



सत्यमेव जयते

**REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL OF INDIA  
ON  
STATE FINANCES  
FOR THE YEAR ENDED 31 MARCH 2015**



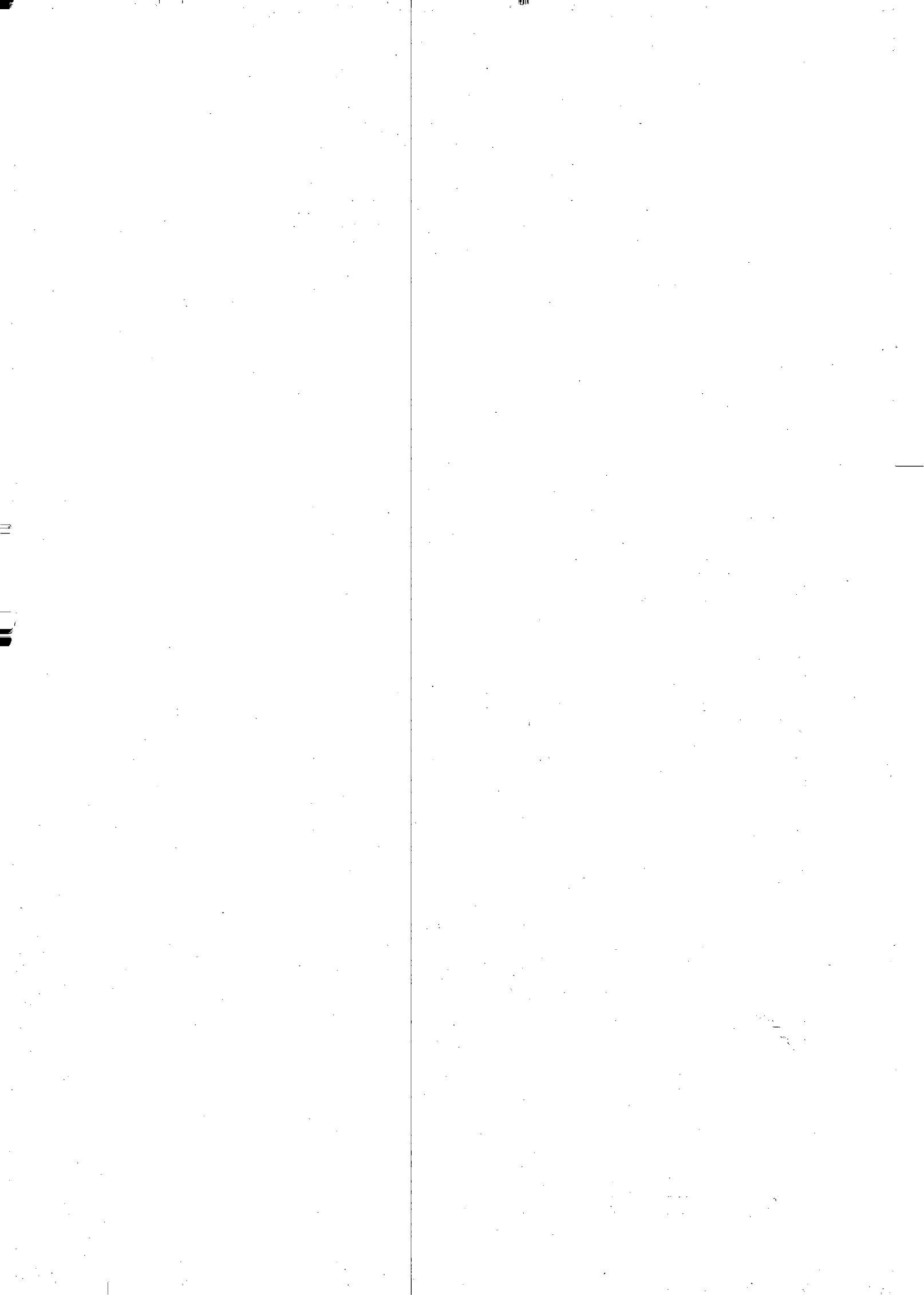
**GOVERNMENT OF HIMACHAL PRADESH**

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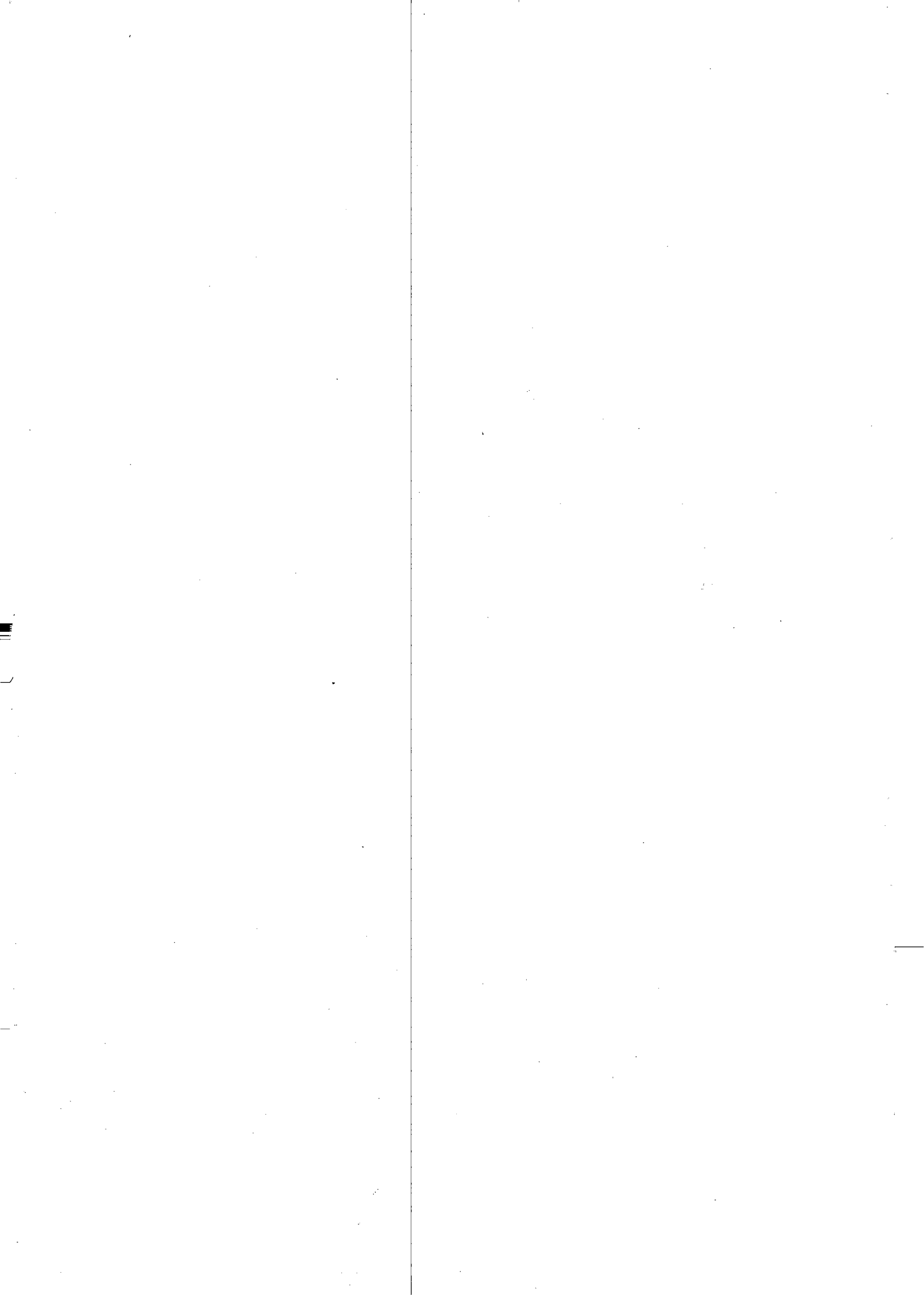


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## PREFACE

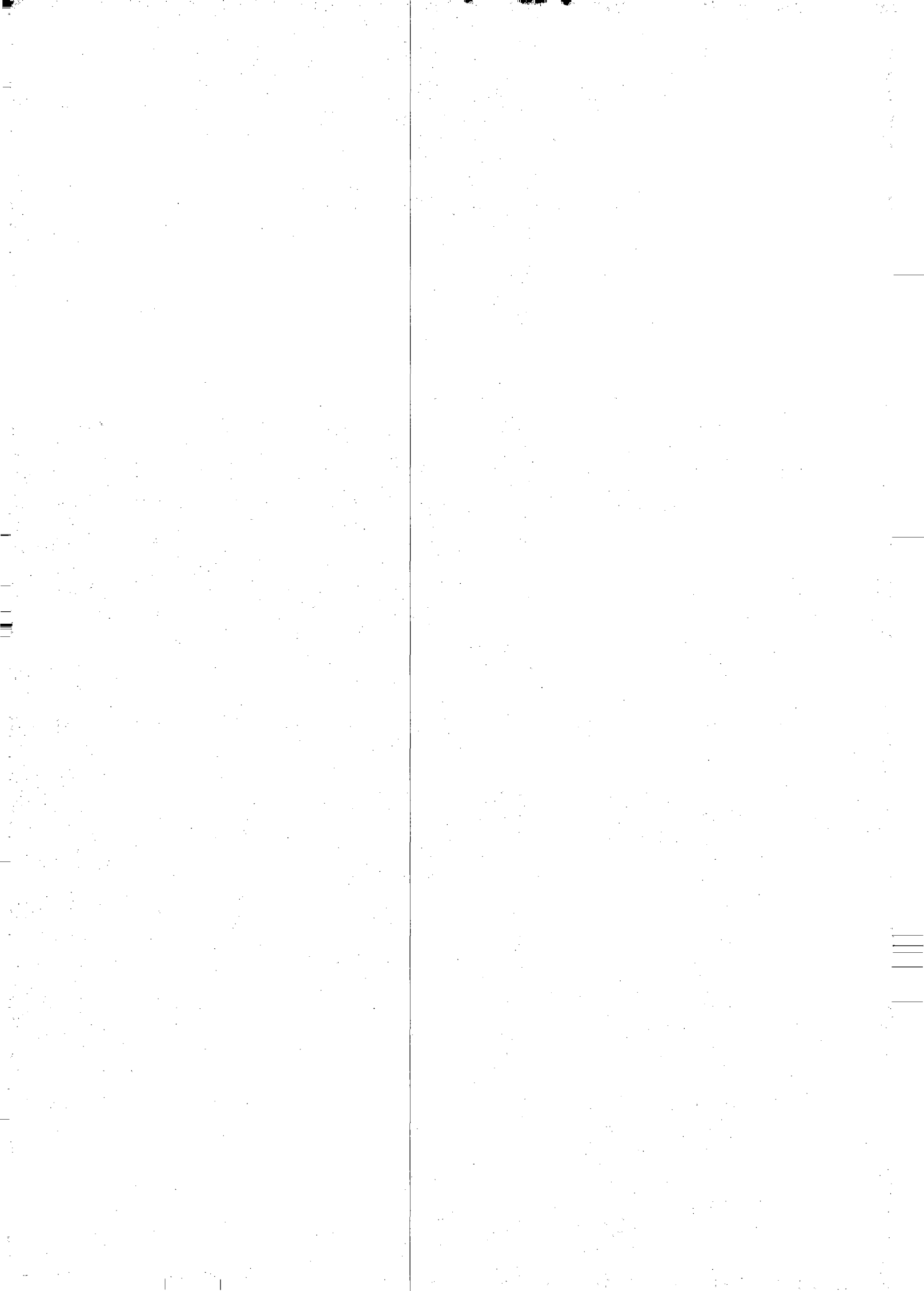
This Report is prepared for submission to the Governor of the State of Himachal Pradesh under Article 151 of the Constitution of India.

Chapter I and II 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 2015. Information has been obtained from the Government of Himachal Pradesh wherever necessary.

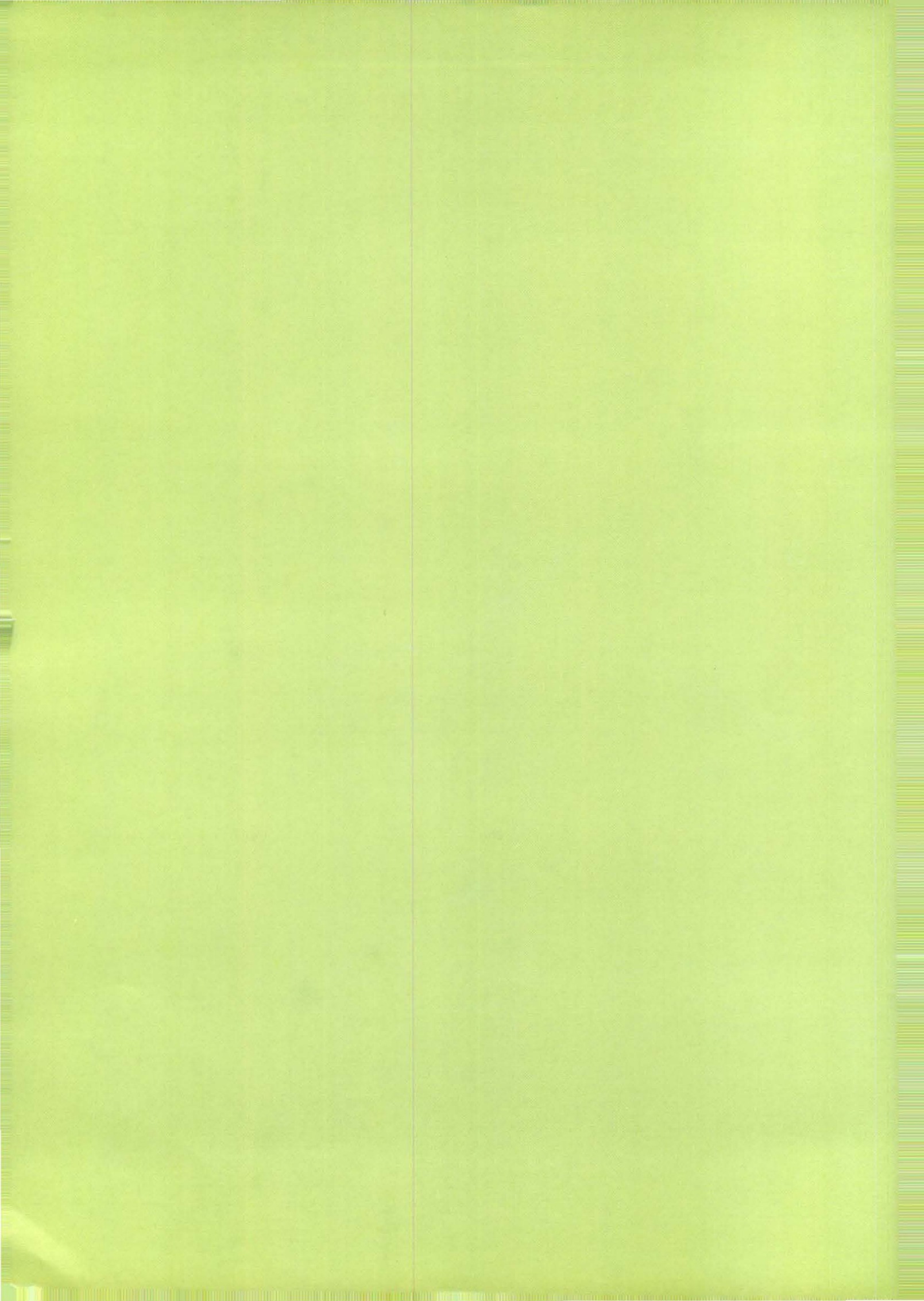
Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives relating to Financial Reporting during the current year.

The Report containing the findings of performance audit and audit of transactions in various departments, Report containing observations on audit of Statutory Corporations, Boards, Government Companies and Report on Revenue Receipts are presented separately.





# **EXECUTIVE SUMMARY**



## EXECUTIVE SUMMARY

### Background

This Report on the finances of the Government of Himachal Pradesh is brought out to assess the financial performance of the State during the year 2014-15 vis-à-vis the Budget Estimates, the targets set under the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 amended further by Act No. 25 of 2011 and analyses the dominant trends and structural profile of Government's receipts and disbursements.

Based on the audited accounts of the Government of Himachal Pradesh for the year ended 31 March 2015 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 three Chapters.

**Chapter-I** is based on the audit of Finance Accounts and makes an assessment of the Himachal Pradesh Government's fiscal position as on 31 March 2015. It provides an account of time series of receipts and disbursements, market borrowings, quality of expenditure, financial analysis of government expenditure and investment, debt sustainability and fiscal imbalances.

**Chapter-II** is based on the audit of Appropriation Accounts and gives a grant-wise description of appropriations. It elaborates on financial accountability and budget management, deficiencies in working of treasuries and outcome of review of selected grant.

**Chapter-III** is an inventory of the Himachal Pradesh Government's compliance with various reporting requirements and financial rules.

### Audit findings

#### Chapter I

##### Finances of the State Government

The revenue deficit which was required to be brought down to zero during 2011-12 and maintain revenue surplus thereafter could not be achieved. The revenue and fiscal deficit stood at ₹ 1,641 crore and ₹ 4,011 crore respectively in 2013-14, increased to ₹ 1,944 crore, ₹ 4,200 crore respectively in

2014-15 while the Primary deficit decreased by ₹ 179 crore during 2014-15 over the previous year.

The average return on the government's investments in Statutory Corporations, Rural Banks and Joint Stock companies in the past five years was 3.81 *per cent* while the government paid an average rate of interest of 7.86 *per cent* on its borrowings.

13 projects of two departments which were scheduled to be completed between July 2005 and March 2015 were still lying incomplete (March 2015).

The Social Sector expenditure as a proportion of aggregate expenditure in the State was lower than that of SCS by 2.92 and 3.06 *per cent* in 2011-12 and 2014-15 respectively.

Priority has not been given by the State Government to capital expenditure as the percentage ratio of capital expenditure to aggregate expenditure is 11.17 in 2011-12 and 10.88 in 2014-15, which is lower than the average ratio of Special Category States 14.02 in 2011-12 and 14.22 in 2014-15.

Fiscal liabilities at the end of the current year were ₹ 38,192 crore with growth of 13 *per cent* over the previous year and stood at 40 *per cent* of GSDP and 214 *per cent* of the revenue receipts. The share of closing balance of market loans in the total public debt increased from 49.45 *per cent* in 2010-11 to 59.06 *per cent* in 2014-15. Maturity amount constituted an average 9.53 *per cent* of the outstanding market loans over the next seven years, with significant pressure on redemption during the years 2017-18 and 2018-19 at 13.48 *per cent* and 13.83 *per cent* of the outstanding debt respectively.

## Chapter II

### Financial management and budgetary control

The overall excess of ₹ 74.79 crore registered under grants/appropriation during the year 2014-15 was the net result of excess of ₹ 1,585.69 crore offset by savings of ₹ 1,510.90 crore. The excess expenditure of ₹ 1,585.69 crore of 2014-15 in addition to ₹ 5,055.89 crore for the years 2009-14 requires regularisation of the State Legislature.

In 16 cases ₹ 1,648.74 crore were surrendered at the end of the financial year (more than ₹ 10 crore surrender in each case). There were instances of

injudicious re-appropriations, which resulted in excess / savings of over ₹ one crore in each case under 54 sub-heads.

Funds amounting to ₹ 58.79 crore were drawn to avoid lapse of budget grant and kept under Civil Deposits. Supplementary provision aggregating ₹ 343.99 crore obtained in six cases (₹ One crore or more in each case) proved unnecessary as original provisions were sufficient to meet the expenditure in these cases.

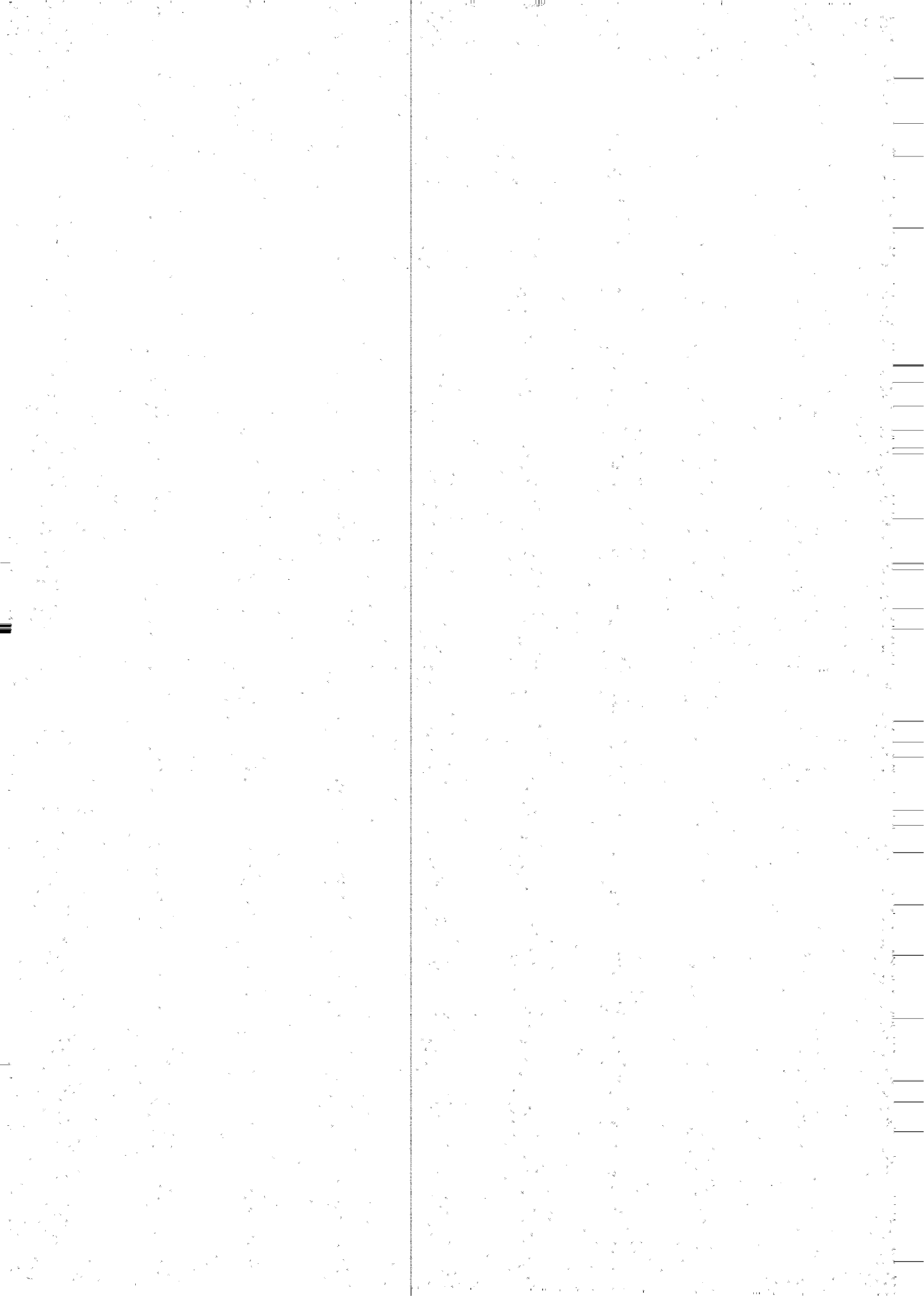
### **Chapter III**

#### **Financial reporting**

There were delays in furnishing 15,539 Utilisation Certificates in respect of loans and grants amounting to ₹ 2,387.39 crore as on 31 March 2015.

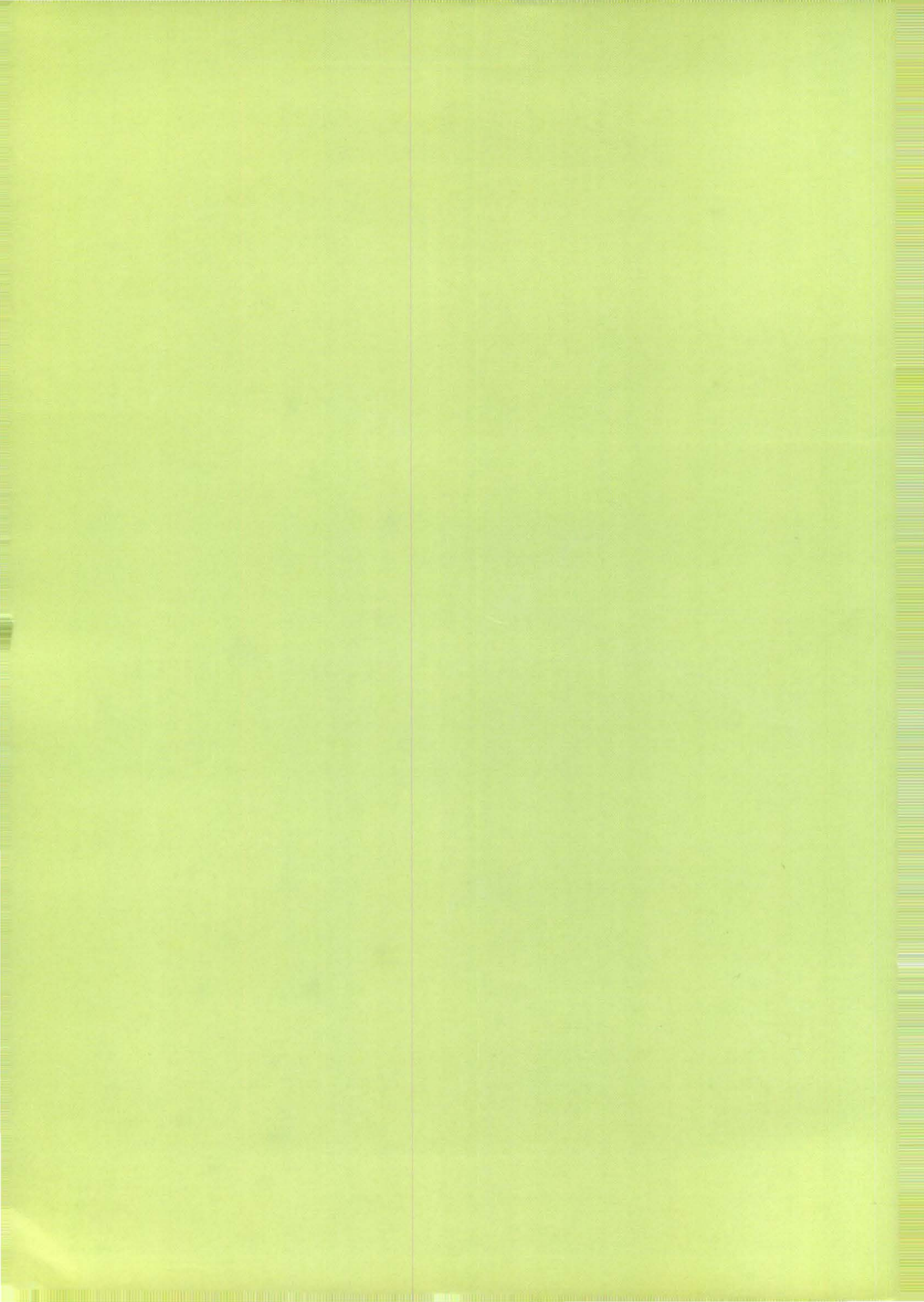
The State Government reported 47 cases of misappropriations/loss, theft etc., involving government money amounting to ₹ 78.70 lakh on which final action was pending as of June 2015. Out of these, 41 cases were more than five years old.

During 2014-15 receipts amounting to ₹ 2,680 crore (15.02 *per cent* of the total revenue receipts) and ₹ 878 crore (3.94 *per cent* of the total expenditure) were classified under the omnibus Minor Head 800-other receipts/ expenditure during 2014-15 rendering State accounts opaque to that extent.



**CHAPTER-I**  
**FINANCES OF THE STATE GOVERNMENT**





## CHAPTER - I

### FINANCES OF THE STATE GOVERNMENT

#### 1.1 Introduction

This chapter provides a broad perspective of the finances of the government during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. Revenue deficit of ₹ 1,641 crore in 2013-14 increased to ₹ 1,944 crore during 2014-15. Fiscal deficit increased from ₹ 4,011 crore in the year 2013-14 to ₹ 4,200 crore (**Appendix 1.3**) during 2014-15 and was 4.39 *per cent* of the GSDP. This was above the target of three *per cent* in the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 (amended in 2011). Himachal Pradesh is a Special Category State (SCS) based upon categorisation of States made by Government of India (GoI). The special privileges given to Himachal Pradesh include financial assistance from GoI in the ratio of 90 *per cent* grant and 10 *per cent* loan unlike Non-Special Category States which get central aid in the ratio of 30 *per cent* grant and 70 *per cent* loan.

#### Profile of State

The State of Himachal Pradesh is the 17<sup>th</sup> largest State in terms of geographical area (55,673 sq. km) and the 20<sup>th</sup> largest by population. As indicated in **Appendix 1**, the State's population increased from 0.61 crore in 2001 to 0.70 crore in 2014 recording a growth of 15 *per cent*. The percentage of population below the poverty line was 11 *per cent* which was less than the all-India average (30 *per cent*). The State has seen considerable economic growth in the past decade and the compound growth rate of its Gross State Domestic Product<sup>1</sup> (GSDP) for the period 2005-06 to 2014-15 has been 15.02 *per cent* (**Appendix 1**).

The State's GSDP in 2014-15 at current prices was ₹ 95,587 crore. The State's literacy rate increased from 76.50 (as per 2001 census) to 82.80 *per cent* (as per 2011 census). The per capita income of the State stands at ₹ 1,04,943<sup>2</sup> during the year 2014-15.

#### Gross State Domestic Product

The trends in the annual growth of State's and India's GSDP at current prices are indicated in **Table 1.1**.

**Table 1.1: Trends in Annual growth of GDP/GSDP**

Year	2010-11	2011-12	2012-13	2013-14	2014-15
India's GDP (in crore)	72,48,860	83,91,691	93,88,876	1,04,72,807	N.A.
Growth rate of GDP (percentage)	18.66	15.77	11.88	11.54	N.A.
State's GSDP (in crore)	56,980	66,448	76,259	85,841	95,587
Growth rate of GSDP ( <i>per cent</i> )	18.24	16.62	14.76	12.57	11.35

Source: Economics and Statistics Department, Himachal Pradesh and Central Statistics Office

The state's GSDP growth rate at current prices shows inter year decreasing trend during the period 2010-15.

<sup>1</sup> Refer Glossary in Appendix 4.

<sup>2</sup> Advance figure

**1.1.1 Summary of Fiscal Transactions**

Table 1.2 presents the summary of the State Government's fiscal transactions during the current year (2014-15) vis-à-vis the previous year (2013-14), while Appendix 1.4 provides details of receipts and disbursements as well as the overall fiscal position during the current year as compared to previous year.

**Table 1.2: Summary of Fiscal operations**

(₹ in crore)

Receipts	2013-14	2014-15	Disbursements	2013-14	2014-15		
	Total	Total		Total	Non Plan	Plan	Total
<b>Section-A: Revenue</b>							
<b>Revenue receipts</b>	<b>15,711</b>	<b>17,843</b>	<b>Revenue expenditure</b>	<b>17,352</b>	<b>16,583</b>	<b>3,204</b>	<b>19,787</b>
Tax revenue	5,121	5,940	General Services	7,047	7,534	70	7,604
Non-tax revenue	1,785	2,081	Social Services	6,706	5,734	1,717	7,451
Share of Union Taxes/Duties	2,491	2,644	Economic Services	3,590	3,305	1,418	4,723
Grants from Government of India	6,314	7,178	Grants-in-aid and Contributions	9	--	9	9
<b>Section-B: Capital and others</b>							
<b>Misc. Capital Receipts</b>	--	650	<b>Capital outlay</b>	1,856	42	2,431	<b>2,473</b>
<b>Recoveries of Loans and Advances</b>	17	41	<b>Loans and advances disbursed</b>	531	--	--	<b>474</b>
<b>Public Debt receipts</b>	4,050 <sup>3</sup>	10,877	<b>Repayment of public debt</b>	1,704	--	--	<b>8,260</b>
<b>Contingency Fund</b>	--	--	<b>Contingency Fund</b>	--	--	--	<b>--</b>
<b>Public account receipts#</b>	10,300	10,575	<b>Public account disbursements#</b>	9,227	--	--	<b>8,844</b>
<b>Opening cash balance</b>	(-) 295	(-) 887	<b>Closing cash balance</b>	(-) 887	--	--	<b>(-) 739</b>
<b>Total</b>	<b>29,783</b>	<b>39,099</b>	<b>Total</b>	<b>29,783</b>			<b>39,099</b>

Source: Finance Accounts for the respective years

# In other places Net figures of Public Account Receipts have been taken for analysing the State resources

Following are the significant changes during 2014-15 over the previous year:

<b>Revenue receipts</b>	Grew by ₹ 2,132 crore (14 per cent). The increase was the net effect of increase in Grants-in-Aid (₹ 864 crore), Tax Revenue (₹ 819 crore), Non-tax revenue (₹ 296 crore) and Share of Union Taxes and Duties (₹ 153 crore).
<b>Revenue expenditure</b>	Increased by ₹ 2,435 crore (14 per cent). The increase in Non-plan and Plan expenditure was ₹ 1,618 crore and ₹ 817 crore respectively.
<b>Revenue Deficit</b>	Resultantly, revenue deficit increased by ₹ 303 crore (18 per cent) and stood at ₹ 1,944 crore. This also indicates that the State is increasingly resorting to borrowing to fill the revenue deficit, which is a matter of concern.
<b>Capital expenditure</b>	Increased by ₹ 617 crore (33 per cent).
<b>Public debt receipts</b>	Receipts increased by ₹ 6,827 crore (169 per cent) while Public debt repayment increased by ₹ 6,556 crore (385 per cent).
<b>Public account receipts</b>	Increased by ₹ 275 crore (three per cent) and disbursements decreased by ₹ 383 crore (four per cent).
<b>Closing cash balance</b>	Increased by ₹ 148 crore.

<sup>3</sup> Exact value ₹ 4,050.70 crore

### 1.1.2 Review of the fiscal situation

Performance of the State Government on major fiscal variables against the recommendations of Thirteenth Finance Commission (Th FC) and against the targets of the FRBM Act of the State is depicted in **Table 1.3A& B.**

**Table 1.3(A)**  
**Major Fiscal Variables**

Fiscal variables	2014-15				
	Targets as prescribed in FRBM Act	Projections/ Targets proposed in the Budget/ MTFPS <sup>#</sup>	Actual	Percentage variation of actual over	
				Targets of FRBM Act	Projections/ Targets proposed in the Budget/ MTFPS <sup>#</sup>
Revenue Surplus(+)/ Deficit(-) (in crore)	Maintain revenue surplus	(-) 3,262	(-) 1,944	Revenue Deficit	Target achieved
Fiscal Deficit/GSDP (in per cent)	(-) 3.00 or less	(-) 5.74	(-) 4.39	(-) 1.39	Target achieved
Ratio of total outstanding debt* of the government to GSDP (in per cent)	40.10	37.58	39.96	Target achieved	(-) 2.38

Source: Finance Department and Finance Accounts

#Medium Term Fiscal Plan Statement

\*This includes public debt and other obligations of the State Government

Following significant points emerged from the above table:

- Targets in MTFPS were not fixed by the State Government as per the projections/assessment made in the FRBM Act.
- Revenue deficit during 2014-15 was ₹ 1,944 crore against the target of maintaining revenue surplus set out in FRBM Act.
- Fiscal deficit was 4.39 *per cent* of GSDP against the target of 3.00 *per cent* or less set out in FRBM Act.
- The ratio of total outstanding debt to GSDP was within the target mentioned in FRBM Act.

**Table 1.3(B): Review of the fiscal situation for 2010-15**

Fiscal variables	2010-11			2011-12			2012-13			2013-14			2014-15			
	T	P	A	T	P	A	T	P	A	T	P	A	T	P	A	
Revenue Deficit(-) / Surplus (+) (in crore)	*	--	(-) 1,235	*	--	(+) 645	*	(+)	(-) 355	(-) 576	*	(-)	(-) 1,810	(-) 1,641	(-) 3,262	(-) 1,944
Fiscal Deficit (as per cent of GSDP)	3.5	5.08	4.83	3.00	2.70	2.59	3.00	2.88	4.13	3.00	2.85	4.86	3.00	5.74	4.39	
Ratio of total outstanding debt of the government to GSDP (in per cent)	49.70	56	58	47.00	44.00	31	44.40	40.10	39.70	42.10	37.95	41.03	40.10	37.58	39.96	

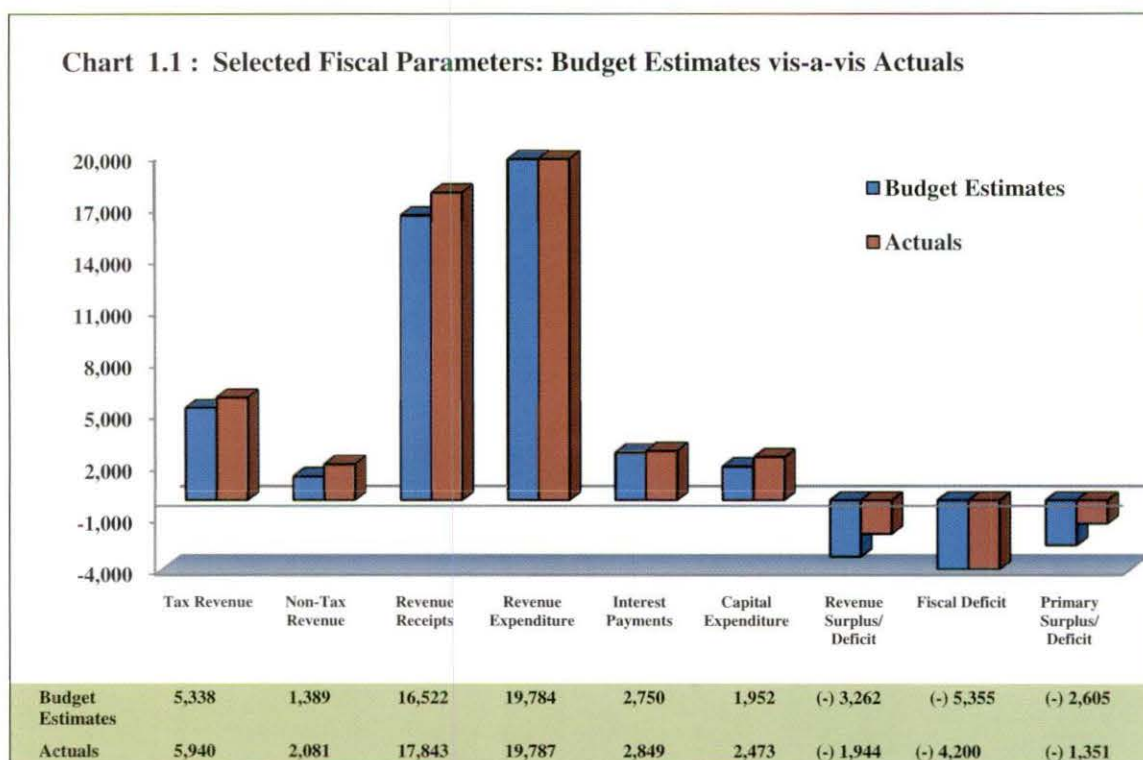
T: Targets as prescribed in Th FC/FRBM Act  
A: Actuals

P: Projections/ Targets proposed in the MTFPS  
\*: Maintain revenue surplus

- Scrutiny of the targets fixed by the State Government under MTFPS over a five year period as in Table 1.3 (B) above indicates that these were fixed in complete disregard to the requirements of the Th FC/FRBM Act.
- With the exception of 2011-12, the targets for maintaining a fiscal deficit at 3 per cent or less of GSDP and revenue surplus were NOT achieved in any of the five years ending 31 March 2015.

