



**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL OF INDIA
ON
STATE FINANCES
FOR THE YEAR ENDED 31 MARCH 2013**



GOVERNMENT OF HIMACHAL PRADESH

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PREFACE

1. This Report is prepared for submission to the Governor of the Himachal Pradesh under Article 151 of the Constitution of India.
2. Chapter I and II of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts, respectively, of the State Government for the year ended 31 March 2013. Information has been obtained from the Government of Himachal Pradesh wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State government's compliance with various financial rules, procedures and directives during the current year.
4. The Report containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

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 2012-13. The aim of this Report, which is based upon the actual data, is to provide the State government timely input on the performance of the departments on financial management/implementation of schemes/programmes of the government. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State government in Fiscal Responsibility and Budget Management (FRBM) Act, 2005 amended further by Act No. 25 of 2011 and the Budget Estimates of 2012-13.

Based on the audited accounts of the Government of Himachal Pradesh for the year ending March 2013, this Report provides an analytical review of the annual accounts of the State government. The Report is structured in three Chapters.

Chapter I is based on the Finance Accounts and makes an assessment of the fiscal position of the Government of Himachal Pradesh as on 31 March 2013. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of Central funds transferred directly to the State implementing agencies through off-budget route.

Chapter II is based on Appropriation Accounts and it gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter III is on compliance with various reporting requirements and financial rules. The cases of misappropriation/loss are also detailed in this Chapter.

Audit findings and recommendations

Fiscal correction path: The State had revenue surplus of ₹645 crore in 2011-12 which turned into revenue deficit of ₹576 crore during the current year 2012-13. The fiscal deficit increased from ₹1633 crore in 2011-12 to ₹2979 crore in 2012-13 and was 4.13 *per cent* of GSDP, which was above the FRBM target of three *per cent*. The revenue expenditure increased by ₹2276 crore (16 *per cent*) and revenue receipts increased by ₹1055 crore but non-tax revenue fell sharply by ₹538 crore (28 *per cent*) during 2012-13 over the previous year.

During 2012-13, the State had achieved the target of 44.4 *per cent*, 40.10 *per cent* and 41.03 *per cent* in respect of ratio of total outstanding debt of the government to GSDP as set out in FRBM Act, budget and MTFPs, respectively. The State, however, could not achieve the targets of revenue deficit as set out in FRBM and fiscal deficit as set out in FRBM and MTFPs.

Fiscal liabilities: Fiscal liabilities at the end of current year were ₹30442 crore with growth of eight *per cent* over the previous year and stood at 42 *per cent* of GSDP.

Oversight of funds transferred directly to the State implementing agencies: During 2012-13, GoI directly transferred ₹1202 crore to various State implementing agencies without routing through the State budget. There is no single agency in the State to monitor the funds directly transferred by the GoI to the implementing agencies and no data readily available as to how much money has actually been spent in a particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies and funded directly by the GoI.

System to ensure proper accounting of funds: A system has to be put in place to ensure proper accounting of funds transferred directly by the GoI and the updated information should be validated by the State government as well as Accountant General (A&E).

Review of government investments: The average return on investment by the government in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was 3.18 *per cent* while the government paid an average interest of 8.28 *per cent* during 2008-13 on its borrowings from Central government/financial institutions. *The government may consider taking appropriate measure to ensure better value for money in investments.*

Action Plan for incomplete projects: There were 12 incomplete projects which were to be completed between July 2005 and December 2012 with cumulative actual expenditure of ₹115 crore as on 31 March, 2013. There was cost overrun of ₹35.01 crore in seven projects of Irrigation and Public Health department and in the remaining projects the revised cost was not available. The government may prepare an effective action plan to complete all projects promptly so that people derive envisaged benefits in time.

Unbundling of Himachal Pradesh State Electricity Board: The Government of Himachal Pradesh notified the Himachal Pradesh Power Sector Reforms Transfer Scheme 2010 to transfer the assets amongst the three companies. The unbundling in true spirit as envisaged in Electricity Act, 2003 has not been achieved as HPSEBL is still managing/operating all existing generating and transmission network except 13 transmission lines alongwith distribution activities. As regards HPSEBL, against the investment of ₹1021.78 crore made by the Government, the company had accumulated losses of ₹885.59 crore as per the latest finalized accounts for the year 2010-11.

Financial management and budgetary control: The State government's budgetary processes have not been sound during the year 2012-13 due to excess expenditure and expenditure without provision, drawal of funds to avoid lapse of budget grant and unnecessary withdrawal of funds. In many cases, anticipated savings (shortfall in the utilisation of budgets) were either not surrendered or surrendered at the end of the year leaving no scope for utilising these funds for other development purposes. Financial rules were flouted by several departments by drawing funds in excess of requirement, resorting to re-appropriation without proper explanation and expending without provision of funds. The Abstract Contingent (AC) bills had not been adjusted for long periods of time.

Financial reporting: There were delays in furnishing utilization certificates against the loans and grants from various grantee institutions and instances of theft, loss and misappropriation where departmental and criminal investigation was awaited. There were 10 autonomous bodies, which had not submitted their accounts for the year 2012-13 for audit as of August 2013.

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

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.

The State has seen considerable economic growth in the past decade and the compound growth rate of its Gross State Domestic Product¹ (GSDP) for the period 2003-04 to 2012-13 has been 13.28 *per cent* (**Appendix 1**).

This chapter provides a broad perspective of the finances of the government during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. Revenue surplus of ₹ 645 crore in 2011-12 turned into revenue deficit of ₹ 576 crore during 2012-13. Fiscal deficit increased from ₹ 1633 crore in the year 2011-12 to ₹ 2979 crore (**Appendix 1.3**) during 2012-13 and was 4.13 *per cent* of the GSDP. This was above the target of three *per cent* in the FRBM Act, 2005 (amended in 2011).

Profile of State

Himachal Pradesh is located in the northern part of India and is bordered by Jammu and Kashmir on the north, Punjab on the west and south west, Haryana and Uttarakhand on the south east and by China on the east. It is the 17th largest State in terms of geographical area (55673 sq. km) and the 20th largest by population. As indicated in **Appendix 1**, the State's population increased from 0.61 crore in 2001 to 0.69 crore in 2011 recording a decadal growth of 13 *per cent*. The percentage of population below the poverty line was 10 *per cent* which was less than the all-India average (27.50 *per cent*). The State's GSDP in 2012-13 at current prices was ₹ 72076 crore. The State's literacy rate increased from 76.50 (as per 2001 census) to 83.78 *per cent* (as per 2011 census). The per capita income of the State stands at ₹ 82611 during the year 2012-13.

Gross State Domestic Product

The GSDP is the market value of all officially recognized final goods and services produced within the State in a given period of time. The growth of GSDP of the State

¹ Refer Glossary in Appendix 4.

is an important indicator of the State's economy as it indicates the standard of living of the State's population. The trends in the annual growth of State's and India's GSDP at current prices are indicated in **Table 1.1**.

Table 1.1
Trends in Annual growth of GDP/GSDP

Year	2008-09	2009-10	2010-11	2011-12	2012-13
India's GDP at market prices (in crore)	5630063	6477827	7795313	8974947	10028118
Growth rate of GDP (percentage)	12.89	15.05	20.34	15.13	11.73
State's GSDP (in crore)	41483	48188	56355	63812	72076(A)
Growth rate of GSDP (percentage)	22.1	16.16	16.95	13.23	12.95

Source: Economic and Statistics Department, Himachal Pradesh and Central Statistical organisation

1.1.1 Summary of Fiscal Transactions during 2012-13

Table 1.2 presents the summary of the State government's fiscal transactions during the current year (2012-13) *vis-à-vis* the previous year (2011-12). **Appendix 1.4** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table 1.2
Summary of Fiscal operations in 2012-13

(₹ in crore)

Receipts	2011-12	2012-13	Disbursements	2011-12	2012-13		
	Total	Total		Total	Non Plan	Plan	Total
Section-A: Revenue							
Tax revenue	4108	4626	General Services	5690	6571	47	6618
Non-tax revenue	1915	1377	Social Services	5147	4853	1278	6131
Share of Union Taxes/Duties	1999	2282	Economic Services	3049	2664	754	3418
Grants from Government of India	6521	7313	Grants-in-aid and Contributions	12	7	--	7
Revenue receipts	14543	15598	Revenue expenditure	13898	14095	2079	16174

Receipts	2011-12	2012-13	Disbursements	2011-12	2012-13		
	Total	Total		Total	Non Plan	Plan	Total
Section-B: Capital and others							
Misc. Capital Receipts	--	--	Capital outlay	1810	96	1859	1955
Recoveries of Loans and Advances	25	21	Loans and advances disbursed	493			469
Public Debt receipts	1984	3371	Repayment of public debt	1128	--	2117	2117
Contingency Fund	--	--	Contingency Fund	--	--	--	--
Public account receipts	9237	9146	Public account disbursements	8526			8285
Opening cash balance	635	569	Closing cash balance	569			(-) 295
Total	26424	28705	Total	26424			28705

Source: Finance Accounts

Following are the significant changes during 2012-13 over the previous year:

- Revenue receipts grew by ₹ 1055 crore (seven *per cent*). The increase was the net effect of increase in Tax Revenue (₹ 518 crore), Share of Union Taxes and Duties (₹ 283 crore), Grants-in-Aid (₹ 792 crore) and decrease in Non-tax revenue (₹ 538 crore).
- Non-tax revenue decreased by ₹ 538 crore from ₹ 1915 crore in 2011-12 to ₹ 1377 crore in 2012-13. The decrease in Non-Tax revenue was due to less receipts under interest receipts, Forest and Wild Life department and Power sector.
- Being a Special Category State, 47 *per cent* of the revenue receipts are in the form of grants from GoI. The revenue receipts in 2012-13 increased by seven *per cent* over the previous year whereas revenue expenditure increased substantially by 16 *per cent* during this period.
- Revenue expenditure** increased by ₹ 2276 crore (16 *per cent*) over the previous year. The increase in Non-plan and Plan expenditure was ₹ 1898 crore and ₹ 378 crore, respectively. The revenue expenditure under General Services, Social Services and Economic Services increased by ₹ 928 crore, ₹ 984 crore and ₹ 369 crore, respectively.

The increase in revenue expenditure was mainly due to payment of arrears of pay revision and additional dearness allowance installments to the State government employees and pensioners.

- Capital expenditure** increased by ₹ 145 crore (eight *per cent*) during 2012-13 over the previous year. The increase was on account of increase under Economic Services (₹ 80 crore) and in Social Services (₹ 64 crore) whereas expenditure under General Services remained static. Recoveries and disbursement of Loans and Advances decreased by ₹ four crore (16 *per cent*) and ₹ 24 crore (five *per cent*), respectively over the previous year.

- The receipts and disbursements under public debt increased by ₹ 1387 crore (70 *per cent*) and ₹ 989 crore (88 *per cent*), respectively, during the year 2012-13 as compared to previous year.
- The public account receipts and disbursements decreased by ₹ 91 crore (one *per cent*) and ₹ 241 crore (three *per cent*) respectively, during the year 2012-13.
- Opening and closing cash balance decreased by ₹ 66 crore and ₹ 864 crore, respectively, over the previous year.

1.1.2 Review of the fiscal situation

A brief on the fiscal policy reforms being adopted by the State is as follows:

- A policy of sound fiscal management combined with thrust on economic development to achieve high growth rates of GSDP.
- A medium term fiscal policy strategy to increase financial resources i.e. continued buoyancy in State's own tax and non-tax receipts, recourse to financial resources through externally aided projects and minimum recourse to borrowing to finance the developmental needs.
- The linch pin of fiscal policy was to ensure faster pace of implementation of hydro power projects to improve financial position through sale of energy.
- The fiscal deficit targets to be met by promoting strong economic growth.

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

Table 1.3
Major Fiscal Variables

Fiscal variables	2012-13						
	Targets as prescribed in FRBM Act	Targets proposed in the Budget	Projections made in Five Year Fiscal plan/MTFP	Actual	Percentage variation of actual over		
					Targets of FRBM Act	Targets of Budget	Projections of five year fiscal plan/MTFP
Revenue Surplus(+)/ Deficit(-)/ GSDP (in <i>per cent</i>)	Maintain revenue surplus	0.55	--	(-) 0.80	--	(-)245.45	--
Fiscal Deficit/GSDP (in <i>per cent</i>)	3.00	2.88	3.00	4.13	37.67	43.40	37.67
Ratio of total outstanding debt of the government to GSDP (in <i>per cent</i>)	44.40	40.10	41.03	39.70	(-) 10.58	(-)0.99	(-)3.24

Source: Finance Department and Finance Accounts

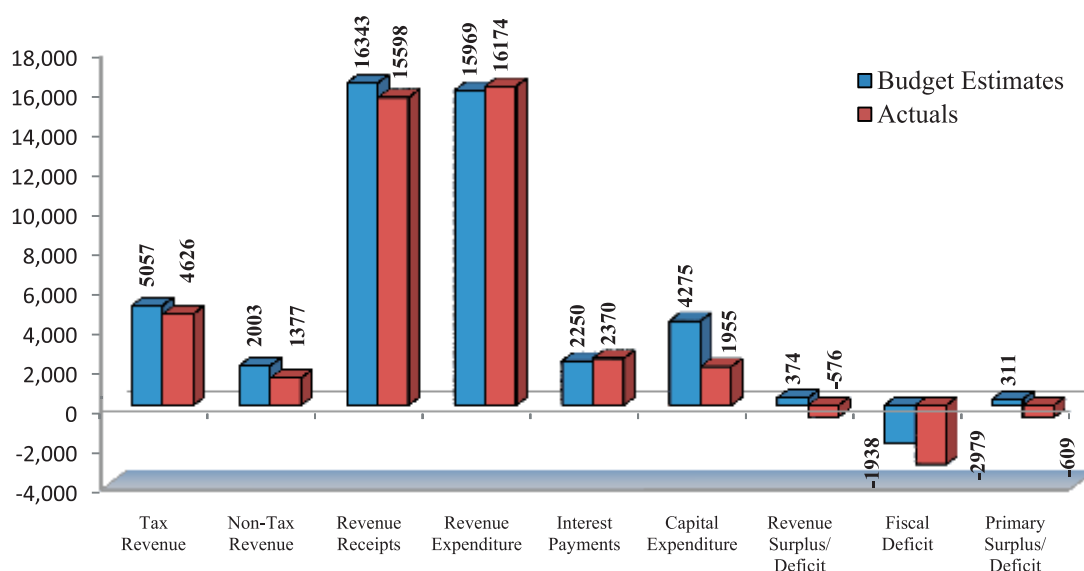
Revenue deficit (difference between revenue expenditure and revenue receipt) was 0.8 *per cent* of GSDP during the year 2012-13 against 0.55 *per cent* revenue surplus of GSDP in the budget estimates for the year 2012-13. The State government could not maintain revenue surplus as proposed in the FRBM Act. Fiscal deficit was 4.13 *per cent* of GSDP against the target of three, 2.88 and three *per cent* set out in FRBM, budget and MTFPs, respectively.

Ratio of total outstanding debt to GSDP was 39.70 during the year 2012-13 against the target of 44.4, 40.10 and 41.03 prescribed in FRBM, Budget and MTFPs, respectively. However, there was no improvement in fiscal imbalances as the State had revenue deficit (₹ 576 crore) during the current year 2012-13 from a revenue surplus (₹ 645 crore) position of 2011-12 and there was deterioration in fiscal deficit to ₹ 2979 crore in 2012-13 from ₹ 1633 crore in 2011-12.

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. Deviations from the budget estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the government and some beyond the control of the government. The budget estimates and actuals for some important fiscal parameters for 2012-13 are given in **Chart 1.1**.

Chart 1.1 : Selected Fiscal Parameters: Budget Estimates vis-a-vis Actuals



Source: Review of Receipt and Expenditure (January 2013) and Finance Accounts 2012-13.

As may be seen from **Chart 1.1**, there were considerable variations between budget estimates and actuals in case of several parameters. The actual revenue receipts were less by ₹ 745 crore (4.56 *per cent*) and revenue expenditure was greater by ₹ 205 crore (1.28 *per cent*) resulting in revenue deficit of ₹ 576 crore against the revenue surplus of ₹ 374 crore estimated in the budget. The actual fiscal deficit was higher by ₹ 1041 crore while the estimated primary surplus turned into deficit of ₹ 920 crore. The actual realisation of Non-Tax Revenue (NTR) was lower by ₹ 626 crore (31 *per cent*) during 2012-13 against the estimated non-tax revenue of ₹ 2003 crore. Against the estimated interest payments of ₹ 2250 crore, the actual payments made were ₹ 2370 crore during the current year.

The State budget had underestimated revenue expenditure, interest payments and the revenue, fiscal and primary deficits with a notable exception of capital expenditure which was over estimated in budget estimates. Revenue receipts alongwith its components, tax and non-tax revenue, had been overestimated.

1.1.4 Gender Budgeting

Gender Budgeting Cell (GBC) was constituted in the Social, Justice and Empowerment (SJE) Department on 14 November 2008 but after bifurcation of SJE department into two departments viz. Women and Child Development (WCD) and Scheduled Castes, Other Backward Classes and Minority Affairs, the GBC was constituted in the department of WCD in 2013. There were 10 schemes designated to benefit women to the extent of 100 *per cent* allocation and three schemes with partial allocation as mentioned in **Appendix 1.5**.

1.1.5 Major policy initiatives in the budget

The State government while presenting the budget for 2012-13, committed to ensure that there would be no slowdown in the development of the State despite financial constraints. The government continued the scheme of providing three *dals*, two edible oils and salt to all the ration card holders at subsidized prices with provisioning of ₹ 130 crore. To bridge the infrastructural gaps in scheduled caste dominated habitations in rural areas, “Guru Ravi Dass Civic Amenities Scheme” with the budget allocation of ₹ 10 crore was made. 277817 number of persons were to be provided social security pension with the budget provision of ₹ 147 crore. The major policy initiatives of the government and budget provision vis-à-vis actual expenditure on these schemes during 2012-13 are given in **Table 1.4**.

Table 1.4
Major policy initiatives, budget provision and expenditure

(₹ in crore)

Sr. No.	Name of the Scheme	Budget Estimates	Revised Estimates	Expenditure	Percentage of expenditure to Revised Estimates
1	Social Security Pension	146.32	158.39	156.90	99
2	Atal School Uniform Yojna	No Provision	28.63	28.63	100
3	Pt. Deen Dayal Kisan Bagwan Samridhi Yojna	50.00	43.84	43.68	100
4	Atal Swasthya Seva Yojna	10.00	10.00	10.00	100
5	Guru Ravi Dass Civic Amenities Scheme	10.00	10.00	10.00	100
6	Beti Hai Anmol	2.21	3.71	4.17	112

Source: Demand for grants, Appropriation Accounts and departmental figures.

Social security pension to the needy was considered a priority area by the government. Against the budget provision of ₹ 146.32 crore, ₹ 156.90 crore has been spent. However, there was shortfall in physical achievements by two *per cent* which was due to temporarily vacant accounts of beneficiaries during each quarter due to the death or ineligibility of pensioners and were got substituted with new applicants in subsequent quarter which is regular process.

A budget outlay of ₹ 60 crore was announced by the Chief Minister in the budget speech under the scheme 'Atal School Uniform Yojna' under which two sets of school uniform every year to all government school students upto class 10th without any distinction of income level were to be distributed. An expenditure of ₹ 28.63 crore was made and all the 511728 targeted students were provided 1023456 sets of uniforms achieving 100 *per cent* target.

