

TABLE OF CONTENTS

	Paragraph(s)	Page(s)
Preface	-	ix
Executive Summary	-	xi-xvi
Chapter-I		
Overview		
Profile of State	1.1	1
Gross State Domestic Product of Himachal Pradesh	1.1.1	1
Sectoral contribution to GSDP	1.1.2	2-3
Basis and Approach to State Finances Audit Report	1.2	3-4
Report Structure	1.3	4
Overview of Government Account Structure and Budgetary Processes	1.4	4-7
Snapshot of Finances	1.4.1	7-8
Snapshot of Assets and liabilities of the Government	1.4.2	8
Fiscal Balance: Achievement of deficit and total debt targets	1.5	8-9
HP-FRBM Targets on Key Fiscal Parameters and Achievements	1.5.1	9-11
Medium Term Fiscal Plan	1.5.2	11-12
Trends of Deficit/ Surplus	1.5.3	12-14
Deficits and Total Debt after examination in Audit	1.6	14
Revenue surplus and Fiscal deficit – Audit Observation	1.6.1	14-15
Total Public Debt – Audit Observation	1.6.2	15-16
Chapter-II		
Finances of the State		
Major changes in key fiscal aggregates	2.1	17
Sources and Application of Funds	2.2	17-18
Resources of the State	2.3	18-19
Receipts of the State	2.3.1	19-20
State's Revenue Receipts	2.3.2	20
Trends and growth of Revenue Receipts	2.3.2.1	20-22
State's Own Resources	2.3.2.2	22-24
Transfers from the Centre	2.3.2.3	24-27
Capital Receipts	2.3.3	27-28
State's performance in mobilisation of resources	2.3.4	28
Application of Resources	2.4	28
Growth and composition of expenditure	2.4.1	29-31
Revenue Expenditure	2.4.2	31-32
Major changes in Revenue Expenditure	2.4.2.1	33
Committed expenditure	2.4.2.2	33-35
Undischarged liabilities in National Pension Scheme	2.4.2.3	35

	Paragraph(s)	Page(s)
Subsidies	2.4.2.4	35-36
Financial assistance by the State Government to Local Bodies and Other Institutions	2.4.2.5	36-37
Capital Expenditure	2.4.3	37
Major Changes in Capital Expenditure	2.4.3.1	37-40
Loans and advances by State Government	2.4.3.2	40-41
Expenditure priorities	2.4.4	41-42
Object head-wise expenditure	2.4.5	42
Public Account	2.5	42
Net Public Account Balances	2.5.1	42-44
Reserve Funds	2.5.2	44
Consolidated Sinking Fund	2.5.2.1	44-45
State Disaster Response Fund	2.5.2.2	45-46
Guarantee Redemption Fund	2.5.2.3	46
State Compensatory Afforestation Fund	2.5.2.4	46-47
Suspense and Miscellaneous	2.5.3	47
Debt management	2.6	47
Debt profile: Components	2.6.1	48-51
Debt profile: Maturity and Repayment	2.6.2	52-54
Debt Sustainability Analysis (DSA)	2.7	54-56
Utilisation of borrowed funds	2.7.1	56-57
Status of Guarantees – Contingent Liabilities	2.7.2	57-59
Management of Cash Balances	2.7.3	59-62
Conclusions	2.8	62-63
Recommendations	2.9	63
Chapter-III		
Budgetary Management		
Budget Process	3.1	65-66
Summary of total provisions, actual disbursements and savings during financial year	3.1.1	66
Charged and voted disbursement	3.1.2	66-67
Appropriation Accounts	3.2	67
Comments on integrity of budgetary and accounting process	3.3	67
Expenditure incurred without authority of law	3.3.1	67-68
Misclassification of expenditure	3.3.2	69
Unnecessary or insufficient supplementary grants	3.3.3	69-71
Re-appropriations requiring prior legislative authorisation	3.3.4	71
Unnecessary and insufficient re-appropriations	3.3.5	71-72
Savings	3.3.6	72-77
Excess expenditure and its regularisation	3.3.7	77

