeding paragraphs.

Changes in key fiscal aggregates in 2021-22 compared with 2020-21

Revenue Receipts	<ul style="list-style-type: none">✓ Revenue receipts of the State increased by 11.58 per cent✓ Own Tax receipts of the State increased by 20.18 per cent✓ Own Non-tax receipts of the State increased by 19.37 per cent✓ State's Share of Union Taxes and Duties increased by 54.59 per cent✓ Grants-in-Aid from Government of India decreased by 4.23 per cent
Revenue Expenditure	<ul style="list-style-type: none">✓ Revenue expenditure increased by 7.93 per cent✓ Revenue- expenditure on General Services increased by 3.31 per cent✓ Revenue expenditure on Social Services increased by 8.09 per cent✓ Revenue expenditure on Economic Services increased by 16.29 per cent
Capital Expenditure	<ul style="list-style-type: none">✓ Capital expenditure increased by 13.56 per cent✓ Capital expenditure on General Services increased by 129.82 per cent✓ Capital expenditure on Social Services increased by 10.89 per cent✓ Capital expenditure on Economic Services increased by 9.14 per cent
Loans and Advances	<ul style="list-style-type: none">✓ Disbursement of Loans and Advances increased by 18.07 per cent✓ Recoveries of Loans and Advances increased by 76.93 per cent
Public Debt	<ul style="list-style-type: none">✓ Public Debt Receipts* decreased by 55.83 per cent✓ Repayment of Public Debt decreased by 60.62 per cent
Public Account	<ul style="list-style-type: none">✓ Public Account Receipts decreased by 1.70 per cent✓ Public Account Disbursements decreased by 3.67 per cent
Cash Balance	<ul style="list-style-type: none">✓ Cash balance increased by ₹ 767 crore (43.65 per cent)

* Excludes ₹ 1,717 crore (2020-21) and ₹ 2,695.22 crore (2021-22) as back-to-back loans from GoI in lieu of GST compensation shortfall which are not to be repaid by the State from its sources.

2.2 Sources and Application of Funds

This section compares the components of the sources and application of funds of the State during the financial year 2021-22 as compared with the previous year (2020-21).

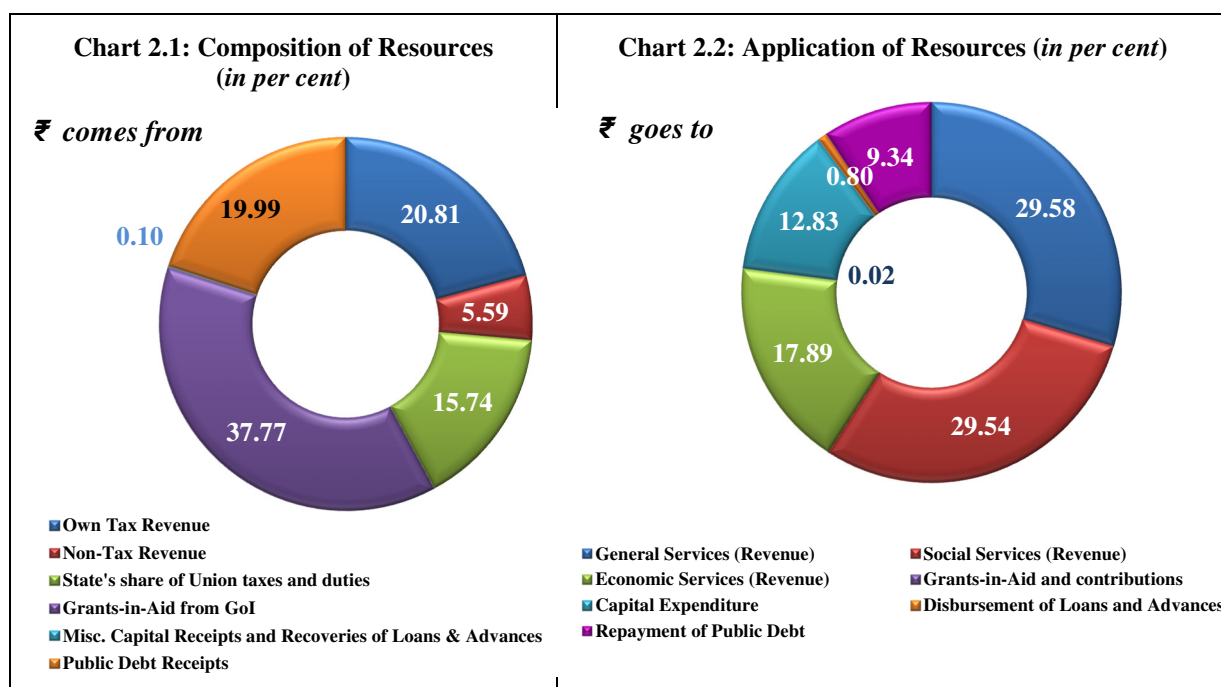
Table 2.1: Details of Sources and Application of funds during 2020-21 and 2021-22

(₹ in crore)

	Particulars	2020-21	2021-22	Increase/ Decrease
Sources of funds	Opening Cash Balance with RBI	1,060.18	1,756.24	696.06
	Revenue Receipts	33,438.27	37,309.30	3,871.03
	Miscellaneous Capital Receipts	2.88	7.01	4.13
	Recoveries of Loans and Advances	23.02	40.72	17.70
	Public Debt Receipts (Net)*	5,608.17	4,947.69	-660.48
	Public Account Receipts (Net)	787.97	1063.79	275.82
	Total*	40,920.49	45,124.75	4,204.26
Application of funds	Revenue Expenditure	33,534.93	36,194.54	2,659.61
	Capital Expenditure	5,309.21	6,029.38	720.17
	Disbursement of Loans and Advances	320.12	377.97	57.85
	Closing Cash Balance with RBI	1,756.24	2,522.86	766.62
	Total	40,920.50	45,124.75	4,204.25

* Includes ₹ 1,717 crore (2020-21) and ₹ 2,695.22 crore (2021-22) as back-to-back loans to State from GoI in lieu of GST compensation shortfall.

Percentage composition of sources and application of funds in the Consolidated Fund of the State during 2021-22 is given in **Chart 2.1** and **2.2**.



Source: Finance Accounts

2.3 Resources of the State

The resources of the State are described below:

- Revenue receipts** consist of own tax revenue, non-tax revenue, State's share of Union taxes and duties and grants-in-aid from the Government of India (GoI).
- Capital receipts** comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal

sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

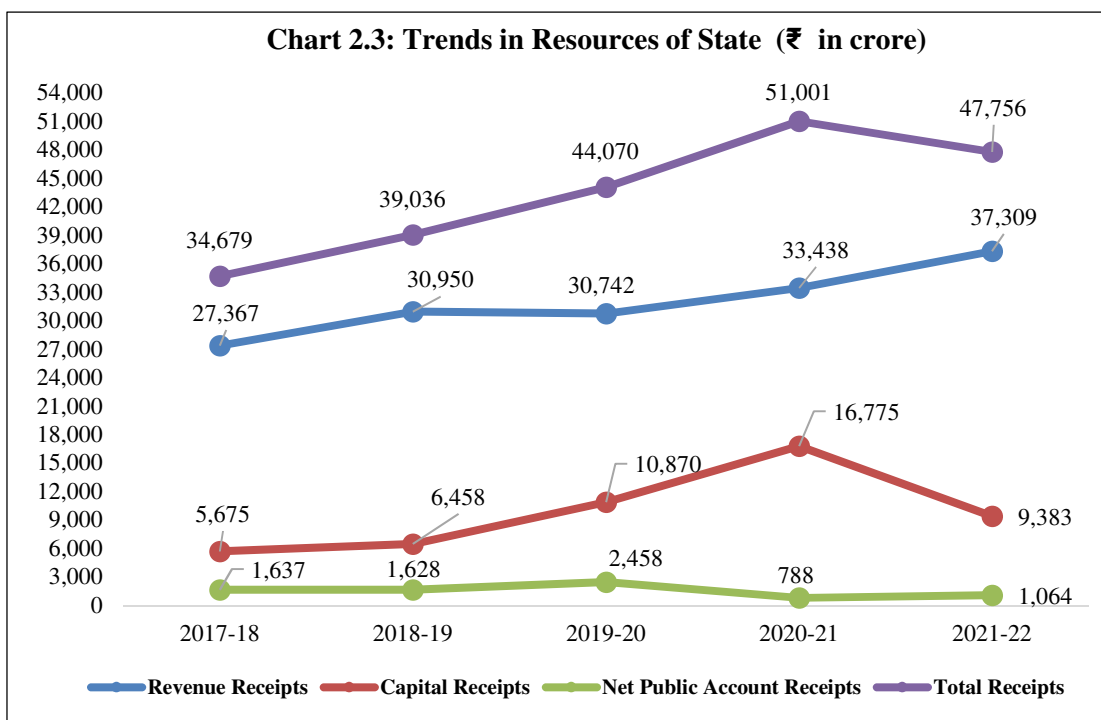
Both revenue and capital receipts form part of the Consolidated Fund of the State.

- Net Public Accounts receipts:** Receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc. do not form part of the Consolidated Fund. These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. The balance in the Public Account after disbursements is available with the Government for use.

2.3.1 Receipts of the State

This paragraph discusses the composition of Receipts of the State. Besides Capital and Revenue Receipts which form part of the Consolidated Fund of the State, funds available in the Public Account (net of disbursements) are also utilised by the Government to finance its deficits.

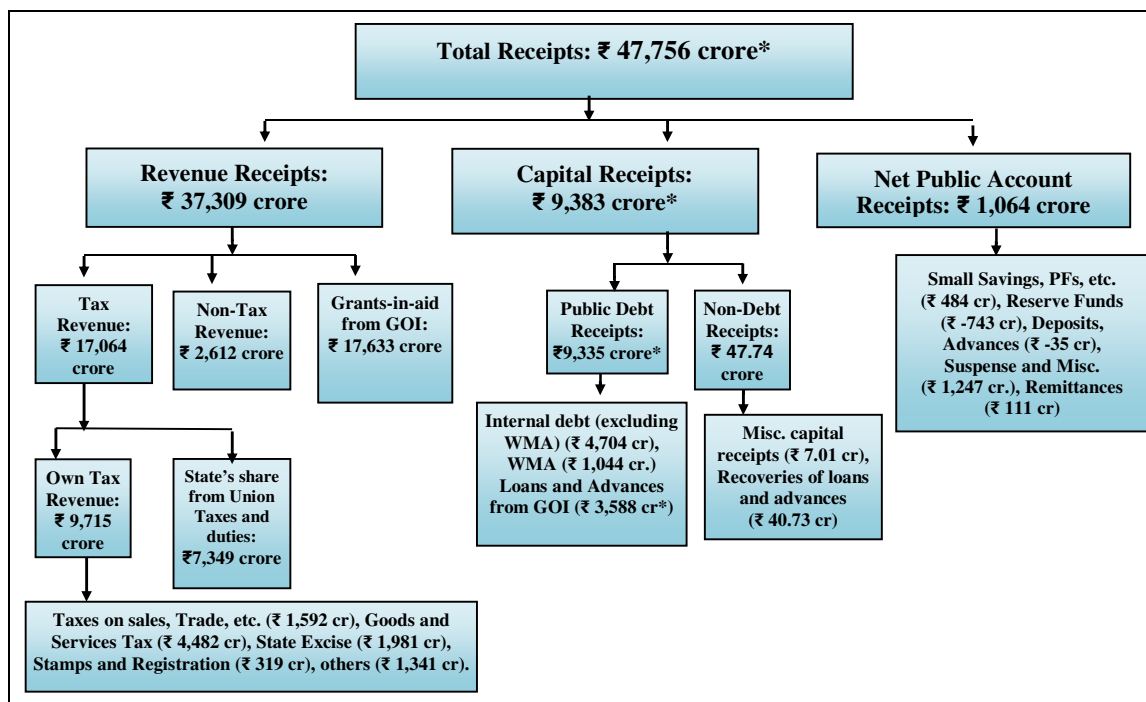
Trends in various components of the Receipts of the State during 2017-22 is given in **Chart 2.3** while composition of Receipts of the State during 2021-22 is given in **Chart-2.4**.



Source: Finance Accounts of the respective years

Note: Capital receipts comprise Public debt receipts, Misc. Capital receipts and recovery of loans and advances and include ₹ 1,717 crore and ₹ 2,695.22 crore as back-to-back loans to State from GoI in lieu of GST compensation shortfall during 2020-21 and 2021-22 respectively.

Chart 2.4: Composition of receipts of the State during 2021-22



Source: Finance Accounts

* Includes ₹ 2,695.22 crore as back-to-back loans to State from GOI in lieu of GST compensation shortfall

2.3.2 State's Revenue Receipts

This paragraph gives the trends in total revenue receipts and its components. It is followed by an analysis of the trends in receipts from the Central Government and State's own receipts.

2.3.2.1 Trends and growth of Revenue Receipts

Table-2.2 shows the trends in revenue receipts and revenue buoyancy with respect to GSDP over the five-year period 2017-22. The trends in revenue receipts relative to GSDP and composition of revenue receipts are given in Chart-2.5 and Chart-2.6 respectively. The composition of revenue receipts over the past five years is detailed in Appendix 2.

Table 2.2: Trends in Revenue Receipts relative to GSDP

Trends in Revenue Receipts	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Receipts (RR) (₹ in crore)	27,367.06	30,950.32	30,742.41	33,438.27	37,309.30
Rate of growth of RR (per cent)	4.20	13.09	-0.67	8.77	11.58
Own Tax Revenue (OTR) (₹ in crore)	7,107.67	7,572.81	7,623.82	8,083.32	9,714.58
Rate of growth of OTR (per cent)	0.97	6.54	0.67	6.02	20.19
Non-Tax Revenue (NTR) (₹ in crore)	2,363.85	2,830.07	2,501.51	2,188.46	2,612.36
Rate of growth of NTR (per cent)	37.65	19.72	-11.61	-12.53	19.37
State's Own Revenue (OTR + NTR)	9,471.52	10,402.88	10,125.33	10,271.78	12,326.94
Rate of growth of State's Own Revenue (OTR+NTR) (per cent)	8.17	9.83	-2.67	1.44	20.01
Gross State Domestic Product (2011-12 Series) (₹ in crore)	1,38,551.09	1,48,383.27	1,59,161.70 ^a	1,56,675.06 ^b	1,75,173.31 ^c
Rate of growth of GSDP (per cent)	10.28	7.10	7.26	-1.56	11.81
RR/GSDP (per cent)	19.75	20.86	19.32	21.34	21.30

Trends in Revenue Receipts	2017-18	2018-19	2019-20	2020-21	2021-22
Buoyancy Ratios¹					
Revenue Buoyancy w.r.t. GSDP	0.41	1.84	-0.09	-- *	0.98
State's Own Revenue Buoyancy w.r.t. GSDP	0.79	1.38	-0.37	-- *	1.69

Source: Finance Accounts and Department of Economics and Statistics, Himachal Pradesh

a - Second Revised Estimate, b - First Revised Estimate, c - Advance Estimate.

* Buoyancy ratio was not calculated as GSDP growth was negative.

Chart-2.5: Trends in Revenue Receipts as percentage of GSDP

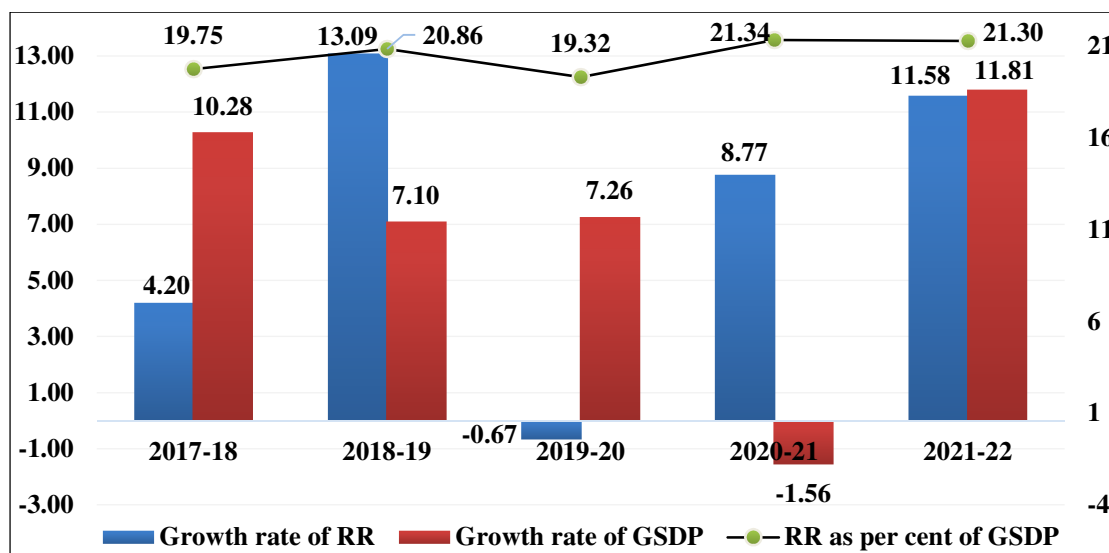
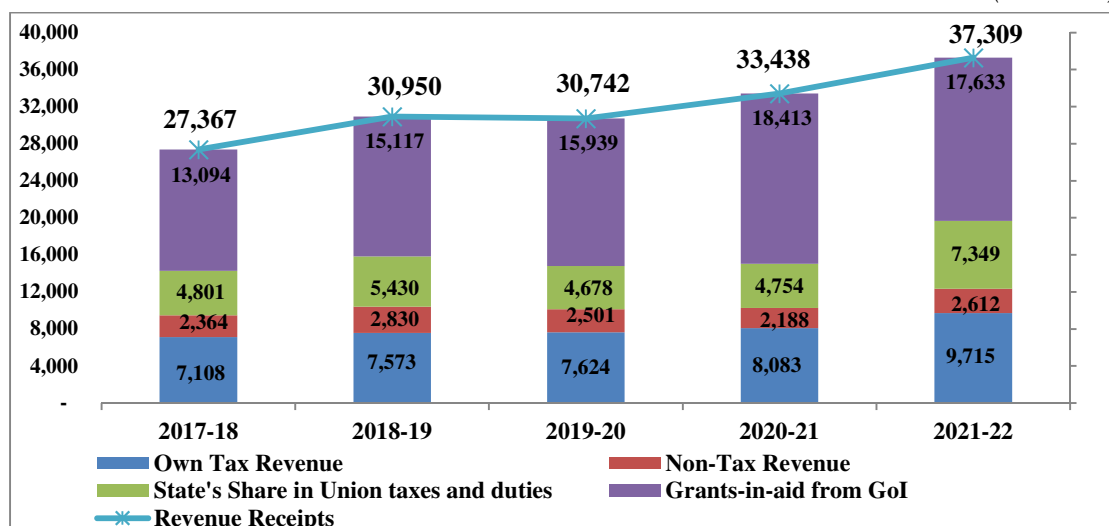


Chart 2.6: Trend of components of Revenue Receipts during 2017-22

(₹ in crore)



- It can be seen from **Table-2.2** and **Chart 2.6** that the revenue receipts of the State increased by 36.33 per cent from ₹ 27,367 crore (2017-18) to ₹ 37,309 crore (2021-22). The annual growth rate of revenue receipts showed inter-year fluctuation during 2017-22. It increased from 4.20 per cent (2017-18) to 13.09 per cent

¹ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 0.98 implies that Revenue Receipts tend to increase by 0.98 percentage points, if the GSDP increases by one per cent.

(2018-19) but decreased to -0.67 per cent during 2019-20. However, during 2020-21, revenue receipts increased by ₹ 2,695.86 crore (8.77 per cent) and during 2021-22 it increased by ₹ 3,871 crore (11.58 per cent) over the previous year. During 2021-22, the increase was mainly due to increase in receipts under State's share of Union Taxes and Duties by ₹ 2,595.12 crore (54.59 per cent), State's Own Tax Revenue by ₹ 1,631.27 crore (20.18 per cent) and Non-Tax Revenue by ₹ 423.90 crore (19.37 per cent). The increase was partly counterbalanced by decrease in Grants-in-aid from GoI by ₹ 779.26 crore (4.23 per cent).

- During the year 2021-22, only 33 per cent of the Revenue Receipts came from the State's own resources comprising taxes and non-taxes, while the remaining 67 per cent were contributed by central transfers comprising the State's share in central taxes and duties (20 per cent) and Grants-in-Aid from GoI (47 per cent). This is indicative of the fact that the fiscal position of the State is influenced mostly by Central transfers.
- There was wide fluctuation in the revenue buoyancy of the State, as extraneous factors such as Finance Commission Award (14th FC impact in 2017-18) and implementation of GST (in 2017-18), impacted the actual receipts in different components of revenue. During 2019-20, the revenue buoyancy with respect to GSDP turned negative due to decrease in revenue receipts. However, during 2021-22, it was positive due to increase in revenue receipts (₹ 3,871.03 crore) and positive growth rate in GSDP.
- During the year 2021-22, there was an increase of 11.58 per cent (₹ 3,871.03 crore) in Revenue Receipts and an increase of 7.93 per cent (₹ 2,659.61 crore) in Revenue Expenditure over the previous year, leading to a revenue surplus of ₹ 1,114.76 crore, as against the previous year's revenue deficit of ₹ 96.66 crore.

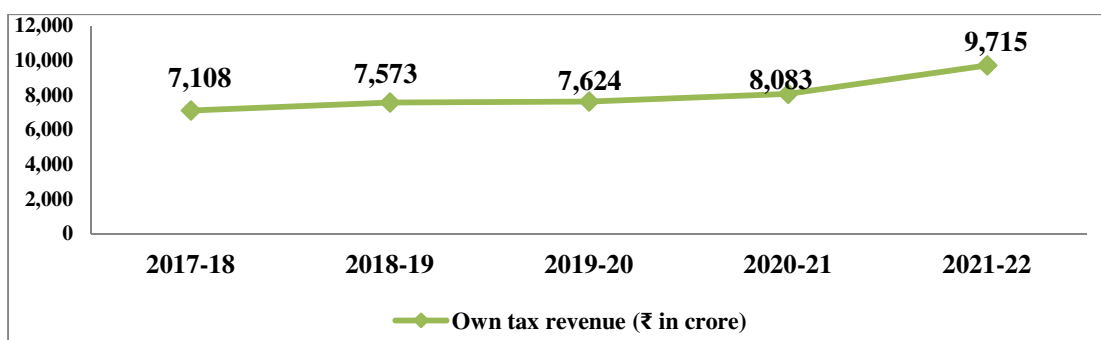
2.3.2.2 State's Own Resources

State's share in Central taxes is determined on the basis of recommendations of the Finance Commission. Grants-in-aid from Central government is determined by the quantum of collection of Central tax receipts and anticipated Central assistance for schemes. State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising own tax and non-tax revenues.

(i) Own Tax Revenue

Own Tax Revenues of the State consist of State GST, State Excise, Stamp Duty and Registration Fees, Land Revenue, Taxes on Vehicles, Goods and Passengers, etc. The trend in Tax Revenue of the State during the five-year period 2017-22 is given in the Chart-2.7 below:

Chart 2.7: Growth of Own Tax Revenue during the period 2017-18 to 2021-22



The component-wise details of Own Tax Revenue collected during the years 2017-18 to 2021-22 are given in the **Table 2.3** below:

Table 2.3: Components of State's Own Tax Revenue

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22
State Goods and Services Tax (SGST)	1,833.16	3,342.68	3,550.34	3,466.58	4,482.15
Taxes on Sales, Trades, etc. (VAT)	2,525.87	1,185.43	1,169.53	1,630.11	1,592.24
State Excise	1,311.25	1,481.63	1,660.02	1,599.74	1,980.63
Taxes on Vehicles	367.16	408.01	465.52	380.20	510.03
Stamp Duty and Registration Fees	229.18	250.55	259.58	253.36	318.60
Taxes and Duties on Electricity	360.79	487.08	100.86	401.76	393.51
Land Revenue	16.96	8.39	4.79	6.95	4.81
Taxes on Goods and Passengers	111.69	104.38	104.03	83.55	99.18
Other Taxes	351.61	304.66	309.15	261.07	333.43
Total Own Tax Revenue	7,107.67	7,572.81	7,623.82	8,083.32	9,714.58

Source: Finance Accounts of respective years

Own Tax Revenue of the State increased by ₹ 2,606.91 crore (36.68 per cent) during 2017-22. During the year 2021-22, major contributors to Own Tax Revenue were State Goods and Services Tax (46.14 per cent), State Excise (20.39 per cent) and Taxes on vehicles (5.25 per cent). The increase in Tax Revenue during 2021-22 over the previous year was mainly under SGST (₹ 1,015.57 crore, 29.30 per cent), State Excise (₹ 380.89 crore, 23.81 per cent) and Taxes on Vehicles (₹ 129.83 crore, 34.15 per cent).

(ii) Non-Tax Revenue

Non-Tax Revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc.

Table 2.4: Components of State's non-tax revenue

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22
Interest receipts	340.54	385.88	245.36	306.43	173.95
Dividends and profits	255.58	181.92	248.44	245.43	166.53
Other Non-tax receipts	1,767.00	2,262.27	2,007.72	1,636.60	2,271.88
Misc. General Services	5.46	20.76	5.17	11.41	14.06
Education, Sports, Arts and Culture	180.76	214.59	238.59	196.08	257.70
Forestry and Wildlife	46.87	76.32	83.61	49.56	106.28
Other Administrative Services	40.45	51.34	49.65	37.05	104.90
Non-ferrous Mining and Metallurgical Industries	441.46	221.05	246.30	252.16	230.81
Power	687.61	1,134.34	1,021.68	749.12	1,183.51
Others	364.39	543.87	362.72	341.22	374.62
Total Non-tax revenue	2,363.85	2,830.07	2,501.51	2,188.46	2,612.36
Percentage of Non-tax revenue to Revenue Receipts	8.64	9.14	8.14	6.54	7.00

Source: Finance Accounts

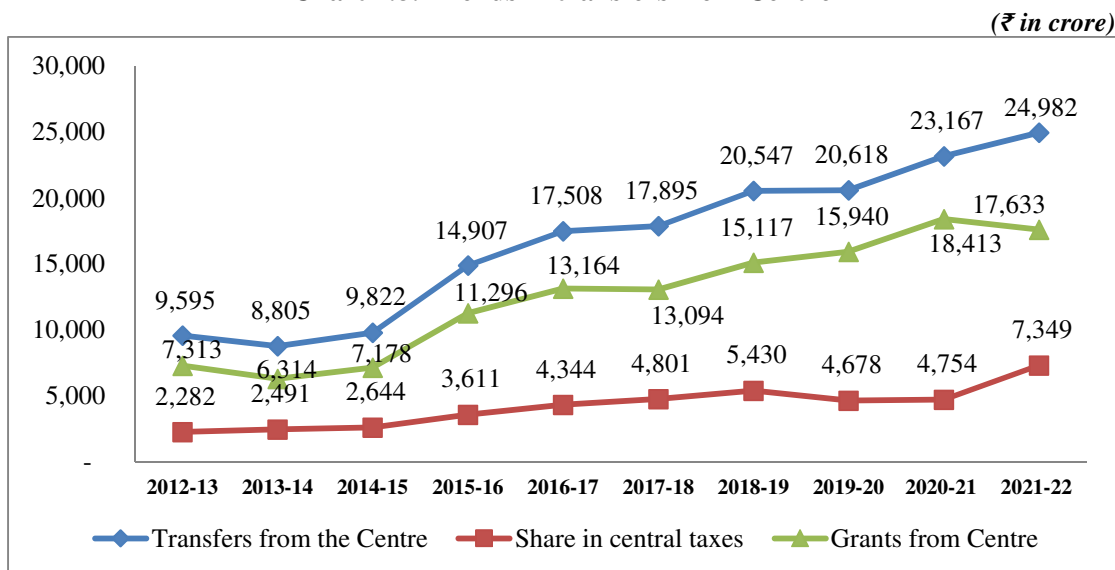
Non-Tax Revenue constituted between 6.54 and 9.14 per cent of total revenue receipts of the State during the five-year period from 2017-18 to 2021-22. During 2021-22, Non-Tax Revenue constituted seven per cent of the revenue receipts, which was more

by 0.46 *per cent* over the previous year. After continuous decline from ₹ 2,830.07 crore in 2018-19 to ₹ 2,188.46 crore during 2020-21, it increased to ₹ 2,612.36 crore during 2021-22 with an increase of ₹ 423.90 crore (19.37 *per cent*) over the previous year. Over the last five years, the main contributor to Non-Tax Revenue was the power sector which contributed between 29 and 45 *per cent*. During 2021-22, the increase was mainly due to increase in receipts received from sale of GoHP share of power under Power sector (₹ 434.39 crore) and Education, Sports, Arts and Culture (₹ 61.62 crore) which was partially set-off by decrease under interest receipts (₹ 132.48 crore) due to less interest received from Public Sector and other Undertakings, local bodies and under dividend and profits (₹ 78.90 crore) due to decrease in dividend received from Satluj Jal Vidyut Nigam Ltd.

2.3.2.3 Transfers from the Centre

Transfers from the Centre are heavily dependent on Finance Commission recommendations. The trends in Central transfers for the last 10 years are shown in the **Chart 2.8**.

Chart 2.8: Trends in transfers from Centre



(i) Central tax transfers

The 14th FC recommended that the States' share of central taxes be increased to 42 *per cent* from 2015-16 onwards. Consequently, the State's share in the net proceeds of Central Taxes (excluding Service Tax) has been fixed at 0.713 *per cent* for the period 2015-16 to 2019-20. The 15th FC recommended State's share in the net proceeds of Central Taxes (including Service Tax) at 0.799 *per cent* for 2020-21 and 0.830 *per cent* for 2021-22. The actual devolution *vis-à-vis* Finance Commission projections during the period 2012-13 to 2021-22 is given in **Table 2.5** below:

Table 2.5: State's share in Union taxes and duties: Actual devolution vis-à-vis Finance Commission projections

(₹ in crore)

Year	Finance Commission projections	Projections in FCR	Actual tax devolution	Difference
1.	2.	3.	4.	5. (4-3)
2012-13	0.781 per cent of net proceeds of all shareable taxes excluding service tax and	2,362.61	2,282.02	(-) 80.59
2013-14	0.793 per cent of net proceeds of sharable service tax (as per recommendations of 13 th FC)	2,716.72	2,491.53	(-) 225.19
2014-15		2,993.17	2,644.17	(-) 349.00
2015-16	0.713 per cent of net proceeds of all shareable taxes excluding service tax and	3,743.71	3,611.17	(-) 132.54
2016-17	0.722 per cent of net proceeds of sharable service tax (as per recommendations of 14 th FC)	4,074.67	4,343.70	269.03
2017-18		4,819.21	4,801.31	(-) 17.90
2018-19		5,619.31	5,429.77	(-) 189.54
2019-20		5,769.12	4,677.56	(-) 1,091.56
2020-21	0.799 per cent of net proceeds of all shareable taxes including service tax (as per recommendations of 15 th FC)	6,265.60	4,753.92	(-) 1,511.68
2021-22	0.830 per cent of net proceeds of all shareable taxes including service tax (as per recommendations of 15 th FC)	5,524.16	7,349.04	1824.88

Source: Reports of the 13th FC, 14th FC & 15th FC, Finance Accounts and Annual Financial Statement

The details of Central tax transfers to the State during 2017-22 are given in **Table 2.6:**

Table 2.6: Composition of Central Tax Transfers

(₹ in crore)

Components of Central Tax Transfers	2017-18	2018-19	2019-20	2020-21	2021-22	Difference over the previous year
Central Goods and Services Tax (CGST)	68.36	1,340.15	1,327.34	1,419.55	2105.41	685.86
Integrated Goods and Services Tax (IGST)	484.84	107.00	0.00	0.00	0.00	0.00
Corporation Tax	1,470.67	1,888.31	1,594.86	1,429.44	2,202.48	773.04
Taxes on Income other than Corporation Tax	1,241.88	1,390.66	1,249.68	1,464.84	2,169.83	704.99
Customs	484.70	384.89	296.49	257.07	510.58	253.51
Union Excise Duties	506.50	255.78	206.16	160.44	265.82	105.38
Service Tax	544.40	49.66	--	19.39	87.35	67.96
Other Taxes ²	(-) 0.04	13.32	3.03	3.19	7.57	4.38
Central Tax Transfers	4,801.31	5,429.77	4,677.56	4,753.92	7,349.04	2,595.12
Percentage of increase (+)/ decrease (-) over the previous year	10.54	13.09	(-) 13.85	1.63	54.59	
Percentage of Central Tax Transfers to Revenue Receipts	17.54	17.54	15.22	14.22	19.70	

Source: Finance Accounts

² Includes Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on commodities and Services

Over the five-year period 2017-22, Central tax transfers increased by 53.06 per cent. During the current year (2021-22), it increased by ₹ 2,595.12 crore (54.59 per cent) over the previous year and constituted 19.70 per cent of the Revenue Receipts which was 5.48 per cent more over the previous year (14.22 per cent). Further, as has been tabulated above (**Table 2.5**), the State did not receive its share of Union taxes and duties as per the recommendations of Finance Commissions (13th FC, 14th FC and 15th FC) from the period 2012-13 to 2020-21 except 2016-17 and 2021-22. The share of Union taxes and duties was more by ₹ 1,824.88 crore from the 15th FC recommendations during 2021-22.

(ii) Grants- in-aid from Government of India (GoI)

GoI discontinued Plan and Non-Plan classification and operated new Sub-Major Heads under Major Head-1601-Grants-in-Aid (GIA) for providing GIA to States from 2017-18. The position of GIA from GoI received by State Government during the period 2017-18 to 2021-22 is given in **Table 2.7**.

Table 2.7: Grants-in-aid from GoI

Particulars	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Centrally Sponsored Schemes	3,590.26	4,010.49	4,915.06	4,221.29	5,420.75
Finance Commission Grants*	8,889.00	8,831.25	8,617.82	12,424.10	11,044.26
Other Transfer/Grants to State/ Union Territories with Legislatures	615.39	2,275.93	2,406.64	1,767.19	1,168.31 [@]
Total	13,094.23	15,117.66	15,939.52	18,412.58	17,633.32
Percentage increase /decrease over the previous year	(-) 0.53	15.45	5.44	15.52	-4.23
Percentage of Revenue Receipts	47.85	48.84	51.85	55.06	47.26

Source: Finance Accounts for the respective years

* Finance Commission Grants include Post-Devolution Revenue Deficit Grant (₹ 10,249 crore), grants for Local Bodies (₹ 386.26 crore) and Grant-in-Aid for State Disaster Response Fund (₹ 327.20 crore); Grant-in-Aid for State Disaster Mitigation Fund (₹ 81.80 crore).

@ Includes ₹ 1,167.99 crore on account of compensation for loss of revenue arising out of implementation of GST.

In 2021-22, GIA from GoI decreased by ₹ 779.26 crore (4.23 per cent) over the previous year mainly due to less receipts under all components i.e. post-devolution revenue deficit grant, grants to local bodies and State Disaster Response Fund under Finance Commission Grants and towards compensation for loss of revenue arising out of implementation of GST. 58 per cent of the GIA was on account of post-devolution revenue deficit grants. Share of GIA in State's Revenue Receipts ranged between 47 and 55 per cent during 2017-22.

(iii) Finance Commission Grants

Grants under 15th FC were provided to States for local bodies and State Disaster Response Fund. Details of grants provided by GoI to the State during the years 2020-21 and 2021-22 are given in **Table 2.8**.

Table 2.8: Recommended amount, actual release and transfers of Grant-in-aid*(₹ in crore)*

Transfers	Recommendation of the 15 th FC			Actual release by GoI			Release by State Government		
	2020-21	2021-22	Total	2020-21	2021-22	Total	2020-21	2021-22	Total
I. Local Bodies	636.00	473.00	1,109.00	584.25	288.25	872.59	608.82	288.34	897.16
(i) Grants to PRIs	429.00	317.00	746.00	429.00	158.50	587.50	429.00	158.50	587.50
(a) General Basic Grant (Untied)	214.50	126.80	341.30	214.50	63.40	277.90	214.50	63.40	277.90
(b) General Performance Grants (Tied)	214.50	190.20	404.70	214.50	95.10	309.60	214.50	95.10	309.60
(ii) Grants to ULBs	207.00	156.00	363.00	155.25	129.75	285.09	179.82	129.84*	309.66
(a) General Basic Grant	103.50	62.40	165.90	103.50	31.20	134.70	127.98	31.20	159.18
(b) General Performance Grants	103.50	93.60	197.10	51.75	98.55	150.39	51.84	98.64	150.48
2. State Disaster Response Fund**	454.00	363.00	817.00	409.00	327.20	736.20	454.00	363.00	817.00
Grand Total (1+2)	1,090.00	836.00	1,926.00	993.25	615.45	1,608.79	1,062.82	651.34	1,714.16

Source: 15th FC Report and information provided by State Department

* Includes ₹ 0.09 crore accrued interest on account of delay in release of grant

** Includes Central share and State share

- As against the amount of ₹ 317 crore recommended by the 15th FC in respect of PRIs, GoI released ₹ 158.50 crore during 2021-22 and remaining amount of ₹ 158.50 crore was released during 2022-23 and the same was released by GoHP during the same period.
- In respect of ULBs, against the recommended amount of ₹ 156.00 crore, GoI released ₹ 129.75 crore (included ₹ 51.75 crore pertained to the year 2020-21 received in 2021-22) during 2021-22. All the received amount from GoI was released by State Government during 2021-22. The remaining amount of ₹ 78 crore for the year 2021-22 was received from the GoI during 2022-23 and the same was also released by State Government during the same period.

2.3.3 Capital Receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. The trends in growth and composition of capital receipts during the past five years (2017-22) are presented in **Table 2.9**.

Table 2.9: Trends in growth and composition of capital receipts*(₹ in crore)*

Sources of State's Receipts	2017-18	2018-19	2019-20	2020-21	2021-22
Capital Receipts (CR)*	2,174.87	1,784.70	4,169.72	3,917.07	2,300.21
Miscellaneous Capital Receipts	34.82	8.82	2.04	2.88	7.01
Recoveries of Loans and Advances	39.61	21.83	21.04	23.02	40.73
Net Public Debt Receipts	2,100.44	1,754.05	4,146.64	3,891.17*	2,252.47*
Internal Debt	2,097.45	1,771.71	4,164.59	3,390.44	1,457.82
Growth rate of internal debt	-54.73	-15.53	135.06	-18.59	-57.00
Loans and advances from GoI	2.99	-17.66	-17.95	500.73*	794.65*
Growth rate of loans & advances from GoI	-89.08	-690.64	-1.64	2,889.56	58.70
Rate of growth of debt Capital Receipts	-54.93	-16.49	136.40	-6.16	-42.11

Sources of State's Receipts	2017-18	2018-19	2019-20	2020-21	2021-22
Rate of growth of non-debt capital receipts	152.31	-58.82	-24.70	12.22	84.29
Rate of growth of GSDP	10.28	7.10	7.26	-1.56	11.81
Rate of growth of Capital Receipts (<i>per cent</i>)	-53.63	-17.94	133.64	6.06	-41.28

Source: Finance Accounts of the respective years.

* Excludes ₹ 1,717 crore during 2020-21 and ₹ 2,695.22 during 2021-22 as back-to-back loans to State from GoI in lieu of GST compensation shortfall.

In 2021-22, capital receipts (₹ 2,300.21 crore) decreased by ₹ 1,616.86 crore over the previous year (₹ 3,917.07 crore) mainly due to decrease in net internal debt. However, there is an increase of ₹ 293.92 crore under loans and advances from GoI. Public debt receipts have future repayment obligation and these are taken from market, financial institutions and GoI. During the five-year period 2017-18 to 2021-22, 68.25 *per cent* of public debt receipts were utilised for repayment of public debt taken during the period and only the remaining 31.75 *per cent* was utilised for other purposes (*refer Table 2.29*).

2.3.4 State's performance in mobilisation of resources

As the State's share in central taxes and grants-in-aid is determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of resources is assessed in terms of own resources comprising tax and non-tax sources.

The State's actual own tax and non-tax receipts for the year 2021-22 *vis-à-vis* assessment made by 15th FC and MTFPS are given in the **Table 2.10**.

Table 2.10: States own resources: projections *vis-à-vis* actuals

	15 th FC projections	Budget Estimates and MTFPS projection	Actual	Percentage variation of actual over	
				15 th FC projections	Budget estimates and MTFPS projection
Own Tax revenue	9,565	9,282	9,715	1.57	4.66
Non-tax revenue	3,684	2,754	2,612	-29.10	-5.16

(₹ in crore)

The actual collection under State's own tax revenue is 1.57 *per cent* of the projections made by 15th FC and 4.66 *per cent* of the projection in budget estimates / MTFPS. The actual receipts under non-tax revenue were less by 29.10 *per cent* of the projections made by 15th FC and were 5.16 *per cent* less of the projection in budget estimates / MTFPS. Thus, the State Government could not achieve their own target projected in the budget and MTFPS for Non-tax revenue.

2.4 Application of Resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that fiscal corrections/ consolidation processes are not at the cost of expenditure directed towards development. The application of resources is analysed in the succeeding paragraphs with regard to growth and composition of expenditure, revenue expenditure, committed expenditure and financial assistance to local bodies and other institutions.

2.4.1 Growth and composition of expenditure

The expenditure of the State Government can be classified into two categories: Revenue Expenditure and Capital Expenditure.

Revenue Expenditure: Charges on maintenance, repair, upkeep and working expenses which are required to maintain assets in a running order, expenses incurred for the day to day running of the organisation, establishment and administrative expenses are classified as revenue expenditure.

Capital Expenditure: Charges for the first construction of a project, intermediate maintenance of a work while not opened for service, additions and improvements as may be sanctioned under the rules made by competent authority are classified as capital expenditure.

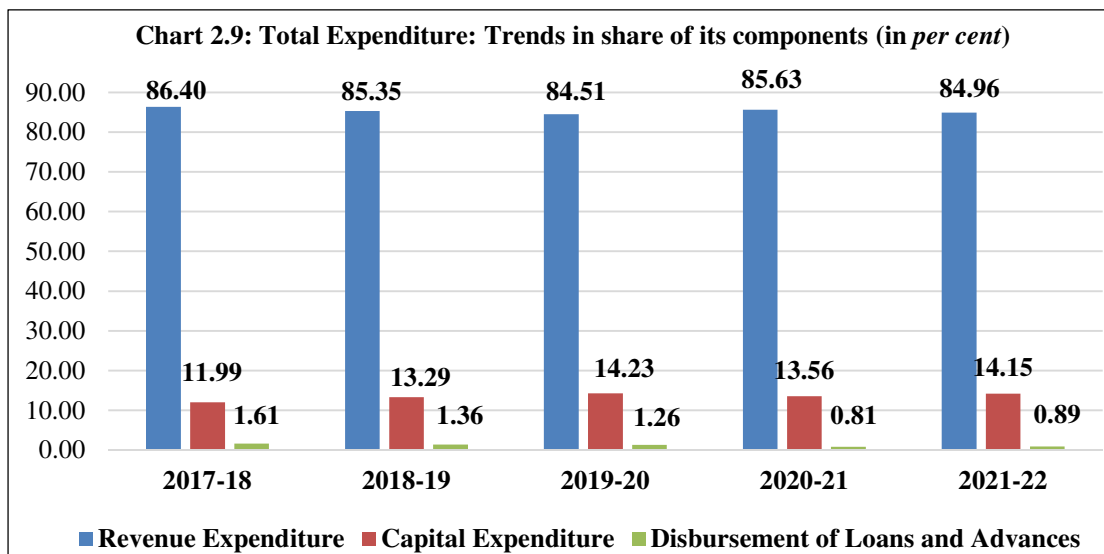
The trend and composition of total expenditure over the last five years (2017-22) is shown in **Table 2.11**.

Table 2.11: Total expenditure and its composition

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	31,311.36	34,493.50	36,362.55	39,164.26	42,601.89
Revenue Expenditure (RE)	27,053.16	29,442.11	30,730.43	33,534.93	36,194.54
Capital Expenditure (CE)	3,755.67	4,583.41	5,173.91	5,309.21	6,029.38
Loans and Advances disbursed	502.53	467.98	458.21	320.12	377.97
GSDP	1,38,551.09	1,48,383.27	1,59,161.70 ^a	1,56,675.06 ^b	1,75,173.31 ^c
TE/GSDP	22.60	23.25	22.85	25.00	24.32
RE/GSDP	19.53	19.84	19.31	21.40	20.66
CE/GSDP	2.71	3.09	3.25	3.39	3.44
Loans and Advances/GSDP	0.36	0.32	0.29	0.20	0.22

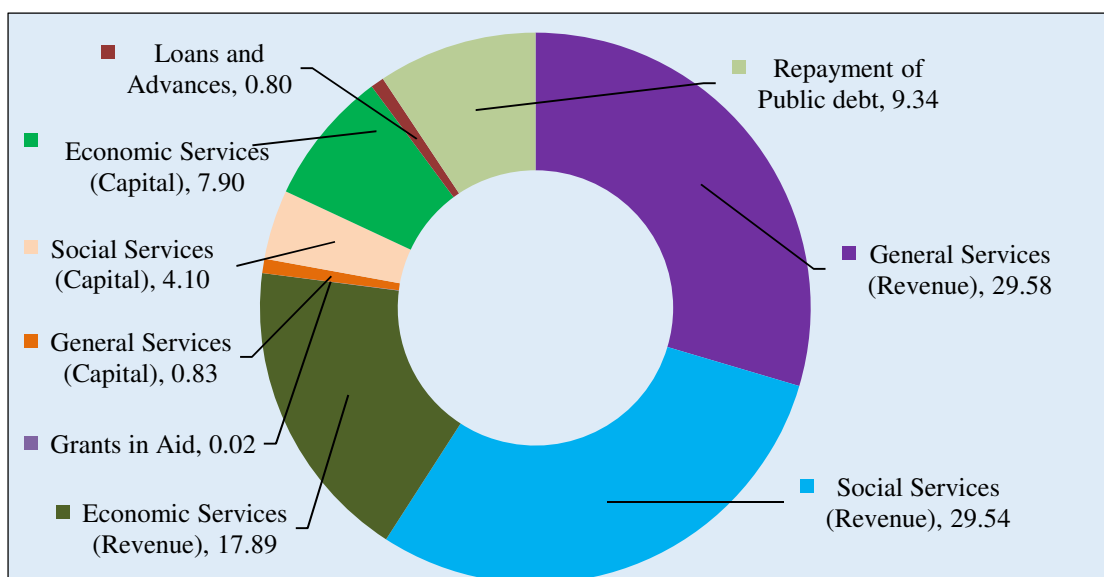
a- Second Revised Estimate, b – First Revised Estimate, c – Advance Estimate.

Total expenditure increased by ₹ 11,290.53 crore (36.06 per cent) over a period of five years (2017-22). During 2021-22, it increased by ₹ 3,437.63 crore (8.78 per cent) over the previous year. As a percentage of GSDP, the total expenditure remained in the range of 22.60 per cent to 25 per cent during 2017-22. Revenue Expenditure increased by 33.79 per cent during 2017-22 while capital expenditure increased by 60.54 per cent during the same period. As depicted in **Chart 2.9**, the share of revenue expenditure in total expenditure ranged from 84.51 to 86.40 per cent during 2017-22. Similarly, the share of capital expenditure in total expenditure increased from 11.99 per cent in 2017-18 to 14.15 per cent in 2021-22. The share of loans and advances disbursed decreased consistently from 1.61 per cent in 2017-18 to 0.82 per cent in 2020-21 and then slightly increased to 0.89 per cent during 2021-22.



In terms of activities, Total Expenditure is composed of expenditure on General Services (including Interest Payments), Social Services, Economic Services and others. Relative share of these components in the Total Expenditure of ₹ 42,601.89 crore along with the component Repayment of Public Debt amounting to ₹ 4,387.28 crore (refer **Appendix-2**) during 2021-22 is given in **Chart 2.10**.

Chart 2.10: Composition of expenditure during 2021-22 (in per cent)

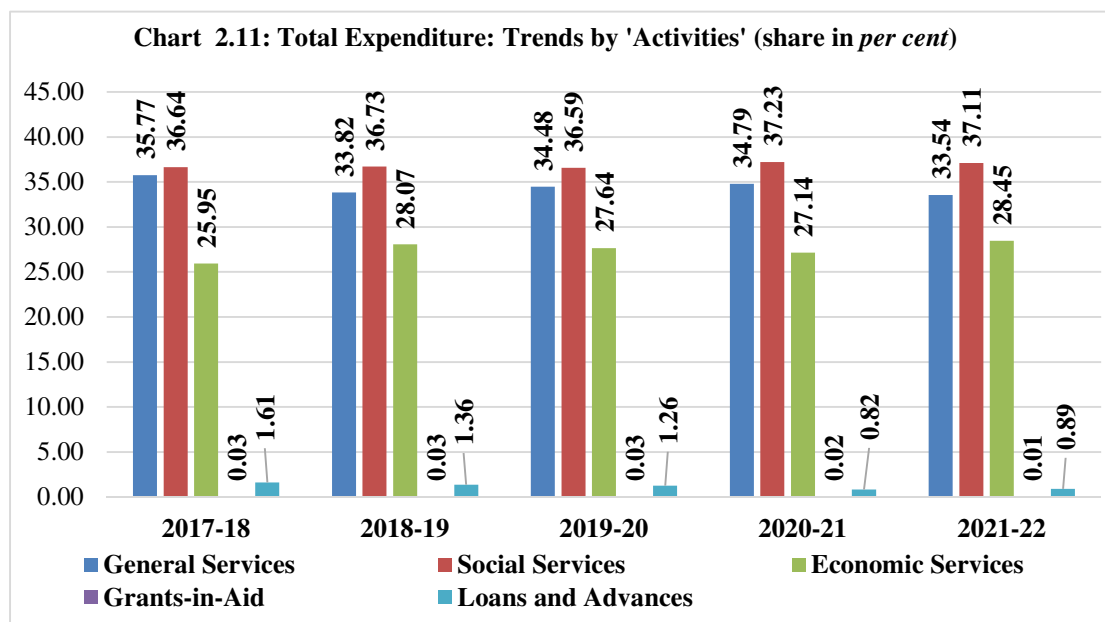


The relative shares of various sectors of expenditure during the period 2017-22 is given in **Table 2.12**.

Table 2.12: Relative share of various sectors of expenditure

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
General Services	35.77	33.82	34.48	34.79	33.54
Social Services	36.64	36.73	36.59	37.23	37.11
Economic Services	25.95	28.07	27.64	27.14	28.45
Others (Grants to Local Bodies and Loans and Advances)	1.64	1.38	1.29	0.84	0.90

Chart-2.11 depicts trends in sectoral components of Total Expenditure for the period 2017-18 to 2021-22.



The trend in relative share of these components of expenditure indicates that the share of General Services, Social Services, and others in the Total Expenditure had minor inter-year variations during the period 2017-18 to 2021-22. Expenditure on General Services (including interest payments) which forms part of non-development expenditure, decreased slightly as a percentage of total expenditure from 34.79 per cent in 2020-21 to 33.54 per cent in 2021-22. Development expenditure *i.e.* expenditure on Social and Economic Services together accounted for 65.56 per cent in 2021-22 against 64.37 per cent in 2020-21. The share of loans and advances remained almost static over the past five years.

2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payments for past obligations. As such, it does not result in any addition to the State's infrastructure and service network. The overall Revenue Expenditure, its rate of growth, its ratio to Total Expenditure and its rate of growth *vis-à-vis* GSDP and Revenue Receipts during the period 2017-22 are indicated in **Table 2.13**.

Table 2.13: Growth of revenue expenditure during 2017-22

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	31,311.36	34,493.50	36,362.55	39,164.25	42,601.89
Revenue Expenditure (RE)	27,053.16	29,442.11	30,730.43	33,534.93	36,194.54
Rate of Growth of RE (per cent)	6.74	8.83	4.38	9.13	7.93
Revenue Expenditure as percentage of TE	86.40	85.36	84.51	85.63	84.96
RE/GSDP (per cent)	19.53	19.84	19.31	21.40	20.66
Revenue Receipts (RR)	27,367.06	30,950.32	30,742.41	33,438.27	37,309.30

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
RE as percentage of RR	98.85	95.13	99.96	100.29	97.01
Rate of Growth of RR (per cent)	4.20	13.09	-0.67	8.77	11.58
GSDP	1,38,551.09	1,48,383.27	1,59,161.70 ^a	1,56,675.06 ^b	1,75,173.31 ^c
Rate of growth of GSDP (per cent)	10.28	7.10	7.26	-1.56	11.81

Source: Finance Accounts of respective years

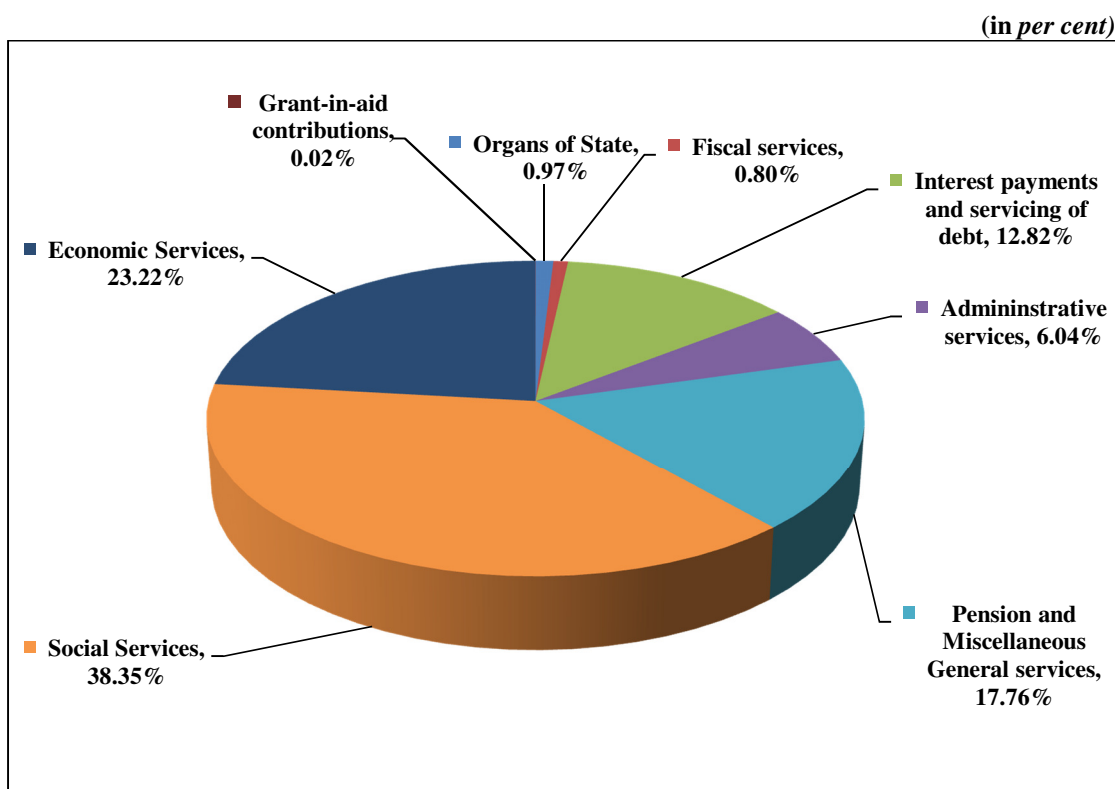
a - Second Revised Estimate, b - First Revised Estimate, c - Advance Estimate.

Revenue expenditure during 2017-22 increased by ₹ 9,141.38 crore (33.79 per cent) at an annual growth rate ranging from four to nine per cent. Rate of growth of Revenue Expenditure has displayed a fluctuating trend over the five-year period 2017-22. Revenue expenditure in 2021-22 (₹ 36,195 crore) increased by ₹ 2,660 crore (7.93 per cent) over 2020-21 (₹ 33,535 crore). The increase was due to increased expenditure under General, Social and Economic services, as detailed in **Para 2.4.2.1**. The percentage of State's revenue receipts and revenue expenditure to GSDP stood at almost the same level i.e. was 21.30 per cent and 20.66 per cent respectively during 2021-22. The State had a revenue surplus of ₹ 1,114.76 crore during 2021-22 which was 0.64 per cent of GSDP.

Revenue expenditure of ₹ 36,194.54 crore in 2021-22 was less than the projections made in Budget and MTFPS (₹ 38,491 crore) and more than the normative assessment of 15th FC (₹ 30,132 crore).

The sectoral distribution of Revenue Expenditure pertaining to 2021-22 is given in **Chart-2.12**.

Chart-2.12: Sector-wise distribution of revenue expenditure during 2021-22



2.4.2.1 Major changes in Revenue Expenditure

Table 2.14 highlights the cases of significant increase or decrease in various Heads of Account in Revenue Expenditure during 2021-22 *vis-à-vis* the previous year.

Table 2.14: Significant variations in Revenue Expenditure during 2021-22 as compared to 2020-21
(₹ in crore)

Major Heads of Account	2020-21	2021-22	Increase (+)/ Decrease (-)
General Services	13,454.24	13,899.76	445.52
2049-Interest Payments	4,472.45	4,640.79	168.34
2059-Public Works	580.59	383.50	-197.09
2071-Pensions and Other Retirement Benefits	6,088.39	6,398.91	310.52
Social Services	12,843.81	13,882.41	1,038.60
2202-General Education	6,228.97	6,592.01	363.04
2210-Medical and Public Health	1,737.23	1,909.17	171.94
2211-Family Welfare	457.79	668.10	210.31
2215-Water Supply and Sanitation	1,095.95	1,210.68	114.73
Economic Services	7,227.49	8,404.66	1,177.17
2801-Power	525.60	1,645.69	1,120.09
2515-Other Rural Development Programmes	917.14	792.20	-124.94
2408-Food Storage and Warehousing	267.28	350.39	83.11

Source: Finance Accounts of the respective years.

Revenue expenditure on General services increased by ₹ 445.52 crore due to increase in expenditure mainly on Interest Payments and Pensions & Other Retirement Benefits. The increase was partly offset by the decrease in Public Works by ₹ 197.09 crore. The expenditure on Social Services increased by ₹ 1,038.60 crore over the previous year due to expenditure mainly on 'Samagra Shiksha Abhiyaan', 'Mid-day meals', etc., under General Education, on 'National Urban/Rural Health Mission', etc., under Family Welfare and Medical & Public Health, etc. The expenditure on Economic Services increased by ₹ 1,177.17 crore over the previous year due to expenditure mainly on 'Compensation to Renukaji Dam Oustees', etc., under Power and 'Procurement of pulses, wheat, rice, sugar, oils and iodised salt on subsidies', etc., under Food Storage and Warehousing. The increase was partly offset by the decrease in Other Rural Development Programmes.

2.4.2.2 Committed expenditure

The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages, and pensions. It has the first charge on Government resources. A high level of committed expenditure leaves the Government with less scope for outlays in development sector.

Table 2.15 presents the trends in the components of committed expenditure during 2017-22, while percentage share of Committed Expenditure in Total Revenue Expenditure is given in **Chart 2.13**.

