

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL OF INDIA**

ON

**STATE FINANCES
FOR THE YEAR ENDED 31 MARCH 2017**

GOVERNMENT OF HIMACHAL PRADESH

Report No. 4 of the year 2017

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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.

Chapters 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 2017. 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 2016-17 *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 2017 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 2017. 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

As per the FRBM Act/Thirteenth Finance Commission the revenue deficit was required to be brought down to zero during 2011-12 and thereafter a revenue surplus was to be maintained. However, the target of bringing down the revenue deficit to zero had been achieved in 2015-16 and 2016-17. After performing well in 2015-16, decline was observed in all three deficit indicators during 2016-17 viz. revenue deficit, fiscal deficit and primary deficit.

During 2016-17, revenue surplus of ₹ 1,137 crore declined to ₹ 920 crore over the previous year. It was also noticed that though the central transfers has increased this year, on the contrary the revenue surplus declined.

Fiscal deficit increased by ₹ 783 crore from ₹ 2,165 crore in 2015-16 to ₹ 2,948 crore in 2016-17. It was 2.37 *per cent* of GSDP during current year and was within the target fixed in FRBM Act (3.17 *per cent*) and projections made by

XIVth FC (i.e. 3 *per cent*). Primary surplus of ₹ 990 crore and ₹ 411 crore was observed during 2015-16 and 2016-17 respectively.

During 2016-17, revenue receipts (₹ 26,264 crore) of the State grew by ₹ 2,824 crore (12 *per cent*) as compared to previous year. Only 33 *per cent* of receipts came from State's own resources comprising tax and non-taxes, while the major portion (67 *per cent*) of revenue receipts came from Central transfers (i.e. grants-in-aid (50 *per cent*) and State share in central taxes and duties (17 *per cent*)).

During 2016-17, total expenditure (₹ 32,133 crore) of the State increased by ₹ 6,503 crore (25 *per cent*) over the previous year. Revenue expenditure increased by ₹ 3,041 crore (14 *per cent*) from ₹ 22,303 crore in 2015-16 to ₹ 25,344 crore in 2016-17 and its share in total expenditure was 79 *per cent* in 2016-17. Plan revenue expenditure (₹ 4,520 crore) increased by ₹ 1,027 crore (29 *per cent*) over the previous year (₹ 3,493 crore) and constituted 13 to 18 *per cent* of revenue expenditure over the last five years. However, the Non-Plan Revenue Expenditure (NPRE) constituted 82-87 *per cent* of revenue expenditure during 2012-17. The expenditure on salaries, interest payments, pensions and subsidies has shown consistent increase over the period 2012-17 from ₹ 12,939 crore in 2012-13 to ₹ 17,919 crore in 2016-17 and constituted an average of 76 *per cent* of revenue expenditure. The share of capital expenditure to total expenditure has decreased from 11.2 *per cent* in 2015-16 to 10.9 *per cent* in 2016-17.

Substantial funds amounting to ₹ 457.18 crore were still being transferred by GoI directly to the State Implementing agencies during 2016-17 in spite of Central Government decision to route these funds through the State budget from 2014-15. There is no single agency in the State to monitor the expenditure from these funds and no data is readily available as to how much money has actually been spent in a particular year by these implementing agencies.

Funds aggregating ₹ 187.62 crore were locked up in 12 incomplete projects at the end of 2016-17.

Fiscal liabilities at the end of the current year were ₹ 47,244 crore (includes ₹ 2,890.50 crore on account of UDAY Scheme) with growth of 15 *per cent* over the previous year and stood at 38 *per cent* of GSDP and 180 *per cent* of the revenue receipts. The share of market borrowings in the total public debt went up from 57 *per cent* in 2012-13 to 59 *per cent* in 2016-17. During 2016-17, 36 *per cent* of borrowings were used for repayment of earlier debts defeating the very objectives for these loans.

Chapter II

Financial management and budgetary control

The overall excess of ₹ 32.29 crore registered under grants/appropriations during the year 2016-17 was the net result of excess of ₹ 3,037.61 crore offset by saving of ₹ 3,005.32 crore. An excess expenditure of ₹ 9,402.18 crore relating to the

period 2011-12 to 2016-17 required regularisation under Article 205 of the State Legislature.

Supplementary provision of ₹ 2,113.09 crore in 14 sub-heads proved unnecessary/ inadequate as either expenditure did not come up to the level of original provision or leaving an aggregate uncovered excess expenditure and re-appropriation of funds in 27 sub-heads (₹ one crore or more in each case) was made injudiciously which resulted in excess/savings. In 58 cases (₹ 10 crore or more in each case) ₹ 2,863 crore were surrendered at the end of the financial year. In 62 cases/sub-heads, 100 *per cent* grant amounting to ₹ 379.63 crore was surrendered.

In nine cases, the expenditure incurred during the last quarter of the year ranged between 54 and 91 *per cent* and the expenditure incurred during the month of March 2017 alone under these heads of accounts constituted 51 to 79 *per cent* of the total expenditure.

Chapter III

Financial reporting

There were delays in furnishing 2,587 Utilisation Certificates in respect of loans and grants amounting to ₹ 2,910.67 crore as on 31 March 2017.

There were 45 cases of misappropriations/loss, theft etc., involving government money amounting to ₹ 78.10 lakh on which final action was pending as of June 2017. Out of these, 40 cases were more than five years old.

The Government's compliance to various rules, procedures and directives was lacking in various departments as there were 76 cases of temporary advances aggregating ₹ 23.19 crore pending in the State departments for adjustments.

CHAPTER-I
FINANCES OF THE STATE GOVERNMENT

CHAPTER -I

FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

This chapter provides a broad overview of the finances of the State 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. 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 17th largest State in terms of geographical area (55,673 sq km) and the 20th largest by population. As indicated in **Appendix 1**, the State's population increased from 0.61 crore in 2001 to 0.72 crore in 2017 (projected) recording a growth of 18 *per cent*. The percentage of population below the poverty line was 11 *per cent* which was less than the all-India average (22 *per cent*). The State has seen considerable economic growth in the past decade and the compound growth rate of its Gross State Domestic Product¹ (GSDP) for the period 2007-08 to 2016-17 has been recorded at 15.53 *per cent* (**Appendix 1**).

The State's GDP in 2016-17 at current prices was ₹ 1,24,570 crore. The State's literacy rate increased from 76.50 *per cent* (as per 2001 census) to 82.80 *per cent* (as per 2011 census). The per capita income of the State stands at ₹ 1,47,277² during the year 2016-17.

Gross State Domestic Product

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

Table 1.1: Trends in Annual growth of India's GDP and GSDP of Himachal Pradesh (Current Prices)

Year	2012-13	2013-14	2014-15	2015-16	2016-17
India's GDP (₹ in crore)	99,51,344	112,72,764	124,88,205	135,76,086	151,83,709
Growth rate of GDP (percentage)	13.91	13.28	10.78	8.71	11.84
State's GDP (₹ in crore)	82,294	94,764	1,04,177	1,13,667	1,24,570
Growth rate of GSDP (per cent)	13.16	15.15	9.93	9.11	9.59

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

The GSDP during 2016-17 at ₹ 1,24,570 crore and its growth rate at 9.59 *per cent* was below the assessment (₹ 1,36,914 crore and 13.79 *per cent* respectively) made by the Fourteenth Finance Commission (XIV FC).

Note: In this Chapter, debt taken over by the State under UDAY (Ujwal Discom Assurance Yojna) Scheme which was launched by Government of India in November, 2015 to improve financial and operational efficiencies of State power distribution companies (DISCOMs) has not been counted for the calculation of fiscal parameters. Necessary notes inserted at appropriate places.

¹ Refer Glossary in Appendix 4.

² 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 (2016-17) *vis-à-vis* the previous year (2015-16), 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	2015-16	2016-17	Disbursements	2015-16	2016-17		
	Total	Total		Total	Non Plan	Plan	Total
Section-A: Revenue							
Revenue receipts	23,440	26,264	Revenue expenditure	22,303	20,824	4,520	25,344
Tax revenue	6,696 (29)	7,039(27)	General Services	8,788	9,644	84	9,728
Non-tax revenue	1,837 (8)	1,717(6)	Social Services	7,980	7,201	2,409	9,610
Share of Union Taxes/Duties	3,611 (15)	4,344(17)	Economic Services	5,525	3,970	2,026	5,996
Grants from Government of India	11,296 (48)	13,164(50)	Grants-in-aid and Contributions	10	10	Nil	10
Section-B: Capital and others							
Misc. Capital Receipts	Nil	Nil	Capital outlay	2,864	384	3,115	3,499
Recoveries of Loans and Advances	26	30	Loans and advances disbursed	463			3,290*
Public Debt receipts	6,129	8,603*	Repayment of public debt	3,948			3,943
Contingency Fund	Nil	Nil	Contingency Fund	Nil			Nil
Public account receipts#	11,515	13,630	Public account disbursements#	10,577			12,351
Opening cash balance	(-)739	216	Closing cash balance	216			316
Total	40,371	48,743	Total	40,371			48,743

Source: Finance Accounts for the respective years.

Figures in the parenthesis indicate the percentage of Revenue receipt.

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

* Includes ₹2890.50 crore on account of UDAY Scheme.

Following are the significant changes during 2016-17 over the previous year:

Revenue Receipts	Grew by ₹ 2,824 crore (12 per cent). The increase over the previous year was due to significant increase in central transfers i.e. Grants-in-Aid (by ₹ 1,868 crore) and Share of Union Taxes and Duties (by ₹ 733 crore).
Revenue expenditure	Increased by ₹ 3,041 crore (14 per cent). The increase in Non Plan Revenue expenditure and Plan Revenue expenditure was ₹ 2,014 crore and ₹ 1,027 crore respectively.
Revenue Surplus	Revenue surplus decreased by ₹ 217 crore and stood at ₹ 920 crore in 2016-17 as compared to previous year.
Capital expenditure	Increased by ₹ 635 crore (22 per cent).
Public debt receipts	Receipts increased by ₹ 2,474 crore (40 per cent) and its repayment decreased by ₹ 5 crore (0.13 per cent).
Public account receipts	Both receipts and disbursements increased by ₹ 2,115 crore (18 per cent) and ₹ 1,774 crore (17 per cent) respectively.
Closing cash balance	Increased by ₹ 100 crore from the previous year (₹ 216 crore) and stood at ₹ 316 crore at the end of 2016-17.

1.1.2 Review of the fiscal situation

Performance of the State Government on major fiscal variables against the recommendations of Fourteenth Finance Commission (XIVth FC) and against the targets of the FRBM Act of the State is depicted in **Table 1.3**.

Table 1.3: Major Fiscal Variables

Fiscal variables	Targets as prescribed in FRBM Act/XIV FC	Projections/ Targets proposed in the Budget/MTFPS [#]	2016-17			
			Actual		Percentage variation of actual (without UDAY scheme) over	
			Without UDAY scheme	With UDAY scheme	Targets of FRBM Act/XIVFC	Projections/ Targets proposed in the Budget/MTFPS [#]
Revenue Surplus(+)/ Deficit(-) (in crore)	Maintain revenue surplus	(-) 475.62	920	920	Target achieved	Target achieved
Fiscal Deficit/GSDP (in per cent)	(-) 3.00 or less	(-) 3.17	(-) 2.37	(-) 4.69	Target achieved	Target achieved
Ratio of total outstanding debt* of the government to GSDP (in per cent)	34.13	32.82	35.61	37.93	(-) 1.48	(-) 2.79

Source: Finance Department and Finance Accounts

#Medium Term Fiscal Plan Statement

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

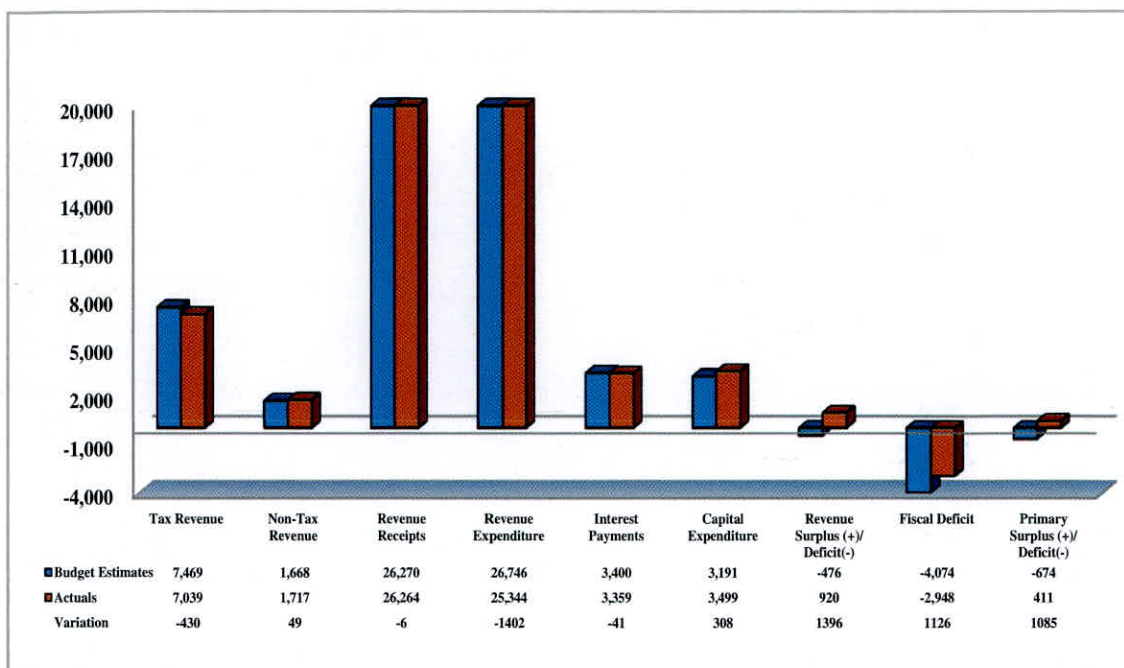
- Target of maintaining revenue surplus set out in the XIV FC was achieved and it stood at ₹ 920 crore during 2016-17.
- Fiscal Deficit was 2.37 per cent of the GSDP excluding effect of UDAY³ scheme and 4.69 per cent of GSDP with UDAY scheme against the target (3 per cent or less) set out in XIV FC and FRBM/MTFPS.
- Total outstanding debt to GSDP was 35.61 per cent excluding UDAY scheme and 37.93 per cent with UDAY scheme which in both the cases exceeded the projection made in XIV FC and FRBM/MTFPS.

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 2016-17 are given in **Chart 1.1**.

³ UDAY (Ujwal Discom Assurance Yojna) Scheme was launched by Government of India in November, 2015 to improve financial and operational efficiencies of State power distribution companies (DISCOMs). As per the Scheme, Debt taken over by the State is not to be counted against the fiscal deficit of the State in the financial years 2015-16 and 2016-17. For details see paragraph 1.8.2.1

Chart 1.1 : Selected Fiscal Parameters: Budget Estimates vis-a-vis Actuals (₹ in crore)



Source: MTFPS (March 2016) and Finance Accounts 2016-17

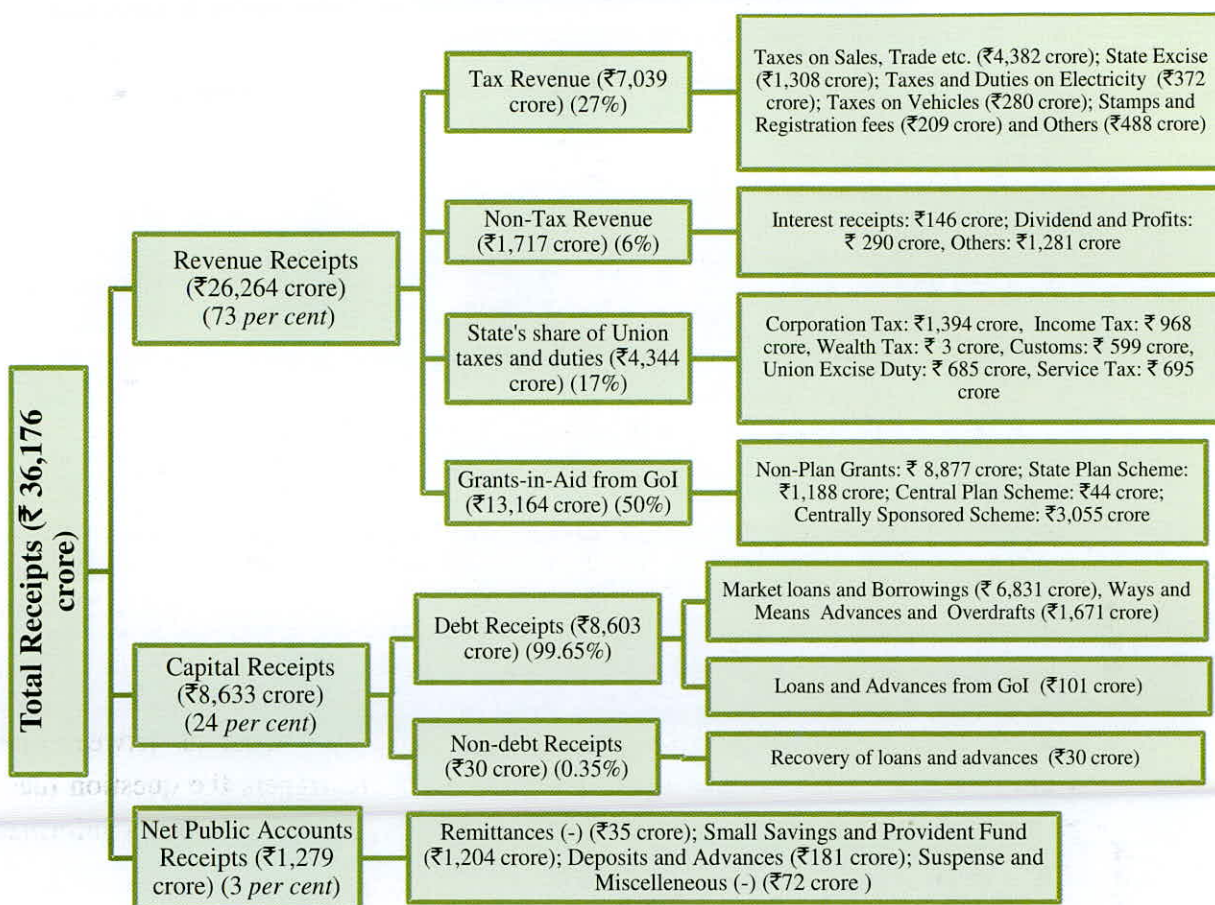
As may be seen from **Chart 1.1**, there were considerable variations between budget estimates and actuals in case of several parameters. It triggers the question that the budget estimates were unrealistic and should have been based on better information and understandings of the realization trend of revenue.

1.1.4 Gender Budgeting

Gender Budgeting Cell was constituted in the department of Women and Child Development in 2013. There were 20 schemes designated to benefit women to the extent of 100 *per cent* allocation and 43 schemes with partial allocation during the year 2016-17 under which outlay was made as mentioned in **Appendix 1.5**. Against the total outlay of ₹ 1,072.71 crore under these schemes, an amount of ₹ 897.26 crore was spent leaving unspent balance of ₹ 175.45 crore with the department at the end of the year 2016-17.

1.2 Resources of the State

Chart 1.2: Depicts the components and sub-components of receipts during the year 2016-17

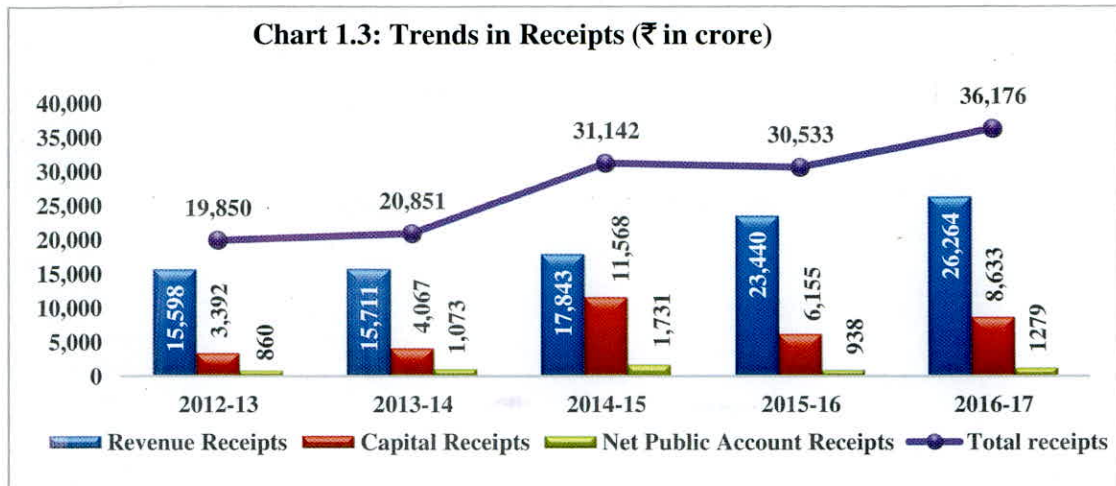


1.2.1 Resources of the State as per the Annual Finance Accounts

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 2016-17 as recorded in its Annual Finance Accounts while **Chart 1.3** depicts the trends in various components of the receipts of the State during 2012-17.

As evident from the **Chart 1.2**, revenue receipts comprise 73 per cent, capital receipts 24 per cent and net public account receipts three per cent of the total receipts of ₹36,176 crore during 2016-17. 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 50 per cent, 27 per cent, 17 per cent and six per cent respectively.



As would be evident from **Chart 1.3** above, the total receipts of the State Government increased by 18 per cent from ₹ 30,533 crore to ₹ 36,176 crore during 2016-17 over the previous year due to more receipts in Revenue, Capital and Net Public Account.

Revenue receipts show an increasing trend during 2012-17. However, it increased by ₹ 2,824 crore in 2016-17 mainly due to increase of ₹ 2,601 crore in share of Union Taxes/duties and Grants from GoI. The share of revenue receipts in the total receipts of the State decreased from 77 per cent in 2015-16 to 73 per cent in 2016-17 due to less receipt in non-tax revenue.

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/programs in the social and economic sectors without routing through the State budget/treasury.

In spite of Central Government decision to route these funds through budget from 2014-15, funds were still transferred directly to the State Implementing agencies during 2014-17.

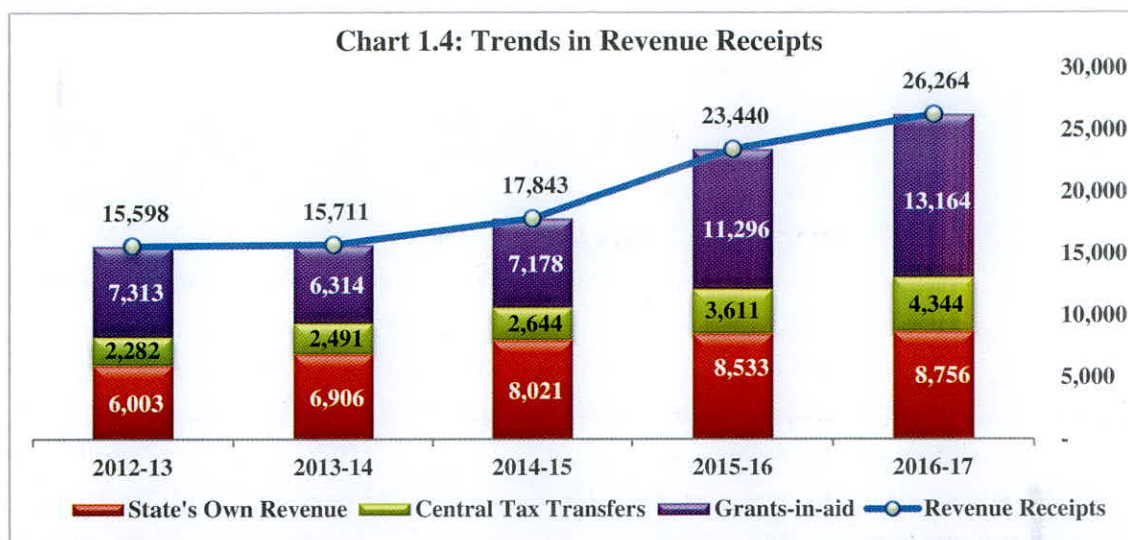
During 2016-17, these direct fund transfers increased to ₹ 457.18 crore from ₹ 344.68 crore compared to previous year. These funds were transferred mainly to National Rural Employment Guarantee Scheme (MGNREGA) (₹ 104.32 crore), Ministry of Road Transport and Highways (₹ 92.18 crore), MPLAD (₹ 35 crore) and Scheme for Border Management (Executive Engineer HPPWD Bhabanagar) (₹ 30 crore) (**Appendix 1.6**).

Thus, with the transfer of ₹ 457.18 crore funds during 2016-17 by GoI directly to the State implementing agencies, the total availability of the State resources increased from ₹ 48,527 crore to ₹ 48,984 crore. Audit observed that still there is no single agency in the State to monitor these funds and no data is readily available as to how much money has actually been spent in a particular year by these implementing agencies.

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 2012-17 are presented in **Appendix 1.3** and also depicted in **Chart 1.4** below:

(₹ in crore)



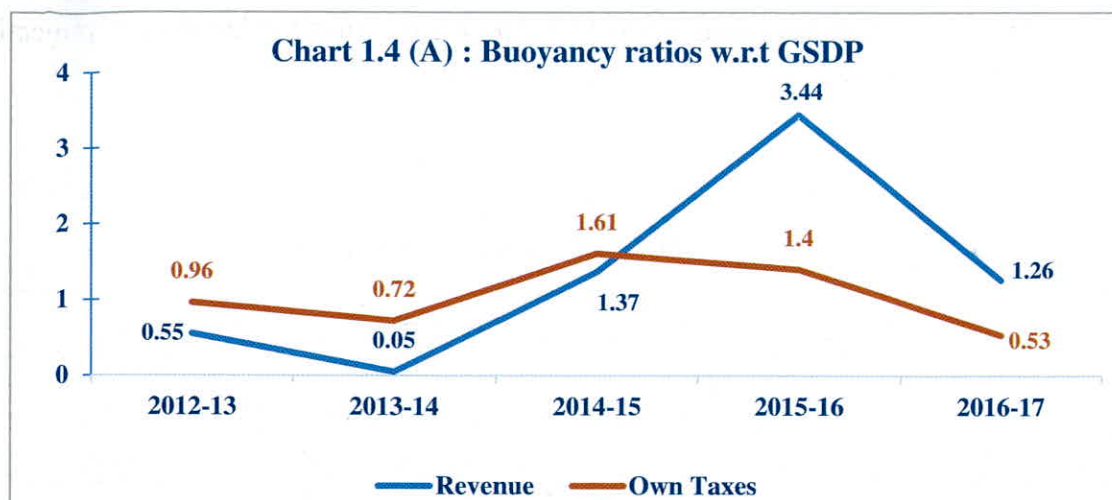
- Revenue receipts steadily increased from ₹ 15,598 crore in 2012-13 to ₹ 26,264 crore in 2016-17 at an annual average growth rate of 12.99 per cent. During 2016-17 it increased by ₹ 2,824 crore recording an increase of 12 per cent over the previous year.
- During 2016-17, only 33 per cent of the Revenue receipts came from the State's own resources comprising taxes and non-taxes, while the remaining 67 per cent were contributed by central transfers comprising the State's share in central taxes and duties (17 per cent) and grants-in-aid from GoI (50 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

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Receipts (RR) (₹ in crore)	15,598	15,711	17,843	23,440	26,264
Rate of growth of RR (per cent)	7.25	0.72	13.57	31.36	12.05
State's Own Taxes (₹ in crore)	4,626	5,121	5,940	6,696	7,039
Rate of growth of Own Taxes (per cent)	12.61	10.70	15.99	12.73	5.12
State's GDP (₹ in crore)	82,294	94,764	1,04,177	1,13,667	1,24,570
Growth rate of GSDP (percentage)	13.16	15.15	9.93	9.11	9.59
R R/GSDP (per cent)	18.95	16.58	17.13	20.62	21.08
Buoyancy Ratios⁴					
Revenue Buoyancy w.r.t. GSDP	0.55	0.05	1.37	3.44	1.26
State's Own Taxes Buoyancy w.r.t. GSDP	0.96	0.71	1.61	1.40	0.53

⁴ Refer glossary in Appendix 4.



