



सत्यमेव जयते

**REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL OF INDIA  
ON  
STATE FINANCES  
FOR THE YEAR ENDED 31 MARCH 2017**



**GOVERNMENT OF HIMACHAL PRADESH**

*Report No. 4 of the year 2017*

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## PREFACE

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

Chapters I and II of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts, respectively, of the State Government for the year ended 31 March 2017. Information has been obtained from the Government of Himachal Pradesh wherever necessary.

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

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



# **EXECUTIVE SUMMARY**



## EXECUTIVE SUMMARY

### Background

This Report on the finances of the Government of Himachal Pradesh is brought out to assess the financial performance of the State during the year 2016-17 *vis-à-vis* the Budget Estimates, the targets set under the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 amended further by Act No. 25 of 2011 and analyses the dominant trends and structural profile of Government's receipts and disbursements.

Based on the audited accounts of the Government of Himachal Pradesh for the year ended 31 March 2017 and additional data collated from several sources such as the Economic survey brought out by the State government and Census, this Report provides an analytical review of the Annual Accounts of the State Government in three Chapters.

**Chapter-I** is based on the audit of Finance Accounts and makes an assessment of the Himachal Pradesh Government's fiscal position as on 31 March 2017. It provides an account of time series of receipts and disbursements, market borrowings, quality of expenditure, financial analysis of government expenditure and investment, debt sustainability and fiscal imbalances.

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

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

### Audit findings

#### Chapter I

##### Finances of the State Government

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

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

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

XIV<sup>th</sup> FC (i.e. 3 *per cent*). Primary surplus of ₹ 990 crore and ₹ 411 crore was observed during 2015-16 and 2016-17 respectively.

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

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

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

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

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

## **Chapter II**

### **Financial management and budgetary control**

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

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

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

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

### **Chapter III**

#### **Financial reporting**

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

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

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



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



## CHAPTER -I

## FINANCES OF THE STATE GOVERNMENT

## 1.1 Introduction

This chapter provides a broad overview of the finances of the State Government during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. Himachal Pradesh is a Special Category State (SCS) based upon categorisation of States made by Government of India (GoI). The special privileges given to Himachal Pradesh include financial assistance from GoI in the ratio of 90 *per cent* grant and 10 *per cent* loan unlike Non-Special Category States which get central aid in the ratio of 30 *per cent* grant and 70 *per cent* loan.

**Profile of State**

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

The State's GDP in 2016-17 at current prices was ₹ 1,24,570 crore. The State's literacy rate increased from 76.50 *per cent* (as per 2001 census) to 82.80 *per cent* (as per 2011 census). The per capita income of the State stands at ₹ 1,47,277<sup>2</sup> during the year 2016-17.

**Gross State Domestic Product**

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

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

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

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

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

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

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

<sup>2</sup> Advance figure

**1.1.1 Summary of Fiscal Transactions**

Table 1.2 presents the summary of the State Government's fiscal transactions during the current year (2016-17) *vis-à-vis* the previous year (2015-16), while Appendix 1.4 provides details of receipts and disbursements as well as the overall fiscal position during the current year as compared to previous year.

**Table 1.2: Summary of Fiscal operations**

(₹ in crore)

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

Source: Finance Accounts for the respective years.

Figures in the parenthesis indicate the percentage of Revenue receipt.

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

\* Includes ₹2890.50 crore on account of UDAY Scheme.

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

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

### 1.1.2 Review of the fiscal situation

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

**Table 1.3: Major Fiscal Variables**

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

Source: Finance Department and Finance Accounts

#Medium Term Fiscal Plan Statement

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

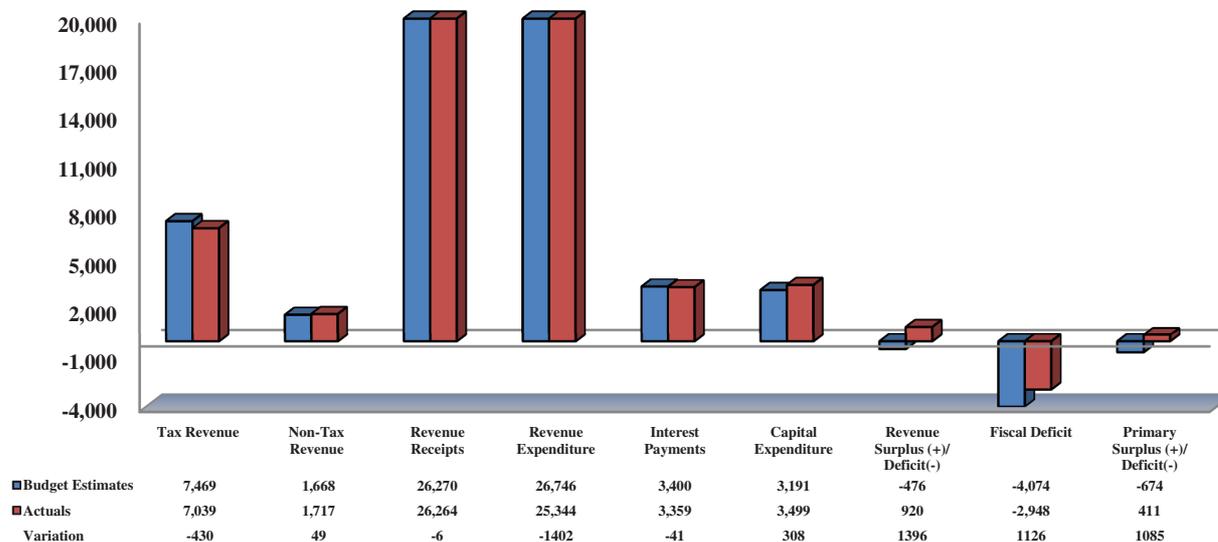
- Target of maintaining revenue surplus set out in the XIV FC was achieved and it stood at ₹ 920 crore during 2016-17.
- Fiscal Deficit was 2.37 per cent of the GSDP excluding effect of UDAY<sup>3</sup> scheme and 4.69 per cent of GSDP with UDAY scheme against the target (3 per cent or less) set out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

### 1.1.3 Budget estimates and actuals

The budget papers presented by the Government of Himachal Pradesh provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. The budget estimates and actuals for some important fiscal parameters for 2016-17 are given in **Chart 1.1**.

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

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



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

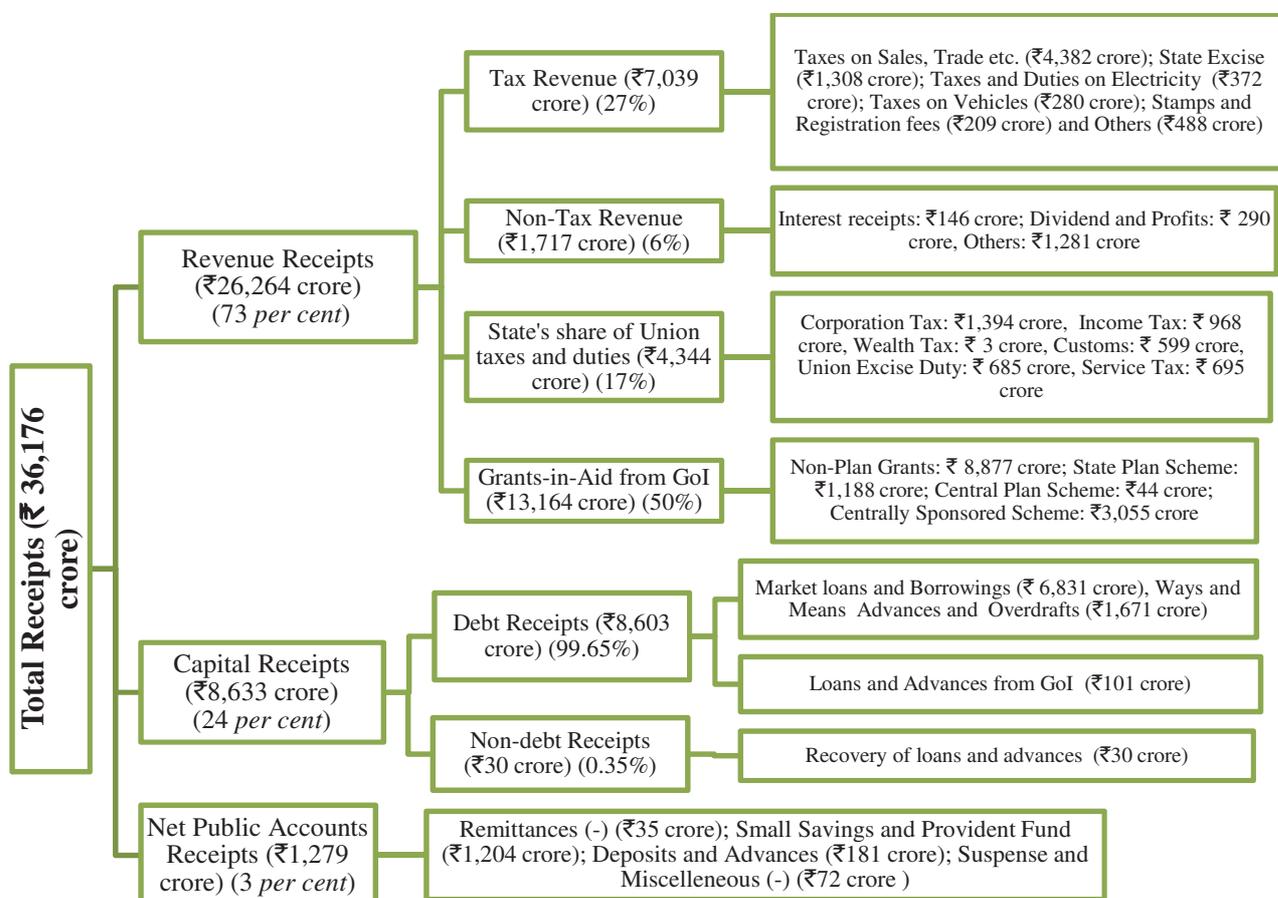
As may be seen from **Chart 1.1**, there were considerable variations between budget estimates and actuals in case of several parameters. It triggers the question that the budget estimates were unrealistic and should have been based on better information and understandings of the realization trend of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

#### 1.1.4 Gender Budgeting

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

## 1.2 Resources of the State

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

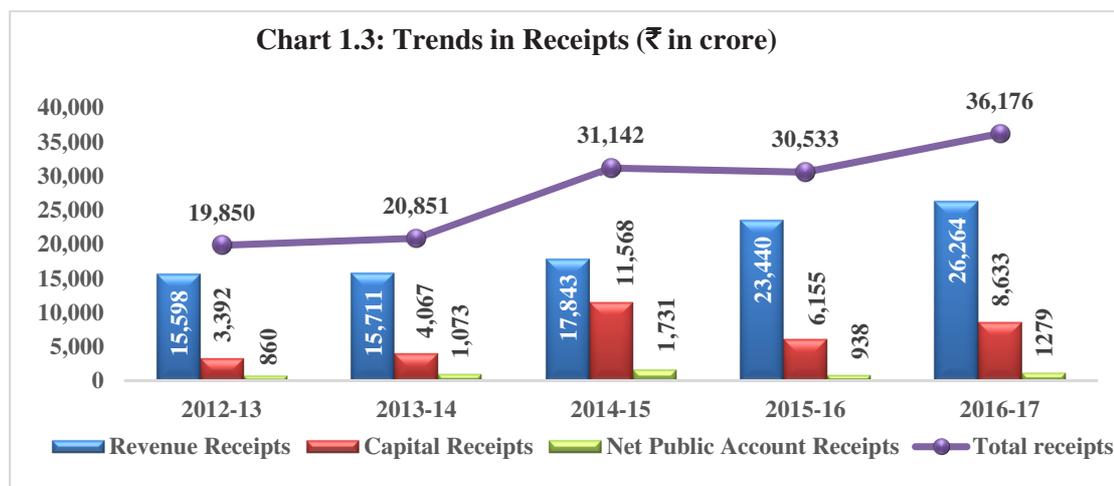


### 1.2.1 Resources of the State as per the Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the GoI. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowing from financial institutions/commercial banks) and loans and advances from GoI. Besides, the fund available in the Public Accounts after disbursement is also utilized by the Government to finance its deficit. **Table 1.2** presents the receipts and disbursements of the State during the year 2016-17 as recorded in its Annual Finance Accounts while **Chart 1.3** depicts the trends in various components of the receipts of the State during 2012-17.

As evident from the **Chart 1.2**, revenue receipts comprise 73 per cent, capital receipts 24 per cent and net public account receipts three per cent of the total receipts of ₹ 36,176 crore during 2016-17. In revenue receipts, the share of grants-in-aid from

GoI, tax revenue, State's share of union taxes and duties and non-tax revenue was 50 per cent, 27 per cent, 17 per cent and six per cent respectively.



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

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

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

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

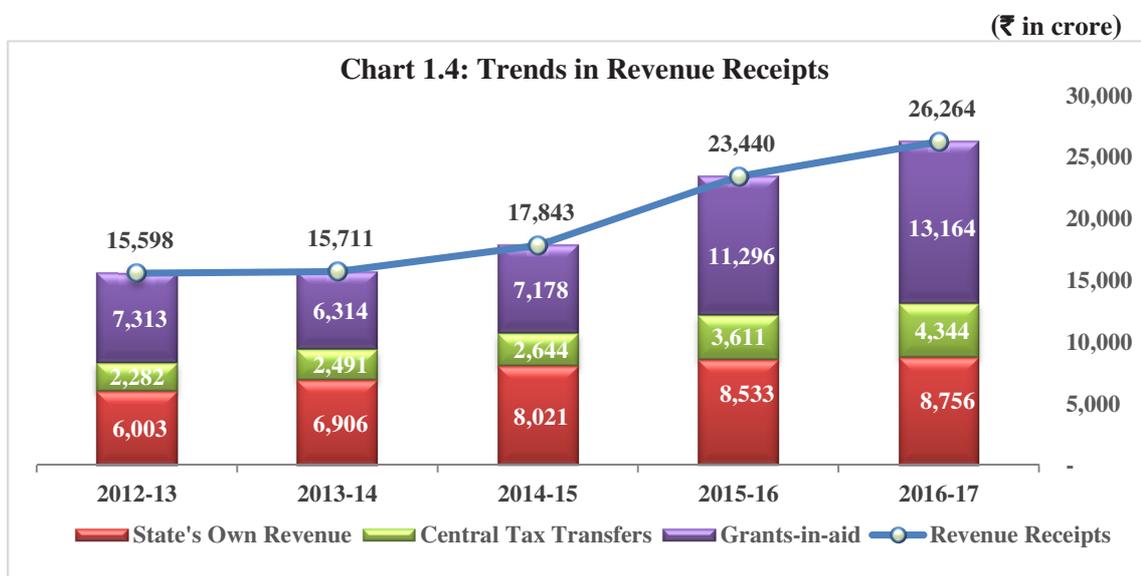
In spite of Central Government decision to route these funds through budget from 2014-15, funds were still transferred directly to the State Implementing agencies during 2014-17.