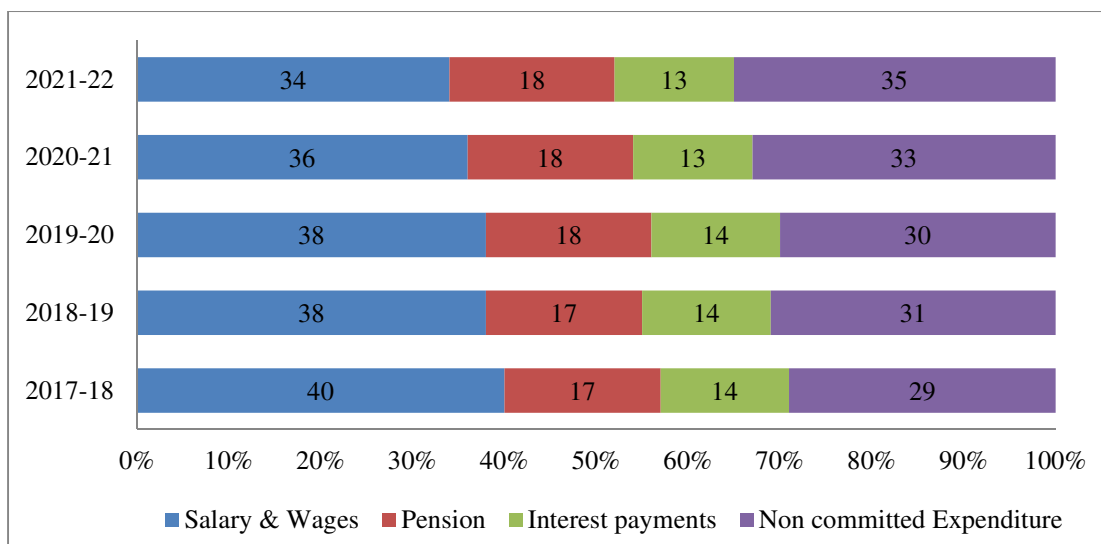
Table 2.15: Components of Committed Expenditure

(₹ in crore)					
Components of Committed Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Salaries & Wages	10,765.83	11,210.42	11,742.23	11,903.67	12,192.52*
Expenditure on Pensions	4,708.85	4,974.77	5,489.75	6,088.39	6,398.91
Interest Payments	3,788.22	4,021.52	4,234.02	4,472.45	4,640.79
Total	19,262.90	20,206.71	21,466.00	22,464.51	23,232.22
As a percentage of Revenue Receipts (RR)					
Salaries & Wages	39.34	36.22	38.20	35.60	32.68
Expenditure on Pensions	17.21	16.07	17.86	18.21	17.15
Interest Payments	13.84	12.99	13.77	13.38	12.44
Total	70.39	65.28	69.83	67.19	62.27
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	39.80	38.08	38.21	35.50	33.69
Expenditure on Pensions	17.41	16.90	17.86	18.16	17.68
Interest Payments	14.00	13.66	13.78	13.34	12.82
Total	71.21	68.64	69.85	66.99	64.19

Source: Finance Accounts of respective years

Salary; ₹ 11,990.28 crore and wages: ₹ 202.24 crore

Chart 2.13: Share of Committed expenditure in total Revenue Expenditure



During 2017-22, there was a consistent rise in committed expenditure of the State. The increase in committed expenditure during 2021-22 over the previous year was ₹ 767.71 crore (3.42 per cent). During the period 2017-18 to 2021-22, it accounted for a dominant share of revenue expenditure (65-71 per cent) and revenue receipts (62-70 per cent), leaving little scope for the Government to spend on developmental activities.

Salaries and Wages: The expenditure on salaries and wages increased by 13.25 per cent from ₹ 10,765.83 crore in 2017-18 to ₹ 12,192.52 crore in 2021-22. During 2021-22, it increased by ₹ 288.85 crore over the previous year and consumed 32.68 per cent of revenue receipts of the State. The expenditure on salaries in the current year (₹ 12,192.52 crore) was within the projections made in Medium Term Fiscal Plan Statement (MTFPS) (₹ 12,704.14 crore).

Interest Payments: Interest payments increased by 22.51 per cent from ₹ 3,788.22 crore in 2017-18 to ₹ 4,640.79 crore in 2021-22. The increase in 2021-22 over the previous year was ₹ 168.34 crore (3.76 per cent). Interest payments consumed 12.44 per cent of revenue receipts and 12.82 per cent of revenue expenditure. Interest payments were less than the projections made in MTFPS (₹ 5,017.57 crore).

Pension Payments: The expenditure on pension payments increased from ₹ 4,708.85 crore in 2017-18 to ₹ 6,398.91 crore in 2021-22 and by ₹ 310.52 crore (5.10 per cent) during the current year over the previous year. During 2021-22, salary and pension payments together accounted for 51.37 per cent of revenue expenditure. The expenditure on pension payments in the current year (₹ 6,398.91 crore) was less than the projected in the MTFPS (₹ 7,082 crore).

2.4.2.3 Undischarged liabilities in National Pension Scheme

The State Government employees recruited on or after 15 May 2003 are covered under the National Pension System (NPS) which is a Defined Contribution Pension Scheme. In terms of the Scheme, the employee contributes 10 per cent of his/her basic pay and dearness allowance, and 14 per cent (w.e.f. 01 April 2019) of basic pay and dearness allowance is contributed by the State Government; and the entire amount is to be transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank.

During the year 2021-22, total contribution to the NPS which is a Defined Contribution Pension Scheme was ₹ 1,133.19 crore (Employees' contribution ₹ 474.41 crore and Government's contribution ₹ 658.75 crore and interest ₹ 0.03 crore). The detailed information on government contribution is available in Statement No. 15 of the Finance Accounts. The Government transferred ₹ 1,126.55 crore (Employees' contribution ₹ 470.17 crore and Government's contribution ₹ 656.38 crore) from Major Head 8342-117-Defined Contribution Pension scheme (Public Account) to NSDL. The Government's contribution to the NPS was less by ₹ 5.42 crore. As of 31st March 2022, balance amount of ₹ 14.30 crore (after taking credit opening balance of ₹ 7.66 crore) in Major Head 8342-117-Defined Contribution Pension scheme for Government employees is yet to be transferred to NSDL. Further, the State Government had neither made provision nor paid interest of ₹ 0.54 crore on NPS balances of ₹ 7.66 crore as of 31 March 2021. Thus, less Government's contribution of ₹ 5.42 crore and non-provision of interest of ₹ 0.54 crore towards NPS balances resulted in overstatement of Revenue surplus and understatement of Fiscal deficit to that extent.

2.4.2.4 Subsidies

The State Government has been paying subsidies to various departments/institutions/bodies/corporations. Expenditure on subsidies increased by ₹ 281.20 crore (31 per cent) from ₹ 906.79 crore in 2017-18 to ₹ 1,187.99 crore in 2021-22. The

amount of subsidies remained between 3.18 *per cent* and 4.15 *per cent* of revenue receipts during the period 2017-22, as detailed in **Table 2.16**.

Table 2.16: Expenditure on subsidies during 2017-22

	2017-18	2018-19	2019-20	2020-21	2021-22
Subsidies (₹ in crore)	906.79	1,282.60	1,067.78	1,240.63	1,187.99
Subsidies as a percentage of Revenue Receipts	3.31	4.15	3.47	3.71	3.18
Subsidies as a percentage of Revenue Expenditure	3.35	4.36	3.49	3.70	3.28

Source: Finance Accounts of respective years

During 2021-22, there was a decrease of ₹ 52.64 crore (4.24 *per cent*) in expenditure on subsidies over the previous year. During the year, subsidies of ₹ 1,187.99 crore were paid which consumed about 3 *per cent* of both revenue receipts and revenue expenditure. Major recipients of subsidies were Energy (₹ 419.99 crore or 35.35 *per cent*), Food and Supply (₹ 314.53 crore or 26.48 *per cent*), Transport (₹ 171.20 crore or 14.41 *per cent*), Agriculture (₹ 87.73 crore or 7.38 *per cent*) and Horticulture (₹ 101.23 crore or 8.52 *per cent*). The total subsidy released by the Government during the year was slightly higher than the projection made in the MTFPS (₹ 1,081.12 crore).

2.4.2.5 Financial assistance by the State Government to Local Bodies and Other Institutions

Financial assistance is provided by the State Government to Local bodies and other institutions by way of grants and loans. The quantum of assistance provided by way of grants to local bodies and other institutions during the period 2017-18 to 2021-22 is presented in **Table 2.17**.

Table 2.17: Financial Assistance to Local Bodies etc.

	(₹ in crore)				
Financial Assistance to Institutions	2017-18	2018-19	2019-20	2020-21	2021-22
Local Bodies					
Municipal Corporations and Municipalities	249.31	487.99	456.22	814.58	800.71
Panchayati Raj Institutions	781.21	1,026.07	1,053.39	1,176.07	1,148.28
Total (A)	1,030.52	1,514.06	1,509.61	1,990.65	1,948.99
Others					
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	905.15	951.22	1,020.83	944.59	1,031.74
Development Authorities	111.07	143.68	99.16	238.37	331.69
Hospitals and Other Charitable Institutions	343.87	337.38	439.71	458.23	673.60
Other Institutions	504.85	687.61	437.17	931.27	994.78
Total (B)	1,864.94	2,119.89	1,996.87	2,572.46	3,031.81
Total (A+B)	2,895.46	3,633.95	3,506.48	4,563.11	4,980.80
Revenue Expenditure	27,053.16	29,442.11	30,730.43	33,534.93	36,194.54
Assistance as percentage of Revenue Expenditure	10.70	12.34	11.41	13.61	13.76

Source: Finance Accounts and information received from PAG (A&E)

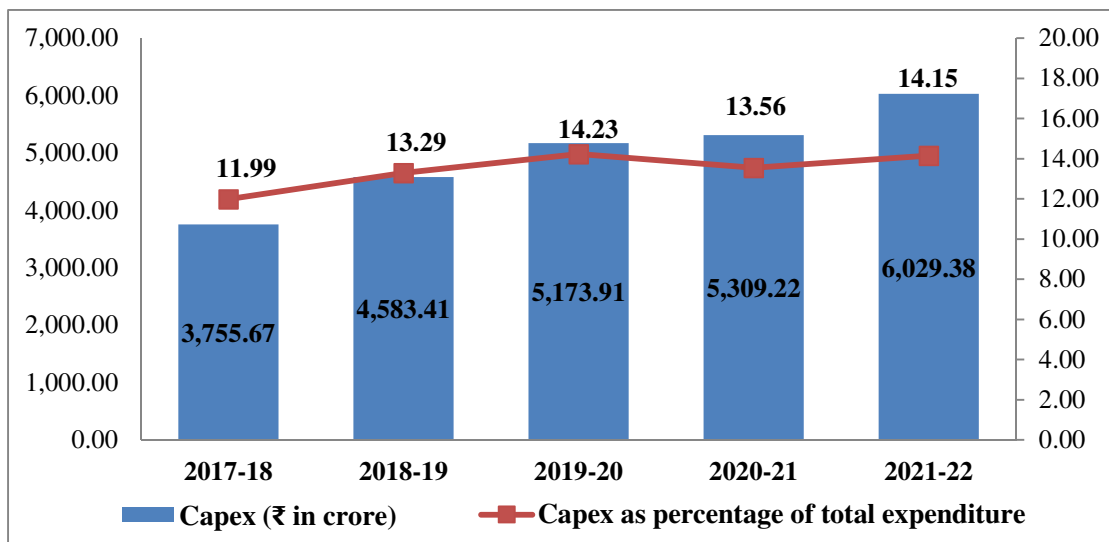
Table 2.17 indicates that the financial assistance to local bodies and other institutions increased by ₹ 2,085.34 crore (72.02 per cent) from ₹ 2,895.46 crore in 2017-18 to ₹ 4,980.80 crore in 2021-22, constituting 13.76 per cent of the revenue expenditure during the year.

There was an increase of ₹ 417.69 crore (9.15 per cent) in the total quantum of assistance in the current year as compared with the previous year. Except in the case of Local Bodies (Municipal Corporations and Municipalities and Panchayati Raj Institutions), the assistance provided by the State Government during the year 2021-22 was more than the previous year. Amongst the various recipients, Municipal Corporations, Municipalities and Panchayati Raj Institutions (Local Bodies) together accounted for 39.13 per cent of the total financial assistance during the current year. During the year 2021-22, the assistance provided by the State Government to Local bodies decreased by ₹ 41.66 crore (two per cent), while assistance to other bodies increased by 459.35 crore (18 per cent) over the previous year.

2.4.3 Capital Expenditure

Capital Expenditure (Capex) is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings, etc. The trend in Capital Expenditure as percentage of Total Expenditure for the period 2017-22 is given in **Chart 2.14**.

Chart 2.14: Trend of Capital Expenditure as per cent of Total Expenditure during 2017-22



There was a trend of sustained growth in capital expenditure during the last five years. It increased by ₹ 2,273.71 crore (60.54 per cent) during 2017-22. During 2021-22, capital expenditure (₹ 6,029.38 crore) increased by ₹ 720.16 crore (13.56 per cent) over the previous year 2020-21 (₹ 5,309.22 crore). It constituted 14.15 per cent of total expenditure as compared to the previous year (13.56 per cent).

2.4.3.1 Major changes in Capital Expenditure

Table 2.18 highlights cases of significant increase or decrease in various Heads of Account in Capital Expenditure during 2021-22 *vis-à-vis* the previous year.

Table 2.18: Variation in Capital Expenditure during 2021-22 compared to 2020-21

(₹ in crore)			
Major Heads of Accounts	2020-21	2021-22	Increase (+)/ Decrease (-)
Capital Expenditure	5,309.22	6,029.38	720.16
General Services	169.54	389.63	220.09
4059-Capital Outlay on Public Works	115.69	274.33	158.64
Social Services	1,736.19	1,925.31	189.12
4202-Capital Outlay on Education, Sports, Art and Culture	355.54	488.72	133.18
4217-Capital Outlay on Urban Development-	29.06	61.48	32.42
Economic Services	3,403.49	3,714.44	310.95
5475-Capital Outlay on other General Economic Services	147.17	330.51	183.34
5055-Capital Outlay on Road Transport	85.99	205.93	119.94
5002-Capital Outlay on Indian Railways-Commercial Lines-	100.00	213.00	113.00
4851-Capital Outlay on Village and Small Industries	17.27	122.73	105.46
5054-Capital Outlay on Roads and Bridges	2,315.55	2,162.98	-152.57

It can be seen from the above table that capital expenditure increased by ₹ 720.16 crore during 2021-22 over the previous year. This was mainly due to increased expenditure on Public Works (General Services), on construction of school buildings, etc., under Education Sports Art and Culture (Social Services) and on 'MLA Local Area Development Fund Scheme', 'Local District Planning Vikas Main Jan Sahyog', etc., under Other General Economic Services, in 'Investment in Himachal Road Transport Corporation', 'construction of bus stands', etc., under Transport, on construction of Indian Railways-Commercial Lines and on 'Development of Industrial Area / Estate', construction of buildings/centres, etc., under Village and Small Industries (Economic Services). This was partially offset by the reduction in expenditure on Roads and Bridges.

(i) Investments and Returns

As of 31 March 2022, the Government had invested ₹ 4,913 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (Table 2.19). The average return on these investments was 5.31 per cent in the last five years while the Government paid an average interest rate of 7.84 per cent on its borrowings during 2017-22. One company (Satluj Jal Vidyut Nigam Limited) contributed more than 98 per cent of the total returns.

Table 2.19: Details of Investment and return on Investments

Investment/ Return/ cost of Borrowing	2017-18	2018-19	2019-20	2020-21	2021-22
Investments at the end of the year (₹ in crore)	3,532.97	3,848.83	4,261.06	4,562.40	4,913.00
Return (₹ in crore)	255.58	181.91	248.44	245.43	166.53
Return (per cent)	7.23	4.73	5.83	5.38	3.39
Average rate of interest on government borrowings (per cent)	8.41	8.32	7.98	7.44	7.03
Difference between interest rate and return (per cent)	1.18	3.59	2.15	2.06	3.64
Notional loss due to difference between interest on Government borrowings and return on investment (₹ in crore) #	41.69	138.17	91.61	93.99	178.83

Source: Finance Accounts

Investment at the end of year x Difference between interest rate and return

Out of total investment of ₹ 4,913 crore, investment of ₹ 4,337.21 crore (88.28 per cent) was in five³ companies.

The financial performance / position of the State Public Sector Enterprises (SPSEs) i.e., Government companies, Government controlled other companies and Statutory Corporations has been discussed in detail in Chapter-V of this Report.

(ii) Resource availability of the State under Public Private Partnership Projects

Public Private Partnership (PPP) is an arrangement between the government or statutory entity and a private sector entity to provide a partnership framework to meet the demand for infrastructure development. As on 31 March 2022, sector-wise details of completed, ongoing and planned PPP projects is given in **Table 2.20**:

Table 2.20: Sector-wise details of PPP Projects

Sr. No.	Sector	Completed		Ongoing		Planned	
		Number	Estimated Cost	Number	Estimated Cost	Number	Estimated Cost
1.	Urban Infrastructure	9	151.00	15	1,213	05	0
2.	Energy	33	13,851.98	11	1,575.38	49	5,278.57
3.	Social	04	115.00	00	0	00	00
4.	Tourism	03	201.57	03	723.43	01	278.46
5.	Others	00	00	01	13	00	00
Total		49	14,319.55	30	3,524.81	55	5,557.03

(₹ in crore)

(iii) Capital blocked in incomplete projects

An assessment of trends in capital blocked in incomplete capital works indicates quality of capital expenditure. Blocking of funds in incomplete projects / works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years leads to the extra burden of servicing debt and interest liabilities.

As per Appendix-IX of Finance Accounts of the State for the year 2021-22, there were 74 incomplete / ongoing projects (as per information provided by some divisions) in Public Works and Irrigation departments as on 31 March 2022. Age profile and department-wise profile of incomplete projects as on 31 March 2022 is given in **Table 2.21** and **Table 2.22**.

Table 2.21: Age profile of incomplete capital works as on 31 March 2022

(₹ in crore)

Year of Commencement	No. of incomplete capital works	Estimated cost/ Revised cost	Expenditure (as on 31 March 2022)
1995	1	8.52	5.07
1996	1	5.62	9.40
1998	1	4.55	26.81
2000	1	8.76	6.39

³ Satluj Jal Vidyut Nigam Ltd. (₹ 1,098.14 crore), Himachal Pradesh Power Transmission Corporation Ltd. (₹ 414.50 crore), Himachal Pradesh Power Corporation (₹ 935.86 crore), Himachal Pradesh State Electricity Board Ltd. (₹ 844.64 crore) and Himachal Road Transport Corporation (₹ 1,044.07 crore).

Year of Commencement	No. of incomplete capital works	Estimated cost/ Revised cost	Expenditure (as on 31 March 2022)
2003	1	9.28	25.03
2004	1	51.46	71.51
2005	1	5.45	10.14
2007	2	12.96	17.7
2008	1	2.15	0.71
2009	1	6.09	6.23
2011	3	67.88	66.38
2012	2	129.70	61.98
2013	7	90.32	71.26
2014	4	295.88	284.58
2015	14	68.55	37.96
2016	10	189.1	153.14
2017	9	94.92	40.65
2018	12	76.78	69.28
2019	2	6.99	3.69
Total	74	1,135.00	967.92

Source: Finance Accounts

Table 2.22: Department-wise profile of incomplete capital works as on 31 March 2022

(₹ in crore)

Department	No. of incomplete capital works	Estimated cost	Expenditure
Irrigation and Public Health (Jal Shakti)	39	871.75	802.04
Public Works (B&R)	35	263.25	165.88
Total	74	1,135.00	967.92

Source: Finance Accounts

Effective steps need to be taken to complete these projects without further delay to avoid cost overruns due to lapse of time.

2.4.3.2 Loans and advances by State Government

In addition to investment in Co-operative societies, Corporations and Companies, State Government has also provided loans and advances to many institutions/ organisations. **Table 2.23** presents the outstanding loans and advances as on 31 March 2022 along with interest receipts *vis-à-vis* interest payments during the five-year period from 2017-18 to 2021-22.

Table 2.23: Details of quantum of loans disbursed and recovered during 2017-22

(₹ in crore)

Quantum of loans/interest receipts/ cost of borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
Opening Balance of the loans outstanding*	6,044.27	6,507.18	6,953.33	7,390.49	7,687.59
Amount advanced during the year	502.53	467.98	458.21	320.12	377.97
Amount recovered during the year	39.62	21.83	21.03	23.02	40.73
Closing Balance of the loans outstanding*	6,507.18	6,953.33	7,390.49	7,687.59	8,024.83
Net addition	462.91	446.15	437.17	297.09	337.24
Interest Received	255.59	272.15	135.11	248.98	97.72
Interest rate on Loans and Advances given by the Government (<i>per cent</i>)	4.23	4.18	1.94	3.37	1.24
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the previous year (<i>per cent</i>)	8.02	7.88	7.80	7.19	6.52
Difference between the rate of interest paid and interest received (<i>per cent</i>)	3.79	3.70	5.86	3.82	5.28

Source: Finance Accounts

* From 2016-17 onwards, closing and opening balance includes ₹ 2,890.50 crore loan extended to DISCOM under UDAY Scheme.

The total amount of outstanding loans and advances as on 31 March 2022 was ₹ 8,024.83 crore. An amount of ₹ 377.97 crore was advanced to various entities during 2021-22, out of which, within Economic Services, the major recipient was Power Sector ₹ 370.40 crore (98 per cent).

The amount of ₹ 40.73 crore recovered in current year (2021-22) was the highest quantum of recovery of loans and advances after 2017-18 in the last five years. It was mainly due to repayment of loans and advances from Cooperation Department (₹ 34.88 crore). Interest receipts on loans and advances remained almost static during the last five years (2017-22) except for a sharp decrease in 2019-20 due to non-receiving of interest installment from Himachal Pradesh State Electricity Board on account of UDAY. The poor recovery of loans and advances highlights the need to review the recovery mechanism by the State Government.

Scrutiny of the total outstanding loans revealed that there was no repayment of loans by various public sector undertakings under Power Projects and Industries and Minerals over the last five years (up to March 2022), and yet additional loans had been extended to them. Thus, the overall outstanding balance has increased over the years.

2.4.4 Expenditure priorities

Enhancing human development levels requires the States to step up expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) can be said to be attached to a particular sector if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the better the quality of expenditure.

Table-2.24 analyses expenditure priorities of the State Government in comparison with North Eastern & Himalayan (NE & H) States, with regard to aggregate expenditure, expenditure on Education and Health Sectors and Capital Expenditure during 2021-22, taking 2017-18 as base year.

Table-2.24: Expenditure priority of the State in 2017-18 and 2021-22

(In per cent)

Fiscal priority of the State	TE/ GSDP	SSE/ TE	ESE/ TE	DE/ TE	CE/ TE	Education/ TE	Health/ TE
Average (ratio) in 2017-18 of							
North Eastern & Himalayan (NE & H) States	26.07	34.98	29.17	64.15	16.10	17.56	6.22
Himachal Pradesh	22.60	36.66	27.52	64.18	11.99	19.30	6.41
Average (ratio) in 2021-22 of							
North Eastern & Himalayan (NE & H) States	27.56	35.55	27.01	62.56	17.46	15.95	7.25
Himachal Pradesh	24.32	37.11	29.33	66.43	14.15	16.90	6.74

Note: TE-Total expenditure, SSE-Social Sector Expenditure, ESE-Economic Sector Expenditure, DE-Development Expenditure and CE-Capital Expenditure

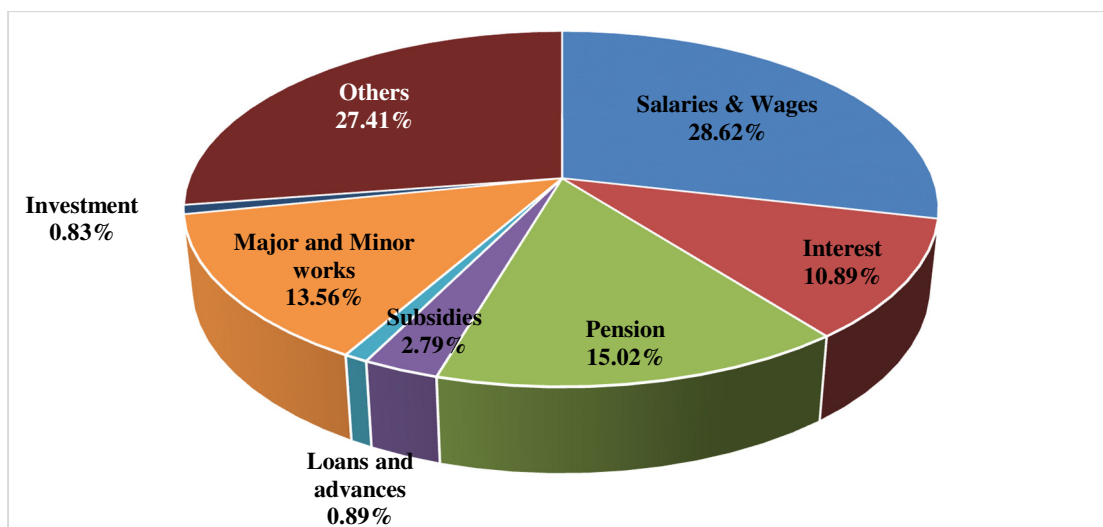
- As can be seen from the above table, ratio of development expenditure to total expenditure of Himachal Pradesh as compared to North Eastern & Himalayan States is almost same in 2017-18, whereas in 2021-22 it is on the higher side.

- During 2017-18 and 2021-22, the ratio of capital expenditure of Himachal Pradesh remained below the NE&H States.
- Total expenditure as a ratio of GSDP of the State was less than that NE&H States during 2017-18 and 2021-22.
- During 2021-22, the ratio of Education to total expenditure is higher than NE & H States, while ratio of Health to total expenditure was below than that of the NE&H States.

2.4.5 Object head-wise expenditure

Object head-wise expenditure gives information about the object/ purpose of the expenditure. Details of object head-wise expenditure are provided in the **Chart-2.15**.

Chart-2.15: Object head-wise expenditure (in percentage)



2.5 Public Account

Receipts and disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use.

2.5.1 Net Public Account Balances

The component-wise net balances in the Public Account of the State as at the end of March 2022 are given in **Table 2.25**.

Table 2.25: Component-wise net balances in Public Account as of 31 March 2022

		(₹ in crore)				
Sector	Sub Sector	2017-18	2018-19	2019-20	2020-21	2021-22
I.-Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	13,236.38	14,349.53	15,537.13	16,522.64	17,006.28
	Total (I)	13,236.38	14,349.53	15,537.13	16,522.64	17,006.28
J.-Reserve Funds	(a) Reserve Funds bearing Interest	8.48	1.00	1,887.65	1,882.54	1,657.90
	(b) Reserve Funds not bearing Interest	316.54	316.60	834.66	834.66	316.00
	Total (J):	325.02	317.60	2,722.31	2,717.20	1,973.90

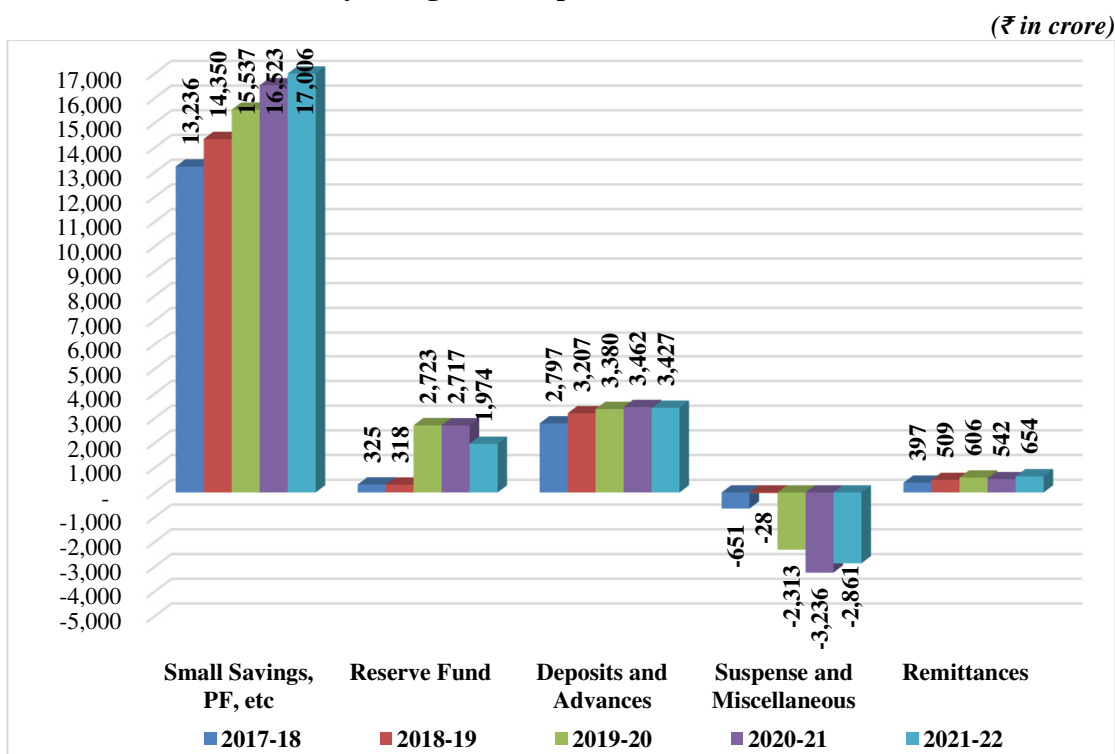
Sector	Sub Sector	2017-18	2018-19	2019-20	2020-21	2021-22
K.-Deposits and Advances	(a) Deposits bearing Interest	-0.89	-1.41	-1.64	7.66	14.30
	(b) Deposits not bearing Interest	2,799.09	3,208.52	3,382.45	3454.50	3,412.87
	(c) Advances	-0.53	-0.53	-0.51	-0.51	-0.51
	Total (K):	2,797.67	3,206.58	3,380.30	3,461.65	3,426.66
L.-Suspense and Miscellaneous	(a) Suspense	73.04	74.12	-1,330.44	-1,539.83	-292.98
	(b) Other Accounts	-723.54	-101.91	-982.25	-1,696.28	-2,568.27
	(c) Accounts with Governments of Foreign Countries	0	0	0	0	0
	(d) Miscellaneous	0	0	0	0	0
	Total (L):	-650.50	-27.79	-2,312.69	-3,236.11	-2,861.25
M.-Remittances	(a) Money Orders, and other Remittances	398.45	509.19	612.45	546.02	653.51
	(b) Inter-Governmental Adjustment Account	-1.21	0.31	-6.16	-4.11	-0.01
	Total (M):	397.24	509.50	606.29	541.91	653.50
Grand Total		16,105.81	18,355.42	19,933.34	20,007.29	20,199.09

Source: Finance Accounts of the respective years

Note: -ve denotes debit balance and +ve denotes credit balances

The yearly changes in composition of balances in the Public Account over the five-year period 2017-22 are given in **Chart 2.16**.

Chart 2.16: Yearly changes in composition of Public Account balances



Source: Finance Accounts of respective years

It can be seen from the above **Table 2.25** that the Net Public Account balances increased consistently during the period 2017-18 to 2021-22. It increased by ₹ 4,093.28 crore from ₹ 16,105.81 crore in 2017-18 to ₹ 20,199.09 crore during 2021-22.

The closing balance under the Public Account increased marginally by ₹ 191.80 crore (credit) (0.96 per cent) from ₹ 20,007.29 crore in 2020-21 to ₹ 20,199.09 crore in 2021-22. The marginal increase during 2021-22 as compared to the previous year was due to increase in credit balances under the heads of Small Savings (₹ 483.64 crore) and Remittances (₹ 111.59 crore) and changes in debit balances under Suspense and Miscellaneous (₹ 374.86 crore) which was offset by decrease in credit balances under the heads Reserve Funds (₹ 743.30 crore) and Deposits and Advances (₹ 34.99 crore).

2.5.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account. These funds are met from contributions or grants from the Consolidated Fund of the State.

Details of Reserve Funds are available in **Statements 21 and 22** of the Finance Accounts. There were five Reserve Funds (two Reserve Funds bearing Interest and three Reserve Funds not bearing Interest) earmarked for specific purposes. The interest on balances of Reserve Funds bearing Interest is paid by the Government if the same are not invested, while in the case of Reserve Funds not bearing Interest, balances are invested in Government Securities/Treasury Bills under the administration of Central Accounts Section of the Reserve Bank of India at Nagpur. The fund balances lying in various Reserve Funds (bearing Interest and not bearing Interest) as on 31 March 2022 are given in **Table 2.26**.

Table 2.26: Details of Reserve Fund

		(₹ in crore)
Sr. No.	Name of Reserve Fund	Balance as on 31 March 2022
A	Reserve Funds bearing Interest	1,657.90
1	State Disaster Response Fund	49.79
2	State Compensatory Afforestation Fund	1,608.11
B	Reserve Funds not bearing Interest	316.00
1	Industrial Development Funds	0.16
2	Electricity Development Funds	315.52
3	National Disaster Response Fund	0.32
	Grand Total	1,973.90

Source: Finance Accounts

Out of the above, two Reserve Funds not bearing Interest i.e., Industrial Development Funds and Electricity Development Funds had remained inoperative for at least four years. The State Government is yet to close these inoperative Reserve Funds and transfer the balances to the Consolidated Fund of the State.

2.5.2.1 Consolidated Sinking Fund

In terms of the recommendations of the Twelfth Finance Commission, State Governments were required to create Consolidated Sinking Fund to be administered by the Reserve Bank of India for redemption of outstanding liabilities. As per model Consolidated Sinking Fund scheme, circulated by RBI's guidelines of 2006 for voluntary adoption by the States, the State Government was to make minimum annual contributions to the Fund at the rate of 0.5 per cent of the outstanding liabilities at the end of the previous financial year.

As per the above directions, by the end of the year 2021-22 the State Government was required to contribute 0.5 per cent of the outstanding liabilities as on 31 March 2021. The outstanding liabilities of the State Government, as of 31 March 2021, were ₹ 67,164.75 crore. Thus, the State Government would have been required to contribute a minimum amount of ₹ 335.82 crore (0.5 per cent of ₹ 67,164.75 crore) in 2021-22 towards the fund.

However, the State Government had not created the Consolidated Sinking Fund so far. Consequently, the liability of the State Government towards the fund since its inception was ₹ 335.82 crore.

2.5.2.2 State Disaster Response Fund

The Government of India (GoI) replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 1 April 2010. In terms of the guidelines of SDRF (September 2010, July 2015 and January 2022), the Centre and the State Governments were contributing to the Fund in the proportion of 90:10. The contributions are to be transferred under the Public Account to Major Head – 8121. Expenditure during the year is incurred by operating Major Head – 2245.

The State Governments are required to pay interest to the SDRF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half yearly basis. The accretions to the SDRF together with the income earned on the investment of SDRF is to be invested in Central Government dated Securities, auctioned Treasury Bills and other interest earning deposits with Scheduled Commercial Banks.

The SDRF is to be used only for meeting the expenditure for providing immediate relief to the victims of a disaster and the provision for disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF. Such expenditure has to be built into the normal budgetary heads/State Plan Funds, etc.

As per Finance Accounts, as on 1 April 2021, an amount of ₹ 233.81 crore was lying in the SDRF. During the year 2021-22, ₹ 363.00 crore (Central share: ₹ 327.20 crore, State share: ₹ 35.80 crore) were transferred to the SDRF under Major Head 8121-122. Out of total amount of ₹ 596.81 crore, ₹ 547.02 crore was disbursed/ utilised during the current year leaving a balance of ₹ 49.79 crore at the end of the year. The entire balance of ₹ 49.79 crore was lying un-invested in SDRF as on 31 March 2022, in violation of GoI guidelines *ibid*.

The balances of 31 March 2021 of ₹ 7.88 crore under SDRF were also not invested by the State Government. Interest of ₹ 0.47 crore would have been earned had these balances been invested, which resulted in understatement of Revenue surplus and Fiscal deficit to that extent. Details of expenditure charged to SDRF during 2021-22 are given **Table 2.27**.

Table 2.27: Details of expenditure charged to SDRF during 2021-22

		(₹ in crore)
Major Head of Account	Minor Head of Account	Expenditure
2245- Relief on Account of Natural Calamities	101-Gratuitous Relief	114.96
	102-Drinking Water Supply	3.33
	104-Supply of Fodder	1.11

Major Head of Account	Minor Head of Account	Expenditure
02- Floods, Cyclones, etc.	106-Repairs and restoration of damaged roads and bridges	376.18
	109- Repairs and restoration of damaged water supply, drainage and sewerage works	204.50
	111-Ex-gratia payments to bereaved families	165.81
	113-Assistance for repairs/ reconstruction of Houses	19.77
	1193-Assistance to Local Bodies and other non-Government Bodies/Institutions	124.70
	Total	1,010.36
2245- Relief on Account of Natural Calamities	901- Deduct - Amount met from State Disaster Response Fund	(-) 1,065.68
05-State Disaster Response Fund		
	Expenditure charged to SDRF in violation of SDRF guidelines	950.72

Source: Finance Accounts

As per the SDRF guidelines, only the amount booked under 2245-02-101 is admissible expenditure to be met from SDRF. Hence, expenditure of ₹ 950.72 crore out of ₹ 1,065.68 crore met from SDRF was in contravention of the guidelines. This led to understatement of revenue expenditure to the extent of ₹ 950.72 crore during 2021-22 with consequent impact on revenue deficit and fiscal deficit of the State.

2.5.2.3 Guarantee Redemption Fund

Guarantee Redemption Fund is to be constituted for meeting payment obligations arising out of guarantees issued by the Government in respect of bonds and other borrowings by State Public Sector Undertakings or other Bodies and invoked by beneficiaries. The accumulations in the Fund are to be utilised only towards payment of guarantees issued by the Government and not paid by the institutions on whose behalf guarantee was issued. The Reserve Bank of India circulated a draft scheme for voluntary adoption by States, as per which the State Government was to contribute an amount equivalent to at least 0.5 per cent of the outstanding guarantees at the end of the second financial year preceding the current financial year as reflected in the books of accounts maintained by the Pr. Accountant General (A&E). The State Government, however, had not set up a Guarantee Redemption Fund so far.

2.5.2.4 State Compensatory Afforestation Fund

State Compensatory Afforestation Fund (SCAF) was required to be created for administering amounts received and utilising monies collected for undertaking compensatory afforestation, assisted natural regeneration, conservation and protection of forests, infrastructure development, wildlife conservation and protection and other related activities and for matters connected therewith or incidental thereto. Detailed guidelines for accounting under this Fund have been issued by Ministry of Environment, Forest and Climate Change, Government of India in November 2018.

During the year 2021-22, the State Government did not receive any amount either from the user agencies or from National Compensatory Afforestation Deposit. Out of the progressive balance of ₹ 1,702.88 crore (Opening balance: ₹ 1,648.73 crore + interest credited during the year: ₹ 54.15 crore), only ₹ 94.77 crore was disbursed during 2021-22, leaving ₹ 1,608.11 crore unutilised under this head at the end of 2021-22. This

amount is booked under the Head-8121-129-State Compensatory Afforestation Fund in Public Account.

2.5.3 Suspense and Miscellaneous

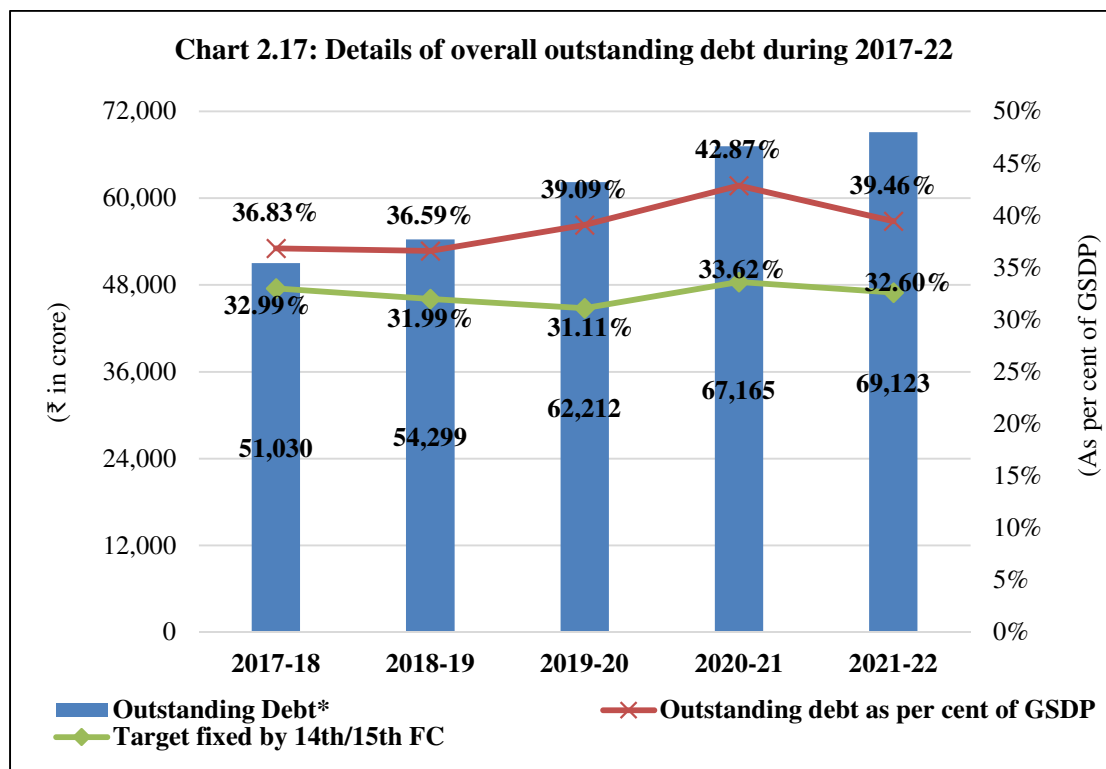
During 2021-22, an amount of ₹ 78.74 crore (Revenue Expenditure ₹ 74.28 crore and Capital Expenditure ₹ 4.46 crore) has been kept in Suspense Account in the books of the Principal Accountant General (A&E) due to non-furnishing of sub-vouchers, sanction orders and other required documents. Thus, the said amount has not been taken into account as Revenue expenditure/Capital expenditure in the Finance Accounts and actual expenditure in the Appropriation Accounts against the budget provisions for the year 2021-22.

Further, out of OB Suspense of ₹ 1,601.42 crore (2019-20: ₹ 1,373.77 crore and 2020-21: ₹ 227.65 crore) which had been objected and kept under OB Suspense during 2019-20 and 2020-21, an amount of ₹ 1,190.78 crore (2019-20: ₹ 1,183.76 crore and 2020-21: ₹ 7.02 crore) has been cleared during 2021-22.

2.6 Debt management

Debt management is the process of establishing and executing a strategy for managing the Government's debt in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or budget announcements.

The year-wise position of overall debt for the period 2017-18 to 2021-22 is given in the **Chart 2.17** below:



* Total outstanding debt/liabilities and ratio of total outstanding debt to GSDP excludes ₹ 1,717 crore for the year 2020-21 and ₹ 4,412.22 crore (2020-21: ₹ 1,717 crore and 2021-22: ₹ 2,695.22 crore) for the year 2021-22 as back-to-back loans to State from GoI in lieu of GST compensation shortfall.

2.6.1 Debt profile: Components

Total debt of the State Government consists of Internal Debt of the State (Market Loans, Ways and Means Advances from RBI, Special Securities issued to National Small Savings Fund and Loans from Financial Institutions, etc.), Loans and Advances from the Central Government, and Public Account Liabilities. The outstanding fiscal liabilities of the State for the year 2021-22 are presented in **Chart 2.18**. The component-wise debt trends of the State for the five-year period from 2017-18 to 2021-22 are shown in **Table 2.28**.

Table 2.28: Component-wise debt trends

		(₹ in crore)					
		2017-18	2018-19	2019-20	2020-21	2021-22	
Overall Outstanding Debt as of 31 March 2022 (1+2)		51,030.51	54,299.19	62,211.84	67,164.75*	69,122.58*	
1.	Public Debt	<i>(a) Internal Debt</i>	33,591.47	35,363.18	39,527.77	42,918.21	44,376.03
		<i>(b) Loans from GoI</i>	1,079.43	1,061.77	1,043.81	1,544.54*	2,339.19*
2.	Public Account Liabilities	16,359.61	17,874.24	21,640.26	22,702.00	22,407.36	
	<i>Small Savings, Provident Funds, etc.</i>	13,236.38	14,349.53	15,537.13	16,522.64	17,006.28	
	<i>Reserve Funds bearing Interest</i>	8.48	1.00	1,887.65	1,882.54	1,657.90	
	<i>Reserve Funds not bearing Interest</i>	316.54	316.60	834.66	834.66	316.00	
	<i>Deposits bearing Interest</i>	-0.88	-1.41	-1.63	7.66	14.30	
	<i>Deposits not bearing Interest</i>	2,799.09	3,208.52	3,382.45	3454.50	3,412.88	
3.	Rate of growth of overall outstanding debt (percentage)	8.01	6.41	14.57	7.96	2.91	
4.	Gross State Domestic Product (GSDP)	1,38,551.09	1,48,383.27	1,59,161.70 ^a	1,56,675.06 ^b	1,75,173.31 ^c	
5.	Overall Debt/GSDP (per cent)	36.83	36.59	39.09	42.87*	39.46*	
6.	Public Debt Receipts**	5,600.29	6,427.41	10,847.39	15,032.21**	6,639.75**	
7.	Public Debt Repayments	3,499.85	4,673.34	6,700.75	11,141.05	4,387.28	
8.	Public Debt Available (6-7)	2,100.44	1,754.07	4,146.64	3,891.16	2,252.47	
9.	Public Debt Repayments/ Receipts (percentage) (7/8)	62.49	72.71	61.77	74.11	66.08	
10.	Net Public Account Receipts	1,686.04	1,514.64	2,457.90	787.97	- 294.64	
11.	Total Debt Available (8+10)	3,786.48	3,268.71	6,604.54	4,679.13	1,957.83	

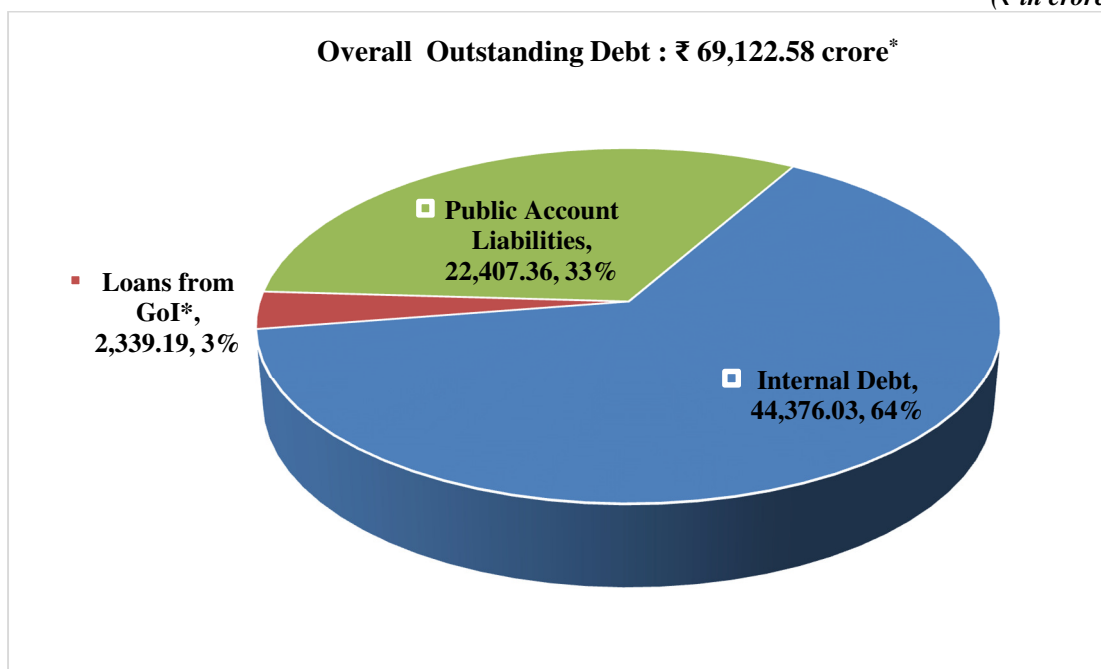
Source: Finance Accounts of respective years

* Excludes ₹ 1,717 crore (2020-21) and ₹ 4,412.22 crore (2020-21: ₹ 1,717 crore and 2021-22: ₹ 2,695.22 crore) for the year 2021-22 as back-to-back loans to State from GoI in lieu of GST compensation shortfall.

** Excludes ₹ 1,717 crore (2020-21) and ₹ 2,695.22 crore (2021-22) as back-to-back loans to State from GoI in lieu of GST compensation shortfall.

a- Second Revised Estimate, b – First Revised Estimate, c – Advance Estimate.

Chart 2.18: Break-up of Outstanding Debt at the end of 31 March 2022

(₹ in crore)

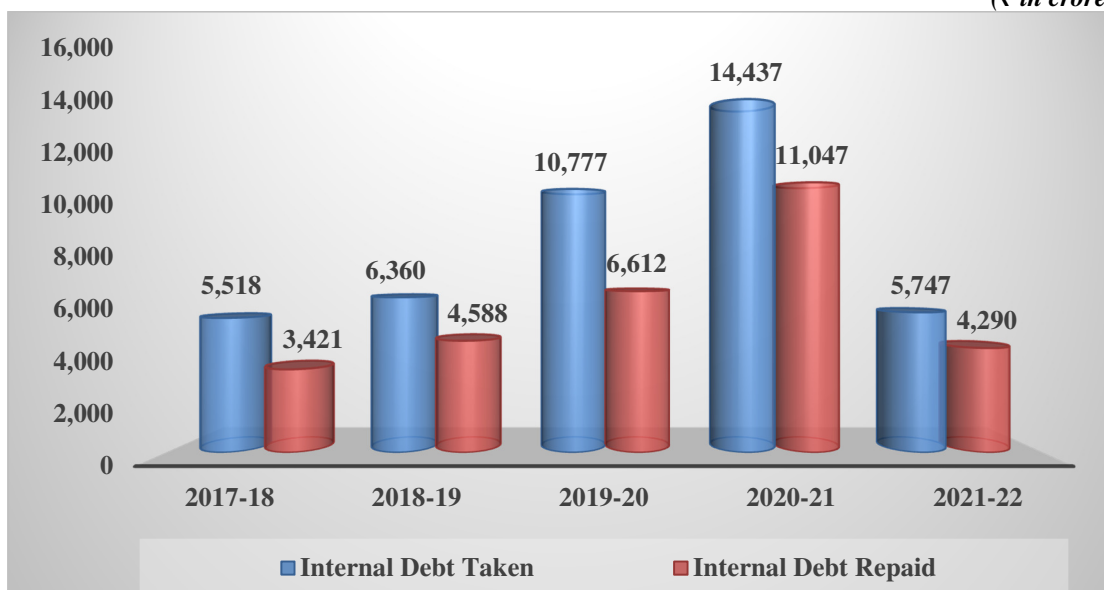
* Excludes ₹ 1,717 crore (2020-21) and ₹ 4,412.22 crore (2020-21: ₹ 1,717 crore and 2021-22: ₹ 2,695.22 crore) for the year 2021-22 as back-to-back loans to State from GoI in lieu of GST compensation shortfall.

The overall outstanding debt/liabilities of the State increased by ₹ 18,092.07 crore from ₹ 51,030.51 crore in 2017-18 to ₹ 69,122.58 crore (excluding ₹ 4,412.22 crore (2020-22) as back-to-back loans to State from GoI in lieu of GST compensation shortfall) registering an increase of 35.45 per cent, mainly due to increase in internal debt (₹ 10,784.56 crore), loans and advances from GoI (₹ 1,259.76 crore) and public account liabilities (₹ 6,047.75 crore). The overall outstanding debt/fiscal liabilities increased by 2.91 per cent in 2021-22 as compared with 7.96 per cent in the previous year. The ratio of overall outstanding debt/liabilities to GSDP increased from 36.83 per cent in 2017-18 to 42.87 per cent in 2020-21 however, it decreased to 39.46 per cent in 2021-22. The liabilities were 1.85 times the revenue receipts and 5.61 times the State's own resources. The actual outstanding debt / GSDP ratio, which stood at 39.46 per cent, was above the targets set in the 15th FC (38.3 per cent) and marginally below the target set in the Budget/MTFPS (40.26 per cent). Public Account liabilities of the State increased by ₹ 6,047 crore (36.96 per cent) during the period 2017-22. Major increase was under 'Small Savings, Provident Funds, etc.' (₹ 3,770 crore: 28.48 per cent), 'Reserve Funds bearing Interest' (₹ 1,649 crore: 19,451 per cent – this increase was due to receipt under State Compensatory Afforestation Fund (₹ 1,661 crore) during 2019-20) and 'Deposits not bearing Interest' (₹ 614 crore: 21.93 per cent).

The percentage of overall outstanding debt to GSDP remained between 36 per cent and 43 per cent over the last five years (2017-22). About 62 per cent to 74 per cent of debt receipts were used for making repayments of past obligations during the period 2017-18 to 2021-22.

Chart 2.19: Year-wise details of internal debt taken vis-à-vis repaid

(₹ in crore)



Source: Finance Accounts of the respective years

Internal debt taken by the State Government increased by ₹ 8,919 crore from ₹ 5,518 crore in 2017-18 to ₹ 14,437 crore in 2020-21 but decreased sharply by ₹ 8,690 crore to ₹ 5,747 crore during 2021-22, mainly due to decrease in market borrowings (33 per cent) and Ways and Means Advances (WMAs) taken from RBI (87 per cent).

Market borrowings form the major portion of the internal debt of the State Government, with interest rates ranging between 6.29 and 9.75 per cent. In 2021-22, out of total internal debt receipts of ₹ 5,747 crore, market borrowings constituted ₹ 4,000 crore. Out of total internal debt repayments of ₹ 4,290 crore, repayment of market loans constituted ₹ 2,125 crore. The outstanding market borrowings as of 31 March 2022 were ₹ 33,772.16 crore. The State Government had to take Ways and Means Advances (₹ 1,043.49 crore) from Reserve Bank of India on 16 occasions to maintain minimum daily cash balances, which were repaid during the year.

The components and financing pattern of the fiscal deficit is reflected in the **Table 2.29**. The debt trends comprising Internal Debt, Loans from GoI, Public Account over the period 2017-18 to 2021-22 to finance the Fiscal Deficit are highlighted in the **Chart 2.20**.

Table 2.29: Components of fiscal deficit and its financing pattern

(₹ in crore)

	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Composition of Fiscal Deficit		3,869.87	3,512.54	5,597.06	5,700.09	5,244.85
A	Revenue surplus (+)/deficit (-)	313.90	1,508.21	11.98	-96.66	1,114.76
B	Net Capital Expenditure	-3,720.85	-4,574.59	-5,171.87	-5,306.33	-6,022.37
C	Net Loans and Advances	-462.92	-446.16	-437.17	-297.10	-337.24
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	2,550.99	2,108.10	4,460.00	3,755.00	1,874.99
2	Loans from GoI	3.00	-17.65	-17.95	2,217.73*	3,489.87*
3	Special Securities Issued to NSSF	-514.71	-538.25	-569.10	-569.10	-569.10

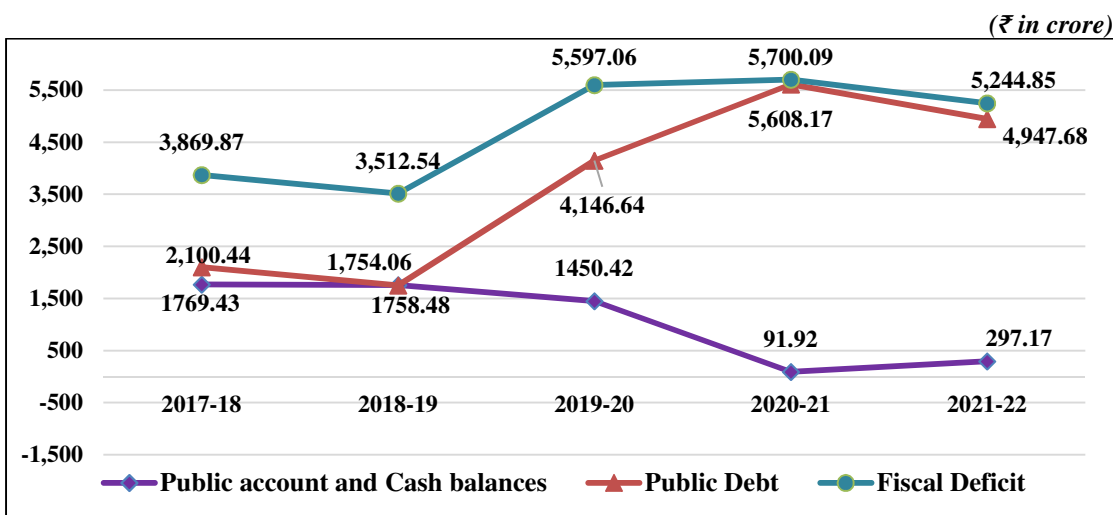
	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
4	Loans from Financial Institutions	61.16	201.86	273.69	204.54	151.92
5	Small Savings, Provident Fund, etc.	1,391.97	1,113.14	1,187.60	985.51	483.65
6	Deposits and Advances	188.63	408.91	173.71	81.35	-34.99
7	Suspense and Miscellaneous	-118.76	1.08	-1,404.92	-209.39	1,246.84
8	Remittances	69.02	112.25	96.80	-64.38	111.59
9	Reserve Fund	105.45	-7.43	2,404.71	-5.11	-743.30
10	Overall Deficit	3,736.75	3,382.01	6,604.54	6,396.15	6,011.47
11	Increase (-) / Decrease (+) in cash balances	133.12	130.53	-1,007.48	-696.06	-766.62
12	Gross Fiscal Deficit	3,869.87	3,512.54	5,597.06	5,700.09	5,244.85

Source: Finance Accounts

All these figures are net of disbursements/outflows during the year

* Includes ₹ 1,717 crore (2020-21) and ₹ 2,695.22 crore (2021-22) as back-to-back loans to State from GoI in lieu of GST compensation shortfall

Chart 2.20: Trends of financing fiscal deficit during 2017-22



The fiscal deficit of ₹ 5,244.85 crore in 2021-22 was largely financed through public debt which included market borrowings, loans from financial institutions and Small Savings, etc. as depicted in **Table 2.30**.

Table 2.30: Receipts and Disbursements under components financing the fiscal deficit

(₹ in crore)

Particulars	Receipt	Disbursement	Net	
1	Market Borrowings	3,999.99	2,125	1,874.99
2	Loans from GOI	3,587.50*	97.63	3,489.87
3	Special Securities issued to NSSF	0.00	569.10	-569.10
4	Loans from Financial Institutions	703.98	552.06	151.92
5	Small Savings, PF, etc.	3,562.18	3,078.53	483.65
6	Deposits and Advances	3,566.07	3,601.06	-34.99
7	Suspense and Miscellaneous	1,063.49	-183.35	1,246.84
8	Remittances	6,573.89	6,462.30	111.59
9	Reserve Fund	417.15	1,160.45	-743.30
10	Overall Deficit	23,474.25	17,462.78	6,011.47
11	Increase/Decrease in cash balance	1,756.24	2,522.86	-766.62
12	Gross Fiscal Deficit	25,230.49	19,985.64	5,244.85

Source: Finance Accounts

* Includes ₹ 2,695.22 crore as back-to-back loans to State from GoI in lieu of GST compensation shortfall

2.6.2 Debt profile: Maturity and Repayment

Debt maturity and repayment profile depicts the debt servicing requirements on the part of the Government.

Public Debt

The maturity profile of the State's outstanding public debt along with interest is given in **Table 2.31** and **Chart 2.21**.

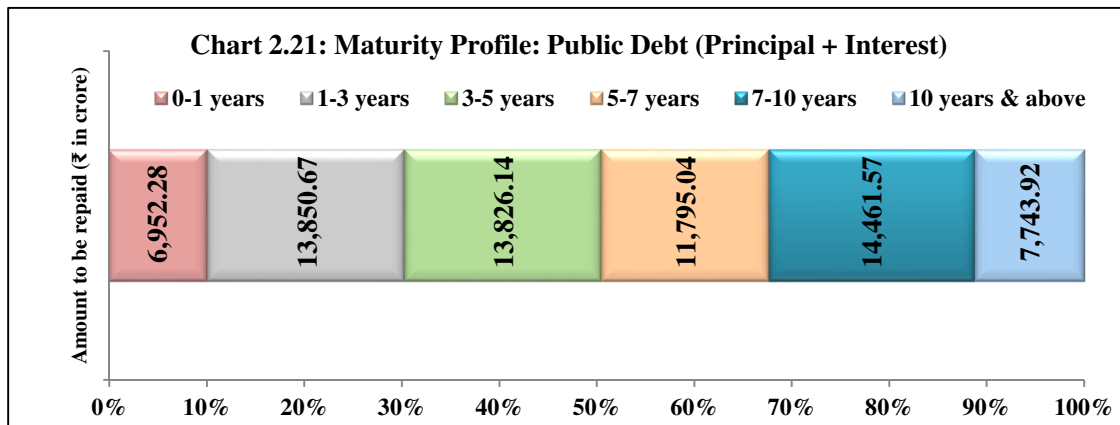
Table 2.31: Outstanding Debt Maturity profile (Public Debt along with interests)

Period of repayment (Years)	Amount (₹ in crore)			Percentage (w.r.t. Total Public Debt)
	Public Debt (Principal)	Interest #	Total Public Debt (Principal + Interest)	
0-1	3,346.62	3,605.66	6,952.28	10.13
1-3	7,451.70	6,398.97	13,850.67	20.18
3-5	8,666.29	5,159.85	13,826.14	20.15
5-7	8,019.94	3,775.10	11,795.04	17.19
7-10	11,203.77	3,257.80	14,461.57	21.07
Above 10	6,608.94	1,134.98	7,743.92	11.28
Total	45,297.26*	23,332.36	68,629.62*	100.00

Source: Finance Accounts

* This amount excludes ₹ 4,412.22 crore received during 2020-21 and 2021-22 as back-to-back loans from GoI in lieu of GST compensation shortfall, ₹ 1,417.96 crore {₹ 1,333 crore (Loan for Centrally Sponsored Schemes), ₹ 0.13 crore (Pre-1984-85 loans), ₹ 84.77 crore and ₹ 5.80 lakh whose maturity is uncertain}.