A budget outlay of ₹ 50 crore was announced by the Chief Minister under the scheme Pandit Deen Dayal Krishi Bagwan Samridhi Yojna in the budget speech while presenting the budget for the year 2012-13 to revolutionize the economy of farmers and orchardists. Under Kisan Bagwan Samridhi Yojna Part-I (Poly house) and Part-II (Micro Irrigation), an expenditure of ₹ 43.68 crore against revised estimates of ₹ 43.84 crore was incurred and 100 *per cent* targets were achieved. However, ₹ 6.32 crore were surrendered under Scheduled Caste Sub Plan and Tribal Area Sub Plan.

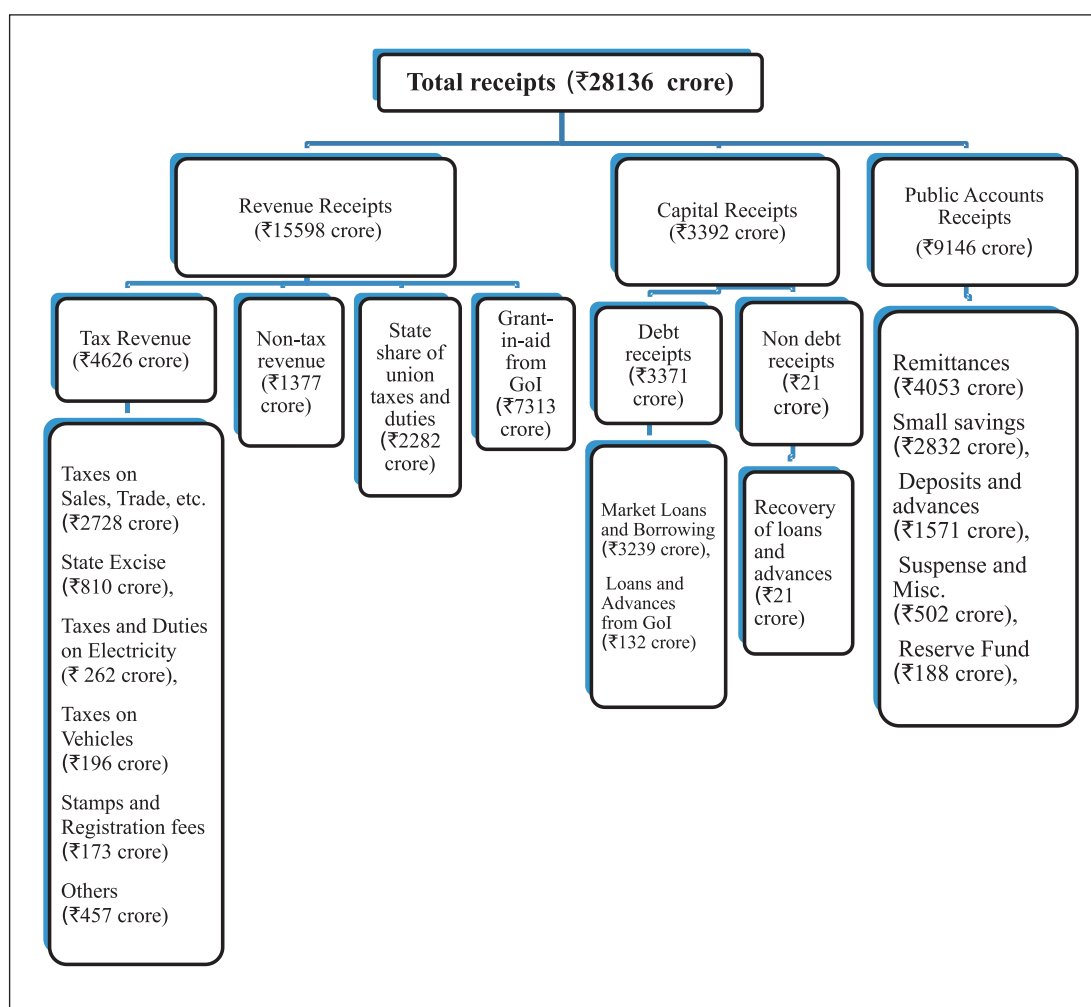
1.2 Resources of the State

1.2.1 Resources of the State as per the Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the GoI. Capital receipts

comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowing from financial institutions/commercial banks) and loans and advances from GoI. Besides, the funds available in the Public Accounts after disbursement is also utilized by the government to finance its deficit. **Table 1.1** presents the receipts and disbursements of the State during the year 2012-13 as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2008-13.

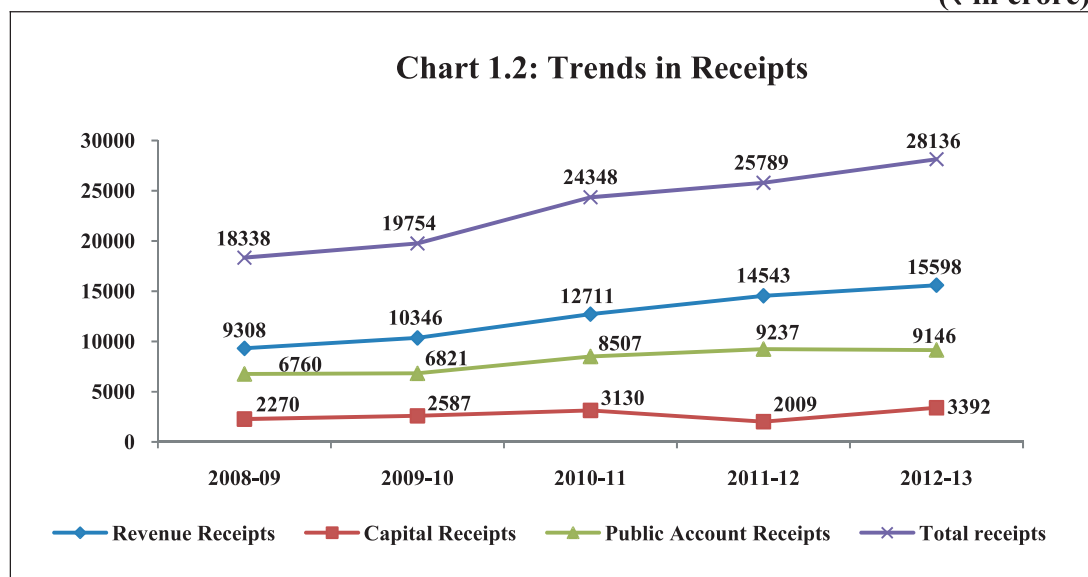
Following flowchart shows the components and sub-components of resources for the year 2012-13.



As evident from the flowchart above, revenue receipts comprise 55 per cent, public account receipts 33 per cent and capital receipts 12 per cent of the total receipts of

₹ 28136 crore. 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 47 *per cent*, 30 *per cent*, 15 *per cent* and nine *per cent*, respectively.

(₹ in crore)



The total receipts of the State government increased by nine *per cent* from ₹ 25789 crore to ₹ 28136 crore during 2012-13 over the previous year, of which, 55 *per cent* (₹ 15598 crore) came from revenue receipts. The share of revenue receipts in the total receipts of the State remained almost static (51-52 *per cent*) during 2008-11, increased to 56 *per cent* in 2011-12 but further decreased by one *per cent* during the current year. On the other hand, the capital receipts (market borrowings and special securities issued to National Small Savings Fund (NSSF)) together with public account receipts ranged between 44 and 49 *per cent* of total receipts during 2008-13.

Revenue receipts increased steadily by 68 *per cent* from ₹ 9308 crore in 2008-09 to ₹ 15598 crore in 2012-13, whereas the capital receipts increased (49 *per cent*) from ₹ 2270 crore in 2008-09 to ₹ 3392 crore in 2012-13. Public account receipts increased steadily from ₹ 6760 crore in 2008-09 to ₹ 9237 crore in 2011-12 but decreased to ₹ 9146 crore in 2012-13. The public account receipts ranged between 33 and 37 *per cent* of the total receipts during the period 2008-13.

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

The Central government has been transferring funds directly to the State implementing agencies² for implementation of various schemes/programmes in social and economic sectors, which are recognised as critical sectors. As in the present

² Refer glossary in Appendix 4.

mechanism, these funds are not routed through the State Budget/State Treasury System and hence do not find mention in the Finance Accounts of the State.

During the year 2012-13, central funds of ₹ 1202 crore (**Appendix 1.6**) were transferred directly to the State implementing agencies. The major programmes assisted by GoI where funds were, transferred directly to the State implementing agencies are presented in **Table 1.5**.

Table 1.5
Funds transferred directly to State Implementing Agencies

(₹ In crore)

Programme/ scheme	Implementing agency in the State	Funds transferred directly by GoI during 2012-13	Amount utilized from total available funds*	Improvement ratios in the development/ human indices as compared to previous year
Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA)	Project Director, DRDAs	361.30	492.70	In 2011-12, 48043 households were employed with 4831578 persondays whereas 40394 households with 4068202 persondays were employed in 2012-13.
Sarva Shiksha Abhiyan (SSA)	H.P. Primary Education Society	107.37	253.09	116952 sets of free text books were distributed in the year 2012-13 whereas 163401 sets of free text books distributed in 2011-12.
National Rural Drinking Water Programme (NRDWP)	State Water and Sanitation Mission	102.24	139.10	2557 habitations were covered in 2011-12, whereas in 2012-13 the number was 2544.
Rural Housing Indira Awas Yojana(IAY)	Project Director, DRDAs	29.00	30.64	6283 number of houses were completed in the year 2012-13 whereas 5972 number of houses were completed in 2011-12.
Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	H.P. State Primary Education Society	20.35	37.42	20 number of school buildings were completed during 2012-13 which were sanctioned at the start of the scheme (2009-10).
Total		620.26	952.95*	

* Contains opening balance of previous year and other receipts also.

Source: CPMS and departmental figures.

An amount of ₹ 361.30 crore (30 per cent of the total funds transferred) was given for MNREGA, ₹ 107.37 crore (8.93 per cent) for SSA and ₹ 102.24 crore (8.5 per cent) for NRDWP. Thus, with the transfer of ₹ 1202 crore during 2012-13 by GoI directly to the State implementing agencies, the total availability of State resources increased from ₹ 28136 crore to ₹ 29338 crore. There is no single agency in the State to monitor the funds directly transferred by the GoI to the implementing agencies and no data readily available as to how much money has actually been spent in a particular

year on major flagship schemes and other important schemes which are being implemented by State implementing agencies and funded directly by the GoI.

A brief status of implementation and effectiveness of two centrally sponsored schemes viz. National Rural Drinking Water Programme and Rashtriya Madhyamik Shiksha Abhiyan is explained in the succeeding paragraphs.

National Rural Drinking Water Programme

Considering the magnitude of the problem of rural water supply, the GoI had been supplementing the efforts of the State governments through the centrally sponsored Accelerated Rural Water Supply Programme (ARWSP) since 1972-73. ARWSP has been modified (April 2009) as NRDWP for the Eleventh Plan period. The aim of this programme is to provide every rural person with adequate safe water for drinking, cooking and other domestic basic needs on a sustainable basis.

Status of drinking water supply schemes

Out of 3359 schemes (ongoing prior to March 2009:1154, 2009-10:545, 2010-11:758, 2011-12:623 and 2012-13:279) taken up for execution, 2989 schemes had been completed as of 31 March 2013 leaving 370 ongoing incomplete schemes.

Non-utilization of funds provided by GoI

Funds amounting to ₹ 609.98 crore were provided by the GoI under this scheme during the period 2009-13 and interest of ₹ 3.30 crore was accrued there against. Out of this, the State government had utilized ₹ 576.54 crore leaving a balance of ₹ 36.74 crore as unutilized in the savings account as of July 2013.

Coverage of habitations

As per the guidelines, potable drinking water to the rural population based on basic minimum need of 40 litres per capita per day (lpcd) was to be provided. Out of 53201 habitations in the State, 48550 habitations (State statistics: 2012-13) i.e. 91 *per cent* had been provided with 40 lpcd water leaving 4651 habitations uncovered.

Rashtriya Madhyamik Shiksha Abhiyan

Rashtriya Madhyamik Shiksha Abhiyan (RMSA) is a Centrally Sponsored Scheme (CSS) which was started all over India in the year 2009-10 with cost sharing in the ratio of 75:25 (50:50 from 2012-13) between the Centre and the State. The main objective of the scheme is to enhance access to secondary education and to improve its quality. 20 school buildings were completed and ₹ 1.21 crore was spent on preparatory activities i.e. man power resources, organizing workshops, etc.

Financial outlay and expenditure

During 2012-13, ₹ 37.38 crore (opening balance: ₹ 7.84 crore, GoI contribution: ₹ 20.35 crore, State government share: ₹ 6.79 crore, other receipts: ₹ 2.40 crore) were available with Himachal Pradesh School Education Society (HPSES) out of which ₹ 37.42 crore had been spent and the excess amount of ₹ 0.04 crore was spent from the non-recurring grant.

Creation of school infrastructure

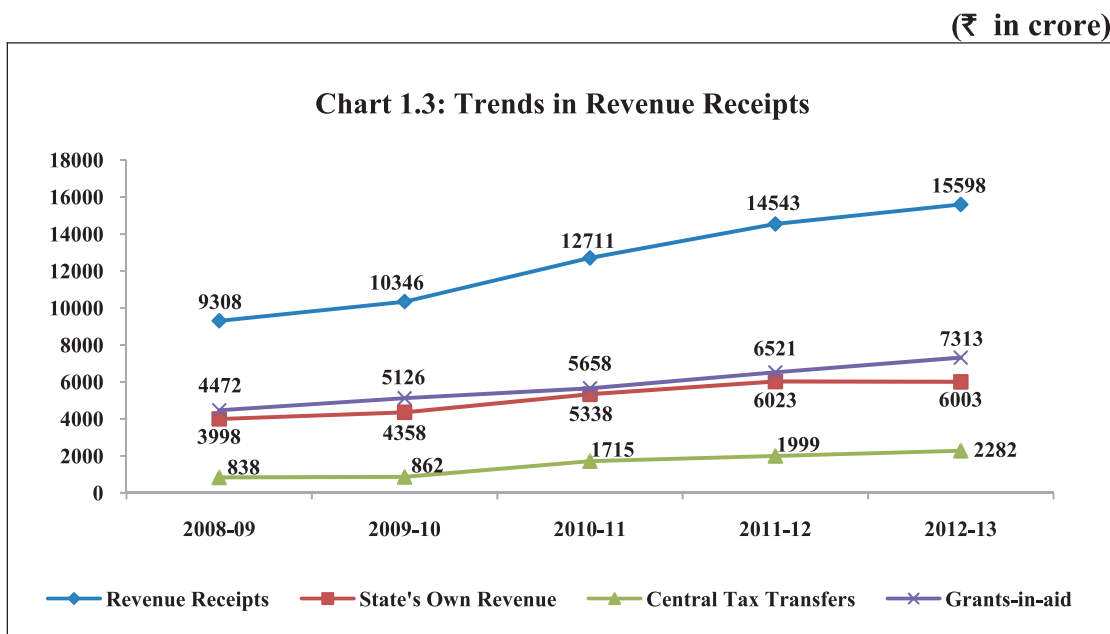
- i) 114 new school buildings were sanctioned under RMSA during the year 2009-10 (69) and 2011-12 (45). Out of the 45 schools sanctioned during 2011-12, the state could notify 35 new schools as of August, 2013.

Out of 114 works sanctioned, the agreements were entered for construction of 81 school buildings (2010-11:64 and 2011-12:17) and the remaining 33 works could not be started due to non-availability of land. Out of the 64 agreements signed in 2010-11, only 20 schools had been completed and 29 were under progress as of August, 2013. In remaining 15 cases, the work had not been started in 14 cases due to non-availability of site and one school had been denotified indicating slow utilisation of funds and no work was completed out of 17 school buildings for which agreements were signed for 2011-12.

- ii) ₹ 1.60 crore (₹ 1.20 crore from GoI and ₹ 0.40 crore from State government) was released during 2009-10 for preparatory activities i.e. strengthening of offices at state and district level, man power resources, organizing workshops, etc. with the direction to spend the amount in the same financial year. The Mission Director, RMSA could utilize only ₹ 1.21 crore leaving ₹ 0.39 crore unutilized as of August 2013 and further stated that the funds could not be utilized as GoI had not allowed to expend the funds after March, 2012. The contention of the department is not acceptable as the department did not utilize the funds even after two years of sanction depriving the beneficiaries from intended benefits.
- iii) The State Project Director, RMSA received ₹ 82.26 crore under non recurring grant during 2009-10 (₹ 33.39 crore) and 2012-13 (₹ 48.87 crore) against which ₹ 41.55 crore had been released to the executing agencies (SMDCs (₹ 10.32 crore), HIMUDA (₹ 14.48 crore) and BSNL (₹ 16.75 crore)) leaving ₹ 40.71 crore unutilized at the end of March 2013. The department stated (August, 2013) that the utilization certificates for ₹ 13.66 crore had been received and construction agencies had been requested to speed up the construction work and send utilization certificates for the remaining amount of ₹ 27.90 crore. As no utilization certificates were produced to audit utilization of the grant could not be verified in audit.

1.3 Revenue Receipts

Statement-11 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 2008-13 are presented in **Appendix 1.3** and also depicted in **Chart 1.3**.



Revenue receipts steadily increased from ₹ 9308 crore in 2008-09 to ₹ 15598 crore in 2012-13 at an annual average growth rate of 11 *per cent* but during 2012-13 it recorded an increase of only seven *per cent* over the previous year. 38 *per cent* of the revenue receipts during 2012-13 came from the State's own resources comprising taxes and non taxes, the remaining 62 *per cent* were contributed by central transfers comprising the State's share in central taxes and duties (15 *per cent*) and grants-in-aid from GoI (47 *per cent*).

Central tax transfers: Central tax transfers increased by ₹ 283 crore (14 *per cent*) from ₹ 1999 crore in 2011-12 to ₹ 2282 crore in 2012-13 and constituted 15 *per cent* of the revenue receipts during the year. The increase was mainly due to increase in corporation tax (₹ 33 crore), taxes on income other than corporation tax (₹ 91 crore), customs (₹ 32 crore) and service tax (₹ 95 crore).

Grants-in-Aid: Grants-in-aid from the GoI increased by ₹ 792 crore (12 *per cent*) from ₹ 6521 crore in 2011-12 to ₹ 7313 crore in 2012-13.

The trends in revenue receipts relative to GSDP are presented in **Table 1.6**.

Table 1.6
Trends in Revenue Receipts relative to GSDP

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Receipts (RR) (₹ in crore)	9308	10346	12711	14543	15598
Rate of growth of RR (<i>per cent</i>)	1.82	11.15	22.86	14.41	7.25
R R/GSDP (<i>per cent</i>)	22.44	21.47	22.56	22.79	21.64
Buoyancy Ratios³					
Revenue Buoyancy w.r.t. GSDP	0.08	0.69	1.35	1.09	0.56
State's Own Taxes Buoyancy w.r.t. GSDP	0.26	0.56	1.33	0.97	(-)0.03
Revenue Buoyancy with reference to State's own taxes	0.32	1.24	1.02	1.12	(-)21.97

There was consistent increase in the growth rate of revenue receipts during 2008-11 from 1.82 *per cent* to 22.86 *per cent* but it declined consistently to 14.41 *per cent* and 7.25 *per cent* in 2011-12 and 2012-13, respectively. Although tax revenue to revenue receipts in 2012-13 increased by two *per cent* as compared to 2011-12, the non-tax revenue showed decline of four *per cent* during this period. The power sector (₹ 509 crore), interest receipts (₹ 45 crore), Forestry and wildlife (₹ 43 crore), Miscellaneous General Services (₹ 31 crore), etc. were the major sectors which showed declining trend during the current year as compared to 2011-12.