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

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

### 1.3 Revenue Receipts

**Statement-14** of the Finance Accounts details the revenue receipts of the government. The revenue receipts consist of State's own tax and non-tax revenues, central tax transfers and grants-in-aid from GoI. The trends in revenue receipts over the period 2012-17 are presented in **Appendix 1.3** and also depicted in **Chart 1.4** below:



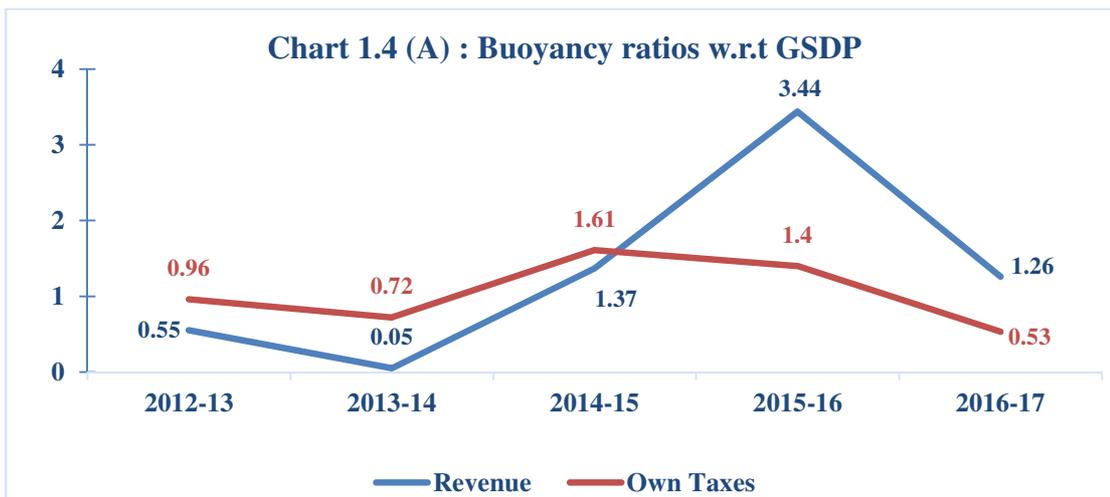
- Revenue receipts steadily increased from ₹ 15,598 crore in 2012-13 to ₹ 26,264 crore in 2016-17 at an annual average growth rate of 12.99 per cent. During 2016-17 it increased by ₹ 2,824 crore recording an increase of 12 per cent over the previous year.
- During 2016-17, only 33 per cent of the Revenue receipts came from the State's own resources comprising taxes and non-taxes, while the remaining 67 per cent were contributed by central transfers comprising the State's share in central taxes and duties (17 per cent) and grants-in-aid from GoI (50 per cent). The trends in revenue receipts relative to GSDP are presented in **Table 1.5**.

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

(₹ in crore)

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

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



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

### 1.3.1 State's Own Resources

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

The State's actual tax and non-tax receipts for the year 2016-17 *vis-à-vis* assessment made by XIV<sup>th</sup> FC and MTFPS are given in **Table 1.6**.

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

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

Source: Finance Department and Finance Accounts

The actual realisation of tax revenue was less by ₹ 2,399 crore (25.42 per cent) while Non-tax Revenue (NTR) was 8 per cent less than the XIV<sup>th</sup> Finance Commission

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

### 1.3.1.1 Tax revenue

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

**Table 1.7: Components of Tax Revenue**

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

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

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

### 1.3.1.2 Non-tax revenue

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

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

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

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

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

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

### 1.3.1.3 Cost of collection

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

**Table 1.9: Cost of Collection**

(₹ in crore)

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

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

### 1.3.2 Transfers from GoI to State

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

**Table 1.10: Transfer from GoI**

(₹ in crore)

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

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

#### 1.3.2.1 Grants-in-aid from GoI

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

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

(₹ in crore)

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

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

### 1.3.2.2 Central tax transfers

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

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

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

### 1.3.3 Optimisation of Fourteenth Finance Commission (XIV) Grants.

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

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

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

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

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

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

#### 1.4 Capital Receipts

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

**Table 1.12: Trends in growth and composition of capital receipts**

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

(₹ in crore)

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

##### 1.4.1 Recoveries of loans and advances

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

##### 1.4.2 Debt receipts from internal sources

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

Table 1.13: Details of debt receipts from internal sources

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

Figures in brackets indicate the percentage of internal debt receipts

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

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

### 1.4.3 Loans and advances from GoI

The position of loans and advances by GoI to State Government for the last five years is given in the **Table 1.14**.

Table 1.14: Position of Loans and advances from GoI

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

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

### 1.5 Public Account Receipts

Receipts and disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here the government acts as a banker. The balance after disbursements is the fund available with the government for use. The trends in public account receipts and disbursements during the year 2015-16 and 2016-17 are given in **Table 1.15**.

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

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

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

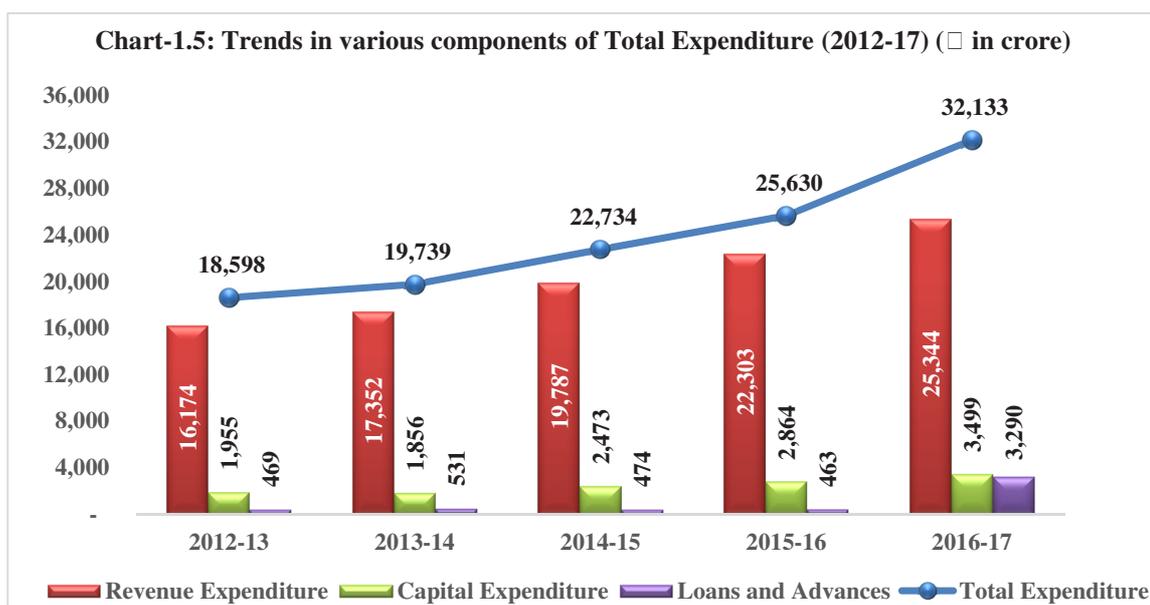
As is evident from the above table, net public account receipts (excess of receipts over disbursements) increased by ₹ 341 crore from ₹ 938 crore in 2015-16 to ₹ 1,279 crore in 2016-17. The increase was mainly under Small Savings, Provident Fund, etc. by ₹ 486 crore and under deposits and advances by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

## 1.6 Application of Resources

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

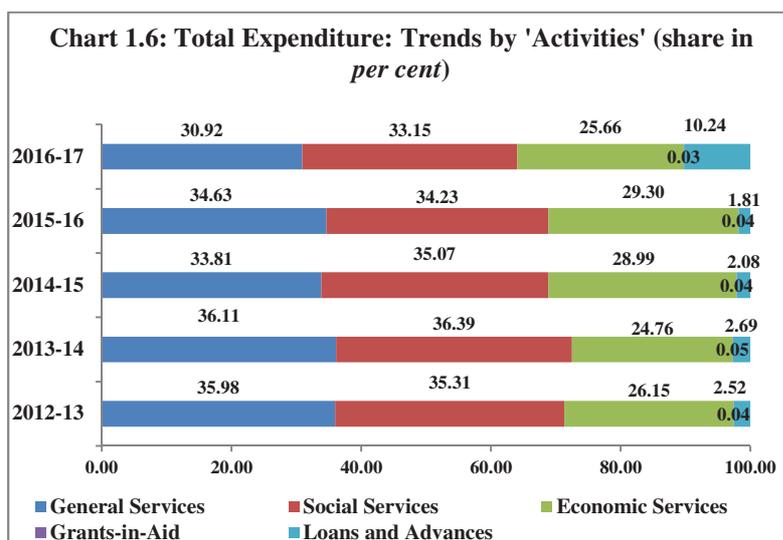
### 1.6.1 Growth and Composition of Expenditure

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



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

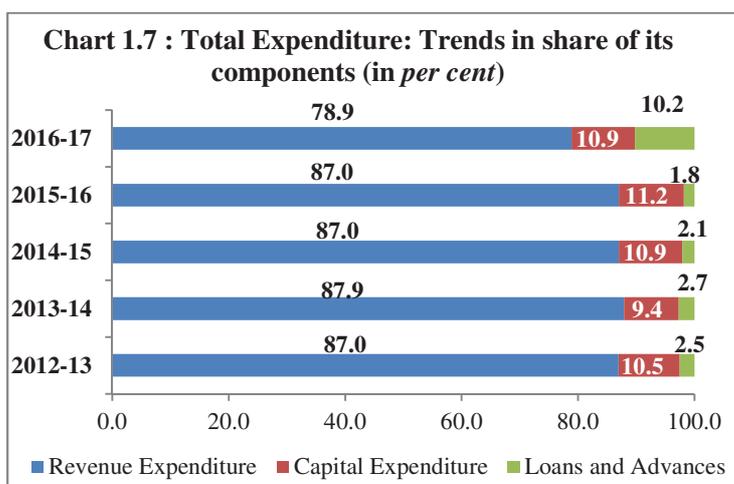
The movement of relative share of these components of expenditure indicated that



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

account of Interest Payments (34 *per cent*) and Pension and Other Retirement Benefits (41 *per cent*). On the other hand, developmental expenditure<sup>5</sup> i.e. on Social and Economic Services together accounted for 58.81 *per cent* in 2016-17 against 63.53 *per cent* during 2015-16. The share of loans and advances increased by 8.43 percentage point during 2016-17 due to implementation of UDAY Scheme.

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



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

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

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

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

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

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

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

### ➤ 1.6.2 Committed Expenditure

The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages, pensions and subsidies.

**Table 1.16: Components of Committed Expenditure**

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

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

Figures in brackets indicate per cent to Revenue Receipts

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

### Salaries and Wages

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

### Pension Payments

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

### Interest Payments

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

### Subsidies

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

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

The detailed position of grants-in-aid released to various institutions during the period 2012-13 to 2016-17 by the State Government is given in **Table 1.17**.

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

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

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

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

The grants extended to local bodies and other institutions consistently showed an increasing trend during the year 2012-16. It increased by ₹ 744.71 crore

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

## 1.7 Quality of Expenditure

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

### 1.7.1 Adequacy of Public Expenditure

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

**Table 1.17 (A)** analyses the fiscal priorities of the State Government with regard to development expenditure (DE), social sector expenditure (SSE) and capital expenditure (CE) relative to Special Category States during 2015-16 and the current year 2016-17 taking 2012-13 as the base year.

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

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

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

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

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

### 1.7.2 Efficiency of expenditure use and its effectiveness

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

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

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

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

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

### 1.8 Financial analysis of Government expenditure and investments

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

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

### 1.8.1 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2017 is given in **Table 1.18**. Only those projects where the scheduled date of completion is already over as of 31 March 2017 have been included under incomplete projects.

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

| (₹ in crore)                      |                               |                       |                                |                                       |
|-----------------------------------|-------------------------------|-----------------------|--------------------------------|---------------------------------------|
| Department                        | Number of incomplete projects | Initial budgeted cost | Revised total cost of projects | Total expenditure as on 31 March 2017 |
| Irrigation and Public Health      | 08                            | 85.68                 | 35.48*                         | 99.68                                 |
| Public Works (Building and Roads) | 04                            | 196.38                | NA                             | 87.94                                 |
| <b>Total</b>                      | <b>12</b>                     | <b>282.06</b>         |                                | <b>187.62</b>                         |

Source: Finance Accounts

\* Revised cost of 3 projects only.