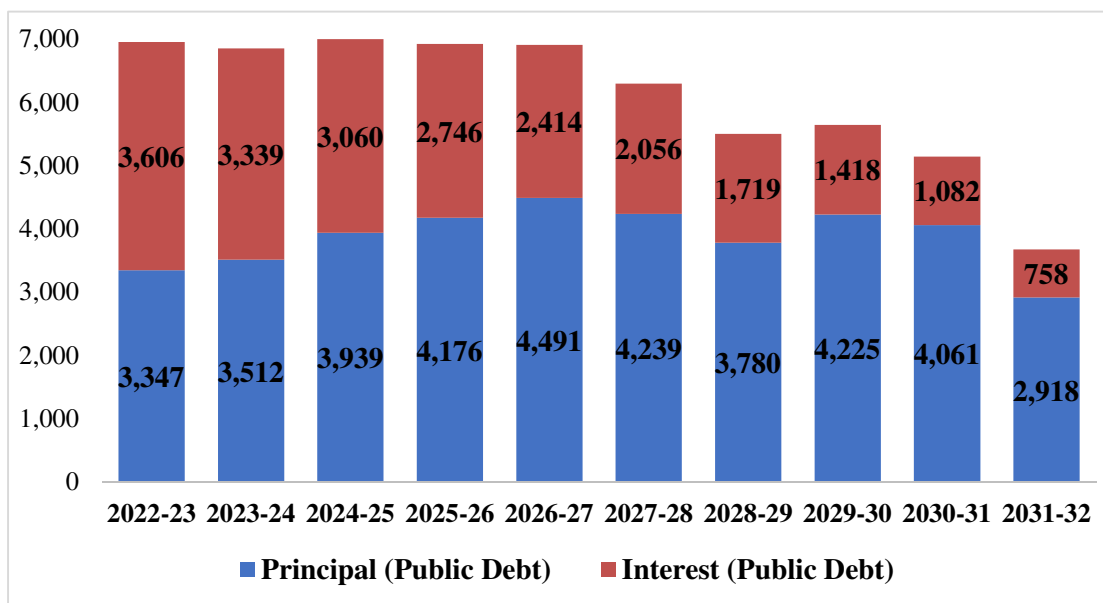
Approximate interest calculated at average interest rate of 7.96 per cent (average of interest rates for the last five years as given in Table 2.32 at page 54).



It can be seen from the above that as of March 2022, out of total outstanding public debt along with interest of ₹ 68,630 crore (principal: ₹ 45,297 crore and interest: ₹ 23,333 crore), 10 per cent (₹ 6,952 crore) is payable in the next one year, 40 per cent (₹ 27,677 crore) is payable in the next two to five years (upto 2026-27), while the remaining 50 per cent (₹ 34,001 crore) is to be paid after more than five years. Annual outgo on public debt repayment and interest will be approximately ₹ 6,926 crore during the next five years up to 2026-27 whereas current annual repayment of public debt (principal) including interest is ₹ 6,766 crore (excluding ways and means advances) which would fall short of meeting the debt liabilities.

Year-wise Repayment schedule of Public Debt (including interest) during the next 10 years i.e. up to 2031-32 is given in **Chart 2.22**.

Chart 2.22: Year-wise Repayment schedule of Public Debt (including interest) during the next 10 years i.e. up to 2031-32 (₹ in crore)



Source: Finance Accounts

Note: Approximate interest calculated at average interest rate of 7.96 per cent (average of interest rates for the last five years as given in Table 2.32 at page 54).

The above **Chart 2.22** shows that on an average, the State will have to repay public debt of ₹ 6,089 crore (including approximate interest in respect of debt outstanding at the end of 2021-22) annually till 2031-32. In addition to the debt outstanding at the end of 2021-22, the State would have to resort to further borrowings every year to cover the resource gap. Taking the past trends into account, by the year 2031-32, the projected outstanding public debt stock (principal + interest) would increase to ₹ 1,11,717 crore approximately, as depicted in **Appendix 2.3 (A)**. However, past trend of revenue receipts and revenue expenditure shows that there would be revenue surplus during 2022-23 to 2031-32 as depicted in **Appendix-2.3 (B)**. But in fact, the State Government is yet to implement the recommendations of the Pay Commission and commit to pay the enhanced salary and other benefits from 2021-22. Further, loan of ₹ 2,890.50 crore under UDAY scheme was not converted into grant (₹ 2,167.50 crore) and equity (₹ 723.00 crore), as required, by the State Government so far (March 2022). Taking all the aforesaid factors into account, the State's economy would be impacted since revenue expenditure would continue increasing and resultantly, the revenue surplus would largely turn into revenue deficit.

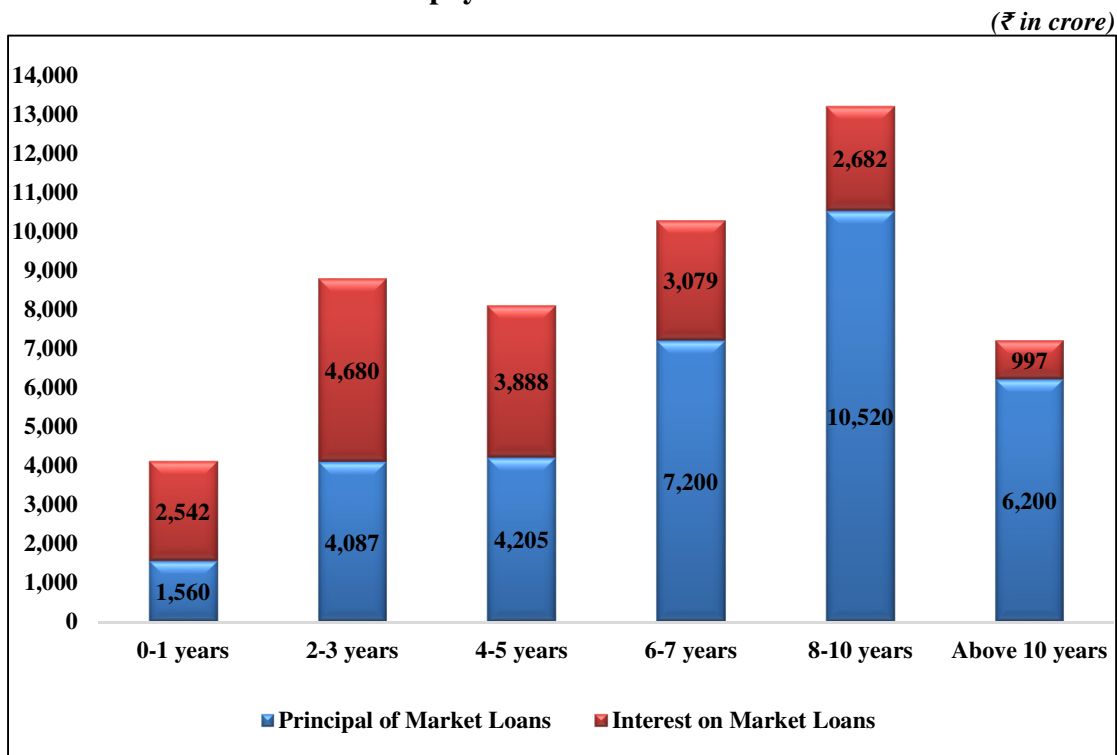
In addition to above, other factors such as public account liabilities and *force majeure*[§] events and/or any other unanticipated loss of revenue also have to be reckoned.

Market Borrowings / Loans

The amount of outstanding market loans and interest to be paid thereon over the next ten years is detailed in **Chart 2.23**.

[§] Like COVID-19 pandemic and its effect on GSDP.

Chart 2.23: Repayment schedule of market loans



Source: Finance Accounts

Note: The maturity profile has been evolved for outstanding market loans as on 31 March 2022 and interest has been calculated upto the financial year in which the loans are going to retire.

Out of total outstanding market loans along with interest of ₹ 51,640 crore (principal: ₹ 33,772 crore and interest: ₹ 17,868 crore), the State will have to repay ₹ 5,647 crore of principal of market loans and interest of ₹ 7,222 crore in next three financial years *i.e.* up to 2024-25. In the next two years up to 2026-27, ₹ 4,205 crore principal and interest of ₹ 3,888 crore will be payable. Annual outgo on market loan repayment and interest will be approximately ₹ 4,192 crore during the next five years up to 2026-27. Current annual repayment of loans including interest is ₹ 4,604 crore.

During the period 2027-28 to 2031-32, market loans of ₹ 17,720 crore and interest of ₹ 5,761 crore will be payable. As such, the State will have to repay approximately ₹ 4,696 crore annually during that period.

2.7 Debt Sustainability Analysis (DSA)

Apart from the magnitude of the debt of the Government, it is important to analyse the various parameters that determine the debt sustainability of the State and indicate the ability of the State to service its debt obligations. This section assesses the sustainability of the debt of the Government in terms of rate of growth of outstanding debt; ratio of interest payments and revenue receipts, debt repayments and debt receipts; net debt available to the State. **Table 2.32** analyses the debt sustainability of the State according to these indicators for the period of five years from 2017-18 to 2021-22.

Table 2.32: Trends in Debt Sustainability indicators

Indicators of Debt Sustainability	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding Public Debt* (₹ in crore)	34,670.90	36,424.95	40,571.59	44,462.75 ^{\$}	46,715.22 ^{\$}
Rate of Growth of Outstanding Public Debt (in per cent)	6.45	5.06	11.39	9.59	5.07
GSDP (₹ in crore)	1,38,551.09	1,48,383.27	1,59,161.70 ^a	1,56,675.06 ^b	1,75,173.31 ^c
Rate of Growth of GSDP (in per cent)	10.28	7.10	7.26	-1.56	11.81
Public Debt/GSDP (in per cent)	25.02	24.55	25.49	28.38	26.67
Interest payments on Public Debt (₹ in crore)	2,828.71	2,958.20	3,070.99	3,227.58	3,422.38
Average Interest Rate of Outstanding Public Debt (Interest paid/ OB of Public Debt + CB of Public Debt/2) (in per cent)	8.41	8.32	7.97	7.59	7.51
Percentage of Interest Payments to Revenue Receipts	10.34	9.56	9.99	9.65	9.17
Percentage of Public Debt repayments to Public Debt Receipts	62.50	72.71	61.77	74.12	66.07
Net Public Debt Available to the State [#] (₹ in crore)	-729	-1,204	1,076	664	-1,169
Net Debt available as per cent to Debt Receipts	-13.02	-18.73	9.91	4.42	-17.61
Debt Stabilisation (Quantum spread [@] + Primary Deficit) (₹ in crore)	565.10	65.62	-1,651.06	-5,296.34	1,404.175

Source: State Finance Accounts of the respective years.

* Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004-Loans and Advances from the Central Government.

\$ Excludes ₹ 1,717 crore (2020-21) and ₹ 4,412.12 crore (2020-21: ₹ 1,717 crore + 2021-22: ₹ 2,695.22 crore) in 2021-22 as back-to-back loans to State from Gol in lieu of GST compensation shortfall.

a- Second Revised Estimate, b – First Revised Estimate, c – Advance Estimate

Net Debt available to the State Government is calculated as excess of Public Debt receipts over Public Debt repayment and Interest payment on Public Debt.

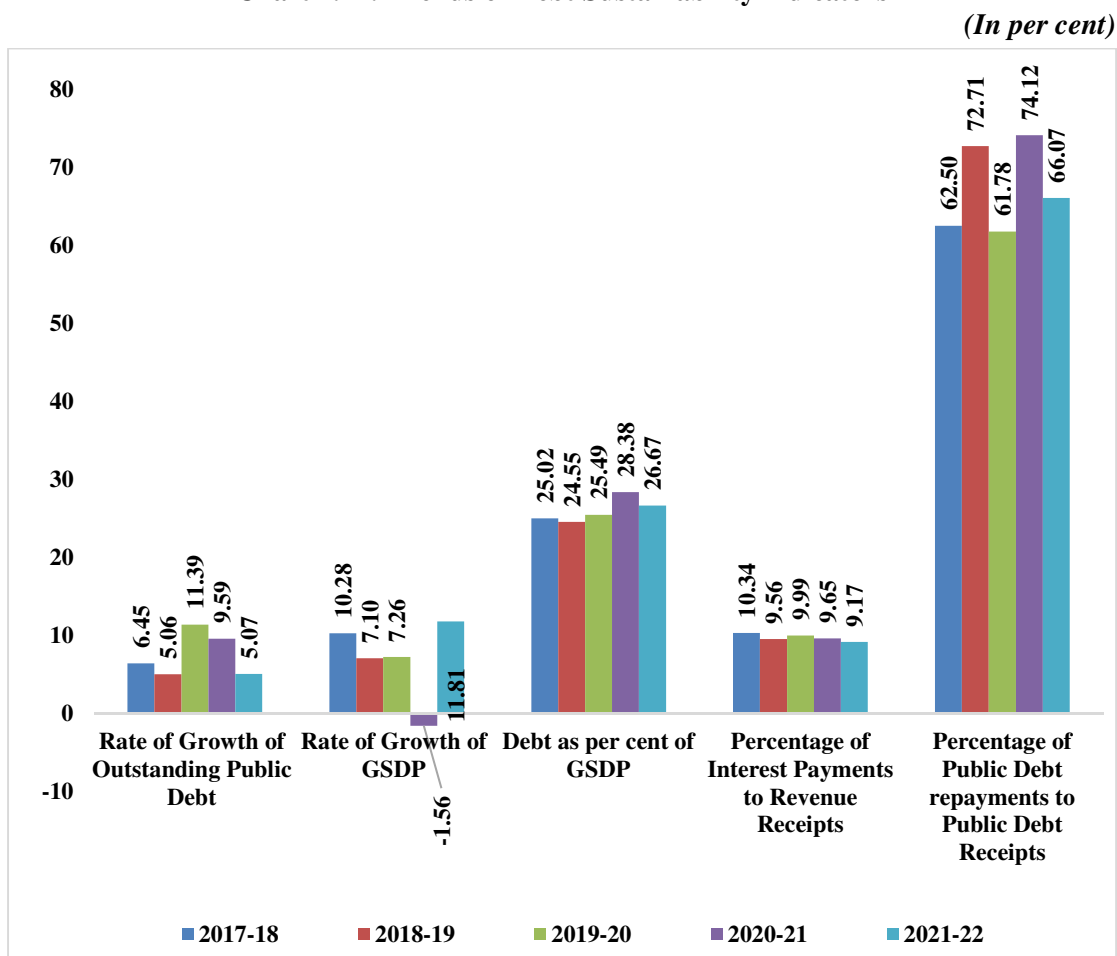
@ Quantum spread = Debt stock x interest spread; interest spread = GSDP growth rate - average interest rate

A necessary condition for debt stability states that if the rate of growth of GSDP exceeds the interest rate of public debt, the debt-GSDP ratio is likely to be eventually falling and stable provided primary balances are either zero or positive or moderately negative. Thus, if quantum spread together with primary deficit turns out to be negative, debt-GSDP ratio would eventually be rising, if it is positive, debt-GSDP ratio would be declining.

In the five-year period from 2017-18 to 2021-22, the ratio of public debt to GSDP was ranging between 24.55 per cent to 28.38 per cent. The decrease in debt-GSDP ratio during 2021-22 as compared to the previous year was mainly due to more growth in

GSDP than the outstanding public debt. Trends in debt sustainability indicators for the five-year period from 2017-18 to 2021-22 are shown in **Chart 2.24**.

Chart 2.24: Trends of Debt Sustainability indicators



During the period 2017-18 to 2021-22, Public Debt of the State Government increased from ₹ 34,671 crore to ₹ 46,715 crore (excluding ₹ 4,412.22 crore i.e. ₹ 1,717 crore during 2020-21 and ₹ 2,695.22 crore during 2021-22 as back-to-back loans to State from GoI in lieu of GST compensation shortfall during 2021-22), registering an increase of 34.74 per cent. Significantly, while GSDP increased at a CAGR of 4.80 per cent, the outstanding public debt increased at a faster rate of 6.14 per cent during the period. The burden of interest payment ranged from 9.17 to 10.34 per cent of Revenue Receipts, and 61.78 to 74.12 per cent of debt receipts were used for discharging existing liabilities.

2.7.1 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable. Trend in utilisation of borrowed funds during past five years is shown in the **Table 2.33** and **Chart 2.25** below.

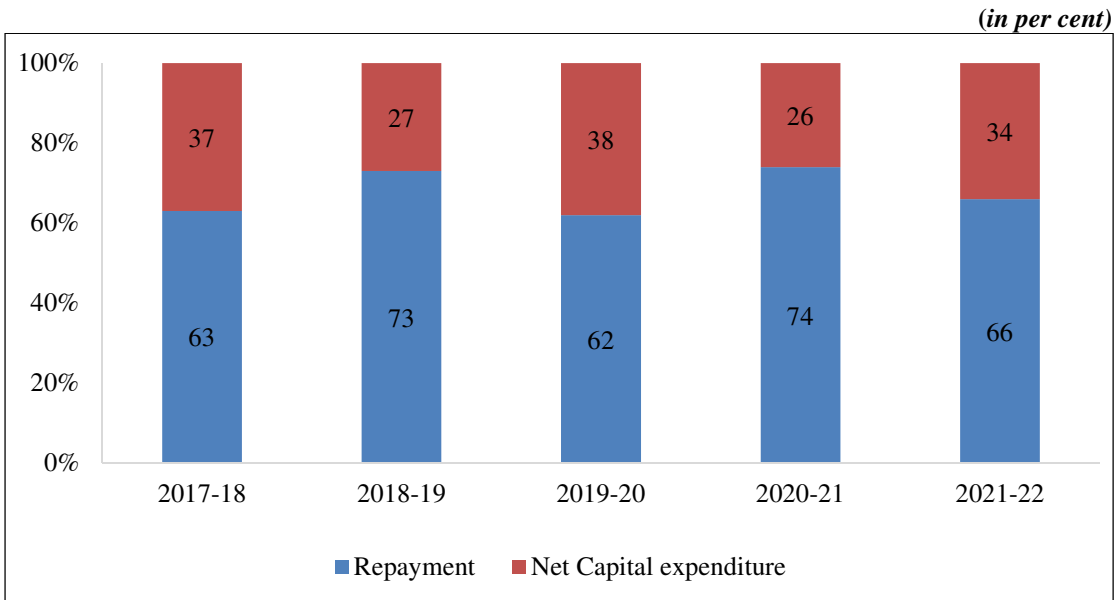
Table 2.33: Utilisation of borrowed funds

Year	1	2017-18	2018-19	2019-20	2020-21	2021-22
Total Borrowings	2	5,600.29	6,427.40	10,847.39	15,032.21 ^{\$}	6,639.75 ^{\$}
Repayment of earlier borrowings (Principal)	3	3,499.85 (62.49)	4,673.35 (72.71)	6,700.75 (61.77)	11,141.04 (74.11)	4,387.28 (66.08)
Net Capital Expenditure*	4	2,100.44 (37.51)	1,754.05 (27.29)	4,146.64 (38.23)	3,891.17 (25.89)	2,252.47 (33.92)
Net Loans and Advances disbursed	5	0	0	0	0	0
Portion of total borrowings utilised towards Revenue expenditure	6 {2-(3+4+5)}	0				

^{\$} Excludes ₹ 1,717 crore (2020-21) and ₹ 2,695.22 crore (2021-22) as back-to-back loans to State from GoI in lieu of GST compensation shortfall.

* Net Capital Expenditure = Total Capital Expenditure-Misc. Capital Receipts
Figures in brackets indicate percentage utilisation of borrowed funds

Chart 2.25: Trends in Utilisation of borrowed funds



Note: No portion of debt receipts was used for meeting revenue expenditure and loans and advances during the period 2017-22.

During 2017-22, no portion of debt receipts was used for meeting revenue expenditure. Utilisation of borrowed funds for repayment of previous borrowings (principal) ranged between 62 per cent and 74 per cent, and for capital expenditure between 26 per cent and 38 per cent during 2017-22.

During 2021-22, 66.08 per cent of borrowed funds were utilised for repayment of previous borrowings (principal) and 33.92 per cent for capital expenditure.

2.7.2 Status of Guarantees – Contingent Liabilities

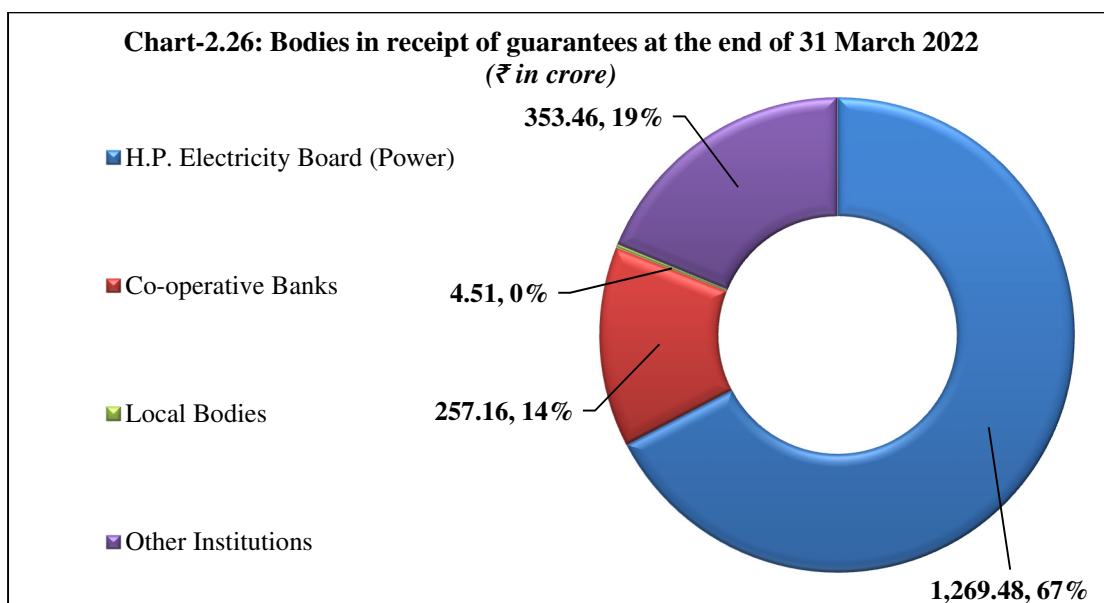
Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per **Statement-9** and **20** of the Finance Accounts, the maximum amount for which guarantees were given

by the State and outstanding guarantees for the last five years are given in **Table 2.34** and detail of recipients/bodies which have received guarantees from the State Government at the end of 31 March 2022 are given in **Chart 2.26**.

Table 2.34: Guarantees given by the State Government

Guarantees	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding amount of guarantees	4,393.66	4,309.21	1,947.07	2,141.76	1,884.61
Additions during the year	146.27	74.28	639.70	418.03	289.46
Deletions during the year	303.03	158.72	3,001.84*	165.60	283.09
Invoked during the year	--	--	--	--	--
Ceiling applicable to the outstanding amount of guarantees including interest (criterion)	40 per cent of total revenue receipt in the preceding financial year.				
Percentage of outstanding amount of guarantees to total revenue receipts in the preceding financial year	17	16	6	7	6

* Includes an amount of ₹ 2,890.50 crore (loans to DISCOM) and ₹ 13.18 crore (interest charged on guaranteed amount) deleted from this year's Finance Accounts because it is shown as guarantees given by the State Government inadvertently in the previous years' Finance Accounts.



No amount of guarantee was invoked during 2021-22. As of 31 March 2022, outstanding amount of guarantees was ₹ 1,884.61 crore as per the Finance Accounts. However, it is to be noted that the accounts of most PSUs were not current, and the PSUs and State Government had not reconciled differences in figures. During 2021-22, an amount of ₹ 289.46 crore was extended to various bodies on the guarantees of State Government. The main recipients of guarantees from the State Government during the year were Power (₹ 137.83 crore), Co-operative Banks (₹ 80.95 crore) and Statutory Corporations and Boards (₹ 40.07 crore). The outstanding amount of guarantee (₹ 1,885 crore) at the close of 2021-22 accounted for six per cent of total revenue receipts of previous year of the State, which was within the target of 40 per cent prescribed in the FRBM Act.

In addition, as per Himachal Pradesh Financial Rules, 2009 and Government instructions (6 March 1992) the guarantee fees (one *per cent*) and commitment charges (0.2 *per cent*) are to be levied from the borrowers at the time of approval of the guarantee. The State Government did not have information about the receivable amount of guarantee fees and commitment charges due from the bodies/ entities. Over the last 10 years (up to 2018-19), no amount of guarantee fees and commitment charges had been received/ levied by the State Government. However, amounts of guarantee fees and commitment charges of ₹ 0.72 lakh (in 2019-20), ₹ 2.16 crore (in 2020-21) and ₹ 3.00 crore during 2021-22 were received.

2.7.3 Management of Cash Balances

As per an agreement with the Reserve Bank of India, State Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA) / Special Ways and Means Advances (SWMA) / Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government is revised by the RBI from time to time.

The State Government has to maintain minimum Cash balance of ₹ 0.55 crore with the Reserve Bank of India. The limit for ordinary WMA to the State Government is ₹ 715 crore with effect from 1 April 2020 to 16 April 2020 and ₹ 880 crore from 17 April 2020 to 31 March 2021. RBI also gives SWMA to the State Government against pledging of government securities.

During 2021-22, the State Government could maintain minimum daily cash balance for 349 days. The Government had to take a total of ₹ 1,043.49 crore of ordinary / special WMA on 16 occasions from RBI which were repaid during the year. There were no outstanding ways and means advances and overdrafts at the end of the year 2021-22. An amount of ₹ 0.25 crore was paid as interest during the year. **Table 2.35** depicts the cash balances and investments made out of these by the State Government during the year.

Table 2.35: Cash Balances and their investment

Particulars	(₹ in crore)		
	Opening balance as on 1 April 2021	Closing balance on 31 March 2022	Increase (+)/ Decrease (-)
(a) General cash balance			
Cash in treasuries	0	0	0
Remittance in transit-Local	0	0	0
Deposits with RBI	59.96	-45.41	-105.37
Total	59.96	-45.41	-105.37
Investments held in cash balance Investment account	1,696.09	2,568.08	871.99
Total (a)	1,756.05	2,522.67	871.99

Particulars	Opening balance as on 1 April 2021	Closing balance on 31 March 2022	Increase (+)/ Decrease (-)
Other cash balances and investments			
Cash with departmental officers viz., Public Works Department Officers, Forest Department Officers, District Collectors	0.16	0.16	0
Permanent advances for contingent expenditure with departmental officers	0.03	0.03	0
Investment of earmarked funds	0	0	0
Total (b)	0.19	0.19	0
Total (a+b)	1,756.24	2,522.86	766.62

Cash balances of the State Government at the year-end increased by ₹ 766.62 crore from ₹ 1,756.24 crore in 2020-21 to ₹ 2,522.86 crore in 2021-22. The investments made out of cash balances also increased from ₹ 1,696.09 crore to ₹ 2,568.08 crore.

State Government invests its surplus cash balances in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'.

The cash balance investments of the State during the five-year period 2017-18 to 2021-22 are given in the **Table-2.36**.

Table-2.36: Cash Balance Investment Account (Major Head-8673)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2017-18	759.43	723.72	(-) 35.71	81.13
2018-19	723.72	102.09	(-) 621.63	66.90
2019-20	102.09	982.06	879.97	55.02
2020-21	982.06	1,696.09	714.03	31.88
2021-22	1,696.09	2,568.08	871.99	55.50

Source: Finance Accounts

Analysis of the trend in cash balance investment of the State Government during the period 2017-18 to 2021-22 revealed that investments decreased significantly during 2018-19. Thereafter, the investments increased significantly during 2019-20, 2020-21 and 2021-22 by ₹ 879.97 crore, ₹ 714.03 crore and ₹ 871.99 crore respectively.

Large cash balances at the year-end indicated sub-optimal cash management by the State Government which had taken market loans despite having large cash balances which were not put to productive use.

Chart 2.27 compares the Cash Balances and the Market Loans taken by the State during the period 2017-22. Market Loans were taken at higher interest rates whereas investment in Treasury Bills yielded interest at lower rates.

Chart 2.27: Market loans vis-à-vis Cash Balance

₹ in crore)

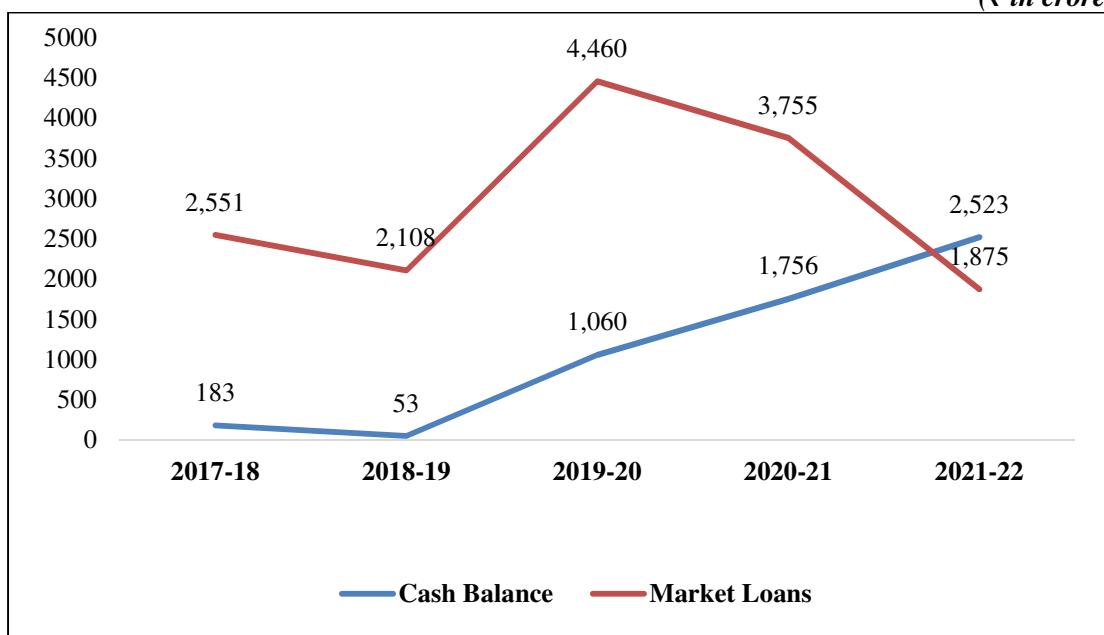
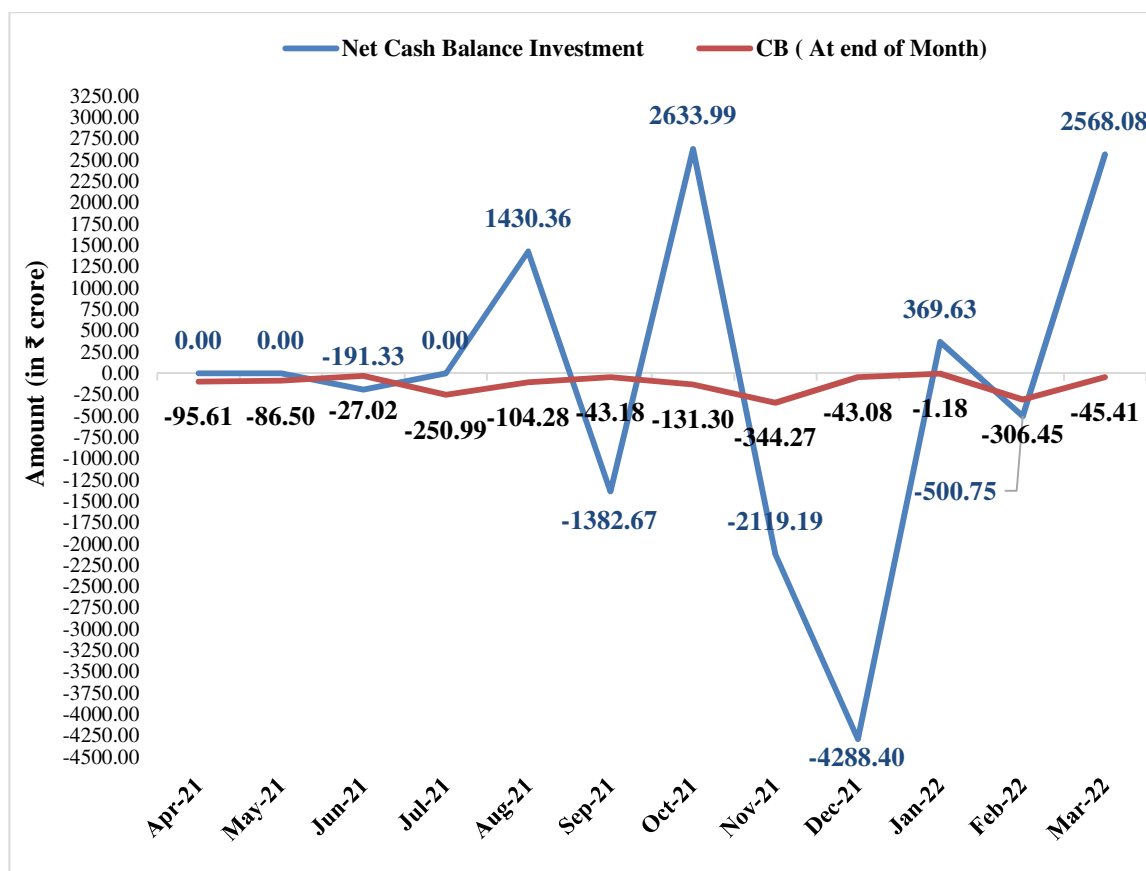


Chart 2.28 compares the month-wise Cash Balance Investment Account with the Cash Balances during 2021-22.

Chart 2.28: Month-wise movement of Cash Balances and net cash balance investments during 2021-22



Source: Monthly Civil Account

The State Government had taken recourse to market loans during the year despite having cash balances which were not being put to productive use. During the year 2021-22, the State Government raised ₹ 1,875 crore from the market despite the fact that there were adequate cash balances, and the borrowing was avoidable to that extent.

2.8 Conclusions

- The State had continuously experienced revenue surplus during 2017-22 (except 2020-21) due to increase in central devolutions on the recommendations of Finance Commissions. However, the revenue surplus consistently declined (except 2018-19) from 2017-18 (₹ 920 crore) to 2019-20 (₹ 12 crore) and during 2020-21 revenue surplus of previous years turned to revenue deficit of ₹ 97 crore. Further, it again turned to revenue surplus and stood at ₹ 1,114.76 crore at the end of the year 2021-22.
- The fiscal deficit (₹ 5,245 crore) was 2.99 *per cent* of GSDP which was within the target prescribed by the 15th FC (four *per cent*) and target set in the HP-FRBM Act (three *per cent* or less) during 2021-22. The deficit was managed mainly through market borrowings.
- During the year 2021-22, only 33 *per cent* of the revenue receipts came from the State's own resources comprising taxes and non-taxes, while the remaining 67 *per cent* were contributed by central transfers comprising the State's share in central taxes and duties (20 *per cent*) and Grants-in-Aid from GoI (47 *per cent*) which shows high dependency on central devolutions and borrowed funds for meeting current consumption.
- Revenue expenditure constituted an average of 85.37 *per cent* (ranging from 84.51 *per cent* to 86.40 *per cent*) of total expenditure during the period 2017-22. Rate of growth of revenue expenditure displayed a fluctuating trend over the five-year period 2017-22. Committed expenditure ranged between 64.19 *per cent* and 71.21 *per cent* of revenue expenditure, while it accounted for 62.27 *per cent* to 70.39 *per cent* of revenue receipts of the State during the five-year period 2017-22.
- During 2021-22, capital expenditure (₹ 6,029.38 crore) increased by ₹ 720.16 crore (13.56 *per cent*) over the previous year 2020-21 (₹ 5,309.21 crore) and constituted 14.15 *per cent* of total expenditure.
- Overall fiscal liabilities at the end of the year were ₹ 69,122.58 crore (after excluding ₹ 4,412.12 crore (2020-21: ₹ 1,717 crore + 2021-22: ₹ 2,695.22 crore as back-to-back loans) in 2021-22 with a growth of 2.91 *per cent* over the previous year (₹ 67,164.75 crore - after excluding ₹ 1,717 crore during 2020-21 as back-to-back loans). The total fiscal liabilities-GSDP ratio in 2021-22 decreased by 3.41 *per cent* over the previous year (42.87 *per cent*) and stood at 39.46 *per cent*, which was above the target set in the 15th FC (38.3 *per cent*) and marginally below from the Budget/ MTFPS (40.26 *per cent*). Internal debt of the Government

increased by ₹ 1,458 crore (3.4 per cent) from ₹ 42,918 crore in 2020-21 to ₹ 44,376 crore during 2021-22.

- During 2021-22, the State Government earned 3.39 per cent return on its total investments (₹ 4,913.00 crore) in Statutory Corporations, Rural Banks, Government Companies and Co-operatives up to 31 March 2022 and paid 7.03 per cent average interest on its borrowings. One company (Satluj Jal Vidyut Nigam Limited) contributed more than 98 per cent of the total returns.
- There was no repayment of loans by various public sector undertakings under Power projects and Industries and Minerals over the last five years (up to March 2022) and further additional loans had been extended. The overall outstanding balance increased over the years.
- State Government operated five Reserve Funds as on 31 March 2022, out of which two Reserve Funds are interest bearing (₹ 1,657.90 crore credit) and three Reserve Funds are non-interest bearing (₹ 316 crore credit). Out of these, no funds had been invested by the State Government during the year.

2.9 Recommendations

- The State Government should make efforts for augmentation of its own revenues. It should settle pending tax claims in time, settle arrears in assessment of taxes, recover arrears of revenue and improve non-tax revenues for better resource mobilisation;
- The State Government should explore ways to minimise committed expenditure so that more funds can be made available for development expenditure;
- The State Government should explore ways of ensuring reasonable return on capital invested in profit making State PSUs in view of the high cost of borrowings;
- As recovery of loans advanced by the Government to different sectors has been poor, the State Government should consider treating the loans and advances as grants and booking them as revenue expenditure for ensuring that accounts reflect the correct position;
- The State Government should ensure time-bound completion of incomplete projects in order to avoid further cost overruns.

CHAPTER-III
BUDGETARY MANAGEMENT

CHAPTER - III

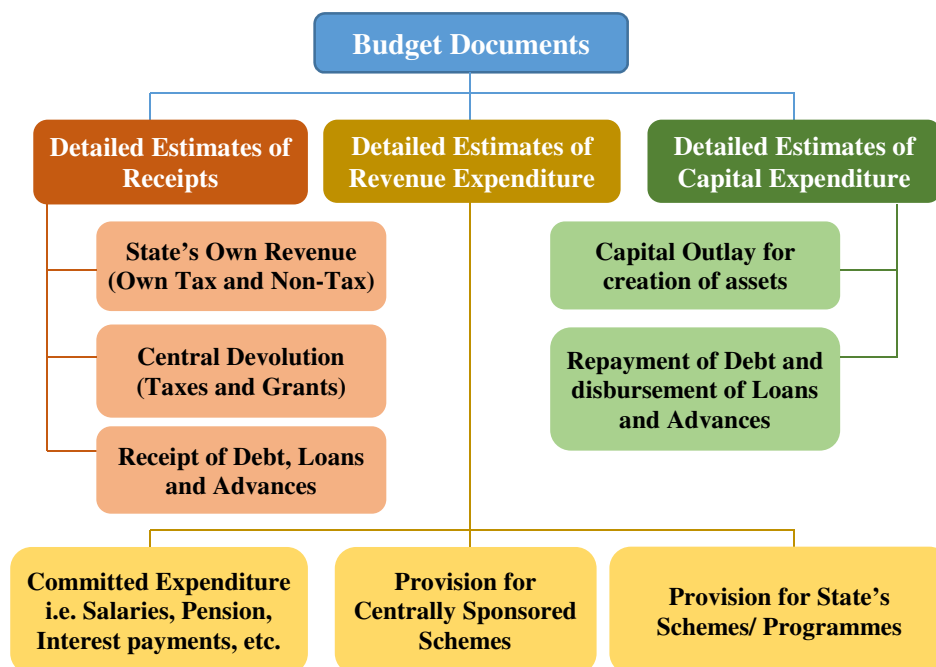
Budgetary Management

3.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, the Governor shall cause to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for that year, called “the Annual Financial Statement (Budget)”. The estimates of the expenditure show ‘charged’ and ‘voted’ items¹ of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government. Glossary of important budget related terms is given in **Appendix-3.1**.

As per the Himachal Pradesh Financial Rules, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called ‘Demand for Grants’. The State budget comprises the following documents and components as given in **Chart-3.1**.

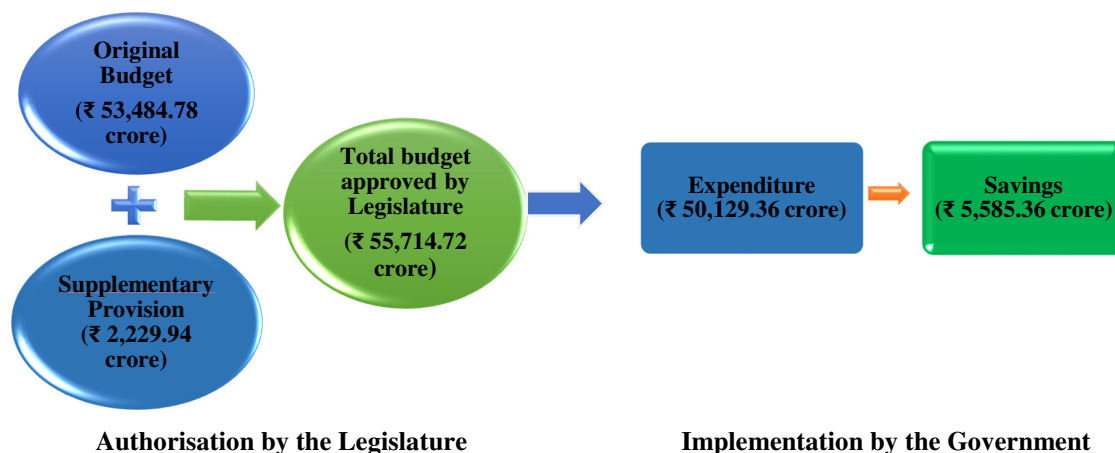
Chart-3.1: Details of State Budget Documents and Components



¹ **Charged expenditure:** Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

A summary of the budget implementation for the year 2021-22 is depicted in the **Chart-3.2** below:

Chart-3.2: Summary of budget implementation for the year 2021-22



Source: Based on the procedure prescribed in Budget Manual and Appropriation Accounts.

3.1.1 Summary of total provisions, actual disbursements and savings during financial year

The total budget provision for expenditure in 2021-22 was ₹ 55,714.72 crore. The actual expenditure during the year was ₹ 50,129.36 crore (90 per cent). This resulted in savings of ₹ 5,585.36 crore (10 per cent). The summarised position of actual expenditure vis-à-vis budgetary provisions during 2021-22 for all 32 grants/appropriations is given in **Table-3.1**.

Table-3.1: Budget provision, actual disbursement and savings/excess during financial year 2021-22

(₹ in crore)

Total Budget provision		Disbursements		Saving (-)/ Excess (+)	
Voted	Charged	Voted	Charged	Voted	Charged
45,270.18	10,444.54	41,019.93	9,109.43	-4,250.25	-1,335.11

Source: Appropriation Accounts.

3.1.2 Charged and voted disbursements

The position of total budget and disbursements categorised as charged and voted during the last five years (2017-22) is given in **Table-3.2**.

Table-3.2: Disbursement and savings/excess during 2017-18 to 2021-22

(₹ in crore)

Year	Total Budget Provision		Disbursements		Saving (-)/ Excess (+)	
	Voted	Charged	Voted	Charged	Voted	Charged
2017-18	33,869	7,399	30,440	7,371	-3,428	-28
2018-19	37,936	9,048	33,620	8,849	-4,316	-199
2019-20	42,255	11,453	34,507	11,021	-7,748	-432
2020-21	45,157	16,440	37,440	15,699	-7,717	-741
2021-22	45,270	10,445	41,020	9,110	-4,250	-1,335

Source: Appropriation Accounts

As can be seen from **Table-3.2**, there were savings in both segments viz., voted and charged with an increasing trend since 2017-18. This indicates that the State Government needs to improve its budget management. Cases of substantial and persistent savings have been highlighted in **Para-3.3.7**.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts, thus, facilitate understanding of utilisation of funds, management of finances and monitoring of budgetary provisions, and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also seeks to ascertain whether the expenditure incurred is in conformity with relevant laws, rules, regulations and instructions.

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Further, expenditure should not be incurred on a scheme/service without provision of funds or after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State.

Table-3.3 shows the summarised position of expenditure incurred without any budget provision. This is breach of constitutional provisions. State Government must avoid these expenditures. If under any circumstances the expenditure is inevitable, the Finance Department must follow the provisions under Article 205 and 206.

Table-3.3: Summary of expenditure without Budget Provision

Grant/ Appropriation	Head of Accounts	Expenditure (₹ in lakh)	Name of Schemes/ Sub-Heads	
Voted				
5	2245-01-101-07-C00N	360.00	Expenditure on Supply of Medicines	
	2245-01-102-01-C00N	80.00	Supply of Drinking Water by Trucks, etc.	
	2245-02-101-01-C00N	3,070.00	Gratuitous Relief (Cash Doles) under Floods, Cyclones	
	2245-02-102-01-C00N	50.00	Expenditure on Drinking Water	
	2245-02-106-01-C00N	24,500.00	Repairs of Roads and Bridges	
	2245-02-109-01-C00N	13,400.00	Expenditure on Damaged Water Supply Drainage and Sewerage Works	
	2245-02-111-01-C00N	3049.00	Ex-Gratia Payment	
	2245-02-113-01-C00N	792.00	Assistance to Repair and Construction of Houses	
	2245-02-193-01-C00N	6,480.00	Assistance to Local Bodies and Other Non-Government Boards / Institutions	
	2245-80-102-02-S00N	1,000.00	Expenditure on Capacity Building Under Thirteenth Finance Commission	
8	2202-02-109-15-S00N	1,684.09	Srinivasa Ramanujan Student Digital Yojna	
	2202-80-107-09-S50N	413.00	Pre-Matric Scholarship to OBC Students	
9	2211-00-200-12-C00N	213.00	India COVID-19 Emergency Response and Health System Preparedness Package	
10	4059-01-051-15-S00N	1.94	Upgradation of Judiciary Infrastructure	
11	2401-00-789-22-A00N	0.50	Normal Extension Activities	
	2401-00-800-14-S00N	134.24	Crop Diversification Project Japan International Co-Operation Agency (JICA)	
14	2405-00-101-07-C53N	33.74	Blue Revolution-Integrated Development and Management of Fisheries	
	2405-00-101-07-C90N	314.57		
	2405-00-101-07-S10N	25.92		
	2405-00-101-07-S13N	10.55		
20	2505-02-101-01-C00N	200.00	Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGA)	
	2515-00-102-23-C00N	533.61	Swachh Bharat Mission (Gramin)	
	2515-00-197-05-S00N	905.49	Grants to Panchayat Samitis	
	4216-03-800-01-S00N	115.00	Construction of Residence of Panchayat Inspector/Sub Inspectors	
22	4408-02-101-02-C00N	37.94	Himachal Pradesh State Consumer Redressal Forum	
28	2217-80-193-17-S00N	100.00	Development of Children Parks	
30	4059-80-051-06-S00N	161.20	Construction of Himachal Pradesh Institute of Public Administration Buildings	
31	2405-00-796-07-C53N	1.79	Blue Revolution	
	2405-00-796-07-S13N	0.56		
32	2216-03-789-05-S00N	91.35	Maintenance of Houses Under Mukhya Mantri Awam Yojna	
	2405-00-789-07-C53N	23.82	Neel Kranti Akikrit Matsya Palan Parvindh Awam Vikas	
	2405-00-789-07-C90N	138.87		
	2405-00-789-07-S10N	16.38		
	2405-00-789-07-S13N	7.45	Upgradation of Panchayati Raj Department/ PRIs	
	2515-00-789-10-S00N	11.55		
	4210-03-789-04-S10N	22.31		Medical College Nahan
	4711-01-800-05-S00N	0.99		Expenditure on Flood Control Works under RIDF NABARD
5055-00-789-03-S00N	403.00	Construction of Bus Stands at Sub Divisional/ Block Levels		
Total		58,383.86		

Source: Appropriation Accounts.

3.3.2 Misclassification of expenditure

Misclassification of expenditures and receipts has a great impact on the integrity of the financial statements. State financial rules categorise the primary units of appropriation. There are specific object heads meant for obtaining provision for acquisition of Capital Assets and other Capital Expenditure. These object heads pertaining to booking of expenditure of capital nature should correspond with capital major heads only. Classification of expenditure of revenue nature as capital expenditure or vice-versa, results in overstatement/ understatement of revenue expenditure and revenue deficit/ surplus.

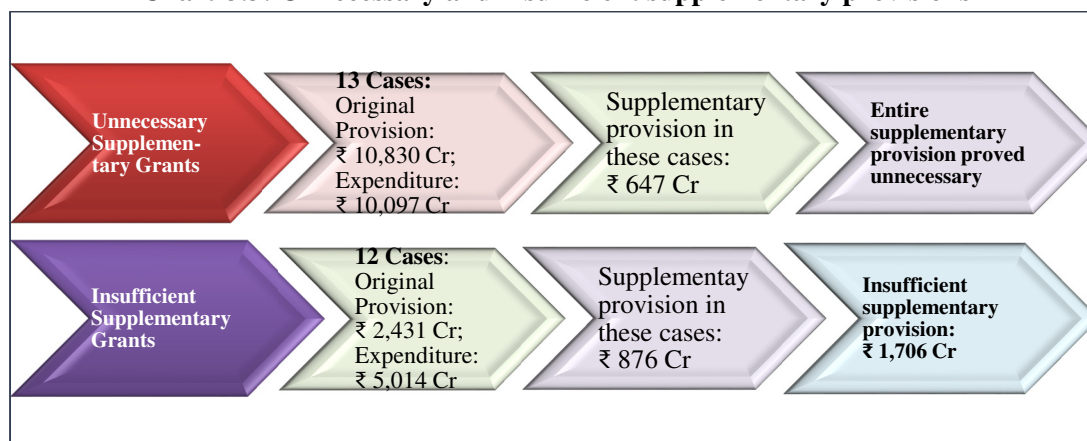
During test-check of transactions in the year 2021-22, it was noticed that expenditure of ₹ 2.77 crore was incorrectly booked under Revenue Section instead of Capital Section, as determined from the purpose of expenditure. Due to this misclassification, the State's Revenue surplus remained understated to the extent of ₹ 2.77 crore.

3.3.3 Unnecessary or insufficient supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned proposes to the Finance Department for supplementary or additional grant or appropriation.

During 2021-22, there were 13 cases (₹ one crore or more in each case) under 11 grants (Revenue-Voted/ Capital-Voted) where supplementary provision of ₹ 647.13 crore proved unnecessary as expenditure did not reach even the level of original provision (**Table-3.4**). In 12 cases (**Table 3.5**), supplementary provision of ₹ 876.14 crore proved insufficient as it was not adequate to meet the requirement, leaving aggregate uncovered excess expenditure of ₹ 1,706.13 crore (**Chart-3.3**).

Chart-3.3: Unnecessary and insufficient supplementary provisions



Source: Appropriation Accounts.

Table-3.4: Details of cases where supplementary provision (₹ one crore or more in each case) proved unnecessary

(₹ in crore)

Sr. No.	Name of the Grant	Original	Supplementary	Actual expenditure	Saving out of original provisions
Revenue- Voted					
1.	04-General Administration	258.44	18.13	248.87	9.57
2.	09-Health and Family Welfare	2,415.89	84.25	2,256.28	159.61
3.	11-Agriculture	381.39	8.83	352.30	29.09
4.	16-Forest and Wildlife	710.41	58.56	634.58	75.83
5.	19-Social Justice and Empowerment	1,233.63	15.34	1,202.59	31.04
6.	20-Rural Development	1,103.60	125.51	1,095.01	8.59
7.	21-Co-operation	34.93	0.69	33.89	1.04
8.	26-Tourism	117.53	24.95	94.03	23.50
9.	32-Scheduled Caste Sub Plan	2,025.47	53.19	1,937.17	88.30
Capital- Voted					
10.	13-Irrigation, Water Supply and Sanitation	755.24	49.89	731.67	23.57
11.	16-Forest and Wildlife	11.30	0.26	10.20	1.10
12.	28-Urban Development, Town and Country Planning and Housing	181.82	2.24	85.02	96.80
13.	32-Scheduled Caste Sub Plan	1,600.60	205.31	1,415.45	185.15
Total		10,830.26	647.13	10,097.05	733.21

Source: Appropriation Accounts.

Table-3.5: Details of cases where supplementary provision (₹ one crore or more in each case) proved insufficient

Sr. No.	Name of the Grant	Original	Supplementary	Actual expenditure	Excess
Revenue- Voted					
1.	05-Land Revenue and District Administration	1,298.70	7.67	1,773.33	466.96
2.	12-Horticulture	370.46	102.74	497.36	24.16
3.	23-Power Development	269.99	183.97	1,490.94	1,036.98
Capital- Voted					
4.	05-Land Revenue and District Administration	13.68	64.40	98.32	20.24
5.	07-Police and Allied Organisation	67.54	20.52	96.53	8.47
6.	08-Education	91.38	133.31	239.73	15.04
7.	09-Health and Family Welfare	92.66	118.45	229.36	18.25
8.	17-Election	0.75	19.30	39.35	19.30
9.	18-Industry, Minerals, Supplies and information Technology	31.84	5.38	111.88	74.67
10.	20-Rural Development	0.59	13.42	18.85	4.84
11.	25-Road and Water Transport	110.55	194.86	319.23	13.82
12.	27-Labour Employment and Training	83.35	12.12	98.87	3.40
Total		2,431.49	876.14	5,013.76	1,706.13

Although the demand for supplementary grants was made by the State Government based on the reasoning that additional expenditure was to be incurred in various schemes under the respective grants, yet the final expenditure was less than even the original provision in the 13 cases as indicated in **Table-3.4**. Further, in 12 cases as indicated in **Table-3.5**, the supplementary provisions were insufficient as the actual expenditure was more than the total budget provision. The above incidences indicate that the Administrative Department could not realistically assess the actual requirement of funds for the remaining period of financial year due to poor monitoring of expenditure.

3.3.4 Re-appropriations requiring prior legislative authorisation

'Re-appropriation' refers to the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation. The Government is allowed to re-appropriate provisions from one unit of appropriation to another within the same Grant, thus altering the destination of an original provision for one purpose to another, subject to the limits and restrictions laid down. No re-appropriation should be made for any purpose whatsoever from Supplementary Grants voted by the Assembly for a definite purpose, so as to ensure that a Supplementary Grant shall be used for the purpose for which it is voted and for no other.

During the year 2021-22, there was no case of re-appropriation from one grant to another or from supplementary grants.

Cases of unnecessary / insufficient re-appropriation within grants are detailed below.

3.3.5 Unnecessary and insufficient re-appropriations

Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. During the year 2021-22, there were various cases where re-appropriation proved either unnecessary or insufficient, details of which are shown in **Appendix-3.2**. **Table-3.6** and **Table-3.7** show details of some of the major instances (savings more than ₹ 10 crore) of unnecessary and insufficient re-appropriations respectively.

Table-3.6: Unnecessary re-appropriations resulting in savings

<i>(₹ in crore)</i>								
Sr. No.	Grant No.	Head of Account	Original budget	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings
1	05-Land Revenue and District Administration	2029-00-103-02	118.76	1.06	0.06	119.88	107.10	-12.78
2		2053-00-093-01	163.05	0.93	0.66	164.65	138.85	-25.79
3		2245-08-101-01	0.00	0.00	91.00	91.00	0.00	-91.00
4	07-Police and Allied Organisations	2055-00-108-01	94.05	0.00	8.61	102.66	85.29	-17.37
5		2055-00-109-03	69.47	0.00	2.25	71.72	59.84	-11.88
6	08-Education	2202-01-104-02	70.44	0.00	0.36	70.80	58.40	-12.40
7	09-Health and Family Welfare	2210-01-110-03	284.70	0.00	5.36	290.06	235.19	-54.87
8		2210-05-105-06	139.07	0.00	0.04	139.11	124.36	-14.75
9		5054-04-337-02	253.37	0.00	9.22	262.59	248.86	-13.74

Sr. No.	Grant No.	Head of Account	Original budget	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings
10	10-Public Works - Roads, Bridges and Buildings	5054-04-337-09	355.37	99.96	5.34	460.67	438.13	-22.54
11	20-Rural	2515-00-196-07	22.48	0.00	4.48	26.96	13.48	-13.48
12	Development	2515-00-197-07	21.86	0.00	4.21	26.08	13.25	-12.83
13		2515-00-198-06	102.02	2.83	19.58	124.43	61.83	-62.60
14	28-Urban Development, Town and Country Planning and Housing	4215-02-106-02	134.66	2.24	0.30	137.20	38.65	-98.55
15	31-Tribal Development	2055-00-796-01	56.49	0.00	0.66	57.15	46.80	-10.35

Source: Appropriation Accounts.

Table-3.7: Re-appropriations insufficient to meet excess expenditure

(₹ in crore)

Sr. No.	Grant No.	Head of Account	Original budget	Supplementary	Re-appropriation	Total	Actual expenditure	Excess
1	05-Land Revenue and District Administration	2245-02-106-01	0.00	0.00	65.15	65.15	131.18	66.03
2		2245-02-109-01	0.00	0.00	46.00	46.00	70.50	24.50
3		2245-02-111-01	0.00	0.00	35.00	35.00	101.24	66.24
4		2245-02-193-01	0.00	0.00	41.40	41.40	59.90	18.50
5		2245-80-102-05	0.00	0.00	22.72	22.72	37.07	14.35
6	09-Health and Family Welfare	2211-00-200-12	0.00	75.78	3.65	79.43	171.39	91.96
7	10-Public Works - Roads, Bridges and Buildings	3054-04-105-02	325.24	0.00	0.60	325.84	336.84	11.00
8	15-Planning and Backward Area Sub Plan	5054-04-800-06	38.00	0.00	7.27	45.27	55.81	10.54
9	32-Scheduled Caste Sub Plan	2225-01-789-08	10.00	0.00	5.55	15.55	32.35	16.80
10		2236-02-789-01	17.91	0.00	0.50	18.41	29.24	10.83

In all the above cases, re-appropriation orders were issued in the month of March 2022, specifying therein the need for additional expenditure under the respective schemes. However, re-appropriations in 15 cases (savings of ₹ 10 crore and more in each case) as shown in **Table-3.6** proved unnecessary, as the savings under these cases were more than the re-appropriated amount. On the other hand, re-appropriations in 10 cases as shown in **Table-3.7** proved insufficient as there was excess expenditure under these grants.

However, no case of re-appropriation from Capital to Revenue and vice-versa and from Voted to Charged or vice-versa was noticed during 2021-22.

3.3.6 Savings

Complete accuracy of estimates may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious or slipshod estimation, it is not readily excusable. The golden rule for all estimating officers should be to provide in the budget, for everything that can be foreseen and to provide only as

much as is necessary. The Administrative and Finance Departments should, in checking the estimates, apply unrelentingly the proven and well-tried check of average of previous actuals with known or reasonably foreseeable facts, which may modify that average.

When the need for surrender manifests itself, the Controlling Officers should carefully estimate the amounts that they can surrender. The aim should be to surrender as much as they can so as to keep the expenditure just within the modified Grant.

Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls promote release of funds towards the end of the financial year and increase the propensity of the Departments to retain huge balances outside the Government account in Bank Accounts. Excessive savings also deprives other Departments of funds, which they could have utilised.

(i) Savings vis-à-vis allocations

Analysis of appropriations showed that in 45 cases, savings exceeded ₹ one crore or more, as detailed in **Appendix-3.3**. Against the total provision of ₹ 50,688 crore in these cases, ₹ 7,363 crore remained as savings in various grants. Out of the total unutilised amount / savings of ₹ 7,363 crore, substantial savings (₹ 100 crore and more in each case) were observed in 14 cases relating to 10 grants (Voted and Charged) amounting to ₹ 6,641 crore (90 per cent), details of which are given in **Table-3.8**.