- After declining to 0.72 *per cent* in 2013-14, the rate of growth of revenue receipts increased for two consecutive years to 13.57 *per cent* in 2014-15 and 31.36 *per cent* in 2015-16, the highest in last five years. However, it fell to 12.05 *per cent* during 2016-17 despite high devolution of central transfers due to low buoyancy of State's own taxes.
- The growth rate of GSDP increased by 0.48 *per cent* during 2016-17 over the previous year.
- Inter year variation has been observed in the revenue buoyancy ratio w.r.t. GSDP which after falling to 0.05 in 2013-14 went up to 3.44 in 2015-16 and falling again to 1.26 in 2016-17 due to decline in growth rate of revenue receipts.
- Continuous fall in the State's own tax buoyancy ratio with reference to GSDP has been observed since 2014-15. It has come down to the lowest in 5 years during 2016-17 and stood at 0.53. This is indicative of inadequate focus of State Government on improving efficiency of Revenue mobilization in response to increased economic activity.

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 2016-17 *vis-à-vis* assessment made by XIVth FC and MTFPS are given in **Table 1.6**.

Table 1.6: Percentage variation of actual over projections/estimates

	XIV th FC projections	Budget estimates/ MTFPS projection	Actual	Percentage variation of actual over	
				XIV th FC projections	Budget estimates/ MTFPS projection
Tax revenue	9,438	7,469	7,039	(-) 25.42	(-) 5.76
Non tax revenue	1,876	1,668	1,717	(-) 8.48	Target Achieved

Source: Finance Department and Finance Accounts

The actual realisation of tax revenue was less by ₹ 2,399 crore (25.42 *per cent*) while Non-tax Revenue (NTR) was 8 *per cent* less than the XIVth Finance Commission

projections. The tax revenue was 5.76 per cent less than the State's own projection set out in budget estimates/MTFPS for the year 2016-17.

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	2012-13	2013-14	2014-15	2015-16	2016-17
Taxes on sales, trades etc.	2,728 (10)	3,141(15)	3,661(17)	3,993(9)	4,382(10)
State excise	810 (15)	952 (18)	1,044(10)	1,131(8)	1,308(16)
Taxes on vehicles	196 (11)	208 (6)	220 (6)	317(44)	280(-12)
Stamp duty and registration fees	173 (12)	188 (9)	190(1)	206(8)	209(1)
Taxes and duties on electricity	262(42)	191(27)	333 (74)	551(65)	372 (-32)
Land revenue	24 (33)	10 (-58)	17(70)	7(-59)	8 (14)
Taxes on goods and passengers	101 (7)	105 (4)	110(5)	115(5)	121(5)
Other taxes	332 (12)	326 (-2)	365(12)	376(3)	359 (-5)
Total	4,626(13)	5,121 (11)	5,940 (16)	6,696(13)	7,039(5)

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

Tax revenue increased by ₹ 343 crore (5 per cent) during 2016-17 over the previous year. The major increase was on taxes on sales, trade, state excise and land revenue whereas there was significant shortfall in taxes and duties on electricity and taxes on vehicles.

1.3.1.2 Non-tax revenue

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

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

(₹ in crore)					
Revenue Head	2012-13	2013-14	2014-15	2015-16	2016-17
Interest receipts	70 (-39)	119 (70)	101(-15)	94(-7)	146(55)
Dividends and profits	100 (16)	103 (3)	171(66)	112(-35)	290(159)
Other non-tax receipts, of which-	1,207(- 30)	1,563 (29)	1,809(16)	1,631(-10)	1,281(-21)
Misc. General Services	9(-78)	6(-33)	3(-50)	19(533)	2(-89)
Education, Sports, Arts and Culture	112(8)	157(40)	161(3)	206(28)	112(-46)
Forestry and Wild life	64(-40)	358(459)	116(-68)	34(-71)	19(-44)
Other Administrative Services	46(77)	26(-43)	36(38)	33(-8)	43(30)
Non-ferrous mining and metallurgical Industries	148(23)	111(-25)	162(46)	155(-4)	176(14)
Power	637(-44)	696(9)	1,122(61)	924(-18)	651(-30)
Others	191(12)	209(9)	209 (-)	260(24)	278(7)
Total	1,377 (-28)	1,785 (30)	2,081(17)	1,837(-12)	1,717(-7)

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

The NTR decreased by ₹ 120 crore (7 per cent) in 2016-17 over the previous year. Other non-tax receipts showed a decline of 21 per cent in 2016-17. Non-tax revenue under Forestry and Wild life increased to ₹ 358 crore in 2013-14 from ₹ 64 crore in 2012-13 due to Government of India (DRDO) refunding erroneous credit deposited under *ad hoc* Compensatory afforestation fund Management and Planning Authority (CAMPA) for sale of trees. It continuously declined then and recorded at ₹ 19 crore during 2016-17. NTR under Power jumped from ₹ 637 crore in 2012-13 to ₹ 1,122 crore in 2014-15, due to receipts of balance amount of ₹ 340 crore on

account of free electricity for previous year. During 2016-17 it declined by 30 per cent over the previous year due to low energy rates prevailing in the market.

1.3.1.3 Cost of collection

The gross collection of taxes on Sales, Trade, State excise, Goods and passengers, Stamp duty and Registration fee, Taxes on Vehicles and Electricity, expenditure incurred on their collection and its percentage to gross collection during the years 2015-16 and 2016-17 are indicated in the **Table 1.9**.

Table 1.9: Cost of Collection

(₹ in crore)

Receipts	Year	Gross Collection	Expenditure on Collection	Percentage of cost of collection to the gross collection
Taxes on Sales, trade	2015-16	3,993	3.92	0.10
	2016-17	4,382	4.27	0.10
State Excise	2015-16	1,131	4.15	0.37
	2016-17	1,308	6.03	0.46
Goods and Passengers	2015-16	115	34.30	29.83
	2016-17	121	39.46	32.61
Stamp Duty and Registration Fee	2015-16	206	2.20	1.07
	2016-17	209	23.04	11.02
Taxes on Vehicles	2015-16	317	6.41	2.02
	2016-17	280	2.95	1.05
Taxes on Electricity	2015-16	551	1.79	0.32
	2016-17	372	2.06	0.55

The percentage cost of collection to the gross collection for State Excise and Goods and Passenger tax, Stamp duty and Registration Fee and Taxes on electricity has gone up during 2016-17 as compared to the previous year 2015-16.

1.3.2 Transfers from GoI to State

Total transfers from GoI to the State for the period 2012-13 to 2016-17 shows continuous increase (except 2013-14) as given in **Table 1.10**.

Table 1.10: Transfer from GoI

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Grants-in-Aid from Government of India	7,313	6,314	7,178	11,296	13,164
State's share of Union Taxes and Duties	2,282	2,491	2,644	3,611	4,344
Total Central Transfer to State	9,595	8,805	9,822	14,907	17,508

Component-wise position of the transfers is given in the succeeding paragraphs.

1.3.2.1 Grants-in-aid from GoI

The position of grants-in-aid from GoI is given in **Table 1.10 (A)**.

Table 1.10 (A): Grants-in-aid from GoI

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Non-Plan Grants	2,526	2,025	1,199	8,524	8,877
Grants for State Plan Schemes	4,179	3,765	4,333	756	1,188
Grants for Central Plan Schemes	28	17	31	38	44
Grants for Centrally Sponsored Plan Schemes	580	507	1,615	1,978	3,055
Total	7,313	6,314	7,178	11,296	13,164
Percentage of increase over previous year	12.15	(-)13.66	13.68	57.37	16.54
Percentage of Revenue Receipts	47	40	40	48	50

As can be noted from **Table 1.10 (A)** there is a significant increase in Grants-in-aid from GoI from the year 2015-16, as a result of implementation of the recommendations of XIVth Finance Commission. During 2016-17 grants-in-aid from GoI increased by ₹ 1,868 crore, recording a growth of 17 *per cent* over the previous year. Grant for Centrally Sponsored Plan Schemes was the major recipient under Grants-in-aid which increased by ₹ 1,077 crore in 2016-17 over the previous year. Major increase was noticed in Power Development, Urban Development and General Education. The percentage of grants-in-aid from GOI to revenue receipts ranged between 40 and 50 *per cent* during the period 2012-17.

1.3.2.2 Central tax transfers

Central tax transfers increased by ₹ 732.53 crore (20 *per cent*) from ₹ 3,611 crore in 2015-16 to ₹ 4,344 crore in 2016-17 as given in **Table 1.10 (B)**:

Table 1.10 (B): Central tax transfers during 2015-16 and 2016-17

(₹ in crore)				
Name of Tax	Recommendation of XIV th FC	Actual for 2015-16	Actual for 2016-17	Variation
Corporation Tax	42 <i>per cent</i> of the shareable amount of Central Taxes to States.	1,135.61	1,393.48	257.87
Income Tax		786.68	968.47	181.79
Wealth Tax		0.32	3.19	2.87
Customs		579.13	599.42	20.29
Union Excise Duty		484.57	684.49	199.92
Other Taxes and Duties on Commodities and Services		2.93	0.01	(-)2.92
Service Tax		621.90	694.64	72.74
Other Taxes on Income and Expenditure		0.03	--	(-)0.03
Total		3,611.17	4,343.70	732.53

1.3.3 Optimisation of Fourteenth Finance Commission (XIV) Grants.

Financial rules provide that institutions or organisations receiving grants shall furnish audited utilisation certificate to the Government after utilisation of grant-in-aid.

Scrutiny of records and information obtained from the concerned departments, viz. Director Panchayati Raj, Director Urban Development, Elementary Education and Special Secretary (Revenue Department), Shimla revealed the following:

Table 1.11: Release of Grants under Fourteenth Finance Commission to selected Departments (2016-17)

(₹ in crore)					
Sr. No.	Name of Department	Transfers	Recommendation by XIV-FC	Actual Release	Expenditure
1	Director Urban Development	Basic grant to ULBs	13.83	13.83	13.83
		Performance grant	8.60	8.60	8.60
2	Director Panchayati Raj	Basic grant to ULBs	270.56	270.56	270.56
		Performance grant	35.49	35.49	35.49
3	Special Secretary (Revenue Department)		248.00	248.00	248.00
Total			576.48	576.48	576.48

It was noticed that grant amounting to ₹ 576.48 crore was released to the State Government for the year 2016-17 under XIV FC. The State Government further

released this amount of grant to the Directorate of PRI, Directorate of ULB and other implementing agencies. It was noticed that only the Revenue Department had submitted UCs amounting to ₹ 108.47 crore against an expenditure of ₹ 248 crore incurred by it, whereas in respect of other concerned departments, neither any UCs were received nor any expenditure statements/returns were submitted by the executing agencies as of September 2017. Further, all amounts received has been shown as utilised without obtaining utilisation certificates from the executing agencies, which is contrary to the financial rules..

1.4 Capital Receipts

The trends in growth and composition of capital receipts are presented in Table 1.12.

Table 1.12: Trends in growth and composition of capital receipts

(₹ in crore)					
Sources of State's Receipts	2012-13	2013-14	2014-15	2015-16	2016-17
Capital Receipts (CR)	3,392	4,067	11,568	6,155	8,633
Rate of growth of CR (<i>per cent</i>)	68.84	19.89	184.44	(-) 46.79	40.26
Miscellaneous Capital Receipts	Nil	Nil	650	Nil	Nil
Recovery of Loans and Advances	21	17	41	26	30
Rate of growth of non-debt capital receipts (Loans and Advances only)	(-) 16.00	(-) 19.05	141.18	(-) 36.83	15.38
Public Debt Receipts	3,371	4,050	10,877	6,129	8,603
Rate of growth of debt capital receipts	69.91	20.14	168.57	(-) 43.65	40.37

During 2016-17, capital receipts increased by ₹ 2,478 crore over the previous year (2015-16) with growth rate of 40.26 *per cent*. It was primarily due to increase in public debt receipts by ₹ 2,474 crore (40.37 *per cent*) during 2016-17. The details of sources of capital receipts are discussed in following paragraphs:

1.4.1 Recoveries of loans and advances

The State Government had provided loans and advances to various institutions/organizations such as HP Private Institutional Regulatory Commission, HP State Co-operative, HP Marketing and Consumer Federation Corporation Ltd. (HIMFED), HP Power Corporation Ltd. Himachal Pradesh State Electricity Board, HP Power Transmission Corporation, HP State Financial Corporations, etc. As on 31 March 2017, the total outstanding loans and advances amounted to ₹ 6,044 crore. Against this, the State Government recovered only ₹ 30 crore during 2016-17. Besides, ₹ 80 crore was received as interest on loans and advances. The detailed position of loans and advances has been discussed in Paragraph 1.8.3.

1.4.2 Debt receipts from internal sources

Debt receipts from internal sources i.e. market loans/borrowings from different financial institutions and banks over the period 2012-13 to 2016-17 continued to be a major source of receipts of the State Government.

Table 1.13: Details of debt receipts from internal sources

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Market Loans	2,359 (73)	2,367 (59)	2,345 (22)	2,450 (40)	3,400 (40)
Special Securities issued to National small Savings fund of the Central Government (NSSF)	471 (15)	617 (15)	1,102 (10)	1,307 (22)	Nil
Ways and means advances (including overdrafts) (WMA including OD)	Nil	629 (16)	6,860 (64)	1,785 (29)	1,671 (20)
Loans from National Bank for Agricultural and Rural Development (NABARD)	400 (12)	350 (9)	400 (4)	500 (8)	500 (6)
Loans from Other Financial Institutions	9 (*)	28 (1)	45 (*)	37 (1)	2,931 [#] (34)
Internal Debt Receipts	3,239	3,991	10,752	6,079	8,502
Internal Debt Repayment	2,056	1,639	8,193	3,876	3,869

Figures in brackets indicate the percentage of internal debt receipts

*Less than one per cent. # Includes ₹2890.50 crore on account of UDAY Scheme.

As is evident from the above table, during 2016-17, internal debt receipts increased from the previous year due to receipt of ₹ 2,891 crore as loan on accounts of Ujwal Discom Assurance Yojna (UDAY) bonds. The major components of internal debt over the last five years were market loans. In 2016-17, market loans (average rate of interest of 7.5 per cent) increased by ₹ 950 crore. During 2016-17, internal debt receipts increased by ₹ 2,423 crore (40 per cent) from ₹ 6,079 crore to ₹ 8,502 crore and internal debt repayments decreased by ₹ 7 crore from ₹ 3,876 crore to ₹ 3,869 crore over the previous year.

1.4.3 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 1.14.

Table 1.14: Position of Loans and advances from GoI

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Opening Balance	947	1,018	1,012	1,070	1,049
Addition during the year	132	59	125	50	101
Discharge during the year	61	65	67	71	74
Closing Balance	1,018	1,012	1,070	1,049	1,076
Percentage of total expenditure	5	5	5	4	3

During the year 2016-17, the receipt of loans and advances for State plan schemes from GoI (₹ 101.30 crore) increased by 103 per cent.

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 2015-16 and 2016-17 are given in Table 1.15.

Table 1.15: Trends in Public Accounts Receipts and Disbursements during 2015-16 and 2016-17
(₹ in crore)

Resources under various heads	Public Account Receipts		Public Account Disbursements		Excess of Receipts over Disbursements	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Small Savings, Provident Fund etc.	3,116	3,403	2,397	2,198	719	1205
Reserve fund	235	249	244	249	(-) 9	--
Deposits and Advances	2,408	2,727	2,293	2,546	115	181
Suspense and Miscellaneous	617	800	651	872	(-) 34	(-)72
Remittances	5,139	6,451	4,992	6486	147	(-)35
Total	11,515	13,630	10,577	12,351	938	1,279

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

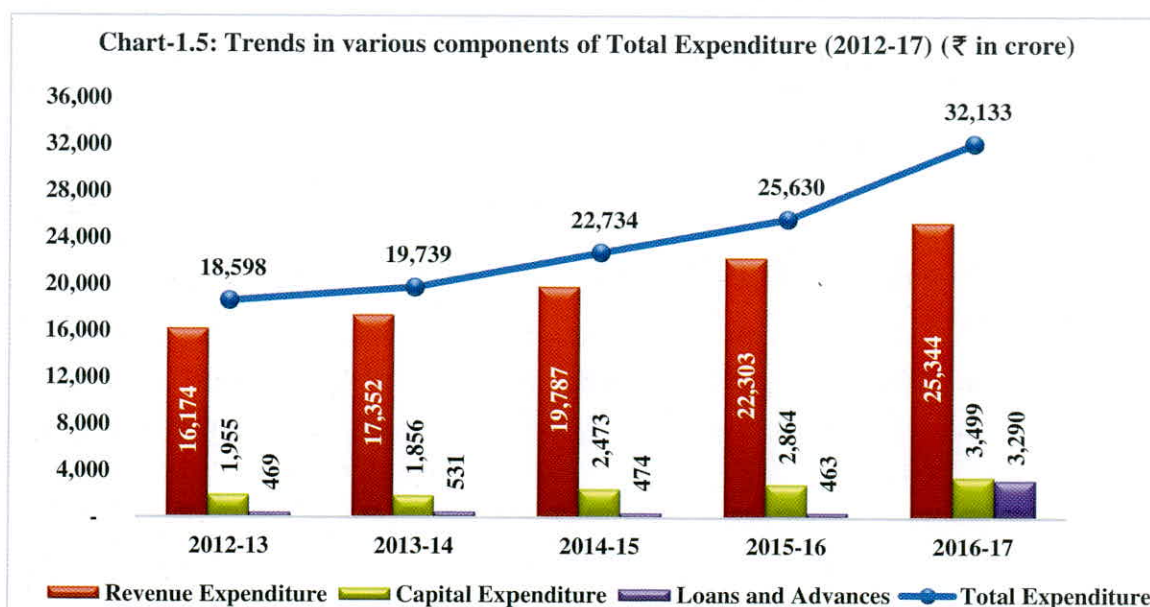
As is evident from the above table, net public account receipts (excess of receipts over disbursements) increased by ₹ 341 crore from ₹ 938 crore in 2015-16 to ₹ 1,279 crore in 2016-17. The increase was mainly under Small Savings, Provident Fund, etc. by ₹ 486 crore and under deposits and advances by ₹ 66 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.

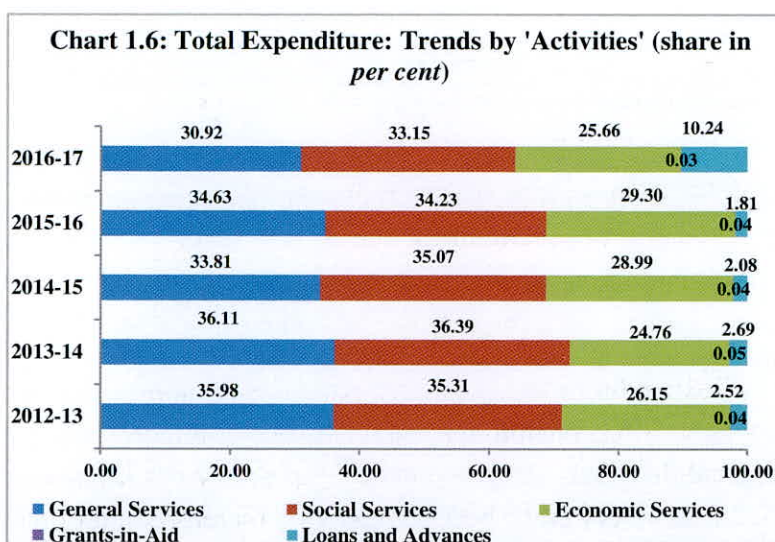
1.6.1 Growth and Composition of Expenditure

Chart 1.5 presents the trends and composition of total expenditure over the last five years (2012-17) and Chart 1.6, Chart 1.7 depicts its composition both in terms of 'economic classification' and 'expenditure by activities' respectively.



- **Total Expenditure (TE)** of the State increased from ₹ 18,598 crore in 2012-13 to ₹ 32,133 crore in 2016-17 at an annual average rate of 15 *per cent*. During current year it increased by ₹ 6,503 crore (25 *per cent*) over the previous year. The increase in total expenditure was on account of increase in revenue expenditure by ₹ 3,041 crore, disbursement of loans and advances by ₹ 2,827 crore and capital expenditure by ₹ 635 crore.

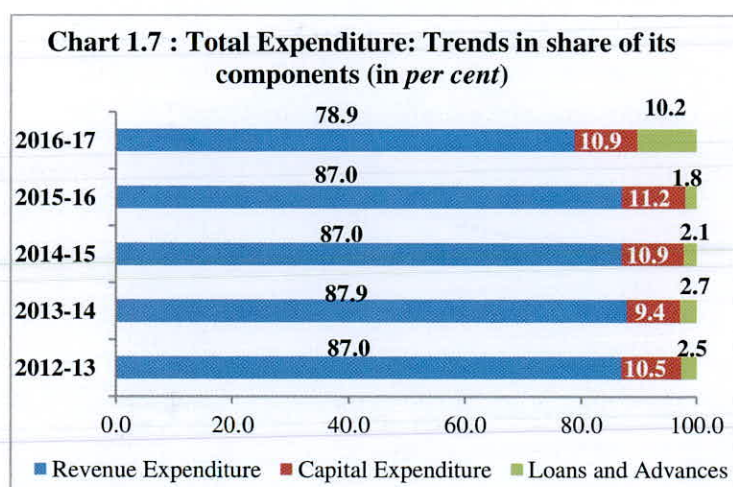
The movement of relative share of these components of expenditure indicated that



major components of expenditure had inter-year variations. Expenditure on General Services (including interest payments) which is considered as non-developmental as a *per cent* of total expenditure increased from 35.98 *per cent* in 2012-13 to 36.11 *per cent* in 2013-14 but gradually decreased to 30.92 *per cent* in 2016-17. The expenditure under General

Services was mainly on account of Interest Payments (34 *per cent*) and Pension and Other Retirement Benefits (41 *per cent*). On the other hand, developmental expenditure⁵ i.e. on Social and Economic Services together accounted for 58.81 *per cent* in 2016-17 against 63.53 *per cent* during 2015-16. The share of loans and advances increased by 8.43 percentage point during 2016-17 due to implementation of UDAY Scheme.

- **Revenue Expenditure (RE):** The revenue expenditure increased by ₹ 3,041 crore (14 *per cent*) from ₹ 22,303 crore in 2015-16 to ₹ 25,344 crore in 2016-17. The increase was



mainly on General Services, Social Services and Economic Services by ₹ 940 crore (11 *per cent*), ₹ 1,630 crore (20 *per cent*) and ₹ 471 crore (9 *per cent*) respectively. The overall increase is the result of significant increase under the heads Education, Sports, Art and Culture (₹ 813 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 510 crore),

Interest payments (₹ 204 crore), Health and Family Welfare (₹ 201 crore), Rural Development (₹ 174 crore), Irrigation and Flood Control (₹ 124 crore). The revenue

⁵ Refer Glossary in Appendix 4.

expenditure continued to constitute a dominant proportion (79 to 88 per cent) of total expenditure during the years 2012-17 and increased at an annual average rate of 13 per cent. During 2016-17, the revenue expenditure constituted 78.9 per cent of the total expenditure.

The Plan Revenue Expenditure increased by ₹ 1,027 crore (29 per cent) in 2016-17 as compared to the previous year and contributed just 13 to 18 per cent of the total revenue expenditure during 2012-17. The non-plan revenue expenditure increased by ₹ 2,014 crore (11 per cent) in 2016-17 as compared to the previous year and constituted a dominant share of 82 to 87 per cent of revenue expenditure during the period 2012-17. The Non-Plan Revenue Expenditure consumed a dominant proportion (Appendix-1.3) of Revenue Receipts and ranged between 79 to 95 per cent during 2012-17.

State's revenue receipts and revenue expenditure stood at 21.08 per cent and 20.35 per cent to GSDP respectively during 2016-17. The State had revenue surplus of ₹ 920 crore which was 0.74 per cent of GSDP during the current year.

- **Capital Expenditure (CE):** Capital expenditure decreased by ₹ 99 crore from ₹ 1,955 crore to ₹ 1,856 crore during 2012-14. For the last three years continuous growth has been observed in the capital expenditure. During 2016-17, capital expenditure (₹ 3,499 crore) increased by ₹ 635 crore (22 per cent) over the previous year 2015-16 (₹ 2,864 crore). Education, Sports, Arts and Culture (₹ 296 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 434 crore) under Social Services, Power Projects (₹ 203 crore), Irrigation and Flood Control (₹ 201 crore) and Transport (₹ 1,584 crore) under economic services were the major beneficiary sectors where capital expenditure had been made during 2016-17. The share of capital expenditure to total expenditure has decreased from 11.2 per cent in 2015-16 to 10.9 per cent in 2016-17.
- **Loans and Advances:** constituted 10 per cent (₹ 3,290 crore) of the total expenditure in 2016-17 which increased by ₹ 2,827 crore over the previous year. The major portion of the loans (₹ 2,890.50 crore) was disbursed to DISCOMS under UDAY Scheme.

➤ 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.

Table 1.16: Components of Committed Expenditure

(₹ in crore)					
Components of Committed Expenditure	2012-13	2013-14	2014-15	2015-16	2016-17
Salaries and Wages, of which	7,255 (47)	7,545 (48)	8,418 (47)	8,174 (35)	9,682(37)
Non-Plan Head	6,999	7,289	8,159	7,826	9,345
Plan Head	256	256	259	348	337
Interest Payments	2,370 (15)	2,481 (16)	2,849 (16)	3,155 (13)	3,359(13)
Pensions	2,747 (18)	2,855 (18)	2,914 (16)	3,836 (16)	4,114(16)
Subsidies	567 (4)	467 (3)	801 (4)	1,346 (6)	764(3)
Total	12,939	13,348	14,982	16,511	17,919
Percentage to RE	80	77	76	74	71

* Salary: ₹ 9,356 crore; wages: ₹ 326 crore.