NA: Not Available

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

### 1.8.2 Investment and returns

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

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

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

Source: Finance Accounts

NA: Not applicable

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

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

### **1.8.2.1 Implementation of UDAY Scheme**

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

### **1.8.2.2 Investment in Public Sector Undertakings**

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

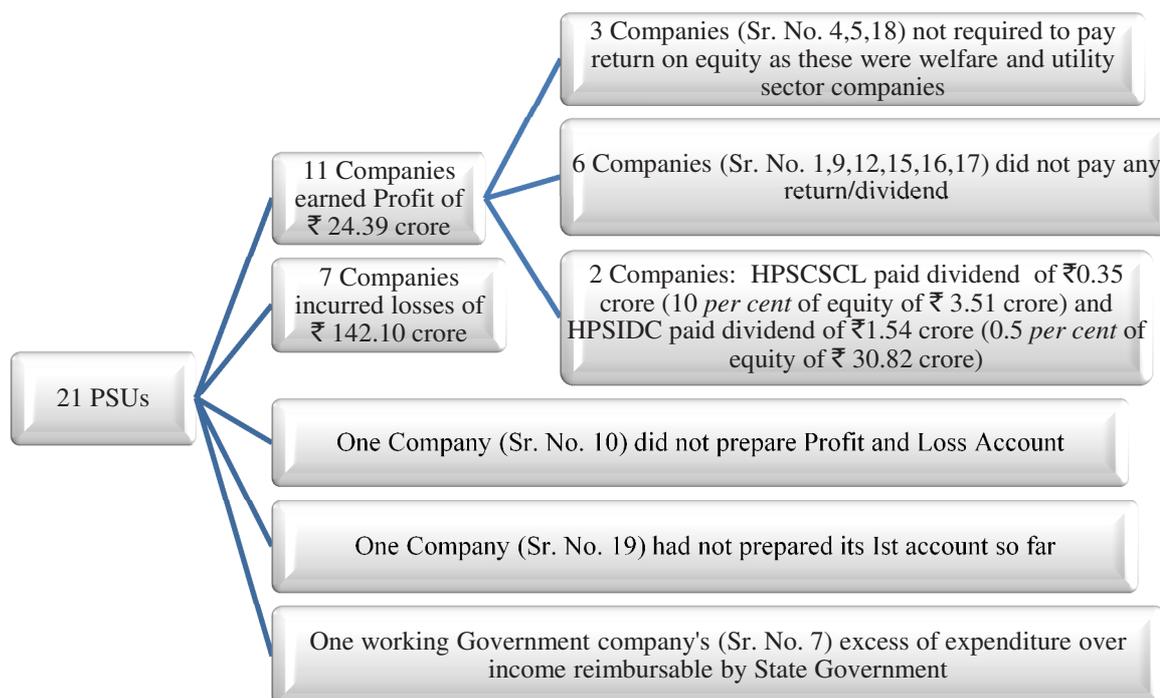
The State Government had formulated (August 1982) a dividend policy under which all PSUs are required to pay a minimum return of 3 per cent on the paid up share capital contributed by the State Government. The Council of Ministers in its meeting held on 8 April 2011 decided that the entire profit making PSUs (except those in welfare and utility sector) may pay a return at the rate of 5 per cent on government equity subject to a ceiling of 50 per cent of profit after tax from financial year 2009-10 onwards. This amount was to be deposited with government treasury latest by end June of the succeeding year and prescribed that return determined was to be payable by all profit making PSUs in future also. As on 31 March 2017, the paid up share capital of the State Government in 23 PSUs was ₹ 3,508.59 crore.

**Table 1.19 (B): Investment in State PSUs in paid up share Capital**

| Nature of investment  | Government companies        |                                 | Statutory corporations (Numbers) | Grand Total (Numbers) |
|-----------------------|-----------------------------|---------------------------------|----------------------------------|-----------------------|
|                       | Working companies (Numbers) | Non-working companies (Numbers) |                                  |                       |
| Paid up share capital | 2,743.81 (19)               | 16.75 (2) <sup>6</sup>          | 748.03 (2)                       | 3,508.59 (23)         |

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

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



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

### 1.8.2.3 Investment in Public Private Partnership projects

Public Private Partnership (PPP) projects offer a unique and innovative method of involving the private sector in the nation building activity and in accelerating the delivery of public goods and services of high quality through joint enterprises. As of March 2017, out of 24 PPP projects undertaken, 10 PPP projects (cost ₹ 179.50 crore) had been completed and under operation and 14 projects (estimated cost ₹ 1,245 crore) were awarded and under implementation as detailed in **Appendix 1.8**.

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

### 1.8.3 Loans and advances by State Government

In addition to investments in co-operative societies, corporations and companies, the State Government has also been providing loans and advances to institutions/ organizations working in areas such as Education, Sports, Art and Culture, Animal Husbandry, etc. The details of outstanding loans and advances as on 31 March 2017, interest receipts *vis-à-vis* interest payments during the last five years is given in **Table 1.20**.

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

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

Source: Finance Accounts

\* Includes ₹2890.50 crore on account of UDAY Scheme.

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

The position of loans and advances made during the year 2016-17 is given in **Table 1.21**.

**Table 1.21: Loans and Advances**

| Loanee-Entity  | Number of Loans | Total Amount of loans | Terms and conditions    |                           |
|--|-----------------|-----------------------|-------------------------|---------------------------|
|  |                 |                       | Rate of Interest        | Moratorium period, if any |
| HP Private Institutional Regulatory Commission                 | 1               | 1.00                  | Interest free           | Not specified             |
| HP State Co-operative  | 3               | 27.11                 | 11.45 <i>per cent</i>   | 3 years                   |
| HP Marketing and Consumer Federation Corporation Ltd. (HIMFED) | 1               | 10.00                 | 10.20 <i>per cent</i>   | Not specified             |
|  | 1               | 2.68                  | 10.90 <i>per cent</i>   | 1 year                    |
| HP Power Corporation Ltd.                                      | 44              | 218.31                | 10 <i>per cent</i>      | 5 years                   |
| Himachal Pradesh State Electricity Board                       | 1               | 2,890.50              | Yet to be finalised     | Not specified             |
| HP Power Transmission Corporation Ltd.                         | 6               | 120.00                | 10 <i>per cent</i>      | 5 years                   |
| HP State Financial Corporation                                 | 3               | 13.06                 | 8.5 <i>per cent</i>     | 2 years                   |
| Government Servants  | --              | 7.03                  | As per applicable rules | NA                        |
| <b>Total:-</b>   | <b>60</b>       | <b>3,289.69</b>       |                         |                           |

Source: Finance Accounts

NA: Not applicable

## 1.8.4 Cash Balances and Investment of Cash Balances

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

Table 1.22: Cash Balances and Investment of Cash Balances

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

The State Government has to maintain a minimum Cash balance of ₹ 0.55 crore with the Reserve Bank of India. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary and special ways and means advances/overdrafts from time to time. The limit for ordinary ways and means advances to the State Government was ₹ 550 crore with effect from 01.02.2016. The RBI has also agreed to give special ways and means advances against the pledge of government securities.

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

It was noticed in audit that cash balance of the State Government at the end of the current year increased by ₹ 100.12 crore from ₹ 216.23 crore in 2015-16 to ₹ 316.35 crore in 2016-17. Interest realised increased by ₹ 13.71 crore during 2016-17 as compared to previous year.

## 1.9 Assets and Liabilities

### 1.9.1 Growth and Composition of Assets and Liabilities

In the existing government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the government is not done. However, the government accounts do capture the financial liabilities of the government and the assets created out of the expenditure incurred. **Appendix 1.4 (Part B)** gives an abstract of such liabilities and the assets as on 31 March 2017, compared with the corresponding position on 31 March 2016. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GoI, receipts from

the Public Account and Reserve Funds, the assets comprise mainly of the capital outlay and loans and advances given by the State Government and cash balances.

During 2016-17, the assets grew by ₹ 6,859.34 crore (22.78 per cent) whereas the liabilities increased by ₹ 5,939.63 crore (14.20 per cent) over the previous year. The Financial Assets/Liabilities increased to 77 per cent in 2016-17 from 72 per cent in 2015-16.

### 1.9.2 Fiscal Liabilities

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

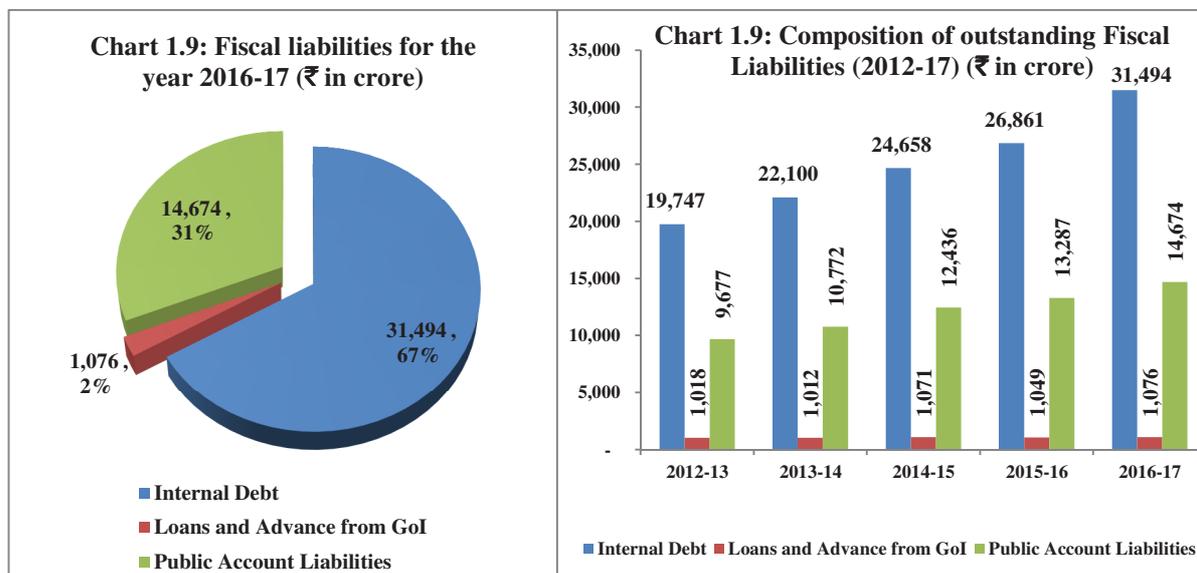
**Table 1.23: Fiscal Liabilities – Basic Parameters**

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

\*GSDP revised on base year 2011-12

<sup>#</sup> Includes ₹ 2890.50 crore on account of UDAY Scheme.

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



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

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

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

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

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

#### **1.9.3.1 Consolidated Sinking Fund**

The State Government is required to make minimum annual contribution to the Fund at 0.5 *per cent* of the outstanding liabilities at the end of the previous financial year. The State Government, however, has not created a consolidated sinking fund. As on 31 March 2016, the outstanding liabilities of the Government of Himachal Pradesh was ₹ 41,197 crore. Had there been a consolidated sinking fund, the liability of the State Government towards the fund would have been ₹ 205.99 crore (0.5 *per cent* of outstanding liabilities in previous year) in 2016-17 indicating that the revenue and fiscal deficit are understated to that extent.

#### **1.9.3.2 Guarantee Redemption Fund**

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

### 1.9.4 Contingent Liabilities

#### 1.9.4.1 Status of Guarantees

Guarantees<sup>7</sup> are liabilities contingent on the security of the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended.

As per **Statement-20** of the Finance Accounts the outstanding guarantees for the last five years are given in **Table 1.24**.

**Table 1.24: Guarantees given by the Government of Himachal Pradesh**

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

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

### 1.10 Debt Management

#### 1.10.1 Debt Profile

**Table 1.25: Growth rate and maturity profile of debt**

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

Figures in brackets indicate the percentage of total public debt

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

<sup>7</sup> Refer Glossary in Appendix 4.

The maturity profile of the State debt (**Table 1.25**) indicates that 9 per cent (₹ 3,096 crore) of the public debt is payable in the next year. Thirty one per cent (₹ 10,008 crore) is payable in the next 1-5 years' time while the remaining 60 per cent (₹ 19,466 crore) loans are required to be paid in more than five years' time which would put a strain on the Government budget during that period. It is indicative that State is required to pay 55 per cent debt within 7 years which is not a very comfortable position.

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

**Table 1.26: Per capita debt**

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

Source: Finance Accounts and Economics and Statistics Department

\* Includes ₹2890.50 crore on account of UDAY Scheme.

**Table 1.27** shows that per capita debt had shown increasing trend from ₹ 43,726 in 2012-13 to ₹ 65,444 during 2016-17 (an increase of 50 per cent in five years' time). It increased by ₹ 7,802 (14 per cent) during 2016-17 over the previous year. Though the per capita debt of the State for the year 2016-17 with the UDAY Scheme is ₹ 65,444, it would be ₹ 61,439 without taking into account the UDAY scheme.

### 1.10.2 Debt sustainability

Debt sustainability implies State's ability to service the debt. Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability<sup>8</sup> of the State. The analysis of variations in debt sustainability indicators of the State for the period of five years beginning from 2012-13 is given in **Table 1.27**.

**Table 1.27: Debt Sustainability: Indicators and Trends**

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

Source: State Finance Accounts of the respective years.

\* Includes ₹2890.50 crore on account of UDAY Scheme.

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

<sup>8</sup> Refer glossary in Appendix 4.

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

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

### 1.10.3 Violation of provision of HPFRBM Act

HPFRBM Act, 2005 stipulates that borrowings are to be used on self-sustaining development activities and creation or augmentation of capital assets and are not to be applied in financing current expenditure. The Government, in each tranche of loan, notified the object that the proceeds of loans will be utilised for financing development schemes like Power, Agriculture, Irrigation, Transportation, Industries etc., for the benefit, especially, of weaker sections and backward areas of the State that have a major long-term impact on the livelihood of the people and its GSDP. The year-wise position of market borrowings that the Government raised with the above object for the period 2012-13 to 2016-17 is given in **Table 1.28**.

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

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

Source: Finance Accounts of respective years

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

## 1.11 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2016-17.

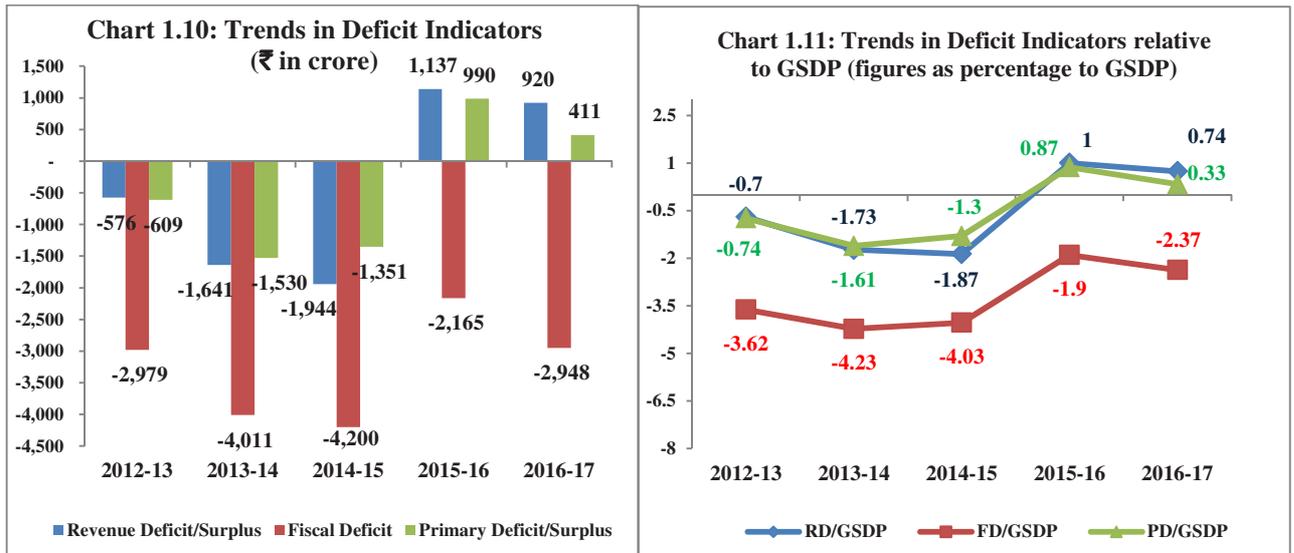
### 1.11.1 Trends in Deficits

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

Table 1.29: Trends in deficits

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

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



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

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

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

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

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.30**.