Table-3.8: List of grants having large savings (above ₹ 100 crore) during the year

(₹ in crore)

Sr. No.	Grant Number	Original	Supplementary	Total provision	Actual expenditure	Savings	Surrender	Saving excluding surrender
Revenue (Voted)								
1	07	1,550.83	0.00	1,550.83	1,306.08	-244.75	-163.35	-81.40
2	08	7,087.45	0.00	7,087.45	5,991.02	-1,096.43	-717.67	-378.76
3	09	2,415.89	84.25	2,500.13	2,256.28	-243.85	0.00	-243.85
4	10	3,733.35	0.00	3,733.35	2,538.89	-1,194.46	-1,028.24	-166.22
5	16	710.41	58.56	768.96	634.58	-134.39	-82.42	-51.97
6	20	1,103.60	125.51	1,229.11	1,095.01	-134.10	0.00	-134.10
7	29	7,203.58	0.00	7,203.58	6,495.11	-708.47	-562.52	-145.95
8	31	1,664.21	0.00	1,664.21	1,260.79	-403.42	-112.92	-290.50
9	32	2,025.47	53.19	2,078.66	1,937.17	-141.50	-8.31	-133.19
Revenue (Charged)								
10	29	5,017.57	0.00	5,017.57	4,640.79	-376.78	-562.52	185.74
Capital (Voted)								
11	26	578.39	0.00	578.39	82.18	-496.21	-519.17	22.96
12	31	574.14	0.00	574.14	444.04	-130.10	-2.42	-127.69
13	32	1,600.60	205.31	1,805.91	1,415.45	-390.46	-278.88	-111.58
Capital (Charged)								
14	29	5,333.51	0.00	5,333.51	-946.41	-946.23	-946.41	0.19
Total		40,598.99	526.82	41,125.81	34,484.66	-6,641.15	-4,984.81	-1,656.33

Source: Appropriation Accounts.

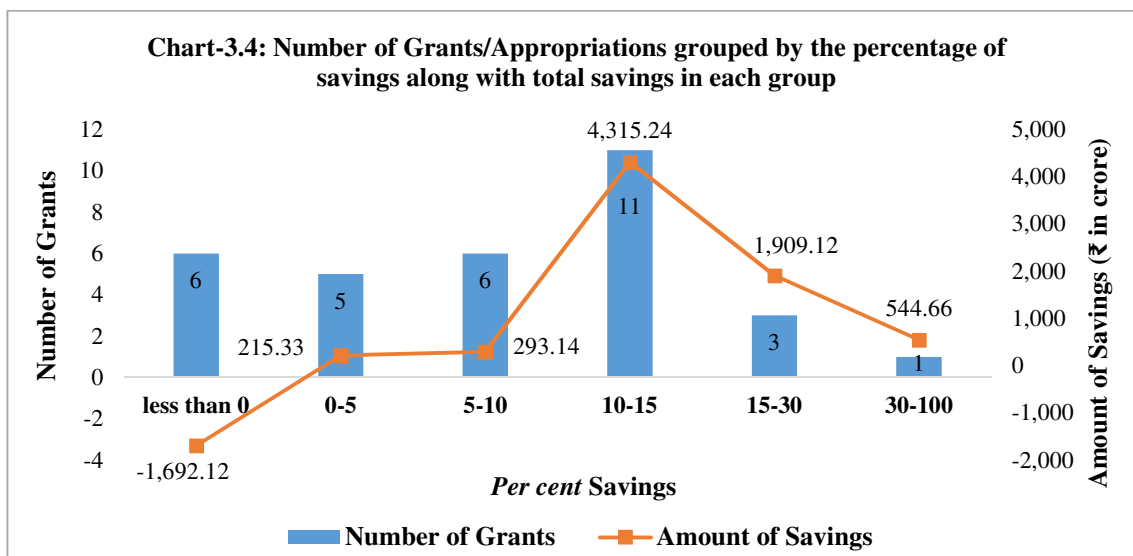
The savings were noticed under both the Sectors i.e. Social and Infrastructure. The major savings were noticed in Social sector under Public Works, Education, Finance, Tribal Development, Health and Family Welfare, etc. departments due to

non-filling up of vacant posts, non-conversion of work-charged staff into regular in Primary/Secondary schools and University and higher education, less expenditure on maintenance of various schemes/works, etc. Further, in the exit conference, the Finance Department stated that in addition to above reasons, the savings had occurred under salaries and pension because budget estimates were assessed keeping in view the impact of the revision of pay scales for the entire financial year. However, due to procedural delays, the Pay scale was revised in the last quarter of 2021-22, and as such the revision didn't give its full impact in the financial year 2021-22.

Further, under infrastructure (Capital) sector, major savings were noticed under Tourism and Civil Aviation, Jal Shakti Vibhag (Irrigation and Public Health), Public Works, etc. mainly due to non-implementation of various developmental works and development of airports/ heliports.

Thus, large savings under these grants implied that the State Government had made budget provisions without accurate estimation requirement of fund.

Chart-3.4 categorises grants / appropriations according to percentage of savings against budget allocations during the year 2021-22. It can be noted from the chart that in 11 grants, there were savings of ₹ 4,315.24 crore during the year.



No object is served by keeping back savings which should ideally be surrendered in time. For this reason, appropriations which are likely to remain unspent must be reported for surrender as early as possible. As can be seen from the test-checked departments (refer para 3.5.1.1 (f) and 3.5.2.1 (f)), there was a delay in submission of statements of excess and surrender which ranged between seven and 82 days. If this is not done, other spending Departments are deprived of the funds which they could have utilised and thus avoidable demands for supplementary grants can be avoided. Surrenders are being made generally in the month of March, and a careful study of figures of expenditure incurred and keeping a watch over the progress of the last month's expenditure should enable a Controlling Officer to fix upon his final requirements with a reasonable degree of exactness and accuracy.

(ii) Persistent Savings

During the last five years, there were 28 cases (₹ one crore or more in each case) relating to 21 grants where persistent savings occurred (details given in **Appendix-3.4**), out of which seven cases (₹ 100 crore or more in each case) are depicted below in the **Table-3.9**.

Table-3.9: Details of persistent savings cases (₹ 100 crore or more in each case)

(₹ in crore)

Sr. No.	Grant Number	Name of Grant/ Appropriation	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue- Voted							
1	08	Education	665.02	955.16	1,110.61	1,362.09	1,096.43
2	09	Health and Family Welfare	211.66	330.83	377.72	489.64	243.85
3	20	Rural Development	402.93	383.93	351.17	163.47	134.10
4	29	Finance	266.88	939.93	1,212.96	1,202.66	708.47
5	31	Tribal Development	242.34	325.72	371.39	415.69	403.42
6	32	Scheduled Caste Sub Plan	405.83	390.87	513.37	264.69	141.50
Capital- Voted							
7	32	Scheduled Caste Sub Plan	132.87	154.08	231.62	149.75	390.46

Source: Appropriation Accounts.

The substantial persistent savings in the grants above indicated that budgetary controls in these departments were not effective and previous years' trends were not being taken into account while allocating funds. This had been pointed out in previous State Finance Audit Reports, but the State Government did not seem to have taken cognizance of the same.

(iii) Details of surrenders of funds in excess of ₹ 10 crore

Instances of surrender of funds in excess of ₹ 10 crore in each case during/at the end of March are given in **Table-3.10**.

Table-3.10: Details of surrender of funds in excess of ₹ 10 crore during/at the end of March

(₹ in crore)

Sr. No.	Grant Number	Original grant	Supplementary grant	Total Provision	Actual expenditure	Savings	Amount Surrendered
1.	03	251.84	27.52	279.36	250.17	-29.19	15.62
2.	07	1,618.37	20.59	1,638.96	1,402.68	-236.27	163.35
3.	08	7,178.83	133.54	7,312.37	6,230.98	-1,081.40	717.67
4.	10	5,045.32	176.47	5,221.79	3,981.99	-1,239.79	1,028.24
5.	11	470.22	8.83	479.05	429.89	-49.16	46.26
6.	13	3,404.77	50.14	3,454.90	3,300.86	-154.04	259.45
7.	14	409.76	5.01	414.77	378.45	-36.32	29.11
8.	16	721.71	58.87	780.57	644.83	-135.75	82.54
9.	19	1,241.99	15.34	1,257.33	1,207.19	-50.14	26.68
10.	26	695.92	24.95	720.87	176.21	-544.66	622.22
11.	28	814.66	131.62	946.28	841.20	-105.08	96.00
12.	29	17,574.43	0.00	17,574.43	15,537.10	-2,037.33	1,727.39
13.	31	2,238.35	0.08	2,238.43	1,704.85	-533.58	115.34
14.	32	3,626.07	258.50	3,884.57	3,352.61	-531.96	287.18
Total		45,292.24	911.46	46,203.68	39,439.01	-6,764.67	5,217.05

Source: Appropriation Accounts.

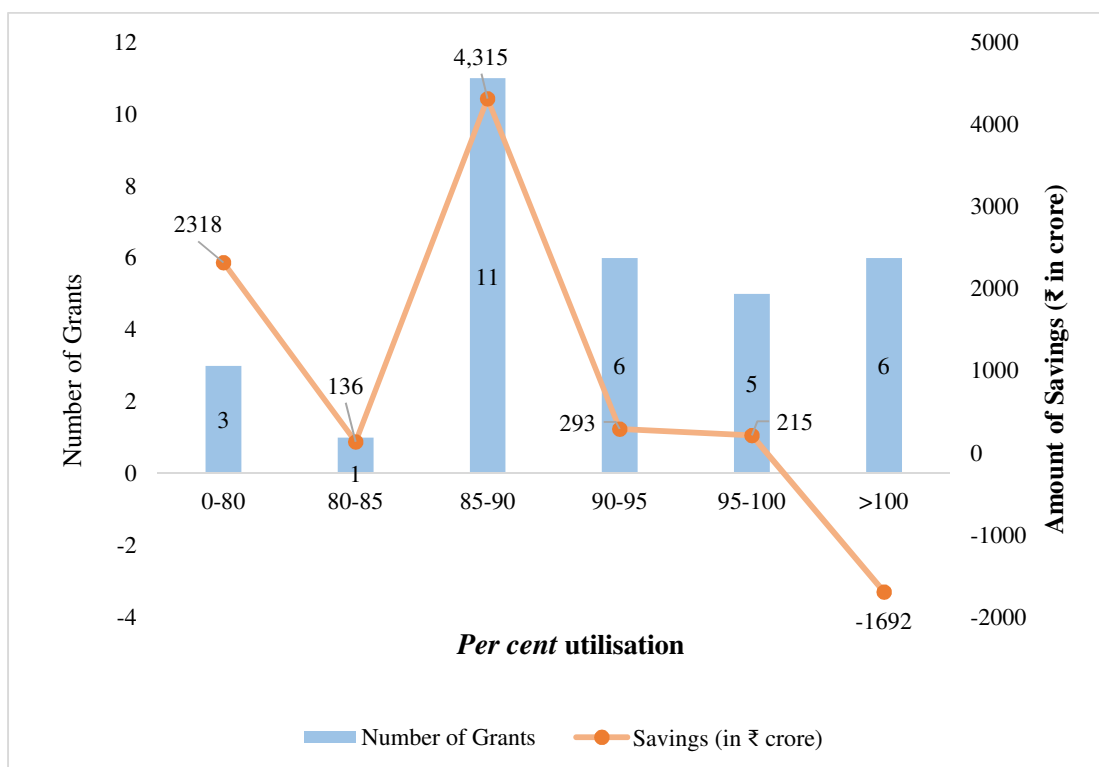
As given in the table above, in 14 cases, amount ₹ 5,217.05 crore (₹ 10 crore or more in each case) (11.52 per cent of total budget allocation) was surrendered in the month of March 2022.

During checking/scrutiny of surrender and reappropriation orders, it was noticed that out of total 32 grants, surrender/reappropriation orders were made in 30 grants on the last day of March. Only for two grants, it was on 7th March. Thus, surrender of funds at the end of the year indicated poor monitoring of expenditure, weak financial controls and meant that funds could not be utilised for other purposes.

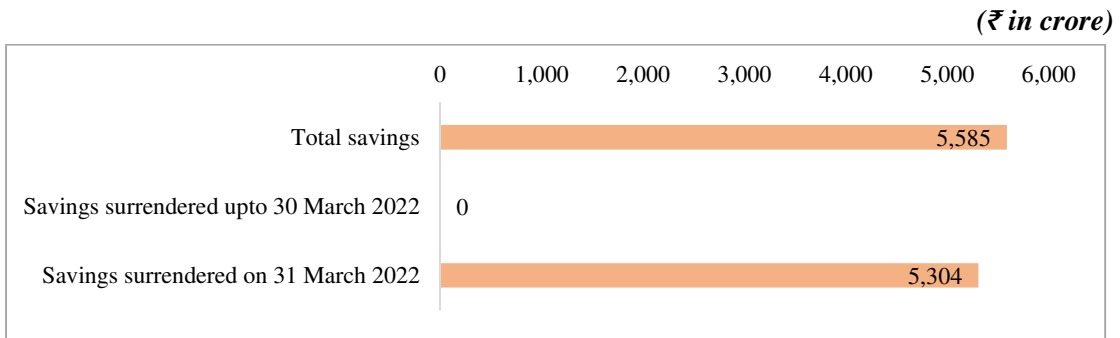
(iv) Distribution of the number of Grants/ Appropriations grouped by percentage of utilisation

The distribution of the number of Grants/ Appropriations grouped by percentage of utilisation is given in the **Chart-3.5**.

Chart-3.5: Distribution of the number of Grants/Appropriations grouped by percentage of utilisation



- During 2021-22, under one grant namely Grant No. 26-Tourism and Civil Aviation, utilisation was only 24 per cent of the available funds resulting in savings of ₹ 544.66 crore.
- In six grants, utilisation was more than 100 per cent, particularly in Grant No 23 -Power Development, where utilisation was 255 per cent, resulting in excess expenditure of ₹ 1,112 crore due to enhanced amount of land compensation to Renuka Ji Dam Oustees whose land was acquired by HP Power Corporation Limited on the direction of Hon'ble High Court of Himachal Pradesh.

Chart-3.6: Savings and surrenders before close of financial year 2021-22

As observed from surrender orders provided by the State Government, all surrenders (₹ 5,304 crore) were made on 31 March 2022. This indicated poor management of funds resulting in sub-optimal utilisation of financial resources.

3.3.7 Excess expenditure and its regularisation

As per Article 204 of the Constitution of India, no money shall be withdrawn from Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of the Article. Further, as per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/ appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). For this purpose, the Departments concerned are required to submit Explanatory Notes for excess expenditure to PAC through Finance Department.

3.3.7.1 Excess expenditure relating to financial year 2021-22

Excess expenditure over budget provision is not only in contravention of provisions requiring legislative sanction, but also indicative of poor planning. It can be avoided by keeping track of progression of expenditure with reference to budgetary outlays. Details of excess expenditure over the budget provision for the financial year 2021-22 are given in **Table-3.11**.

Table-3.11: Summary of excess disbursements over grants/ appropriations during 2021-22

(in ₹)

Sr. No.	Name of Grant	Voted		Charged	
		Revenue	Capital	Revenue	Capital
1.	05-Land Revenue and District Administration	4,66,95,61,477	20,24,00,000	0	0
2.	06-Excise and Taxation	0	14,70,829	0	0
3.	07-Police and Allied Organisations	0	8,47,44,598	3	0
4.	08-Education	0	15,03,61,271	0	0
5.	09-Health and Family Welfare	0	18,24,51,519	0	0
6.	12-Horticulture	24,16,48,889	0	0	0

Sr. No.	Name of Grant	Voted		Charged	
		Revenue	Capital	Revenue	Capital
7.	17-Election	0	19,30,00,000	0	0
8.	18-Industries, Minerals, Supplies and Information Technology	0	74,66,87,810	0	0
9.	20-Rural Development	0	4,84,00,000	0	0
10.	23-Power Development	10,36,97,87,955	74,91,79,000	0	0
11.	25-Road and Water Transport	0	13,82,12,643	0	0
12.	27-Labour Employment and Training	0	3,40,00,000	0	0
13.	28-Urban Development, Town and Country Planning and Housing	0	0	0	68
14.	30-Miscellaneous General Services	0	97,53,080	0	0
	Total	15,28,09,98,321	2,54,06,60,750	3	68

Source: Appropriation Accounts.

As seen the above, in 17 cases (relating to 13 grants and two appropriations), excess expenditure of ₹ 1,782.17 crore over the budget provision was incurred during 2021-22, which requires regularisation from the State Legislature.

Details of excess disbursement over the authorisation from the Consolidated Fund of State under schemes, contributing significantly to the above during the financial year 2021-22 are given in **Appendix-3.5**.

During the exit conference, the Finance Department attributed that the excess expenditure of ₹ 1,037.92 crore under Major Head 2801-80-800-07 was mainly due to the enhanced amount of land compensation paid on the directions of Hon'ble High Court of Himachal Pradesh to Renuka Ji Dam Oustees whose land was acquired by HP Power Corporation Limited.

3.3.7.2 Persistent excesses in certain grants

A number of grants witnessed excess expenditure year after year. The persistent excess expenditure indicates that the budgetary control in the department was ineffective and budget estimates were not prepared on realistic basis. Such repeated excess expenditure is in violation of the will of the State Legislature. Strictly, not a rupee can be spent without prior legislative authorisation and, therefore, this is to be viewed seriously. Persistent excesses may be due to improper estimation at the time of preparation of budget.

It was, however, noticed that during the five-year period from 2017-18 to 2021-22, there were no cases of persistent excess in any grant.

3.3.7.3 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended periods dilutes legislative control over the executive.

Excess expenditure of ₹ 8,818.47 crore under 17 grants and 11 appropriations incurred during the years 2014-15 to 2020-21 was yet to be regularised by the State Legislature as of September 2022. An age-wise analysis shows that out of excess expenditure of ₹ 8,818.47 crore pertaining to 2014-21, ₹ 7,471.73 crore (84.73 per cent) of excess expenditure pertained to period of more than five years i.e. before 2016-17.

In addition to the above, excess expenditure of ₹ 1,782.17 crore incurred over authorisation made in 13 grants and two appropriations during the financial year 2021-22, also requires regularisation.

The year-wise summary of excess expenditure pending regularisation is given in **Table-3.12:**

Table-3.12: Excess expenditure relating to previous years (2014-21) requiring regularisation

Year	Number of Grants/ Appropriations	Grant/ Appropriation numbers	Amount of excess required to be regularised as commented in the Appropriation Account (Figures in ₹)	Status of regularisation
2014-15	10 Grants 6 Appropriations	1, 2, 6, 11, 12, 13, 18, 19, 23 (Revenue) 23 (Capital) and 1, 10, 19, 29 (Revenue), 29 (Capital), 31	15,85,69,18,458	During exit conference, Finance Department stated that memorandums were sent to HP Vidhan Sabha but excesses are yet to be regularised by the Public Accounts Committee (PAC).
2015-16	7 Grants 4 Appropriations	5, 8, 10, 13, 19, 23, 28 (Revenue) and 13, 16, 29 (Revenue) 29 (Capital)	28,48,43,38,113	
2016-17	5 Grants 3 Appropriations	2, 13 (Revenue) 3, 10, 23 (Capital) and 1, 16 (Revenue) 29 (Capital)	30,37,60,82,471	
2017-18	2 Grants 1 Appropriation	5, 10 (Revenue) and 10 (Capital)	3,86,76,41,211	
2018-19	6 Grants 5 Appropriations	05, 13, 22 (Revenue), 03, 10, 12 (Capital) and 07, 20, 25 (Revenue), 10, 29 (Capital)	8,21,37,16,840	Under process
2019-20	4 Grants 3 Appropriations	22 (Revenue), 13, 21, 28 (Capital) and 05 (Revenue), 13, 29 (Capital)	49,91,20,218	
2020-21	3 Grants 2 Appropriation	28 (Revenue), 10, 25 (Capital) 13 (Revenue), 31 (Capital)	88,69,12,706	
Total			88,18,47,30,017	

Source: Appropriation Accounts.

3.3.8 Grant-in-aid for creation of capital assets

As per IGAS-2, grants-in-aid disbursed by a grantor to a grantee shall be classified and accounted for as revenue expenditure irrespective of the purpose for which the funds disbursed as grants-in-aid are to be spent by the grantee, except in cases where it has

been specifically authorised by the President on the advice of the Comptroller and Auditor General of India.

During 2021-22, an amount of ₹ 833.26 crore was extended as grants-in-aid for capital assets and the whole amount was booked under revenue heads and classified as revenue expenditure in the accounts in compliance with IGAS-2.

3.4 Comments on effectiveness of budgetary and accounting processes

3.4.1 Budget projection and gap between expectation and actual

The summarised position of original and supplementary provisions *vis-à-vis* actual expenditure during 2021-22 in respect of 32 grants/ appropriations is given in **Table-3.13**.

Table-3.13: Summarised position of Budget (Original/ Supplementary) provisions *vis-à-vis* Actual Expenditure during 2021-22

(₹ in crore)

	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total provision	Actual Expenditure	Excess (+)/ Savings (-)	Surrender during March	
							Amount	Per cent w.r.t. total provision
Voted	I. Revenue	36,628.99	1,118.70	37,747.69	34,570.20	-3,177.49	3,175.80	8.41
	II. Capital	6,071.33	1,092.46	7,163.79	6,071.76	-1,092.03	924.95	12.91
	III. Loans and Advances	353.87	4.83	358.70	377.97	19.27	43.05	12.00
	Total	43,054.19	2,215.99	45,270.18	41,019.93	-4,250.25	4,143.80	9.15
Charged	I. Revenue	5,097.08	8.18	5,105.26	4,716.55	-388.71	214.05	4.19
	II. Capital	0.00	5.77	5.77	5.60	-0.17	0	0
	III. Public Debt repayments	5,333.51	0	5,333.51	4,387.28	-946.23	946.41	17.74
	Total	10,430.59	13.95	10,444.54	9,109.43	-1,335.11	1,160.46	11.11
Grand Total	53,484.78	2,229.94	55,714.72	50,129.36	-5,585.36	5,304.26	9.52	

Source: Appropriation Accounts.

As shown in the above table, there was an overall saving of ₹ 5,585.36 crore which was the net result of saving of ₹ 7,367.53 crore in 30 grants and nine appropriations offset by excess of ₹ 1,782.17 crore in 13 grants and two appropriations.

Details of original budget, revised estimates and actual expenditure during 2017-18 to 2021-22 are given in **Table-3.14**.

Table-3.14: Original Budget, Revised Estimate and Actual Expenditure during 2017-22

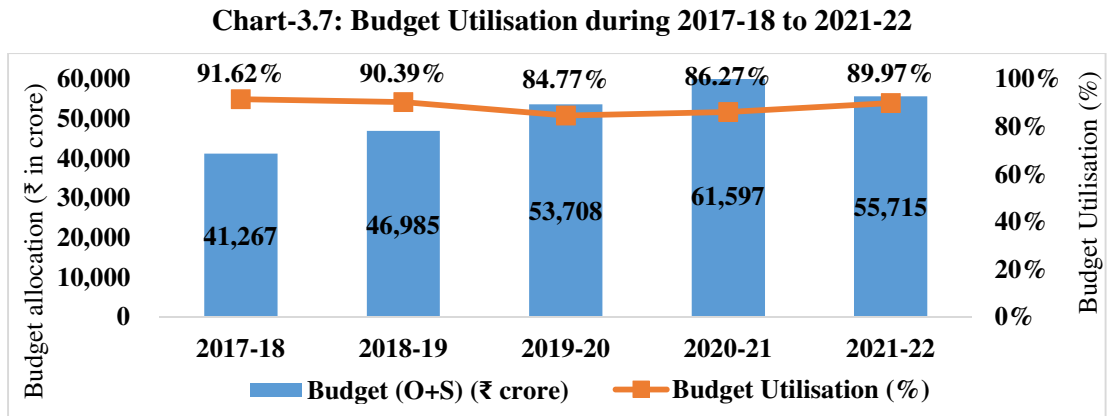
(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Original Budget	37,940	43,842	46,971	52,472	53,485
Supplementary Budget	3,327	3,143	6,737	9,125	2,230
Total (Original + Supplementary)	41,267	46,985	53,708	61,597	55,715
Revised Estimate	38,995	43,625	49,688	53,460	48,834
Actual Expenditure	37,811	42,469	45,528	53,139	50,129
Saving (-)/ Excess (+)	-3,456	-4,516	-8,180	-8,458	-5,585
Percentage of Saving (-)/ Excess (+) to total budget	-8.37	-9.61	-15.23	-13.73	-10.02

Source: Appropriation Accounts and Budget documents of respective years.

As can be seen from the above table, the savings showed an increasing trend during 2017-21, whereas the savings decreased during 2021-22 as compared to last two years. Huge amount of savings indicated sub-optimal utilisation of budgetary outlays as well as inefficient budgetary processes.

The trend of budget allocation (original and supplementary) and utilisation thereagainst is depicted in **Chart-3.7**.



Source: Appropriation Accounts.

As can be seen from the above table, the percentage of budget utilisation against total allocation showed a declining trend during 2017-18 to 2019-20 whereas it shows increasing trend during the periods 2020-22.

3.4.2 Supplementary budget and opportunity cost

While obtaining legislative authorisation for supplementary provisions, departments sometimes report large additional requirements for different purposes under various schemes/activities but are unable to spend not only the entire supplementary provision or parts thereof but also the original budget provision. At the same time, other schemes remain incomplete due to want of funds, resulting in not only the denial of benefits to the public at large but also in escalation of project cost.

Details of unutilised funds under ‘Capital-Voted’ section are given in **Table-3.15** below:

Table-3.15: Details of unutilised funds under ‘Capital-Voted’ section

(₹ in crore)						
Sl. No.	Name of the Grant	Original allocation	Supplementary	Total	Actual expenditure	Unutilised funds
Capital- Voted						
1.	01-Vidhan Sabha	3.05	0.09	3.14	2.19	0.95
2.	10-Public Works - Roads, Bridges and Buildings	1,311.97	176.26	1,488.23	1,442.91	45.33
3.	13-Irrigation, Water Supply and Sanitation	755.24	49.89	805.13	731.67	73.46
4.	16-Forest and Wildlife	11.30	0.26	11.56	10.20	1.36
5.	28-Urban Development, Town and Country Planning and Housing	181.82	2.24	184.06	85.02	99.04
6.	32-Scheduled Caste Sub Plan	1,600.60	205.31	1,805.91	1,415.45	390.46
Total:		3,863.98	434.05	4,298.03	3,687.44	610.60

Source: Appropriation Accounts.

Due to non-availability of information from State Government in respect of schemes/ projects which could not be completed for want of funds during the year, it could not be ascertained whether savings of ₹ 610.60 crore under the 'Capital-Voted' section could have been utilised for completion of those schemes/projects which remained incomplete due to want of funds.

3.4.3 Major policy pronouncements in budget and actual expenditure

The Government announces several new policies/ schemes for implementation through the Budget Speech and other budget documents, which are either for that particular financial year (one-time activity) or the subsequent financial years (of recurring nature).

Some of the major policy pronouncements in the budget and actual expenditure thereagainst during 2021-22 are given in **Table-3.16**.

Table-3.16: Major policy pronouncements in budget and actual expenditure during 2021-22
(₹ in crore)

Sr. No.	Name of the Scheme	Grant No.	Classification	Budget Provisions	Actual expenditure	Savings (-)/ Excess (+)
1.	Japan International Cooperation Agency Assisted Crop Diversification Project Phase II (JICA)	31	2401-00-796-64	1.80	1.80	0.00
2	Prakritik Khet Khush-haal Kisan	11	2401-00-105-12	17.62	19.74	2.12
3		31	2401-00-796-55	0.25	0.25	0.00
4		32	2401-00-789-45	2.20	2.20	0.00
5	Himachal Grihani Suvidha Yojna	22	2408-01-800-02	13.48	13.48	0.00
6		31	2408-01-796-10	0.90	0.90	0.00
7		32	2408-01-789-05	2.52	2.52	0.00
8	Swaran Jayanti Samridh Baagwaan	12	2401-00-119-82	5.00	0.00	-5.00
9	Krishi Utpadan Sanrakshan Yojna (Anti Hail Net Structure)	31	2401-00-796-67	0.90	0.23	-0.67
10		32	2401-00-789-65	2.52	2.52	0.00
11	Mukhya Mantri Gram Kaushal Yojna	31	2501-06-796-10	0.90	0.90	0.00
12		32	2501-06-789-12	2.52	2.52	0.00
13	Swachh Bharat Mission (Gramin)	32	2515-00-789-13	0.46	15.48	15.02
14	Top 100 Chhatravriti Yojna	08	2202-01-109-03	2.00	0.70	-1.30
15	Medha Protsahan Yojna	08	2202-02-109-27	3.29	1.97	-1.32
16		31	2202-02-796-30	0.45	0.30	-0.15
17		32	2202-02-789-30	1.26	0.71	-0.55
18	Srinivasa Ramanujan Student Digital Yojna	08	2202-02-109-15	0.00	16.84	16.84
19		31	2202-02-796-13	2.25	5.29	3.04
20		32	2202-02-789-12	6.30	10.83	4.53
21	Himachal Health Care Scheme (HIMCARE)	31	2210-06-796-17	7.65	7.65	0.00
22	Mukhya Mantri Swavlamban Yojna	31	2851-00-796-30	7.20	3.04	-4.16
23		32	2851-00-789-36	20.15	11.72	-8.43
24	Formalisation of Micro Food Processing Enterprises –Atma Nirbhar Bharat	32	2851-00-789-35	0.68	0.62	-0.06
25		32	2851-00-789-35	0.08	0.00	-0.08
26	Mukhya Mantri Yuva Khel Protsahan Yojna	31	4202-03-796-04	0.45	0.30	-0.15
Total				102.83	122.53	19.70

Source: Budget Speech and Appropriation Accounts.

As is evident from the table above, against the total budget provision of ₹ 102.83 crore made for the above schemes, expenditure of ₹ 122.53 crore was incurred during 2021-22 which resulted in excess expenditure of ₹ 19.70 crore over the budget

provision. On the other hand, in two cases/schemes (Sr. No. 8 and 25), there was no expenditure incurred, thus depriving beneficiaries of the intended benefits.

3.4.4 Expenditure vis-à-vis Budget provided for schemes

Several policy initiatives of the Government are partially executed or not executed due to non-approval of scheme guidelines/ modalities, non-commencement of works for want of administrative sanctions, non-release of budget, etc. This deprives beneficiaries of the intended benefits. Savings in such schemes deprives other departments of funds, which they could have been appropriately utilised.

During 2021-22, there were 81 schemes where budget provision (of ₹ one crore and above) was made but no expenditure was incurred or where entire budget provision was reduced to zero (details are given in **Appendix-3.6**). Out of which, there were 10 schemes (₹ five crore and above in each case) for which substantial provision was made but no expenditure was incurred during the year as depicted in **Table-3.17**.

Table-3.17: Details of schemes for which substantial provision was made but no expenditure was incurred

(₹ in crore)

Sr. No.	Name of Grant	Scheme name	Approved outlay	Remarks
1.	08-Education	Post Matric Scholarship to Other Backward Classes (OBC) Students	5.00	No expenditure was incurred on these schemes during the year. No reasons were intimated for the lack of expenditure under these schemes.
2.	13-Irrigation, Water Supply and Sanitation	Diversion of Flow Irrigation Scheme in various District under Pradhan Mantri Krishi (AIBP)	32.21	
3.	29-Finance	Payments before 1.11.1966	9.81	
4.	31-Tribal Development	Development of Airports and Heliports	81.50	
5.		Upgradation/maintenance of existing Information Communication Technology Laboratory & other Lab Facilities	12.60	
6.		Pradhan Mantri Sinchayee Yojana-Har Khet Ko Paani	7.01	
7.	23-Power Development	Loan to Himachal Pradesh Power Corporation for Projects	21.01	
8.			19.65	
9.	32-Scheduled Caste Sub-plan	Remodeling/Renovation of Old Water Supply Schemes	5.03	
10.		World Bank Assisted Integrated Financial Management System (EAP)	9.07	

Source: Appropriation Accounts.

It was further noted that out of the 81 schemes where budget provision of ₹ one crore and above was made but no expenditure was incurred, there were 22 schemes in which the entire budget provision (₹ five crore and above) was removed either by re-appropriation or by surrender in the revised outlay. The details of these 22 schemes are given in **Table- 3.18**:

Table-3.18: Details of schemes where entire budget provision was reduced to zero

(₹ in crore)

Sl. No.	Name of Schemes	Total provision	Re-appropriation	Surrender	Revised outlay
1.	Compensatory Afforestation (Cost and Payment of Net Present Value of Forest Department)	5.04	-5.04	0	0
2.	Construction of Roads under Central Road	9.90	-9.90	0	0

Sl. No.	Name of Schemes	Total provision	Re-appropriation	Surrender	Revised outlay
	Fund				
3.	Deen Dayal Upadhyay Grameen Kaushal Yojna	5.06	-5.06	0	0
4.	Development Of Airports/ Heliports	278.65	-13.62	-265.03	0
5.	Expenditure on Infrastructure Facilities	13.75	-6.52	-7.23	0
6.	Government Residential Buildings	21.00	-21.00	0	0
7.	Grants under Article 275 (1) of the Constitution	14.92	0	-14.92	0
8.	Helicopter facility to Tribal Areas	8.00	-2.67	-5.32	0
9.	Loan to Himachal Pradesh Power Corporation for Projects	37.34	0	-37.34	0
10.	National Rurban Mission	6.12	-6.12	0	0
11.	Pensioners of Funds Reserve with Finance Department	57.61	-57.55	0	0
12.	Post Matric Scholarship to Scheduled Caste	34.28	-34.28	0	0
13.	Students	12.15	-12.15	0	0
14.	Pradhan Mantri Matsya Sampada Yojna	5.30	0	-5.30	0
15.	Pre-Matric Scholarship to Scheduled Caste Students	6.05	-6.05	0	0
16.	Purchase of Plant Protection Equipment	12.93	0	-12.93	0
17.	Remodelling/Renovation of Old Rural Water Supply Schemes (Externally Aided Project)	13.16	-13.16	0	0
18.	Shyama Parshad Mukherji Rubran Mission	15.99	-15.99	0	0
19.	Sub-Mission on Agriculture Mechanisation	13.35	0	-13.35	0
20.		6.46	0	-6.46	0
21.	Swaran Jayanti Gram Sadak Rakh Rakhaav	10.00	-10.00	0	0
22.	Swaran Jayanti Samridh Baagwaan	5.00	-5.00	0	0

Source: Appropriation Accounts.

Non-utilisation of funds on sanctioned schemes shows that the State Government departments had either not adequately planned for launching such schemes or did not have the capacity for their implementation. Poor scheme implementation capacities increase the tendency of departments to retain cash balances outside the Government Account in bank accounts or surrender funds at the end of the year, thereby depriving other departments of funds which could have been utilised.

3.4.5 Rush of expenditure

Government funds should be spent evenly throughout the year. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalances and temporary cash crunches arising out of unanticipated heavy expenditure.

Details of grants where substantial expenditure was incurred in last quarter (ranged between 50 per cent and 71 per cent) and during March (ranged between 12 per cent and 65 per cent) of 2022 are given in **Table-3.19**:

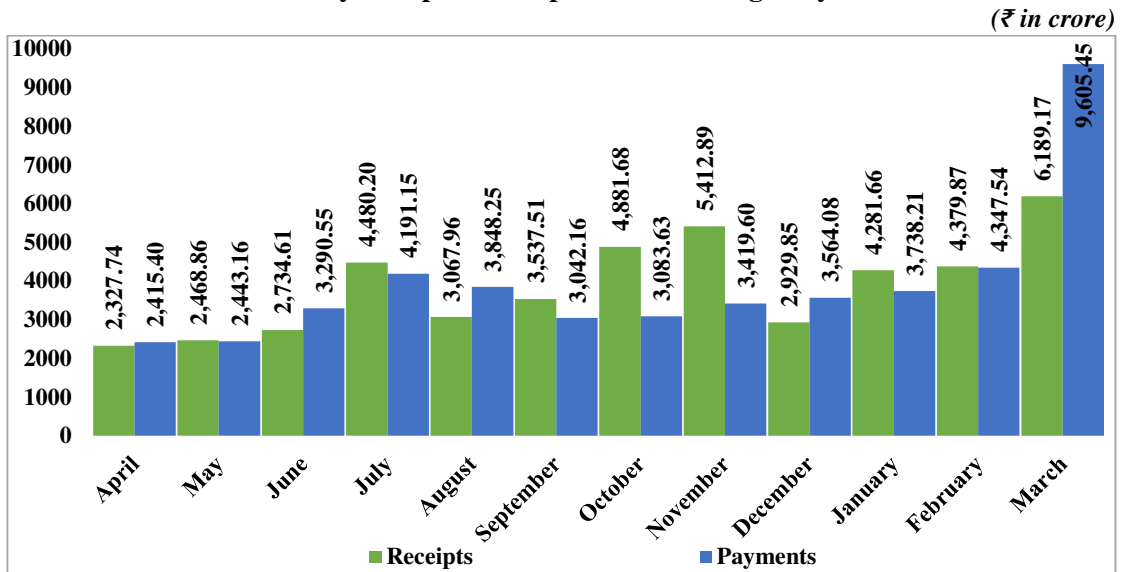
Table-3.19: Grants where substantial expenditure was incurred in the last quarter

Sr. No.	Name of the Grant	Total Expendi-ture (₹ in crore)	Expenditure during last quarter		Expenditure during March	
			₹ in crore	In per cent	₹ in crore	In per cent
1.	18-Industries, Minerals, Supplies and Information Technology	268.97	160.36	59.62	139.94	52.03
2.	22- Food and Civil Supplies	282.58	151.82	53.73	43.21	15.29

Sr. No.	Name of the Grant	Total Expenditure (₹ in crore)	Expenditure during last quarter		Expenditure during March	
			₹ in crore	In per cent	₹ in crore	In per cent
3.	23-Power Development	1,830.97	1,298.99	70.95	1186.35	64.79
5.	28-Urban Development, Town and Country Planning and Housing	841.20	459.66	54.64	103.47	12.30
6.	30-Misc. General Services	149.96	75.01	50.02	39.40	26.28

Month-wise details of receipts and expenditure incurred during 2021-22 are given in the **Chart-3.8**.

Chart-3.8: Monthly receipts and expenditure during the year 2021-22



Source: Monthly Civil Account.

Rush of expenditure during the last quarter, especially during the month of March, showed non-adherence to financial rules. The State Government may consider devising suitable mechanism to avoid rush of expenditure in the last quarter/month of the financial year.

3.5 Review of Selected Grants

A review of budgetary procedure and control over expenditure in respect of two grants viz., Grant No. 8 - 'Education' and Grant No. 13 - 'Jal Shakti Vibhag (Irrigation & Public Health Department)' for the year 2021-22 revealed the following:

3.5.1 Grant No. 8 - Education

This Grant is administrated by Education Department and includes Major Heads: 2059-Public Works, 2202-General Education, 2205-Art and Culture, 4202-Capital Outlay on Education, Sports, Art and Culture and 6202-Loans for Education, Sports, Art and Culture.

3.5.1.1 Budget and Expenditure

The overall position of funds allotted, expenditure incurred and savings/ excesses under Revenue and Capital sections for the year 2021-22 is given in **Table 3.20** below.

Table-3.20: Budget provision, expenditure, excess/ savings*(₹ in crore)*

Year	Section	Original Provision	Supplementary provision	Total Grant	Expenditure incurred	Excess (+)/ Saving (-)
2019-20	Revenue	6,641.11	0.30	6,641.41	5,530.35	-1,111.06
	Capital	96.85	10.40	107.25	77.02	-30.23
	Total	6,737.96	10.70	6,748.66	5,607.37	-1,141.29 (16.91)
2020-21	Revenue	7,068.14	0.73	7068.87	5,706.77	-1,362.10
	Capital	111.50	18.96	130.46	130.44	-0.02
	Total	7,179.64	19.69	7,199.33	5,837.21	-1,362.12 (18.92)
2021-22	Revenue	7,087.45	0.10	7,087.55	5,991.12	-1,096.43
	Capital	91.38	133.44	224.82	239.85	15.03
	Total	7,178.83	133.54	7,312.37	6,230.97	-1,081.40 (14.79)

Source: Appropriation Accounts

It can be seen from the above table that there was persistent savings during 2019-22 under this grant in both Revenue and Capital section. Savings/ un-utilised budget provision ranged between 14 per cent and 19 per cent during 2019-22. During 2021-22, the original allocation (₹ 7,178.83 crore) to this Grant was 13 per cent of the total budget provision (₹ 55,715 crore). Out of total available budget provision (original+ supplementary) of ₹ 7,312.37 crore, ₹ 1,081.40 crore (14.79 per cent) could not be spent, resulting in savings.

(a) Entire provision remained unutilised

Scrutiny of the records pertaining to this Grant revealed that there were 11 heads of account (as detailed in **Appendix 3.7**), where no expenditure was incurred, and the entire budget provision of ₹ 8.19 crore was removed by re-appropriation in the revised outlay.

Further, in two cases/schemes, entire budget allocation of ₹ 7.45 crore remained unutilised during 2021-22, indicating non-implementation of schemes as shown in the **Table 3.21** below:

Table: 3.21: Entire provision remained unutilised*(₹ in crore)*

Sr. No.	Major Head of Account	Approved budget	Supplementary Grant	Re-appropriation	Revised budget	Expenditure
1.	2202-80-107-08 C00N (Post Matric Scholarship to OBC Students)	5.00	0	0	5.00	0
2.	2202-80-107-20 C00N (Scholarship for Economically Backward Classes General Students)	2.45	0	0	2.45	0
	Total:	7.45	0	0	7.45	0

(b) Expenditure over budget provision

As per Article 204 (3) of the Constitution of India, no money shall be withdrawn from Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of this article.

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussions on the Appropriation Accounts by the Public Accounts Committee (PAC). Scrutiny of the records revealed that the department incurred excess expenditure over the budget provision of ₹ 15.75 crore under Capital head i.e. 4202-01-203-01 S00N (colleges building). Scrutiny further revealed that in addition to original grant of ₹ 42.49 crore, the department received a supplementary grant of ₹ 66.50 crore during 2021-22. Against total available grant of ₹ 108.99 crore, the department incurred ₹ 124.74 crore, leading to excess expenditure amounting to ₹ 15.75 crore over the total budget provision. This indicated that the department made unrealistic budget provisions which dilutes the process of budget making and control over expenditure.

While confirming the facts, Department stated that additional grant of ₹ 15.75 crore was provided (March 2022) by the Advisor Planning, Government of Himachal Pradesh for completion of construction works but it was not reflected in the re-appropriation order by Finance Department and therefore, there was no excess expenditure over the budget. The reply of the department is not acceptable as prior approval of the Finance Department should have been obtained before re-appropriation by the Department.

(c) Unrealistic/insufficient re-appropriations

Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

During scrutiny of records pertaining to this Grant it was noticed that during 2021-22, there were 43 cases where re-appropriation proved unrealistic or insufficient, details of which are shown in **Appendix-3.8. Table-3.22** shows details of some of the major instances of unrealistic/insufficient re-appropriations.

Table 3.22: Unrealistic re-appropriations resulting in savings

(₹ in crore)								
Sr. No.	Department	Scheme/ Programme	Major Head of Account	Approved budget	Re-appropriation	Revised budget	Expenditure	Savings
1.	Elementary Education	Directorate	2202-01-001-01-SOON	26.22	-8.47	17.75	14.37	-3.38
2.		Expenditure on Middle schools	2202-01-101-03-SOON	1,421.80	-188.46	1,233.34	1,229.00	-4.34
3.		Star Project	2202-01-113-01-C90N	0.01	49.69	49.70	33.26	-16.44
4.		Mid Day Meal	2202-01-800-01-C90N	63.38	-3.10	60.38	48.59	-11.79
5.	Higher Education	Expenditure on Secondary Schools	2202-02-109-01 S00N	2,486.67	-98.89	2,387.78	2,183.29	-204.49
6.		Expenditure on Government Colleges	2202-03-103-01 S00N	358.49	-16.33	342.16	300.64	-41.52

It can be seen from the above table that in five cases (except Sr. No. 3), even after budget provision was reduced by re-appropriation, the actual expenditure was not up to the level of revised budget provisions and remained unutilised at the end of the year.

On the other hand, budget/fund allocated through re-appropriations under one case (Sr. No. 3), also remained unutilised. Thus, unrealistic provision of funds in the original grant and further by way of re-appropriation had resulted in savings, which indicates not only casual approach in preparation of budget estimates and demand of funds through re-appropriation but also non-utilisation of the funds on sanctioned schemes.

After confirming the facts and figures, the department stated that savings were due to non-appointment of contract and SMC employees against sanctioned strength, retirement of regular employees and vacant post, etc. The other reasons for savings were non-receipt of funds from GoI, decrease of employees under MDM scheme and non-utilisation of stitching charges due to non-availability of bank account numbers of migratory students/ migration of students to private schools, etc. The reply is not acceptable as all these facts and assumptions should have been taken into cognizance while re-appropriating/ re-allocating the funds. This process of the State Government/Department indicated unrealistic/inefficient budgeting.

(d) Unauthorised supplementary grant / re-appropriation in the absence of original provisions

A supplementary grant or appropriation is an addition to the original authorised grant or appropriation. Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

Scrutiny of the records of Education Department revealed that in the absence of original provision of budget in two heads of account, the department allocated an amount of ₹ 429.16 lakh by way of supplementary grant and re-appropriation diluted the process of budget making and control over expenditure. Even after re-appropriation/ supplementary grant, the department could not utilise the grant in full, as ₹ 0.31 lakh remained unutilised. Details of unauthorised supplementary grant / re-appropriation are given in **Table 3.23** below.

Table 3.23: Details showing supplementary grant, re-appropriation and expenditure incurred in the absence of original budget

(₹ in lakh)								
Sr. No.	Scheme/ Programme	Major Head of Account	Original budget	Supplementary Grant	Re-appropriation	Revised budget	Expenditure	Saving/ Excess
1	Pre-Matric Scholarship to OBC	2202-80-107-09 S50N	0	0	413.00	413.00	413.00	0
2	Rashtriya Uchchatar Shiksha Abhiyan (RUSA)	2202-03-103-07 S00N	0	0.04	16.12	16.16	15.85	-0.31
Total			0	0.04	429.12	429.16	428.85	-0.31

While confirming the facts, the Department stated that the supplementary grant/ re-appropriation had been made during the financial year to meet out the previous year's liabilities. The reply of the department is not acceptable as when the department was aware of previous year's liabilities especially in respect of the above schemes, which

are ongoing, it should have taken cognizance of the same and made provisions in the original budget itself. Even the re-appropriations/ supplementary grants were made in excess, resulting in savings.

(e) Rush of expenditure

According to the Himachal Pradesh Financial Rules, 2009, rush of expenditure, particularly in the closing month of the financial year should be avoided.

Scrutiny of the records of Education Department revealed that in 14 heads of account as given in **Appendix 3.9**, more than 50 *per cent* of the total expenditure had been incurred in the month of March 2022. This is in contradiction of the provisions of rules *ibid.* Out of 14 heads of account under two Major Heads (2202 and 4202), in 10 heads of account (Sr. No. 1 to 8, 12 and 13 of **Appendix 3.9**), the substantial expenditure (ranged between 80 *per cent* and 100 *per cent*) was incurred during March 2022.

Rush of expenditure at the close of the year can lead to infructuous, wasteful or ill planned expenditure. The department should ensure that funds are expended uniformly throughout the year according to the prescribed norms as far as practicable to avoid rush of expenditure at the end of the financial year.

After confirming the facts and figures, the department stated that due to late receipt of funds, delay in finalisation of specification by the technical committee for the items to be procured and late conveying of administrative approval and expenditure sanctions, it had to resort to expenditure in March. The reply is not acceptable as the department should have taken cognizance of all these issues and maintained a steady pace of expenditure during the year. Further, to avoid rush of expenditure at the end of financial year, the State Government should have prescribed quarter-wise norms.

(f) Delay in submission of statements of excess and surrender

As per Himachal Pradesh Budget Manual, the Head of Department is required to submit budget estimates and the statement of excesses and surrenders to the Finance Department by 1 October and 15 January or well before the close of the financial year respectively.

Further, as per instructions issued (August 2021) by the Finance Department to the Government of Himachal Pradesh, the first, second and final statements of excess and surrender were required to be submitted to the Finance Department by 31 October, 31 January and 15 March respectively of every year.

Scrutiny of the records of Education Department showed that statements of excess and surrender had been submitted belatedly to Finance Department. The delay in submission of statements ranged between 15 and 82 days. This showed that the

prescribed time schedule of submission of statements of excess and surrender was not fully followed by the department which could be a contributing factor towards persistent savings under this Grant in both Revenue and Capital section (*see paragraph 3.5.1.1*) during 2019-22. The detail of dates of submission of statements of excess and surrender is given in **Table 3.24** below.

Table 3.24: Details of submission of statements of excess and surrender

Particular	Due date	Submission date	Delay (in days)
Elementary Education			
First excess and surrender statement	31-10-2021	16-11-2021	16
Higher Education			
First excess and surrender statement	31-10-2021	21-01-2022	82
Final excess and surrender statement	15-03-2022	30-03-2022	15

In this regard, Department of Elementary Education stated that due to heavy rush of work, the first statement of excess and surrender could not be submitted to the Government in time and in future, timely submission of statements would be ensured.

In response, Department of Higher Education stated that for the first time, the statement has been submitted on 16th March 2022 but due to receipt of funds under various heads of account from Government, the revised statement was submitted on 30th March 2022. The replies of the department are not acceptable as this is the fact that the department did not follow the time schedules for submission of statements of excess and surrender.

3.5.2 Grant No. 13 – Jal Shakti Vibhag (Irrigation & Public Health Department)

This Grant is administrated by Jal Shakti Vibhag (Irrigation and Public Health Department) and includes Major Heads: 2059-Public Works, 2215-Water Supply and Sanitation, 2216-Housing, 2700-Major Irrigation, 2701-Medium Irrigation, 2702-Minor Irrigation, 2711-Flood Control and Drainage, 4215-Capital Outlay on Water Supply and Sanitation, 4701-Capital Outlay on Medium Irrigation, 4702-Capital Outlay on Minor Irrigation, 4705-Capital Outlay on Command Area Development and 4711-Capital Outlay on Flood Control Projects).

3.5.2.1 Budget and Expenditure

The overall position of funds allotted, expenditure incurred and savings/ excesses under revenue and capital sections of the grant for the year 2021-22 is given in **Table 3.25**:

Table-3.25: Details of funds allocated, expenditure incurred and savings/ excesses

(₹ in crore)

Year	Section	Original Provision	Supplementary provision	Total Grant	Expenditure incurred	Excess (+)/ Saving (-)
2019-20	Revenue	2,586.54	0.22	2,586.76	2,358.76	-228.00
	Capital	709.05	186.92	895.97	944.28	48.31
	Total	3,295.59	187.14	3,482.73	3,303.04	-179.69 (5.16)
2020-21	Revenue	3,808.98	0.09	3,809.07	1,439.22	-2,369.85
	Capital	951.48	2.95	954.43	922.80	-31.63
	Total	4,760.46	3.04	4,763.50	2,362.02	-2,401.48 (50.41)
2021-22	Revenue	2,649.53	0	2,649.53	2,569.12	-80.41
	Capital	755.24	50.14	805.38	731.75	-73.63
	Total	3,404.77	50.14	3,454.91	3,300.87	-154.04 (4.46)

Source: Appropriation Accounts

It can be seen from the above table that there were persistent savings during 2019-22 under this grant. Savings/ un-utilised budget provision ranged between four *per cent* and as high as 50 *per cent* during 2019-22. During 2021-22, the original budget allocation (₹ 3,454.91 crore) to this Grant was six *per cent* of the total budget (₹ 55,715 crore). Out of total available budget provision of ₹ 3,454.91 crore, ₹ 3,300.87 crore was incurred and ₹ 154.04 crore could not be spent, resulting in savings.

The following points emerged from the scrutiny of records of the department:

(a) Savings

Rule 31(4) of Himachal Pradesh Financial Rules 2009, provides that the revised estimates of both plan and non-plan expenditure and budget estimates for non-plan expenditure after being scrutinised and approved by the Administrative department concerned shall be forwarded to the Finance Department in such manner and form as may be prescribed. Similarly, Rule 41 also stipulates that the head of the department through their administrative department, shall surrender to the Finance Department by the date prescribed before the close of financial year, all the anticipated savings noticed in the grants of appropriation controlled by them.

Scrutiny of the records pertaining to this Grant (Jal Shakti Vibhag) revealed that –

- (i) During 2021-22, out of 56 cases (given in **Appendix 3.10**), savings in 33 cases were more than ₹ 10 lakh or more in each case.
- (ii) In 56 cases, out of total grant of ₹ 2,729.85 crore, ₹ 542.86 crore (20 *per cent*) remained unutilised at the end of the year 2021-22.

This indicates that the department either made unrealistic budget provisions or did not disburse/surrender the amount as per prescribed procedure/rule depriving the other heads where these funds could have been used.

After confirming the facts and figures, the department stated that savings pertained to suspense/ stock/ manufacture/ misc. advances, adjustment of recoveries, various schemes, etc. Due to COVID-19 Pandemic, the works in the department could not be executed fully, therefore adjustment of funds under heads of account could not be made.

Department further stated that the amount pertaining to salary could not be utilised fully due to non-filling of vacant posts. All the savings could not have been surrendered in expectation of announcement of arrears/Central release, etc.

The reply is not acceptable as savings as well as provisions which cannot be utilised shall be surrendered to the Government immediately as and when they are foreseen, without waiting for the end of the financial year. No savings shall be held in reserve for future excesses according to Rule 41(2) of Himachal Pradesh Financial Rules 2009.

(b) Unrealistic preparation/formulation of budget estimates

As per rules 28 (3) of the HP Financial Rules, 2009, all the Departments shall comply with the guidelines issued by Finance Department from time to time for preparation of budget estimates.

(i) Scrutiny of the records of the Department showed that there were 43 heads of accounts (as detailed in **Appendix 3.11**), where no expenditure was incurred, and the entire budget provision of ₹ 18.30 crore was removed by re-appropriation in the revised outlay. Some instances where entire budget provision was reduced to zero by way of re-appropriation, are given in **Table-3.26** below:

Table 3.26: Details of cases/schemes where entire budget provision was reduced to zero by re-appropriation of total approved budget

(₹ in lakh)

Sr. No.	Head of Account	Original Budget	Supplementary Grant	Re-appropriation	Expenditure
Revenue Head					
1.	2701-15-799-01-S00N-79-Suspense	28.30	0	-28.30	0
2.	2701-16-799-01-S00N-79-Suspense	120.29	0	-120.29	0
3.	2701-16-799-02-S00N-79-Stock Manufacture	21.23	0	-21.23	0
4.	2701-16-799-03-S00N-79- Public Works Misc. Advances	49.53	0	-49.53	0
5.	2711-01-799-03-S00N-79-Public Works Misc. Advances	97.65	0	-97.65	0
Capital Head					
6.	4215-01-102-26-S00N	1,316.00	0	-1,316.00	0
7.	4215-01-102-28-S00N	150.00	0	-150.00	0

This indicates that the budget provisions were formulated without estimating their requirement, which diluted the process of budget making and control over expenditure.

(ii) In another instance, during scrutiny of the records of the department, it was noted that there were 10 heads of accounts/ schemes for which substantial provision of ₹ 42.43 crore was made but no expenditure was incurred during the year 2021-22, as depicted in **Table-3.27**. Further, the department had not complied with the provision of Rule 41 (2) of HPFR 2009 and savings were held in reserve for future excesses at the end of the financial year.

Table 3.27: Details of head of accounts/ schemes for which substantial provision was made but no expenditure was incurred*(₹ in lakh)*

Sr. No.	Head of Account	Sanctioned Budget	Supplementary Grant	Re-appropriation	Final Budget	Expenditure
Revenue Section						
1	2700-01-799-01-S00N79-Suspense	358.05	0	0	358.05	0
2	2700-01-799-03-S00N79-Public Works Misc. Advances	187.17	0	0	187.17	0
3	2701-11-799-01-S00N-79-Suspense	4.24	0	0	4.24	0
4	2701-11-799-02-S00N-79-Stock Manufacture	1.41	0	0	1.41	0
5	2701-11-799-03-S00N-79-Public Works Misc. Advances	1.41	0	0	1.41	0
6	2701-21-799-01-S00N-79-Suspense	70.76	0	0	70.76	0
7	2701-21-799-02-S00N-79-Stock Manufacture	14.15	0	0	14.15	0
8	2701-21-799-03-SOON-79-Public Works Misc. Advances	6.37	0	0	6.37	0
Total Revenue Head		643.56	0	0	643.56	0
Capital Head						
9	4702-00-101-07 LIS PMKSY C90N	3,220.80	0	0	3,220.80	0
10	4702-00-101-06 LIS PMKSY S10N	379.00	0	0	379.00	0
Total Capital Head		3,599.80	0	0	3,599.80	0
Grand total (Revenue & Capital Head)		4,243.36	0	0	4,243.36	0

After confirming the facts and figures, the Department stated that under Revenue section, due to Covid-19 Pandemic, the works could not be executed fully as per estimates, which resulted in less demand of material. Therefore, adjustment of funds against these heads of accounts could not be made. The Department further stated that under Capital Section, the funds could not be utilised due to non-approval of schemes and non-receipt of funds under Central Share. The reply is not acceptable as the department should have considered all components *vis-à-vis* Centre Share / State Share, previous liabilities, etc., before finalisation of budget provisions of a particular financial year.

(c) Unnecessary/excessive reappropriations

Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Further, funds shall not be re-appropriated from a unit with the intention of restoring the diverted appropriation to that unit when savings become available under other units later in the year.

During scrutiny of the records of the Department, it was noted that during 2021-22, in 14 cases, reduction of provision by re-appropriation proved insufficient as there were savings under these heads of account at the end of the year. Details of such 14 cases, are shown in the **Table 3.28** below.

Table 3.28: Details of cases where provision though reduced by re-appropriation had savings

(₹ in crore)

Sr. No.	Heads of Accounts	Original grant	Supplementary grant	Re-appropriation	Total grant	Expenditure	Savings
Revenue Section							
1	2215-01-001-01-SOONM	28.37	0.20	-0.90	27.67	25.21	-2.46
2	2215-01-001-02-SOON	6.83	0.00	-0.25	6.58	6.07	-0.51
3	2215-01-001-02-SOON	110.66	0.09	-1.33	109.42	97.83	-11.59
4	2215-01-005-01-SOONM	4.34	0.00	-0.39	3.94	3.04	-0.90
5	2215-01-101-02-SOON	296.91	0.00	-35.46	261.45	242.61	-18.85
6	2215-01-101-04-SOON-NP-21MTS	130.43	0.00	-35.21	95.22	75.98	-19.24
7	2215-01-102-03-SOON	664.04	0.00	-84.57	579.46	537.91	-41.55
8	2215-01-102-12-SOON	423.32	0.00	-83.86	339.46	236.30	-103.16
9	2700-01-001-01-SOON	9.41	0.00	-0.94	8.46	7.49	-0.97
10	2702-80-001-01-SOON	83.42	0.00	-5.61	77.80	67.97	-9.83
11	2702-80-001-02-SOON-NP	250.92	0.00	-30.95	219.97	192.00	-27.98
12	2702-80-001-06-SOON	250.92	0.00	-22.64	228.28	163.69	-64.58
Capital Section							
13	4215-01-101-01-SOON(P) UWSS-in various Districts	33.66	0.00	-0.13	33.53	30.43	-3.10
14	4702-00-101-03-SOON LIS NABARD	52.11	0.00	-3.11	49.00	48.36	-0.64

The Government may consider putting in place stringent mechanism for estimating probable expenditure during the year and projected requirements for ensuring accurate budgeting.

(d) Unjustified supplementary grant / re-appropriation in the absence of original provisions

A supplementary grant or appropriation is an addition to the original authorised grant or appropriation. Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

Scrutiny of the records relating to this Grant showed that in seven heads of account, there was no original provision during 2021-22. The department incurred an expenditure of ₹ 13.89 crore on these sub-heads by way of supplementary grant and re-appropriation. The department made provision of ₹ 14.06 crore (by re-appropriation of ₹ 0.15 crore and supplementary grant of ₹ 13.91 crore) in these sub-heads during the year. Despite this, the department could not utilise the grant in full as ₹ 0.17 crore remained unutilised. In the absence of original provision of budget, the re-appropriation/ supplementary grant made was unjustified and also proved that unrealistic estimation of budget provision was made which diluted the process of budget making and control over expenditure. The details of unjustified supplementary grant / re-appropriation are given in **Table 3.29** below.