The growth rate of revenue receipt was lower than the growth rate of GSDP during the period 2008-13 except 2010-11 and 2011-12. Besides this, buoyancy ratio of States own taxes increased from 0.26 *per cent* to 1.33 *per cent* in 2010-11 but decreased to 0.97 and (-) 0.03 during the period 2011-13, respectively.

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.

³ Refer glossary in Appendix 4.

The State's actual tax and non tax receipts (NTR) for the year 2012-13 vis-à-vis assessment made by Th FC and MTFPs are given in **Table 1.7**.

Table 1.7
Percentage variation of actual over projections/estimates.

(₹ in crore)

	Th FC projections	Budget estimates	MTFP projection	Actual	Percentage variation of actual over		
					Th FC projections	Budget estimates	MTFP projections
Tax revenue	4080	5057	4631	4626	13.38	(-) 8.52	(-) 0.11
Non tax revenue	1356	2003	2095	1377	1.55	(-) 31.25	(-) 34.27

Source: Finance Department and Finance Accounts

The actual tax revenue and NTR were 13.38 *per cent* and 1.55 *per cent* more than the Th FC projections, whereas both tax revenue and NTR were less by 8.52 *per cent* and 31.25 *per cent* over the budget estimates during the year 2012-13.

1.3.1.1 Tax revenue

The gross collection in respect of major taxes and duties are given in **Table 1.8**.

Table 1.8
Components of State's own resources

(₹ in crore)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13
Taxes on sales, trades, etc.	1246	1487 (19)	2101 (41)	2477 (18)	2728 (10)
State excise	432	500 (16)	562 (12)	707 (26)	810 (15)
Taxes on vehicles	136	134 (- 1)	163 (22)	176 (8)	196 (11)
Stamp duty and registration fees	98	113 (15)	133 (18)	155 (17)	173 (12)
Land revenue	20	15 (- 25)	5 (- 67)	18 (260)	24 (33)
Taxes on goods and passengers	62	89 (44)	93 (4)	94 (1)	101 (7)
Other taxes⁴	248	236 (- 5)	586 (148)	481 (- 18)	594 (23)
Total	2242	2574 (15)	3643 (42)	4108 (13)	4626(13)

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

The receipts under Taxes on sales, trades, etc., State Excise, Taxes on vehicles and Stamp duty and registration fees increased by ₹ 251 crore, ₹ 103 crore, ₹ 20 crore and ₹ 18 crore, respectively, during the current year over the year 2011-12 having an annual growth of 10, 15, 11 and 12 *per cent*, respectively.

⁴ Taxes and duties on electricity: 2008-09: ₹79 crore; 2009-10: ₹39 crore; 2010-11: ₹302 crore; 2011-12: ₹185 crore; 2012-13: ₹262 crore. Other taxes on duties and commodities: 2008-09: ₹169 crore; 2009-10: ₹197 crore; 2010-11: ₹284 crore; 2011-12: ₹296 crore; 2012-13: ₹332 crore.

1.3.1.2 Non-tax revenue

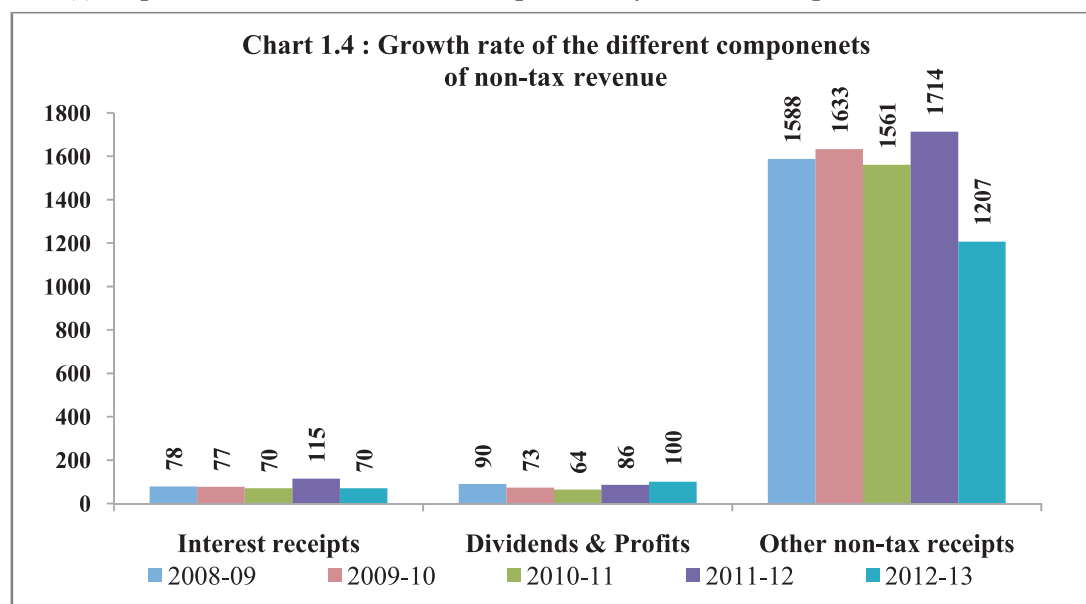
The position of non tax revenue is given in **Table 1.9**.

Table 1.9
Growth rate of non-tax revenue (NTR)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13
Interest receipts	78	77 (-1)	70 (-9)	115 (64)	70 (-39)
Dividends & profits	90	74 (-17)	64 (-14)	86 (34)	100 (16)
Other non-tax receipts of which-	1588	1633 (3)	1561 (-4)	1714 (10)	1207 (-30)
Misc. General Services	5	1(-80)	2(50)	40(1900)	9(-78)
Education, Sports, Arts and Culture	57	84(47)	82(-2)	104(27)	112(8)
Forestry and Wild life	55	72(31)	65(-10)	107(65)	64(-40)
Other Administrative Services	14	17(21)	31(82)	26(-16)	46(77)
Public Works	23	31(35)	35(13)	42(20)	40(-15)
Water Supply and Sanitation	18	20(11)	26(30)	31(19)	34(10)
Others	1416	1408(-1)	1320(-6)	1364(3)	902(-34)
Total	1756	1784 (2)	1695 (-5)	1915 (13)	1377 (-28)

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

Interest receipts shown negative growth rate of one *per cent* and nine *per cent* in 2009-10 and 2010-11 over the previous year, respectively which increased to 64 *per cent* in 2011-12 but it again experienced negative growth of 39 *per cent* in 2012-13. Dividends and profits having negative growth of 19 and 12 *per cent* in 2009-10 and 2010-11 achieved 34 *per cent* growth in 2011-12, which sharply decreased to 16 *per cent* in 2012-13. Other non-tax receipts also slipped drastically to (-) 30 *per cent* in 2012-13 from a growth rate of 10 *per cent* in 2011-12. The Misc. General Services (-78 *per cent*), Forestry and Wildlife (-40 *per cent*) and Public Works (-15 *per cent*) were the major non-tax heads where growth slipped. Thus, the growth rate of NTR was (-) 28 *per cent* in 2012-13 over the previous year which is presented in **Chart 1.4**.



Investment in Public Sector Undertakings

The State government has invested ₹ 3399.01 crore (capital and long term loans) in 21 Public Sectors Undertakings (including three 619(B) companies) as on 31 March 2013 as detailed in **Table 1.10**.

Table 1.10
Details of Investment

(₹ in crore)

Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	1608.24	1141.19	2749.43	560.88	11.80	572.68	3322.11
Non-Working PSU	16.75	60.15	76.90	--	--	--	76.90
Total	1624.99	1201.34	2826.33	560.88	11.80	572.68	3399.01

Out of 19 companies (including one non-working company i.e. Agro-Industrial Packaging India Limited (AIPIL)), three Companies are under the construction stage and no profit and loss accounts of these companies are being prepared.

As per latest available accounts of these companies, 9 companies earned profit of ₹ 20.93 crore and 6 companies incurred losses of ₹ 425.16 crore and only one company i.e. H.P. State Civil Supplies Corporation Limited has declared a dividend of ₹ 0.35 crore which is 10 *per cent* of its paid up capital.

1.3.2 Grants-in-aid from GoI

The Grants-in-aid received from the GoI during the years 2008-09 to 2012-13 have been given in **Table 1.11**.

Table 1.11
Grants-in-aid from GoI

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Non-Plan Grants	2311	2052	2634	2647	2526
Grants for State Plan Schemes	1700	2731	2680	3342	4179
Grants for Central Plan Schemes	5	5	1	27	28
Grants for Centrally Sponsored Plan Schemes	456	339	343	505	580
Total	4472	5127	5658	6521	7313
Percentage of increase over previous year	-2.08	14.64	10.36	15.25	12.15
Percentage of Revenue Receipts	48	50	45	45	47

Total grants-in-aid from GoI increased from ₹ 4472 crore to ₹ 7313 crore during the period 2008-13. There was percentage increase of 15, 10, 15 and 12 during the period

2009-13 over the previous year whereas its percentage to revenue receipts ranged between 45 and 50 *per cent* during that period. Contribution of non-plan grants, State plan schemes and centrally sponsored Plan schemes was 35, 57 and eight *per cent* to total grants from GoI during the year 2012-13.

1.3.3 Central Tax transfers

As per para 8.17 and 8.38 of Th FC recommendations inter-se shares (raised from 30.5 *per cent* to 32 *per cent*) of the States in the net proceeds of central taxes at the rate of 0.781 *per cent* was to be devolved to the State of Himachal Pradesh. The actual Central tax transfers amounting to ₹ 1715 crore, ₹ 1999 crore and ₹ 2282 crore were received by the State during the periods 2010-11, 2011-12 and 2012-13, respectively as per revised estimates. The excess of ₹ 19 crore during 2011-12 (actual-revised estimates) was deducted from the actuals receipts (₹ 2301 crore) of 2012-13. There was no significant increase/decrease under the respective tax heads.

1.3.4 Optimisation of the Thirteenth Finance Commission (Th FC) grants

Utilisation of the transfer to the State on the recommendations of the Th FC are summarised in the **Table 1.12**.

Table 1.12
Position of the transfer and expenditure

(₹ in crore)

Sr. No	Transfers	Recommendation of the Finance Commission	Actual Release by State government	Expenditure under relevant revenue head*	Unutilized Amount
1	Local Bodies				
General Area	Basic Grants to PRIs	70.20	35.11	35.11	--
	Performance Grants	48.45	50.57	50.57	--
Special Area	Basic Grants to PRIs	30.00	15.00	15.00	--
	Performance Grants	30.00	30.00	30.00	--
	Grant to ULBs (Basic)	10.96	10.96	10.96	--
	General Performance Grants	6.48	6.48	6.48	--
2	State Specific Grants	20.00	20.00	20.00	--
3	Elementary Education	23.00	23.00	23.00	--
4	Disaster Relief		94.32	89.14	5.18
5	Roads and Bridges		93.75	93.75	
	Total	239.09	379.19	374.01	5.18

*The grants paid to ULBs and PRIs treated as expenditure.

Source: Departmental figures

As soon as funds are released by the State government to PRIs/ULBs, the same is treated as expenditure at the State level. Against the recommendations of Finance

Commission of ₹ 239.09 crore, ₹ 379.19 crore was released during 2012-13. Out of the actual release of ₹ 379.19 crore, expenditure under relevant revenue head was ₹ 374.01 crore leaving ₹ 5.18 crore unutilized.

1.4 Capital Receipts

The trends in growth and composition of capital receipts are presented in **Table 1.13**.

Table 1.13
Trends in growth and composition of capital receipts

(₹ in crore)

Sources of State's Receipts	2008-09	2009-10	2010-11	2011-12	2012-13
Capital Receipts (CR)	2270	2587	3130	2009	3392
Miscellaneous Capital Receipts	-	-	646	-	-
Recovery of Loans and Advances	21	34	73	25	21
Public Debt Receipts	2249	2553	2411	1984	3371
Rate of growth of debt capital receipts	21.63	13.52	(-) 5.56	(-) 17.71	69.91
Rate of growth of non-debt capital receipts	(-) 19.23	61.90	114.71	(-) 65.75	(-) 16
Rate of growth of GSDP	22.10	16.16	16.95	13.23	12.95
Rate of growth of CR (<i>per cent</i>)	21.06	13.96	20.99	(-) 35.81	68.84

The capital receipts increased from ₹ 2270 crore in 2008-09 to ₹ 3392 crore in 2012-13. During the report year 2012-13 capital receipts recorded an increase of ₹ 1383 crore over the previous year (2011-12) with growth rate of 69 *per cent*. Recovery of loans and advances decreased by four crore whereas rate of growth of debt and non-debt capital receipts was 69.91 *per cent* and (-) 16 *per cent*, respectively, during the current year.

1.4.1 Recoveries of loans and advances

The State government had provided loans and advances to institutions/ organizations such as Animal Husbandry, Welfare of Schedule Castes/Schedule Tribes, Other Backward Castes and Minorities, etc. The State government recovered ₹ 21 crore of loans and advances during 2012-13 as compared to ₹ 25 crore recovered during 2011-12. Besides, during the year 2012-13, ₹ 14 crore was received as interest on loans and advances which was less by ₹ seven crore as compared to previous year.

1.4.2 Debt receipts from internal sources (market loans, borrowings from financial institutions, bank).

An amount of ₹ 3239 crore was received during 2012-13 which comprised market loans: ₹ 2360 crore, loans from NABARD: ₹ 400 crore, loans from National Co-operative Development Corporation: ₹ eight crore and Special Securities issued to NSSF of the Central government: ₹ 471 crore.

1.4.3 Loans and advances from GoI

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

Table 1.14
Position of Loans and advances from GoI

(₹ in crore)

	2010-11	2011-12	2012-13
Opening Balance	984	961	947
Addition during the year	39	80	132
Discharge during the year	62	94	61
Closing Balance	961	947	1018
Percentage of total expenditure	6	6	5

During the year 2012-13, GoI provided ₹ 132 crore as loans and advances to the State comprising ₹ 131.66 crore as block loans for State plan schemes, ₹ 0.11 crore for house building for state non-plan schemes and ₹ 0.04 crore as other loans for centrally sponsored plan schemes.

1.5 Public Account Receipts

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

Table 1.15
Detail of Public Accounts Receipts

(₹ in crore)

Resources under various heads	2008-09	2009-10	2010-11	2011-12	2012-13
Public Account Receipts					
<i>a. Small Savings, Provident Fund etc.</i>	1572	1659	2166	2100	2832
<i>b. Reserve fund</i>	464	295	433	285	188
<i>c. Deposits and Advances</i>	1111	1224	1630	1780	1571
<i>d. Suspense and Miscellaneous</i>	257	346	414	362	502
<i>e. Remittances</i>	3356	3297	3864	4710	4053
Total	6760	6821	8507	9237	9146

As is evident from the above table, public account receipts had grown consistently from ₹ 6821 crore in 2009-10 to ₹ 9146 crore in 2012-13. Receipts under Small Savings, Provident Fund etc. increased by ₹ 732 crore in 2012-13 over the previous

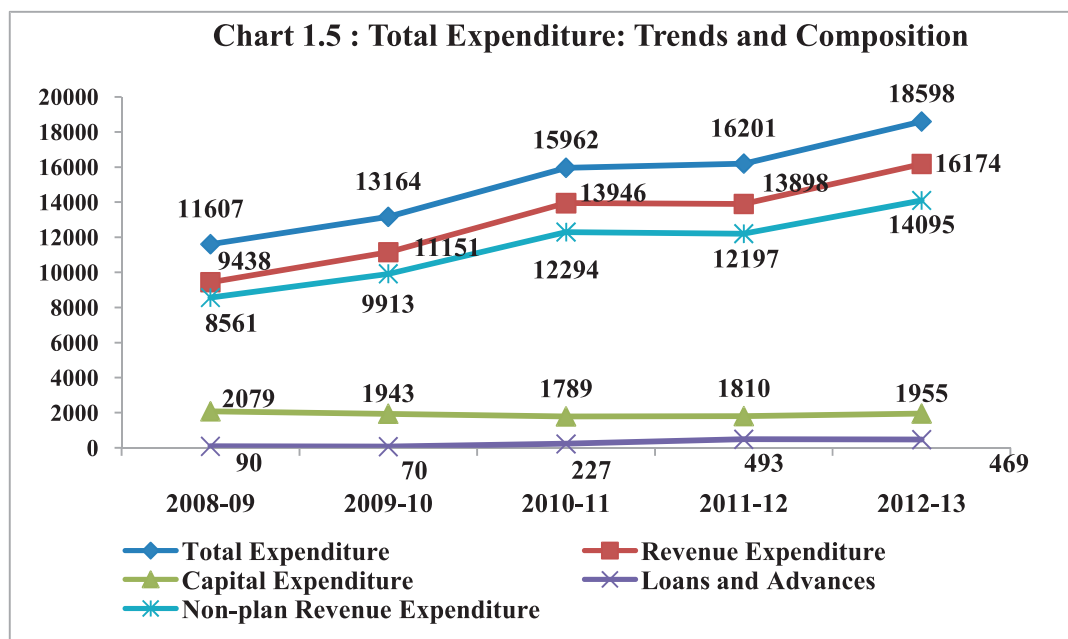
year whereas the deposits and advances and remittances decreased by ₹ 209 crore and ₹ 657 crore, respectively, during this period.

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

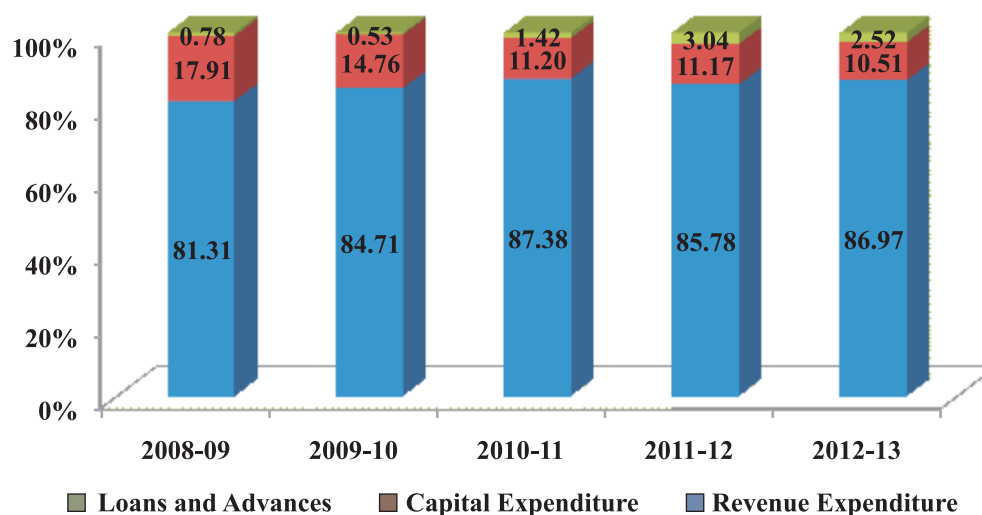
Chart 1.5 presents the trends in total expenditure over the last five years (2008-13) and its composition both in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted in **Chart 1.6** and **Chart 1.7**, respectively.