**Table 1.30: Components of Fiscal Deficit and its Financing Pattern**

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

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

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

Source: Finance Accounts

# ₹ 2,890.50 crore excluded on account of UDAY Scheme

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

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

### 1.11.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit indicates the extent to which the deficit had been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy. The ratio of revenue deficit to fiscal deficit ranged from 0.19 to 0.46 during 2012-15. During 2015-16 and 2016-17, State experienced revenue surplus of ₹ 1,137 crore and ₹ 920 crore (**Appendix 1.3**).

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

**Table 1.31: Primary deficit/Surplus – Bifurcation of factors**

| Year<br>(1) | Non-debt<br>receipts<br>(2) | Primary<br>Revenue<br>Expenditure<br>(PRE)<br>(3) | Capital<br>Expenditure<br>(4) | Loans<br>and<br>Advances<br>(5) | Total<br>Primary<br>Expenditure<br>(3+4+5)<br>(6) | ₹ in crore                                    |  |
|-------------|-----------------------------|---|-------------------------------|---------------------------------|---|---|--|
|             |                             |   |                               |                                 |   | Primary<br>revenue<br>surplus<br>(2-3)<br>(7) | Primary<br>deficit (-)/<br>surplus (+)<br>(2-6)<br>(8) |
| 2012-13     | 15,619                      | 13,804  | 1,955                         | 469                             | 16,228  | 1,815   | (-) 609  |
| 2013-14     | 15,728                      | 14,871  | 1,856                         | 531                             | 17,258  | 857   | (-) 1,530  |
| 2014-15     | 18,534                      | 16,938  | 2,473                         | 474                             | 19,885  | 1,596   | (-) 1,351  |
| 2015-16     | 23,466                      | 19,149  | 2,864                         | 463                             | 22,476  | 4,317   | 990  |
| 2016-17     | 26,294                      | 21,985  | 3,499                         | 399 <sup>#</sup>                | 25,883  | 4,309   | 411 <sup>#</sup>                                       |

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

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

### 1.12 Follow up on Audit Report on State Finances

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

### 1.13 Conclusion

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

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

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

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

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

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

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

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

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

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

#### **1.14 Recommendations**

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

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



## CHAPTER-II

### FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

#### 2.1 Introduction

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

**2.1.2** Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provision of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions. Deficiencies in management of budget and expenditure and violation of Budget manual noticed in audit have been discussed in the succeeding paragraphs.

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure *vis-à-vis* budgetary provisions during 2016-17 for the total 32 grants/appropriations is given in **Table 2.1**.

**Table 2.1: Position of actual expenditure vis-à-vis original/supplementary provisions for the year 2016-17**  
(₹ in crore)

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

Source: Appropriation Accounts NA: Not applicable

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

<sup>9</sup> Shortfall in utilisation of funds

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

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

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

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

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

### **2.3.1 Excess Expenditure**

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

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

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

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

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussions on the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 6,364.57 crore (**Appendix 2.2**) for the years 2011-12 to 2015-16 was yet to be regularized as of September 2017. The excess expenditure of ₹ 3,037.61 crore (**Appendix 2.3**) incurred in five grants and three appropriations during the year 2016-17 also requires regularisation.

#### **2.3.1.2 Persistent Excess**

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

The persistent excess expenditure indicated that the budgetary control in Irrigation and Public Health Department is not effective as previous year trends were not taken into account while allocating the funds for the year.

#### **2.3.1.3 Expenditure without Provision**

As per the Himachal Pradesh Budget Manual (HPBM), expenditure should not be incurred on a scheme/service without provision of funds.

It was, however, noticed that an expenditure of ₹ 37.16 crore was incurred in 10 cases detailed in **Appendix 2.4**, without making any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

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

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

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

- In 10 cases (₹ one crore or more in each case) supplementary provision of ₹ 119.70 crore proved unnecessary, as the expenditure did not come up to the level of original provision (**Appendix 2.5**).
- In four cases (₹ one crore or more in each case) supplementary provision of ₹ 1,993.39 crore proved insufficient leaving an aggregate uncovered excess expenditure of ₹ 3,037.22 crore (**Appendix 2.6**). Of this uncovered excess, ₹ 2,687.01 crore (88 per cent) was incurred under grant number 23-Power Development (Capital- Voted) by the Power Department on account of UDAY scheme.

This indicates that the Administrative Departments could not realistically assess/estimate the actual requirement of funds for the remaining period of financial year due to poor monitoring of expenditure through the monthly expenditure control mechanism.

### **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 27 sub-heads (**Appendix 2.7**). Of these, excess/savings (₹ 10 crore or more in each case) occurred in nine 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 39 sub-heads (**Appendix 2.8**), expenditure amounting to ₹ 1,096.09 crore exceeding ₹ 10 crore in each case and constituting 50 per cent or more of the total expenditure for the year was incurred in the month of March 2017. The details of major heads where more than ₹ 10 crore or 50 per cent of total 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 2016-17**  
(₹ in crore)

| Sr. No.      | Major Head (Voted/Charged)                                | Total expenditure during the year | Expenditure during last quarter of the year |                                 | Expenditure during March 2017 |                                 |
|--------------|---|-----------------------------------|---|---------------------------------|-------------------------------|---------------------------------|
|              |   |                                   | Amount                                      | Percentage of total expenditure | Amount                        | Percentage of total expenditure |
| 1.           | 4059-Capital outlay on Public Works                       | 52.08                             | 28.22                                       | 54                              | 28.05                         | 54                              |
| 2.           | 4055-Capital outlay on Police                             | 27.62                             | 15.05                                       | 54                              | 14.65                         | 53                              |
| 3.           | 4210-Capital outlay on Medical and Public Health          | 241.38                            | 189.47                                      | 78                              | 189.47                        | 78                              |
| 4.           | 2216-Housing  | 15.60                             | 12.49                                       | 80                              | 10.26                         | 66                              |
| 5.           | 4059-Capital outlay on Public Works                       | 58.08                             | 34.03                                       | 59                              | 29.73                         | 51                              |
| 6.           | 4216-Capital outlay on Housing                            | 35.23                             | 30.35                                       | 86                              | 27.84                         | 79                              |
| 7.           | 4705-Command Area Development                             | 27.99                             | 20.00                                       | 71                              | 15.35                         | 55                              |
| 8.           | 2216-Housing  | 25.00                             | 22.63                                       | 91                              | 12.50                         | 50                              |
| 9.           | 4202-Capital outlay on Education, Sports, Art and Culture | 13.42                             | 10.91                                       | 81                              | 10.37                         | 77                              |
| <b>Total</b> |   | <b>496.40</b>                     | <b>363.15</b>                               |                                 | <b>338.22</b>                 |                                 |

Source: Appropriation Accounts/VLC

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

The outcome of the appropriation audit showed that in 42 cases, savings exceeded by ₹ one crore or more in each case or by more than 20 per cent of the total provision in 11 cases (**Appendix 2.9**). Out of the total saving of ₹ 3,005.32 crore, substantial saving of ₹ 2,113.53 crore (70 per cent) occurred in seven grants alone involving ₹ 100 crore and more in each case 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         | Schemes with substantial savings   |
|----------------------|--|------------------|--------------------|-----------------|--|
| <b>Revenue-Voted</b> |  |                  |                    |                 |  |
| 1.                   | 08-Education                               | 5,262.91         | 4,397.95           | 864.96(16)      | Grants-in-Aid under Sarva Shiksha Abhiyan: 151.19; Middle School: 471.80   |
| 2.                   | 09-Health and Family Welfare               | 1,618.40         | 1,322.50           | 295.90(18)      | Hospital and Dispensary (Rural): 69.33; Hospital and Dispensary (Urban): 58.91; District Establishment: 24.92; Ayurvedic Hospitals/Dispensaries: 27.97   |
| 3.                   | 20-Rural Development                       | 1,218.40         | 1,096.79           | 121.61(10)      | MNREGA: 70.88; Integrated Watershed Management Programme: 40.56  |
| 4.                   | 23-Power Development                       | 967.00           | 820.65             | 146.35(15)      | Subsidy on account of Tariff Roll: 145.00  |
| 5.                   | 31-Tribal Development                      | 1,033.37         | 855.52             | 177.85(17)      | National Rural Employment Guarantee Scheme: 48.60; Sarva Shiksha Abhiyan: 25.28; National Rural Health Mission (NRHM): 10.79; Integrated Child Development Scheme (ICDS): 13.05; Integrated Watershed Management Programme: 8.33     |
| 6.                   | 32-Scheduled Caste Sub-plan                | 1,126.06         | 804.92             | 321.14(29)      | Middle School: 12.30; Sarva Shiksha Abhiyan: 61.42; Rastriya Ucchar Shiksha Abhiyan (RUSA):15.11; National Health Mission: 26.76; Integrated Watershed Management Programme: 18.00; NREGA: 139.32; Total Sanitation Programme: 22.67 |
| <b>Capital-Voted</b> |  |                  |                    |                 |  |
| 7.                   | 13-Irrigation, Water Supply and Sanitation | 583.45           | 397.73             | 185.72(32)      | Maintenance and Repair of Rural Water Supply Scheme: 121.42; National Rural Drinking Water Programme: 16.79  |
| <b>Total</b>         |  | <b>11,809.59</b> | <b>9,696.06</b>    | <b>2,113.53</b> |  |

Source: Appropriation Accounts

(Figures in parenthesis indicate percentage)

Such large savings in these grants implied that Government had made excess budget provisions without realistic estimation of receipts/revenues. Reasons for substantial savings (shortfall in utilization) were not furnished (September 2017) 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 2012-17**

(₹ in crore)

| Sr. No.              | Grant number and name                  | Amount of Savings |         |         |          |         |
|----------------------|--|-------------------|---------|---------|----------|---------|
|                      |  | 2012-13           | 2013-14 | 2014-15 | 2015-16  | 2016-17 |
| <b>Revenue-Voted</b> |  |                   |         |         |          |         |
| 1.                   | 03-Administration of Justice           | 14.78             | 16.71   | 4.52    | 12.53    | 9.82    |
| 2.                   | 08-Education                           | 119.99            | 342.46  | 385.37  | 1,076.22 | 864.96  |
| 3.                   | 15-Planning and Backward Area Sub-Plan | 6.89              | 13.44   | 11.61   | 31.40    | 28.40   |
| 4.                   | 20-Rural Development                   | 72.69             | 60.04   | 109.86  | 208.74   | 121.61  |
| <b>Capital-Voted</b> |  |                   |         |         |          |         |
| 5.                   | 29-Finance                             | 5.07              | 4.52    | 5.49    | 5.20     | 1.51    |
| 6.                   | 31-Tribal Development                  | 8.54              | 45.42   | 7.17    | 17.38    | 177.85  |
| 7.                   | 32-Scheduled Caste Sub-Plan            | 61.22             | 83.63   | 9.27    | 108.71   | 321.14  |

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

Further, in 58 cases, there was surrender (₹ 10 crore or more in each case) involving ₹ 2,863 crore on 31 March 2017 (**Appendix 2.12**). Surrender of funds on the last working day of March 2017 indicated inadequate financial control leading to non-utilisation of funds for other developmental purposes in the needy areas.

#### 2.3.4.3 Anticipated savings not surrendered

According to Himachal Pradesh Budget Manual (Paragraph 11.2 of Chapter 11), all the savings as and when anticipated, must be surrendered to the Finance Department latest by 15 January by the spending Department. It was, however, noticed that in the following grants, out of total savings of ₹ 476.65 crore, ₹ 45.32 crore was not surrendered as detailed in **Table 2.5**.

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

| (₹ in crore)           |   |               |               |                                   |
|------------------------|---|---------------|---------------|-----------------------------------|
| Sr. No.                | Number and name of Grant                    | Saving        | Surrender     | Saving which were not surrendered |
| <b>Revenue-Voted</b>   |   |               |               |                                   |
| 1.                     | 20-Rural Development                        | 121.61        | 121.38        | 0.23                              |
| 2.                     | 30-Miscellaneous General Services           | 13.00         | 8.00          | 5.00                              |
| <b>Capital-Voted</b>   |   |               |               |                                   |
| 3.                     | 05-Land Revenue and District Administration | 2.84          | 0             | 2.84                              |
| 4.                     | 13-Irrigation, Water Supply and Sanitation  | 185.72        | 185.58        | 0.14                              |
| 5.                     | 29-Finance                                  | 1.51          | 0.01          | 1.50                              |
| 6.                     | 31-Tribal Development                       | 20.88         | 20.64         | 0.24                              |
| 7.                     | 32-Scheduled Caste Sub-plan                 | 99.31         | 73.13         | 26.18                             |
| <b>Capital-Charged</b> |   |               |               |                                   |
| 8.                     | 10-Public Works-Roads, Bridges and Building | 31.78         | 0             | 31.78                             |
| <b>Total</b>           |   | <b>476.65</b> | <b>408.74</b> | <b>67.91</b>                      |

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

## 2.4 Operation of Personal Deposit Accounts

Personal Deposit Accounts (PDAs) are created by debit to the Consolidated Fund and the same should be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund. Information obtained from the office of the Accountant General (A&E), Himachal Pradesh showed that there were 113 PDAs in operation in 15 District Treasuries. However, no PDA was closed and opened during 2016-17. The position of balances of ₹ 325.28 crore lying in these 113 accounts as on 31 March 2017 (**Appendix 2.13**) is given as under:

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

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

## 2.5 Outcome of Review of Selected Grants

A review of budgetary procedure and control over expenditure in respect of two test-checked grants i.e. Grant No. 10<sup>10</sup>- "Public Works, Bridges and Building" and Grant No. -13<sup>11</sup> "Irrigation, Water Supply and Sanitation" was conducted (July and August 2017) and the points noticed during the review are detailed below:

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

#### 2.5.1.1 Budget and expenditure

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

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

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

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

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

Source: Appropriation Accounts

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

**Table 2.7: Excess over the budget provisions**

(₹ in crore)

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

**2.5.1.2 Excess over budget provisions due to unrealistic estimation requiring regularisation**

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

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

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

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

### 2.5.1.3 Delay in submission of budgetary return

As per Himachal Pradesh Budget Manual, the Head of Department is required to submit budget estimates and the statements of excesses and surrenders in such manner and forms as may be prescribed to the Finance Department by 1<sup>st</sup> October 2015 and 1<sup>st</sup> December 2016, respectively. It was, however, noticed that the Engineer-in-chief, Public Works Department had submitted the budget estimates and statement of excesses and surrenders during 2016-17 on 15<sup>th</sup> December 2015 and 23<sup>rd</sup> February 2017 causing thereby a delay of 84 days and 76 days, respectively. This showed that the prescribed time schedule of submission of budget estimates and statements of excesses and surrenders was not followed by the department.