Table 3.29: Details showing re-appropriation made, supplementary grant and expenditure incurred in the absence of original budget

(₹ in lakh)

Sr. No.	Head of Account	Original Budget	Supplementary Grant	Re-appropriation	Final Budget	Expenditure	Saving/ Excess
1	4215-01-102-01 SOONM 29-Compensation (Voted)	0	24.60	0	24.60	24.61	0.01
2	4215-01-102-01-- SOONM 29-Compensation (Charged)	0	7.66	0	7.66	7.65	-0.01
3	4701-21-800-01-S00N	0	552.00	0	552.00	551.97	-0.03
4	29-Compensation (Voted)	0	0.01	14.49	14.50	14.50	0
5	4711-01-800-13-SOON Channelisation of Swan from Doulatpur to Gagret Bridge PR IV	0	17.17	0	17.17	0	-17.17
6	4711-01-800-15-SOON FPW in Chhouch Khad	0	790	0	790.00	790.00	0
Total		0	1,391.44	14.49	1,405.93	1,388.73	-17.20

While confirming the facts and figures, the department stated that supplementary grants/ re-appropriations in these cases had been made for emergent payment of compensation on account of land acquired from the different land holders for construction of various water supply schemes, land acquisition in court matter, clearance of pending liabilities, etc. Further, the department stated that all supplementary and re-appropriations made during the year are based on facts and are correct and justified. The reply is not acceptable as the department should have considered all components related to payment of compensation on account of land acquisition, court related matter and previous liabilities etc. and should have suitably made the budget provisions under these heads of account for the financial year.

(e) Delay in submission of statements of excess and surrender

As per Himachal Pradesh Budget Manual, the Head of Department is required to submit budget estimates and the statement of excesses and surrenders to the Finance Department by 1 October and 15 January or well before the close of the financial year respectively.

Further as per instructions issued (August 2021) by Finance Department, Government of Himachal Pradesh, the first, second and third statements of excess and surrender were required to be submitted to the Finance Department on 31 October, 31 January 2022 and 15 March respectively.

Scrutiny of the records pertaining to this Grant revealed that statements of excess and surrender had been submitted belatedly to Finance Department. The delay in submission of statements ranged between seven and 46 days. This showed that the

prescribed time schedule of submission of statements of excess and surrender was not followed by the department which could be a contributing factor towards persistent savings under this Grant during 2019-22 (*see paragraph 3.5.2.1*). The details are given in **Table 3.30** below:

Table 3.30: Details of submission of statements of excess and surrender

Sr. No.	Particulars	Due date	Submission date	Delay (in days)
1	First excess and surrender statement	31-10-2021	16-12-2021	46
2	Second excess and surrender statement	31-01-2022	07-02-2022	7
3	Third (Final) excess and surrender statement	15-03-2022	28-03-2022	13

After confirming the facts, the department stated that due to Corona pandemic, the excess and surrender statements could not be submitted in time, however, department was always keen to submit the same in time. The reply is not acceptable as it was evident that the department failed to follow the time schedules for submission of statements.

(f) Funds transferred by the GoI directly to State Implementing Agencies outside the State Budget

The Government of India, Ministry of Finance, Department of Expenditure, New Delhi vide Office Memorandum No. 1 (13)/PFMS/FCD/2020 dated 8 December 2021 provides that every State Government is required to designate a Single Nodal Agency (SNA) for implementing each Centrally Sponsored Scheme (CSS). The Single Nodal Agency will open Single Nodal Account for each CSS at the State level in a Scheduled Commercial Bank authorised to conduct business by the State Government. Further, as per the new procedure, it is the responsibility of the State Government concerned to ensure that the entire unspent amount is returned by all the Implementing Agencies (IAs) to the Single Nodal Account of the Single Nodal Agency.

During scrutiny of records relating to this Grant, it was noted that a Centrally Sponsored Scheme (90:10 sharing pattern) namely *Jal Jeevan Mission (JJM)* (formerly National Rural Drinking Water Programme (NRDWP)) is being implemented by the department with one of the objectives to provide Functional Household Tap Connection (FHTC) to every rural household i.e., *Har Ghar Nal Se Jal* (HGNSJ). Scrutiny further revealed that being a CSS, the department opened (July 2019) a Single Nodal Account (SNA). The funds (Central Share) under this scheme were being released by the GoI through the State treasury into SNA account upto May 2021.

However, since the Central share along with the due State matching share was not being timely transferred to the SNA of the Mission, it was decided in February 2021 by the Department of Drinking Water and Sanitation, National Jal Jeevan Mission, Government of India, Ministry of *Jal Shakti* for "Operationalisation of 'Escrow Account' of SWSMs. As such, the SNA account so opened, was converted (April 2021) into an Escrow Account.

It was further noticed that during 2021-22, only Ist tranche of Ist Instalment of ₹ 193.12 crore under category Non-SCC-STC (Grant-13), SCC (Grant-32) and STC (Grant-31) was received in SNA account maintained by the Department. Thereafter, 2nd tranche of Ist Instalment onwards, ₹ 1,077.50 crore were released directly by the GoI, outside the State Budget, into the Escrow Account of Implementing Agency i.e *Jal Jeevan Mission of Jal Shakti Vibhag*, which is a matter of concern. The details of funds transferred by the GoI to State Government/ State Implementing Agency during 2021-22 are given in the **Table 3.31** below.

Table 3.31: Detail showing fund released by GoI to State Government/ Implementing Agency under the scheme JJM for the year 2021-22

Sr. No.	Sanction number	Dated	Amount released through State Government account (SNA-65063927212)	Amount released through out of State Government account (Escrow Account-65063927212)
			(₹ in crore)	
1	G-11011/2/2021-JJM-DDWS-Part-I/08	13-05-2021	193.12	
2	W-11020/27/2020-JJM-I-DDWS/23	30-07-2021	0.00	193.12
3	W-11020/27/2020-JJM-I-DDWS/39	30-11-2021	0.00	193.12
4	W-11020/27/2020-JJM-I-DDWS/58	28-01-2022	0.00	193.12
5	W-11020/3/2022-JJM-I-DDWS/77	30-03-2022	0.00	498.14
Total			193.12	1,077.50

Thus, the funds released directly to implementing agency by the GoI without routing through the State Budget/Treasury impacted adversely the whole process of making of State Budget and position of the State resources/ finances.

3.6 Conclusions

- Budgetary management was sub-optimal, as overall utilisation of budget was almost 90 *per cent* of total grants and appropriations during 2021-22. Budgetary allocations were not accurately made as out of the total 32 grants, in 10 grants there were savings of more than ₹ 100 crore; and in six grants there were persistent savings of more than ₹ 100 crore for the last five years. Supplementary provisions were also not accurately made as in 25 cases the supplementary provisions were either unwarranted or excessive.

- There was rush of expenditure towards the end of the financial year. Under six grants substantial expenditure was incurred in last quarter (ranged between 51-71 *per cent*) and during March (ranged between 12-65 *per cent*) of 2022.
- In 13 grants and two appropriations, expenditure of ₹ 1,782.17 crore was in excess of the authorisation made by the State Legislature. The excess expenditure is required to be regularised by the State Legislature along with excess expenditure of ₹ 8,818.47 crore pertaining to the period 2014-15 to 2020-21.
- Out of 81 schemes, in 10 schemes, no expenditure was incurred in spite of budget provisions of more than ₹ five crore being available in each case. Further, in 22 schemes the entire budget provision (₹ five crore and more in each case) was removed either by re-appropriation or by surrender. This indicates weak financial planning and management by the State Government departments resulting in denial of intended benefits and blocking of resources.

3.7 Recommendations

- The State Government should be more scientific and accurate in its assumptions for preparing budget estimates.
- The State Government should ensure regular monitoring to ascertain the progress of expenditure with reference to the stipulated quarterly targets, and to assess anticipated savings/ excess. Surrenders of anticipated savings should be made well before the close of the financial year so that they can be utilised for other schemes. Excess expenditure over authorisation approved by the Legislature must be avoided and regularised at the earliest.

CHAPTER-IV
QUALITY OF ACCOUNTS AND
FINANCIAL REPORTING PRACTICES

CHAPTER - IV

Quality of Accounts and Financial Reporting Practices

A sound financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting is, thus, one of the attributes of good governance.

Issues relating to completeness, transparency, measurement and disclosures in financial reporting are discussed in this chapter.

Issues relating to completeness of accounts

4.1 Funds outside Consolidated Fund or Public Account of the State

Article 266 (1) subject to the provisions of Article 267 of the Constitution provides that all revenues received by the Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be titled the Consolidated Fund of the State. Article 266 (2) provides that all other public moneys received by or on behalf of the Government of a State shall be credited to the Public Account of the State.

Some significant instances of non-adherence to the above provisions are discussed below.

4.1.1 Building and Other Construction Workers' Welfare Cess

The Government of India (GoI) enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act), to regulate the employment and conditions of service of building and other construction workers and to provide for their safety, health and welfare measures. In exercise of powers conferred under section 14 (1) of the Cess Act, GoI framed the Building and Other Construction Workers' Welfare Cess Rules, 1998 (Cess Rules). Accordingly, the State Government framed the Himachal Pradesh Building and Other Construction Workers Rules, 2008. The Himachal Pradesh Building and Other Construction Workers Welfare Board was constituted in March 2009. The Board is an autonomous body and its accounts are separately audited and certified by the Pr. Accountant General (Audit).

Section 3 of the Cess Act provides for levy and collection of cess from every employer in relation to building or other construction work, and paid to the Board after deducting the cost of collection of such cess not exceeding one *per cent* of the amount collected. As per Section 5 of the Cess rules, the proceeds of the cess collected shall be transferred to the Board along with the form of challan prescribed (and in the head of account of the Board) under the accounting procedures of the State.

It was noticed that no rules have been framed by the Government of Himachal Pradesh for accounting of labour cess and no dedicated sub-head has been provided by the

Government for booking and collection of labour cess separately. Labour Cess is being collected by divisions of the Public Works Department and Jal Shakti Vibhag at the rate of one *per cent* of the cost of construction and is being booked under Major Head 8443-Civil Deposit-108-Public Works Deposits.

As per the Finance Accounts, during 2021-22, the State Government collected ₹ 38.74 crore as Labour Cess under Major Head 8443 and transferred ₹ 41.59 crore to the Building and Other Construction Workers Welfare Board. Thus, the un-transferred amount from the Major Head 8443 was ₹ 24.92 crore as on 31 March 2022.

However, as per information provided by the Board, it had an opening balance of ₹ 671.82 crore and had received ₹ 132.16 crore during 2021-22 as labour cess, interest, etc. During the year, the Board spent ₹ 100.83 crore out of which ₹ 3.68 crore was spent on administrative expenditure and labour welfare activities/schemes. The Board had an amount of ₹ 703.15 crore at its disposal at the close of the year, i.e. 31 March 2022. It was noticed that there is a difference of ₹ 14.83 crore between the figures of closing balance of previous year i.e. 2020-21 (₹ 656.99 crore) and opening balance of current year i.e. 2021-22 (₹ 671.82 crore). The difference was attributed by the Board to non-finalisation of accounts at the time of providing information during last year.

Since in the Public Account, the Public Works Deposits do not have any dedicated sub-head separately for booking of this Cess exclusively received from all sources, the amount of Cess collected and transferred to the Labour Welfare Board and balance yet to be transferred could not be ascertained fully.

4.1.2 Loans of State Government not being credited to the Consolidated Fund

According to information provided, the State Government did not resort to off-budget borrowings. No such borrowings were noticed during audit of the available Financial Statements of PSUs for the year 2021-22.

4.1.3 Funds transferred directly to State implementing agencies

Even after Government of India's decision to release all assistance for Centrally Sponsored Schemes/ Additional Central Assistance to the State Government and not directly to implementing agencies from 2014-15 onwards, funds were still being transferred by GoI directly to implementing agencies. Since these funds were not routed through the State Budget, these were not reflected in the Accounts of the State Government.

The details of aggregate amount transferred to implementing agencies during the last three years are shown in **Table-4.1**.

Table 4.1: Funds transferred to State implementing agencies

Direct transfers to State implementing agencies	2019-20	2020-21	2021-22
Funds transferred (₹ in crore)	1,372.69	1,866.98	2,534.57

According to information on the PFMS portal of the Controller General of Accounts (CGA), GoI released ₹ 2,534.57 crore (un-audited figures) directly to implementing agencies during 2021-22. Direct transfers of funds to implementing agencies increased by 35.76 per cent from ₹ 1,866.98 crore in 2020-21 to ₹ 2,534.57 crore in 2021-22.

Further, during the year 2021-22, out of total amounting to ₹ 2,534.57 crore as detailed in the Appendix-VI of Finance Accounts, central share of ₹ 1,533.06 crore under 30 Centrally Sponsored Schemes were transferred directly to the Implementing Agencies by-passing the Consolidated Fund of the State. This constituted 4.11 per cent and 8.69 per cent of total Revenue Receipts (₹ 37,309.30 crore) and Grants-in-Aid (₹ 17,633.32 crore) respectively. The State Government accounts for the year 2021-22 depicts only ₹ 5,420.75 crore under central share of Centrally Sponsored Schemes. Besides, contracting the budget and expenditure of State Government to the extent of ₹ 1,533.06 crore, the assets created and dedicated to the Public, remained outside the State Government Accounts.

Some of the major implementing agencies which received the funds directly from GoI to implement the Centrally Sponsored Schemes during 2021-22 are given in the **Table-4.2:**

Table 4.2: Funds transferred by GoI directly to State implementing agencies

(₹ in crore)			
Sl. No.	Name of Implementing agencies	Name of the Schemes of Government of India	GoI releases during 2021-22
1	Himachal Pradesh Rural Development and Employment Guarantee Society	Mahatma Gandhi National Rural Guarantee Program	1,085.03
2	Director, Empowerment of SCs, OBCs, Minorities and Specially Abled	Indira Gandhi National Old Age Pension Scheme (IGNOAPS)	147.64
3	Director, Urban Development, Town & Country Planning and Housing	Pradhan Mantri Awas Yojana - Housing for All	73.36
4	Director, National Rural Health Mission	National Rural Health Mission	61.48
5	Director Higher Education	Post Matric Scholarship for SC Students	33.70
6	Director, Empowerment of SCs, OBCs, Minorities and Specially Abled	Indira Gandhi National Widow pension scheme (IGNWPS)	29.39
7	Director, Agriculture	Sub-Mission on Agricultural Mechanisation	22.47

Source: Finance Account – Appendix VI

As these funds are not routed through the Consolidated Fund of the State, the Annual Accounts do not capture the flow of such funds. Thus, the State's receipts and expenditure as well as other fiscal variables and parameters derived from them, do not present the complete picture, to that extent.

4.2 Non-discharge of liability in respect of interest towards interest bearing deposits

During 2021-22, the State Government had made short contribution of ₹ 5.42 crore towards Defined Contribution Pension Scheme for Government employees (NPS) and

also neither made provision nor paid interest of ₹ 0.54 crore for balance of ₹ 7.66 crore lying under NPS as of 31 March 2021. Further, the State Government short contributed its share by ₹ 0.20 crore towards State Disaster Response Fund (SDRF) and neither made provision nor paid interest of ₹ 0.47 crore for balance of ₹ 7.88 crore lying under SDRF under Major Heads of Account 8342 at the end of March 2021.

Issues relating to transparency

4.3 Delay in submission of Utilisation Certificates

In terms of Rule 157 of the Himachal Pradesh Financial Rules, 1971 (Revised in 2009), where grants are sanctioned for specific purpose, the departmental officers concerned should obtain Utilisation Certificates (UCs) from the grantee, which, after verification, should be forwarded to Principal Accountant General (Accounts and Entitlement) within the dates specified in the sanction. The departmental officers drawing the grants-in-aid would be primarily responsible for certifying to the Principal Accountant General (Accounts and Entitlement) the fulfilment of conditions attached to the grant. UCs outstanding beyond the specified periods indicate absence of assurance on utilisation of grants for indented purposes, and the expenditure shown in the accounts to that extent cannot be treated as final. A total number of 3,619 UCs amounting to ₹ 4,752.14 crore were pending as of March 2022 (**Appendix-4.1**). The age-wise and year-wise arrears in submission of UCs is summarised in **Table-4.3** and **Table-4.4**.

Table 4.3: Age-wise arrears in submission of Utilisation Certificates

Year	Opening Balance		Clearance		Due for submission	
	No. of UCs	Amount	No. of UCs	Amount	No. of UCs	Amount
Up to 2019-20	1,487	1,587.06	526	537.09	961	1,049.97
2020-21	1,312	1,970.76	477	661.58	835	1,309.18
2021-22	15,605	4,563.10	13,782	2,170.11	1,823	2,392.99
Total:	18,404	8,120.92	14,785	3,368.78	3,619	4,752.14

Source: Compiled from the information provided by the PAG (A&E) Himachal Pradesh.

Note: UCs for GIA disbursed during 2020-21 become due only during 2021-22 i.e. the year mentioned above relates to "Due year" i.e., after 12 months of actual drawal.

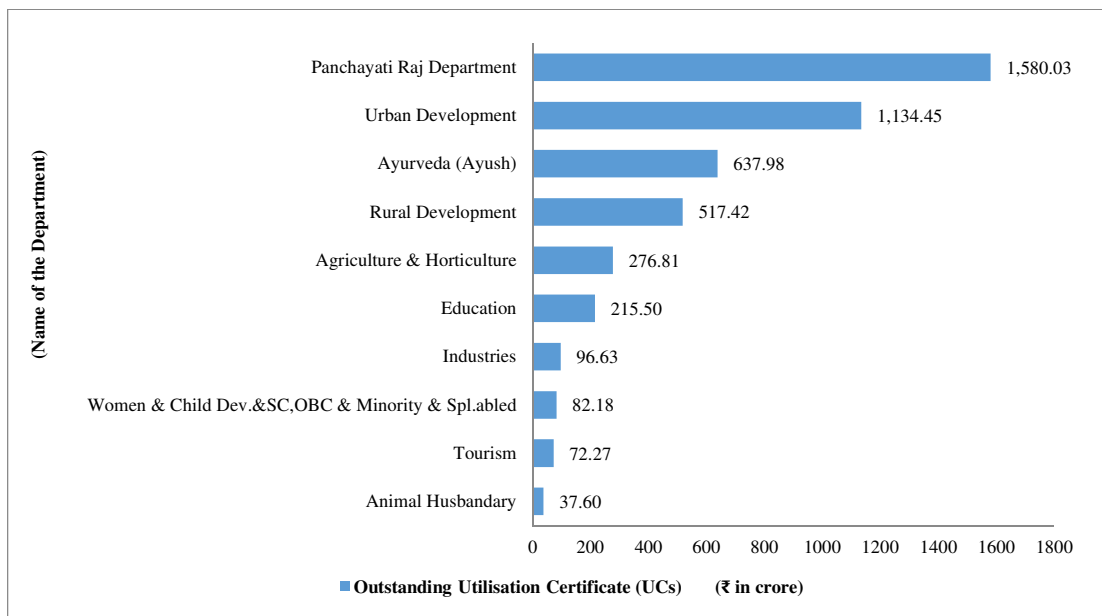
Table 4.4: Year-wise break-up of outstanding UCs

Year in which GIA transferred	Number of outstanding UCs	Amount (₹ in crore)
2015-16	15	25.79
2016-17	111	65.54
2017-18	248	313.74
2018-19	587	644.90
2019-20	835	1,309.18
2020-21	1,823	2,392.99
Total	3,619	4,752.14

Non-submission of UCs meant that the authorities had not explained as to how funds were spent over the years. There was also no assurance that the intended objectives of providing these funds had been achieved. Since non-submission of UCs is fraught with the risk of misappropriation, it is imperative that the State Government should monitor

this aspect closely and hold the persons concerned accountable for submission of UCs in a timely manner.

Chart-4.1: Outstanding UCs in respect of 10 major departments for the grants paid upto 2020-21



Out of total 3,619 outstanding UCs for grants of ₹ 4,752.14 crore, 1,796 UCs for grants of ₹ 2,359.15 crore pertained to the period 2015-16 to 2019-20. Out of total amount of ₹ 4,752.14 crore for which UCs were outstanding, 81.43 per cent (1,497 UCs - ₹ 3,869.88 crore) pertained to four departments – 33.25 per cent (₹ 1,580.03 crore) to Panchayati Raj; 23.87 per cent (₹ 1,134.45 crore) to Urban Development; 13.42 per cent (₹ 637.98 crore) to Ayurveda (Ayush); and 10.89 per cent (₹ 517.42 crore) to Rural Development.

While conducting scrutiny/test-check of records relating to UCs of selected five departments i.e. Panchayati Raj (519 UCs - ₹ 225.64 crore), Urban Development (21 UCs- ₹ 32.85 crore), Ayurveda (Ayush) (18 UCs- ₹ 73.73 crore), Rural Development (43 UCs- ₹ 342.36 crore), and Youth Services & Sports (04 UCs- ₹ 0.40 crore), it was noticed that an amount of ₹ 674.98 crore out of ₹ 3,870.29 crore (605 UCs out of 1,503 UCs) grant has been fully utilised or partially utilised and the UCs were sent by grantees (implementing/executing agencies) to the Heads of Department (HoDs). However, the HoDs concerned after verification, as required, do not seem to have forwarded the same to Pr. Accountant General (A&E), as a result of which these UCs are shown as outstanding in the Accounts. This is due to lack of monitoring at the Directorate level, thus, the position/aspect of outstanding UCs should be monitored closely by the Heads of Departments (HoDs) to ensure submission of UCs in a time bound manner.

4.4 Recording of Grantee Institution as “Others”

There is a mechanism of giving particular codes to various bodies and authorities receiving Grants-in-Aid from Government. In this way, these grants can be

systematically recorded in the office of the Pr. Accountant General (A&E) and submission of UCs can be monitored against outstanding amount for each body / authority. In the absence of proper codes, outstanding amounts against grantees cannot be worked out.

In Himachal Pradesh, there was no system of allotting codes to the bodies / institutions/ authorities receiving grants from the State Government, in order to facilitate monitoring of UCs by the Pr. Accountant General (A&E).

As per **Statement-10** of the Finance Accounts for the year 2021-22, an amount of ₹ 4,980.80 crore had been given as grants-in-aid to different institutions, out of which ₹ 1,039.50 crore (20.87 per cent) was given to “Others”.

During the past five years (2017-22), the Government had continued to record substantial amounts of grants-in-aid as ‘Others’ – ranging between 15.83 per cent and 28.85 per cent as shown in the **Table-4.5**:

Table 4.5: Grants-in-Aid to Grantee Institutions of Type ‘Others’

(₹ in crore)			
Year	Total GIA amount	Amount to Grantee Institutions of Type ‘Others’	Percentage to total GIA
2017-18	2,895.45	784.69	27.10
2018-19	3,633.95	1,048.43	28.85
2019-20	3,506.49	555.22	15.83
2020-21	4,563.11	946.89	20.75
2021-22	4,980.80	1039.50	20.87

Source: Finance Accounts for the respective years

4.5 Abstract Contingent Bills

Rule 183 (3)(V) of Himachal Pradesh Treasury Rules 2017 envisage that no moneys should be drawn from government treasury unless it is required for immediate disbursement. In emergent circumstances, Drawing and Disbursing Officers (DDOs) are authorised to draw sums of money through bills by debiting Service Heads. Rule 187 further provides that advance drawals shall be permitted for emergent circumstances on Abstract Contingent (AC) bills to be drawn by DDOs as specified by the Finance Department for reasons to be recorded in writing. At a time, only one advance can be granted/ passed by District Treasury Officer / Treasury Officer (DTO/TO). It shall be the responsibility of the DDO concerned to get the advance adjusted during the same financial year in which it is drawn. The DTO/TO shall enter advances separately in the advance register. They shall monitor that these are accounted for within the same financial year through Detailed Contingent (DC) bills to Principal Accountant General (A&E). The advance payment register shall be operated continuously and shall be maintained till all advances entered in it are fully recovered/adjusted.

The State Government had not formulated any mechanism for drawal and monitoring of advances through AC bills and their adjustment through DC bills with the office of the Pr. AG (A&E). Drawing and Disbursing Officers (DDOs) were using the same form (i.e. HPTR-5) to draw advances of contingent nature from the Treasury, as the form used for all other routine nature of expenditure like medical reimbursement, travel expenses, contingency/ GIA/ scholarships/ other charges, etc. Thus, there was no mechanism to distinguish/identify the advances drawn through Abstract Contingent (AC) Bills from the other expenditure and adjustment thereof through Detailed Contingent (DC) Bills. As a result of which, Pr. AG (A&E) office is unable to monitor and generate the list/details of advances drawn through AC bills and their adjustments through the DC bills. This issue has been persistently highlighted in the State Finances Audit Reports and Emphasis of Matter (EoM) in the Audit Certificate of the Comptroller and Auditor General of India in Finance Accounts of previous years. Further, the matter was also addressed/taken up repeatedly with the State Government.

In response, the State Government stated (October 2022) that the detailed guidelines for drawal of the AC bills and adjustment thereof through DC bills is under consideration and codification of these bills are being finalised in consultation with National Informatics Centre (NIC).

In Himachal Pradesh, six departments namely, Ayurveda, Health and Family Welfare, Youth Services and Sports, Agriculture, Horticulture and Prosecution have been authorised by the State Government to draw AC bills. Test-check of the records/registers maintained by the DDOs of these departments revealed that during 2016-17 to 2021-22, 103 AC bills amounting to ₹ 97.26 crore have been drawn by Ayurveda (60), Horticulture (37), Youth Services and Sports (05) and Prosecution (01) departments and out of which, 46 AC bills amounting to ₹ 10.67 crore of Ayurveda Department are pending for adjustment.

It was further noticed that some other departments, who are not authorised by the State Government to draw the advances through AC Bills, are also drawing advances. For instance, during test-check of records of Elementary Education, it was noticed that an advance of ₹ 0.12 crore had been drawn by Director, Elementary Education through AC bill during 2021-22 to organise State Level Teacher's Day function and the same was adjusted during the year.

Thus, drawing of advances through AC bills without proper mechanism for their identification/ distinction increases the possibilities of mis-utilisation/ misappropriation of Government money. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be asserted as correct/ final. Furthermore, selection/authorisation only of/to six departments to draw advances through AC bills, reflects on a lack of understanding on the part of the State Government/Department since drawal of AC bills, if any, by other departments cannot be identified/monitored.

4.6 Personal Deposit Accounts

Under Rule 12.7 of the Himachal Pradesh Financial Rules Vol-I, 1971, Personal Deposit (PD) accounts are operated under Public Accounts of the State by transferring

amounts from the Consolidated Fund to be utilised for specific purposes and booked as final expenditure against the service Major Heads concerned without any actual cash flow. Unspent balances lying in PD accounts are required to be transferred back to the Consolidated Fund on the last working day of the financial year, and reopened next year, if necessary. This Rule has not been followed by the State Government, despite persistent correspondence over the past many years.

At the end of 2021-22, an amount of ₹ 1.74 crore remained as unspent balance in 106 PD accounts without being transferred to the Consolidated Fund (**Appendix-4.2**). The status of PD accounts at the close of the financial year 2021-22 is given in **Table-4.6**.

Table 4.6: Status of PD Accounts (MH 8443-106) as on 31 March 2022

(₹ in crore)

PD Accounts as on 01.04.2021		Additions during the year		Close/ withdrawal during the year		Closing balance as on 31.03.2022		Operative Accounts		Inoperative Accounts	
No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
112	2.18	02	0.22*	08	0.66	106	1.74	69	1.71	37	0.03

* The amount ₹ 0.22 crore appears as receipt of ₹ 0.59 crore - lapsed deposit of ₹ 0.37 crore during 2021-22.

Out of total 106 PD Accounts, 69 PD accounts were operative whereas 37 PD accounts were inoperative (of which 26 accounts had zero balances) for more than three years. Further, two PD accounts were opened, and eight PD accounts closed during the year.

As per the prescribed procedure, Personal Deposit Accounts are opened under the designated heads of account, i.e. MH-8443-Civil Deposits-106-Personal Deposits and are reconciled with plus and minus memoranda as supplied by PD account holders and treasuries. However, it was noticed that there were 38 cases where PD accounts were opened under the head MH-8448-109, which was not the designated head of account.

Unspent balances lying in PD Accounts meant that there was overstatement of expenditure to the extent of the balances. Non-reconciliation of Personal Deposit Accounts periodically and non-transfer of the unspent balances lying in Personal Deposit Accounts to Consolidated Fund entails the risk of misuse of public funds.

4.7 Indiscriminate use of Minor Head-800

Minor Head-800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate minor head has not been provided under a Major Head in the accounts. If such instances occur on a regular basis, it is the responsibility of the State Government to discuss with the Pr. Accountant General (A&E) and obtain approval to open appropriate Minor Heads. Routine operation of Minor Head-800 is to be discouraged since indiscriminate booking of receipts and expenditures under Minor Head-800 obscures the nature of transactions and affects transparency of accounts.

The extent of operation of Minor Head-800 as a percentage of total expenditure during 2017-18 to 2021-22 is given in **Chart-4.2** and **Chart-4.3**.

Chart-4.2: Operation of Minor Head 800- Other Receipts during 2017-22

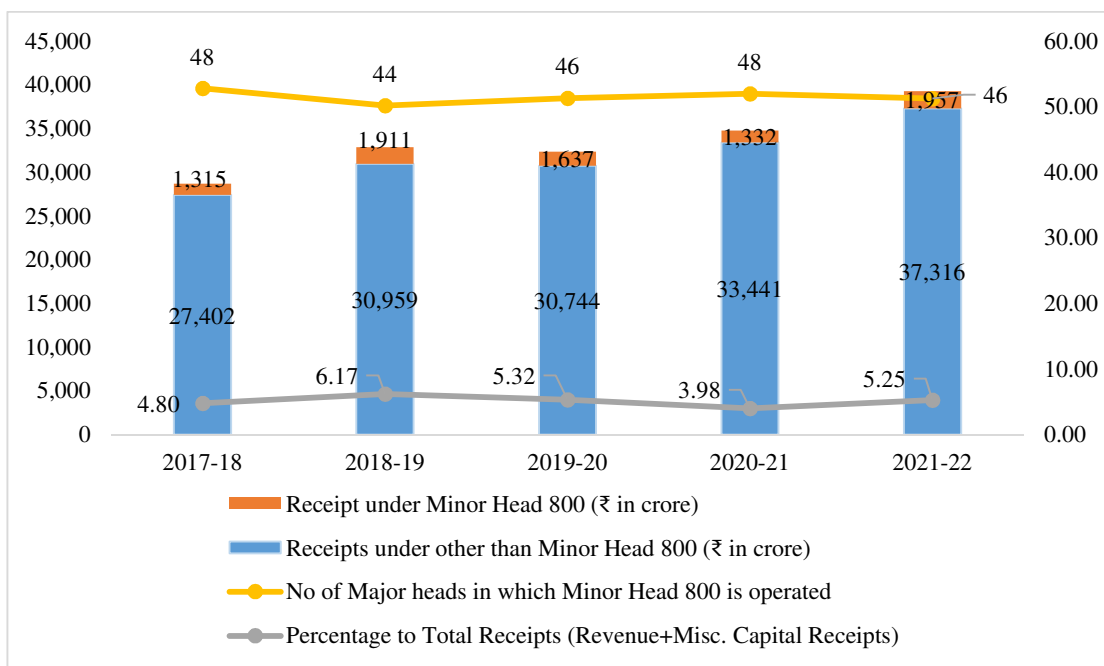
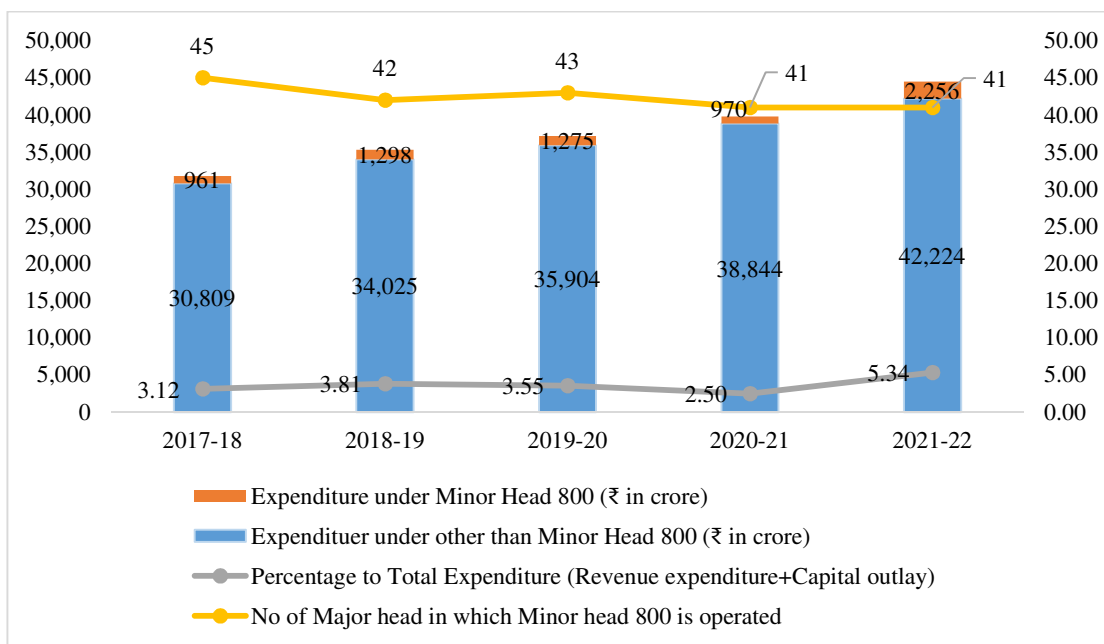


Chart-4.3: Operation of Minor Head 800 - Other Expenditure during 2017-22



During 2021-22, an amount of ₹ 2,255.53 crore under 41 Major Heads of account, constituting 5.34 per cent of total expenditure (₹ 42,223.92 crore), was classified under Minor Head-800 'Other Expenditure' in the Revenue and Capital accounts. Similarly, ₹ 1,957.37 crore under 46 Major Heads of Account, constituting 5.25 per cent of total receipts (₹ 37,316.31 crore), was booked under Minor Head-800 'Other Receipts'. Instances where significant proportion (20 per cent or more of total receipts/ expenditure under the Major Head and exceeding ₹ 5 crore) of receipts and expenditures was classified under Minor Head 800-Other Receipts / Other Expenditure during the year 2021-22 are depicted in **Table-4.7**.

Table 4.7: Significant amount booked under Minor Head- ‘800-Other Receipts/ Expenditure’ during 2021-22

(₹ in crore)

Sr. No.	“800-Other Receipts”				“800-Other Expenditure”			
	Major Head	Total Receipts	Booked under MH 800	Percentage	Major Head	Total expenditure	Booked under MH 800	Percentage
1.	0801- Power	1,183.51	1,183.51	100.00	2043- Collection Charges Under States Goods and Services Tax	5.37	5.37	100.00
2.	4000- Misc. Capital Receipts	7.01	7.01	100.00	2075- Miscellaneous General Services	30.06	29.81	99.17
3.	0515- Other Rural Development Programmes	19.17	17.49	91.24	5475- Capital Outlay on Other General Economic Services	330.52	323.60	97.91
4.	0070- Other Administrative Services	104.90	90.16	85.95	4235- Capital Outlay on Social Security and Welfare	14.39	13.30	92.43
5.	0230- Labour and Employment	13.94	10.63	76.26	4851- Capital Outlay on Village and Small Industries	122.73	109.07	88.87
6.	0045- Other Taxes and Duties on Commodities and Services	340.58	235.68	69.20	4701- Capital Outlay on Medium Irrigation	19.47	14.52	74.58
7.	0401- Crop Husbandry	8.19	5.62	68.62	4401- Capital Outlay on Crop Husbandry	11.21	7.78	69.40
8.	0235- Social Security and Welfare	17.23	11.55	67.03	2801- Power	1,645.69	1,048.98	63.74
9.	1054- Roads and Bridges	21.69	11.17	51.50	5452- Capital Outlay on Tourism	89.81	56.27	62.65
10.	0059- Public Works	69.00	23.75	34.42	4070- Capital Outlay on Other Administrative Services	15.99	9.49	59.35
11.	1475- Other General Economic Services	6.59	1.90	28.83	4711- Capital Outlay on Food Control Projects	31.82	16.84	52.92
12.	0406- Forestry and Wildlife	106.28	30.62	28.81	2402- Soil and Water Conservation	124.98	44.67	35.74
13.	0210- Medical and Public Health	20.11	4.53	22.53	2851- Village and Small Industries	167.20	55.97	33.47
14.	--	--	--	--	2230- Labour, Employment and Skill Development	261.83	78.12	29.84
15.	--	--	--	--	4225- Capital Outlay on Welfare of SCs, STs, OBCs and Minorities	12.67	2.49	19.65
	Total:	1,918.20	1,633.62	85.16	Total:	2,883.74	1,816.28	62.98

Source: Finance Accounts

As is evident from the above table, in 13 Major Heads more than 85 per cent of receipts were booked under '800-Other Receipts', and in 15 Major Heads, around 63 per cent of expenditure (revenue and capital) was booked under '800-Other Expenditure'. Classification of large amounts under Minor Head '800-Other Receipts/Expenditure' affected transparency in financial reporting and understanding of allocative priorities / quality of expenditure.

The matter was discussed during the exit conference (June 2021) with the State Government/Finance Department pertaining to State Finances Audit Report (SFAR) for the year 2020-21. The State Government stated that the process of clean up/ rationalisation of amounts under Minor Head-800 has already been initiated and the effect/changes will be seen in the coming budget estimates.

Issues relating to measurement

4.8 Outstanding balance under major Suspense and DDR heads

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/ Works and Forest Divisions, etc. The position of gross figures under major suspense and remittance heads for the last three years is given in **Table-4.8**.

Table 4.8: Status of Suspense and Remittances Balances

Name of Minor Head	2019-20		2020-21		2021-22	
	Debit (Dr.)	Credit (Cr.)	Debit (Dr.)	Credit (Cr.)	Debit (Dr.)	Credit (Cr.)
8658 - Suspense Accounts						
101-Pay and Accounts Office-Suspense	124.62	56.33	138.83	66.53	133.69	87.07
Net	68.29 Dr.		72.30 Dr.		46.62 Dr.	
102-Suspense Account (Civil)	1,551.08	164.34	1,854.36	223.31	767.15	271.88
Net	1386.74 Dr.		1,631.05 Dr.		495.27 Dr.	
110-Reserve Bank Suspense-Central Accounts Office	3,755.23	3,755.23	2.24	2.26	26.53	00.00
Net	Nil		0.02 Cr.		26.53 Dr.	
112-Tax Deducted at Source (TDS) Suspense	447.74	468.23	471.25	497.83	00.03	41.60
Net	20.49 Cr.		26.58 Cr.		41.57 Cr.	
129-Material Purchase Settlement Suspense Account	139.79	244.17	81.69	219.46	00.00	234.90
Net	104.38 Cr.		137.77 Cr.		234.90 Cr.	
8782 - Cash remittances and adjustments between officers rendering accounts to the same Accounts Officer						
102-Public Works Remittances	7,507.51	8,104.89	6,841.07	7,372.10	00.00	637.47
Net	597.38 Cr.		531.03 Cr.		637.47 Cr.	
103- Forest Remittances	124.72	141.58	0.03	16.81	00.00	16.67
Net	16.86 Cr.		16.78 Cr.		16.67 Cr.	

Source: Finance Account

The Suspense balances (Debit/Credit) under the Minor heads 101-PAO Suspense, 102-Suspense Account (Civil) and 110-Reserve Bank Suspense-Central Accounts Office

under Major Head 8658-Suspense Account appearing in the Finance Accounts for the year 2021-22 are detailed below:

Pay and Accounts Office – Suspense (Minor Head 101): This Minor Head is operated for the settlement of inter-departmental and inter-governmental transactions arising in the books of PAOs under the Union Government, PAOs of the Union Territories and the Accountants General. The outstanding debit balance (31 March 2022) under this Head was ₹ 46.62 crore against debit balance of ₹ 72.30 crore at end of the previous year. Outstanding debit balance under this Head means that payments have been made by the PAO on behalf of other PAO(s), which are yet to be recovered.

Suspense Account - Civil (Minor Head 102): The transactions which cannot be taken to final Head of expenditure/receipt accounts for want of certain information/documents (challans, vouchers etc.) are initially booked under this suspense head. Receipts are credited and expenditure is debited to this account and cleared on receipt of required information by minus credit and minus debit respectively during the financial year. Outstanding debit balance under this head implies 'payment made' but could not be debited to the final head of expenditure for want of certain particulars and outstanding credit balance represents the 'receipts' which could not be credited to final receipt head of account for want of details.

During 2021-22, the debit balances under Suspense head decreased by ₹ 1,135.78 crore from ₹ 1,631.05 in 2020-21 to ₹ 495.27 crore at the end of year 2021-22, primarily due to clearance/adjustment and booking of ₹ 1,190.78 crore (₹ 1,183.76 crore of 2019-20 and ₹ 7.02 crore of 2020-21) under the relevant heads of expenditure (Revenue expenditure: ₹ 1,057.29 crore and Capital expenditure: ₹ 133.49 crore) in the Finance Accounts during 2021-22 resulting in overstatement of expenditure against the budget provisions to that extent. Further, an amount of ₹ 78.74 crore (Revenue Expenditure: ₹ 74.28 crore and Capital Expenditure: ₹ 4.46 crore) has been objected and booked under this head during the current year due to non-furnishing of vouchers and other documents as proof of actual expenditure. The objected amount of ₹ 78.74 crore has not been considered as Revenue/Capital expenditure in the Finance Accounts or as actual expenditure in the Appropriation Accounts against the budget provisions for the year 2021-22.

Huge balances under this Head (Public Account) at the end of the year distorts the financial position of the State Government to that extent, as these expenditure(s)/receipt(s) could not be booked to their final heads of account and remained outside the Consolidated Fund of the State.

4.9 Reconciliation of Departmental figures

To enable Controlling Officers of the Departments to exercise effective control over spending to keep it within the budget grants and to ensure accuracy of their accounts, the State Financial Rules stipulate those receipts and expenditures during the financial year recorded in their books be reconciled by them every month with those recorded in the books of the Pr. Accountant General (A&E).

During the year 2021-22, such reconciliation of revenue and capital receipts (₹ 37,316.31 crore) and revenue and capital expenditure (₹ 42,223.92 crore) has been fully completed by CCOs/COs.

4.10 Reconciliation of Cash Balances

There should be no difference between the Cash Balance of the State as per the books of Accounts of the Accountant General (A&E), and the Cash Balance as reported by the Reserve Bank of India.

However, it was noticed that there was a net difference of ₹ 10.11 crore (Dr.) in cash balance as on 31 March 2022 between the figures reflected in the account of Pr. Accountant General (A&E), Himachal Pradesh and as reported by the Reserve Bank of India (RBI). The cash balance as worked out by the Office of the Pr. Accountant General (A&E), Himachal Pradesh was ₹ 45.41 crore (Cr.) whereas ₹ 55.52 crore (Dr.) was reported by Reserve Bank of India. The difference was mainly due to incorrect reporting of transactions and non-reconciliation by the Agency Banks.

Issues relating to disclosures

4.11 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe the form of accounts of the Union and of the States. Further, the Comptroller and Auditor General of India set up a Government Accounting Standards Advisory Board (GASAB) in 2002, for formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. On the advice of the Comptroller and Auditor General of India, the President of India has so far notified three Indian Government Accounting Standards (IGAS). The compliance of these accounting standards by the State Government is detailed in the **Table-4.9**.

Table 4.9: Compliance to Accounting Standards

Sr. No.	Accounting Standard	Compliance by State Government	Impact of deficiency
1	IGAS 1: <i>Guarantees given by the Government</i>	Partially Complied	IGAS-1 requires that sector-wise and class-wise disclosures on guarantees given by the State Government should be incorporated in Finance Accounts. Statements 9 and 20 show the details of Guarantees given by the State Government and the interest on the guaranteed amount on the basis of information provided by the State Government. Although sector-wise details have been disclosed, class-wise details were not incorporated in Finance Accounts of the State.
2	IGAS 2: <i>Accounting and classification of grants-in-aid</i>	Partially complied	As per IGAS-2, expenditure relating to Grants-in-aid should be classified as revenue expenditure even if it involves creation of assets, except in cases specifically authorised by the President on the advice of the Comptroller and Auditor General of India. Requirements regarding accounting and classification of Grants-in-aid given by the State Government have been depicted in Statement 10 and Appendix III which are prepared as per the requirements of IGAS-2. Detailed information in respect of Grants-in-aid given in kind has also not been furnished by the State Government. Further, IGAS prescription

Sr. No.	Accounting Standard	Compliance by State Government	Impact of deficiency
			as regards to obtaining the Utilisation Certificates before providing next instalments to the grantees was not ensured.
3	IGAS 3: Loans and advances made by Governments	Partially complied	Statements 7 and 18 of the Finance Accounts have been prepared incorporating the disclosures under IGAS-3. The details of loan and advances reported in these Statements of the Finance Accounts are based on information received through the accounts rendered to the Principal Accountant General (A&E) and detailed accounts maintained by the Principal Accountant General (A&E) in respect of loans and advances made to Government servants. The balances under loans and advances were not fully reconciled by the Loanee Entities/State Government. Out of six Loanee Entities*, five have reconciled the balances depicted in Statements 7 and 18 as on 31 March 2022.

Source: Indian Government Accounting Standards and Finance Accounts

4.12 Delays in submission of Accounts/ Separate Audit Reports of Autonomous Bodies/ Authorities

Several autonomous bodies have been set up by the State Government in the fields of Education, Welfare, Law and Justice, Health, etc. Audit of accounts in respect of 18 autonomous bodies/authorities in the State has been entrusted to the Comptroller and Auditor General of India. Audit of these 18 bodies is conducted under section 19(3) of the C&AG's DPC Act and Separate Audit Reports are prepared for the same (**Appendix-4.3**). Detail of bodies/authorities whose accounts are in arrears is given in **Table-4.10**:

Table 4.10: Arrears of accounts of Bodies or Authorities

Sl. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending up to 2021-22
1.	HP Khadi and Village Industries Board	2013-14	08
2.	Compensatory Afforestation Fund Management and Planning Authority (CAMPA)	2017-18	04

It can be seen from **Table-4.10** that accounts of two bodies/authorities (out of 18) were in arrears for periods ranging between four years in respect of Compensatory Afforestation Fund Management and Planning Authority (CAMPA) and eight years relating to HP Khadi and Village Industries Board. Delay in finalisation of accounts carries the risk of financial irregularities going undetected and, therefore, the accounts need to be finalised and submitted to Audit at the earliest.

The Government may consider evolving a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings in order to assess their financial position.

* (i) Municipalities/Municipal Councils/Municipal Corporations, (ii) Housing Board, (iii) Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Ltd. (HPMC), (iv) Himachal Pradesh Krishi Vishwavidyalya (HPKVV), (v) Himachal Pradesh State Electricity Board Ltd. and (vi) General Financial Institutions

4.13 Non-submission of details of grants / loans given to bodies and authorities

In order to identify institutions that attract audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/ Heads of the Departments are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, purpose for which such assistance was granted, and the total expenditure of the institutions.

Further, Regulations on Audit and Accounts (Amendments) 2020 provides that the Government and Heads of Departments which sanction grants and/or loans to bodies or authorities shall furnish to the Audit Office, by the end of July every year, a statement of such bodies and authorities to which grants and/or loans aggregating ₹ 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned, and (c) the total expenditure of the body or authority.

The State Government did not furnish information pertaining to grants aggregating ₹ 10 lakh or more extended to Autonomous Bodies/Authorities in the State of Himachal Pradesh. However, information was sought by Audit from the bodies/authorities concerned. None of the bodies/ authorities (out of 35 from whom information was sought) furnished the information to Audit (**Appendix-4.3**).

Non-furnishing of information by the State Government/Heads of the Department to Audit was in violation of Regulations on Audit and Accounts (Amendments) 2020. Further, in the absence of such information, the bodies/authorities to be audited could not be identified and the correctness, regularity/propriety of expenditure from the grants and loans given to these bodies / authorities out of the Consolidated Fund of the State could also not be examined in audit.

4.14 Timeliness and Quality of Accounts

During 2021-22, all the account rendering entities (Treasuries, PWD & I&PH Divisions and PAO New Delhi), which render their monthly accounts to Pr. Accountant General (A&E), had rendered their accounts in time and there was no case of exclusion.

Other Issues

4.15 Misappropriations, losses, thefts, etc.

As per Rule 24 of the Himachal Pradesh Financial Rules, 1971 (revised in 2009), an officer shall be held responsible personally or vicariously for any loss sustained by the Government on account of causes mentioned in Rule 21 of these Rules due to any omission or commission or negligence, whether intentional or unintentional, on his part. As per Rule 145 (5) of the Himachal Pradesh Financial Rules, 1971 (revised in 2009), in case goods become unserviceable due to negligence, fraud or mischief on the part of the Government servant, responsibility for the same shall be fixed.

State Government had 42 cases of misappropriation/loss, theft, etc., amounting to ₹ 90.12 crore at the end of previous year i.e., March 2021. Out of this, 11 cases involving an amount of ₹ 37.80 crore were settled/cleared during the year 2021-22.

However, there were still 31 cases of misappropriation/loss, theft, etc., involving government money amounting to ₹ 52.32 lakh as of March 2022 on which final action was pending. In all these cases, the departments concerned had filed First Information Report (FIR). The department-wise break up of pending cases and reasons for pendency of action in these cases is summarised in **Table 4.11**.

Table-4.11: Department-wise break up of pending cases and reasons for pendency of action in cases of misappropriation, losses, theft, etc.

Name of Department	Cases of misappropriation/ losses/ theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.	Number of cases	Amount (₹ in lakh)
	Number of cases	Amount (₹ in lakh)			
Education	03	2.95	Awaiting departmental and criminal investigation	19	15.84
Land Revenue	01	2.57	Awaiting orders for recovery or write off	01	2.57
Horticulture	03	2.89			
Police	01	0.08			
Municipal Corporation, Chamba	01	0.42	Pending in the courts of Law	03	25.43
Home Guard	02	25.37			
Public Health (Medical)	01	0.95			
Forests	04	5.93	Recovery made/ written off but awaiting final disposal from PAC	07	8.06
Public Works	15	11.16			
			Others	01	0.42
Total	31	52.32	Total	31	52.32

Source: Information received from departments and compiled by Audit.

The State Government may devise an effective mechanism to ensure speedy and time-bound settlement of cases relating to misappropriation/loss, theft, etc.

The age-profile of the pending cases and the number of cases pending in each category-theft and misappropriation/loss of Government material is summarised in **Table-4.12**.

Table-4.12: Profile of misappropriation, losses, defalcations, etc.

(₹ in lakh)

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved		Number of cases	Amount involved
0-5	1	0.40	Theft cases	6	3.78
5-10	5	8.50			
10-15	2	0.71	Misappropriation/ loss of Government material	25	48.54
15-20	5	26.58			
20-25	7	8.71			
25 and above	11	7.42			
Total	31	52.32	Total pending cases	31	52.32

Out of the total loss cases, 80.65 per cent cases are related to Misappropriation/ loss of Government material and the remaining 19.35 per cent were theft cases. Out of the total 31 cases of misappropriation, losses, theft, etc., 61.29 per cent (19 cases) were pending

due to delays in finalising/initiating departmental and criminal investigation. It was further noticed that 30 cases (out of total 31) were more than five years old, including 18 cases, which were more than 20 years old.

The lackadaisical approach of departments in finalisation of these cases had not only caused loss to the State exchequer but also led to non-accountability of the officers/officials at fault. The Government may consider preparing a time bound framework for taking prompt action to ensure speedy settlement of above cases relating to theft, misappropriation, losses, etc., so that accountability can be fixed.

4.16 Follow up action on State Finances Audit Report

State Finances Audit Report is being prepared and presented to the State Legislature from the year 2008-09 onwards. The State Government had submitted Action Taken Notes (ATNs)/ *suo motu* replies for State Finances Audit Reports up to 2018-19. Public Accounts Committee of the State Legislature had not discussed the State Finances Audit Reports as of date.

4.17 Conclusions

- Utilisation Certificates amounting to ₹ 4,752.14 crore (3,619 UCs) were awaited which indicates lack of monitoring with regard to utilisation of grants released by the departments to the grantees, and entailed risk of non-utilisation, misutilisation or diversion of funds released for various works/schemes/programmes.
- Similarly, drawing of advances through AC bills without proper mechanism for their identification/ distinction leading to subsequent lack of monitoring, increases the possibilities of mis-utilisation/ misappropriation of Government money.
- Non-submission of accounts by autonomous bodies and non-providing of detailed information as regards bodies/authorities substantially financed through grants and loans entailed risk of financial irregularities in such autonomous bodies/bodies/authorities going undetected.
- Significant amounts of expenditure (₹ 2,255.53 crore- 5.34 *per cent* of total expenditure) and receipts (₹ 1,957.37 crore- 5.25 *per cent* of total receipts) were booked under the Minor Heads '800-Other Expenditure' and '800-Other Receipts' under various Major Heads affecting transparency in financial reporting and obscuring proper analysis of allocative priorities and quality of expenditure.
- There were 31 cases amounting to ₹ 0.52 crore of theft, misappropriation / loss of Government material and defalcation, in respect of which departmental action was pending.
- The State Government had yet not fully implemented the notified IGAS in the State.

4.18 Recommendations

- The Government should ensure timely submission of utilisation certificates by departments in respect of the grants released for specific purposes.
- State Government should develop a proper mechanism/system for identification of withdrawal of advances of contingent nature through AC bills, along with their adjustment through DC bills with the office of the Pr. Accountant General (A&E).
- The Government should institute a mechanism to ensure that Autonomous Bodies/ authorities and PSUs submit their accounts to Audit without delay.
- State Government should take necessary steps to expedite the process of proper accounting of amounts booked under Minor Head-800 in appropriate heads of account to classify the transactions correctly in the books of accounts.
- State Government should take steps to fully implement IGAS in the State to improve the quality of financial reporting.

CHAPTER-V
STATE PUBLIC SECTOR
ENTERPRISES

CHAPTER - V

State Public Sector Enterprises

This chapter discusses the financial performance of Government Companies (GCs), Government Controlled Other Companies (GCOCs) and Statutory Corporations (SCs) as revealed from their accounts. Impact of significant comments issued as a result of supplementary audit of the Financial Statements of these State Public Sector Enterprises (SPSEs) conducted by the Comptroller and Auditor General of India (CAG) for the year 2021-22 (or of earlier years which were finalised upto 30 September 2022) has also been discussed.

5.1 Definition of Government Companies/Corporations

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company.

Besides, any other company¹ owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government Controlled Other Companies.

5.2 Mandate of Audit

Audit of Government Companies and Government Controlled Other Companies is conducted by the CAG of India under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for Companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct a supplementary audit of the financial statements. The statutes governing some Statutory Corporations require their accounts to be audited only by CAG.

5.3 State Public Sector Enterprises (SPSEs) and their contribution to the Gross State Domestic Product of the State

State Public Sector Enterprises (SPSEs) consist of State Government Companies, Government Controlled Other Companies and Statutory Corporations. SPSEs are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the State economy. As on 31 March 2022, there were 29 SPSEs under the audit jurisdiction of the CAG. These include 25 SPSEs (Other than Power Sector) and four Power Sector SPSEs. Out of 25 SPSEs (Other

¹ *Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs vide Gazette Notification dated 4 September 2014.*

than Power Sector), there are 19 Government Companies, two² Statutory Corporations and four³ Government Controlled Other Companies. The names of these SPSEs along with description of their activities are detailed in **Appendix-5.1**.

Of the four SPSEs functioning in Power Sector, three⁴ are Government Companies and the one⁵ is a Government Controlled Other Company. One SPSE, Himachal Pradesh State Electricity Board Limited is debt listed Government Company on the stock exchange. One SPSE, Beas Valley Power Corporation Limited, has not started its commercial operation so far (30 September 2022).

Of the 29 SPSEs, 26 companies are active. Two Companies⁶ out of 19 Government Companies and one Company⁷ out of four Government Controlled Other Companies are inactive. These are inactive for the last four to 22 years and have investment of ₹ 77.90 crore, towards capital (₹ 17.75 crore) and long-term loans (₹ 60.15 crore). This is a critical area as the investments in inactive SPSEs do not contribute to the economic growth of the State. The State Government may consider to take an early decision for closure of the inactive companies.

A ratio of turnover of SPSEs to the Gross State Domestic Product (GSDP) shows the contribution of activities of these SPSEs in the State economy. **Table-5.1** below provides the details of turnover of all the SPSEs and GSDP of Himachal Pradesh for the period of five years ending 31 March 2022.

Table-5.1: Details of turnover of SPSEs vis-à-vis GSDP of Himachal Pradesh

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Total turnover of all SPSEs	8,814.81	9,725.96	9,912.71	10,603.36	10,176.86
GSDP of Himachal Pradesh (at Current Prices)	1,38,351	1,53,845	1,65,472	1,56,622	1,72,174
Percentage of SPSE's Turnover to GSDP of Himachal Pradesh	6.37	6.32	5.99	6.77	5.91

Source: Compilation based on turnover figures of SPSEs as per their latest finalised accounts and GSDP figures supplied by Government of Himachal Pradesh.

The percentage of SPSEs' turnover⁸ to GSDP decreased from 6.37 in 2017-18 to 5.91 per cent in 2021-22. The major contributors to SPSEs' turnover were Himachal Pradesh State Electricity Board Limited (₹ 6,548.60 crore – turnover for 2020-21), Himachal Road Transport Corporation (₹ 788.16 crore – turnover for 2020-21) and Himachal Pradesh State Civil Supplies Corporation Limited (₹ 1,359.11 crore – turnover for 2018-19).

² Himachal Pradesh Financial Corporation and Himachal Road Transport Corporation.

³ Dharamshala Smart City Limited, Himachal Consultancy Organisation Limited, Shimla Jal Prabandhan Nigam Limited and Himachal Worsteds Mills Limited (Inactive Company).

⁴ Himachal Pradesh State Electricity Board Limited, Beas Valley Power Corporation Limited and Himachal Pradesh Power Transmission Corporation Limited.

⁵ Himachal Pradesh Power Corporation Limited.

⁶ Agro-Industrial Packaging India Limited and Himachal Pradesh Beverages Limited.

⁷ Himachal Worsteds Mills Limited.

⁸ Turnover based on latest finalised financial statements of the respective SPSE.

5.4 Investment by Government of Himachal Pradesh in SPSEs and Budgetary Support

5.4.1 Equity holding and Loans in SPSEs

The sector wise Total Equity, Equity Contribution by State Government and Long Term Loans including the loans given by the State Government in 26 working SPSEs as on 31 March 2022 is given below in **Table-5.2**.

Table-5.2: Sector-wise investment in SPSEs as on 31 March 2022

Name of Sector	Investment ⁹ (₹ in crore)				
	Total Equity	State Government Equity	Total Long Term Loans	State Government Loans	Total Equity and Long Term Loans
Power	3,973.00	2,246.37	12,133.29	7,602.37	16,106.29
Finance	146.63	139.94	160.40	84.68	307.03
Industries and Infrastructure	62.99	62.87	2.97	2.97	65.96
Agriculture and Allied	69.33	59.80	72.05	71.65	141.38
Service	1,095.20	1,079.00	24.56	0	1,119.76
Total	5,347.15	3,587.98	12,393.27	7,761.67	17,740.42

Source: Information provided by the SPSEs.

The thrust of SPSEs investment was mainly on power sector which had received 90.80 per cent (₹ 16,106.29 crore) of total investment of ₹ 17,740.42 crore. The details of State Government's investment in the form of equity and loan made in SPSEs as on 31 March 2022 is depicted in **Appendix-5.2**.

5.4.2 Budgetary Support by Government of Himachal Pradesh

The Government of Himachal Pradesh (GoHP) provides financial support to SPSEs in various forms through annual budget from time to time. The summarised details of budgetary outgo towards equity, loans, grants/ subsidies, loans written off and loans converted into equity in respect of SPSEs during the last three years ending 31 March 2022 are given in **Table-5.3** below:

Table-5.3: Details of budgetary support to all SPSEs

Particulars ¹⁰	(₹ in crore)					
	2019-20		2020-21		2021-22	
	No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
Equity Capital	7	335.89	7	263.25	7	272.12
Loans given	2	571.26	2	268.83	2	258.72
Grants/Subsidies provided	9	691.15	9	983.68	10	885.32
Total Outgo		1,598.30		1,515.76		1,416.16
Loan repayment/written off			2	4.18 ¹¹	-	-
Loans converted into equity			-	-	-	-
Guarantees issued during the year	7	673.60	8	491.44	8	455.84
Guarantee Commitment/outstanding	8	1,447.15	4	93.74	4	111.37

Source: Compiled based on information received from SPSEs.

⁹ Investment includes equity and long-term loans.

¹⁰ Amount represents outgo from State Budget only.

¹¹ Repayment of ₹ 1.93 crore and ₹ 2.25 crore was made by Himachal Pradesh State Electronics Development Corporation Limited and Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited respectively.