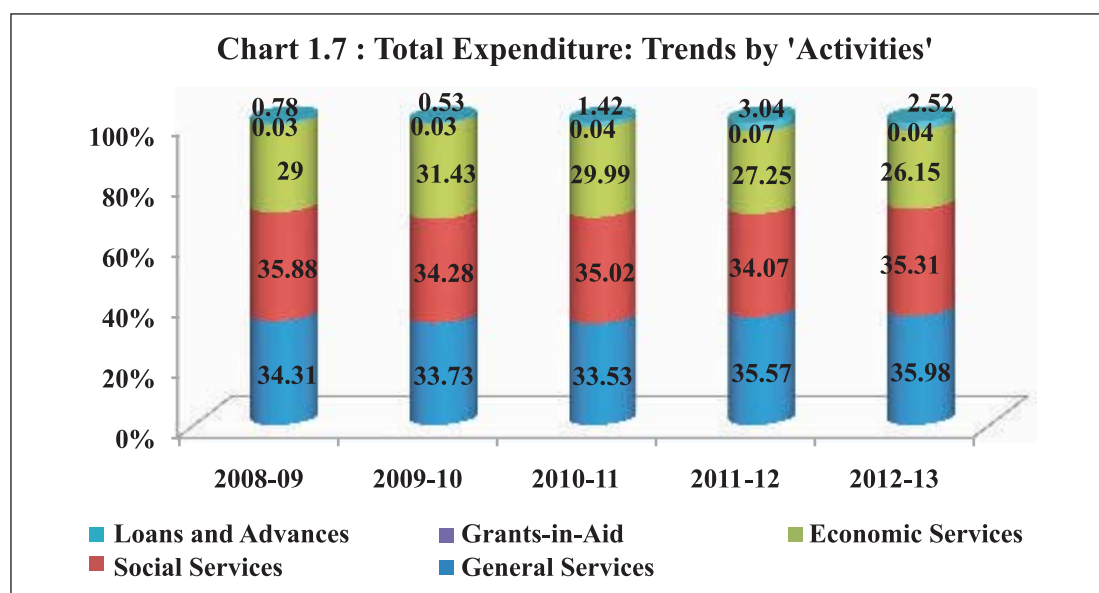


- Total Expenditure (TE)** of the State increased from ₹ 11607 crore in 2008-09 to ₹ 18598 crore in 2012-13 at an annual average rate of 14 *per cent*. The increase during the current year was ₹ 2397 crore (15 *per cent*) over the previous year. The increase in total expenditure was due to increase in revenue and capital expenditure of ₹ 2276 crore and ₹ 145 crore, respectively, whereas loans and advances decreased by ₹ 24 crore.

- **Revenue Expenditure (RE) :** The revenue expenditure increased at an annual average rate of 15 *per cent* from 2008-09 to 2012-13. It increased by ₹ 2276 crore (16.38 *per cent*) from ₹ 13898 crore to ₹ 16174 crore during the current year. During the current year, revenue expenditure on General Services, Social Services and Economic Services increased by ₹ 928 crore, ₹ 984 crore and ₹ 369 crore, respectively.
- **Capital Expenditure (CE):** *Capital expenditure decreased from ₹ 2079 crore in 2008-09 to ₹ 1789 crore in 2010-11 by 14 per cent but increased during the years 2011-12 and 2012-13 by ₹ 21 crore (one per cent) and ₹ 145 crore (eight per cent) over the corresponding previous years.* Education, Sports, Arts and Culture (₹ 145 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 223 crore) under Social Services, Power Projects (₹ 264 crore) and Transport (₹ 734 crore) under economic services were the beneficiary sectors where capital expenditure had been made during 2012-13. The share of capital expenditure to total expenditure, however, had decreased consistently from 17.91 *per cent* in 2008-09 to 10.51 *per cent* in 2012-13.
- Loans and advances constituted ₹ 469 crore (three *per cent*) of the total expenditure which decreased by ₹ 24 crore over the previous year.

Chart 1.6 : Total Expenditure: Trends in share of its components





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, decreased from 34.31 *per cent* in 2008-09 to 33.53 *per cent* in 2010-11 but increased to 35.57 *per cent* and 35.98 *per cent* in 2011-12 and 2012-13, respectively. On the other hand, developmental expenditure⁵ i.e., on Social and Economic Services together accounted for 61.46 *per cent* in 2012-13 against 61.32 *per cent* of 2011-12. The share of General Services and Social Services during 2012-13 was mainly on account of expenditure on General Education, Sports, Arts and Culture (19 *per cent*), Pension and other Retirement benefits (15 *per cent*) and Health and Family Welfare (five *per cent*).

1.6.2 Revenue expenditure

State's revenue receipts as a percentage to GSDP stood at 21.64 *per cent* whereas the revenue expenditure was 22.44 *per cent* during the current year. The State had revenue deficit of ₹ 576 crore which was 0.8 *per cent* of GSDP during the current year.

Significant investments made by the State

Power Generation

As on 31 March, 2013, the State government has invested ₹ 1438.25 crore in power sector companies, out of which ₹ 352.68 crore and ₹ 63.79 crore had been invested in Himachal Pradesh Power Corporation Limited and Himachal Pradesh Power Transmission Corporation Limited, respectively. Both these companies are at construction stage and yet to start commercial operations. As regards Himachal Pradesh State Electricity Board Limited, against the investment of ₹ 1021.78 crore

⁵ Refer glossary in Appendix 4.

made by the government, the company had accumulated losses of ₹ 885.59 crore as per latest finalised accounts for the year 2010-11.

Unbundling and financial restructuring plan of Himachal Pradesh State Electricity Board

Prior to 2003, the Himachal Pradesh State Electricity Board (HPSEB) was in place to manage the affairs of electricity in the State. Pursuant to Electricity Act, 2003, the Government of Himachal Pradesh constituted three companies viz. Himachal Pradesh Power Corporation Limited (HPPCL) a generation utility, Himachal Pradesh Power Transmission Corporation Limited (HPPTCL) a transmission utility and Himachal Pradesh State Electricity Board Limited (HPSEBL) a distribution utility in December 2006, August, 2008 and December 2009, respectively to unbundle the Himachal Pradesh State Electricity Board (HPSEB). The Government of Himachal Pradesh notified the Himachal Pradesh Power Sector Reforms Transfer Scheme 2010 (June 2010) to transfer the assets amongst the three companies.

All assets, properties, interest in properties and contingencies already transferred to HPPCL would remain vested in HPPCL. However, 20 hydro electric power projects having total generating installed capacity of 475.950 MW alongwith distribution activities would be maintained by HPSEBL and only six new hydro electric projects having generating capacity of 986 MW had been transferred to HPPCL for construction.

All assets and liabilities relating to transmission lines (not being essential part of distribution system or the dedicated lines from existing or future power house of the HPSEBL) shall stand vested/transferred to HPPTCL. Accordingly, 13 existing transmission lines of 66 KV and above (278.860 CKM) were transferred to HPPTCL during 2009-11.

The HPSEBL is still managing/operating all its existing generating and transmission network except 13 transmission lines alongwith distribution activities. The accounts of two companies (HPPTCL and HPPCL) have been finalized upto 2012-13. The accounts of HPSEBL have been finalised upto 2010-11 in which the company has shown accumulated losses of ₹ 885.59 crore.

Unbundling in true spirit as envisaged in Electricity Act, 2003 has not been achieved.

Education

The State government made investment of ₹ 113.06 crore, ₹ 25.82 crore and ₹ 65.76 crore during the year 2010-11, 2011-12 and 2012-13, respectively, on construction activities in higher education in the State. The Director, Higher Education stated that all the works sanctioned during the period 2010-13 were in progress (September 2013).

Similarly, investment on construction activities in Elementary Education was ₹ 30.95 crore, ₹ 9.35 crore and ₹ 11.51 crore during the period 2010-13, respectively.

1.6.3 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** and **Chart 1.8** present the trends in the expenditure on these components during 2008-13.

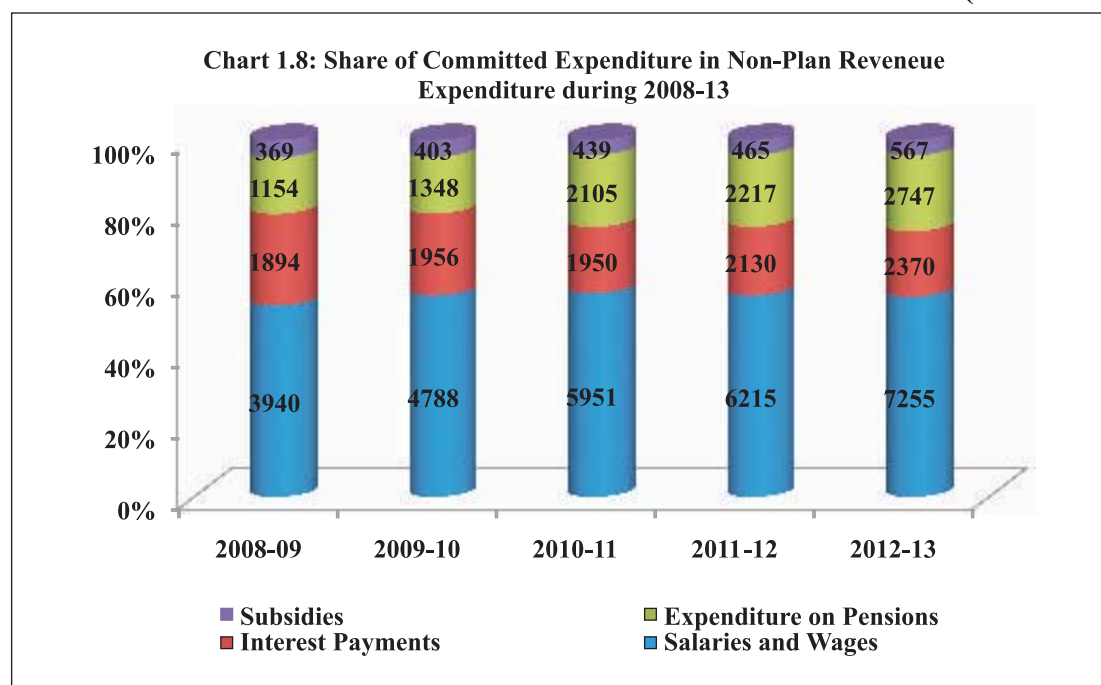
Table 1.16
Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13
Salaries and Wages, of which	3940	4788	5951	6215	7255*
Non-Plan Head	3813	4645	5784	5981	6999
Plan Head	127	143	167	234	256
Interest Payments	1894	1956	1950	2130	2370
Expenditure on Pensions	1154	1348	2105	2217	2747
Subsidies	369	403	439	465	567
Total	7357	8495	10445	11027	12939

* Salary : ₹ 7066 crore; wages: ₹ 189 crore.

(₹ in crore)



Salaries and Wages

The expenditure on salaries and wages was more than 47 *per cent* of revenue receipts of the State during 2012-13. It increased by 17 *per cent* from ₹ 6215 crore in 2011-12 to ₹ 7255 crore in 2012-13. Salary expenditure under non-plan head during 2012-13 increased by ₹ 1018 crore (17 *per cent*) over the previous year whereas the salary

expenditure on plan head increased by ₹ 22 crore (nine *per cent*) over the previous year. Non-plan salary expenditure ranged between 96 and 97 *per cent* of total expenditure on salaries during 2008-13. The salary expenditure during the current year exceeded by ₹ 781 crore from the projections made in Medium Term Fiscal Plan Statement (MTFPs) (₹ 6285 crore), requiring attention of the State government.

Pension Payments

The expenditure on pension payments increased from ₹ 1154 crore in 2008-09 to ₹ 2747 crore in 2012-13 and by ₹ 530 crore during the current year 2012-13 over the previous year, recording a growth rate of 24 *per cent* over the previous year. Pension payments accounted for nearly 18 *per cent* of revenue receipts of the State during 2012-13. The actual expenditure on pension payments for the current year exceeded the projections made in the Th FC (₹ 1748 crore).

Interest Payments

The interest payments increased by 25 *per cent* from ₹ 1894 crore in 2008-09 to ₹ 2370 crore in 2012-13 and increased by ₹ 240 crore during the current year. The major source of borrowings is market loans at interest rates varying from five to 13.99 *per cent*. Interest payments exceeded the Th FC projections (₹ 2039 crore) and MTFPS (₹ 2250 crore) projections for the current year.

Interest payments increased from ₹ 1894 crore in 2008-09 to ₹ 1956 crore in 2009-10 but decreased to ₹ 1950 crore in 2010-11. During 2011-12, interest payments stood at ₹ 2130 crore whereas in the current year it showed an increase of ₹ 240 crore over the previous year.

Subsidies

In any welfare state, it is not uncommon to provide subsidies/subventions to disadvantaged sections of the society. Subsidies are dispensed not only explicitly but also implicitly by providing subsidized public service to the people. Budgetary support to financial institutions, inadequate returns on investments and poor recovery of user charges from social and economic services provided by the government fall in the category of implicit subsidies.

The State government has been paying subsidies to various institutions/bodies/corporations, etc. The subsidies increased by 54 *per cent* from ₹ 369 crore in 2008-09 to ₹ 567 crore in 2012-13 and by 22 *per cent* over the previous year and constituted about four *per cent* of the revenue receipts. The major components of subsidies were food and supply items (₹ 154 crore); transport (₹ 97 crore); electricity (₹ 220 crore) and scheduled caste, other backward castes and minority affairs

(₹ 20.18 crore). The subsidy at ₹ 567 crore in 2012-13 was higher than the projections made in MTFPS (₹ 510 crore).

1.6.4 Financial Assistance to Local bodies and other institutions

The detailed position of grants-in-aid released to various institutions during the period 2008-09 to 2012-13 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	2008-09	2009-10	2010-11	2011-12	2012-13
1.	Universities and Educational Institutions	203.49	231.14	311.25	314.89	405.62
2.	Municipal Corporations and Municipalities	82.46	115.92	92.26	122.94	174.09
3.	Panchayati Raj Institutions	188.45	217.92	256.28	263.95	282.09
4.	Development Agencies	44.45	48.61	52.14	46.72	38.72
5.	Hospitals and other Charitable Institutions	4.85	41.25	48.11	69.70	87.77
6.	Other Institutions	58.55	63.25	89.35	162.89	214.82
	Total	582.25	718.09	849.39	981.09	1203.11
	Assistance as percentage of Revenue Expenditure	6.17	6.44	6.09	7.06	7.43

Source: Accountant General (Accounts & Entitlement) office.

The grants extended to local bodies and other institutions consistently showed an increasing trend over the period 2008-13. It increased by ₹ 222.02 crore (22.62 *per cent*) during current year over the previous year. The share of grants in revenue expenditure indicated increasing trend ranging between 6.09 *per cent* and 7.43 *per cent* during the period 2008-13. The sharp increase in grants-in-aid during 2012-13 was mainly due to release of more grant to Universities and Educational Institutions (₹ 90.73 crore), Municipal Corporations and Municipalities (₹ 51.15 crore) and Other Institutions (₹ 51.93 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 percentage expenditure on developmental activities was 59 *per cent* whereas the percentage of non-developmental expenditure was 41 *per cent* of the revenue expenditure during the year 2012-13. Revenue expenditure had a growth of 16 *per cent* in the year 2012-13 over the previous year 2011-12. The percentage increase in expenditure on developmental and non-developmental activities was 17 *per cent* and 16 *per cent*, respectively during the current year over the previous year. The percentage of revenue expenditure and capital expenditure to the total expenditure of the State planned and non-planned expenditure was 87 *per cent* and 11 *per cent*, respectively.

1.7.2 Efficiency of expenditure use

As per **Table 1.18**, salary and wages increased by ₹ 516 crore (14 *per cent*) and ₹ 306 crore (20 *per cent*) in social services and economic services, respectively, during the current year 2012-13 as compared to previous year whereas operation and maintenance expenditure increased by ₹ 73 crore (29 *per cent*) in social services and decreased by ₹ three crore in economic services. The ratio of capital expenditure to total expenditure in social services and economic services remained static at 0.02 and 0.08, respectively during the period 2011-13.

Table 1.18
Expenditure incurred in various sectors

(₹ in crore)

Sector	2011-12			2012-13		
	Ratio of Capital expenditure to Total expenditure	Revenue expenditure		Ratio of Capital expenditure to Total expenditure	Revenue expenditure	
		Salaries & wages	Operation and Maintenance		Salaries & wages	Operation and maintenance
Social services	0.02	3622	251	0.02	4138	324
Economic services	0.08	1526	860	0.08	1832	857

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

1.8 Financial analysis of government expenditure and investments

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

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

1.8.1 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2013 is given in Table 1.19.

Table 1.19
Department-wise Profile of Incomplete Projects
(₹ in crore)

Department	Number of incomplete projects	Initial budgeted cost	Revised total cost of projects	Cumulative actual expenditure as on 31 March 2013	Cost overrun
1.	2.	3.	4.	5.	6
Irrigation and Public Health	9	38.04	74.36*	73.05	35.01
B&R (Public Works)	3	62.68	--	42.21	--
Total	12	100.72	74.36	115.26	35.01

Source: Finance Accounts

* Revised costs of seven projects are available.

In respect of all the incomplete projects, revised costs of only seven projects were available where the cost overrun was to the tune of ₹ 35.01 crore. These projects were to be completed between July 2005 and December 2012. An analysis of the delays showed time overruns ranging upto seven years. No project was abandoned during the period 2010-13.

1.8.2 Investment and returns

No norms for investments have been prescribed by the State government. As on 31 March 2013, the State government had invested ₹ 2767 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operative Societies (Table 1.20).

Table 1.20
Return on Investment
(₹ in crore)

Investment/ Return/ cost of Borrowing	2008-09	2009-10	2010-11	2011-12	2012-13	Average 2008-13
Investment at the end of the year	2369	2663	2864	2448	2767	--
Return (Dividend/interest)	89.58	73.49	64.11	85.65	100.09	--
Return (per cent)	3.78	2.76	2.24	3.50	3.62	3.18
Average rate of interest on government borrowings (per cent)	9.19	8.59	7.78	7.80	8.08	8.28
Difference between interest rate and return (per cent)	5.41	5.83	5.54	4.30	4.46	5.10

Source: Finance Accounts

Major investments were made in six Statutory Corporations/Boards (₹ 1011.48 crore), 21 Government Companies (₹ 603.41 crore) and a central PSU, Satluj Jal Vidyut Nigam (₹ 1068.14 crore). The major recipients amongst Government Companies, which had accumulated losses as per latest finalised accounts, were Himachal Road Transport Corporation (₹ 653.45 crore), Himachal Pradesh Financial Corporation (₹ 127.43 crore), Himachal Pradesh Agro-Industrial Packaging India Limited (₹ 78.04 crore), Himachal Pradesh Horticulture Produce Marketing and Processing Corporation Limited (₹ 70.01 crore) and Himachal Pradesh Minorities Finance and Development Corporation (₹ 3.11 crore).

On the investments made, government earned a return of ₹ 100.09 crore in 2012-13 which is more than that of 2011-12 by ₹ 14.44 crore. The average return on investment was 3.18 *per cent* during 2008-13 while the average rate of interest paid on borrowings during the period was 8.28 *per cent*. The difference between average rate of interest paid and return was 4.46 *per cent* during the current year.