### **1.1.3 Budget estimates and actuals**

The budget papers presented by the Government of Himachal Pradesh provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. The budget estimates and actuals for some important fiscal parameters for 2014-15 are given in **Chart 1.1**.



*Source: Review of Receipt and Expenditure (January 2015) and Finance Accounts 2014-15/Annual Financial Statement 2014-15*

As may be seen from **Chart 1.1**, there were considerable variations between budget estimates and actuals in case of several parameters.

From above, it is evident that the variations in Revenue, Primary and Fiscal deficits were primarily caused by greater revenue realization vis-à-vis estimates, which was commendable. However, it also triggers the question that the budget estimates were unrealistic and should have been based on better information and understandings of the realization trend of revenue.

### 1.1.4 Gender Budgeting

Gender Budgeting Cell (GBC) was constituted in the Social, Justice and Empowerment (SJE) Department on 14 November 2008 but after bifurcation of SJE department into two departments viz. Women and Child Development (WCD) and Scheduled Castes, Other Backward Classes and Minority Affairs, the GBC was constituted in the department of WCD in 2013. There were 19 schemes designated to benefit women to the extent of 100 *per cent* allocation and five schemes with partial allocation during the year 2014-15 under which outlay was made as mentioned in **Appendix 1.5**. Against the total outlay of ₹ 282.13 crore under these schemes, an amount of ₹ 295.64 crore was spent with excess expenditure of ₹ 13.51 crore at the end of the year 2014-15.

### 1.1.5 Major policy initiatives in the recent years' budgets

The State Government while presenting the budget for 2014-15, committed all round and balanced development of all regions and sections of the State and society respectively, with special focus on the poor and the downtrodden. Some of major policy initiatives of the Government and budget provision *vis-à-vis* actual expenditure on these schemes during 2014-15 are given in **Table 1.4**.

**Table 1.4**  
**Major policy initiatives, budget provision and expenditure**  
(₹ in crore)

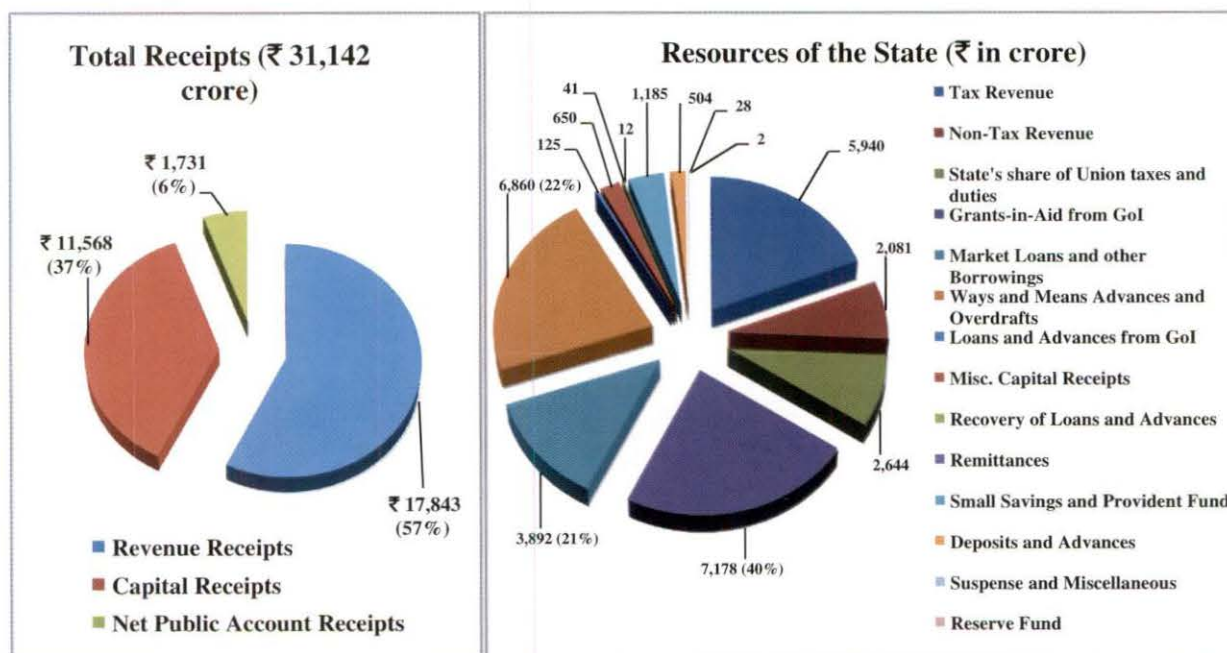
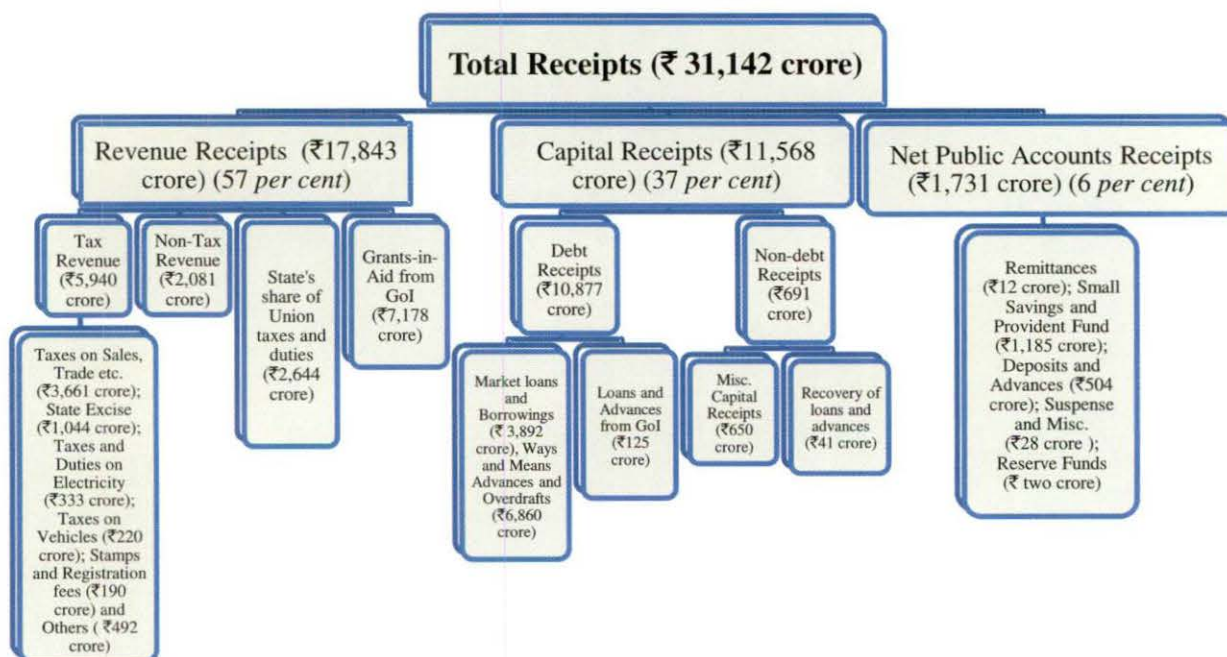
Sr. No.	Name of the Scheme	Budget estimates	Revised estimates	Actual budget received	Expenditure	Percentage of expenditure to actual budget received
1	Integrated Child Development Services	200.97	254.73	254.73	243.38	95.54
2	Installation of Liquid Nitrogen Gas plant at Sperm Station Palampur	4.00	4.21	4.30	4.21	97.91
3	Dr. Y.S. Parmar Kisan Swarozgar Yojna	20.00	13.45	13.45	13.45	100
4	Integrated Watershed Management Programme (IWMP)	17.00	-	-	59.38*	-

Source: Departmental figures

\*Expenditure incurred out of the opening balance carried from previous years

Although a budget provision of ₹ 17 crore was made in the State budget for running IWM programme but budget was not released by the Government. Besides, announcement in the budget speech to establish the PPP Cell, the Cell could not be started as of September 2015 as no budget had been provided by the State Government for the purpose.

## 1.2 Resources of the State

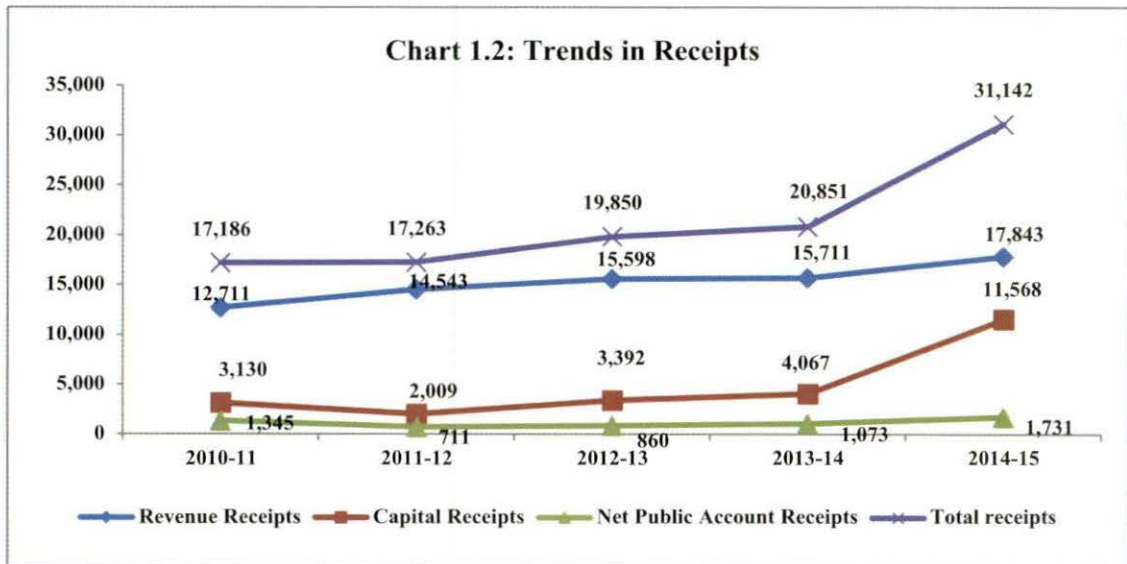


### 1.2.1 Resources of the State as per the Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the GoI. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowing from financial institutions/commercial banks) and loans and

advances from GoI. Besides, the fund available in the Public Accounts after disbursement is also utilized by the Government to finance its deficit. **Table 1.2** presents the receipts and disbursements of the State during the year 2014-15 as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2010-15. Above flowchart shows the components and sub-components of resources for the year 2014-15.

As evident from the flowchart above, revenue receipts comprise 57 per cent, capital receipts 37 per cent and net public account receipts six per cent of the total receipts of ₹ 31,142 crore during 2014-15. In revenue receipts, the share of grants-in-aid from GoI, tax revenue, State's share of union taxes and duties and non-tax revenue was 40 per cent, 33 per cent, 15 per cent and 12 per cent respectively.



The total receipts of the State Government increased by 49 per cent from ₹ 20,851 crore to ₹ 31,142 crore during 2014-15 over the previous year. The buoyancy in total receipts primarily stems from a significant increase in capital receipts driven by increased debt receipts (market loans, WMA and overdrafts) that rose by ₹ 7,501 crore (184 per cent) from ₹ 4,067 crore in 2013-14 to ₹ 11,568 crore in 2014-15.

As would be evident from Chart 1.2 above that during the period 2010-15, revenue and net public accounts receipts show a much uniform increase, while the capital receipts have increased significantly over the previous year. The share of revenue receipts in the total receipts of the State fell from 75 per cent in 2013-14 to 57 per cent in 2014-15 due to tremendous rise i.e. 184 per cent in borrowings (capital receipts).

Revenue receipts increased by 40 per cent from ₹ 12,711 crore in 2010-11 to ₹ 17,843 crore in 2014-15, whereas the capital receipts increased (270 per cent) from ₹ 3,130 crore in 2010-11 to ₹ 11,568 crore in 2014-15. Net public account receipts decreased from ₹ 1,345 crore in 2010-11 to ₹ 711 crore in 2011-12. However, the increase from 2010-11 to 2014-15 was ₹ 386 crore (29 per cent) over the five year period.



### 1.2.2 Funds transferred by the GoI directly to State Implementing Agencies outside the State Budget

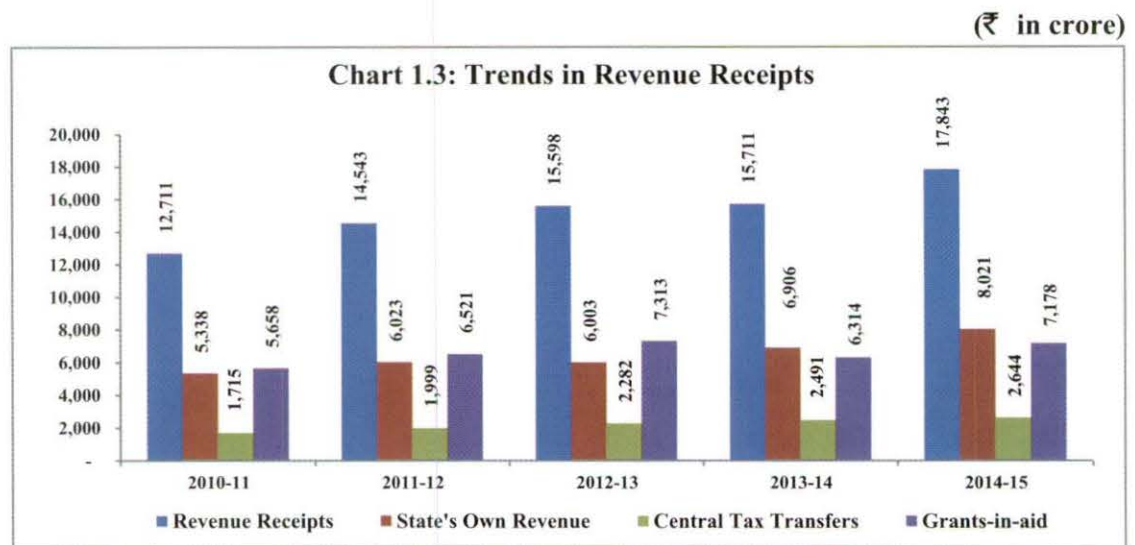
The GoI has been transferring sizeable funds directly to the State implementing agencies for implementation of various schemes/programmes in the social and economic sectors without routing through the State budget/treasury.

As per the Central Government decision to henceforth route these funds through budget, these funds decreased to ₹ 278.55 crore during 2014-15 from ₹ 1,671.30 crore in 2013-14. These funds were transferred mainly to NIT, Hamirpur (₹ 60 crore) and IIT, Mandi (₹ 51 crore), Transport Subsidy Scheme (HPSIDC) (₹ 16.24 crore) and other miscellaneous agencies (₹ 151.31 crore) (**Appendix 1.6**).

Thus, with the transfer of ₹ 278.55 crore funds during 2014-15 by GoI directly to the State implementing agencies, the total availability of the State resources increased from ₹ 39,986 crore to ₹ 40,265 crore. Still there is no single agency in the State to monitor these funds and no data readily available as to how much money has actually been spent in a particular year.

### 1.3 Revenue Receipts

Statement-14 of the Finance Accounts details the revenue receipts of the government. The revenue receipts consist of state's own tax and non-tax revenues, central tax transfers and grants-in-aid from GoI. The trends in revenue receipts over the period 2010-15 are presented in **Appendix 1.3** and also depicted in **Chart 1.3**.



- Revenue receipts steadily increased from ₹ 12,711 crore in 2010-11 to ₹ 17,843 crore in 2014-15 at an annual average growth rate of 12 per cent but during 2014-15 it recorded an increase of 14 per cent over the previous year.
- During 2014-15, 45 per cent of the Revenue receipts came from the State's own resources comprising taxes and non-taxes, the remaining 55 per cent were contributed by central transfers comprising the State's share in central taxes and duties (15 per cent) and grants-in-aid from GoI (40 per cent).

The trends in revenue receipts relative to GSDP are presented in **Table 1.5**.

**Table 1.5: Trends in Revenue Receipts relative to GSDP**

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Receipts (RR) (₹ in crore)	12,711	14,543	15,598	15,711	17,843
Rate of growth of RR ( <i>per cent</i> )	22.86	14.41	7.25	0.72	13.57
State's GSDP (in crore)	56,980	66,448	76,259	85,841	95,587
Growth rate of GSDP ( <i>percentage</i> )	18.24	16.62	14.76	12.57	11.35
R R/GSDP ( <i>per cent</i> )	22.31	21.89	20.45	18.30	18.67
<b>Buoyancy Ratios<sup>4</sup></b>					
Revenue Buoyancy w.r.t. GSDP	1.25	0.87	0.49	0.06	1.20
State's Own Taxes Buoyancy w.r.t. GSDP	2.28	0.77	0.85	0.85	1.41

- The growth rate of GSDP has declined from 18.24 *per cent* in 2010-11 to 11.35 *per cent* in 2014-15.
- The growth rate of revenue receipts consistently decreased from 22.86 *per cent* in 2010-11 to 0.72 *per cent* in 2013-14 but it showed a positive trend during the current year (2014-15) with an increase of 13.57 *per cent* over the previous year mainly due to routing the direct central transfers from GOI through budget in the year 2014-15 and increase in own resources revenue by 16.14 *per cent*.
- The revenue buoyancy with reference to GSDP which continuously decreased from 1.25 to 0.06 during 2010-14 went up to 1.20 in 2014-15 due to increase in revenue receipts and declining rate of GSDP growth.
- The State's own tax buoyancy with reference to GSDP which came down to 0.77 in 2011-12 from 2.28 in 2010-11 consistently went up to 1.41 in 2014-15.

### 1.3.1 State's Own 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 mobilization of resources was assessed in terms of its own resources comprising own tax and non-tax sources.

The State's actual tax and non-tax receipts for the year 2014-15 *vis-à-vis* assessment made by Th FC and MTFPS are given in **Table 1.6**.

**Table 1.6: Percentage variation of actual over projections/estimates**

	Th FC projections	Budget estimates/ MTFPS projection	Actual	Percentage variation of actual over	
				Th FC projections	Budget estimates/ MTFPS projection
Tax revenue	5,406	5,338	5,940	9.88	11.28
Non tax revenue	1,744	1,389	2,081	19.32	49.82

Source: Finance Department and Finance Accounts

The actual tax revenue and NTR were 9.88 and 19.32 *per cent* respectively more than the Th FC projections. Both the tax revenue and NTR were also more by 11.28 and

<sup>4</sup> Refer glossary in Appendix 4.

49.82 per cent respectively when compared to the budget estimates/MTFPS for the year 2014-15. It also indicates that MTFPS projections regarding NTRs were on lower side.

### 1.3.1.1 Tax revenue

The gross collection in respect of major taxes and duties are given in **Table 1.7**.

**Table 1.7: Components of Tax Revenue**

(₹ in crore)					
Revenue Head	2010-11	2011-12	2012-13	2013-14	2014-15
Taxes on sales, trades etc.	2,101 (41)	2,477 (18)	2,728 (10)	3,141(15)	3,661(17)
State excise	562 (12)	707 (26)	810 (15)	952 (18)	1,044(10)
Taxes on vehicles	163 (22)	176 (8)	196 (11)	208 (6)	220 (6)
Stamp duty and registration fees	133 (18)	155 (17)	173 (12)	188 (9)	190(1)
Taxes and duties on electricity	302(241)	185(-39)	262(42)	191(27)	333 (74)
Land revenue	5 (- 67)	18 (260)	24 (33)	10 (-58)	17(70)
Taxes on goods and passengers	93 (4)	94 (1)	101 (7)	105 (4)	110(5)
Other taxes	284 (44)	296 (4)	332 (12)	326 (-2)	365(12)
<b>Total</b>	<b>3,643 (42)</b>	<b>4,108 (13)</b>	<b>4,626(13)</b>	<b>5,121 (11)</b>	<b>5,940 (16)</b>

*Figures in the parenthesis indicate the percentage growth over the previous year*

Tax revenue increased by ₹ 2,297 crore (63 per cent) during 2010-15 and ₹ 819 crore (16 per cent) during 2014-15 over the previous year. All the major taxes and duties recorded increase in the tax revenue mainly under: (a) taxes on sales, trades, etc. by ₹ 520 crore (17 per cent) due to increase in tax collection under 'VAT'; (b) State excise by ₹ 92 crore (10 per cent) mainly due to receipt of free Power share from new power projects and (c) Taxes and duties on electricity by ₹ 142 crore (74 per cent).

### 1.3.1.2 Non-tax revenue

The position of non-tax revenue is given in **Table 1.8**.

**Table 1.8: Components of Non-Tax Revenue (NTR)**

(₹ in crore)					
Revenue Head	2010-11	2011-12	2012-13	2013-14	2014-15
Interest receipts	70 (-9)	115 (64)	70 (-39)	119 (70)	101(-15)
Dividends & profits	64 (- 14)	86 (34)	100 (16)	103 (3)	171(66)
Other non-tax receipts, of which-	1,561 (- 4)	1,714 (10)	1,207(- 30)	1,563 (29)	1,809(16)
Misc. General Services	2 (50)	40 (1900)	9(-78)	6(-33)	3(-50)
Education, Sports, Arts and Culture	82 (-2)	104(27)	112(8)	157(40)	161(3)
Forestry and Wild life	65 (-10)	107(65)	64(-40)	358(459)	116(-68)
Other Administrative Services	31 (82)	26(-16)	46(77)	26(-43)	36(38)
Non-ferrous mining and metallurgical Industries	114(34)	120(5)	148(23)	111(-25)	162(46)
Power	1,093(-10)	1,146(5)	637(-44)	696(9)	1,122(61)
Others	174 (9)	171(-2)	191(12)	209(9)	209 (-)
<b>Total</b>	<b>1,695 (-5)</b>	<b>1,915 (13)</b>	<b>1,377 (-28)</b>	<b>1,785 (30)</b>	<b>2,081(17)</b>

*Figures in the parenthesis indicate percentage growth/deficit over the previous year*

The NTR increased by ₹ 296 crore in (17 per cent) 2014-15 over the previous year. Other non-tax receipts showed a growth of 16 per cent in 2014-15. The increase in NTR was mainly under Power sector ₹ 426 crore (61 per cent), Non-ferrous mining and metallurgical industries ₹ 51 crore (46 per cent) and Dividend and profits ₹ 68 crore (66 per cent) which was offset by decrease in Forestry and wild life by ₹ 242 crore (68 per cent) and interest receipts by ₹ 18 crore (15 per cent).

### 1.3.1.3 Cost of collection

Expenditure on collection of taxes on Sales, trade was ₹ 2.98 crore, State excise ₹ 3.91 crore, Goods and Passengers ₹ 33.98 crore, stamp duty and registration fee ₹ 1.69 crore, Vehicles ₹ 2.97 crore and Electricity ₹ 1.82 crore during 2014-15. Percentage of expenditure to gross collection of revenue was 0.08, 0.37, 30.88, 0.89, 1.35 and 0.55 respectively. The percentage of collection charges in respect of Goods and Passenger Tax (30.88) was comparatively high than the other heads of revenue.

### 1.3.2 Grants-in-aid from GoI

The position of grants-in-aid from GoI is given in **Table 1.9**.

**Table 1.9: Grants-in-aid from GoI**

Particulars	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Non-Plan Grants	2,634	2,647	2,526	2,025	1,199
Grants for State Plan Schemes	2,680	3,342	4,179	3,765	4,333
Grants for Central Plan Schemes	1	27	28	17	31
Grants for Centrally Sponsored Plan Schemes	343	505	580	507	1,615
<b>Total</b>	<b>5,658</b>	<b>6,521</b>	<b>7,313</b>	<b>6,314</b>	<b>7,178</b>
Percentage of increase over previous year	10.36	15.25	12.15	(-)13.66	13.68
Percentage of Revenue Receipts	45	45	47	40	40

Total grants-in-aid from GoI increased from ₹ 5,658 crore to ₹ 7,313 crore during the period 2010-13 (**Table 1.9**). But it decreased by ₹ 999 crore to ₹ 6,314 crore during the year 2013-14 mainly due to decrease of ₹ 554 crore in Th FC grants and ₹ 414 crore in grants for State Plan schemes. During current year (2014-15) grants-in-aid from GoI increased by ₹ 864 crore, recording a growth of 14 per cent over the previous year. Its percentage to revenue receipts ranged between 40 and 47 per cent during the period 2010-15. Contribution of Non-plan grants, State and Central Plan Schemes and Centrally sponsored Plan schemes was 17, 60 and 23 per cent respectively to total grants from GoI during the year 2014-15.

### 1.3.3 Central tax transfers

Central tax transfers increased by ₹ 153 crore (six per cent) from ₹ 2,491 crore in 2013-14 to ₹ 2,644 crore in 2014-15 as given in **Table 1.10**.

**Table 1.10: Central tax transfers during 2013-14 and 2014-15**

(₹ in crore)

Name of Tax	Recommendation of Th FC	Actual for 2013-14	Actual for 2014-15	Variation
Corporation Tax	32 per cent of the sharable amount of Central taxes to States	837.99	923.41	85.42
Income Tax		551.79	659.41	107.62
Wealth Tax		2.30	2.50	0.20
Customs		406.54	427.66	21.12
Union Excise Duty		287.13	241.48	(-) 45.65
Service Tax		405.77	389.69	(-) 16.08
Other Taxes on Income and Expenditure		-	0.02	0.02
<b>Total</b>			<b>2,491.52</b>	<b>2,644.17</b>

#### 1.4 Capital Receipts

The trends in growth and composition of capital receipts are presented in Table 1.11.

**Table 1.11: Trends in growth and composition of capital receipts**

(₹ in crore)

Sources of State's Receipts	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Capital Receipts (CR)</b>	<b>3,130</b>	<b>2,009</b>	<b>3,392</b>	<b>4,067</b>	<b>11,568</b>
<b>Rate of growth of CR (per cent)</b>	20.99	(-) 35.81	68.84	19.89	184.44
<b>Miscellaneous Capital Receipts</b>	646	-	-	-	650
<b>Recovery of Loans and Advances</b>	73	25	21	17	41
<b>Rate of growth of non-debt capital receipts (Loans and Advances only)</b>	114.71	(-) 65.75	(-) 16.00	(-) 19.05	141.18
<b>Public Debt Receipts</b>	2,411	1,984	3,371	4,050	10,877
<b>Rate of growth of debt capital receipts</b>	(-) 5.56	(-) 17.71	69.91	20.14	168.57

Above table shows that capital receipts increased from ₹ 3,130 crore in 2010-11 to ₹ 11,568 crore in 2014-15. During 2014-15, capital receipts recorded an increase of ₹ 7,501 crore over the previous year (2013-14) with growth rate of 184 per cent. Recovery of loans and advances increased by ₹ 24 crore whereas public debt capital receipts increased by ₹ 6,827 crore (168.57 per cent) during 2014-15. The details of sources of capital receipts are discussed in following paragraphs:

##### 1.4.1 Proceeds from disinvestment

During 2014-15 miscellaneous capital receipts of ₹ 650 crore were received from net proceeds from capital disinvestment.

##### 1.4.2 Recoveries of loans and advances

The State Government had provided loans and advances to various institutions/organizations such as HP Agro Industries Corporation, HP SC/ST Corporation, HP Power Transmission Corporation, HP State Financial Corporations, etc. As on 31 March 2015, the total outstanding loans and advances amounted to ₹ 2,346 crore. Against this, the State Government recovered only ₹ 41 crore during 2014-15 and ₹ 17 crore during 2013-14. Besides, during 2014-15, ₹ 65 crore was

received as interest on loans and advances. Further, the detailed position of loans and advances has been discussed in Paragraph 1.8.3.

#### 1.4.3 Debt receipts from internal sources

Debt receipts from internal sources i.e. market loans/borrowings from different financial institutions and banks over the period 2010-11 to 2014-15 continued to be a source of receipts of the State Government. As it is evident from the **Table 1.12**, an amount of ₹ 10,752 crore was received as internal debt which was ₹ 6,761 crore (169 per cent) more than the previous year. Against this ₹ 8,193 crore was repaid for debt obligations.

**Table 1.12: Details of debt receipts from internal sources**

	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Market Loans	645(27)	1,325 (70)	2,359 (73)	2,367 (59)	2,345 (22)
Special Securities issued to National small Savings fund of the Central Government (NSSF)	761 (32)	279(14)	471(15)	617(15)	1,102 (10)
Ways and means advances (including overdrafts) (WMA including OD)	-	-	-	629(16)	6,860 (64)
Loans from National Bank for Agricultural and Rural Development (NABARD)	300(13)	300(16)	400(12)	350(9)	400(4)
Loans from Other Financial Institutions	666(28)	--	9 (--)	28(1)	45(--)
<b>Internal Debt Receipts</b>	<b>2,372</b>	<b>1,904</b>	<b>3,239</b>	<b>3991</b>	<b>10,752</b>
<b>Internal Debt Repayment</b>	<b>808</b>	<b>1,034</b>	<b>2,056</b>	<b>1,639</b>	<b>8,193</b>

Figures in brackets indicate the percentage of internal debt receipts

The major components of internal debt over the last five years were market loans, NSSF and NABARD. In 2014-15, the loans from NSSF increased by ₹ 485 crore (79 per cent) over the previous year. The massive rise in internal debt receipt was caused by a sharp increase in WMA and OD taken during the year. Borrowings through WMA and OD was ₹ 629 crore in 2013-14, it shot up by more than 10 times to ₹ 6,860 crore in 2014-15.

#### 1.4.4 Loans and advances from GoI

The position of loans and advances by GoI to State Government for the last five years is given in the **Table 1.13**.

**Table 1.13: Position of Loans and advances from GoI**

	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Opening Balance	984	961	947	1,018	1,012
Addition during the year	39	80	132	59	125
Discharge during the year	62	94	61	65	67
Closing Balance	<b>961</b>	<b>947</b>	<b>1,018</b>	<b>1,012</b>	<b>1,070</b>
Percentage of total expenditure	<b>6</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>5</b>

During the year 2014-15, GoI provided ₹ 125.31 crore as loans and advances for State plan schemes.

## 1.5 Public Account Receipts

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. Here the government acts as a banker. The balance after disbursements is the fund available with the government for use. The trends in public account receipts and disbursements during the year 2013-14 and 2014-15 are given in **Table 1.14**.

**Table 1.14: Trends in Public Accounts Receipts and Disbursements during 2013-14 and 2014-15**  
(₹ in crore)

Resources under various heads	Public Account Receipts		Public Account Disbursements		Excess of Receipts over Disbursements	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Small Savings, Provident Fund etc.	2,772	3,153	1,886	1,968	886	1,185
Reserve fund	153	161	151	159	02	02
Deposits and Advances	1,973	2,222	1,766	1,718	207	504
Suspense and Miscellaneous	499	487	498	459	01	28
Remittances	4,903	4552	4,926	4,540	(-)23	12
<b>Total</b>	<b>10,300</b>	<b>10,575</b>	<b>9,227</b>	<b>8,844</b>	<b>1,073</b>	<b>1,731</b>

*Net Public Account Receipts=Public Account Receipts-Public Account Disbursements*

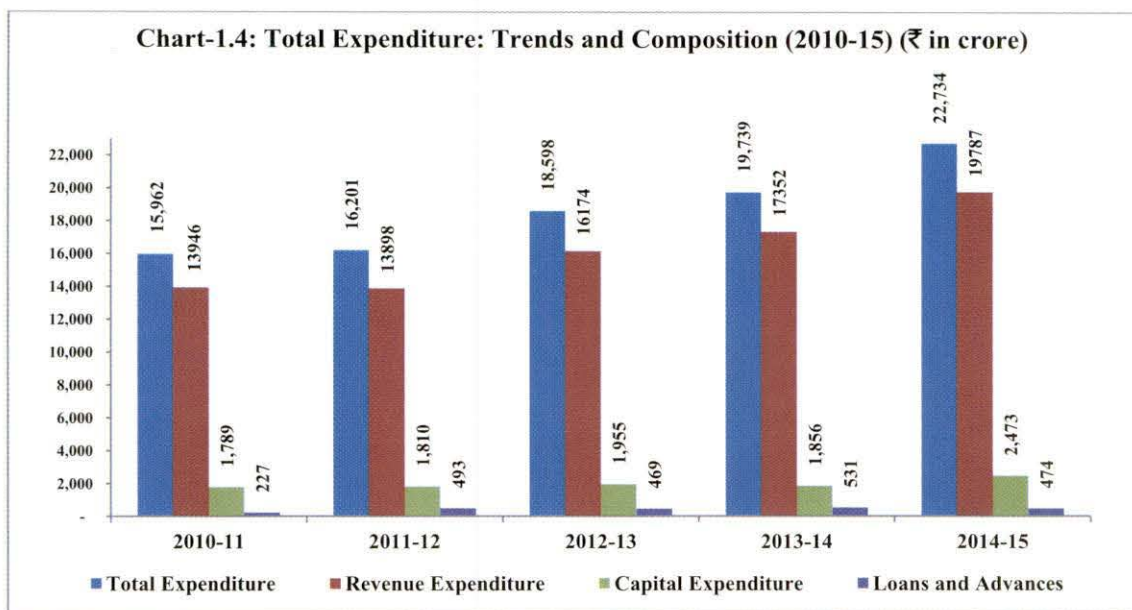
As is evident from the above table net public account receipts (excess of receipts over disbursements) increased by ₹ 658 crore from ₹ 1,073 crore in 2013-14 to ₹ 1,731 crore in 2014-15. Net public account receipts under Small Savings, Provident Fund, etc., increased by ₹ 299 crore in 2014-15 over the previous year whereas the deposits and advances increased by ₹ 297 crore during this period.

## 1.6 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially the expenditure directed towards development of social sector.

### 1.6.1 Growth and Composition of Expenditure

**Chart 1.4** presents the trends and composition of total expenditure over the last five years (2010-15) and **Chart 1.5**, **Chart 1.6** depicts its composition both in terms of 'economic classification' and 'expenditure by activities' respectively.



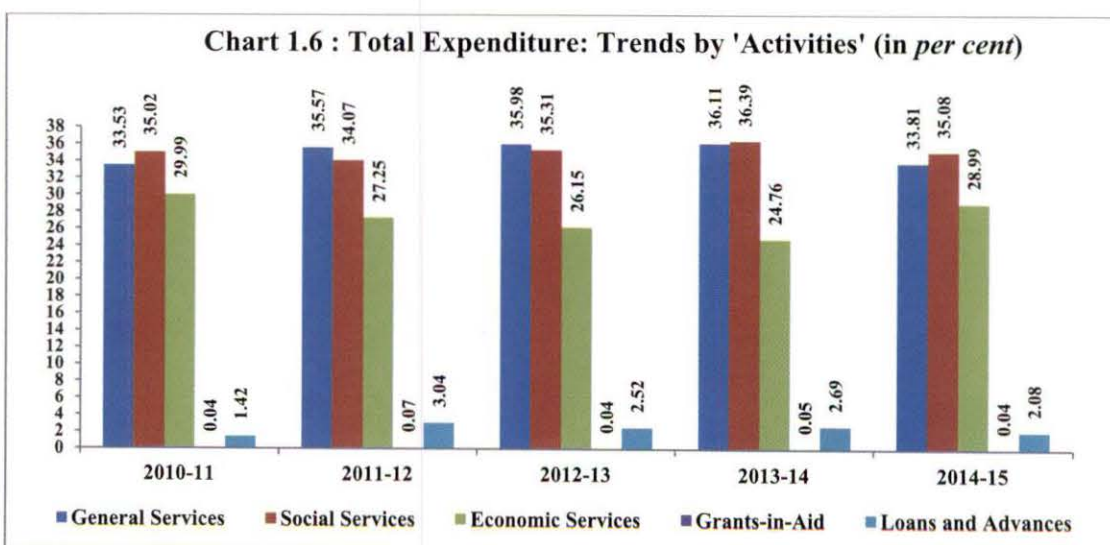
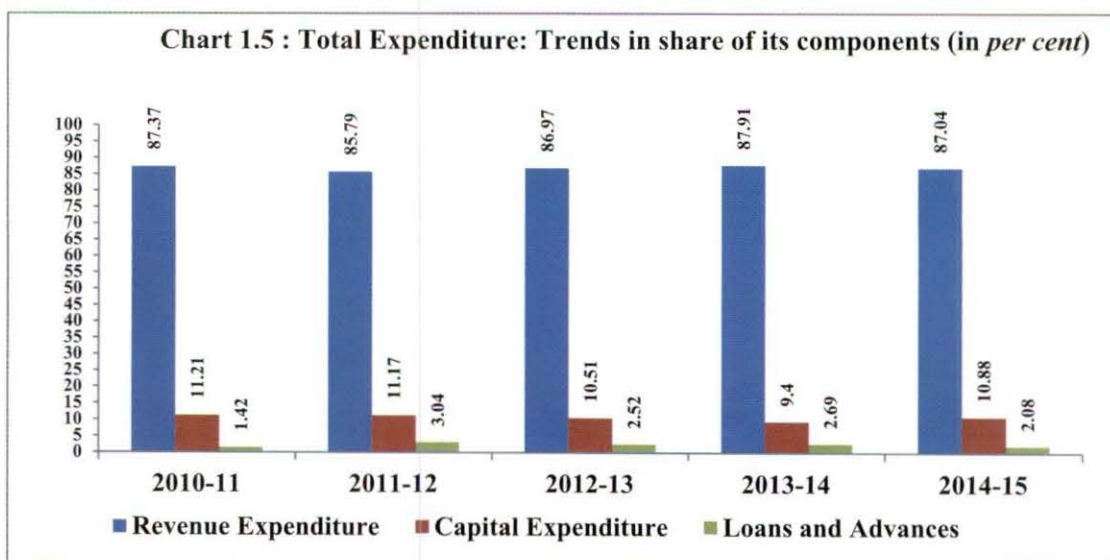
- **Total Expenditure (TE)** of the State increased from ₹ 15,962 crore in 2010-11 to ₹ 22,734 crore in 2014-15 at an annual average rate of 12 *per cent*. The increase during the current year was ₹ 2,995 crore (15 *per cent*) over the previous year. The increase in total expenditure was the effect of increase in revenue expenditure by ₹ 2,435 crore and capital expenditure by ₹ 617 crore, whereas loans and advances decreased by ₹ 57 crore.
- **Revenue Expenditure (RE):** The revenue expenditure increased by ₹ 2,435 (14.03 *per cent*) crore in 2013-14 to ₹ 19,787 crore in 2014-15. The revenue expenditure continued to constitute a dominant proportion (86 to 88 *per cent*) of total expenditure during the years 2010-15 and increased at an annual average rate of 12 *per cent*. During 2014-15, it constituted 87 *per cent* in total expenditure. The increase in expenditure was mainly on General Services, Social Services and Economic Services by ₹ 557 crore (eight *per cent*), ₹ 745 crore (11 *per cent*) and ₹ 1,133 crore (32 *per cent*) respectively. The overall increase is the result of prominent increase under the heads General Education (₹ 526 crore), Interest payments (₹ 368 crore), Health and Family Welfare (₹ 236 crore).