Equity was mainly infused by the State Government during 2021-22 in one other than Power Sector SPSE (Himachal Road Transport Corporation: ₹ 140.48 crore) and two Power Sector SPSEs¹² (₹ 117.00 crore). The State Government has also provided loans to one Power Sector SPSE (Himachal Pradesh Power Transmission Corporation Limited: ₹ 258.14 crore). Major portion of grants/subsidies was provided by the State Government to Himachal Road Transport Corporation (₹ 521.69 crore¹³), Himachal Pradesh Road & Other Infrastructure Development Corporation Limited (₹ 101.00 crore) and Shimla Smart City Limited (₹ 147.00 crore¹⁴).

5.4.3 Adequacy of assets to meet loan liabilities

Ratio of total debt/loans to total assets is one of the methods used to determine whether a Company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts. The coverage of long-term loans by value of total assets in working SPSEs which had outstanding loans as per their latest finalised accounts as on 30 September 2022 is given in Table-5.4.

Table-5.4: Coverage of long-term loans with total assets as per latest finalized accounts of SPSEs as of 30 September 2022

Sector of SPSEs	No. of SPSEs	Assets	Long-term loans	Ratio of Assets to Long-term loans
		(₹ in crore)		
Government Companies	11	23,226.48	11,576.30	2.00:1
Statutory Corporations	2	1,219.74	141.49	8.62:1
Total	13	24,446.22	11,717.79	2.09:1

Source: Compiled based on accounts finalised by SPSEs

The value of assets in respect of working SPSEs was greater than the sum of their loans/debts.

5.4.4 Market Capitalisation of equity investment in SPSEs

Himachal Pradesh General Industries Corporation Limited is the only listed company in the State. However, its shares have not been traded since 1976 and is under the process of delisting. Hence the market capitalisation of the company which represents market value of shares of a company does not apply here.

The Himachal Pradesh State Electricity Board Limited is the other listed Government Company on the Stock Exchange. Its debts are listed on the Bombay Stock Exchange (BSE),

5.4.5 Disinvestment, Restructuring and Privatisation

During the year 2021-22, there was no case of disinvestment/ restructuring/ privatisation of any SPSE. The State Government had not prepared any policy on disinvestment of State Government equity invested in the SPSEs.

¹² Himachal Pradesh State Electricity Board Limited (₹ 50.00 crore and Himachal Pradesh Power Transmission Corporation Limited (₹ 67.00 crore).

¹³ Grant for reimbursement of cost of free/concessional travel allowed to various categories of population in the Himachal Pradesh.

¹⁴ For meeting out operational and administrative expenses.

5.5 Returns from State Public Sector Enterprises

5.5.1 Profit earned by SPSEs

Out of 26 working SPSEs, 10 working SPSEs earned profit of ₹ 21.47 crore as per their latest finalised accounts as on 30 September 2022 as compared to 11 SPSEs which earned profit of ₹ 28.18 crore in 2020-21. Five¹⁵ SPSEs had either not prepared their first accounts/profit and loss account or their excess of expenditure over income was reimbursed by the State Government.

Himachal Pradesh State Industrial Development Corporation Limited (₹ 13.18 crore) and Himachal Pradesh General Industries Corporation Limited (₹ 3.36 crore) contributed maximum profit as per their latest finalised accounts as of 30 September 2022. These two SPSEs had contributed as much as 77 per cent of the total profit of ₹ 21.47 crore during 2021-22. The summary of financial position of all SPSEs as per latest finalised accounts as of 30 September 2022 is depicted in **Appendix-5.3**.

Net profit ratio of SPSEs is depicted in **Table 5.5** below:

Table 5.5: Net Profit ratio of SPSEs

Sector	Net Profit	Turnover	Net Profit ratio
Power	-445.62	6,732.16	-6.62
Non-Power	21.97	3,444.70	-0.63
Total	467.59	10,176.86	-4.6

5.5.2 Dividend Payout by SPSEs

The State Government had formulated (April 2011) a policy that all profit making SPSEs (except those in welfare and utility sector) should pay a minimum return of five per cent on the paid-up share capital contributed by the State government, subject to a ceiling of 50 per cent of the profit after tax. As per their latest finalised accounts as of 30 September 2022, 10 working SPSEs earned an aggregate profit of ₹ 21.47 crore (excluding inactive SPSE – Himachal Pradesh Beverages Limited) and out of which six¹⁶ SPSEs were required to declare dividend as per State Government policy.

However, only two SPSEs declared/paid dividend of ₹ 0.71 crore (Himachal Pradesh State Civil Supplies Corporation Limited: ₹ 0.35 crore and Himachal Pradesh General Industries Corporation Limited: ₹ 0.36 crore). Four profit making SPSEs did not pay/

¹⁵ SPSEs whose excess of expenditure over income is reimbursed by State Government or SPSEs who did not prepare their profit and loss accounts: (i) Dharamshala Smart City Limited, (ii) Shimla Jal Prabandhan Nigam Limited (iii) Himachal Pradesh Road and Other Infrastructure Development Corporation Limited, (iv) Ropeway and Rapid Transport System Development Corporation HP Limited and v) Beas Valley Power Corporation Limited.

¹⁶ (i) Himachal Pradesh State Civil Supply Corporation Limited, (ii) Himachal Pradesh State Industrial Development Corporation Limited, (iii) Himachal Pradesh State Forest Development Corporation Limited, (iv) Himachal Pradesh General Industries Corporation Limited, (v) Himachal Pradesh Handicrafts and Handlooms Corporation Limited and (vi) Himachal Pradesh State Electronics Corporation Limited.

provide dividend of ₹ 2.42 crore¹⁷ to the State Government as per their latest finalised accounts as of 30 September 2022. Four profit making SPSEs¹⁸ were not eligible to pay dividend as per State Government policy.

5.6 Debt servicing

5.6.1 Interest Coverage Ratio

Interest Coverage Ratio is used to determine the ability of a Company to pay interest on outstanding debt and is calculated by dividing a company's Earnings before Interest and Taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser will be the ability of the company to pay interest on debt. An interest coverage ratio of less than one indicates that the Company was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio in Power Sector SPSEs and in Statutory Corporations which had maximum interest burden during the period from 2018-19 to 2020-21, are given in **Table-5.6**.

Table-5.6: Interest Coverage ratio of SPSEs

Name of the SPSEs	2019-20			2020-21			2021-22		
	Interest cost	EBIT	Interest coverage ratio	Interest cost	EBIT	Interest coverage ratio	Interest cost	EBIT	Interest coverage ratio
	(₹ in crore)		ratio	(₹ in crore)		ratio	(₹ in crore)		ratio
Power Sector SPSEs									
HPSEBL	457.06	460.72	1.01	476.22	290.90	0.61	476.22	290.90	0.61
HPPCL	96.23	17.11	0.18	11.04	(-) 44.27	(-) 4.01	129.55	1.31	0.01
HPPTCL	9.13	(-) 31.79	(-) 3.48	129.80	23.82	0.18	111.77	-20.29	(-) 0.18
Statutory Corporations									
HRTC	19.90	(-) 134.90	(-) 6.78	15.24	(-) 131.19	(-) 8.61	8.54	(-)31.69	(-)3.71
HPFC ¹⁹	7.62	2.12	0.28	7.62	2.12	0.28	7.62	2.12	0.28

Source: As per latest finalised accounts of the Power Sector SPSEs and Statutory Corporations.

Note: Interest coverage ratio of Non-Power Sector SPSEs (23) has not been calculated as the loans/liabilities of these SPSEs is only ₹ 121.05 crore out of ₹ 11,777.94 crore as per their latest finalised accounts as of 30 September 2022.

None of the Power Sector's SPSEs and Statutory Corporations had interest coverage ratio of greater than one. Thus, the SPSEs were not generating sufficient revenues to meet out their expenses on interest.

5.6.2 Age-wise analysis of interest outstanding on State Government Loans

Interest liability of ₹ 2,750.44 crore has accrued on the long-term loans provided by the State Government in respect of three power sector SPSEs (except Beas Valley Power Corporation Limited) as per latest finalised accounts as on 30 September 2022. The SPSEs (Other than Power Sector) were not analysed due to insignificant amount

¹⁷ Himachal Pradesh State Forest Development Corporation Limited (₹ 0.49 crore), Himachal Pradesh State Industrial Development Corporation Limited (₹ 1.54 crore), Himachal Pradesh State Electronics Corporation Limited (₹ 0.12 crore) and Himachal Pradesh Handicrafts and Handlooms Corporation Limited (₹ 0.27 crore).

¹⁸ Himachal Backward Classes Finance and Development Corporation and Himachal Pradesh Mahila Vikas Nigam, Himachal Pradesh Kaushal Vikas Nigam and Himachal Consultancy Organisation Limited.

¹⁹ Figures for the years 2018-22 are same due to no accounts was finalised by the SPSE after 2018-19.

of loans provided by the State Government to these SPSEs (seven). The age-wise analysis of interest accrued on State Government loans in Power Sector SPSEs is given in **Table-5.7**.

Table-5.7: Outstanding interest on State Government loans

(₹ in crore)				
Sr. No.	Name of SPSEs	Outstanding interest on State Government Loans	Interest on State Government loans outstanding for less than one year	Interest on State Government loans outstanding for more than one year
1	HPSEBL	226.69	202.78	23.91
2	HPPCL	1,960.30	242.96	1,717.34
3	HPPTCL	563.45	85.13	478.32
	Total	2,750.44	530.87	2,219.57

Source: Information as per latest finalised accounts of Power Sector SPSEs and provided by the SPSEs.

From the above it can be seen that interest accrued amounting to ₹ 2,750.44 crore was pending for payment as on 31 March 2022 and out of which interest of ₹ 2,219.57 crore was payable for more than one year.

5.7 Financial Performance of State Public Sector Enterprises

5.7.1 Return on Capital Employed of SPSEs

Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. RoCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed²⁰. The detail of total ROCE of all the SPSEs during the period from 2019-20 to 2021-22 is given in **Table-5.8**.

Table-5.8: Return on Capital Employed of SPSEs

Year	Earnings before interest and tax	Capital Employed	Return on Capital Employed
	(₹ in crore)		(Per cent)
2019-20	342.93	9,678.45	3.54
2020-21	178.87	11,450.50	1.56
2021-22	285.50	12,598.20	2.27

Source: Information as per latest finalised accounts as on 30 September 2022

The RoCE of all SPSEs decreased from 3.54 per cent in 2019-20 to 2.27 per cent in 2021-22 due to progressive increase in Capital Employed and reduction in EBIT. The Return on Capital employed in Power Sector in 2021-22 was ₹ 5.18 crore in comparison to ₹ 4.58 crore in the year 2020-21. Similarly, ROCE of other than power Sector SPSEs was ₹ 203.64 crore for the year 2021-22 versus ₹ 322.01 crore for the year 2020-21.

5.7.2 Return on Equity by State Public Sector Enterprises

Return on Equity (RoE) is a measure of financial performance to assess how effectively management is using shareholders' fund to create profits and is calculated by dividing net income (*i.e.*, net profit after taxes) by shareholders' fund. It is

²⁰ Capital employed = Paid up share capital + Free reserves and surplus + Long term loans – Accumulated losses - Deferred revenue expenditure.

expressed as a percentage and can be calculated for any company if net income and shareholders' fund are both positive numbers.

Shareholders' fund is calculated by adding paid up capital and free reserves minus accumulated losses and deferred revenue expenditure and reveals how much would be left for a company's stakeholders if all assets were sold and all debts paid. A positive shareholder's fund reveals that the company has enough assets to cover its liabilities while negative shareholder fund means liabilities exceed assets.

The Return on Equity of the profit earning 10 working SPSEs stood at 16.45 *per cent* as per latest finalised accounts as on 30 September 2022.

The details of Shareholders' Fund and RoE relating to working SPSEs are given below in **Table-5.9**.

Table-5.9: Return on Equity relating to working SPSEs

Year	Net Income (₹ in crore)	Shareholders' Fund (₹ in crore)	ROE (Percentage)
2019-20	(-)280.23	856.81	-
2020-21	(-) 490.37	819.58	-
2021-22	(-) 477.92	782.91	-

Source: As per latest finalised accounts of working SPSEs

As the net income of all 26 working SPSEs during the period 2019-22 was negative, the RoE could not be calculated.

5.7.3 Return on the basis of Present Value (PV) of Investment

To bring the historical cost of investments to its present value at the end of each year up to 31 March 2022, the past investments / year-wise funds infused by the GoHP in the SPSEs have been compounded at the year-wise average rate of interest on Government borrowings which is considered as the minimum cost of funds to the Government, for the concerned year. Therefore, PV of the State Government investment was computed where funds had been infused by the State Government in the shape of equity, interest free loans and grants/subsidies for operational and management expenses, if any, and not including disinvestments since inception of these Companies till 31 March 2022. The Company wise position of State Government investment in the 26 SPSEs in the form of equity and interest free loans on the historical cost basis for the period from 1999-2000 to 2021-22 is indicated in **Appendix-5.4**.

The PV of the State Government investment in SPSEs was computed on the basis of following assumptions:

- Interest free loans have been considered as investment infusion by the State Government. Further, in those cases where interest free loans given to the SPSEs were later converted into equity, the amount of loan converted into equity has been deducted from the amount of interest free loans and added to the equity of that year.

- The average rate of interest on Government borrowings for the concerned financial year²¹ was adopted as compounded rate for arriving at the PV since these represent the cost incurred by the Government towards investment of funds for the year and therefore is considered as the minimum expected rate of return on investments made by the Government.
- Disinvestment has been deducted while calculating total investment at the end of the year.

Table-5.10: Year-wise details of investment by the State Government and present value (PV) of Government funds from 1999-2000 to 2021-22

(₹ in crore)

Year	Present value of total investment at the beginning of the year	Equity infused by the State Government during the year	Net Interest free loans given by the State Government during the year	Interest free loans converted into equity during the year	Grants/subsidies given by State Government for operational and administrative expenditure	Disinvest-ment by the State Government during the year at face value	Total investment during the year	Total invest-ment at the end of the year	Weighted Average rate of interest on Govern-ment borrowings (in per cent)	Present value of total invest-ment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year	Return on Invest-ment
A	B	C	D	E	F	G	H	I	J	K	L	M	N
							H=C+D+E+F+G	I=B+H		K=I*(1+J/100)	L=K-I		N=M/K*100
Up-to 1999-2000	-	300.04	0.49	-	-	-	300.53	300.53	8.83	327.07	26.54	-	-
2000-01	327.07	32.48	1.51	-	-	-	33.99	361.06	10.15	397.70	36.65	-49.50	-
2001-02	397.70	13.01	-	-	-	-	13.01	410.71	11.06	456.14	45.42	-36.70	-
2002-03	456.14	12.43	-	-	-	-	12.43	468.57	10.37	517.16	48.59	-29.19	-
2003-04	517.16	28.60	-	-	-	-	28.60	545.76	10.98	605.68	59.92	-31.10	-
2004-05	605.68	16.06	-	-	-	-	16.06	621.74	10.60	687.65	65.90	-43.44	-
2005-06	687.65	13.59	0.15	-	-	-	13.74	701.39	9.20	765.92	64.53	-30.72	-
2006-07	765.92	14.30	-	-	-	-	14.30	780.22	9.40	853.56	73.34	-62.08	-
2007-08	853.56	118.42	2.25	-	-	-	120.67	974.23	9.09	1062.78	88.56	-46.66	-
2008-09	1062.78	306.29	-0.10	-	-	-	306.19	1368.97	9.19	1494.78	125.81	-33.88	-
2009-10	1494.78	405.27	-	-	-	-	405.27	1900.05	8.59	2063.27	163.21	-55.92	-
2010-11	2063.27	566.89	-	-	-	-	566.89	2630.16	7.78	2834.78	204.63	-190.77	-
2011-12	2834.78	124.99	9.50	-	-	645.85	-511.36	2323.42	7.80	2504.65	181.23	-224.68	-
2012-13	2504.65	303.72	5.00	-	-	-	308.72	2813.37	8.08	3040.69	227.32	-404.40	-
2013-14	3040.69	287.24	2.54	-	-	-	289.78	3330.47	7.71	3587.25	256.78	-625.17	-
2014-15	3587.25	339.20	-	-	-	550.00	-210.80	3376.45	7.91	3643.53	267.08	-455.69	-
2015-16	3643.53	217.31	14.54	-	-	-	231.85	3875.38	8.37	4199.75	324.37	-332.71	-
2016-17	4199.75	250.82	10.07	-	-	-	260.89	4460.64	8.13	4823.29	362.65	-105.47	-
2017-18	4823.29	232.91	8.00	-	-	-	240.91	5064.20	8.41	5490.10	425.90	-123.81	-
2018-19	5490.10	312.85	10.00	-	-	-	322.85	5812.95	8.32	6296.58	483.64	-183.99	-
2019-20	6296.58	335.91	-	-	114.89	-	450.80	6747.38	7.97	7285.15	537.77	-270.79	-
2020-21	7285.15	263.25	-1.35	-	236.84	-	498.74	7783.89	7.59	8374.69	590.80	-480.93	-
2021-22	8374.69	272.12	-	-	153.33	-	425.45	8800.14	7.37	9448.71	648.57	-467.18	-
		4,767.70	62.60	-	505.06	1,195.85	4,139.51						

Source: Statistical information received from SPSEs.

The net investment of the State Government in these companies as of 31 March 2022 was ₹ 4,139.51 crore, after adjustment of ₹ 1,195.85 crore (Himachal Pradesh Power

²¹ Calculation for the average rate for interest paid = Interest Payment/ [(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100.

Corporation Limited: ₹ 537.15 crore in 2011-12 and ₹ 550.00 crore in 2014-15 and Himachal Pradesh Power Transmission Corporation Limited: ₹ 108.70 crore in 2011-12) due to disinvestment by the State Government. The PV of investments of the State Government up to 31 March 2022 worked out to ₹ 9,448.71 crore. The net earnings of these SPSEs during the year 2021-22 was (-) ₹ 467.18 crore. Thus, the rate of real return for these SPSEs for the year 2021-22 was (-) 4.94 per cent. The total earnings of the companies remained negative continuously from 2000-01 onwards, which indicates that instead of generating returns on the invested funds these companies were not able to even recover the cost of funds.

5.8 SPSEs incurring losses

5.8.1 Losses incurred

Details of SPSEs that incurred losses during last three years ending 31 March 2022 as per latest finalised accounts are given in **Table-5.11**.

Table-5.11: Losses incurred by SPSEs during 2019-20 to 2021-22

Year	No. of SPSEs incurred loss	Net loss for the year	Accumulated Loss	Net Worth ²²
		(₹ in crore)		
Statutory Corporations (A)				
2019-20	2	160.30	1,553.84	(-) 674.78
2020-21	2	151.93	1,700.26	(-) 741.82
2021-22	2	45.73	1,740.49	(-) 718.27
Government Companies(B)				
2019-20	7	156.22	436.91	1,804.39
2020-21	8	366.67	2,253.44	1,009.34
2021-22	10	452.82	2,511.28	1,072.39
Total (A+B)				
2019-20	9	316.52	1,990.75	1,129.61
2020-21	10	518.60	3,953.70	267.52
2021-22	12	498.55	4,251.77	354.12

Source: As per latest finalised accounts of SPSEs

Out of total loss of ₹ 498.55 crore incurred during 2021-22 by 12 SPSEs, Himachal Road Transport Corporation reported loss of ₹ 40.23 crore. Besides this, loss of ₹ 185.32 crore, ₹ 132.06 crore and ₹ 128.24 crore is also attributed to Himachal Pradesh State Electricity Board Limited, Himachal Pradesh Power Transmission Corporation Limited and Himachal Pradesh Power Corporation Limited respectively as per their latest finalised accounts as of 30 September 2022.

5.8.2 Erosion of net worth of SPSEs

There were 14 SPSEs with accumulated losses of ₹ 4,378.24 crore. Of these, 12 SPSEs incurred losses amounting to ₹ 498.55 crore as per latest finalised accounts as of 30 September 2022.

²² Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure Free Reserves means all reserves created out of Profits and share premium account.

The net worth of nine SPSEs had been completely eroded by accumulated losses and their net worth was negative. The net worth of nine SPSEs was (-) ₹ 1,847.69 crore against equity investment of ₹ 1,920.12 crore as per latest finalised accounts as of 30 September 2022. There were eight SPSEs with Government equity of ₹ 2,081.07 crore and four SPSEs with outstanding Government loans of ₹ 3,219.98 crore as on 31 March 2022. Out of nine SPSEs, whose capital had eroded, two²³ had earned profit of ₹ 1.52 crore as per their latest finalised accounts as of 30 September 2022 as detailed in **Table-5.12**.

Table-5.12: Detail of SPSEs whose net worth has eroded as per their latest finalised accounts

(₹ in crore)								
Sl. No.	Name of the Company	Latest year of Account	Total Paid-up Capital	Net Profit/Loss after interest, tax & dividend	Accumulated Losses (-)	Net Worth	State Government equity as on 31 March 2022	State Government loans as on 31 March 2022
1.	2.	3.	4.	5.	6.	7.	8.	9.
1.	Himachal Pradesh State Electricity Board Limited	2020-21	807.23	-185.32	-1,705.92	-898.69	857.23	3,015.13
2.	Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited	2020-21	38.77	-1.66	-86.75	-47.98	31.20	60.09
3.	Himachal Pradesh State Forest Development Corporation Limited	2018-19	11.71	0.98	-113.04	-101.33	11.71	0
4.	Himachal Pradesh Financial Corporation	2017-18	99.57	-5.5	-166.56	-66.99	92.98	84.61
5.	Himachal Pradesh State Handicrafts and Handloom Corporation Limited	2019-20	9.25	0.54	-13.43	-4.18	9.22	0.00
6.	Himachal Pradesh Tourism Development Corporation Limited	2016-17	12.30	-2.43	-24.51	-12.21	14.30	0.00
7.	Himachal Road Transport Corporation	2020-21	922.65	-40.23	-1,573.93	-651.28	1047.68	0.00
8.	Agro Industrial Packaging India Limited	2013-14	17.72	-0.04	-78.23	-60.51	16.75	60.15
9.	Himachal Worsted Mills Limited	2000-01	0.92	-0.01	-5.44	-4.52	0	0
Grand Total			1,920.12	-233.67	-3,767.81	-1,847.69	2,081.07	3,219.98

* Figures in the Column 8 and 9 are unaudited figures.

5.9 Implementation of Ujwal DISCOM Assurance Yojana (UDAY) Scheme

The status of implementation of the UDAY Scheme is detailed below:

5.9.1 Financial Turnaround

As per provisions of UDAY Scheme and tripartite Memorandum of Understandings (MoU), out of total outstanding debt (₹ 3,854.00 crore) pertaining to the State DISCOM (Himachal Pradesh State Electricity Board Limited) as on 15 September 2015, the Government of Himachal Pradesh took over total debt of ₹ 2,890.50 crore

²³ Himachal Pradesh Forest Development Corporation Limited and Himachal Pradesh State Handicrafts and Handloom Corporation Limited.

during 2016-17 by taking over the loan. The amount of ₹ 2,890.50 crore which was provided by way of interest bearing loans under UDAY Scheme, was to be converted into 75 per cent grant and 25 per cent equity during 2020-21. However, loan of ₹ 2,890.50 crore under UDAY scheme was not converted into grant (₹ 2167.50 crore) and equity (₹ 723.00 crore) so far (March 2022). The DISCOM paid interest of ₹ 912.00 crore, for the period February 2017 to March 2021 and for the period of April 2021 to March 2022 total interest liability was ₹ 228.00 crore out of which ₹ 25.00 crore was adjusted as equity in HPSEBL by GoHP, thus as on 31 March 2022 there was outstanding interest liability of ₹ 203.00 crore, on the loans given by the GoHP under UDAY Scheme. The loans were extended by the GoHP at rates of interest ranging between 7.49 per cent and 8.19 per cent per annum. The impact of non-conversion of the interest bearing loans is that the Revenue Surplus of the State for the year 2021-22 (₹ 1,114.76 crore) will turn into Revenue Deficit of ₹ 1,052.74 crore.

5.10 Audit of Public Sector Enterprises

Comptroller & Auditor General of India (CAG) appoints the Statutory Auditors of a Government Company and Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some Corporations require that their accounts be audited by the CAG and a report be submitted to the Legislature.

5.11 Appointment of Statutory Auditors of State Public Sector Enterprises (SPSEs) by CAG

Section 139 (5) of the Companies Act, 2013 provides that the Statutory Auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year. The Statutory Auditors of the above Companies for the year 2021-22 were appointed by the CAG between August 2021 and June 2022.

5.12 Submission of accounts by SPSEs

5.12.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies from the Consolidated Fund of State.

Section 96 of the Companies Act, 2013 requires every Company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further,

Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statement for the financial year has to be placed in the said AGM for consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including Directors of the Company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013. The annual accounts of various SPSEs were pending as on 30 September 2022, as detailed in the following paragraph.

5.12.2 Timeliness in preparation of accounts by Government Companies and Government Controlled Other Companies

As of 31 March 2022, there were 26 Companies (22 Government Companies and four²⁴ Government Controlled Other Companies - excluding Himachal Worsteds Mills Limited which is under liquidation since 2000-01) under the purview of CAG's audit. Of these, one²⁵ Company submitted accounts for the year 2021-22 and accounts of remaining 25 SPSEs for the year 2020-21 or earlier years. Twenty²⁶ annual financial statements of 18 SPSEs²⁷ were submitted for audit and finalised by CAG on or before 30 September 2022²⁸. Seventy three annual accounts of 26 SPSEs (excluding statutory corporations) were in arrears for various reasons as of 30 September 2022. Details of annual accounts which are in arrears in respect of 26 SPSEs (Government Companies: 22 and Government Controlled Other Companies: 4) are given in **Table-5.13** below:

Table 5.13: Detail of number of Companies, accounts finalised and accounts in arrear as of 30 September 2022

Particulars	Government Companies	Government Controlled Other Companies	Total
1.	2.	3.	4.
Total number of Companies under the purview of CAG's audit as on 31 March 2022	22	04	26
Number of accounts in arrears as on 30 November 2021	56	06	62
Number of Companies, accounts of which became due on for the year 2021-22	22	04	26
Total number of accounts due for Supplementary Audit	78	10	88
Number of companies which presented the accounts for CAG's audit from 01 December 2021 to 30 September 2022	16	04	20
Number of accounts finalised	11	04	15
Number of accounts in arrears as on 30 September	67	06	73

²⁴ Himachal Consultancy Organisation Limited, Himachal Pradesh Power Corporation Limited, Dharamshala Smart City Limited and Shimla Jal Prabandhan Nigam Limited.

²⁵ Beas Valley Power Corporation Limited.

²⁶ Dharamshala Smart City Limited and Shimla Smart City Limited: two each and from other 16 SPSEs: one each.

²⁷ Government Companies: 15 and Government Controlled Other Companies: three.

²⁸ Date of holding AGM of Companies for the financial year 2021-22 was 30 September 2022.

Particulars	Government Companies	Government Controlled Other Companies	Total
1.	2.	3.	4.
2022			
Age-wise analysis of arrears of accounts	Number of SPSEs (accounts in arrears as on 30 September 2022)		
One year	7 (7)	2(2)	9 (9)
Two years and Three years	9(23)	2(4)	11 (27)
More than Three years	6(37)	-	6(37)
Total	22 (67)	4 (6)	26 (73)

The names of companies and number of accounts in arrear as of 30 September 2022 are indicated in **Appendix-5.5**.

Oversight by the Statutory Auditors appointed by the CAG and Supplementary Audit by the CAG could not be conducted in absence of accounts leading to absence of assurance about whether the investments and expenditure incurred had been properly accounted for and the purpose for which the amount was invested was achieved. Besides, their contribution to the State exchequer as well as their activities were also not reported to the Legislature.

The matter of arrears of accounts has been taken up (September 2021) with the Additional Chief Secretary (Finance) of Government of Himachal Pradesh and respective Administrative Department/Head of Companies. However, there were still six Companies whose accounts were in arrears for more than three years as of 30 September 2022.

5.12.3 Timeliness in preparation of accounts by Statutory Corporations

Audit of Statutory Corporations is governed by their respective legislations. Out of the two Statutory Corporations²⁹, CAG is the sole auditor for Himachal Road Transport Corporation. In respect of Himachal Pradesh Financial Corporation (HPFC), the audit is conducted by Chartered Accountants and supplementary audit is conducted by CAG. Five accounts of these two Statutory Corporations (HPFC: four and Himachal Road Transport Corporation: one) were pending for audit as on 30 September 2022.

5.13 CAG's oversight - Audit of Accounts and Supplementary Audit

5.13.1 Financial reporting framework

Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards/Indian Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The Statutory Corporations are required to prepare their accounts in the

²⁹ Himachal Road Transport Corporation and Himachal Pradesh Financial Corporation.

format prescribed under the rules, framed in consultation with the CAG and any other specific provisions relating to accounts in the Act governing such Corporations.

5.13.2 Audit of Accounts of Government Companies by Statutory Auditors

The Statutory Auditors appointed by the CAG under Section 139 of the Companies Act 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the Statutory Auditors in audit of State Public Sector Enterprises with the overall objective that the Statutory Auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power:

- to issue directions to the Statutory Auditors under Section 143 (5) of the Companies Act, 2013; and
- to supplement or comment upon the Statutory Auditor's report under Section 143 (6) of the Companies Act, 2013.

5.13.3 Supplementary Audit of Accounts of Government Companies

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The Statutory Auditors appointed by the CAG under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under Section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and sub directions given by the CAG. The Statutory Auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the Statutory Auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the Annual General Meeting.

5.14 Result of CAG's Oversight Role

5.14.1 Audit of Accounts of SPSEs

Twenty accounts of 18 Companies³⁰ were reviewed in audit by the CAG from 01 December 2021 to 30 September 2022. In total, CAG reviewed all 20 accounts³¹ of 18 Companies for the years³², which were received/finalised up to 30 September 2022. The results of the review are detailed below:

³⁰ Government Companies: 15 and Government Controlled Other Companies: three.

³¹ Dharamshala Smart City Limited and Shimla Smart City Limited: two each and from other 16 SPSEs: one each.

³² 2014-15: one; 2015-16: one; 2017-18: two; 2018-19: five; 2019-20: 11 and 2020-21: three.

5.14.2 Amendment of Financial Statements

During 2021-22, there is no case of Government Companies or Government Controlled Other Companies amending their financial statements on the comments of CAG. However, Financial Statements received (April 2022) from Agro-Industries Corporation Limited for the period from 01 April 2020 to 31 March 2021 for Supplementary Audit were audited by the Statutory Auditor, but same were not approved from the Board of Directors, hence, returned (April 2022) to the SPSE for approval of the BoDs and preparation of Statutory Auditors' Report thereon.

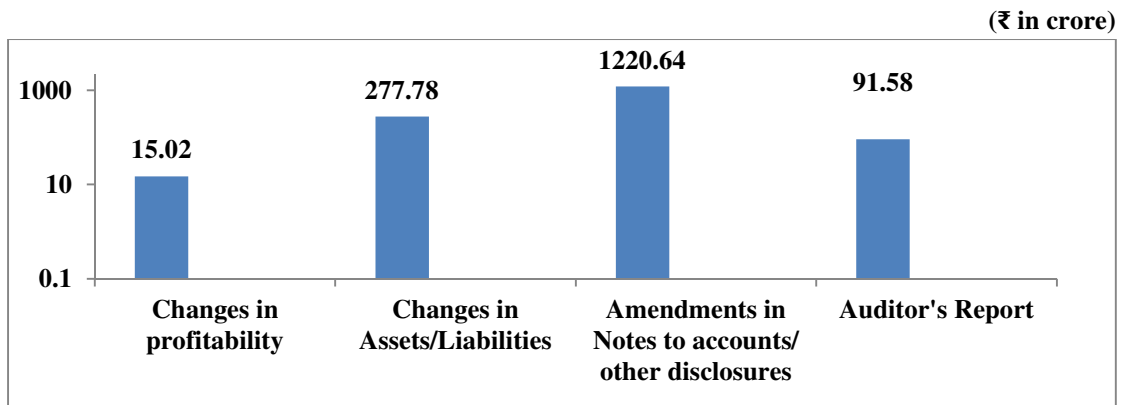
5.14.3 Revision of Auditors Report

During 2021-22, there is no case of revision of statutory auditors' report as a result of supplementary audit of the Financial Statements for the year 2021-22 or prior years conducted by the CAG between 01 December 2021 and 30 September 2022.

5.14.4 Result of Supplementary Audit

As a result of Supplementary Audit conducted in 14 SPSEs as indicated in **Appendix-5.6**, a number of quantitative as well as qualitative changes were made by the SPSEs in their financial statements which led to improvement in the quality of their financial statements. The value addition made by Supplementary Audit of financial statements of these SPSEs for the accounts audited was on the net financial impact (₹ 189.67³³ crore on profitability and ₹ 2,081.07 crore on assets/liabilities) as depicted in the following **Chart-5.1** given below:

Chart 5.1: Details of value addition made by CAG during Supplementary Audit of financial statements finalised from January 2022 to September 2022.



5.15 Conclusions

- As on 31 March 2022, there were 29 SPSEs including two Statutory Corporations. Of these, three SPSEs were inactive. There were 78 accounts of SPSEs in arrears as on 30 September 2022.
- There were 14 SPSEs with accumulated losses of ₹ 4,378.24 crore. Of these, 12 SPSEs incurred losses amounting to ₹ 498.55 crore as per latest finalised accounts as of 30 September 2022.


³³ Overstatement: {Profit (₹ 17.36 crore) and Loss (₹ 47.88 crore)} and understatement: {Loss (₹ 124.20 crore) and Profit (₹ 0.23 crore)}.

- Two SPSEs declared/paid dividend of ₹ 0.71 crore while four profit making SPSEs did not pay/provide dividend of ₹ 2.42 crore, in compliance of the State Government policy as per their latest finalised accounts as of 30 September 2022.

5.16 Recommendations


- State Government may ensure timely submission of Financial Statements of SPSEs, as in the absence of finalisation of accounts, government investments in such SPSEs remain outside the oversight of the State Legislature.
- The inactive SPSEs are neither contributing to State economy nor meeting the intended objectives. The State Government needs to take a decision regarding commencement/completion of liquidation process of inactive SPSEs.
- State Government may ensure declaration/payment of dividend from the profit making SPSEs for compliance of the directives of the Dividend Policy
- State Government may like to analyse the reasons of losses in those SPSEs whose net worth had been eroded and initiate steps to make their operations efficient and profitable.

Shimla
Dated: 22 March 2023


(CHANDA MADHUKAR PANDIT)
Principal Accountant General (Audit)
Himachal Pradesh

Countersigned

New Delhi
Dated: 24 March 2023


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

APPENDICES

Appendix-1

(Reference: Paragraph 1.1) State Profile

A General Data

Sr. No.	Particulars	Figures
1.	Area	55,673 sq km
2.	Population	
	A As per Census (2001)	0.61 crore
	B As per Census (2011)	0.69 crore
	2021 (Projected)	0.74 crore
3.	(a) Density of Population (2001) (All India density) (b) Density of Population (2011) (All India average)	109 persons/sq km (325 persons/sq km) 123 persons/sq km (382 persons/sq km)
4.	Population below poverty line (2011-12) (All India average)	8.06% (21.92 %)
5.	(a) Literacy (2001) (All India average) (b) Literacy (2011) (All India average)	76.48% (64.84%) 82.80% (73%)
6.	(a) Infant Mortality Rate (IMR per 1000 live births) (2020) (All India IMR) (b) Life Expectancy at Birth (2015-19) (All India average)	17 (28) 73.1 (69.7)
7.	Gross State Domestic Product (GSDP) 2021-22 (₹ in crore)	1,75,173
8.	Per Capita GSDP (2021-22) (In ₹)	Himachal Pradesh All India
		2,34,377 1,72,919
9.	GSDP Compound Annual Growth Rate (CAGR) (2012-13 to 2021-22) at current prices	Himachal Pradesh North Eastern & Himalayan (NE&H) States All India
		8.68 9.99 10.11
10.	Per capita GSDP Compound Annual Growth Rate (CAGR) (2012-13 to 2021-22) at current prices	Himachal Pradesh North Eastern & Himalayan (NE&H) States All India
		7.83 8.86 8.86
11.	Population Growth (2012 to 2022)	Himachal Pradesh North Eastern & Himalayan (NE&H) States All India
		7.34 13.00 12.12

B Financial Data

Compound Annual Growth Rate (CAGR)									
Particulars		2012-13 to 2015-16		2016-17 to 2019-20		2019-20 to 2020-21		2020-21 to 2021-22	
		NE&H*	HP**	NE&H*	HP**	NE&H*	HP**	NE&H*	HP**
A	of Revenue Receipts	11.51	14.54	7.21	5.39	6.95	8.77	18.08	11.58
B	of Own Tax Revenue	10.22	13.12	7.75	2.70	2.92	6.03	19.62	20.18
C	of Non-Tax Revenue	7.16	10.09	10.88	13.36	-14.65	-12.51	2.90	19.37
D	of Total Expenditure	11.47	11.28	9.40	4.21	4.58	7.70	16.14	8.78
E	of Capital Expenditure	7.70	11.13	7.10	-6.04	10.37	-0.05	28.31	13.82
F	of Revenue Expenditure	12.17	11.30	9.82	6.63	3.60	9.13	13.86	7.93
G	of Revenue Expenditure on Education	12.98	6.32	10.63	7.52	3.13	3.34	8.28	5.74
H	of Revenue Expenditure on Health	18.35	10.96	14.10	11.39	15.46	5.78	18.04	17.41
I	of Revenue Expenditure on Salary & Wages	10.67	4.06	12.41	6.64	0.24	1.38	7.53	2.42
J	of Revenue Expenditure on Pension	16.34	11.77	16.28	10.09	11.38	10.90	25.75	5.10
K	of Revenue Expenditure on Subsidies	25.71	33.40	7.26	11.81	8.74	16.19	0.22	-4.24

Source: Finance Accounts and Audit Reports, Census info of India (2011), Economics and Statistics Department of Himachal Pradesh and Central Statistical Office.

* North Eastern & Himalayan States

** Himachal Pradesh

Appendix-1.2

(Reference: Paragraph 1.4.2)
Summarised financial position of the Government of Himachal Pradesh
as on 31 March 2021 and 2022

(₹ in crore)

Liabilities	As on 31.03.2021	As on 31.03.2022
Internal Debt -	42,918.21	44,376.03
Market Loans bearing interest	31,897.10	33,772.10
Market Loans not bearing interest	0.06	0.06
Loans from Life Insurance Corporation of India	21.61	18.68
Loans from NABARD	2,969.28	3,164.12
Loans from National Co-operative Development Corporation	140.06	120.43
Compensation and other Bonds	2,890.50	2,890.50
Loans from other Institutions	40.74	20.38
Ways and Means Advances and Overdrafts from Reserve Bank of India	0	0
Special Securities issued to NSSF	4,958.86	4,389.76
Loans and Advances from Central Government-	3,261.54*	6,751.41*
Non-Plan Loans	2.38	1.94
Loans for State Plan Schemes	3,259.03	3,162.03
Pre 1984-85 Loans	0.13	0.13
Other loans for State	0	3,587.31
Contingency Fund	5.00	5.00
Small Savings, Provident Funds, etc.	16,522.64	17,006.28
Deposits and Advances	3,461.64	3,426.66
Reserve Funds	2,717.19	1,973.90
Suspense and Miscellaneous Balances	-1,539.83	- 292.98
Remittance Balances	541.91	653.50
Total	67,888.30	73,899.80
Assets		
Gross Capital Outlay on Fixed Assets -	49,430.11	55,459.49
Investments in shares of Companies, Corporations, etc.	4,562.40	4,913.00
Other Capital Expenditure	44,867.71	50,546.49
Loans and Advances -	7,687.59	8,024.83
Loans for Power Projects	7,274.42	7,644.83
Other Development Loans	384.83	354.51
Loans to Government servants and miscellaneous loans	28.34	25.49
Advances with Departmental Officers	0	0
Remittance Balances	0	0
Cash	1,756.24	2,522.86
Cash in Treasuries and local remittances	59.96	-45.41
Departmental Cash Balance	0.19	0.19
Permanent Advances/Cash Imprest)	0	0
Cash Balance Investments	1,696.09	2,568.08
Deposits with Reserve Bank of India	0	0
Investments from Earmarked Funds	0	0
Suspense and Miscellaneous Balances	0	0
Add difference on account of rounding-off	0	0
Deficit on Government Account	9,014.36	7,892.62
Total	67,888.30	73,899.80

Source: Finance Accounts

* Includes ₹ 4,412.22 crore (2020-21: ₹ 1,717 crore and 2021-22: ₹ 2,695.22 crore) as back-to-back loans from GoI during 2020-22 in lieu of GST compensation shortfall, which are not to be paid by the State out of its sources.

Appendix-2.1

(Reference: Paragraphs 2.3.2.1 and 2.4.1)
Time Series Data on the State Government Finances

₹ in crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Part-A: Receipts					
1. Revenue Receipts	27,367	30,950	30,742	33,438	37,309
(i) Tax Revenue (a+b)	11,909	13,003	12,302	12,837	17,064
(a) Own Tax Revenue	7,108(26)	7,573(24)	7,624(25)	8,083(24)	9,715 (26)
States Goods and Services Tax (SGST)	1,833(26)	3,343(44)	3,550(47)	3,467 (43)	4,482 (46)
Taxes on Sales, Trade, etc.	2,526(36)	1,185(16)	1,170(15)	1,630 (20)	1,592 (16)
State Excise	1,311(18)	1,482(20)	1,660(22)	1,600 (20)	1,981 (20)
Taxes on Vehicles	367(5)	408(5)	466(6)	380 (5)	510 (5)
Stamps and Registration fees	229(3)	251(3)	260(4)	253 (3)	318 (3)
Taxes and Duties on electricity	361(5)	487(7)	101(1)	402 (5)	394 (4)
Land Revenue	17(-)	8(-)	5(-)	7 (-)	5 (-)
Taxes on Goods and Passengers	112(2)	104(1)	104(1)	84 (1)	99 (1)
Other Taxes	352(5)	305(4)	308(4)	261 (3)	341 (4)
(b) State's share of Union taxes and duties	4,801(17)	5,430(18)	4,678(15)	4,754 (14)	7,349 (20)
(ii) Non Tax Revenue	2,364(9)	2,830(9)	2,501(8)	2,188 (7)	2,612 (7)
(iii) Grants-in-aid from Government of India	13,094(48)	15,117(49)	15,939(52)	18,413(55)	17,633 (47)
2. Miscellaneous Capital Receipts	35	9	2	3	7
3. Recoveries of Loans and Advances	40	22	21	23	40
4. Total Revenue and Non debt capital receipts (1+2+3)	27,442	30,981	30,765	33,464	37,356
5. Public Debt Receipts	5,600	6,427	10,847	16,749^S	9,335^S
Internal Debt (excluding Ways and Means Advances and Overdrafts)	5,118 (91)	4,864 (76)	7,333 (67)	6,693 (40)	4,704 (51)
Ways and Means Advances and Overdrafts	400 (7)	1,496 (23)	3,444 (32)	7,744 (46)	1043 (11)
Loans and Advances from Government of India	82 (2)	67 (1)	70 (1)	2,312 ^S (14)	3,587 ^S (38)
6. Total Receipts in the Consolidated Fund (4+5)	33,042	37,408	41,612	50,213^S	46,692^S
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Account Receipts	14,680	16,121	22,569	15,445	15183
9. Total Receipts of the State (6+7+8)	47,722	53,529	64,181	65,658^S	61,875^S
Part-B: Expenditure/disbursement					
10. Revenue Expenditure	27,053	29,442	30,730	33,535	36,195
Plan	3,772 (14)	4,263 (14)	4,028 (13)	4,983 (15)	-
Non-Plan	23,281 (86)	25,179 (86)	26,702 (87)	28,552 (85)	-
General Services (including interest payments)	11,009 (41)	11,438 (39)	12,335 (40)	13,454 (40)	13,900 (39)
Social Services	10,337 (38)	11,482 (39)	12,047 (39)	12,844 (38)	13,882 (38)
Economic Services	5,697 (21)	6,512 (22)	6,338 (21)	7,227 (22)	8,405 (23)
Grants-in-aid and contributions	10(-)	10 (-)	10 (-)	9 (-)	8 (-)
11. Capital Expenditure	3,756	4,583	5,174	5,309	6,029
Plan	3416 (91)	4,102 (90)	4,820 (93)	5,033 (95)	-
Non-Plan	340 (9)	481 (10)	354 (7)	276 (5)	-
General Services	192 (5)	227 (5)	204 (4)	170 (3)	390 (6)
Social Services	1,135 (30)	1,187 (26)	1,258 (24)	1,736 (33)	1925 (32)
Economic Services	2,429 (65)	3,169 (69)	3,712 (72)	3,403 (64)	3,715 (62)
12 Disbursement of Loans and Advances	503	468	458	320	378
13. Total Expenditure (10+11+12)	31,312	34,493	36,362	39,164	42,602

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
14. Repayments of Public Debt	3,500	4,673	6,701	11,141	4,387
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3,021	3,092	3,169	3,302	3,246
Ways and Means Advances and Overdrafts	400	1,496	3,444	7,744	1,043
Loans and Advances from Government of India	79	85	88	94	44
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	34,812	39,166	43,063	49,210	46,989
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Account disbursements	13,043	14,493	20,111	14,657	14,119
19. Total disbursement by the State (16+17+18)	47,855	53,659	63,174	63,867	59,967
Part-C: Deficit/ Surplus					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	314	1,508	12	(-) 97	1,115
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-) 3,870	(-) 3,512	(-) 5,597	(-) 5,700	(-) 5,245
22. Primary Deficit (-)/Surplus (+) (21+23)	(-) 82	510	(-) 1,363	(-) 1,227	(-) 604
Part-D: Other data					
23. Interest Payments (included in revenue expenditure)	3,788	4,022	4,234	4,472	4,641
24. Financial Assistance to local Bodies etc.	2,895	3,634	3,506	4,563	4,981
25. Ways and Means Advances/Overdraft availed (days)	2	19	38	63	16
Ways and Means Advances availed (days)	2	19	25	51	16
Overdrafts availed (days)	-	-	13	12	0
26. Interest on Ways and Means Advances/Overdrafts	-	- (0.96)	3.61	6.12	0.25
27. Gross State Domestic Product (GSDP)	1,38,551	1,48,383	1,59,162	1,56,675	1,75,173
28. Outstanding Fiscal liabilities (year end)	51,030	54,299	62,212	68,882 ^{\$}	73,535
29. Outstanding guarantees (yearend) (including interest)	4,394	4,309	1,947	2,142	1,185
30. Maximum amount guaranteed (year end)	8,848	5,181	640	2,299	2,035
31. Number of incomplete projects	11	10	13	78	74
32. Capital blocked in incomplete projects	176	181	268	1,014	968

\$ Includes ₹ 1,717 (2020-21) and ₹ 4,412.22 crore (₹ 1,717.00 crore (2020-21) and ₹ 2,695.22 crore (2021-22) during 2021-22 as back-to-back loans to State from GoI in lieu of GST compensation shortfall.

Appendix-2.2

(Reference: Paragraph 2.3.2.1)

Abstract of Receipts and Disbursements for the year 2021-22

Particulars	2020-21	2021-22	Particulars	2020-21	2021-22
I- Revenue Receipts	33,438.27	37,309.30	I- Revenue Expenditure	33534.93	36194.54
(i) Tax revenue	8,083.31	9,714.58	General service	1354.26	13899.76
(ii) Non-tax revenue	2,188.46	2,612.36	Social Services	12843.81	13882.41
(iii) State's share of Union Taxes and Duties	4,753.92	7,349.04	Education, Sports, Art and Culture	6344.45	6708.29
(iv) Grants for Central Sponsored Plan Schemes	4,221.29	5,420.75	Health and Family Welfare	2195.02	2577.27
(v) Finance commission Grants	12,424.10	1,168.31	Water Supply, Sanitation, Housing and Urban Development	1961.25	2140.4
(vi) Other transfer/Grants to State/Union territories with legislatures	1,767.19	1,168,30.79	Information and Broadcasting	55.74	58.71
			Welfare of Scheduled Castes, Scheduled Tribes and Other backward Classes	121.16	155.79
			Labour and Labour Welfare	193.58	261.83
			Social Welfare and Nutrition	1955.86	1956.45
			Others	16.75	23.67
			Economic Services	7227.49	8404.66
			Agriculture and Allied Activities	2387.97	2568.72
			Rural Development	1398.04	1286.06
			Irrigation and Flood Control	396.45	394.51
			Energy	530.25	1649.91
			Industry and Minerals	207.82	194.64
			Transport	2102.16	2124.55
			Science, Technology and Environment	9.72	15.96
			General Economic Services	195.08	170.31
			Grants-in-aid and Contributions	9.37	7.71
Total	33438.27	37309.30	Total	33534.93	36194.54
II-Revenue Deficit carried over to Section -B	96.66		II-Revenue surplus carried over to Section-B		1114.76
Total:	33534.93	37309.30	Total:	33534.93	37309.30
Section-B: Capital					
III-Opening cash balance including Permanent Advances and Cash Balance Investment	1060.18	1756.24	III- Opening overdraft from Reserve Bank of India		
IV- Misc. Capital	2.88	7.01	IV- Capital Outlay	5309.21	6029.38
			General Services	169.54	389.63
			Social Services	1736.19	1925.31
			Education, Sports, Art and Culture	355.54	488.72
			Health and Family Welfare	302.05	293.80
			Water Supply, Sanitation, Housing and Urban Development	1066.40	1113.09
			Information and Broadcasting	0.77	0.63
			Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	6.04	12.67
			Social Welfare and Nutrition	3.25	14.39
			Others	2.14	2.01
			Economics Services	3403.48	3714.44
			Agriculture and Allied Activities	93.09	89.89
			Other Rural Development Programmes	10.36	38.52
			Irrigation and Flood Control	386.65	312.50
			Energy	196.98	128

State Finances Audit Report for the year ended 31 March 2022

Particulars	2020-21	2021-22	Particulars	2020-21	2021-22
			Industry and Minerals	17.27	122.73
			Transport	2521.96	2602.47
			General Economic Services	177.17	420.33
			Total	5309.21	6029.38
V-Recoveries of Loans and Advances	23.02	40.73	V- Loans and Advances disbursed	320.12	377.97
From Power Projects	0	0	To Power Projects	254.32	370.40
From Government Servants	6.32	5.67	To Government Servants	2.81	2.82
From Co-operations	16.33	34.88	To Co-operations	58.56	4.00
From Others	0.37	0.18	To Others		
VI-Revenue surplus brought down		1114.76	VI-Revenue deficit brought down	96.66	
VII-Public Debt Receipts	16749.21	9334.97	VII-Repayment of Public Debt	11141.04	4387.28
Internal Debt other than Ways and Means Advances and Overdrafts	6692.87	4703.98	Internal debt other than Ways and Means Advances and Overdrafts	3302.43	3246.16
Ways and Means Advances including Overdrafts	7744.47	1043.49	Ways and Means Advances and Overdrafts	7744.47	1043.49
Loans and Advances from the Central Government	2311.87	3587.50	Repayment of Loans and Advances to Central Government	94.14	97.64
VIII-Appropriation to Contingent Fund	0	0	VIII-Appropriation to Contingent Fund	0	0
IX- Amount transferred to Contingent Fund	0	0	IX-Expenditure from Contingent Fund	0	0
X- Public Account Receipts	15444.89	15182.79	X- Public Account disbursements	14656.91	14119.00
Small Savings and Provident Funds	3665.79	3562.18	Small Savings and Provident Funds	2680.28	3078.54
Reserve Funds	564.40	417.15	Reserve Funds	569.51	1160.45
Deposits and Advances	3555.45	3566.08	Deposits and Advances	3474.10	3601.06
Suspense and Miscellaneous	884.56	1063.49	Suspense and Miscellaneous	1093.95	-183.35
Remittances	6777.69	6573.89	Remittances	6839.07	6462.320
XI- Closing overdraft from Reserve Bank of India			XI-Cash Balance at end	1756.24	2522.86
			Cash in Treasuries and Local Remittances	0	0
			Departmental Cash Balance including Permanent Advances	0.19	0.19
			Deposits with Reserve Bank	59.96	-45.41
			Cash Balance investment	1696.09	2568.08
Total	33280.18	27436.50		33280.18	27436.50

Appendix-2.3 (A)

(Reference paragraph 2.6.2)

Actuals and projections of Revenue Receipts, Revenue Expenditure, Revenue Deficit and Interest Payments on Debt

(₹ in crore)

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<i>Actual</i>										
Revenue Receipts	15,598	15,711	17,843	23,440	26,264	27,367	30,950	30,742	33,438	37,309
Growth Rate (<i>per cent</i>)	7.25	0.72	13.57	31.37	12.05	4.20	13.09	-0.67	8.77	11.58
Revenue Expenditure	16,174	17,352	19,787	22,303	25,344	27,053	29,442	30,730	33,535	36,194
Growth Rate (<i>per cent</i>)	16.38	7.28	14.03	12.72	13.63	6.74	8.83	4.38	9.13	7.93
Revenue Deficit (RD)(-)/ Revenue Surplus (RS) (+)	-576	-1,641	-1,944	1,137	920	314	1,508	12	-97	1,115
Interest Payments	1,710	1,802	2,029	2,244	2,459	2,829	2,958	3,071	3,228	3,422
Growth Rate (<i>per cent</i>)	10.04	5.38	12.60	10.60	9.58	15.03	4.58	3.81	5.10	6.04
Interest Payments/ RD or RS (<i>per cent</i>)	-297	-110	-104	197	267	901	196	26,543	-3,330	307
<i>Projected</i>										
Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Revenue Receipts	41,112	45,303	49,920	55,009	60,616	66,794	73,603	81,105	89,372	98,482
Growth Rate (<i>per cent</i>)	<i>Projected at annual average growth rate of 10.19 per cent (average of annual growth rates of the last ten years)</i>									
Revenue Expenditure	39,851	43,878	48,312	53,194	58,569	64,488	71,004	78,179	86,079	94,777
Growth Rate (<i>per cent</i>)	<i>Projected at annual average growth rate of 10.10 per cent (average of annual growth rates of the last ten years)</i>									
Revenue Surplus (RS)	1,261	1,425	1,608	1,815	2,047	2,306	2,599	2,926	3,293	3,705
Interest Payments	3,706	4,012	4,344	4,704	5,093	5,514	5,971	6,465	7,000	7,579
Growth Rate (<i>per cent</i>)	<i>Projected at annual average growth rate of 8.28 per cent (average of annual growth rates of the last ten years)</i>									
Interest Payments/ RS (<i>per cent</i>)	294	282	270	259	249	239	230	221	213	205

Source: Finance Accounts for actuals

Appendix-2.3 (B)

(Reference paragraph 2.6.2)
Actuals and projections of Public Debt (Principal + Interest)

(₹ in crore)

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Actuals										
Borrowings (excluding WMA)	3,371	3,421	4,017	4,344	4,041 [@]	5,200	4,931	7,403	7,288*	5,597*
Growth Rate (per cent)	69.92	1.47	17.42	8.14	-6.98	28.68	-5.17	50.13	-1.55	-23.20
Repayment of Public Debt (excluding WMA) (Principal)	2,117	1,075	1,400	2,163	2,272	3,100	3,177	3,257	3,397	3,344
Growth Rate (per cent)	87.68	-49.22	30.23	54.50	5.04	36.44	2.48	2.52	4.30	-1.56
Interest Payments	1,710	1,802	2,029	2,244	2,459	2,829	2,958	3,071	3,228	3,422
Growth Rate (per cent)	10.04	5.38	12.60	10.60	9.58	15.03	4.58	3.81	5.10	6.04
Projected										
Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Opening Public Debt Stock	68,630	70,693	73,118	75,951	79,240	83,038	87,400	92,386	98,058	1,04,480
Fresh Borrowings	6,374	7,259	8,268	9,416	10,723	12,212	13,908	15,839	18,039	20,544
Borrowings Growth Rate (per cent)	Projected at annual average growth rate of 13.89 per cent (average of annual growth rates of the last ten years)									
Interest on fresh borrowings	3,315	3,775	4,299	4,896	5,576	6,350	7,232	8,236	9,380	10,682
Interests Growth Rate (per cent)	Projected at a rate of 52 per cent (ratio of opening public debt stock to total interest to be paid up to maturity)									
Repayments of Public Debt (Principal)	3,920	4,596	5,389	6,318	7,407	8,684	10,181	11,936	13,994	16,407
Growth rate on repayment of Public Debt (per cent)	Projected at annual average growth rate of 17.24 per cent (average of annual growth rates of the last ten years)									
Interest Payments on Public Debt	3,706	4,013	4,345	4,705	5,094	5,516	5,973	6,467	7,003	7,582
Growth rate on Interest Payments on Public Debt (per cent)	Projected at annual average growth rate of 8.28 per cent (average of annual growth rates of the last ten years)									
Closing Public Debt Stock	70,693	73,118	75,951	79,240	83,038	87,400	92,386	98,058	1,04,480	1,11,717

Source: Finance Accounts for actuals

[@] Excludes ₹ 2,890.50 crore on account of UDAY Scheme

* Excludes ₹ 1,717 crore during 2020-21 and ₹ 2,695.22 crore during 2021-22 as back-to-back loans from outstanding public debt

Appendix-3.1

(Reference: Paragraph 3.1)

Glossary of important Budget related terms

1. **'Accounts' or 'actuals' of a year** - are the amounts of receipts and disbursements for the financial year beginning on *April 1st* and ending on *March 31st* following, as finally recorded in the Accounting authority's books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts.
2. **'Administrative approval' of a scheme, proposal or work** - is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.
3. **'Annual financial statement'** - Also referred to as Budget means the statement of estimated receipts and expenditure of the Central/State Government for each financial year, laid before the Parliament /State Legislature.
4. **'Appropriation'** - means the amount authorised by the Parliament/State Legislature for expenditure under different primary unit of appropriation or part thereof placed at the disposal of a disbursing officer.
5. **'Charged Expenditure'** - means such expenditure as is not to be submitted to the vote of the Legislature under the provisions of the Constitution.
6. **'Consolidated Fund of India/ State'** - All revenues of the Union/State Government, loans raised by it and all moneys received in repayment of loans form the Consolidated Fund of India/ State. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.
7. **'Contingency Fund'** is in the nature of an imprest. The Contingency Fund is intended to provide advances to the executive /Government to meet unforeseen expenditure arising in the course of a year pending its authorisation by the Parliament/State Legislature. The amounts drawn from the Contingency Fund are recouped after the Parliament/State Legislature approves it through the Supplementary Demands.
8. **'Controlling Officer (budget)'** - means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.
9. **'Drawing and Disbursing Officer' (DDO)** – means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government. The term shall also include a Head of Department where he himself discharges such function
10. **'Excess Grant'** – Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires regularisation by obtaining excess grant from the Parliament /State Legislature under Article 115/205 of the Constitution.
11. **'New Service'** – As appearing in Article 115(1)(a)/205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/State Legislature earlier, including a new activity or a new form of investment.

12. **'New Instrument of Service'** - means relatively large expenditure arising out of important expansion of an existing activity.
13. **'Public Accounts'** - means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issued out of the Consolidated Fund of India/State.
14. **'Re-appropriation'** - means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.
15. **'Revised Estimate'** - is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued.
16. **'Supplementary Demands for Grants'** - means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorised in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive/cash.
 - a) **Cash Supplementary** is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant. It should be obtained as a last resort and after proper due diligence. Presently, this method is followed by the State.
 - b) There are four Sections in each Demand i.e., Revenue Voted, Revenue Charged, Capital Voted and Capital Charged. **Technical Supplementary**, after obtaining the approval of the State Legislature, allows to utilise the savings of one of the Sections for any other Section.
 - c) **Token Supplementary** allows to utilise the savings within the same section of the grant.
17. **'Major Head'** - means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a 'function' of Government such as Agriculture, Education, Health, etc.
18. **"Sub-Major Head"** - means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.
19. **'Minor Head'** - means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a "programme" undertaken to achieve the objectives of the function represented by the Major Head.
20. **"Sub-Head"** - means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.

21. **‘Major Work’** - means an original work, the estimated cost of which exclusive of departmental charges exceeds the amount as notified by the Government from time to time.
22. **‘Minor Work’** - means an original work, the estimated cost of which exclusive of departmental charges does not exceed the amount as notified by the Government from time to time.
23. **“Modified Grant or Appropriation”** - means the sum allotted to any Sub-Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.
24. **“Supplementary or Additional Grant or Appropriation”** - means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.
25. **“Schedule of New Expenditure”** - means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.
26. **“Token demand”** - means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.