1.8.2.1 Sick/Non working Public Sector enterprises

Eighteen government companies and two statutory corporations are under audit jurisdiction. Out of these, Agro-Industrial Packaging India Limited is a non working company in which government had invested ₹ 16.75 crore upto 1994-95 as equity, which is 94.52 *per cent* of the total paid up equity share capital of ₹ 17.72 crore. As per finalized accounts for the year 2011-12, the company sustained loss of ₹ 0.24 crore during the financial year 2011-12 and accumulated losses were to the tune of ₹ 78.04 crore as on 31 March 2012. The Company had a negative net worth of ₹ 60.32 crore.

On the directions of the State government (September 2009), the plant and machinery installed at Gumma Carton factory of the Company were sold during August 2010 and the State government adjusted the employees of the Company in other departments. At present, only three employees are in the Company to look after day to day work.

After disposal of plant and machinery, the State government declared (2 April 2012) the AIPIL a defunct company and asked the management to take further steps for implementation of the decision as per provisions of the Companies Act, 1956 for which the matter was under consideration by the Company, the State government and the Registrar of Companies. The management had not taken any action (September 2013).

1.8.2.2 Investment in Public Private Partnership projects

Public Private Partnership (PPP) projects offer a unique and innovative method of involving the private sector in the nation building activity and in accelerating the delivery of public goods and services of high quality through joint enterprises. As of March 2013, out of 19 PPP projects undertaken, four PPP projects had been completed and 15 projects were under implementation as detailed in **Appendix 1.7**.

Out of 19 PPP projects, a test check of six⁶ PPP agreements was carried out in audit. Important features of the agreements such as transfer of assets and liabilities, revenue sharing and contingent liabilities are included in **Appendix 1.8**. Out of three ropeway projects test checked, in case of two projects (Neugal and Jakhoo) assets are to be transferred at nil value whereas in case of Solang project, the assets are to be transferred at depreciated book value. There was a provision of obtaining performance guarantee for operation and maintenance in two projects (Solang and Jakhoo) but such a clause was not included in case of Neugal project. Scrutiny of three parking complex projects showed provision of contingent liabilities for the Concessioneing Authority in the event of termination or Force Majeure but these liabilities were not reported in Medium Term Fiscal Plan statement as recommended by Th FC.

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 2013, interest receipts vis-à-vis interest payments during the last three years is given in **Table 1.21**.

Table 1.21
Average interest received on loans advanced by the State government

	(₹ in crore)		
Quantum of loans/interest receipts/ cost of borrowings	2010-11	2011-12	2012-13
Opening Balance	329	483	951
Amount advanced during the year	227	493	469
Amount repaid during the year	73	25	21
Closing Balance	483	951	1399
Net addition	154	468	448
Interest Receipts	11	21	14
Interest receipts as <i>per cent</i> to outstanding loans and advances	2.28	2.21	1.19
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the previous year	8.22	8.06	8.39
Difference between average rate of interest received and interest paid (<i>per cent</i>)	(-) 5.94	(-) 5.85	(-) 7.20

Source: Finance Accounts

Total amount of outstanding loans and advances as on 31 March 2013 was ₹ 1399 crore. Against ₹ 469 crore advanced, only ₹ 21 crore was repaid during the current year recording a decrease of ₹ four crore over the previous year. Major recipients of loans during 2012-13 were power sector companies (₹ 442.53 crore. There was a huge variation in the average rate of interest being paid by the

⁶ Three Parking Complexes at Sanjauli, Chhota Shimla and Lift, Ropeway at Neugal (Palampur), Ropeway-cum-Ski Centre Project, Solang (Kullu) and Jakho Ropeway (Shimla).

government on borrowings vis-à-vis the percentage of interest received on outstanding loans and advances. The shortfall was almost static during 2010-12 but during 2012-13 it decreased by 1.35 *per cent*. During 2012-13, the government received 1.19 *per cent* return of interest receipts as percentage to outstanding loans. It, however, paid, an average 8.39 *per cent* interest on borrowings during this period.

The position of loans and advances made during the year 2012-13 is given in **Table 1.22**.

Table 1.22
Loans and Advances

(₹ in crore)

Loanee-Entity	Number of Loans	Total Amount of loans	Terms and conditions	
			Rate of Interest	Moratorium period, if any
HP SC/ST Development Corporation	1	0.19	Interest free	7 Years
Himachal Pradesh Horticulture Produce Marketing and Processing Corporation Limited (HPMC)	1	5.00	Interest Free	Till the disposal of assets of Corporation
Credit Corporation (ICDP)	1	0.85	Terms & Condition not finalized	
HP Power Corporation Ltd.	3	381.17	10 <i>per cent</i>	10 Years
HP Power Transmission & Development Corporation Ltd.	3	61.36	10 <i>per cent</i>	10 Years
HP State Financial Corporation	1	11.80	Interest free	5 Years
Government Servants	3	8.21	Not available	
Total:-	13	468.58		

Out of ₹ 468.58 crore, loans amounting to ₹ 16.99 crore were advanced as interest free, ₹ 442.53 crore at the rate of 10 *per cent* and ₹ 0.85 crore without finalizing the terms and conditions. Besides, ₹ 8.21 crore was advanced to the government servants.

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

A loan amounting to ₹ 4.80 crore meant for payment of Dearness Allowance to the employees for which the State government stood guarantee, was sanctioned on 23 October 2012 in favour of Himachal Pradesh Financial Corporation (HPFC) by way of redemption of bonds of HPFC and drawn by Director of Industries under Major Head- “6885-01-190-01- Loan to HP State Financial Corporation” (Demand No. 18) vide Voucher No. 01 of Capital Treasury Shimla in the month of October 2012 without budgetary provision and without finalizing the requisite terms and conditions of the loan such as moratorium, number of installments of loan, rate of interest and rate of interest in case of default in repayment of loan, etc. In addition to above, loans

of ₹ 7.50 crore were advanced to different entities⁷ during the years 2006-07 and 2008-09 for which the terms and conditions were yet to be settled.

On this being pointed out (March 2013), government finalized (June 2013) terms and conditions for the loan paid to HPFC. Steps may be taken to finalise the terms and conditions for the remaining loans.

1.8.4. Outstanding balances under the head ‘Cheques and Bills’.

The major head 8670- cheques and bills is an intermediary account head for initial record of transactions which are to be cleared eventually. Outstanding balance under this major head represents the amount of unencashed cheques. All treasuries in Himachal Pradesh operate the Real Time Gross Settlement (RTGS) system whereby payments are made electronically. Consequently, the unadjusted amount paid through cheques valued at ₹ 9.89 crore for the offices of the State government functional at Delhi pertains to the Delhi treasury, which was yet to switch over to the new system.

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 2013, compared with the corresponding position on 31 March 2012. 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.

1.9.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.3**. However, the composition of fiscal liabilities during the current year vis-à-vis the previous years are presented in **Table 1.23**.

⁷ *Municipal Corporation, Shimla: ₹two crore, Himachal Pradesh State Handicrafts and Handloom Corporation Ltd. : ₹0.50 crore and Principal Secretary, MPP & Power : ₹ five crore.*

Table 1.23
Fiscal Liabilities – Basic Parameters

	2008-09	2009-10	2010-11	2011-12	2012-13
Fiscal Liabilities (₹ in crore)	21819	23713	26415	28228	30442
Rate of Growth (per cent)	12.36	8.68	11.39	6.86	7.84
Ratio of Fiscal Liabilities to					
<i>GSDP* (per cent)</i>	52.60	49.21	46.87	44.23	42.24
<i>Revenue Receipts (per cent)</i>	234.41	229.20	207.81	194.10	195.16

*GSDP revised on base year 2004-05

The overall fiscal liabilities of the State increased from ₹ 21819 crore in 2008-09 to ₹ 30442 crore in 2012-13. Fiscal liabilities of the State comprised Consolidated Fund liabilities and Public Account liabilities. The Consolidated Fund liability (₹ 20765 crore) comprised market loans (₹ 11809 crore), loans from GoI (₹ 1018 crore) and other loans (₹ 7938 crore, which includes ₹ 5349 crore on special security issued to NSSF of the GoI).

The Public Account liabilities (₹ 9677 crore) comprise Small Savings and Provident Funds (₹ 7850 crore), interest bearing obligations and non-interest bearing obligations like deposits (₹ 1602 crore) and reserve funds (₹ 226 crore).

The rate of growth of fiscal liabilities was eight *per cent* during 2012-13. The ratio of fiscal liabilities to GSDP consistently decreased to 42.24 *per cent* in 2012-13 from 52.60 *per cent* in 2008-09. These liabilities stood at 1.95 times the revenue receipts at the end of 2012-13 as compared to 1.94 times during 2011-12.

1.9.3 Transactions under Reserve fund

Closing balance in the Reserve Fund as on 31 March 2013 was ₹ 225.70 crore (Credit). Out of this, reserve fund bearing interest held ₹ 9.05 crore (credit) and the share of the fund not bearing interest was ₹ 216.65 crore (credit). The major heads of account being operated were 8115-Depreciation/Renewal Reserve Fund (RRF) (₹ 0.01 crore) and 8121-General and Other Reserve Fund (₹ 9.04 crore). As for reserve funds not bearing interest, heads of Account 8226-Depreciation/Renewal Reserve Fund (RRF) (₹ 1.53 crore), 8229-Development and Welfare Fund (₹ 215.10 crore) and 8235-General and Other Reserve Fund (₹ 0.08 crore) had been operated.

Consolidated Sinking Fund: In terms of the recommendations of the Twelfth Finance Commission, State governments are required to create a Consolidated Sinking fund to be administered by the Reserve Bank of India (RBI) for the amortization of open market loans availed of by them. The State government is required to make annual contribution to the fund at 0.5 *per cent* of the outstanding open market loans at the end of the previous financial year. As of 31 March 2012, the outstanding liabilities were ₹ 28227.52 crore. Had there been a Consolidated Sinking Fund, the liability of the State government towards the fund would have been ₹ 141.14 crore (0.5 *per cent* of the outstanding liabilities) in 2012-13. The State government, however, has not created a Consolidated Sinking Fund. In reply the Finance Department stated (September 2013) that the State government had not set up such a fund because there was no default of repayment in the past and there was no likelihood of such default in future. Reply was not tenable as the State government was bound to create such a fund as per the requirement of Twelfth Finance Commission.

State Disaster Response Fund (SDRF): As per recommendations of Th FC, the State government has to set up a SDRF with contribution of the Centre and State in the ratio of 90:10. If the State does not have adequate balance under SDRF, GoI provides additional assistance from National Disaster Response Fund (NDRF). The guidelines stipulate that the actual expenditure out of the NDRF should be booked under the respective minor heads within Major Head 2245-Relief on account of Natural Calamities. Direct expenditure by the State governments from the Public Account should not be made. In terms of these guidelines, the State government, on receipt of NDRF, is required to carry out the necessary book adjustments so that the fund is exhausted in the year of expenditure itself. In March 2012, State received ₹ 42.91 crore under NDRF which, however, was not booked against the expenditure on natural calamities. Instead, the State government transferred the amount to Public Account in 2012-13, against guidelines.

During 2012-13, the State government received ₹ 133.75 crore which was ₹ four crore more than the 90 *per cent* of Central government share under SDRF of ₹ 129.75 crore. Against its own share of ₹ 14.86 crore, the State government, therefore, released ₹ 11.41 crore. Against the corpus of ₹ 191.93 crore (₹ 3.86 crore opening balance under SDRF, ₹ 145.16 crore under SDRF for 2012-13 and ₹ 42.91 crore under NDRF for 2011-12), the State government has adjusted ₹ 182.89 crore towards expenditure on account of natural calamities during the year, leaving a balance of ₹ 9.04 crore

lying in the Fund as of 31 March 2013. In the meantime, in March 2013, the State government received an additional assistance of ₹ 45.98 crore under NDRF, which the government had not adjusted against the expenditure on natural calamities at variance with the guidelines.

1.9.4 Inoperative Reserve Funds

Two reserve funds viz. Major Head 8115-Depreciation/Renewal Reserve Funds-103-Depreciation Reserve Funds - Government Commercial Departments and Undertakings (₹ 0.01 crore) and the Major Head 8226-Depreciation/Renewal Reserve Fund-101- Depreciation Reserve Funds of Government Commercial Departments/ Undertakings (₹ 1.53 crore) had remained inoperative since 1970-71.

1.9.5 Contingent Liabilities

1.9.5.1 Status of Guarantees

Guarantees⁸ 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. The maximum amount, for which guarantees were given by the State and outstanding guarantees for the last three years as shown in Statement-9 of the Finance Accounts, is given in **Table 1.24**.

Table 1.24
Guarantees given by the Government of Himachal Pradesh
(₹ in crore)

Guarantees	2010-11	2011-12	2012-13
Maximum amount guaranteed	6232	6208	9455
Outstanding amount of guarantees	3910	3316	3353
Percentage of maximum amount guaranteed to total revenue receipts of the year	49	43	61

FRBM Act, 2005 amended in March 2011 provides that the total outstanding guarantees are to be limited to 40 *per cent* of revenue receipts in the year preceding the current year. The outstanding guarantees on the loans raised by various corporations and others stood at ₹ 3,353 crore at the end of 2012-13 forming 23 *per cent* of the revenue receipts of the previous year was also within the limit of 40 *per cent*. The major recipients of guarantees against which amounts were outstanding as on 31 March 2013 were five Statutory Boards/Corporations (₹ 3008 crore), six

⁸ Refer glossary in Appendix 4.

Government Companies (₹ 136 crore), one Co-operative Bank (₹ 204 crore) and one Local/Autonomous Body (₹ five crore). During the year 2012-13, 16 number of guarantees were given by the government covering an amount of ₹ 3353 crore. Out of the guarantee fees/commission of ₹ 0.06 crore to be received, an amount of ₹ 0.01 crore has actually been received. The State government had not furnished information on the invoking of Guarantees or regarding issue of letter of comfort during 2012-13.

The government was required to set up the Guarantee Redemption Fund as recommended by the Th FC to meet the contingent liabilities arising from the guarantees given. However, the State government has not set up such Fund so far. In reply, the Finance Department stated (September 2013) that there was no need for formation of such a fund as no organization of the State government had defaulted in servicing the debt obligations at any stage.

1.10 Debt Management

Fiscal deficit is usually financed by way of borrowings by the State. The growth of total debt decreased from eight *per cent* in 2010-11 to six *per cent* in 2011-12 but increased to eight *per cent* during 2012-13. The public debt repayment increased from ₹ 867 crore in 2009-10 to ₹ 2117 crore in 2012-13 with the sharp increase of ₹ 989 crore during the current year over the previous year. The State experienced revenue deficit of ₹ 576 crore during 2012-13, which was financed by raising public debt of ₹ 3371 crore during the year 2012-13.

1.10.1 Debt Profile

A time series analysis of previous four years showing per capita debt is given in Table 1.25.

Table 1.25
Per capita debt

	2009-10	2010-11	2011-12	2012-13
Population (In crore)	0.6702	0.6767	0.6901	0.6971
Total Debt⁹ (₹ incrore)	23164	24961	26494	28615
Per capita debt (in ₹)	34562	36886	38392	41049

Source: Economics and Statistics department.

⁹ Includes internal debt, loans and advances from GoI, GPF/GIS, etc.

Table 1.25 shows that per capita debt had shown increasing trend from ₹ 34562 in 2009-10 to ₹ 41049 in 2012-13.

1.10.2 Debt sustainability

Debt sustainability refers to the state's ability to maintain a constant debt-GDP ratio over a period of time. Thus, it 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 sustainability¹⁰ of the State. This section assesses the sustainability of debt of the State government in terms of debt stabilisation¹¹; sufficiency of non-debt receipts¹²; net availability of borrowed funds¹³; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State government securities. The analysis of the debt sustainability of the State according to these indicators for the period of three years beginning from 2010-11 is given in **Table 1.26**.

Table 1.26
Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability	2010-11	2011-12	2012-13
Debt Stabilisation (Quantum Spread + Primary Deficit)	1462	2481	766
Sufficiency of Non-debt Receipts (Resource Gap)¹⁴	252	899	(-) 1346
Net Availability of Borrowed Funds	752	(-)317	(-)155
Burden of Interest Payments (IP/RR Ratio)	0.153	0.146	0.152
Maturity Profile of State Debt (In Years)			
<i>0 – 1</i>	952.61(5)	1496.44 (8)	1532.78(8)
<i>1 – 3</i>	3121.30(17)	3408.68 (17)	2945.74(14)
<i>3 – 5</i>	3346.47(18)	2853.82 (15)	4349.71(21)
<i>5 – 7</i>	3087.09(16)	4291.81 (22)	4380.07(21)
<i>7 and above</i>	8146.89(44)	7459.94 (38)	7556.72(36)

Figures in parenthesis indicate percentages w.r.t. public debt.

¹⁰ Refer glossary in Appendix 4.

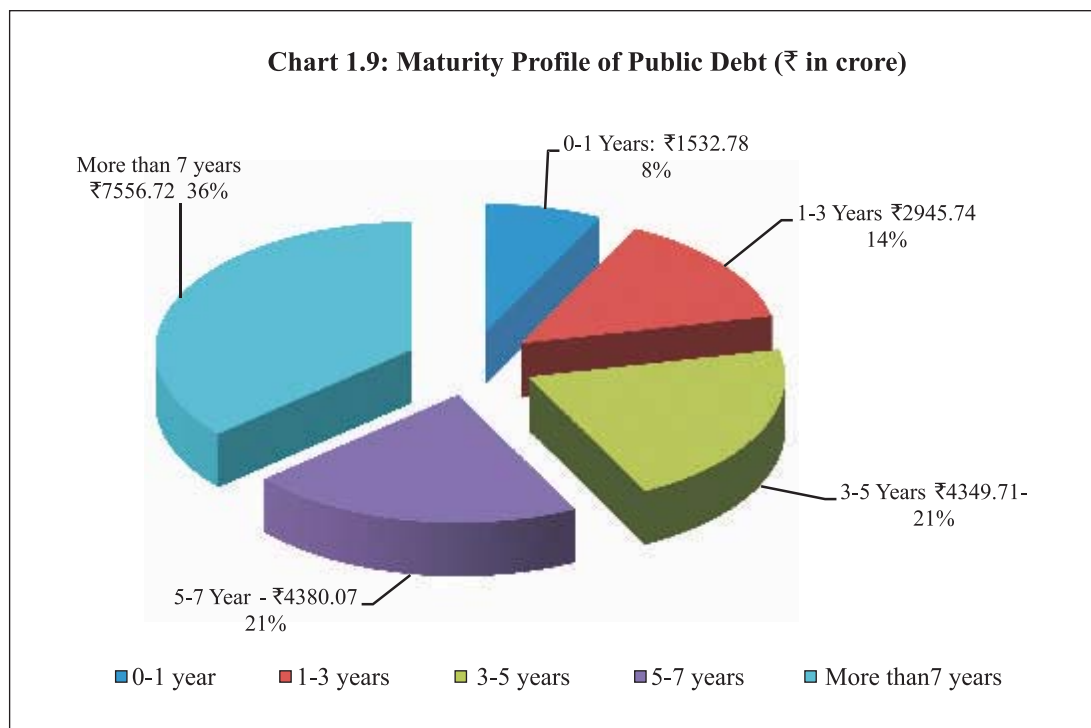
¹¹ Refer glossary in Appendix 4.

¹² Refer glossary in Appendix 4.

¹³ Refer glossary in Appendix 4.

¹⁴ Refer glossary in Appendix 4.

It is observed from the **Table 1.26** that quantum spread together with primary deficit was positive in the years 2010-11: ₹ 1462 crore, 2011-12: ₹ 2481 crore and 2012-13 : ₹ 766 crore. The maturity profile of the State government indicates that 43 *per cent* (₹ 8828 crore) of the public debt is repayable within the next five years while the remaining 57 *per cent* (₹ 11937 crore) loans are required to be paid in more than five years time. Maturity profile of public debt as on 31 March 2013 is given in **Chart 1.9**.



