



सत्यमेव जयते

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL OF INDIA
ON
STATE FINANCES
FOR THE YEAR ENDED 31 MARCH 2016**



GOVERNMENT OF HIMACHAL PRADESH

Report No. 4 of the year 2016

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COMPTROLLER AND AUDITOR GENERAL OF INDIA**

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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 2016. 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 2015-16 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 2016 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 2016. It provides an account of time series of receipts and disbursements, market borrowings, quality of expenditure, financial analysis of government expenditure and investment, debt sustainability and fiscal imbalances.

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

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

Audit findings

Chapter I

Finances of the State Government

The State achieved the target of reduction of revenue deficit to zero in 2011-12 as it reached a revenue surplus but could not maintain the surplus thereafter and experienced a situation of huge deficits during the period 2012-13 to 2014-15 in all three indicators viz. revenue deficit, fiscal deficit and primary deficit.

During 2015-16, the revenue deficit of ₹ 1,944 crore of 2014-15 turned to revenue surplus and stood at ₹ 1,137 crore due to sharp increase in revenue receipts by 31 per cent as against increase in revenue expenditure by 13 per cent over the previous year.

Fiscal deficit decreased from ₹ 4,200 crore in 2014-15 to ₹ 2,165 crore during 2015-16 and the State kept fiscal deficit relative to GSDP (1.96 per cent) below the limit prescribed under FRBM/XIVth Finance Commission (FC) (i.e. 3 per cent). Primary deficit ₹ 1,351 crore in 2014-15 turned to surplus (₹ 990 crore) during

2015-16 due to substantial increase in revenue receipts as a result of central transfers on the recommendations of XIVth FC.

During 2015-16, revenue receipts (₹ 23,440 crore) of the State grew by ₹ 5,597 crore (31.36 per cent) as compared to previous year (13.57 per cent). Only 37 per cent of receipts came from State's own resources comprising tax and non-taxes, while the major portion (63 per cent) of revenue receipts came from Central transfers (i.e. grants-in-aid (48 per cent) and central taxes and duties (15 per cent)).

During 2015-16, total expenditure (₹ 25,630 crore) of the State increased by ₹ 2,896 crore (13 per cent) over the previous year (₹ 22,734 crore). Revenue expenditure increased by ₹ 2,516 crore (13 per cent) from ₹ 19,787 crore in 2014-15 to ₹ 22,303 crore in 2015-16 but its share (87 per cent) in total expenditure remained the same during the same period. Plan revenue expenditure (₹ 3,493 crore) increased by ₹ 289 crore (9 per cent) over the previous year (₹ 3,204 crore) and constituted 12 to 16 per cent of revenue expenditure over the last five years. However, the Non-Plan Revenue Expenditure (NPRE) constituted 84-88 per cent of revenue expenditure during 2011-16. The expenditure on salaries, interest payments, pensions and subsidies has shown consistent increase over the period 2011-16 from ₹ 11,027 crore in 2011-12 to ₹ 16,511 crore in 2015-16 and constituted an average of 77 per cent of revenue expenditure. The share of capital expenditure to total expenditure has increased from 10.9 per cent in 2014-15 to 11.2 per cent in 2015-16. The percentage of developmental expenditure to total expenditure increased to 65 per cent in 2015-16 from 64.10 per cent in 2014-15.

In spite of Central Government decision to route central funds through budget, funds of ₹ 364.57 crore were still transferred directly to the State Implementing Agencies during 2015-16. 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 ₹ 142.55 crore were locked up in 12 incomplete projects at the end of 2015-16.

The return from investment of ₹ 3,041 crore as of 31 March 2016 in companies/corporations was negligible (₹ 111.94 crore) i.e. 3.68 per cent while government paid an average rate of interest of 7.89 per cent on its borrowings. The investment also included companies/corporations which were under perennial loss.

An amount of ₹ 18.48 crore had been sanctioned to the different loanee/entity as loan during the period 2008-09 to 2013-14 without finalizing the terms and conditions.

Fiscal liabilities at the end of the current year were ₹ 41,197 crore with growth of 8 per cent over the previous year and stood at 37 per cent of GSDP and

176 *per cent* of the revenue receipts. The share of closing balance of market loans in the total public debt increased from 59 *per cent* in 2014-15 to 60 *per cent* in 2015-16. The State is required to pay 62 *per cent* debt within 7 years, which is not a very comfortable position and could lead towards 'debt trap'.

During 2015-16, 32 *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 saving of ₹ 191.90 crore registered under grants/appropriations during the year 2015-16 was the net result of substantial savings of ₹ 3,040.33 crore (under important grants like Education and Rural Development) offset by excess of ₹ 2,848.43 crore. An excess expenditure of ₹ 7,904.32 crore relating to the period 2010-11 to 2015-16 required regularisation under Article 205 of the State Legislature.

Supplementary provision of ₹ 818.51 crore in 15 sub-heads proved unnecessary/inadequate as either expenditure did not come up to the level of original provision or leaving an aggregate unconcerned excess expenditure. Re-appropriation of funds in 48 sub-heads (₹ one crore or more in each case) was made injudiciously which resulted in excess/savings. In 42 cases (₹ 10 crore or more in each case), ₹ 3,135.63 crore were surrendered at the end of the financial year. In 83 cases/sub-heads, 100 *per cent* grant amounting to ₹ 385.80 crore was surrendered.

In six cases, the expenditure incurred during the last 4th quarter of the year ranged between 52 and 70 *per cent* and the expenditure incurred during the month of March 2016 alone under these heads of accounts constituted 31 to 58 *per cent* of the total expenditure.

Chapter III

Financial reporting

There were delays in furnishing 2,944 Utilisation Certificates in respect of loans and grants amounting to ₹ 2,225.40 crore as on 31 March 2016.

There were 47 cases of misappropriations/loss, theft etc., involving government money amounting to ₹ 78.70 lakh on which final action was pending as of June 2016. Out of these, 41 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 104 cases of temporary advances aggregating ₹ 34.38 crore pending in the State departments for adjustments as of September 2016.

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 0.71 crore in 2015 (projected) recording a growth of 16 *per cent*. The percentage of population below the poverty line was 11 *per cent* which was less than the all-India average (30 *per cent*). The State has seen considerable economic growth in the past decade and the compound growth rate of its Gross State Domestic Product¹ (GSDP) for the period 2006-07 to 2015-16 has been recorded 15.47 *per cent* (**Appendix 1**).

The State's GSDP in 2015-16 at current prices was ₹ 1,10,511 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 ₹ 1,30,067² during the year 2015-16.

Gross State Domestic Product

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

Table 1.1: Trends in Annual growth of GDP/GSDP

Year	2011-12	2012-13	2013-14	2014-15	2015-16
India's GDP (₹ in crore)	87,36,039	99,51,344	112,72,764	124,88,205	135,76,086
Growth rate of GDP (percentage)	--	13.91	13.28	10.78	8.71
State's GSDP (₹ in crore)	72,720	82,294	92,589	1,01,108	1,10,511
Growth rate of GSDP (<i>per cent</i>)	--	13.16	12.51	9.20	9.30

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

India's and the State's GSDP growth rate at current prices shows inter year decreasing trend during the period 2011-16. State's GSDP increased by 0.1 percentage point during 2015-16 over the previous year.

1.1.1 Summary of Fiscal Transactions

Table 1.2 presents the summary of the State Government's fiscal transactions during the current year (2015-16) *vis-à-vis* the previous year (2014-15), while **Appendix 1.4**

¹ Refer Glossary in Appendix 4.

² Advance figure

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	2014-15	2015-16	Disbursements	2014-15	2015-16		
	Total	Total		Total	Non Plan	Plan	Total
Section-A: Revenue							
Revenue receipts	17,843	23,440	Revenue expenditure	19,787	18,810	3,493	22,303
Tax revenue	5,940 (33)	6,696 (29)	General Services	7,604	8,734	54	8,788
Non-tax revenue	2,081 (12)	1,837 (8)	Social Services	7,451	6,036	1,944	7,980
Share of Union Taxes/Duties	2,644 (15)	3,611 (15)	Economic Services	4,723	4,030	1,494	5,525
Grants from Government of India	7,178 (40)	11,296 (48)	Grants-in-aid and Contributions	9	10	--	10
Section-B: Capital and others							
Misc. Capital Receipts	650	--	Capital outlay	2,473	296	2,568	2,864
Recoveries of Loans and Advances	41	26	Loans and advances disbursed	474			463
Public Debt receipts	10,877	6,129	Repayment of public debt	8,260			3,948
Contingency Fund	--	--	Contingency Fund	--			--
Public account receipts#	10,575	11,515	Public account disbursements#	8,844			10,577
Opening cash balance	(-887)	(-739)	Closing cash balance	(-739)			216
Total	39,099	40,371	Total	39,099			40,371

Source: Finance Accounts for the respective years.

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

Following are the significant changes during 2015-16 over the previous year:

Revenue receipts	Grew by ₹ 5,597 crore (31 per cent). The increase over the previous year was due to significant increase in central transfers i.e. Grants-in-Aid (by ₹ 4,118 crore) and Share of Union Taxes and Duties (by ₹ 967 crore).
Revenue expenditure	Increased by ₹ 2,516 crore (13 per cent). The increase in Non-plan Revenue and Plan Revenue expenditure was ₹ 2,227 crore and ₹ 289 crore respectively.
Revenue Surplus	Revenue deficit which was stood at ₹ 1,944 crore in 2014-15 turned surplus to ₹ 1,137 crore in current year (2015-16). This was due to heavy devolution of central transfers to the State.
Capital expenditure	Increased by ₹ 391 crore (16 per cent).
Public debt receipts	Receipts and its repayment decreased by ₹ 4,748 crore (44 per cent) and ₹ 4,312 crore (52 per cent) respectively.
Public account receipts	Both receipts and disbursements increased by ₹ 940 crore (9 per cent) and ₹ 1,733 crore (20 per cent) respectively.
Closing cash balance	Increased by ₹ 955 crore from the previous year ((-) ₹ 739 crore) and stood at ₹ 216 crore at the end of 2015-16.

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	2015-16				
	Targets as prescribed in FRBM Act	Projections/ Targets proposed in the Budget/ MTFPS [#]	Actual	Percentage variation of actual over	
				Targets of FRBM Act	Projections/ Targets proposed in the Budget/MTFPS [#]
Revenue Surplus(+)/ Deficit(-) (in crore)	Maintain revenue surplus	46.84	1,137*	Target achieved	Target achieved
Fiscal Deficit/GSDP (in per cent)	(-) 3.00 or less	(-) 2.91	(-) 1.96	Target achieved	Target achieved
Ratio of total outstanding debt** of the government to GSDP (in per cent)	35.42	33.83	37.27	(-) 1.85	(-) 3.44

Source: Finance Department and Finance Accounts # Medium Term Fiscal Plan Statement

* ₹1,137.67 crore

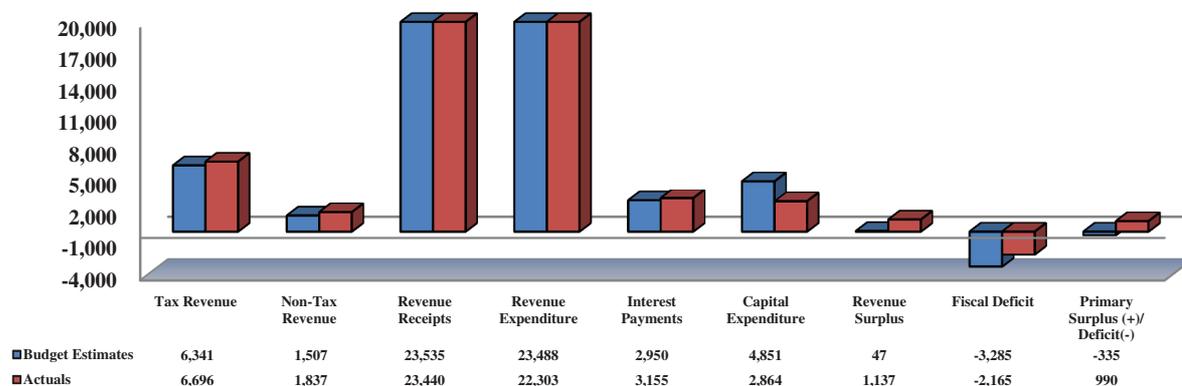
** This includes public debt and other obligations of the State Government

Hence targets mentioned in the FRBM Act and MTFPS were achieved except the ratio of total outstanding debt to GSDP which was higher than the target set out in FRBM Act/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 2015-16 are given in **Chart 1.1**.

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



Source: Review of Receipt and Expenditure (December 2015) and Finance Accounts 2015-16.

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

From above, it is evident that the variations in estimations of Revenue, Primary and Fiscal deficits were primarily caused by greater revenue receipts vis-à-vis estimates, which were mainly due to receipt of ₹ 5,085 crore more compared to last year on account of share of Union Taxes/duties and Grants from GoI.

1.1.4 Gender Budgeting

Gender Budgeting Cell was constituted in the department of Women and Child Development in 2013. There were 18 schemes designated to benefit women to the extent of 100 *per cent* allocation and five schemes with partial allocation during the year 2015-16 under which outlay was made as mentioned in **Appendix 1.5**. Against the total outlay of ₹ 327.09 crore under these schemes, an amount of ₹ 285.62 crore was spent leaving unspent balance of ₹ 41.47 crore with the department at the end of the year 2015-16.

1.1.5 Major policy initiatives in the recent years' budgets

The State Government while presenting the budget for 2015-16, committed all round and balanced development of all regions and sections of the State and society with special focus on the poor and the downtrodden. Some of the major policy initiatives of the Government and budget provision *vis-à-vis* actual expenditure on these schemes during 2015-16 are given in **Table 1.4**.

Table 1.4: Major policy initiatives, budget provision and expenditure

(₹ in crore)

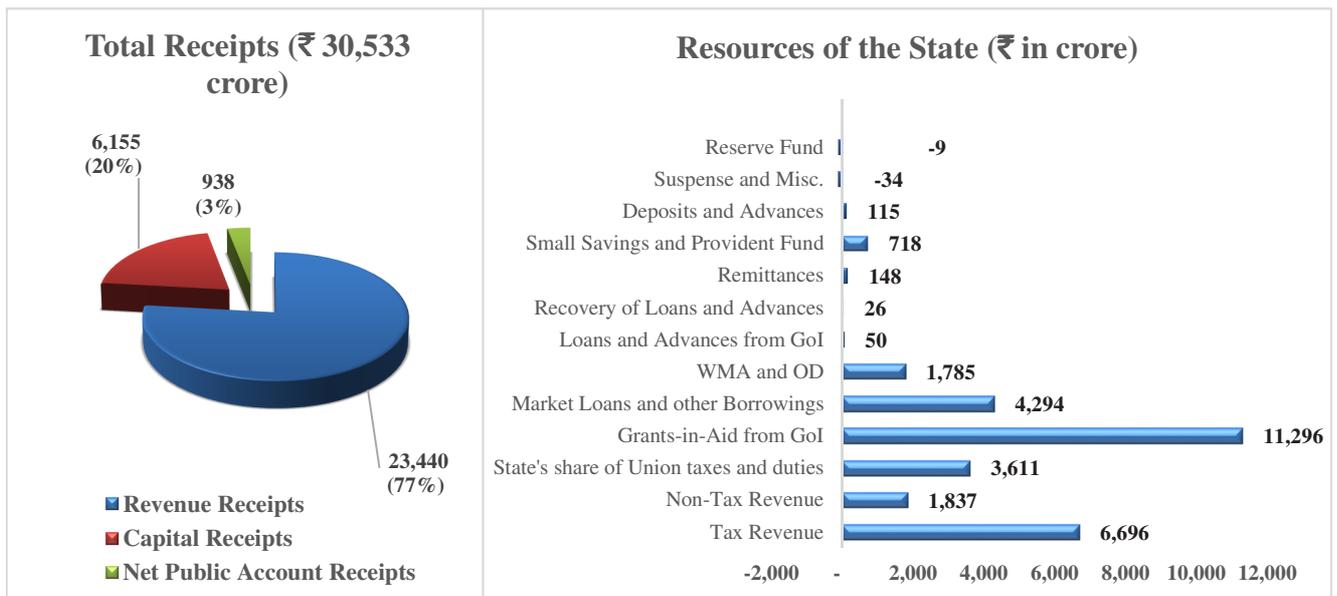
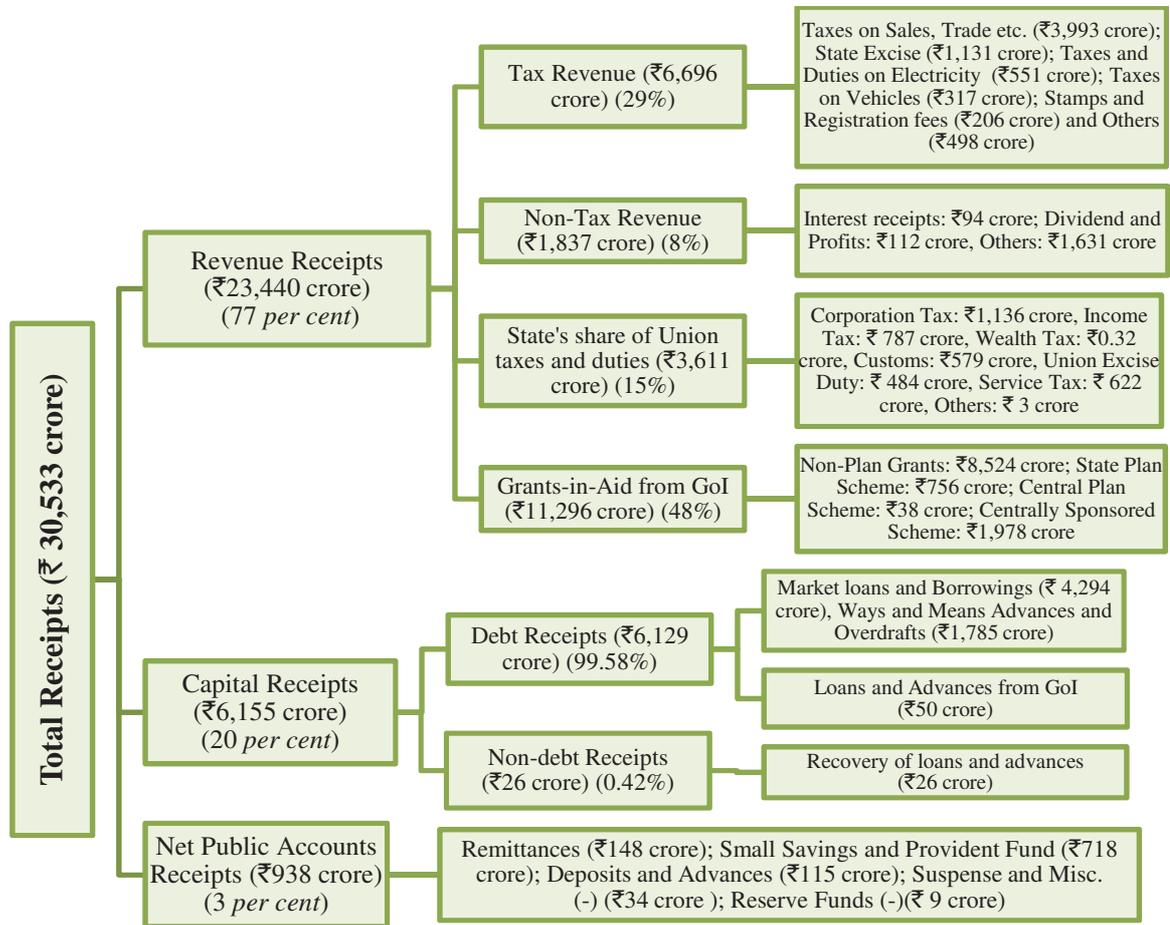
Sr. No.	Name of the Scheme	Budget estimates	Revised estimates	Actual budget received	Expenditure	Percentage of expenditure to actual budget received
1	Skill Development Allowances	100	--	100	40.92	41
2	Integrated Watershed Management Programme (IWMP)	50	8	8	2.36	30
3	Conversion of Cold Stores into CA Stores	5	--	Nil	13.61	--

Source: Departmental figures

As seen from the above table, against the budget provision/received in first two schemes, 60 to 70 *per cent* amount were lying unspent with the department defeating the very purpose of the Scheme. In other Scheme 'Conversion of Cold Stores into CA Stores', though a budget provision of ₹ 5 crore was made in the State budget, the same was not released by the Government. Department attributed that the scheme has already been completed and successfully commercialised but liability is still payable with State Government.

1.2 Resources of the State

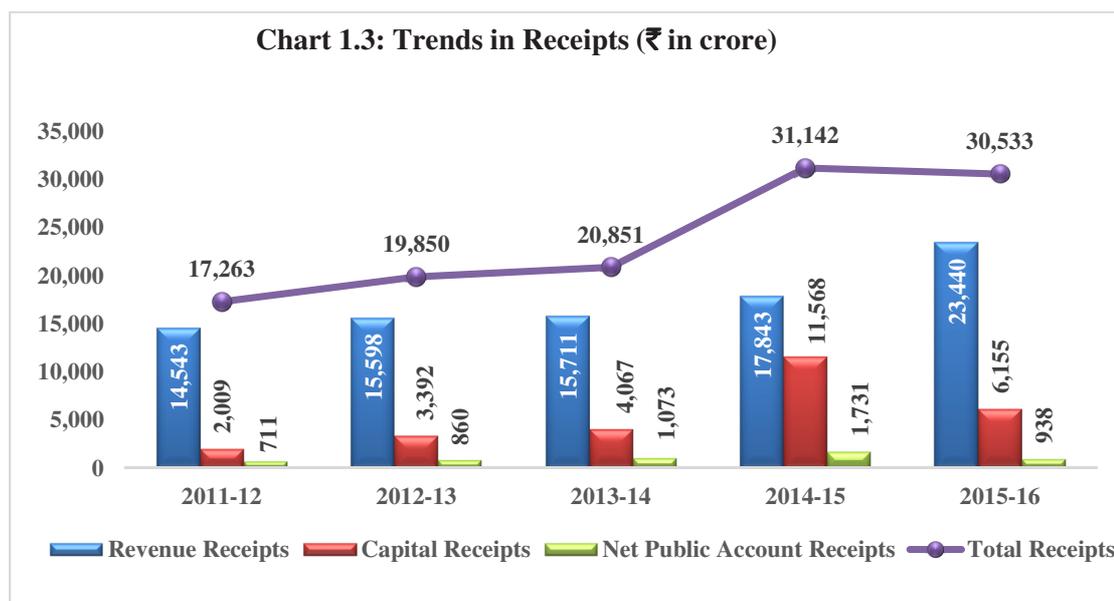
Chart 1.2 depicts the components and sub-components of receipts during the year 2015-16



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 2015-16 as recorded in its Annual Finance Accounts while **Chart 1.3** depicts the trends in various components of the receipts of the State during 2011-16.

As evident from **Chart 1.2**, revenue receipts comprise 77 per cent, capital receipts 20 per cent and net public account receipts 3 per cent of the total receipts of ₹ 30,533 crore during 2015-16. 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 48 per cent, 29 per cent, 15 per cent and 8 per cent respectively.



As would be evident from Chart 1.3 above, the total receipts of the State Government slightly decreased by 2 per cent point from ₹ 31,142 crore to ₹ 30,533 crore during 2015-16 over the previous year due to less receipts in Capital and Net Public Account.

Revenue receipts show an increase during 2011-15. However, it increased by ₹ 5,597 crore as result of implementation of recommendation of XIV Finance Commission during 2015-16 mainly due to increase of ₹ 5,085 crore increase in share of Union Taxes/duties and Grants from GoI. The share of revenue receipts in the total receipts of the State jumped from 57 per cent in 2014-15 to 77 per cent in 2015-16.

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.

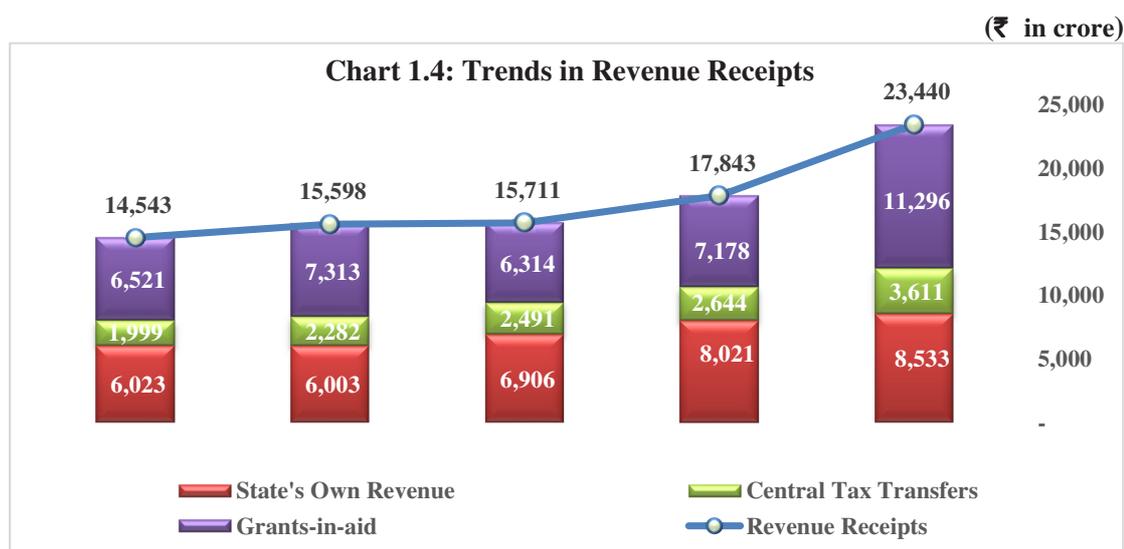
In spite of Central Government decision to route these funds through budget from 2014-15, funds were still transferred directly to the State Implementing agencies during 2014-16.

During 2015-16, these direct funds increased from ₹ 278.55 crore to ₹ 364.57 crore over the previous year. These funds were transferred mainly to Transport Subsidy Scheme (HPSIDC) (₹ 153.68 crore), MPLAD (₹ 42.50 crore), Off Grid DRPS (Himachal Pradesh Energy Development Agency) (₹ 41.03 crore) and other miscellaneous agencies (₹ 127.36 crore) (**Appendix 1.6**).

Thus, with the transfer of ₹ 364.57 crore funds during 2015-16 by GoI directly to the State implementing agencies, the total availability of the State resources increased from ₹ 41,110 crore to ₹ 41,475 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 2011-16 are presented in **Appendix 1.3** and also depicted in **Chart 1.4**.