Figures in brackets indicate per cent to Revenue Receipts

As evident from **Table 1.16**, there is a consistent rise in committed expenditure of the State. The increase in committed expenditure was ₹ 1,408 crore (9 per cent) during 2016-17 over the previous year. It consistently constituted a dominant share of 80, 77, 76, 74 and 71 per cent of revenue expenditure respectively during 2012-17.

Salaries and Wages

The expenditure on salaries and wages increased by ₹ 1,508 crore (18 per cent) over the previous year due to dearness allowance installments and other benefits paid to the staff. It constituted 37 per cent of revenue receipts of the State during 2016-17. The salary expenditure in the current year (₹ 9,356 crore) was within the projections made in Medium Term Fiscal Plan Statement (MTFPs) (₹ 9,445 crore).

Pension Payments

The expenditure on pension payments increased from ₹ 2,747 crore in 2012-13 to ₹ 4,114 crore in 2016-17 and by ₹ 278 crore (seven per cent) during the current year over the previous year. Salary and pension payments together accounted for 53 per cent of the revenue receipts. The actual expenditure on pension payments for the current year was within the projections made in Medium Term Fiscal Plan Statement (MTFPs) (₹ 4,200 crore).

Interest Payments

The interest payments increased by 42 per cent from ₹ 2,370 crore in 2012-13 to ₹ 3,359 crore in 2016-17 and increased by ₹ 204 crore (six per cent) during 2016-17 over the previous year. Interest payments was well within the normative assessment made by the XIVth FC (₹ 3,391 crore) and the projections made by State Government in MTFPS (₹ 3,400 crore). It was noticed in audit that increased outgo on account of interest payments was due to increased commercial borrowing as detailed in para 1.9.2.

Subsidies

The State Government has been paying subsidies to various institutions/bodies/corporations. **Table 1.16** depicts that after rising for two consecutive years 2014-15 and 2015-16 there is decline in subsidies given during 2016-17. Subsidies decreased by ₹ 582 crore during 2016-17 and constituted about 3 per cent of the revenue receipts. The major components of subsidies were Energy (₹ 265 crore), Transport (₹ 160 crore), Food and Supply (₹ 175 crore) and Horticulture (₹ 62 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 2012-13 to 2016-17 by the State Government is given in **Table 1.17**.

Table 1.17: Detail of Grants-in-aid released to Local Bodies and other institutions

Sr. No.	Name of Institution	(₹ in crore)				
		2012-13	2013-14	2014-15	2015-16	2016-17
1.	Universities and Educational Institutions	405.62 (29)	451.55 (11)	601.03(33)	663.67 (10)	849.57(28)
2.	Municipal Corporations and Municipalities	174.09 (42)	282.33 (62)	211.65 (-25)	321.63 (52)	554.49(72)
3.	Panchayati Raj Institutions	282.09 (7)	353.54 (25)	810.37(129)	926.72 (14)	1,011.60(9)
4.	Development Agencies	38.72 (-17)	65.96 (70)	63.52(-4)	80.53 (27)	150.37(87)
5.	Hospitals and other Charitable Institutions	87.77 (26)	94.63 (8)	216.24 (129)	277.14 (28)	271.64(-2)
6.	Other Institutions	214.82 (32)	189.87 (-12)	253.37 (33)	342.58 (35)	519.31(52)
	Total	1,203.11 (23)	1,437.88 (20)	2,156.18 (50)	2,612.27 (21)	3,356.98(29)
	Assistance as percentage of Revenue Expenditure	7.43	8.28	10.90	11.71	13.25

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 during the year 2012-16. It increased by ₹ 744.71 crore

(29 per cent) during current year (2016-17) over the previous year. The increase in grants-in-aid during 2016-17 was mainly due to more grants to Universities and Educational Institutions (₹ 185.90 crore), Municipal Corporations and Municipalities (₹ 232.86 crore), Development Agencies (₹ 69.84 crore) and other Institutions (₹ 176.73 crore).

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 during 2015-16 and the current year 2016-17 taking 2012-13 as the base year.

Table-1.17 (A): Fiscal Priority of the State during 2012-13, 2015-16 and 2016-17

Fiscal Priority by the State	(in per cent)						
	AE/GSDP	DE/AE	SSE/AE	ESE/AE	CE/AE	Education/AE	Health/AE
Special Category States' Average (Ratio) 2012-13	24.80	61.10	34.30	30.70	15.10	18.10	5.30
Himachal Pradesh's Average (Ratio) 2012-13	22.60	63.93	35.31	28.62	10.51	19.27	5.41
Special Category States' Average (Ratio) 2015-16	24.70	63.90	36.30	30.10	14.00	18.50	6.00
Himachal Pradesh's Average (Ratio) 2015-16	22.55	65.27	34.22	31.04	11.17	17.29	5.53
Special Category States' Average (Ratio) 2016-17	27.40	61.50	34.20	30.00	13.60	16.60	5.40
Himachal Pradesh's Average (Ratio) 2016-17	25.80	69.03	33.15	35.88	10.89	16.31	5.56

AE: Aggregate Expenditure; DE: Development Expenditure; SSE: Social Sector Expenditure; ESE: Economic Sector Expenditure
 # Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.
 Source: For GSDP, the information as available on CSO website as on 01st, August 2017 and supplied by the States.

Fiscal priority refers to the priority given to a particular category of expenditure by the State. A Comparative study of expenditure in 2016-17 with that in 2012-13 and 2015-16 showed the following:

- The Government's aggregate expenditure as a proportion of GSDP was 22.60 *per cent* in 2012-13 which slightly decreased to 22.55 *per cent* in 2015-16. However, it was 25.80 *per cent* in 2016-17 which is higher by 3.25 percentage point over the previous year. During 2012-13, 2015-16 and 2016-17 it was less than the SCS average.
- Development expenditure as a percentage of aggregate expenditure in Himachal Pradesh is higher than the SCS average during 2012-13, 2015-16 and 2016-17 by 2.83, 1.37 and 7.53 percentage points respectively.
- Social sector expenditure as a proportion of aggregate expenditure in the State was above the SCS average in the base year 2012-13. However, it was lower than the SCS average during 2015-16 and 2016-17.
- The ratio of Capital expenditure as a proportion of aggregate expenditure is below the SCS average during all the years compared. During 2016-17 it declined by 0.28 percentage point over the previous year and 2.71 percentage point less than the SCS average.
- The ratio under Education sector was above the SCS average during 2012-13 but was below the average of SCS during the period 2015-16 and 2016-17.

1.7.2 Efficiency of expenditure use and its effectiveness

As per **Table 1.17 (B)** below, salary and wages expenditure increased by ₹ 880 crore (18 *per cent*) and ₹ 255 crore (13 *per cent*) in social services and economic services respectively during the current year 2016-17 as compared to previous year, whereas operation and maintenance expenditure increased by ₹ 246 crore (26 *per cent*) in social services and increased by ₹ 133 crore (12 *per cent*) in economic services.

Table 1.17 (B): Expenditure incurred in various sectors

Year	Total Expenditure	Sector	Revenue Expenditure	Capital Expenditure	Ratio of Capital expenditure to Total expenditure	(₹ in crore)	
						Salaries and wages	Operation and maintenance
2015-16	25,630	Social Services	7,980	792	0.03	4,776	930
		Economic Services	5,525	1,984	0.08	1,911	1,147
2016-17	32,133	Social Services	9,610	1,041	0.03	5,656	1,176
		Economic Services	5,996	2,250	0.07	2,166	1,280

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

It is further seen that the ratio of capital expenditure to total expenditure in social services and economic services was 0.03 and 0.07 respectively during the period 2016-17 which is a matter of concern.

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 2017 is given in **Table 1.18**. Only those projects where the scheduled date of completion is already over as of 31 March 2017 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 2017
Irrigation and Public Health	08	85.68	35.48*	99.68
Public Works (Building and Roads)	04	196.38	NA	87.94
Total	12	282.06		187.62

Source: Finance Accounts

* Revised cost of 3 projects only.

NA: Not Available

In respect of the incomplete projects, revised costs of only three projects of Irrigation and Public Health Department were available where the cost overrun was to the tune of ₹ 17.78 crore. These projects were to be completed between July 2005 and March 2012. An analysis of the physical progress of the 12 projects showed that the completion of the works ranged between 70 to 99 per cent with time overruns ranging upto 12 years.

1.8.2 Investment and returns

The Government as on 31 March 2017 had invested ₹ 3,294 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operative Societies (**Table 1.19 (A)**). The average return on investment was 5.15 per cent while the government paid an average rate of interest as 7.85 per cent on its borrowings during 2012-17.

Table 1.19 (A): Return on Investment

(₹ in crore)						
Investment/ Return/ cost of Borrowing	2012-13	2013-14	2014-15	2015-16	2016-17	Average 2012-17
Investment at the end of the year	2,767	3,025	2,732	3,041	3,294	NA
Return (Dividend/interest)	100.09	103.42	171.00	111.94	289.63	NA
Return (per cent)	3.62	3.42	6.26	3.68	8.79	5.15
Average rate of interest on government borrowings (per cent)	8.08	7.71	7.91	7.95	7.60	7.85
Difference between interest rate and return (per cent)	4.46	4.29	1.65	4.27	(-)1.19	2.70

Source: Finance Accounts

NA: Not applicable

While the Government investments increased by 8.32 per cent in 2016-17 (₹ 3,294 crore) over the previous year 2015-16 (₹ 3,041 crore), the return from investments showed increase during the period 2012-15 from ₹ 100.09 crore in 2012-13 to ₹ 171 crore in 2014-15 but decreased by ₹ 59.06 crore during 2015-16. During 2016-17, it increased by ₹ 177.69 crore. The main contributor of dividend was Satluj Jal Vidyut Nigam over the last five years (2012-17) period. The major recipients of investments amongst Government Companies, which had accumulated

losses as per latest finalised accounts, were Himachal Road Transport Corporation (₹ 1018.64 crore), Himachal Pradesh Financial Corporation (₹ 161.06 crore), Himachal Pradesh Horticulture Produce Marketing and Processing Corporation Limited (₹ 80.14 crore), Himachal Pradesh Tourism Development Corporation Limited (₹ 22.08 crore) and Himachal Pradesh State Forest Corporation Limited (₹ 52.75 crore).

1.8.2.1 Implementation of UDAY Scheme

The Scheme – UDAY (Ujwal Discom Assurance Yojna) was launched by Government of India in November, 2015 to improve financial and operational efficiencies of State power distribution companies (DISCOMs). It envisages to reduce interest burden, cost of power and Aggregate Technical and Commercial (AT&C) losses. Consequently, DISCOM would become sustainable to supply adequate and reliable power enabling 24x7 power supply. The scheme provides that States would take over 75 *per cent* debt (as on 30th September, 2015) of DISCOMs in two years i.e. 50 *per cent* debt taken in 2015-16 and 25 *per cent* in 2016-17. After signing of Tripartite Agreement among Government of India, Government of Himachal Pradesh and Himachal Pradesh State Electricity Board limited on 8th December 2016 the Government of Himachal Pradesh raised funds amounting to ₹ 2,890.50 crore through Reserve Bank of India on 28th February 2017 and transferred these funds to the Himachal Pradesh State Electricity Board Limited on 1st March 2017. The amount so received from Government of Himachal Pradesh was paid by the Himachal Pradesh State Electricity Board Limited to concerned lender. As per the scheme, Debt taken over by the State is not to be counted against the fiscal deficit of the State in the financial years 2015-16 and 2016-17. Though the fiscal deficit of the State for the year 2016-17 without the UDAY Scheme is ₹ 2,948 crore (2.37 *per cent* of GSDP), the fiscal deficit would be ₹ 5,839 crore (4.69 *per cent* of GSDP) taking into account the UDAY scheme.

1.8.2.2 Investment in Public Sector Undertakings

Investment in State Public Sector Undertakings (SPSUs)

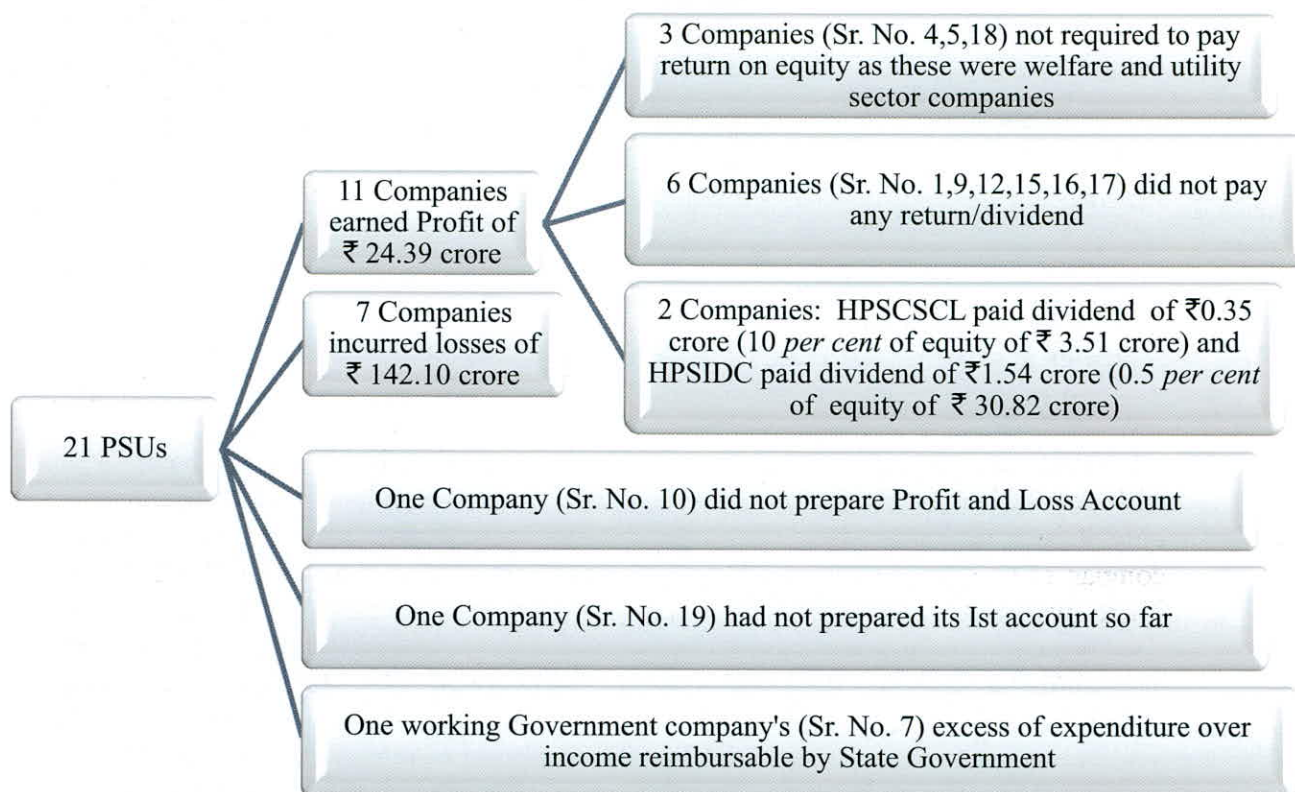
The State Government had formulated (August 1982) a dividend policy under which all PSUs are required to pay a minimum return of 3 *per cent* on the paid up share capital contributed by the State Government. The Council of Ministers in its meeting held on 8 April 2011 decided that the entire profit making 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 2017, the paid up share capital of the State Government in 23 PSUs was ₹ 3,508.59 crore.

Table 1.19 (B): Investment in State PSUs 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	2,743.81 (19)	16.75 (2) ⁶	748.03 (2)	3,508.59 (23)

As per latest finalized accounts of the PSUs up to 31 May 2017 the position is given in the following **Chart: 1.8** and **Appendix 1.7**:

Chart 1.8: Details of investment in PSUs in paid up share Capital



Thus, on the equity of ₹ 3,508.59 crore invested by the State Government in PSUs as on 31 March 2017, it earned only a return of ₹ 1.89 crore which was 0.05 *per cent* of total paid up share capital of ₹ 3,508.59 crore as per latest finalized accounts upto May 2017.

1.8.2.3 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 2017, out of 24 PPP projects undertaken, 10 PPP projects (cost ₹ 179.50 crore) had been completed and under operation and 14 projects (estimated cost ₹ 1,245 crore) were awarded and under implementation as detailed in **Appendix 1.8**.

⁶ Out of two (Agro Packaging India Limited and Himachal Worsted Mills Limited), one Company viz. Himachal Worsted Mills Limited was under liquidation.

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 2017, 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	2012-13	2013-14	2014-15	2015-16	2016-17
Opening Balance	951	1,399	1,913	2,346	2,784
Amount advanced during the year	469	531	474	463	3,290*
Amount repaid during the year	21	17	41	25	30
Closing Balance	1,399	1,913	2,346	2,784	6,044
Net addition	448	514	433	438	3,260
Interest Receipts	14	15	65	53	80
Interest receipts as <i>per cent</i> to outstanding loans and advances	1.19	0.78	2.77	1.90	1.32
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the previous year	8.39	8.15	8.41	8.26	8.15
Difference between average rate of interest received and interest paid (<i>per cent</i>)	(-) 7.20	(-) 7.37	(-) 5.64	(-) 6.36	(-) 6.83

Source: Finance Accounts

* Includes ₹2890.50 crore on account of UDAY Scheme.

As can be seen from the Table 1.20, the total outstanding loans and advances as on 31 March 2017 was ₹ 6,044 crore. Against ₹ 3,290 crore advanced during 2016-17, only ₹ 30 crore was repaid. Major portion of the loans went to power sector companies (₹ 3,228.81 crore) under Economic Sector to implement UDAY Scheme. 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 2015-16 was 6.36 *per cent* which increased to 6.83 *per cent* during 2016-17. The Government received only 1.32 *per cent* of interest receipts as percentage to outstanding loans during 2016-17. It, however, paid an average 8.15 *per cent* interest on borrowings during this period.

The position of loans and advances made during the year 2016-17 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	1.00	Interest free	Not specified
HP State Co-operative	3	27.11	11.45 <i>per cent</i>	3 years
HP Marketing and Consumer Federation Corporation Ltd. (HIMFED)	1	10.00	10.20 <i>per cent</i>	Not specified
	1	2.68	10.90 <i>per cent</i>	1 year
HP Power Corporation Ltd.	44	218.31	10 <i>per cent</i>	5 years
Himachal Pradesh State Electricity Board	1	2,890.50	Yet to be finalised	Not specified
HP Power Transmission Corporation Ltd.	6	120.00	10 <i>per cent</i>	5 years
HP State Financial Corporation	3	13.06	8.5 <i>per cent</i>	2 years
Government Servants	--	7.03	As per applicable rules	NA
Total:-	60	3,289.69		

Source: Finance Accounts

NA: Not applicable

1.8.4 Cash Balances and Investment of Cash Balances

Table 1.22 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.22: Cash Balances and Investment of Cash Balances

(₹ in crore)

Particulars	As on 1 April 2016	As on 31 March 2017	Increase (+)/ Decrease (-)
(a) General cash balance			
Cash in treasuries	Nil	Nil	Nil
Remittance in transit-Local	Nil	Nil	Nil
Deposits with RBI	(-) 340.76	(-)443.27	(-)102.51
Investments held in cash balance Investment account	556.80	759.43	202.63
(b) Other cash balances and investments			
Cash with departmental officers viz. PWD, etc.	0.16	0.16	Nil
Permanent advances for contingent expenditure with departmental officers	0.03	0.03	Nil
Total (a+b)	216.23	316.35	100.12
(c) Investment from Cash Balances			
GoI Treasury Bills	556.80	759.43	202.63
GoI Securities	7,650.79	7,150.02	(-) 500.77
(d) Funds-wise break up of investment from earmarked balances	NA	NA	Nil
(e) Interest realised	39.59	53.30	13.71

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 ₹ 550 crore with effect from 01.02.2016. The RBI has also agreed to give special ways and means advances against the pledge of government securities.

As per **Statement 2** (Annexure-A) and **Statement 17** of Finance Accounts, there were no outstanding ways and means advances and overdrafts at the end of 2015-16. During 2016-17, State Government could maintain minimum daily cash balance for 342 days. The Government had to take ₹ 1,670.72 crore of ways and means advances from RBI on 23 occasions. All were repaid during 2016-17.

It was noticed in audit that cash balance of the State Government at the end of the current year increased by ₹ 100.12 crore from ₹ 216.23 crore in 2015-16 to ₹ 316.35 crore in 2016-17. Interest realised increased by ₹ 13.71 crore during 2016-17 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 2017, compared with the corresponding position on 31 March 2016. 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 2016-17, the assets grew by ₹ 6,859.34 crore (22.78 per cent) whereas the liabilities increased by ₹ 5,939.63 crore (14.20 per cent) over the previous year. The Financial Assets/Liabilities increased to 77 per cent in 2016-17 from 72 per cent in 2015-16.

1.9.2 Fiscal Liabilities

The position of outstanding fiscal liabilities of the State for the five year period viz. 2012-13 to 2016-17 is presented in **Appendix 1.3** and **Table 1.23**. The composition of fiscal liabilities during the current year 2016-17 *vis-à-vis* the previous years are presented in **Chart 1.9**.

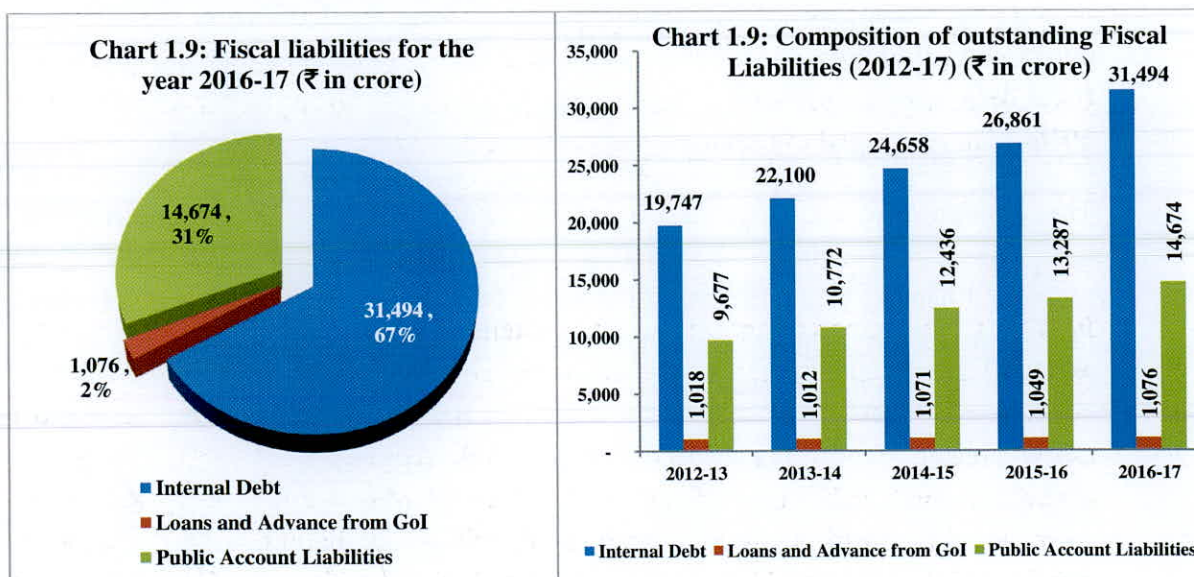
Table 1.23: Fiscal Liabilities – Basic Parameters

	2012-13	2013-14	2014-15	2015-16	2016-17
Fiscal Liabilities (₹ in crore)	30,442	33,884	38,192	41,197	47,244 [#]
Rate of Growth (per cent)	7.84	11.31	12.71	7.87	14.68
Ratio of Fiscal Liabilities to (in per cent)					
GSDP*	0.37	0.36	0.37	0.36	0.38
Revenue Receipts	1.95	2.16	2.14	1.76	1.80
Own resources	5.07	4.91	4.76	4.83	5.40
Buoyancy of Fiscal Liabilities to					
GSDP (ratio)	0.60	0.75	1.28	0.86	1.53
Revenue receipts (ratio)	1.08	15.71	0.94	0.25	1.22
Own resources (ratio)	(-) 23.76	0.75	0.79	1.24	5.62

*GSDP revised on base year 2011-12

[#] Includes ₹2890.50 crore on account of UDAY Scheme.

The overall fiscal liabilities of the State increased by ₹ 16,802 (55 per cent) from ₹ 30,442 crore in 2012-13 to ₹ 47,244 crore in 2016-17. Fiscal liabilities of the State comprised Consolidated Fund liabilities and Public Account liabilities. The Consolidated Fund liability (₹ 32,570 crore) comprised market loans (₹ 19,023 crore), loans from GoI (₹ 1,076 crore) and other loans (₹ 12,471 crore, which includes ₹ 7,150 crore on special security issued to NSSF of the GoI).



The Public Account liabilities (₹ 14,674 crore) comprise Small Savings and Provident Funds (₹ 11,844 crore), interest bearing obligations and non-interest bearing obligations like deposits (₹ 2,610 crore) and reserve funds (₹ 220 crore).

The growth rate of fiscal liabilities was 14.68 *per cent* during 2016-17. The ratios of fiscal liabilities to GSDP showed inter year variation and in 2016-17, it increased to 37.93 *per cent* from 36.24 *per cent* in 2015-16. These liabilities stood at 1.80 times the revenue receipts and 5.40 times the own revenue resources at the end of 2016-17. The buoyancy ratio of fiscal liabilities to GSDP stood at 1.53 during 2016-17. This is indicative of the fact that fiscal liabilities growth rate is greater than the growth rate in GSDP.

1.9.3 Transactions under Reserve fund

Closing balance in the Reserve Fund as on 31 March 2016 was ₹ 219.58 crore (Credit). Out of this, reserve fund bearing interest held ₹ 0.95 crore (credit) and the share of the fund not bearing interest was ₹ 218.63 crore (credit).

In terms of the recommendations of the Twelfth Finance Commission, State Governments were required to create two significant reserve funds i.e. (i) Consolidated Sinking Fund to be administered by the Reserve Bank of India (RBI) for redemption of outstanding liabilities and amortization of open market loans availed of by them and (ii) Guarantee Redemption Fund to meet the contingent liabilities arising from the guarantees given. The position of these funds is depicted as under:

1.9.3.1 Consolidated Sinking Fund

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 2016, the outstanding liabilities of the Government of Himachal Pradesh was ₹ 41,197 crore. Had there been a consolidated sinking fund, the liability of the State Government towards the fund would have been ₹ 205.99 crore (0.5 *per cent* of outstanding liabilities in previous year) in 2016-17 indicating that the revenue and fiscal deficit are understated to that extent.