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

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

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

(₹ in crore)

| Section         | Total grant     | Expenditure incurred | Excess (+)/Savings (-) |
|-----------------|-----------------|----------------------|------------------------|
| Revenue section | 2,411.00        | 2,599.29             | 188.29                 |
| Capital section | 583.45          | 397.74               | (-) 185.71             |
| <b>Total</b>    | <b>2,994.45</b> | <b>2,997.03</b>      | <b>2.58</b>            |

Source: Appropriation of Accounts

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

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

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

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

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

Source: Accountant General (Account and Entitlement) Office

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

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

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

### 2.5.2.1 Delay in submission of budgetary return

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

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

## 2.6 Outcome of Inspection of Treasuries

### 2.6.1 Excess payment of Pensionary benefits

During inspection (during 2016-17) of District Treasuries/Treasuries/Sub-treasuries by the office of the Accountant General (A&E) for the year 2015-16, the test-check of pension payment records showed that nine District Treasury Officers had made overpayment to the extent of ₹ 26.18 lakh to 32 pensioners and family pensioners as per detail given in **Table 2.10**. The excess payment had occurred due to non-reduction/early restoration of commuted portion of pension of the concerned pensioners and payment of enhanced family pension after prescribed period.

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

(₹ in lakh)

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

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

## 2.7 Conclusion

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

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

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

## 2.8 Recommendations

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

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

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

*Source: Accountant General (Accounts and Entitlement)*

Pendency of UCs mainly pertained to the Rural Development (1,605 UCs: ₹ 2,196.14 crore), Social Justice and Empowerment (195 UCs: ₹ 24.57 crore), Medical and Public Health (124 UCs: ₹ 149.85 crore), Forests (201 UCs: ₹ 15.45 crore), Animal Husbandry (90 UCs: ₹ 73.56 crore), Industries (43 UCs: ₹ 6.54 crore), Urban Development (102 UCs: ₹ 369.86 crore) and Power (8 UCs: ₹ 33.48 crore). In the absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purpose for which these were given.

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

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

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

Shimla (for 2013-14, 2014-15 and 2015-16) have not rendered their accounts. The delay in respect of all the bodies ranged between three months to three years eight months. The accounts for the year 2016-17 in respect of all the six bodies had not been furnished as of August 2017. Delay in finalisation of accounts carries the risk of financial irregularities going undetected and, therefore, the accounts need to be finalised and submitted to Audit at the earliest.

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

To identify institutions/organisations which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the government/heads of the departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which the assistance is granted and the total expenditure of the institutions. Further, Regulations on Audit and Accounts, 2007 provide that governments and heads of departments which sanction grants and/or loans to bodies or authorities shall furnish to the Audit Office by the end of July every year a statement of such bodies and authorities to which grants and/or loans aggregating ₹ 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority.

No Departments/autonomous bodies (out of a total of 20 department/autonomous bodies) had furnished such details for the year 2016-17 upto August 2017. Due to non-furnishing of the above details to the office of the Principal Accountant General (Audit), Himachal Pradesh, the bodies/institutions could not be identified to bring them under audit purview, as a result of which the accuracy and propriety of expenditure out of such loans and grants given out of Consolidated Fund of the State could not be examined in audit.

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

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

State Government reported 45 cases of misappropriation/losses, theft, etc., involving government money amounting to ₹ 78.10 lakh upto June 2017 on which final action was still pending. Out of these, 40 cases were more than five years old. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.3** and nature of these cases is given in **Appendix 3.4**. The age-profile of the pending cases and the number of cases pending in each category 'Theft and misappropriation/loss' as emerged from these appendices are summarised in **Table 3.2**.

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

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

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

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

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

### 3.5 Non-adjustment of temporary advances

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

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

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

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

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

### 3.6 Comments on Accounts

#### 3.6.1 Important factors affecting accuracy of accounts

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

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

#### Outstanding balances under major suspense accounts

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

**Table 3.5: Suspense Head (8658 – Suspense Accounts)**

(₹ in crore)

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

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

### 3.7 Conclusion

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

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

### 3.8 Recommendation

*The State Government may ensure timely submission of utilisation certificates in respect of the grants released to grantee institutions and timely preparation and submission of Annual Accounts by the Autonomous Bodies to facilitate auditing. An effective and time bound mechanism needs to be put in place to ensure speedy settlement of cases relating to theft, misappropriation and losses.*

Shimla  
The 25 January 2018



( KULWANT SINGH )  
Accountant General (Audit)  
Himachal Pradesh

*Countersigned*

New Delhi  
The 06 February 2018



( RAJIV MEHRISHI )  
Comptroller and Auditor General of India



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

#### B Financial Data

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

Source: Finance Accounts and Audit Reports, Census info of India (2011), Report of the Expert Group (Rangarajan) to review the Methodology for Measurement of Poverty, Planning Commission (June 2014), SRS Bulletin (September 2014), Economic Survey 2016-17, Economics and Statistics Department of Himachal Pradesh and Central Statistical office .

\* Special Category States

\*\* Himachal Pradesh

## Appendix-1.1

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

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

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

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

**Part III: Public Account:** Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances, etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State legislature.

## Appendix-1.1

### Part-B: Layout of Finance Accounts

The Finance Accounts for the year 2016-17 have been divided into two Volumes – Volume I and II. Volume I represents the financial statements of the Government in summarized form while Volume II represents detailed financial statement. The layout of the Finance Accounts is chalked out in the following manner:

| <b>Layout</b>                      |   |
|------------------------------------|---|
| <b>VOLUME- I</b>                   |   |
| <i>Statement 1</i>                 | Statement of Financial Position   |
| <i>Statement 2</i>                 | Statement of Receipts and Disbursements<br>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   |
| <b>VOLUME- II</b>                  |   |
| <b>Part I: Detailed Statements</b> |   |
| <i>Statement 14</i>                | Detailed Statement of Revenue and Capital Receipts by Minor Heads                                     |
| <i>Statement 15</i>                | Detailed Statement of Revenue Expenditure by Minor Heads  |
| <i>Statement 16</i>                | Detailed Statement of Capital Expenditure by Minor Heads and Sub heads                                |
| <i>Statement 17</i>                | Detailed Statement of Borrowings and other Liabilities  |
| <i>Statement 18</i>                | Detailed Statement of Loans and Advances given by the State Government                                |
| <i>Statement 19</i>                | Detailed Statement of Investments   |
| <i>Statement 20</i>                | Detailed Statement of Guarantees given by the Government  |
| <i>Statement 21</i>                | Detailed Statement on Contingency Fund and other Public Account transactions                          |
| <i>Statement 22</i>                | Detailed Statement on Investment of Earmarked Funds   |

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

## Appendix-1.2

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

The trends in the major fiscal aggregates of receipts and expenditure as emerging from the Statements of Finance Accounts were analyzed wherever necessary over the period 2012-17 and observations have been made on their behavior. In its Restructuring Plan of State finances, the Th FC recommended the norms/ceiling for some fiscal aggregates and also made normative projections for others. In addition, Th FC also recommended that all States amend the Fiscal Responsibility (FR) Acts so that the fiscal position of State could be improved as committed in their respective FR Acts/Rules covering medium to long term. The norms/ceilings prescribed by the Th FC as well as its projections for fiscal aggregates along with the commitments/projections made by the State Government in their FR Acts and in other Statements required to be laid in the legislature under the Act, have been used to make qualitative assessment of the trends and pattern of major fiscal aggregates during the current year. Assuming that GSDP is a good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue (NTR), revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for tax revenues, NTRs, revenue expenditure etc., with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP. The new GSDP series with 2011-12 as base as published by the Director of Economics and Statistics of the State Government have been used in estimating these percentages and buoyancy ratios.

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

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

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

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

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

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

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## Appendix-1.2

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

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

- Eliminate revenue deficit and maintain revenue surplus;
- Reduce fiscal deficit to three *per cent* or less of Gross State Domestic Product ;
- Reduce outstanding debt to 35.42 *per cent* of GSDP by the financial year 2016-17.
- Maintain outstanding risk weighted guarantees on long term debt below 40 *per cent* of total revenue receipt in the preceding financial year for which actuals are available as per Finance Accounts.

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

### Appendix-1.3

(Reference: Paragraphs 1.3, 1.6.1, 1.9.2 and 1.11.3; Pages: 7, 16, 25 and 32)

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

(₹ in crore)

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

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

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

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

*# Includes ₹2,890.50 crore on account of UDAY Scheme*

*## Excludes ₹2,890.50 crore on account of UDAY Scheme*

*\* Revenue Surplus hence, figures not calculated.*

## Appendix-1.4

(Reference: Paragraph 1.1.1; Page 2)

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

(₹ in crore)

| Receipts  |          |                  |          |                  | Disbursements  |                  |                  |                 |                  |                  |  |
|---|----------|------------------|----------|------------------|--|------------------|------------------|-----------------|------------------|------------------|--|
| 2015-16   |          | 2016-17          |          |                  | 2015-16  |                  | 2016-17          |                 |                  |                  |  |
|   |          |                  |          |                  |  |                  | Non-Plan         | Plan            | Total            |                  |  |
| 1   | 2        | 3                | 4        | 5                | 6  | 7                | 8                | 9               | 10               | 11               |  |
| <b>Section-A: Revenue</b>   |          |                  |          |                  |  |                  |                  |                 |                  |                  |  |
| <b>I-Revenue Receipts</b>   |          | <b>23,440.48</b> |          | <b>26,264.34</b> | <b>I-Revenue Expenditure</b>   | <b>22,302.81</b> | <b>20,824.39</b> | <b>4,519.83</b> | <b>25,344.22</b> | <b>25,344.22</b> |  |
| (i) Tax revenue   | 6,695.81 |                  | 7,039.05 |                  | <b>General Services</b>  | <b>8,788.46</b>  | <b>9,643.78</b>  | <b>84.17</b>    | <b>9,727.95</b>  |                  |  |
| (ii) Non-tax revenue  | 1,837.15 |                  | 1,717.24 |                  | <b>Social Services</b>   | <b>7,979.92</b>  | <b>7,200.62</b>  | <b>2,409.30</b> | <b>9,609.92</b>  |                  |  |
| (iii) State's share of Union Taxes and Duties                     | 3,611.17 |                  | 4,343.70 |                  | Education, Sports, Art and Culture                                       | 4,132.16         | 3,954.69         | 990.50          | 4,945.19         |                  |  |
| (iv) Non-Plan Grants  | 8,524.32 |                  | 8,877.19 |                  | Health and Family Welfare  | 1,300.16         | 1,054.20         | 447.12          | 1,501.32         |                  |  |
| (v) Grants for State Plan Schemes                                 | 755.52   |                  | 1,187.48 |                  | Water Supply, Sanitation, Housing and Urban Development                  | 1,267.23         | 1,323.63         | 453.62          | 1,777.25         |                  |  |
| (vi) Grants for Central Plan and Centrally Sponsored Plan Schemes | 2,016.51 |                  | 3,099.68 |                  | Information and Broadcasting   | 30.65            | 44.09            | 0.33            | 44.42            |                  |  |
|   |          |                  |          |                  | Welfare of Scheduled Castes, Scheduled Tribes and Other backward Classes | 57.36            | 11.55            | 51.22           | 62.77            |                  |  |
|   |          |                  |          |                  | Labour and Labour Welfare  | 103.46           | 109.59           | 13.60           | 123.19           |                  |  |
|   |          |                  |          |                  | Social Welfare and Nutrition   | 1,071.64         | 691.45           | 442.88          | 1,134.33         |                  |  |
|   |          |                  |          |                  | Others   | 17.26            | 11.42            | 10.03           | 21.45            |                  |  |
|   |          |                  |          |                  | <b>Economic Services</b>   | <b>5,524.47</b>  | <b>3,969.96</b>  | <b>2,026.36</b> | <b>5,996.32</b>  |                  |  |
|   |          |                  |          |                  | Agriculture and Allied Activities  | 1,554.34         | 954.71           | 723.47          | 1,678.18         |                  |  |
|   |          |                  |          |                  | Rural Development  | 1,004.97         | 578.55           | 600.24          | 1,178.79         |                  |  |
|   |          |                  |          |                  | Irrigation and Flood Control   | 337.69           | 433.62           | 28.21           | 461.83           |                  |  |
|   |          |                  |          |                  | Energy   | 973              | 375.08           | 447.21          | 822.29           |                  |  |
|   |          |                  |          |                  | Industry and Minerals  | 71.49            | 54.40            | 67.12           | 121.52           |                  |  |
|   |          |                  |          |                  | Transport  | 1,479.12         | 1,516.23         | 30.18           | 1,546.41         |                  |  |
|   |          |                  |          |                  | Science, Technology and Environment                                      | 7.58             | 2.91             | 6.61            | 9.52             |                  |  |
|   |          |                  |          |                  | General Economic Services  | 96.28            | 54.46            | 123.32          | 177.78           |                  |  |
|   |          |                  |          |                  | <b>Grants-in-aid and Contributions</b>                                   | <b>9.96</b>      | <b>10.03</b>     | <b>-</b>        | <b>10.03</b>     |                  |  |
| <b>Total</b>  |          | <b>23,440.48</b> |          | <b>26,264.34</b> | <b>Total</b>   | <b>22,302.81</b> | <b>20,824.39</b> | <b>4,519.83</b> | <b>25,344.22</b> |                  |  |
| <b>II-Revenue Deficit carried over to Section -B</b>              |          |                  |          |                  | <b>II-Revenue surplus carried over to Section-B</b>                      | <b>1,137.67</b>  |                  |                 | <b>920.12</b>    |                  |  |
| <b>Total:</b>   |          | <b>23,440.48</b> |          | <b>26,264.34</b> | <b>Total:</b>  | <b>23,440.48</b> |                  |                 | <b>26,264.34</b> |                  |  |