- Revenue receipts steadily increased from ₹ 14,543 crore in 2011-12 to ₹ 23,440 crore in 2015-16 at an annual average growth rate of 13.46 per cent but during 2015-16 it increased by ₹ 5,597 crore recording an increase of 31.36 per cent over the previous year.

- During 2015-16, only 37 per cent of the Revenue receipts came from the State's own resources comprising taxes and non-taxes, while the remaining 63 per cent were contributed by central transfers comprising the State's share in central taxes and duties (15 per cent) and grants-in-aid from GoI (48 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

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Receipts (RR) (₹ in crore)	14,543	15,598	15,711	17,843	23,440
Rate of growth of RR (per cent)	14.41	7.25	0.72	13.57	31.36
State's Own Taxes (₹ in crore)	4,108	4,626	5,121	5,940	6,696
Rate of growth of Own Taxes (per cent)	12.76	12.61	10.70	15.99	12.73
State's GSDP (in crore)	72,720	82,294	92,589	1,01,108	1,10,511
Growth rate of GSDP (percentage)	--	13.16	12.51	9.20	9.30
R R/GSDP (per cent)	20.00	18.95	16.97	17.65	21.21
Buoyancy Ratios³					
Revenue Buoyancy w.r.t. GSDP	--	0.55	0.06	1.48	3.37
State's Own Taxes Buoyancy w.r.t. GSDP	--	0.96	0.86	1.74	1.37

- The growth rate of revenue receipts consistently decreased from 14.41 per cent in 2011-12 to 0.72 per cent in 2013-14 but it showed a positive trend during previous two years (2014-16). During 2015-16, the revenue receipts increased to 31.36 per cent from 13.57 per cent in 2014-15. This was the impact of XIVth FC recommendation of high devolution of central transfers.
- The growth rate of GSDP has declined from 13.16 per cent in 2012-13 to 9.20 per cent in 2014-15 but marginally increased by 0.1 per cent in 2015-16 over the previous year.
- The revenue buoyancy with reference to GSDP which decreased from 0.55 to 0.06 during 2012-14 went up to 1.48 in 2014-15 and 3.37 in 2015-16 due to increase in revenue receipts and declining rate of GSDP growth.
- The State's own tax buoyancy with reference to GSDP showed inter year variation which came down to 1.37 in 2015-16 from 1.74 in 2014-15 due to decrease in own revenue receipts of the State.

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 2015-16 *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	7,820	6,341	6,696	(-) 14.37	5.60
Non-tax revenue	1,698	1,507	1,837	8.19	21.90

Source: Finance Department and Finance Accounts

³ Refer glossary in Appendix 4.

The actual realisation of tax revenue was less by ₹ 1,124 crore (14.37 per cent) while Non-tax Revenue (NTR) was 8 per cent more than the XIVth Finance Commission projections. Both the tax revenue and NTR were also more by 5.60 and 21.90 per cent respectively when compared to the budget estimates/MTFPS for the year 2015-16. It also indicates that MTFPS projections regarding tax revenue and NTR were on lower side.

1.3.1.1 Tax revenue

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

Table 1.7: Components of Tax Revenue

Revenue Head	2011-12	2012-13	2013-14	2014-15	2015-16
Taxes on sales, trades etc.	2,477 (18)	2,728 (10)	3,141(15)	3,661(17)	3,993 (9)
State excise	707 (26)	810 (15)	952(18)	1,044(10)	1,131 (8)
Taxes on vehicles	176 (8)	196 (11)	208 (6)	220 (6)	317(44)
Stamp duty and registration fees	155 (17)	173 (12)	188 (9)	190 (1)	206 (8)
Taxes and duties on electricity	185(-39)	262 (42)	191(27)	333(74)	551(65)
Land revenue	18(260)	24 (33)	10(-58)	17(70)	7(-59)
Taxes on goods and passengers	94 (1)	101 (7)	105 (4)	110(5)	115 (5)
Other taxes	296 (4)	332(12)	326(-2)	365(12)	376 (3)
Total	4,108 (13)	4,626 (13)	5,121 (11)	5,940 (16)	6,696 (13)

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

Tax revenue increased by ₹ 2,588 crore (63 per cent) during 2011-16 and ₹ 756 crore (13 per cent) during 2015-16 over the previous year. All the major taxes and duties recorded increase in the tax revenue mainly under: (a) Taxes and duties on electricity by ₹ 218 crore (65 per cent); (b) taxes on vehicles by ₹ 97 crore (44 per cent); (c) taxes on sales, trades, etc. by ₹ 332 crore (9 per cent) due to increase in tax collection under 'VAT' and (d) State excise by ₹ 87 crore (8 per cent).

1.3.1.2 Non-tax revenue

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

Table 1.8: Components of Non-Tax Revenue

Revenue Head	2011-12	2012-13	2013-14	2014-15	2015-16
Interest receipts	115 (64)	70 (-39)	119 (70)	101(-15)	94(-7)
Dividends and profits	86 (34)	100 (16)	103 (3)	171(66)	112(-35)
Other non-tax receipts, of which-	1,714 (10)	1,207(- 30)	1,563 (29)	1,809(16)	1,631(-10)
Misc. General Services	40 (1900)	9(-78)	6(-33)	3(-50)	19(533)
Education, Sports, Arts and Culture	104(27)	112(8)	157(40)	161(3)	206(28)
Forestry and Wild life	107(65)	64(-40)	358(459)	116(-68)	34(-71)
Other Administrative Services	26(-16)	46(77)	26(-43)	36(38)	33(-8)
Non-ferrous mining and metallurgical Industries	120(5)	148(23)	111(-25)	162(46)	155(-4)
Power	1,146(5)	637(-44)	696(9)	1,122(61)	924(-18)
Others	171(-2)	191(12)	209(9)	209 (-)	260(24)
Total	1,915 (13)	1,377 (-28)	1,785 (30)	2,081(17)	1,837(-12)

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

The NTR decreased by ₹ 244 crore (12 per cent) in 2015-16 over the previous year. Other non-tax receipts showed a decline of 10 per cent in 2015-16. The decrease in NTR was mainly under Forestry and Wildlife by ₹ 82 crore (71 per cent), Power by ₹ 198 crore (18 per cent), dividends and profits and interest receipts by ₹ 66 crore (24 per cent).

1.3.1.3 Cost of collection

Expenditure on collection of taxes on Sales, trade was ₹ 3.92 crore, State excise ₹ 4.15 crore, goods and passengers ₹ 34.30 crore, stamp duty and registration fee ₹ 2.20 crore, vehicles ₹ 6.41 crore and electricity ₹ 1.79 crore during 2015-16. Percentage of expenditure to gross collection of revenue was 0.10, 0.37, 29.83, 1.07, 2.02 and 0.32 respectively. The percentage of collection charges in respect of goods and passenger tax (29.83) was comparatively higher than collection charges for other heads of revenue.

1.3.2 Transfers from GoI to State

Total transfers from GoI to the State for the period 2011-12 to 2015-16 shows continuous increase (except 2013-14) as given in **Table 1.9**.

Table 1.9: Transfer from GoI

Particulars	₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Grants-in-Aid from Government of India	6,521	7,313	6,314	7,178	11,296
State's share of Union Taxes and Duties	1,999	2,282	2,491	2,644	3,611
Total Central Transfer to State	8,520	9,595	8,805	9,822	14,907

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 1.9 (A)**.

Table 1.9 (A): Grants-in-aid from GoI

Particulars	₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Non-Plan Grants	2,647	2,526	2,025	1,199	8,524
Grants for State Plan Schemes	3,342	4,179	3,765	4,333	756
Grants for Central Plan Schemes	27	28	17	31	38
Grants for Centrally Sponsored Plan Schemes	505	580	507	1,615	1,978
Total	6,521	7,313	6,314	7,178	11,296
Percentage of increase over previous year	15.25	12.15	(-)13.66	13.68	57.36
Percentage of Revenue Receipts	45	47	40	40	48

Total grants-in-aid from GoI increased from ₹ 6,521 crore to ₹ 7,313 crore during the period 2011-13 (**Tables 1.9 and 1.9 (A)**). But it decreased by ₹ 999 crore to ₹ 6,314 crore during the year 2013-14 mainly due to decrease of ₹ 554 crore in Th FC grants and ₹ 414 crore in grants for State Plan schemes. During 2014-15 grants-in-aid from GoI increased by ₹ 864 crore, recording a growth of 14 per cent over the

previous year. However, in 2015-16 it increased significantly by ₹ 4,118 crore (57 per cent) due to net increase of ₹7,325 crore in XIVth FC Non-plan Grants and decrease of ₹3,577 crore in State Plan Schemes over the previous year. Its percentage to revenue receipts ranged between 40 and 48 per cent during the period 2011-16. In total grants-in-aid from GoI, the share of Non-plan grants was 75 per cent, State and Central Plan Schemes was 7 per cent and Centrally Sponsored Plan schemes was 18 per cent during the year 2015-16.

1.3.2.2 Central tax transfers

Central tax transfers increased by ₹ 967 crore (37 per cent) on the recommendations of the XIVth FC from ₹ 2,644 crore in 2014-15 to ₹ 3,611 crore in 2015-16 as given in Table 1.10.

Table 1.10: Central tax transfers during 2014-15 and 2015-16

(₹ in crore)				
Name of Tax	Recommendation of XIV th FC	Actual for 2014-15	Actual for 2015-16	Variation
Corporation Tax	States' share in the net proceeds of Union tax revenues increased to 42 per cent in 2015-16 from 32 per cent upto 2014-15	923.41	1,135.61	212.20
Income Tax		659.41	786.68	127.27
Wealth Tax		2.50	0.32	(-) 2.18
Customs		427.66	579.13	151.47
Union Excise Duty		241.48	484.57	243.09
Other Taxes and Duties on Commodities and Services		--	2.93	2.93
Service Tax		389.69	621.90	232.21
Other Taxes on Income and Expenditure		0.02	0.03	0.01
Total		2,644.17	3,611.17	967.00

1.4 Capital Receipts

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

Table 1.11: Trends in growth and composition of capital receipts

(₹ in crore)					
Sources of State's Receipts	2011-12	2012-13	2013-14	2014-15	2015-16
Capital Receipts (CR)	2,009	3,392	4,067	11,568	6,155
Rate of growth of CR (per cent)	(-) 35.81	68.84	19.89	184.44	(-) 46.79
Miscellaneous Capital Receipts	--	--	--	650	--
Recovery of Loans and Advances	25	21	17	41	26
Rate of growth of non-debt capital receipts (Loans and Advances only)	(-) 65.75	(-) 16.00	(-) 19.05	141.18	(-) 36.83
Public Debt Receipts	1,984	3,371	4,050	10,877	6,129
Rate of growth of debt capital receipts	(-) 17.71	69.91	20.14	168.57	(-) 43.65

Above table shows that the capital receipts increased from ₹ 2,009 crore in 2011-12 to ₹ 6,155 crore in 2015-16. During 2015-16, capital receipts recorded decrease of ₹ 5,413 crore over the previous year (2014-15) with growth rate declining to 46.79 per cent. It was due to decrease in public debt receipts by ₹ 4,748 crore (43.65 per cent) and recovery of loans and advances by ₹ 15 crore during 2015-16. 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 SC/ST development Corporation, HP State Co-operative Marketing and Consumer Federation (HIMFED), HP Power Transmission Corporation, HP State Financial Corporations, etc. As on 31 March 2016, the total outstanding loans and advances amounted to ₹ 2,784 crore. Against this, the State Government recovered only ₹ 26 crore during 2015-16. Besides, ₹ 53 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 2011-12 to 2015-16 continued to be a source of receipts of the State Government.

Table 1.12: Details of debt receipts from internal sources

	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Market Loans	1,325 (70)	2,359 (73)	2,367 (59)	2,345 (22)	2,450 (40)
Special Securities issued to National small Savings fund of the Central Government (NSSF)	279 (14)	471 (15)	617 (15)	1,102 (10)	1,307 (22)
Ways and means advances (including overdrafts) (WMA including OD)	--	--	629(16)	6,860 (64)	1,785 (29)
Loans from National Bank for Agricultural and Rural Development (NABARD)	300 (16)	400 (12)	350 (9)	400 (4)	500 (8)
Loans from Other Financial Institutions	--	9 (--)	28 (1)	45 (--)	37 (1)
Internal Debt Receipts	1,904	3,239	3,991	10,752	6,079
Internal Debt Repayment	1,034	2,056	1,639	8,193	3,876

Figures in brackets indicate the percentage of internal debt receipts

As is evident from the above table, during 2015-16, internal debt receipts decreased from the previous year due to less need for Ways and Means Advances and Overdraft. The major components of internal debt over the last five years were market loans, NSSF and NABARD. In 2015-16, market loans increased by ₹ 105 crore (4 per cent), loans from NSSF increased by ₹ 205 crore (19 per cent) over the previous year. During 2015-16, internal debt receipts decreased by ₹ 4,673 crore (43 per cent) from ₹ 10,752 crore to ₹ 6,079 crore and internal debt repayments also decreased by ₹ 4,317 crore from ₹ 8,193 crore to ₹ 3,876 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 1.13**.

Table 1.13: Position of Loans and advances from GoI

	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Opening Balance	961	947	1,018	1,012	1,070
Addition during the year	80	132	59	125	50
Discharge during the year	94	61	65	67	71
Closing Balance	947	1,018	1,012	1,070	1,049
Percentage of total expenditure	6	5	5	5	4

During the year 2015-16, the receipt of loans and advances for State plan schemes from GoI (₹ 49.52 crore) decreased by 60 *per cent* which was lowest over the last five years.

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 2014-15 and 2015-16 are given in **Table 1.14**.

Table 1.14: Trends in Public Accounts Receipts and Disbursements during 2014-15 and 2015-16
(₹ in crore)

Resources under various heads	Public Account Receipts		Public Account Disbursements		Excess of Receipts over Disbursements	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Small Savings, Provident Fund etc.	3,153	3,116	1,968	2,397	1,185	719
Reserve fund	161	235	159	244	02	(-) 9
Deposits and Advances	2,222	2,408	1,718	2,293	504	115
Suspense and Miscellaneous	487	617	459	651	28	(-) 34
Remittances	4552	5,139	4,540	4,992	12	147
Total	10,575	11,515	8,844	10,577	1,731	938

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

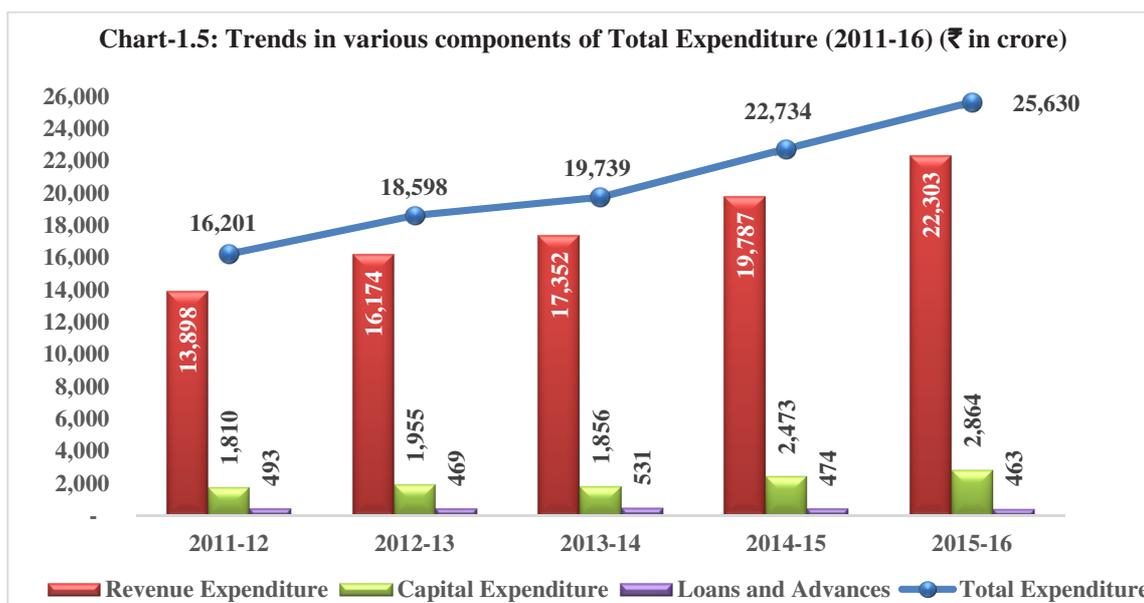
As is evident from the above table, net public account receipts (excess of receipts over disbursements) decreased by ₹ 793 crore from ₹ 1,731 crore in 2014-15 to ₹ 938 crore in 2015-16. The decrease was mainly under Small Savings, Provident Fund, etc. by ₹ 466 crore and under deposits and advances by ₹ 389 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.

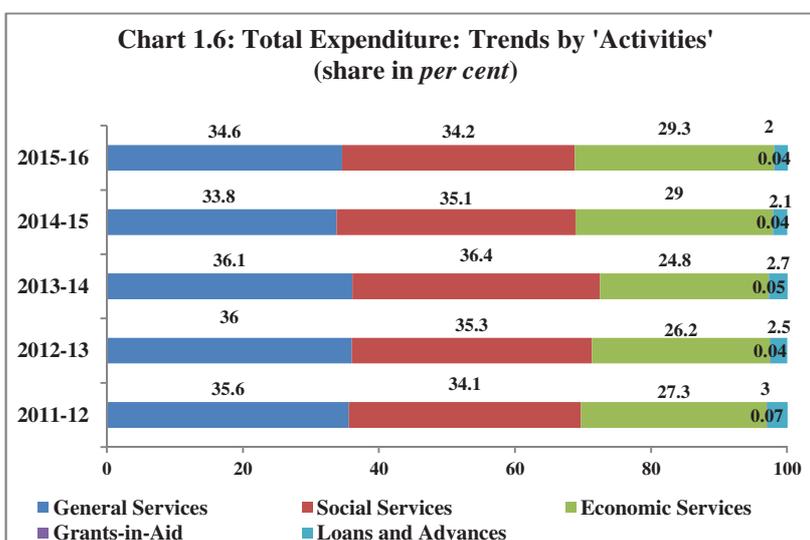
1.6.1 Growth and Composition of Expenditure

Chart 1.5 presents the trends and composition of total expenditure over the last five years (2011-16) 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 ₹ 16,201 crore in 2011-12 to ₹ 25,630 crore in 2015-16 at an annual average rate of 10 per cent. During current year it increased by ₹ 2,896 crore (13 per cent) over the previous year. The increase in total expenditure was on account of increase in revenue expenditure by ₹ 2,516 crore and capital expenditure by ₹ 391 crore.

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

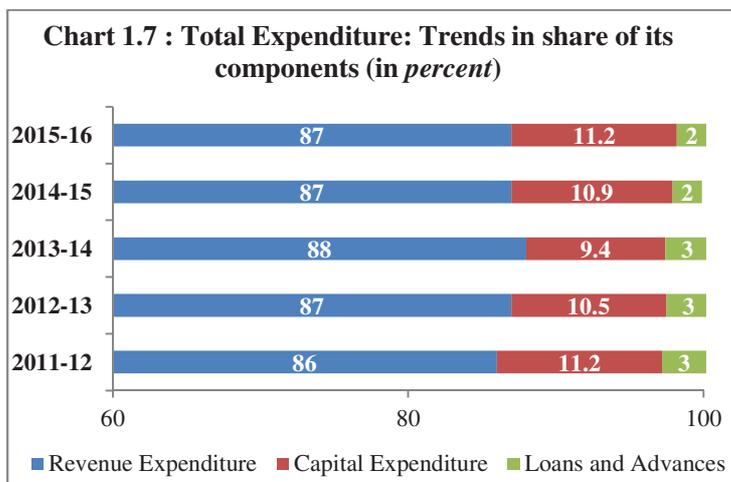


major components of expenditure had inter-year variations. Expenditure on General Services (including interest payments) which is considered as non-developmental increased from 35.6 per cent in 2011-12 to 36.1 per cent in 2013-14 but gradually decreased to 34.6 per cent in 2015-16. The expenditure under

General Services was mainly on account of Interest Payments (36 per cent) and Pension and Other Retirement Benefits (43 per cent). On the other hand, developmental expenditure⁴ i.e. on Social and Economic Services together accounted for 63.5 per cent in 2015-16 against 64.1 per cent during 2014-15.

⁴ Refer Glossary in Appendix 4.

- **Revenue Expenditure (RE):** The revenue expenditure increased by ₹ 2,516 crore (13 per cent) from ₹ 19,787 crore in 2014-15 to ₹ 22,303 crore in 2015-16. The increase was mainly on General Services, Social Services and Economic Services by ₹ 1,184 crore (16 per cent), ₹ 529 crore (7 per cent) and ₹ 801 crore (17 per cent) respectively. The overall increase is the result of significant increase under the heads Interest payments (₹ 306 crore), Power (₹ 306 crore), Rural Employment



(₹ 64 crore) and Health and Family Welfare (₹ 49 crore). The revenue expenditure continued to constitute a dominant proportion (86 to 88 per cent) of total expenditure during the years 2011-16 and increased at an annual average rate of 10 per cent. During 2015-16, the revenue expenditure constituted 87 per cent of the total expenditure.

The Plan Revenue Expenditure increased by ₹ 289 crore (9 per cent) in 2015-16 as compared to the previous year and contributed just 12 to 16 per cent of the total revenue expenditure during 2011-16. The non-plan revenue expenditure (NPRE) increased by ₹ 2,227 crore (13 per cent) in 2015-16 as compared to the previous year and constituted a dominant share of 84 to 88 per cent of revenue expenditure during the period 2011-16. The Non-Plan Revenue Expenditure consumed a dominant proportion (**Appendix-1.3**) of Revenue Receipts and ranged between 80 to 95 per cent during 2011-16.

State's revenue receipts and revenue expenditure stood at 21.21 per cent and 20.18 per cent to GSDP respectively during 2015-16. The State had revenue surplus of ₹ 1,137 crore which was 1.03 per cent of GSDP during the current year.

- **Capital Expenditure (CE):** Capital expenditure increased by ₹ 145 crore from ₹ 1,810 crore to ₹ 1,955 crore during 2011-13 but decreased by ₹ 99 crore in 2013-14 to ₹ 1,856 crore. During 2015-16, Capital expenditure (₹ 2,864 crore) increased by ₹ 391 crore (16 per cent) over the previous year 2014-15 (₹ 2,473 crore). Education, Sports, Arts and Culture (₹ 299 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 354 crore) under Social Services, Power Projects (₹ 265 crore), Irrigation and Flood Control (₹ 142 crore) and Transport (₹ 1327 crore) under economic services were the major beneficiary sectors where capital expenditure had been made during 2015-16. The share of capital expenditure to total expenditure has increased from 10.9 per cent in 2014-15 to 11.2 per cent in 2015-16.
- **Loans and Advances:** constituted ₹ 463 crore (2 per cent) of the total expenditure in 2015-16 which decreased by ₹ 11 crore over the previous year.

1.6.2 Committed Expenditure

The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages, pensions and subsidies. As evident from **Table 1.15**, there is a consistent rise in committed expenditure of the State. The increase in committed expenditure was ₹ 1,529 crore (10 per cent) during 2015-16 over the previous year. It consistently constituted a dominant share of 79, 80, 77, 76 and 74 per cent of revenue expenditure respectively during 2011-16. **Chart 1.8** presents the trends in the expenditure on these components during 2011-16.

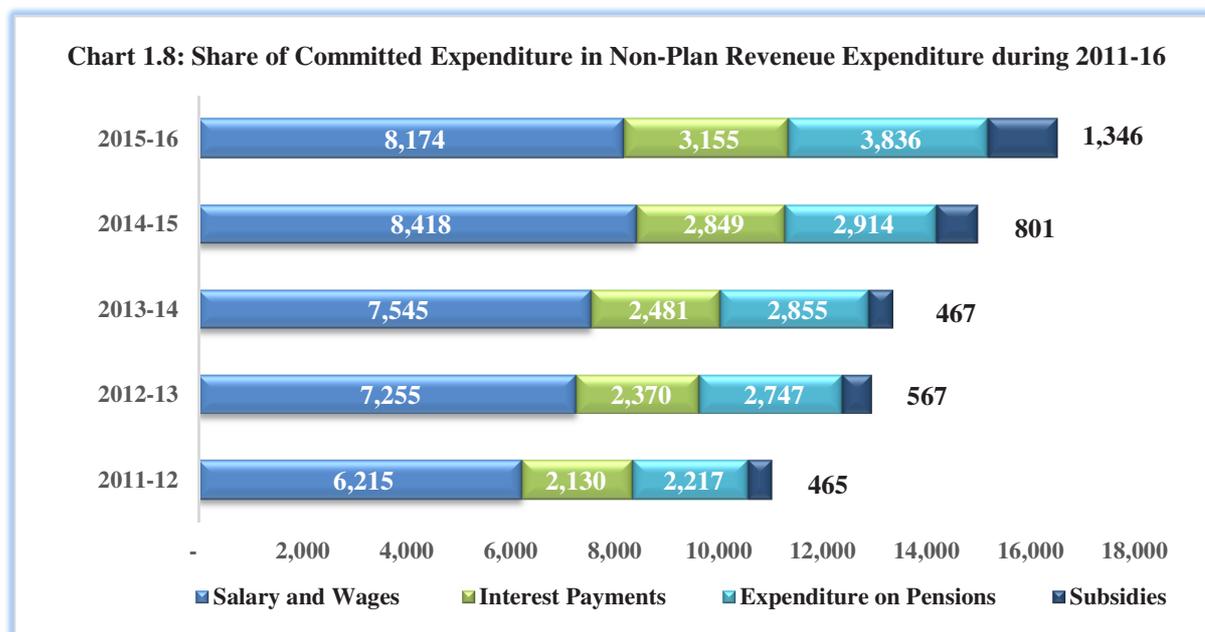
Table 1.15: Components of Committed Expenditure

(₹ in crore)					
Components of Committed Expenditure	2011-12	2012-13	2013-14	2014-15	2015-16
Salaries and Wages, of which	6,215 (43)	7,255 (47)	7,545 (48)	8,418 (47)	8,174* (35)
Non-Plan Head	5,981	6,999	7,289	8,159	7,826
Plan Head	234	256	256	259	348
Interest Payments	2,130 (15)	2,370 (15)	2,481 (16)	2,849 (16)	3,155 (13)
Pensions	2,217 (15)	2,747 (18)	2,855 (18)	2,914 (16)	3,836 (16)
Subsidies	465 (3)	567 (4)	467 (3)	801 (4)	1,346 (6)
Total	11,027	12,939	13,348	14,982	16,511
Percentage to RE	79	80	77	76	74

* Salary: ₹ 7,950 crore; wages: ₹ 224 crore.