The Plan Revenue Expenditure increased by ₹ 817 crore (34 *per cent*) in 2014-15 as compared to the previous year and contributed just 11 to 16 *per cent* of the total revenue expenditure. The NPRE increased by ₹ 1,618 crore (11 *per cent*) in 2014-15 as compared to the previous year and constituted a dominant share of 83 to 88 *per cent* during the period 2010-15. The NPRE consumed a dominant proportion (Appendix-1.3) of Revenue Receipts i.e. ranged between 84 to 97 *per cent* during 2010-15. It constituted 93 *per cent* in 2014-15 indicating that on an average 92 *per cent* of the revenue receipts were used to meet the NPRE. The NPRE also exceeded the normative assessment made by the Th FC (₹ 10,621 crore) by 56 *per cent*.



State's revenue receipts stood at 18.67 per cent whereas the revenue expenditure at 20.70 per cent to GSDP during the current year. The State had revenue deficit of ₹ 1,944 crore which was 2.03 per cent of GSDP during the current year.

- **Capital Expenditure (CE):** Capital expenditure increased by ₹ 166 crore from ₹ 1,789 crore to ₹ 1,955 crore during 2010-13 but decreased by ₹ 99 crore in 2013-14 to ₹ 1,856 crore. During current year, it increased by ₹ 617 crore (33 per cent) to ₹ 2,473 crore. Education, Sports, Arts and Culture (₹ 131 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 310 crore) under Social Services, Power Projects (₹ 308 crore), Irrigation and Flood control (₹ 506 crore) and Transport (₹ 893 crore) under economic services were the major beneficiary sectors where capital expenditure had been made during 2014-15. The share of capital expenditure to total expenditure has increased from 9.40 per cent in 2013-14 to 10.88 per cent in 2014-15.
- **Loans and Advances:** constituted ₹ 474 crore (two per cent) of the total expenditure in 2014-15 which decreased by ₹ 57 crore over the previous year.



The movement of relative share of these components of expenditure indicated that major components of expenditure had inter-year variations. Expenditure on General Services (including interest payments) which is considered as non-developmental increased from 33.53 per cent in 2010-11 to 36.11 per cent in 2013-14 but decreased to 33.81 per cent in 2014-15. The expenditure under General Services was mainly on account of Interest Payments (37 per cent) and Pension and Other Retirement Benefits (38 per cent). On the other hand, developmental expenditure<sup>5</sup> i.e. on Social and Economic Services together accounted for 64.07 per cent in 2014-15 against 61.15 per cent during 2013-14.

### 1.6.2 Committed Expenditure

The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages, pensions and subsidies. As evident from **Table 1.15**, there is a consistent rise in committed expenditure of the State. The increase in committed expenditure was ₹ 1,634 crore (12 per cent) during 2014-15 over the previous year. It consistently constituted a dominant share of 75, 79, 80, 77 and 76 per cent of revenue expenditure respectively during 2010-15. **Chart 1.7** presents the trends in the expenditure on these components during 2010-15.

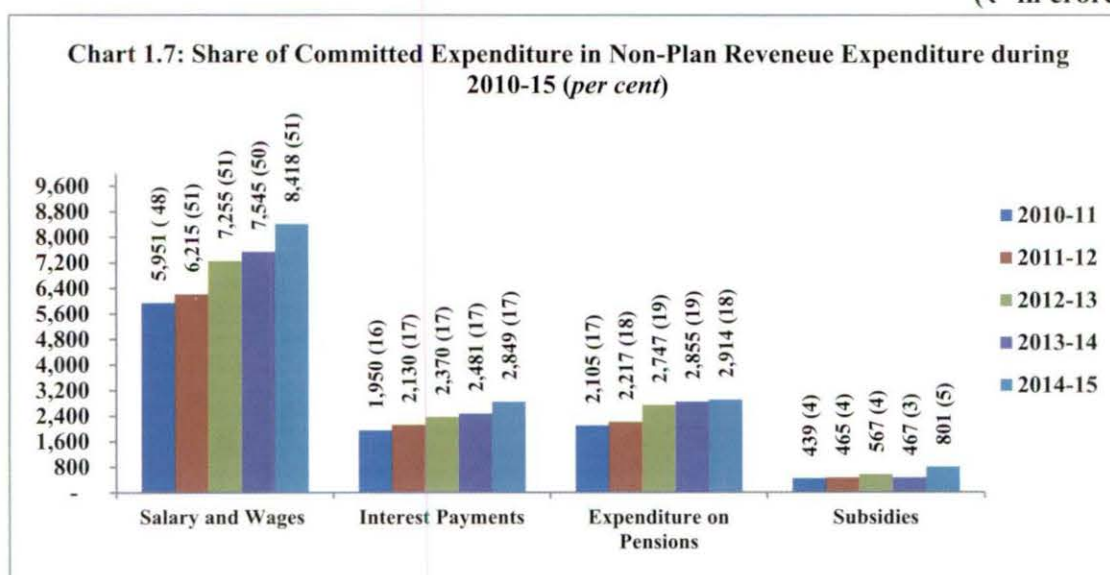
**Table 1.15: Components of Committed Expenditure**

(₹ in crore)					
Components of Committed Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15
Salaries and Wages, of which	5,951 (47)	6,215 (43)	7,255 (47)	7,545 (48)	8,418* (47)
Non-Plan Head	5,784	5,981	6,999	7,289	8,159
Plan Head	167	234	256	256	259
Interest Payments	1,950 (15)	2,130 (15)	2,370 (15)	2,481 (16)	2,849 (16)
Pensions	2,105 (17)	2,217 (15)	2,747 (18)	2,855 (18)	2,914 (16)
Subsidies	439 (4)	465 (3)	567 (4)	467 (3)	801 (4)
<b>Total</b>	<b>10,445</b>	<b>11,027</b>	<b>12,939</b>	<b>13,348</b>	<b>14,982</b>
<b>Percentage to RE</b>	<b>75</b>	<b>79</b>	<b>80</b>	<b>77</b>	<b>76</b>

\* Salary: ₹ 8,195 crore; wages: ₹ 223 crore  
 Figures in brackets indicate per cent to Revenue Receipts

<sup>5</sup> Refer Glossary in Appendix 4.

(₹ in crore)



### Salaries and Wages

The expenditure on salaries and wages was more than 47 per cent of revenue receipts of the State during 2014-15. The salary expenditure exceeded by ₹ 548 crore (seven per cent) from the projections made in Medium Term Fiscal Plan Statement (MTFPs) (₹ 7,647 crore), requiring attention of the State Government.

### Pension Payments

The expenditure on pension payments increased from ₹ 2,105 crore in 2010-11 to ₹ 2,914 crore in 2014-15 and by ₹ 59 crore (two per cent) during the current year over the previous year. Salary and pension payments together accounted for 64 per cent of the revenue receipts. The actual expenditure on pension payments for the current year exceeded the projections made in the Th FC (₹ 2,116 crore) by ₹ 798 crore (38 per cent).

### Interest Payments

The interest payments increased by 46 per cent from ₹ 1,950 crore in 2010-11 to ₹ 2,849 crore in 2014-15 and increased by ₹ 368 crore (15 per cent) during 2014-15 over the previous year. Interest payments exceeded the normative assessment made by the Th FC (₹ 2,378 crore) and from the projections made by State Government in MTFPS (₹ 2,750 crore) for the current year by 20 and four per cent respectively. It was noticed in audit that increased outgo on account of interest payments was on account of increased commercial borrowing as detailed in para 1.9.2.

### Subsidies

The State Government has been paying subsidies to various institutions/bodies/corporations, etc. The subsidies increased by 29 per cent from ₹ 439 crore in 2010-11 to ₹ 567 crore in 2012-13 and decreased by ₹ 100 crore during 2013-14. Subsidies increased by ₹ 334 crore during 2014-15 and constituted about four per cent of the revenue receipts. The major components of subsidies were Horticulture (₹ 70 crore); Transport (₹ 135 crore) and Energy (₹ 330 crore).

**1.6.3 Financial Assistance to Local bodies and other institutions**

The detailed position of grants-in-aid released to various institutions during the period 2010-11 to 2014-15 by the State Government is given in **Table 1.16**.

**Table 1.16: Detail of Grants-in-aid released to Local Bodies and other institutions**

(₹ in crore)						
Sr. No.	Name of Institution	2010-11	2011-12	2012-13	2013-14	2014-15
1.	Universities and Educational Institutions	311.25 (35)	314.89 (1)	405.62 (29)	451.55 (11)	601.03(33)
2.	Municipal Corporations and Municipalities	92.26 (-20)	122.94 (33)	174.09 (42)	282.33 (62)	211.65 (-25)
3.	Panchayati Raj Institutions	256.28 (18)	263.95(3)	282.09 (7)	353.54 (25)	810.37(129)
4.	Development Agencies	52.14 (7)	46.72(-10)	38.72 (-17)	65.96 (70)	63.52(-4)
5.	Hospitals and other Charitable Institutions	48.11 (17)	69.70 (45)	87.77 (26)	94.63 (8)	216.24 (129)
6.	Other Institutions	89.35 (41)	162.89 (82)	214.82 (32)	189.87 (-12)	253.37 (33)
	<b>Total</b>	<b>849.39 (18)</b>	<b>981.09 (16)</b>	<b>1,203.11 (23)</b>	<b>1,437.88 (20)</b>	<b>2,156.18 (50)</b>
	Assistance as percentage of Revenue Expenditure	6.09	7.06	7.43	8.28	10.90

Source: Figures compiled by Accountant General (Accounts & Entitlement) office  
Figures in brackets indicate the percent increase/decrease over previous year

The grants extended to local bodies and other institutions consistently showed an increasing trend over the period 2010-15. It increased by ₹ 718.30 crore (49.96 per cent) during current year (2014-15) over the previous year. The increase in grants-in-aid during 2014-15 was mainly due to release of more grant to Panchayati Raj Institutions (₹ 456.83 crore) (129 per cent), Universities and Educational Institutions (₹ 149.48 crore) (33 per cent) and Hospitals and other Charitable Institutions (₹ 121.61 crore) (129 per cent).

**Fund flow: Source, custody and application of funds in ULBs and PRIs**

The resource base consists of grants from State Finance Commission (SFC), Central Finance Commission (CFC), State and Central Governments for maintenance/development purposes and implementation of schemes. The funds allotted through different resources are kept in banks. It was noticed that all funds transferred to the ULBs and PRIs have been shown as expenditure without being its actual utilization by the implementing agencies. The exact figures of expenditure incurred by these bodies were not available with the Department.

During 2014-15, ULBs received funds/grants of ₹ 221.11 crore from different resources and all these funds transferred by the Directorate of Urban Development Department of State Government to ULBs have been shown as expenditure. Similarly, out of ₹ 840.05 crore received by PRIs, ₹ 809.63 crore were released to the executing agencies have also been shown as expenditure.

During the year 14 ULBs and 100 PRIs out of total 50 ULBs and 3,332 PRIs respectively were covered in audit. Following systematic deficiencies were noticed in

Audit of ULBs and PRIs conducted during 2014-15:

**(a) Non-preparation of bank reconciliation statements**

ULBs and PRIs Rules provide that the general cash book shall each day be checked item wise and closed and signed by the competent authority. The reconciliation of any difference between the balances of cash book and bank pass book is required to be conducted every month.

Scrutiny of records revealed that an amount of ₹ 9.35 crore (ULBs: ₹ 1.54 crore and PRIs: ₹ 7.81 crore) remained un-reconciled at the close of the year 2013-14 as on January-March 2015. Thus, the authenticity of accounts of these ULBs and PRIs could not be ascertained in the absence of reconciliation with the bank statements. The concerned ULBs and PRIs stated that the differences would be reconciled shortly. The replies were not acceptable as provisions of the Rules should have been strictly complied with.

**(b) Non-maintenance of registers**

Rule 31 of HPPR Rules, 2002 stipulates that every PRI shall maintain important records, registers, forms, etc., as detailed in Rule 34 of HPPR (General) Rules 1997.

It was observed that in 35 GPs test-checked during 2014-15, important registers like stock register, immovable property register, work register, muster roll register were not being maintained. Due to non-maintenance of the records, correctness of financial transactions could not be ascertained. The Panchayat Secretaries concerned admitted the facts (June 2014-March 2015) and assured to maintain these records in future. The fact, however, remained that there was absence of proper check over maintenance of accounts by the PRIs concerned.

**(c) Non-conducting of physical verification of assets**

Under rule 73(i) of HPPR Rules, 2002, a physical verification of all stores shall be made by the Pradhan in the case of Gram Panchayat and by the Secretary concerned in case of Panchayat Samiti or a Zila Parishad, as the case may be, at least once in six months and invariably in April every year. The result of the verification shall be recorded in writing. During the verification in April, the condition of each article shall be indicated against it in the stock register.

Scrutiny of records of 16 PRIs (one ZP, two PSs, 13 GPs) revealed that physical verification of store/ stock had not been carried out. In absence of which it could not be ascertained whether all the articles entered in the stock register were physically exists or not. In reply, the Executive Officers/ Secretaries of PRIs concerned stated (June 2014-March 2015) that physical verification of stores/ stock would be conducted shortly.

**(d) Non-realisation of Revenue amounting to ₹ 7.57 crore**

Scrutiny of records revealed that an amount of ₹ 7.57 crore (ULBs: ₹ 7.12 crore and PRIs: ₹ 0.45 crore) were outstanding/un-realised on account of house tax: ₹ 4.98 crore (ULBs: ₹ 4.79 crore and PRIs: ₹ 0.19 crore) for the period 2013-14; rent

of shops: ₹ 2.05 crore (ULBs: ₹ 1.86 crore and PRIs: ₹ 0.19 crore) for the period 2005-06 to 2014-15; charges of installation/renewal of mobile towers: ₹ 0.25 crore (ULBs: ₹ 0.18 crore and PRIs: ₹ 0.07 crore), non-recovery of electricity cess: ULBs: ₹ 0.29 crore from HPSEB between 2012-14. This indicated that the process of revenue collection had not been given due attention by the ULBs and PRIs and will affect their functioning adversely and would make them more dependent on State finances. The concerned ULBs and PRIs stated that necessary steps/efforts would be made to realise the outstanding revenue. The replies were not convincing as necessary action should have been taken in time to realise the revenue.

## 1.7 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects *viz.*, adequacy of expenditure (i.e. adequate provisions for providing public services), efficiency of expenditure use and its effectiveness (assessment of outlay-outcome relationships for selected services).

### 1.7.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to social sector and economic infrastructure, assigned to the State Governments, are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure category to aggregate expenditure) can be stated to have been attached to a particular sector if the priority given to that particular head of expenditure is below the Special Category States' average for that year.

**Table 1.17(A)** analyses the fiscal priorities of the State Government with regard to development expenditure (DE), social sector expenditure (SSE) and capital expenditure (CE) relative to Special Category States in 2011-12 and the current year 2014-15.

**Table-1.17(A): Fiscal Priority of the State during 2011-12 and 2014-15**

Fiscal Priority by the State	AE/GSDP	DE <sup>#</sup> /AE	SSE/AE	ESE/AE	CE/AE	Education/AE	Health/AE
Special Category States' Average (Ratio) 2011-12	26.39	61.26	37.02	28.37	14.02	18.86	5.40
Himachal Pradesh's Average (Ratio) 2011-12	24.38	64.32	34.10	30.21	11.17	19.10	5.10
Special Category States' Average (Ratio) 2014-15	NA	63.51	38.14	28.89	14.22	19.31	5.49
Himachal Pradesh's Average (Ratio) 2014-15	23.78	66.15	35.08	31.07	10.88	18.81	5.71

*AE: Aggregate Expenditure; DE: Development Expenditure; SSE: Social Sector Expenditure; ESE: Economic Sector Expenditure*  
<sup>#</sup> Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.  
 Source: Based on 9 Special Category States as Assam, Himachal Pradesh, Manipur, Meghalaya, Nagaland, Mizoram, Sikkim, Tripura and Uttarakhand out of 11 SCs.

Fiscal priority refers to the priority given to a particular category of expenditure by the

State. A comparative study of expenditure in 2014-15 with that in 2011-12 showed the following:

- The Government's aggregate expenditure as a proportion of GSDP is 23.78 in 2014-15 in comparison to 24.38 in 2011-12 which is slightly lower by 0.6 per cent.
- Development expenditure consists of both economic and social sector expenditure. Development expenditure (DE) as a percentage of aggregate expenditure (AE) is 66.15 in Himachal Pradesh, which is higher than the SCS of 63.51, which is desirable.
- The Social Sector expenditure as a proportion of aggregate expenditure in the State was lower than that of SCS by 2.92 and 3.06 per cent in 2011-12 and 2014-15 respectively.
- The ratio under health sector was below the average of SCS during 2011-12 but slightly high in 2014-15.
- Priority has not been given by the State Government to capital expenditure as the percentage ratio of capital expenditure to aggregate expenditure is 11.17 in 2011-12 and 10.88 in 2014-15, which is lower than the average ratio of Special Category States 14.02 in 2011-12 and 14.22 in 2014-15.

### **1.7.2 Efficiency of expenditure use and its effectiveness**

As per **Table 1.17(B)**, salary and wages increased by ₹ 575 crore (13 per cent) and ₹ 163 crore (nine per cent) in social services and economic services respectively during the current year 2014-15 as compared to previous year whereas operation and maintenance expenditure increased by ₹ 159 crore (27 per cent) in social services and increased by ₹ 107 crore (10 per cent) in economic services. The ratio of capital expenditure to total expenditure in social services and economic services was 0.02 and 0.08 respectively during the period 2014-15 which is a matter of concern.

**Table 1.17(B): Expenditure incurred in various sectors**

(₹ in crore)

Year	Total Expenditure	Sector	Revenue Expenditure	Capital Expenditure	Ratio of Capital expenditure to Total expenditure	Revenue expenditure	
						Salaries & wages	Operation and maintenance
2013-14	19,739	Social Services	6,706	478	0.02	4,307	585
		Economic services	3,590	1,297	0.07	1,843	1,059
2014-15	22,734	Social Services	7,451	522	0.02	4,882	744
		Economic Services	4,723	1,868	0.08	2,006	1,166

Source: Voucher level computerization system from Accountant General (A&E) HP

### **1.8 Financial analysis of Government expenditure and investments**

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the government during the current year *vis-à-vis* previous years.

**1.8.1 Incomplete projects**

The department-wise information pertaining to incomplete projects as on 31 March 2015 is given in **Table 1.18**. Only those projects where the scheduled date of completion is already over as of 31 March 2015 have been included under incomplete projects.

**Table 1.18: Department-wise Profile of Incomplete Projects**

(₹ in crore)				
Department	Number of incomplete projects	Initial budgeted cost	Revised total cost of projects	Total expenditure as on 31 March 2015
Irrigation and Public Health	10	58.84	76.18	83.05
Building and Roads (Public Works)	03	62.03	--	58.22
<b>Total</b>	<b>13</b>	<b>120.87</b>		<b>141.27</b>

Source: Finance Accounts

In respect of the incomplete projects, revised costs of only seven projects of Irrigation and Public Health department were available where the cost overrun was to the tune of ₹ 41.61 crore. These projects were to be completed between July 2005 and March 2015. An analysis of the delays showed time overruns ranging upto 10 years. An analysis of physical progress of works showed that the work was completed between 75 per cent and 99 per cent in respect of eight schemes. In respect of remaining except two IPH schemes<sup>6</sup> which were to be completed by March, 2012 but only 38 and 43 per cent work had been completed at the end of year 2014-15.

**1.8.2 Investment and returns**

The Government as on 31 March 2015 had invested ₹ 2,732 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operative Societies (**Table 1.19(a)**). The average return on investment was 3.81 per cent while the government paid an average rate of interest as 7.86 per cent on its borrowings during 2010-15.

**Table 1.19(a): Return on Investment**

(₹ in crore)						
Investment/ Return/ cost of Borrowing	2010-11	2011-12	2012-13	2013-14	2014-15	Average 2010-15
Investment at the end of the year	2,864	2,448	2,767	3,025	2,732	--
Return (Dividend/interest)	64.11	85.65	100.09	103.42	171.00	--
Return (per cent)	2.24	3.50	3.62	3.42	6.26	3.81
Average rate of interest on government borrowings (per cent)	7.78	7.80	8.08	7.71	7.91	7.86
Difference between interest rate and return (per cent)	5.54	4.30	4.46	4.29	1.65	4.05

Source: Finance Accounts

While the Government investments decreased by 9.69 per cent in 2014-15 over the previous year 2013-14, the return from investments showed consistent increase during the period 2010-15 from ₹ 64.11 crore in 2010-11 to ₹ 171 crore in 2014-15. The main contributor was Satluj Jal Vidyut Nigam, which consistently contributed about 99 per cent over the last five years (2010-15) period. The major recipients amongst

<sup>6</sup> Sewerage scheme, Mehatpur and Santokhgarh



Government Companies, which had accumulated losses as per latest finalised accounts, were Himachal Pradesh State Electricity Board Limited (₹ 1,738.63 crore), Himachal Road Transport Corporation (₹ 847.67 crore), Himachal Pradesh Financial Corporation (₹ 145 crore), Himachal Pradesh Agro-Industrial Packaging India Limited (₹ 78.23 crore), Himachal Pradesh Horticulture Produce Marketing and Processing Corporation Limited (₹ 70.36 crore) Himachal Pradesh State Forest Corporation Limited (₹ 44.94 crore).

### 1.8.2.1 Investment in Public Sector Undertakings

#### Investment in State Public Sector Undertakings (SPSUs)

The State Government had formulated (August 1982) a dividend policy under which all PSUs are required to pay a minimum return of three *per cent* on the paid up share capital contributed by the State Government. The Council of Ministers in its meeting held on 8 April 2011 decided that the entire profit making PSUs (except those in welfare and utility sector) may pay a return at the rate of 5 *per cent* on government equity subject to a ceiling of 50 *per cent* of profit after tax from financial year 2009-10 onwards. This amount was to be deposited with government treasury latest by end June of the succeeding year and prescribed that return determined was to be payable by all profit making PSUs in future also. As on 31 March 2014, the paid up share capital of the State Government in 21 PSUs (including 619-B companies) was ₹ 1,897.86 crore.

Table 1.19(b): Investment in SPSUs in paid up share Capital

Nature of investment	Government companies		Statutory corporations (Numbers)	Grand Total (Numbers)
	Working companies (Numbers)	Non-working companies (Numbers)		
Paid up share capital	1,262.23 (17)	16.75 (2) <sup>7</sup>	618.88 (2)	1,897.86 (21)

As per latest finalized accounts up to 31 May 2015, seven companies earned profit of ₹ 14.30 crore and 12 companies incurred loss of ₹ 480.48 crore. One<sup>8</sup> working Government company has not prepared its profit and loss accounts whereas in respect of one working Government company viz. Himachal Pradesh Road and Other Infrastructure Development Corporation Limited, excess of expenditure over income was reimbursable by the State Government. Out of seven profit earning companies, four companies<sup>9</sup> were not required to pay return on equity as these were welfare and utility sector companies, two companies<sup>10</sup> (paid up share capital: ₹ 10.76 crore) did not pay any return/dividend and only one company (Himachal Pradesh State Civil Supplies Corporation Limited) paid dividend of ₹ 0.35 crore at the rate of 10 *per cent* of equity of ₹ 3.51 crore to the State Government.

Thus, on the equity of ₹ 1,897.86 crore invested by the State Government in PSUs as on 31 March 2014, it earned only a return of ₹ 0.35 crore which was 0.02 *per cent* of

<sup>7</sup> Out of two (Agro Packaging India Limited and Himachal Worsteds Mills Limited), one Company viz. Himachal Worsteds Mills Limited was under liquidation.

<sup>8</sup> Beas Valley Power Corporation Limited

<sup>9</sup> Himachal Backward Classes Finance and Development Corporation, Himachal Pradesh Mahila Vikas Nigam, Himachal Pradesh State Handicrafts and Handloom Corporation Limited and Himachal Pradesh Power Transmission Corporation Limited

<sup>10</sup> Himachal Pradesh State Electronics Development Corporation Limited and Himachal Pradesh General Industries Corporation Limited

total paid up share capital of ₹ 1,897.86 crore as per latest finalized accounts upto May 2015.

### 1.8.2.2 Investment in Public Private Partnership projects

Public Private Partnership (PPP) projects offer a unique and innovative method of involving the private sector in the nation building activity and in accelerating the delivery of public goods and services of high quality through joint enterprises. As of March 2015, out of 16 PPP projects undertaken, seven PPP projects had been completed and under operation and nine projects were awarded and under implementation as detailed in **Appendix 1.7**.

### 1.8.3 Loans and advances by State Government

In addition to investments in co-operative societies, corporations and companies, the State Government has also been providing loans and advances to institutions/ organizations working in areas such as Education, Sports, Art and Culture, Animal Husbandry, etc. The details of outstanding loans and advances as on 31 March 2015, interest receipts *vis-à-vis* interest payments during the last five years is given in **Table 1.20**.

**Table 1.20: Average interest received on loans advanced by the State Government**

(₹ in crore)

Quantum of loans/interest receipts/ cost of borrowings	2010-11	2011-12	2012-13	2013-14	2014-15
Opening Balance	329	483	951	1,399	1,913
Amount advanced during the year	227	493	469	531	474
Amount repaid during the year	73	25	21	17	41
<b>Closing Balance</b>	<b>483</b>	<b>951</b>	<b>1,399</b>	<b>1,913</b>	<b>2,346</b>
Net addition	154	468	448	514	433
Interest Receipts	11	21	14	15	65
Interest receipts as <i>per cent</i> to outstanding loans and advances	2.28	2.21	1.19	0.78	2.77
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the previous year	8.22	8.06	8.39	8.15	8.41
Difference between average rate of interest received and interest paid ( <i>per cent</i> )	(-) 5.94	(-) 5.85	(-) 7.20	(-) 7.37	(-) 5.64

Source: Finance Accounts

Total amount of outstanding loans and advances as on 31 March 2015 was ₹ 2,346 crore. Against ₹ 474 crore advanced, only ₹ 41 crore was repaid during the current year but recording an increase of ₹ 24 crore over the previous year. As compared to previous year, Government advanced ₹ 57 crore (11 *per cent*) less to institutions/organizations during 2014-15. Major recipients of loans during 2014-15 were power sector companies (₹ 404.11 crore). There was a huge variation in the average rate of interest being paid by the Government on borrowings *vis-à-vis* the percentage of interest received on outstanding loans and advances. The shortfall during 2012-13 was 7.20 *per cent* which increased to 7.37 *per cent* in 2013-14, during the current year it reduced by 1.73 *per cent* points and stood at 5.64. During 2014-15, the government received 2.77 *per cent* return of interest receipts as percentage to outstanding loans. It, however, paid an average 8.41 *per cent* interest on borrowings during this period.

The position of loans and advances made during the year 2014-15 is given in Table 1.21.

**Table 1.21: Loans and Advances**

(₹ in crore)

Loanee-Entity	Number of Loans	Total Amount of loans	Terms and conditions	
			Rate of Interest	Moratorium period, if any
HP Private Institutional regulatory Commission	1	2.00	Interest free	--
Credit Corporation (ICDP)	2	20.29	12.5 per cent	3 Years
HP State Co-operative Marketing and Consumer Federation	1	24.00	12.5 per cent	--
HP Power Corporation Ltd.	17	304.36	10 per cent	5 Years
HP Power Transmission Corporation Ltd.	10	99.75	10 per cent	5 Years
HP State Financial Corporation	3	16.53	--	--
Government Servants	--	7.27	--	--
<b>Total:-</b>	<b>34</b>	<b>474.19</b>		

Source: Finance Accounts

Out of ₹ 474.19 crore, loans amounting to ₹ two crore were advanced as interest free, ₹ 44.29 crore at the rate of 12.50 per cent and ₹ 404.11 crore at the rate of 10 per cent. Besides, ₹ 7.27 crore was advanced to the government servants. The State Government moratorium period ranged between three to five years.

**1.8.3.1 Sanctioning/advancing of loans without finalizing terms and conditions**

An amount of ₹ 26.57 crore had been sanctioned as loan during the period 2006-07 to 2014-15 without finalizing the terms and conditions. The details are given in Table 1.22.

**Table 1.22: Loans granted by the Government for which terms and conditions are yet to be finalised**

Sr. No.	Loanee-Entity	Number of Loans	Total Amount (₹ in crore)	Earliest period to which arrears relate
1.	Himachal Pradesh Agro Industries Corporation	1	2.54	2013-14
2.	Municipal Corporation, Shimla	1	2.00	2008-09
3.	Himachal Pradesh State Handicraft and Handloom Corporation Ltd.	1	0.50	2006-07
4.	Principal Secretary, Multi-Purpose Project and Power, Himachal Pradesh	2	5.00	2008-09
5.	Himachal Pradesh State Financial Corporation	3	16.53	2014-15
	<b>Total</b>	<b>8</b>	<b>26.57</b>	

On this being pointed out in previous Audit Report on State Finances for the year ended 31 March 2014, it was seen that the State Government continued to advance fresh loans and advances to the Loanee/Entity. During the year 2014-15, State Government advanced ₹ 16.53 crore as fresh loans to Himachal Pradesh State Financial Corporation without finalising terms and condition.

**1.8.3.2 Pendency in the recovery of loans**

Mention was made in Para 1.8.3.2 of Comptroller and Auditor General Report on State Finances for the year ended 31 March 2014 regarding recovery of loans of ₹ 79.86 crore in respect of 26 loans and advances made by State Government to various entities/institutions.

On this being pointed out, these loans and advances were still outstanding and no efforts were made to recover the loans during the year 2014-15. These recoveries had also not been affected since the period from 1987-88 to 2010-11. The period of non-recovery of loans ranged between 4 to 28 years as per **Appendix 1.8**.

**1.8.3.3 Sick/non-working companies**

Mention was made in paragraph 1.8.2.1 of Comptroller and Auditor General Report on State Finances for the year ended 31 March 2013 regarding sick/non-working companies. It is further stated that as per latest finalised accounts of the Agro-Industrial Packaging India Limited (AIPIL)(Company) for the year 2013-14, the company sustained loss of ₹ 0.04 crore during the financial year and accumulated losses were to the tune of ₹ 78.24 crore. The Company had a negative net worth of ₹ 60.52 crore.

After disposal of plant and machinery, the State Government declared (April 2012) the AIPIL a defunct Company and asked the management to take further steps for implementation of the decision as per provisions of the Companies Act, 1956 for which the matter was under consideration by the Company, the State Government and the Registrar of Companies. The management had not taken any action so far (May 2015).

**1.8.4 Cash Balances and Investment of Cash Balances**

**Table 1.23** depicts the cash balances and investments made by the State Government out of cash balances during the year.

**Table 1.23: Cash Balances and Investment of Cash Balances**

(₹ in crore)

Particulars	As on 1 April 2014	As on 31 March 2015	Increase (+)/Decrease (-)
<b>(a) General cash balance</b>			
Cash in treasuries	-	-	-
Remittance in transit-Local	-	-	-
Deposits with RBI	(-) 887.49	(-) 739.51	147.98
Investments held in cash balance Investment account	-	-	-
<b>(b) Other cash balances and investments</b>			
Cash with departmental officers viz. PWD, etc.	0.16	0.16	-
Permanent advances for contingent expenditure with departmental officers	0.03	0.03	-
<b>Total (a+b)</b>	<b>(-) 887.30</b>	<b>(-) 739.32</b>	<b>147.98</b>
<b>(c) Investment from Cash Balances</b>			
GoI Treasury Bills	-	-	-
GoI Securities	5,772.09	6,675.64	903.55
<b>(d) Funds-wise break up of investment from earmarked balances</b>	-	-	-
<b>(e) Interest realised</b>	<b>24.28</b>	<b>9.90</b>	<b>(-) 14.38</b>

The State Government has to maintain a minimum Cash balance of ₹ 0.55 crore with the Reserve Bank of India. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary and special ways and means advances/overdrafts from time to time. The limit for ordinary ways and means advances to the State Government was ₹ 285 crore with effect from 11.11.2013. The RBI has also agreed to give special ways and means advances against the pledge of government securities.

As per Statements 2 (Annexure-A) and 17 of Finance Accounts, ₹ 456.09 crore were outstanding on ways and means advances and overdrafts at the end of 2013-14. During 2014-15, State Government could maintain minimum daily cash balance for 240 days. The Government had to take ways and mean advances (₹ 4,192.80 crore) and overdrafts (₹ 2,667.50 crore) from RBI on 77 and 48 occasions respectively. Out of which, ₹ 6,782.62 crore were repaid during the year leaving a balance of ₹ 533.77 crore. An amount of ₹ 14.80 crore were paid as interest on these shortfalls/overdrafts during 2014-15.

It was noticed in audit that cash balance of the State Government at the end of the current year increased by ₹ 147.98 crore from ₹ (-) 887.30 crore in 2013-14 to ₹ (-) 739.32 crore in 2014-15. Interest income reduced by ₹ 14.38 crore during 2014-15 as compared to previous year.

## **1.9 Assets and Liabilities**

### **1.9.1 Growth and Composition of Assets and Liabilities**

In the existing government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the government is not done. However, the government accounts do capture the financial liabilities of the government and the assets created out of the expenditure incurred. **Appendix 1.4 (Part B)** gives an abstract of such liabilities and the assets as on 31 March 2015, compared with the corresponding position on 31 March 2014. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets comprise mainly of the capital outlay and loans and advances given by the State Government and cash balances.

During 2014-15, the assets grew by ₹ 2,404.51 crore (10.25 per cent) whereas the liabilities increased by ₹ 4,348.11 crore (12.65 per cent) over the previous year. The ratio of Financial Assets/Liabilities came down to 67 per cent in 2014-15 from 70 per cent in 2011-12 which was 68 per cent in 2013-14.

### **1.9.2 Fiscal Liabilities**

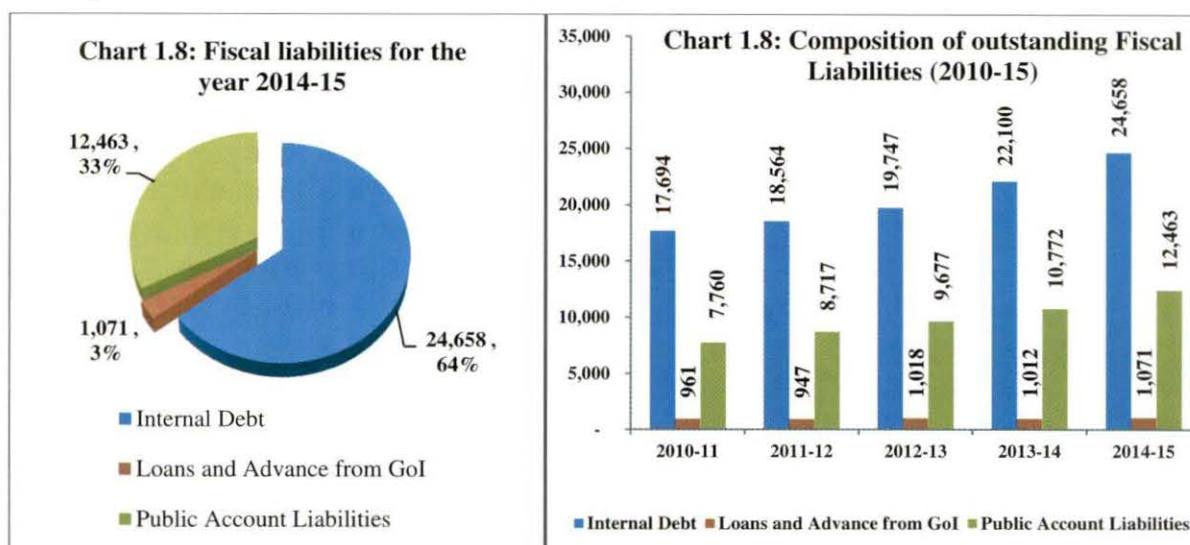
The position of outstanding fiscal liabilities of the State for a five year period viz., 2010-11 to 2014-15 are presented in **Appendix 1.3 and Table 1.24**. The composition of fiscal liabilities during the current year 2014-15 *vis-à-vis* the previous years are presented in **Chart 1.8**.