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

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

## Appendix-1.4

(Reference: Paragraphs 1.1.1 and 1.9.1; Pages 2 and 24)

### Part-B: Summarised financial position of the Government of Himachal Pradesh as on 31 March 2017

(₹ in crore)

| Assets   | As on 31 March 2016 | As on 31 March 2017 |                  |
|--|---------------------|---------------------|------------------|
| <b>Gross Capital Outlay on Fixed Assets -</b>          | <b>27,108.86</b>    |                     | <b>30,607.89</b> |
| Investments in shares of Companies, Corporations, etc. | 3,040.64            |                     | 3,293.53         |
| Other Capital Outlay                                   | 24,068.22           |                     | 27,314.36        |
| <b>Loans and Advances -</b>                            | <b>2,784.07</b>     |                     | <b>6,044.26</b>  |
| Loans for Power Projects                               | 2,534.74            | 5,763.55            |                  |
| Other Development Loans                                | 207.58              | 240.72              |                  |
| Loans to Government servants and Miscellaneous loans   | 41.75               | 39.99               |                  |
| <b>Reserve Fund Investments</b>                        |                     |                     |                  |
| <b>Cash -</b>  | <b>216.23</b>       |                     | <b>316.35</b>    |
| Cash in Treasuries and Local Remittances               | -                   |                     |                  |
| Deposits with Reserve Bank of India                    | (-) 340.76          | (-) 443.27          |                  |
| Departmental Cash Balance                              | 0.16                | 0.16                |                  |
| Permanent Imprest                                      | 0.03                | 0.03                |                  |
| Cash Balance Investments                               | 556.80              | 759.43              |                  |
| <b>Cumulative excess of expenditure over receipts*</b> | <b>11,720.08</b>    |                     | <b>10,800.37</b> |
| <b>Total</b>   | <b>41,829.24</b>    |                     | <b>47,768.87</b> |

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

| <b>Liabilities</b>  | <b>As on 31 March 2016</b> | <b>As on 31 March 2017</b> |                  |
|---|----------------------------|----------------------------|------------------|
| <b>Internal Debt</b>  | <b>26,860.93</b>           |                            | <b>31,494.03</b> |
| Market Loans bearing interest                               | 16,860.42                  | 19,023.07                  |                  |
| Market Loans not bearing interest                           | -                          | -                          |                  |
| Loans from Life and General Insurance Corporation of India  | 98.67                      | 74.95                      |                  |
| Loans from the NABARD                                       | 1,931.10                   | 2,101.10                   |                  |
| Loans from National Co-operative Development Corporation    | 81.48                      | 95.99                      |                  |
| Special securities issued to NSSF of the Central Government | 7,650.79                   | 7,150.02                   |                  |
| Compensation and other bonds                                | -                          | 2,890.50                   |                  |
| Loans from other Institutions                               | 238.46                     | 158.40                     |                  |
| <b>Loans and Advances from Central Government -</b>         | <b>1,049.05</b>            |                            | <b>1,076.43</b>  |
| Non-Plan Loans  | 4.85                       | 4.23                       |                  |
| Loans for State Plan Schemes                                | 1,044.07                   | 1,072.07                   |                  |
| Loans for Central Plan Schemes                              | -                          | -                          |                  |
| Loans for Centrally Sponsored Plan Schemes                  | -                          | -                          |                  |
| Other Loans   | 0.13                       | 0.13                       |                  |
| <b>Contingency Fund</b>                                     | <b>5.00</b>                |                            | <b>5.00</b>      |
| <b>Small Savings, Provident Funds, etc.</b>                 | <b>10,639.90</b>           |                            | <b>11,844.41</b> |
| <b>Deposits and Advances</b>                                | <b>2,427.68</b>            |                            | <b>2,609.04</b>  |
| <b>Reserve Funds</b>  | <b>219.32</b>              |                            | <b>219.57</b>    |
| <b>Suspense and Miscellaneous Balances</b>                  | <b>263.91</b>              |                            | <b>192.17</b>    |
| <b>Remittance Balances</b>                                  | <b>363.45</b>              |                            | <b>328.22</b>    |
| <b>Total</b>  | <b>41,829.24</b>           |                            | <b>47,768.87</b> |

## Appendix-1.5

(Reference: Paragraph 1.1.4; Page 4)

### Gender Budgeting

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

(₹ in crore)

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

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

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

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

*Source: Department of Women and Child Development*

## Appendix-1.6

(Reference: Paragraph 1.2.2; Page 6)

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

(₹ in crore)

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

*Audit Report on State Finances for the year ended 31 March 2017*

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

*Source: Finance Accounts*

## Appendix-1.7

(Reference: Paragraph 1.8.2.2; Page 22)

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

(₹ in crore)

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

## Appendix-1.8

(Reference: Paragraph 1.8.2.3; Page 22)

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

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

Source: HP Infrastructure Development Board

## Appendix-2.1

(Reference: Paragraph 2.3.1; Page 36)

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

(₹ in crore)

| Sr. No.                | Grant No. | Name of the Grant/ Appropriation          | Total Grant/ Appropriation | Expenditure      | Excess Expenditure | Percentage of Excess Expenditure (more than 20 per cent) |
|------------------------|-----------|---|----------------------------|------------------|--------------------|--|
| <b>Revenue-Voted</b>   |           |   |                            |                  |                    |  |
| 1.                     | 13        | Irrigation, Water Supply and Sanitation   | 2,410.36                   | 2,598.65         | 188.29             | --   |
| <b>Capital-Voted</b>   |           |   |                            |                  |                    |  |
| 2.                     | 10        | Public Works-Roads, Bridges and Buildings | 995.26                     | 1,103.26         | 108.00             | --   |
| 3.                     | 23        | Power Development                         | 471.65                     | 3,158.66*        | 2,687.01           | --   |
| <b>Capital-Charged</b> |           |   |                            |                  |                    |  |
| 4.                     | 29        | Finance                                   | 3,888.92                   | 3,942.84         | 53.92              | --   |
| <b>Total</b>           |           |   | <b>7,766.19</b>            | <b>10,803.41</b> | <b>3,037.22</b>    |  |

Source: Appropriation Accounts/VLC

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

## Appendix-2.2

(Reference: Paragraph 2.3.1.1; Page 37)

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

| Year         | Number of Grants/ Appropriations | Grant/Appropriation numbers   | Amount of excess (₹ in crore) | Stage of consideration by Public Accounts Committee (PAC)   |
|--------------|----------------------------------|---|-------------------------------|---|
| 2011-12      | 6 Grants<br>1 Appropriation      | 9,10,13,15,21 and 23<br>29  | 752.51                        | Audit comments sent to Finance Department/ Himachal Pradesh Vidhan Sabha. Reports are yet to be discussed and excesses over provisions regularised by PAC.  |
| 2012-13      | 11 Grants<br>3 Appropriations    | 1,2,3,10,11,13,14,18,19, 21 and 23<br>2,3 and 29  | 703.08                        |   |
| 2013-14      | 10 Grants<br>3 Appropriations    | 2, 3, 4, 5, 10, 13, 16, 17, 21 and 28<br>2, 7 and 9   | 474.86                        | <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 and excesses over provisions regularised by PAC. |
| 2014-15      | 10 Grants<br>6 Appropriations    | 1,2,6,11,12,13,18,19, 23 (Revenue) and 23 (Capital)<br>1, 10, 19, 29(Revenue), 29(Capital) and 31 | 1,585.69                      |   |
| 2015-16      | 7 Grants<br>4 Appropriations     | 5, 8, 10, 13, 19, 23, 28<br>13, 16, 29 (Revenue) and 29 (Capital)                                 | 2,848.43                      |   |
| <b>Total</b> |                                  |   | <b>6,364.57</b>               |   |

### Appendix-2.3

(Reference: Paragraph 2.3.1.1; Page 37)

**Excess over provision during 2016-17 requiring regularisation**

(In ₹)

| Sr. No.                | Number and title of Grant/ Appropriation     | Total Grant            | Expenditure              | Excess  |
|------------------------|--|------------------------|--------------------------|---|
| <b>Revenue-Voted</b>   |  |                        |                          |   |
| 1.                     | 02-Governor and Council of Justice           | 17,67,02,000           | 17,82,33,566             | 15,31,566   |
| 2.                     | 13-Irrigation, Water Supply and Sanitation   | 24,10,35,78,049        | 25,98,64,58,108          | 1,88,28,80,059  |
| <b>Revenue-Charged</b> |  |                        |                          |   |
| 3.                     | 01-Vidhan Sabha                              | 69,39,000              | 69,57,000                | 17,900  |
| 4.                     | 16-Forest and Wildlife                       | 44,14,000              | 67,01,000                | 22,87,000   |
| <b>Capital-Voted</b>   |  |                        |                          |   |
| 5.                     | 03-Administration of Justice                 | 57,08,17,000           | 57,08,17,531             | 531   |
| 6.                     | 10-Public Works-Roads, Bridges and Buildings | 9,95,25,68,000         | 11,03,25,62,918          | 1,07,99,94,918  |
| 7.                     | 23-Power Development                         | 4,71,65,01,000         | 31,58,66,43,000*         | 26,87,01,42,000   |
| <b>Capital-Charged</b> |  |                        |                          |   |
| 8.                     | 29-Finance                                   | 38,88,91,67,000        | 39,42,83,95,497          | 53,92,28,497  |
| <b>Total</b>           |  | <b>78,42,06,86,049</b> | <b>1,08,79,67,68,620</b> | <b>30,37,60,82,471</b><br>or say<br><b>₹ 3,037.61 crore</b> |

Source: Appropriation Accounts/VLC

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

## Appendix-2.4

(Reference: Paragraph 2.3.1.3; Page 37)

### Expenditure incurred without provision during 2016-17

(₹ in lakh)

| Sr. No.  | Number and name of Grants/Appropriations                               | Amount of expenditure without provision      |
|--|--|--|
| <b>05-Land Revenue and District Administration</b>     |  |  |
| 1.   | 2401/00/111/04 (Agriculture Census)                                    | 34.89  |
| 2.   | 2702/80/800/07 (Scheme for improvement of Irrigation Statistics)       | 24.66  |
| <b>10- Public Works – Roads, Bridges and Buildings</b> |  |  |
| 3.   | 5054/04/337/15 (Payment for Arbitration Cases)                         | 2,446.44                                     |
| <b>31-Tribal Development</b>                           |  |  |
| 4.   | 2215/01/796/04 (Stock)   | 399.13                                       |
| 5.   | 2215/01/796/05 (Stock Manufacture)                                     | 5.96   |
| 6.   | 2215/01/796/06 (Miscellaneous Public Works Advances)                   | 51.45  |
| 7.   | 2702/80/796/08 (Expenditure on Suspense (Stock))                       | 539.55                                       |
| 8.   | 2702/80/796/09 (Expenditure on Suspense (Stock Manufacture))           | 15.02  |
| 9.   | 2702/80/796/10 (Expenditure on Suspense (Misc. Public Works Advances)) | 153.57                                       |
| 10.  | 4059/01/796/10 (Judiciary Academy)                                     | 45.00  |
| <b>Total</b>   |  | <b>3,715.67<br/>or say<br/>₹ 37.16 crore</b> |

Source: Appropriation Accounts/VLC

## Appendix-2.5

(Reference: Paragraph 2.3.1.4; Page 38)

### Cases where supplementary provisions proved unnecessary

(₹ in thousand)

| Sr. No.               | Number and Name of the Grant                         | Original Provision | Actual Expenditure | Savings out of Original provision | Supplementary provision                              |
|-----------------------|--|--------------------|--------------------|-----------------------------------|--|
| <b>Revenue- Voted</b> |  |                    |                    |                                   |  |
| 1.                    | 10-Public Works-Roads, Bridges and Buildings         | 27,94,29,62        | 27,90,89,19        | 13,88,30                          | 10,47,87   |
| 2.                    | 11-Agriculture                                       | 3,51,38,26         | 3,32,40,35         | 27,03,71                          | 8,05,80  |
| 3                     | 14-Animal Husbandry, Dairy Development and Fisheries | 3,13,76,91         | 2,84,50,02         | 35,17,98                          | 5,91,09  |
| 4.                    | 19-Social Justice and Empowerment                    | 6,65,47,80         | 6,57,41,16         | 20,78,19                          | 12,71,55   |
| 5.                    | 21-Cooperation                                       | 34,31,27           | 34,14,68           | 10,23,23                          | 10,06,64   |
| 6.                    | 30-Misc. General Services                            | 84,57,34           | 84,28,92           | 13,00,46                          | 12,72,04   |
| <b>Capital- Voted</b> |  |                    |                    |                                   |  |
| 7.                    | 7-Police and Allied Organisation                     | 54,87,00           | 42,51,74           | 13,68,00                          | 1,32,74  |
| 8.                    | 13-Irrigation, Water Supply and Sanitation           | 5,39,30,83         | 3,97,73,49         | 1,85,71,81                        | 44,14,47   |
| 9.                    | 19- Social Justice and Empowerment                   | 13,70,01           | 10,52,96           | 4,44,62                           | 1,27,57  |
| 10.                   | 32-Scheduled Caste Sub Plan                          | 8,23,08,50         | 7,36,78,17         | 99,30,93                          | 13,00,60   |
| <b>Total</b>          |  | <b>56,74,77,54</b> | <b>53,71,20,68</b> | <b>4,23,27,23</b>                 | <b>1,19,70,37</b><br>or say<br><b>₹ 119.70 crore</b> |