1.9.3.2 Guarantee Redemption Fund

The Government was required to set up, with minimum annual contribution at 0.5 *per cent* of the outstanding guarantees at the end of the previous financial year. However, the State Government has not set up such Fund so far. Consequently, the revenue and fiscal deficit were understated to the extent of ₹ 18.57 crore as on 31 March 2017.

1.9.4 Contingent Liabilities

1.9.4.1 Status of Guarantees

Guarantees⁷ 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 five years are given in **Table 1.24**.

Table 1.24: Guarantees given by the Government of Himachal Pradesh

Guarantees	2012-13	2013-14	2014-15	2015-16	2016-17
Outstanding amount of guarantees (₹ in crore)	3,353	4,333	4,281	3,714	4,550
Percentage of outstanding amount of guarantees to total revenue receipts in the preceding financial year	23	28	27	21	19

The outstanding amount ₹ 4,550 crore of guarantees during the current year was in respect of Power Sector (₹ 3,760 crore), three Statutory Boards/Corporations (₹ 430 crore), seven Government Companies (₹ 51 crore), one Co-operative Bank (₹ 280 crore), State Financial Corporation (₹ 24 crore) and one Local/Autonomous Body (₹ 5 crore). No amount of guarantee was invoked during the current year.

1.10 Debt Management

1.10.1 Debt Profile

Table 1.25: Growth rate and maturity profile of debt

(₹ in crore)						
Sr. No.	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
1.	Internal Debt	19,747 (95)	22,099 (96)	24,658 (96)	26,861(96)	31,494(97)
	(i) Market Loans	11,809 (57)	13,565 (59)	15,196 (59)	16,860(60)	19,023(59)
	(ii) Ways and Means Advances from RBI	--	285 (1)	285 (1)	--	--
	(iii) Overdrafts	--	171 (1)	249 (1)	--	--
	(iv) Loans from Financial Institutions	2,589 (12)	2,306 (10)	2,252 (9)	2,350(8)	5,321(16)
	(v) Special Securities issued to NSSF	5,349 (26)	5,772 (25)	6,676 (26)	7,651(28)	7,150(22)
2.	Loans from Government of India	1,018 (5)	1,012 (4)	1,071 (4)	1,049(4)	1,076(3)
Total Public Debt:		20,765	23,111	25,729	27,910	32,570
Maturity Profile of State Debt (In Years)						
	0 – 1	1,533(8)	1,923(8)	2,046 (8)	2,268(8)	3,096(9)
	1 – 3	2,946(14)	3,514(15)	4,837(19)	6,236(22)	5,729(18)
	3 – 5	4,349(21)	5,470(24)	4,929(19)	4,331(16)	4,279(13)
	5 – 7	4,380(21)	3,162(14)	3,192(12)	4,339(16)	4,952(15)
	7 and above	7,557(36)	9,042(39)	10,725(42)	10,736(38)	14,514(45)

Figures in brackets indicate the percentage of total public debt

Total public debt increased from ₹ 20,765 crore in 2012-13 to ₹ 32,570 crore in 2016-17 registering annual average growth rate of 10.85 per cent. The share of market borrowings in total public debt went up from 57 per cent in 2012-13 to 59 per cent in 2016-17. During current year (2016-17), total public debt increased by 17 per cent over the previous year.

⁷ Refer Glossary in Appendix 4.

The maturity profile of the State debt (**Table 1.25**) indicates that 9 per cent (₹ 3,096 crore) of the public debt is payable in the next year. Thirty one per cent (₹ 10,008 crore) is payable in the next 1-5 years' time while the remaining 60 per cent (₹ 19,466 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. It is indicative that State is required to pay 55 per cent debt within 7 years which is not a very comfortable position.

A time series analysis of previous five years showing per capita debt is given in **Table 1.26**.

Table 1.26: Per capita debt

	2012-13	2013-14	2014-15	2015-16	2016-17
Population (in crore)	0.6962	0.7023	0.7084	0.7147	0.7219
Total Debt (₹ in crore)	30,442	33,884	38,192	41,197	47,244*
Per capita debt (in ₹)	43,726	48,247	53,913	57,642	65,444*

Source: Finance Accounts and Economics and Statistics Department

* Includes ₹2890.50 crore on account of UDAY Scheme.

Table 1.26 shows that per capita debt had shown increasing trend from ₹ 43,726 in 2012-13 to ₹ 65,444 during 2016-17 (an increase of 50 per cent in five years' time). It increased by ₹ 7,802 (14 per cent) during 2016-17 over the previous year. Though the per capita debt of the State for the year 2016-17 with the UDAY Scheme is ₹ 65,444, it would be ₹ 61,439 without taking into account the UDAY scheme.

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 sustainability⁸ of the State. The analysis of variations in debt sustainability indicators of the State for the period of five years beginning from 2012-13 is given in **Table 1.27**.

Table 1.27: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	2012-13	2013-14	2014-15	2015-16	2016-17
Outstanding Public Debt (₹ in crore)	20,765	23,111	25,729	27,910	32,570*
Rate of Growth of Outstanding Public Debt (in per cent)	6.43	11.30	11.33	8.48	16.70
GSDP (₹ in crore)	82,294	94,764	1,04,177	1,13,667	1,24,570
Rate of Growth of GSDP (in per cent)	13.16	15.15	9.93	9.11	9.59
Average Interest Rate of Outstanding Public Debt (in per cent)	11.77	11.31	11.67	11.76	11.11
Percentage of Interest to Revenue Receipts	15.19	15.79	15.97	13.46	12.79
Percentage of Debt payments to Debt Receipts	62.80	42.06	75.94	64.42	45.83
Net Debt Available to the State ** (₹ in crore)	(-) 456	544	588	(-) 63	2,201

Source: State Finance Accounts of the respective years.

* Includes ₹2890.50 crore on account of UDAY Scheme.

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

⁸ Refer glossary in Appendix 4.

From the **Table 1.27** the following is observed:

- The growth rate of outstanding public debt has shown inter year variation during 2012-17. During 2016-17 the growth rate of outstanding debt increased by 8.22 percentage points over the previous year whereas the rate of growth of GSDP increased by 0.48 percentage point during 2016-17 over the previous year.
- Average interest rate of outstanding debt remained almost static during 2012-17 and was 11.11 *per cent* during 2016-17.
- Almost 13-16 *per cent* revenue receipts of the State were utilised for interest payments during 2012-16. During 2016-17, interest payments accounted for 12.79 *per cent* of the revenue receipts.
- 42.06 to 75.94 *per cent* of debt receipts were used for its repayments during 2012-17.
- Though the net debt available to the State for the year 2016-17 with the UDAY scheme is positive ₹ 2,201 crore, it would be (-) ₹ 690 crore without taking UDAY scheme into account. The positive net funds available from debt after debt redemption (principal + interest) indicates that more funds are available for productive/capital expenditure whereas negative availability of funds shows that the State is not even capable of repaying debt or capital investments.

1.10.3 Violation of provision of HPFRBM Act

HPFRBM Act, 2005 stipulates that borrowings are to be used on self-sustaining 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 have 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 2012-13 to 2016-17 is given in **Table 1.28**.

Table-1.28: Details of Market Loans raised and repayments made by the Government during 2012-13 to 2016-17

Year	Amount of market borrowing				
	Raised	For the purpose of repayment		For the purpose of expenditure	
		Amount	Per cent	Amount	Per cent
2012-13	2,359	698	30	1,661	70
2013-14	2,367	611	26	1,756	74
2014-15	2,345	714	30	1,631	70
2015-16	2,450	786	32	1,664	68
2016-17	3,400	1,237	36	2,163	64

Source: Finance Accounts of respective years

Mention was made in the Report of Comptroller and Auditor General of India on State Finances for the year ended March 2015 and 2016 regarding Government using fresh market borrowings to meet the past obligations. In spite of this, during 2016-17, Government also utilised 36 per cent of the fresh borrowings for making re-payment of matured market loans. Thus the payment of matured market loans from fresh loans was against the provisions of FRBM Act, besides defeating the very objectives for these loans.

1.11 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 2016-17.

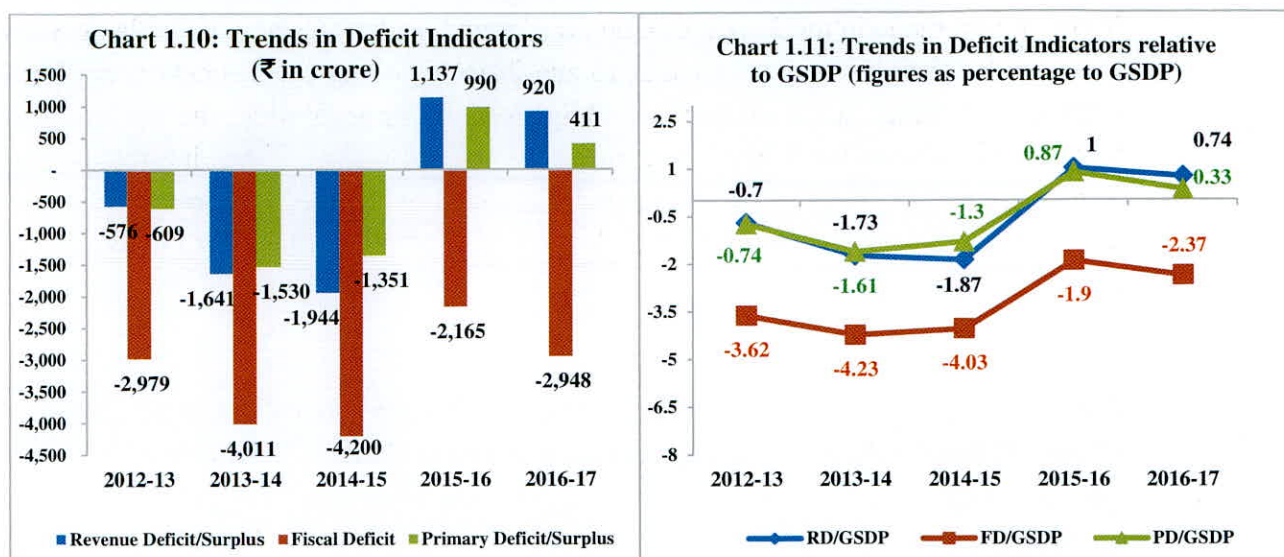
1.11.1 Trends in Deficits

Table 1.29 and Charts 1.10 and 1.11 present the trends in deficit indicators (revenue, fiscal and primary) over the period 2012-17:

Table 1.29: Trends in deficits

	(₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Deficits					
Revenue Deficit(-)/Revenue Surplus (+)	(-) 576	(-) 1,641	(-)1,944	1,137	920
Fiscal Deficit (-)/Fiscal Surplus (+)	(-) 2,979	(-) 4,011	(-) 4,200	(-) 2,165	(-) 2,948*
Primary Deficit (-)/Surplus (+)	(-) 609	(-) 1,530	(-) 1,351	990	411
Management of Fiscal Imbalances (In per cent)					
Revenue deficit (surplus)/GSDP	(-) 0.70	(-) 1.73	(-) 1.87	1.00	0.74
Fiscal deficit/GSDP	(-) 3.62	(-) 4.23	(-) 4.03	(-) 1.90	(-) 2.37
Primary Deficit (surplus) /GSDP	(-) 0.74	(-) 1.61	(-) 1.30	0.87	0.33

* Debt in respect of the State DISCOMS taken over by the State under the UDAY scheme is not to be taken into account for arriving at the fiscal deficit of the State in the FY 2015-16 and 2016-17. Though the fiscal deficit of the State for the year 2016-17 without the UDAY Scheme is ₹2,948 crore, the fiscal deficit would be ₹5,839 crore taking into account the UDAY scheme.



The revenue deficit was required to be brought down to zero during 2011-12 and maintain revenue surplus thereafter as per the FRBM Act/ XIII Finance Commission. However, the target of bringing down the revenue deficit to zero had been achieved in 2015-16 and 2016-17. After performing well in 2015-16, declining trends were observed in all three deficit indicators during 2016-17. During 2016-17, revenue surplus of ₹ 1,137 crore declined to ₹ 920 crore over the previous year. It was also noticed that though the central transfers has increased this year, on the contrary the revenue surplus declined.

The fiscal deficit which represents the total borrowings of Government and is total resource gap, steadily increased from ₹ 2,979 crore in 2012-13 to ₹ 4,200 crore in 2014-15 and then decreased to ₹ 2,165 crore during 2015-16. However, the Fiscal deficit increased by ₹ 783 crore over the previous year and recorded at ₹ 2,948 crore during 2016-17. It was 2.37 per cent of GSDP during current year and was within the target fixed in FRBM Act (3.17 per cent) and projections made by XIVth FC (i.e. 3 per cent).

Primary deficit for the period 2012-13 (₹ 609 crore), 2013-14 (₹ 1,530 crore) and 2014-15 (₹ 1,351 crore) which turned to primary surplus (₹ 990 crore) in 2015-16 and (₹ 411 crore) 2016-17.

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 1.30.

Table 1.30: Components of Fiscal Deficit and its Financing Pattern

		(₹ in crore)				
	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6	7
Components of Fiscal Deficit						
1	Revenue Deficit/surplus	(-) 576 (-) 0.70	(-) 1,641 (-) 1.73	(-) 1,944 (-) 1.87	1,137 (1.00)	920 (0.74)
2	Net Capital Expenditure	1,955(2.38)	1,856(1.96)	1,823(1.75)	2,864(2.52)	3,499(2.81)
3	Net Loans and Advances	448(0.54)	514(0.54)	433(0.42)	437(0.38)	3,260(2.62)
4	GSDP	82,294	94,764	1,04,177	1,13,667	1,24,570

1	2	3	4	5	6	7
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	1,662	1,757	1,631	1,664	2,163
2	Loans from GoI	71	(-) 6	59	(-) 22	27
3	Special Securities Issued to NSSF	286	424	904	975	(-) 500
4	Loans from Financial Institutions	(-) 764	173	24	(-) 436	80 [#]
5	Small Savings, PF, etc.	1,112	887	1,185	718	1,205
6	Deposits and Advances	(-) 156	207	504	115	181
7	Suspense and Misc.	756	267	28	(-) 590	(-) 274
8	Remittances	(-) 174	(-) 23	12	148	(-) 35
9	Others	186	325	(-) 147	(-) 407	101
10	Overall Surplus/Deficit	(-) 2,979	(-) 4,011	(-) 4,200	(-) 2,165	(-) 2,948 [#]

Figures in brackets indicate the per cent to GSDP. *All these figures are net of disbursements/outflows during the year

Source: Finance Accounts

₹2,890.50 crore excluded on account of UDAY Scheme

Table 1.30 shows that the fiscal deficit increased by ₹ 783 crore during 2016-17 over the previous year. The fiscal deficit of ₹ 2,948 crore was financed mainly through borrowings from Market (₹ 2,163 crore), Small Savings, Provident Fund, etc. (₹ 1,205 crore) and Deposits and Advances (₹ 181 crore).

The net capital expenditure as *per cent* of GSDP declined from 2.38 *per cent* in 2012-13 to 1.75 *per cent* in 2014-15. However, it increased to 2.52 *per cent* in 2015-16 and then to 2.81 *per cent* of GSDP in 2016-17.

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 0.46 during 2012-15. During 2015-16 and 2016-17, State experienced revenue surplus of ₹ 1,137 crore and ₹ 920 crore (**Appendix 1.3**).

The bifurcation of the factors resulting into primary deficit or surplus of the Government during the period 2012-17 are indicated in **Table 1.31**.

Table 1.31: Primary deficit/Surplus – Bifurcation of factors

							(₹ in crore)
Year (1)	Non-debt receipts (2)	Primary Revenue Expenditure (PRE) (3)	Capital Expenditure (4)	Loans and Advances (5)	Total Primary Expenditure (3+4+5) (6)	Primary revenue surplus (2-3) (7)	Primary deficit (-)/ surplus (+) (2-6) (8)
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
2015-16	23,466	19,149	2,864	463	22,476	4,317	990
2016-17	26,294	21,985	3,499	399 [#]	25,883	4,309	411 [#]

Excludes ₹ 2,890.50 crore on account of UDAY Scheme.

It may be seen from the table that though the non-debt receipts increased from ₹ 15,619 crore in 2012-13 to ₹ 26,294 crore in 2016-17 which were quite enough to meet the primary expenditure requirement in the Revenue account, the non-debt receipts were not enough to meet the expenditure under Capital account resulting in Primary deficit during 2012-13 (₹ 609 crore), 2013-14 (₹ 1,530 crore) and 2014-15 (₹ 1,351 crore). Having seen the primary deficit during previous years, primary surplus of ₹ 990 crore and ₹ 411 crore was observed in 2015-16 and 2016-17 respectively.

1.12 Follow up on Audit Report on State Finances

The State Finances Report is being prepared and presented to the State Legislature from the year 2008-09 onwards. The State Government has submitted action taken notes (ATNs)/*suo-motu* replies upto Audit Reports 2013-14. A discussion in the Public Accounts Committee on these Reports is yet to commence.

1.13 Conclusion

The State could not maintain the target of reduction of revenue deficit to zero and experienced a situation of huge deficits during the period 2012-13 to 2014-15 in all three fiscal indicators viz. revenue deficit, fiscal deficit and primary deficit.

However, during 2015-16 and 2016-17 State experienced revenue surplus of ₹ 1,137 crore and ₹ 920 crore respectively. During 2016-17 the revenue surplus was marginally lower as compared to previous year due to increase in revenue receipts by only ₹ 2,824 crore (12 *per cent*) against increase of ₹ 3,041 crore (14 *per cent*) in revenue expenditure.

Fiscal deficit increased by ₹ 783 crore from ₹ 2,165 crore in 2015-16 to ₹ 2,948 crore in 2016-17. It was 2.37 *per cent* of GSDP during current year and was within the target fixed in FRBM Act (3.17 *per cent*) and projections made by XIVth FC (i.e. 3 *per cent*). Primary surplus of ₹ 990 crore and ₹ 411 crore was observed during 2015-16 and 2016-17 respectively.

During 2016-17, revenue receipts (₹ 26,264 crore) of the State grew by ₹ 2,824 crore (12 *per cent*) as compared to previous year. Only 33 *per cent* of receipts came from State's own resources comprising tax and non-taxes, while the major portion (67 *per cent*) of revenue receipts came from Central transfers (i.e. grants-in-aid (50 *per cent*) and central taxes and duties (17 *per cent*)).

During 2016-17, total expenditure (₹ 32,133 crore) of the State increased by ₹ 6,503 crore (25 *per cent*) over the previous year. Revenue expenditure increased by ₹ 3,041 crore (14 *per cent*) from ₹ 22,303 crore in 2015-16 to ₹ 25,344 crore in 2016-17 but its share in total expenditure decreased from 87 *per cent* in 2015-16 to 79 *per cent* in 2016-17. Plan revenue expenditure (₹ 4,520 crore) increased by ₹ 1,027 crore (29 *per cent*) over the previous year (₹ 3,493 crore) and constituted 13 to 18 *per cent* of revenue expenditure over the last five years. However, the Non-Plan Revenue Expenditure (NPRE) constituted 82-87 *per cent* of revenue expenditure during 2012-17. The expenditure on salaries, interest payments, pensions and subsidies has shown consistent increase over the period 2012-17 from ₹ 12,939 crore in 2012-13 to ₹ 17,919 crore in 2016-17 and constituted an average of 76 *per cent* of revenue expenditure. The share of capital expenditure to total expenditure has decreased from 11.2 *per cent* in 2015-16 to 10.9 *per cent* in 2016-17. The percentage

of developmental expenditure to total expenditure decreased to 58.81 *per cent* in 2016-17 from 63.53 *per cent* in 2015-16.

Major chunk of the non-plan revenue expenditure is on salaries, interest payments and pension. Salary and pension payments together accounted for more than 50 *per cent* of revenue expenditure. These are largely unavoidable. The State Government may explore suitable measures for containing the components of non-plan revenue expenditure so that revenue surplus could be maintained for allowing space for assets creation and sustainable development of the State.

Substantial funds amounting to ₹ 457.18 crore were still being transferred by GoI directly to the State Implementing agencies during 2016-17 in spite of Central Government decision to route these funds through the State budget from 2014-15. There is no single agency in the State to monitor the expenditure from these funds and no data is readily available as to how much money has actually been spent in a particular year by these implementing agencies.

Funds aggregating ₹ 187.62 crore were locked up in 12 incomplete projects at the end of 2016-17.

Fiscal liabilities at the end of the current year were ₹ 47,244 crore (includes ₹ 2,890.50 crore on account of UDAY Scheme) with growth of 15 *per cent* over the previous year and stood at 38 *per cent* of GSDP and 180 *per cent* of the revenue receipts. The share of market borrowings in the total public debt went up from 57 *per cent* in 2012-13 to 59 *per cent* in 2016-17. During 2016-17, 36 *per cent* of borrowings are used for repayment of earlier debts defeating the very objectives for these loans.

1.14 Recommendations

- (i) *Efforts should be made by the State Government to improve collection of tax and non-tax revenue and to control the revenue expenditure to avoid recurrence of revenue deficit and fiscal deficit in near future.*
- (ii) *A system has to be put in place to ensure proper accounting of funds not routed through treasuries and the updated information should be validated by the State Government to ensure its effective utilization.*
- (iii) *The State Government should formulate guidelines for quick completion of incomplete projects and strictly monitor reasons for time and cost overrun with a view to take corrective action.*

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 *vis-à-vis* budgetary provisions during 2016-17 for the total 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 2016-17
(₹ in crore)

	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Saving ⁹ (-)/ Excess (+)	Amount Surrendered	Percentage of savings surrendered by 31 March (Col.7/Col.6)
	1	2	3	4	5	6	7	8
Voted	I Revenue	25,385.73	1,502.78	26,888.51	24,512.27	(-) 2,376.24	3,047.89	128
	II Capital	3,240.85	580.78	3,821.63	3,509.95	(-) 311.68	418.14	135
	III Loans and Advances	428.19	114.25	542.44	3,289.69*	2,747.25	142.63	NA
Total Voted		29,054.77	2,197.81	31,252.58	31,311.91	59.33	3,608.66	
Charged	IV Revenue	3,455.44	4.49	3,459.93	3,410.75	(-) 49.18	84.30	171
	V Capital	-	73.85	73.85	42.06	(-) 31.79	Nil	NA
	VI Public Debt Repayment	2,228.52	1,660.39	3,888.91	3,942.84	53.93	2.00	NA
Total Charged		5,683.96	1,738.73	7,422.69	7,395.65	(-) 27.04	86.30	NA
	Appropriation to Contingency Fund (if any)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total		34,738.73	3,936.54	38,675.27	38,707.56	32.29	3,694.96	NA

Source: Appropriation Accounts NA: Not applicable

* Includes ₹2,890.50 crore on account of UDAY scheme

⁹ Shortfall in utilisation of funds

Original budget provision was ₹ 34,738.73 crore. This was augmented by supplementary grant of ₹ 3,936.54 crore bringing budget provision to ₹ 38,675.27 crore. Out of total provision, ₹ 38,707.56 crore were utilised during the year 2016-17 resulting in excess of ₹ 32.29 crore.

The overall excess expenditure of ₹ 32.29 crore registered under Grants/Appropriations during 2016-17 was the result of excess of ₹ 3,037.61 crore (includes ₹ 2,890.50 crore relating to UDAY scheme) (Reference: Summary of Appropriation Accounts) in two Grants and two Appropriations under Revenue Section and three Grants and one Appropriation under Capital Section, offset by savings of ₹ 3,005.32 crore (Reference: Summary of Appropriation Accounts) in 30 Grants and six Appropriations under Revenue Section and 22 Grants and one Appropriation under Capital Section. Savings of ₹ 3,694.96 crore was surrendered during this period.

Grants against which significant savings of more than ₹ 25 crore were noticed during the year were Land Revenue and District Administration, Police and Allied Organisations, Education, Health and Family Welfare, Public Works-Roads, Bridges and Buildings, Agriculture, Animal Husbandry, Planning and Backward Area Sub-plan, Forest and Wildlife, Rural Development, Food and Civil Supplies, Power Development, Labour Employment and Training, Urban Development, Finance, Tribal Development and Scheduled Caste Sub-plan (Revenue-Voted), Irrigation, Water Supply and Sanitation, Tribal Development and Scheduled Caste Sub-plan (Capital-Voted). Similarly, grants/appropriation against which significant excess expenditure over the allotments noticed during the year 2016-17 were Irrigation, Water Supply and Sanitation (Revenue-Voted), Power Development and Public Works-Roads, Bridges and Buildings (Capital-Voted) and Finance (Capital-Charged).

The savings and excesses were intimated by the Office of the Accountant General (A&E), Himachal Pradesh regularly to the Controlling Offices through Monthly Reports on expenditure. They also took up the matter either for closure of the preliminary and final accounts in May and June or requesting the Controlling Offices to explain the reasons for the variations, but no explanation was received (September 2017).

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 by ₹ 189.18 crore (6.64 *per cent*) from ₹ 2,848.43 crore in 2015-16 to ₹ 3,037.61 crore (includes ₹ 2,890.50 crore relating to UDAY scheme) in 2016-17 indicating that budgetary estimates were not reviewed properly. Details of various grants/appropriations where aggregate expenditure (₹ 10,803.41 crore) exceeded by ₹ 3,037.22 crore from the approved provisions in four cases (₹ one crore or more in each case) are given in **Appendix 2.1**.

Firm measures need to be instituted against the defaulting departments to avoid excess expenditure. 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 discussions on the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 6,364.57 crore (**Appendix 2.2**) for the years 2011-12 to 2015-16 was yet to be regularized as of September 2017. The excess expenditure of ₹ 3,037.61 crore (**Appendix 2.3**) incurred in five grants and three appropriations during the year 2016-17 also requires regularisation.

2.3.1.2 Persistent Excess

Scrutiny of the appropriation accounts for the period 2010-11 to 2016-17 revealed that there were instances of persistent excess expenditure in Grant No. 13-Irrigation, Water Supply and Sanitation under Revenue-Voted during 2010-11 (₹ 586.72 crore), 2011-12 (₹ 350.71 crore), 2012-13 (₹ 285.21 crore), 2013-14 (₹ 255.33 crore), 2014-15 (₹ 474.07 crore), 2015-16 (₹ 184.97 crore) and 2016-17 (₹ 188.29 crore).

The persistent excess expenditure indicated that the budgetary control in Irrigation and Public Health Department is not effective as previous year trends were not taken into account while allocating the funds for the 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 an expenditure of ₹ 37.16 crore was incurred in 10 cases detailed in **Appendix 2.4**, without making any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

Out of total 10 cases, there were four cases (₹ one crore or more in each case) where expenditure incurred without provision exceeded by ₹ 35.39 crore. Thus, expenditure in excess of appropriation or without appropriations/approval of the State Legislature is irregular and indicative of lapses in budgetary control mechanism.