Table 1.24: Fiscal Liabilities – Basic Parameters

	2010-11	2011-12	2012-13	2013-14	2014-15
Fiscal Liabilities (₹ in crore)	26,415	28,228	30,442	33,884	38,192
Rate of Growth (per cent)	11.39	6.86	7.84	11.31	12.71
<b>Ratio of Fiscal Liabilities to</b>					
GSDP* (per cent)	46.36	42.48	39.92	39.47	39.96
Revenue Receipts (per cent)	207.81	194.10	195.17	215.67	214.04
Own resources (per cent)	494.85	468.67	507.11	490.65	476.15
<b>Buoyancy of Fiscal Liabilities to</b>					
GSDP (ratio)	0.62	0.41	0.53	0.90	1.12
Revenue receipts (ratio)	0.50	0.48	1.08	15.71	0.94
Own resources (ratio)	0.51	0.53	(-) 23.76	0.75	0.79

\*GSDP revised on base year 2004-05

The overall fiscal liabilities of the State increased from ₹ 26,415 crore in 2010-11 to ₹ 38,192 crore in 2014-15. Fiscal liabilities of the State comprised Consolidated Fund liabilities and Public Account liabilities. The Consolidated Fund liability (₹ 25,729 crore) comprised market loans (₹ 15,196 crore), loans from GoI (₹ 1,071 crore) and other loans (₹ 9,462 crore, which includes ₹ 6,676 crore on special security issued to NSSF of the GoI).



The Public Account liabilities (₹ 12,463 crore) comprise Small Savings and Provident Funds (₹ 9,922 crore), interest bearing obligations and non-interest bearing obligations like deposits (₹ 2,313 crore) and reserve funds (₹ 228 crore).

The rate of growth of fiscal liabilities was 13 per cent during 2014-15. The ratio of fiscal liabilities to GSDP consistently decreased to 39.47 per cent in 2013-14 from 46.36 per cent in 2010-11 but slightly increased to 39.96 per cent in 2014-15. These liabilities stood at 2.14 times the revenue receipts and 4.76 times the own revenue resources at the end of 2014-15. The buoyancy ratio of fiscal liabilities to GSDP stood at 1.12 during 2014-15. This is indicative of the fact that fiscal liabilities growth rate is more than the growth rate in GSDP.

In terms of the recommendations of the Twelfth Finance Commission, State Governments are required to create a Consolidated Sinking Fund to be administered by the Reserve Bank of India (RBI) for redemption of outstanding liabilities the amortization of open market loans availed of by them. The State Government is required to make minimum annual contribution to the Fund at 0.5 per cent of the outstanding liabilities at the end of the previous financial year. The State Government, however, has not created a consolidated sinking fund. As on 31 March 2015, the outstanding liabilities of the Government of Himachal Pradesh were ₹ 38,192 crore. Had there been a consolidated sinking fund, the liability of the State Government towards the fund would have been ₹ 191 crore (0.5 per cent of outstanding liabilities) in 2014-15.

### **1.9.3 Transactions under Reserve fund**

Closing balance in the Reserve Fund as on 31 March 2015 was ₹ 228.48 crore (Credit). Out of this, reserve fund bearing interest held ₹ 8.95 crore (credit) and the share of the fund not bearing interest was ₹ 219.53 crore (credit). The major heads of account being operated were 8115-Depreciation/Renewal Reserve Fund (RRF) (₹ 0.01 crore) and 8121-General and Other Reserve Fund (₹ 8.94 crore). As for reserve funds not bearing interest, heads of Account 8226-Depreciation/Renewal Reserve Fund (RRF) (₹ 1.53 crore), 8229-Development and Welfare Fund (₹ 217.91 crore) and 8235-General and Other Reserve Fund (₹ 0.09 crore) had been operated thereby understating its revenue and fiscal deficits.

#### **1.9.3.1 Short-release and non-investment of State Disaster Response Funds (SDRF)**

As per the recommendation of the Th FC, State Government has set up “State Disaster Response Fund” (SDRF) for providing immediate relief to the victims of natural calamities and issued some guidelines for administration of this fund. As per guidelines, the Central and State Government are required to contribute in the proportion of 90:10. Further, if the State does not have adequate balance under SDRF, GoI provides additional assistance from the National Disaster Response Fund (NDRF). The guidelines stipulate that the actual expenditure out of the NDRF should be booked under the respective minor heads within Major Head 2245-Relief on account of natural calamities. Direct expenditure by the State Government from the Public Account should not be made. In terms of these guidelines the State Government, on receipt of the NDRF, is required to carry out the necessary book adjustments so that the fund is exhausted in the year of expenditure itself.

During 2014-15, the State Government received ₹ 147.06 crore (₹ four crore for capacity building and ₹ 143.06 crore towards Central Government share of 90 per cent contribution to SDRF). Against its own share of ₹ 15.89 crore, the State Government released only ₹ 11.87 crore. Against the corpus of ₹ 167.98 crore, the State Government adjusted ₹ 159.04 crore towards expenditure on account of natural calamities during the year, leaving a balance of ₹ 8.94 crore lying in the Fund as on 31 March 2015 which, however, had not been invested. The Public Account under Major Head 8121 pertaining to SDRF belongs to the category 'Reserve Fund bearing interest' and the State Government was required to pay interest of ₹ 0.72 crore

(estimated at eight *per cent* applicable on Ways and Means Advances) on un-invested balance which was not done resulting in understatement of Revenue and Fiscal deficits to this extent.

### 1.9.3.2 Inoperative Reserve Funds

Regarding these funds mention was made in previous Audit Reports on State Finances that two reserve funds viz. Major Head 8115-Depreciation/Renewal Reserve Funds-103-Depreciation Reserve Funds - Government Commercial Departments and Undertakings (₹ 0.01 crore) and the Major Head 8226-Depreciation/Renewal Reserve Fund-101- Depreciation Reserve Funds of Government Commercial Departments/ Undertakings (₹ 1.53 crore) had remained inoperative since 1971. Besides this, State Government was not taken any action to make these funds operational.

### 1.9.4 Contingent Liabilities

#### 1.9.4.1 Status of Guarantees

Guarantees<sup>11</sup> are liabilities contingent on the security of the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended.

As per Statement-20 of the Finance Accounts the outstanding guarantees for the last three years are given in **Table 1.25**.

**Table 1.25: Guarantees given by the Government of Himachal Pradesh**

Guarantees	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Outstanding amount of guarantees	3,910	3,316	3,353	4,333	4,281
Percentage of outstanding amount of guarantees to total revenue receipts in the preceding financial year	38	26	23	28	27

The outstanding amount ₹ 4,281 crore of guarantees during the current year was in respect of Power Sector (₹ 2,455 crore), three Statutory Boards/Corporations (₹ 1,462 crore), seven Government Companies (₹ 115 crore), one Co-operative Bank (₹ 212 crore), State Financial Corporation (₹ 32 crore) and one Local/Autonomous Body (₹ five crore). An amount of ₹ 0.01 crore was received as the guarantee fees/commission. No amount of guarantee was invoked during the current year. The State Government had not furnished information regarding issue of letter of comfort during 2014-15.

The Government was required to set up Guarantee Redemption Fund, with minimum annual contribution at 0.50 *per cent* of the outstanding liabilities at the end of the previous financial year, as recommended by the TFC to meet the contingent liabilities arising from the guarantees given. However, the State Government has not set up such Fund so far. Consequently, the revenue and fiscal deficit were understated to the extent of ₹ 21.66 crore as on 31 March 2015.

<sup>11</sup> Refer Glossary in Appendix 4.



### 1.10 Debt Management

Fiscal deficit is usually financed by way of borrowings by the State. The public debt receipts increased from ₹ 1,984 crore to ₹ 4,050 crore during 2011-14 and during the current year it increased by ₹ 6,827 crore from ₹ 4,050 crore to ₹ 10,877 crore. The public debt repayment increased from ₹ 870 crore in 2010-11 to ₹ 2,117 crore in 2012-13 but decreased by ₹ 413 crore to ₹ 1,704 crore during 2013-14. In 2014-15 it increased significantly by ₹ 6,556 crore from ₹ 1,704 crore over the previous year to ₹ 8,260 crore. The State experienced revenue deficit of ₹ 1,944 crore and fiscal deficit of ₹ 4,200 crore during 2014-15 was financed by raising public debt of ₹ 10,877 crore during the current year.

#### 1.10.1 Debt Profile

Table 1.26: Growth rate and maturity profile of debt

(₹ in crore)

Sr. No.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
1.	<b>Internal Debt</b>	<b>17,694 (95)</b>	<b>18,564 (95)</b>	<b>19,747 (95)</b>	<b>22,099 (96)</b>	<b>24,658 (96)</b>
	(i) Market Loans	9,224 (49)	10,147 (52)	11,809 (57)	13,565 (59)	15,196 (59)
	(ii) Ways and Means Advances from RBI	-	-	-	285 (1)	285 (1)
	(iii) Overdrafts	-	-	-	171 (1)	249 (1)
	(iv) Loans from Financial Institutions	3,534 (19)	3,354 (17)	2,589 (12)	2,306 (10)	2,252 (9)
	(v) Special Securities issued to NSSF	4,936 (26)	5,063 (26)	5,349 (26)	5,772 (25)	6,676 (26)
2.	<b>Loans from Government of India</b>	<b>960 (5)</b>	<b>947 (5)</b>	<b>1,018 (5)</b>	<b>1,012 (4)</b>	<b>1,071 (4)</b>
<b>Total Public Debt:</b>		<b>18,654</b>	<b>19,511</b>	<b>20,765</b>	<b>23,111</b>	<b>25,729</b>
<b>Maturity Profile of State Debt (In Years)</b>						
	0 - 1	952.61(5)	1,496.44(8)	1,533(8)	1,923(8)	2,046 (8)
	1 - 3	3,121.30(17)	3,408.68(17)	2,946(14)	3,514(15)	4,837(19)
	3 - 5	3,346.47(18)	2,853.82(15)	4,349(21)	5,470(24)	4,929(19)
	5 - 7	3,087.09(16)	4,291.81(22)	4,380(21)	3,162(14)	3,192(12)
	7 and above	8,146.89(44)	7,459.94(38)	7,557(36)	9,042(39)	10,725(42)

Figures in brackets indicate the percentage of total public debt

Total public debt increased from ₹ 18,654 crore in 2010-11 to ₹ 25,729 crore in 2014-15 registering annual average growth rate of 8.41 per cent. The share of market borrowings in total public debt consistently went up from 49 per cent in 2010-11 to 59 per cent in 2014-15. During current year (2014-15), total public debt increased by 11.33 per cent over the previous year.

The maturity profile of the State debt indicates that eight per cent (₹ 2,046 crore) of the public debt is payable in the next year. Thirty eight per cent (₹ 9,766 crore) is payable in the next 1-5 years' time while the remaining 54 per cent (₹ 13,917 crore)

loans are required to be paid in more than five years' time which would put a strain on the Government budget during that period.

A time series analysis of previous four years showing per capita debt is given in **Table 1.27**.

**Table 1.27: Per capita debt**

	2011-12	2012-13	2013-14	2014-15
<b>Population (In crore)</b>	0.6901	0.6971	0.7042	0.7113
<b>Total Debt (₹ in crore)</b>	28,228	30,442	33,884	38,192
<b>Per capita debt (in ₹)</b>	40,904	43,669	48,117	53,693

Source: Finance Accounts & Economics and Statistics department

Above table shows that per capita debt had shown increasing trend from ₹ 40,904 crore in 2011-12 to ₹ 53,693 crore during 2014-15 (an increase of 31 per cent in four year time).

### 1.10.2 Debt sustainability

Debt sustainability implies State's ability to service the debt. Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability<sup>12</sup> of the State. The analysis of variations in debt sustainability indicators of the State for the period of five years beginning from 2010-11 is given in **Table 1.28**.

**Table 1.28: Debt Sustainability: Indicators and Trends**

Indicators of Debt Sustainability	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Ratio of Debt to GSDP (%)</b>	46.36	42.48	39.92	39.47	39.96
<b>Ratio of Debt to Revenue Receipts (%)</b>	207.81	194.10	195.17	215.67	214.04
<b>Sufficiency of Non-debt Receipts (Resource Gap)<sup>13</sup></b>	252	899	(-) 1,346	(-) 1,032	(-) 189
<b>Net Availability of Borrowed Funds (₹ in crore)</b>	752	(-) 317	(-)155	978	1,500
<b>Burden of Interest Payments (IP/RR Ratio)</b>	0.153	0.146	0.152	0.158	0.160

From the **Table 1.28** the following is observed:

- The Debt to GSDP Ratio has shown a steady improvement during the years 2010-11 to 2013-14 with a small increase in 2014-15 over the previous year. The Debt to Revenue Receipts ratio which indicates the Government's ability to fund

<sup>12</sup> Refer glossary in Appendix 4.

<sup>13</sup> Refer glossary in Appendix 4.

annual debt payments from its revenue receipts varied between 194.10 to 215.67 *per cent* during the five year period 2010-11 to 2014-15.

- The negative resource gap indicates the non-sustainability of debt, while the positive indicates the capacity to sustain the debt. The State after experiencing positive resources gap during 2010-12, turned negative to ₹ 1,346 crore, ₹ 1,032 crore and ₹ 189 crore in 2012-13, 2013-14 and 2014-15 respectively.
- The net funds available from debt after providing for repayments (including interest) turned positive and stood at ₹ 978 crore in 2013-14 and ₹ 1,500 crore in 2014-15 against negative availability of funds of ₹ 317 crore and ₹ 155 crore in 2011-12 and 2012-13 respectively.

### ***1.10.3 Raising of loans in excess of net borrowing limit fixed by the Government of India***

Article 293 (3) of the Constitution of India, inter alia, provides that a State may not raise any loan without the consent of the Government of India.

The Government of India, Ministry of Finance, Department of Expenditure fixed the net borrowing ceiling of the Government of Himachal Pradesh for the financial year 2014-15 as ₹ 2,786 crore and instructed the State Government to ensure that its incremental borrowings remain within this ceiling. This ceiling covered all sources of borrowings of the State Government as reflected in Statement 6 of the Finance Accounts.

As per Statement 6 of Finance Accounts viz. Statement of Borrowings and other Liabilities, incremental borrowings of the State Government were ₹ 4,307.79 crore during the financial year 2014-15 which resulted into violation of the net borrowing limit by ₹ 1,521.79 crore (55 *per cent*).

#### ***1.10.3.1 Violation of provision of HPFRBM Act***

HPFRBM Act, 2005 stipulates that borrowings are to be used on self-sustained development activities and creation or augmentation of capital assets and are not to be applied in financing current expenditure. The Government, in each tranche of loan, notified the object that the proceeds of loans will be utilised for financing development schemes like Power, Agriculture, Irrigation, Transportation, Industries etc., for the benefit, especially, of weaker sections and backward areas of the State that has a major long-term impact on the livelihood of the people and its GSDP. The year-wise position of market borrowings that the Government raised with the above object for the period 2010-11 to 2014-15 is given in **Table 1.29**.

**Table-1.29: Details of Market Loans raised and repayments made by the Government during 2010-11 to 2014-15**

(₹ in crore)

Year	Amount of market borrowing				
	Raised	For the purpose of repayment		For the purpose of expenditure	
		Amount	Per cent	Amount	Per cent
2010-11	645	256	40	389	60
2011-12	1,325	403	30	922	70
2012-13	2,360	698	30	1,622	70
2013-14	2,367	611	26	1,756	74
2014-15	2,345	714	30	1,631	70

Source: Finance Accounts of respective years

The above table indicates that the Government utilised at an average of 31.20 per cent on the fresh borrowings (2010-11 to 2014-15) for making re-payment of matured market loans whereas on an average 68.80 per cent were applied for capital expenditure in the respective years. The payment of matured market loans from fresh loans was against the provisions of FRBM Act, besides defeating the very objectives for these loans.

#### 1.10.4 Review of Market Borrowings

##### 1.10.4.1 Introduction

Fiscal deficit represents the borrowing requirements of the Government during the year. The borrowings are accounted for under the Consolidated Fund (E-Public debt). The major divisions are internal debt of the State Government and loans and advances from the Central Government. The internal debt is further divided into market loans and negotiated loans.

Market borrowings are controlled by the Central Government and managed by the Reserve Bank of India. As per Article 293 of the Constitution of India, State Governments may not, without the consent of the Central Government, raise any loan if they are indebted to the Central Government. The State Governments issue dated securities, termed State Development Loans (SDLs) of varying tenures. The present review of market borrowings is to assess the requirement and utilization of market loans raised by the Himachal Pradesh Government during the period 2010-15.

##### 1.10.4.2 Position of market borrowings

The year-wise position of market borrowings for the period 2010-11 to 2014-15 is given in Table 1.30.

**Table 1.30: Year-wise position of market borrowings**

(₹ in crore)

Year	Opening Balance of Market Loans	Market Loans raised during the year	Market loans repaid during the year	Closing Balance	Net increase in respect of opening balance	Percentage of increase over the previous year
2010-11	8,835	645	256	9,224	389	4.40
2011-12	9,224	1,325	403	10,147	923	10.00
2012-13	10,147	2,360	698	11,809	1,662	16.37
2013-14	11,809	2,367	611	13,565	1,756	14.87
2014-15	13,565	2,345	714	15,196	1,631	12.02

Source: Finance Accounts/Finance Department

The market borrowings increased by 72 *per cent* from ₹ 8,835 crore at the beginning of 2010-11 to ₹ 15,196 crore at the end of 2014-15.

#### **1.10.4.3 Debt sustainability indicators**

The debt sustainability indicators of the State Government are given in **Table 1.31**.

**Table 1.31: Debt sustainability indicators**

Description	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Total liabilities</b>	26,415	28,228	30,442	33,884	38,192
Public Debt Liabilities*	18,654	19,511	20,765	23,111	25,729
Other Liabilities	7,761	8,717	9,677	10,773	12,463
<b>Total Market Loans</b>	9,224	10,147	11,809	13,565	15,196
<b>Percentage of market loans to total liabilities</b>	34.92	35.95	38.79	40.03	39.79
<b>Percentage of market loans to public debt</b>	49.45	52.01	56.87	58.69	59.06
<b>Weighted Average interest rate on market loans-financial year wise</b>	8.45	8.87	8.77	8.71	8.91
<b>Interest paid on market loans</b>	678.40	706.56	849.54	974.03	1,183.46
<b>GSDP of the State at current prices</b>	56,980	66,448	76,259	85,841	95,587
<b>GSDP growth rate in <i>per cent</i></b>	18.24	16.62	14.76	12.57	11.35
<b>GSDP growth rate and interest rate ratio</b>	2.16	1.87	1.68	1.44	1.27
<b>Gross interest payments to revenue receipts ratio</b>	0.15	0.15	0.15	0.16	0.16
<b>Primary Surplus(+)/ Deficit(-)</b>	(-)582.77	(+)496.65	(-)608.51	(-)1,530.72	(-)1,351
<b>Revenue surplus(+)/ deficit(-)</b>	(-)1,235.44	(+)644.89	(-)576.13	(-)1,641.42	(-) 1,944
<b>Fiscal Deficit</b>	2,532.54	1,633.05	2,978.41	4,011.58	4,200
<b>Percentage of Total liabilities to GSDP</b>	46.36	42.48	39.92	39.47	39.96
<b>Percentage of public debt to GSDP</b>	32.74	29.36	27.23	26.92	26.92
<b>Outstanding guarantees</b>	3,909.90	3,316.43	3,353.36	4,332.86	4,281
<b>Actual Revenue receipts of the preceding financial year</b>	10,346.36	1,2710.61	14,542.86	15,598.12	15,711.07
<b>Percentage of outstanding guarantees to RR</b>	37.79	28.45	24.29	27.78	27.24

\* Includes internal debt and loans and advances from GoI

The percentage of total liabilities to GSDP decreased from 46.36 *per cent* in 2010-11 to 39.96 *per cent* in 2014-15, whereas the percentage of public debt to GSDP decreased from 32.74 *per cent* in 2010-11 to 26.92 *per cent* in 2014-15. The percentage of total liabilities to GSDP of 39.96 *per cent* was within the FRBM target of 40.10 *per cent* during 2014-15. The share of market loans in the total public debt increased from 49.45 *per cent* in 2010-11 to 59.06 *per cent* in 2014-15.

Further the market loans which was ₹ 9,224 crore at the end of 2010-11 increased by 65 *per cent* to ₹ 15,196 crore in 2014-15. The consistent increase in market loans over the last five years indicated increased dependency of the Government on market loans for managing its finances.

**1.10.4.4 Profile of market loans**

The profile of market loans raised during the last five years is given in **Table 1.32**.

**Table 1.32: Profile of market loans**

(₹ in crore)

Periodicity of loan	Amount of loan raised				
	2010-11	2011-12	2012-13	2013-14	2014-15
3-5 years	--	--	600	440	--
5-7 years	--	--	400	--	--
>7 years	645	1,325	1,360	1,927	2,345
Total loans raised during the year	645	1,325	2,360	2,367	2,345
Total outstanding as on 31 March	9,224	10,147	11,809	13,565	15,196
Percentage of loans raised during the year to total outstanding loans	6.99	13.06	19.98	17.45	15.43

Source: Finance Department and Finance Accounts

Out of the total market borrowings of ₹ 9,042 crore during 2010-15, 84.07 per cent loans were of 7 to 10 years maturity period. Loans of ₹ 1,440 crore of shorter maturity period (3-7 years) have been raised during the years 2012-13 and 2013-14.

**1.10.4.5 Maturity trend of market loans**

The year-wise position of maturity trend of market loans for the period 2016-23 is given in **Table 1.33**.

**Table 1.33: Maturity trend of market loans (As on 31 March 2015)**

(₹ in crore)

Maturity year	Maturity amount	As a percentage of outstanding market loans
2016-17	1,237	8.14
2017-18	2,049	13.48
2018-19	2,102	13.83
2019-20	1,420	9.34
2020-21	645	4.24
2021-22	1,325	8.72
2022-23	1,360	8.95

Outstanding market loans as on March 2015 = ₹ 15,196 crore

Over the next seven years, maturity amount constituted an average 9.53 per cent of the outstanding market loans with significant pressure on redemption during the years 2017-18 and 2018-19 at 13.48 and 13.83 per cent of the outstanding debt respectively.

**1.10.4.6 Interest rate profile of market loans**

The year-wise average interest rates on which market loans were availed by the Government during the period 2010-15 are shown in **Table 1.34**.

**Table 1.34: Interest rate profile of market loans**

(₹ in crore)

Rate of interest (per cent)	Market loans raised during the year					
	2010-11	2011-12	2012-13	2013-14	2014-15	Total
7-7.99	-	-	-	600	-	600
8-8.99	645	1,120	2,360	603	1,445	6,173
9-9.99	-	205	-	1,164	900	2,269
Weighted average interest rate (per cent)	8.45	8.87	8.77	8.71	8.91	

Source: Finance Department

The weighted average interest rate on market loans increased from 8.45 *per cent* in 2010-11 to 8.87 *per cent* in 2011-12 and then reduced to 8.77 and 8.71 *per cent* in 2012-13 and 2013-14 respectively and then slightly increased to 8.91 *per cent* in 2014-15. The increase in the weighted average interest rate was mainly due to raising of short term market loans with maturity of 3 to 5 years as against maturity period of 10 years.

#### **1.10.4.7 Interest payments as a percentage of revenue receipts**

**Table 1.35** brings out the ratio of interest payments to revenue receipts of the State Government during last five years.

**Table 1.35: Interest payments to revenue receipts ratio**

(₹ in crore)

Gross interest payments as a percentage of revenue receipts					
Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Interest payments	1,950	2,130	2,370	2,481	2,849
Revenue receipts	12,711	14,543	15,598	15,711	17,843
Percentage of interest payments to revenue receipts	15.34	14.65	15.19	15.79	15.97

Source: Finance Accounts

The percentage of interest payments to revenue receipts decreased from 15.34 *per cent* to 14.65 *per cent* during the period 2010-12 but consistently increased to 15.19, 15.79 and 15.97 *per cent* in 2012-13, 2013-14 and 2014-15 respectively. The overall debt sustainability of the State showed declining trend during the period 2010-15 (except 2011-12).

### **1.11 Fiscal Imbalances**

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2014-15.

#### **1.11.1 Trends in Deficits**

As per FRBM Act 2005, the revenue deficit was required to be brought down to zero during 2011-12 and maintain revenue surplus thereafter. **Table 1.36** and **Charts 1.9**

and 1.10 present the trends in deficit indicators (revenue, fiscal and primary) over the period 2010-15:

Table 1.36: Trends in deficits

	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Deficits</b>					
Revenue Deficit(-)/Revenue Surplus (+)	(-)1,235	(+) 645	(-) 576	(-) 1,641	(-)1,944
Fiscal Deficit (-)/Fiscal Surplus (+)	(-)2,532	(-) 1,633	(-) 2,979	(-) 4,011	(-) 4,200
Primary Deficit (-)/Surplus (+)	(-)582	(+) 497	(-) 609	(-) 1,530	(-) 1,351
<b>Management of Fiscal Imbalances (In per cent)</b>					
Revenue deficit (surplus)/GSDP	(-) 2.17	(+) 0.97	(-) 0.76	(-)1.91	(-) 2.03
Fiscal deficit/GSDP	(-) 4.44	(-) 2.46	(-) 3.91	(-) 4.67	(-) 4.39
Primary Deficit (surplus) /GSDP	(-) 1.02	(+) 0.75	(-) 0.80	(-) 1.78	(-) 1.41

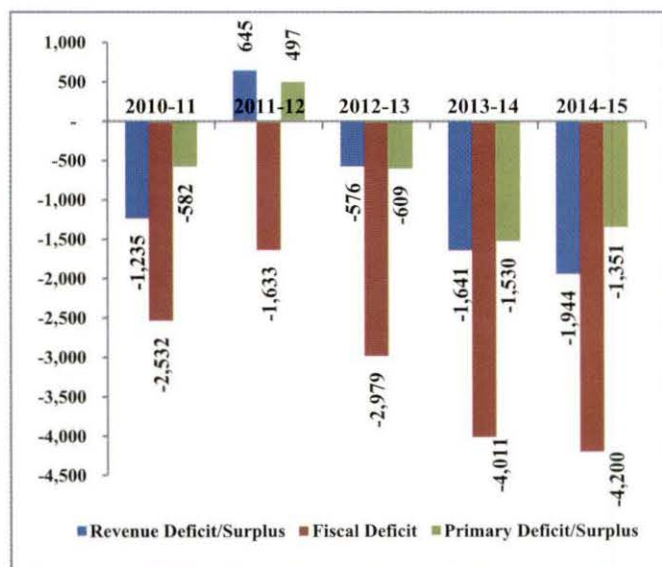
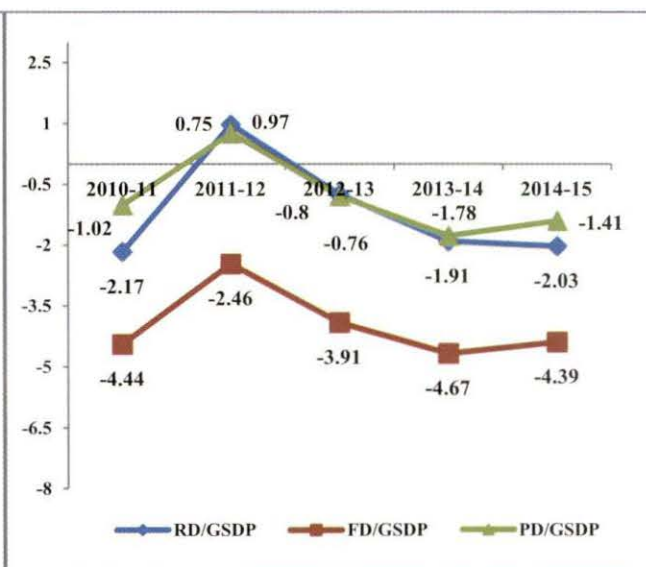
Chart 1.9: Trends in Deficit Indicators  
(₹ in crore)

Chart 1.10: Trends in Deficit Indicators relative to GSDP (figures as percentage to GSDP)



The revenue deficit which was required to be brought down to zero during 2011-12 and maintain revenue surplus thereafter could not be achieved. The revenue, fiscal and primary experienced a situation of huge deficit during 2010-15 except for the year 2011-12 when the State experienced revenue and primary surplus of ₹ 645 crore and ₹ 497 crore respectively. From a revenue surplus position in 2011-12, the State experienced a revenue deficit of ₹ 576 crore, ₹ 1,641 crore and ₹ 1,944 crore during 2012-13, 2013-14 and 2014-15 respectively.

Fiscal deficit increased by ₹ 189 crore from ₹ 4,011 crore in 2013-14 to ₹ 4,200 crore during 2014-15. The fiscal deficit was 4.39 per cent of GSDP during the current year which was significantly above the target fixed by FRBM Act and projections made by Th FC (i.e. 3 per cent). The primary deficit decreased by ₹ 179 crore from ₹ 1,530 crore in 2013-14 to ₹ 1,351 crore in 2014-15.



### 1.11.2 Composition of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.37**.

**Table 1.37: Components of Fiscal Deficit and its Financing Pattern**

(₹ in crore)						
	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Components of Fiscal Deficit</b>						
1	Revenue Deficit/surplus	(-)1,235 (-) 2.17	(+) 645 (0.97)	(-) 576 (-) 0.76	(-) 1,641 (-) 1.91	(-) 1,944 (-) 2.03
2	Net Capital Expenditure	1,143(2.00)	1,810(2.72)	1,955(2.56)	1,856(2.16)	1,823(1.91)
3	Net Loans and Advances	154(0.27)	468(0.70)	448(0.59)	514(0.60)	433(0.45)
4	GSDP	56,980	66,448	76,259	85,841	95,587
<b>Financing Pattern of Fiscal Deficit*</b>						
1	Market Borrowings	389	922	1,662	1,757	1,631
2	Loans from GoI	(-) 23	(-) 13	71	(-) 6	59
3	Special Securities Issued to NSSF	650	127	286	424	904
4	Loans from Financial Institutions	526	(-) 180	(-) 764	173	24
5	Small Savings, PF, etc.	888	636	1,112	887	1,185
6	Deposits and Advances	333	178	(-) 156	207	504
7	Suspense and Misc.	137	(-) 119	756	267	28
8	Remittances	48	(-) 127	(-) 174	(-) 23	12
9	Others	(-)416	209	186	325	(-) 147
10	Overall Surplus/Deficit	(-) 2,532	(-) 1,633	(-) 2,979	(-) 4,011	(-) 4,200

Figures in brackets indicate the per cent to GSDP

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

Source: Finance Accounts

The above **Table 1.37** shows that fiscal deficit of ₹ 4,200 crore during 2014-15 was financed mainly through borrowings from Market (₹ 1,631 crore), Small Savings, Provident Fund, etc. (₹ 1,185 crore), Special Securities issued to National Small Savings Fund (₹ 904 crore) and Deposits and Advances (₹ 504 crore).

The net capital expenditure as *per cent* of GSDP declined from 2.72 in 2011-12 to 1.91 *per cent* in the current year, which shows that the borrowed money was used to meet the revenue expenditure instead of using it for creation of assets.

The details as to how the borrowed money was utilized by the State Government during the last five years are given in the **Table 1.38**.

**Table 1.38: Application of borrowings**

(₹ in crore)				
Year	Total Borrowings	Repayment of earlier borrowings (Principal portion)	Net Capital Expenditure	Balance
1	2	3	4	5 (2-(3+4))
2010-11	2,411	870 (36)	1,143 (47)	398 (17)
2011-12	1,984	1,128 (57)	1,810 (91)	(-) 954 (-48)
2012-13	3,371	2,117 (63)	1,955 (58)	(-) 701 (-21)
2013-14	4,050	1,704 (42)	1,856 (46)	490 (12)
2014-15	10,877	8,260 (76)	1,823 (17)	794 (7)

Figures in brackets indicate the percentage to total borrowings

Source: Finance Accounts

Table 1.38 clearly shows that major portion of borrowings was utilised for repayment of earlier borrowings. The percentage of utilisation of borrowings for repayment of

earlier obligations is increasing and the amount available for capital expenditure is decreasing year by year. Utilisation of borrowings for repayment went up from 36 per cent in 2011-12 to 76 per cent in 2014-15 whereas the percentage of utilisation of borrowings for capital expenditure came down to 17 per cent in 2014-15 from 91 per cent in 2011-12. The balance amount of total borrowings was used for financing the gap between revenue receipts and revenue expenditure.

During audit of Finance Accounts, it has been observed that during 2010-15, 36 to 76 per cent of borrowings are used for repayment of earlier debts which means fresh borrowings are being used to finance the earlier borrowing and meet the increasing revenue expenditure. Since the borrowings have reached the limits set in FRBM Act and the investment made are giving a return much less than the interest to be paid on borrowing as detailed in paragraph 1.8.2, any fresh borrowings may only have an adverse effect on the fiscal position of the State Government.

### 1.11.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit indicates the extent to which the deficit had been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy. The ratio of revenue deficit to fiscal deficit ranged from 0.19 to 0.49 during 2010-14. During 2014-15, the ratio of revenue deficit to fiscal deficit was significantly high at 0.46 (*Appendix 1.3*).

The bifurcation of the factors resulting into primary deficit or surplus of the Government during the period 2010-15 (**Table 1.39**) revealed that the primary deficit during this period was on account of slow rise in non-debt receipts as compared to primary expenditure. Therefore, non-debt receipts of the State were not enough to meet the primary expenditure requirements. If this trend continues, debt sustainability will be in serious jeopardy as ideally incremental non-debt receipts every year should cover not only the incremental primary expenditure but also incremental interest burden.

**Table 1.39: Primary deficit/Surplus – Bifurcation of factors**

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure (PRE)	Capital Expenditure	Loans and Advances	Total Primary Expenditure (3+4+5)	Primary revenue surplus (2-3)	Primary deficit (-)/ surplus (+) (2-6)
1	2	3	4	5	6	7	8
2010-11	13,430	11,996	1,789	227	14,012	1,434	(-) 582
2011-12	14,568	11,768	1,810	493	14,071	2,800	(+) 497
2012-13	15,619	13,804	1,955	469	16,228	1,815	(-) 609
2013-14	15,728	14,871	1,856	531	17,258	857	(-) 1,530
2014-15	18,534	16,938	2,473	474	19,885	1,596	(-) 1,351

The State observed an improvement in its finances during 2011-12, the primary deficit of (-) ₹ 582 crore in 2010-11 turned into surplus of ₹ 497 crore. However, the State

experienced a primary deficit of ₹ 609 crore in 2012-13 which further increased to ₹ 1,530 crore in 2013-14. The primary deficit during 2014-15 stood at ₹ 1,351 crore which was ₹ 179 crore less than the previous year. It was the net effect of increase in non-debt receipts by ₹ 2,806 crore (18 per cent) to total primary expenditure of ₹ 2,607 crore (15 per cent) during 2014-15 over the previous year. The percentage of interest payments to fiscal deficit stood at 68 per cent during the current year.

### **1.12 Follow up on Audit Report on State finances**

Separate Report on State Finances is being prepared from the year 2008-09 onwards and the State Government has submitted action taken notes (ATNs)/ *suo-motu* replies upto Audit Reports 2011-12. The Public Accounts Committee is yet to discuss any Audit Report on State Finances.

### **1.13 Conclusion and Recommendations**

The State achieved the target of reduction of revenue deficit to zero in 2011-12 as the State reached a revenue surplus of ₹ 645 crore in that year. But after 2011-12, the State continuously experienced revenue deficit during 2012-13 (₹ 576 crore), 2013-14 (₹ 1,641 crore) and 2014-15 (₹ 1,944 crore). Thus, the revenue account could not meet the projections made in the Th FC and FRBM target of monitoring revenue surplus during 2010-11 to 2014-15 (except 2011-12). Further, fiscal deficit as a percentage of GSDP was significantly higher at 4.39 per cent in 2014-15 against the target fixed in the FRBM Act and projections made in Th FC (i.e. 3 per cent). The primary deficit of ₹ 1,530 crore of previous year improved and stood at ₹ 1,351 crore during 2014-15. The State's total outstanding debt as percentage of GSDP was 39.96 in 2014-15 which was within the projected target of 40.10 per cent as per FRBM Act but higher than the target of 37.58 per cent fixed in MTFPS.

During 2014-15, revenue receipts (₹ 17,843 crore) of the State grew by ₹ 2,132 crore (13.57 per cent). In revenue receipts, the share of tax revenue (33 per cent) and grants-in-aid from GoI (40 per cent) remained the same while non-tax revenue (12 per cent) increased by one per cent during 2014-15 over the previous year.

***Efforts should be made by the State Government to improve collection of tax and non-tax revenue and to control the revenue expenditure so that recourse to borrowed funds can be reduced.***

While revenue expenditure increased by ₹ 2,435 crore (14.03 per cent) from ₹ 17,352 crore in 2013-14 to ₹ 19,787 crore in 2014-15 but its share (87 per cent) in total expenditure declined by three per cent during the same period. However, the Non-Plan Revenue Expenditure (NPRE) constituted 84-88 per cent of revenue

expenditure during 2010-15. The expenditure on salaries, interest payments, pensions and subsidies has shown consistent increase over the period from ₹ 10,445 crore in 2010-11 to ₹ 14,982 crore in 2014-15. Further, the net capital expenditure as *per cent* of GSDP declined from 2.72 in 2011-12 to 1.91 *per cent* in the current year, which shows that the borrowed money was used to meet the revenue expenditure instead of using it for creation of assets.

*Whereas major chunk of the non-plan revenue expenditure is on salaries, interest payments and pensions which is largely uncontrollable, the State Government may explore suitable measures for containing the other components of non-plan revenue expenditure so that revenue deficit could be eliminated for allowing scope for assets creation and sustainable development of the State.*

During 2014-15, GoI directly transferred ₹ 278.55 crore to various State implementing agencies without routing through the State budget. There is no single agency in the State to monitor the expenditure from these funds.

*A system has to be put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government to ensure its effective utilization.*

The Government as on 31 March 2015 had invested ₹ 2,732 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operative Societies. The average return on the government's investments in the past five years was 3.81 *per cent* while the government paid an average rate of interest of 7.86 *per cent* on its borrowings.

*The State Government should improve the productivity of its investments in various entities to be able to finance the loans.*

Recovery of loans and advances of ₹ 79.86 crore in respect of 26 various entities/institutions made by State Government were still outstanding and no efforts were made to recover the loans. The period of non-recovery of loans ranged between 4 to 28 years. Further, an amount of ₹ 26.57 crore had been sanctioned to the different loanee/entity as loan during the period 2006-07 to 2014-15 without finalizing the terms and conditions.

*The State Government may ensure finalising the terms and conditions of loans advanced by it and review the practice of sanctioning of loans and advances without recovering the earlier loans.*

The Social Sector expenditure as a proportion of aggregate expenditure in the State was lower than that of SCS by 2.92 and 3.06 per cent in 2011-12 and 2014-15 respectively.