Source: Appropriation Accounts/VLC

## 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          |
|------------------------|--------------|---|--------------------|-------------------------|-----------------|------------------|-----------------|
| <b>Revenue- Voted</b>  |              |   |                    |                         |                 |                  |                 |
| 1.                     | 13           | Irrigation, Water Supply and Sanitation   | 2,261.33           | 149.03                  | 2,410.36        | 2,598.65         | 188.29          |
| <b>Capital- Voted</b>  |              |   |                    |                         |                 |                  |                 |
| 2.                     | 10           | Public Works-Roads, Bridges and Buildings | 875.87             | 119.39                  | 995.26          | 1,103.26         | 108.00          |
| 3.                     | 23           | Power Development                         | 407.08             | 64.57                   | 471.65          | 3,158.66*        | 2,687.01        |
| <b>Capital-Charged</b> |              |   |                    |                         |                 |                  |                 |
| 4.                     | 29           | Finance                                   | 2,228.52           | 1,660.40                | 3,888.92        | 3,942.84         | 53.92           |
| <b>Total</b>           |              |   | <b>5,772.80</b>    | <b>1,993.39</b>         | <b>7,766.19</b> | <b>10,803.41</b> | <b>3,037.22</b> |

Source: Appropriation Accounts/VLC

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

## 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(+)/<br>Saving (-) |
|---------|-----------|---|-----------------|------------------|--------------------------------|
| 1.      | 05        | Land Revenue and District Administration  | 2029-00-102-03  | (-) 1.38         | 3.77                           |
| 2.      |           |   | 2053-00-093-01  | (-) 0.53         | 14.27                          |
| 3.      |           |   | 2245-02-193-01  | 39.00            | 1.00                           |
| 4.      |           |   | 2245-02-109-01  | 31.00            | (-) 1.00                       |
| 5.      | 08        | Education                                 | 2202-01-111-01  | (-) 23.00        | 9.43                           |
| 6.      | 09        | Health and Family Welfare                 | 2210-05-105-05  | 0.03             | 2.12                           |
| 7.      |           |   | 2210-05-105-12  | 16.50            | (-) 2.12                       |
| 8.      | 10        | Public Works-Roads, Bridges and Buildings | 3054-04-105-02  | 16.97            | (-) 8.23                       |
| 9.      | 13        | Irrigation, Water Supply and Sanitation   | 2215-01-102-12  | (-) 129.07       | 2.85                           |
| 10.     |           |   | 2215-01-799-01  | 50.41            | 76.51                          |
| 11.     |           |   | 2215-01-799-03  | 65.28            | 138.62                         |
| 12.     |           |   | 2215-01-101-02  | 86.23            | (-) 2.48                       |
| 13.     |           |   | 2215-01-101-04  | 31.66            | (-) 2.85                       |
| 14.     |           |   | 2215-01-102-03  | (-) 121.42       | (-) 19.15                      |
| 15.     |           |   | 2700-01-001-01  | (-) 9.08         | (-) 1.04                       |
| 16.     |           |   | 2701-15-001-01  | (-) 0.01         | (-) 2.21                       |
| 17.     | 29        | Finance                                   | 2071-01-104-02  | (-) 19.42        | 3.22                           |
| 18.     |           |   | 2071-01-102-02  | (-) 106.42       | (-) 3.46                       |
| 19.     |           |   | 2071-01-105-02  | (-) 22.06        | (-) 17.10                      |
| 20.     |           |   | 2071-01-115-01  | 72.26            | (-) 73.33                      |
| 21.     |           |   | 2049-01-123-01  | 30.32            | 21.38                          |
| 22.     |           |   | 2049-03-104-01  | 10.00            | 16.91                          |
| 23.     |           |   | 2049-03-108-01  | 0.20             | 3.97                           |
| 24.     | 32        | Scheduled Caste Sub-plan                  | 2215-01-789-03  | 0.88             | 1.86                           |
| 25.     |           |   | 4215-01-789-08  | 36.03            | (-) 20.22                      |
| 26.     |           |   | 4215-01-789-08  | 4.00             | (-) 2.02                       |
| 27.     |           |   | 4215-01-789-08  | (-) 2.81         | (-) 1.90                       |

Source: Appropriation Accounts/VLC

## Appendix-2.8

(Reference: Paragraph 2.3.3; Page 38)

### Rush of expenditure

(₹ in crore)

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

Source: Appropriation Accounts/VLC

## Appendix-2.9

(Reference: Paragraph 2.3.4; Page 39)

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

(₹ in crore)

| Sr. No.                | Grant No. | Name of the Grant   | Total Grant      | Savings         | Percentage (more than 20 per cent) |
|------------------------|-----------|---|------------------|-----------------|------------------------------------|
| <b>Revenue-Voted</b>   |           |   |                  |                 |                                    |
| 1.                     | 03        | Administration of Justice                                 | 151.02           | 9.82            |                                    |
| 2.                     | 04        | General Administration                                    | 167.97           | 11.62           |                                    |
| 3.                     | 05        | Land Revenue and District Administration                  | 726.48           | 84.36           |                                    |
| 4.                     | 06        | Excise and Taxation                                       | 62.00            | 1.84            |                                    |
| 5.                     | 07        | Police and Allied Organisations                           | 1,092.66         | 37.08           |                                    |
| 6.                     | 08        | Education   | 5,262.91         | 864.96          |                                    |
| 7.                     | 09        | Health and Family Welfare                                 | 1,618.40         | 295.90          |                                    |
| 8.                     | 10        | Public Works-Roads, Bridges and Buildings                 | 2,804.77         | 13.88           |                                    |
| 9.                     | 11        | Agriculture   | 359.44           | 27.04           |                                    |
| 10.                    | 12        | Horticulture  | 258.08           | 17.22           |                                    |
| 11.                    | 14        | Animal Husbandry, Dairy Development and Fisheries         | 319.68           | 35.18           |                                    |
| 12.                    | 15        | Planning and Backward Area Sub plan                       | 83.15            | 28.40           | 34                                 |
| 13.                    | 16        | Forest and Wildlife                                       | 454.48           | 57.50           |                                    |
| 14.                    | 18        | Industries, Minerals, Supplies and Information Technology | 108.22           | 8.46            |                                    |
| 15.                    | 19        | Social Justice and Empowerment                            | 678.19           | 20.78           |                                    |
| 16.                    | 20        | Rural Development   | 1,218.41         | 121.61          |                                    |
| 17.                    | 21        | Cooperation   | 44.38            | 10.23           | 23                                 |
| 18.                    | 22        | Food and Civil Supplies                                   | 236.43           | 41.05           |                                    |
| 19.                    | 23        | Power Development   | 967.00           | 146.35          |                                    |
| 20.                    | 24        | Printing and Stationery                                   | 29.45            | 6.02            | 20                                 |
| 21.                    | 25        | Road and Water Transport                                  | 293.54           | 1.06            |                                    |
| 22.                    | 27        | Labour Employment and Training                            | 241.23           | 71.98           | 30                                 |
| 23.                    | 28        | Urban Development, Town and Country Planning and Housing  | 581.73           | 41.75           |                                    |
| 24.                    | 29        | Finance   | 4,281.55         | 97.70           |                                    |
| 25.                    | 30        | Misc. General Services                                    | 97.29            | 13.00           |                                    |
| 26.                    | 31        | Tribal Development  | 1,033.38         | 177.85          |                                    |
| 27.                    | 32        | Scheduled Caste Sub Plan                                  | 1,126.07         | 321.14          | 29                                 |
| <b>Revenue-Charged</b> |           |   |                  |                 |                                    |
| 28.                    | 03        | Administration of Justice                                 | 40.85            | 5.95            |                                    |
| 29.                    | 04        | General Administration                                    | 10.47            | 1.22            |                                    |
| 30.                    | 29        | Finance   | 3,400.00         | 41.09           |                                    |
| <b>Capital-Voted</b>   |           |   |                  |                 |                                    |
| 31.                    | 05        | Land Revenue and District Administration                  | 10.88            | 2.84            | 26                                 |
| 32.                    | 07        | Police and Allied Organisations                           | 56.20            | 13.68           | 24                                 |
| 33.                    | 09        | Health and Family Welfare                                 | 260.77           | 2.93            |                                    |
| 34.                    | 13        | Irrigation, Water Supply and Sanitation                   | 583.45           | 185.72          | 32                                 |
| 35.                    | 15        | Planning and Backward Area Sub plan                       | 273.27           | 18.95           |                                    |
| 36.                    | 16        | Forest and Wildlife                                       | 8.40             | 3.05            | 36                                 |
| 37.                    | 19        | Social Justice and Empowerment                            | 14.98            | 4.45            | 30                                 |
| 38.                    | 27        | Labour Employment and Training                            | 58.72            | 4.74            |                                    |
| 39.                    | 29        | Finance   | 13.02            | 1.51            |                                    |
| 40.                    | 31        | Tribal Development  | 273.82           | 20.88           |                                    |
| 41.                    | 32        | Scheduled Caste Sub Plan                                  | 836.09           | 99.31           |                                    |
| <b>Capital-Charged</b> |           |   |                  |                 |                                    |
| 42.                    | 10        | Public Works-Roads, Bridges and Buildings                 | 69.99            | 31.78           | 45                                 |
| <b>Total</b>           |           |   | <b>30,208.82</b> | <b>3,001.88</b> |                                    |

## Appendix-2.10

(Reference: Paragraph 2.3.4.2; Page 40)

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

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

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

*Audit Report on State Finances for the year ended 31 March 2017*

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

Source: Appropriation Accounts/VLC

## Appendix-2.11

(Reference: Paragraph 2.3.4.2; Page 40)

B: Statement showing cent *per cent* surrenders during the year

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

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

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

Source: Appropriation Accounts/VLC

**Appendix-2.12**

(Reference: Paragraph 2.3.4.2; Page 40)

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

(₹ in crore)

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

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

Source: Appropriation Accounts/VLC

### Appendix-2.13

(Reference: Paragraph 2.4; Page 41)

#### Statement showing unspent balances in PDAs as on 31 March 2017

(₹ in lakh)

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

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

\* Actual Figure is ₹ 91/- only

\*\*Actual Figure is ₹ 282/- only

### Appendix-3.1

(Reference: Paragraph 3.1; Page 47)

#### Utilisation Certificates outstanding as on 31 March 2017

(₹ in lakh)

| Sr. No.                                  | Head of Account                                    | Year    | Utilisation certificates due |                  | Utilisation certificates outstanding |                  |
|--|--|---------|------------------------------|------------------|--------------------------------------|------------------|
|  |  |         | No. of Items                 | Amount           | No. of Items                         | Amount           |
| 1  | 2  | 3       | 4                            | 5                | 6                                    | 7                |
| 1  | 2011-Parliament/State/Union Territory Legislatures | 2015-16 | 1                            | 8.23             | -                                    | -                |
|  |  |         | <b>1</b>                     | <b>8.23</b>      | -                                    | -                |
| 2  | 2029-Land Revenue                                  | 2015-16 | 2                            | 26.00            | 1                                    | 1.00             |
|  |  |         | <b>2</b>                     | <b>26.00</b>     | <b>1</b>                             | <b>1.00</b>      |
| 3  | 2052-Secretariat General Services                  | 2015-16 | 6                            | 125.89           | 1                                    | 0.89             |
|  |  |         | <b>6</b>                     | <b>125.89</b>    | <b>1</b>                             | <b>0.89</b>      |
| 4  | 2055- Police                                       | 2013-14 | 1                            | 10.00            | -                                    | -                |
|  |  | 2015-16 | 1                            | 10.00            | -                                    | -                |
|  |  |         | <b>2</b>                     | <b>20.00</b>     | -                                    | -                |
| 5  | 2070-Other Administrative Services                 | 2015-16 | 20                           | 846.37           | 20                                   | 846.37           |
|  |  |         | <b>20</b>                    | <b>846.37</b>    | <b>20</b>                            | <b>846.37</b>    |
| 6  | 2075- Miscellaneous General Services               | 2013-14 | 3                            | 125.27           | 1                                    | 5.72             |
|  |  | 2014-15 | 18                           | 164.29           | 8                                    | 141.00           |
|  |  | 2015-16 | 21                           | 250.92           | 21                                   | 250.92           |
|  |  |         | <b>42</b>                    | <b>540.48</b>    | <b>30</b>                            | <b>397.64</b>    |
| 7  | 2202- General Education                            | 2013-14 | 21                           | 3,585.27         | -                                    | -                |
|  |  | 2014-15 | 140                          | 16,996.49        | -                                    | -                |
|  |  | 2015-16 | 11,525                       | 45,932.54        | 4                                    | 152.00           |
|  |  |         | <b>11,686</b>                | <b>66,514.30</b> | <b>4</b>                             | <b>152.00</b>    |
| 8  | 2204- Sports and Youth services                    | 2014-15 | 1                            | 2.71             | 1                                    | 2.71             |
|  |  | 2015-16 | 27                           | 608.25           | -                                    | -                |
|  |  |         | <b>28</b>                    | <b>610.96</b>    | <b>1</b>                             | <b>2.71</b>      |
| 9  | 2205- Art and Culture                              | 2014-15 | 148                          | 101.66           | -                                    | -                |
|  |  | 2015-16 | 155                          | 437.59           | -                                    | -                |
|  |  |         | <b>303</b>                   | <b>539.25</b>    | -                                    | -                |
| <b>Medical and Public Health</b>         |  |         |                              |                  |                                      |                  |
| 10                                       | 2210- Medical and Public Health                    | 2012-13 | 1                            | 100.00           | 1                                    | 100.00           |
|  |  | 2013-14 | 43                           | 1,650.91         | 34                                   | 1,083.60         |
|  |  | 2014-15 | 49                           | 5,667.59         | 40                                   | 5,584.31         |
|  |  | 2015-16 | 993                          | 9,947.34         | 48                                   | 7,684.20         |
|  |  |         | <b>1,086</b>                 | <b>17,365.84</b> | <b>123</b>                           | <b>14,452.11</b> |
| 11                                       | 2211-Family Health                                 | 2013-14 | 1                            | 533.00           | 1                                    | 533.00           |
|  |  | 2015-16 | 57                           | 17,767.45        | -                                    | -                |
|  |  |         | <b>58</b>                    | <b>18,300.45</b> | <b>1</b>                             | <b>533.00</b>    |
| <b>Total (Medical and Public Health)</b> |  |         | <b>1,144</b>                 | <b>35,666.29</b> | <b>124</b>                           | <b>14,985.11</b> |
| <b>Urban Development</b>                 |  |         |                              |                  |                                      |                  |
| 12                                       | 2215-Water Supply and Sanitation                   | 2015-16 | 3                            | 643.29           | 2                                    | 322.84           |
|  |  |         | <b>3</b>                     | <b>643.29</b>    | <b>2</b>                             | <b>322.84</b>    |
| 13                                       | 2217- Urban Development                            | 2010-11 | 5                            | 1,919.83         | 5                                    | 1,919.83         |
|  |  | 2011-12 | 6                            | 781.13           | 4                                    | 728.63           |
|  |  | 2012-13 | 9                            | 566.32           | -                                    | -                |
|  |  | 2014-15 | 40                           | 18,665.84        | 29                                   | 11,973.51        |
|  |  | 2015-16 | 69                           | 29,928.33        | 60                                   | 21,250.05        |
|  |  |         | <b>129</b>                   | <b>51,858.45</b> | <b>98</b>                            | <b>35,872.02</b> |