2.3.1.4 Unnecessary / Inadequate supplementary provisions resulting in saving/excess expenditure

A supplementary grant or appropriation is an addition to the original authorized grant or appropriation. Para 170 of the Budget Manual specifies that great care should be taken in submitting proposals for supplementary appropriations, as the procedure for obtaining them involves considerable labour.

The persistent savings indicated that the budgetary controls in the departments were not effective and previous years' trends were not taken into account while allocating the funds for the year.

2.3.4.2 Substantial surrenders

Substantial surrenders (the cases where 50 per cent or more of the total provision was surrendered) were made in respect of 138 sub-heads (**Appendices 2.10**) on account of either non-implementation or slow implementation of schemes/programmes due to non-completion of codal formalities, non-release of funds from GoI matching State share, less expenditure on construction of buildings, non-filling up of vacant posts, etc. Out of the total provision of ₹ 1,443.50 crore, amount of ₹ 1,124.30 crore (78 per cent) were surrendered, which included 100 per cent surrender in 62 schemes (₹ 379.63 crore) (**Appendix 2.11**). Of the 62 schemes, substantial surrenders were made mainly under 'National Aids Control Programme (Centrally Sponsored Scheme) (₹ 14.99 crore) under Grant No. 09-Health and Family Welfare', National Rural Employment Guarantee Scheme (Centrally Sponsored Scheme) (₹ 48.60 crore) under Grant No. 31-Tribal Development', 'MLA Local Area Development Fund Scheme (₹ 18.07 crore) under Grant No. 15-Planning and Backward Area Sub-plan', 'Equity Contribution to Himachal Pradesh Transmission Corporation Limited (₹ 20.49 crore) under Grant No. 23-Power Development', 'LISs in various Districts under AIBP (₹ 17 crore) and diversion of FIS in various Districts (₹ 12.60 crore) under Grant No. 32-Scheduled Caste Sub-Plan', 'Lift Irrigation Scheme in various districts under AIBP (₹ 44.42 crore) and (₹ 29.62 crore), Channelization of Pabbar River in District Shimla (₹ 15.19 crore) under Grant No. 13-Irrigation, Water Supply and Sanitation.

Further, in 58 cases, there was surrender (₹ 10 crore or more in each case) involving ₹ 2,863 crore on 31 March 2017 (**Appendix 2.12**). Surrender of funds on the last working day of March 2017 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 ₹ 476.65 crore, ₹ 45.32 crore was not 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
Revenue-Voted				
1.	20-Rural Development	121.61	121.38	0.23
2.	30-Miscellaneous General Services	13.00	8.00	5.00
Capital-Voted				
3.	05-Land Revenue and District Administration	2.84	0	2.84
4.	13-Irrigation, Water Supply and Sanitation	185.72	185.58	0.14
5.	29-Finance	1.51	0.01	1.50
6.	31-Tribal Development	20.88	20.64	0.24
7.	32-Scheduled Caste Sub-plan	99.31	73.13	26.18
Capital-Charged				
8.	10-Public Works-Roads, Bridges and Building	31.78	0	31.78
Total		476.65	408.74	67.91

As evident from **Table 2.5**, despite large amount of savings, sufficient surrenders were not made mainly under grant number 32-Scheduled Caste Sub-Plan: ₹ 26.18 crore (Capital-Voted). Further, no surrenders were made against sufficient savings under grant numbers 10-Public Works-Roads, Bridges and Buildings (Capital-Charged) and 05-Land Revenue and District Administration (Capital-Voted).

2.4 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 113 PDAs in operation in 15 District Treasuries. However, no PDA was closed and opened during 2016-17. The position of balances of ₹ 325.28 crore lying in these 113 accounts as on 31 March 2017 (**Appendix 2.13**) is given as under:

- 76 PDAs having balance of ₹ 325.18 crore were in operation during the year.
- One PDA involving an amount of ₹ 0.10 crore remained inoperative since 2010-11.
- 36 PDAs have nil balances.

The practice of retaining funds in the PD Account after the close of the financial year is fraught with the risk of misuse of funds, needs to be avoided and unspent balances lying in PDAs after investigation transferred back to the Consolidated Fund.

2.5 Outcome of Review of Selected Grants

A review of budgetary procedure and control over expenditure in respect of two test-checked grants i.e. Grant No. 10¹⁰- "Public Works, Bridges and Building" and Grant No. -13¹¹ "Irrigation, Water Supply and Sanitation" was conducted (July and August 2017) and the points noticed during the review are detailed below:

2.5.1 Grant No. 10- "Public Works, Bridges and Building"

2.5.1.1 Budget and expenditure

The overall position of funds allotted and expenditure incurred under the grant during 2016-17 is given in **Table 2.6**:

¹⁰ Including major heads 2059- Public Works, 2216-Housing, 3054-Road and Bridges under Revenue Section and 4059- Capital Outlay on Public Works, 4216- Capital Outlay on Housing and 5054- Capital Outlay on Roads and Bridges in Capital Section.

¹¹ 2059 Public Works, 2215-Water Supply and Sanitation, 2216-Housing, 2700-Major Irrigation, 2701-Medium Irrigation, 2702- Minor Irrigation and 2711- Flood Control & Drainage, 4215- Capital outlay on Water Supply and Sanitation, 4701- Capital Outlay on Medium Irrigation, 4702-Capital Outlay on Minor Irrigation, 4705- Capital outlay on Command Area Development and 4711-Capital Outlay on Flood Control Project.

Table 2.6: Provision of funds allocated and expenditure incurred during 2016-17
(₹ in crore)

Section	Total grant	Expenditure incurred	Excess (+)/ Savings (-)
Revenue section	2,376.83	2,790.90	414.07
Capital section	1,042.35	1,141.46	99.11
Total	3,419.18	3,932.36	513.18

Source: Appropriation Accounts

From the above table it is seen that against the budget provision of ₹ 3,419.18 crore under six major heads as given in **Table 2.7** below, an expenditure of ₹ 3,932.36 crore was incurred during 2016-17 resulting in excess expenditure of ₹ 513.18 crore. The Deputy Controller (F&A) stated (August 2017) that the main reasons of excess expenditure was booking of material under suspense head and will be regularised from the State Legislature. The reply was not acceptable as the expenditure should not have been incurred without the budget provision.

Table 2.7: Excess over the budget provisions

(₹ in crore)

Sr. No.	Major Head	Total budget provisions				Expenditure	Excess (+)/ Savings (-)
Revenue (Voted)		Original	Supple- mentary	Re- appropriation	Total		
1.	2059-Public Works	548.58	--	(-) 50.91	497.67	1,048.05	550.38
2.	2216-Housing	16.76	--	(-) 0.44	16.32	15.65	(-) 0.67
3.	3054- Road and Bridges	2,228.96	10.48	(-) 376.60	1,862.84	1,727.20	(-) 135.64
Total		2,794.30	10.48	(-) 427.95	2,376.83	2,790.90	414.07
Capital (Voted)							
4.	4059-Capital outlay on Public Works	22.99	43.17	--	66.16	66.13	(-) 0.03
5.	4216-Capital outlay on Housing	35.00	0.25	--	35.25	35.23	(-) 0.02
6	5054-Capital outlay on Road and Bridges	817.88	75.97	(-) 22.90	870.95	1,001.89	130.94
Total		875.87	119.39	(-) 22.90	972.36	1,103.25	130.89
Capital (Charged)							
7.	5054-Capital outlay on Road and Bridges	--	69.99	--	69.99	38.21	(-) 31.78
Total		--	69.99	--	69.99	38.21	(-) 31.78
Grand Total		3,670.17	199.86	(-) 450.85	3,419.18	3,932.36	513.18

2.5.1.2 Excess over budget provisions due to unrealistic estimation requiring regularisation

- Under Revenue Head "2059-Public Works", against the provision of ₹ 548.58 crore and further reduced by ₹ 50.91 crore on account of re-appropriation, department incurred expenditure of ₹ 1,048.05 crore. This resulted in excess expenditure of ₹ 550.38 crore (more than hundred per cent of funds allotment) which was attributed to booking of material under Suspense head.

- Similarly, under Capital Head (Voted) "5054-Capital Outlay on road and bridges", the department incurred excess expenditure of ₹ 130.94 crore on booking of material under Suspense.

Thus, excess expenditure over the budget provision without actual execution of works and irregular booking of material even without regularisation defies principles of financial propriety and budgeting process.

- On the other hand, under another Revenue Head "3054-Road and Bridges", the department failed to utilise the allotted funds even after re-appropriation/surrender of ₹ 376.60 crore resulting in unspent/unutilised funds of ₹ 135.64 crore at the close of year. This is indicative of inefficient planning and unrealistic estimation.
- Under Capital Head- Charged "5054- Capital Outlay on road and bridges", against the budget provision of ₹ 69.99 crore made in supplementary grant, department incurred only ₹ 38.21 crore leaving an amount of ₹ 31.78 crore unspent/unutilized indicating unnecessary/incorrect demand for supplementary grant.

2.5.1.3 Delay in submission of budgetary return

As per Himachal Pradesh Budget Manual, the Head of Department is required to submit budget estimates and the statements of excesses and surrenders in such manner and forms as may be prescribed to the Finance Department by 1st October 2015 and 1st December 2016, respectively. It was, however, noticed that the Engineer-in-chief, Public Works Department had submitted the budget estimates and statement of excesses and surrenders during 2016-17 on 15th December 2015 and 23rd February 2017 causing thereby a delay of 84 days and 76 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.

2.5.2 Grant No. 13- "Irrigation, Water Supply and Sanitation"

The overall position of funds allotted and expenditure incurred under the grant during 2016-17 is given in **Table 2.8** below indicates an excess of ₹ 188.29 crore which requires regularisation.

Table 2.8: Provision of funds allocated and expenditure incurred during 2016-17

(₹ in crore)			
Section	Total grant	Expenditure incurred	Excess (+)/Savings (-)
Revenue section	2,411.00	2,599.29	188.29
Capital section	583.45	397.74	(-) 185.71
Total	2,994.45	2,997.03	2.58

Source: Appropriation of Accounts

From the above table it is seen that against the budget provision of ₹ 2,994.45 crore under the grant, an expenditure of ₹ 2,997.03 crore was incurred resulting in overall excess expenditure of ₹ 2.58 crore (excess of ₹ 188.29 crore under Revenue section offset by savings of ₹ 185.71 crore under Capital section). The Engineer-in-Chief stated (August 2017) that the excess expenditure is due to booking of material under

Suspense heads and the excess is submitted to Government for regularization from the State Legislature and savings under the capital heads is due to non-receipt of Central grant under Centrally Sponsored Schemes e.g. Accelerated Irrigation benefit Programme (AIBP), Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) and Flood Management Programme (FMP) from GOI. The reply was not acceptable as the expenditure should not have been incurred without the budget provision.

During 2016-17 there was a total provision of ₹ 2,994.45 crore under twelve major heads as given in **Table 2.9** below:

Table 2.9: Excess (+)/Saving (-) over the budget provisions

(₹ in crore)							
Sr. No.	Major Head	Total budget provisions				Expenditure	Excess (+)/ Saving (-) over total provision
		Original	Supple- mentary	Re- appropriation	Total		
Revenue Section							
1.	2059-Public Works	0.68	--	--	0.68	0.68	--
2.	2215-Water Supply and Sanitation(Voted)	1,673.91	95.50	(-) 49.93	1,719.48	1,911.20	191.72
	2215-Water Supply and Sanitation (Charged)	--	0.64	--	0.64	0.64	--
3.	2216-Housing	0.04	--	--	0.04	0.04	--
4.	2700-Major Irrigation	24.24	--	(-) 5.40	18.84	12.62	(-) 6.22
5.	2701-Medium Irrigation	16.89	--	23.40	40.29	44.01	3.72
6.	2702-Minor Irrigation	535.59	53.53	(-) 24.33	564.80	563.85	(-) 0.95
7.	2711-Flood Control and Drainage	9.96	--	56.26	66.23	66.25	0.02
	Total	2,261.31	149.67	--	2,411.00	2,599.29	188.29
Capital Section							
1.	4215-Capital outlay on Water Supply and Sanitation	239.16	44.15	(-) 39.02	244.29	244.11	(-) 0.18
2.	4701-Capital outlay on Medium Irrigation	40.03	--	(-) 14.76	25.27	25.27	--
3.	4702-Capital outlay on Minor Irrigation	139.38	--	(-) 86.89	52.49	52.48	(-) 0.01
4.	4705-Capital outlay on Command Area Development	47.18	--	(-) 19.21	27.97	27.99	0.02
5.	4711-Capital outlay on Flood Control Project	73.56	--	(-) 25.70	47.85	47.89	0.04
	Total	539.31	44.15	(-) 185.58	397.87	397.74	(-) 0.13
	Grand Total	2,800.63	193.82	(-) 185.58	2,808.87	2,997.03	(-) 185.71

Source: Accountant General (Account and Entitlement) Office

- Against the original appropriation of ₹ 1,673.91 crore under Major head 2215-Water Supply and sanitation, expenditure of ₹ 1,911.20 crore was incurred after adjusting supplementary grants and re-appropriation resulting in

extra expenditure of ₹ 191.72 crore. During the year supplementary provision of ₹ 95.50 crore was obtained but at the same time re-appropriation of ₹ 49.93 crore was made. This indicated incorrect assessment of supplementary provision as well as unnecessary/injudicious re-appropriation of ₹ 49.93 crore as the actual expenditure was in excess of ₹ 191.72 crore.

- Re-appropriation were made for excess purchase of material (₹ 115.69 crore) under Major Head 2215-01-799, payment of energy charges of water supply scheme/irrigation (₹ 100.58 crore), rural water supply schemes (₹ 41.29 crore), major/medium irrigation (₹ 30.27 crore) and operation and maintenance of water supply schemes (₹ 77.65 crore) without specifying reasons which indicated incorrect estimates of budget provision for the year. Besides re-appropriation made for excess purchase of material (₹ 115.69 crore) also lacks justification.

2.5.2.1 Delay in submission of budgetary return

As per Himachal Pradesh Budget Manual, the Head of Department is required to submit budget estimates in such manner and forms as may be prescribed. The budget estimates for the year 2016-17 were to be submitted to the Finance Department by 1st October 2015 but the same were submitted on 6th January 2016 resulting in delay of 98 days. Further, the statement of excesses and surrenders required to be submitted to the Finance Department by 1st December 2016, was actually submitted on 28th January 2017 with a delay of 59 days. Thus prescribed time schedule of submission of budget estimates and statements of excesses and surrenders was not followed by the department.

The above points are indicative of inefficient planning and unrealistic estimation of requirement of funds by the Irrigation and Public Health Department.

2.6 Outcome of Inspection of Treasuries

2.6.1 Excess payment of Pensionary benefits

During inspection (during 2016-17) of District Treasuries/Treasuries/Sub-treasuries by the office of the Accountant General (A&E) for the year 2015-16, the test-check of pension payment records showed that nine District Treasury Officers had made overpayment to the extent of ₹ 26.18 lakh to 32 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 payment of enhanced family pension after prescribed period.

Table 2.10: Excess payment of pensionary benefits (on account of Commutation/Family Pension) during 2015-16 (Inspection Reports issued in 2016-17)

(₹ in lakh)

Sr. No.	Name of District Treasury (DT)/ Treasury	Nature of overpayment	Number of cases	Payment		
				Through Bank	Through Treasury (Th T)	Treasury-wise Total
1.	D.T. Bilaspur	Family Pension	02	--	By Try.	3.74
2.	D.T. Chamba	Family Pension	01	-	By Try.	1.60
		Commutation	01	-	--do--	0.13
3.	D.T. Hamirpur	Family Pension	02	--	By Try.	4.34
4.	D.T. Kangra at Dharamshala	Family Pension	04	--	By Try.	2.41
5.	D.T. Kinnaur at Reckongpeo	Family Pension	02	--	By Try.	4.65
6.	D.T. Mandi	Commutation	10	--	By Try.	2.02
7.	D.T. Shimla	Family Pension	05	--	By Try.	2.63
8.	D.T. Sirmour at Nahan	Commutation	01	--	By Try.	0.11
9.	D.T. Solan	Family Pension	04	--	By Try.	4.55
Total			32			26.18

Source: Annual review report on the working of Treasuries in Himachal Pradesh for the year 2015-16 prepared by Accountant General (A&E)

2.7 Conclusion

The overall excess of ₹ 32.29 crore under grants/appropriations during the year 2016-17 was the net result of excess of ₹ 3,037.61 crore (includes ₹ 2,890.50 crore relating to UDAY scheme) and saving of ₹ 3,005.32 crore. An excess expenditure of ₹ 9,402.18 crore relating to the period 2011-12 to 2016-17 required regularisation under Article 205 of the State Legislature.

Supplementary provision of ₹ 2,113.09 crore in 14 sub-heads proved unnecessary/inadequate as either expenditure did not come up to the level of original provision or leaving an aggregate uncovered excess expenditure and re-appropriation of funds in 27 sub-heads (₹ one crore or more in each case) was made injudiciously which resulted in excess/savings. In 58 cases (₹ 10 crore or more in each case) ₹ 2,862.82 crore were surrendered at the end of the financial year. In 62 cases/sub-heads, 100 per cent grant amounting to ₹ 379.63 crore was surrendered.

In nine cases, the expenditure incurred during the last quarter of the year ranged between 54 and 91 per cent and the expenditure incurred during the month of March 2017 alone under these heads of accounts constituted 51 to 79 per cent of the total expenditure.

2.8 Recommendations

- Controlling/Disbursing Officers may keep a close and constant watch over the progress of expenditure against the sanctioned allotment in order to ensure utilisation of allotted funds as per requirement. They may also specifically strengthen monthly expenditure control and monitoring mechanism.*
- Efforts should be made by all departments to submit realistic budget estimates keeping in view the trends of expenditure in order to avoid large scale savings/excesses, re-appropriations and surrenders at the end of the year so that they can be effectively utilised in other areas/schemes.*
- The State Government should devise suitable mechanism to avoid rush of expenditure in last quarter/month of the financial year.*

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 17,826 UCs due in respect of grants and loans aggregating ₹ 4,837.67 crore upto March 2017, 2,587 UCs (15 per cent) for an aggregate amount of ₹ 2,910.67 crore (60 per cent) were pending as of March 2017. The department-wise break-up of outstanding UCs is given in **Appendix 3.1** and age-wise delays in submission of UCs are summarised in **Table 3.1**.

Table 3.1: Age-wise arrears of Utilisation Certificates as on 31 March 2017

Sr. No.	Range of delay (in number of years)	Total grants paid		Utilisation certificates outstanding	
		Number of Cases	Amount (₹ in crore)	Number of Cases	Amount (₹ in crore)
1.	0 – 1	14,882	2,612.27	1,056	1,238.20
2.	2 – 3	2,307	1,742.70	1,001	1,259.79
3.	4	427	258.37	350	205.60
4.	5	210	224.33	180	207.08
	Total	17,826	4,837.67	2,587	2,910.67

Source: Accountant General (Accounts and Entitlement)

Pendency of UCs mainly pertained to the Rural Development (1,605 UCs: ₹ 2,196.14 crore), Social Justice and Empowerment (195 UCs: ₹ 24.57 crore), Medical and Public Health (124 UCs: ₹ 149.85 crore), Forests (201 UCs: ₹ 15.45 crore), Animal Husbandry (90 UCs: ₹ 73.56 crore), Industries (43 UCs: ₹ 6.54 crore), Urban Development (102 UCs: ₹ 369.86 crore) and Power (8 UCs: ₹ 33.48 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 five 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**.

Two boards namely HP Building and Construction Workers Welfare Board (for 2014-15 and 2015-16) and Himachal Pradesh Khadi and Village Industries Board,

Shimla (for 2013-14, 2014-15 and 2015-16) have not rendered their accounts. The delay in respect of all the bodies ranged between three months to three years eight months. The accounts for the year 2016-17 in respect of all the six bodies had not been furnished as of August 2017. 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.

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, 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.

No Departments/autonomous bodies (out of a total of 20 department/autonomous bodies) had furnished such details for the year 2016-17 upto August 2017. 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.

3.4 Misappropriation/loss, theft, etc.

Mention was made in previous years Audit Reports regarding cases of misappropriation, losses, theft, etc. In spite of that no action has been taken on the cases by the State Government as of September 2017. The position remained the same during 2016-17.

State Government reported 45 cases of misappropriation/losses, theft, etc., involving government money amounting to ₹ 78.10 lakh upto June 2017 on which final action was still pending. Out of these, 40 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

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in years	Number of cases	Amount involved (₹ in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (₹ in lakh)
0 – 5	05	5.79	Theft	09	11.06
5 – 10	05	7.20			
10 – 15	06	15.57	Misappropriation/loss of material	36	67.04
15 – 20	13	42.12			
20 – 25	02	3.62			
25 and above	14	3.80			
Total	45	78.10	Total	45	78.10

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.

Reasons for the delay/outstanding cases		Number of cases	Amount (₹ in lakh)
(i)	Awaiting departmental and criminal investigation	25	27.40
(ii)	Awaiting orders for recovery or write off	01	2.57
(iii)	Pending in the courts of law	06	26.72
(iv)	Recovery made/written off but awaiting final disposal from PAC	12	20.99
(v)	Others	01	0.42
Total		45	78.10

3.5 Non-adjustment of temporary advances

The Himachal Pradesh Financial Rules 2009 provide that Head of the Office or any other authorized officer may sanction advances to a Government servant for purchase of goods or for hiring services or for any other special purpose subject to the condition that the adjustment bill, along with balance if any, shall be submitted by the concerned Government servant within fifteen days of the drawal of advance.

Test-check of records and information furnished by the various departments revealed that as on 31 March 2017, there were 76 cases of temporary advances relating to the period 2012-13 to 2016-17 aggregating ₹ 23.19 crore were pending for adjustment by seven departments in their records due to non-submission of adjustment vouchers in the same financial year. Age-wise analysis of advances pending is given in **Table 3.4**.

Table 3.4: Age-wise analysis of cases of advances pending as of March 2017

Sr. No.	Department	Pending year	No. of cases	Amount (₹ in lakh)
1.	Director, Ayurveda	2012-13	01	19.70
		2013-14	02	100.00
		2014-15	04	55.50
		2015-16	16	312.50
		2016-17	10	368.71
2.	Director, Atal Bihari Vajpayee Institute of Mountaineering and Allied Sports, Manali	2012-13	01	0.29
3.	Youth Services and Sports	2016-17	01	10.00
4.	Director, Health and Family Welfare	2012-13	01	35.00
		2014-15	13	1,398.33
5.	Director, Language, Art and Culture	2014-15	01	18.20
6.	Director General, Jail and Reforms Services	2012-13	01	0.10
		2015-16	02	0.25
7.	Director General and Commandant General, Home Guards and Civil Defence	2013-14	23	0.35
Total			76	2,318.93

Non-recovery/adjustment of advances indicated absence of effective internal controls in the concerned departments.

3.6 Comments on Accounts

3.6.1 Important factors affecting accuracy of accounts

The accounts of the Government are kept on cash basis. Certain transactions that arise in Government Account, the receipts and payments of which cannot at once be taken to a final head of receipt or expenditure owing to lack of information as to the nature or for any other reasons, are to be booked temporarily under the 'Suspense Head'. On the receipt of relevant details/information, these heads of accounts are finally cleared by minus debit or minus credit when the amounts under them are booked to their respective final heads of accounts. If these amounts remain uncleared, the balances under the suspense heads would accumulate and would not reflect Government's receipts and expenditure accurately. Debt, Deposit and Remittances heads account for such transactions where the Government, as a custodian of public money, receives and holds such money in trust.

The accuracy of the Finance Accounts 2016-17 of the State has been adversely affected by large number of transactions under suspense heads awaiting final classification. A general review of the transactions showed the following:

Outstanding balances under major suspense accounts

The balances under certain major suspense heads of accounts, as recorded in the ledger maintained by Accountant General (Accounts and Entitlement), are indicated in Table 3.5.

Table 3.5: Suspense Head (8658 – Suspense Accounts)

(₹ in crore)

Name of Minor Head	2014-15		2015-16		2016-17	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101-Pay and Accounts Office-Suspense	45.63	23.37	55.66	18.15	77.13	29.96
Net	22.26 Dr		37.51 Dr.		47.17 Dr.	
102-Suspense Account (Civil)	139.08	131.80	194.87	212.23	275.05	275.24
Net	7.28 Dr		17.36 Cr		0.19 Cr.	
110-Reserve Bank Suspense-Central Accounts Office	36.40	36.40	0.08	-	-	0.03
Net	-nil-		0.08 Dr		0.03 Cr.	
112-Tax Deducted at Source (TDS) Suspense	263.90	285.67	284.65	303.47	380.08	394.95
Net	21.77 Cr		18.82 Cr		14.87 Cr.	
129-Material Purchase Settlement Suspense Account	68.51	370.99	143.71	407.35	175.64	399.29
Net	302.48 Cr		263.64 Cr		223.65 Cr.	

The Finance Accounts reflect the net balances under these heads. The outstanding balances are worked out by aggregating the outstanding debit and credit separately.

3.7 Conclusion

Substantial delays in submission of utilisation certificates occurred and as a result proper utilisation of grants could not be ensured. Further, Government's compliance towards disposal of 45 cases of theft of government money misappropriation/loss, etc.,

amount to ₹ 78.10 lakh was pending for long period. Adjustment against the temporary advances of ₹ 23.19 crore were still awaited as of September 2017.

3.8 Recommendation

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 cases relating to theft, misappropriation and losses.

Shimla

The 25 January 2018



(KULWANT SINGH)

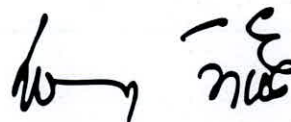
Accountant General (Audit)

Himachal Pradesh

Countersigned

New Delhi

The 06 February 2018



(RAJIV MEHRISHI)

Comptroller and Auditor General of India

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	As per Census (2011)	0.69 crore
		2017 (Projected)	0.72 crore
3.	(a) Density of Population (2001) (All India density= 325 persons/sq km)		109 persons/sq km
	(b) Density of Population (2011) (All India average= 382 persons/sq km)		123 persons/sq km
4.	Population below poverty line (All India average= 21.9 %)		10.90%
5.	(a) Literacy (2001) (All India average= 64.8%)		76.50%
	(b) Literacy (2011) (All India average= 73%)		82.80%
6.	(a) Infant Mortality Rate (IMR) (2015) (All India IMR = 37)		28
	(b) Life Expectancy at Birth (2011-15) (All India average= 68.3)		72
7.	Gini Co-efficient (2009-10) (URP)		
	(a) Rural (All India average= 0.29)		0.31
	(b) Urban (All India average= 0.38)		0.40
8.	Gross State Domestic Product (GSDP) 2016-17		1,24,570
9.	GSDP Compound Annual Growth Rate (CAGR) (2007-08 to 2016-17)		15.53 (SCS: 15.7)

B Financial Data

Compound Annual Growth Rate (CAGR)							
		2007-08 to 2015-16		2011-12 to 2015-16		2015-16 to 2016-17	
		SCS*	HP**	SCS*	HP**	SCS*	HP**
A	of Revenue Receipts	13.40	12.49	11.79	12.67	14.44	12.05
B	of Tax Revenue	17.20	16.61	14.50	12.99	4.99	5.12
C	of Non-Tax Revenue	6.58	0.10	4.51	-1.03	21.61	(-) 6.53
D	of Total Expenditure	11.78	12.88	10.09	12.15	18.78	25.37
E	of Capital Expenditure	6.17	9.22	6.86	12.16	50.62	22.17
F	of Revenue Expenditure on Education	15.30	13.66	11.36	8.42	13.86	19.68
G	of Revenue Expenditure on Health	17.91	14.57	16.41	13.01	20.55	15.46
H	of Salary and wages	15.95	10.88	10.75	7.09	4.41	18.45
I	of Pension	17.87	19.08	16.74	14.69	11.76	7.25

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 (June 2014), SRS Bulletin (September 2014), Economic Survey 2016-17, Economics and Statistics Department of Himachal Pradesh and Central Statistical office .