Figures in brackets indicate per cent to Revenue Receipts

(₹ in crore)



Salaries and Wages

The expenditure on salaries and wages decreased by ₹ 244 crore (3 per cent) over the previous year and constituted 35 per cent of revenue receipts of the State during 2015-16. The salary expenditure in the current year (₹ 7,950 crore) was within the projections made in Medium Term Fiscal Plan Statement (MTFPS) (₹ 8,285 crore).

Pension Payments

The expenditure on pension payments increased from ₹ 2,217 crore in 2011-12 to ₹ 3,836 crore in 2015-16 and by ₹ 922 crore (32 per cent) during the current year over the previous year. Salary and pension payments together accounted for 51 per cent of the revenue receipts. The actual expenditure on pension payments for the current year was within the projections made in the XIVth FC (₹ 3,846 crore).

Interest Payments

The interest payments increased by 48 per cent from ₹ 2,130 crore in 2011-12 to ₹ 3,155 crore in 2015-16 and increased by ₹ 306 crore (11 per cent) during 2015-16 over the previous year. Interest payments exceeded the normative assessment made by the XIVth FC (₹ 3,088 crore) and from the projections made by State Government in MTFPS (₹ 2,950 crore) for the current year by 2 and 7 per cent respectively. 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 1.15** depicts the rise in subsidies given by the government for the last five years (except 2013-14). Subsidies increased by ₹ 545 crore during 2015-16 and constituted about 6 per cent of the revenue receipts. The major components of subsidies were Energy (₹ 784 crore), Transport (₹ 235 crore), Food and Supply (₹ 168 crore) and Horticulture (₹ 53 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 2011-12 to 2015-16 by the State Government is given in **Table 1.16**.

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

Sr. No.	Name of Institution	(₹ in crore)				
		2011-12	2012-13	2013-14	2014-15	2015-16
1.	Universities and Educational Institutions	314.89 (1)	405.62 (29)	451.55 (11)	601.03(33)	663.67 (10)
2.	Municipal Corporations and Municipalities	122.94 (33)	174.09 (42)	282.33 (62)	211.65 (-25)	321.63 (52)
3.	Panchayati Raj Institutions	263.95(3)	282.09 (7)	353.54 (25)	810.37(129)	926.72 (14)
4.	Development Agencies	46.72(-10)	38.72 (-17)	65.96 (70)	63.52(-4)	80.53 (27)
5.	Hospitals and other Charitable Institutions	69.70 (45)	87.77 (26)	94.63 (8)	216.24 (129)	277.14 (28)
6.	Other Institutions	162.89 (82)	214.82 (32)	189.87 (-12)	253.37 (33)	342.58 (35)
	Total	981.09 (16)	1,203.11 (23)	1,437.88 (20)	2,156.18 (50)	2,612.27 (21)
	Assistance as percentage of Revenue Expenditure	7.06	7.43	8.28	10.90	11.71

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

Figures in brackets indicate the percent increase/decrease over previous year

The grants extended to local bodies and other institutions consistently showed an increasing trend over the period 2011-16. It increased by ₹ 456.09 crore (21.15 per cent) during current year (2015-16) over the previous year. The increase in grants-in-aid during 2015-16 was mainly due to release of more grant to Municipal Corporations and Municipalities (₹ 109.98 crore) (52 per cent), Hospitals and other

Charitable Institutions (₹ 60.9 crore) (28 per cent), Development Agencies (₹ 17 crore) (27 per cent) and Panchayati Raj Institutions (₹ 116 crore) (14 per cent).

1.7 Quality of Expenditure

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

1.7.1 Adequacy of Public Expenditure

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

Table 1.17(A) analyses the fiscal priorities of the State Government with regard to development expenditure (DE), social sector expenditure (SSE) and capital expenditure (CE) relative to Special Category States in 2012-13, 2014-15 and the current year 2015-16.

Table-1.17(A): Fiscal Priority of the State during 2012-13, 2014-15 and 2015-16

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*	22.23	69.92	38.42	31.50	15.53	20.86	5.58
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) 2014-15*	23.80	71.77	40.29	31.49	15.27	21.04	5.90
Himachal Pradesh's Average (Ratio) 2014-15	22.48	66.15	35.08	31.07	10.88	18.81	5.71
Special Category States' Average (Ratio) 2015-16*	21.66	70.41	39.78	30.63	13.95	20.63	6.41
Himachal Pradesh's Average (Ratio) 2015-16	23.19	65.27	34.22	31.04	11.17	17.29	5.53

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.
 * Exclude Jammu and Kashmir
 Source: The information as available on CSO website as on 29th July 2016 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 2015-16 with that in 2012-13 and 2014-15 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 22.48 per cent in 2014-15. However, it was 23.19 per cent in 2015-16 which is higher by

0.71 percentage point over the previous year and higher by 1.53 percentage point from SCS (21.66 per cent).

- Development expenditure as a percentage of aggregate expenditure increased by 2.22 percentage point in 2014-15 from 63.93 per cent in 2012-13 but decreased by 0.88 percentage point in 2015-16 (65.27 per cent) which is lower than the SCS of 70.41 per cent is a matter of concern.
- Social sector expenditure as a proportion of aggregate expenditure in the State was lower than that of SCS by 3.11, 5.21 and 5.56 percentage points in 2012-13, 2014-15 and 2015-16 respectively.
- The ratio of Capital expenditure as a proportion of aggregate expenditure slightly increased by 0.29 percentage point in 2015-16 over the previous year but was below the average of SCS by 2.78 percentage point.
- The ratio under Education sector was below the average of SCS during the period 2012-13, 2014-15 and 2015-16.

1.7.2 Efficiency of expenditure use and its effectiveness

As per **Table 1.17(B)**, salary and wages expenditure decreased by ₹ 106 crore (2 per cent) and ₹ 95 crore (5 per cent) in social services and economic services respectively during the current year 2015-16 as compared to previous year, whereas operation and maintenance expenditure increased by ₹ 186 crore (25 per cent) in social services and decreased by ₹ 19 crore (2 per cent) in economic services. The ratio of capital expenditure to total expenditure in social services and economic services was 0.03 and 0.08 respectively during the period 2015-16 which is a matter of concern.

Table 1.17 (B): Expenditure incurred in various sectors

Year	Total Expenditure	Sector	Revenue Expenditure	Capital Expenditure	Ratio of Capital expenditure to Total expenditure	Revenue expenditure	
						Salaries and wages	Operation and maintenance
2014-15	22,734	Social Services	7,451	522	0.02	4,882	744
		Economic services	4,723	1,868	0.08	2,006	1,166
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

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

1.8 Financial analysis of Government expenditure and investments

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

presents the broad financial analysis of investments and other capital expenditure undertaken by the government during the current year *vis-à-vis* previous years.

1.8.1 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2016 is given in **Table 1.18**. Only those projects where the scheduled date of completion is already over as of 31 March 2016 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 2016
Irrigation and Public Health	10	95.54	58.69	121.34
Building and Roads (Public Works)	02	24.60	--	21.21
Total	12	120.14		142.55

Source: Finance Accounts

In respect of the incomplete projects, revised costs of only five projects of Irrigation and Public Health Department were available where the cost overrun was to the tune of ₹ 3.98 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 75 per cent to 99 per cent with time overrun ranging upto 11 years.

1.8.2 Investment and returns

The Government as on 31 March 2016 had invested ₹ 3,041 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operative Societies (**Table 1.19(A)**). The average return on investment was 4.10 per cent while the government paid an average rate of interest as 7.89 per cent on its borrowings during 2011-16.

Table 1.19(A): Return on Investment

(₹ in crore)						
Investment/ Return/ cost of Borrowing	2011-12	2012-13	2013-14	2014-15	2015-16	Average 2011-16
Investment at the end of the year	2,448	2,767	3,025	2,732	3,041	--
Return (Dividend/interest)	85.65	100.09	103.42	171.00	111.94	--
Return (per cent)	3.50	3.62	3.42	6.26	3.68	4.10
Average rate of interest on government borrowings (per cent)	7.80	8.08	7.71	7.91	7.95	7.89
Difference between interest rate and return (per cent)	4.30	4.46	4.29	1.65	4.27	3.79

Source: Finance Accounts

While the Government investments increased by 11.31 per cent in 2015-16 over (₹3,041 crore) the previous year 2014-15 (₹2,732 crore), the return from investments showed increase during the period 2011-15 from ₹ 85.65 crore in 2011-12 to ₹ 171 crore in 2014-15 but decreased by ₹ 59.06 crore during 2015-16. The main contributor of dividend was Satluj Jal Vidyut Nigam Limited over the last five years (2011-16) period. The major recipients of investments amongst Government Companies, which had accumulated losses as per latest finalised accounts, were

Himachal Pradesh State Electricity Board Limited (₹ 1,875.61 crore), Himachal Road Transport Corporation (₹ 1020.37 crore), Himachal Pradesh Agro-Industrial Packaging India Limited (₹ 78.23 crore), Himachal Pradesh Horticulture Produce Marketing and Processing Corporation Limited (₹ 77 crore), Himachal Pradesh State Forest Corporation Limited (₹ 48.27 crore) and Himachal Pradesh Power Corporation (₹ 41.06 crore).

1.8.2.1 Implementation of UDAY Scheme

The Scheme – UDAY (Ujwal Discom Assurance Yojna) has been launched by Government of India 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. A Tripartite Memorandum of Understanding (MoU) has to be signed between the Ministry of Power (MoP) GOI, Government of Himachal Pradesh (GoHP) and Himachal Pradesh State Electricity Board Limited (HPSEBL) (A Government sector Undertaking).

The accumulated loss of HPSEBL amounted to ₹ 2,218 crore at the end of financial year 2015-16, while the outstanding DISCOM debt level reached to ₹ 4,617.85 crore as on 30.09.2015.

In this regard, the GoHP has agreed to sign MoU (August 2016) and implement UDAY Scheme from the financial year 2016-17, by restructuring 75 per cent of debt of HPSEBL outstanding as of September 2015 on back to back loan basis, wherein all the GoHP UDAY bond proceeds will be transferred to HPSEBL as State Government Loan. HPSEBL will be under obligation to service the State loan as per time schedule of repayment.

Since the UDAY scheme is to be taken up by the GoHP from 2016-17, hence no financial impact is observed during 2015-16 on the fiscal indicators of the State.

1.8.2.2 Investment in Public Sector Undertakings

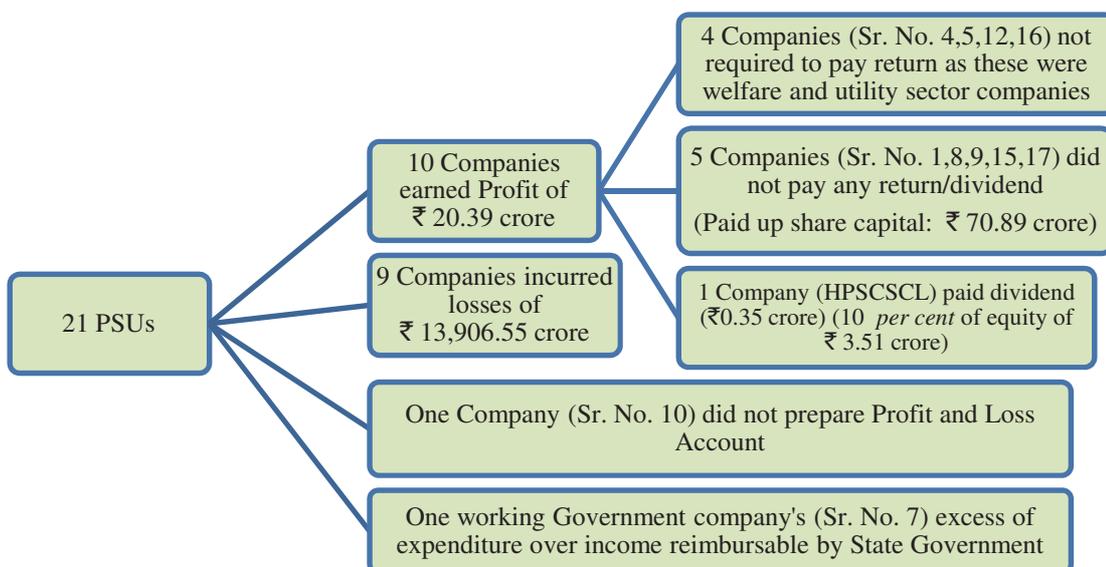
Investment in State Public Sector Undertakings (SPSUs)

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 2015, the paid up share capital of the State Government in 21 PSUs was ₹ 1,807.51 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	1,116.44 (17)	16.75 (2) ⁵	674.32 (2)	1,807.51 (21)

As per latest finalized accounts of the PSUs up to 31 May 2016 the position is given in the following chart and **Appendix 1.7**:



Thus, on the equity of ₹ 1,807.51 crore invested by the State Government in PSUs as on 31 March 2015, it earned only a return of ₹ 0.35 crore which was 0.02 per cent of total paid up share capital as per latest finalized accounts upto May 2016.

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 2016, out of 23 PPP projects undertaken, 9 PPP projects had been completed and under operation and 14 projects were awarded and under implementation as detailed in **Appendix 1.8**.

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 2016, interest receipts *vis-à-vis* interest payments during the last five years is given in **Table 1.20**.

⁵ Out of two Companies (Agro-Packaging India Limited and Himachal Worsteds Mills Limited), one Company viz. Himachal Worsteds Mills Limited was under liquidation.

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

	(₹ in crore)				
Quantum of loans/interest receipts/ cost of borrowings	2011-12	2012-13	2013-14	2014-15	2015-16
Opening Balance	483	951	1,399	1,913	2,346
Amount advanced during the year	493	469	531	474	463
Amount repaid during the year	25	21	17	41	25
Closing Balance	951	1,399	1,913	2,346	2,784
Net addition	468	448	514	433	438
Interest Receipts	21	14	15	65	53
Interest receipts as <i>per cent</i> to outstanding loans and advances	2.21	1.19	0.78	2.77	1.90
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the previous year	8.06	8.39	8.15	8.41	8.26
Difference between average rate of interest received and interest paid (<i>per cent</i>)	(-) 5.85	(-) 7.20	(-) 7.37	(-) 5.64	(-) 6.36

Source: Finance Accounts

As can be seen from the **Table 1.20**, the total outstanding loans and advances as on 31 March 2016 was ₹ 2,784 crore. Against ₹ 463 crore advanced during 2015-16, only ₹ 25 crore was repaid. Major portion of the loans went to power sector companies (₹ 412.26 crore) and to Crop Husbandry (₹ 26.09 crore) under Economic Sector. 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 2014-15 was 5.64 *per cent* which increased to 6.36 *per cent* during 2015-16. The Government received only 1.90 *per cent* return of interest receipts as percentage to outstanding loans during 2015-16. It, however, paid an average 8.26 *per cent* interest on borrowings during this period.

The position of loans and advances made during the year 2015-16 is given in **Table 1.21**.

Table 1.21: Loans and Advances

Loanee-Entity	Number of Loans	Total Amount of loans (₹ in crore)	Terms and conditions	
			Rate of Interest	Moratorium period, if any
Himachal Pradesh SCs/STs Development Corporation.	3	0.35	Interest free	--
HP State Co-operative Marketing and Consumer Federation	4	26.09	Interest free	--
HP Power Corporation Ltd.	12	327.26	10 <i>per cent</i>	5 years
HP Power Transmission Corporation Ltd.	5	85.00	10 <i>per cent</i>	5 years
HP State Financial Corporation	5	11.05	8.5 <i>per cent</i>	7 years
Government Servants	--	13.42	--	--
Total:-	29	463.17		

Source: Finance Accounts

Out of ₹ 463.17 crore, loans amounting to ₹ 26.44 crore were advanced as interest free, ₹ 412.26 crore at the rate of 10 *per cent* and ₹ 11.05 crore at the rate of 8.5 *per cent*. Besides, ₹ 13.42 crore was advanced to the government servants. The State Government moratorium period ranged between five and seven years.

1.8.3.1 Sanctioning/advancing of loans without finalizing terms and conditions

An amount of ₹ 18.48 crore had been sanctioned as loan during the period 2008-09 to 2013-14 without finalizing the terms and conditions. The details are given in **Table 1.22**.

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

Sr. No.	Loanee-Entity	Number of Loans	Total Amount (₹ in crore)	Earliest period to which arrears relate
1.	Himachal Pradesh Agro-Industries Corporation	1	2.54	2013-14
2.	Municipal Corporation, Shimla	1	2.00	2008-09
3.	Himachal Pradesh Scheduled Castes and Scheduled Tribes Development Corporation	8	0.76	2013-14
4.	HP Agro-Industries and HPMC	7	13.18	2009-10
	Total	17	18.48	

Source: Finance Accounts

1.8.4 Cash Balances and Investment of Cash Balances

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

Table 1.23: Cash Balances and Investment of Cash Balances

(₹ in crore)

Particulars	As on 1 April 2015	As on 31 March 2016	Increase (+)/ Decrease (-)
(a) General cash balance			
Cash in treasuries	-	-	
Remittance in transit-Local	-	-	
Deposits with RBI	(-) 739.51	(-) 340.76	398.75
Investments held in cash balance Investment account	-	556.80	
(b) Other cash balances and investments			
Cash with departmental officers viz. PWD, etc.	0.16	0.16	
Permanent advances for contingent expenditure with departmental officers	0.03	0.03	
Total (a+b)	(-) 739.32	216.23	955.55
(c) Investment from Cash Balances			
GoI Treasury Bills	-	556.80	
GoI Securities	6,675.64	7,650.79	975.15
(d) Funds-wise break up of investment from earmarked balances			
	-	-	
(e) Interest realised	9.90	39.59	29.69

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

As per Statements 2 (Annexure-A) and 17 of Finance Accounts, ₹ 533.77 crore were outstanding on ways and means advances and overdrafts at the end of 2014-15. During 2015-16, State Government could maintain minimum daily cash balance for 334 days. The Government had to take ₹ 1,785.40 crore of ways and means advances

(₹ 884.17 crore) and overdrafts (₹ 901.23 crore) from RBI on 25 and 06 occasions respectively. Out of total ₹ 2,319.18 crore Ways and Means Advances and Overdraft, all were repaid during 2015-16.

It was noticed in audit that cash balance of the State Government at the end of the current year increased by ₹ 955.55 crore from negative balance of ₹ 739.32 crore in 2014-15 to ₹ 216.23 crore in 2015-16. Interest income increased by ₹ 29.69 crore during 2015-16 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 2016, compared with the corresponding position on 31 March 2015. 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 2015-16, the assets grew by ₹ 4,257.29 crore (16.47 per cent) whereas the liabilities increased by ₹ 3,119.62 crore (8.06 per cent) over the previous year. The Financial Assets/Liabilities increased to 72 per cent in 2015-16 from 70 per cent in 2011-12 and 67 per cent in 2014-15.

1.9.2 Fiscal Liabilities

The position of outstanding fiscal liabilities of the State for a five year period viz. 2011-12 to 2015-16 are presented in **Appendix 1.3 and Table 1.24**. The composition of fiscal liabilities during the current year 2015-16 *vis-à-vis* the previous years are presented in **Chart 1.9**.

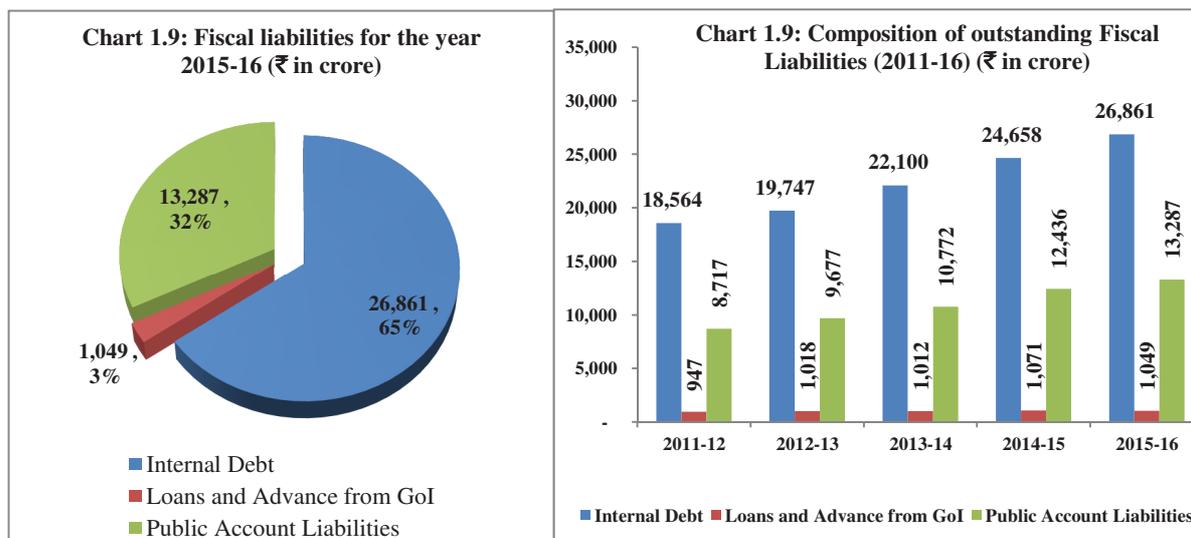
Table 1.24: Fiscal Liabilities – Basic Parameters

	2011-12	2012-13	2013-14	2014-15	2015-16
Fiscal Liabilities (₹ in crore)	28,228	30,442	33,884	38,192	41,197
Rate of Growth (per cent)	6.86	7.84	11.31	12.71	7.87
Ratio of Fiscal Liabilities to					
GSDP* (per cent)	38.82	36.99	36.60	37.77	37.28
Revenue Receipts (per cent)	194.10	195.17	215.67	214.04	175.76
Own resources (per cent)	468.67	507.11	490.65	476.15	482.80
Buoyancy of Fiscal Liabilities to					
GSDP (ratio)	--	0.60	0.90	1.38	0.85
Revenue receipts (ratio)	0.48	1.08	15.71	0.94	0.25
Own resources (ratio)	0.53	(-) 23.76	0.75	0.79	1.24

*GSDP revised on base year 2011-12

The overall fiscal liabilities of the State increased by ₹ 12,969 crore (46 per cent) from ₹ 28,228 crore in 2011-12 to ₹ 41,197 crore in 2015-16. Fiscal liabilities of the State comprised Consolidated Fund liabilities and Public Account liabilities. The Consolidated Fund liability (₹ 27,910 crore) comprised market loans (₹ 16,860 crore),

loans from GoI (₹ 1,049 crore) and other loans (₹ 10,001 crore, which includes ₹ 7,651 crore on special security issued to NSSF of the GoI).



The Public Account liabilities (₹ 13,287 crore) comprise Small Savings and Provident Funds (₹ 10,640 crore), interest bearing obligations and non-interest bearing obligations like deposits (₹ 2,428 crore) and reserve funds (₹ 219 crore).

The growth rate of fiscal liabilities was 8 per cent during 2015-16. The ratio of fiscal liabilities to GSDP decreased to 36.60 per cent in 2013-14 from 38.82 per cent in 2011-12 but slightly increased to 37.77 per cent in 2014-15. In 2015-16, it decreased to 37.28 per cent from 37.77 per cent in 2014-15. These liabilities stood at 1.76 times the revenue receipts and 4.83 times the own revenue resources at the end of 2015-16. The buoyancy ratio of fiscal liabilities to GSDP stood at 0.85 during 2015-16. This is indicative of the fact that fiscal liabilities growth rate is less 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 ₹ 219.32 crore (Credit). Out of this, reserve fund bearing interest held ₹ 0.71 crore (credit) and the share of the fund not bearing interest was ₹ 218.62 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 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 were ₹ 41,197 crore. Had there been a consolidated sinking fund, the liability of the

State Government towards the fund would have been ₹ 190.96 crore (0.5 per cent of outstanding liabilities) in 2015-16. So 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 ₹ 21.41 crore as on 31 March 2016.

1.9.3.3 Inoperative Reserve Funds

Mention was made in previous Audit Reports on State Finances that two reserve funds with accumulated balance of ₹1.54 crore viz. Major Head 8115-Depreciation/ Renewal Reserve Funds-103-Depreciation Reserve Funds - Government Commercial Departments and Undertakings (₹ 0.01 crore) and the Major Head 8226-Depreciation/ Renewal Reserve Fund-101- Depreciation Reserve Funds of Government Commercial Departments/ Undertakings (₹ 1.53 crore) had remained inoperative since 1971. Thus, the State Government has neither taken any action to make these funds operational or to close them.

1.9.4 Contingent Liabilities

1.9.4.1 Status of Guarantees

Guarantees⁶ 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 1.25**.

Table 1.25: Guarantees given by the Government of Himachal Pradesh

Guarantees	2011-12	2012-13	2013-14	2014-15	2015-16
Outstanding amount of guarantees (₹ in crore)	3,316	3,353	4,333	4,281	3,714
Percentage of outstanding amount of guarantees to total revenue receipts in the preceding financial year	26	23	28	27	21

The outstanding amount ₹ 3,714 crore of guarantees during the current year was in respect of Power Sector (₹ 2,651 crore), three Statutory Boards/Corporations (₹ 707 crore), seven Government Companies (₹ 100 crore), one Co-operative Bank (₹ 227 crore), State Financial Corporation (₹ 24 crore) and one Local/Autonomous Body (₹ 5 crore). No amount of guarantee was invoked during the current year. The State Government had not furnished information regarding issue of letter of comfort during 2015-16.

⁶ Refer Glossary in Appendix 4.