Priority has not been given by the State Government to capital expenditure as the percentage ratio of capital expenditure to aggregate expenditure is 11.17 in 2011-12 and 10.88 in 2014-15, which is lower than the average ratio of Special Category States 14.02 in 2011-12 and 14.22 in 2014-15.

*The State Government should take steps to enhance its social sector spending and simultaneously accord priority to capital expenditure in the State.*

Fiscal liabilities at the end of the current year were ₹ 38,192 crore with growth of 13 per cent over the previous year and stood at 40 per cent of GSDP and 214 per cent of the revenue receipts. The share of closing balance of market loans in the total public debt increased from 49.45 per cent in 2010-11 to 59.06 per cent in 2014-15. Maturity amount constituted an average 9.53 per cent of the outstanding market loans over the next seven years, with significant pressure on redemption during the years 2017-18 and 2018-19 at 13.48 per cent and 13.83 per cent of the outstanding debt respectively. During 2010-15, 36 to 76 per cent of borrowings are used for repayment of earlier debts which means fresh borrowings are being used to finance the earlier borrowing and meet the increasing revenue expenditure. Since the borrowings have reached the limits set in FRBM Act any fresh borrowings may only have an adverse effect on the fiscal position of the State Government.

*The State Government may consider need-based borrowings and utilise the borrowings for capital expenditure and not to finance the burgeoning revenue expenditure.*

**CHAPTER-II**  
**FINANCIAL MANAGEMENT AND**  
**BUDGETARY CONTROL**



## CHAPTER-II

### FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

#### 2.1 Introduction

**2.1.1** Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year, compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, 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 the budget. Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provision and are, therefore, complementary to Finance Accounts.

**2.1.2** Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provision of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

Deficiencies in management of budget and expenditure and violation of Budget manual noticed in audit have been discussed in the succeeding paragraphs.

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2014-15 against 32 grants/appropriations is given in **Table 2.1**.

**Table 2.1: Position of actual expenditure vis-à-vis original/supplementary provisions for the year 2014-15**  
(₹ in crore)

	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Saving <sup>1</sup> (-)/ Excess (+)	Amount Surrendered	Amount Surrendered on 31 March	Percentage of savings surrendered by 31 March (Col.7/Col.6)
	1	2	3	4	5	6	7	8	9
<b>Voted</b>	I Revenue	18,878.33	1,298.82	20,177.15	19,214.26	(-)962.89	1,660.90	1,660.90	172
	II Capital	1,992.58	565.58	2,558.16	2,506.41	(-)51.75	35.28	35.28	68
	III Loans and Advances	367.03	81.33	448.36	474.19	25.83	60.78	60.78	-
<b>Total Voted</b>		<b>21,237.94</b>	<b>1,945.73</b>	<b>23,183.67</b>	<b>22,194.86</b>	<b>(-)988.81</b>	<b>1,756.96</b>	<b>1,756.96</b>	<b>177.68</b>
<b>Charged</b>	IV Revenue	2,794.71	2.36	2,797.07	2,894.20	97.13	60.94	60.94	-
	V Capital	-	23.49	23.49	23.12	(-)0.37	<sup>2</sup>	<sup>3</sup>	-
	VI Public Debt Repayment	1,510.96	5,782.02	7,292.98	8,259.82	966.84	-	-	-
<b>Total Charged</b>		<b>4,305.67</b>	<b>5,807.87</b>	<b>10,113.54</b>	<b>11,177.14</b>	<b>1,063.60</b>	<b>60.94</b>	<b>60.94</b>	<b>-</b>
<b>Appropriation to Contingency Fund (if any)</b>									
<b>Grand Total</b>		<b>25,543.61</b>	<b>7,753.60</b>	<b>33,297.21</b>	<b>33,372.00</b>	<b>74.79</b>	<b>1,817.90</b>	<b>1,817.90</b>	<b>-</b>

Source: Appropriation Accounts

<sup>1</sup> Shortfall in utilisation of funds

<sup>2</sup> ₹ 16,000/- only

<sup>3</sup> ₹ 16,000/- only



The overall excess expenditure of ₹ 74.79 crore registered under Grants/Appropriations during the year 2014-15 was the result of excess of ₹ 1,585.69 crore (Reference: Summary of Appropriation Accounts) in six Grants and five Appropriations under Revenue Section and four Grants and one Appropriation under Capital Section, offset by saving of ₹ 1,510.90 crore (Reference: Summary of Appropriation Accounts) in 26 Grants and four Appropriations under Revenue Section and 21 Grants and two Appropriations under Capital Section.

Grants against which significant savings of more than ₹ 25 crore were noticed during the year were Land Revenue and District Administration (Revenue-Voted), Education (Revenue-Voted), Health and Family Welfare (Revenue-Voted), Rural Development (Revenue-Voted), Food and Civil Supplies (Revenue-Voted), Labour Employment and Training (Revenue-Voted) and Finance (Revenue-Voted). Similarly, grants/appropriation against which significant excess expenditure over the allotments noticed during the year 2014-15 were Agriculture (Revenue-Voted), Irrigation, Water Supply and Sanitation (Revenue-Voted), Finance (Revenue-Charged), Power Development (Capital-Voted) and Finance (Capital-Charged).

The reasons for savings/excesses were called for by the Office of the Accountant General (A&E), Himachal Pradesh (July 2015) in respect of 205 sub-heads (Excess: 93 sub-heads; Savings: 112 sub-heads) from the respective controlling officers. The reasons were awaited (September 2015).

## **2.3 Financial Accountability and Budget Management**

### **2.3.1 Excess Expenditure**

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.

Notwithstanding the above, excess expenditure over budget provision increased from ₹ 474.86 crore in 2013-14 to ₹ 1,585.69 crore in 2014-15. Details of expenditure where aggregate expenditure (₹ 14,670.30 crore) exceeded by ₹ 1,585.05 crore from the approved provisions by more than ₹ one crore each and also by more than 20 per cent of the total provision (one) in nine cases are given in **Appendix 2.1**. Reasons for excess expenditure were awaited (September 2015) from the departments.

Firm measures need to be put in place to avoid excess expenditure by defaulter departments. There is no cogent reason for the inevitability of excess expenditure when Government gets opportunities to present the Supplementary Demands for Grants during the three sessions of Legislature in a year. The exceeding of Budgetary Grant is the result of bad planning, lack of foresight and ineffective monitoring on the part of budget estimates as well as Supplementary Demands for Grants.

#### **2.3.1.1 Excess over provisions requiring regularisation**

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 discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 5,055.89 crore (**Appendix 2.2**) for the years 2009-10 to 2013-14 was yet to be regularized as of September 2015. The excess expenditure of ₹ 1585.69 crore (**Appendix 2.3**) incurred in 10 grants and six appropriations during the year 2014-15 also requires regularisation.

### **2.3.1.2 Persistent Excess**

In Grant No. 13-Irrigation, Water Supply and Sanitation, there was persistent excess expenditure in Revenue-Voted during 2010-11 (₹ 586.72 crore), 2011-12 (₹ 350.71 crore), 2012-13 (₹ 285.21 crore), 2013-14 (₹ 255.33 crore) and 2014-15 (₹ 474.07 crore).

The persistent excess expenditure indicated that there was lack of concerted efforts by I&PH department and previous year trends were not taken into account while allocating the funds to avoid excess expenditure year after year.

### **2.3.1.3 Expenditure without Provision**

As per the Himachal Pradesh Budget Manual (HPBM), expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that in 20 cases detailed in **Appendix 2.4**, the expenditure of ₹ 35.80 crore was incurred without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

Expenditure in excess of appropriation or without appropriations is indicative of lapses in budgetary control mechanism and is also irregular as has been incurred without its approval in State Legislature.

### **2.3.1.4 Inadequate/Unnecessary / Excessive supplementary provisions resulting in excess expenditure**

Supplementary grant aggregating ₹ 343.99 crore (**Appendix 2.5**) obtained in six cases, exceeding ₹ one crore in each case, during the year proved unnecessary as the expenditure did not come up to the level of original provision. Supplementary provision of ₹ 5,967 crore obtained in seven cases (more than ₹ one crore in each case) proved insufficient leaving an aggregate uncovered excess expenditure of ₹ 1,011.84 crore (**Appendix 2.6**). Of the uncovered excess, ₹ 966.83 crore (96 per cent) was incurred under grant number 29- Finance (Capital- Charged) by the Finance Department.

### **2.3.2 Excessive / unnecessary/insufficient re-appropriation of funds**

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in savings / excess of over ₹ one crore in 54 sub-heads (**Appendix 2.7**). Of these,

excess / savings of more than ₹ 10 crore occurred in 13 sub-heads. Further, there was an excess expenditure of ₹ 9.14 crore under Grant No. 11- Agriculture under the head 2415-01-004-02 (Grants-in-aid to Himachal Pradesh Krishi Vishav Vidyalya for Research) where the re-appropriation of ₹ 16.34 crore proved to be insufficient.

### 2.3.3 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.

Contrary to this, in respect of 23 sub-heads (**Appendix 2.8**), expenditure exceeding ₹ 10 crore constituting more than 50 per cent of the total expenditure for the year was incurred in the month of March 2015. The details of major heads where more than 50 per cent expenditure was incurred either during the last quarter or during the last month of the financial year are given in **Table 2.2**.

**Table 2.2: Cases of Rush of Expenditure towards the fag end of the financial year 2014-15**  
(₹ in crore)

Sr. No.	Major Head (Voted/Charged)	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2015	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2245 (Voted)-Relief on account of Natural Calamities	164.35	92.76	56	12.33	8
2.	2801(Voted)-Power	403.78	330.00	82	330.00	82
3.	4216(Voted)-Capital Outlay on Housing	16.52	11.05	67	11.05	67
4.	4701(Voted)-Capital Outlay on Medium Irrigation	22.91	22.81	99	22.81	99
5.	4705 (Voted)-Capital Outlay on Command Area Development	18.74	15.29	82	15.29	82
6.	5054 (Charged)-Capital Outlay on Roads and Bridges	21.49	16.08	75	16.08	75
<b>Total</b>		<b>647.79</b>	<b>487.99</b>	<b>75</b>	<b>407.56</b>	<b>63</b>

Source: Information compiled by Accountant General (Accounts & Entitlement) office

### 2.3.4 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit showed that in 30 cases, savings exceeded by ₹ one crore in each case and by more than 20 per cent of the total provision (**Appendix 2.9**) in three cases. Out of the total saving of ₹ 1,510.90 crore, substantial saving of ₹ 1,228.60 crore (81 per cent) was in four cases alone relating to four grants where saving was more than ₹ 100 crore in each case as indicated in **Table 2.3**.

**Table 2.3: List of grants with savings of more than ₹ 100 crore**  
(₹ in crore)

Sr. No.	Number and name of the Grant	Total provision	Actual Expenditure	Savings (percentage)	Schemes with substantial savings
<b>Revenue-Voted</b>					
1.	08-Education	4,086.12	3,700.75	385.37(9)	Middle School: 221.64 Secondary School: 38.21
2.	09- Health and Family Welfare	1,247.36	1,095.47	151.89(12)	Urban Health: 38.36 Provision under National Rural Health Mission: 46.72
3.	20-Rural Development	948.43	838.57	109.86(12)	MGNREGS: 20.17
4.	29-Finance	3,546.79	2,965.31	581.48(16)	Superannuation from 01-11-1966: 92.37 Payment from 01-11-1966: 57.00 Payments from 01-11-1966 Gratuities: 129.96
<b>Total</b>		<b>9,828.70</b>	<b>8,600.10</b>	<b>1,228.60</b>	

Source: Appropriation Accounts  
Figures in parenthesis indicate percentage.

Reasons for substantial savings (shortfall in utilization) against Grants No. 09-Health and Family Welfare, 20-Rural Development and 29-Finance were not assigned (September 2015) by the State Government.

#### 2.3.4.1 Persistent savings

In eight cases, there were persistent savings of more than ₹ one crore each year during the last five years as per the details given in **Table 2.4**.

**Table 2.4: List of grants with persistent savings during 2010-15**

(₹ in crore)

Sr. No.	Grant number and name	Amount of Savings				
		2010-11	2011-12	2012-13	2013-14	2014-15
<b>Revenue-Voted</b>						
1.	03-Administration of Justice	16.51	15.96	14.78	16.71	4.52
2.	08-Education	33.53	205.11	119.99	342.46	385.37
3.	15-Planning and Backward Area Sub-Plan	7.78	9.43	6.89	13.44	11.61
4.	20-Rural Development	4.06	75.07	72.69	60.04	109.86
<b>Capital-Voted</b>						
5.	10-Public Works-Roads, Bridges and Buildings	1.58	51.22	45.41	77.21	11.83
6.	29-Finance	1.84	1.67	5.07	4.52	5.49
7.	31-Tribal Development	1.67	12.55	8.54	45.42	7.17
8.	32-Scheduled Caste Sub-Plan	18.49	2.39	61.22	83.63	9.27

Source: Appropriation Accounts

A significant portion of savings under Grant No. 8-Education had occurred under Middle School during 2012-13 (₹ 81.44 crore), 2013-14 (₹ 204.90 crore) and 2014-15 (₹ 221.64 crore). This indicated inadequate financial control.

#### 2.3.4.2 Substantial surrenders

Substantial surrenders (the cases where more than 50 per cent of total provision was surrendered) were made in respect of 34 sub-heads (**Appendix 2.10**) on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to ₹ 291.30 crore in these 34 schemes, ₹ 215.04 crore (74 per cent) were surrendered, which included cent per cent surrender in 17 schemes (₹ 72.23 crore) (**Appendix 2.11**). Of the 17 schemes, substantial surrenders were made under 'Scholarships to Minority Community Students' (Centrally Sponsored Scheme) (₹ 3.29 crore) under Grant No. 08-Education, 'Expenditure on Maintenance of Roads under Thirteenth Finance Commission Award' (₹ 41.62 crore) under Grant No. 10-Public Works-Roads, Bridges and Buildings and 'Assistance to Electricity Board' (₹ 12.59 crore) and 'Expenditure on creation of State Art Industries (₹ 3.77 crore)' under Grant No. 32-Scheduled Caste Sub-Plan.

Further, in 16 cases, there was surrender of more than ₹ 10 crore each involving ₹ 1,648.74 crore on 31 March 2015 (**Appendix 2.12**). Surrender of funds on the last working day of March 2015 indicated inadequate financial control leading to non-utilisation of funds for other developmental purposes in the needy areas.

### 2.3.4.3 Anticipated savings not surrendered

According to Himachal Pradesh Budget Manual (Paragraph 11.2 of Chapter 11), all the savings as and when anticipated, must be surrendered to the Finance Department latest by 15 January by the spending Department. It was, however, noticed that in the following grants, out of total savings of ₹ 651.70 crore, only ₹ 474.71 crore was surrendered as detailed in **Table 2.5**.

**Table 2.5: Cases of saving of ₹one crore and above not surrendered**  
(₹ in crore)

Sr. No.	Number and name of Grant	Saving	Surrender	Saving which were not surrendered
<b>Revenue-Voted</b>				
1.	07-Police and Allied Organisations	9.14	8.83	0.31
2.	14-Animal Husbandry, Dairy Development and Fisheries	6.72	5.45	1.27
3.	18-Industries, Minerals, Supplies and Information Technology	5.20	3.08	2.12
4.	29-Finance	581.48	428.49	152.99
<b>Capital-Voted</b>				
5.	09-Health and Family Welfare	6.44	5.23	1.21
6.	10-Public Works-Roads, Bridges and Buildings	11.83	9.95	1.88
7.	13-Irrigation, Water Supply and Sanitation	8.96	8.62	0.34
8.	29-Finance	5.49	5.06	0.43
9.	31-Tribal Development	7.17	-	7.17
10.	32-Scheduled Caste Sub-Plan	9.27	-	9.27
<b>Total</b>		<b>651.70</b>	<b>474.71</b>	<b>176.99</b>

As evident from above table, despite large amount of savings sufficient surrenders were not made under grant numbers 18-Industries, Minerals, Supplies and Information Technology: ₹ 2.12 crore (Revenue-Voted) and 29- Finance: ₹ 152.99 crore (Revenue-Voted). Further, no surrenders were made against sufficient savings under grant numbers 31-Tribal Development (Capital-Voted) and 32-Scheduled Caste Sub-Plan (Capital-Voted).

### 2.3.5 Drawal of funds to avoid lapse of budget grant

Rule 5.71 (c) (5) of Himachal Pradesh Treasury Rules stipulates that no money shall be drawn from the treasury unless it is required for immediate disbursement. In respect of the following, the amounts drawn were neither spent for the specific purposes nor refunded into treasury before closure of financial year 2014-15.

Executive Engineers (EEs) of six<sup>4</sup> divisions of Irrigation and Public Health (I&PH) and Public Works (PW) departments drew (March 2013 and March 2014) ₹ 58.79 crore for execution of 52 works<sup>5</sup> and simultaneously transferred the funds to

<sup>4</sup> Hamirpur: ₹ 36.50 crore; Paonta Sahib: ₹ 6.77 crore; No. I Una (I&PH): ₹ 5.55 crore and Dalhousie: ₹ 1.10 crore; Dhami: ₹ 6.24 crore and Hamirpur (PW): ₹ 2.63 crore.

<sup>5</sup> Construction of (C/o) Medium Irrigation Project Nadaun Area (one); Channelisation of Bata-River Phase-I (one); C/o and augmentation of LIS, LWSS and WSS (10); Flood Protection Work and Channelisation (two); Installation of Hand Pump (one) (I&PH) and Special repair/ annual surfacing/annual repair and maintenance/improvement/upgradation of roads (six); C/o roads (six); C/o office /circuit house/rest house/training centre buildings/accommodation/parking (15) and other Miscellaneous developmental works (10) (PW).

other divisions (I&PH and PW) and sub-divisions<sup>6</sup> (I&PH and PW) under their control. In the financial year 2014-15, the amount of ₹ 11.79 crore was received back from the divisions (I&PH and PW) between May 2013 and June 2014 and was kept under the deposit head. The sub-divisions (I&PH and PW) also kept (March-May 2014) the amount of ₹ 47.00 crore under the deposit head.

It was further noticed that the concerned EEs could not utilise the whole amount and funds aggregating ₹ 30.80 crore<sup>7</sup> remained unutilised (October 2014 and March 2015) with them under deposit head. Funds were drawn by the EEs at the fag end of financial year to avoid lapse of budget grant. The EEs admitted the facts (October 2014- March 2015).

Drawal of funds for expenditure and keeping it in deposit head weakens the budgetary control mechanism as it is booked as expenditure in State accounts whereas the amount is yet to be spent.

### **2.3.6 Parking of funds outside Government account**

Rule 2.10 (b) (5) of Himachal Pradesh Financial Rules stipulates that no money should be drawn from the treasury unless it is required for immediate disbursement or has already been paid out of the permanent advance and it is not permissible to draw advances from the treasury for the execution of works, the completion of which is likely to take a considerable time. The Drawing and Disbursing Officers (DDOs) were not authorised by any general or specific rules to deposit unutilised funds in banks.

Scrutiny of records of three DDOs of Women and Child Development and Rural Development departments revealed that ₹ 1.18 crore were drawn in 2007-08, 2012-13 and 2013-14 by these DDOs for purchase of utensils, Pre-School Kit, Water Storage tank, Incentive grant to Mahila Mandals, etc. Due to inability of the departments to spend the amount, the whole amount of ₹ 1.18 crore were lying unutilised in the banks as of November and December 2014 as per details given in the **Appendix 2.13**. The concerned DDOs stated (November 2014 and January 2015) that the unspent amounts lying in the banks would be utilised shortly. The replies were not acceptable as some of the funds were lying in the banks for the last six and half years.

### **2.4 Pendency in submission of Detailed Contingent Bills**

As per Rules 5.74 and 5.75 of Himachal Pradesh Treasury (HPT) Rules, every Drawing and Disbursing Officer (DDO) has to certify in each Abstract Contingent (AC) bill that the Detailed bills in respect of AC bills drawn more than a month before the date of that bill have been submitted to the Treasury Officer. Further, it is the responsibility of the DDO concerned to get the advance adjusted during the same financial year in which it is drawn and in order to obviate chances of advances of one

<sup>6</sup> No. II Una (I&PH): ₹ 5.55 crore; No. III Shimla (PW): ₹ 6.24 crore; Majra and Paonta (I&PH): ₹ 6.77 crore; Hamirpur (I&PH): ₹ 36.50 crore; Dalhousie (PW): ₹ 1.10 crore and Hamirpur (PW): ₹ 2.63 crore.

<sup>7</sup> Hamirpur: ₹ 17.29 crore; Paonta Sahib: ₹ 4.38 crore; No. I Una (I&PH): ₹ 3.92 crore; Dalhousie: ₹ 0.76 crore; Dhamsi: ₹ 1.97 crore and Hamirpur (PW): ₹ 2.48 crore.

financial year spilling over to another, no advance shall be granted in the month of March. In the State, out of ₹ 47.78 crore drawn on AC bills upto March 2015 by 11 DDOs, the total amount of Detailed Countersigned Contingent (DC) bills received upto 31 May 2015 was only ₹ 1.83 crore resulting in an outstanding balance of ₹ 45.95 crore which was 96 per cent of the total AC bills drawn upto March 2015. Year-wise and department-wise details are given in **Appendix 2.14**.

Further, the Health and Family Welfare Department was selected in audit for detailed scrutiny of AC/DC Bills. Information collected (May 2015) and further scrutiny (September 2015) of records of Health and Family Welfare Department revealed that during the years 2012-14, 25 AC bills amounting to ₹ 11.91 crore were drawn for purchase of medicines in favour of Managing Director, Himachal Pradesh State Civil Supplies Corporation Limited, Shimla and 13 AC bills amounting to ₹ 13.98 crore were drawn and released to 13 Chief Medical Officers (CMOs) (Indenting Officers) on closing day of the financial year 2014-15. The AC Bills were lying unadjusted as of 31 August 2015, which was contrary to the HPT Rules. The details are as follows in **Table 2.6**.

**Table 2.6: Abstract Contingent bills lying unadjusted as of August 2015**  
(₹ in crore)

Sr. No.	Year	Number of AC bills	Date and Month of drawal of AC bills	Amount
1.	2012-13	16	30-03-2013	11.25
2.	2013-14	9	December 2013 and February 2014	0.66
3.	2014-15	13	31-03-2015	13.98
	<b>Total</b>	<b>38</b>		<b>25.89</b>

The department had drawn AC bills during the years 2012-13 and 2013-14 without adjusting the first advance which was also not in accordance with the rules *ibid*.

On this being pointed out the department while accepting the facts stated (September 2015) that due to non-receipt of final adjustment account of medicines against the advances paid to the Himachal Pradesh State Civil Supplies Corporation and concerned offices, the department could not adjust the same. The reply was not acceptable as the advances were made by the department at the fag end of financial years 2012-13 and 2014-15 by exhausting whole year and further sanctioned advance in the year 2013-14 without adjusting the first. Thus, the department failed to follow specified internal control measure as laid down in the HPT Rules.

## **2.5 Operation of Personal Deposit Accounts**

Personal Deposit Accounts (PDAs) are created by debit to the Consolidated Fund and the same should be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund. Information obtained from the office of the Accountant General (A&E), Himachal Pradesh showed that there were 109 PDAs in 15 District Treasuries at the beginning of the year 2014-15. Out of these 109 PDAs, 11 PDAs were closed and 15 PDAs were opened during the

year. The position of balances lying in these 113 accounts as on 31 March 2015 is given as under:

- 100 PDAs having balance of ₹ 360.80 crore had been in operation during the year.
- 13 PDAs involving an amount of ₹ 0.20 crore remained inoperative during the current year. These PDAs also remained inoperative over the past five years.

Unspent balances lying in PDAs are required to be transferred back to the Consolidated Fund. There were unspent balances of ₹ 361 crore in 113 PDAs (**Appendix 2.15**) which require investigation.

## 2.6 Outcome of Review of Selected Grant

A review of budgetary procedure and control over expenditure in respect of grant number 13<sup>8</sup>-Irrigation, Water Supply and Sanitation was conducted (July 2015) and important points noticed during the review are detailed below:

### 2.6.1 Budget and expenditure

The overall position of funds allotted and expenditure incurred under the grant during 2014-15 is given in **Table 2.7**.

**Table 2.7: Position of funds allocated and expenditure incurred during 2014-15**

	Total Grant	Expenditure incurred	Excess (+)/Savings (-)
Revenue Section	1,699.84	2,173.90	474.06
Capital Section	532.40	523.13	(-) 9.27
<b>Total</b>	<b>2,232.24</b>	<b>2,697.03</b>	<b>464.79</b>

Source: Appropriation Accounts

### 2.6.2 Excess over the budget provisions due to un-realistic estimation

Against the provision of ₹ 1,699.84 crore under seven Major Heads (**Table- 2.8**), an expenditure of ₹ 2,173.90 crore was incurred during 2014-15. This resulted in excess expenditure of ₹ 474.06 crore. It was observed that the huge excess was mainly due to accumulation of ₹ 416.79 crore under Suspense Heads (Suspense Stock: ₹ 257.70 crore, Stock Manufacture: ₹ 7.46 crore and Miscellaneous Public Works Advances: ₹ 151.63 crore) under Major Heads 2215 and 2711. This is indicative of inefficient planning and unrealistic estimation. Excess expenditure of ₹ 474.06 crore over the Voted provision in Revenue Section requires regularisation.

<sup>8</sup> Including 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 under Revenue Section and 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 and Drainage in Capital Section.



**Table 2.8: Excess over the budget provisions**

(₹ in crore)

Sr. No.	Major head	Total budget provision				Expenditure	Excess (+)/ Saving (-) over total provision
		Original	Supplementary	Re-appropriation	Total		
<b>Revenue Section-Voted</b>							
1.	2059-Public Works	0.64	-	-	0.64	0.62	(-) 0.02
2.	2215-Water Supply and Sanitation	1,152.45	_*	10.74	1,163.19	1,511.89	348.70
3.	2216-Housing	0.04	-	-	0.04	0.04	_**
4.	2700-Major Irrigation	18.66	-	(-) 3.79	14.87	13.69	(-) 1.18
5.	2701-Medium Irrigation	10.76	-	0.71	11.47	11.49	0.02
6.	2702-Minor Irrigation	512.11	-	(-) 61.23	450.88	465.56	14.68
7.	2711-Flood Control and Drainage	5.18	_***	3.79	8.97	170.61	161.64
<b>Total</b>		<b>1,699.84</b>	<b>-</b>	<b>(-) 49.78</b>	<b>1,650.06</b>	<b>2,173.90</b>	<b>523.84</b>

\* ₹4,000 only    \*\* ₹13,130 only    \*\*\* ₹1,000 only

Assistant Controller (F&A) stated (July 2015) that excess expenditure under Major Heads 2215 and 2711 was due to booking of material under suspense heads and shall be regularised shortly. The reply was not acceptable as the expenditure should not have been incurred without the budget provision.

### **2.6.3 Inadequate supplementary provision**

Against the requirement of additional provision of ₹ 525.04 crore under four Major Heads (**Table 2.8**) supplementary provision of negligible amount of ₹ five thousand was obtained by the Department. This is indicative of unrealistic estimation.

No concrete reasons for unrealistic estimation were furnished by the Department.

### **2.6.4 Injudicious re-appropriation**

During 2014-15, the re-appropriation of ₹ 14.53 crore under Major Heads (2215 and 2711) proved insufficient as the expenditure exceeded by ₹ 510.34 crore against the original provision of ₹ 1,157.63 crore. Further, withdrawal of ₹ 61.23 crore under Major Head 2702-Minor Irrigation by obtaining re-appropriation was injudicious, as there was ultimate savings of ₹ 46.55 crore.

Assistant Controller (F&A) stated (July 2015) that the excess expenditure under Major Heads 2215 and 2711 was due to booking of material under suspense heads and under Major Head 2702 was due to payment of salary to the employees. The reply was not acceptable as the expenditure should not have been incurred without making the budget provision under Major Heads 2215 and 2711 and the funds should have been surrendered under the Major Head 2702 keeping in view the future requirement.

### **2.6.5 Surrender of funds**

(i) Under Revenue Section of the grant, an expenditure of ₹ 2,173.90 crore was incurred against the provision of ₹ 1,699.84 crore during 2014-15 resulting in excess

expenditure of ₹ 474.06 crore (**Table 2.7**). However, the department incorrectly surrendered (March 2015) ₹ 49.78 crore against excess expenditure of ₹ 474.06 crore.

(ii) Under Capital Section of the grant, against the provision of ₹ 532.40 crore, an expenditure of ₹ 523.13 crore was incurred during 2014-15 resulting in savings of ₹ 9.27 crore (**Table 2.7**). However, the department surrendered (March 2015) ₹ 8.62 crore resulting in less surrender of ₹ 0.65 crore.

Incorrect/less surrender of ₹ 49.78 crore and ₹ 0.65 crore indicated deficient financial management.

### 2.6.6 Rush of expenditure

State Government has prescribed (September 1995) quarter-wise percentages for incurring expenditure. In the case of Grant No. 13, the prescribed quarter-wise flow of expenditure was not maintained during 2014-15, as per details tabulated below:

**Table 2.9: Rush of expenditure**

(₹ in crore)					
Month	Expenditure	Quarter	Prescribed norm of expenditure during the quarter (Percentage)	Quarterly expenditure	Percentage of actual expenditure
April/2014	18.04	1 <sup>st</sup>	20	386.19	14
May/2014	216.44				
June/2014	151.71				
July/2014	137.87	2 <sup>nd</sup>	25	502.73	19
August/2014	202.94				
September/2014	161.92				
October/2014	212.87	3 <sup>rd</sup>	30	606.28	22
November/2014	188.93				
December/2014	204.48				
January/2015	217.36	4 <sup>th</sup>	25	1,201.83	45
February/2015	228.75				
March/2015	755.72				
<b>Total</b>	<b>2,697.03</b>			<b>2,697.03</b>	

Source: Office of the Accountant General (Accounts & Entitlement), Himachal Pradesh

As is seen from the above table, the department did not adhere to the prescribed norm of expenditure and there was rush of expenditure in the last quarter of the financial year 2014-15 as 45 per cent and during the month of March 2015 alone it was 28 per cent (₹ 755.72 crore) of the total expenditure (₹ 2,697.03 crore) of the grant. This not only indicated lack of planning for allocation and utilisation of funds but also showed absence of expenditure control system.

Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill planned expenditure. The department should ensure that the 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.

### 2.6.7 Delay in submission of budgetary return

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 25<sup>th</sup> October and 1<sup>st</sup> December, respectively. It was, however, noticed that the E-in-C of I&PH Department had submitted the budget estimates and the statement of excesses and surrenders for 2014-15 on 24<sup>th</sup> December 2013 and 11<sup>th</sup> February 2015 causing thereby a delay of 60 days and 72 days respectively. This showed that the prescribed time schedule of submission of budget estimates and statements of excesses and surrenders was not followed by the Department during 2014-15.

Assistant Controller (F&A) stated (July 2015) that the reasons for delay was time taken in receipt of expenditure statement from various field units. The reply shows lack of internal control in the department.

## 2.7 Outcome of Inspection of Treasuries

### 2.7.1 Excess payment of Pensionary benefits

During inspection of District Treasuries/Treasuries/Sub-treasuries by the office of the Accountant General (A&E) for the year 2013-14, the test-check of pension payment records showed that six District Treasury Officers and two Treasury Officers had made overpayment to the extent of ₹ 9.81 lakh to 17 pensioners and family pensioners as per detail given in **Table 2.10**. The excess payment had occurred due to non-reduction/early restoration of commuted portion of pension of the concerned pensioners and authorisation of family pension after attaining the age of 25 years, marriage of family pensioner and payment of enhanced family pension after prescribed period.

**Table 2.10: Excess payment of pensionary benefits (on account of Commutation/Family Pension) during 2013-14 (Inspection Reports issued in 2014-15)**

Sr. No.	Name of District Treasury (DT)/ Treasury/Sub-Treasury (ST)	Nature of overpayment	Number of cases	Payment		
				Through Bank	Through Treasury(Th T)	Treasury-wise Total
1	2	3	4	5	6	7
1.	DT, Kangra	Commutation	3	--	Th T	1.51
2.	DT, Kinnaur at Reckong peo	Family Pension	1	--	Th T	1.04
3.	DT, Kullu	Commutation Family Pension	2 1	--	Th T Th T	1.83
4.	DT, Keylong	Commutation	2	--	Th T	0.49
5.	DT, Solan	Family Pension	3	--	Th T	0.35
6.	DT, Una	Commutation	2	--	Th T	3.52
7.	Treasury, Kaza	Family Pension Pension	1 1	--	Th T Th T	0.87
8.	ST, Dodra-Kwar	Family Pension	1	--	Th T	0.20
<b>Total</b>			<b>17</b>	<b>--</b>		<b>9.81</b>

Source: Annual review report on the working of Treasuries in Himachal Pradesh for the year 2014-15 prepared by Accountant General (A&E)

### 2.7.2 Excess drawal of funds over Letter of Credit

In accordance with the provisions envisaged in Rule 5.121(a) of Himachal Pradesh Treasury Rules 2007, necessary instructions shall be issued by the District Treasury Officer/Treasury Officer to the bank concerned not to accept any cheque issued by an officer of the Public Works/I&PH departments who has exceeded the limit stipulated in the Letter of Credit (LOC). Fresh instructions are required to be issued to honour the cheque as soon as further amount of LOC is placed at the disposal of the LOC holder.

During local inspection of treasuries, it was noticed that an amount of ₹ 9.45 crore was drawn in excess of the prescribed LOC limit by 12 cheque drawing DDOs in eight District Treasuries/Sub-Treasuries (**Table 2.11**). Thus, the drawal of funds in excess of LOC limit rendered the system of budgetary control ineffective.

**Table 2.11: Excess drawal of funds over LOC (Inspection Reports issued in 2014-15)**  
(₹ in lakh)

Sr. No	Name of District Treasury (DT)/Sub-Treasury (ST)	Amount of excess drawal	Name of DDO's
1.	DT, Kangra at Dharamshala	5.20	EE, NH, PWD, Nurpur
2.	ST, Nurpur	45.89 2.17	EE, I&PH, Nurpur EE, Phina Singh MIP Divn., Sadwan, Nurpur
3.	ST, Kasba Kotla	578.59	EE, SNPD, Terrace, Distt. Kangra
4.	DT, Shimla	0.46	EE, Hydel Construction and Maintenance Division, Shimla
5.	ST, Jubbal	8.34	EE, PWD, Jubbal
6.	ST, Rohru	90.00	EE, PWD, Rohru
7.	ST, Chirgaon	12.11	AE, PWD, Chirgaon
8.	DT, Sirmour at Nahan	62.54 10.67 45.00 84.27	EE, PWD, Nahan EE, PWD, Paonta Sahib EE, PWD, Rajgarh EE, I&PH, Paonta Sahib
<b>Total</b>		<b>945.24 lakh or say 9.45 crore</b>	<b>12 DDOs</b>

Source: Annual review report on the working of Treasuries in Himachal Pradesh for the year 2014-15 prepared by Accountant General (A&E)

### 2.7.3 Drawal of cheques after expiry of currency period

In accordance with the provisions contained in Rules 2.16 of Himachal Pradesh Financial Rules, 1971 (Volume-I) and 5.16.1 of Himachal Pradesh Treasury Rules, 2007, the cheques remain current for three months after the month of issue. The Finance Department vide letter dated 7th November, 2008 and 12th November, 2008 adopted modified system of Letter of Credit (LOC) which provides that the cheques presented in banks on or after 1st December, 2008 shall not be paid by the bank until those are passed by the Treasury.

During local inspection of District Treasuries/Treasuries, it was noticed that in two cases, payment amounting to ₹ 5.95 lakh was drawn after expiry of currency period of cheques as per detail given in **Table 2.12**.

**Table 2.12: Drawal of cheques after expiry of currency period (Inspection Reports issued in 2014-15)**  
(in ₹)

Sr. No.	Name of District Treasury (DT)/Sub-Treasury (ST)	Amount of Cheque	Number of Cases	Name of DDO
1.	ST, Dehra	24,300/-	1	AE, I&PH, S/Div., Dada Siba
2.	DT, Shimla	5,70,593/-	1	AE, I&PH, S/Div., Theog
	<b>Total</b>	<b>5,94,893/- or say 5.95 lakh</b>		

Source: Annual review report on the working of Treasuries in Himachal Pradesh for the year 2014-15 prepared by Accountant General (A&E)

## 2.8 Conclusion and Recommendations

The overall excess of ₹ 74.79 crore registered under grants/appropriation during the year 2014-15 was the net result of excess of ₹ 1,585.69 crore offset by savings of ₹ 1,510.90 crore. The excess expenditure of ₹ 1,585.69 crore of 2014-15 in addition to ₹ 5,055.89 crore for the years 2009-14, requires regularisation of the State Legislature.

***The State Government should ensure timely submission of explanations for excess expenditure.***

Supplementary provision aggregating ₹ 343.99 crore obtained in six cases (₹ One crore or more in each case) during the year 2014-15 proved unnecessary as original provisions were sufficient to meet the expenditure and in seven cases, supplementary provision of ₹ 5,967 crore (more than ₹ one crore in each case) proved insufficient leaving an aggregate uncovered excess expenditure of ₹ 1,011.84 crore.

***The State Government may fine tune the mechanism for preparation of budget estimates so as to avoid large savings/excesses.***

In 16 cases, ₹ 1,648.74 crore were surrendered at the end of the financial year (more than ₹ 10 crore surrender in each case). There were instances of injudicious re-appropriations, which resulted in excess / savings of over ₹ One crore under 54 sub-heads. Rush of expenditure in the last quarter of the financial year indicated lack of budgetary control in the departments. AC bills amounting to ₹ 45.95 crore drawn during 2010-15 remained unadjusted as of May-July 2015 due to non-submission of DC bills. An amount of ₹ 9.45 crore was drawn in excess of the prescribed Letter of Credit limit by 12 cheque drawing DDOs in eight District Treasuries/sub-treasuries.