* Special Category States

** Himachal Pradesh

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 2016-17 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:

Layout	
VOLUME- I	
<i>Statement 1</i>	Statement of Financial Position
<i>Statement 2</i>	Statement of Receipts and Disbursements Annexure- A: Cash balances and investment of Cash balances
<i>Statement 3</i>	Statement of Receipts (Consolidated Fund)
<i>Statement 4</i>	Statement of Expenditure (Consolidated Fund)
<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
VOLUME- II	
Part I: Detailed Statements	
<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 of Loans and Advances given by the State Government
<i>Statement 19</i>	Detailed Statement of Investments
<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 Investment of Earmarked Funds

Part II: Appendices	
<i>I</i>	Comparative Expenditure on Salary
<i>II</i>	Comparative Expenditure on Subsidy
<i>III</i>	Grants-in-aid given by the State Government (Institution-wise and Scheme-wise)
<i>IV</i>	Details of Externally Aided Projects
<i>V</i>	Plan Scheme expenditure A-Central Schemes (Centrally Sponsored Schemes and Central Plan Schemes) B- 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
<i>VIII</i>	Financial results of Irrigation Works
<i>IX</i>	Statement of Commitments -List of Incomplete Capital Works
<i>X</i>	Statement on Maintenance expenditure with segregation of salary and non-salary portion
<i>XI</i>	Major policy decisions during the year or new schemes proposed in the budget
<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 2012-17 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 2011-12 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:

	2012-13	2013-14	2014-15	2015-16	2016-17
Gross State Domestic Product (In crore)	82,294	94,764	1,04,177	1,13,667	1,24,570
Growth rate of GSDP (In <i>per cent</i>)	13.16	15.15	9.93	9.11	9.59

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 minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt

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 and maintain revenue surplus;
- Reduce fiscal deficit to three *per cent* or less of Gross State Domestic Product ;
- Reduce outstanding debt to 35.42 *per cent* of GSDP by the financial year 2016-17.
- 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 1.3, 1.6.1, 1.9.2 and 1.11.3; Pages: 7, 16, 25 and 32)

Time Series Data on the State Government Finances

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Part-A: Receipts					
1. Revenue Receipts	15,598	15,711	17,843	23,440	26,264
(i) Tax Revenue	4,626 (30)	5,121 (33)	5,940(33)	6,696 (29)	7,039 (27)
Taxes on Sales, Trade, etc.	2,728 (59)	3,141 (61)	3,661(62)	3,993 (60)	4,382 (63)
State Excise	810 (18)	952 (19)	1,044(18)	1,131 (17)	1,308 (19)
Taxes on Vehicles	196 (4)	208 (4)	220(4)	317 (05)	280 (4)
Stamps and Registration fees	173 (4)	188 (4)	190(3)	206 (03)	209 (3)
Taxes and Duties on electricity	262 (6)	191 (4)	333(5)	551(8)	372(5)
Land Revenue	24 (-)	10 (-)	17(-)	7(-)	8(-)
Taxes on Goods and Passengers	101 (2)	105 (2)	110(2)	115 (02)	121(2)
Other Taxes	332 (7)	326 (6)	365(6)	376(5)	359(4)
(ii) Non Tax Revenue	1,377 (9)	1,785 (11)	2,081(12)	1,837 (08)	1,717 (6)
(iii) State's share of Union taxes and duties	2,282(14)	2,491 (16)	2,644(15)	3,611 (15)	4,344 (17)
(iv) Grants-in-aid from Government of India	7,313 (47)	6,314 (40)	7,178(40)	11,296 (48)	13,164 (50)
2. Miscellaneous Capital Receipts	-	-	650	-	-
3. Recoveries of Loans and Advances	21	17	41	26	30
4. Total Revenue and Non debt capital receipts (1+2+3)	15,619	15,728	18,534	23,466	26,294
5. Public Debt Receipts	3,371	4,050	10,877	6,129	8,603
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3,239 (96)	3,362(83)	3,892 (36)	4,294 (70)	6,831 [#] (79)
Ways and Means Advances and Overdrafts	-	629(16)	6,860 (63)	1,785 (29)	1,671 (20)
Loans and Advances from Government of India	132 (4)	59(1)	125(1)	50 (01)	101 (01)
6. Total Receipts in the Consolidated Fund (4+5)	18,990	19,778	29,411	29,595	34,897
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Account Receipts	9,146	10,300	10,575	11,515	13,630
9. Total Receipts of the State (6+7+8)	28,136	30,078	39,986	41,110	48,527
Part-B: Expenditure/disbursement					
10. Revenue Expenditure	16,174	17,352	19,787	22,303	25,344
Plan	2,079 (13)	2,387 (14)	3,204(16)	3,493(16)	4,520(18)
Non-Plan	14,095 (87)	14,965 (86)	16,583(84)	18,810(84)	20,824(82)
General Services (including interest payments)	6,618 (41)	7,047 (41)	7,604(38)	8,788(39)	9,728 (38)
Social Services	6,131 (38)	6,706 (39)	7,451(38)	7,980 (36)	9,610 (38)
Economic Services	3,418 (21)	3,590 (20)	4,723(24)	5,525 (25)	5,996 (24)
Grants-in-aid and contributions	7 (-)	9 (-)	9(-)	10 (-)	10 (-)
11. Capital Expenditure	1,955	1,856	2,473	2,864	3,499
Plan	1,859 (95)	1,815 (98)	2,431(98)	2,568(90)	3,115(89)
Non-Plan	96 (5)	41 (2)	42(2)	296(10)	384(11)
General Services	74 (4)	81 (4)	83(3)	88(3)	208 (6)
Social Services	436 (22)	478 (26)	522(21)	792(28)	1,041 (30)
Economic Services	1,445 (74)	1,297 (70)	1,868(76)	1,984(69)	2,250 (64)
12. Disbursement of Loans and Advances	469	531	474	463	3,290 [#]
13. Total (10+11+12)	18,598	19,739	22,734	25,630	32,133

	2012-13	2013-14	2014-15	2015-16	2016-17
14. Repayments of Public Debt	2,117	1,704	8,260	3,948	3,943
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2,056	1,467	1,410	1,557	2,198
Ways and Means Advances and Overdrafts	-	172	6,783	2,320	1,671
Loans and Advances from Government of India	61	65	67	71	74
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	20,715	21,443	30,994	29,578	36,076
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Account disbursements	8,285	9,227	8,844	10,577	12,351
19. Total disbursement by the State (16+17+18)	29,000	30,670	39,838	40,155	48,427
Part-C: Deficit/ Surplus					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	(-) 576	(-) 1,641	(-) 1,944	1,137	920
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-) 2,979	(-) 4,011	(-) 4,200	(-) 2,165	(-) 2,948 ^{##}
22. Primary Deficit (-)/Surplus (+) (21+23)	(-) 609	(-) 1,530	(-) 1,351	990	411 ^{##}
Part-D: Other data					
23. Interest Payments (included in revenue expenditure)	2,370	2,481	2,849	3,155	3,359
24. Financial Assistance to local Bodies etc.	1,203	1,438	2,156	2,612	3,357
25. Ways and Means Advances/Overdraft availed (days)	-	11	125	31	23
Ways and Means Advances availed (days)	-	10	77	25	23
Overdrafts availed (days)	-	01	48	06	-
26. Interest on Ways and Means Advances/ Overdrafts	-	0.11	14.80	6.40	16.17
27. Gross State Domestic Product (GSDP)	82,294 (13.16)	94,764 (15.15)	1,04,177 (9.93)	1,13,667 (9.11)	1,24,570 (9.59)
28. Outstanding Fiscal liabilities (year end)	30,442	33,884	38,192	41,197	47,244 [#]
29. Outstanding guarantees (yearend) (including interest)	3,353	4,333	4,281	3,714	4,550
30. Maximum amount guaranteed (year end)	9,455	9,316	9,316	9,658	12,320
31. Number of incomplete projects	12	12	13	12	12
32. Capital blocked in incomplete projects	115	130	141	143	188
Part- E: Fiscal Health Indicators					
I. Resource Mobilization (ratio)					
Own Tax revenue/GSDP	0.06	0.05	0.06	0.06	0.06
Own Non-Tax Revenue/GSDP	0.02	0.02	0.02	0.02	0.01
Central Transfers/GSDP	0.12	0.09	0.09	0.13	0.14
II. Expenditure Management(ratio)					
Total Expenditure/GSDP	0.13	0.21	0.22	0.23	0.26
Total Expenditure/Revenue Receipts	1.19	1.26	1.27	1.09	1.22
Revenue Expenditure/Total Expenditure	0.86	0.88	0.87	0.87	0.79
Expenditure on Social Services/Total Expenditure	0.35	0.36	0.35	0.34	0.33
Expenditure on Economic Services/Total Expenditure	0.26	0.25	0.29	0.29	0.26
Capital Expenditure/Total Expenditure	0.11	0.09	0.11	0.11	0.11
Capital Expenditure on Social and Economic Services/Total Expenditure	0.10	0.09	0.11	0.11	0.10

	2012-13	2013-14	2014-15	2015-16	2016-17
III. Management of Fiscal Liabilities(ratio)					
Fiscal Liabilities/GSDP	0.37	0.36	0.37	0.36	0.38
Fiscal Liabilities/RR	1.95	2.16	2.14	1.76	1.80
IV. Other Fiscal Health Indicators					
Return on Investment (₹ in crore)	100.09	103.42	170.99	111.94	289.63
Balance from Current Revenue (₹ in crore)	(-)3,284	(-)3,544	(-) 4,719	1,858	1,153
Financial Assets/Liabilities (ratio)	0.70	0.68	0.67	0.72	0.77
Revenue Deficit/Fiscal Deficit (ratio)	0.19	0.41	0.46	*	*
Primary Revenue Balance/GSDP (ratio)	0.02	0.01	0.01	0.04	0.03
Revenue Expenditure: Basic Parameters					
Total Expenditure (TE) (₹ in crore)	18,598	19,739	22,734	25,630	32,133
Rate of Growth TE (<i>per cent</i>)	14.80	6.14	15.17	12.74	25.37
Revenue Expenditure (RE) (₹ in crore)	16,174	17,352	19,787	22,303	25,344
Rate of Growth RE (<i>per cent</i>)	16.38	7.28	14.03	12.72	13.63
Non-Plan Revenue Expenditure (NPRE) (₹ in crore)	14,095	14,965	16,583	18,810	20,824
Rate of Growth NPRE (<i>per cent</i>)	15.56	6.17	10.81	13.43	10.70
Plan Revenue Expenditure (₹ in crore)	2,079	2,387	3,204	3,493	4,520
Rate of Growth PRE (<i>per cent</i>)	22.22	14.81	34.23	9.02	29.40
NPRE/GSDP (<i>per cent</i>)	17.13	15.79	15.92	16.55	16.72
RE/TE (<i>per cent</i>)	86.97	87.91	87.04	87.02	78.87
NPRE as <i>per cent</i> of TE	75.79	75.81	72.94	73.39	64.81
PRE as <i>per cent</i> of TE	11.18	12.09	14.09	13.63	14.07
NPRE as <i>per cent</i> of RR	90.36	95.25	92.94	80.25	79.29
Percentage of NPRE to RE	87.15	86.24	83.81	84.34	82.17
PRE to RE	12.85	13.76	16.19	15.66	17.83
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	1.24	0.48	1.41	1.40	1.42
RRs (ratio)	2.26	10.11	1.03	0.41	1.13
NPRE (ratio)	1.05	1.18	1.30	0.95	1.27
PRE (ratio)	0.74	0.49	0.41	1.41	0.46

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

Includes ₹2,890.50 crore on account of UDAY Scheme

Excludes ₹2,890.50 crore on account of UDAY Scheme

* Revenue Surplus hence, figures not calculated.

Appendix-1.4

(Reference: Paragraph 1.1.1; Page 2)

Part-A: Abstract of Receipts and Disbursements for the year 2016-17

(₹ in crore)

Receipts					Disbursements				
2015-16		2016-17			2015-16	2016-17			
						Non-Plan	Plan	Total	
1	2	3	4	5	6	7	8	9	10
Section-A: Revenue									
I-Revenue Receipts		23,440.48		26,264.34	I-Revenue Expenditure	22,302.81	20,824.39	4,519.83	25,344.22
(i) Tax revenue	6,695.81		7,039.05		General Services	8,788.46	9,643.78	84.17	9,727.95
(ii) Non-tax revenue	1,837.15		1,717.24		Social Services	7,979.92	7,200.62	2,409.30	9,609.92
(iii) State's share of Union Taxes and Duties	3,611.17		4,343.70		Education, Sports, Art and Culture	4,132.16	3,954.69	990.50	4,945.19
(iv) Non-Plan Grants	8,524.32		8,877.19		Health and Family Welfare	1,300.16	1,054.20	447.12	1,501.32
(v) Grants for State Plan Schemes	755.52		1,187.48		Water Supply, Sanitation, Housing and Urban Development	1,267.23	1,323.63	453.62	1,777.25
(vi) Grants for Central Plan and Centrally Sponsored Plan Schemes	2,016.51		3,099.68		Information and Broadcasting	30.65	44.09	0.33	44.42
					Welfare of Scheduled Castes, Scheduled Tribes and Other backward Classes	57.36	11.55	51.22	62.77
					Labour and Labour Welfare	103.46	109.59	13.60	123.19
					Social Welfare and Nutrition	1,071.64	691.45	442.88	1,134.33
					Others	17.26	11.42	10.03	21.45
					Economic Services	5,524.47	3,969.96	2,026.36	5,996.32
					Agriculture and Allied Activities	1,554.34	954.71	723.47	1,678.18
					Rural Development	1,004.97	578.55	600.24	1,178.79
					Irrigation and Flood Control	337.69	433.62	28.21	461.83
					Energy	973	375.08	447.21	822.29
					Industry and Minerals	71.49	54.40	67.12	121.52
					Transport	1,479.12	1,516.23	30.18	1,546.41
					Science, Technology and Environment	7.58	2.91	6.61	9.52
					General Economic Services	96.28	54.46	123.32	177.78
					Grants-in-aid and Contributions	9.96	10.03	-	10.03
Total		23,440.48		26,264.34	Total	22,302.81	20,824.39	4,519.83	25,344.22
II-Revenue Deficit carried over to Section -B					II-Revenue surplus carried over to Section-B	1,137.67			920.12
Total:		23,440.48		26,264.34	Total:	23,440.48			26,264.34

Receipts					Disbursements				
	2015-16		2016-17			2015-16	2016-17		
							Non-Plan	Plan	Total
1	2	3	4	5	6	7	8	9	10
11									
Section-B: Capital									
III-Opening cash balance including Permanent Advances and Cash Balance Investment		(-)739.32		216.23	III- Opening overdraft from Reserve Bank of India				
IV- Misc. Capital Receipts		--			IV- Capital Outlay	2,864.49	383.52	3,115.51	3,499.03
					General Services	88.51	10.66	197.71	208.37
					Social Services	792.03	158.70	882.36	1,041.06
					Education, Sports, Art and Culture	299.29	82.86	212.86	295.72
					Health and Family Welfare	117.23	--	285.53	285.53
					Water Supply, Sanitation, Housing and Urban Development	354.39	69.34	364.39	433.73
					Information and Broadcasting	0.98	0.51	0.26	0.77
					Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	6.63	--	8.64	8.64
					Social Welfare and Nutrition	12.91	6.00	9.93	15.93
					Others	0.60	--	0.75	0.75
					Economics Services	1,983.95	214.16	2,035.44	2,249.60
					Agriculture and Allied Activities	48.00	(-)2.77	53.22	50.45
					Other Rural Development Programmes	4.61	--	3.49	3.49
					Irrigation and Flood Control	142.21	5.01	196.35	201.36
					Energy	265.00	--	202.78	202.78
					Industry and Minerals	64.94	5.00	51.33	56.33
					Transport	1,327.14	206.92	1,376.69	1,583.61
					General Economic Services	132.05	--	151.58	151.58
					Total	2,864.49			3,499.03
V-Recoveries of Loans and Advances		25.90		29.50	V- Loans and Advances disbursed	463.17			3,289.69
From Power Projects	-		-		To Power Projects	412.26			3,228.81
From Government Servants	8.46		8.79		To Government Servants	13.42			7.03
From Co-operations	15.16		16.52		To Co-operations	-			39.79
From Others	2.28		4.19		To Others	37.49			14.06
VI-Revenue surplus brought down		1,137.67		920.12	VI-Revenue deficit brought down				

Receipts					Disbursements					
2015-16		2016-17			2015-16		2016-17			
							Non-Plan	Plan	Total	
1	2	3	4	5	6	7	8	9	10	11
VII-Public Debt Receipts		6,129.21		8,603.31	VII-Repayment of Public Debt	3,947.73				3,942.84
Internal Debt other than Ways and Means Advances and Overdrafts	4,294.29		6,831.29		Internal debt other than Ways and Means Advances and Overdrafts	1,557.22			2,198.19	
Ways and Means Advances including Overdrafts	1,785.40		1,670.72		Ways and Means Advances and Overdrafts	2,319.18			1,670.72	
Loans and Advances from the Central Government	49.52		101.30		Repayment of Loans and Advances to Central Government	71.33			73.93	
VIII-Appropriation to Contingent Fund		-		-	VIII-Appropriation to Contingent Fund	-			-	
IX- Amount transferred to Contingent Fund		-		-	IX-Expenditure from Contingent Fund				-	
X- Public Account Receipts		11,515.45		13,629.90	X- Public Account disbursements	10,577.29				12351.15
Small Savings and Provident Funds	3,115.93		3,402.37		Small Savings and Provident Funds	2,397.50			2,197.86	
Reserve Funds	235		249		Reserve Funds	244.14			2,48.76	
Deposits and Advances	2,408.35		2,727.39		Deposits and Advances	2,293.49			2,546.02	
Suspense and Miscellaneous	617.00		799.83		Suspense and Miscellaneous	650.55			871.97	
Remittances	5,139.17		6,451.31		Remittances	4,991.62			6,486.54	
XI- Closing overdraft from Reserve Bank of India					XI-Cash Balance at end	216.23				316.35
					Cash in Treasuries and Local Remittances	--			-	
					Departmental Cash Balance including Permanent Advances	0.19			0.19	
					Deposits with Reserve Bank	(-)340.76			(-) 443.27	
					Cash Balance investment	556.80			759.43	
Total:		18,068.91		23,399.06	Total:	18,068.91				23,399.06

Appendix-1.5

(Reference: Paragraph 1.1.4; Page 4)

Gender Budgeting

1. Budgetary allocations to schemes to benefit women to the extent of 100 per cent allocation for the year ended March 2017:-

(₹ in crore)

Sr. No.	Name of the scheme	Outlay under			Expenditure under	
		Centre Share	State Share	Total	Centre Share	State Share
1	National Rural Livelihood Mission (NRLM)	-	0.18	0.18	-	0.18
2	Maharishi Balmiki Chattravriti Yojana	-	0.05	0.05	-	0.02
3	Kalpna Chawla Chattravriti Yojana	-	3.50	3.50	-	1.61
4	Sarva Shiksha Abhiyan/Rashtriya Madhyamik Shiksha Abhiyan (Girls Hostel)	0.32	0.04	0.36	0.28	0.03
5	IGNWPS	9.58	-	9.58	9.19	-
6	Widow Pension	-	105.35	105.35	-	101.59
7	Construction of Girl Hostels	1.25	1.25	2.50	-	1.01
8	State Level Women Writers Conference	-	0.01	0.01	-	-
9	ICDS Training	1.95	0.22	2.17	1.71	0.22
10	Vishesh Mahila Utthaan Yojna	-	1.25	1.25	-	1.00
11	Financial assistance and Support Services to victims of rape	-	1.10	1.10	-	1.35
12	Beti Bachhao Beti Padhao	0.35	-	0.35	0.28	-
13	Rajeev Gandhi Kishori Shakti Yojna (SABLA) (Nutrition Component)	13.11	1.47	14.58	13.11	1.47
14	Betihai Anmol Yojana	-	9.51	9.51	-	9.51
15	Mukhya Mantri Kanyadaan Yojana	-	6.62	6.62	-	6.62
16	Widow Remarriage Yojana	-	1.19	1.19	-	1.19
17	Mother Teresa Matri Ashay Sambal Yojana	-	11.79	11.79	-	11.79
18	Mata Shabri Mahila Yojana	-	0.66	0.66	-	0.66
19	H.P. Mahila Vikas Nigam, Solan	-	1.40	1.40	-	1.40
20	Self-employment to Women	-	1.03	1.03	-	1.03
	Total	26.56	146.62	173.18	24.57	140.68

2. Partial budgetary allocation to schemes for the benefit to women for the year ended March 2017:

Sr. No.	Name of the scheme	Outlay under			Expenditure under	
		Centre Share	State Share	Total	Centre Share	State Share
1	2	3	4	5	6	7
1	Blue Revolution Mission: Integrated Development and Management of Fisheries	0.90	0.04	0.94	0.90	0.04
2	Development of Apiculture Scheme	-	0.03	0.03	-	0.03
3	Development of Floriculture	-	0.02	0.02	-	0.02
4	Development of Mushroom Cultivation Scheme	-	0.02	0.02	-	0.02
5	Training of Farmers	-	0.03	0.03	-	0.02
6	Fruit Processing Scheme	-	0.03	0.03	-	0.03
7	Chip Budding	-	0.21	0.21	-	0.19
8	Swami Vivekananda Utkristha Chhatravriti Yojana	-	3.74	3.74	-	2.21
9	Dr. Ambedkar Medhavi Chhatravriti Yojna SC	-	1.80	1.80	-	1.82
10	Dr. Ambedkar Medhavi Chhatravriti Yojna OBC	-	1.66	1.66	-	1.69
11	Thakur Sen Negi Utkrishtha Chhatravriti Yojna	-	0.34	0.34	-	0.19
12	IRDP Scholarship Scheme	-	3.45	3.45	-	2.72
13	Indira Gandhi Utkrishtha Chhatravriti for Post-Plus Two Students	-	0.04	0.04	-	0.03
14	RIMS	-	0.02	0.02	-	0.02
15	Sainik School Sujapur, Tihra Scholarship Scheme	-	0.23	0.23	-	-
16	Mukhiya Mantri Protsahan Yojna	-	1.75	1.75	-	0.96
17	Sarva Shiksha Abhiyan/ Rashtriya Madhyamik Shiksha Abhiyan	257.38	28.60	285.98	150.75	15.46
18	IGNOAPS	39.48	-	39.48	39.35	-
19	OAP Pension	-	166.06	166.06	-	164.18
20	Scholarship to Disabled	-	1.03	1.03	-	1.02
21	Marriage grant to Disabled	-	0.36	0.36	-	0.29
22	Computer Application	2.00	3.33	5.33	1.27	1.43
23	Award for inter caste Marriage	0.92	0.91	1.83	0.84	0.84
24	Compensation to the Victims of Atrocities	0.41	0.40	0.81	0.12	0.12
25	Follow-up Programme	-	1.45	1.45	-	1.36
26	Skill up Gradation with job/outsourcing Guarantee	-	0.38	0.38	-	0.29
27	National Family Benefit Scheme	4.50	-	4.50	-	3.82

1	2	3	4	5	6	7
28	Housing Subsidy	-	26.73	26.73	-	26.70
29	Revenue Housing Scheme	-	3.87	3.87	-	3.87
30	Integrated Child Development Scheme (Training)	199.32	21.58	220.90	167.45	15.45
31	Special Nutrition Programme	55.08	6.48	61.56	55.08	6.48
32	Mukhyamantri Bal Uddhar Yojna	-	5.20	5.20	-	5.20
33	Rajiv Gandhi National Creche Scheme	-	0.18	0.18	-	0.18
34	Renovation of Ashrams	-	1.00	1.00	-	1.00
35	Integrated Child Protection Scheme	23.24	2.22	25.46	23.24	2.22
36	Betihai Anmol Yojna	-	9.51	9.51	-	9.51
37	Social Welfare Advisory Board	-	0.91	0.91	-	0.91
38	Mukhya Mantri Kanyadaan Yojna	-	6.62	6.62	-	6.62
39	Widow Remarriage Yojna	-	1.19	1.19	-	1.19
40	Mother Teresa Mantri Ashay Sambal Yojna	-	11.79	11.79	-	11.79
41	Mata Shabri Mahila Yojna	-	0.66	0.66	-	0.66
42	H.P. Mahila Vikas Nigam, Solan	-	1.40	1.40	-	1.40
43	Self-employment to Women	-	1.03	1.03	-	1.03
	Total	583.23	316.30	899.53	439.00	293.01

Source: Department of Women and Child Development

Appendix-1.6

(Reference: Paragraph 1.2.2; Page 6)

Statement showing the funds transferred directly to the State Implementing Agencies by the GoI under Programme/Schemes during 2015-16 and 2016-17

(₹ in crore)

Direct transfer of Central Scheme Fund to implementing agencies in the State (Funds routed outside State Budget) (unaudited figures)			
Government of India Scheme	Implementing Agency	GoI releases	
		2016-17	2015-16
1	2	3	4
MPs Local Area Development	Deputy Commissioners	35.00	42.50
	Total	35.00	42.50
Alliance and R&D Mission	Department of Environment, Science and Technology	3.92	3.65
	Total	3.92	3.65
Biotechnology Research and Development	Ministry of Science and Technology	2.83	--
	Total	2.83	--
GIA to NGOs for STs including Coaching and Allied Scheme and Award for exemplary	Rinchen Zangpo Society for Spiti Development	1.45	0.02
	Buddhist Culture Society of Dey Gompa	0.13	0.07
	The Institute of Studies in Buddhist Philosophy and Tribal Cultural Society, TABO	0.75	0.23
	Ramdha Buddhist Society	0.12	0.06
	Himalayan Buddhist Cultural Association, Manali, Himachal Pradesh	0.32	--
	Total	2.77	0.38
Grid Interactive Renewable Power MNRE	Himachal Pradesh Energy Development Agency	5.90	0.03
	H.P. State Electricity Board	0.25	1.37
	UCO Bank	--	1.30
	Shobla Hydro Power Private	--	2.50
	HP Co. Bank Limited	--	3.90
	Total	6.15	9.10
Integrated Scheme on Agricultural Census and Statistics	Himachal Pradesh University, Shimla	1.96	5.02
	Himachal Pradesh Krishi Vishwavidhyalay	0.01	--
	Total	1.97	5.02
Industrial Infrastructure Upgradation Scheme IIUS DIPP	Baddi Infrastructure	--	1.61
	HP State Industrial Development Corporation	--	7.87
	Total	--	9.48
Transport Subsidy Scheme	HP State Industrial Development Corporation Ltd.	--	153.68
	Total	--	153.68
Off Grid DRPS	Himachal Pradesh Energy Development Agency	27.21	41.03
	Shoolini University of Biotechnology and Management Science	0.03	--
	YS Parmar University	0.03	--
	Ministry of Agriculture HP	0.36	--
	Himachal Consultancy Organisation	--	0.01
	World wide Fund for nature India	--	0.07
	Total	27.63	41.11