1.10 Debt Management

1.10.1 Debt Profile

Table 1.26: Growth rate and maturity profile of debt

		(₹ in crore)				
Sr. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
1.	Internal Debt	18,564 (95)	19,747 (95)	22,099 (96)	24,658 (96)	26,861(96)
	(i) Market Loans	10,147 (52)	11,809 (57)	13,565 (59)	15,196 (59)	16,860(60)
	(ii) Ways and Means Advances from RBI	--	--	285 (1)	285 (1)	--
	(iii) Overdrafts	--	--	171 (1)	249 (1)	--
	(iv) Loans from Financial Institutions	3,354 (17)	2,589 (12)	2,306 (10)	2,252 (9)	2,350(8)
	(v) Special Securities issued to NSSF	5,063 (26)	5,349 (26)	5,772 (25)	6,676 (26)	7,651(28)
2.	Loans from Government of India	947 (5)	1,018 (5)	1,012 (4)	1,071 (4)	1,049(4)
Total Public Debt:		19,511	20,765	23,111	25,729	27,910
Maturity Profile of State Debt (In Years)						
	0 – 1	1,496.44(8)	1,533(8)	1,923(8)	2,046 (8)	2,268(8)
	1 – 3	3,408.68(17)	2,946(14)	3,514(15)	4,837(19)	6,236(22)
	3 – 5	2,853.82(15)	4,349(21)	5,470(24)	4,929(19)	4,331(16)
	5 – 7	4,291.81(22)	4,380(21)	3,162(14)	3,192(12)	4,339(16)
	7 and above	7,459.94(38)	7,557(36)	9,042(39)	10,725(42)	10,736(38)

Figures in brackets indicate the percentage of total public debt

Total public debt increased from ₹ 19,511 crore in 2011-12 to ₹ 27,910 crore in 2015-16 registering annual average growth rate of 8.42 per cent. The share of market borrowings in total public debt consistently went up from 52 per cent in 2011-12 to 60 per cent in 2015-16. During current year (2015-16), total public debt increased by 8.48 per cent over the previous year.

The maturity profile of the State debt indicates that 8 per cent (₹ 2,268 crore) of the public debt is payable in the next year. Thirty eight per cent (₹ 10,567 crore) is payable in the next 1-5 years' time while the remaining 54 per cent (₹ 15,075 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 62 per cent debt within 7 years which is not a very comfortable position and could lead towards 'debt trap'.

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

Table 1.27: Per capita debt

	2011-12	2012-13	2013-14	2014-15	2015-16
Population (In crore)	0.6901	0.6962	0.7023	0.7084	0.7147
Total Debt (₹ in crore)	28,228	30,442	33,884	38,192	41,197
Per capita debt (in ₹)	40,904	43,726	48,247	53,913	57,642

Source: Finance Accounts and Economics and Statistics Department

Table 1.27 shows that per capita debt had shown increasing trend from ₹ 40,904 in 2011-12 to ₹ 57,642 during 2015-16 (an increase of 41 per cent in five years' time). It increased from ₹ 3,729 (7 per cent) during 2015-16 over the previous year.

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 sustainability⁷ of the State. The analysis of variations in debt sustainability indicators of the State for the period of five years beginning from 2011-12 is given in **Table 1.28**.

Table 1.28: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	2011-12	2012-13	2013-14	2014-15	2015-16
Rate of Growth of Outstanding Debt	6.86	7.84	11.31	12.71	7.87
Rate of Growth of GSDP	--	13.16	12.51	9.20	9.30
Outstanding Debt/GSDP (<i>per cent</i>)	38.82	36.99	36.60	37.77	37.28
Average Interest Rate of Outstanding Debt (<i>per cent</i>)	7.80	8.08	7.71	7.91	7.95
Burden of Interest Payments (Interest/ Revenue Receipt) (<i>per cent</i>)	14.65	15.19	15.79	15.97	13.46
Debt Repayment/ Debt Receipts (<i>per cent</i>)	56.85	62.80	42.07	75.94	64.42
Net Debt Available to the State (₹ in crore)	(-) 292	(-) 134	961	1,459	(-) 149

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

- The growth rate of outstanding debt has shown increasing trend whereas GSDP showed a declining trend during 2011-15. During 2015-16, the growth rate of outstanding debt decreased by almost 5 *per cent* as the State resorted to less Ways and Means Advances and Overdraft during this period. This was due to heavy Central devolutions to State on the recommendations of the XIVth FC.
- Average interest rate of outstanding debt remained almost static during 2011-16.
- Almost 15-16 *per cent* revenue receipts of the State were utilised for Interest payments during 2011-15. During 2015-16, interest payments accounted for 13.46 *per cent* of the revenue receipts.
- 42.07 to 75.94 *per cent* of debt receipts were used for its repayments during 2011-16 leaving less debt receipt for development activities from the total borrowings, a situation heading towards 'debt trap'.
- The net funds available from debt after providing for repayments (including interest) remained positive and stood at ₹ 961 crore in 2013-14 and ₹ 1,459 crore in 2014-15 against negative availability of funds of ₹ 292 crore and ₹ 134 crore in 2011-12 and 2012-13 respectively. During 2015-16, it again turned to negative (₹ 149 crore) implying that the non-debt receipts of the State were sufficient to meet its interest burden and primary expenditure.

1.10.3.1 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

⁷ Refer glossary in Appendix 4.

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 2011-12 to 2015-16 is given in **Table 1.29**.

Table 1.29: Details of Market Loans raised and repayments made by the Government during 2011-12 to 2015-16

(₹ in crore)

Year	Amount of market borrowings				
	Raised	For the purpose of repayment		For the purpose of expenditure	
		Amount	Per cent	Amount	Per cent
2011-12	1,325	403	30	922	70
2012-13	2,360	698	30	1,622	70
2013-14	2,367	611	26	1,756	74
2014-15	2,345	714	30	1,631	70
2015-16	2,450	786	32	1,664	68

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 regarding Government using fresh market borrowings to meet the past obligations. In spite of this, during 2015-16, Government also utilised 32 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

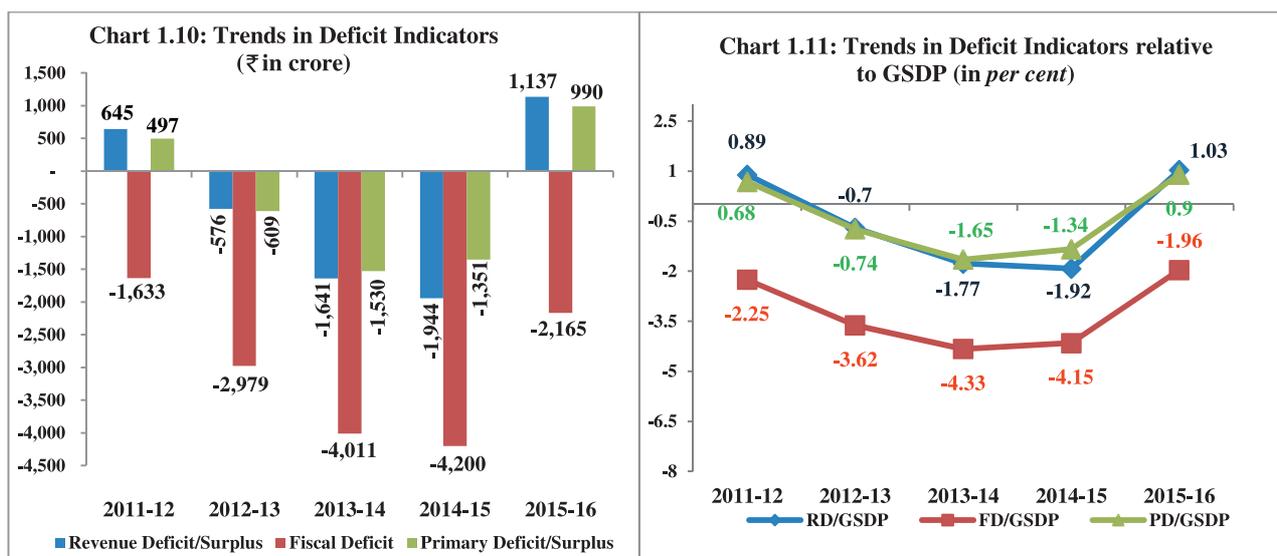
Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit 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 2015-16.

1.11.1 Trends in Deficits

Table 1.30 and **Charts 1.10** and **1.11** present the trends in deficit indicators (revenue, fiscal and primary) over the period 2011-16:

Table 1.30: Trends in deficits

	2011-12	2012-13	2013-14	2014-15	2015-16
Deficits (₹ in crore)					
Revenue Deficit(-)/Revenue Surplus (+)	(+) 645	(-) 576	(-) 1,641	(-) 1,944	(+) 1,137
Fiscal Deficit (-)/Fiscal Surplus (+)	(-) 1,633	(-) 2,979	(-) 4,011	(-) 4,200	(-) 2,165
Primary Deficit (-)/Surplus (+)	(+) 497	(-) 609	(-) 1,530	(-) 1,351	(+) 990
Management of Fiscal Imbalances (In per cent)					
Revenue deficit (surplus)/GSDP	(+) 0.89	(-) 0.70	(-) 1.77	(-) 1.92	(+) 1.03
Fiscal deficit/GSDP	(-) 2.25	(-) 3.62	(-) 4.33	(-) 4.15	(-) 1.96
Primary Deficit (surplus) /GSDP	(+) 0.68	(-) 0.74	(-) 1.65	(-) 1.34	(+) 0.90



The revenue deficit was required to be brought down to zero during 2011-12 and maintain revenue surplus thereafter as per the FRBM Act/ Th FC. However, the target of bringing down the revenue deficit to zero had been achieved in 2011-12 but could not be maintained thereafter. The State experienced a situation of huge deficit during 2012-13, 2013-14 and 2014-15 in all deficit indicators.

During 2015-16, the revenue deficit of ₹1,944 crore in 2014-15 turned to revenue surplus of ₹ 1,137 crore due to sharp increase in revenue receipts by 31 per cent as against increase in revenue expenditure by 13 per cent over the previous year.

The fiscal deficit which represents the total borrowings of Government and is total resource gap, steadily increased from ₹1,633 crore in 2011-12 to ₹4,200 crore in 2014-15 and then decreased to ₹ 2,165 crore during 2015-16 as a result of increase in revenue receipts (₹ 5,597 crore) over the previous year mainly due to increase in share of Union taxes and Grant-in-Aid from GoI. Fiscal deficit was 1.96 per cent of GSDP during current year which was well within the target fixed in FRBM Act and projections made by XIVth FC (i.e. 3 per cent).

Primary deficit during the period 2012-13 (₹ 609 crore), 2013-14 (₹ 1,530 crore) and 2014-15 (₹ 1,351 crore) turned to primary surplus (₹ 990 crore) in 2015-16 due to significant increase in revenue receipts.

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 1.31**.

Table 1.31: Components of Fiscal Deficit and its Financing Pattern

		(₹ in crore)				
	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Components of Fiscal Deficit						
1	Revenue Deficit/surplus	(+) 645 (0.89)	(-) 576 ((-) 0.70)	(-) 1,641 ((-) 1.77)	(-) 1,944 ((-) 1.92)	1,137 (1.03)
2	Net Capital Expenditure	1,810(2.49)	1,955(2.38)	1,856(2.00)	1,823(1.80)	2,864(2.59)
3	Net Loans and Advances	468(0.64)	448(0.54)	514(0.56)	433(0.43)	437(0.40)
4	GSDP	72,720	82,294	92,589	1,01,108	1,10,511

	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	922	1,662	1,757	1,631	1,664
2	Loans from GoI	(-) 13	71	(-) 6	59	(-) 22
3	Special Securities Issued to NSSF	127	286	424	904	975
4	Loans from Financial Institutions	(-) 180	(-) 764	173	24	(-) 436
5	Small Savings, PF, etc.	636	1,112	887	1,185	718
6	Deposits and Advances	178	(-) 156	207	504	115
7	Suspense and Misc.	(-) 119	756	267	28	(-) 590
8	Remittances	(-) 127	(-) 174	(-) 23	12	148
9	Others	209	186	325	(-) 147	(-) 407
10	Overall Surplus/Deficit	(-) 1,633	(-) 2,979	(-) 4,011	(-) 4,200	(-) 2,165

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

Table 1.31 shows that the fiscal deficit decreased by ₹ 2,035 crore due to the revenue surplus during 2015-16 over the previous year. The fiscal deficit of ₹ 2,165 crore was financed mainly through borrowings from Market (₹ 1,664 crore), Special Securities issued to National Small Savings Fund (₹ 975 crore), Small Savings, Provident Fund, etc. (₹ 718 crore) and Deposits and Advances (₹ 115 crore).

The net capital expenditure as *per cent* of GSDP declined from 2.49 *per cent* in 2011-12 to 1.8 *per cent* in 2014-15. However, it was 2.59 *per cent* of GSDP in 2015-16.

1.11.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit indicates the extent to which the deficit had been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy. The ratio of revenue deficit to fiscal deficit ranged from 0.19 to 0.49 during 2011-15. During 2015-16, State experienced revenue surplus ₹ 1,137 crore (**Appendix 1.3**).

The bifurcation of the factors resulting into primary deficit or surplus of the Government during the period 2011-16 are indicated in **Table 1.32**.

Table 1.32: Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)							
Year	Non-debt receipts	Primary Revenue Expenditure (PRE)	Capital Expenditure	Loans and Advances	Total Primary Expenditure (3+4+5)	Primary revenue surplus (2-3)	Primary deficit (-)/ surplus (+) (2-6)
1	2	3	4	5	6	7	8
2011-12	14,568	11,768	1,810	493	14,071	2,800	(+) 497
2012-13	15,619	13,804	1,955	469	16,228	1,815	(-) 609
2013-14	15,728	14,871	1,856	531	17,258	857	(-) 1,530
2014-15	18,534	16,938	2,473	474	19,885	1,596	(-) 1,351
2015-16	23,466	19,149	2,864	463	22,476	4,317	(+) 990

It may be seen from the table that though the non-debt receipts increased from ₹ 14,568 crore in 2011-12 to ₹ 23,466 crore in 2015-16 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). However, during 2011-12 and 2015-16, non-debt receipts were sufficient to meet the expenditure requirements both under revenue and capital account resulting in primary surplus of ₹ 497 crore and ₹ 990 crore in 2011-12 and 2015-16 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 2012-13. A discussion in the Public Accounts Committee on these Reports is yet to commence.

1.13 Conclusion

The State achieved the target of reduction of revenue deficit to zero in 2011-12 as it reached a revenue surplus during the year but could not maintain the surplus thereafter 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, the revenue deficit of ₹ 1,944 crore of 2014-15 once again turned to revenue surplus and stood at ₹ 1,137 crore due to sharp increase in revenue receipts by 31 *per cent* as against increase of 13 *per cent* in revenue expenditure.

The Fiscal deficit decreased from ₹ 4,200 crore in 2014-15 to ₹ 2,165 crore during 2015-16 and the State kept fiscal deficit relative to GSDP (1.96 *per cent*) below the limit prescribed under FRBM/XIVth FC (i.e. 3 *per cent*). Primary deficit ₹ 1,351 crore in 2014-15 turned to surplus (₹ 990 crore) during 2015-16 due to significant increase in revenue receipts as a result of central transfers on the recommendations of XIVth FC.

During 2015-16, revenue receipts (₹ 23,440 crore) of the State grew by ₹ 5,597 crore (31.36 *per cent*) as compared to previous year (13.57 *per cent*). Only 37 *per cent* of receipts came from State's own resources comprising tax and non-taxes, while the major portion (63 *per cent*) of revenue receipts came from Central transfers (i.e. grants-in-aid (48 *per cent*) and central taxes and duties (15 *per cent*)).

During 2015-16, total expenditure (₹ 25,630 crore) of the State increased by ₹ 2,896 crore (13 *per cent*) over the previous year (₹ 22,734 crore). Revenue expenditure increased by ₹ 2,516 crore (13 *per cent*) from ₹ 19,787 crore in 2014-15 to ₹ 22,303 crore in 2015-16 but its share (87 *per cent*) in total expenditure remained the same during the same period. Plan revenue expenditure (₹ 3,493 crore) increased by ₹ 289 crore (9 *per cent*) over the previous year (₹ 3,204 crore) and constituted 12 to 16 *per cent* of revenue expenditure over the last five years. However, the Non-Plan Revenue Expenditure (NPRE) constituted 84-88 *per cent* of revenue expenditure during 2011-16. The expenditure on salaries, interest payments, pensions and subsidies has shown consistent increase over the period 2011-16 from ₹ 11,027 crore in 2011-12 to ₹ 16,511 crore in 2015-16 and constituted an average of 77 *per cent* of revenue expenditure. The share of capital expenditure to total expenditure has

increased from 10.9 *per cent* in 2014-15 to 11.2 *per cent* in 2015-16. The percentage of developmental expenditure to total expenditure increased to 65 *per cent* in 2015-16 from 64.10 *per cent* in 2014-15.

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 ₹ 364.57 crore were still being transferred by GoI directly to the State Implementing agencies during 2015-16 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 ₹ 142.55 crore were locked up in 12 incomplete projects at the end of 2015-16.

The return from investment of ₹ 3,041 crore as of 31 March 2016 in companies/corporations was negligible (₹ 111.94 crore) i.e. 3.68 *per cent* while government paid an average rate of interest of 7.89 *per cent* on its borrowings. The investment also included companies/corporations which were under perennial loss.

An amount of ₹ 18.48 crore had been sanctioned to the different loanee/entity as loan during the period 2008-09 to 2013-14 without finalizing the terms and conditions.

Fiscal liabilities at the end of the current year were ₹ 41,197 crore with growth of 8 *per cent* over the previous year and stood at 37 *per cent* of GSDP and 176 *per cent* of the revenue receipts. The share of closing balance of market loans in the total public debt increased from 59 *per cent* in 2014-15 to 60 *per cent* in 2015-16. The State is required to pay 62 *per cent* debt within 7 years, which is not a very comfortable position and could lead towards 'debt trap'.

During 2015-16, 32 *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 without routing 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. The State Government should review the working of States Public Sector Undertakings incurring huge losses and take appropriate 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 2015-16 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 2015-16
(₹ in crore)

	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Saving ⁸ (-)/ 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	22,296.08	1,450.86	23,746.94	21,561.76	(-) 2,185.18	2,799.16	128
	II Capital	2,990.92	289.63	3,280.55	2,883.53	(-) 397.02	452.98	114
	III Loans and Advances	397.49	34.17	431.66	463.16	31.50	106.41	--
Total Voted		25,684.49	1,774.66	27,459.15	24,908.45	(-) 2,550.70	3,358.55	
Charged	IV Revenue	2,998.51	161.26	3,159.77	3,198.94	39.17	29.09	--
	V Capital	--	40.56	40.56	41.02	0.46	--	--
	VI Public Debt Repayment	1,502.77	125.79	1,628.56	3,947.73	2,319.17	--	--
Total Charged		4,501.28	327.61	4,828.89	7,187.69	2,358.80	29.09	
Appropriation to Contingency Fund (if any)			--		--	--	--	--
Grand Total		30,185.77	2,102.27	32,288.04	32,096.14	(-) 191.90	3,387.64	

Source: Appropriation Accounts

Original budget provision was ₹ 30,185.77 crore. This was augmented by supplementary grant of ₹ 2,102.27 crore bringing budget provision to

⁸ Shortfall in utilisation of funds

₹ 32,288.04 crore. Out of total provision, ₹ 32,096.14 crore were utilised during the year 2015-16 resulting in saving of ₹ 191.90 crore.

The overall savings/unutilized funds of ₹ 191.90 crore registered under Grants/Appropriations was the result of savings of ₹ 3,040.33 crore (Reference: Summary of Appropriation Accounts) in 29 Grants and seven Appropriations under Revenue Section and 20 Grants and one Appropriation under Capital Section, offset by excess of ₹ 2,848.43 crore (Reference: Summary of Appropriation Accounts) in three Grants and two Appropriations under Revenue Section and four Grants and two Appropriations under Capital Section. Of this, savings ₹ 3,387.64 crore was surrendered.

Grants against which significant savings of more than ₹ 25 crore were noticed during the year were 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, Social Justice and Empowerment, Rural Development, Food and Civil Supplies, Labour Employment and Training, Finance, Tribal Development and Scheduled Caste Sub Plan (Revenue-Voted), Irrigation, Water Supply and Sanitation, Planning and Backward Area Sub-Plan and Scheduled Caste Sub Plan (Capital-Voted). Similarly, grants/appropriation against which significant excess expenditure over the allotments noticed during the year 2015-16 were Land Revenue and District Administration, Irrigation, Water Supply and Sanitation (Revenue-Voted), Finance (Revenue-Charged), Power Development and Public Works-Roads, Bridges and Buildings (Capital-Voted) and Finance (Capital- Charged).

The reasons for savings/excesses were called for by the Office of the Accountant General (A&E), Himachal Pradesh (July 2016) from the respective controlling officers. The reasons were awaited (September 2016).

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 ₹ 1,262.74 crore (79.6 per cent) from ₹ 1,585.69 crore in 2014-15 to ₹ 2,848.43 crore in 2015-16 indicating that budgetary estimates were not reviewed properly. Details of expenditure where aggregate expenditure (₹ 11,529.74 crore) exceeded by ₹ 2,847.29 crore from the approved provisions by more than (₹ one crore or more in each case) 20 per cent of the total provision (four) in eight cases are given in **Appendix 2.1**.

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

2.3.1.1 Excess over provisions requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussions on the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 5,753.78 crore (**Appendix 2.2**) for the years 2010-11 to 2014-15 was yet to be regularized as of September 2016. The excess expenditure of ₹ 2,848.43 crore (**Appendix 2.3**) incurred in seven grants and four appropriations during the year 2015-16 also requires regularisation.

2.3.1.2 Persistent Excess

There was 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) and 2015-16 (₹ 184.97 crore).

The persistent excess expenditure indicated that the budgetary control is not effective and lack of concerted efforts by I&PH Department and previous year trends were also 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, expenditure should not be incurred on a scheme/service without provision of funds.

It was, however, noticed that an expenditure of ₹ 1,430.11 crore was incurred in 27 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 27 cases, there were 10 cases (₹ one crore or more in each case) where expenditure incurred without provision exceeded by ₹ 1,427 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.

- In eight cases (₹ one crore or more in each case) supplementary provision of ₹ 318.46 crore proved unnecessary, as the expenditure did not come up to the level of original provision (**Appendix 2.5**).

- In seven cases (₹ one crore or more in each case) supplementary provision of ₹ 500.05 crore proved insufficient leaving an aggregate uncovered excess expenditure of ₹ 2,805.32 crore (**Appendix 2.6**). Of this uncovered excess, ₹ 2,319.17 crore (83 per cent) was incurred under grant number 29- Finance (Capital- Charged) by the Finance Department.

2.3.2 Excessive / unnecessary/insufficient re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess (₹ one crore or more in each case) in 48 sub-heads (**Appendix 2.7**). Of these, excess/savings (₹ 10 crore or more in each case) occurred in 11 sub-heads.

2.3.3 Rush of expenditure

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

Contrary to this, in respect of 33 sub-heads (**Appendix 2.8**), expenditure exceeding ₹ 10 crore constituting 50 per cent or more of the total expenditure for the year was incurred in the month of March 2016. The details of major heads where more than ₹ 10 crore or 50 per cent of expenditure was incurred either during the last quarter or during the last month of the financial year are given in **Table 2.2**.

Table 2.2: Cases of Rush of Expenditure towards the fag end of the financial year 2015-16
(₹ in crore)

Sr. No.	Major Head (Voted/Charged)	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2016	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	4210-Capital Outlay on Medical and Public Health	85.84	60.26	70	50.02	58
2.	1851-Capital Outlay on Village and Small Industries	46.79	27.35	58	26.76	57
3.	1801-Capital Outlay on Power Projects	147.13	100.71	68	77.55	53
4.	4202-Capital Outlay on Education, Sports, Art and Culture	57.00	37.10	65	30.34	53
5.	2217-Urban Development	233.25	129.57	56	71.24	31
6.	5054-Capital Outlay on Roads and Bridges	195.02	101.92	52	87.71	45
Total		765.03	456.91		343.62	

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

2.3.4 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit showed that in 35 cases, savings exceeded by ₹ one crore or more in each case or by more than 20 per cent of the total provision (**Appendix 2.9**) in nine cases. Out of the total saving of ₹ 3,040.33 crore, substantial saving more than ₹ 100 crore in each case of ₹ 2,383.39 crore (78 per cent) relating to seven grants alone indicated in **Table 2.3**.

Table 2.3: List of grants with savings of more than ₹ 100 crore

(₹ in crore)

Sr. No.	Number and name of the Grant	Total provision	Actual Expenditure	Savings (percentage)	Schemes with substantial savings
Revenue-Voted					
1.	08-Education	4,710.22	3,634.00	1,076.22(23)	Middle School: 396.10; Secondary School: 167.38; Colleges: 117.91
2.	09- Health and Family Welfare	1,507.32	1,140.51	366.81(24)	Urban Health: 59.75; Rural Health : 89.49; Prevention and control of Diseases: 13.54; Provision under National Rural Health Mission: 148.16
3.	20-Rural Development	1,185.07	976.33	208.74(18)	IWMP: 65.72; Indira Awas Yojna: 41.10; Rajiv Gandhi Panchayat Sashktikaran Abhiyan: 33.73
4.	29-Finance	4,113.40	3,884.46	228.94(6)	Payment from 01-11-1966: 134.25; Contribution towards pension under Swavlamban scheme: 10.00
5.	31-Tribal Development	838.01	714.62	123.39(15)	Urban Development: 8.10; NRHM: 8.67; Social Security and welfare: 7.25; Infrastructure facilities: 6.62; Development of Desert Area: 5.56; Helicopter facility to Tribal Area: 5.75
Capital-Voted					
6.	13-Irrigation, Water Supply and Sanitation	561.17	290.59	270.58(48)	National Rural Drinking Water Programme: 81.88; Expenditure on Establishment: 46.56; Maintenance provision for adjustment of recovery: 36.43; Water Supply and Sanitation (Execution): 33.60; Lift Irrigation Scheme under AIBP: 31.98
7.	32-Scheduled Caste Sub-Plan	688.53	579.82	108.71(16)	National Health Mission: 12.67; Sarva Siksha Abhiyan: 11.67; Social Welfare (ICDS): 10.31; Rashtriya Krishi Vikas Yojna (Agriculture): 9.46; Backward Region Grant Fund: 8.46
Total		13,603.72	11,220.33	2,383.39	

Source: Appropriation Accounts

(Figures in parenthesis indicate percentage)

Such large savings in these grants reflect weak budgetary control. Reasons for substantial savings (shortfall in utilization) were not furnished (September 2016) by the State Government.