In order to discharge its expenditure obligations, the government had to borrow further, as fiscal surplus was not available in any of the last three years. The maturity profile of outstanding stock of Public Debt as on 31 March 2013 shows that 36 *per cent* of the Public Debt was in the maturity bracket of seven years and above.

1.10.3 Review of Market Borrowings

1.10.3.1 Introduction

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

Market borrowings are controlled by the Centre government and managed by the Reserve Bank of India. As per Article 293 of the Constitution of India, State governments may not, without the consent of the Central government, raise any loan if they are indebted to the Central government. The State governments issue dated securities, termed State Development Loans (SDLs) of varying tenors. The present review is to assess the requirement and utilization of market loans raised by the Himachal Pradesh government during the period 2008-13.

1.10.3.2 Position of market borrowings

The year-wise position of market borrowings for the period 2008-09 to 2012-13 is given in **Table 1.27**.

Table 1.27
Year-wise position of market borrowings

(₹ in crore)						
Year	Opening Balance of Market Loans	Market Loans raised during the year	Market loans repaid during the year	Closing Balance	Net increase in respect of opening balance	Percentage of increase over the previous year
2008-09	5905.62	1912.01	159.61	7658.02	1752.41	29.67
2009-10	7658.02	1420.00	242.97	8835.05	1177.03	15.37
2010-11	8835.05	644.89	255.65	9224.29	389.24	4.40
2011-12	9224.29	1325.00	402.62	10146.68	922.39	10.00
2012-13	10146.68	2360.00	697.85	11808.83	1622.15	15.99

Source: Finance Accounts/Finance Department.

The market borrowings increased by 99.96 *per cent* from ₹ 5905.62 crore at the beginning of 2008-09 to ₹ 11808.83 crore at the end of 2012-13. The market borrowings by State government showed decreasing trend for the periods 2008-09 to 2010-11 but increased by ₹ 680.11 crore and ₹ 1035 crore during 2011-12 and 2012-13, respectively.

1.10.3.3 Debt sustainability indicators

The debt sustainability indicators of the State government are given in **Table 1.28**.

Table 1.28
Debt sustainability indicators

(₹ in crore)

Description	2008-09	2009-10	2010-11	2011-12	2012-13
Total liabilities	21818.96	23713.06	26414.74	28227.52	30442.43
Public Debt*	15427.23	17112.95	18654.37	19510.69	20765.02
Total Market Loans	7658.02	8835.05	9224.29	10146.68	11808.83
Percentage of market loans to total liabilities	35.10	37.26	34.92	35.95	38.79
Percentage of market loans to public debt	49.64	51.63	49.45	52.01	56.87
Weighted Average interest rate on market loans-financial year wise	7.81	8.36	8.45	8.87	8.77
Interest paid on market loans	472.08	592.50	678.40	706.56	849.54
GSDP of the State at current prices	41483.00	48188.00	56355.00	63812.00	72076.00
GSDP growth rate in percent	22.15	16.16	16.95	13.23	12.95
GSDP growth rate and interest rate ratio	2.84:1	1.58:1	1.94:1	1.49:1	1.48:1
Gross interest payments to revenue receipts ratio	0.20:1	0.19:1	0.15:1	0.15:1	0.15:1
Primary Surplus(+)/ Deficit(-)	(-)384.26	(-)828.06	(-)582.77	(+)496.65	(-)608.51
Revenue surplus(+)/ deficit(-)	(-)130.14	(-)804.65	(-)1235.44	(+)644.89	(-)576.13
Fiscal Deficit	2277.83	2783.91	2532.54	1633.05	2978.41
Percentage of Total liabilities to SGDP	52.60	49.21	46.87	44.23	42.24
Percentage of public debt to GSDP	37.19	35.51	33.10	30.58	28.81
Outstanding guarantees	2290.75	1949.23	3909.90	3316.43	3353.36
Actual Revenue receipts of the preceding financial year	9141.55	9307.99	10346.36	12710.61	14542.86
Percentage of outstanding guarantees to RR	25.06	20.94	37.79	26.09	23.06

* Includes internal debt and loans and advances from GoI.

The percentage of total liabilities to GSDP decreased from 52.60 *per cent* in 2008-09 to 42.24 *per cent* in 2012-13, whereas the percentage of public debt to GSDP decreased from 37.19 *per cent* in 2008-09 to 28.81 *per cent* in 2012-13. The share of market loans in the public debt increased from 49.64 *per cent* in 2008-09 to 56.87 *per cent* in 2012-13.

1.10.3.4 Profile of market loans

The profile of market loans raised during the last five years is given in **Table 1.29**.

Table 1.29
Profile of market loans

(₹ in crore)

Periodicity of loan	Amount of loan raised					
	2008-09	2009-10	2010-11	2011-12	2012-13	Total
3-5 years	--	--	---	---	600	600
5-7 years	---	---	---	---	400	400
>7 years	1912	1420	645	1325	1360	6662
Total loans made during the year	1912	1420	645	1325	2360	7662
Total outstanding as on 31 March	7658.02	8835.05	9224.29	10146.68	11808.83	
Percentage of loans raised during the year to total outstanding loans	24.96	16.07	6.99	13.05	19.99	

Source: Finance Department and Finance Accounts.

Out of the total market borrowings of ₹ 7662 crore during 2008-13, 86.95 per cent loans were of 10 years maturity period. Loans of ₹ 1000 crore of shorter maturity have been raised only during 2012-13. The Finance Department stated (September 2013) that the shift towards shorter maturity loans was a part of prudent financial management of the State government. This had been done keeping in view all the financial aspects such as best rates, over all future repayments etc.

1.10.3.5 Weighted average maturity of market loans

The average amount of time remaining before maturity of the mortgages underlying a mortgage-backed security (MBS), weighted by the percentage of the MBS that each mortgage constitutes is called weighted average maturity. The position of weighted average maturity of market loans during the last five years is given in **Table 1.30**.

Table 1.30
Weighted average maturity of market loans

(in years)

Year	Weighted average maturity	
	Issue during the year	Outstanding market loans
2008-09	10	10.12
2009-10	10	10.08
2010-11	10	10.05
2011-12	10	10.01
2012-13	7.63	9.53

During the period 2008-09 to 2011-12, the weighted average maturity of market borrowings remained constant at 10 years but it fell to 7.63 years in 2012-13 due to raising of market loans of relatively less maturity of 3 to 5 years (₹ 1000 crore out of

₹ 2360 crore) during 2012-13. Also, the weighted average maturity of outstanding stock of market borrowings at the end of 2012-13 decreased to 9.53 years from 10.12 years as at the end of 2008-09.

1.10.3.6 Maturity trend of market loans

The year-wise position of maturity trend of market loans for the period 2014-21 is given in **Table 1.31**.

Table 1.31
Maturity trend of market loans (As on 31 March 2013)

Maturity year	Maturity amount	(₹ in crore)
		As a percentage of outstanding market loans
2014-15	714.36	6.04
2015-16	785.55	6.65
2016-17	1237.35	10.47
2017-18	1799.01	15.23
2018-19	1912.00	16.19
2019-20	1420.00	12.02
2020-21	645.00	5.46

Note: Outstanding loans as on March 2013 = ₹ 11808.83 crore.

Over the next seven years, maturity amount constituted an average 10.29 *per cent* of the outstanding market loans with significant pressure on redemption during the years 2017-18 and 2018-19 at 15.23 *per cent* and 16.19 *per cent* of the outstanding debt, respectively.

The Finance Department stated (September 2013) that after considering overall debt of the State government including other borrowings such as National Small Savings Fund loans, negotiated loans, loans from GoI etc., the overall repayments would increase proportionately. The State government, however, did not furnish the details of maturity trend of the overall debt.

1.10.3.7 Interest rate profile of market loans

The year-wise average interest rates on which market loans were availed by the government during the period 2008-13 are shown in **Table 1.32**.

Table 1.32
Interest rate profile of market loans

Rate of interest (<i>per cent</i>)	Market loans raised during the year						(₹ in crore)
	2008-09	2009-10	2010-11	2011-12	2012-13	Total	
Below 5	-	-	-	-	-	-	
5-5.99	-	-	-	-	-	-	
6-6.99	200	-	-	-	-	200	
7-7.99	700	-	-	-	-	700	
8-8.99	1012	1420	645	1120	2360	6557	
9-9.99	-	-	-	205	-	205	
10-10.99	-	-	-	-	-	-	
Weighted average interest rate (<i>per cent</i>)	7.81	8.36	8.45	8.87	8.77	-	

Source: Finance Department.

The weighted average interest rate on market loans increased from 7.81 *per cent* in 2008-09 to 8.87 *per cent* in 2011-12 and then reduced slightly to 8.77 *per cent* in 2012-13. The decrease in 2012-13 was due to raising of loans with lower maturity of 3 to 5 years as compared to earlier years maturity of 10 years during 2008-12.

1.10.3.8 Interest payment as a percentage of revenue receipts

Table 1.33 brings out the ratio of interest payments to revenue receipts of the State government during last five years.

Table 1.33
Interest payments to revenue receipts ratio

(₹ in crore)

Gross interest payment as a percentage of revenue receipts					
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Interest payment	1893.57	1955.85	1949.77	2129.70	2369.90
Revenue receipts	9307.99	10346.36	12710.61	14542.86	15598.12
Percentage of interest payments to revenue receipts	20.34	18.90	15.34	14.64	15.19

Source: Finance Accounts.

The percentage of interest payment to revenue receipts decreased from 20.34 *per cent* to 14.64 *per cent* during the period 2008-12 but increased slightly to 15.19 *per cent* in 2012-13. The overall debt sustainability of the State, therefore, improved over the period 2008-09 to 2011-12. However, the percentage of interest payments to revenue receipts increased slightly during 2012-13.

1.10.3.9 Variation of market borrowings from budget estimates.

During test check of budget estimates and revised estimates for the years 2008-09 to 2012-13 in respect of market loans, variations in the budget estimates and actual amount of market borrowings were observed which are indicated in **Table 1.34**.

Table 1.34
Budget estimates and actual market borrowings

(₹ in crore)

Year	Market borrowings as per budget estimates	Actual market borrowings	Actual market borrowings as <i>per cent</i> of budget estimates.
2008-09	2103.07	1912.01	90.92
2009-10	1593.49	1420.00	89.11
2010-11	1725.01	644.89	37.38
2011-12	1497.94	1325.00	88.45
2012-13	2551.11	2360.00	92.51

The actual market borrowings as percentage of budget estimates ranged between 37.38 *per cent* and 92.51 *per cent* during the period 2008-13 indicating unrealistic budget estimates during the year 2010-11. Scrutiny of records in the Finance

Department showed that the reasons for variation were excess subscription on account of State Provident Funds, small savings and negotiated loans during 2010-11.

The Finance Department stated (September 2013) that the actual borrowings depended on various factors such as constitutional consent of GoI, inflow of funds from other source of borrowings and actual requirement of the funds during the year. The State government, however, did not specify the yearwise reasons for variations between budget estimates and actual market borrowings.

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 2012-13.

1.11.1 Trends in Deficits

Charts 1.10 and 1.11 present the trends in deficit indicators over the period 2008-13.

Chart 1.10: Trends in Deficit Indicators (₹ in crore)

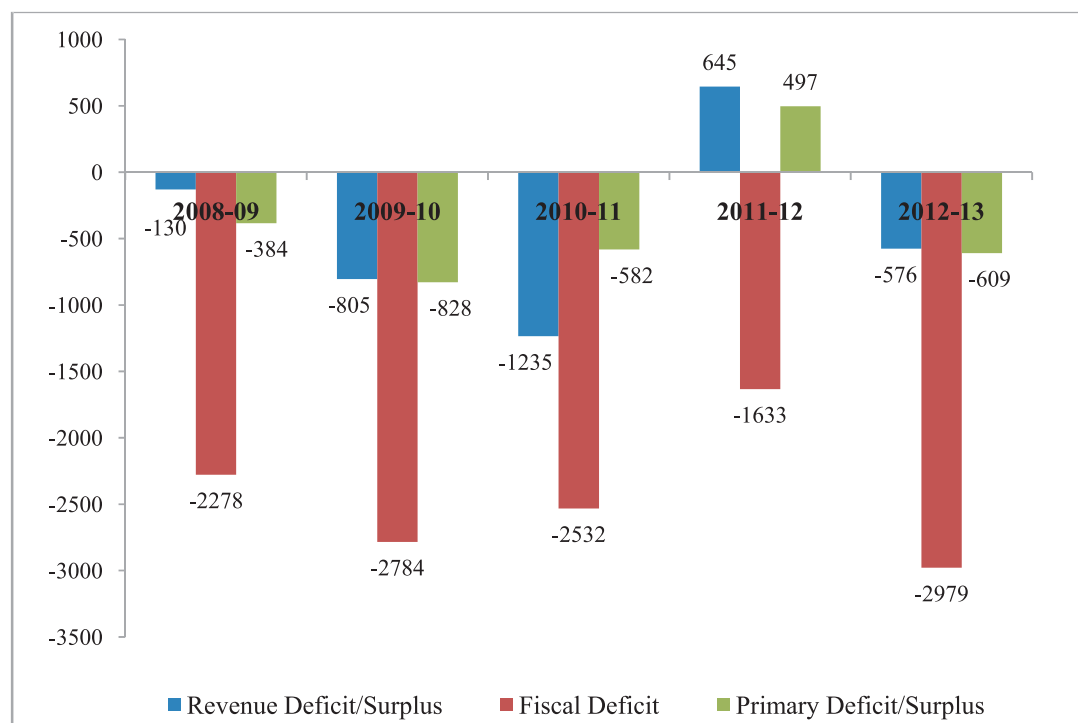
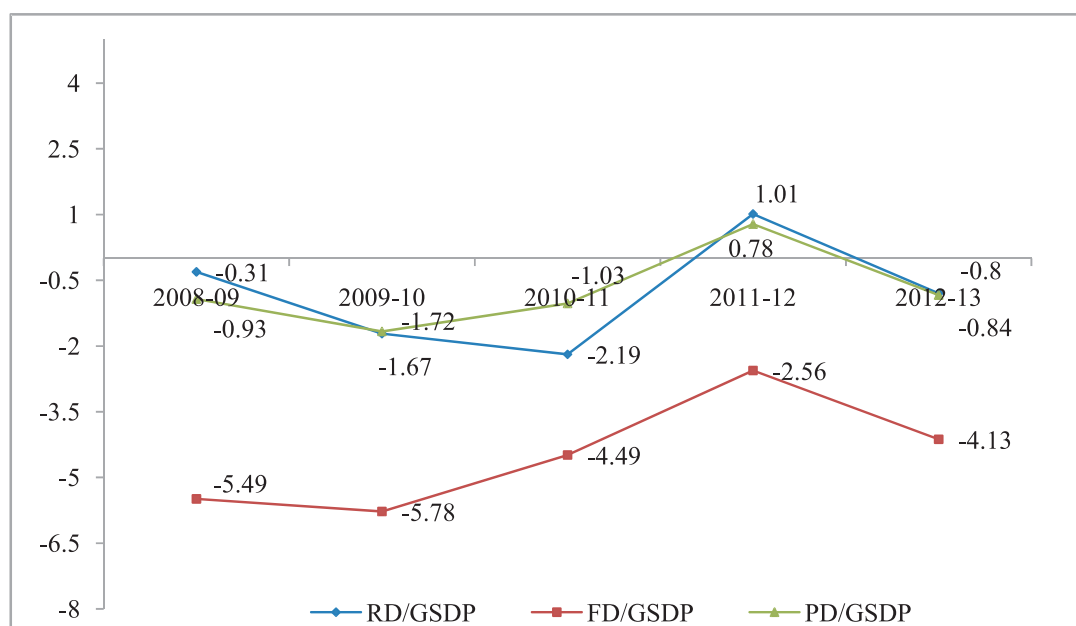


Chart 1.11: Trends in Deficit Indicators relative to GSDP
(figures as percentage to GSDP)



Charts 1.10 and 1.11 showed that all accounts of revenue, fiscal and primary experienced a situation of huge deficit during 2008-13 except for the year 2011-12 when the State experienced revenue and primary surplus of ₹ 645 crore and ₹ 497 crore, respectively. The State had a revenue deficit of ₹ 130 crore in 2008-09 which further deteriorated and rose to ₹ 1,235 crore in 2010-11. From a revenue surplus position in 2011-12, the State experienced a revenue deficit of ₹ 576 crore during 2012-13 against the budget estimates of revenue surplus of 374 crore. The main reasons for revenue deficit during the year 2012-13 were increase of ₹ 2276 crore in revenue expenditure (16.37 *per cent*) due to payment of arrears of pay revision and additional dearness allowance to State government employees and decrease of non-tax revenue of ₹ 538 crore (28 *per cent*) over the previous year. Further, fiscal deficit increased by ₹ 1346 crore from ₹ 1633 crore in 2011-12 to ₹ 2979 crore during 2012-13. The fiscal deficit was 4.13 *per cent* of GSDP during the current year which was above the target fixed by FRBM Act and projections made by Th FC (i.e. 3 *per cent*). The primary surplus of ₹ 497 crore in 2011-12 turned into deficit of ₹ 609 crore in 2012-13 indicating a change of 222 *per cent*.

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 1.35**.

Table 1.35
Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)						
	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Components of Fiscal Deficit						
1	Revenue Deficit/surplus	(-) 130 (-) 0.31	(-) 805 (-) 1.67	(-)1,235 (-)2.19	(+) 645 (1.01)	(-) 576 (-)0.80
2	Capital Expenditure	2079 (5.01)	1943 (4.03)	1789 (3.17)	1810 (2.84)	1955 (2.71)
3	Net Loans and Advances	69 (0.17)	36 (0.07)	154 (0.27)	468 (0.73)	448 (0.62)
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	1752	1177	389	922	1662
2	Loans from GoI	(-) 44	13	(-)23	(-) 13	71
3	Special Securities Issued to NSSF	60	396	650	127	286
4	Loans from Financial Institutions	(-) 406	78	526	(-) 180	(-) 764
5	Small Savings, PF, etc.	515	546	888	636	1112
6	Deposits and Advances	217	265	333	178	(-) 156
7	Suspense and Misc.	53	117	137	(-) 119	756
8	Remittances	(-) 2	75	48	(-) 127	(-) 174
9	Others	151	117	(-)416	209	185
10	Overall Surplus/Deficit	(-) 2278	(-) 2784	(-)2532	(-) 1633	(-) 2979
<i>Figures in brackets indicate the per cent to GSDP.</i>						
<i>*All these figures are net of disbursements/outflows during the year</i>						

Source: Finance Accounts

The fiscal position of the State had experienced a huge deficit during 2008-09 and 2009-10, which decreased to ₹ 2532 crore and ₹ 1633 crore in 2010-11 and 2011-12, respectively. During 2012-13, the fiscal position of the State deteriorated and its deficit stood at ₹ 2979 crore which was financed through borrowings from market (₹ 1662 crore), small savings, provident fund, etc. (₹ 1112 crore) and special securities issued to National Small Savings Fund (₹ 286 crore). During 2012-13, the market borrowings and small savings, PF, etc. together financed 93 *per cent* of the deficit which will increase the interest burden in future.

1.11.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the revenue and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' Finances. 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 ratio of revenue deficit to fiscal deficit was 0.06 during 2008-09, which increased substantially to 0.49 in 2010-11. During 2012-13, the ratio of revenue deficit to fiscal deficit was 0.19.