1	2	3	4
Assistance to State for Developing Export	HP State Industrial Development Corporation Limited	7.83	--
	Total	7.83	--
Development of Automobile Industry	HP Road Transport Corporation	21.10	--
	Total	21.10	--
Higher Education Scheme	Indian Institute of Advance Study	19.28	--
	Government Polytechnic Sundernagar	0.21	--
	Total	19.49	--
Industrial Development of Backward and Remote Areas	HP State Industrial Development Corporation Limited	8.86	--
	Total	8.86	--
National Mission on Food Processing (SAMPDA)	Ministry of Food Processing Industries	9.34	--
	Total	9.34	--
National Agriculture Marketing (NAM)	HP State Agriculture Marketing Board	5.70	--
	Total	5.70	--
National Aids Control Programme Including STD Control	HP State Aids Control Society	9.74	--
	Total	9.74	--
Schemes arising out of the implementation of the person with disabilities SJE	Department of Empowerment of Persons with disabilities	5.10	--
	Total	5.10	--
National Rural Employment Guarantee Scheme (MGNREGA)	Social Audit unit Himachal Pradesh	0.20	--
	Himachal Pradesh Rural Development and Employment Guarantee Society	104.12	--
	Total	104.32	--
Scheme for Border Management	Executive Engineer HPPWD Bhabanagar	30.00	--
	Total	30.00	--
Swadesh Darshan	HP Tourism Development Board	19.95	--
	Total	19.95	--
Other Scheme	Ministry of Road Transport and Highways	92.18	75.91
	Total	92.18	75.91
Others	--	43.30	3.85
	Total	43.30	3.85
Grand Total		457.18	344.68

Source: Finance Accounts

Appendix-1.7

(Reference: Paragraph 1.8.2.2; Page 22)

Investment in SPSUs in Paid up Share Capital as per latest finalised accounts upto 31 May 2017 for Return on Investment

(₹ in crore)

Sr. No.	Name of Company	Paid up Capital (SG) as on 31.03.2017	Loss	Profit
1	Himachal Pradesh Agro Industries Corporation Limited	11.80	0.86	--
2	Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited	38.76	3.14	--
3	Himachal Pradesh State Forest Development Corporation Limited	11.71	4.08	--
4	Himachal Backward Classes Finance and Development Corporation	13.00	--	0.61
5	Himachal Pradesh Mahila Vikas Nigam	7.19	--	0.20
6	Himachal Pradesh Minorities Finance and Development Corporation	11.34	1.50	--
7	Himachal Pradesh Road and Other Infrastructure Development Corporation Limited	25.00	--	--
8	Himachal Pradesh State Industrial Development Corporation Limited	30.82	--	8.25
9	Himachal Pradesh General Industries Corporation Limited	7.16	--	5.47
10	Beas Valley Power Corporation Limited	300.00	--	--
11	Himachal Pradesh Power Corporation Limited	1,585.16	17.92	--
12	Himachal Pradesh Power Transmission Corporation Limited	150.05	--	2.88
13	Himachal Pradesh State Electricity Board Limited	522.03	113.51	--
14	Himachal Pradesh State Civil Supplies Corporation Limited	3.51	--	2.12
15	Himachal Pradesh State Electronics Development Corporation Limited	3.72	--	1.01
16	Himachal Pradesh State Handicrafts and Handloom Corporation Limited	9.25	--	0.69
17	Himachal Pradesh Tourism Development Corporation Limited	12.30	--	1.40
18	Himachal Pradesh Kaushal Vikas Nigam	0.007	--	0.03
19	Himachal Pradesh Beverage Limited	1.00	--	--
Total		2,743.80	141.01	22.66
Statutory Corporations				
20	Himachal Pradesh Financial Corporation	92.98	1.09	--
21	Himachal Road Transport Corporation	655.05	--	1.73
Total		748.03	1.09	1.73
Non-working Government Companies				
22	Agro Industrial Packaging India Limited	16.75	--	--
23	Himachal Worsteds Mills Limited	--	--	--
Total		16.75	--	--
Grand Total		3,508.59	142.10	24.39

Appendix-1.8

(Reference: Paragraph 1.8.2.3; Page 22)

Status of PPP Projects of different departments in Himachal Pradesh

Sr. No.	Name of the Project	Project Cost (₹ in crore)
Projects – Awarded, Completed and Under Operation		
Transport Department		
1.	Kangra Bus Stand	9.50
2.	ISBT, Shimla	15
Tourism & Civil Aviation Department		
3.	Ropeway-cum-Ski Centre, Solang Nallah	15
4.	Jakhoo Ropeway	15
Health Department/NRHM		
5.	Emergency Medical Transport Service in HP	100
6.	Mobile Diagnostic Units in HP	5
7.	Haemodialysis Units in HP	5
8.	Operation and Maintenance of JSSK Ambulances	5
9.	CT Scan	5
10.	24X7 Trauma Centers	5
Projects – Awarded and Under Implementation		
		Estimated Cost (₹ in crore)
Transport Department		
11.	McLeodganj Bus Stand	5
Tourism and Civil Aviation Department		
12.	Dharamshala McLeodganj Ropeway	140
13.	Himani Chamunda Ropeway	280
14.	Palchan Rohtang Ropeway	350
15.	Kullu bypass to Bijli Mahadev Passenger Ropeway	100
Urban Development Department		
16.	Parking Complex, Chhotta Shimla	15
17.	Parking Complex, Sanjauli	25
18.	Parking Complex, Lift	45
19.	Parking Complex, Vikasnagar	10
20.	Parking Complex, Palampur	10
21.	Parking Complex, Bilaspur	10
22.	Parking Complex, Rohru	5
23.	Tutikandi-Lift-Mall Road Ropeway	175
Revenue Department		
24.	Parking Complex (at Jail Road and Jainchu-Ka-Naun), Mandi	75

Source: HP Infrastructure Development Board

Appendix-2.1

(Reference: Paragraph 2.3.1; Page 36)

**Statement of various grants/ appropriations where excess expenditure was more than
₹ one crore or 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)
Revenue-Voted						
1.	13	Irrigation, Water Supply and Sanitation	2,410.36	2,598.65	188.29	--
Capital-Voted						
2.	10	Public Works-Roads, Bridges and Buildings	995.26	1,103.26	108.00	--
3.	23	Power Development	471.65	3,158.66*	2,687.01	--
Capital-Charged						
4.	29	Finance	3,888.92	3,942.84	53.92	--
Total			7,766.19	10,803.41	3,037.22	

Source: Appropriation Accounts/VLC

* Includes ₹2,890.50 crore on account of UDAY scheme

Appendix-2.2

(Reference: Paragraph 2.3.1.1; Page 37)

Excess over provisions relating to previous years requiring regularisation

Year	Number of Grants/ Appropriations	Grant/Appropriation numbers	Amount of excess (₹ in crore)	Stage of consideration by Public Accounts Committee (PAC)
2011-12	6 Grants 1 Appropriation	9,10,13,15,21 and 23 29	752.51	Audit comments sent to Finance Department/ Himachal Pradesh Vidhan Sabha. Reports are yet to be discussed and excesses over provisions 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	Suo-motu 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 and excesses over provisions regularised by PAC.
2014-15	10 Grants 6 Appropriations	1,2,6,11,12,13,18,19, 23 (Revenue) and 23 (Capital) 1, 10, 19, 29(Revenue), 29(Capital) and 31	1,585.69	
2015-16	7 Grants 4 Appropriations	5, 8, 10, 13, 19, 23, 28 13, 16, 29 (Revenue) and 29 (Capital)	2,848.43	
Total			6,364.57	

Appendix-2.7

(Reference: Paragraph 2.3.2; Page 38)

Excessive/unnecessary/insufficient re-appropriation of funds

(₹ in crore)

Sr. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1.	05	Land Revenue and District Administration	2029-00-102-03	(-) 1.38	3.77
2.			2053-00-093-01	(-) 0.53	14.27
3.			2245-02-193-01	39.00	1.00
4.			2245-02-109-01	31.00	(-) 1.00
5.	08	Education	2202-01-111-01	(-) 23.00	9.43
6.	09	Health and Family Welfare	2210-05-105-05	0.03	2.12
7.			2210-05-105-12	16.50	(-) 2.12
8.	10	Public Works-Roads, Bridges and Buildings	3054-04-105-02	16.97	(-) 8.23
9.	13	Irrigation, Water Supply and Sanitation	2215-01-102-12	(-) 129.07	2.85
10.			2215-01-799-01	50.41	76.51
11.			2215-01-799-03	65.28	138.62
12.			2215-01-101-02	86.23	(-) 2.48
13.			2215-01-101-04	31.66	(-) 2.85
14.			2215-01-102-03	(-) 121.42	(-) 19.15
15.			2700-01-001-01	(-) 9.08	(-) 1.04
16.			2701-15-001-01	(-) 0.01	(-) 2.21
17.	29	Finance	2071-01-104-02	(-) 19.42	3.22
18.			2071-01-102-02	(-) 106.42	(-) 3.46
19.			2071-01-105-02	(-) 22.06	(-) 17.10
20.			2071-01-115-01	72.26	(-) 73.33
21.			2049-01-123-01	30.32	21.38
22.			2049-03-104-01	10.00	16.91
23.			2049-03-108-01	0.20	3.97
24.	32	Scheduled Caste Sub-plan	2215-01-789-03	0.88	1.86
25.			4215-01-789-08	36.03	(-) 20.22
26.			4215-01-789-08	4.00	(-) 2.02
27.			4215-01-789-08	(-) 2.81	(-) 1.90

Source: Appropriation Accounts/VLC

Appendix-2.8

(Reference: Paragraph 2.3.3; Page 38)

Rush of expenditure

(₹ in crore)

Sr. No.	Grant Number and Name	Head of account Scheme/Service	Expenditure incurred during Jan-March 2017	Expenditure incurred in March 2017	Total expenditure during 2016-17	Percentage of total expenditure incurred during	
						Jan-March 2017	March 2017
1.	03-Administration of Justice	4059-01-051-15	11.09	10.92	11.29	98.23	96.72
2.		4059-01-051-31	17.13	17.13	17.50	97.89	97.89
3.	05-Land Revenue and District Administration	2245-02-101-01	21.38	17.36	30.69	69.66	56.57
4.	07-Police and Allied Organisations	4055-00-211-03	15.05	14.65	27.62	54.49	53.04
5.	08-Education	2202-02-109-05	14.00	14.00	25.14	55.69	55.69
6.		4202-01-202-08	30.00	30.00	30.00	100	100
7.	09-Health And Family Welfare	4210-03-105-05	99.49	99.49	99.49	100	100
8.		4210-03-105-06	43.31	43.31	43.31	100	100
9.		4210-03-105-07	46.67	46.67	46.67	100	100
10.	10-Public Works - Roads, Bridges and Buildings	2216-05-053-01	12.49	10.26	15.60	80.06	65.77
11.		4059-80-051-03	22.19	19.01	28.34	78.30	67.08
12.		4059-80-051-05	11.84	10.73	15.38	76.98	69.77
13.		4216-01-106-01	30.35	27.84	35.23	86.15	79.02
14.		5054-03-101-01	33.27	27.08	38.80	85.75	69.79
15.		5054-04-337-09	274.54	245.17	372.29	73.74	65.85
16.		5054-04-337-10	38.35	33.33	50.00	76.70	66.67
17.		5054-04-337-11	34.20	32.79	50.01	68.39	65.57
18.	12-Horticulture	2401-00-119-56	14.73	14.73	22.62	65.12	65.12
19.		2401-00-119-57	27.50	27.50	27.50	100	100
20.	13-Irrigation, Water Supply and Sanitation	4215-01-800-01	21.42	19.11	35.01	61.18	54.58
21.		4701-20-800-02	12.24	12.24	12.24	100	100
22.		4702-00-101-03	13.19	12.28	22.69	58.13	54.12
23.	15-Planning and Backward Area Sub-plan	4705-00-313-01	20.00	15.35	27.99	71.45	54.84
24.		5475-00-800-03	13.45	11.64	20.15	66.75	57.77
25.	20-Rural Development	2216-03-102-06	22.63	12.50	25.00	90.52	50.00
26.		2505-02-101-03	10.00	10.00	10.00	100	100
27.	22-Food and Civil Supplies	2408-01-102-12	13.83	13.83	13.83	100	100
28.	29-Finance	2049-01-101-04	12.78	12.78	25.56	50.00	50.00
29.		2049-01-101-05	34.51	34.51	60.49	57.05	57.05
30.		2049-01-101-07	19.58	19.58	39.15	50.01	50.01
31.		2049-01-101-15	18.33	18.33	36.65	50.01	50.01
32.		2049-01-101-80	12.24	12.24	24.48	50.00	50.00
33.		2049-01-101-95	21.08	21.08	42.15	50.01	50.01
34.	31-Tribal Development	3054-04-796-05	29.61	21.29	35.09	84.38	60.67
35.		4202-01-796-01	10.91	10.37	13.42	81.30	77.27
36.	32-Scheduled Caste Sub-plan	2225-01-789-10	11.65	11.65	11.65	100	100
37.		4215-01-789-02	28.78	25.44	44.95	64.03	56.60
38.		5054-03-789-02	49.39	44.62	73.27	67.41	60.90
39.		5054-04-789-04	18.25	15.28	21.04	86.74	72.62
Total			1,191.45	1,096.09	1,582.29		

Source: Appropriation Accounts/VLC

Appendix-2.9

(Reference: Paragraph 2.3.4; Page 39)

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)
Revenue-Voted					
1.	03	Administration of Justice	151.02	9.82	
2.	04	General Administration	167.97	11.62	
3.	05	Land Revenue and District Administration	726.48	84.36	
4.	06	Excise and Taxation	62.00	1.84	
5.	07	Police and Allied Organisations	1,092.66	37.08	
6.	08	Education	5,262.91	864.96	
7.	09	Health and Family Welfare	1,618.40	295.90	
8.	10	Public Works-Roads, Bridges and Buildings	2,804.77	13.88	
9.	11	Agriculture	359.44	27.04	
10.	12	Horticulture	258.08	17.22	
11.	14	Animal Husbandry, Dairy Development and Fisheries	319.68	35.18	
12.	15	Planning and Backward Area Sub plan	83.15	28.40	34
13.	16	Forest and Wildlife	454.48	57.50	
14.	18	Industries, Minerals, Supplies and Information Technology	108.22	8.46	
15.	19	Social Justice and Empowerment	678.19	20.78	
16.	20	Rural Development	1,218.41	121.61	
17.	21	Cooperation	44.38	10.23	23
18.	22	Food and Civil Supplies	236.43	41.05	
19.	23	Power Development	967.00	146.35	
20.	24	Printing and Stationery	29.45	6.02	20
21.	25	Road and Water Transport	293.54	1.06	
22.	27	Labour Employment and Training	241.23	71.98	30
23.	28	Urban Development, Town and Country Planning and Housing	581.73	41.75	
24.	29	Finance	4,281.55	97.70	
25.	30	Misc. General Services	97.29	13.00	
26.	31	Tribal Development	1,033.38	177.85	
27.	32	Scheduled Caste Sub Plan	1,126.07	321.14	29
Revenue-Charged					
28.	03	Administration of Justice	40.85	5.95	
29.	04	General Administration	10.47	1.22	
30.	29	Finance	3,400.00	41.09	
Capital-Voted					
31.	05	Land Revenue and District Administration	10.88	2.84	26
32.	07	Police and Allied Organisations	56.20	13.68	24
33.	09	Health and Family Welfare	260.77	2.93	
34.	13	Irrigation, Water Supply and Sanitation	583.45	185.72	32
35.	15	Planning and Backward Area Sub plan	273.27	18.95	
36.	16	Forest and Wildlife	8.40	3.05	36
37.	19	Social Justice and Empowerment	14.98	4.45	30
38.	27	Labour Employment and Training	58.72	4.74	
39.	29	Finance	13.02	1.51	
40.	31	Tribal Development	273.82	20.88	
41.	32	Scheduled Caste Sub Plan	836.09	99.31	
Capital-Charged					
42.	10	Public Works-Roads, Bridges and Buildings	69.99	31.78	45
Total			30,208.82	3,001.88	

Appendix-2.10

(Reference: Paragraph 2.3.4.2; Page 40)

A: Statement showing substantial surrenders made during the year 2016-17

Sr. No.	Grant No.	Head of Account	Total Provision (₹ in lakh)	Amount of surrender (₹ 50 lakh and above)	Percentage of surrender with respect to total provision
1.	07	4055-00-211-03	368.00	368.00	100
2.	08	2202-01-102-03	84.00	84.00	100
3.	08	2202-01-111-01	23,692.00	13,927.86	59
4.	08	2202-02-109-10	1,645.00	1,336.73	81
5.	08	2202-03-103-02	489.53	251.07	51
6.	08	2202-04-103-05	54.00	54.00	100
7.	08	2202-80-107-15	100.00	100.00	100
8.	08	2225-03-277-06	121.00	119.95	99
9.	08	4202-01-202-05	54.62	53.48	98
10.	09	2210-05-105-07	329.00	329.00	100
11.	09	2210-06-101-07	646.40	343.81	53
12.	09	2210-06-101-21	1,499.00	1,499.00	100
13.	09	2211-00-001-01	95.20	88.56	93
14.	09	2211-00-800-07	362.00	362.00	100
15.	10	3054-04-105-05	376.63	343.13	91
16.	11	2401-00-800-13	241.00	133.24	55
17.	11	2401-00-800-13	2,168.00	1,195.77	55
18.	11	2401-00-800-15	1,185.00	596.02	50
19.	11	2401-00-800-15	132.00	72.57	55
20.	12	2401-00-119-51	50.00	50.00	100
21.	12	2401-00-119-51	658.00	387.56	59
22.	13	4701-20-800-02	1,778.00	1,778.00	100
23.	13	4701-23-800-01	59.00	59.00	100
24.	13	4701-24-800-01	59.00	59.00	100
25.	13	4701-25-800-01	59.00	59.00	100
26.	13	4701-26-800-01	59.00	59.00	100
27.	13	4702-00-101-06	4,442.00	4,442.00	100
28.	13	4702-00-101-06	561.00	561.00	100
29.	13	4702-00-101-07	2,962.00	2,962.00	100
30.	13	4702-00-101-07	374.00	374.00	100
31.	13	4702-00-800-14	400.00	400.00	100
32.	13	4705-00-313-01	1,974.00	1,725.00	87
33.	13	4705-00-313-01	224.00	195.50	87
34.	13	4711-01-800-12	790.00	790.00	100
35.	13	4711-01-800-13	524.00	524.00	100
36.	13	4711-01-800-15	294.00	294.00	100
37.	13	4711-01-800-15	1,009.00	1,009.00	100
38.	13	4711-01-800-16	75.00	75.00	100
39.	13	4711-01-800-17	449.00	449.00	100
40.	13	4711-01-800-17	1,519.00	1,519.00	100
41.	14	2403-00-101-10	182.38	168.74	93
42.	14	2404-00-191-04	300.00	300.00	100
43.	15	2202-01-101-03	580.00	580.00	100
44.	15	2210-03-104-01	193.74	126.13	65
45.	15	3451-00-101-19	400.00	400.00	100
46.	15	3451-00-101-20	110.00	93.37	85
47.	15	3451-00-101-22	500.00	250.00	50
48.	15	5475-00-800-02	1,807.00	1,807.00	100

Sr. No.	Grant No.	Head of Account	Total Provision (₹ in lakh)	Amount of surrender (₹ 50 lakh and above)	Percentage of surrender with respect to total provision
49.	16	2406-01-101-08	2,632.00	1,518.99	58
50.	16	4406-02-110-10	184.00	175.46	95
51.	18	2851-00-103-25	98.00	67.45	69
52.	19	2225-03-102-01	299.00	177.65	59
53.	19	2235-02-103-01	137.52	113.82	83
54.	19	2235-60-200-24	50.00	50.00	100
55.	19	4235-02-800-01	178.00	161.80	91
56.	19	4235-02-800-01	540.00	281.81	52
57.	23	4801-01-190-07	2,049.00	2,049.00	100
58.	23	6801-00-190-01	18,239.00	14,110.86	77
59.	27	2203-00-105-06	948.00	794.93	84
60.	27	2203-00-112-02	105.00	105.00	100
61.	27	2230-03-003-07	100.00	69.39	69
62.	27	2230-03-003-07	185.00	159.05	86
63.	27	2230-03-003-10	299.00	299.00	100
64.	27	4202-02-104-01	286.00	286.00	100
65.	27	4202-02-104-02	188.00	188.00	100
66.	28	2217-80-191-47	252.50	252.50	100
67.	28	2217-80-191-48	3,366.00	2,296.00	68
68.	28	2217-80-191-50	173.00	123.23	71
69.	28	2217-80-191-51	400.00	280.09	70
70.	28	2217-80-192-04	565.59	345.64	61
71.	28	2217-80-193-14	303.00	257.78	85
72.	29	2235-60-102-05	1,000.00	897.06	90
73.	30	2204-00-800-02	98.00	98.00	100
74.	31	2202-01-796-11	901.02	504.79	56
75.	31	2202-01-796-12	3,240.00	2,250.75	69
76.	31	2202-03-796-02	297.00	258.90	87
77.	31	2202-03-796-08	810.00	432.00	53
78.	31	2210-06-796-14	204.00	153.75	75
79.	31	2211-00-796-09	219.00	200.80	92
80.	31	2211-00-796-10	50.00	50.00	100
81.	31	2215-01-796-11	227.00	174.28	77
82.	31	2235-02-796-03	196.00	161.18	82
83.	31	2235-02-796-03	1,766.00	1,144.40	65
84.	31	2401-00-796-02	257.51	131.56	51
85.	31	2401-00-796-24	90.00	90.00	100
86.	31	2401-00-796-43	101.00	101.00	100
87.	31	2401-00-796-48	288.00	288.00	100
88.	31	2406-01-796-24	360.00	293.43	82
89.	31	2406-02-796-07	75.00	75.00	100
90.	31	2501-06-796-02	899.99	758.99	84
91.	31	2501-06-796-03	81.00	61.09	75
92.	31	2501-06-796-05	142.00	142.00	100
93.	31	2505-01-796-07	4,860.00	4,860.00	100
94.	31	4235-02-796-01	74.00	65.42	88
95.	31	4702-00-796-08	1,013.00	736.73	73
96.	31	4705-00-796-01	270.00	270.00	100
97.	31	4711-01-796-01	720.00	720.00	100
98.	31	5054-03-796-03	270.00	270.00	100
99.	32	2202-01-789-03	1,889.00	1,229.59	65
100.	32	2202-01-789-07	9,068.00	5,526.89	61

Sr. No.	Grant No.	Head of Account	Total Provision (₹ in lakh)	Amount of surrender (₹ 50 lakh and above)	Percentage of surrender with respect to total provision
101.	32	2202-01-789-07	1,008.00	614.55	61
102.	32	2202-03-789-05	252.00	168.00	67
103.	32	2204-00-789-04	68.00	68.00	100
104.	32	2210-06-789-01	574.00	574.00	100
105.	32	2235-02-789-01	549.00	290.78	53
106.	32	2235-02-789-14	89.00	81.87	92
107.	32	2401-00-789-25	92.00	54.11	59
108.	32	2401-00-789-25	830.00	492.27	59
109.	32	2401-00-789-28	252.00	146.00	58
110.	32	2401-00-789-31	282.00	216.01	77
111.	32	2401-00-789-31	71.00	71.00	100
112.	32	2401-00-789-38	806.00	444.88	55
113.	32	2401-00-789-38	202.00	167.73	83
114.	32	2406-01-789-08	1,008.01	927.07	92
115.	32	2406-01-789-09	73.00	73.00	100
116.	32	2406-01-789-10	60.00	54.07	90
117.	32	2406-02-789-01	71.00	71.00	100
118.	32	2501-06-789-03	227.01	144.15	63
119.	32	2501-06-789-04	397.00	397.00	100
120.	32	2501-06-789-05	113.00	113.00	100
121.	32	2505-01-789-02	13,603.00	11,813.99	87
122.	32	4235-02-789-01	207.00	207.00	100
123.	32	4701-20-789-04	680.00	680.00	100
124.	32	4701-20-789-04	76.00	76.00	100
125.	32	4702-00-789-06	189.00	188.02	99
126.	32	4702-00-789-06	1,700.00	1,700.00	100
127.	32	4702-00-789-06	189.00	188.02	99
128.	32	4702-00-789-07	126.00	126.00	100
129.	32	4702-00-789-07	1,134.00	1,134.00	100
130.	32	4702-00-789-09	100.00	100.00	100
131.	32	4705-00-789-01	76.00	69.83	92
132.	32	4705-00-789-01	756.00	704.50	93
133.	32	4711-01-789-09	76.00	76.00	100
134.	32	4711-01-789-09	302.00	302.00	100
135.	32	4711-01-789-10	176.00	176.00	100
136.	32	4711-01-789-12	101.00	101.00	100
137.	32	4711-01-789-15	151.00	151.00	100
138.	32	4711-01-789-15	605.00	605.00	100
Total			1,44,349.70	1,12,430.40	

Source: Appropriation Accounts/VLC

Appendix-2.11

(Reference: Paragraph 2.3.4.2; Page 40)