2.3.4.1 Persistent savings

In seven cases, during the last five years there were persistent savings (₹ one crore or more in each case) as per the details given in **Table 2.4**

Table 2.4: List of grants with persistent savings during 2011-16

(₹ in crore)

Sr. No.	Grant number and name	Amount of Savings				
		2011-12	2012-13	2013-14	2014-15	2015-16
Revenue-Voted						
1.	03-Administration of Justice	15.96	14.78	16.71	4.52	12.53
2.	08-Education	205.11	119.99	342.46	385.37	1,076.22
3.	15-Planning and Backward Area Sub-Plan	9.43	6.89	13.44	11.61	31.40
4.	20-Rural Development	75.07	72.69	60.04	109.86	208.74
Capital-Voted						
5.	29-Finance	1.67	5.07	4.52	5.49	5.20
6.	31-Tribal Development	12.55	8.54	45.42	7.17	17.38
7.	32-Scheduled Caste Sub-Plan	2.39	61.22	83.63	9.27	108.71

Source: Appropriation Accounts

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 144 sub-heads (**Appendices 2.10 and 2.11**) on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision of ₹ 1,480.55 crore, amount of ₹ 1,125.83 crore (76 per cent) were surrendered, which included cent per cent surrender in 83 schemes (₹ 385.80 crore) (**Appendix 2.11**). Of the 83 schemes, substantial surrenders were made mainly under ‘Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (Centrally Sponsored Scheme) (₹ 33.73 crore)’ under Grant No. 20-Rural Development, ‘Nadaun Area Medium Irrigation Project (Centrally Sponsored Scheme) (₹ 23.01 crore)’, ‘Lift Irrigation Scheme in various districts under AIBP (₹ 31.98 crore)’ under Grant No. 13-Irrigation, Water Supply and Sanitation, ‘Channelisation of Swan from Daulatpur to Gagret bridge and its Tributaries (IV) Flood Management Programme (₹ 20.28 crore)’ under Grant No. 32-Scheduled Caste Sub-Plan and ‘Rastriya Krishi Vikas Yojana (₹16.45 crore)’ under Grant No. 14-Animal Husbandry, Dairy Development and Fisheries.

Further, in 42 cases, there was surrender (₹ 10 crore or more in each case) involving ₹ 3,135.63 crore on 31 March 2016 (**Appendix 2.12**). Surrender of funds on the last working day of March 2016 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 ₹ 1,212.49 crore, only ₹ 1,123.59 crore was surrendered as detailed in **Table 2.5**.

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

Sr. No.	Number and name of Grant	Saving	Surrender	Saving which were not surrendered
Revenue-Voted				
1.	09-Health and Family Welfare	366.81	353.90	12.91
2.	19-Social justice and Empowerment	47.43	46.68	0.75
3.	21-Co-operation	8.45	8.21	0.24
4.	29-Finance	228.94	176.06	52.88
5.	31-Tribal Development	123.38	116.24	7.14
6.	32-Scheduled Castes Sub-Plan	31.81	27.81	4.00
Capital-Voted				
7.	10-Public Works-Roads, Bridges and Buildings	3.80	--	3.80
8.	13-Irrigation, Water Supply and Sanitation	270.58	269.51	1.07
9.	29-Finance	5.20	4.98	0.22
10.	31-Tribal Development	17.38	14.48	2.90
11.	32-Scheduled Caste Sub-Plan	108.71	105.72	2.99
Total		1,212.49	1,123.59	88.90

As evident from **Table 2.5**, despite large amount of savings, sufficient surrenders were not made mainly under grant numbers 29-Finance: ₹ 52.88 crore (Revenue-

Voted) and 09-Health and Family Welfare: ₹ 12.91 crore (Revenue-Voted). Further, no surrenders were made against sufficient savings under grant numbers 10-Public Works-Roads, Bridges and Buildings (Capital-Voted) and 32-Scheduled Caste Sub-Plan (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 2015-16. The position of balances of ₹ 231.42 crore lying in these 113 accounts as on 31 March 2016 (**Appendix 2.13**) is given as under:

- 80 PDAs having balance of ₹ 231.31 crore were in operation during the year.
- Three PDAs involving an amount of ₹ 0.11 crore remained inoperative since 2010-11.
- 30 PDAs were in operation with 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 Number 09-Health and Family Welfare and Grant No. 20-Rural Development were conducted (August 2016) and important points noticed during the review are detailed below:

2.5.1 Budget and expenditure

The overall position of funds allotted and expenditure incurred under the grants during 2015-16 is given in **Table 2.6**.

Table 2.6: Position of funds allocated and expenditure incurred during 2015-16
(₹ in crore)

Grant Number	Head	Total Grant	Expenditure incurred	Excess (+)/ Savings (-)
09-Health and Family Welfare	Revenue Section	1,507.31	1,140.50	(-) 366.81
	Capital Section	101.33	95.32	(-) 6.01
	Total	1,608.64	1,235.82	(-) 372.82
20-Rural Development	Revenue Section	1,185.66	976.92	(-) 208.74
	Capital Section	5.46	5.46	--
	Total	1,191.12	982.38	(-) 208.74

Source: Appropriation Accounts

From **Table 2.6** it would be seen that under Grant No. 09, against the budget provision of ₹ 1,608.64 crore (Revenue section: ₹ 1,507.31 crore and Capital section: ₹ 101.33 crore), an expenditure of ₹ 1,235.82 crore (Revenue section:

₹ 1,140.50 crore and Capital section: ₹ 95.32 crore) was incurred resulting in savings of ₹ 372.82 crore (23 per cent). Similarly, under Grant No. 20 against the provision of ₹ 1,185.66 crore (Revenue section) an expenditure of ₹ 976.92 crore was incurred leaving unutilised amount of ₹ 208.74 crore which indicated that budget estimates were not prepared on realistic basis.

2.5.2 Un-realistic budget provisions

Audit scrutiny of the records showed that under Grant Nos. 9 and 20, the departments either made unrealistic budget provisions or did not disburse/surrender the amount in time during 2015-16 resulting in savings (₹ 10 lakh or more in each case) of ₹ 36.76 crore in 17 cases/subheads (Grant No. 9: 15 and Grant No. 20: 02) (**Appendix 2.14**).

It was also seen that under Grant No. 20 in sub-head 2505-02-101-03 the provision of ₹ 20 crore has not been utilised (withdrawal through re-appropriation: ₹ 0.51 crore and savings: ₹ 19.49 crore).

2.5.3 Withdrawal of huge budget provision through re-appropriation

Under Grant-9, in eight minor heads/schemes re-appropriation of ₹ 20.20 crore (₹ 10 lakh or more in each case) and under Grant No. 20 in two minor heads/schemes re-appropriation of ₹ 22.81 crore (₹ 10 lakh or more in each case) aggregating huge budgeted provision of ₹ 43.01 crore was withdrawn through re-appropriation in March 2016 which diluted the process of budget making and control over expenditure (**Appendix 2.14**).

2.5.4 Excess over the budget provisions due to un-realistic re-appropriation

Against the provision of ₹ 149.84 crore (₹ 10 lakh or more in each case) under three minor heads/schemes of Grant No. 09 (**Appendix 2.14**), re-appropriation of ₹ 13.37 crore proved un-realistic as there was an excess expenditure of ₹ 4.36 crore during 2015-16. Excess expenditure of ₹ 4.36 crore over the provision requires regularisation.

2.5.5 Inadequate original/supplementary provision

Against the requirement/actual expenditure of ₹ 2.94 crore under Grant No. 09, 2059-Maintenance and Repairs, original provision of negligible amount of ₹ one thousand only was made by the Department. No concrete reasons for unrealistic estimation were furnished by the Department.

2.5.6 Surrender of funds

Under Revenue Section of Grant-09-Health, an expenditure of ₹ 1,140.50 crore was incurred against the provision of ₹ 1,507.31 crore during 2015-16 resulting in savings of ₹ 366.81 crore (**Table 2.6**). Similarly under Grant No. 20-Rural Development an expenditure of ₹ 976.92 crore was incurred against the provision of ₹ 1,185.66 crore leaving an unutilised amount of ₹ 208.74 crore. However, the department surrendered (March 2016) ₹ 359.90 crore and ₹ 208.52 crore which were less by ₹ 6.91 crore and ₹ 0.22 crore respectively.

Thus, less surrender of ₹ 6.91 crore and ₹ 0.22 crore indicated deficient financial management and also leading to non-utilisation of funds that could be used on other developmental works/schemes.

2.5.7 Delay in submission of budgetary returns

As per Himachal Pradesh Budget Manual, the Head of Department is required to submit budget estimates and the statement of excesses and surrenders to the Finance Department by 1st October and 15th January or well before the close of the financial year respectively. It was, however, noticed that the Health Department had submitted the budget estimates on 12th January 2015 causing delay of 104 days. Similarly it was also noticed that Health and Rural Development departments had submitted the statement of excesses and surrenders for 2015-16 on 05th May 2016 and 03rd May 2016 causing thereby a delay of 106 days and 104 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 above departments.

Assistant Controller (F&A) stated (September 2016) that the reasons for delay was time taken in receipt of expenditure statement from various field units. The reply shows lack of internal control in the departments.

2.6 Outcome of Inspection of Treasuries

2.6.1 Excess payment of Pensionary benefits

During inspection (during 2015-16) of District Treasuries/Treasuries/Sub-treasuries by the office of the Accountant General (A&E) for the year 2014-15, the test-check of pension payment records showed that 10 District Treasury Officers and one Treasury Officer had made overpayment to the extent of ₹ 22.03 lakh to 22 pensioners and family pensioners as per detail given in **Table 2.7**. 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 2.7: Excess payment of pensionary benefits (on account of Commutation/Family Pension) during 2014-15 (Inspection Reports issued in 2015-16)

Sr. No.	Name of District Treasury (DT)/ Treasury	Nature of overpayment	Number of cases	Payment		
				Through Bank	Through Treasury(Th T)	Treasury-wise Total (₹ in lakh)
1.	DT, Bilaspur	Commutation	2	--	Th T	0.39
2.	DT, Chamba	Family Pension	1	--	Th T	1.66
3.	DT, Kinnaur at Reckong Peo	Commutation	1	--	Th T	0.05
4.	DT, Kullu	Family Pension	2	--	Th T	0.77
5.	DT, Keylong	Commutation	2	--	Th T	2.34
6.	Treasury Kaza	Commutation	2	--	Th T	0.16
7.	DT, Mandi	Family Pension	5	--	Th T	1.76
8.	DT, Shimla (O)	Family Pension	1	--	Th T	4.89
9.	DT, Sirmour at Nahani	Family Pension	2	--	Th T	6.62
		Family Pension	2		Th T	0.37
10.	DT, Solan	Family Pension	1	--	Th T	2.65
11.	DT, Una	Commutation	1	--	Th T	0.37
Total			22	--		22.03

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 saving of ₹ 191.90 crore registered under grants/appropriations during the year 2015-16 was the net result of substantial savings of ₹ 3,040.33 crore (under important grants like Education and Rural Development) offset by excess of ₹ 2,848.43 crore. An excess expenditure of ₹ 7,904.32 crore relating to the period 2010-11 to 2015-16 required regularisation under Article 205 of the State Legislature.

Supplementary provision of ₹ 818.51 crore in 15 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 48 sub-heads (₹ one crore or more in each case) was made injudiciously which resulted in excess/savings. In 42 cases (₹ 10 crore or more in each case) ₹ 3,135.63 crore were surrendered at the end of the financial year. In 83 cases/sub-heads, 100 *per cent* grant amounting to ₹ 385.80 crore was surrendered.

In six cases, the expenditure incurred during the last 4th quarter of the year ranged between 52 and 70 *per cent* and the expenditure incurred during the month of March 2016 alone under these heads of accounts constituted 31 to 58 *per cent* of the total expenditure.

2.8 Recommendations

- (i) *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.*
- (ii) *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.*
- (iii) *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 38,273 UCs due in respect of grants and loans aggregating ₹ 4,543.56 crore upto March 2016, 2,944 UCs (8 per cent) for an aggregate amount of ₹ 2,225.40 crore (49 per cent) were pending as of March 2016. 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 2016

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	22,734	2,156.18	1,706	1,343.18
2.	1 – 3	13,222	1,715.00	1,028	657.90
3.	3 – 5	983	307.38	204	205.03
4.	5 – 7	1,102	324.64	6	19.29
5.	7 – 9	232	40.36	--	--
	Total	38,273	4,543.56	2,944	2,225.40

Source: Accountant General (Accounts and Entitlement)

Pendency of UCs mainly pertained to the Rural Development (1,411 UCs: ₹ 1,357.06 crore), Social Justice and Empowerment (443 UCs: ₹ 36.18 crore), Medical and Public Health (202 UCs: ₹ 116.83 crore), Art and Culture (147 UCs: ₹ 1.01 crore), Forests (112 UCs: ₹ 11.86 crore), Education (104 UCs: ₹ 43.85 crore), Co-operation (104 UCs: ₹ 1.72 crore), Agriculture (103 UCs: ₹ 232.73 crore), Animal Husbandry (71 UCs: ₹ 86.28 crore), Industries (57 UCs: ₹ 18.50 crore), Urban Development (46 UCs: ₹ 203.76 crore), Tourism (37 UCs: ₹ 55.26 crore). In the

absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purpose for which these were given.

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

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

HP Building and Construction Workers Welfare Board, Shimla has not rendered their accounts for the year 2014-15, whereas the delay in respect of other bodies ranged between one month and six months. The accounts for the year 2015-16 in respect of all the 14 bodies had not been furnished as of August 2016. Delay in finalisation of accounts carries the risk of financial irregularities going undetected and, therefore, the accounts need to be finalised and submitted to Audit at the earliest.

Separate Audit Report (SAR) of District Legal Service Authority, Shimla has been issued by Audit for the year 2012-13 and SARs for all other autonomous bodies (except State Veterinary Council, Shimla) for 2013-14 have been issued. SAR of State Veterinary Council, Shimla has been issued for 2014-15. SARs for all 14 bodies for 2015-16 are pending due to non-furnishing of accounts.

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.

Four Departments/autonomous bodies⁹ (out of a total of 20 department/autonomous bodies) had furnished such details for the year 2015-16 upto August 2016. Due to this, audit in remaining cases could not provide assurance to legislature/government

⁹ *Education Department (Himachal Pradesh School Education Society); Language, Art and Culture Department (HP Art, Culture and Language Academy, Shimla); Technical Education Department (Vocational and Industrial Training) and Health Safety and Regulation (Society for the implementation of ESI scheme).*

about the manner in which the grants sanctioned/paid by them have been utilised, specifically on the issue of non-diversion and proper utilisation.

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

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 2016. The position remained the same during 2015-16.

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

Table 3.2: Profile of misappropriation/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	06	6.08	Theft	12	12.09
5 – 10	07	10.48			
10 – 15	10	42.97			
15 – 20	09	12.51			
20 – 25	02	3.12	Misappropriation/ loss of material	35	66.61
25 and above	13	3.54			
Total	47	78.70	Total	47	78.70

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/losses, theft, etc.

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

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 2016, 104 cases of temporary advances relating to the period 2011-12 to 2015-16 aggregating ₹ 34.38 crore were pending for adjustment by six 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 2016

Sr. No.	Department	Pending year	No. of cases	Amount (₹ in lakh)
1.	Director, Ayurveda	2011-12	09	349.08
		2012-13	14	413.74
		2013-14	12	485.78
		2014-15	18	348.13
		2015-16	18	312.50
2.	Youth Services and Sports (Director, Atal Bihari Vajpayee Institute of Mountaineering and Allied Sports, Manali)	2012-13	01	0.29
3.	Director, Women and Child Development	2014-15	01	0.20
4.	Director, Food Civil Supplies and Consumer Affairs	2013-14	01	0.50
5.	Director, Health and Family Welfare	2012-13	01	35.00
		2013-14	09	66.37
		2014-15	13	1398.33
6.	Director, Language, Art and Culture	2014-15	01	18.20
		2015-16	06	9.60
Total			104	3,437.72

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

3.6 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 47 cases of theft of government money misappropriation/loss, etc., amount to ₹ 78.70 lakh was pending for long period. Adjustment against the temporary advances of ₹ 34.38 crore were still awaited as of September 2016.

3.7 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

Dated: 02 December 2016



(RAM MOHAN JOHRI)

Principal Accountant General (Audit)

Himachal Pradesh

Countersigned

New Delhi

Dated: 13 December 2016



(SHASHI KANT SHARMA)

Comptroller and Auditor General of India

APPENDICES

Appendix-1

State Profile

A General Data

Sr.No.	Particulars		Figures
1.	Area		55,673 Sq km
2.	Population		
	A	As per Census (2001)	0.61 crore
	B	As per Census (2011)	0.69 crore
		2015 (Projected)	0.71 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= 30 %)		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) (2013) (All India IMR = 39)		32
	(b) Life Expectancy at Birth (2009-13) (All India average= 67.5)		70.5
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) 2015-16		1,10,511
9.	GSDP Compound Annual Growth Rate (CAGR) (2006-07 to 2015-16)		15.47 (SCS: 16.26)

B Financial Data

Compound Annual Growth Rate (CAGR)							
		2006-07 to 2014-15		2011-12 to 2014-15		2014-15 to 2015-16	
		SCS*	HP**	SCS*	HP**	SCS*	HP**
A	of Revenue Receipts	13.54	10.84	11.86	7.05	11.45	31.37
B	of Tax Revenue	15.47	17.31	11.17	13.08	19.80	12.73
C	of Non-Tax Revenue	5.62	5.69	(-) 0.75	2.81	(-) 18.75	-11.73
D	of Total Expenditure	15.10	12.63	14.99	11.96	2.73	12.74
E	of Capital Expenditure	12.38	10.53	11.63	10.96	(-) 6.26	15.81
F	of Revenue Expenditure on Education	17.28	15.07	14.92	10.86	1.24	1.42
G	of Revenue Expenditure on Health	18.14	12.21	14.91	7.78	20.65	30.26
H	of Salary and wages	16.86	13.50	12.53	10.64	5.19	-2.90
I	of Pension	19.48	15.63	16.76	9.54	16.65	31.64

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 2015-16, Economics and Statistics Department of Himachal Pradesh and Central Statistical office .

* Special Category States excluding Jammu & Kashmir

** 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 2015-16 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	
<i>VOLUME- I</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
<i>VOLUME- II</i>	
<i>Part I: Detailed Statements</i>	
<i>Statement 14</i>	Detailed Statement of Revenue and Capital Receipts by Minor Heads
<i>Statement 15</i>	Detailed Statement of Revenue Expenditure by Minor Heads
<i>Statement 16</i>	Detailed Statement of Capital Expenditure by Minor Heads and Sub heads
<i>Statement 17</i>	Detailed Statement of Borrowings and other Liabilities
<i>Statement 18</i>	Detailed Statement on Loans and Advances given by the Government
<i>Statement 19</i>	Detailed Statement of Investments of the Government
<i>Statement 20</i>	Detailed Statement of Guarantees given by the Government
<i>Statement 21</i>	Detailed Statement on Contingency Fund and other Public Account transactions
<i>Statement 22</i>	Detailed Statement on Investment of earmarked funds

Part II: Appendices	
<i>I</i>	Comparative Expenditure on Salary by Major Heads
<i>II</i>	Comparative Expenditure on Subsidy
<i>III</i>	Grants-in-aid/Assistance given by the State Government (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 in respect of the closing balances shown in Statements 18 and 21
<i>VIII</i>	Financial results of Irrigation Works
<i>IX</i>	Statement of Commitments of the Government-List of Incomplete Capital Works
<i>X</i>	Statement on Maintenance expenditure with segregation of salary and non-salary portion
<i>XI</i>	Statement on Implication of major policy decisions of the Government during the year or new schemes proposed in the budget for future cash flows
<i>XII</i>	Statement on 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 2011-16 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:

	2011-12	2012-13	2013-14	2014-15	2015-16
Gross State Domestic Product (In crore)	72,720	82,294	92,589	1,01,108	1,10,511
Growth rate of GSDP (In <i>per cent</i>)	--	13.16	12.51	9.20	9.30

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 2015-16.
- 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, 15, 25 and 32)

Time Series Data on the State Government Finances

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Part-A: Receipts					
1. Revenue Receipts	14,543	15,598	15,711	17,843	23,440*
(i) Tax Revenue	4,108 (28)	4,626 (30)	5,121 (33)	5,940(33)	6,696 (29)
Taxes on Sales, Trade, etc.	2,477 (60)	2,728 (59)	3,141 (61)	3,661(62)	3,993 (60)
State Excise	707 (17)	810 (18)	952 (19)	1,044(18)	1,131 (17)
Taxes on Vehicles	176 (4)	196 (4)	208 (4)	220(4)	317 (05)
Stamps and Registration fees	155 (4)	173 (4)	188 (4)	190(3)	206 (03)
Taxes and Duties on electricity	185 (5)	262 (6)	191 (4)	333(5)	551(8)
Land Revenue	18 (1)	24 (-)	10 (-)	17(-)	7(-)
Taxes on Goods and Passengers	94 (2)	101 (2)	105 (2)	110(2)	115 (02)
Other Taxes	296 (7)	332 (7)	326 (6)	365(6)	376(5)
(ii) Non Tax Revenue	1,915 (13)	1,377 (9)	1,785 (11)	2,081(12)	1,837 (08)
(iii) State's share of Union taxes and duties	1999 (14)	2,282(14)	2,491 (16)	2,644(15)	3,611 (15)
(iv) Grants-in-aid from Government of India	6,521 (45)	7,313 (47)	6,314 (40)	7,178(40)	11,296 (48)
2. Miscellaneous Capital Receipts	--	--	--	650	--
3. Recoveries of Loans and Advances	25	21	17	41	26
4. Total Revenue and Non debt capital receipts (1+2+3)	14,568	15,619	15,728	18,534	23,466
5. Public Debt Receipts	1,984	3,371	4,050	10,877	6,129
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,904 (96)	3,239 (96)	3,362(83)	3,892 (36)	4,294 (70)
Net transactions under Ways and Means Advances and Overdrafts	--	--	629(16)	6,860 (63)	1,785 (29)
Loans and Advances from Government of India	80 (4)	132 (4)	59(1)	125(1)	50 (01)
6. Total Receipts in the Consolidated Fund (4+5)	16,552	18,990	19,778	29,411	29,595**
7. Contingency Fund Receipts	--	--	--	--	--
8. Public Account Receipts	9,237	9,146	10,300	10,575	11,515
9. Total Receipts of the State (6+7+8)	25,789	28,136	30,078	39,986	41,110
Part-B: Expenditure/disbursement					
10. Revenue Expenditure	13,898	16,174	17,352	19,787	22,303
Plan	1,701 (12)	2,079 (13)	2,387 (14)	3,204(16)	3,493(16)
Non-Plan	12,197(88)	14,095 (87)	14,965 (86)	16,583(84)	18,810(84)
General Services (including interest payments)	5,690 (41)	6,618 (41)	7,047 (41)	7,604(38)	8,788(39)
Social Services	5,147 (37)	6,131 (38)	6,706 (39)	7,451(38)	7,980 (36)
Economic Services	3,049 (22)	3,418 (21)	3,590 (20)	4,723(24)	5,525 (25)
Grants-in-aid and contributions	12 (-)	7 (-)	9 (-)	9(-)	10 (-)
11. Capital Expenditure	1,810	1,955	1,856	2,473	2,864
Plan	1,764 (97)	1,859 (95)	1,815 (98)	2,431(98)	2,568(90)
Non-Plan	46 (3)	96 (5)	41 (2)	42(2)	296(10)
General Services	73 (4)	74 (4)	81 (4)	83(3)	88(3)
Social Services	372 (21)	436 (22)	478 (26)	522(21)	792(28)
Economic Services	1,365 (75)	1,445 (74)	1,297 (70)	1,868(76)	1,984(69)
12. Disbursement of Loans and Advances	493	469	531	474	463
13. Total (10+11+12)	16,201	18,598	19,739	22,734	25,630

* ₹ 23,440.48 crore

** ₹ 29,595.59 crore

	2011-12	2012-13	2013-14	2014-15	2015-16
14. Repayments of Public Debt	1,128	2,117	1,704	8,260	3,948
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,034	2,056	1,467	1,410	1,557
Net transactions under Ways and Means Advances and Overdrafts	--	--	172	6,783	2,320
Loans and Advances from Government of India	94	61	65	67	71
15. Appropriation to Contingency Fund	--	--	--	--	--
16. Total disbursement out of Consolidated Fund (13+14+15)	17,329	20,715	21,443	30,994	29,578
17. Contingency Fund disbursements	--	--	--	--	--
18. Public Account disbursements	8,526	8,285	9,227	8,844	10,577
19. Total disbursement by the State (16+17+18)	25,855	29,000	30,670	39,838	40,155
Part-C: Deficit/ Surplus					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	(+) 645	(-) 576	(-) 1,641	(-)1,944	1,137 ¹⁰
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-) 1,633	(-) 2,979	(-) 4,011	(-) 4,200	(-) 2,165
22. Primary Deficit (-)/Surplus (+) (21+23)	(+) 497	(-) 609	(-) 1,530	(-) 1,351	990
Part-D: Other data					
23. Interest Payments (included in revenue expenditure)	2,130	2,370	2,481	2,849	3,155
24. Financial Assistance to local Bodies etc.	981	1,203	1,438	2,156	2,612
25. Ways and Means Advances/Overdraft availed (days)	--	--	11	125	31
Ways and Means Advances availed (days)	--	--	10	77	25
Overdrafts availed (days)	--	--	01	48	06
26. Interest on Ways and Means Advances/ Overdrafts	--	--	0.11	14.80	6.40
27. Gross State Domestic Product (GSDP)	72,720 (-)	82,294 (13.16)	92,589 (12.51)	1,01,108 (9.20)	1,10,511 (9.30)
28. Outstanding Fiscal liabilities (year end)	28,228	30,442	33,884	38,192	41,197
29. Outstanding guarantees (yearend) (including interest)	3,316	3,353	4,333	4,281	3,714
30. Maximum amount guaranteed (year end)	6,208	9,455	9,316	9,316	9,658
31. Number of incomplete projects	13	12	12	13	12
32. Capital blocked in incomplete projects	930	115	130	141	143
Part- E: Fiscal Health Indicators					
I. Resource Mobilization (ratio)					
Own Tax revenue/GSDP	0.06	0.06	0.06	0.06	0.06
Own Non-Tax Revenue/GSDP	0.03	0.02	0.02	0.02	0.02
Central Transfers/GSDP	0.12	0.12	0.10	0.10	0.13
II. Expenditure Management(ratio)					
Total Expenditure/GSDP	0.24	0.24	0.23	0.24	0.23
Total Expenditure/Revenue Receipts	1.11	1.19	1.26	1.27	1.09
Revenue Expenditure/Total Expenditure	0.86	0.86	0.88	0.87	0.87
Expenditure on Social Services/Total Expenditure	0.34	0.35	0.36	0.35	0.34
Expenditure on Economic Services/Total Expenditure	0.27	0.26	0.25	0.29	0.29
Capital Expenditure/Total Expenditure	0.11	0.11	0.09	0.11	0.11
Capital Expenditure on Social and Economic Services/Total Expenditure	0.11	0.10	0.09	0.11	0.11

¹⁰ ₹1,137.67 crore

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	2011-12	2012-13	2013-14	2014-15	2015-16
III. Management of Fiscal Liabilities(ratio)					
Fiscal Liabilities/GSDP	0.39	0.37	0.37	0.38	0.37
Fiscal Liabilities/RR	1.94	1.95	2.16	2.14	1.76
IV. Other Fiscal Health Indicators					
Return on Investment(₹ in crore)	85.65	100.09	103.42	170.99	111.94
Balance from Current Revenue(₹ in crore)	(-) 1,529	(-)3,284	(-)3,544	(-) 4,719	1,858
Financial Assets/Liabilities (ratio)	0.70	0.70	0.68	0.67	0.72
Revenue Deficit/Fiscal Deficit (ratio)	*	0.19	0.41	0.46	*
Primary Revenue Balance/GSDP (ratio)	0.04	0.02	0.008	0.008	0.04
Revenue Expenditure: Basic Parameters					
Total Expenditure (TE) (₹ in crore)	16,201	18,598	19,739	22,734	25,630
Rate of Growth TE(per cent)	1.50	14.80	6.14	15.17	12.74
Revenue Expenditure (RE) (₹ in crore)	13,898	16,174	17,352	19,787	22,303
Rate of Growth RE(per cent)	(-) 0.34	16.38	7.28	14.03	12.72
Non-Plan Revenue Expenditure (NPRE) (₹ in crore)	12,197	14,095	14,965	16,583	18,810
Rate of Growth NPRE(per cent)	(-) 0.79	15.56	6.17	10.81	13.43
Plan Revenue Expenditure (₹ in crore)	1,701	2,079	2,387	3,204	3,493
Rate of Growth PRE(per cent)	2.97	22.22	14.81	34.23	9.02
NPRE/GSDP (per cent)	18.36	18.48	17.43	17.35	17.02
RE/TE (per cent)	85.78	86.97	87.91	87.04	87.02
NPRE as per cent of TE	75.29	75.79	75.81	72.94	73.39
PRE as per cent of TE	10.50	11.18	12.09	14.09	13.63
NPRE as per cent of RR	83.87	90.36	95.25	92.94	80.25
Percentage of NPRE to RE	87.76	87.15	86.24	83.81	84.34
PRE to RE	12.24	12.85	13.76	16.19	15.66
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	(-) 0.02	1.11	0.58	1.24	1.37
RRs (ratio)	(-) 0.02	2.26	10.11	1.03	0.41
NPRE (ratio)	(-) 0.43	1.05	1.18	1.30	0.95
PRE (ratio)	(-) 0.12	0.74	0.49	0.41	1.41

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

* Revenue Surplus hence, figures not calculated.