Appendix-3.2

**(Reference: Paragraph 3.3.5)
Unnecessary Re-appropriation**

Grant No.	Name of Grant	Head of Account	Original	Supplementary	Re-Appropriation	Total	Actual	Final Excess/Savings (-)
Revenue-Voted								
01	Vidhan Sabha	2011-02-103-01	18.22	0.51	0.15	18.89	16.28	-2.60
03	Administration of Justice	2014-00-114-02	22.57	0.00	0.83	23.39	20.71	-2.68
		2014-00-800-02	6.07	0.00	0.17	6.24	5.53	-0.71
04	General Administration	2059-01-053-28	0.09	0.32	0.53	0.94	0.22	-0.72
		2216-05-800-04	0.73	0.00	0.00	0.73	0.54	-0.19
		2235-60-200-02	3.68	0.00	0.02	3.69	3.40	-0.29
		2075-00-800-01	0.00	0.00	0.01	0.01	0.01	0.00
		2216-05-053-04	0.01	0.00	0.15	0.16	0.60	0.44
05	Land Revenue and District Administration	2029-00-102-02	7.46	0.00	0.01	7.47	6.10	-1.37
		2029-00-102-03	19.70	0.00	0.07	19.78	17.08	-2.69
		2029-00-103-02	118.76	1.06	0.06	119.88	107.10	-12.78
		2030-02-102-02	0.16	0.00	0.10	0.26	0.14	-0.12
		2030-02-102-03	0.08	0.00	0.02	0.10	0.05	-0.04
		2053-00-093-01	163.05	0.93	0.66	164.65	138.85	-25.79
		2053-00-093-03	0.35	0.00	0.06	0.40	0.32	-0.08
		2053-00-094-01	21.70	0.00	0.02	21.71	17.15	-4.56
		2053-00-094-04	1.41	0.00	0.00	1.41	0.91	-0.50
		2053-00-094-05	0.78	0.00	0.01	0.79	0.68	-0.10
		2235-01-202-01	0.91	0.00	0.02	0.92	0.76	-0.16
		2245-08-101-01	0.00	0.00	91.00	91.00	0.00	-91.00
		2245-02-106-01	0.00	0.00	65.15	65.15	131.18	66.03
		2245-02-109-01	0.00	0.00	46.00	46.00	70.50	24.50
		2245-02-111-01	0.00	0.00	35.00	35.00	101.24	66.24
2245-02-193-01	0.00	0.00	41.40	41.40	59.90	18.50		
2245-80-102-01	0.00	0.25	0.01	0.27	0.85	0.58		
2245-80-102-05	0.00	0.00	22.72	22.72	37.07	14.35		
07	Police and Allied Organisations	2055-00-101-02	0.00	0.00	0.38	0.38	0.00	-0.38
		2055-00-108-01	94.05	0.00	8.61	102.66	85.29	-17.37
		2055-00-108-02	37.44	0.00	0.10	37.54	30.52	-7.02
		2055-00-109-03	69.47	0.00	2.25	71.72	59.84	-11.88
		2055-00-111-01	5.10	0.00	0.01	5.11	4.19	-0.92
		2055-00-111-03	2.68	0.00	0.10	2.79	2.42	-0.37
		2055-00-114-01	27.44	0.00	0.35	27.80	22.50	-5.29
		2055-00-115-01	0.03	0.00	0.02	0.05	0.00	-0.05
		2056-00-101-01	34.43	0.00	0.77	35.20	31.88	-3.33
		2070-00-107-01	1.79	0.00	0.00	1.79	1.65	-0.14
		2055-00-115-01	0.27	0.00	0.15	0.42	0.44	0.03
2070-00-108-02	46.61	0.00	4.73	51.34	55.36	4.02		
08	Education	2202-01-104-01	21.65	0.00	0.09	21.74	17.34	-4.40
		2202-01-104-02	70.44	0.00	0.36	70.80	58.40	-12.40
		2202-02-001-01	22.63	0.00	0.10	22.73	18.31	-4.41
		2202-02-101-01	20.93	0.00	0.17	21.10	17.99	-3.10
		2202-05-103-01	6.44	0.00	0.04	6.47	5.42	-1.05
		2202-80-800-01	5.77	0.00	0.36	6.13	5.03	-1.10

Grant No.	Name of Grant	Head of Account	Original	Supplementary	Re-Appropriation	Total	Actual	Final Excess/Savings (-)
09	Health and Family Welfare	2210-01-110-03	284.70	0.00	5.36	290.06	235.19	-54.87
		2210-01-200-01	53.74	0.00	0.37	54.12	45.72	-8.40
		2210-05-105-05	1.82	0.00	0.09	1.90	1.55	-0.36
		2210-05-105-06	139.07	0.00	0.04	139.11	124.36	-14.75
		2210-05-105-12	53.94	0.00	1.65	55.58	46.40	-9.18
		2210-06-101-05	3.52	0.00	0.21	3.73	3.26	-0.46
		2210-06-107-01	1.87	0.00	0.15	2.02	1.80	-0.22
		2210-05-105-13	51.58	0.00	0.10	51.68	52.01	0.32
		2210-06-001-04	4.09	0.00	0.09	4.18	4.29	0.11
		2211-00-200-12	0.00	75.78	3.65	79.43	171.39	91.96
10	Public Works - Roads, Bridges and Buildings	3054-04-105-02	325.24	0.00	0.60	325.84	336.84	11.00
		3054-04-105-15	44.89	0.00	10.00	54.89	55.93	1.04
		3054-80-800-03	27.19	0.00	6.00	33.19	33.43	0.24
11	Agriculture	2401-00-109-25	26.57	0.00	0.38	26.95	20.93	-6.02
		2401-00-105-12	17.62	0.00	0.07	17.69	19.74	2.05
13	Irrigation, Water Supply and Sanitation	2215-01-001-07	1.51	0.00	0.03	1.54	1.16	-0.38
		2215-01-101-05	29.25	0.00	5.91	35.16	35.41	0.24
		2215-01-102-13	50.30	0.00	29.61	79.91	84.78	4.87
		2702-80-001-07	18.84	0.00	10.19	29.03	29.70	0.68
14	Animal Husbandry, Dairy Development and Fisheries	2403-00-001-02	1.45	0.00	0.50	1.95	1.45	-0.50
		2403-00-101-10	0.70	0.00	0.04	0.74	0.46	-0.28
		2403-00-101-10	0.07	0.00	0.00	0.07	0.05	-0.02
		2403-00-102-06	5.62	0.00	0.10	5.72	4.81	-0.91
		2403-00-106-01	0.08	0.00	0.01	0.10	0.05	-0.05
		2404-00-191-05	0.66	0.00	0.33	0.99	0.65	-0.34
		2405-00-001-01	2.41	0.00	0.08	2.49	2.32	-0.18
2405-00-101-02	1.20	0.00	0.01	1.21	1.20	-0.01		
15	Planning and Backward Area Sub Plan	3451-00-101-01	8.06	0.00	0.25	8.30	5.45	-2.86
16	Forest and Wild Life	2406-01-001-03	1.60	0.00	0.40	2.00	1.53	-0.46
		2406-04-103-04	51.19	26.10	0.00	77.29	50.18	-27.11
17	Election	2015-00-106-01	0.00	4.09	0.00	4.09	3.55	-0.53
		2015-00-105-01	0.00	15.64	0.00	15.65	17.44	1.80
		2015-00-109-01	2.75	9.25	0.00	12.00	12.03	0.02
18	Industries, Minerals, Supplies and Information Technology	2851-00-102-32	1.78	1.59	1.06	4.43	1.78	-2.65
		2851-00-107-01	7.94	0.00	0.05	7.99	6.66	-1.32
19	Social Justice and Empowerment	2225-01-001-01	5.41	0.00	0.03	5.44	4.22	-1.22
20	Rural Development	2515-00-003-01	2.98	0.00	0.02	3.00	2.63	-0.36
		2515-00-101-01	28.96	0.00	0.14	29.10	23.64	-5.46
		2515-00-196-07	22.48	0.00	4.48	26.96	13.48	-13.48
		2515-00-197-07	21.86	0.00	4.21	26.08	13.25	-12.83
		2515-00-198-06	102.02	2.83	19.58	124.43	61.83	-62.60
		2216-03-102-05	0.00	0.00	0.64	0.64	1.78	1.14
		2216-03-102-07	7.12	0.00	10.04	17.16	23.82	6.66
21	Co-Operation	2425-00-001-01	3.82	0.00	0.09	3.91	3.59	-0.32
		2425-00-101-01	9.51	0.00	0.15	9.66	9.40	-0.26

Grant No.	Name of Grant	Head of Account	Original	Supplementary	Re-Appropriation	Total	Actual	Final Excess/Savings (-)
22	Food and Civil Supplies	2408-01-102-13	3.29	7.13	0.75	11.17	10.20	-0.97
23	Power Development	2801-80-001-01	4.44	0.22	0.00	4.66	4.46	-0.20
25	Road and Water Transport	3055-00-001-01	12.90	0.06	0.08	13.04	11.16	-1.88
26	Tourism and Civil Aviation	3452-80-001-02	5.24	0.05	0.02	5.31	4.76	-0.55
27	Labour Employment and Training	2225-03-277-04	0.12	0.00	0.21	0.33	0.00	-0.33
		2230-01-001-01	1.36	0.00	0.00	1.37	1.07	-0.30
		2230-01-101-01	5.18	0.00	0.20	5.38	4.37	-1.01
		2230-01-101-02	1.52	0.00	0.00	1.52	1.11	-0.41
		2230-02-001-01	1.00	0.00	0.07	1.07	0.81	-0.26
		2230-02-101-03	0.11	0.00	0.00	0.11	0.10	-0.01
28	Urban Development, Town and Country Planning and Housing	2217-80-191-48	14.00	17.11	24.51	55.62	58.30	2.68
		2217-80-192-16	2.00	3.03	2.86	7.89	8.69	0.80
29	Finance	2054-00-095-01	9.26	0.00	0.03	9.29	7.12	-2.18
		2054-00-097-01	38.35	0.00	0.12	38.47	30.29	-8.17
		2070-00-105-02	0.68	0.00	0.04	0.72	0.51	-0.21
		3454-02-111-01	11.37	0.00	0.02	11.39	8.30	-3.09
30	Miscellaneous General Services	2070-00-003-02	1.29	0.00	0.02	1.31	1.27	-0.04
		2070-00-003-04	0.81	0.00	0.00	0.81	0.59	-0.22
		2202-05-001-01	3.53	0.06	0.00	3.60	3.05	-0.54
		2220-60-102-01	3.01	0.00	0.05	3.06	2.96	-0.10
31	Tribal Development	2015-00-796-01	1.39	0.00	0.04	1.42	1.30	-0.12
		2045-00-796-01	1.16	0.00	0.02	1.18	1.00	-0.18
		2053-00-796-01	11.75	0.00	0.49	12.24	9.97	-2.27
		2053-00-796-02	2.29	0.00	0.00	2.29	1.59	-0.71
		2053-00-796-05	0.56	0.00	0.01	0.57	0.46	-0.12
		2054-00-796-01	4.15	0.00	0.10	4.25	3.35	-0.90
		2055-00-796-01	56.49	0.00	0.66	57.15	46.80	-10.35
		2055-00-796-02	1.40	0.00	0.00	1.41	1.35	-0.06
		2055-00-796-04	8.81	0.00	0.04	8.85	7.28	-1.57
		2070-00-796-03	2.54	0.00	0.01	2.55	2.45	-0.09
		2202-01-796-11	8.67	0.00	0.25	8.92	4.03	-4.89
		2202-01-796-11	0.86	0.00	0.03	0.89	0.68	-0.21
		2202-02-796-01	1.94	0.00	0.05	1.99	1.70	-0.29
		2202-03-796-02	7.91	0.00	0.10	8.01	6.70	-1.30
		2205-00-796-01	0.19	0.00	0.00	0.19	0.15	-0.04
		2210-03-796-02	16.90	0.00	0.34	17.23	15.84	-1.39
		2220-60-796-02	1.23	0.00	0.02	1.26	1.18	-0.08
		2230-01-796-01	0.38	0.00	0.01	0.38	0.27	-0.11
		2230-03-796-04	2.43	0.00	0.16	2.59	2.10	-0.49
		2401-00-796-71	0.15	0.00	0.04	0.19	0.12	-0.07
2403-00-796-02	26.27	0.00	0.13	26.40	20.61	-5.79		
2406-01-796-36	0.19	0.00	0.08	0.27	0.18	-0.08		
2406-01-796-42	5.45	0.00	1.45	6.90	4.60	-2.30		
2408-01-796-01	1.39	0.00	0.06	1.45	1.24	-0.21		

Grant No.	Name of Grant	Head of Account	Original	Supplementary	Re-Appropriation	Total	Actual	Final Excess/Savings (-)
		2515-00-796-01	14.64	0.00	0.05	14.69	13.10	-1.59
		2515-00-796-02	6.34	0.00	0.22	6.57	5.51	-1.06
		2515-00-796-21	1.30	0.00	0.27	1.57	0.79	-0.79
		2515-00-796-23	1.91	0.00	0.12	2.03	1.02	-1.02
		2515-00-796-25	8.93	0.00	0.55	9.48	4.74	-4.74
		3452-80-796-01	4.70	0.00	0.27	4.97	0.82	-4.16
		2215-01-796-01	6.13	0.00	0.52	6.65	8.11	1.46
		2217-03-796-04	0.20	0.00	0.94	1.14	2.50	1.37
		2403-00-796-16	0.02	0.00	0.06	0.08	0.08	0.00
		2501-06-796-03	2.43	0.00	4.77	7.20	7.63	0.43
32	Scheduled Caste Sub Plan	2202-01-789-06	24.26	0.00	1.23	25.49	20.86	-4.62
		2202-01-789-06	2.41	0.00	0.14	2.55	2.03	-0.51
		2230-03-789-07	0.00	0.00	0.31	0.31	0.00	-0.31
		2851-00-789-19	0.30	0.00	0.04	0.34	0.29	-0.05
		2217-80-789-04	7.92	0.00	6.30	14.22	19.64	5.42
		2217-80-789-04	0.88	0.00	0.04	0.92	1.52	0.60
		2225-01-789-08	10.00	0.00	5.55	15.55	32.35	16.80
		2236-02-789-01	17.91	0.00	0.50	18.41	29.24	10.83
		2501-06-789-03	6.80	0.00	3.59	10.39	11.85	1.45
		2501-06-789-03	0.76	0.00	0.39	1.15	1.32	0.16
Capital- Voted								
03	Administration of Justice	4059-01-051-15	0.61	0.23	0.01	0.85	0.86	0.01
09	Health and Family Welfare	4210-03-105-01	11.87	14.81	0.38	27.06	29.18	2.12
10	Public Works - Roads, Bridges and Buildings	4059-01-051-12	1.50	0.00	0.50	2.00	0.99	-1.01
		5054-04-337-02	253.37	0.00	9.22	262.59	248.86	-13.74
		5054-04-337-09	355.37	99.96	5.34	460.67	438.13	-22.54
		4059-01-051-07	11.60	0.00	2.00	13.60	14.63	1.03
		4059-80-051-03	4.94	0.00	11.83	16.77	22.20	5.43
		5054-04-337-15	0.01	0.00	4.00	4.01	4.16	0.15
		5054-04-337-16	0.00	0.00	4.63	4.63	4.80	0.17
13	Irrigation, Water Supply and Sanitation	4215-01-102-01	13.86	4.22	0.95	19.03	17.65	-1.38
15	Planning and Backward Area Sub Plan	4402-00-800-01	0.50	0.00	0.06	0.56	1.11	0.56
		5054-04-800-06	38.00	0.00	7.27	45.27	55.81	10.54
16	Forest and Wild Life	4406-02-110-03	0.10	0.00	0.15	0.25	0.05	-0.20
28	Urban Development, Town and Country Planning and Housing	4215-02-106-02	134.66	2.24	0.30	137.20	38.65	-98.55
29	Finance	4059-01-051-08	0.00	0.00	2.00	2.00	3.29	1.29
31	Tribal Development	4055-00-796-02	4.32	0.00	0.45	4.77	4.32	-0.45
		4059-01-796-02	0.01	0.00	0.19	0.20	0.00	-0.20
		4210-03-796-04	1.62	0.00	1.12	2.74	1.39	-1.35
		4216-01-796-05	0.00	0.00	0.01	0.01	0.00	-0.01
		4402-00-796-01	1.98	0.00	0.30	2.28	1.59	-0.69
		4059-01-796-13	0.92	0.00	1.60	2.52	2.86	0.34

Grant No.	Name of Grant	Head of Account	Original	Supplementary	Re-Appropriation	Total	Actual	Final Excess/Savings (-)
		4215-01-796-03	2.65	0.00	2.93	5.58	5.80	0.22
		4702-00-796-02	11.22	0.00	3.01	14.23	14.29	0.07
		5054-04-796-04	1.80	0.00	15.44	17.24	17.56	0.31
32	Scheduled Caste Sub Plan	4202-01-789-02	0.00	2.31	0.00	2.31	2.14	-0.17
		4210-03-789-02	4.52	0.00	3.25	7.77	3.53	-4.24
		4215-01-789-02	58.78	0.00	0.57	59.35	54.87	-4.48
		4216-01-789-03	4.00	0.00	0.20	4.20	2.84	-1.36
		4225-01-789-02	0.00	0.00	0.00	0.00	0.00	0.00
		4406-01-789-02	6.00	0.00	0.50	6.50	3.62	-2.88
		4702-00-789-02	5.04	0.00	1.11	6.15	4.97	-1.18
		4702-00-789-03	2.60	0.00	0.08	2.68	2.56	-0.12
		5054-04-789-01	96.98	0.00	13.58	110.56	113.28	2.72
		5054-04-789-04	19.14	0.00	4.11	23.25	25.91	2.66
		5054-04-789-12	27.71	35.47	0.01	63.19	63.29	0.10

Appendix-3.3

(Reference: Paragraph 3.3.6(i))

List of grants where savings exceeded ₹ one crore or more

(₹ in crore)

Sr. No.	Name of the Grant	Total Grant	Expenditure	Savings
Revenue-voted				
1	01-Vidhan Sabha	49.21	46.02	-3.20
2	03-Administration of Justice	191.99	169.18	-22.81
3	04-General Administration	276.57	248.87	-27.71
4	06-Excise and Taxation	113.62	101.29	-12.32
5	07-Police and Allied Organisations	1,550.83	1,306.08	-244.75
6	08-Education	7,087.45	5,991.02	-1,096.43
7	09-Health and Family Welfare	2,500.13	2,256.28	-243.85
8	10-Public Works - Roads, Bridges and Buildings	3,733.35	2,538.89	-1,194.46
9	11-Agriculture	390.22	352.30	-37.92
10	13-Irrigation, Water Supply and Sanitation	2,649.53	2,569.12	-80.41
11	14-Animal Husbandry, Dairy Development and Fisheries	400.24	364.79	-35.45
12	15-Planning and Backward Area Sub Plan	72.12	54.68	-17.44
13	16-Forest and Wild Life	768.96	634.58	-134.39
14	18-Industries, Minerals, Supplies and Information Technology	176.34	157.08	-19.26
15	19-Social Justice and Empowerment	1,248.97	1,202.59	-46.38
16	20-Rural Development	1,229.11	1,095.01	-134.10
17	21-Co-Operation	35.62	33.89	-1.73
18	22-Food and Civil Supplies	285.51	282.13	-3.37
19	24-Printing and Stationery	30.53	28.48	-2.06
20	25-Road and Water Transport	384.36	377.91	-6.45
21	26-Tourism and Civil Aviation	142.48	94.03	-48.45
22	27-Labour Employment and Training	306.11	280.02	-26.09
23	28-Urban Development, Town and Country Planning and Housing	756.82	750.78	-6.04
24	29-Finance	7,203.58	6,495.11	-708.47
25	30-Miscellaneous General Services	107.11	101.23	-5.89
26	31-Tribal Development	1,664.21	1,260.79	-403.42
27	32-Scheduled Caste Sub Plan	2,078.66	1,937.17	-141.50
Revenue-Charged				
28	02-Governor and Council of Ministers	8.80	7.47	-1.33
29	03-Administration of Justice	55.68	49.78	-5.90
30	04-General Administration	14.57	9.94	-4.63
31	29-Finance	5,017.57	4,640.79	-376.78

Sr. No.	Name of the Grant	Total Grant	Expenditure	Savings
Capital-Voted				
32	10-Public Works - Roads, Bridges and Buildings	1,488.23	1,442.91	-45.33
33	11-Agriculture	88.83	77.59	-11.24
34	12-Horticulture	14.68	1.75	-12.93
35	13-Irrigation, Water Supply and Sanitation	805.13	731.67	-73.46
36	15-Planning and Backward Area Sub Plan	471.14	417.50	-53.64
37	16-Forest and Wild Life	11.56	10.20	-1.36
38	19-Social Justice and Empowerment	8.36	4.60	-3.76
39	22-Food and Civil Supplies	1.58	0.45	-1.13
40	26-Tourism and Civil Aviation	578.39	82.18	-496.21
41	28-Urban Development, Town and Country Planning and Housing	184.06	85.02	-99.04
42	29-Finance	19.78	13.92	-5.85
43	31-Tribal Development	574.14	444.04	-130.10
44	32-Scheduled Caste Sub Plan	1,805.91	1,415.45	-390.46
Capital-Charged				
45	29-Finance	5,333.51	4,387.28	-946.23
Total		51,915.56	44,551.85	-7,363.71

Appendix-3.4

(Reference: Paragraph 3.3.6(ii))
Details of persistent savings (₹ one crore or more in each case)

(₹ in crore)

Sr. No.	Grant No.	Name of the Grant	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue- Voted							
1	3	Administration of Justice	10.14	25.2	34.57	44.56	22.81
2	4	General Administration	13.13	18.83	54.07	35.58	27.71
3	6	Excise and Taxation	7.65	13.79	14.32	17.53	12.32
4	7	Police and Allied Organisations	81.89	143.83	212.47	305.45	244.75
5	8	Education	665.02	955.16	1,110.61	1,362.09	1,096.43
6	9	Health and Family Welfare	211.66	330.83	377.72	489.64	243.85
7	11	Agriculture	11.3	72.67	33.44	78.98	37.92
8	14	Animal Husbandry, Dairy Development and Fisheries	43.67	68.34	69.81	78.84	35.45
9	15	Planning and Backward Area Sub Plan	16.81	30.57	22.69	21.9	17.44
10	16	Forest and Wild Life	85.36	130.31	145.25	170.51	134.39
11	18	Industries, Minerals, Supplies and Information Technology	11.45	96.03	100.52	39.63	19.26
12	19	Social Justice and Empowerment	55.55	28.84	99.25	64.74	46.38
13	20	Rural Development	402.93	383.93	351.17	163.47	134.10
14	21	Co-Operation	3.54	3.61	4.79	2.7	1.73
15	24	Printing and Stationery	2.81	1.19	2.14	2.91	2.06
16	25	Road and Water Transport	2.1	2.25	12.92	11.79	6.45
17	27	Labour Employment and Training	199.27	39.93	39.28	116.39	26.09
18	29	Finance	266.88	939.93	1,212.96	1,202.66	708.47
19	30	Miscellaneous General Services	7.38	8.97	11.32	8.07	5.89
20	31	Tribal Development	242.34	325.72	371.39	415.69	403.42
21	32	Scheduled Caste Sub Plan	405.83	390.87	513.37	264.69	141.50
Revenue-Charged							
22	3	Administration of Justice	1.73	7.94	11.36	7.33	5.90
23	29	Finance	29.2	238.48	315.99	459.44	376.78
Capital-Voted							
24	15	Planning and Backward Area Sub Plan	12.84	1.33	115.34	218.07	53.64
25	19	Social Justice and Empowerment	4.26	3.48	14.48	4.94	3.76
26	29	Finance	7.98	6.27	6.35	7.74	5.85
27	31	Tribal Development	58.21	82.25	94.04	75.44	130.10
28	32	Scheduled Caste Sub Plan	132.87	154.08	231.62	149.75	390.46

Appendix-3.5

(Reference: Paragraph 3.3.7.1)
Head-wise disbursement over the authorisation during 2021-22

(` in crore)

Sr. No.	Grant No.	Head of Account	Name of Scheme	Total Provision	Re-appropriation	Total	Expenditure	Excess
Revenue- Voted								
1	05	2245-01-101-07	Expenditure on supply of medicines	0.00	0.00	0.00	3.60	3.60
2		2245-02-101-01	Gratuitous Relief (Cash Doles) under Floods, Cyclones	0.00	0.00	0.00	30.70	30.70
3		2245-02-106-01	Repairs of Roads and Bridges	0.00	0.00	0.00	245.00	245.00
4				0.00	65.15	65.15	131.18	66.03
5		2245-02-109-01	Expenditure on damaged water supply drainage and sewerage works	0.00	0.00	0.00	134.00	134.00
6				0.00	46.00	46.00	70.50	24.50
7		2245-02-111-01	Ex-Gratia Payment	0.00	0.00	0.00	30.49	30.49
8				0.00	35.00	35.00	101.24	66.24
9		2245-02-113-01	Repair and construction of houses assistance	0.00	0.00	0.00	7.92	7.92
10		2245-02-193-01	Assistance to Local Bodies and other non-Government Boards / Institutions	0.00	0.00	0.00	64.80	64.80
11				0.00	41.40	41.40	59.90	18.50
12		2245-80-102-01	Expenditure on Natural Disaster Contingency Plans in Disaster Prone Areas	0.00	0.00	0.00	3.00	3.00
13		2245-80-102-02	Expenditure on Capacity Building under Thirteenth Finance Commission	0.00	0.00	0.00	10.00	10.00
14		2245-80-102-05	Capacity Building	0.00	22.72	22.72	37.07	14.35
15		12	2401-00-119-57	Horticulture Development Project	133.07	0.00	133.07	173.07
16	2401-00-119-77		Himachal Subtropical Horticulture Irrigation and Value Addition Project (HP-SHIVA)	27.48	0.00	27.48	31.48	4.00
17	23	2801-80-800-07	Compensation to Renuka Ji Dam Oustees	10.61	0.00	10.61	1,048.54	1,037.92
Capital- Voted								
18	05	4059-80-051-05	Other Administrative Services	69.42	0.00	69.42	89.42	20.00
19	07	4055-00-211-03	Modernisation of Police Force	20.43	0.00	20.43	25.17	4.74
20				31.64	0.00	31.64	34.73	3.09
21	08	4202-01-203-01	Building	108.99	0.00	108.99	124.74	15.75
22	09	4210-01-110-01	Urban Health	48.82	0.00	48.82	65.35	16.53
23		4210-02-110-01	Rural Health	71.33	0.00	71.33	81.20	9.87
24		4210-03-105-01	Medical College	26.68	0.38	27.06	29.18	2.12
25	17	4059-01-051-40	Construction of Warehouses for Storage of EVMs and VVPATs	20.05	0.00	20.05	39.35	19.30
26	18	4851-00-800-01	Expenditure on Development of Industrial Area / Estate	34.12	0.00	34.12	109.07	74.95
27	20	4216-03-800-01	Construction of Residence of Panchayat Inspector/ Sub-Inspectors	0.00	0.00	0.00	1.15	1.15
28		4515-00-103-02	Mukhya Mantri Lok Bhawan	0.59	0.00	0.59	4.14	3.55
29	23	6801-00-190-02	Loan to Himachal Pradesh Power Transmission Corporation Ltd.	157.96	0.00	157.96	270.23	112.27
30	25	5055-00-050-01	Construction of Bus Stands	11.54	0.00	11.54	27.07	15.53
31	27	4202-02-105-03	Construction of ITI Buildings	34.00	-3.33	30.67	34.07	3.40

Source: Appropriation Accounts

Appendix-3.6

(Reference: Paragraph 3.4.4)

Detail of schemes for which provision of ₹ one crore and above was made but no expenditure was incurred

(₹ in crore)

Sr. No.	Sub Head Description	Original	Supplementary	Actual Expenditure
1	State Disaster Response Fund	454.00	0.00	0.00
2	Swasth Bachpan	2.20	0.00	0.00
3	Khel Se Swasthya Yojna	1.32	0.00	0.00
4	Padhna Likhna Abhiyan	2.37	0.00	0.00
5	Post Matric Scholarship to OBC Students	5.00	0.00	0.00
6	Pre-Matric Scholarship to OBC Students	3.31	0.00	0.00
7	Scholarship for Economically Backward Classes General Students	2.45	0.00	0.00
8	Sampuran Swasthya Yojna	3.29	0.00	0.00
9	Swaran Jayanti Gram Sadak Rakh Rakhav	10.00	0.00	0.00
10	Sub Mission on Agriculture Mechanisation	13.35	0.00	0.00
11	Sub Mission on Agriculture Mechanisation	1.40	0.00	0.00
12	National Project on Soil Health Fertility	1.19	0.00	0.00
13	Sub-Mission on Agriculture Mechanisation	6.46	0.00	0.00
14	Swaran Jayanti Samridh Bagwaan	5.00	0.00	0.00
15	Purchase of Plant Protection Equipment	12.93	0.00	0.00
16	Stock	3.58	0.00	0.00
17	PW Misc. Advance	1.87	0.00	0.00
18	Stock	1.20	0.00	0.00
19	Remodelling/Renovation of Old Rural Water Supply Schemes(Externally Aided Project)	13.16	0.00	0.00
20	Shifting of Energy Efficiency Pumps for Various Water Supply Scheme	1.50	0.00	0.00
21	Diversion Scheme F.I.S. Under in various District Pradhan Mantri Krishi (AIBP)	32.21	0.00	0.00
22	Diversion Scheme F.I.S. under in Various District Pradhan Mantri Krishi (AIBP)	3.79	0.00	0.00
23	Pradhan Mantri Matsya Sampada Yojna	5.30	0.00	0.00
24	State Innovation Fund	1.50	0.00	0.00
25	Integrated Forest Protection Scheme	2.68	0.00	0.00
26	Implementation of National Afforestation Programme by State Forest Development Agency	2.99	0.00	0.00
27	Rajiv Gandhi National Crèche Scheme	1.06	0.00	0.00
28	Pensioners of Funds Reserve with Finance Department	57.61	0.00	0.00
29	Deen Dayal Upadhaya Grameen Kaushal Yojna	5.06	0.00	0.00
30	Shyama Parshad Mukharji Rubran Mission	15.99	0.00	0.00
31	Shyama Parshad Mukharji Rubran Mission	2.63	0.00	0.00
32	Pradhan Mantri Krishi Sinchayee Yojna	1.64	0.00	0.00
33	Purchase of Wheat	1.50	0.00	0.00
34	Loan to H.P. Power Corporation	37.34	0.00	0.00
35	Construction of parking	2.49	0.00	0.00
36	Payments before 1.11.1966	9.81	0.00	0.00
37	World Bank Assisted Integrated Financial Management System (EAP)	3.24	0.00	0.00
38	Upgradation/maintenance of Existing Information Communication Technology Laboratory & Other Laboratory Facilities	4.50	0.00	0.00
39	Post Metric Scholarship to Scheduled Tribes Students	12.15	0.00	0.00

Sr. No.	Sub Head Description	Original	Supplementary	Actual Expenditure
40	Post Metric Scholarship to Scheduled Tribes Students	1.34	0.00	0.00
41	Pradhan Mantri Matru Vandana Yojna	1.21	0.00	0.00
42	Expenditure on Infrastructure Facilities	13.75	0.00	0.00
43	Helicopter facility to Tribal Areas	8.00	0.00	0.00
44	Grants under Article 275 (1) of the Constitution	14.92	0.00	0.00
45	Sub-Mission on Agriculture Mechanization	1.66	0.00	0.00
46	National Mission for Green India	1.54	0.00	0.00
47	National Rurban Mission	2.19	0.00	0.00
48	Upgradation/setting up of new polytechnics	1.78	0.00	0.00
49	Construction of general pool accommodation of General Administrative Department	1.08	0.00	0.00
50	Expenditure on Minor Irrigation Scheme (A.I.B.P.)	4.00	0.00	0.00
51	Pradhan Mantri Sinchayee Yojana-Har Khet Ko Pani	7.01	0.00	0.00
52	Pradhan Mantri Sinchayee Yojana-Har Khet Ko Pani	1.30	0.00	0.00
53	Construction of Industrial Building / Estate	1.68	0.00	0.00
54	Development Airports and Heliports	81.50	0.00	0.00
55	Construction of Roads Under Central Road Fund	9.90	0.00	0.00
56	Loan for HP Power Corporation Projects	21.01	0.00	0.00
57	World Bank Assisted Integrated Financial Management System (EAP)	9.07	0.00	0.00
58	Pre-Matric Scholarship to Scheduled Caste Students	6.05	0.00	0.00
59	Upgradation/maintenance of existing Information Communication Technology Laboratories & Other Laboratory facility	12.60	0.00	0.00
60	Post Matric Scholarship to Scheduled Caste Students	34.28	0.00	0.00
61	Direction and Administration	2.00	0.00	0.00
62	Sampuran Swasthya Yojna	1.26	0.00	0.00
63	Pradhan Mantri Matru Vandana Yojna	3.40	0.00	0.00
64	Mission for Integrated Development of Horticulture	1.24	0.00	0.00
65	Sub Mission on Agriculture Mechanization	4.50	0.00	0.00
66	Sub Mission on Agriculture Mechanization (SMAM)	2.47	0.00	0.00
67	Plant Protection Scheme	2.54	0.00	0.00
68	Krishi Kosh	1.26	0.00	0.00
69	Pradhan Mantri Matsya Sampada Yojna	1.97	0.00	0.00
70	National Afforestation Programme (NAP)	1.15	0.00	0.00
71	National Mission for Green India	4.30	0.00	0.00
72	District Rural Development Agency Administration	1.52	0.00	0.00
73	National Rurban Mission	6.12	0.00	0.00
74	National Rurban Mission	1.01	0.00	0.00
75	Maintenance of Office Buildings/Gram Sewak Huts	2.65	0.00	0.00
76	Remodelling/Renovation of old Water Supply Schemes	5.03	0.00	0.00
77	Government Residential Buildings	21.00	0.00	0.00
78	Development of Airports/Heliports	278.65	0.00	0.00
79	Compensatory Afforestation (Cost and Payment of Net Present Value of Forest Dept.)	5.04	0.00	0.00
80	Consultancies for Design / Detailed Project Report of Roads and Bridges	1.01	0.00	0.00
81	Loans to H.P. Power Corporation	19.65	0.00	0.00
Total		1,352.71	0.00	0.00

Appendix-3.7

(Reference: Paragraph 3.5.1.1 (a))
Details of unjustified re-appropriation of total approved budget of Education Department (FY 2021-22)

(₹ in lakh)

Sr. No.	Demand No.	Department	Scheme/ Programme	Major Head of Account	Approved budget	Supplementary Grant	Re-appropriation	Revised budget	Expenditure	Saving/ Excess
Revenue										
1	08	Elementary Education	Assistance to non-Govt. Primary schools	2202-01-102-01-SOON-Non Govt. Primary Schools	0.01	0.00	-0.01	0.00	0.00	0.00
2	08		Assistance to non-Government Middle schools	2202-01-102-02-SOON-Exp.on Non Govt. Middle Schools	0.01	0.00	-0.01	0.00	0.00	0.00
3	08		Swasth Bachpan	2202-01-101-14-S00N Swasth Bachpan	220.00	0.00	-220.00	0.00	0.00	0.00
4	08		Digital Education	2202-01-101-16-S00N Digital Education	1.00	0.00	-1.00	0.00	0.00	0.00
5	08		SBY Sakshar Bharat	2202-04-103-05-C90N-Sakshar Bharat	1.00	0.00	-1.00	0.00	0.00	0.00
6	08		SBY Sakshar Bharat	2202-04-103-05-S10N-Sakshar Bharat	1.00	0.00	-1.00	0.00	0.00	0.00
7	08		PLA (Padhna Likhna Abhiyan)	2202-04-200-03-C90N (Padhna Likhna Abhiyan)	237.00	0.00	-237.00	0.00	0.00	0.00
8	08		PLA (Padhna Likhna Abhiyan)	2202-04-200-03-S10N (Padhna Likhna Abhiyan)	26.00	0.00	-26.00	0.00	0.00	0.00
9	08		Scholarship	2202-80-107-07-C00N- Sch. to Unclean	1.00	0.00	-1.00	0.00	0.00	0.00
10	08	Higher Education	Pre-Matric Scholarship to OBC	2202-80-107-09 C90N	331.00	0.00	-331.00	0.00	0.00	0.00
11	08			2202-80-107-09 S10N	1.00	0.00	-1.00	0.00	0.00	0.00
Total Revenue					819.02	0.00	-819.02	0.00	0.00	0.00

Appendix-3.8

(Reference: Paragraph 3.5.1.1 (c))
Details of Saving of Education Department (FY 2021-22)

(₹ in lakh)

Sr. No.	Department	Scheme/ Programme	Major Head of Account	Approved budget	Supplementary Grant	Re-appropriation	Revised budget	Expenditure	Savings
Revenue Head									
1	Elementary Education	Directorate	2202-01-001-01-SOON-Directorate	2,622.49	0.00	-847.34	1,775.15	1,436.81	-338.34
2		Expenditure on Primary Education	2202-01-101-01-SOON-Exp. Pry. Edu.	1,76,131.44	0.00	-38,737.90	1,37,393.54	1,37,213.62	-179.92
3		Expenditure on Middle Education	2202-01-101-03-SOON-Exp.on Middle Schools	1,42,180.39	0.00	-18,845.99	1,23,334.40	1,22,900.66	-433.74
4		District Primary Education Officer (Inspection)	2202-01-104-01-SOON-Exp. on Dy. Dte. Ele. Edu.	2,164.74	0.00	-422.03	1,742.71	1,734.22	-8.49
5		Block Primary Education Officer	2202-01-104-02-SOON-Exp. on Block Ele. Edu. Officers	7,044.21	0.00	-1,186.15	5,858.06	5,840.01	-18.05
6		DIETs	2202-01-107-04-SOON Expenditure on DIETs	2,463.83	0.00	-489.19	1,974.64	1,971.26	-3.38
7		GIA to PTA	2202-01-800-05-SOON-GIA to PTA	500.00	0.00	-82.28	417.72	411.85	-5.87
8		GIA to SMC	2202-01-800-06-SOON-GIA to SMC	1,627.00	0.00	-0.12	1,626.88	1,560.20	-66.68
9		Repair of Primary/ Middle School Buildings	2059-01-053-70-SOON-Repair of Pry /Middle School Buildings	1,498.35	0.00	-0.89	1,497.46	1,437.05	-60.41
10		Atal Vardi Yojna	2202-01-101-12-SOON Exp. On Atal Vardi Yojna	2,230.00	0.00	-361.00	1,869.00	1,807.00	-62.00
11		Star Project	2202-01-113-01-C90N- Star Project	1.00	0.01	4,968.75	4,969.76	3,325.36	-1,644.40
12		Star Project	2202-01-113-01-S10N- Star Project	1.00	0.01	551.18	552.19	369.49	-182.70
13		Mid Day Meal	2202-01-800-01-SOON-MDM	1,219.00	0.01	1,451.31	2,670.32	2,638.58	-31.74
14		Mid Day Meal	2202-01-800-01-C90N -MDM	6,338.00	0.00	-300.51	6,037.49	4,859.02	-1,178.47
15		Mid Day Meal	2202-01-800-01-S10N-MDM	628.00	0.01	-33.35	594.66	493.74	-100.92
16	Higher Education	Directorate	2202-02-001-01-SOON	2,262.53	0.00	-180.00	2,082.53	1,831.10	-251.43
17		Inspectorate	2202-02-101-01-SOON	2,093.13	0.00	-69.50	2,023.63	1,799.38	-224.25
18		Expenditure on Secondary Schools	2202-02-109-01-SOON	2,48,666.88	0.00	-9,888.51	2,38,778.37	2,18,329.11	-20,449.26
19		GIA to School	2202-02-109-20-SOON	1,050.00	0.00	180.00	1,230.00	1,165.06	-64.94

Sr. No.	Department	Scheme/ Programme	Major Head of Account	Approved budget	Supple- mentary Grant	Re- appropriation	Revised budget	Expen- diture	Savings
		Management Committee							
20		Medha Protsahan Yojna	2202-02-109-27 S00N	329.00	0.00	0.00	329.00	197.38	-131.62
21		Samagr Shiksha Abhiyaan	2202-02-109-29 C90N	12,258.00	0.00	0.00	12,258.00	9,059.09	-3,198.91
22		Smagar Shiksha Abhiyan	2202-02-109-29 S10N	1,362.00	0.00	0.00	1,362.00	1,006.58	-355.42
23		Utkrisht Vidyalaya Yojna	2202-02-109-32-S00N	1,974.00	0.00	0.00	1,974.00	1,953.87	-20.13
24		Grant in Aid to Secondary Education under PTA	2202-02-800-01 S00N	40.00	0.00	0.00	40.00	28.63	-11.37
25		Expenditure on inspection of private institutions	2202-02-800-02 S00N	50.00	0.00	-40.00	10.00	1.35	-8.65
26		Expenditure on Government Colleges	2202-03-103-01 S00N	35,849.23	0.00	-1,633.51	34,215.72	30,063.68	-4,152.04
27		Expenditure on Training Colleges	2202-03-103-02 S00N	324.32	0.00	-36.35	287.97	256.33	-31.64
28		RUSA	2202-03-103-07 C90N	1,244.00	0.00	0.00	1,244.00	1,212.15	-31.85
29		RUSA	2202-03-103-07 S10N	138.00	0.00	0.00	138.00	134.68	-3.32
30		RUSA	2202-03-103-07 S00N	0.00	0.04	16.12	16.16	15.85	-0.31
31		Opening of Fine Art Colleges	2202-03-103-08 S00N	217.14	0.00	0.00	217.14	202.79	-14.35
32		Promotion of Excellence in Government Colleges	2202-03-103-12 S00N	1,184.00	0.00	0.00	1,184.00	1,169.95	-14.05
33		GIA to 95 per cent Aided Colleges	2202-03-104-01 S00N	1,850.00	0.00	0.00	1,850.00	1,509.88	-340.12
34		GIA to College Under PTA	2202-03-800-01 S00N	50.00	0.00	0.00	50.00	41.00	-9.00
35		Exp. on Sanskrit Colleges	2202-05-103-01 S00N	643.96	0.00	-34.74	609.22	542.28	-66.94
36		Post Matric Scholarship to OBC Students	2202-80-107-08 C00N	500.00	0.00	0.00	500.00	0.00	-500.00
37		Scholarship for Economically Backward Classes General Students	2202-80-107-20 C00N	245.00	0.00	0.00	245.00	0.00	-245.00
38		Swaran Jayanti Super 100	2202-80-107-22 S00N	72.00	0.00	0.00	72.00	46.06	-25.94

State Finances Audit Report for the year ended 31 March 2022

Sr. No.	Department	Scheme/ Programme	Major Head of Account	Approved budget	Supplementary Grant	Re-appropriation	Revised budget	Expenditure	Savings
39		NCC General Establishment	2202-80-800-01 S00N	577.48	0.00	-13.11	564.37	503.07	-61.30
40		NCC annual Camps	2202-80-800-02 S00N	70.01	0.00	-7.66	62.35	37.99	-24.36
41		SCERT Solan	2202-80-800-17 S00N	353.71	0.00	-15.00	338.71	286.99	-51.72
42		Exp. on Public Libraries	2205-00-105-01 S00N	595.34	0.00	-24.95	570.39	455.44	-114.95
Total Revenue Head				6,60,649.18	0.08	-66,082.72	5,94,566.54	5,59,848.56	-34,717.98
43	Elementary Education	Buildings	4202-01-201-01-SOON (Buildings)	1,250.00	0.00	0.00	1,250.00	1,178.61	-71.39
Total Capital Head				1,250.00	0.00	0.00	1,250.00	1,178.61	-71.39
Total (Revenue +Capital Head)				6,61,899.18	0.08	-66,082.72	5,95,816.54	5,61,027.17	-34,789.37

Appendix-3.9

(Reference: Paragraph 3.5.1.1 (e))

Major Head of Account where more than 50 per cent of expenditure was incurred in March 2022 alone

Sr. No.	Demand No.	Name of Department	Scheme/ Programme	Major Head of Account	Expenditure incurred for the year 2021-22 (₹ in lakh)	Expenditure during March 2022 (₹ in lakh)	Expenditure during March 2022 (in per cent)
1	08	Elementary Education	Star Project	2202-01-113-01-C90N- Star Project	3,325.36	2,645.39	79.55
2	08		Star Project	2202-01-113-01-S10N- Star Project	369.49	293.94	79.55
3	08		37- Major Works (Atal Aadharsh Vidyalaya)	4202-01-202-09-SOON (Atal Aadharsh Vidyalaya)	2,500.00	2,000.00	80.00
4	08	Higher Education	Upgradation/ maintenance of existing ICT Lab	2202-02-109-24 S00N	3,291.00	3,290.99	100.00
5	08		Medha Protsahan Yojna	2202-02-109-27 S00N	197.38	170.00	86.13
6	08		Khel Se Swasthya Yojna	2202-02-109-30-S00N	132.00	132.00	100.00
7	08		CV Raman Virtual Class Room	2202-02-109-31-S00N	46.00	40.00	86.96
8	08		Mukhy Mantri Digital Device Yojna	2202-02-109-33 S00N	1,645.00	1,638.56	99.61
9	08		Sardar Vallabhbhai Patel Cluster University	2202-03-102-07 S00N	697.70	383.74	55.00
10	08		RUSA	2202-03-103-07 C90N	1,212.15	959.06	79.12
11	08		RUSA	2202-03-103-07 S10N	134.68	106.56	79.12
12	08		Khel Se Swasthya Yojna	2202-03-103-09 S00N	33.00	33.00	100.00
13	08		CV Raman Virtual Class Room	2202-03-103-10 S00N	33.00	28.69	86.94
14	08	Building (Colleges)	4202-01-203-01 S00N	12,473.86	7,114.84	57.04	
Grand Total					26,090.62	18,836.77	72.20

Appendix-3.10

(Reference: Paragraph 3.5.2.1 (a))
Details showing saving of Irrigation and Public Health Department (FY 2021-22)

(₹ in lakh)

Sr. No.	Head of Account	Original Budget	Supplementary	Re-appropriation		Final Budget	Expenditure	Saving
				+	-			
Revenue Section								
1	2215-01-001-01-SOONM	2836.50	20.00	0.00	-89.69	2766.81	2521.17	-245.64
2	2215-01-001-02-SOON	682.59	0.00	0.00	-24.84	657.75	606.90	-50.85
3	2215-01-001-02-SOON	11066.46	8.66	0.00	-132.78	10942.34	9783.10	-1159.24
4	2215-01-001-07-SOON	151.37	0.00	0.00	-34.44	116.93	116.25	-0.68
5	2215-01-005-01-SOONM	433.74	0.00	0.00	-39.29	394.45	304.30	-90.15
6	2215-01-101-02-SOON	29690.79	0.00	0.00	-3545.51	26145.28	24260.50	-1884.78
7	2215-01-101-04-SOON-NP-21MTS	13042.79	0.00	0.00	-3520.76	9522.03	7598.45	-1923.58
8	2215-01-102-03-SOON	66403.55	0.01	957.08	-8457.32	58903.32	53790.99	-5112.33
9	2215-01-102-12-SOON	42331.65	0.00	0.00	-8386.11	33945.54	23629.64	-10315.90
10	2215-01-799-01-SOON-79 (Suspense)	14648.00	0.00	0.00	0.00	14648.00	735.18	-13912.82
11	2215-02-105-02-SOON	56.40	0.00	0.00	0.00	56.40	55.02	-1.38
12	2216-05-053-01-SOON	6.08	0.00	0.00	0.00	6.08	4.83	-1.25
13	2700-01-001-01-SOON	940.57	0.00	1.00	-94.21	847.36	749.05	-98.31
14	2700-01-101-01-SOON	236.26	0.00	55.09	0.00	291.35	278.93	-12.42
15	2700-01-799-01-SOON79-SUSPENCE	358.05	0.00	0.00	0.00	358.05	0.00	-358.05
16	2700-01-799-02-SOON79-Stock Manufacture	260.40	0.00	0.00	0.00	260.40	7.29	-253.11
17	2700-01-799-03-SOON79-PW Misc. Advances	187.17	0.00	0.00	0.00	187.17	0.00	-187.17
18	2701-11-101-01-SOON	96.33	0.00	0.00	0.00	96.33	90.62	-5.71
19	2701-11-799-01-SOON-79-Suspence	4.24	0.00	0.00	0.00	4.24	0.00	-4.24
20	2701-11-799-02-SOON-79-Stock Manufacture	1.41	0.00	0.00	0.00	1.41	0.00	-1.41
21	2701-11-799-03-SOON-79-PW Misc. Advances	1.41	0.00	0.00	0.00	1.41	0.00	-1.41
22	2701-12-001-01-SOON	39.59	0.00	0.00	-2.37	37.22	31.24	-5.98
23	2701-12-101-01-SOON	211.32	0.00	0.00	0.00	211.32	211.03	-0.29
24	2701-13-001-01-SOON-79-Suspence	18.93	0.00	0.00	-5.92	13.01	10.81	-2.20
25	2701-13-101-01-SOON	269.25	0.00	0.00	0.00	269.25	269.23	-0.02
26	2701-15-001-01-SOON	66.86	0.00	0.00	-1.73	65.13	64.33	-0.80
27	2701-15-101-01-SOON(NP)	307.90	0.00	0.00	0.00	307.90	307.50	-0.40
28	2701-16-001-01-SOON	57.52	0.00	0.00	-2.96	54.56	54.21	-0.35
29	2701-16-101-01-SOON	48.54	0.00	0.00	0.00	48.54	48.53	-0.01
30	2701-20-799-02-SOON-79-Stock Manufacture	70.76	0.00	0.00	0.00	70.76	16.77	-53.99
31	2701-21-799-01-SOON-79-Suspence	70.76	0.00	0.00	0.00	70.76	0.00	-70.76
32	2701-21-799-02-SOON-79-Stock Manufacture	14.15	0.00	0.00	0.00	14.15	0.00	-14.15
33	2701-21-799-03-SOON-79-PW Misc. Advances	6.37	0.00	0.00	0.00	6.37	0.00	-6.37

Sr. No.	Head of Account	Original Budget	Supplementary	Re-appropriation		Final Budget	Expenditure	Saving
				+	-			
34	2702-02-799-01-SOON-Stock Manufacture	566.08	0.00	0.00	0.00	566.08	114.00	-452.08
35	2702-03-102-01-SOON	6595.61	0.00	0.00	-0.01	6595.60	6436.37	-159.23
36	2702-80-001-01-SOON	8341.70	0.00	24.57	-561.35	7804.92	6797.05	-1007.87
37	2702-80-001-02-SOON-NP	25091.69	0.00	0.00	-3094.56	21997.13	19199.55	-2797.58
38	2702-80-001-06-SOON	25091.68	0.00	0.00	-2263.88	22827.80	16369.42	-6458.38
39	2711-01-001-01-SOON	391.67	0.00	0.00	-288.18	103.49	88.04	-15.45
40	2711-01-800-02-SOON	111.25	0.00	0.00	0.00	111.25	107.24	-4.01
Total (Revenue Head)		250807.39	28.67	1037.74	-30545.91	221327.89	174657.54	-46670.35
Capital Head								
41	4215-01-101-01-SOON(P)UWSS in various districts	3366.00	0.00	0.00	-13.10	3352.90	3043.35	-309.55
42	4215-01-102-08-SOONM	224.00	0.00	0.00	0.00	224.00	216.18	-7.82
43	4215-01-102-23-C-90N(P)JJM	26324.00	0.00	0.00	-5245.92	21078.08	21078.01	-0.07
44	4215-01-102-24-SOON(P)C.M-RWSS-EAP(NDB)	1.00	3619.43	1380.57	0.00	5001.00	4998.44	-2.56
45	4215-01-102-27-SOON-WSS for Tribal population residing outside Tribal area	100.00	0.00	0.00	0.00	100.00	92.96	-7.04
46	4701-20-800-02-SOON MIP Phinasingh	1000.00	0.00	0.00	0.00	1000.00	900.01	-99.99
47	4701-21-800-01-SOON	0.00	552.00	0.00	0.00	552.00	551.97	-0.03
48	4702-00-101-01-SOON LIS in various District	337.00	0.00	0.00	0.00	337.00	326.34	-10.66
49	4702-00-101-03-SOON LIS NABARD	5211.00	0.00	0.00	-310.62	4900.38	4836.46	-63.92
50	4702-00-101-06 LIS PMKSY C90N	4831.20	0.00	0.00	0.00	4831.20	2234.43	-2596.77
51	S10N	568.00	0.00	0.00	0.00	568.00	242.93	-325.07
52	4702-00-101-07 LIS PMKSY C90N	3220.80	0.00	0.00	0.00	3220.80	0.00	-3220.80
53	4702-00-101-06 LIS PMKSY S10N	379.00	0.00	0.00	0.00	379.00	0.00	-379.00
54	4705-00-313-01-CAD SOON	5372.00	0.00	0.00	0.00	5372.00	4797.38	-574.62
55	4711-01-800-05-SOON	724.00	0.00	0.00	0.00	724.00	723.31	-0.69
56	Exp. on FC works NABARD	0.00	17.17	0.00	0.00	17.17	0.00	-17.17
Total (Capital Head)		51658	4188.6	1380.57	-5569.64	51657.53	44041.77	-7615.76
Grand Total (Revenue + Capital Head)		302465.39	4217.27	2418.31	-36115.55	272985.42	218699.31	-54286.11

Appendix-3.11

(Reference: Paragraph 3.5.2.1 (b))

Details of schemes where entire budget provision was reduced to zero by re-appropriation of total approved budget

(₹ in lakh)

Sr. No.	Head of Account	Original Budget	Supplementary	Re-appropriation	Expenditure
Revenue Head					
1	2701-15-799-01-S00N-79-Suspence	28.30	0	-28.30	0
2	2701-15-799-02-S00N-79-Stock Manufacture	5.66	0	-5.66	0
3	2701-15-799-03-S00N-79-Public Works Misc. Advances	2.13	0	-2.13	0
4	2701-16-799-01-S00N-79-Suspence	120.29	0	-120.29	0
5	2701-16-799-02-S00N-79-Stock Manufacture	21.23	0	-21.23	0
6	2701-16-799-03-S00N-79- Public Works Misc. Advances	49.53	0	-49.53	0
7	2702-03-103-01-S00N	0.01	0	-0.01	0
8	2711-01-799-03-S00N-79-Public Works Misc. Advances	97.65	0	-97.65	0
Total (Revenue Head)		324.80	0	-324.80	0
Capital Head					
9	4215-01-102-25-S00N(P) Sewerage Scheme under EAP	1.00	0	-1.00	0
10	4215-01-102-26-S00N	1,316.00	0	-1,316.00	0
11	4215-01-102-28-S00N	150.00	0	-150.00	0
12	4701-20-800-02-C90N MIP Phinasingh	5.07	0	-5.07	0
13	4701-20-800-02-S10N MIP Phinasingh	5.07	0	-5.07	0
14	4701-21-800-01-C90N MIP Nadaun	1.48	0	-1.48	0
15	4701-21-800-01-S10N	1.48	0	-1.48	0
16	4701-23-800-01-C90N-MIP KONCIL Jhertha	0.02	0	-0.02	0
17	4701-23-800-01-S10N	0.02	0	-0.02	0
18	4701-24-800-01-RWHS Parchu Khad C90N	0.01	0	-0.01	0
19	4701-24-800-01-S10N	0.01	0	-0.01	0
20	4701-25-800-01-Mipsukkar in Distt Kangra C-90N	0.20	0	-0.20	0
21	S4701-25-800-01-S10N	0.20	0	-0.20	0
22	4701-26-800-01-C90N	0.01	0	-0.01	0
23	MIP Peinini in Kullu S10N	0.01	0	-0.01	0
24	4701-27-800-01-MIP Jwalamukhi in District Kangra C90N	0.21	0	-0.21	0
25	S10N	0.21	0	-0.21	0
26	4705-00-313-01-CAD C90N	1.00	0	-1.00	0
27	4705-00-313-01-CAD S10N	1.00	0	-1.00	0
28	4711-01-800-10-C90N Channelisation of Swan downstream of seer Khad Barchin to Jahu	2.67	0	-2.67	0
29	4711-01-800-10-S10N Channelisation of Swan down stream of seer Khad Barchin to Jahu	2.67	0	-2.67	0
30	4711-01-800-12-C90N Channelisation of Swan downstream to Punjab Boundary-III	1.13	0	-1.13	0
31	4711-01-800-12-S10N Channelisation of Swan downstream to Punjab Boundary-III	1.13	0	-1.13	0
32	4711-01-800-15-C90N FPW in Chhounch Khad	1.21	0	-1.21	0
33	4711-01-800-15-S10N FPW in Chhounch Khad	1.21	0	-1.21	0
34	4711-01-800-16-C90N FPW Channelisation of Palchan to Aut	0.12	0	-0.12	0

Sr. No.	Head of Account	Original Budget	Supplementary	Re-appropriation	Expenditure
35	4711-01-800-16-S10N FPW Channelisation of Palchan to Aut	0.12	0	-0.12	0
36	4711-01-800-17-C90N Channelisation of Pabbar river in District Shimla	4.62	0	-4.62	0
37	4711-01-800-17-S10N- Channelisation of Pabbar river in District Shimla	4.62	0	-4.62	0
38	4711-01-800-18-C90N Channelisation of river Beas & its tributaries in Tehsil Nadaun District Hamirpur	0.02	0	-0.02	0
39	4711-01-800-18-S10N- Channelisation of river Beas & its tributaries in Tehsil Nadaun District Hamirpur	0.02	0	-0.02	0
40	4711-01-800-19-C90N Channelisation of Jabber & Gareli in District Kangra	0.02	0	-0.02	0
41	4711-01-800-19-S10N- Channelisation of Jabber & Gareli in District Kangra	0.02	0	-0.02	0
42	4711-01-800-21- C90N Flood Protection Works to Suketi Khad along with its tributaries under Beas river	1.21	0	-1.21	0
43	4711-01-800-21-S10N Flood Protection Works to Suketi Khad along with its tributaries under Beas river	1.21	0	-1.21	0
Total (Capital Head)		1,505.00	0	-1,505.00	0
Total Revenue Head		324.80	0	-324.80	0
Total Capital Head		1,505.00	0	-1,505.00	0
Grand total (Revenue & Capital Head)		1,829.80	0	-1,829.80	0

Appendix-4.1

(Reference: Paragraph 4.5)
Outstanding Utilisation Certificates as on 31 March 2022

(in ₹)

Sr. No.	Head of Account	Year	Utilisation Certificates due		Utilisation Certificates Outstanding/Closing Balance	
			No. of Items	Amount	No. of Items	Amount
1	2	3	4	5	6	7
1	Rural Development					
	2216-Housing	2018-19	40	30,00,67,264	2	2,77,90,000
		2019-20	33	4,93,20,000	0	0
		2020-21	0	0	78	17,43,57,500
		Total	73	34,93,87,264	80	20,21,47,500
	2505-Rural Employment	2015-16	4	7,73,67,000	0	0
		2016-17	5	4,78,10,000	0	0
		2018-19	34	1,13,72,54,000	0	0
		2019-20	26	2,30,72,38,750	0	0
		2020-21	0	0	34	3,39,24,40,680
		Total	69	3,56,96,69,750	34	3,39,24,40,680
	2501-Special Programme	2018-19	9	36,59,14,998	7	16,88,75,347
		2019-20	118	26,48,15,764	9	11,06,05,559
		2020-21	0	0	113	1,30,01,75,121
Total		127	63,07,30,762	129	1,57,96,56,027	
Total			269	4,54,97,87,776	243	5,17,42,44,207
2	Panchayati Raj					
	4216-Capital Outlay on Housing	2016-17	1	13,07,900	1	13,07,900
		Total	1	13,07,900	1	13,07,900
	2515-Other Rural Development Programme	2015-16	19	27,09,60,912	14	25,76,36,510
		2016-17	74	59,13,20,394	56	37,66,21,394
		2017-18	170	2,61,37,40,595	94	2,36,88,74,295
		2018-19	304	3,32,50,98,368	196	3,14,43,75,774
		2019-20	212	5,89,30,52,626	184	5,81,92,99,129
		2020-21	0	0	208	3,83,22,03,860
	Total	779	12,69,41,72,895	752	15,79,90,10,962	
Total			780	12,69,54,80,795	753	15,80,03,18,862
3	Education					
	2202-General Education	2017-18	1	31,21,220	0	0
		2018-19	28	1,00,43,75,000	0	0
		2019-20	70	2,40,23,93,822	2	19,49,98,000
		2020-21	0	0	52	1,95,99,52,576
Total	99	3,40,98,90,042	54	2,15,49,50,576		
4	Youth Services and Sports					
	2204-Sports & Youth Services	2019-20	7	22,90,419	2	19,94,419
		2020-21	0	0	4	20,75,000
	Total	7	22,90,419	6	40,69,419	
5	Language Art and Culture					
	2205-Art and Culture	2019-20	103	7,02,78,389	103	7,02,78,389
		2020-21	0	0	78	8,97,39,657
	Total	103	7,02,78,389	181	16,00,18,046	
	2250-Other Social Community Services	2018-19	1	3,00,00,000	0	0
		2019-20	1	53,820	0	0
		2020-21	0	0	1	59,712
Total		2	3,00,53,820	1	59,712	
Total			105	10,03,32,209	182	16,00,77,758