***The State Government may ensure surrendering of savings by stipulated date for their effective utilisation by needy departments. Expenditure should be planned and incurred in a manner to avoid rush of expenditure at the end of the year. The State Government should take initiatives for speedy submission of DC bills against the amount drawn on Abstract Contingent Bills within the timeframe as stipulated in the extant rules. Budgetary controls should be strictly observed to avoid such deficiencies in financial management.***

**CHAPTER-III**  
**FINANCIAL REPORTING**



## CHAPTER - III

### FINANCIAL REPORTING

A sound internal financial reporting with relevant and reliable information significantly contributes to efficient and effective governance by the State government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliances is thus one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

#### 3.1 Delay in furnishing Utilisation Certificates

Financial Rules provide that utilisation certificates (UCs) should be obtained for specific purpose grants by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General (Accounts and Entitlement) Himachal Pradesh within one year from the date of their sanction unless specified otherwise. However, of the 42,642 UCs due in respect of grants and loans aggregating ₹ 3,065.48 crore upto March 2015, 15,539 UCs (36 per cent) for an aggregate amount of ₹ 2,387.39 crore (78 per cent) were pending as of March 2015 out of which one UC involving ₹ 0.07 crore was pending for more than nine years. The department-wise break-up of outstanding UCs is given in **Appendix 3.1** and age-wise delays in submission of UCs are summarized in **Table 3.1**.

**Table 3.1: Age-wise arrears of Utilisation Certificates as on 31 March, 2015**  
(₹ in crore)

Sr. No.	Range of delay (in number of years)	Total grants paid		Utilisation certificates outstanding	
		Number of Cases	Amount	Number	Amount
1.	0 – 1	25,615	1,437.89	11,674	1,240.88
2.	1 – 3	16,199	1,396.01	3,128	942.06
3.	3 – 5	825	231.26	737	204.45
4.	5 – 7	02	0.25	--	--
5.	7 – 9	--	--	--	--
6.	9 and above	01	0.07	--	--
	<b>Total</b>	<b>42,642</b>	<b>3,065.48</b>	<b>15,539</b>	<b>2,387.39</b>

Source: Accountant General (Accounts & Entitlement)

Pendency of UCs mainly pertained to the Department of Education (9,581 UCs: ₹ 250.57 crore), Rural Development (2,719 UCs: ₹ 1,086.85 crore), Social Justice and Empowerment (1,572 UCs: ₹ 77.39 crore), Art and Culture (329 UCs: ₹ 6.35 crore),



Industries (180 UCs: ₹ 33.43 crore), Urban Development (152 UCs: ₹ 550.34 crore), Sports and Youth Services (15 UCs: ₹ 0.89 crore), Tourism (47 UCs: ₹ 37.77 crore), Animal Husbandry (69 UCs: ₹ 62.38 crore), Excise and Taxation (72 UCs: ₹ 16.27 crore), Secretariat and Social Services (seven UCs: ₹ 1.55 crore). In the absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purpose for which these were given.

### **3.2 Delay in submission of Accounts/Separate Audit Reports (SARs) of Autonomous Bodies and placement of SARs before the State Legislature**

Several Autonomous Bodies have been set up by the State Government. The audit of accounts of 14 autonomous bodies in the State has been entrusted to the Comptroller and Auditor General of India. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report and its placement in the Legislature is indicated in **Appendix 3.2**.

The accounts of HP Building and Construction Workers Welfare Board, Shimla were late by twelve months for the year 2013-14 whereas the delay in respect of other bodies ranged between half month and three months. The accounts for the year 2014-15 in respect of all the 13 bodies (except State Veterinary Council, Shimla) had not been furnished as of August 2015. 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.

Separate Audit Report on State Veterinary Council, Shimla for 2012-13 and 2013-14 has been issued and the same placed before the Legislature. SARs of remaining 13 Autonomous Bodies issued by Audit for the year 2012-13 are yet to be placed before the State Legislature. SARs for 13 bodies for 2014-15 are pending due to non-furnishing of accounts. One SAR on State Veterinary Council, Shimla has been issued for the year 2014-15 which is yet to be placed before the Legislature.

### **3.3 Non-submission of details of grants/loans paid**

To identify institutions/organisations which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (C&AG's DPC Act), the government/heads of the departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which the assistance is granted and the total expenditure of the institutions. Further, Regulations on Audit and Accounts, 2007 provide that governments 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.

15 Departments/ autonomous bodies<sup>1</sup> (out of a total of 20 department/autonomous bodies) had furnished such details for the year 2014-15 upto August 2015. Due to this, audit in remaining cases could not provide assurance to legislature/government about the manner in which the grants sanctioned/paid by them have been utilised, specifically on the issue of non-diversion and proper utilisation.

Due to non-furnishing of the above details to the office of the Principal Accountant General (Audit), Himachal Pradesh, the bodies/institutions could not be identified to bring them under audit purview, as a result of which the accuracy and propriety of expenditure out of such loans and grants given out of Consolidated Fund of the State could not be examined in audit to express audit opinion.

### 3.4 Misappropriation/loss, theft, etc.

As per the provisions of Himachal Pradesh Financial Rules, State Government reported 47 cases of misappropriation/losses, theft, etc., involving government money amounting to ₹ 78.70 lakh upto June 2015 on which final action was pending. Out of these, 41 cases were more than five years old. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.3** and nature of these cases is given in **Appendix 3.4**. The age-profile of the pending cases and the number of cases pending in each category 'Theft and misappropriation/loss' as emerged from these appendices are summarised in **Table 3.2**.

**Table 3.2: Profile of misappropriations/losses and theft**

(₹ in lakh)

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in years	Number of cases	Amount involved	Nature/characteristics of the cases	Number of cases	Amount involved
0 – 5	06	6.08	Theft	12	12.09
5 – 10	08	19.68			
10 – 15	09	33.77			
15 – 20	09	12.51	Misappropriation/ loss of material	35	66.61
20 – 25	02	3.12			
25 and above	13	3.54			
<b>Total</b>	<b>47</b>	<b>78.70</b>	<b>Total</b>	<b>47</b>	<b>78.70</b>

<sup>1</sup> Higher Education; Sarva Shiksha Abhiyan; Elementary Education; SC, ST and Minority Affairs; Art, Culture and Language; Animal Husbandry; State Seed and Organic Produce Certification Agency; Urban Development; Agriculture; HIMFED; Fisheries; NRHM; Directorate of Horticulture; Directorate of Co-operation and Conservator of Forests (CAT Plans).

A further analysis indicates that the reasons for which the cases were outstanding could be classified in the categories listed in **Table 3.3**.

**Table 3.3: Reasons for outstanding cases of misappropriation/loss, theft, etc.**

		(₹ in lakh)	
Reasons for the delay/outstanding cases		Number of cases	Amount
(i)	Awaiting departmental and criminal investigation	15	17.37
(ii)	Awaiting orders for recovery or write off	14	8.05
(iii)	Pending in the courts of law	06	27.30
(iv)	Recovery made/written off but awaiting final disposal from PAC	12	25.98
<b>Total</b>		<b>47</b>	<b>78.70</b>

### 3.5 Misclassification in Accounts

#### Operation of Omnibus Minor Head-800

The expenditure of the government under the Consolidated Fund is classified as revenue and capital under various functional heads. The sub major heads and minor heads representing the sub functions/programmes are opened below the major heads. The minor head-800 is an omnibus head, opened in the accounts, when a particular item of expenditure/receipt cannot be accommodated in any of the existing minor heads. Routine operation of minor head-800 is to be discouraged, since it renders the accounts opaque.

During 2014-15, revenue receipts aggregating ₹ 2,680.31 crore (15.02 per cent of total revenue receipts) were classified under omnibus minor head-800-other receipts under 48 major heads. Instances where a substantial proportion (50 per cent or more) of the receipts were classified under the minor head 800-Other receipts are given in **Appendix 3.5 (A&B)**.

Similarly, expenditure aggregating ₹ 877.94 crore constituting 3.94 per cent of total expenditure (revenue and capital) during 2014-15 was classified under major head 800-other expenditure under 41 revenue and capital major heads. Classification of large amounts under the omnibus minor head-800-other expenditure/receipts affects true and fair picture of the financial reporting and obscures transparency in accounts for informed decision making.

### 3.6 Conclusion and Recommendations

Substantial delays in submission of utilisation certificates occurred and as a result proper utilisation of grants could not be ensured. In absence of annual accounts, it could not be ascertained whether certain autonomous bodies/authorities attract provision of section 14 of the CAG's (DPC) Act, 1971. Further, in cases of theft of government money misappropriation/loss, etc., departmental action was pending for

long period. 15.02 per cent of total revenue receipts and 3.94 per cent of total expenditure was classified under omnibus minor head 800-Other receipts/expenditure during 2014-15.

*The State Government may ensure timely submission of utilisation certificates in respect of the grants released to grantee institutions and timely preparation and submission of Annual Accounts by the Autonomous Bodies to facilitate auditing. An effective and time bound mechanism needs to be put in place to ensure speedy settlement of (i) cases relating to theft, misappropriation, losses, etc. (ii) receipts and expenditure of major schemes under the Minor Head '800-Other receipts' and '800-Other expenditure'.*

Shimla

The 11 January 2016



(RAM MOHAN JOHRI)

Principal Accountant General (Audit)

Himachal Pradesh

Countersigned

New Delhi

The 15 January 2016



(SHASHI KANT SHARMA)

Comptroller and Auditor General of India



## **APPENDICES**



## Appendix-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 2014 (Projected)	0.70 crore
3.	(a) Density of Population (2001) (All India density = 325 persons/sq km) (b) Density of Population (2011) (All India average = 382 persons/sq km)	109 persons/sq km  123 persons/sq km
4.	Population below poverty line (All India average = 30 %)	10.90%
5.	(a) Literacy (2001) (All India average = 64.8%) (b) Literacy (2011) (All India average = 73%)	76.50%  82.80%
6.	(a) Infant Mortality Rate (IMR) (2013) (All India IMR = 40) (b) Life Expectancy at Birth (2009-13) (All India average = 67.5)	35  71
7.	Gini Co-efficient (2009-10) (URP) (a) Rural (All India average = 0.29) (b) Urban (All India average = 0.38)	0.31  0.40
8.	Gross State Domestic Product (GSDP) 2014-15	95,587
9.	GSDP Compound Annual Growth Rate (CAGR) (2005-06 to 2014-15)	15.02

#### B Financial Data

Compound Annual Growth Rate (CAGR)					
		2005-06 to 2013-14		2013-14 to 2014-15	
		All SCS*	Himachal Pradesh	All SCS*	Himachal Pradesh
A	of Revenue Receipts	13.72	11.54	15.34	13.57
B	of Tax Revenue	16.00	16.62	13.19	15.99
C	of Non-Tax Revenue	10.67	12.62	(-) 6.78	16.58
D	of Total Expenditure	13.86	13.24	20.99	15.17
E	of Capital Expenditure	11.36	10.73	26.12	33.24
F	of Revenue Expenditure on Education	16.09	14.84	17.68	14.83
G	of Revenue Expenditure on Health	16.70	12.21	23.67	15.11
H	of Salary and wages	16.40	14.72	4.52	11.57
I	of Pension	19.95	19.86	14.94	2.07

Source: Finance Accounts and Audit Reports, Census info of India (2011), Report of the Expert Group (Rangarajan) to review the Methodology for Measurement of Poverty, Planning Commission, SRS Bulletin, Economic Survey 2014-15, Economics and Statistics Department of Himachal Pradesh and Central Statistical office.

\* Special Category States



## **Appendix-1.1**

### **Part-A: Structure and Form of Government Accounts**

**Structure of Government Accounts:** The accounts of the State Government are kept in three parts (i) Consolidated Fund; (ii) Contingency Fund; and (iii) Public Account.

**Part I: Consolidated Fund :** All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund titled 'The Consolidated Fund of State' established under Article 266 (1) of the Constitution of India.

**Part II: Contingency Fund:** Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

**Part III: 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.

## Appendix-1.1

### Part-B: Layout of Finance Accounts

The Finance Accounts for the year 2014-15 have been divided into two Volumes – Volume I and II. Volume I represents the financial statements of the Government in summarized form while Volume II represents detailed financial statement. The layout of the Finance Accounts is chalked out in the following manner:

<b>Layout</b>	
<b><i>VOLUME- I</i></b>	
<i>Statement 1</i>	Statement of Financial Position
<i>Statement 2</i>	Statement of Receipts and Disbursements
<i>Statement 3</i>	Statement of Receipts (Consolidated Fund)
<i>Statement 4</i>	Statement of Expenditure (Consolidated Fund) Annexure- A: Cash balances and investment of Cash balances
<i>Statement 5</i>	Statement of Progressive Capital expenditure
<i>Statement 6</i>	Statement of Borrowings and other Liabilities
<i>Statement 7</i>	Statement of Loans and Advances given by the Government
<i>Statement 8</i>	Statement of Investments of the Government
<i>Statement 9</i>	Statement of Guarantees given by the Government
<i>Statement 10</i>	Statement of Grants-in-aid given by the Government
<i>Statement 11</i>	Statement of Voted and Charged Expenditure
<i>Statement 12</i>	Statement on Sources and Application of funds for expenditure other than revenue account
<i>Statement 13</i>	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account
	Notes to Accounts
<b><i>VOLUME- II</i></b>	
<b><i>Part I: Detailed Statements</i></b>	
<i>Statement 14</i>	Detailed Statement of Revenue and Capital Receipts by minor heads
<i>Statement 15</i>	Detailed Statement of Revenue Expenditure by minor heads
<i>Statement 16</i>	Detailed Statement of Capital Expenditure by minor heads and Sub heads
<i>Statement 17</i>	Detailed Statement of Borrowings and other Liabilities
<i>Statement 18</i>	Detailed Statement on Loans and Advances given by the Government
<i>Statement 19</i>	Detailed Statement of Investments of the Government
<i>Statement 20</i>	Detailed Statement of Guarantees given by the Government
<i>Statement 21</i>	Detailed Statement on Contingency Fund and other Public Account transactions
<i>Statement 22</i>	Detailed Statement on Investments of earmarked funds

<b>Part II: Appendices</b>	
<i>I</i>	Comparative Expenditure on Salary by Major Heads
<i>II</i>	Comparative Expenditure on Subsidy
<i>III</i>	Grants-in-aid/Assistance given by the State Government (Scheme-wise and Institution-wise)
<i>IV</i>	Details of Externally Aided Projects
<i>V</i>	Plan Scheme expenditure (Central and State Plan Schemes)
<i>VI</i>	Direct transfer of Central Scheme funds to implementing agencies in the State (Funds routed outside the State budget)
<i>VII</i>	Acceptance and Reconciliation of Balances in respect of the closing balances shown in Statements 16 and 21
<i>VIII</i>	Financial results of Irrigation Works
<i>IX</i>	Commitments of the Government-List of Incomplete Capital Works
<i>X</i>	Maintenance expenditure with segregation of salary and non-salary portion
<i>XI</i>	Implication of major policy decisions of the Government during the year or new schemes proposed in the budget for future cash flows
<i>XII</i>	Committed liabilities of the State in future

## Appendix-1.2

### Part A: Methodology adopted for the Assessment of Fiscal Position

The trends in the major fiscal aggregates of receipts and expenditure as emerging from the Statements of Finance Accounts were analyzed wherever necessary over the period 2010-15 and observations have been made on their behavior. In its Restructuring Plan of State finances, the Th FC recommended the norms/ceiling for some fiscal aggregates and also made normative projections for others. In addition, Th FC also recommended that all States amend the Fiscal Responsibility (FR) Acts so that the fiscal position of State could be improved as committed in their respective FR Acts/Rules covering medium to long term. The norms/ceilings prescribed by the Th FC as well as its projections for fiscal aggregates along with the commitments/projections made by the State Government in their FR Acts and in other Statements required to be laid in the legislature under the Act, have been used to make qualitative assessment of the trends and pattern of major fiscal aggregates during the current year. Assuming that GSDP is a good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue (NTR), revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for tax revenues, NTRs, revenue expenditure etc., with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP. The new GSDP series with 2004-05 as base as published by the Director of Economics and Statistics of the State Government have been used in estimating these percentages and buoyancy ratios.

#### Trends in Gross State Domestic Product (GSDP)

The trends in GSDP for the last five years are indicated below:

	2010-11	2011-12	2012-13	2013-14	2014-15
Gross State Domestic Product ( In crore)	56,980	66,448	76,259	85,841	95,587
Growth rate of GSDP (In per cent)	18.24	16.62	14.76	12.57	11.35

*Source: Economic and Statistics Department, Himachal Pradesh and Central Statistics Office*

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts <b>minus</b> all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt

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## Appendix-1.2

### **Part-B: Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005 (Amended vide Act No. 25 of 2011)**

The Government of Himachal Pradesh enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 in April 2005 which was further amended by Act No. 25 of 2011 to ensure prudence in fiscal management and fiscal stability, by progressive reduction in revenue deficit, prudent debt management consistent with fiscal sustainability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework. To give effect to the fiscal management principles as laid down in the Act and the rules framed thereunder, the Act prescribed the following fiscal targets for the State Government:

- Eliminate revenue deficit by financial year 2011-12 and maintain revenue surplus thereafter;
- Reduce fiscal deficit to three *per cent* or less of Gross State Domestic Product by financial year 2011-12 and maintain fiscal deficit at the level of three *per cent* or less of Gross State Domestic Product thereafter;
- Reduce outstanding debt to 40.10 *per cent* of GSDP by the financial year 2014-15.
- Maintain outstanding risk weighted guarantees on long term debt below 40 *per cent* of total revenue receipt in the preceding financial year for which actuals are available as per Finance Accounts.

Further, Section 7 of the Act also amended which envisages that an independent mechanism shall be set up by the State Government to review and monitor the fiscal reform path set out under this Act.

### Appendix-1.3

(Reference: Paragraphs 1.1, 1.3, 1.9.2 and 1.11.3; Pages: 1, 8, 28 and 41)

#### Time Series Data on the State Government Finances

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Part-A: Receipts</b>					
<b>1. Revenue Receipts</b>	12,711	14,543	15,598	15,711	17,843
<b>(i) Tax Revenue</b>	3,643(29)	4,108 (28)	4,626 (30)	5,121 (33)	5,940(33)
Taxes on Sales, Trade, etc.	2,101(58)	2,477 (60)	2,728 (59)	3,141 (61)	3,661(62)
State Excise	562(15)	707 (17)	810 (18)	952 (19)	1,044(18)
Taxes on Vehicles	163(4)	176 (4)	196 (4)	208 (4)	220(4)
Stamps and Registration fees	133(4)	155 (4)	173 (4)	188 (4)	190(3)
Taxes and Duties on electricity	302(8)	185 (5)	262 (6)	191 (4)	333(5)
Land Revenue	5(0.1)	18 (11)	24 (-)	10 (-)	17(-)
Taxes on Goods and Passengers	93(3)	94 (2)	101 (2)	105 (2)	110(2)
Other Taxes	284(8)	296 (7)	332 (7)	326 (6)	365(6)
<b>(ii) Non Tax Revenue</b>	1,695(13)	1,915 (13)	1,377 (9)	1,785 (11)	2,081(12)
<b>(iii) State's share of Union taxes and duties</b>	1,715(13)	1,999 (14)	2,282(14)	2,491 (16)	2,644(15)
<b>(iv) Grants-in-aid from Government of India</b>	5,658(45)	6,521 (45)	7,313 (47)	6,314 (40)	7,178(40)
<b>2. Miscellaneous Capital Receipts</b>	646	--	-	-	650
<b>3. Recoveries of Loans and Advances</b>	73	25	21	17	41
<b>4. Total Revenue and Non debt capital receipts (1+2+3)</b>	13,430	14,568	15,619	15,728	18,534
<b>5. Public Debt Receipts</b>	2,411	1,984	3,371	4,050	10,877
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2,372 (98)	1,904 (96)	3,239 (96)	3,362(83)	3,892 (36)
Net transactions under Ways and Means Advances and Overdrafts	-	--	-	629(16)	6,860 (63)
Loans and Advances from Government of India	39	80 (4)	132 (4)	59(1)	125(1)
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	15,841	16,552	18,990	19,778	29,411
<b>7. Contingency Fund Receipts</b>	--	--	-	-	-
<b>8. Public Account Receipts</b>	8,507	9,237	9,146	10,300	10,575
<b>9. Total Receipts of the State (6+7+8)</b>	24,348	25,789	28,136	30,078	39,986
<b>Part-B: Expenditure/disbursement</b>					
<b>10. Revenue Expenditure</b>	13,946	13,898	16,174	17,352	19,787
Plan	1,652(12)	1,701 (12)	2,079 (13)	2,387 (14)	3,204(16)
Non-Plan	12,294(88)	12,197(88)	14,095 (87)	14,965 (86)	16,583(84)
General Services (including interest payments)	5,279(38)	5,690 (41)	6,618 (41)	7,047 (41)	7,604(38)
Social Services	4,979(35)	5,147 (37)	6,131 (38)	6,706 (39)	7,451(38)
Economic Services	3,682(26)	3,049 (22)	3,418 (21)	3,590 (20)	4,723(24)
Grants-in-aid and contributions	6(--)	12 (--)	7 (-)	9 (-)	9(-)
<b>11. Capital Expenditure</b>	1,789	1,810	1,955	1,856	2,473
Plan	1,774(99)	1,764 (97)	1,859 (95)	1,815 (98)	2,431(98)
Non-Plan	15(1)	46 (3)	96 (5)	41 (2)	42(2)
General Services	73(4)	73 (4)	74 (4)	81 (4)	83(3)
Social Services	611(34)	372 (21)	436 (22)	478 (26)	522(21)
Economic Services	1,105(62)	1,365 (75)	1,445 (74)	1,297 (70)	1,868(76)
<b>12. Disbursement of Loans and Advances</b>	227	493	469	531	474
<b>13. Total (10+11+12)</b>	15,962	16,201	18,598	19,739	22,734

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>14. Repayments of Public Debt</b>	870	1,128	2,117	1,704	8,260
Internal Debt (excluding Ways and Means Advances and Overdrafts)	808	1,034	2,056	1,467	1,410
Net transactions under Ways and Means Advances and Overdrafts	--	--	-	172	6,783
Loans and Advances from Government of India	62	94	61	65	67
<b>15. Appropriation to Contingency Fund</b>	--	--	-	-	-
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	16,832	17,329	20,715	21,443	30,994
<b>17. Contingency Fund disbursements</b>	--	--	-	-	-
<b>18. Public Account disbursements</b>	7,162	8,526	8,285	9,227	8,844
<b>19. Total disbursement by the State (16+17+18)</b>	23,994	25,855	29,000	30,670	39,838
<b>Part-C: Deficit/ Surplus</b>					
<b>20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)</b>	(-) 1,235	(+) 645	(-) 576	(-) 1,641	(-) 1,944
<b>21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)</b>	(-) 2,532	(-) 1,633	(-) 2,979	(-) 4,011	(-) 4,200
<b>22. Primary Deficit (-)/Surplus (+) (21+23)</b>	(-) 582	(+) 497	(-) 609	(-) 1,530	(-) 1,351
<b>Part-D: Other data</b>					
<b>23. Interest Payments (included in revenue expenditure)</b>	1,950	2,130	2,370	2,481	2,849
<b>24. Financial Assistance to local Bodies etc.</b>	849	981	1,203	1,438	2,156
<b>25. Ways and Means Advances/Overdraft availed (days)</b>	--	--	-	629	6,860
Ways and Means Advances availed (days)	--	--	-	10	77
Overdrafts availed (days)	--	--	-	01	48
<b>26. Interest on Ways and Means Advances/ Overdrafts</b>	--	--	-	0.11	14.80
<b>27. Gross State Domestic Product (GSDP)</b>	56,980 (18.24)	66,448 (16.62)	76,259 (14.76)	85,841 (12.57)	95,587 (11.35)
<b>28. Outstanding Fiscal liabilities (year end)</b>	26,415	28,228	30,442	33,884	38,192
<b>29. Outstanding guarantees (year end) (including interest)</b>	3,910	3,316	3,353	4,333	4,281
<b>30. Maximum amount guaranteed (year end)</b>	6,232	6,208	9,455	9,316	9316
<b>31. Number of incomplete projects</b>	11	13	12	12	13
<b>32. Capital blocked in incomplete projects</b>	86	930	115	130	141
<b>Part- E: Fiscal Health Indicators</b>					
<b>I. Resource Mobilization (ratio)</b>					
Own Tax revenue/GSDP	0.06	0.06	0.06	0.06	0.06
Own Non-Tax Revenue/GSDP	0.03	0.03	0.02	0.02	0.02
Central Transfers/GSDP	0.03	0.03	0.03	0.03	0.03
<b>II. Expenditure Management(ratio)</b>					
Total Expenditure/GSDP	0.28	0.24	0.24	0.23	0.24
Total Expenditure/Revenue Receipts	1.26	1.11	1.19	1.26	1.27
Revenue Expenditure/Total Expenditure	0.87	0.86	0.86	0.88	0.87
Expenditure on Social Services/Total Expenditure	0.35	0.34	0.35	0.36	0.35
Expenditure on Economic Services/Total Expenditure	0.30	0.27	0.26	0.25	0.29
Capital Expenditure/Total Expenditure	0.11	0.11	0.11	0.09	0.11
Capital Expenditure on Social and Economic Services/Total Expenditure	0.11	0.11	0.10	0.09	0.11



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	2010-11	2011-12	2012-13	2013-14	2014-15
<b>III. Management of Fiscal Liabilities (ratio)</b>					
Fiscal Liabilities/GSDP	0.46	0.42	0.40	0.39	0.40
Fiscal Liabilities/RR	2.07	1.94	1.95	2.16	2.14
Primary deficit vis-à-vis quantum spread	(-)0.21	0.20	(-)0.30	(-)0.93	(-)1.03
Debt Redemption (Principal +Interest)/ Total Debt Receipts	0.88	1.05	1.02	0.89	0.91
<b>IV. Other Fiscal Health Indicators</b>					
Return on Investment (₹ in crore)	64.11	85.65	100.09	103.42	170.99
Balance from Current Revenue (₹ in crore)	(-)2,607	(-) 1,529	(-)3,284	(-)3,544	(-) 4,719
Financial Assets/Liabilities (ratio)	0.66	0.70	0.70	0.68	0.67
Revenue Deficit/Fiscal Deficit (ratio)	0.49	NA	0.19	0.41	0.46
Primary Revenue Balance/GSDP (ratio)	0.01	0.04	0.02	0.008	0.008
<b>Revenue Expenditure: Basic Parameters</b>					
Total Expenditure (TE) (₹ in crore)	15,962	16,201	18,598	19,739	22,734
Rate of Growth TE ( <i>per cent</i> )	21.25	1.50	14.80	6.14	15.17
Revenue Expenditure (RE) (₹ in crore)	13,946	13,898	16,174	17,352	19,787
Rate of Growth RE ( <i>per cent</i> )	25.06	(-) 0.34	16.38	7.28	14.03
Non-Plan Revenue Expenditure (NPRE) (₹ in crore)	12,294	12,197	14,095	14,965	16,583
Rate of Growth NPRE ( <i>per cent</i> )	24.01	(-) 0.79	15.56	6.17	10.81
Plan Revenue Expenditure (₹ in crore)	1,652	1,701	2,079	2,387	3,204
Rate of Growth PRE ( <i>per cent</i> )	33.44	2.97	22.22	14.81	34.23
NPRE/GSDP ( <i>per cent</i> )	21.58	18.36	18.48	17.43	17.35
RE/TE ( <i>per cent</i> )	87.37	85.78	86.97	87.91	87.04
NPRE as <i>per cent</i> of TE	77.02	75.29	75.79	75.81	72.94
PRE as <i>per cent</i> of TE	10.35	10.50	11.18	12.09	14.09
NPRE as <i>per cent</i> of RR	96.72	83.87	90.36	95.25	92.94
Percentage of NPRE to RE	88.15	87.76	87.15	86.24	83.81
PRE to RE	11.85	12.24	12.85	13.76	16.19
<b>Buoyancy of Revenue Expenditure with</b>					
GSDP (ratio)	1.37	(-) 0.02	1.11	0.58	1.24
RRs (ratio)	1.09	(-) 0.02	2.26	10.11	1.03
NPRE (ratio)	1.04	(-) 0.43	1.05	1.18	1.30
PRE (ratio)	0.75	(-) 0.12	0.74	0.49	0.41

Figures in brackets represent percentages (rounded) to total of each sub-heading

## Appendix-1.4

(Reference: Paragraph 1.1.1 Page 2)

### Part-A: Abstract of Receipts and Disbursements for the year 2014-15

(₹ in crore)

Receipts					Disbursements					
2013-14		2014-15			2013-14	2014-15				
						Non-Plan	Plan	Total		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
<b>Section-A: Revenue</b>										
<b>I-Revenue Receipts</b>		15,711.07		17,843.45	<b>I-Revenue Expenditure</b>	17,352.49			19,787.05	19,787.05
(i) Tax revenue	5,120.91		5,940.16		<b>General Services</b>	7,046.82	7,534.33	69.32	7,603.65	
(ii) Non-tax revenue	1,784.53		2,081.45		<b>Social Services</b>	6,706.12	5,734.51	1,717.01	7,451.52	
(iii) State's share of Union Taxes and Duties	2,491.53		2,644.17		Education, Sports, Art and Culture	3,616.69	3,434.33	709.54	4,143.87	
(iv) Non-Plan Grants	2,024.82		1,199.03		Health and Family Welfare	1,001.30	890.00	347.18	1,237.18	
(v) Grants for State Plan Schemes	3,764.88		4,332.60		Water Supply, Sanitation, Housing and Urban Development	1,075.76	863.13	198.38	1,061.51	
(vi) Grants for Central Plan and Centrally Sponsored Plan Schemes	524.40		1,646.04		Information and Broadcasting	30.35	28.89	0.44	29.33	
					Welfare of Scheduled Castes, Scheduled Tribes and Other backward Classes	55.65	11.19	43.94	55.13	
					Labour and Labour Welfare	65.59	79.35	13.16	92.51	
					Social Welfare and Nutrition	845.56	409.85	384.80	794.65	
					Others	15.22	17.77	19.57	37.34	
					<b>Economic Services</b>	<b>3,590.46</b>	<b>3,305.26</b>	<b>1,417.49</b>	<b>4,722.75</b>	
					Agriculture and Allied Activities	1,422.49	859.60	667.36	1,526.96	
					Rural Development	436.94	356.16	539.50	895.66	
					Irrigation and Flood Control	303.01	322.62	37.33	359.95	
					Energy	26.54	394.71	12.83	407.54	
					Industry and Minerals	64.54	35.61	41.38	76.99	
					Transport	1,256.76	1,288.29	64.45	1,352.74	
					Science, Technology and Environment	6.31	2.68	4.01	6.69	
					General Economic Services	73.87	45.57	50.65	96.22	
					<b>Grants-in-aid and Contributions</b>	<b>9.09</b>	<b>9.13</b>	<b>-</b>	<b>9.13</b>	
<b>Total</b>		<b>15,711.07</b>		<b>17,843.45</b>	<b>Total</b>	<b>17,352.49</b>	<b>16,583.22</b>	<b>3,203.83</b>	<b>19,787.05</b>	
<b>II-Revenue Deficit carried over to Section -B</b>					<b>II-Revenue surplus carried over to Section-B</b>	<b>(-) 1,641.42</b>			<b>(-)1,943.60</b>	
<b>Total:</b>		<b>15,711.07</b>		<b>17,843.45</b>	<b>Total:</b>	<b>15,711.07</b>			<b>17,843.45</b>	

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Receipts					Disbursements					
2013-14		2014-15			2013-14	2014-15				
						Non-Plan	Plan	Total		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
<b>Section-B: Capital</b>										
III-Opening cash balance including Permanent Advances and Cash Balance Investment		(-) 295.05		(-)887.30	III- Opening overdraft from Reserve Bank of India	-				
IV- Misc. Capital Receipts	-			650.00	IV- Capital Outlay	1,855.86				2,472.89
					<b>General Services</b>	<b>81.02</b>	<b>4.40</b>	<b>78.41</b>	<b>82.81</b>	
					<b>Social Services</b>	<b>477.45</b>	<b>2.27</b>	<b>519.70</b>	<b>521.97</b>	
					Education, Sports, Art and Culture	174.22	-	130.96	130.96	
					Health and Family Welfare	72.91	1.27	61.00	62.27	
					Water Supply, Sanitation, Housing and Urban Development	210.56	-	309.92	309.92	
					Information and Broadcasting	0.57	1.00	0.25	1.25	
					Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	14.01	-	9.69	9.69	
					Social Welfare and Nutrition	5.05	-	7.83	7.83	
					Others	0.13	-	0.05	0.05	
					<b>Economics Services</b>	<b>1,297.39</b>	<b>35.40</b>	<b>1,832.71</b>	<b>1,868.11</b>	
					Agriculture and Allied Activities	46.95	(-)6.24	39.55	33.31	
					Other Rural Development Programmes	-	-	0.63	0.63	
					Irrigation and Flood Control	194.22	-	506.08	506.08	
					Energy	219.75	-	308.23	308.23	
					Industry and Minerals	16.40	-	39.26	39.26	
					Transport	740.05	41.64	851.10	892.74	
					General Economic Services	80.02	-	87.86	87.86	
					<b>Total</b>	<b>1,855.86</b>	<b>42.06</b>	<b>2,430.83</b>	<b>2,472.89</b>	
<b>V-Recoveries of Loans and Advances</b>		<b>16.75</b>		<b>40.56</b>	<b>V- Loans and Advances disbursed</b>	<b>531.05</b>				<b>474.19</b>
From Power Projects	-		-		To Power Projects	467.22	-	404.11		
From Government Servants	10.33		9.40		To Government Servants	8.32	-	7.27		
From Co-operations	4.62		28.24		To Co-operations	-	-	44.29		
From Others	6.42		2.92		To Others	55.51	-	18.52		
<b>VI-Revenue surplus brought down</b>		<b>(-)1,641.42</b>		<b>(-) 1,943.60</b>	<b>VI-Revenue deficit brought down</b>		-	-	-	-

Receipts					Disbursements					
2013-14		2014-15			2013-14		2014-15			
							Non-Plan	Plan	Total	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
<b>VII-Public Debt Receipts</b>		4,050.70		10,876.88	<b>VII-Repayment of Public Debt</b>	1,704.27			8,259.82	8,259.82
Internal Debt other than Ways and Means Advances and Overdrafts	3,362.88		3,891.27		Internal debt other than Ways and Means Advances and Overdrafts	1,466.59		1,410.64		
Net transactions under Ways and Means Advances including Overdrafts	628.57		6,680.30		Net transactions under Ways and Means Advances and Overdrafts	172.58		6,782.62		
Loans and Advances from the Central Government	59.25		125.31		Repayment of Loans and Advances to Central Government	65.20		66.56		
<b>VIII-Appropriation to Contingent Fund</b>	-	-		-	<b>VIII-Appropriation to Contingent Fund</b>	-			-	
<b>IX- Amount transferred to Contingent Fund</b>					<b>IX-Expenditure from Contingent Fund</b>					
<b>X- Public Account Receipts</b>		10,300.27		10,574.80	<b>X- Public Account disbursements</b>	9,227.37			8,843.76	8,843.76
Small Savings and Provident Funds	2,772.28		3,152.87		Small Savings and Provident Funds	1,885.61		1,967.70		
Reserve Funds	152.59		160.73		Reserve Funds	151.50		159.04		
Deposits and Advances	1972.99		2,221.67		Deposits and Advances	1,765.56		1,717.82		
Suspense and Miscellaneous	498.92		487.07		Suspense and Miscellaneous	498.39		458.64		
Remittances	4,903.49		4,552.46		Remittances	4926.31		4540.55		
<b>XI- Closing overdraft from Reserve Bank of India</b>					<b>XI-Cash Balance at end</b>	(-) 887.30			(-) 739.32	(-) 739.32
					Cash in Treasuries and Local Remittances	--				
					Departmental Cash Balance including Permanent Advances	0.19		0.19		
					Deposits with Reserve Bank	(-) 887.49		(-)739.51		
					Cash Balance investment	-		-		
<b>Total:</b>		<b>12,431.25</b>		<b>19,311.34</b>	<b>Total:</b>	<b>12,431.25</b>				<b>19,311.34</b>

**Appendix-1.4**

(Reference: Paragraphs 1.1.1 and 1.9.1; Pages 2 and 28)

**Part-B: Summarised financial position of the Government of Himachal Pradesh as on 31 March 2015**

(₹ in crore)

<b>Assets</b>	<b>As on 31 March 2014</b>	<b>As on 31 March 2015</b>	
<b>Gross Capital Outlay on Fixed Assets -</b>	<b>22,421.48</b>		<b>24,244.38</b>
Investments in shares of Companies, Corporations, etc.	3,024.83	2,731.65	
Other Capital Outlay	19,396.65	21,512.73	
<b>Loans and Advances -</b>	<b>1,913.18</b>		<b>2,346.81</b>
Loans for Power Projects	1,718.38	2,122.49	
Other Development Loans	155.89	187.54	
Loans to Government servants and Miscellaneous loans	38.91	36.78	
<b>Reserve Fund Investments</b>			
<b>Cash -</b>	<b>(-) 887.30</b>		<b>(-) 739.32</b>
Cash in Treasuries and Local Remittances	-		
Deposits with Reserve Bank of India	(-) 887.49	(-) 739.51	
Departmental Cash Balance	0.16	0.16	
Permanent Imprest	0.03	0.03	
Cash Balance Investments	-	-	
<b>Cumulative excess of expenditure over receipts*</b>	<b>10,914.15</b>		<b>12,857.75</b>
<b>Total</b>	<b>34,361.51</b>		<b>38,709.62</b>

\* The Cumulative excess of expenditure over receipts is different from, and not the fiscal/revenue deficit for the current year

(₹ in crore)

<b>Liabilities</b>	<b>As on 31 March 2014</b>	<b>As on 31 March 2015</b>	
<b>Internal Debt</b>	<b>22,099.33</b>		<b>24,657.64</b>
Market Loans bearing interest	13,565.33	15,195.97	
Market Loans not bearing interest	-	-	
Loans from Life and General Insurance Corporation of India	185.92	137.65	
Loans from the NABARD	1,599.10	1,735.10	
Loans from National Co-operative Development Corporation	50.98	62.87	
Special securities issued to NSSF of the Central Government	5,772.09	6,675.64	
Compensation and other bonds	14.05	7.02	
Loans from other Institutions	911.86	843.39	
<b>Loans and Advances from Central Government -</b>	<b>1,012.12</b>		<b>1,070.88</b>
Non-Plan Loans	6.72	5.53	
Loans for State Plan Schemes	1,005.27	1,065.22	
Loans for Central Plan Schemes	-	-	
Loans for Centrally Sponsored Plan Schemes	-	-	
Other Loans	0.13	0.13	
<b>Contingency Fund</b>	<b>5.00</b>		<b>5.00</b>
<b>Small Savings, Provident Funds, etc.</b>	<b>8,736.30</b>		<b>9,921.47</b>
<b>Deposits and Advances</b>	<b>1,808.98</b>		<b>2,312.81</b>
<b>Reserve Funds</b>	<b>226.79</b>		<b>228.48</b>
<b>Suspense and Miscellaneous Balances</b>	<b>269.02</b>		<b>297.46</b>
<b>Remittance Balances</b>	<b>203.97</b>		<b>215.88</b>
<b>Total</b>	<b>34,361.51</b>		<b>38,709.62</b>