	Paragraph(s)	Page(s)
Excess expenditure relating to financial year 2021-22	3.3.7.1	77-78
Persistent excesses in certain grants	3.3.7.2	78
Regularisation of excess expenditure of previous financial years	3.3.7.3	78-79
Grant-in-aid for creation of capital assets	3.3.8	79-80
Comments on effectiveness of budgetary and accounting process	3.4	80
Budget projection and gap between expectation and actual	3.4.1	80-81
Supplementary budget and opportunity cost	3.4.2	81-82
Major policy pronouncements in budget and actual expenditure	3.4.3	82-83
Expenditure vis-à-vis Budget provided for schemes	3.4.4	83-84
Rush of expenditure	3.4.5	84-85
Review of Selected Grants	3.5	85
Grant No 8- Education	3.5.1	85
Budget and Expenditure	3.5.1.1	85-90
Grant No 13 – Jal Shakti Vibhag (Irrigation & Public Health Department)	3.5.2	90
Budget and Expenditure	3.5.2.1	90-97
Conclusions	3.6	97-98
Recommendations	3.7	98
Chapter-IV		
Quality of Accounts and Financial Reporting Practices		
Funds outside Consolidated Fund or Public Account of the State	4.1	99
Building and Other Construction Workers' Welfare Cess	4.1.1	99-100
Loans of State Government not being credited to the Consolidated Fund	4.1.2	100
Funds transferred directly to State implementing agencies	4.1.3	100-101
Non-discharge of liability in respect of interest towards interest bearing deposits	4.2	101-102
Delay in submission of Utilisation Certificates	4.3	102-103
Recording of Grantee Institution as "Others"	4.4	103-104
Abstract Contingent Bills	4.5	104-105
Personal Deposit Accounts	4.6	105-106
Indiscriminate use of Minor Head-800	4.7	106-109
Outstanding balance under major Suspense and DDR heads	4.8	109-110
Reconciliation of Departmental figures	4.9	110-111
Reconciliation of Cash Balances	4.10	111
Compliance with Accounting Standards	4.11	111-112
Delay in submission of Accounts/ Separate Audit Reports of Autonomous Bodies/ Authorities	4.12	112

	Paragraph(s)	Page(s)
Non-submission of details of grants/ loans given to bodies and authorities	4.13	113
Timeliness and Quality of Accounts	4.14	113
Misappropriations, losses, thefts, etc.	4.15	113-115
Follow up action on State Finances Audit Report	4.16	115
Conclusions	4.17	115
Recommendations	4.18	116
Chapter-V		
State Public Sector Enterprises		
Definition of Government Companies/ Corporations	5.1	117
Mandate of Audit	5.2	117
State Public Sector Enterprises (SPSEs) and their contribution to the Gross State Domestic Product of the State	5.3	117-118
Investment by Government of Himachal Pradesh in SPSEs and Budgetary Support	5.4	119
Equity holding and Loans in SPSEs	5.4.1	119
Budgetary Support by Government of Himachal Pradesh	5.4.2	119-120
Adequacy of assets to meet loan liabilities	5.4.3	120
Market Capitalisation of equity investment in SPSEs	5.4.4	120
Disinvestment, Restructuring and Privatisation	5.4.5	120
Returns from State Public Sector Enterprises	5.5	121
Profit earned by SPSEs	5.5.1	121
Dividend Payout by SPSEs	5.5.2	121-122
Debt servicing	5.6	122
Interest Coverage Ratio	5.6.1	122
Age-wise analysis of interest outstanding on State Government Loans	5.6.2	122-123
Financial Performance of State Public Sector Enterprises	5.7	123
Return on Capital Employed of SPSEs	5.7.1	123
on Equity by SPSEs	5.7.2	123-124
Return on the basis of Present Value (PV) of Investment	5.7.3	124-126
SPSEs incurring losses	5.8	126
Losses incurred	5.8.1	126
Erosion of net worth of SPSEs	5.8.2	126-127
Implementation of Ujjwal DISCOM Assurance Yojana (UDAY) Scheme	5.9	127
Financial Turnaround	5.9.1	127-128
Audit of Public Sector Enterprises	5.10	128
Appointment of Statutory Auditors of State Public Sector Enterprises (SPSEs) by CAG	5.11	128
Submission of accounts by SPSEs	5.12	128