Appendix-1.4

(Reference: Paragraph 1.1.1; Page 1)

Part-A: Abstract of Receipts and Disbursements for the year 2015-16

(₹ in crore)

Receipts					Disbursements					
2014-15		2015-16			2014-15		2015-16			
							Non-Plan	Plan	Total	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Section-A: Revenue										
I-Revenue Receipts		17,843.45		23,440.48	I-Revenue Expenditure	19,787.05	18,810.18	3,492.63	22,302.81	22,302.81
(i) Tax revenue	5,940.16		6,695.81		General Services	7,603.65	8,734.43	54.03	8,788.46	
(ii) Non-tax revenue	2,081.45		1,837.15		Social Services	7,451.52	6,035.50	1,944.42	7,979.92	
(iii) State's share of Union Taxes and Duties	2,644.17		3,611.17		Education, Sports, Art and Culture	4,143.87	3,330.89	801.27	4,132.16	
(iv) Non-Plan Grants	1,199.03		8,524.32		Health and Family Welfare	1,237.18	847.34	452.82	1,300.16	
(v) Grants for State Plan Schemes	4,332.60		755.52		Water Supply, Sanitation, Housing and Urban Development	1,061.51	1,035.26	231.98	1,267.23	
(vi) Grants for Central Plan and Centrally Sponsored Plan Schemes	1,646.04		2,016.51		Information and Broadcasting	29.33	30.32	0.33	30.65	
					Welfare of Scheduled Castes, Scheduled Tribes and Other backward Classes	55.13	10.24	47.12	57.36	
					Labour and Labour Welfare	92.51	90.13	13.33	103.46	
					Social Welfare and Nutrition	794.65	679.35	392.29	1,071.64	
					Others	37.34	11.97	5.28	17.26	
					Economic Services	4,722.75	4,030.29	1,494.18	5,524.47	
					Agriculture and Allied Activities	1,526.96	834.48	719.86	1,554.34	
					Rural Development	895.66	399.57	605.40	1,004.97	
					Irrigation and Flood Control	359.95	328.92	8.77	337.69	
					Energy	407.54	972.22	0.30	973	
					Industry and Minerals	76.99	40.04	31.45	71.49	
					Transport	1,352.74	1,407.86	71.26	1,479.12	
					Science, Technology and Environment	6.69	2.66	4.92	7.58	
					General Economic Services	96.22	44.07	52.21	96.28	
					Grants-in-aid and Contributions	9.13	9.96	-	9.96	
Total		17,843.45		23,440.48	Total	19,787.05	18,810.18	3,492.63	22,302.81	
II-Revenue Deficit carried over to Section -B					II-Revenue surplus carried over to Section-B	(-)1,943.60			1,137.67	
Total:		17,843.45		23,440.48	Total:	17,843.45			23,440.48	

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Receipts					Disbursements						
		2014-15		2015-16		2014-15		2015-16			
								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		(-)887.30		(-) 739.32	III- Opening overdraft from Reserve Bank of India						
IV- Misc. Capital Receipts	650.00			--	IV- Capital Outlay	2,472.89	296.15	2,568.34	2,864.49	2,864.49	
					General Services	82.81	0.75	87.76	88.51		
					Social Services	521.97	110.80	681.23	792.03		
					Education, Sports, Art and Culture	130.96	72.00	227.29	299.29		
					Health and Family Welfare	62.27	-	117.23	117.23		
					Water Supply, Sanitation, Housing and Urban Development	309.92	35.47	318.92	354.39		
					Information and Broadcasting	1.25	0.33	0.65	0.98		
					Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	9.69	-	6.63	6.63		
					Social Welfare and Nutrition	7.83	3.00	9.91	12.91		
					Others	0.05	-	0.60	0.60		
					Economics Services	1,868.11	184.60	1,799.35	1,983.95		
					Agriculture and Allied Activities	33.31	(-) 4.45	52.45	48.00		
					Other Rural Development Programmes	0.63	-	4.61	4.61		
					Irrigation and Flood Control	506.08	25.00	117.21	142.21		
					Energy	308.23	-	265.00	265.00		
					Industry and Minerals	39.26	20.00	44.94	64.94		
					Transport	892.74	144.05	1,183.09	1,327.14		
					General Economic Services	87.86	-	132.05	132.05		
					Total	2,472.89	296.15	2,568.34	2,864.49		
V-Recoveries of Loans and Advances		40.56		25.90	V- Loans and Advances disbursed	474.19			463.17	463.17	
From Power Projects	-		-		To Power Projects	404.11	-	412.26			
From Government Servants	9.40		8.46		To Government Servants	7.27	-	13.42			
From Co-operations	28.24		15.16		To Co-operations	44.29	-	-			
From Others	2.92		2.28		To Others	18.52	-	37.49			
VI-Revenue surplus brought down		(-) 1,943.60		1,137.67	VI-Revenue deficit brought down						

Receipts					Disbursements					
	2014-15		2015-16			2014-15	2015-16			
							Non-Plan	Plan	Total	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
VII-Public Debt Receipts		10,876.88		6,129.21	VII-Repayment of Public Debt	8,259.82				3,947.73
Internal Debt other than Ways and Means Advances and Overdrafts	3,891.27		4,294.29		Internal debt other than Ways and Means Advances and Overdrafts	1,410.64			1,557.22	
Net transactions under Ways and Means Advances including Overdrafts	6,680.30		1,785.40		Net transactions under Ways and Means Advances and Overdrafts	6,782.62			2,319.18	
Loans and Advances from the Central Government	125.31		49.52		Repayment of Loans and Advances to Central Government	66.56			71.33	
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		10,574.80		11,515.45	X- Public Account disbursements	8,843.76				10,577.29
Small Savings and Provident Funds	3,152.87		3,115.93		Small Savings and Provident Funds	1,967.70			2,397.50	
Reserve Funds	160.73		235		Reserve Funds	159.04			244.14	
Deposits and Advances	2,221.67		2,408.35		Deposits and Advances	1,717.82			2,293.49	
Suspense and Miscellaneous	487.07		617.00		Suspense and Miscellaneous	458.64			650.54	
Remittances	4,552.46		5,139.17		Remittances	4540.55			4,991.62	
XI- Closing overdraft from Reserve Bank of India					XI-Cash Balance at end	(-) 739.32				216.23
					Cash in Treasuries and Local Remittances	--			-	
					Departmental Cash Balance including Permanent Advances	0.19			0.19	
					Deposits with Reserve Bank	(-)739.51			(-)340.76	
					Cash Balance investment	-			556.80	
Total:		19,311.34		18,068.91	Total:	19,311.34				18,068.91

Appendix-1.4

(Reference: Paragraphs 1.1.1 and 1.9.1; Pages 1 and 25)

Part-B: Summarised financial position of the Government of Himachal Pradesh as on 31 March 2016

(₹ in crore)

Assets	As on 31 March 2015	As on 31 March 2016	
Gross Capital Outlay on Fixed Assets -	24,244.38		27,108.86
Investments in shares of Companies, Corporations, etc.	2,731.65	3,040.64	
Other Capital Outlay	21,512.73	24,068.22	
Loans and Advances -	2,346.81		2,784.07
Loans for Power Projects	2,122.49	2,534.74	
Other Development Loans	187.54	207.58	
Loans to Government servants and Miscellaneous loans	36.78	41.75	
Reserve Fund Investments			
Cash -	(-) 739.32		216.33
Cash in Treasuries and Local Remittances	-	-	
Deposits with Reserve Bank of India	(-) 887.49	(-) 340.76	
Departmental Cash Balance	0.16	0.16	
Permanent Imprest	0.03	0.03	
Cash Balance Investments	-	556.80	
Cumulative excess of expenditure over receipts*	12,857.75		11,720.08
Total	38,709.62		41,829.24

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

Liabilities	As on 31 March 2015	As on 31 March 2016	
Internal Debt	24,657.64		26,860.93
Market Loans bearing interest	15,195.97	16,860.42	
Market Loans not bearing interest	-	-	
Loans from Life and General Insurance Corporation of India	137.65	98.67	
Loans from the NABARD	1,735.10	1,931.10	
Loans from National Co-operative Development Corporation	62.87	81.48	
Special securities issued to NSSF of the Central Government	6,675.64	7,650.79	
Compensation and other bonds	7.02	-	
Loans from other Institutions	843.39	238.46	
Loans and Advances from Central Government -	1,070.88		1,049.05
Non-Plan Loans	5.53	4.85	
Loans for State Plan Schemes	1,065.22	1,044.07	
Loans for Central Plan Schemes	-	-	
Loans for Centrally Sponsored Plan Schemes	-	-	
Other Loans	0.13	0.13	
Contingency Fund	5.00		5.00
Small Savings, Provident Funds, etc.	9,921.47		10,639.90
Deposits and Advances	2,312.81		2,427.68
Reserve Funds	228.48		219.32
Suspense and Miscellaneous Balances	297.46		263.91
Remittance Balances	215.88		363.45
Total	38,709.62		41,829.24

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 2016:-

(₹ in crore)

Sr. No.	Name of the scheme	Outlay under			Expenditure under	
		Centre Share	State Share	Total	Centre Share	State Share
1	Mukhyamantri Kanya Dan Yojna	-	5.66	5.66	-	5.20
2	Awareness Campaign	-	0.15	0.15	-	0.15
3	Widow Remarriage	-	0.71	0.71	-	0.71
4	State Home	-	0.45	0.45	-	0.43
5	State Women Commission	-	0.77	0.77	-	0.74
6	Mother Terrassa	-	8.60	8.60	-	6.04
7	Vishesh Mahila Utthaan Yojna	-	0.90	0.90	-	0.90
8	Financial assistance to victims of rape	-	0.50	0.50	-	0.50
9	Women Development Corporation	-	1.22	1.22	-	1.22
10	Self-Employment to Women	-	0.10	0.10	-	0.10
11	Mata Shabri Sashaktikaran Yojna	-	0.66	0.66	-	0.66
12	Sabla Nutrition	9.09	3.71	12.80	9.09	3.71
13	Sabla Non-Nutrition	0.47	0.05	0.52	0.49	-
14	State Resource Centre for Women	0.32	-	0.32	0.02	-
15	Indira Gandhi Matri Sahyog Yojna	5.37	0.22	5.59	3.30	-
16	Kishori Shakti Yojna	0.55	0.06	0.61	0.18	-
17	Beti Hai Anmol Yojna	-	9.46	9.46	0	9.46
18	Beti Bachaao Beti Padhaao	0.42	-	0.42	0.34	-
	Total	16.22	33.22	49.44	13.42	29.82

2. Partial budgetary allocation to schemes for the benefit to women for the year ended March 2016:

(₹ in crore)

Sr. No.	Name of the scheme	Outlay under			Expenditure under	
		Centre Share	State Share	Total	Centre Share	State Share
1	Integrated Child Development Scheme (General)	178.36	17.48	195.84	154.67	13.94
2	Integrated Child Development Scheme (Training)	1.64	0.30	1.94	1.64	0.20
3	Special Nutrition Programme	37.07	18.70	55.77	37.07	18.70
4	Foster Care Programme and Bal/Balika Surksha Yojna	0.40	0.13	0.53	0.40	0.13
5	Mukhyamantri Bal Uddhar Yojna	-	3.59	3.59	-	3.08
6	Integrated Child Protection Scheme	19.98	-	19.98	12.55	-
	Total	237.45	40.20	277.65	206.33	36.05

Appendix-1.6

(Reference: Paragraph 1.2.2; Page 7)

Statement showing the funds transferred directly to the State Implementing Agencies by the GoI under Programme/Schemes during 2014-15 and 2015-16

(₹ 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	
		2015-16	2014-15
National Rural Employment Guarantee Act	Project Director, DRDAs	0.11	--
Total		0.11	--
Support to IITs	Indian Institute of Technology, Mandi	--	51.00
Total		--	51.00
Package for Special Category State	H.P. State Industrial Development Corporation	0.23	16.53
Total		0.23	16.53
MPs Local Area Development	Deputy Commissioners	42.50	25.00
Total		42.50	25.00
Alliance and R&D Mission	Department of Environment, Science and Technology	3.65	1.04
Total		3.65	1.04
Drugs and Pharmaceuticals Research	Baijnath Pharmaceuticals	1.00	1.00
Total		1.00	1.00
GIA to NGOs for STs including Coaching and Allied Scheme and Award for exemplary	Rinchen Zangpo Society for Spiti Development	0.02	0.73
	Buddhist Culture Society of Dey Gompa	0.07	0.13
	The Institute of Studies in Buddhist Philosophy and Tribal Cultural Society, TABO	0.23	0.41
	Ramdha Buddhist Society	0.06	0.12
	Himalayan Buddhist Cultural Association, Manali, Himachal Pradesh	--	0.32
Total		0.38	1.71
Grid Interactive Renewable Power MNRE	State Bank of India, Kullu	--	1.60
	State Bank of India, Chamba	--	1.15
	Himachal Pradesh Energy	0.03	0.96
	H.P. State Electricity Board	1.37	0.01
	UCO Bank	1.30	--
	Shobla Hydro Power Private	2.50	--
	SBI Shimla	1.60	--
	SJVN Limited	0.12	--
HP Co. Bank Limited	3.90	--	
Total		10.82	3.72

Government of India Scheme	Implementing Agency	GoI releases	
		2015-16	2014-15
Integrated Scheme on Agricultural Census and Statistics	Himachal Pradesh University, Shimla	5.02	3.91
Total		5.02	3.91
E-Governance	HPMC Process Automation	--	3.94
Total		--	3.94
National Medicinal Plants Board	Institute of Himalayan Bio resource Technology	--	0.17
	State Medicinal Plants Board Society, Himachal Pradesh	1.34	2.50
	Dr. Y.S. Parmar University of Horticulture and Forestry	0.06	0.06
	HP Krishi Vishwavidyalaya	0.06	--
Total		1.46	2.73
Promotion of Electronics IT Hardware MFG DIT	National Research and Technology Consortium	--	0.56
Total		--	0.56
Scheme for Integrated Textile Park (SITP)	Himachal Textile Park Ltd.	--	11.63
Total		--	11.63
Rajiv Gandhi Khel Abhiyan (RGKA)	H.P. Sports Council	0.72	1.80
Total		0.72	1.80
Industrial Infrastructure Upgradation Scheme IIUS DIPP	Baddi Infrastructure	1.61	3.91
	HP State Industrial Development Corporation	7.87	6.14
Total		9.48	10.05
Renewable Energy for Urban, Industrial & Commercial Application	Himachal Pradesh Energy Development Agency	0.32	1.57
Total		0.32	1.57
Transport Subsidy Scheme	HP State Industrial Development Corporation Ltd.	153.68	16.24
Total		153.68	16.24
National Initiative for excellence in humanities and Social Sciences including Assistance to Indian council of Historical Research New Delhi and IIAS Shimla	Indian Institute of Advance Study	18.12	10.69
Total		18.12	10.69
Off Grid DRPS	Himachal Pradesh Energy Development Agency	41.03	16.37
	The Sukhjit Agro Industries	--	0.50
	Himachal consultancy organisation	0.01	--
	World wide fund for nature India	0.07	--
	NIIT Hamirpur	0.04	--
Total		41.15	16.87
Others	--	75.93	102.50
Total		75.93	102.50
Grand Total		364.57	278.55

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 2016 for Return on Investment

(₹ in crore)

Sr. No.	Name of Company	Paid up Capital (SG) as on 31.03.2015	Loss	Profit
1	Himachal Pradesh Agro Industries Corporation Limited	16.89	--	0.96
2	Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited	31.19	6.96	--
3	Himachal Pradesh State Forest Development Corporation Limited	11.71	4.17	--
4	Himachal Backward Classes Finance and Development Corporation	11	--	0.61
5	Himachal Pradesh Mahila Vikas Nigam	7.19	--	0.67
6	Himachal Pradesh Minorities Finance and Development Corporation	8.09	1.5	--
7	Himachal Pradesh Road and Other Infrastructure Development Corporation Limited	0.25	--	--
8	Himachal Pradesh State Industrial Development Corporation Limited	30.82	--	6.47
9	Himachal Pradesh General Industries Corporation Limited	7.16	--	4.93
10	Beas Valley Power Corporation Limited	300	--	--
11	Himachal Pradesh Power Corporation Limited	132.67	21.74	--
12	Himachal Pradesh Power Transmission Corporation Limited	71.79	--	2.88
13	Himachal Pradesh State Electricity Board Limited	458.93	13,698.34	--
14	Himachal Pradesh State Civil Supplies Corporation Limited	3.51	--	2.06
15	Himachal Pradesh State Electronics Development Corporation Limited	3.72	--	1.01
16	Himachal Pradesh State Handicrafts and Handloom Corporation Limited	9.22	--	0.6
17	Himachal Pradesh Tourism Development Corporation Limited	12.3	--	0.2
Total		1116.44	13,732.71	20.39
Statutory Corporations				
18	Himachal Pradesh Financial Corporation	92.98	1.09	--
19	Himachal Road Transport Corporation	581.34	172.7	--
Total		674.32	173.79	--
Non-working Government Companies				
20	Agro Industrial Packaging India Limited	16.75	--	--
21	Himachal Worsted Mills Limited	--	--	--
Total		16.75	--	--

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	Estimated 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
Health Department/NRHM		
4.	Emergency Medical Transport Service in HP	100
5.	Mobile Diagnostic Units in HP	5
6.	Haemodialysis Units in HP	5
7.	Operation and Maintenance of JSSK Ambulances	5
8.	CT Scan	5
9.	24X7 Trauma Centers	5
Projects – Awarded and Under Implementation		
Transport Department		
10.	Mcleodganj Bus Stand	5
Tourism and Civil Aviation Department		
11.	Jakhoo Ropeway	15
12.	Dharamshala Mcleodganj Ropeway	140
13.	Himani Chamunda Ropeway	280
14.	Palchan Rohtang Ropeway	350
Urban Development Department		
15.	Parking Complex, Chhotta Shimla	15
16.	Parking Complex, Sanjauli	25
17.	Parking Complex, Lift	45
18.	Parking Complex, Vikasnagar	10
19.	Parking Complex, Palampur	10
20.	Parking Complex, Bilaspur	5
21.	Parking Complex, Rohru	
22.	Tutikandi-Lift-Mall Road Ropeway	175
Revenue Department		
23.	Parking Complex (at Jail Road & 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.	05	Land Revenue and District Administration	685.57	876.53	190.96	27.85
2.	13	Irrigation, water Supply and Sanitation	1,914.92	2,099.89	184.97	-
Revenue-Charged						
3.	13	Irrigation, water Supply and Sanitation	-	0.44	0.44	100
4.	29	Finance	3,107.86	3,155.00	47.14	-
Capital-Voted						
5.	10	Public Works-Roads, Bridges	960.95	1,024.04	63.09	-
6.	23	Power Development	384.59	421.85	37.26	-
Capital-Charged						
7.	16	Forest and Wildlife	-	4.26	4.26	100
8.	29	Finance	1,628.56	3,947.73	2,319.17	142
Total			8,682.45	11,529.74	2,847.29	

Appendix-2.2

(Reference: Paragraph 2.3.1.1; Page 37)

Excess over provisions relating to previous years requiring regularisation

(₹ in crore)

Year	Number of Grants/ Appropriations	Grant/Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2010-11	19 Grants 2 Appropriations	1,4,5,7,9,10,11,12,13,14,16, 18,23,26,27,29,30,31 and 32 2 and 10	2,237.64	Audit comments sent to Finance Department/ Himachal Pradesh Vidhan Sabha. Reports are yet to be discussed/excesses regularised by PAC.
2011-12	6 Grants 1 Appropriation	9,10,13,15,21 and 23 29	752.51	
2012-13	11 Grants 3 Appropriations	1,2,3,10,11,13,14,18,19, 21 and 23 2,3 and 29	703.08	<i>Suo-motu</i> replies from the Finance Department on regularisation of excess expenditure/savings over budget provisions are still awaited. Therefore, the Reports are yet to be discussed/ excesses regularised by PAC.
2013-14	10 Grants 3 Appropriations	2, 3, 4,5,10,13,16,17,21 and 28 2, 7 and 9	474.86	
2014-15	10 Grants 6 Appropriations	1,2,6,11,12,13,18,19, 23(Revenue), 23(Capital) 1,10,19, 29(Revenue), 29(Capital) and 31	1,585.69	
Total			5,753.78	

Appendix-2.3

(Reference: Paragraph 2.3.1.1; Page 37)

Excess over provision during 2015-16 requiring regularisation

(In ₹)

Sr. No.	Number and title of Grant/ Appropriation	Total Grant	Expenditure	Excess
Revenue-Voted				
1.	05-Land Revenue and District Administration	6,85,57,12,000	8,76,52,62,008	1,90,95,50,008
2.	13-Irrigation Water Supply and Sanitation	19,14,91,62,000	20,99,89,00,556	1,84,97,38,556
3.	28-Urban Development	2,96,66,32,816	2,97,01,06,479	34,73,663
Revenue-Charged				
4.	13- Irrigation Water Supply and Sanitation	-	44,00,000	44,00,000
5.	29-Finance	31,07,86,42,000	31,54,99,81,212	47,13,39,212
Capital-Voted				
6.	08-Education	1,22,36,61,000	1,22,41,26,000	4,65,000
7.	10-Public Works, road, bridges and buildings	9,60,95,21,000	10,24,03,97,752	63,08,76,752
8.	19-Social Justice and Empowerment	9,35,00,000	10,11,73,048	76,73,048
9.	23-Power Development	3,84,59,01,000	4,21,84,74,000	37,25,73,000
Capital-Charged				
10.	16-Forest and Wildlife	-	4,25,87,077	4,25,87,077
11.	29-Finance	16,28,56,63,000	39,47,73,24,797	23,19,16,61,797
Total		91,10,83,94,816	1,19,59,27,32,929	28,48,43,38,113 or say ₹ 2,848.43 crore

Appendix-2.4

(Reference: Paragraph 2.3.1.3; Page 37)

Expenditure incurred without provision during 2015-16

(₹ in lakh)

Sr. No.	Number and name of Grants/Appropriations	Amount of Expenditure without provision
10- Public Works – Roads, Bridges and Buildings		
1.	3054/03/103/01 (Work charged establishment)	0.09
2.	3054/03/103/03 (Machinery and equipment-Work charged establishment)	0.17
3.	3054/80/001/01 (Road Works – Direction and Supervision)	4.62
11-Agriculture		
4.	2401/00/115/01 (Mukhyamantri Kissan Aivam Khetihar Mazdoor Jeewan Suraksha Yojna)	2.60
5.	2401/00/800/15 (National Mission for Sustainable Agriculture)	0.15
6.	2401/00/800/17 (Subsidy of Lift Irrigation Schemes and Bore wells)	1,999.00
7.	2401/00/800/03 (Through tank Irrigation – Rashtriya Krishi Vikas Yojna)	664.82
13-Irrigation, Water Supply and Sanitation		
8.	2215/01/001/01 (Direction)	44.00
16-Forest and Wildlife		
9.	4406/01/070/01 (Road & Bridges)	425.87
20- Rural Development		
10.	2505/02/101/03 (Material for Conversion for Kacha Water Tanks to Poly Lined/Pucca tanks)	1,948.72
23- Power Development		
11.	6801/00/190/01 (Loan to H.P. Power Corporation)	21,964.74
29-Finance		
12.	6003/00/110/03 (Shortfall and Overdraft by R.B.I.)	1,15,000.82
31-Tribal Development		
13.	2053/00/796/05 (Expenditure on Office of Resident Commissioner, Pangri)	1.86
14.	2215/01/796/04 (Stock)	265.29
15.	2215/01/796/05 (Stock Manufacture)	3.45
16.	2215/01/796/06 (Miscellaneous Public Works Advances)	7.13
17.	2401/00/796/22 (Rastriya Krishi Vikas Yojna (Krishi))	12.40
18.	2401/00/796/22 (National mission on Extension and Technology)	6.86
19.	2702/80/796/08 (Expenditure on Suspense (Stock))	230.06
20.	2702/80/796/09 (Expenditure on Suspense (Stock Manufacture))	16.43
21.	2702/80/796/10 (Expenditure on Suspense (Miscellaneous Public Works Advances))	101.52
32-Scheduled Caste Sub-Plan		
22.	2401/00/789/25 (Rastriya Krishi Vikas Yojna (Agriculture))	106.98
23.	2401/00/789/32 (National mission on Oil Seeds and Oil Palm)	21.35
24.	2401/00/789/33 (National mission on Extension and Technology)	80.30
25.	2402/00/789/03 (on Farm Water Management)	49.87
26.	2501/06/789/03 (National Rural Livelihood Mission)	28.24
27.	4402/00/789/03 (Expenditure under Rashtriya Krishi Vikas Yojna)	23.82
Total		1,43,011.15 or say ₹ 1,430.11 crore