B: Statement showing cent per cent surrenders during the year

Sr. No.	Number and title of Grant	Head of Account	Name of the Scheme	Amount of Surrender (₹ in lakh)	Reasons
1.	07-Police and Allied Organisations	4055-00-211-03	Modernisation of Police Force	368.00	Due to less expenditure on police housing buildings.
2.	08-Education	2202-01-102-03	Reimbursement of Fee of Weaker Section Students	84.00	Due to non-completion of codal formalities.
3.		2202-04-103-05	Saakshar Bharat Yojna	54.00	--do--
4.		2202-80-107-15	Protsahan Chhatravriti Yojna	100.00	--do--
5.	09-Health and Family Welfare	2210-05-105-07	Upgradation of Government Medical Colleges	329.00	--do--
6.		2210-06-101-21	National Aids Control Programme	1,499.00	--do--
7.		2211-00-800-07	National Ambulance Service (NAS)	362.00	--do--
8.	12-Horticulture	2401-00-119-51	Weather based Crop Insurance for Apple and Mango	50.00	Due to discontinuation of scheme.
9.	13-Irrigation, Water Supply and Sanitation	4701-20-800-02	Other expenditure	1,778.00	Due to non-release of funds from GoI
10.		4701-23-800-01	Expenditure on Koncil Jharera Mandap Project	59.00	--do--
11.		4701-24-800-01	Construction of Rain Harvesting Structure on Left and Right Banks of Parchu Khad	59.00	--do--
12.		4701-25-800-01	Construction of Medium Irrigation Project Sukka Har in District Kangra	59.00	--do--
13.		4701-26-800-01	Construction of Medium Irrigation Project Prini, District Kullu	59.00	--do--
14.		4702-00-101-06	Lift Irrigation Schemes in various Districts under Pradhan Mantri Krishi Sinchai Yojna (Accelerated Irrigation Benefit Programme)	4,442.00	--do--
15.		4702-00-101-06	--do--	561.00	Due to non-release of funds from GoI matching state share remained unutilized.
16.		4702-00-101-07	Diversion Schemes F.I.S. in various Districts under Pradhan Mantri Krishi Yojna (A.I.B.P.)	2,962.00	Due to non-release of funds from GoI
17.		4702-00-101-07	--do--	374.00	Due to non-release of funds from GoI matching state share remained unutilized.
18.		4702-00-800-14	Hydrology Project	400.00	Due to completion of phase-II activities of project funds remained unutilized.
19.		4711-01-800-12	Channelization of Swan Down Stream to Punjab Boundary Phase-III under Flood Management Programme	790.00	Due to non-release of funds from GoI.
20.		4711-01-800-13	Channelization of Swan from Daulatpur to Gagret Bridge and ITS Tributaries (IV) under Flood Management Programme	524.00	Due to non-release of funds from GoI matching state share remained unutilized.
21.		4711-01-800-15	Flood Protection Works in Chhounchh Khad Tehsil Indora under Flood Protection Programme	294.00	Due to non-release of funds from GoI matching state share remained unutilized.
22.		4711-01-800-15	--do--	1,009.00	Due to non-release of funds from GoI.
23.		4711-01-800-16	Channelization of Palchan to Aut in District Kullu	75.00	--do--

Sr. No.	Number and title of Grant	Head of Account	Name of the Scheme	Amount of Surrender (₹ in lakh)	Reasons
24.		4711-01-800-17	Channelization of Pabbar River in District Shimla	449.00	Due to non-release of funds from GoI matching state share remained unutilized.
25.		4711-01-800-17	--do--	1,519.00	Due to non-release of funds from GoI.
26.	14-Animal Husbandry, Dairy Development and Fisheries	2404-00-191-04	Grant to Dairy Co-operative Societies	300.00	Due to non-receipt of complete project proposal from the eligible dairy co-operative societies in the entire state.
27.	15-Planning and Backward Area Sub-plan	2202-01-101-03	Middle School	580.00	Due to non-filling up vacant posts.
28.		3451-00-101-19	Skill Development Council	400.00	Due to non-completion of codal formalities.
29.		5475-00-800-02	MLA Local Area Development Fund Scheme	1,807.00	Due to less expenditure on construction of buildings.
30.	19-Social Justice and Empowerment	2235-60-200-24	Life Insurance Cover to Safai Karamcharis and Workers of Water Treatment Plants	50.00	Due to non-implementation of the scheme.
31.	23-Power Development	4801-01-190-07	Equity Contribution to H.P. Transmission Corporation Ltd.	2,049.00	Due to less investment.
32.	27-Labour, Employment and Training	2203-00-112-02	Government Engineering Colleges under World Bank Project	105.00	Due to non-release of fund by GoI.
33.		2230-03-003-10	Upgradation of Industrial Training Institutions to Model ITIs	299.00	--do--
34.		4202-02-104-01	Building	286.00	--do--
35.		4202-02-104-02	Construction of Women Hostels	188.00	--do--
36.	28-Urban Development, Town and Country Planning and Housing	2217-80-191-47	Grant-in-Aid to Swachh Bharat Mission	252.50	Due to non-receipt of Central Share from GoI under the Scheme.
37.	30-Miscellaneous General Services	2204-00-800-02	Grant-in-Aid to H.P. University for N.S.S	98.00	Due to change of scheme/funding pattern from state to central sector by GoI under NSS.
38.	31-Tribal Development	2211-00-796-10	National Ambulance Service (NAS)	50.00	Due to non-completion of codal formalities.
39.		2401-00-796-24	Expenditure on Weather based Crop Insurance for Apples	90.00	Due to less expenditure on Grants-in-Aid to weather based Crop Insurance for apples.
40.		2401-00-796-43	Protected cultivation scheme under Horticulture mission for North Eastern and Himalayan States	101.00	Due to non-completion of codal formalities.
41.		2401-00-796-48	Expenditure on integrated development of Horticulture	288.00	--do--
42.		2406-02-796-07	Expenditure on management action plan for cold desert biosphere reserve	75.00	Due to change in funding pattern.
43.		2501-06-796-05	District Rural Development Agency Administration	142.00	Due to non-completion of codal formalities.
44.		2505-01-796-07	National Rural Employment Guarantee Scheme	4,860.00	--do--
45.		4705-00-796-01	Expenditure on Command Area Development	270.00	--do--
46.		4711-01-796-01	Expenditure on Flood Control Works	720.00	--do--
47.		5054-03-796-03	Construction of Roads under C.R.F.	270.00	Due to non-works under CRF in tribal area.

Sr. No.	Number and title of Grant	Head of Account	Name of the Scheme	Amount of Surrender (₹ in lakh)	Reasons
48.	32-Scheduled Castes Sub-plan	2204-00-789-04	Panchayat Yuva Kreedha Aivam Khel Abhiyan/Rajiv Ghandi Khel Abhiyan	68.00	Due to change in sharing pattern
49.		2210-06-789-01	Aids Control Programme	574.00	Due to non-receipt of funds from GoI
50.		2401-00-789-31	Protected Cultivation Scheme under Horticulture Mission for North East and Himalyan States	71.00	Due to receipt of less subsidy cases.
51.		2406-01-789-09	National Afforestation Programme (NAP)	73.00	Due to non-receipt of funds from GoI
52.		2406-02-789-01	Development of National Parks and Sanctuaries	71.00	--do--
53.		2501-06-789-04	District Rural Development Agency Administration	397.00	--do--
54.		2501-06-789-05	Aajeevika Skill under National Rural Livelihood	113.00	--do--
55.		4235-02-789-01	Multipurpose Community/Aganwari Centre	207.00	--do--
56.		4701-20-789-04	Phina Singh Project	756.00	--do--
57.		4702-00-789-06	LIS Irrigation Schemes in various Districts under AIBP	1,700.00	--do--
58.		4702-00-789-07	Diversion Schemes FIS in various Districts	1,260.00	--do--
59.		4702-00-789-09	Hydrology Project	100.00	Due to non-completion of codal formalities.
60.		4711-01-789-10	Channelisation of Swan from Daulatpur to Gagret Bridge and its Tributaries	176.00	--do--
61.		4711-01-789-12	Flood Protection Work Chounchh Khad in Tehsil Indora (Flood management Programme)	101.00	Due to non-receipt of funds from GoI, State share could not be released.
62.		4711-01-789-15	Channelizaton of Pabbar River, District Shimla	756.00	--do--
Total				37,962.50	

Source: Appropriation Accounts/VLC

Appendix-2.12

(Reference: Paragraph 2.3.4.2; Page 40)

Statement showing surrender of funds in excess of ₹ 10 crore on 31 March 2017

(₹ in crore)

Sr. No.	Grant No.	Major Head	Total Provision	Amount of Surrender	Percentage of Total Provision
1.	05	2029-Land Revenue	129.88	40.78	31
2.	05	2029-Land Revenue	25.81	10.61	41
3.	05	2053-District Administration	134.36	39.92	30
4.	07	2055-Police	416.21	11.23	3
5.	08	2202-General Education	1,347.92	165.16	12
6.	08	2202-General Education	1,254.47	468.13	37
7.	08	2202-General Education	236.92	139.28	59
8.	08	2202-General Education	65.87	11.28	17
9.	08	2202-General Education	16.45	13.37	81
10.	08	2202-General Education	244.40	32.97	13
11.	08	2202-General Education	59.23	15.67	26
12.	09	2210-Medical and Public Health	210.40	46.85	22
13.	09	2210-Medical and Public Health	78.24	22.54	29
14.	09	2210-Medical and Public Health	330.84	55.07	17
15.	09	2210-Medical and Public Health	96.67	27.17	28
16.	09	2210-Medical and Public Health	14.99	14.99	100
17.	09	2211-Family Welfare	183.61	79.26	43
18.	10	2059-Public Works	129.06	34.98	27
19.	10	3054-Roads and Bridges	165.28	51.79	31
20.	10	3054-Roads and Bridges	228.76	21.46	9
21.	10	3054-Roads and Bridges	109.65	19.59	18
22.	10	3054-Roads and Bridges	56.07	16.68	30
23.	10	3054-Roads and Bridges	604.83	118.32	20
24.	10	3054-Roads and Bridges	604.83	118.74	20
25.	10	3054-Roads and Bridges	56.40	17.05	30
26.	10	5054-Capital outlay on Roads and Bridges	64.74	22.86	35
27.	11	2401-Crop Husbandry	21.68	11.96	55
28.	13	4701-Capital outlay on Medium Irrigation	17.78	17.78	100
29.	13	4702-Capital outlay on Minor Irrigation	44.42	44.42	100
30.	13	4702-Capital outlay on Minor Irrigation	29.62	29.62	100
31.	13	4705-Capital outlay on Command Area Development	19.74	17.25	87
32.	13	4711-Capital outlay on Flood Control Projects	10.09	10.09	100
33.	13	4711-Capital outlay on Flood Control Projects	15.19	15.19	100
34.	14	2403-Animal Husbandry	215.63	19.67	9
35.	15	5475-Capital outlay on other General Economic Services	18.07	18.07	100
36.	16	2406-Forestry and Wildlife	321.19	31.70	10

Sr. No.	Grant No.	Major Head	Total Provision	Amount of Surrender	Percentage of Total Provision
37.	16	2406-Forestry and Wildlife	26.32	15.19	58
38.	20	2505-Rural Employment	355.37	70.88	20
39.	20	2515-Other Rural Development Programme	100.35	26.58	26
40.	22	2408-Food Storage and Warehousing	210.00	35.58	17
41.	23	2801-Power	410.00	145.00	35
42.	23	4801-Capital outlay on Power Projects	103.15	46.73	45
43.	23	4801-Capital outlay on Power Projects	20.49	20.49	100
44.	23	6801-Loans for Power Projects	182.39	141.11	77
45.	27	2230-Labour and Employment	99.00	45.25	46
46.	28	2217-Urban Development	33.66	22.96	68
47.	29	2071-Pension and other Retirement Benefits	581.60	116.23	20
48.	31	2202-General Education	32.40	22.51	69
49.	31	2211-Family Welfare	25.11	10.79	43
50.	31	2235-Social Security and Welfare	17.66	11.44	65
51.	31	2505-Rural Employment	48.60	48.60	100
52.	32	2202-General Education	18.89	12.30	65
53.	32	2202-General Education	90.68	55.27	61
54.	32	2210-Medical and Public Health	70.28	24.80	35
55.	32	2235-Social Security and Welfare	49.42	13.13	27
56.	32	2505-Rural Employment	136.03	118.14	87
57.	32	4702-Capital outlay on Minor Irrigation	17.00	17.00	100
58.	32	4702-Capital outlay on Minor Irrigation	11.34	11.34	100
Total			10,219.04	2,862.82	

Source: Appropriation Accounts/VLC

Appendix-2.13

(Reference: Paragraph 2.4; Page 41)

Statement showing unspent balances in PDAs as on 31 March 2017

(₹ in lakh)

Sr. No.	Treasury/DDO's Name	Unspent balances
1	NJPC	21,684.78
2	HP High Court	19.00
3	IGMC Shimla	17.07
4	Youth and Sports	20.14
5	SP Bilaspur	60.22
6	SP Chamba	2.96
7	SP Wireless Shimla	42.59
8	SP Hamirpur	3.68
9	SP Kullu	5.73
10	SP Kangra at Dharamshala	72.29
11	DIG(P) Training, Daroh	56.17
12	SP Keylong	17.46
13	SP Kinnaur	20.59
14	SP Mandi	5.33
15	SP Shimla	106.38
16	PTS Junga	23.74
17	SP Nahan	32.58
18	SP Solan	45.41
19	SP Una	77.61
20	NAC Chowari	0.55
21	NAC Sujampur	0.06
22	MC Hamirpur	19.57
23	MC Kalpa	0.84
24	MC Keylong	0.16
25	MC Mandi	1.64
26	MC Sundernagar	0.07
27	NAC Jubbal	0.87
28	MC Shimla	5.39
29	NP Santokhgarh	0.06
30	Funds of ICAR	9.91
31	P S Jhandutta	3.04
32	P S Chamba	1.68
33	P S Mehla	3.28
34	P S Bhattiyat	18.36
35	P S Nadaun	0.79
36	P S Bhoranj	0.13
37	P S Kullu	0.96
38	P S Anni	0.18
39	PS Kangra	0.69
40	P S Nagrota Bagwan	0.00*

Sr. No.	Treasury/DDO's Name	Unspent balances
41	P S Rait	2.45
42	P S Nurpur	1.08
43	P S Pragpur	1.60
44	P S Nagrota Surian	1.05
45	P S Panchrukhi	0.58
46	PS Lambagaon	1.99
47	P S Kalpa	5.73
48	P S Pooh	3.09
49	P S Nichar	3.22
50	P S Keylong	2.04
51	PS Mandi	0.16
52	PS Seraj	0.26
53	PS Chauntra	2.28
54	PS Sundernagar	0.81
55	PS Pangi	0.01
56	PS Narkanda	51.22
57	PS Theog	4.45
58	PS Jubbal	0.21
59	PS Chirgaon	0.91
60	PS Nahan	1.22
61	PS Pachad	0.00**
62	PS Solan	0.09
63	PS Kunihar	1.20
64	PS Nalagarh	0.32
65	PS Amb	2.55
66	PRI Government Sanik Vidyalaya, Bilaspur	0.26
67	PRI DAV College, Banikhet	0.27
68	DAV, Kotkhai	9,795.05
69	PRI San College, Kullu	0.26
70	DAV, Kangra	221.81
71	MS ML College, Thural	2.67
72	MS ML College, Sundernagar	32.88
73	SDO Civil, Nahan	3.25
74	PRI G D C, Subathu	0.01
75	PRI National College, Amb	0.04
76	SBSD College, Batholi	1.18
77	TECH College, Sundernagar	0.06
Total		32,528.23

* Actual Figure is ₹ 91/- only

**Actual Figure is ₹ 282/- only

Appendix-3.1

(Reference: Paragraph 3.1; Page 47)

Utilisation Certificates outstanding as on 31 March 2017

(₹ 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	2015-16	1	8.23	-	-
			1	8.23	-	-
2	2029-Land Revenue	2015-16	2	26.00	1	1.00
			2	26.00	1	1.00
3	2052-Secretariat General Services	2015-16	6	125.89	1	0.89
			6	125.89	1	0.89
4	2055- Police	2013-14	1	10.00	-	-
		2015-16	1	10.00	-	-
			2	20.00	-	-
5	2070-Other Administrative Services	2015-16	20	846.37	20	846.37
			20	846.37	20	846.37
6	2075- Miscellaneous General Services	2013-14	3	125.27	1	5.72
		2014-15	18	164.29	8	141.00
		2015-16	21	250.92	21	250.92
			42	540.48	30	397.64
7	2202- General Education	2013-14	21	3,585.27	-	-
		2014-15	140	16,996.49	-	-
		2015-16	11,525	45,932.54	4	152.00
			11,686	66,514.30	4	152.00
8	2204- Sports and Youth services	2014-15	1	2.71	1	2.71
		2015-16	27	608.25	-	-
			28	610.96	1	2.71
9	2205- Art and Culture	2014-15	148	101.66	-	-
		2015-16	155	437.59	-	-
			303	539.25	-	-
Medical and Public Health						
10	2210- Medical and Public Health	2012-13	1	100.00	1	100.00
		2013-14	43	1,650.91	34	1,083.60
		2014-15	49	5,667.59	40	5,584.31
		2015-16	993	9,947.34	48	7,684.20
			1,086	17,365.84	123	14,452.11
11	2211-Family Health	2013-14	1	533.00	1	533.00
		2015-16	57	17,767.45	-	-
			58	18,300.45	1	533.00
Total (Medical and Public Health)			1,144	35,666.29	124	14,985.11
Urban Development						
12	2215-Water Supply and Sanitation	2015-16	3	643.29	2	322.84
			3	643.29	2	322.84
13	2217- Urban Development	2010-11	5	1,919.83	5	1,919.83
		2011-12	6	781.13	4	728.63
		2012-13	9	566.32	-	-
		2014-15	40	18,665.84	29	11,973.51
		2015-16	69	29,928.33	60	21,250.05
			129	51,858.45	98	35,872.02

1	2	3	4	5	6	7
14	3054- Road and Bridges	2011-12	1	600.00	-	-
		2012-13	1	600.00	-	-
		2013-14	1	600.00	-	-
		2014-15	1	600.00	1	330.00
		2015-16	1	600.00	1	462.00
			5	3,000.00	2	792.00
Total(Urban Development)			137	55,501.74	102	36,986.86
Social Justice and Empowerment						
15	2225- Welfare of SC, ST and Other Backward Classes	2011-12	10	1,000.00	4	592.50
		2012-13	20	1,006.49	19	926.14
		2013-14	3	8.60	3	8.60
		2014-15	4	225.10	4	225.10
		2015-16	8	243.00	7	241.00
			45	2,483.19	37	1,993.34
16	2235- Social Security and Welfare	2013-14	102	510.15	-	-
		2014-15	584	2,822.14	-	-
		2015-16	724	3,403.90	158	463.64
			1,410	6,736.19	158	463.64
Total(Social Justice and Empowerment)			1,455	9,219.38	195	2,456.98
Secretariat and Social Services						
17	3451-Secretariat Economic Services	2014-15	12	457.22	11	453.22
		2015-16	14	695.15	11	630.06
			26	1,152.37	22	1,083.28
18	2251- Secretariat Social Services	2012-13	1	3.00	1	3.00
		2013-14	2	15.02	2	15.02
		2014-15	10	1,445.09	5	417.59
		2015-16	5	35.69	5	35.69
			18	1,498.80	13	471.30
Total (Secretariat and Social Services)			44	2,651.17	35	1,554.58
19	2401- Crop Husbandry	2012-13	13	681.41	-	-
		2014-15	21	5,070.75	11	400.00
		2015-16	22	7,185.00	-	-
			56	12,937.16	11	400.00
20	2403- Animal Husbandry	2012-13	25	2,039.06	8	141.06
		2013-14	26	1,904.04	15	1,770.35
		2014-15	28	3,890.07	15	965.37
		2015-16	37	3,497.39	31	2,813.12
			116	11,330.56	69	5,689.90
21	2404- Dairy Development	2015-16	22	1,853.56	21	1,666.16
			22	1,853.56	21	1,666.16
22	2405- Fisheries	2014-15	6	25.20	5	25.00
		2015-16	20	19.40	15	13.58
			26	44.60	20	38.58
23	2408- Food Storage and Ware Housing	2011-12	8	20.40	-	-
		2012-13	12	26.99	-	-
		2013-14	18	33.50	-	-
		2014-15	22	35.71	2	2.21
		2015-16	19	31.47	13	21.70
			79	148.07	15	23.91
24	2425- Co-operation	2012-13	4	7.05	-	-
		2013-14	17	12.85	-	-
		2014-15	27	42.45	4	3.95
		2015-16	51	129.73	34	53.86
			99	192.08	38	57.81

1	2	3	4	5	6	7
	Rural Development					
25	2216- Housing	2014-15	59	1,253.36	45	981.73
		2015-16	103	5,507.01	85	5,165.14
			162	6,760.37	130	6,146.87
26	2501- Special Programme	2014-15	23	963.39	20	932.91
		2015-16	40	3,774.35	22	3,277.40
			63	4,737.74	42	4,210.31
27	2505- Rural Employment	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
		2014-15	19	39,245.37	19	39,245.37
		2015-16	31	45,559.04	31	45,559.04
			90	93,997.71	90	93,997.71
28	2515- Other Rural Development Programmes	2011-12	156	16,970.30	156	16,970.30
		2012-13	292	15,257.85	292	15,257.85
		2013-14	290	21,376.70	268	20,482.68
		2014-15	345	31,111.12	345	31,111.12
		2015-16	397	41,606.98	282	31,437.60
			1,480	1,26,322.95	1,343	1,15,259.55
Total (Rural Development)			1,795	2,31,818.77	1,605	2,19,614.44
29	2801- Power	2011-12	2	212.00	2	212.00
		2013-14	1	1,854.00	1	1,854.00
		2014-15	1	1,259.00	1	1,259.00
		2015-16	1	90.00	-	-
			5	3,415.00	4	3,325.00
30	2810- Non-Conventional Source of Energy	2015-16	5	25.00	4	23.00
			5	25.00	4	23.00
31	2851- Village and Small Scale Industries	2011-12	1	9.60	-	-
		2012-13	14	565.74	3	49.21
		2013-14	23	285.17	4	147.21
		2014-15	21	1,008.43	3	69.09
		2015-16	128	3,270.15	33	388.53
			187	5,139.09	43	654.04
32	3055- Road Transport	2015-16	6	10,243.20	-	-
			6	10,243.20	-	-
33	3435- Ecology Environment	2013-14	5	40.70	-	-
		2014-15	4	50.40	-	-
		2015-16	8	24.70	-	-
			17	115.80	-	-
34	3452- Tourism	2010-11	1	10.00	-	-
		2011-12	10	606.62	-	-
		2012-13	9	900.68	-	-
		2013-14	9	1,905.06	-	-
		2014-15	8	2,103.30	2	3.30
		2015-16	14	3,079.15	2	4.15
			51	8,604.81	4	7.45
35	3604- Compensation and assignments to Local Bodies	2015-16	27	995.58	12	543.01
			27	995.58	12	543.01
36	2406-Forest and Wild Life (Forest Account)	2011-12	1	18.11	-	-
		2012-13	9	170.64	9	170.64
		2013-14	21	506.23	11	431.34
		2014-15	85	522.72	70	442.46
		2015-16	227	1,360.39	111	500.35
			343	2,578.09	201	1,544.79
37	2415-Agriculture Research and Education (Forest Account)	2015-16	49	19,827.00	-	-
			49	19,827.00	-	-

1	2	3	4	5	6	7
38	2250-Other Social Community	2014-15	4	502.12	3	2.12
		2015-16	5	3.04	5	3.04
			9	505.16	8	5.16
39	3425-Other Scientific	2014-15	3	80.20	3	80.20
		2015-16	30	547.39	16	9.62
			33	627.59	19	89.82
40	3053-Tourism and Civil	2015-16	1	76.18	-	-
			1	76.18	-	-
41	2435-Forest Account	2015-16	1	1,000.00	-	-
			1	1,000.00	-	-
42	3454-Census, Surveys and Statistics	2014-15	23	5.42	-	-
		2015-16	6	14.53	-	-
			29	19.95	-	-
	Grand Total		17,826	4,83,767.35	2,587	2,91,067.22

Appendix – 3.2

(Reference: Paragraph 3.2; Page 47)

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	Period upto which Separate Audit Report is issued	Date of placement of SAR in the Legislature	Years for which accounts are due and delay in submission of accounts
1.	Himachal Pradesh State Veterinary Council, Shimla	2005-06 onwards	2015-16	3 months	2015-16 (28.10.2016)	2015-16 (15.03.2017)	--
2.	Himachal Pradesh Khadi and Village Industries Board, Shimla	01.04.2017 to 31.03.2022	2012-13	3 years 8 months	2012-13 (16.06.2016)	Yet to be placed	2013-14 (2 years 11 months) 2014-15 (1 years 11 months) 2015-16 (11 months)
3.	Himachal Pradesh City Transport and Bus Stands Management & Development Authority, Shimla	01.04.2000 onwards	2015-16	4 months	2015-16 (25.01.2017)	Yet to be placed	--
4.	Himachal Pradesh State Electricity Regulatory Commission, Shimla	2007-08	2015-16	2 months	2015-16 (16.11.2016)	2015-16 (29.03.2017)	--
5.	Himachal Pradesh Building and Other construction workers welfare board, Shimla	2009-10 onwards	2013-14	--	2013-14	2011-12 (04.06.2015) 2012-13 (March 2017) 2013-14 (March 2017)	2014-15 (2 years) 2015-16 (11 months)

Appendix - 3.3

(Reference: Paragraph 3.4; Page 48)

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

Sl. 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 or 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.	Municipal Council, Chamba	01	0.42	-	-	-	-	-	-	-	-	-	-	01	0.42
9.	Revenue	-	-	-	-	-	-	-	-	-	-	02	0.40	02	0.40
10.	Home Guard	-	-	-	-	-	-	03	25.42	-	-	-	-	03	25.42
11.	Planning	-	-	-	-	01	2.97	-	-	-	-	-	-	01	2.97
12.	Health (Medical Department)	-	-	-	-	01	0.95	-	-	-	-	-	-	01	0.95
13.	Forest	-	-	01	2.38	01	0.63	-	-	-	-	02	0.40	04	3.41
14.	Public Works	-	-	-	-	-	-	06	7.43	01	1.05	08	2.69	15	11.17
15.	Irrigation and Public Health	-	-	-	-	01	0.89	02	7.72	-	-	02	0.31	05	8.92
	Total	05	5.79	05	7.20	06	15.57	13	42.12	02	3.62	14	3.80	45	78.10

C: Number of Cases

A: Amount (₹ in lakh)

Appendix-3.4

(Reference: Paragraph 3.4; Page 48)

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	-	-	02	4.68
Agriculture	-	-	02	9.46	02	9.46
Land Revenue	-	-	01	2.57	01	2.57
Horticulture	01	0.06	02	2.83	03	2.89
Fisheries	01	1.28	-	-	01	1.28
Police	-	-	01	0.08	01	0.08
Municipal Council, Chamba	-	-	01	0.42	01	0.42
Revenue	-	-	02	0.40	02	0.40
Home Guard	-	-	03	25.42	03	25.42
Planning	01	2.97	-	-	01	2.97
Health (Medical Department)	-	-	01	0.95	01	0.95
Forest	-	-	04	3.41	04	3.41
Public Works	01	0.22	14	10.95	15	11.17
Irrigation and Public Health	01	0.25	04	8.67	05	8.92
Total	09	11.06	36	67.04	45	78.10

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