	Paragraph(s)	Page(s)
Need for timely submission	5.12.1	128-129
Timeliness in preparation of accounts by Government Companies and Government Controlled Other Companies	5.12.2	129-130
Timeliness in preparation of accounts by Statutory Corporations	5.12.3	130
CAG's oversight - Audit of Accounts and Supplementary Audit	5.13	130
Financial reporting framework	5.13.1	130-131
Audit of Accounts of Government Companies by Statutory Auditors	5.13.2	131
Supplementary Audit of Accounts of Government Companies	5.13.3	131
Result of CAG's Oversight Role	5.14	131
Audit of Accounts of SPSEs	5.14.1	131
Amendment of Financial Statements	5.14.2	132
Revision of Auditors Report	5.14.3	132
Result of Supplementary Audit	5.14.4	132
Conclusions	5.15	132-133
Recommendations	5.16	133

APPENDICES

Appendix	Description	Reference to	
		Paragraph(s)	Page(s)
1	State Profile	1.1	135
1.2	Summarised financial position of the Government of Himachal Pradesh as on 31 March 2021 and 2022	1.4.2	136
2.1	Time Series Data on the State Government Finances	2.3.2.1 and 2.4.1	137-138
2.2	Abstract of Receipts and Disbursement for the year 2021-22	2.3.2.1	139-140
2.3 (A)	Actuals and projections of Revenue Receipts, Revenue Expenditure, Revenue Deficit and Interest Payments on Debt	2.6.2	141
2.3 (B)	Actuals and projections of Public Debt (Principal + Interest)	2.6.2	142
3.1	Glossary of important Budget related terms	3.1	143-145
3.2	Unnecessary Re-appropriation	3.3.5	146-150
3.3	List of grants where savings exceeded ₹ one crore or more	3.3.6 (i)	151-152
3.4	Details of persistent savings (₹ 1 crore or more in each case)	3.3.6 (ii)	153
3.5	Head-wise disbursement over the authorisation during 2021-22	3.3.7.1	154
3.6	Details of schemes for which provision of ₹ one crore and above was made but no expenditure was incurred	3.4.4	155-156
3.7	Details of unjustified re-appropriation of total approved budget of Education Department (FY 2021-22)	3.5.1.1 (a)	157
3.8	Details of Saving of Education Department (FY 2021-22)	3.5.1.1 (c)	158-160
3.9	Major Head of Account where more than 50 per cent of expenditure was incurred in March 2022 alone	3.5.1.1 (e)	161
3.10	Details showing saving of Irrigation and Public Health Department (FY 2021-22)	3.5.2.1 (a)	162-163
3.11	Details of schemes where entire budget provision was reduced to zero by re-appropriation of total approved budget	3.5.2.1 (b)	164-165
4.1	Outstanding Utilisation Certificates as on 31 March 2022	4.5	166-170
4.2	Statement showing unspent balances in PDAs as on 31 March 2022	4.8	171-173

Appendix	Description	Reference to	
		Paragraph(s)	Page(s)
4.3	List of Autonomous Bodies/Authorities/Institutions	4.14 and 4.15	174-175
5.1	Statement showing the name of all SPSEs, month and year of incorporation (including their brief description) as on 31 March 2022	5.3	176-180
5.2	Statement showing the investment of equity and long-term loans made by the State government/Others in SPSEs as on 31 March 2022	5.4.1	181-182
5.3	Summarised financial results of SPSEs for the latest year for which accounts were finalised as of 30 September 2022	5.5.1	183-185
5.4	Statement showing the funds infused in SPSEs by the State Government as on 01 April 1999 and from 1999-2000 to 2021-22	5.7.3	186-188
5.5	List of SPSEs whose accounts are in arrears with number of accounts in arrears as of 30 September 2022	5.12.2	189
5.6	List of SPSEs where Supplementary Audit was conducted	5.14.4	190