Source: Appropriation Accounts

Appendix-2.5

(Reference: Paragraph 2.3.1.4; Page 37)

Cases where supplementary provisions proved unnecessary

(₹ in thousands)

Sr. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original provision	Supplementary provision
Revenue- Voted					
1.	03-Administration of Justice	115,61,49	112,98,69	2,62,80	9,89,94
2.	07-Police and Allied Organisations	801,19,36	788,98,03	12,21,33	61,20,97
3.	08-Education	4643,81,34	3634,00,58	1009,80,76	66,40,80
4.	10-Public Works-roads, bridges and buildings	2446,71,39	2421,85,52	24,85,87	52,79,24
5.	30-Misc. General Services	73,32,40	63,90,95	9,41,45	4,57,47
6.	31-Tribal Development	774,67,62	714,62,00	60,05,62	63,33,26
Capital- Voted					
7.	15-Planning and Backward Area Sub-plan	174,69,00	169,97,62	4,71,38	27,72,37
8.	32-Scheduled Caste Sub-plan	656,01,01	579,81,70	76,19,31	32,51,63
Total		9686,03,61	8486,15,09	1199,88,52	318,45,68 or say ₹ 318.46 crore

Appendix-2.6

(Reference: Paragraph 2.3.1.4; Page 38)

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

(₹ in crore)							
Sr. No.	Grant Number	Name of the Grants	Original Provision	Supplementary provision	Total	Expenditure	Excess
Revenue- Voted							
1.	5	Land revenue and District Administration	563.60	121.97	685.57	876.53	190.96
2.	13	Irrigation, Water Supply and Sanitation	1,891.17	23.74	1,914.92	2,099.89	184.97
Revenue- Charged							
3.	29	Finance	2,950.00	157.86	3,107.86	3,155.00	47.13
Capital- Voted							
4.	10	Public Works-Roads, Bridges and Buildings	890.26	70.69	960.95	1,024.04	63.09
Capital-Charged							
7.	29	Finance	1,502.78	125.79	1,628.56	3,947.73	2,319.17
Total			7,797.81	500.05	8,297.86	11,103.19	2,805.32

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.	5	Land Revenue and District Administration	2029-00-103-02 (NP)	(-) 32.14	1.25
2.			2053-00-093-01 (NP)	(-)26.17	1.61
3.	9	Health and Family Welfare	2210-01-200-01	1.52	1.25
4.			2210-01-102-01	1.00	(-)1.00
5.			2210-04-101-02	(-) 14.33	(-)7.67
6.			2210-05-105-06	4.84	2.96
7.			2211-00-101-01	(-)27.98	(-)1.02
8.	10	Public Works-Roads, Bridges and Buildings	2059-80-053-03 (NP)	(-)29.81	(-)1.10
9.			2059-80-053-04 (NP)	(-) 6.99	(-) 4.86
10.			2059-80-053-06 (NP)	(-) 2.75	(-)7.75
11.			3054-03-103-05 (NP)	(-)2.60	(-) 1.53
12.			3054-03-103-10 (NP)	(-)41.98	(-)2.10
13.			3054-04-105-02 (NP)	32.48	(-) 9.41
14.			3054-04-105-06 (NP)	(-) 91.39	(-)41.84
15.			3054-04-105-07 (NP)	(-)93.00	(-) 928.53
16.			5054-03-337-04	(-) 7.56	1.82
17.			5054-04-337-09	7.54	1.76
18.	11	Agriculture	2401-00-800-16 (NP)	(-) 15.41	(-)6.00
19.			2401-00-800-16 (NP)	6.16	(-)6.16
20.			2401-00-800-17 (NP)	19.99	(-)19.99
21.			2401-00-800-15 (NP)	6.52	6.36
22.			2401-00-800-15 (NP)	6.82	5.80
23.			2401-00-800-17 (NP)	(-) 20.00	19.99
24.			2402-00-800-03 (NP)	(-) 3.29	3.36
25.			2402-00-800-03 (NP)	3.29	(-)3.29
26.			2402-00-800-04 (NP)	5.17	5.17
27.	13	Irrigation, Water Supply and Sanitation	2215-01-102-14(NP)	(-) 2.49	(-)4.19
28.			2215-01-102-13(NP)	1.40	1.44
29.			2215-01-799-01(NP)	79.43	29.09
30.			2700-01-001-01	0.04	(-)1.44
31.	4711-01-800-13	(-) 26.00	(-)1.18		
32.	20	Rural Development	2505-02-101-03	(-) 0.51	(-)19.49
33.	23	Power Development	6801-00-190-01	(-)100.88	(-)81.51
34.			6801-00-190-01	0.00*	219.65
35.	29	Finance	2071-01-101-03 (NP)	(-) 231.91	45.01
36.			2071-01-105-02 (NP)	(-) 134.25	7.15
37.			2071-01-102-02 (NP)	22.21	(-)35.11
38.			2071-01-104-02 (NP)	35.98	(-)42.09
39.			2071-01-115-01 (NP)	107.26	(-)28.67
40.	31	Tribal Development	2053-00-796-01	(-) 0.02	(-)1.65
41.			2210-04-796-04	1.77	(-)1.81
42.			2515-00-796-02	(-) 0.17	(-)1.09
43.			2702-80-796-11	(-)3.79	3.20
44.			3054-04-796-03 (NP)	(-) 3.30	1.20
45.			3054-04-796-04 (NP)	(-) 3.20	1.52
46.			4055-00-796-02	1.02	1.03
47.	32	Scheduled Caste Sub-Plan	2210-04-789-01	2.71	(-)2.50
48.			5054-03-789-01	(-) 6.72	(-)1.77

* ₹ 1,000 only

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 January-March 2016	Expenditure incurred in March 2016	Total expenditure during 2015-16	Percentage of total expenditure incurred during	
						January-March 2016	March 2016
1.	2.	3.	4.	5.	6.	7.	8.
1.	05-Land Revenue and District Administration	2245-02-111-01	23.69	23.44	39.45	59.42	59.42
2.		2245-02-113-01	11.91	11.91	23.66	50.34	50.34
3.		2245-05-101-01	124.95	118.52	235.00	53.17	50.43
4.	09-Health and Family Welfare	2210-05-105-09	16.52	16.52	16.52	100.00	100.00
5.	10-Public Works, Roads, Bridges and Buildings	4216-01-106-01	24.92	21.60	30.18	82.57	71.57
6.		5054-04-337-10	37.84	32.71	50.09	75.54	65.30
7.	11-Agriculture	2401-00-800-17	15.71	14.65	19.99	78.59	73.29
8.	13-Irrigation, Water Supply and Sanitation	4215-01-800-01	15.10	13.72	20.00	75.50	68.60
9.	14-Animal Husbandry, Dairy Development and Fisheries	2403-00-106-07	10.00	10.00	10.00	100.00	100.00
10.	18-Industries, Minerals, supplies and Information Technology	4851-00-800-05	12.49	12.49	12.49	100.00	100.00
11.	20- Rural Development	2505-02-101-03	19.49	19.49	19.49	100.00	100.00
12.	23-Power Development	2801-80-101-02	55.58	55.58	55.58	100.00	100.00
13.		4801-01-190-09	32.73	32.73	32.73	100.00	100.00
14.	27-Labour Employment and Training	4202-02-105-03	15.88	13.24	20.00	79.40	66.20
15.	28-Urban Development, Town and Country Planning and Housing	2217-03-192-02	27.75	27.75	27.75	100.00	100.00
16.		2217-80-191-42	10.00	10.00	10.75	93.02	93.02
17.		2217-80-191-48	22.48	22.23	22.48	100.00	98.89
18.		2217-80-192-15	12.75	11.25	15.00	85.00	75.00
19.	29-Finance	2049-01-101-04	12.78	12.78	25.56	50.00	50.00
20.		2049-01-101-05	25.98	25.98	51.96	50.00	50.00
21.		2049-01-101-07	19.58	19.58	39.15	50.01	50.01
22.		2049-01-101-80	12.24	12.24	24.48	50.00	50.00
23.		2049-01-101-95	21.08	21.08	42.15	50.01	50.01
24.		2049-01-116-01	13.19	13.19	13.19	100.00	100.00
25.		2049-01-123-01	643.68	643.68	643.68	100.00	100.00
26.		6003-00-108-02	18.50	18.50	18.50	100.00	100.00
27.	30- Misc. General Services	4202-03-102-01	23.58	23.58	25.00	94.32	94.32
28.	31-Tribal Development	3054-04-796-05	26.91	22.85	35.42	75.97	64.51
29.	32-Scheduled Caste Sub Plan	2202-02-789-14	10.62	10.62	13.95	76.13	76.13
30.		2202-03-789-04	25.00	25.00	33.91	73.72	73.72
31.		4215-01-789-02	22.54	19.58	35.01	64.38	55.93
32.		4801-01-789-03	11.02	11.02	11.02	100.00	100.00
33.		5054-03-789-03	40.19	40.19	70.19	57.26	57.26

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

Appendix-2.9

(Reference: Paragraph 2.3.4; Page 38)

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.	1	Vidhan Sabha	24.41	1.58	
2.	3	Administration of Justice	125.51	12.53	
3.	4	General Administration	170.44	17.03	
4.	6	Excise and Taxation	56.17	3.78	
5.	7	Police and Allied Organisations	862.4	73.42	
6.	8	Education	4,710.22	1,076.22	23
7.	9	Health and Family Welfare	1,507.32	366.81	24
8.	10	Public works-Roads, Bridges and Buildings	2,499.51	77.65	
9.	11	Agriculture	344.14	38.47	
10.	14	Animal Husbandry, Dairy Development and Fisheries	281.69	35.36	
11.	15	Planning and Backward Area Sub plan	81.99	31.4	38
12.	16	Forest and Wildlife	408.74	33.23	
13.	18	Industries, Minerals, supplies and Information Technology	72.29	12.23	
14.	19	Social Justice and Empowerment	600	47.43	
15.	20	Rural Development	1,185.07	208.74	
16.	21	Cooperation	39.82	8.45	21
17.	22	Food and Civil Supplies	231.74	47.62	21
18.	23	Power Development	972.46	1.49	
19.	24	Printing and Stationery	26.39	2.21	
20.	25	Road and Water Transport	353.45	1.43	
21.	27	Labour Employment and Training	212.12	63.72	30
22.	29	Finance	4113.4	228.94	
23.	30	Misc. General Services	77.9	13.99	
24.	31	Tribal Development	838.01	123.39	
25.	32	Scheduled Caste Sub Plan	749.21	31.81	
Revenue-Charged					
26.	3	Administration of Justice	35.65	6.86	
Capital-Voted					
27.	7	Police and Allied Organisations	30.74	10.18	33
28.	9	Health and Family Welfare	101.33	6.01	
29.	13	Irrigation, Water Supply and Sanitation	561.17	270.58	48
30.	15	Planning and Backward Area Sub plan	202.41	32.44	
31.	27	Labour Employment and Training	81.06	14.22	
32.	29	Finance	11.58	5.2	45
33.	31	Tribal Development	209.84	17.38	
34.	32	Scheduled Caste Sub Plan	688.53	108.71	
Capital-Charged					
35.	10	Public works-Roads, Bridges and Buildings	40.56	3.80	

Appendix-2.10

(Reference: Paragraph 2.3.4.2; Page 40)

A: Statement showing substantial surrenders made during the year 2015-16

Sr. No.	Grant No.	Head of Account	Total Provision (₹ in lakh)	Amount of surrender (₹ 20 lakh and above)	Percentage of surrender with respect to total provision
1.	07	2070-00-106-04	103.55	66.24	64
2.	07	4055-00-211-03	526.00	332.85	63
3.	08	2202-01-111-01	21,956.00	13,862.40	63
4.	08	2202-01-111-01	8,145.00	5,080.97	62
5.	08	2202-01-800-01	1,672.00	1,037.31	62
6.	08	2202-02-109-05	1,123.00	699.10	62
7.	08	2202-02-109-14	137.00	86.62	63
8.	08	2202-03-103-07	8,998.00	6,361.06	71
9.	08	2202-03-103-07	658.00	365.00	55
10.	08	2202-03-800-01	150.00	98.16	65
11.	08	2202-80-800-08	70.98	63.98	90
12.	09	2210-05-101-03	55.86	28.01	50
13.	09	2210-06-101-05	57.46	39.31	68
14.	09	2211-00-001-01	249.95	231.53	93
15.	09	2211-00-800-01	48.69	47.39	97
16.	10	3054-04-105-05	325.06	271.36	83
17.	11	2401-00-109-25	210.00	135.33	64
18.	11	2401-00-800-13	2,961.00	2,330.25	79
19.	13	4702-00-101-06	404.00	303.88	75
20.	13	4702-00-101-07	269.00	202.26	75
21.	13	4705-00-313-01	1,870.00	1,405.87	75
22.	13	4711-01-800-13	2,558.00	1,818.45	71
23.	13	4711-01-800-15	1,618.00	1,517.22	94
24.	14	2403-00-101-10	163.00	156.88	96
25.	14	2404-00-191-04	300.00	277.80	93
26.	14	2405-00-101-05	22.00	21.25	97
27.	15	3451-00-101-09	40.00	30.51	76
28.	15	3451-00-101-21	232.00	140.14	60
29.	15	3451-00-101-22	500.00	397.92	80
30.	19	2225-03-102-01	230.00	143.54	62
31.	19	2236-02-101-05	1,973.00	1,106.56	56
32.	20	2216-03-102-01	4,288.00	4,109.52	96
33.	20	2501-06-101-03	1,193.00	798.13	67
34.	20	2501-06-800-04	7,998.00	6,572.00	82
35.	20	2515-00-101-09	2,514.00	2,160.12	86
36.	22	2236-02-101-06	30.00	20.48	68

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Sr. No.	Grant No.	Head of Account	Total Provision (₹ in lakh)	Amount of surrender (₹ 20 lakh and above)	Percentage of surrender with respect to total provision
37.	23	6801-00-190-01	18,239.00	10,088.01	55
38.	27	2230-03-003-09	9,900.00	5,808.30	59
39.	27	4202-02-104-01	1,398.00	1,243.00	89
40.	27	4202-02-104-02	248.00	179.24	72
41.	29	7610-00-201-01	600.00	332.60	55
42.	30	2250-00-103-01	149.98	83.65	56
43.	31	2053-00-796-05	39.14	28.99	74
44.	31	2202-01-796-01	159.62	90.97	57
45.	31	2202-03-796-05	586.57	547.74	93
46.	31	2216-03-796-01	129.00	89.00	69
47.	31	2230-03-796-06	100.00	55.26	55
48.	31	2403-00-796-04	146.03	75.88	52
49.	31	2406-01-796-07	36.01	23.46	65
50.	31	2501-03-796-01	186.00	120.34	65
51.	31	2501-06-796-02	72.00	63.11	88
52.	31	2501-06-796-03	32.00	29.73	93
53.	31	2501-06-796-05	36.00	21.45	60
54.	31	2702-80-796-11	483.38	378.94	78
55.	31	4711-01-796-01	1,170.00	964.10	82
56.	32	2501-06-789-04	100.00	85.72	86
57.	32	4402-00-789-02	699.00	399.02	57
58.	32	4702-00-789-06	150.00	140.35	94
59.	32	4702-00-789-07	77.00	56.20	73
60.	32	4711-01-789-10	888.20	666.16	75
61.	32	5054-04-789-03	200.00	111.88	56
Total			1,09,474.48	74,002.49	

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.	04-General Administration	3425-60-001-02	Department of Environment and Scientific Technologies	125.00	Due to non-completion of codal formalities
2.	06-Excise and Taxation	2235-60-110-02	Group Accidental Insurance Cover for Small Dealers	200.00	Due to non-implementation of Schemes
3.	07-Police and Allied Organisations	2070-00-108-02	District Staff	373.00	Non-purchase of equipment
4.		4055-00-211-03	Modernisation of Police Force	685.00	Due to non-completion of codal formalities
5.	08-Education	2202-01-102-03	Reimbursement of Fee of Weaker Section Students in Private Schools	57.00	Due to non-completion of codal formalities
6.		2202-02-109-09	Information Communication Technology Phase-III	373.00	Due to non-completion of codal formalities
7.		2202-02-109-15	Rajiv Gandhi Digital Yojna (Laptop/Tablet)	250.00	Due to shift of scheme from non-plan to plan
8.		2202-02-109-16	Teachers education programme	73.00	Due to non-receipt of centre share from GoI
9.		2202-80-107-15	Protsaahan Chhatravriti Yojna	300.00	Due to non-completion of codal formalities
10.		2225-03-277-06	Scholarship to Minority Communities	110.00	Due to non-completion of codal formalities
11.	09-Health and Family Welfare	2211-00-800-07	National Ambulance Service	248.00	Due to non-completion of codal formalities
12.		4210-03-105-05	Construction of New Medical College at Nahana	139.00	Due to nil expenditure on upgradation of medical college
13.	10-Public Works, Roads, Bridges and Buildings	2216-05-053-01	Other maintenance expenditure	330.00	Due to less expenditure on maintenance
14.	13-Irrigation, Water Supply and Sanitation	4701-20-800-02	Other expenditure	593.00	--
15.		4701-20-800-02	Other expenditure	75.00	--
16.		4701-21-800-01	Nadaun Area Medium Irrigation Project	2,044.00	--
17.		4701-21-800-01	Nadaun Area Medium Irrigation Project	257.00	--
18.		4702-00-101-06	Lift Irrigation Scheme in various District under Accelerated Irrigation Benefit Programme	3,198.00	Due to non-receipt of funds from GoI
19.		4702-00-101-07	Diversion Schemes Flow Irrigation Scheme	2,133.00	Due to non-receipt of funds from GoI
20.		4705-00-313-01	Command Area Development under Minor Irrigation Scheme	2,499.00	Due to change in funding pattern
21.		4711-01-800-10	Channelisation of Seer Khad from Barashwad to Jahu in Mandi and Hamirpur District under Flood Management Programme	324.00	Due to change in funding pattern
22.		4711-01-800-10	--do--	156.00	--do--
23.		4711-01-800-11	Channelisation of Sunkar Bata under Flood Management Programme	327.50	--do--
24.		4711-01-800-11	--do--	158.50	--do--
25.		4711-01-800-12	Channelisation of Swan Down Stream to Punjab Boundary Phase-III under Flood Management Programme	463.00	--do--
26.		4711-01-800-12	--do--	222.00	--do--
27.		4711-01-800-14	Channelisation of Lunkhari Khad in District Una under Flood Management Programme	25.00	Due to non-receipt of funds from GoI
28.	4711-01-800-15	Flood Protection Work in Chhounchh Khad Tehsil Indora under Flood Management Programme	779.00	--do--	
29.	4711-01-800-16	Channelisation of Palchan to aut in District Kullu	231.00	--do--	
30.	4711-01-800-16	--do--	111.00	--do--	
31.	4711-01-800-17	Channelisation of Pabbar River in District Shimla	231.00	--do--	
32.	4711-01-800-17	--do--	111.00	--do--	
33.	14-Animal Husbandry, Dairy	2403-00-101-10	Control of animal disease (material and supply)	42.00	Due to purchase of less material

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Sr. No.	Number and title of Grant	Head of Account	Name of the Scheme	Amount of Surrender (₹ in lakh)	Reasons
34.		2403-00-800-01	Rashtriya Krishi Vikas Yojna	1,645.00	Due to change in funding pattern from GoI
35.		2405-00-101-06	Rashtriya Krishi Vikas Yojna	95.00	Due to less claims received from beneficiaries
36.	15-Planning and Backward Area Sup-Plan	2202-01-101-03	Middle School	490.00	Due to non-filling up of vacant posts
37.		2202-01-800-01	Mid-day meal	600.00	Due to non-purchase of material and non-payment of honorarium to staff
38.		3451-00-101-19	Skill development council	200.00	Due to no expenditure on skill development
39.		5002-01-120-01	Construction of railway lines	1,000.00	Due to nil expenditure on constructing on buildings on railway lines
40.		5475-00-800-02	Members of Legislative Assembly local area	1,200.00	Due to nil expenditure on construction
41.		18-Industries, Minerals, Supplies and Information Technology	2851-00-102-22	National Mission for Food Processing	224.00
42.	2851-00-103-25		National Handloom Development Programme	184.00	Due to non-implementation of Scheme
43.	20-Rural Development	2501-06-101-06	Aajeevika skill under national rural Livelihood	448.00	--do--
44.		2515-00-101-13	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan	3,373.00	Due to non-completion of codal formalities.
45.	22-Food and Civil Supplies	3456-00-001-04	Consumer Awareness	98.00	Due to less organisation of camps and seminar etc.
46.	27-Labour, Employment and Training	2203-00-105-05	Government Polytechnics under central assistance in CDTP scheme	98.00	Due to less receipt of grants-in-aid cases
47.	29-Finance	2235-60-102-05	Contribution towards Pension under Swavalamban Scheme	1,000.00	Due to non-availability of subscribers.
48.	30-Miscellaneous General Services	2204-00-001-02	Expenditure under Panchaya Yuva Krida aur Khel Abhiyan	98.00	Due to non-release of fund from government of India.
49.		2250-00-103-02	Grant-in-aid for Revolving Fund for Temples	500.00	Due to non-completion of codal formalities.
50.	31-Tribal Development	2070-00-796-04	State vigilance and Anti-Corruption Bureau	163.09	Due to correction slip in the list of major and minor head of account.
51.		2210-05-796-02	Upgradation of Indira Gandhi Medical College	176.00	Due to non-receipt of funds from Government of India.
52.		2235-02-796-03	Integrated child Development Scheme	725.00	Due to revision of funding patterns, non-filling up of vacant posts, less expenditure on activities under the scheme etc.
53.		2235-02-796-03	--do--	120.00	--do--
54.		2236-02-796-01	Expenditure on Food Programme	231.97	Due to more expenditure on food programme
55.		2236-02-796-01	--do--	270.00	--do--
56.		2401-00-796-22	Rashtriya Krishi Vikas Yojna	405.00	Due to revision of funding pattern partly offset by excess mainly due to more expenditure on subsidy, seeds and fertilizers under the scheme proved excessive.
57.		2401-00-796-50	National mission on extension and technology	36.00	--
58.		2402-00-796-10	Expenditure on Rashtriya Krishi Vikas Yojna	90.00	Due to revision of funding pattern.
59.		2501-03-796-01	Expenditure on Development of Desert Areas	556.00	Due to discontinuation of Scheme.
60.	5054-03-796-03	State Highways-Construction of Roads under central road funds	480.00	Due to non-receipt of funds from GoI	
61.	32-Scheduled Castes Sub-Plan	2235-02-789-03	Nutrition Provision under Rajiv Gandhi Scheme	227.00	Due to change in the sharing pattern of state and centre.
62.		2235-02-789-03	--do--	227.00	--do--
63.		2515-00-789-06	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan	283.00	Due to non-implementation of scheme.
64.		2851-00-789-17	Computerization of online Departments	50.00	Due to non-release of grant by the Government of India.