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

| 1  | 2  | 3       | 4            | 5                  | 6            | 7                  |
|----|--|---------|--------------|--------------------|--------------|--------------------|
|    | <b>Rural Development</b>                                 |         |              |                    |              |                    |
| 25 | 2216- Housing  | 2014-15 | 59           | 1,253.36           | 45           | 981.73             |
|    |  | 2015-16 | 103          | 5,507.01           | 85           | 5,165.14           |
|    |  |         | <b>162</b>   | <b>6,760.37</b>    | <b>130</b>   | <b>6,146.87</b>    |
| 26 | 2501- Special Programme                                  | 2014-15 | 23           | 963.39             | 20           | 932.91             |
|    |  | 2015-16 | 40           | 3,774.35           | 22           | 3,277.40           |
|    |  |         | <b>63</b>    | <b>4,737.74</b>    | <b>42</b>    | <b>4,210.31</b>    |
| 27 | 2505- Rural Employment                                   | 2011-12 | 9            | 284.86             | 9            | 284.86             |
|    |  | 2012-13 | 17           | 3,911.91           | 17           | 3,911.91           |
|    |  | 2013-14 | 14           | 4,996.53           | 14           | 4,996.53           |
|    |  | 2014-15 | 19           | 39,245.37          | 19           | 39,245.37          |
|    |  | 2015-16 | 31           | 45,559.04          | 31           | 45,559.04          |
|    |  |         | <b>90</b>    | <b>93,997.71</b>   | <b>90</b>    | <b>93,997.71</b>   |
| 28 | 2515- Other Rural Development Programmes                 | 2011-12 | 156          | 16,970.30          | 156          | 16,970.30          |
|    |  | 2012-13 | 292          | 15,257.85          | 292          | 15,257.85          |
|    |  | 2013-14 | 290          | 21,376.70          | 268          | 20,482.68          |
|    |  | 2014-15 | 345          | 31,111.12          | 345          | 31,111.12          |
|    |  | 2015-16 | 397          | 41,606.98          | 282          | 31,437.60          |
|    |  |         | <b>1,480</b> | <b>1,26,322.95</b> | <b>1,343</b> | <b>1,15,259.55</b> |
|    | <b>Total (Rural Development)</b>                         |         | <b>1,795</b> | <b>2,31,818.77</b> | <b>1,605</b> | <b>2,19,614.44</b> |
| 29 | 2801- Power  | 2011-12 | 2            | 212.00             | 2            | 212.00             |
|    |  | 2013-14 | 1            | 1,854.00           | 1            | 1,854.00           |
|    |  | 2014-15 | 1            | 1,259.00           | 1            | 1,259.00           |
|    |  | 2015-16 | 1            | 90.00              | -            | -                  |
|    |  |         | <b>5</b>     | <b>3,415.00</b>    | <b>4</b>     | <b>3,325.00</b>    |
| 30 | 2810- Non-Conventional Source of Energy                  | 2015-16 | 5            | 25.00              | 4            | 23.00              |
|    |  |         | <b>5</b>     | <b>25.00</b>       | <b>4</b>     | <b>23.00</b>       |
| 31 | 2851- Village and Small Scale Industries                 | 2011-12 | 1            | 9.60               | -            | -                  |
|    |  | 2012-13 | 14           | 565.74             | 3            | 49.21              |
|    |  | 2013-14 | 23           | 285.17             | 4            | 147.21             |
|    |  | 2014-15 | 21           | 1,008.43           | 3            | 69.09              |
|    |  | 2015-16 | 128          | 3,270.15           | 33           | 388.53             |
|    |  |         | <b>187</b>   | <b>5,139.09</b>    | <b>43</b>    | <b>654.04</b>      |
| 32 | 3055- Road Transport                                     | 2015-16 | 6            | 10,243.20          | -            | -                  |
|    |  |         | <b>6</b>     | <b>10,243.20</b>   | -            | -                  |
| 33 | 3435- Ecology Environment                                | 2013-14 | 5            | 40.70              | -            | -                  |
|    |  | 2014-15 | 4            | 50.40              | -            | -                  |
|    |  | 2015-16 | 8            | 24.70              | -            | -                  |
|    |  |         | <b>17</b>    | <b>115.80</b>      | -            | -                  |
| 34 | 3452- Tourism  | 2010-11 | 1            | 10.00              | -            | -                  |
|    |  | 2011-12 | 10           | 606.62             | -            | -                  |
|    |  | 2012-13 | 9            | 900.68             | -            | -                  |
|    |  | 2013-14 | 9            | 1,905.06           | -            | -                  |
|    |  | 2014-15 | 8            | 2,103.30           | 2            | 3.30               |
|    |  | 2015-16 | 14           | 3,079.15           | 2            | 4.15               |
|    |  |         | <b>51</b>    | <b>8,604.81</b>    | <b>4</b>     | <b>7.45</b>        |
| 35 | 3604- Compensation and assignments to Local Bodies       | 2015-16 | 27           | 995.58             | 12           | 543.01             |
|    |  |         | <b>27</b>    | <b>995.58</b>      | <b>12</b>    | <b>543.01</b>      |
| 36 | 2406-Forest and Wild Life (Forest Account)               | 2011-12 | 1            | 18.11              | -            | -                  |
|    |  | 2012-13 | 9            | 170.64             | 9            | 170.64             |
|    |  | 2013-14 | 21           | 506.23             | 11           | 431.34             |
|    |  | 2014-15 | 85           | 522.72             | 70           | 442.46             |
|    |  | 2015-16 | 227          | 1,360.39           | 111          | 500.35             |
|    |  |         | <b>343</b>   | <b>2,578.09</b>    | <b>201</b>   | <b>1,544.79</b>    |
| 37 | 2415-Agriculture Research and Education (Forest Account) | 2015-16 | 49           | 19,827.00          | -            | -                  |
|    |  |         | <b>49</b>    | <b>19,827.00</b>   | -            | -                  |

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

**Appendix – 3.2**

(Reference: Paragraph 3.2; Page 47)

**Statement showing performance of the Autonomous Bodies**

| Sr. No. | Name of the body  | Period of entrustment    | Year upto which Accounts were rendered | Delay in Submission of Accounts | Period upto which Separate Audit Report is issued | Date of placement of SAR in the Legislature                          | Years for which accounts are due and delay in submission of accounts              |
|---------|---|--------------------------|--|---------------------------------|---|--|---|
| 1.      | Himachal Pradesh State Veterinary Council, Shimla   | 2005-06 onwards          | 2015-16                                | 3 months                        | 2015-16 (28.10.2016)                              | 2015-16 (15.03.2017)   | --  |
| 2.      | Himachal Pradesh Khadi and Village Industries Board, Shimla                               | 01.04.2017 to 31.03.2022 | 2012-13                                | 3 years 8 months                | 2012-13 (16.06.2016)                              | Yet to be placed   | 2013-14 (2 years 11 months)<br>2014-15 (1 years 11 months)<br>2015-16 (11 months) |
| 3.      | Himachal Pradesh City Transport and Bus Stands Management & Development Authority, Shimla | 01.04.2000 onwards       | 2015-16                                | 4 months                        | 2015-16 (25.01.2017)                              | Yet to be placed   | --  |
| 4.      | Himachal Pradesh State Electricity Regulatory Commission, Shimla                          | 2007-08                  | 2015-16                                | 2 months                        | 2015-16 (16.11.2016)                              | 2015-16 (29.03.2017)   | --  |
| 5.      | Himachal Pradesh Building and Other construction workers welfare board, Shimla            | 2009-10 onwards          | 2013-14                                | --                              | 2013-14   | 2011-12 (04.06.2015)<br>2012-13 (March 2017)<br>2013-14 (March 2017) | 2014-15 (2 years)<br>2015-16 (11 months)  |

### Appendix - 3.3

(Reference: Paragraph 3.4; Page 48)

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

| Sl. No.       | Name of the Department       | Up to 5 years |             | 5 to 10 years |             | 10 to 15 years |              | 15 to 20 years |              | 20 to 25 years |             | 25 years or more |             | Total No. of Cases |              |
|---------------|------------------------------|---------------|-------------|---------------|-------------|----------------|--------------|----------------|--------------|----------------|-------------|------------------|-------------|--------------------|--------------|
|               |                              | C             | A           | C             | A           | C              | A            | C              | A            | C              | A           | C                | A           | C                  | A            |
| 1.            | Education                    | 02            | 2.55        | -             | -           | 01             | 0.93         | -              | -            | -              | -           | -                | -           | 03                 | 3.48         |
| 2.            | Rural Development            | -             | -           | 02            | 4.68        | -              | -            | -              | -            | -              | -           | -                | -           | 02                 | 4.68         |
| 3.            | Agriculture                  | -             | -           | -             | -           | 01             | 9.20         | 01             | 0.26         | -              | -           | -                | -           | 02                 | 9.46         |
| 4.            | Horticulture                 | 01            | 1.54        | 01            | 0.06        | -              | -            | 01             | 1.29         | -              | -           | -                | -           | 03                 | 2.89         |
| 5.            | Land Revenue                 | -             | -           | -             | -           | -              | -            | -              | -            | 01             | 2.57        | -                | -           | 01                 | 2.57         |
| 6.            | Police                       | -             | -           | 01            | 0.08        | -              | -            | -              | -            | -              | -           | -                | -           | 01                 | 0.08         |
| 7.            | Fisheries                    | 01            | 1.28        | -             | -           | -              | -            | -              | -            | -              | -           | -                | -           | 01                 | 1.28         |
| 8.            | Municipal Council, Chamba    | 01            | 0.42        | -             | -           | -              | -            | -              | -            | -              | -           | -                | -           | 01                 | 0.42         |
| 9.            | Revenue                      | -             | -           | -             | -           | -              | -            | -              | -            | -              | -           | 02               | 0.40        | 02                 | 0.40         |
| 10.           | Home Guard                   | -             | -           | -             | -           | -              | -            | 03             | 25.42        | -              | -           | -                | -           | 03                 | 25.42        |
| 11.           | Planning                     | -             | -           | -             | -           | 01             | 2.97         | -              | -            | -              | -           | -                | -           | 01                 | 2.97         |
| 12.           | Health (Medical Department)  | -             | -           | -             | -           | 01             | 0.95         | -              | -            | -              | -           | -                | -           | 01                 | 0.95         |
| 13.           | Forest                       | -             | -           | 01            | 2.38        | 01             | 0.63         | -              | -            | -              | -           | 02               | 0.40        | 04                 | 3.41         |
| 14.           | Public Works                 | -             | -           | -             | -           | -              | -            | 06             | 7.43         | 01             | 1.05        | 08               | 2.69        | 15                 | 11.17        |
| 15.           | Irrigation and Public Health | -             | -           | -             | -           | 01             | 0.89         | 02             | 7.72         | -              | -           | 02               | 0.31        | 05                 | 8.92         |
| <b>Total:</b> |                              | <b>05</b>     | <b>5.79</b> | <b>05</b>     | <b>7.20</b> | <b>06</b>      | <b>15.57</b> | <b>13</b>      | <b>42.12</b> | <b>02</b>      | <b>3.62</b> | <b>14</b>        | <b>3.80</b> | <b>45</b>          | <b>78.10</b> |

C: Number of Cases

A: Amount (₹ in lakh)

**Appendix-3.4**

(Reference: Paragraph 3.4; Page 48)

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

(₹ in lakh)

| Name of Department           | Theft Cases     |              | Misappropriation/ Loss of Government Material |              | Total           |              |
|------------------------------|-----------------|--------------|---|--------------|-----------------|--------------|
|                              | Number of Cases | Amount       | Number of Cases                               | Amount       | Number of Cases | Amount       |
| Education                    | 02              | 1.60         | 01  | 1.88         | 03              | 3.48         |
| Rural Development            | 02              | 4.68         | -   | -            | 02              | 4.68         |
| Agriculture                  | -               | -            | 02  | 9.46         | 02              | 9.46         |
| Land Revenue                 | -               | -            | 01  | 2.57         | 01              | 2.57         |
| Horticulture                 | 01              | 0.06         | 02  | 2.83         | 03              | 2.89         |
| Fisheries                    | 01              | 1.28         | -   | -            | 01              | 1.28         |
| Police                       | -               | -            | 01  | 0.08         | 01              | 0.08         |
| Municipal Council, Chamba    | -               | -            | 01  | 0.42         | 01              | 0.42         |
| Revenue                      | -               | -            | 02  | 0.40         | 02              | 0.40         |
| Home Guard                   | -               | -            | 03  | 25.42        | 03              | 25.42        |
| Planning                     | 01              | 2.97         | -   | -            | 01              | 2.97         |
| Health (Medical Department)  | -               | -            | 01  | 0.95         | 01              | 0.95         |
| Forest                       | -               | -            | 04  | 3.41         | 04              | 3.41         |
| Public Works                 | 01              | 0.22         | 14  | 10.95        | 15              | 11.17        |
| Irrigation and Public Health | 01              | 0.25         | 04  | 8.67         | 05              | 8.92         |
| <b>Total</b>                 | <b>09</b>       | <b>11.06</b> | <b>36</b>                                     | <b>67.04</b> | <b>45</b>       | <b>78.10</b> |

## Appendix-4

### Glossary of terms

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

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