### Appendix-1.5

(Reference: Paragraph 1.1.4; Page 5)

#### Gender Budgeting

#### 1. Budgetary allocations to schemes to benefit women to the extent of 100 per cent allocation:-

(₹ in crore)

Sr. no	Name of the scheme	Year	Outlay under			Expenditure under	
			Centre Share	State Share	Total	Centre Share	State Share
1	Mukhyamantri Kanya Dan Yojana	2011-12	--	1.42	1.42	--	1.17
		2012-13	--	1.45	1.45	--	1.45
		2013-14	--	2.82	2.82	--	2.59
		2014-15	--	3.09	3.09	--	2.95
2	Awareness Campaign	2012-13	--	0.12	0.12	--	0.12
		2013-14	--	0.15	0.15	--	0.15
		2014-15	--	0.15	0.15	--	0.14
3	Widow Remarriage	2011-12	--	0.31	0.31	--	0.20
		2012-13	--	0.35	0.35	--	0.26
		2013-14	--	0.37	0.37	--	0.37
		2014-15	--	0.32	0.32	--	0.37
4	Women Commission	2011-12	--	0.49	0.49	--	0.62
		2012-13	--	0.72	0.72	--	0.72
		2013-14	--	0.69	0.69	--	0.65
		2014-15	--	0.86	0.86	--	0.86
5	Sabla Nutrition	2011-12	3.21	3.21	6.42	3.21	3.21
		2012-13	6.66	3.00	9.66	6.66	3.00
		2014-15	5.33	7.81	13.14	5.67	7.81
6	Sabla Non-Nutrition	2011-12	--	1.82	1.82	--	1.82
		2012-13	0.98	--	0.98	0.98	--
		2014-15	0.51	--	0.51	0.60	--
7	Indira Gandhi Matri Sahyog Yojana	2011-12	2.38	--	2.38	2.38	--
		2012-13	0.65	--	0.65	0.65	--
		2014-15	2.95	--	2.95	1.81	--
8	Kishori Shakti Yojana	2011-12	0.25	--	0.25	0.25	--
		2012-13	0.98	--	0.98	0.98	--
		2014-15	0.18	--	0.18	0.29	--
9	Financial assistance to victims of rape	2012-13	--	0.50	0.50	--	0.50
		2013-14	--	0.98	0.98	--	0.98
		2014-15	--	0.75	0.75	--	0.75
10	Scheme for providing alternative opportunities to women in moral danger	2012-13	--	1.00	1.00	--	1.00
11	State Home/Nari Sewa Sadan	2013-14	--	0.32	0.32	--	0.25
		2014-15	--	0.34	0.34	--	0.23
12	Mother Terrassa Ashahay Sambal Yojana	2013-14	--	5.98	5.98	--	5.73
		2014-15	--	5.19	5.19	--	5.27

Sr. no	Name of the scheme	Year	Outlay under			Expenditure under	
			Centre Share	State Share	Total	Centre Share	State Share
13	SABLA	2013-14	3.95	9.62	13.57	3.95	9.62
14	Vishesh Mahila Uthan Yojana	2013-14	--	0.75	0.75	--	0.15
		2014-15	--	0.75	0.75	--	0.68
15	Assistance to voluntary organisation	2014-15	--	2.86	2.86	--	2.68
16	Women Development Corporation	2014-15	--	1.00	1.00	--	1.00
17	Self-Employment to Women	2014-15	--	0.07	0.07	--	0.07
18	State Resource Centre for Women	2014-15	--	0.0001	0.0001	--	--
19	Beti Hai Anmol Yojna	2014-15	--	9.32	9.32	--	9.32
20	Beti Bachao Beti Padhao	2014-15	0.36	--	0.36	--	--
21	Mata Shabri Sashaktikaran Yojana	2013-14	--	0.66	0.66	--	0.66
		2014-15	--	0.66	0.66	--	0.66
<b>Total</b>		<b>2012-13</b>	<b>9.27</b>	<b>7.14</b>	<b>16.41</b>	<b>9.27</b>	<b>7.05</b>
		<b>2013-14</b>	<b>3.95</b>	<b>22.34</b>	<b>26.29</b>	<b>3.95</b>	<b>21.15</b>
		<b>2014-15</b>	<b>9.33</b>	<b>32.83</b>	<b>42.16</b>	<b>8.37</b>	<b>40.93</b>

## 2. Partial budgetary allocation to schemes for the benefit to women

Sr. no	Name of the scheme	Year	Outlay under			Expenditure under	
			Centre Share	State Share	Total	Centre Share	State Share
1	Mother Terrassa Matri Ashahay Yojana	2012-13	--	4.24	4.24	--	4.24
		2013-14	--	--	--	--	--
2	Special Nutrition Programme	2012-13	29.66	29.40	59.06	29.66	29.40
		2013-14	29.92	32.40	62.32	29.92	29.92
		2014-15	28.39	32.40	60.79	29.15	32.40
3	Mata Shabri Sashaktikaran Yojana	2012-13	--	0.66	0.66	--	0.66
4	Integrated Child Development Scheme	2013-14	154.19	12.69	166.88	147.02	11.93
		2014-15	146.21	16.57	162.78	161.15	15.68
5	Bal/Balika Surksha Yojna	2014-15	--	0.06	0.06	--	0.06
6	Mukhyamantri Bal Uddhar Yojna	2014-15	--	5.87	5.87	--	5.37
7	Integrated Child Protection Scheme	2014-15	9.70	0.77	10.47	2.28	0.25
<b>Total</b>		<b>2012-13</b>	<b>29.66</b>	<b>34.30</b>	<b>63.96</b>	<b>29.66</b>	<b>34.30</b>
		<b>2013-14</b>	<b>184.11</b>	<b>45.09</b>	<b>229.20</b>	<b>176.94</b>	<b>41.85</b>
		<b>2014-15</b>	<b>184.30</b>	<b>55.67</b>	<b>239.97</b>	<b>192.58</b>	<b>53.76</b>



### Appendix-1.6

(Reference: Paragraph 1.2.2; Page 8)

Statement showing the funds transferred directly to the State Implementing Agencies by the GoI under Programme/Schemes during 2013-14 and 2014-15

(₹ in crore)

Direct transfer of Central Scheme Fund to implementing agencies in the State(Funds routed outside State Budget) (unaudited figures)			
Govt. of India Scheme	Implementing Agency	GoI releases	
		2014-15	2013-14
National Rural Employment Guarantee Act	Project Director, DRDAs	--	477.97
	<b>Total</b>	<b>--</b>	<b>477.97</b>
Sarva Shiksha Abhiyan	H.P. Primary Education Society	--	114.53
	<b>Total</b>	<b>--</b>	<b>114.53</b>
National Institute of Technology NIT DHE	NIIT Hamirpur	60.00	29.00
	<b>Total</b>	<b>60.00</b>	<b>29.00</b>
Support to IITs	Indian Institute of Technology, Mandi	51.00	107.97
	<b>Total</b>	<b>51.00</b>	<b>107.97</b>
Integrated Watershed Management Programme(IWMP)	Project Director DRDA	--	57.15
	<b>Total</b>	<b>--</b>	<b>57.15</b>
Package for Special Category State	H.P. State Industrial Development Corporation	16.53	20.66
	<b>Total</b>	<b>16.53</b>	<b>20.66</b>
Rural Housing IAY	Project Director DRDAs	--	42.27
	<b>Total</b>	<b>--</b>	<b>42.27</b>
MPs Local Area Development	Deputy Commissioners	25.00	37.50
	<b>Total</b>	<b>25.00</b>	<b>37.50</b>
Swaran Jayanti Gram Sawrojgar Yojna	Project Director DRDAs	--	5.49
	<b>Total</b>	<b>--</b>	<b>5.49</b>
DRDA Administration	Project Director DRDAs	--	6.87
	<b>Total</b>	<b>--</b>	<b>6.87</b>
Hospitals and Dispensaries (Under NRHM)	Society for the Development of Ayush Institutions in HP	--	160.77
	National Rural Health Mission(Centrally sponsored)	--	--
	National Rural Health Mission(Central Sector)	--	0.46
	<b>Total</b>	<b>--</b>	<b>161.23</b>
Central Rural Sanitation Scheme	State Water and Sanitation Mission	--	30.49
	<b>Total</b>	<b>--</b>	<b>30.49</b>
E-Governance	HPMC Process Automation	3.94	2.39
	<b>Total</b>	<b>3.94</b>	<b>2.39</b>
National Aids Control Programme Including STD Control	HP State Aids Control Society	--	11.25
	<b>Total</b>	<b>--</b>	<b>11.25</b>

Govt. of India Scheme	Implementing Agency	GoI releases	
		2014-15	2013-14
Support to State for Extension Reforms	State Agricultural Management and Extension Training Institute HP	--	9.39
	<b>Total</b>	<b>--</b>	<b>9.39</b>
Scheme for Integrated Textile Park (SITP)	Himachal Textile Park Ltd.	11.63	--
	<b>Total</b>	<b>11.63</b>	<b>--</b>
National Rural Drinking Water Programme	State Water and Sanitation Mission	--	130.81
	<b>Total</b>	<b>--</b>	<b>130.81</b>
Industrial Infrastructure Upgradation Scheme IIUS DIPP	Baddi Infrastructure	3.91	--
	HP State Industrial Development Corporation	6.14	--
	<b>Total</b>	<b>10.05</b>	<b>--</b>
Studies in Agricultural Economic Policy and Development	HP University Shimla	--	4.92
	<b>Total</b>	<b>--</b>	<b>4.92</b>
Rashtriya Madhyamik Shiksha Abhiyan	HP State Primary Education Society	--	214.67
	<b>Total</b>	<b>--</b>	<b>214.67</b>
Transport Subsidy Scheme	HP State Industrial Development Corporation Ltd.	16.24	--
	<b>Total</b>	<b>16.24</b>	<b>--</b>
National Initiative for excellence in humanities and Social Sciences including Assistance to Indian council of Historical Research New Delhi and IAS Shimla	Indian Institute of Advance Study	10.69	--
	<b>Total</b>	<b>10.69</b>	<b>--</b>
OFF GRID DRPS	Himachal Pradesh Energy Development Agency	16.37	--
	The Sukhjit Agro Industries	0.50	--
	<b>Total</b>	<b>16.87</b>	<b>--</b>
Others	--	56.60	206.74
	<b>Total</b>	<b>56.60</b>	<b>206.74</b>
<b>Grand Total</b>		<b>278.55</b>	<b>1,671.30</b>

Source: Finance Accounts

## Appendix-1.7

(Reference: Paragraph 1.8.2.2; Page 25)

### Status of PPP Projects of different departments in Himachal Pradesh

Sr. No.	Name of the Project	Estimated Project Cost (₹ in crore)
<b>Projects – Awarded, Completed and Under Operation</b>		
<b>Transport Department</b>		
1.	Kangra Bus Stand	9.50
2.	ISBT, Shimla	15
<b>Tourism &amp; Civil Aviation Department</b>		
3.	Ropeway-cum-Ski Centre, Solang Nallah	15
<b>Health Department/NRHM</b>		
4.	Emergency Medical Transport Service in HP	100
5.	Mobile Diagnostic Units in HP	5
6.	Haemodialysis Units in HP	5
7.	Operation and Maintenance of JSSK Ambulances	5
<b>Projects – Awarded and Under Implementation</b>		
<b>Transport Department</b>		
8.	Mcleodganj Bus Stand	5
<b>Tourism and Civil Aviation Department</b>		
9.	Shiwalik to Jakhoo Ropeway	12
<b>Urban Development Department</b>		
10.	Parking Complex, Sanjauli	25
11.	Parking Complex, Chhotta Shimla	15
12.	Parking Complex, Lift	45
13.	Parking Complex, Vikasnagar	10
14.	Parking Complex, Palampur	10
15.	Parking Complex, Bilaspur	10
<b>Revenue Department</b>		
16.	Parking Complex, Mandi	75

Source: HP Infrastructure Development Board

## Appendix 1.8

(Reference: Paragraph 1.8.3.2; Pages 27)

Detail of outstanding loans and advances from various entities/institutions as on 31.03.2015

Sr. No.	Head of Account	Year from which recoveries are not affected	Department	Amount outstanding as on 31.03.2015 (in ₹)
1	6202-01-201-01-Elementry Education	2001-02	Director, Education	9,68,718
2	6215-01-190-Loans to Municipalities	2010-11	Director, Urban Development	61,520
3	6216-80-201-01-Loans to HP Housing	2009-10	Director, Housing	1,16,00,496
4	6217-01-800-01-Loans for Improvement Trust	2001-02	Director, Urban Development	1,42,984
5	6217-60-800-01-Interest free loans	2008-09		2,00,00,000
6	6217-03-191-01-Loans to Local Bodies	1995-96		3,54,657
7	6217-01-191-01-Loans to Corporation	1998-99		53,43,924
8	6225-02-796-01- Tribal Area Sub Plan	1994-95	Director, Social Justice and Employment	1,86,955
9	6245-01-796-01- Tribal Area Sub Plan	2003-04	Revenue	55,294
10	6401-00-190-03-Loans to HP Agro-Industries Packaging Ltd.	2007-08	Director, Horticulture	3,84,58,277
11	6401-00-800-02-Loans to HP Krishi Vishva Vidyalaya.	1992-93	Director, Agriculture	5,61,65,405
12	6425-00-108-01-Purchase of Vehicles	2004-05	Registrar, Cooperative Societies	26,284
13	6425-00-108-03-Machinery and Equipment	2004-05		33,297
14	6425-00-108-04-Loans to Housing Cooperatives	1995-96		13,79,983
15	6425-00-108-06-Loans to Fishermen's Cooperatives	1987-88		6,85,757
16	6425-00-108-07-Loans to Industrial cooperatives	1987-88		60,93,356
17	6425-00-108-08-Loans to consumer's cooperatives	1995-96		16,91,437
18	6408-01-101-01-Procurement and Supply	2005-06	Director, Food & Civil Supplies	6,12,300
19	6403-00-103-01-Poultry Development	2005-06	Director, Animal Husbandry	15,882
20	6408-01-190-01-Loans to consumer Cooperatives	2004-05	Director, Food & Civil Supplies	22,32,523
21	6408-02-190-01-HP Agro-Industries	2004-05		7,28,348
22	6408-01-796-01-Tribal Area Sub Plan	2003-04		14,89,530
23	6515-00-102-01-Community Development	2008-09	Director, Panchayati Raj	1,07,932
24	6801-00-800-01-Loans to Electricity Board for General purposes	2000-01	MPP & Power	64,30,55,132
25	6851-00-200-01-Interest free Loans to Enterprises	2007-08	Director, Industries	61,64,372
26	7465-00- 101-01-General Financial Institutions	1987-88	Financial Corporation	10,00,000
<b>Total</b>				<b>79,86,54,363</b>

Source: Accountant General (A&E) and Finance Accounts

## Appendix-2.1

(Reference: Paragraph 2.3.1; Page 46)

**Statement of various grants/ appropriations where excess expenditure was more than ₹ one crore each and more than 20 per cent of the total provision**

(₹ in crore)

Sr. No.	Grant No.	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Expenditure	Excess Expenditure	Percentage of Excess Expenditure (more than 20 per cent)
<b>Revenue-Voted</b>						
1.	06	Excise and Taxation	48.54	50.11	1.57	-
2.	11	Agriculture	245.92	256.80	10.88	-
3.	12	Horticulture	183.93	188.03	4.10	-
4.	13	Irrigation, Water Supply and Sanitation	1,699.84	2,173.90	474.06	28
5.	23	Power Development	392.15	393.41	1.26	-
<b>Revenue-Charged</b>						
6.	29	Finance	2,750.00	2,849.14	99.14	-
<b>Capital-Voted</b>						
7.	18	Industries, Minerals, Supplies and Information Technology	48.94	51.34	2.40	-
8.	23	Power Development	422.95	447.76	24.81	-
<b>Capital-Charged</b>						
9.	29	Finance	7,292.98	8,259.81	966.83	-
<b>Total</b>			<b>13,085.25</b>	<b>14,670.30</b>	<b>1,585.05</b>	

## Appendix-2.2

(Reference: Paragraph 2.3.1.1; Page 46)

### Excess over provisions relating to previous years requiring regularisation

(₹ in crore)

Year	Number of Grants/ Appropriations	Grant/Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2009-10	19 Grants  1 Appropriation	1,2,4,5,6,7,8,10,13,14,16, 19,23,25,26,27,28,29 and 32  10	887.80	Audit comments sent to Finance Department/ Himachal Pradesh Vidhan Sabha. Reports are yet to be discussed/regularised by PAC.
2010-11	19 Grants  2 Appropriations	1,4,5,7,9,10,11,12,13,14, 16,18,23,26,27,29,30,31 and 32  2 and 10	2237.64	
2011-12	6 Grants  1 Appropriation	9,10,13,15,21 and 23  29	752.51	<i>Suo-motu</i> replies from the Finance Department on regularisation of excess expenditure/savings over budget provisions are still awaited. Therefore, the Reports are yet to be discussed/regularised by PAC.
2012-13	11 Grants  3 Appropriations	1,2,3,10,11,13,14,18,19, 21 and 23  2,3 and 29	703.08	
2013-14	10 Grants  3 Appropriations	2,3,4,5,10,13,16,17,21 and 28  2,7 and 9	474.86	
<b>Total</b>			<b>5055.89</b>	

### Appendix-2.3

(Reference: Paragraph 2.3.1.1; Page 46)

Excess over provision during 2014-15 requiring regularisation

(in ₹)

Sr. No.	Number and title of Grant/ Appropriation	Total Grant	Expenditure	Excess
<b>Revenue-Voted</b>				
1.	02-Governor and Council of Ministers	10,47,28,000	10,60,19,255	12,91,255
2.	06-Excise and Taxation	48,54,07,550	50,10,67,030	1,56,59,480
3.	11-Agriculture	2,45,92,01,000	2,56,79,60,570	10,87,59,570
4.	12-Horticulture	1,83,92,88,383	188,03,27,073	4,10,38,690
5.	13-Irrigation, Water Supply and Sanitation	16,99,83,56,000	21,73,90,19,337	4,74,06,63,337
6.	23-Power Development	3,92,15,48,812	3,93,40,90,790	1,25,41,978
<b>Revenue-Charged</b>				
7.	01-Vidhan Sabha	43,41,000	43,87,530	46,530
8.	10-Public Works-Roads, Bridges and Buildings	10,13,000	10,13,092	92
9.	19-Social Justice and Empowerment	-	1,00,000	1,00,000
10.	29-Finance	27,50,00,08,000	28,49,14,12,553	99,14,04,553
11.	31-Tribal Development	-	1,20,552	1,20,552
<b>Capital-Voted</b>				
12.	01-Vidhan Sabha	1,72,03,000	1,73,83,000	1,80,000
13.	18-Industries, Minerals, Supplies and Information Technology	48,93,97,000	51,33,87,094	2,39,90,094
14.	19-Social Justice and Empowerment	10,48,00,000	10,95,30,313	47,30,313
15.	23-Power Development	4,22,95,00,000	4,47,75,99,000	24,80,99,000
<b>Capital-Charged</b>				
16.	29-Finance	72,92,98,41,000	82,59,81,34,014	9,66,82,93,014
<b>Total</b>		<b>1,31,08,46,32,745</b>	<b>1,46,94,15,51,203</b>	<b>15,85,69,18,458</b> or say ₹ 1,585.69 crore

## Appendix-2.4

(Reference: Paragraph 2.3.1.3; Page 47)

### Expenditure incurred without provision during 2014-15

(₹ in crore)

Sr. No.	Number and name of Grants/Appropriations	Amount of Expenditure without provision
<b>04-General Administration</b>		
1.	2075/00/101/01 (Payment of Compensation to Jagirdars)	0.06
<b>05-Land Revenue and District Administration</b>		
2.	2030/02/101/01 (Central Store Nasik)	1.66
3.	2245/80/102/02 (Expenditure on Capacity Construction under 13 <sup>th</sup> Finance Commission)	4.00
4.	2506/00/102/01 (Headquarters Establishment)	0.01
<b>09-Health and Family Welfare</b>		
5.	2059/01/053/50 (Maintenance of IGMC's Buildings under TFC)	0.35
<b>10-Public Works – Roads, Bridges and Buildings</b>		
6.	2059/80/053/01 (Work Charged Establishment)	0.04
7.	3054/03/103/01 ( Work Charged Establishment – Machinery and Equipment)	0.20
8.	3054/03/103/03 ( Work Charged Establishment – Road Works)	0.03
<b>13-Irrigation, Water Supply and Sanitation</b>		
9.	4215/01/102/08 (Hand Pumps)	0.46
<b>14-Animal Husbandry, Dairy Development and Fisheries</b>		
10.	2216/05/053/03 (Other Maintenance Expenditure Fisheries Department)	0.03
<b>15-Planning and Backward Area Sub-Plan</b>		
11.	3451/00/101/03 (Establishment of Regional and District Planning)	0.02
<b>19-Social Justice and Empowerment</b>		
12.	2225/01/001/01 (Directorate)	0.01
<b>29-Finance</b>		
13.	7610/00/202/01 (Loans to Government Servants for purchase of motor cars)	0.02
<b>31-Tribal Development</b>		
14.	2215/01/796/04, 05 and 06 (Stock, Stock Manufacture and Miscellaneous Public Works Advances)	1.86
15.	2251/00/796/03 (Expenditure on Infrastructure Facilities)	3.80
16.	2401/00/796/44 and 45 (Integrated Scheme of Oil, Seed, Pulses, Palm Oil and Maize and National Mission for Sustainable Agriculture)	0.47
17.	2702/80/796/08, 09 and 10 (Stock, Stock Manufacture and Miscellaneous Public Works Advances)	6.55
<b>32-Scheduled Caste Sub-Plan</b>		
18.	2210/05/789/02 (Upgradation of Government Medical Colleges)	1.97
19.	2801/80/789/01 (Assistance to Electricity Board)	12.59
20.	4215/01/789/03 and 05 (Hand Pumps and Expenditure on Accelerated Rural Water Supply Programmes)	1.67
<b>Total</b>		<b>35.80</b>

Source: Appropriation Accounts



## Appendix-2.5

(Reference: Paragraph 2.3.1.4; Page 47)

**Cases where supplementary provisions proved unnecessary**

(₹ in thousand)

Sr. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original provision	Supplementary provision
<b>Revenue- Voted</b>					
1.	03-Administration of Justice	117,79,31	114,76,72	3,02,59	1,48,99
2.	04-General Administration	133,87,12	133,61,47	25,65	9,80,76
3.	05-Land Revenue and District Administration	470,58,59	457,05,67	13,52,92	22,67,84
4.	08-Education	3908,46,62	3700,75,16	207,71,46	177,65,56
5.	09-Health and Family Welfare	1120,15,06	1095,46,80	2,46,826	127,20,59
<b>Capital- Voted</b>					
6.	09-Health and Family Welfare	45,00,00	43,71,25	1,28,75	5,15,00
<b>Total</b>		<b>5795,86,70</b>	<b>5545,37,07</b>	<b>250,49,63</b>	<b>343,98,74 or say ₹ 343.99 crore</b>

## Appendix-2.6

(Reference: Paragraph 2.3.1.4; Page 47)

**Statement of various grants where supplementary provision proved insufficient by more than ₹ one crore in each case**

(₹ in crore)

Sr. No.	Grant Number	Name of the Grants	Original Provision	Supplementary provision	Total	Expenditure	Excess
<b>Revenue- Voted</b>							
1.	06	Excise and Taxation	44.33	4.21	48.54	50.11	1.57
2.	11	Agriculture	244.90	1.02	245.92	256.80	10.88
3.	12	Horticulture	140.74	43.19	183.93	188.03	4.10
4.	23	Power Development	337.04	55.12	392.16	393.41	1.25
<b>Capital- Voted</b>							
5.	18	Industries, Minerals, Supplies and Information Technology	15.12	33.82	48.94	51.34	2.40
6.	23	Power Development	375.33	47.62	422.95	447.76	24.81
<b>Capital-Charged</b>							
7.	29	Finance	1,510.96	5,782.02	7,292.98	8,259.81	966.83
<b>Total</b>			<b>2,668.42</b>	<b>5,967.00</b>	<b>8,635.42</b>	<b>9,647.26</b>	<b>1,011.84</b>

## Appendix-2.7

(Reference: Paragraph 2.3.2; Page 47)

### Excessive/unnecessary/insufficient re-appropriation of funds

(₹ in crore)

Sr. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1.	2.	3.	4.	5.	6.
1.	5	Land Revenue and District Administration	2029-00-103-02 (NP)	(-) 15.16	1.07
2.			2030-02-101-01 (NP)	(-) 1.07	1.66
3.			2053-00-093-01 (NP)	(-) 12.62	2.22
4.			2245-80-102-02 (NP)	(-) 4.00	4.00
5.			2506-00-102-02 (NP)	0.01	(-) 1.05
6.	10	Public Works-Roads, Bridges and Buildings	2059-80-053-04 (NP)	(-) 10.38	1.63
7.			2059-00-053-06 (NP)	2.19	(-) 12.33
8.			3054-03-103-05 (NP)	(-) 2.53	(-) 1.23
9.			3054-03-103-10 (NP)	(-) 30.03	(-) 1.63
10.			3054-03-103-11 (NP)	(-) 9.91	(-) 37.84
11.			3054-03-103-14 (NP)	(-) 9.99	(-) 2.02
12.			3054-04-105-02 (NP)	(-) 21.50	6.66
13.			3054-04-105-06(NP)	(-) 49.85	(-) 40.00
14.			3054-04-105-07 (NP)	(-) 49.85	(-) 2.93
15.			3054-80-001-01 (NP)	(-) 8.94	(-) 1.32
16.			5054-04-337-02	5.00	(-) 2.10
17.	11	Agriculture	2401-00-001-02 (NP)	(-) 2.98	1.53
18.			2415-01-004-02	16.34	9.14
19.	12	Horticulture	2401-00-119-53	(-) 1.77	(-) 1.09
20.			2401-00-119-56	7.74	7.26
21.	13	Irrigation, Water Supply and Sanitation	2215-01-001-02(NP)	(-) 25.14	8.19
22.			2215-01-101-02(NP)	9.95	1.07
23.			2215-01-101-04(NP)	(-) 2.72	5.77
24.			2215-01-102-03(NP)	8.97	2.18
25.			2215-01-102-12(NP)	(-) 15.63	77.98
26.			2702-80-001-01(NP)	(-) 35.51	4.80
27.			2702-80-001-02(NP)	(-) 24.42	30.08
28.			2702-80-001-06(NP)	(-) 3.34	7.32
29.	14	Animal Husbandry, Dairy Development and Fisheries	2403-00-101-01 (NP)	(-) 7.23	(-) 1.35
30.	29	Finance	2049-01-101-66 (NP)	18.76	3.34
31.			2049-01-101-67 (NP)	28.50	3.34
32.			2049-01-101-71 (NP)	6.72	3.34
33.			2049-01-122-01 (NP)	15.85	7.23
34.			2049-01-200-08(NP)	9.99	4.80
35.			2049-03-104-01(NP)	(-) 41.80	118.40
36.			2071-01-101-03 (NP)	(-) 115.00	186.71
37.			2071-01-102-02 (NP)	(-) 57.00	(-) 109.95
38.			2071-01-105-02 (NP)	(-) 114.22	11.28
39.			2071-01-111-01 (NP)	4.32	(-) 1.24

1.	2.	3.	4.	5.	6.
40.			2071-01-115-01 (NP)	(-) 34.52	(-) 55.62
41.			2071-01-117-01 (NP)	18.14	(-) 45.27
42.			6003-00-110-01 (NP)	35.48	595.58
43.	31	Tribal Development	2215-01-796-09 (NP)	(-) 4.83	1.20
44.			3054-04-796-03 (NP)	(-) 3.62	6.20
45.			3054-04-796-04 (NP)	(-) 3.59	3.72
46.			4215-01-796-14	5.77	(-) 4.15
47.			4215-01-796-14	5.77	(-) 4.25
48.			5054-03-796-02	(-) 7.92	(-) 3.44
49.	32	Scheduled Caste Sub-Plan	2210-05-789-02	1.97	(-) 1.34
50.			2210-05-789-02	(-) 1.97	1.97
51.			2801-80-789-01	(-) 12.59	12.59
52.			4215-01-789-08	29.31	(-) 2.26
53.			4711-01-789-10	10.51	3.32
54.			5054-03-789-02	(-)7.12	(-) 2.32

## Appendix-2.8

(Reference: Paragraph 2.3.3; Page 48)

### Rush of expenditure

(₹ in crore)

Sr. No.	Grant Number and Name	Head of account Scheme/Service	Expenditure incurred during Jan-March 2015	Expenditure incurred in March 2015	Total expenditure during 2014-15	Percentage of total expenditure incurred during	
						Jan-March 2015	March 2015
1.	05-Land Revenue and District Administration	2029-00-103-03	15.23	15.23	15.34	99	99
2.	10-Public Works, Roads, Bridges and Buildings	4059-01-051-12	10.60	10.60	10.92	97	97
3.	10- Public Works, Roads, Bridges and Buildings	4216-01-106-01	11.05	11.05	16.52	67	67
4.	10- Public Works, Roads, Bridges and Buildings	5054-03-337-04	17.89	17.89	33.43	54	54
5.	10- Public Works, Roads, Bridges and Buildings	5054-03-337-06	105.59	105.59	205.59	51	51
6.	10- Public Works, Roads, Bridges and Buildings	5054-04-337-02 (Charged)	16.08	16.08	21.49	75	75
7.	12-Horticulture	2401-00-119-56	27.50	27.50	36.03	76	76
8.	13-Irrigation, Water Supply and Sanitation	2215-01-102-12	227.34	187.65	313.26	73	60
9.	13-Irrigation, Water Supply and Sanitation	4701-20-800-02	12.47	12.47	12.47	100	100
10.	13-Irrigation, Water Supply and Sanitation	4701-21-800-01	10.34	10.34	10.44	99	99
11.	13-Irrigation, Water Supply and Sanitation	4702-00-101-06	21.68	21.68	33.60	65	65
12.	13-Irrigation, Water Supply and Sanitation	4705-00-313-01	15.29	15.29	18.74	82	82
13.	14-Animal Husbandry, Dairy Development and Fisheries	2403-00-800-01	11.50	11.50	18.80	61	61
14.	23-Power Development	2801-80-101-07	330.00	330.00	330.00	100	100
15.	23-Power Development	4801-01-190-07	17.93	17.93	17.93	100	100
16.	23-Power Development	6801-00-190-02	66.01	66.01	66.01	100	100
17.	27-Labour Employment and Training	4202-02-105-01	10.30	10.30	12.30	84	84
18.	27-Labour Employment and Training	4201-02-105-03	14.33	14.33	19.00	75	75
19.	29-Finance	6003-00-108-02 (Charged)	32.39	32.39	32.39	100	100
20.	31-Tribal Development	3054-04-796-05	43.30	43.30	49.62	87	87
21.	32-Scheduled Caste Sub Plan	2225-01-789-10	11.65	11.65	11.65	100	100
22.	32-Scheduled Caste Sub Plan	4215-01-789-08	30.23	30.23	55.71	54	54
23.	32-Scheduled Caste Sub Plan	4702-00-789-06	12.11	12.11	18.33	66	66

Source: Information compiled by Accountant General (A&E)

## Appendix-2.9

(Reference: Paragraph 2.3.4; Page 48)

Statement of various grants where saving was more than ₹ one crore each or more than 20 per cent of the total provision

(₹ in crore)

Sr. No.	Grant No.	Name of the Grant	Total Grant	Savings	Percentage (more than 20 per cent)
<b>Revenue-Voted</b>					
1.	03	Administration of Justice	119.28	4.52	
2.	04	General Administration	143.68	10.06	
3.	05	Land Revenue and District Administration	493.26	36.21	
4.	07	Police and Allied Organisations	799.90	9.14	
5.	08	Education	4,086.12	385.37	
6.	09	Health and Family Welfare	1,247.36	151.89	
7.	10	Public Works-Road, Bridge and Buildings	2,445.98	6.03	
8.	14	Animal Husbandry, Dairy Development and Fisheries	259.15	6.72	
9.	15	Planning and Backward Area Sub-Plan	58.45	11.61	
10.	16	Forest and Wildlife	391.16	3.39	
11.	18	Industries, Minerals Supplies and Information Technology	72.68	5.20	
12.	19	Social Justice and Empowerment	501.11	1.06	
13.	20	Rural Development	948.43	109.86	
14.	21	Co-operation	34.93	5.26	
15.	22	Food and Civil Supplies	241.54	28.04	
16.	24	Printing and Stationery	24.23	1.45	
17.	25	Road and Water Transport	176.82	1.41	
18.	27	Labour Employment and Training	187.64	61.81	33
19.	28	Urban Development, Town and Country Planning and Housing	193.56	5.58	
20.	29	Finance	3,546.79	581.48	
21.	30	Miscellaneous General Services	72.62	4.80	
22.	31	Tribal Development	758.82	5.95	
23.	32	Scheduled Caste Sub-Plan	692.60	17.15	
<b>Capital-Voted</b>					
24.	04	General Administration	2.00	2.00	100
25.	09	Health and Family Welfare	50.15	6.44	
26.	10	Public Works-Roads, Bridges and Buildings	623.73	11.83	
27.	13	Irrigation, Water Supply and Sanitation	531.72	8.96	
28.	29	Finance	11.02	5.49	50
29.	31	Tribal Development	199.81	7.17	
30.	32	Scheduled Caste Sub-Plan	662.47	9.27	

## Appendix-2.10

(Reference: Paragraph 2.3.4.2; Page 49)

Statement showing substantial surrenders made during the year 2014-15

(₹ in lakh)

Sr. No.	Grant No.	Head of Account	Total Provision (₹ in lakh)	Amount of surrender (₹ 10 lakh and above)	Percentage of surrender with respect to total provision
1.	03	2014-00-105-04	485.00	416.40	86
2.	04	3425-60-001-02	143.00	125.48	88
3.	04	4235-02-800-03	200.00	200.00	100
4.	08	2059-01-053-70	898.00	454.18	51
5.	08	2202-01-102-01	130.00	130.00	100
6.	08	2202-01-102-02	140.00	140.00	100
7.	08	2202-01-102-03	17.00	17.00	100
8.	08	2202-02-109-05	855.00	526.00	62
9.	08	2202-02-109-06	2,937.10	2,085.77	71
10.	08	2202-02-110-01	100.00	100.00	100
11.	08	2202-04-103-05	33.00	33.00	100
12.	08	2225-03-277-06	329.00	329.00	100
13.	09	2210-06-101-05	112.88	104.76	93
14.	09	4210-03-101-01	796.00	471.60	59
15.	10	3054-04-105-03	4,161.51	4,161.51	100
16.	10	3054-04-105-05	688.78	594.66	86
17.	12	4401-00-119-04	100.00	70.00	70
18.	13	4711-01-800-16	72.81	72.81	100
19.	15	5475-00-800-05	53.00	53.00	100
20.	20	2515-00-101-09	2,544.00	1,720.00	68
21.	25	5055-00-050-03	75.00	67.50	90
22.	27	2230-03-003-09	9,900.00	5,982.92	60
23.	28	2217-80-191-04	25.00	25.00	100
24.	28	2217-80-192-10	148.54	106.56	72
25.	29	7610-00-800-04	500.00	434.86	87
26.	30	2204-00-001-02	118.50	118.50	100
27.	31	2401-00-796-45	38.20	38.20	100
28.	31	2851-00-796-01	47.93	47.93	100
29.	32	2216-03-789-02	795.00	452.80	57
30.	32	2501-06-789-02	428.00	413.97	97
31.	32	2501-06-789-03	122.00	122.00	100
32.	32	2801-80-789-01	1,259.00	1,259.00	100
33.	32	2852-00-789-01	377.00	377.00	100
34.	32	3054-04-789-01	500.00	252.69	51
<b>Total</b>			<b>29,130.25 or say ₹ 291.30 crore</b>	<b>21,504.10 or say ₹ 215.04 crore</b>	

## Appendix-2.11

(Reference: Paragraph 2.3.4.2; Page 49)

Statement showing cent *per cent* surrenders during the year

(₹ in lakh)

Sr. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender
1.	2.	3.	4.
1.	04-General Administration	War Memorial Museum at Dharamshala (4235-02-800-03)	200.00
The entire provision was surrendered due to non-completion of codal formalities.			
2.	08-Education	Non-Government Primary School (2202-01-102-01)	130.00
The entire provision was surrendered due to non-completion of codal formalities.			
3.	08-Education	Non-Government Middle School (2202-01-102-02)	140.00
The entire provision was surrendered due to non-completion of codal formalities.			
4.	08-Education	Reimbursement of Fee of Weaker Section Students in Private Schools (2202-01-102-03)	17.00
The entire provision was surrendered due to non-completion of codal formalities.			
5.	08-Education	Non-Government Secondary Schools (2202-02-110-01)	100.00
The entire amount was surrendered due to non-completion of codal formalities.			
6.	08-Education	Sakshar Bharat Yojna (2202-04-103-05)	33.00
The entire provision was surrendered due to non-completion of codal formalities.			
7.	08-Education	Scholarships to Minority Community Students-Centrally Sponsored Scheme (2225-03-277-06)	329.00
The entire provision was surrendered due to nil expenditure on scholarship.			
8.	10-Public Works-Roads, Bridges and Buildings	Expenditure on Maintenance of Roads under Thirteenth Finance Commission Award (3054-04-105-03)	4,161.51
The entire provision was surrendered due to non-completion of codal formalities.			
9.	13-Irrigation, Water Supply and Sanitation	Channelisation of Palchan to Aut in District Kullu (4711-01-800-16)	72.81
The entire provision was surrendered due to non-execution of work.			
10.	15-Planning and Backward Area Sub-Plan	Construction of Government Accommodation to Staff (5475-00-800-05)	53.00
The entire provision was surrendered due to nil expenditure on construction of buildings.			
11.	28-Urban Development, Town and Country Planning and Housing	Swaran Jayanti Shahri Rojgar Yojna- Centrally Sponsored Scheme (2217-80-191-04)	25.00
The entire provision was surrendered due to non-receipt of central assistance.			