The bifurcation of the primary deficit (**Table 1.36**) 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.

Table 1.36
Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure (PRE)	Capital Expenditure	Loans and Advances	Total Primary Expenditure (3+4+5)	Primary revenue surplus (2-3)	Primary deficit (-)/ surplus (+) (2-6)
1	2	3	4	5	6	7	8
2008-09	9329	7544	2079	90	9713	1785	(-) 384
2009-10	10380	9195	1943	70	11208	1185	(-) 828
2010-11	13430	11996	1789	227	14012	1434	(-)582
2011-12	14568	11768	1810	493	14071	2800	(+) 497
2012-13	15619	13804	1955	469	16228	1815	(-) 609

From 2008-09 onwards, non-debt receipts of the State were higher than the primary revenue expenditure which was sufficient to meet this expenditure. From 2008-09, the non-debt receipts as compared to PRE had shown fall from ₹ 1785 crore in 2008-09 to ₹ 1185 crore in 2009-10 but showed consistent increase to ₹ 1434 crore in 2010-11, ₹ 2800 crore in 2011-12 and decreased to ₹ 1815 crore during the current year 2012-13.

Total primary expenditure increased by ₹ 6515 crore from ₹ 9713 crore to ₹ 16228 crore during the period 2008-13 which was due to increase of primary revenue expenditure to the extent of ₹ 6260 crore from ₹ 7544 crore in 2008-09 to ₹ 13804 crore in 2012-13 and decrease in capital expenditure by ₹ 124 crore from ₹ 2079 crore in 2008-09 to ₹ 1955 crore in 2012-13.

The State had a primary deficit of ₹ 384 crore in 2008-09 which further increased to ₹ 828 crore in 2009-10. After an improvement in 2010-11, the primary deficit turned into surplus of ₹ 497 crore during 2011-12. However, the State experienced a primary deficit of ₹ 609 crore in 2012-13. The primary deficit during 2012-13 was mainly due to significant increase in revenue expenditure by ₹ 2276 crore (16.38 per cent) over the previous year.

1.12 Follow up on Audit Report on State finances

Separate Report on State Finances is being prepared from the year 2008-09 onwards but the State government had not submitted action taken notes/replies on the audit observations from the Report of the year 2009-10 onwards. The Public Account Committee is yet to discuss any Audit Report on State Finances.

1.13 Conclusion

The fiscal position of the State is viewed in terms of key fiscal parameters viz; revenue, fiscal and primary deficits. The State witnessed revenue deficit of ₹ 576 crore during the current year relative to revenue surplus of the previous year (₹ 645 crore). The revenue receipts (₹ 15598 crore) of the State grew by (₹ 1055 crore) seven *per cent* while the revenue expenditure increased by ₹ 2276 crore (16 *per cent*) over the previous year. This resulted in revenue deficit of ₹ 576 crore as compared to revenue surplus of ₹ 645 crore registered during the year 2011-12. The revenue account could not meet the projections made in the Th FC and FRBM.

The primary surplus of ₹ 497 crore of previous year turned into deficit of ₹ 609 crore during 2012-13. The fiscal deficit as a percentage of GSDP was 4.13 *per cent* in 2012-13, which also was not within the FRBM target of three *per cent*.

The revenue expenditure constituted 87 *per cent* of the total expenditure during 2012-13 and the Non-Plan Revenue Expenditure (NPRE) also constituted 87 *per cent* of revenue expenditure. The Plan Revenue Expenditure increased by 22 *per cent* over the previous year whereas the Capital Expenditure increased by eight *per cent* (₹ 1955 crore) over the previous year. Low rate of return on government investments and inadequate interest cost recovery on loans and advances was a cause for concern. The salary expenditure of ₹ 7066 crore during the current year exceeded the projections made in the MTFPs (₹ 6285 crore).

During 2012-13, GoI directly transferred ₹ 1202 crore to various State implementing agencies without routing through the State budget. There is no single agency in the State to monitor the expenditure of these funds.

Fiscal liabilities at the end of the current year were ₹ 30442 crore with growth of eight *per cent* over the previous year and stood at 42 *per cent* of GSDP. The share of market loans in the total public debt increased from 49.64 *per cent* in 2008-09 to 56.87 *per cent* in 2012-13. Maturity amount constituted an average 10.29 *per cent* of the outstanding market loans over the next seven years, with significant pressure on redemption during the years 2017-18 and 2018-19 at 15.23 *per cent* and 16.19 *per cent* of the outstanding debt, respectively.

The accounts of HPSEBL have been finalised upto 2010-11 in which the company had shown accumulated losses of ₹ 885.59 crore. Unbundling in true spirit as envisaged in Electricity Act, 2003 has not been achieved.

As of 31 March 2013, there were 12 incomplete projects which were to be completed between July 2005 and December 2012 in which ₹ 115 crore were blocked.

Loans of ₹ 7.50 crore were advanced to different entities for which the terms and conditions for recovery were not settled even after a lapse of six years.

1.14 Recommendations

The government may consider:

- strengthening systematic factors in budget estimates to avoid over estimation;
- strengthening collection of State's own receipts to reduce borrowing of funds;
- instituting a system of tracking financial commitments by the Finance Department; and
- improving Management Information System to access periodic information on receipts and expenditure in respect of funds directly transferred by Government of India to State implementing agencies.

CHAPTER II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

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

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

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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2012-2013 against 32 grants/appropriations is given in **Table 2.1**.

Table 2.1
Summarised Position of Actual Expenditure vis-à-vis Original/Supplementary provisions

(₹ in crore)					
Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving* (-)/ Excess (+)
Voted					
Revenue	15137.16	677.38	15814.54	15635.58	(-) 178.96
Capital	2009.44	122.09	2131.53	2027.53	(-) 104.00
Loans and Advances	367.17	16.22	383.39	468.58	(+) 85.19
Total Voted	17513.77	815.69	18329.46	18131.69	(-) 197.77
Charged					
Revenue	2287.26	50.44	2337.70	2410.57	(+) 72.87
Capital	--	4.03	4.03	4.03	--
Public Debt- Repayment	1937.30	--	1937.30	2116.96	(+) 179.66
Total Charged	4224.56	54.47	4279.03	4531.56	(+) 252.53
Appropriation to Contingency Fund (if any)					
	--	--	--	--	--
Grand Total	21738.33	870.16	22608.49	22663.25	(+) 54.76

Source: Appropriation Accounts

* Shortfall in utilisation of funds

The overall excess expenditure of ₹54.76 crore registered under Grants/Appropriation during the year 2012-13 was the result of excess of ₹703.08 crore in six Grants and three Appropriations under Revenue Section and six Grants and one Appropriation under Capital Section, offset by saving of ₹648.32 crore in 26 Grants and four Appropriations under Revenue Section and 22 Grants and one Appropriation under Capital Section.

Grants against which significant savings of more than ₹25 crore were noticed during the year were Land Revenue and District Administration (Revenue-Voted), Education (Revenue-Voted), Health and Family Welfare (Revenue-Voted), Agriculture (Revenue-Voted), Rural Development (Revenue-Voted), Power Development (Revenue-Voted), Finance (Revenue-Voted) and Public Works-Roads, Bridges and Buildings (Capital-Voted) and Scheduled Caste Sub-Plan (Capital-Voted). Similarly, grants/appropriation against which significant excess expenditure over the allotments noticed during the year 2012-13 were Public Works-Roads, Bridges and Buildings (Revenue-Voted), Irrigation, Water Supply and Sanitation (Revenue-Voted), Finance (Revenue-Charged), Irrigation, Water Supply and Sanitation (Capital-Voted), Power Development (Capital-Voted) and Finance (Capital-Charged).

The reasons for savings/excesses were called for by the Office of the Accountant General (A&E), Himachal Pradesh (July 2013) in respect of 1037 sub-heads from the respective controlling officers. Of these, explanations for variations in respect of 287 sub-heads (Saving: 182 sub-heads; Excess: 105 sub-heads) were awaited (September 2013).

2.3 Financial Accountability and Budget Management

2.3.1 Savings

The outcome of the appropriation audit showed that in 29 cases, savings exceeded by ₹ one crore in each case and by more than 20 per cent of the total provision (**Appendix 2.1**) in four cases. Out of the total saving of ₹648.32 crore, substantial saving of ₹316 crore (49 per cent) was in four cases alone relating to four grants where saving was more than ₹50 crore in each case as indicated in **Table 2.2**.

Table 2.2
List of grants with savings of more than ₹50 crore

(₹ in crore)						
Sr. No.	Number and name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
Revenue-Voted						
1.	08-Education	3108.58	75.83	3184.41	3064.42	119.99
2.	09-Health and Family Welfare	901.74	21.14	922.88	860.77	62.11
3.	20-Rural Development	377.89	28.10	405.99	333.30	72.69
Capital-Voted						
4.	32-Scheduled Caste Sub-Plan	533.17	19.11	552.28	491.07	61.21
Total		4921.38	144.18	5065.56	4749.56	316.00

Source: Appropriation Accounts

Reasons for substantial savings (shortfall in utilisation) against each grant were not assigned (September 2013) by the State government.

2.3.2 Persistent savings

In four cases, there were persistent savings of more than ₹one crore in each during the last five years as per the details given in **Table 2.3**.

Table 2.3
List of grants with persistent savings during 2008-13

(₹ in crore)

Sr. No.	Grant number and name	Amount of Savings				
		2008-09	2009-10	2010-11	2011-12	2012-13
Revenue-Voted						
1.	03-Administration of Justice	3.66	2.84	16.51	15.96	14.78
2.	15-Planning and Backward Area Sub-Plan	15.06	9.99	7.78	9.43	6.89
3.	20-Rural Development	8.48	2.06	4.06	75.07	72.69
Capital-Voted						
4.	29-Finance	2.32	4.19	1.84	1.67	5.07

Source: Appropriation Accounts

A significant portion of savings under Grant No. 20-Rural Development had occurred under Mahatma Gandhi National Rural Employment Guarantee Scheme during 2011-12 (₹57.86 crore) and 2012-13 (₹18.16 crore). This indicated inadequate financial control. Reasons for these persistent savings were awaited from the State government (September 2013).

2.3.3 Excess Expenditure

In 10 cases, expenditure aggregating ₹9781.61 crore exceeded the approved provisions by more than ₹ one crore in each case and also by more than 20 *per cent* of the total provision (four cases) resulting in excess expenditure of ₹702.56 crore (**Appendix 2.2 and Table 2.4**).

Table 2.4
List of grants where expenditure was more than ₹one crore each and more than 20 *per cent* of the total provision

(₹ in crore)

Sr. No.	Grant number and name	Total Grant/ Appropriation	Expenditure	Excess Expenditure	Percentage of Excess Expenditure (more than 20 <i>per cent</i>)
Revenue-Voted					
1.	13-Irrigation, Water Supply and Sanitation	1387.90	1673.11	285.21	21
Capital-Voted					
2.	18-Industries, Minerals, Supplies and Information Technology	20.56	27.56	7.00	34
3.	21-Co-operation	0.85	11.42	10.57	1244
4.	23-Power Development	393.56	481.09	87.53	22
Total		1802.87	2193.18	390.31	

Source: Appropriation Accounts

Reasons for excess expenditure were awaited (September 2013) from the departments.

2.3.4 Persistent excess expenditure

In two cases, there was persistent excess expenditure during the last five years as shown in **Table 2.5**.

Table 2.5
List of grants indicating persistent excess expenditure during 2008-13

(₹ in crore)

Sr. No.	Number and name of the Grant	Amount of Excess Expenditure				
		2008-09	2009-10	2010-11	2011-12	2012-13
Revenue-Voted						
1.	10-Public Works-Roads, Bridges and Buildings	134.46	215.36	219.60	221.99	35.57
2.	13-Irrigation, Water Supply and Sanitation	340.76	236.55	586.72	350.71	285.21

Source: Appropriation Accounts

The persistent excess expenditure indicates that the budgetary controls in the departments were ineffective and budget estimates were prepared on unrealistic basis.

2.3.5 Expenditure without Provision

As per the Himachal Pradesh Budget Manual (HPBM), expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that in 15 cases detailed in **Table 2.6** the expenditure of ₹37.32 crore was incurred without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

Table 2.6
Expenditure incurred without provision during 2012-13

(₹ in crore)

Sr. No.	Number and name of Grants/Appropriations	Amount of Expenditure without provision	Remarks
05-Land Revenue and District Administration-			
1.	2245/80/102/01 (Expenditure on Natural Disasters, Contingency Plans in Disaster Prone Areas)	0.23	Reasons were awaited.
07-Police and Allied Organisations-			
2.	2070/00/104/02 (State Vigilance and Anti Corruption Bureau- Investigating Range Staff)	0.69	Reasons were awaited.
11-Agriculture-			
3.	2402/102/10 (Assistance to Small and Marginal Farmers for Increasing Agriculture Production)	0.03	Reasons were awaited.
13-Irrigation, Water Supply and Sanitation-			
4.	2215/01/001/01 (Direction)	0.30	Reasons were awaited.
5.	2215/01/001/02 (Execution)	0.60	
6.	2215/01/102/03 (Maintenance and Repair of Rural Water Supply Scheme)	0.09	
7.	4701/15/799/02 (Stock Manufacture)	0.06	
8.	4701/16/799/01, 02 and 03 (Stock, Stock Manufacture and Miscellaneous Advance)	0.22	
9.	4702/799/01, 02 and 03 (Stock, Stock Manufacture and Miscellaneous Public Works Advances)	28.39	

Sr. No.	Number and name of Grants/Appropriations	Amount of Expenditure without provision	Remarks
19-Social Justice and Empowerment-			
10.	2235/60/200/11 (Reimbursement of Medical Expenditure of Pensioners)	0.05	Reasons were awaited.
11.	4235/02/800/02 (Construction of Sainik Rest House and Buildings)	0.08	
29-Finance-			
12.	7610/202/01 (Loans to government servants for purchase of Motor Cars)	0.01	Reasons were awaited.
31-Tribal Development-			
13.	2215/01/796/04, 05 and 06 (Stock, Stock Manufacture and Miscellaneous Public Works Advances)	2.34	Reasons were awaited.
14.	2405/796/03 (Expenditure on Fisheries under Special Central Assistance for the Pockets of Chamba and Bhattiyal)	0.01	
15.	2702/80/796/08, 09 and 10 (Stock, Stock Manufacture and Miscellaneous Advances)	4.22	
	Total	37.32	

Source: Appropriation Accounts

2.3.6 Drawal of funds to avoid lapse of budget grant

Rule 5.71 (c) (5) of Himachal Pradesh Treasury Rules stipulates that no money shall be drawn from the treasury unless it is required for immediate disbursement. In respect of the following cases, the amounts drawn were neither spent for the specific purposes nor refunded into treasury before closure of financial year 2012-13:

2.3.6.1 Unutilised funds

(i) Director, Scheduled Castes, Other Backward Classes and Minority Affairs, Shimla drew (July 2009) ₹1.10 crore for raising two storey above the existing one storey building of District Welfare Office, Mandi but the amount remained unutilised with the executing agency i.e., Himachal Pradesh Housing and Urban Development Authority (HIMUDA) as of August 2013 due to revision of estimates and cancellation of tenders time and again.

(ii) Director, Urban Development Shimla drew (April 2008-April 2009) ₹1.04 crore for construction of parkings at three¹ places but the amount remained unutilised with the executing agencies as of August 2013 due to non-selection of site, cancellation of tender and non-commencement of work.

(iii) Chief Medical Officer (CMO), Nahan drew (March 2009-August 2010) ₹0.84 crore for execution of six works², but the amount remained unutilised with the Public Works Department (PWD) as of May 2013 due to non-availability of land (five cases) and non-handing over of site (one case).

(iv) CMO, Una drew (June 2011) ₹0.39 crore for construction of two number of Outdoor Patient Departments and a conference hall in Community Health Centre,

¹ Chowari (HIMUDA): ₹0.26 crore; Joginder Nagar (PWD): ₹0.46 crore and Jawalamukhi (Nagar Panchayat): ₹0.32 crore.

² Community Health Centres (CHCs) (one): ₹0.26 crore; Health Sub-Centres (HSCs) (three): ₹0.33 crore and Primary Health Centres (PHCs) (two): ₹0.25 crore.

Gagret but the amount remained unutilised with the PWD as of August 2013 due to non-selection of land.

(v) Executive Engineers (EEs) of four³ divisions of PWD drew (March 2012) ₹ 9.16 crore for execution of 35 works⁴ and simultaneously transferred the funds to other divisions⁵/sub-divisions⁶ under their control. In the financial year 2012-13, an amount of ₹8.83 crore was received back from the concerned divisions / sub-divisions between April 2012 and October 2012 and was kept under the deposit head. Besides, out of ₹1.18 crore transferred to Solan division, an amount of ₹0.33 crore was not returned and remained under deposit head.

It was noticed that the concerned EEs could not utilise the whole amount and funds aggregating ₹5.31 crore remained unutilised with them under deposit head. Funds were drawn by the EEs at the fag end of financial year to avoid the lapse of budget grant. The EEs admitted the facts (July 2012-February 2013).

2.3.7 Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹3877.95 crore (**Appendix 2.3**) for the years 2009-2012 was yet to be regularised. The year-wise amount of excess expenditure pending regularisation is summarised in **Table 2.7**.

Table 2.7
Excess over provisions relating to previous years requiring regularisation
(₹ in crore)

Year	Number of		Amount of excess over provision	Status of Regularisation
	Grants	Appropriations		
2009-10	19	1	887.80	Suo moto replies from the Finance Department are still awaited. Report yet to be discussed by PAC.
2010-11	19	2	2237.64	
2011-12	6	1	752.51	Due for discussion from 09 July 2013. Suo moto replies from the Finance Department are still awaited. Report yet to be discussed by PAC.
Total			3877.95	

³ Baijnath: ₹1.20 crore, Dharamsala: ₹1.51 crore, Kasauli: ₹1.18 crore and Shimla-II: ₹5.27 crore.

⁴ Construction of office buildings: seven; Construction of Residential Quarters: 13; Construction of roads: four; Installation of steel crash barriers and parapets on various roads: three; S/R, AR and M/O to various roads, culverts, bridges and buildings: six and Improvement and strengthening of roads: two.

⁵ Shimla-III: ₹5.27 crore and Solan: ₹1.18 crore.

⁶ Baijnath: ₹1.20 crore and Dharamsala-I: ₹1.51 crore.

2.3.8 *Excess over provision during 2012-13 requiring regularisation*

During 2012-13, excess expenditure was incurred in 12 grants and four appropriations aggregating ₹703.08 crore (**Appendix 2.4**) over the grant/appropriation authorised by the Legislature. The excess expenditure requires regularisation under Article 205 of the Constitution of India.

2.3.9 *Unnecessary/Excessive/Inadequate supplementary provision*

Supplementary grant aggregating ₹185.38 crore (**Appendix 2.5**) obtained in seven cases, exceeding ₹50 lakh in each case, during the year proved unnecessary as the expenditure did not come up to the level of original provision. Supplementary provision of ₹95.31 crore obtained in three cases (more than ₹one crore in each case) proved insufficient leaving an aggregate uncovered excess expenditure of ₹81.21 crore (**Appendix 2.6**). Of the uncovered excess, ₹73.06 crore (90 *per cent*) was incurred alone in Grant No. 29-Finance (Revenue-Charged) by the Finance Department.