Sr. No.	Head of Account	Year	Utilisation Certificates due		Utilisation Certificates Outstanding/Closing Balance	
			No. of Items	Amount	No. of Items	Amount
1	2	3	4	5	6	7
6	Urban Development					
	2217-Urban Development	2016-17	27	61,16,17,821	15	15,02,35,000
		2017-18	33	65,85,69,632	22	36,89,59,460
		2018-19	49	1,68,40,10,015	49	1,68,40,10,015
		2019-20	74	4,44,20,04,612	55	3,46,50,95,902
		2020-21	0	0	67	5,67,62,49,429
	Total		183	7,39,62,02,080	208	11,34,45,49,806
	3054-Road & Bridges	2016-17	1	94,79,789	0	0
		2017-18	1	2,38,19,902	0	0
		2018-19	1	2,74,38,070	0	0
Total		3	6,07,37,761	0	0	
Total		186	7,45,69,39,841	208	11,34,45,49,806	
7	Animal Husbandry					
	2403-Animal Husbandry	2017-18	15	1,61,94,000	6	25,20,000
		2018-19	22	9,13,76,600	17	3,58,58,600
		2019-20	31	23,65,29,700	10	5,87,61,000
		2020-21			36	20,99,32,000
		Total	68	34,41,00,300	69	30,70,71,600
	2404-Dairy Development	2018-19	16	21,33,38,979	0	0
		2019-20	7	96,22,807	0	0
		2020-21	0	0	5	6,89,40,000
		Total	23	22,29,61,786	5	6,89,40,000
Total		91	56,70,62,086	74	37,60,11,600	
8	Co-operation					
	2408-Food Storage & Ware Housing	2018-19	1	1,50,000	0	0
		2019-20	6	11,20,000	3	8,00,000
		2020-21	0	0	9	16,17,724
		Total	7	12,70,000	12	24,17,724
	2425-Co-Operation	2019-20	6	4,40,000	6	4,40,000
		2020-21	0	0	19	23,14,500
		Total	6	4,40,000	25	27,54,500
Total		13	17,10,000	37	51,72,224	
9	Tourism					
	3452-Tourism	2015-16	1	2,90,000	1	2,90,000
		2016-17	1	5,00,000	1	5,00,000
		2017-18	2	7,40,000	2	7,40,000
		2018-19	3	3,00,000	3	3,00,000
		2019-20	3	8,50,000	3	8,50,000
		2020-21	0	0	17	71,99,98,000
		Total	10	26,80,000	27	72,26,78,000
	Tourism & Civil Aviation	2019-20	2	3,26,38,000	0	0
Total	2	3,26,38,000	0	0		
Total		12	3,53,18,000	27	72,26,78,000	
10	Industry					
	2851-Village & Small Scale Industries	2016-17	25	10,31,36,140	24	10,31,26,140
		2017-18	48	8,46,43,634	26	8,42,79,634
		2018-19	13	5,03,37,421	13	5,03,37,421
		2019-20	23	17,34,84,668	22	16,86,84,668
		2020-21	0	0	450	55,98,82,525
Total		109	41,16,01,863	535	96,63,10,388	

Sr. No.	Head of Account	Year	Utilisation Certificates due		Utilisation Certificates Outstanding/Closing Balance	
			No. of Items	Amount	No. of Items	Amount
1	2	3	4	5	6	7
Agriculture and Horticulture						
11 & 12	2401-Crop Husbandry	2017-18	5	36,80,00,000	0	0
		2018-19	14	1,00,42,00,000	7	90,54,00,000
		2019-20	2	2,30,00,000	2	2,30,00,000
		2020-21	0	0	11	1,75,98,00,000
		Total	21	1,39,52,00,000	20	2,68,82,00,000
	2402-Soil Conservation	2017-18	5	60,50,000	0	0
		Total	5	60,50,000	0	0
	2415-Agriculture Research & Education	2018-19	1	2,00,00,000	1	2,00,00,000
		2019-20	3	5,38,02,500	3	5,38,02,500
		2020-21	0	0	9	61,40,000
		Total	4	7,38,02,500	13	7,99,42,500
	2435-Other Agriculture Programme	2018-19	3	12,28,00,000	0	0
		2019-20	6	8,91,00,000	0	0
		Total	9	21,19,00,000	0	0
Total		39	1,68,69,52,500	33	2,76,81,42,500	
Forests						
13	2406-Forestry and Wild Life	2018-19	9	2,08,67,767	2	32,49,000
		2019-20	62	20,00,07,455	20	4,20,90,859
		2020-21	0	0	186	34,48,07,471
	Total	71	22,08,75,222	208	39,01,47,330	
Ayurveda (Ayush)						
14	2210-Medical & Public Health	2016-17	13	2,01,84,806	13	2,01,84,806
		2017-18	20	23,89,81,300	19	23,69,81,300
		2018-19	15	24,00,04,000	13	23,80,04,000
		2019-20	64	80,26,64,500	51	72,13,13,200
		2020-21	0	0	67	48,06,01,656
		Total	112	1,30,18,34,606	163	1,69,70,84,962
	2211-Family Health	2019-20	62	2,19,73,17,651	62	2,19,73,17,651
		2020-21	0	0	68	2,48,54,00,840
		Total	62	2,19,73,17,651	130	4,68,27,18,491
	Total		174	3,49,91,52,257	293	6,37,98,03,453
Women & Child Development & SC, OBC and Minorities						
15 & 16	2225-Welfare of SC, ST & Other Backward Classes	2017-18	1	3,00,000	1	3,00,000
		2019-20	2	27,96,895	0	0
		2020-21	0	0	2	31,16,00,000
		Total	3	30,96,895	3	31,19,00,000
	2235-Social Security & Welfare	2016-17	1	34,10,040	1	34,10,040
		2017-18	71	6,17,88,086	59	5,72,61,520
		2018-19	302	17,25,83,326	248	14,72,97,597
		2019-20	331	18,46,51,922	290	15,16,58,592
		2020-21	0	0	260	15,02,40,672
	Total	705	42,24,33,374	858	50,98,68,421	
	Total		708	42,55,30,269	861	82,17,68,421
Planning						
17	3451-Secretariat Economics Services	2017-18	1	84,24,396	1	84,24,396
		2020-21	0	0	15	1,68,66,621
	Total		1	84,24,396	16	2,52,91,017

Sr. No.	Head of Account	Year	Utilisation Certificates due		Utilisation Certificates Outstanding/Closing Balance	
			No. of Items	Amount	No. of Items	Amount
1	2	3	4	5	6	7
18	Sainik Welfare					
	2075- Miscellaneous General Services	2018-19	6	25,00,818	3	89,710
		2019-20	25	3,98,08,241	3	13,61,165
		2020-21	0	0	9	6,09,51,533
Total			31	4,23,09,059	15	6,24,02,408
19	Revenue Department					
	2029-Land Revenue	2016-17	1	5,00,000	0	0
		2017-18	18	1,00,31,000	15	74,89,000
		2018-19	22	2,05,46,000	19	1,64,46,000
Total			41	3,10,77,000	34	2,39,35,000
20	Transport					
	3055-Road Transport	2019-20	1	15,00,000	0	0
	5055-Capital Outlay on Transport	2020-21	0	0	0	0
		2020-21	0	0	2	5,00,00,000
Total			1	15,00,000	2	5,00,00,000
21	Labour & Employment					
	2230-Labour & Employment	2018-19	0	0	0	0
		2019-20	1	48,00,000	0	0
		2020-21	0	0	1	13,60,89,846
Total			1	48,00,000	1	13,60,89,846
22	Jal Shakti Vibhag					
	2215-Water Supply & Sanitation	2018-19	4	9,26,87,000	0	0
		2019-20	4	7,06,26,000	0	0
Total			8	16,33,13,000	0	0
23	Tribal Development					
	2251-Secretariat Social Services	2016-17	3	15,50,000	0	0
		2017-18	1	14,00,000	0	0
		2018-19	4	1,05,20,000	2	24,45,689
		2019-20	5	94,10,121	5	94,10,121
		2020-21	0	0	2	53,95,000
Total			13	2,28,80,121	9	1,72,50,810
24	Energy Department					
	2810-Non-Conventional Source of Energy	2017-18	3	16,00,000	3	16,00,000
		2018-19	4	20,00,000	4	20,00,000
Total			7	36,00,000	7	36,00,000
25	Excise and Taxation Department					
	2040-Other Taxes & Duties	2019-20	1	7,95,30,599	0	0
		2020-21	0	0	2	6,69,11,964
	Total			1	7,95,30,599	2
3604-Compensation and assignments to Local Bodies	2020-21	0	0	0	0	
Total			1	7,95,30,599	2	6,69,11,964

Sr. No.	Head of Account	Year	Utilisation Certificates due		Utilisation Certificates Outstanding/Closing Balance	
			No. of Items	Amount	No. of Items	Amount
1	2	3	4	5	6	7
26	Environment Science and Technology					
	3425-Other Scientific Research	2019-20	1	10,00,000	0	0
	Total		1	10,00,000	0	0
	3435-Ecology Environment	2017-18	2	73,23,400	0	0
		2018-19	2	69,54,000	0	0
		2019-20	8	1,27,00,000	0	0
		2020-21	0	0	2	40,00,000
Total		13	2,79,77,400	2	40,00,000	
27	Himachal Pradesh Institute of Public Administration (HIPA)					
	2070-Other Administrative Service	2018-19	6	7,04,00,000	0	0
		2019-20	12	4,87,88,770	0	0
		2020-21	0	0	16	6,12,00,000
	Total		18	11,91,88,770	16	6,12,00,000
28	Police					
	2055-Police	2018-19	1	1,07,37,891	1	25,45,891
	Total		1	1,07,37,891	1	25,45,891
Grand Total:			2,799	35,57,82,61,515	3,619	47,52,14,71,480

Appendix-4.2

(Reference: Paragraph 4.8)

Statement showing unspent balances in PDAs as on 31 March 2022

(in ₹)

Sr. No.	Major Head	Name of Head	Treasury/DDO's Name	Unspent Balance
1	8443	106	Civil Judge (Jr. Division), Bilaspur	1,29,805.00
2	8443	106	Civil Judge (Sr. Division), Bilaspur	56,827.17
3	8443	106	District and Session Judge, Bilaspur	2,13,410.00
4	8443	106	Civil Judge Court No-1, Ghumarwin	2,45,507.45
5	8443	106	Civil Judge Court No-2, Ghumarwin	1,47,980.00
6	8443	106	Civil Judge Court No-3, Ghumarwin	91,270.00
7	8443	106	Chief Judicial Magistrate (CJM), Chamba	3,66,746.62
8	8443	106	Chief Judicial Magistrate (CJM), Dalhousie	98,520.00
9	8443	106	Sub Judge, Hamirpur	4,88,327.00
10	8443	106	Sub Judge, Barasar	1,39,275.00
11	8443	106	Sub Judge, Nadaun	68,070.00
12	8443	106	Sub Judge, Nurpur	1,61,518.00
13	8443	106	Chief Judicial Magistrate (CJM), Dharamshala	3,87,980.00
14	8443	106	Sub Judge, 2nd Division, Kangra	65,251.00
15	8443	106	Sub Judge, Baijnath	1,10,350.00
16	8443	106	Sub Judge, Indora	66,830.00
17	8443	106	Sub Judge, 1 st Kangra	1,19,104.00
18	8443	106	Sub Judge, 1 st Dehra	2,04,997.60
19	8443	106	Sub Judge, 2 nd Dehra	84,226.00
20	8443	106	Sub Judge, Palampur	2,03,540.00
21	8443	106	Sub Judge, Jawali	21,200.00
22	8443	106	District & Session Judge, Kangra at Dharamshala	70,380.00
23	8443	106	Civil Judge Jaisinghpur, Kangra	8,000.00
24	8443	106	Chief Judicial Magistrate (CJM), Kullu	4,40,157.00
25	8443	106	Sub Judge, Banjar	55,810.00
26	8443	106	Chief Judicial Magistrate (CJM), Anni	64,844.00
27	8443	106	Sub Judge, Manali	1,14,873.00
28	8443	106	Sr. Sub Judge, Kalpa	1,54,584.00
29	8443	106	Sr. Sub Judge, Sundernagar	2,51,093.00
30	8443	106	Sr. Sub Judge, Jogindernager	1,25,525.20
31	8443	106	Sr. Sub Judge, Karsog	1,26,214.00
32	8443	106	Sr. Sub Judge, Sarkaghat	1,96,946.00
33	8443	106	Sr. Sub Judge, Gohar	1,19,030.00
34	8443	106	Sr. Sub Judge, Mandi	7,37,355.00
35	8443	106	Director, Technical Education, Vocational and Industrial Training, HP Sundernagar	5,000.00
36	8443	106	Civil Judge, Thunag Mandi	30,650.00
37	8443	106	District & Session Judge, Shimla	4,09,633.00
38	8443	106	District & Session Judge Kinnaur at Rampur	58,731.00
39	8443	106	Sr. Sub Judge, Shimla	4,63,476.00
40	8443	106	Sub Judge, Theog	1,55,635.00
41	8443	106	Sub Judge, Jubbal	92,784.00
42	8443	106	Sub Judge, Rampur	1,46,735.00
43	8443	106	Sub Judge, Chopal	30,000.00
44	8443	106	Sub Judge, Rohru	2,78,109.00
45	8443	106	Addl. District & Session Judge, Kinnaur at Rampur	45,950.86

Sr. No.	Major Head	Name of Head	Treasury/DDO's Name	Unspent Balance
46	8443	106	SDO (Civil) Dodra Kwar	0.10
47	8443	106	Dy. Director, (Youth Services & Sports) Shimla	23,19,738.00
48	8443	106	H.P. High Court	23,06,408.00
49	8443	106	IGMC, Shimla	15,39,049.00
50	8443	106	District & Session Judge, Nahan	52,902.00
51	8443	106	Civil Judge Jr. Division, Poanta	2,07,609.00
52	8443	106	Addl. District & Session Judge, Nahan	1,22,379.00
53	8443	106	Civil Judge Sr. Division, Nahan	2,82,031.00
54	8443	106	Civil Judge Jr. Division, Rajgarh	42,389.00
55	8443	106	Civil Judge, Shilai	32,640.00
56	8443	106	Civil Judge Jr. Division, Solan	2,47,403.00
57	8443	106	Civil Judge, Nalagarh	3,33,307.00
58	8443	106	Civil Judge Sr. Division, Solan	1,57,505.00
59	8443	106	Civil Judge Jr. Division, Kasauli	72,990.00
60	8443	106	Additional District & Session Judge, Solan	96,940.00
61	8443	106	District & Session Judge, Solan	72,628.00
62	8443	106	Civil Judge Jr. Division, Arki	81,084.00
63	8443	106	Civil Judge Jr. Division, Kandaghat	50,301.00
64	8443	106	Civil Judge Sr. Division, Kasauli	72,852.00
65	8443	106	Sr. Sub Judge, Una	8,47,576.00
66	8448	109	Jr. Sub Judge, Amb	4,69,387.00
67	8448	109	P.S. Kalpa	0.33
68	8448	109	P.S. Rohru	16,514.00
69	8448	109	P.S. Dodra Kwar	9,500.10
70	8448	109	P.S Solan	0.14
71	8448	109	P.S. Kandaghat	2,31,578.00
72	8448	109	P.S. Gagret	0.96
73	8448	109	P.S. Kunihar	0.30
74	8448	109	Nagar Panchyat, Mehatpur	481.00
75	8448	109	Nagar Panchyat, Santokhgarh	5,506.17
76	8448	109	P.S, Nadaun	41,264
77	8448	109	AC to DC Dharamsala	Nil
78	8448	109	Fund of ICAR	
79	8448	109	P.S. Sadar Bilaspur	
80	8448	109	P.S. Ghumarwin	
81	8448	109	P.S. Chamba	
82	8448	109	P.S. Bharmour	
83	8448	109	P.S. Tissa	
84	8448	109	P.S. Salooni	
85	8448	109	P.S. Bhattiyat	
86	8448	109	P.S. Nurpur	
87	8448	109	P.S. Lambagaon	
88	8448	109	P.S. Baijnath	
89	8448	109	P.S. Nagrota/Surian	
90	8448	109	P.S. Mandi	
91	8448	109	P.S. Sundernagar	
92	8448	109	P.S. Jhanjehli	
93	8448	109	P.S. Karsog	
94	8448	109	P.S. Gopalpur	
95	8448	109	P.S. Gohar	
96	8448	109	P.S. Balh	

Sr. No.	Major Head	Name of Head	Treasury/DDO's Name	Unspent Balance
97	8448	109	P.S. Chopal	
98	8448	109	P.S. Jubbal	
99	8448	109	P.S. Chirgaon	
100	8448	109	P.S. Mashobra	
101	8448	109	P.S. Kullu	
102	8448	109	P.S. Nagar	
103	8448	109	P.S. Banjar	
104	8448	109	P.S. Jhandutta	
105	8448	109	P.S. Chauntra	
106	8448	109	P.S. Drang	
Total				

Appendix 4.3

**(Reference: Paragraphs 4.14 and 4.15)
List of Autonomous Bodies/Authorities/ Institutions**

Sr. No.	Name of the body/authority	Status of submission of Accounts/ information	Section in which audit conducted
1	HP Khadi and Village Industries Board	--	Audit conducted under Section 19 (2)(3) and 20(1) and SARs are prepared and issued.
2	Compensatory Afforestation Fund Management and Planning Authority (CAMPA)	--	
3	Himachal Pradesh Building and Other Construction Workers Welfare Board, Shimla	Yes	
4	HP City Transport and Bus Stand Management and Development Authority	Yes	
5	HP State Electricity Regulatory Commission	Yes	
6	Himachal Pradesh State Veterinary Council, Shimla	Yes	
7	Himachal Pradesh Legal Service Authority, Shimla	Yes	
8	District Legal Service Authority, Hamirpur	Yes	
9	District Legal Service Authority, Bilaspur	Yes	
10	District Legal Service Authority, Nahan	Yes	
11	District Legal Service Authority, Una	Yes	
12	District Legal Service Authority, Shimla	Yes	
13	District Legal Service Authority, Kinnaur at Rampur	Yes	
14	District Legal Service Authority, Mandi	Yes	
15	District Legal Service Authority, Kullu	Yes	
16	District Legal Service Authority, Dharamshala at Kangra	Yes	
17	District Legal Service Authority, Solan	Yes	
18	District Legal Service Authority, Chamba	Yes	
19	Controller, CSK, HPKV, Palampur	--	
20	Dr. Y.S. Parmar Horticulture University, Nauni, Solan	--	
21	Seed and Organic Produce Certification Agency, Boileauganj, Shimla	--	
22	Livestock Development Board, Boileauganj, Shimla	--	
23	HP State Milkfed Co-operative, Totu, Shimla	--	
24	HP State Cooperative Marketing and Consumers Federation Ltd. (HIMFED)	--	
25	HP State Council for Science, Technology and Environment, Kasumpti, Shimla	--	
26	District Rural Development Authority, Hamirpur	--	
27	District Rural Development Authority, Bilaspur	--	
28	District Rural Development Authority, Nahan	--	
29	District Rural Development Authority, Una	--	
30	District Rural Development Authority, Shimla	--	
31	District Rural Development Authority, Kinnaur	--	
32	District Rural Development Authority, Mandi	--	Audit conducted under Section
33	District Rural Development Authority, Kullu	--	
34	District Rural Development Authority, Dharamshala at Kangra	--	
35	District Rural Development Authority, Solan	--	
36	District Rural Development Authority, Chamba	--	
37	District Rural Development Authority, Keylong	--	
38	AIDS Control Society	--	

Sr. No.	Name of the body/authority	Status of submission of Accounts/ information	Section in which audit conducted
39	HP Nursing Reg. Council	--	14 &15 and IRs are prepared and issued.
40	NRHM, Shimla	--	
41	Academy of Language, Art and Culture	--	
42	SC/ST Corporation, Solan	--	
43	Social Welfare Board, Shimla	--	
44	Council of Child Welfare, Shimla	--	
45	SSA, Shimla	--	
46	Himachal Pradesh University	--	
47	Rin Chen Zen Po Society, Kangra	--	
48	State Water & Sanitation Mission (HP)	--	
49	RMSA	--	
50	Employees State Insurance Society, Shimla	--	
51	RUSA	--	
52	State Disaster Management Authority	--	
53	HP Ayurveda and Unani Practitioner Board	--	

Appendix-5.1

**(Referred to in paragraph 5.3)
Statement showing the name of all SPSEs, month and year of incorporation
(including their brief description) as on 31 March 2022**

Sr. No.	Sector & Name of the SPSE	Name of Administrative department	Month and year of incorporation	Brief Description of SPSE
1	2	3	4	5
STATE PUBLIC SECTOR ENTERPRISES (OTHER THAN POWER SECTOR)				
Agriculture and Allied				
1	Himachal Pradesh Agro Industries Corporation Limited	Horticulture	September 1970	Company is engaged in manufacturing / trading of agricultural goods and other inputs, trading of cement, iron and steel, bitumen, tyres and tubes etc. for supplying to different Government Departments.
2	Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited	Horticulture	June 1974	To provide post-harvest facilities to the fruit growers of the State and to help them to get best returns for their produce from the market. It provides supplies of horticultural inputs, tools and implements, besides apple grading/packaging and storage facilities to the growers. The Company is engaged in procurement, processing, storage; and marketing of all types of surplus fruits.
3	Himachal Pradesh State Forest Development Corporation Limited	Forest	March 1974	The Company is engaged in exploitation and marketing of timber within the State; exploitation and processing of resin into rosin; turpentine oil and subsidiary products; and marketing thereof etc.
Finance				
4	Himachal Backward Classes Finance and Development Corporation	Social Justice & Empowerment	January 1994	The Company is engaged in providing financial assistance to socially and educationally backward classes and economically weaker sections in the State for setting up small industrial units and also for educational purposes.
5	Himachal Pradesh Mahila Vikas Nigam	Social Justice & Empowerment	April 1989	The company is engaged in providing financial assistance to women entrepreneurs and women co-operative societies in the State.
6	Himachal Pradesh Minorities Finance and Development Corporation	Social Justice & Empowerment	September 1996	To undertake the task of social, economic and educational upliftment of the socially and educationally backward minorities and other economically weaker sections among the minorities in the State; arrange training programmes for the promotion and improvement of literacy, education and professional skills of the aforesaid classes and sections so as to promote their social and economic development; to collect, compile and publish the related data for the aforesaid classes and sections; and provide and arrange financial assistance and professional know-how to the aforesaid classes and sections.
Infrastructure				
7	Himachal Pradesh Road and Other Infrastructure	Public Works	June 1999	Company was incorporated on 10.06.1999 under the Companies Act, 1956, with the main objective of developing Roads, Bridges & other

Sr. No.	Sector & Name of the SPSE	Name of Administrative department	Month and year of incorporation	Brief Description of SPSE
1	2	3	4	5
	Development Corporation Limited			infrastructure in the State of Himachal Pradesh and to act as a special purpose vehicle for resource mobilization on behalf of the State Government for all infrastructures projects and also discharge obligations on this account on behalf of the State Government from revenue other receipts accruing to the State Government from such projects.
8	Dharamshala Smart City Limited	Urban Development	July 2016	To implement smart city projects in Dharamshala.
9	Shimla Smart City Limited	Urban Development	January 2018	To implement smart city projects in Shimla.
10	Himachal Pradesh State Industrial Development Corporation Limited	Industries	November, 1966	The Company is engaged in promoting, establishing and administering industrial projects or enterprises for manufacture and production of plant and machinery, tools, equipment, chemical and substances which are likely to promote or advance the industrial development in Himachal Pradesh. It also aids, assists and finances any industrial Enterprise, project or enterprises, providing plots for Industrial Development on lease hold basis. Also, the Company undertakes civil works on behalf of various Government Departments, Autonomous Bodies and Corporation etc., on Deposit Works basis.
Manufacturing				
11	Himachal Pradesh General Industries Corporation Limited	Industries	November 1972	Company is engaged in the manufacturing of Country Liquor, furniture & fixtures and silk products. The maximum share of turnover of the Company is from the sale of country liquor.
Services				
12	Himachal Pradesh State Civil Supplies Corporation Limited	Food & Civil Supplies	September 1980	The Company is the nodal agency for supplying controlled commodities (wheat, rice, sugar, pulses, edible oil, salt and kerosene oil) through its wholesale godowns to Fair Price Shops/ Retail Shops (Own/Other) for further distribution to ration card holders (BPL, APL and Antodaya) under the Targeted Public Distribution System (TPDS) of Central/ State subsidized schemes. It is also the implementing agency of various Central as well as State schemes like National Food Security Act, 2013 (NFSA) and Atal Vardi Yojana.
13	Himachal Pradesh State Electronics Development Corporation Limited	Information Technology	October 1984	The main function of the Company includes promotion of Computerisation in the State (particularly in the State Government departments and its Enterprises); development of software and procurement and supply of computer hardware, software

Sr. No.	Sector & Name of the SPSE	Name of Administrative department	Month and year of incorporation	Brief Description of SPSE
1	2	3	4	5
				and related electronic products; and office automation.
14	Himachal Pradesh State Handicrafts and Handloom Corporation Limited	Industries	March 1974	To assist and promote the interests of the poor weavers and artisans of the State. The Corporation ensures the overall welfare of artisans and weavers by imparting training, design inputs, raw material, reviving the languishing crafts and providing them marketing facilities through its chain of emporia located within and outside the State.
15	Himachal Pradesh Tourism Development Corporation	Tourism & Civil Aviation	September 1972	To provide tourism services including accommodation, catering, transport facilities and sports activities with its mission to expand quality tourism infrastructure in the State and outside the State, in order to provide world class facilities to the tourists. Apart from this, the Engineering wing of the Company also undertakes deposit works for Government Departments, Autonomous bodies, and Corporations, etc.
16	Himachal Consultancy Organisation Limited		February 1977	HIMCON is a technical consultancy organisation and is a Government Controlled other Company under Companies Act and is audited by CAG. HIMCON is approved Training Partner with National Skill Development Corporation. HIMCON is empanelled with Ministry of Social Justice and Empowerment as its training partner on PAN India basis.
17	Himachal Pradesh Kaushal Vikas Nigam	Technical Education	September 2015	The main functions of the Company are to increase the capacity and capability of the system to deliver quality skill training and professional knowledge to the youth to enhance their ability and bridge the skill deficit with a view to meet ongoing market demand of skilled manpower. The main sources of income of the Company were Grant in Aid received from Central /State Government, share of administrative expenses for implementation of various skill training programme and interest earned on fixed deposits receipts / saving account.
18	Shimla Jal Prabandhan Nigam Limited	Urban Development	June 2018	To plan and implement the water supply and sewerage schemes in Shimla planning area. Its objectives are universal coverage of water and sewerage to every household, 24 x 7 continuous pressurized water supply, Promoting public health and environment, Accountability and responsiveness to citizens and decentralized service delivery through autonomous and professional institutions.

Sr. No.	Sector & Name of the SPSE	Name of Administrative department	Month and year of incorporation	Brief Description of SPSE
1	2	3	4	5
19	Sri Naina Devi Ji and Sri Anandpur Sahib Ji Ropeway Corporation Limited	Tourism & Civil Aviation	April 2019	To undertake development and operation/maintenance of the "Development of Ropeway Service between Sri Anandpur Sahib Ji to Sri Naina Devi Ji" through Public Private Partnership on Design, Finance, Build, Operate and Transfer basis.
20	Ropeway and Rapid Transport System Development Corporation HP Limited	Transport	July 2019	To provide connectivity to remote/tribal areas of the State through ropeways; increase the tourism potential of various destinations in the State through innovative transport solutions; decongest urban hubs in the State through alternative transport solutions; and to develop quality infrastructure projects that contribute to the State's growth story.
Statutory Corporations				
21	Himachal Pradesh Financial Corporation	Industries	April 1967	To promote industrial growth in the State by providing term loans to small and medium scale industries. The Corporation has stopped its lending activities completely from the year 2010 in furtherance to the decision of the State Cabinet taken on 18 August 2008.
22	Himachal Road Transport Corporation	Transport	September, 1974	Major activity of the Corporation includes operation of buses in the State of Himachal Pradesh and in other States. Other activities of the Corporation include purchase of buses, spare parts etc, collection of passenger taxes and deposition of special road taxes/passenger taxes of the state of Himachal Pradesh, Punjab, Uttarakhand and Haryana.
In-active SPSEs				
23	Agro Industrial Packaging India Limited	Horticulture	February 1987	It was involved in Manufacture of paper and paper products.
24	Himachal Worsted Mills Limited	Industries	October 1974	It was involved in Spinning, weaving and finishing of textiles and is under process of liquidation since 2000-01.
25	Himachal Pradesh Beverages Limited	Excise and Taxation	April 2016	The Company was set up as a limited Company of the Government of Himachal Pradesh in terms of the provisions of the Excise Announcement for the purpose of channelizing sale of liquor in the State. Company discontinued its operations w.e.f 01 April 2018 consequent to the decision of Government of Himachal Pradesh (17 January 2018).
STATE PUBLIC SECTOR ENTERPRISES (POWER SECTOR)				
26	Himachal Pradesh State Electricity Board Limited	MPP and Power	December 2009	The Himachal Pradesh State Electricity Board has been re-organized as Himachal Pradesh State Electricity Board Limited w.e.f. 14.06.2010 under Companies Act, 1956. HPSEBL is responsible for the supply of Uninterrupted & Quality Power to all consumers in the State of Himachal

Sr. No.	Sector & Name of the SPSE	Name of Administrative department	Month and year of incorporation	Brief Description of SPSE
1	2	3	4	5
				Pradesh. Power is being supplied through a network of Transmission, Sub-Transmission & Distribution lines laid in the State.
27	Himachal Pradesh Power Corporation Limited	MPP and Power	December 2006	The Company has the objective to plan, promote and organize the development of power generation on behalf of Government of Himachal Pradesh.
28	Beas Valley Power Corporation Limited	MPP and Power	March 2003	Beas Valley Power Corporation Limited is a power generating utility with all the technical and organizational capabilities and is subsidiary of Himachal Pradesh State Electricity Board Limited. The Power Finance Corporation Limited has been providing financial assistance in the form of loan to UHL Stage-III Hydroelectric Project (100 MW). The entire equity share capital has been contributed by the HPSEBL.
29	Himachal Pradesh Power Transmission Corporation Limited	MPP and Power	August 2008	The Company came into existence on 27 August 2008 as a part of unbundling of erstwhile HPSEB and was conferred the status of State Transmission Utility in the year 2010. It has been entrusted the work of formulation/Updating and Execution of Transmission Master Plan of the State for strengthening of Transmission Network and Evacuation of Power from upcoming Hydro Electric Projects.

Appendix-5.2

(Referred to in paragraph 5.4.1)

Statement showing the investment of equity and long-term loans made by the State government/ Others in SPSEs as on 31 March 2022

(₹ in crore)

Sr. No.	Name of the SPSEs	Detail of investment of equity and loan										Investment of Go HP (Equity + Loans)	Investment others (Equity + Loans)	Total equity plus loans	Total equity	Total loans
		Equity					Long term loan									
		GOHP	Central Govt.	CG/SG PSUs	Others	Total	GOHP	Central Govt.	CG/SG PSUs	Others	Total					
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	
STATE PUBLIC SECTOR ENTERPRISES (Other than Power Sector)																
Agriculture and Allied																
1	Himachal Pradesh Agro Industries Corporation Limited	16.89	1.96	0.00	0.00	18.85	11.56	0.40	0.00	0.00	11.96	28.45	2.36	30.81	18.85	11.96
2	Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited	31.20	1.50	6.07	0.00	38.77	60.09	0.00	0.00	0.00	60.09	91.29	7.57	98.86	38.77	60.09
3	Himachal Pradesh State Forest Development Corporation Limited	11.71	0.00	0.00	0.00	11.71	0.00	0.00	0.00	0.00	0.00	11.71	0.00	11.71	11.71	0.00
4	Agro-Industrial Packaging India Limited	16.75	0.00	0.00	0.97	17.72	60.15	0.00	0.00	0.00	60.15	76.90	0.97	77.87	17.72	60.15
	Total	76.55	3.46	6.07	0.97	87.05	131.80	0.40	0.00	0.00	132.20	208.35	10.90	219.25	87.05	132.20
Financing																
1	Himachal Backward Classes Finance & Development Corporation	17.22	0.00	0.00	0.00	17.22	0.07	0.00	0.00	0.00	0.07	17.29	0.00	17.29	17.22	0.07
2	Himachal Pradesh Mahila Vikas Nigam	14.90	0.10	0.00	0.00	15.00	0.00	0.00	0.00	0.00	0.00	14.90	0.10	15.00	15.00	0.00
3	Himachal Pradesh Minorities Finance & Development Corporation	14.84	0.00	0.00	0.00	14.84	0.00	0.00	47.45	0.00	47.45	14.84	47.45	62.29	14.84	47.45
4	Himachal Pradesh Financial Corporation	92.98	0.00	0.00	6.59	99.57	84.61	0.00	28.27	0.00	112.88	177.59	34.86	212.45	99.57	112.88
	Total	139.94	0.10	0.00	6.59	146.63	84.68	0.00	75.72	0.00	160.40	224.62	82.41	307.03	146.63	160.40
Infrastructure																
1	Himachal Pradesh Road & Other Infrastructure Development Corporation Limited	25.00	0.00	0.00	0.00	25.00	0.00	0.00	0.00	0.00	0.00	25.00	0.00	25.00	25.00	0.00
2	Himachal Pradesh State Industrial Development Corporation Limited	30.82	0.00	0.00	0.00	30.82	0.00	0.00	0.00	0.00	0.00	30.82	0.00	30.82	30.82	0.00
3	Dharamshala Smart City Limited	0.00001	0.00	0.00033	0.00	0.00034	0.00	0.00	0.00	0.00	0.00	0.00001	0.00	0.00034	0.00034	0.00
4	Shimla Smart City Limited	0.0035	0.00	0.00	0.0035	0.007	0.00	0.00	0.00	0.00	0.00	0.0035	0.00	0.007	0.007	0.00
	Total	55.82351	0.00	0.00033	0.0035	55.82734	0.00	0.00	0.00	0.00	0.00	55.82351	0.00	55.82734	55.82734	0.00

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1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	
Manufacture																
1	Himachal Pradesh General Industries Corporation Limited	7.04	0.00	0.08	0.04	7.16	2.97	0.00	0.00	0.00	2.97	10.01	0.12	10.13	7.16	2.97
2	Himachal Worsted Mills Limited	0.00	0.00	0.00	0.92	0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.92	0.92	0.92	0.00
Total		7.04	0.00	0.08	0.96	8.08	2.97	0.00	0.00	0.00	2.97	10.01	1.04	11.05	8.08	2.97
Services																
1	Himachal Pradesh State Civil Supplies Corporation Limited	3.52	0.00	0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	3.52	0.00	3.52	3.52	0.00
2	Himachal Pradesh State Handicrafts & Handloom Corporation Limited	9.22	0.03	0.00	0.00	9.25	0.00	0.00	0.00	0.00	0.00	9.22	0.03	9.25	9.25	0.00
3	Himachal Pradesh Tourism Development Corporation	14.30	0.00	0.00	0.00	14.30	0.00	0.00	0.00	6.55	6.55	14.30	6.5	20.85	14.30	6.55
4	Himachal Pradesh Kaushal Vikas Nigam	0.007	0.00	0.00	0.00	0.007	0.00	0.00	0.00	0.00	0.00	0.007	0.00	0.007	0.007	0.00
5	Shimla Jal Prabandhan Nigam Limited	0.05	0.00	0.00	0.05	0.10	0.00	0.00	0.00	0.00	0.00	0.05	0.05	0.10	0.10	0.00
6	Himachal Consultancy Organisation Limited	0.00	0.00	0.03	0.15	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.18	0.18	0.00
7	Sri Naina Devi Ji & Sri Anandpur Sahib Ji Ropeway Limited	0.50	0.00	0.00	0.50	1.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	1.00	1.00	0.00
8	Ropeway and Rapid Transport System Development Corporation HP Limited	0.005	0.00	0.00	0.00	0.005	0.00	0.00	0.00	0.00	0.00	0.005	0.00	0.005	0.005	0.00
9	Himachal Pradesh State Electronics Development Corporation Limited	3.72	0.00	0.00	0.00	3.72	0.00	0.00	0.00	0.00	0.00	3.72	0.00	3.72	3.72	0.00
10	Himachal Road Transport Corporation	1047.68	15.44	0.00	0.00	1063.12	0.00	0.00	0.00	18.01	18.01	1,047.68	33.45	1081.13	1063.12	18.01
11	Himachal Pradesh Beverage Limited	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00	1.00	0.00
Sector total		1,080.002	15.47	0.03	0.70	1,096.20	0.00	0.00	0.00	24.56	24.56	1,080.002	40.76	1,120.762	1,096.202	24.56
Total (Government Companies - Other than Power Sector)		1,359.36	19.03	6.18	9.22	1,393.79	219.45	0.40	75.72	24.56	320.13	1,578.81	135.11	1,713.92	1,393.79	320.13
STATE PUBLIC SECTOR ENTERPRISES (Power Sector)																
1	Himachal Pradesh State Electricity Board Limited	857.23	0.00	0.00	0.00	857.23	3,015.13	19.69	0.00	2,433.53	5,468.35	3,872.36	2,453.22	6,325.58	857.23	5,468.35
2	Beas Valley Power Corporation Limited	0.00	0.00	300.00	0.00	300.00	0.00	0.00	1,784.61	0.00	1,784.61	0.00	2,084.61	2,084.61	300.00	1,784.61
3	Himachal Pradesh Power Corporation Limited	935.85	0.00	130.78	1,187.15	2,253.78	2,535.49	0.00	0.00	189.65	2,725.14	3,471.34	1,507.59	4,978.92	2,253.78	2,725.14
4	Himachal Pradesh Power Transmission Corporation Limited	453.29	0.00	0.00	108.70	561.99	2,051.75	0.00	0.00	103.44	2,155.19	2,505.04	212.14	2,717.18	561.99	2,155.19
Sector Total		2,246.37	0.00	430.78	1,295.85	3,973.00	7,602.37	19.69	1,784.61	2,726.62	12,133.29	9,848.74	6,257.55	16,106.29	3,973.00	12,133.29
Grand total of All SPSEs		3,605.73	19.03	436.96	1,305.07	5,366.79	7,821.82	20.09	1,860.33	2,751.18	12,453.42	11,427.55	6,392.66	17,820.35	5,366.79	12,453.42

Appendix-5.3

(Referred to in paragraph 5.5.1)

Summarised financial results of SPSEs for the latest year for which accounts were finalised as of 30 September 2022

(₹ in crore)

S. No.	Name of the SPSEs	Year of Account	Year in which finalised	Paid-up Capital	Long-term loans outstanding	Total Assets	Turnover	Accumulated Profit (+)/ Loss (-)	Net Profit (+)/ Loss (-) after interest & Tax	Interest	Income Tax	Profit (+)/ Loss (-) before interest & Tax	Net worth	Capital Employed	Manpower
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
A Working Government Companies															
Agriculture and Allied															
1	Himachal Pradesh Agro Industries Corporation Limited	2019-20	2021-22	18.85	11.56	38.80	69.09	(-) 14.03	(-)2.74	0.07	0.00	(-)2.67	4.82	16.38	26
2	Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited	2019-20	2021-22	38.77	60.09	154.06	70.48	(-) 86.75	(-)1.66	2.47	0.00	0.81	(-)47.98	12.11	200
3	Himachal Pradesh State Forest Development Corporation Limited	2017-18	2021-22	11.71	5.71	179.61	202.88	(-)113.04	0.98	1.06	0.00	2.04	(-)101.33	(-)95.62	1,321
Total				69.33	77.36	372.47	342.45	(-) 213.82	(-) 3.42	3.60	0.00	0.18	(-)144.49	(-)67.13	1,547
Financing															
4	Himachal Backward Classes Finance & Development Corporation	2014-15	2022-23	11.00	17.05	37.97	2.98	8.53	1.18	0.37	0.00	1.55	19.53	36.58	16
5	Himachal Pradesh Mahila Vikas Nigam	2015-16	2020-21	9.19	0	11.83	0.74	2.00	0.50	0	0.00	0.50	11.19	11.19	7
6	Himachal Pradesh Minorities Finance & Development Corporation	2016-17	2022-23	11.34	23.47	35.30	1.34	(-)5.72	(-)0.29	0.78	0.00	0.49	5.62	29.09	17
Total				31.53	40.52	85.10	5.06	4.81	1.39	1.15	0.00	2.54	36.34	76.86	40
Infrastructure															
7	Himachal Pradesh Road & Other Infrastructure Development Corporation Limited	2020-21	2021-22	25.00	0.00	458.24	0.00	0.00	0.00	0.00	0.00	0.00	25.00	25.00	30
8	Himachal Pradesh State Industrial Development Corporation Limited	2019-20	2022-23	30.82	0.00	332.60	69.07	71.71	13.18	0.00	5.98	19.16	102.53	102.53	131
9	Dharamshala Smart City Limited	2018-19	2022-23	0.00034	0.00	246.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00034	0.00034	39
		2019-20		0.00034	0.00	246.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00034	0.00034	
10	Shimla Smart City Limited	2018-19	2022-23	0.007	0.00	66.44	0.00	0.00	0.00	0.00	0.00	0.00	0.007	0.007	19
		2019-20		0.007	0.00	105.00	0.00	0.00	0.00	0.00	0.00	0.00	0.007	0.007	
Total				55.83	0.00	1,142.12	69.07	71.71	13.18	0.00	5.98	19.16	127.54	127.54	219
Manufacture															
11	Himachal Pradesh General Industries Corporation Limited	2020-21	2022-23	7.16	2.97	67.37	54.33	40.46	3.36	0.21	1.41	4.98	47.62	50.59	102
Total				7.16	2.97	67.37	54.33	40.46	3.36	0.21	1.41	4.98	47.62	50.59	102

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1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
Services															
12	Himachal Pradesh State Civil Supplies Corporation Limited	2018-19	2020-21	3.51	0.00	521.94	1,359.11	35.13	1.18	0.83	0.65	2.66	38.64	38.64	779
13	Himachal Pradesh State Electronics Development Corporation Limited	2020-21	2021-22	3.72	0.00	82.13	21.30	10.11	0.24	0.00	0.08	0.32	13.83	13.83	38
14	Himachal Pradesh State Handicrafts & Handloom Corporation Limited	2019-20	2022-23	9.25	0.00	24.98	32.11	(-)13.43	0.54	0.05	0.37	0.96	(-)4.18	(-)4.18	28
15	Himachal Pradesh Tourism Development Corporation	2016-17	2022-23	12.30	0.00	74.16	94.48	(-)24.51	(-)2.43	0.28	0.00	(-)2.15	(-)12.21	(-)12.21	1,703
16	Himachal Pradesh Kaushal Vikas Nigam	2019-20	2022-23	0.007	0.00	128.36	0.00	0.58	0.02	0.00	0.00	0.02	0.587	0.587	33
17	Himachal Consultancy Organisation Limited	2019-20	2020-21	0.18	0.00	5.08	11.29	1.93	0.29	0.00	0.00	0.29	2.11	2.11	32
18	Shimla Jal Prabandhan Nigam Limited	2020-21	2021-22	0.10	0.00	357.00	120.73	0.00	0.00	0.00	0.00	0.00	0.10	0.10	330
19	Ropeway and Rapid Transport System Development Corporation HP Limited	2019-20	2021-22	0.01	0.20	9.23	0.09	0.00	0.00	0.00	0.00	0.00	0.01	0.21	31
20	Sri Naina Devi Ji & Sri Anandpur Sahib Ji Ropeway Limited	2019-20	2022-23	1.00	0.00	1.01	0.00	(-)0.03	(-)0.03	0.00	0.00	(-)0.03	0.97	0.97	5
Sector total				30.077	0.20	1,202.60	1,639.11	9.78	(-)0.19	1.16	1.10	2.07	39.86	40.06	2,979
Grand Total A				193.93	121.05	2,669.66	2,110.02	(-)87.04	14.32	6.12	8.49	28.93	106.87	227.92	4,887
B	Statutory Corporations														
Financing															
1	Himachal Pradesh Financial Corporation	2017-18	2018-19	99.57	102.16	319.94	2.55	(-)166.56	(-)5.50	7.62	0.00	2.12	(-)66.99	35.17	14
Sector total				99.57	102.16	319.94	2.55	(-)166.56	(-)5.50	7.62	0.00	2.12	(-)66.99	35.17	14
Services															
2	Himachal Road Transport Corporation	2020-21	2022-23	922.65	39.33	899.80	788.16	(-)1,573.93	(-)40.23	8.54	0.00	(-)31.69	(-)651.28	(-)611.95	9,890
Sector total				922.65	39.33	899.80	788.16	(-)1,573.93	(-)40.23	8.54	0.00	(-)31.69	(-)651.28	(-)611.95	9,890
Total B				1,022.22	141.49	1,219.74	790.71	(-)1,740.49	(-)45.73	16.16	0.00	(-)29.57	(-)718.27	(-)576.78	9,904
Grand Total A and B				1,216.15	262.54	3,889.40	2,900.73	(-)1,827.53	(-)31.41	22.28	8.49	(-)0.64	(-)611.40	(-)348.86	14,791
C	Inactive Government Companies														
Agriculture and Allied															
1	Agro Industrial Packaging India Limited	2013-14	2014-15	17.72	60.15	1.33	0.00	(-)78.23	(-)0.04	0.00	0.00	(-)0.04	(-)60.51	(-)0.36	1
Total				17.72	60.15	1.33	0.00	(-)78.23	(-)0.04	0.00	0.00	(-)0.04	(-)60.51	(-)0.36	1
Manufacture															
2	Himachal Worsteds Mills Limited	2000-01	2001-02	0.92	0	0	0.00	(-)5.44	(-)0.01	0.00	0.00	(-)0.01	(-)4.52	(-)4.52	-
Total				0.92	0	0	0.00	(-)5.44	(-)0.01	0.00	0.00	(-)0.01	(-)4.52	(-)4.52	-
Services															
3	Himachal Pradesh Beverage Limited	2016-17	2018-19	1.00	0	124.35	543.97	9.49	9.49	0.00	4.78	14.27	10.49	10.49	10
Sector total				1.00	0	124.35	543.97	9.49	9.49	0.00	4.78	14.27	10.49	10.49	10
Total C				19.64	60.15	125.68	543.97	(-)74.18	9.44	0.00	4.78	14.22	(-)54.54	5.61	11
Grand Total A, B and C				1,235.79	322.69	4,015.08	3,444.70	(-)1,901.71	(-)21.97	22.28	13.27	13.58	(-)665.94	(-)343.25	14,802
D	Power Sector														
1	Himachal Pradesh State Electricity Board Limited	2020-21	2021-22	807.23	5,546.52	10,561.86	6,548.60	(-)1,705.92	(-)185.32	476.22	0.00	290.90	(-)898.69	4,647.83	18,491

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	
2	Himachal Pradesh Power Transmission Corporation Limited	2020-21	2022-23	494.98	1,569.07	2,858.44	37.32	(-)240.43	(-)132.06	111.77	0.00	(-) 20.29	254.55	1,823.62	331	
3	Himachal Pradesh Power Corporation Limited	2019-20	2022-23	2,180.56	2,555.05	7,007.34	146.24	(-)350.22	(-)128.24	129.55	0.00	1.31	1,830.34	4,385.39	533	
4	Beas Valley Power Corporation Limited	2021-22	2022-23	300.00	1,784.61	2,276.50	0.00	0.00	0.00	0.00	0.00	0.00	300.00	2,084.61	111	
Sector Total					3,782.77	11,455.25	22,704.14	6,732.16	(-)2,296.57	(-)445.62	717.54	0.00	271.92	1,486.20	12,941.45	19,466
Grand total of All SPSEs					5,018.56	11,777.94	26,719.22	10,176.86	(-)4,198.28	(-)467.59	739.82	13.27	285.50	820.26	12,598.20	34,268

Note: Highlighted figures of Dharamshala Smart City Limited and Shimla Smart City Limited is not included in the Sector Total and Grand Total.

Appendix-5.4

(Referred to in paragraph 5.7.3)

Statement showing the funds infused in SPSEs by the State Government as on 01 April 1999 and from 1999-2000 to 2021-22

(₹ in crore)

	Upto 1999-2000	2000-2001	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
STATE PUBLIC SECTOR ENTERPRISES (Other than Power Sector)																									
AGRICULTURE AND ALLIED																									
1	Himachal Pradesh Agro Industries Corporation Limited																								
Equity	9.84	-	-	-	-	-	-	-	-	-	-	-	-	-	7.05	-	-	-	-	-	-	-	-	-	16.89
IFL	-	-	-	-	-	-	-	-	-	-	-	-	2.50	-	2.54	-	-	6.52	-	-	-	-	-	-	11.56
2	Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited																								
Equity	10.23	-	-	-	-	-	-	-	-	-	20.97	-	-	-	-	-	-	-	-	-	-	-	-	-	31.20
IFL	-	-	-	-	-	-	-	-	-	-	0.00	-	-	7.00	5.00	-	14.54	3.55	-	8.00	10.00	-	-	-	48.09
3	Himachal Pradesh State Forest Development Corporation Limited																								
Equity	11.71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.71
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																							Grand Total Agriculture and Allied	59.80	
																								59.65	
FINANCING																									
4	Himachal Backward Classes Finance and Development Corporation																								
Equity	1.57	0.40	0.65	0.80	1.20	1.00	0.50	1.20	0.90	1.10	0.86	-	-	0.28	0.00	0.80	0.67	0.54	0.75	1.00	-	1.75	1.25	-	17.22
IFL	0.01	0.01	-	-	-	-	0.15	-	-	-	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07
5	Himachal Pradesh Mahila Vikas Nigam																								
Equity	1.25	-	0.10	0.2214	0.30	0.30	0.30	0.40	0.85	0.85	1.08	0.30	1.14	-	0.60	0.65	0.75	0.75	0.80	1.77	1.35	0.75	0.39	-	14.90
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Himachal Pradesh Minorities Finance and Development Corporation																								
Equity	0.75	0.17	0.25	0.40	0.40	0.40	0.49	0.40	0.53	1.02	1.08	1.16	0.50	0.64	1.30	0.53	0.64	0.75	-	1.68	-	1.75	-	-	14.84
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																							Grand Total Financing	46.96	
																								0.07	
INFRASTRUCTURE																									
7	Himachal Pradesh Road and Other Infrastructure Development Corporation Limited																								
Equity	5.00	20.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.00
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Himachal Pradesh State Industrial Development Corporation Limited																								
Equity	29.59	-	-	-	-	-	-	-	-	-	-	1.23	-	-	-	-	-	-	-	-	-	-	-	-	30.82
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Dharamshala Smart City Limited																								
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00001	-	-	-	-	-	-	0.00001
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Shimla Smart City Limited																								
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0035	-	-	-	-	-	0.0035
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																							Grand Total Infrastructure	55.83	

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24		
MANUFACTURE																									
11	Himachal Pradesh General Industries Corporation Limited																								
Equity	4.98	-	-	-	-	-	-	2.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.04	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grand Total Manufacture																							7.04		
SERVICES																									
12	Himachal Pradesh State Civil Supplies Corporation Limited																								
Equity	3.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.52	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Himachal Pradesh State Electronics Development Corporation Limited																								
Equity	3.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.72	
IFL	0.48	1.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-1.93	-	0.05	
14	Himachal Pradesh State Handicrafts and Handloom Corporation Limited																								
Equity	4.09	0.01	0.01	-	-	-	-	-	-	4.61	-	-	-	0.50	-	-	-	-	-	-	-	-	-	9.22	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Himachal Pradesh Tourism Development Corporation																								
Equity	12.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.00	14.30	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
O&AE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38.21	16.00	54.21	
16	Himachal Pradesh Kaushal Vikas Nigam																								
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.007	-	-	-	-	-	-	-	0.007	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	Shimla Jal Prabandhan Nigam Limited																								
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	0.05	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
O&AE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114.89	180.13	111.20	406.22
18	Ropeway and Rapid Transport System Development Corporation HP Limited																								
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.005	-	-	0.005-	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
O&AE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.50	26.13	33.63	
19	Sri Naina Devi Ji and Sri Anandpur Sahib Ji Ropeway Development Corporation Limited																								
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.50	-	-	0.50-	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grand Total Services																							31.322		
																							0.05		
																							494.06		
STATUTORY CORPORATION (FINANCING)																									
20	Himachal Pradesh Financial Corporation																								
Equity	21.58	-	-	-	-	-	-	-	-	20.00	51.00	-	-	-	-	-	-	-	-	0.40	-	-	-	92.98	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.83	-	2.83	
Grand Total Financing																							92.98		
																							2.83		
STATUTORY CORPORATION (SERVICE)																									
21	Himachal Road Transport Corporation																								
Equity	163.16	11.90	12.00	11.01	26.70	12.30	12.30	12.30	31.49	31.00	42.18	31.92	25.30	43.00	58.00	42.95	41.20	45.00	50.00	59.00	79.39	62.02-	140.48	1044.60	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grand Total Service																							1044.60		

State Finances Audit Report for the year ended 31 March 2022

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
INACTIVE AGRICULTURE AND ALLIED & SERVICE																									
22	Agro Industrial Packaging India Limited																								
Equity	16.75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.75
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Himachal Pradesh Beverages Limited																								
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	-	-	-	-	1.00
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total Agriculture and Allied																								17.75	
Total Equity	300.04	32.48	13.01	12.43	28.60	16.06	13.59	14.30	38.38	53.97	117.17	34.61	26.94	44.42	66.95	44.94	43.26	48.04	51.56	63.90	81.25	66.27	144.12	1,356.28	
Total IFL	0.49	1.51	0.00	0.0000	0.00	0.00	0.15	0.00	0.00	-0.10	0.00	0.00	9.50	5.00	2.54	14.54	3.55	6.52	8.00	10.00	-	0.90	-	62.60	
O & AE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114.89	225.84	153.33	494.06	
Grand Total	300.53	33.99	13.01	12.4314	28.60	16.06	13.74	14.30	38.38	53.87	117.17	34.61	36.44	49.42	69.49	59.48	46.81	54.56	59.56	73.90	196.14	69.10	297.45	1,912.94	
STATE PUBLIC SECTOR ENTERPRISES (Power Sector)																									
1	Himachal Pradesh Power Corporation Limited																								
Equity	-	-	-	-	-	-	-	-	80.11	241.32	242.41	75.76	48.05	202.18	180	193.31	91.25	133.28	137.12	160.00	165.00	62.21	11.00	2,022.99	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disinvestment	-	-	-	-	-	-	-	-	-	-	-	-	-537.15	-	-	550.00	-	-	-	-	-	-	-	-1087.15	
2	Himachal Pradesh Power Transmission Corporation Limited																								
Equity	-	-	-	-	-	-	-	-	11.00	45.70	60.00	50.00	5.78	8.00	25.96	32.79	19.51	27.71	40.00	53.75	84.00	67.00	-	531.20	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disinvestment	-	-	-	-	-	-	-	-	-	-	-	-	108.70	-	-	-	-	-	-	-	-	-	-	108.70	
3	Himachal Pradesh State Electricity Board Limited																								
Equity	-	-	-	-	-	-	-	-	-	-	396.52	0	50.00	31.75	75.00	50.00	50.00	17.28	50.00	35.91	50.77	50.00	-	857.23	
IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
O & AE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.00	-	11.00	
Disinvestment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Equity	-	-	-	-	-	-	-	-	80.11	252.32	288.11	532.28	98.05	257.96	219.75	294.27	174.04	202.79	182.11	250.00	254.66	196.98	128.00	3,411.42	
Total IFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total O & AE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114.89	225.84	-	340.73	
Total Disinvestment	-	-	-	-	-	-	-	-	-	-	-	-	-645.85	-	-	-550.00	-	-	-	-	-	-	-	-1,195.85	
Grand Total	-	-	-	-	-	-	-	-	80.11	252.32	288.11	532.28	-547.96	257.96	219.75	-255.73	174.04	202.78	182.11	2560.00	254.66	207.98	128.00	2,226.57	
Total Equity	300.04	32.48	13.01	12.43	28.60	16.06	13.59	14.30	118.49	306.29	405.28	566.89	124.99	302.38	286.70	339.21	217.30	250.83	233.67	313.90	335.91	263.25	272.12	4,767.70	
Total IFL	0.49	1.51	-	-	-	-	0.15	-	-	-0.10	-	-	9.50	5.00	2.54	14.54	3.55	6.52	8.00	10.00	-	0.90	-	62.60	
Total O & AE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114.89	236.84	153.33	505.06	
Total Disinvestment	-	-	-	-	-	-	-	-	-	-	-	-	-645.85	-	-	-550.00	-	-	-	-	-	-	-	-1,195.85	
G.G. Total	300.53	33.99	13.01	12.43	28.60	16.06	13.74	14.30	118.49	306.19	405.28	566.89	-511.36	307.38	289.24	-196.25	220.85	257.35	241.67	323.90	450.80	500.99	424.45	4,139.51	

Appendix-5.5

(Referred to in paragraph 5.12.2)

List of SPSEs whose accounts are in arrears with number of accounts in arrears as of 30 September 2022

S. No.	Name of SPSEs whose accounts are in arrears as of 30 September 2022 and accounts finalized up to	No. of accounts are in arrear
1	Himachal Pradesh Agro Industries Corporation Limited (2019-20)	2
2	Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited (2020-21)	1
3	Himachal Pradesh State Forest Development Corporation Limited (2018-19)	3
4	Himachal Backward Classes Finance and Development Corporation (2014-15)	7
5	Himachal Pradesh Mahila Vikas Nigam (2015-16)	6
6	Himachal Pradesh Minorities Finance and Development Corporation (2016-17)	5
7	Himachal Pradesh Road and Other Infrastructure Development Corporation Limited (2020-21)	1
8	Himachal Pradesh State Industrial Development Corporation Limited (2018-19)	3
9	Dharamshala Smart City Limited (2019-20)	2
10	Shimla Smart City Limited (2018-19)	3
11	Himachal Pradesh General Industries Corporation Limited (2020-21)	1
12	Himachal Pradesh Power Corporation Limited (2019-20)	2
13	Himachal Pradesh Power Transmission Corporation Limited (2020-21)	1
14	Himachal Pradesh State Civil Supplies Corporation Limited (2018-19)	3
15	Himachal Pradesh State Electronics Development Corporation Limited (2020-21)	1
16	Himachal Pradesh State Handicrafts and Handloom Corporation Limited (2019-20)	2
17	Himachal Pradesh Tourism Development Corporation (2015-16)	6
18	Himachal Pradesh Kaushal Vikas Nigam (2018-19)	3
19	Himachal Consultancy Organisation Limited (2020-21)	1
20	Sri Naina Devi Ji and Sri Anandpur Sahib Ji Ropeway Limited (2019-20)	2
21	Ropeway and Rapid Transport System Development Corporation HP Limited (2019-20)	2
22	Himachal Pradesh Beverage Limited (2016-17)	5
23	Agro Industrial Packaging India Limited (2013-14)	8
24	Himachal Pradesh Electricity Board Limited (2020-21)	1
25	Beas Valley Power Corporation Limited (2020-21)	1
26	Shimla Jal Prabandhan Corporation Limited (2020-21)	1
Grand Total		73

Appendix-5.6

**(Referred to in paragraph 5.14.4)
List of SPSEs where Supplementary Audit was conducted**

Sr. No.	Name of SPSEs (Year of Accounts finalised)	No. of accounts finalised between 01 December 2021 and 30 September 2022
1	Himachal Pradesh Power Transmission Corporation Limited (2020-21)	1
2	Himachal Pradesh Power Corporation Limited (2019-20)	1
3	Himachal Pradesh General Industries Corporation Limited (2020-21)	1
4	Himachal Pradesh State Electronics Development Corporation Limited (2020-21)	1
5	Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited (2020-21)	1
6	Himachal Pradesh State Forest Development Corporation Limited (2018-19)	1
7	Himachal Consultancy Organisation Limited (2020-21)	1
8	Himachal Pradesh Minorities and Finance Development Corporation Limited (2016-17)	1
9	Himachal Pradesh Road and Other Infrastructure Development Corporation Limited (2020-21)	1
10	Dharamshala Smart City Limited (2018-19 and 2019-20)	2
11	Himachal Pradesh State Handicrafts and Handloom Corporation Limited (2019-20)	1
12	Himachal Backward Classes Finance and Development Corporation (2014-15)	1
13	Sri Naina Devi Ji and Sri Anandpur Sahib Ji Ropeway Limited (2019-20)	1
14	Shimla Smart City Limited (2018-19)	1
Grand Total		15

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