<b>Sr. No.</b>	<b>Number and title of Grant</b>	<b>Name of the scheme (Head of Account)</b>	<b>Amount of Surrender</b>
12.	30-Miscellaneous General Services	Expenditure under Panchayat Yuva Krida Aur Khel Abhiyan (2204-00-001-02)	118.50
The entire provision was surrendered due to non-release of funds from Central Government as centre share.			
13.	31-Tribal Development	National Mission for Sustainable Agriculture (2401-00-796-45)	38.20
The entire provision was surrendered due to less release of subsidy under national mission for sustainable agriculture.			
14.	31-Tribal Development	Expenditure on Industrial Scheme (2851-00-796-01)	47.93
The entire provision was surrendered due to nil purchase of articles.			
15.	32-Scheduled Caste Sub-Plan	National Rural Livelihood Mission (2501-06-789-03)	122.00
The entire provision was surrendered due to non-receipt of central share.			
16.	32-Scheduled Caste Sub-Plan	Assistance to Electricity Board (2801-80-789-01)	1,259.00
The entire provision was surrendered due to conversion of this amount into equity.			
17.	32-Scheduled Caste Sub-Plan	Expenditure on creation of State Art Industries (2852-00-789-01)	377.00
The entire provision was surrendered due to shifting of this amount to capital section for creation of state of art industrial areas.			
<b>Total</b>			<b>7,223.95 or say ₹ 72.23 crore</b>

## Appendix-2.12

(Reference: Paragraph 2.3.4.2; Page 49)

Statement showing surrender of funds in excess of ₹ 10 crore on 31 March 2015

(₹ in crore)

Sr. No.	Grant No.	Major Head	Total provision	Amount of surrender	Percentage of total provision
1.	05	2245-Relief on account of Natural Calamities	175.82	55.15	31
2.	08	2202-General Education	4,068.84	376.93	09
3.	09	2210-Medical and Public Health	976.16	95.48	10
4.	09	2211-Family Welfare	267.87	56.92	21
5.	10	2059-Public Works	485.17	28.47	06
6.	10	3054-Roads and Bridges	1,949.54	232.34	12
7.	13	2702-Minor Irrigation	512.11	49.78	10
8.	20	2505-Rural Employment	402.26	20.17	5
9.	20	2515-Other Rural Development Programmes	489.99	77.54	16
10.	22	2408-Food Storage and Warehousing	227.48	24.34	11
11.	23	6801-Loans for Power Projects	227.51	55.72	24
12.	27	2230-Labour and Employment	149.90	61.58	41
13.	29	2049-Interest Payments	2,750.00	59.54	02
14.	29	2071-Pensions and other Retirement Benefits	3,496.08	428.49	12
15.	31	3054-Roads and Bridges	157.34	13.70	09
16.	32	2801-Power	12.59	12.59	100
<b>Total</b>			<b>16,348.66</b>	<b>1,648.74</b>	

## Appendix-2.13

(Reference: Paragraph 2.3.6; Page 51)

### Parking of funds outside Government account

(₹ in lakh)

Sr. No.	Department/ Office	Amount drawn	Purpose	Year of drawal	Unutilised amount	Name of the Bank where the funds had been kept	Reasons furnished by the departments
<b>Women and Child Development Department</b>							
1.	Director, Women and Child Development, Shimla	61.32	Purchase of utensils	2007-08	61.32	SBI, Kasumpti, Shimla	The amount could not be utilised due to non-completion of supply order by the supplier in the first instance and thereafter non-finalisation of Rate contract.
2.		37.67	Pre-School kit	2012-13	37.67	SBOP, Shimla East	This is the balance amount due to procurement of kit on lower rate.
3.		14.56	Water Storage Tank	2013-14	14.56	SBOP, Shimla East	The amount could not be utilised due to incomplete issuance of Supply Order by DPO, Kangra and Chamba.
<b>Rural Development Department</b>							
4.	BDO, Kullu	1.12	Incentive grant to Mahila Mandals	2013-14	1.12	PNB, Kullu	The amount could not be utilised due to non-finalisation of the incentive list of Mahila Mandals.
5.	BDO, Kalpa at Reckong Peo	3.04	Mahila Mandal Protsahan Yojna under Total Sanitation Campaign (Now Nirmal Bharat Abhiyan)	2012-13 and 2013-14	3.04	Himachal Grameen Bank, Reckong Peo and SBI, Reckong Peo	The amount could not be utilised due to non-receipt of required number of eligible claims from Mahila Mandals for selection to Mahila Mandal Protsahan Yojna.
<b>Total</b>		<b>117.71</b>			<b>117.71</b>		

### Appendix-2.14

(Reference: Paragraph 2.4; Page 51)

(i) Year-wise details of AC and DC bills for 2010-15

(₹ in crore)

Year	AC bill		DC bill		DC bills as percentage of AC bills	Outstanding AC bills	
	Number	Amount	Number	Amount		Number	Amount
2010-11	22	3.77	2	0.0023	9	20	3.77
2011-12	9	3.49	-	-	-	9	3.49
2012-13	30	15.39	-	-	-	30	15.39
2013-14	23	5.53	-	-	-	23	5.53
2014-15	68	19.60	32	1.83	47	36	17.77
<b>Total</b>	<b>152</b>	<b>47.78</b>	<b>34</b>	<b>1.83</b>		<b>118</b>	<b>45.95</b>

(ii) Department-wise status of pendency in submission of DC bills against AC bills

(in ₹)

Sr. No.	Department	Number of AC bills	Amount
1.	Ayurveda	65	19,73,05,265
2.	Health and Family Welfare	38	25,89,71,669
3.	Labour and Employment	4	11,500
4.	Health Safety and Regulation	4	20,200
5.	Language and Culture	1	18,20,000
6.	Youth Services and Sports	1	12,00,000
7.	Atal Bihari Vajpayee Institute of Mountaineering and Allied Sports Services, Manali	1	29,000
8.	Land Records	1	51,040
9.	Food, Civil Supplies and Consumer Affairs	1	50,000
10.	Secretariat Administration	1	26,000
11.	Women and Child Development	1	20,000
	<b>Total</b>	<b>118</b>	<b>45,95,04,674</b> or say ₹ 45.95 crore

Source: Data compiled by audit from the information supplied by the departments

**Appendix-2.15**

(Reference: Paragraph 2.5; Page 52)

**Statement showing unspent balances in PDAs as on 31 March 2015**

(in ₹)

Sr. No.	Major Head/ Minor Head	Name of Head	Treasury/DDO's Name	Unspent balances
1.	2.	3.	4.	5.
1	8229/110	Electricity Development Fund	NJPC,CTO (02)	217,74,77,720
2	8443/106	Personal Deposit	HP High Court, Shimla (52)	37,27,103
3	8443/106	Personal Deposit	IGMC, Shimla (53)	14,55,800
4	8443/106	Personal Deposit	IG Youth & Sports Complex (54)	20,14,475
5	8443/110	Deposits of Police Funds	SP (Wireless),Capital Shimla (18)	39,79,182
6	8443/110	Deposits of Police Funds	PTS, Junga (14)	30,61,024
7	8443/110	Deposits of Police Funds	DIG(P) Training, Daroh (12)	6,44,541
8	8443/110	Deposits of Police Funds	SP, Chamba (09)	19,08,380.93
9	8443/110	Deposits of Police Funds	SP, Una (07)	1,63,64,260
10	8443/110	Deposits of Police Funds	SP, Mandi (01)	44,73,941
11	8443/110	Deposits of Police Funds	SP, Nahan (03)	59,61,505
12	8443/110	Deposits of Police Funds	SP, Hamirpur (04)	42,07,217
13	8443/110	Deposits of Police Funds	SP, Kullu (05)	13,80,625
14	8443/110	Deposits of Police Funds	SP, Solan (08)	45,91,205
15	8443/110	Deposits of Police Funds	SP, Kangra at D/Shala (10)	79,21,595
16	8443/110	Deposits of Police Funds	SP, Shimla (13)	56,34,964
17	8443/110	Deposits of Police Funds	SP, Keylong (15)	17,20,680
18	8443/110	Deposits of Police Funds	SP, Bilaspur (16)	73,44,997
19	8443/110	Deposits of Police Funds	SP, Kinnaur (17)	30,43,540
20	8448/102	Municipal Funds	MC, Shimla (42)	5,39,021
21	8448/102	Municipal Funds	NP, Santokhgarh (23)	5,506.17
22	8448/102	Municipal Funds	NAC, Chuwari (26)	55,158
23	8448/102	Municipal Funds	NAC, Sujampur (13)	6,320
24	8448/102	Municipal Funds	MC, Hamirpur (14)	8,33,275
25	8448/102	Municipal Funds	MC, Bhota	29
26	8448/102	Municipal Funds	MC, Mandi (01)	7,17,174.71
27	8448/102	Municipal Funds	MC, Sunder Nagar (02)	7,366.24
28	8448/102	Municipal Funds	MC, Kalpa (46)	83,960
29	8448/102	Municipal Funds	MC, Keylong (48)	15,524
30	8448/109	Panchayat Bodies Fund	PS, Balh at Ner Chowk (74)	4,24,40,000
31	8448/109	Panchayat Bodies Fund	PS, Pooh (70)	3,08,950
32	8448/109	Panchayat Bodies Fund	PS, Nichar (71)	3,22,305
33	8448/109	Panchayat Bodies Fund	PS, Bhawarna (39)	3,99,94,323
34	8448/109	Panchayat Bodies Fund	Zila Parishad D/Shala (66)	7,716
35	8448/109	Panchayat Bodies Fund	PS Ani (64)	1,00,17,818
36	8448/109	Panchayat Bodies Fund	PS, Una (26)	3,03,76,623
37	8448/109	Panchayat Bodies Fund	PS, Gagret (27)	1,26,37,211
38	8448/109	Panchayat Bodies Fund	PS, Bangana (28)	1,23,78,412
39	8448/109	Panchayat Bodies Fund	PS, Amb (29)	1,63,55,095
40	8448/109	Panchayat Bodies Fund	PS, Kangra (30)	1,18,51,548
41	8448/109	Panchayat Bodies Fund	PS, Nagrota Bagwan (31)	1,73,70,676
42	8448/109	Panchayat Bodies Fund	PS, Rait (32)	3,02,45,474
43	8448/109	Panchayat Bodies Fund	PS, Nurpur (33)	51,08,095
44	8448/109	Panchayat Bodies Fund	PS, Indora (34)	2,81,01,424
45	8448/109	Panchayat Bodies Fund	PS, Pragpur (36)	4,78,60,031

1.	2.	3.	4.	5.
46	8448/109	Panchayat Bodies Fund	PS Nagrota Surian (37)	1,28,05,427
47	8448/109	Panchayat Bodies Fund	PS, Panchrukhi (38)	1,20,58,244
48	8448/109	Panchayat Bodies Fund	PS, Baijnath (40)	2,00,00,000
49	8448/109	Panchayat Bodies Fund	PS, Lambagaon (41)	1,52,59,031
50	8448/109	Panchayat Bodies Fund	PS, Bhattiyat (55)	2,56,17,385
51	8448/109	Panchayat Bodies Fund	PS, Salooni (56)	2,47,58,408.29
52	8448/109	Panchayat Bodies Fund	PS, Bilaspur (57)	2,28,43,596
53	8448/109	Panchayat Bodies Fund	PS, Jhanduta (58)	1,57,25,863
54	8448/109	Panchayat Bodies Fund	PS, Ghumarwin (59)	2,64,25,000
55	8448/109	Panchayat Bodies Fund	PS, Keylong (60)	1,18,04,024
56	8448/109	Panchayat Bodies Fund	PS, Kullu (61)	4,71,38,078
57	8448/109	Panchayat Bodies Fund	PS, Nagar (62)	51,53,200
58	8448/109	Panchayat Bodies Fund	PS, Banjar (63)	2,01,00,000
59	8448/109	Panchayat Bodies Fund	PS, Nahan (16)	1,53,24,675.51
60	8448/109	Panchayat Bodies Fund	PS, Paonta (17)	4,07,44,000
61	8448/109	Panchayat Bodies Fund	PS, Solan (21)	55,08,829.32
62	8448/109	Panchayat Bodies Fund	PS, Kunihar (22)	1,36,681
63	8448/109	Panchayat Bodies Fund	PS, Dharampur (23)	60,00,000
64	8448/109	Panchayat Bodies Fund	PS, Rohru (46)	1,00,00,000
65	8448/109	Panchayat Bodies Fund	PS, Chauntra (06)	2,04,59,171
66	8448/109	Panchayat Bodies Fund	PS, Karsog (07)	2,91,88,000
67	8448/109	Panchayat Bodies Fund	PS, Gopalpur (09)	1,61,80,438
68	8448/109	Panchayat Bodies Fund	PS, Sundernagar (10)	3,65,57,013
69	8448/109	Panchayat Bodies Fund	PS, Hamirpur (11)	47,00,000
70	8448/109	Panchayat Bodies Fund	PS, Sujanpur (12)	54,18,177
71	8448/109	Panchayat Bodies Fund	PS, Nadaun (13)	1,09,89,235
72	8448/109	Panchayat Bodies Fund	PS, Bhoranj (14)	53,59,619
73	8448/109	Panchayat Bodies Fund	PS, Gohar (72)	1,50,00,000
74	8448/109	Panchayat Bodies Fund	PS, Sadar Mandi (01)	4,00,16,451
75	8448/109	Panchayat Bodies Fund	PS, Drang (04)	2,11,87,966
76	8448/109	Panchayat Bodies Fund	PS, Seraj (05)	4,70,57,000
77	8448/109	Panchayat Bodies Fund	PS, Jubbal (48)	2,04,20,789
78	8448/109	Panchayat Bodies Fund	PS, Chargaon (49)	4,30,41,180
79	8448/109	Panchayat Bodies Fund	PS, Pangi (50)	1,91,30,587
80	8448/109	Panchayat Bodies Fund	PS, Chamba (51)	2,21,67,975.76
81	8448/109	Panchayat Bodies Fund	PS, Mehla (52)	3,87,50,971
82	8448/109	Panchayat Bodies Fund	PS, Tissa (53)	4,65,07,763
83	8448/109	Panchayat Bodies Fund	PS, Kalpa (67)	5,72,525
84	8448/109	Panchayat Bodies Fund	PS, Kandaghat (24)	75,00,001
85	8448/109	Panchayat Bodies Fund	PS, Shillai (18)	3,23,81,528
86	8448/109	Panchayat Bodies Fund	PS, Sangrah (19)	2,50,00,000
87	8448/109	Panchayat Bodies Fund	PS, Pachhad (20)	1,01,00,292
88	8448/109	Panchayat Bodies Fund	PS, Dehra (35)	3,16,00,000
89	8448/109	Panchayat Bodies Fund	PS, Narkanda (42)	3,32,22,267
90	8448/109	Panchayat Bodies Fund	PS, Chopal (43)	2,50,00,000
91	8448/109	Panchayat Bodies Fund	PS, Rampur (45)	2,65,00,000
92	8448/109	Panchayat Bodies Fund	PS, Mashobra (47)	3,02,00,000
93	8448/109	Panchayat Bodies Fund	PS, Bharmour (54)	2,99,00,000
94	8448/109	Panchayat Bodies Fund	PS, Nirmand (65)	1,10,00,000
95	8449/120	Miscellaneous Deposits	PR.MSMLM College,Sundernagar (19)	56,180
96	8449/120	Miscellaneous Deposits	PR., DAV College, Kotkhai (01)	71,114

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1.	2.	3.	4.	5.
97	8449/120	Miscellaneous Deposits	PR., Arya College, Nurpur (09)	4,10,004
98	8449/120	Miscellaneous Deposits	PR., MSML College Thural (08)	2,66,765
99	8449/120	Miscellaneous Deposits	PR., SVSD College, Bhatoli (18)	2,09,052
100	8443/106	Technical Education	Dir. Technical Edu. Sunder Nagar (73)	5,000
101	8229/103	Development funds for Agriculture	Shimla	68,305
102	8443/110	Deposits of Police Funds	Co,2 <sup>nd</sup> Battallion, D/Shala	1,74,323
103	8448/102	Municipal Funds	NAC, Jubbal	86,972
104	8448/102	Municipal Funds	MC, Nadaun	6,307
105	8448/102	Municipal Funds	NAC, Arki	19,989
106	8448/108	State Hsg Board Fund	Shimla	15,050
107	8448/109	Panchayat Bodies Fund	PS, Chachiot	27,500
108	8448/106	Funds of ICAR	Shimla	9,90,533
109	8448/109	Panchayat Bodies Fund	PS, Rewalsar	18,139
110	8449/120	Misc. Deposits	PR. Pt. A.S. College, Sunder Nagar	15,850
111	8449/120	Misc. Deposits	S.D.O. (Civil) Nahan	2,650
112	8448/109	Panchayat Bodies Fund	PS, Theog	4,45,264
113	8449/120	Misc. Deposits	PR., National College, Amb	81,768
			<b>Total</b>	<b>361,00,33,946</b> or say <b>₹ 361.00 crore</b>

### Appendix-3.1

(Reference: Paragraph 3.1; Page 59)

Utilisation Certificates outstanding as on 31 March 2015

(₹ in lakh)

Sr. No.	Head of Account	Year	Utilisation certificates due		Utilisation certificates outstanding	
			No. of Items	Amount	No. of Items	Amount
1.	2.	3.	4.	5.	6.	7.
1.	2011-Parliament/State/Union Territory Legislatures	2013-14	1	8.23	-	-
		<b>Total</b>	<b>1</b>	<b>8.23</b>	<b>-</b>	<b>-</b>
2.	2029-Land Revenue	2013-14	10	183.00	10	183.00
		<b>Total</b>	<b>10</b>	<b>183.00</b>	<b>10</b>	<b>183.00</b>
3.	2052-Secretariat General Services	2012-13	4	73.50	-	-
		2013-14	9	114.36	-	-
		<b>Total</b>	<b>13</b>	<b>187.86</b>	<b>-</b>	<b>-</b>
4.	2055- Police	2013-14	1	10.00	1	10.00
		<b>Total</b>	<b>1</b>	<b>10.00</b>	<b>1</b>	<b>10.00</b>
5.	2070-Other Administrative Services	2013-14	18	305.00	-	-
		<b>Total</b>	<b>18</b>	<b>305.00</b>	<b>-</b>	<b>-</b>
6.	2075- Miscellaneous General Services	2012-13	1	14.73	-	-
		2013-14	15	158.48	3	125.27
		<b>Total</b>	<b>16</b>	<b>173.21</b>	<b>3</b>	<b>125.27</b>
7.	2202- General Education	2010-11	182	83.91	-	-
		2012-13	11,032	26,422.03	167	91.26
		2013-14	22,638	29,184.93	9,414	24,965.94
		<b>Total</b>	<b>33,852</b>	<b>55,690.87</b>	<b>9,581</b>	<b>25,057.20</b>
8.	2203-Tech Education	2012-13	6	91.00	-	-
		2013-14	3	48.00	3	48.00
		<b>Total</b>	<b>9</b>	<b>139.00</b>	<b>3</b>	<b>48.00</b>
9.	2204- Sports and Youth services	2012-13	42	453.64	-	-
		2013-14	31	480.45	12	51.29
		<b>Total</b>	<b>73</b>	<b>934.09</b>	<b>12</b>	<b>51.29</b>
10.	2205- Art and Culture	2010-11	104	211.21	-	-
		2011-12	113	222.81	-	-
		2012-13	168	271.43	168	271.43
		2013-14	161	363.76	161	363.76
		<b>Total</b>	<b>546</b>	<b>1,069.21</b>	<b>329</b>	<b>635.19</b>
<b>Medical and Public Health</b>						
11.	2210- Medical and Public Health	2011-12	1	170.00	1	170.00
		2012-13	7	641.59	3	300.00
		2013-14	777	4,647.95	470	1,822.09
		<b>785</b>	<b>5,459.54</b>	<b>474</b>	<b>2,292.09</b>	
12.	2211-Family Health	2013-14	9	4,816.54	9	4,816.54
			<b>9</b>	<b>4,816.54</b>	<b>9</b>	<b>4,816.54</b>
<b>Total (Medical and Public Health)</b>			<b>794</b>	<b>10,276.08</b>	<b>483</b>	<b>7,108.63</b>



1.	2.	3.	4.	5.	6.	7.
<b>Urban Development</b>						
13.	2217- Urban Development	2008-09	12	2,192.49	4	465.33
		2009-10	14	6,055.65	14	6,055.65
		2010-11	20	2,953.06	20	2,953.06
		2011-12	20	4,422.65	20	4,422.65
		2012-13	34	11,736.91	34	11,736.91
		2013-14	53	26,724.59	53	26,724.59
		<b>153</b>	<b>54,085.35</b>	<b>145</b>	<b>52,358.19</b>	
14.	3054- Road and Bridges	2008-09	2	600.00	2	600.00
		2010-11	2	276.00	2	276.00
		2011-12	1	600.00	1	600.00
		2012-13	1	600.00	1	600.00
		2013-14	1	600.00	1	600.00
			<b>7</b>	<b>2,676.00</b>	<b>7</b>	<b>2,676.00</b>
<b>Total (Urban Development)</b>			<b>160</b>	<b>56,761.35</b>	<b>152</b>	<b>55,034.19</b>
<b>Social Justice and Empowerment</b>						
15.	2225- Welfare of SC, ST and Other Backward Classes	2011-12	14	1,003.50	13	1,003.30
		2012-13	35	1,434.57	29	1,431.11
		2013-14	35	630.60	35	630.60
			<b>84</b>	<b>3,068.67</b>	<b>77</b>	<b>3,065.01</b>
16.	2235- Social Security and Welfare	2008-09	54	380.17	44	366.60
		2009-10	44	361.56	38	156.45
		2010-11	144	985.42	84	493.74
		2011-12	459	795.13	431	716.02
		2012-13	526	1,717.97	353	839.14
		2013-14	676	2,450.70	545	2,102.09
	<b>1,903</b>	<b>6,690.95</b>	<b>1,495</b>	<b>4,674.05</b>		
<b>Total (Social Justice and Empowerment)</b>			<b>1,987</b>	<b>9,759.62</b>	<b>1,572</b>	<b>7,739.06</b>
17.	2230- Labour and Employment	2013-14	1	5.00	-	-
		<b>Total</b>	<b>1</b>	<b>5.00</b>	<b>-</b>	<b>-</b>
<b>Secretariat and Social Services</b>						
18.	3451-Secretariat Economic Services	2009-10	1	3.66	-	-
		2010-11	1	7.65	-	-
		2011-12	1	5.00	1	5.00
		2012-13	2	75.00	2	75.00
		2013-14	5	79.30	4	54.30
			<b>10</b>	<b>170.61</b>	<b>7</b>	<b>134.30</b>
19.	2251- Secretariat Social Services	2009-10	1	49.00	1	49.00
		2010-11	1	57.22	1	57.22
		2011-12	2	48.49	-	-
		2012-13	3	231.00	1	3.00
		2013-14	4	46.00	4	46.00
			<b>11</b>	<b>431.71</b>	<b>7</b>	<b>155.22</b>
<b>Total (Secretariat and Social Services)</b>			<b>21</b>	<b>602.32</b>	<b>14</b>	<b>289.52</b>
20.	2401- Crop Husbandry	2011-12	22	625.33	22	625.33
		2012-13	32	1,321.51	32	1,321.51
		2013-14	45	3,357.76	43	2,216.79
		<b>Total</b>	<b>99</b>	<b>5,304.60</b>	<b>97</b>	<b>4,163.63</b>

1.	2.	3.	4.	5.	6.	7.
21.	2403- Animal Husbandry	2011-12	3	136.91		
		2012-13	30	2,379.66	30	2,379.66
		2013-14	30	2,457.92	30	2,457.92
		<b>Total</b>	<b>63</b>	<b>4,974.49</b>	<b>60</b>	<b>4,837.58</b>
22.	2404- Diary Development	2013-14	9	1,400.00	9	1,400.00
		<b>Total</b>	<b>9</b>	<b>1,400.00</b>	<b>9</b>	<b>1,400.00</b>
23.	2405- Fisheries	2011-12	1	0.80	-	-
		2012-13	18	33.75	10	7.95
		2013-14	20	641.23	5	39.30
		<b>Total</b>	<b>39</b>	<b>675.78</b>	<b>15</b>	<b>47.25</b>
24.	2408- Food Storage and Ware Housing	2010-11	1	2.49	1	2.49
		2011-12	8	20.40	8	20.40
		2012-13	12	26.99	12	26.99
		2013-14	18	33.50	18	33.50
		<b>Total</b>	<b>39</b>	<b>83.38</b>	<b>39</b>	<b>83.38</b>
25.	2425- Co-operation	2012-13	59	99.94	12	15.68
		2013-14	56	174.52	37	106.45
		<b>Total</b>	<b>115</b>	<b>274.46</b>	<b>49</b>	<b>122.13</b>
<b>Rural Development</b>						
26.	2216-Housing	2007-08	2	25.28	-	-
		2008-09	18	398.59	-	-
		2009-10	93	515.60	93	515.60
		2010-11	58	1,104.70	58	1,104.70
		2011-12	48	982.56	17	281.13
		2012-13	89	1,649.68	84	1,574.00
		2013-14	109	2,640.01	102	2,391.29
			<b>417</b>	<b>7,316.43</b>	<b>354</b>	<b>5,866.72</b>
27.	2501- Special Programme	2008-09	18	141.53	18	141.53
		2009-10	20	366.13	20	366.13
		2010-11	27	561.99	27	561.99
		2011-12	61	1,648.71	61	1,648.71
		2012-13	87	983.69	81	739.07
		2013-14	63	1,396.65	58	1,364.14
	<b>276</b>	<b>5,098.71</b>	<b>265</b>	<b>4,821.59</b>		
28.	2505- Rural Employment	2008-09	2	816.89	2	816.89
		2009-10	2	224.04	2	224.04
		2011-12	9	284.86	9	284.86
		2012-13	17	3,911.91	17	3,911.91
		2013-14	14	4,996.53	14	4,996.53
	<b>44</b>	<b>10,234.23</b>	<b>44</b>	<b>10,234.23</b>		
29.	2515- Other Rural Development Programmes	2008-09	162	1,908.92	162	1,645.69
		2009-10	337	9,042.51	337	9,042.51
		2010-11	397	10,531.28	397	10,531.28
		2011-12	353	19,652.67	353	19,652.67
		2012-13	1,624	22,348.42	412	19,172.34
		2013-14	395	27,717.68	395	27,717.68
	<b>3,268</b>	<b>90,938.25</b>	<b>2,056</b>	<b>87,762.16</b>		
<b>Total (Rural Development)</b>			<b>4,005</b>	<b>1,13,587.62</b>	<b>2,719</b>	<b>1,08,684.70</b>

1.	2.	3.	4.	5.	6.	7.
30.	2801- Power	2011-12	2	212.00	2	212.00
		2013-14	5	1,944.00	2	1,876.50
		<b>Total</b>	<b>7</b>	<b>2,156.00</b>	<b>4</b>	<b>2,088.50</b>
31.	2810- Non-Conventional Source of Energy	2013-14	2	50.00	2	50.00
		<b>Total</b>	<b>2</b>	<b>50.00</b>	<b>2</b>	<b>50.00</b>
32.	2851- Village and Small Scale Industries	2009-10	45	332.81	-	-
		2010-11	49	679.49	-	-
		2011-12	64	844.15	26	361.69
		2012-13	71	1,596.75	52	705.10
		2013-14	109	2,513.72	102	2,276.82
		<b>Total</b>	<b>338</b>	<b>5,966.91</b>	<b>180</b>	<b>3,343.62</b>
33.	3055- Road Transport	2013-14	1	3,500.00	-	-
		<b>Total</b>	<b>1</b>	<b>3,500.00</b>	<b>-</b>	<b>-</b>
34.	3435- Ecology Environment	2012-13	3	7.88	-	-
		2013-14	7	42.15	7	42.15
		<b>Total</b>	<b>10</b>	<b>50.03</b>	<b>7</b>	<b>42.15</b>
35.	3452- Tourism	1998-99	1	7.00	-	-
		2010-11	7	74.51	7	74.51
		2011-12	16	706.62	16	706.62
		2012-13	12	1,000.68	12	1,000.68
		2013-14	12	1,995.06	12	1,995.06
		<b>Total</b>	<b>48</b>	<b>3,783.87</b>	<b>47</b>	<b>3,776.87</b>
36.	3604- Compensation and assignments to Local Bodies	2012-13	24	717.57	24	717.57
		2013-14	48	909.03	48	909.03
		<b>Total</b>	<b>72</b>	<b>1,626.60</b>	<b>72</b>	<b>1,626.60</b>
37.	2406-Forest and Wild Life (Forest Account)	2011-12	2	44.47	1	18.11
		2012-13	22	295.87	11	171.36
		2013-14	166	1,391.23	41	570.36
		<b>Total</b>	<b>190</b>	<b>1,731.57</b>	<b>53</b>	<b>759.84</b>
38.	2415-Agriculture Research and Education (Forest Account)	2011-12	23	4,668.53	1	10.00
		2012-13	22	4,838.93	1	321.00
		2013-14	40	15,443.01	24	11,145.75
		<b>Total</b>	<b>85</b>	<b>24,950.47</b>	<b>26</b>	<b>11,476.75</b>
39.	2250-Other Social Community	2013-14	1	53.82	-	-
		<b>Total</b>	<b>1</b>	<b>53.82</b>	<b>-</b>	<b>-</b>
40.	3425-Other Scientific	2013-14	17	372.31	-	-
		<b>Total</b>	<b>17</b>	<b>372.31</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>			<b>42,642</b>	<b>3,06,548.49</b>	<b>15,539</b>	<b>2,38,739.38</b>

### Appendix – 3.2

(Reference: Paragraph 3.2; Page 60)

#### Statement showing performance of the Autonomous Bodies

Sr. No.	Name of the body	Period of entrustment	Year upto which Accounts were rendered	Delay in Submission of Accounts (in months)	Period upto which Separate Audit Report is issued	Date of placement of SAR in the Legislature
1.	HP State Legal Service Authority, Shimla	May 2009	2013-14	1½ months	2012-13	Yet to be placed
2.	District Legal Service Authority, Shimla	May 2009	2013-14	--	2012-13	Yet to be placed
3.	District Legal Service Authority, Rampur	May 2009	2013-14	3 months	2012-13	Yet to be placed
4.	District Legal Service Authority, Kangra	May 2009	2013-14	1½ months	2012-13	Yet to be placed
5.	District Legal Service Authority, Nahan	May 2009	2013-14	2 months	2012-13	Yet to be placed
6.	District Legal Service Authority, Hamirpur	May 2009	2013-14	2 months	2012-13	Yet to be placed
7.	District Legal Service Authority, Solan	May 2009	2013-14	1 months	2012-13	Yet to be placed
8.	District Legal Service Authority, Mandi	May 2009	2013-14	1½ months	2012-13	Yet to be placed
9.	District Legal Service Authority, Una	May 2009	2013-14	2 months	2012-13	Yet to be placed
10.	District Legal Service Authority, Chamba	May 2009	2013-14	½ month	2012-13	Yet to be placed
11.	District Legal Service Authority, Kullu	May 2009	2013-14	1 months	2012-13	Yet to be placed
12.	District Legal Service Authority, Bilaspur	May 2009	2013-14	--	2012-13	Yet to be placed
13.	HP Building and other Construction workers Welfare Board, Shimla	2009-10 onwards	2012-13	12 months	2012-13	Yet to be placed
14.	HP State Veterinary Council, Shimla	2005-06	2014-15	-	2014-15	Yet to be placed

### Appendix - 3.3

(Reference: Paragraph 3.4; Page 61)

Department-wise and duration-wise break-up of the cases of theft, misappropriation/losses, etc.

Sr. No.	Name of the Department	Up to 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		25 years to More		Total No. of Cases.	
		C	A	C	A	C	A	C	A	C	A	C	A	C	A
1.	Education	02	2.55	01	0.93	-	-	-	-	-	-	-	-	03	3.48
2.	Rural Development	-	-	02	4.68	-	-	-	-	-	-	-	-	02	4.68
3.	Agriculture	-	-	01	9.20	-	-	01	0.26	-	-	-	-	02	9.46
4.	Horticulture	01	1.54	01	0.06	-	-	01	1.29	-	-	-	-	03	2.89
5.	Land Revenue	-	-	-	-	-	-	-	-	01	2.57	-	-	01	2.57
6.	Police	01	0.08	-	-	-	-	-	-	-	-	-	-	01	0.08
7.	Fisheries	01	1.28	-	-	-	-	-	-	-	-	-	-	01	1.28
8.	Revenue	-	-	-	-	01	0.31	-	-	-	-	01	0.02	02	0.33
9.	Home Guard	-	-	-	-	02	25.37	-	-	-	-	01	0.05	03	25.42
10.	Animal Husbandry	-	-	-	-	01	0.17	-	-	-	-	02	0.93	03	1.10
11.	Director Planning	-	-	01	2.97	-	-	-	-	-	-	-	-	01	2.97
12.	Health	-	-	01	0.95	-	-	-	-	-	-	-	-	01	0.95
13.	Forest	01	0.63	-	-	01	2.38	-	-	-	-	02	0.40	04	3.41
14.	Public Works	-	-	-	-	02	5.27	05	3.21	01	0.55	07	2.14	15	11.17
15.	Irrigation and Public Health	-	-	01	0.89	02	0.27	02	7.75	-	-	-	-	05	8.91
	<b>Total:</b>	<b>06</b>	<b>6.08</b>	<b>08</b>	<b>19.68</b>	<b>09</b>	<b>33.77</b>	<b>09</b>	<b>12.51</b>	<b>02</b>	<b>3.12</b>	<b>13</b>	<b>3.54</b>	<b>47</b>	<b>78.70</b>

C: Number of Cases

A: Amount (₹ in lakh)

### Appendix-3.4

(Reference: Paragraph 3.4; Page 61)

**Department/category-wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material**

(₹ in lakh)

Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount
Education	02	1.60	01	1.88	03	3.48
Rural Development	02	4.68	00	00	02	4.68
Agriculture	00	00	02	9.46	02	9.46
Land Revenue	00	00	01	2.57	01	2.57
Horticulture	01	0.06	02	2.83	03	2.89
Fisheries	01	1.28	00	00	01	1.28
Police	00	00	01	0.08	01	0.08
Revenue	01	0.31	01	0.02	02	0.33
Home Guard	00	00	03	25.42	03	25.42
Animal Husbandry	01	0.17	02	0.93	03	1.10
Director, Planning	01	2.97	00	00	01	2.97
Health	00	00	01	0.95	01	0.95
Forests	00	00	04	3.41	04	3.41
Public Works	02	0.77	13	10.40	15	11.17
Irrigation and Public Health	01	0.25	04	8.66	05	8.91
<b>Total</b>	<b>12</b>	<b>12.09</b>	<b>35</b>	<b>66.61</b>	<b>47</b>	<b>78.70</b>

**Appendix-3.5(A)**

(Reference: Paragraph 3.5; Page 62)

**Details of Revenue Receipts under Minor Head 800-'Other Receipts' during 2014-15**

(₹ in crore)

Sr. No.	Major head		Receipt under minor head 800	Total Receipt	Percentage
1.	0029	Land revenue	13.82	16.88	81.87
2.	0045	Other Taxes and Duties on Commodities and Services	257.96	365.02	70.67
3.	0049	Interest Receipts	61.66	100.93	61.09
4.	0057	Supplies and Disposals	0.06	0.06	100
5.	0058	Stationery and Printing	4.11	7.79	52.76
6.	0070	Other Administrative Services	26.64	35.57	74.89
7.	0210	Medical and Public Health	3.00	3.35	89.55
8.	0217	Urban Development	9.05	9.05	100
9.	0230	Labour and Employment	4.70	7.82	60.10
10.	0235	Social Security and Welfare	3.82	5.78	66.09
11.	0250	Other Social Services	0.13	0.13	100
12.	0406	Forestry and Wild Life	71.31	115.78	61.59
13.	0425	Cooperation	8.26	8.67	95.27
14.	0506	Land Reforms	0.27	0.27	100
15.	0515	Other Rural Development Programmes	1.82	2.50	72.80
16.	0575	Other Special Areas Programme	0.49	0.49	100
17.	0801	Power	1,121.51	1,121.51	100
18.	0852	Industries	4.08	4.08	100
19.	1054	Roads and Bridges	10.58	12.03	87.95
20.	1055	Road Transport	1.32	1.32	100
21.	1452	Tourism	0.56	0.60	93.33
<b>Total</b>			<b>1,605.15</b>	<b>1,819.63</b>	<b>88.22</b>

### Appendix-3.5 (B)

(Reference: Paragraph 3.5; Page 62)

#### A. Details of Revenue Expenditure under Minor Head 800-'Other Expenditure' during 2014-15

(₹ in crore)

Sl. No.	Major head		Expenditure under minor head 800	Total Expenditure including Minor Head-800	Percentage
1.	2075	Miscellaneous General Services	22.70	23.05	98.48
2.	2211	Family Welfare	131.26	238.82	54.96
3.	2407	Plantation	0.88	0.93	94.62
<b>Total</b>			<b>154.84</b>	<b>262.80</b>	<b>58.92</b>

#### B. Details of Capital Expenditure under Minor Head 800- 'Other Expenditures' during 2014-15

(₹ in crore)

Sl. No.	Major head		Expenditure under minor head 800	Total Expenditure including Minor Head-800	Percentage
1.	4070	Other Administrative Services	3.00	3.00	100
2.	4235	Social Security and Welfare	6.25	7.83	79.82
3.	4701	Medium Irrigation	22.91	30.60	74.87
4.	4711	Flood Control Project	241.06	327.72	73.56
5.	4851	Village and Small Industries	24.39	39.26	62.12
6.	5452	Tourism	2.20	2.22	99.10
7.	5475	Other General Economic Services	85.64	85.64	100
<b>Total</b>			<b>385.45</b>	<b>496.27</b>	<b>77.67</b>



## Appendix-4

### Glossary of terms

Sr. No.	Terms	Description
1.	State Implementing Agency	State Implementing Agency includes any Organisations/Institutions including Non-Governmental Organisation which is authorized by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for SSA and State Health Mission for NRHM etc.
2.	GSDP	GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices.
3.	Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one <i>per cent</i> .
4.	Development Expenditure	The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.
5.	Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
6.	Sufficiency of Non-debt receipts (Resource Gap)	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
7.	Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
8.	Non debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
9.	Guarantees	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.

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