Sr. No.	Number and title of Grant	Head of Account	Name of the Scheme	Amount of Surrender (₹ in lakh)	Reasons
65.		2851-00-789-25	National Handloom Development	71.00	Due to releasing funds directly to implementing agency.
66.		4055-00-789-01	Expenditure modernisation of Police Force	202.00	Due to non-receipts of funds from the Government of India.
67.		4701-20-789-04	Phina Singh Project	225.00	--do--
68.		4701-20-789-04	--do--	25.00	--do--
69.		4701-21-789-01	Nadaun Area Medium Irrigation Project	784.35	--do--
70.		4701-21-789-01	--do--	87.15	--do--
71.		4702-00-789-07	Diversion Schemes flow Irrigation Scheme in various Districts	690.00	Due to non-receipt of funds from Government of India.
72.		4702-00-789-10	Rain Water Harvesting Structures	200.00	Due to non-completion of codal formalities.
73.		4711-01-789-06	Channelization of Seer Khad from Jahu Khad to Bamson (flood management Programme)	122.00	Due to non-receipt of funds from Government of India state share could not be released.
74.		4711-01-789-06	--do--	52.00	--do--
75.		4711-01-789-08	Channelization of Dunkar Bata Flood Management Programme	130.00	Due to non-receipt of funds from Government of India.
76.		4711-01-789-08	--do--	56.00	--do--
77.		4711-01-789-09	Channelisation of Swan down Stream to Punjab Boundary Phase-III	175.00	--do--
78.		4711-01-789-09	--do--	75.00	--do--
79.		4711-01-789-10	Channelization of Swan from Daulatpur to Gagret Bridge and its Tributaries (IV) Flood Management Programme	2,027.80	--do--
80.		4711-01-789-12	Flood Protection Work Chhouchh Khad in Tehsil Indora (Flood Management Programme)	610.40	Due to non-receipt of funds from Government of India state share could not be released.
81.		4711-01-789-12	--do--	261.60	--do--
82.		4711-01-789-13	Channelization of Palchan to Aut in Kullu District	175.00	Due to non-receipt of grant from Government of India.
83.		4711-01-789-13	--do--	75.00	--do--
Total				38,580.36 or say ₹ 385.80 crore	

Appendix-2.12

(Reference: Paragraph 2.3.4.2; Page 40)

Statement showing surrender of funds in excess of ₹ 10 crore on 31 March 2016

(₹ in crore)

Sr. No.	Grant No.	Major Head	Total Provision	Amount of Surrender	Percentage of Total Provision
1.	03	2014-Administration of Justice	124.37	12.30	10
2.	04	2052-General Administration	77.54	10.61	14
3.	05	2029-Land Revenue	188.83	22.99	12
4.	05	2053- Land Revenue and Relief on account of Natural Calamities	129.43	24.99	19
5.	07	2055-Police	755.96	56.17	7
6.	07	2070-Other Administration Services	80.96	17.27	21
7.	07	4055-Capital Outlay on Police	24.74	10.18	41
8.	08	2202-General Education	4,698.15	1,074.07	23
9.	09	2210-Medical and Public Health	1,075.26	204.25	19
10.	09	2211-Family Welfare	428.88	149.65	35
11.	10	2059-Public Works	759.36	49.01	6
12.	10	3054-Roads and Bridges	2,731.26	296.22	11
13.	11	2401-Crop Husbandry	250.88	36.73	15
14.	13	4215-Capital outlay on Water Supply and Sanitation	230.29	50.79	22
15.	13	4701-Medium Irrigation	30.01	30.01	100
16.	13	4702-Capital outlay on Minor Irrigation	101.93	58.55	57
17.	13	4705-Command Area Development	68.69	39.05	57
18.	13	4711-Flood Control Project	130.25	91.12	70
19.	14	2403-Animal Husbandry	252.61	28.56	11
20.	15	2202-General Education	20.40	11.40	56
21.	15	3451-Secretariat-Economic Services	23.10	12.74	55
22.	15	5475-Capital outlay on Other General Economic Services	149.41	22.02	15
23.	16	2406-Forest and Wild Life	393.41	30.01	8
24.	19	2235-Social Security and Welfare	529.01	25.91	5
25.	19	2236-Nutrition	49.71	19.31	39
26.	20	2216-Housing	66.37	41.10	62
27.	20	2501-Special Programme for Rural Development	113.44	80.97	71
28.	20	2515-Other Rural Development Programme	555.13	82.57	15
29.	22	2408-Food Storage and Warehousing	214.78	41.26	19
30.	23	6801-Loans for Power Projects	230.78	100.88	44
31.	27	2230-Labour Employment	159.60	62.08	39
32.	27	4202-Capital outlay on Education Sports, Art and Culture	80.46	14.22	18
33.	29	2054-Treasury and Accounts Administration	42.24	11.31	27
34.	29	2071-Pension and other Retirement benefits	4,040.72	150.83	4
35.	31	2202-General Education	205.68	26.42	13
36.	31	2235-Social Security and Welfare	29.26	12.96	44
37.	31	3054-Road and Bridges	217.25	18.89	9
38.	32	2235-Social Security and Welfare	122.78	13.69	11
39.	32	4701-Medium Irrigation	11.34	11.30	100
40.	32	4702-Capital outlay on Minor Irrigation	40.28	11.38	28
41.	32	4711-Flood Control Projects	47.63	44.47	93
42.	32	5054-Capital outlay on Roads Transport	236.65	27.41	12
Total			19,718.84	3,135.63	

Appendix-2.13

(Reference: Paragraph 2.4; Page 41)

Statement showing unspent balances in PDAs as on 31 March 2016

(₹ in lakh)

Sr. No.	Major Head/ Minor Head	Name of Head	Treasury/DDO's Name	Unspent balances
1	8229/110	Electricity Devt. Fund	NJPC,CTO (02)	21,684.78
2	8443/106	Personal Deposit	HP High Court, Shimla (52)	36.86
3	8443/106	Personal Deposit	IGMC, Shimla (53)	14.56
4	8443/106	Personal Deposit	Youth & Sports	17.68
5	8443/110	Deposits of Police Funds	SP Wireless (18)	38.84
6	8443/110	Deposits of Police Funds	PTS, Junga (14)	26.59
7	8443/110	Deposits of Police Funds	DIG(P) Training, Daroh (12)	27.30
8	8443/110	Deposits of Police Funds	SP, Chamba (09)	1.88
9	8443/110	Deposits of Police Funds	SP, Una (07)	133.92
10	8443/110	Deposits of Police Funds	SP, Mandi (01)	8.23
11	8443/110	Deposits of Police Funds	SP, Nahan (03)	30.76
12	8443/110	Deposits of Police Funds	SP, Hamirpur (04)	19.99
13	8443/110	Deposits of Police Funds	SP, Kullu (05)	44.65
14	8443/110	Deposits of Police Funds	SP, Solan (08)	33.67
15	8443/110	Deposits of Police Funds	SP, Kangra at Dharamshala (10)	58.00
16	8443/110	Deposits of Police Funds	SP, Shimla (13)	33.20
17	8443/110	Deposits of Police Funds	SP, Keylong (15)	19.21
18	8443/110	Deposits of Police Funds	SP, Bilaspur (16)	65.65
19	8443/110	Deposits of Police Funds	SP, Kinnaur (17)	20.10
20	8448/102	Municipal Funds	NAC, Jubbal (40)	0.87
21	8448/102	Municipal Funds	MC, Shimla (42)	5.39
22	8448/102	Municipal Funds	NP, Santokhgarh (23)	0.06
23	8448/102	Municipal Funds	NAC, Chuwari (26)	0.55
24	8448/102	Municipal Funds	NAC, Sujanpur (13)	0.06
25	8448/102	Municipal Funds	MC, Hamirpur (14)	14.68
26	8448/102	Municipal Funds	MC, Mandi (01)	7.17
27	8448/102	Municipal Funds	MC, Sundernagar (02)	0.07
28	8448/102	Municipal Funds	MC, Kalpa (46)	0.84
29	8448/102	Municipal Funds	MC, Keylong (48)	0.16
30	8448/106	Funds of ICAR	Shimla (01)	9.91
31	8448/109	Panchayat Bodies Fund	PS, Pooh (70)	3.09
32	8448/109	Panchayat Bodies Fund	PS, Nichar (71)	3.22
33	8448/109	Panchayat Bodies Fund	PS, Bhawarna (39)	1.73
34	8448/109	Panchayat Bodies Fund	Zila Parishad Dharamshala (66)	0.08
35	8448/109	Panchayat Bodies Fund	PS Ani (64)	0.18
36	8448/109	Panchayat Bodies Fund	PS, Una (26)	1.77
37	8448/109	Panchayat Bodies Fund	PS, Gagret (27)	1.88
38	8448/109	Panchayat Bodies Fund	PS, Amb (29)	2.55
39	8448/109	Panchayat Bodies Fund	PS, Salooni (30)	0.73
40	8448/109	Panchayat Bodies Fund	PS, Nagrota Bagwan (31)	74.80
41	8448/109	Panchayat Bodies Fund	PS, Rait (32)	2.45
42	8448/109	Panchayat Bodies Fund	PS, Nurpur (33)	51.08
43	8448/109	Panchayat Bodies Fund	PS, Indora (34)	1.01
44	8448/109	Panchayat Bodies Fund	PS, Pragpur (36)	1.60
45	8448/109	Panchayat Bodies Fund	PS, Nagrota Surian (37)	1.05
46	8448/109	Panchayat Bodies Fund	PS, Panchrukhi (38)	0.58
47	8448/109	Panchayat Bodies Fund	PS, Lambagaon (41)	2.59
48	8448/109	Panchayat Bodies Fund	PS, Bhattiyat (55)	70.53
49	8448/109	Panchayat Bodies Fund	PS, Salooni (56)	0.00 ¹¹
50	8448/109	Panchayat Bodies Fund	PS, Jhanduta (58)	3.04
51	8448/109	Panchayat Bodies Fund	PS, Keylong (60)	2.04
52	8448/109	Panchayat Bodies Fund	PS, Kullu (61)	1.38
53	8448/109	Panchayat Bodies Fund	PS, Nahan (16)	1.22
54	8448/109	Panchayat Bodies Fund	PS, Solan (21)	0.09

¹¹ Actual figure is ₹0.29

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Sr. No.	Major Head/ Minor Head	Name of Head	Treasury/DDO's Name	Unspent balances
55	8448/109	Panchayat Bodies Fund	PS, Kunihar (22)	1.20
56	8448/109	Panchayat Bodies Fund	PS, Chauntra (06)	2.28
57	8448/109	Panchayat Bodies Fund	PS, Gopalpur (09)	161.80
58	8448/109	Panchayat Bodies Fund	PS, Sujampur (12)	0.19
59	8448/109	Panchayat Bodies Fund	PS, Nadaun (13)	0.89
60	8448/109	Panchayat Bodies Fund	PS, Bhoranj (14)	0.60
61	8448/109	Panchayat Bodies Fund	PS, Theog (44)	4.45
62	8448/109	Panchayat Bodies Fund	PS, Sadar Mandi (01)	0.16
63	8448/109	Panchayat Bodies Fund	PS, Drang (04)	1.88
64	8448/109	Panchayat Bodies Fund	PS, Seraj (05)	0.26
65	8448/109	Panchayat Bodies Fund	PS, Jubbal (48)	0.21
66	8448/109	Panchayat Bodies Fund	PS, Chargaon (49)	14.41
67	8448/109	Panchayat Bodies Fund	PS, Pangi (50)	0.01
68	8448/109	Panchayat Bodies Fund	PS, Chamba (51)	1.68
69	8448/109	Panchayat Bodies Fund	PS, Mehla (52)	3.28
70	8448/109	Panchayat Bodies Fund	PS, Tissa (53)	50.97
71	8448/109	Panchayat Bodies Fund	PS, Kalpa (67)	5.73
72	8448/109	Panchayat Bodies Fund	PS, Kandaghat (24)	0.00 ¹²
73	8448/109	Panchayat Bodies Fund	PS Pachhad 20	0.00 ¹³
74	8448/109	Panchayat Bodies Fund	PS Narkanda 42	51.22
75	8448/109	Panchayat Bodies Fund	PS Rampur 45	4.00
76	8449/120	Miscellaneous Deposits	PR,MSMLM College, Sunder Nagar(19)	0.10
77	8449/120	Miscellaneous Deposits	PR., DAV College, Kotkhai (01)	0.71
78	8449/120	Miscellaneous Deposits	PR., Arya College, Nurpur(09)	4.10
79	8449/120	Miscellaneous Deposits	Pr. MSML College Thural 08	2.67
80	8449/120	Miscellaneous Deposits	SDO(Civil) Nahana (57)	0.03
81	8449/120	Miscellaneous Deposits	PR., SVSD College, Bhatoli (18)	37.10
82	8443/106	Technical Education	Director, Technical Education, Sunder Nagar(73)	0.05
83	8449/120	Miscellaneous Deposits	Pr. DAV College, Kangra	208.04
Total				23,142.32 or say ₹ 231.42 crore

¹² Actual figure is ₹1

¹³ Actual figure is ₹281.81

Appendix-2.14

(Reference: Paragraphs 2.5.2, 2.5.3 and 2.5.4; Page 42)

Withdrawal of huge budget provision through re-appropriation

(in ₹)

Head of account	Original provision	Supplementary	Re-appropriation	Total provision	Expenditure	Variation Excess (+)/ Savings (-)
Grant No. 09						
2059-01-053-49	1,000	--	307,09,000	307,10,000	294,41,788	(-) 12,68,212
2210-01-102-01	165,50,000	--	100,00,000	265,50,000	165,50,000	(-) 100,00,000
2210-01-110-03	18427,09,000	--	(-) 6164,54,000	12262,55,000	12220,71,823	(-) 41,83,177
2210-03-110-01	28925,03,000	--	(-) 7969,39,000	20955,64,000	20890,47,169	(-) 65,16,831
2210-04-101-02	8442,72,000	--	(-) 1433,48,000	7009,24,000	6242,12,966	(-) 767,11,034
2210-05-101-01	1226,08,000	--	6,93,000	1233,01,000	1177,21,743	(-) 55,79,257
2211-00-003-01	349,85,000	--	(-) 148,78,000	201,07,000	183,07,376	(-) 17,99,624
2211-00-101-01	8016,27,000	--	(-) 2797,84,000	5218,43,000	5116,61,152	(-) 101,81,848
2211-00-102-01	1441,74,000	--	(-) 647,15,000	794,59,000	758,21,416	(-) 36,37,584
2059-01-053-55	132,00,000	--	200,00,000	332,00,000	237,20,922	(-) 94,79,078
2210-01-110-03	4400,00,000	--	209,20,000	4609,20,000	4552,36,194	(-) 56,83,806
2210-03-110-01	5045,00,000	--	(-) 965,70,000	4079,30,000	3937,87,656	(-) 141,42,344
2210-05-105-06	286,00,000	--	354,15,000	640,15,000	540,51,404	(-) 99,63,596
2210-05-105-08	99,00,000	--	213,00,000	312,00,000	213,98,061	(-) 98,01,939
2210-06-101-02	170,00,000	--	(-) 77,35,000	92,65,000	81,84,974	(-) 10,80,026
Total	77126,29,000	--	18813,86,000	58312,43,000	56612,14,644	(-) 1700,28,356
Grant No. 09						
2210-01-200-01	2273,33,000	--	152,20,000	2425,53,000	2550,90,908	(+)125,37,908
2210-02-001-02	6712,23,000	--	(-) 1972,52,000	4739,71,000	4754,62,213	(+)14,91,213
2210-05-105-06	5998,45,000	--	483,68,000	6482,13,000	6777,69,813	(+)295,56,813
Total	14984,01,000	--	(-) 1336,64,000	13647,37,000	14083,22,934	(+)435,85,934
Grant No. 20						
2505-02-101-03	2000,00,000	--	(-) 51,28,000	1948,72,000	--	(-) 1948,72,000
2515-00-102-01	8601,89,000	--	(-) 2229,65,000	6372,24,000	6345,38,439	(-) 26,85,561
Total	10601,89,000	--	(-) 2280,93,000	8320,96,000	6345,38,439	(-) 1975,57,561

Appendix-3.1

(Reference: Paragraph 3.1; Page 45)

Utilisation Certificates outstanding as on 31 March 2016

(₹ 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	2014-15	1	8.23	-	-
			1	8.23	-	-
2	2029-Land Revenue	2013-14	10	183.00	-	-
		2014-15	20	312.00	-	-
			30	495.00	-	-
3	2052-Secretariat General Services	2014-15	6	110.91	6	110.91
			6	110.91	6	110.91
4	2055- Police	2013-14	1	10.00	-	-
		2014-15	1	10.00	1	10.00
			2	20.00	1	10.00
5	2070-Other Administrative Services	2014-15	16	300.00	-	-
			16	300.00	-	-
6	2075- Miscellaneous General Services	2013-14	3	125.27	3	125.27
		2014-15	18	164.29	18	164.29
			21	289.56	21	289.56
7	2202- General Education	2012-13	167	91.26	-	-
		2013-14	9,414	24,965.94	21	3,585.27
		2014-15	19,911	43,674.85	83	799.29
			29,492	68,732.05	104	4,384.56
8	2203-Tech Education	2013-14	3	48.00	-	-
			3	48.00	-	-
9	2204- Sports and Youth services	2013-14	12	51.30	-	-
		2014-15	43	682.52	1	2.71
			55	733.82	1	2.71
10	2205- Art and Culture	2012-13	168	271.43	-	-
		2013-14	161	363.76	-	-
		2014-15	164	270.00	147	101.51
			493	905.19	147	101.51
Medical and Public Health						
11	2210- Medical and Public Health	2011-12	1	170.00	1	170.00
		2012-13	3	300.00	3	300.00
		2013-14	470	1,822.09	43	1,650.91
		2014-15	583	6,851.58	130	4,659.17
			1,057	9,143.67	177	6,780.08
12	2211-Family Health	2013-14	9	4,816.54	1	533.00
		2014-15	44	14,772.12	24	4,369.61
			53	19,588.66	25	4,902.61
Total (Medical and Public Health)			1,110	28,732.33	202	11,682.69
Urban Development						
13	2215-Water Supply & Sanitation	2014-15	1	914.79	-	-
			1	914.79	-	-

1.	2.	3.	4.	5.	6.	7.
14	2217- Urban Development	2008-09	4	465.33	-	-
		2009-10	14	6,055.65	-	-
		2010-11	20	2,953.06	5	1,919.83
		2011-12	20	4,422.65	4	728.63
		2012-13	34	11,736.91	5	489.10
		2013-14	53	26,724.59	12	6,363.41
		2014-15	46	18,736.92	16	8,474.81
		191	71,095.11	42	17,975.78	
15	3054- Road and Bridges	2008-09	2	600.00	-	-
		2010-11	2	276.00	-	-
		2011-12	1	600.00	1	600.00
		2012-13	1	600.00	1	600.00
		2013-14	1	600.00	1	600.00
		2014-15	1	600.00	1	600.00
				8	3,276.00	4
Total(Urban Development)			200	75,285.90	46	20,375.78
Social Justice and Empowerment						
16	2225- Welfare of SC, ST and Other Backward Classes	2011-12	13	1,003.30	10	1,000.00
		2012-13	29	1,431.11	20	1,006.49
		2013-14	35	630.60	3	8.60
		2014-15	5	227.10	4	225.10
				82	3,292.11	37
17	2235- Social Security and Welfare	2008-09	44	366.61	-	-
		2009-10	38	156.45	-	-
		2010-11	84	493.74	-	-
		2011-12	431	716.02	-	-
		2012-13	353	839.14	-	-
		2013-14	545	2,102.09	-	-
		2014-15	656	3,147.28	403	1,375.82
				2,151	7,821.33	403
Total (Social Justice and Empowerment)			2,233	11,113.44	440	3,616.01
18	2230- Labour and Employment	2014-15	1	5.00	-	-
			1	5.00	-	-
Secretariat and Social Services						
19	3451-Secretariat Economic Services	2011-12	1	5.00	-	-
		2012-13	2	75.00	-	-
		2013-14	4	54.30	-	-
		2014-15	17	500.94	12	457.02
				24	635.24	12
20	2251- Secretariat Social Services	2009-10	1	49.00	-	-
		2010-11	1	57.22	-	-
		2012-13	1	3.00	1	3.00
		2013-14	4	46.00	4	46.00
		2014-15	10	1,445.09	10	1,445.09
				17	1,600.31	15
Total (Secretariat and Social Services)			41	2,235.55	27	1,951.11
21	2401- Crop Husbandry	2011-12	22	625.33	-	-
		2012-13	32	1,321.51	13	681.41
		2013-14	43	2,216.79	27	1,776.15
		2014-15	39	5,716.35	21	5,070.75
				136	9,879.98	61
22	2403- Animal Husbandry	2012-13	30	2,379.66	11	145.56
		2013-14	30	2,457.92	6	1,770.35
		2014-15	33	4,653.87	24	3,820.79
				93	9,491.45	41

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1.	2.	3.	4.	5.	6.	7.
23	2404- Diary Development	2013-14	9	1,400.00	9	1,400.00
		2014-15	21	1,451.59	21	1,451.59
			30	2,891.59	30	2,891.59
24	2405- Fisheries	2012-13	10	7.95	-	-
		2013-14	5	39.30	1	33.60
		2014-15	12	30.25	6	25.20
			27	77.50	7	58.80
25	2408- Food Storage and Ware Housing	2010-11	1	2.49	-	-
		2011-12	8	20.40	8	20.40
		2012-13	12	26.99	12	26.99
		2013-14	18	33.50	18	33.50
		2014-15	22	35.71	22	35.71
	61	119.09	60	116.60		
26	2425- Co-operation	2012-13	12	15.68	-	-
		2013-14	37	106.45	17	12.85
		2014-15	59	119.45	27	42.45
			108	241.58	44	55.30
Rural Development						
27	2216- Housing	2009-10	93	515.60	-	-
		2010-11	58	1,104.70	-	-
		2011-12	17	281.13	-	-
		2012-13	84	1,574.00	-	-
		2013-14	102	2,391.29	-	-
		2014-15	78	2,947.00	53	1,156.36
	432	8,813.72	53	1,156.36		
28	2501- Special Programme	2008-09	18	141.53	-	-
		2009-10	20	366.13	-	-
		2010-11	27	562.00	-	-
		2011-12	61	1,648.71	-	-
		2012-13	81	739.08	-	-
		2013-14	58	1,364.14	-	-
		2014-15	44	1,500.07	20	932.91
	309	6,321.66	20	932.91		
29	2505- Rural Employment	2008-09	2	816.89	-	-
		2009-10	2	224.04	-	-
		2011-12	9	284.86	9	284.86
		2012-13	17	3,911.91	17	3,911.91
		2013-14	14	4,996.53	14	4,996.53
		2014-15	19	39,245.37	19	39,245.37
	63	49,479.60	59	48,438.67		
30	2515- Other Rural Development Programmes	2008-09	162	1,645.69	-	-
		2009-10	337	9,042.51	-	-
		2010-11	397	10,531.28	-	-
		2011-12	353	19,652.67	158	16,862.40
		2012-13	412	19,172.34	312	17,035.62
		2013-14	395	27,717.68	365	12,435.51
		2014-15	444	38,844.26	444	38,844.26
	2,500	1,26,606.42	1,279	85,177.79		
Total (Rural Development)			3,304	1,91,220.98	1,411	1,35,705.73
31	2801- Power	2011-12	2	212.00	2	212.00
		2013-14	2	1,876.50	2	1,876.50
		2014-15	5	1,349.00	5	1,349.00
			9	3,437.50	9	3,437.50
32	2810- Non-Conventional Source of Energy	2013-14	2	5.00	-	-
		2014-15	12	7.75	-	-
			14	12.75	-	-

1.	2.	3.	4.	5.	6.	7.
33	2851- Village and Small Scale Industries	2011-12	26	361.69	-	-
		2012-13	52	705.10	14	565.74
		2013-14	102	2,276.82	22	275.57
		2014-15	100	3,016.86	21	1,008.43
			280	6,360.47	57	1,849.74
34	3055- Road Transport	2014-15	1	3,000.00	-	-
			1	3,000.00	-	-
35	3435- Ecology Environment	2013-14	7	42.15	5	40.70
		2014-15	5	52.40	4	50.40
			12	94.55	9	91.10
36	3452- Tourism	2010-11	7	74.51	1	10.00
		2011-12	16	706.62	10	606.62
		2012-13	12	1,000.68	9	900.68
		2013-14	12	1,995.06	9	1,905.06
		2014-15	10	2,203.30	8	2,103.30
			57	5,980.17	37	5,525.66
37	3604- Compensation and assignments to Local Bodies	2012-13	24	717.57	-	-
		2013-14	48	909.03	-	-
		2014-15	24	912.70	-	-
			96	2,539.30	-	-
38	2406-Forest and Wild Life (Forest Account)	2011-12	1	18.11	1	18.11
		2012-13	11	171.36	9	170.64
		2013-14	41	570.36	17	474.23
		2014-15	171	1,099.00	85	522.72
			224	1,858.84	112	1,185.70
39	2415-Agriculture Research and Education (Forest Account)	2011-12	1	10.00	-	-
		2012-13	1	10.00	-	-
		2013-14	24	11,145.75	-	-
		2014-15	42	15,744.85	42	15,744.85
			68	27,221.60	42	15,744.85
40	2250-Other Social Community	2014-15	5	502.39	3	2.12
			5	502.39	3	2.12
41	3425-Other Scientific	2014-15	21	406.80	3	80.20
			21	406.80	3	80.20
42	3454-Census	2014-15	23	5.42	23	5.42
			23	5.42	23	5.42
Grand Total			38,273	4,54,357.40	2,944	2,22,540.16

Appendix – 3.2

(Reference: Paragraph 3.2; Page 46)

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
1.	HP State Legal Service Authority, Shimla	Jan-2014	2014-15	6 months	2013-14	Yet to be placed
2.	District Legal Service Authority, Shimla	Jan-2014	2014-15	1 month	2012-13	Yet to be placed
3.	District Legal Service Authority, Rampur	Jan-2014	2014-15	1 month	2013-14	Yet to be placed
4.	District Legal Service Authority, Dharamshala	Jan-2014	2014-15	1 month	2013-14	Yet to be placed
5.	District Legal Service Authority, Nahan	Jan-2014	2014-15	1 month	2013-14	Yet to be placed
6.	District Legal Service Authority, Hamirpur	Jan-2014	2014-15	1 month	2013-14	Yet to be placed
7.	District Legal Service Authority, Solan	Jan-2014	2014-15	1 month	2013-14	Yet to be placed
8.	District Legal Service Authority, Mandi	Jan-2014	2014-15	1 month	2013-14	Yet to be placed
9.	District Legal Service Authority, Una	Jan-2014	2014-15	2 months	2013-14	Yet to be placed
10.	District Legal Service Authority, Chamba	Jan-2014	2014-15	1 month	2013-14	Yet to be placed
11.	District Legal Service Authority, Kullu	Jan-2014	2014-15	1 month	2013-14	Yet to be placed
12.	District Legal Service Authority, Bilaspur	Jan-2014	2014-15	1 month	2013-14	Yet to be placed
13.	HP Building and other Construction workers Welfare Board, Shimla	2009-10 onwards	2013-14	10 months	2013-14	Yet to be placed
14.	HP State Veterinary Council, Shimla	2005-06 onwards	2014-15	-	2014-15	March 2016

Appendix - 3.3

(Reference: Paragraph 3.4; Page 47)

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

Sr. No.	Name of the Department	Up to 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		25 years to More		Total No. of Cases.	
		C	A	C	A	C	A	C	A	C	A	C	A	C	A
1.	Education	02	2.55	01	0.93	-	-	-	-	-	-	-	-	03	3.48
2.	Rural Development	-	-	02	4.68	-	-	-	-	-	-	-	-	02	4.68
3.	Agriculture	-	-	-	-	01	9.20	01	0.26	-	-	-	-	02	9.46
4.	Horticulture	01	1.54	01	0.06	-	-	01	1.29	-	-	-	-	03	2.89
5.	Land Revenue	-	-	-	-	-	-	-	-	01	2.57	-	-	01	2.57
6.	Police	01	0.08	-	-	-	-	-	-	-	-	-	-	01	0.08
7.	Fisheries	01	1.28	-	-	-	-	-	-	-	-	-	-	01	1.28
8.	Revenue	-	-	-	-	01	0.31	-	-	-	-	01	0.02	02	0.33
9.	Home Guard	-	-	-	-	02	25.37	-	-	-	-	01	0.05	03	25.42
10.	Animal Husbandry	-	-	-	-	01	0.17	-	-	-	-	02	0.93	03	1.10
11.	Planning	-	-	01	2.97	-	-	-	-	-	-	-	-	01	2.97
12.	Health	-	-	01	0.95	-	-	-	-	-	-	-	-	01	0.95
13.	Forests	01	0.63	-	-	01	2.38	-	-	-	-	02	0.40	04	3.41
14.	Public Works	-	-	-	-	02	5.27	05	3.21	01	0.55	07	2.14	15	11.17
15.	Irrigation and Public Health	-	-	01	0.89	02	0.27	02	7.75	-	-	-	-	05	8.91
	Total:	06	6.08	07	10.48	10	42.97	09	12.51	02	3.12	13	3.54	47	78.70

C: Number of Cases

A: Amount (₹ in lakh)

Appendix-3.4

(Reference: Paragraph 3.4; Page 47)

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

(₹ in lakh)

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

Appendix-4

Glossary of terms

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

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