2.3.10 *Excessive/unnecessary/insufficient re-appropriation of funds*

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹10 lakh in 146 sub-heads (**Appendix 2.7**). Of these, excess/savings of more than ₹two crore occurred in 43 sub-heads. Further, there was an excess expenditure of ₹184.75 crore under Grant No. 29-Finance under the head 6003-109-11 (Other Non-Subsidiary Loan Register Borrowings/Infrastructure Development Board) where the re-appropriation of ₹1.23 crore proved to be insufficient.

2.3.11 *Unexplained re-appropriations*

According to Paragraph 13.3 (b) of Himachal Pradesh Budget Manual, reasons for the additional expenditure and the savings should be explained in the re-appropriation statement such as if an excess occurs under “travelling allowances” it should be explained why additional travelling allowance could not have been foreseen and provision made to cover its cost and why it was necessary. However, a scrutiny of re-appropriation orders issued by the Finance Department showed that in respect of 597 items where the re-appropriation was sought, (17 *per cent* of 3611 commented in the Appropriation Accounts/orders) reasons for seeking such re-appropriations were of general nature like “Non/less conduct of training programmes”, “more/less engagement of daily waged staff”, “more/less touring by staff” and “more/less receipt of rent, rates and taxes bills”.

2.3.12 Substantial surrenders

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 30 sub-heads (**Appendix 2.8**) on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to ₹118.58 crore in these 30 schemes, ₹89.21 crore (75 *per cent*) were surrendered, which included cent *per cent* surrender in 13 schemes (₹16.17 crore) (**Appendix 2.9**).

Further, in 16 cases, there was surrender of more than ₹10 crore each involving ₹766.01 crore on 30 March 2013 (**Appendix 2.10**). Surrender of funds on the last working day of March 2013 indicated inadequate financial control leading to non-utilisation of funds for other developmental purposes in the needy areas.

2.3.13 Surrender in excess of actual saving

A scrutiny of surrender order for the financial year 2012-13 showed that in eight cases, the amount surrendered (₹ 20 lakh or more in each case) was found to be in excess of actual savings registered against the respective heads indicating lack of or inadequate budgetary control in these departments. As against savings of ₹198.05 crore registered in these cases, the amount surrendered was ₹216.34 crore resulting in excess surrender of ₹18.29 crore (**Appendix 2.11**). Reasons for surrender in excess of savings were awaited from the concerned departments (September 2013).

2.3.14 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 ₹145.73 crore, only ₹124.83 crore was surrendered as detailed in **Table 2.8**.

Table 2.8
Cases of saving of ₹one crore and above not surrendered

(₹ in crore)				
Sr.No.	Number and name of Grant	Saving	Surrender	Saving which were not surrendered
Revenue-Voted				
1.	11-Agriculture	39.96	38.40	1.56
2.	15-Planning and Backward Area Sub-Plan	6.89	5.56	1.33
3.	31-Tribal Development	24.05	15.04	9.01
Capital-Voted				
4.	29-Finance	5.07	4.86	0.21
5.	31-Tribal Development	8.54	7.76	0.78
6.	32-Scheduled Caste Sub-Plan	61.22	53.21	8.01
Total		145.73	124.83	20.90

2.3.15 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 14 sub-heads (**Appendix 2.12**), expenditure exceeding ₹10 crore and also more than 50 *per cent* of the total expenditure for the year was incurred in the month of March 2013. The details of major heads where more than 50 *per cent* expenditure was incurred either during the last quarter or during the last month of the financial year are given in **Table 2.9**.

Table 2.9
Cases of Rush of Expenditure towards the fag end of the financial year 2012-13
(₹ in crore)

Sr. No.	Major Head (Voted)	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2013	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2245-Relief on account of natural calamities	192.30	128.98	67	70.67	37
2.	2040-Taxes on Sales, trade etc.	3.40	2.20	65	2.20	65
3.	3604-Compensation and assignments to local bodies and Panchayati Raj Institutions	7.18	6.18	86	6.18	86
4.	2216-Housing	6.47	3.37	52	3.37	52
5.	4216-Capital outlay on Housing	18.19	12.31	68	10.91	60
6.	2405- Fisheries	19.69	11.07	56	11.07	56
7.	4403-Capital outlay on Animal Husbandry	7.18	4.79	67	4.79	67
8.	4406-Capital outlay on Forestry and Wildlife	4.21	2.39	57	2.39	57
9.	6885-Other loans to Industries and Minerals	11.80	7.00	59	7.00	59
10.	4225-Capital outlay on Welfare of SC/ST/OBCs and Minorities	6.27	4.16	66	3.06	49
11.	4425-Capital outlay on Co-operation	10.57	10.57	100	10.57	100
12.	3452-Tourism	19.69	10.42	53	6.59	33
13.	3454-Census survey and Statistics	15.55	8.33	54	6.92	45
Total		322.50	211.77	66	145.72	45

Source: Accountant General (Accounts & Entitlement) office

Thus, 66 *per cent* of the total expenditure against the aforesaid major heads during the year 2012-13 was incurred in the last quarter of the financial year. Further, in nine cases, the expenditure of more than 50 *per cent* of the total expenditure was incurred in the month of March 2013 alone.

Thus, contrary to the spirit of financial regulations, a substantial amount incurred by the department at the fag end of the year was indicative of poor financial management and lack of effective control over the expenditure.

2.4 Non-reconciliation of Departmental figures

2.4.1 Pendency in submission of Detailed Contingent Bills

As per Rules 5.74 and 5.75 of Himachal Pradesh Treasury Rules, every Drawing and Disbursing Officer (DDO) has to certify in each Abstract Contingent (AC) bill that the Detailed bills in respect of AC bills drawn more than a month before the date of that bill have been submitted to the Treasury Officer. Further, it is the responsibility of the DDO concerned to get the advance adjusted during the same financial year in which it is drawn. Out of ₹46.04 crore drawn on AC bills upto March 2013 by 31 DDOs, total amount of Detailed countersigned Contingent (DC) bills received upto 31 July 2013 was ₹18.12 crore resulting in an outstanding balance of ₹27.92 crore. Year-wise and department-wise details are given in **Appendix 2.13**.

It was noticed that majority of the AC bills were drawn for Petrol Oil and Lubricants (POL) expenditure, purchase of books, medicines/vehicles and organisation of coaching camps. The reasons for non-adjustment of outstanding AC bills were non-receipt of vouchers/detailed accounts of expenditure from the various functionaries of the concerned departments.

2.5 Operation of Personal Deposit Accounts

Personal Deposit Accounts (PDAs) are created by debit to the Consolidated Fund and the same should be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund. Information obtained from the office of the Accountant General (A&E), Himachal Pradesh showed that there were 132 PDAs in 15 District Treasuries at the beginning of the year 2012-13. Out of these 132 PDAs, nine PDAs were closed and two PDAs were opened during the year. The position of balances lying in these 125 accounts as on 31 March 2013 is given as under:

- 48 PDAs having balance of ₹222.56 crore (including six PDAs with negative balance of ₹7.32 lakh) had been in operation during the year.

- 77 PDAs involving an amount of ₹0.89 crore (including seven PDAs with negative balance of ₹2.09 lakh) remained inoperative during the current year. Of these, eight PDAs having balance of ₹2.58 lakh remained inoperative for more than five years.
- PDAs should normally close with credit balance, as the payment against deposit should not exceed deposits received. There were adverse balances of ₹9.41 lakh in 13 cases (**Appendix 2.14**) which requires investigation and rectification.

2.6 Forecasting of resources

Formulating realistic budgetary estimates is vital for expenditure control and cash and debt management. Trends of revenue projection for last five years (2008-09 to 2012-13) are given in **Table 2.10**.

Table 2.10
Variation between Revised Estimates and Actuals on Revenue Resources
for the period 2008-09 to 2012-13

(₹ in crore)						
Sr. No.	Year	Particular	Revised Estimates	Actuals	Difference	Percentage
1.	2008-09	Tax Revenue	3259	2242	(-) 1017	31
		Non-Tax Revenue	1426	1756	330	23
2.	2009-10	Tax Revenue	3463	2574	(-) 889	26
		Non-Tax Revenue	1787	1784	(-) 3	--
3.	2010-11	Tax Revenue	5122	3643	(-) 1479	29
		Non-Tax Revenue	1745	1695	(-) 50	3
4.	2011-12	Tax Revenue	6341	4108	(-) 2233	35
		Non-Tax Revenue	1835	1915	80	4
5.	2012-13	Tax Revenue	7350	4626	(-) 2724	37
		Non-Tax Revenue	1902	1377	(-) 525	28

Source: Estimates of receipts and Finance Accounts

The tax and non-tax receipts have been consistently overestimated during the last five years except for non-tax revenue during 2008-09 and 2011-12. The percentage of over estimation over the actual tax revenue ranged between 26 and 37 and in respect of non-tax revenue it ranged between three and 28.

2.7 Outcome of Review of Selected Grant

A review of budgetary procedure and control over expenditure in respect of Grant No. 8-Education was conducted (August 2013) in the offices of the Director of Elementary Education (DEE) and Director of Higher Education (DHE) and important points noticed thereof are discussed below:

2.7.1 Budget and expenditure

The overall position of funds allotted and expenditure incurred under the grant during 2012-13 is given in **Table 2.11**.

Table 2.11
Position of funds allocated and expenditure incurred during 2012-13

	(₹ in crore)		
	Total Grant	Expenditure incurred	Excess (+)/ Savings (-)
Revenue Section	3184.84	3064.85	(-) 119.99
Capital Section	51.99	51.83	(-) 0.16
Total	3236.83	3116.68	(-)120.15

Source: Appropriation Accounts

From the above table it is seen that against the budget provision of ₹ 3236.83 crore under the grant (Revenue Section: ₹ 3184.84 crore and Capital Section: ₹ 51.99 crore) an expenditure of ₹ 3116.68 crore (Revenue Section: ₹ 3064.85 crore and Capital Section: ₹ 51.83 crore) was incurred resulting in saving of ₹ 120.15 crore, which indicated that budget estimates were not prepared on realistic basis as discussed in the succeeding paragraphs.

2.7.2 Persistent savings

Under three Major Heads, there were persistent savings of more than ₹10 lakh each year during the last three years as per details given in the **Table 2.12** which indicated unrealistic budget estimation.

Table 2.12
Persistent savings under Grant No. 8-Education during 2012-13

Sr. No.	Head of Account	(₹ in crore)		
		Amount of Savings		
		2010-11	2011-12	2012-13
1.	2202-General Education	33.18	205.35	120.00
2.	2205-Art and Culture	0.32	0.63	0.42
3.	4202-Capital Outlay on Education	30.56	1.44	0.16

DEE and DHE stated (September 2013) that the savings under the Grant were mainly due to shifting of liability from Non-Plan budget to Plan budget and non-filling up of vacant posts.

2.7.3 Unnecessary supplementary provision

Supplementary grant as per Paragraph 1.20 of HPBM means a provision included in an appropriation during the course of a financial year to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.

It was noticed that during 2012-13 under the Major Head, 2202-General Education Plan and Non-Plan against the total provision of ₹ 3180.57 crore (Original: ₹ 3105.25 crore and Supplementary: ₹ 75.32 crore) an expenditure of ₹ 3060.57 crore was incurred. As the expenditure did not come upto the level of original provision of

₹ 3105.25 crore, the supplementary provision of ₹ 75.32 crore proved to be unnecessary. The Principal Secretary (Finance) admitted (August 2013) the facts but did not provide any reasons for unnecessary supplementary grant.

2.7.4 Re-appropriation on the last day of the financial year

According to Paragraph 12.16-C of HPBM, reasons for additional expenditure and savings should be explained in the re-appropriation statements which should reach the Finance Department by 10 February at the latest.

It was noticed that contrary to the provision of HPBM, during 2012-13, re-appropriation orders of ₹88.71 crore in respect of Grant No.8-Education were issued on 30 March 2013 being the last working day of the financial year 2012-13 where either there was no scope for expenditure or the expenditure against re-appropriation had already been incurred during that year. This indicated poor financial management and inadequate control over expenditure. The details are given in **Table 2.13**.

Table 2.13
Details of Re-appropriation on 31 March 2013

(₹ in lakh)

Sr. No.	Head of Account	Savings			Excesses		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total
1.	2059- Public Works	--	--	--	--	19.72	19.72
2.	2202-General Education	5093.35	3734.34	8827.69	7413.44	1413.15	8826.59
3.	2205-Art and Culture	--	43.02	43.02	--	0.61	0.61
4.	2225-Welfare of SC/ST and OBC	0.01	--	0.01	19.18	--	19.18
5.	2235-Social Security and Welfare	0.04	--	0.04	4.66	--	4.66
Total		5093.40	3777.36	8870.76 or say ₹88.71 crore	7437.28	1433.48	8870.76 or say ₹88.71 crore

Source: Information supplied by the Finance Department

The Principal Secretary (Finance) stated (August 2013) that re-appropriation is made by the Finance Department from time to time during the year and consolidated orders are issued on 31 March of the financial year. The reply reflected the inadequacy of budgetary controls being exercised by the Finance Department on the departmental authorities.

2.7.5 Transfer of provision from Non-Plan funds to Plan side through re-appropriation

As per Paragraph 12.9.1 (V) of HPBM, no re-appropriation of funds should be made from Plan side to Non-Plan side and vice-versa.

It was noticed that as per details given in the **Table-2.13** savings of ₹23.20 crore in the Non-Plan side under the Head 2202-General Education had been re-appropriated towards Plan side which was contrary to the provisions of Himachal Pradesh Budget

Manual. The Principal Secretary (Finance) while admitting (August 2013) the fact stated that re-appropriations from Non-Plan to Plan are made to regularise the excess expenditure within the Plan outlay. The reply is not in conformity with the provision of the HPBM.

2.7.6 Expenditure incurred through re-appropriation

Details of cases where nearly the entire expenditure under the Grant was met out through re-appropriation during 2012-13 are given in **Table 2.14**.

Table 2.14

Cases where expenditure during 2012-13 was incurred through Re-appropriation only

(₹ in lakh)

Sr. No.	Head of Account	Provision	Expenditure incurred	Re-appropriation	Percentage of expenditure through Re-appropriation
Scheme of Maintenance of Secondary Education Department building					
1.	2059-01-053-33 S00N-NP	--	19.72	19.72	100
Scheme of Expenditure on DIETS					
2.	2202-01-107-04 S00N-P	0.06	374.10	374.05	100
Scheme of Mid-day Meal					
3.	2202-01-800-01 C00N	0.04	4756.67	4756.63	100
Scheme of Information and Communication Technology programme					
4.	2202-02-109-05 C90N	0.03	553.60	553.57	100
Scheme of Expenditure on inclusive Education for disabled at secondary stage					
5.	2202-02-109-14 C00N	0.02	162.33	162.31	100
Scheme of Post- Matric scholarship to OBC students					
6.	2202-02-107-08 C00N	0.02	245.23	245.22	100
Scheme of Pre- Matric scholarship to OBC students					
7.	2202-02-107-09 C00N	0.01	90.00	89.90	100
Scheme of Protsahan Chhatravriti Yojna					
8.	2202-02-107-15 State-Plan	--	200.00	200.00	100
Scheme of Scholarship to minority community students					
9.	2225-03-277-06 State-Plan	0.01	19.19	19.18	100
	Total	0.19	6420.84	6420.58	

It would be seen from the table above that in nine cases the entire expenditure under the Grant during 2012-13 was incurred through re-appropriation only without getting the demands approved from the State Legislature.

2.7.7 Non-Maintenance of records

The following records required to be maintained for preparation of budget estimates and exercising control over expenditure were not maintained by the Director of Elementary Education and Director of Higher Education:

Register of sanctions to record fixed establishment and recurring contingent charges; Ledger account for appropriation against allotments; Register of Expenditure; Liability register to keep track of undisclosed liabilities.

The Principal Secretary (Finance) stated (August 2013) that the Directorates would be directed to maintain the required records in future.

2.7.8 Submission of budget estimates by the Drawing and Disbursing Officers

As per provisions of HPBM, Drawing and Disbursing Officers were required to send budget estimates to the Controlling Officers for the minor and detail heads concerned, accompanied where necessary by an explanatory note showing the reasons for their proposals.

Scrutiny of the records of the DEE and DHE showed that none of the Drawing and Disbursing Officers / Controlling officers had submitted the budget estimates in respect of establishments under them for preparation of budget estimates at the Directorate level for the year 2012-13. Thus, the budget estimates were not prepared on realistic basis. Both the DEE and DHE had admitted (August 2013) the facts. The Principal Secretary (Finance) stated (August 2013) that Heads of Department would be directed to do the needful in future.

2.7.9 Submission of budgetary returns

As per HPBM, the head of the department is required to submit budget estimates, the statement of excess and surrenders, final statement of excess and surrenders and proposals for re-appropriation by 25 October, 1 December, 15 January and 15 March, respectively. It was, however, noticed that the DEE and DHE had submitted the budget estimates, the statement of excess and surrenders, the final statement of excess and surrenders and proposals for re-appropriation for the year 2012-13 after a delay ranging between 15 and 107 days as per details given in **Table 2.16**.

Table 2.16

Details of submission of budgetary returns to Finance Department

Sr. No.	Name of the return	Department	Due date	Actual date of submission	Delay in days
1.	Budget Estimates for 2012-13	DEE	25 Oct. 2011	15 Nov. 2011	21
		DHE	25 Oct. 2011	22 Nov. 2011	28
2.	Statement of Excess and Surrender for 2012-13	DEE	01 Dec. 2012	31 Jan. 2013	61
		DHE	01 Dec. 2012	17 Jan. 2013	47
3.	Final statement of Excess and Surrender for 2012-13	DEE	15 Jan. 2013	02 May 2013	107
		DHE	15 Jan. 2013	02 May 2013	107
4.	Proposal for re-appropriation for 2012-13	DEE	15 March 2013	30 March 2013	15
		DHE	15 March 2013	30 March 2013	15

This showed that the prescribed time schedule for submission of budget estimates and other budgetary returns was not followed by the Department during 2012-13.

2.7.10 Submission of monthly statements of expenditure

It was noticed that during the year 2012-13, none of the Drawing and Disbursing Officers/Controlling Officers under the Directorates submitted their monthly statements of expenditure to the Director of Elementary Education (DEE) and Director of Higher Education (DHE).

Thus, in the absence of regular submission of monthly statements of expenditure by the DDOs / Controlling Officers the register of expenditure in Form No. 16 could not be maintained and resultantly, no expenditure statements were submitted by the Head of Departments to the Finance Department during 2012-13.

Thus, Head of department / controlling officers failed to exercise regular control over the expenditure against the budget provisions during the above period. The Principal Secretary (Finance) to the Government of Himachal Pradesh stated (August 2013) that the departments would be directed to do the needful in future.

2.7.11 Submission of liability statements to the Finance Department

As required under HPBM monthly liability statement should be submitted by Head of the Department to the Finance Department by 15th of the month, for exercise of effective control over expenditure and preparation of correct budget estimates. The DEE and DHE had not sent the liability statements to the Finance Department during 2012-13.

2.8 Outcome of Inspection of Treasuries

2.8.1 Excess payment of Pensionary benefits

During inspection of District Treasuries/sub-treasuries by the Office of the Accountant General (A&E) for the year 2011-12, the test-check of pension payment records showed that three District Treasury Officers and two Treasury Officers had made overpayment to the extent of ₹3.14 lakh to 12 pensioners as per details given in **Table 2.17**. The excess payment had occurred due to non-reduction/ early restoration

of commuted portion of pension of the concerned pensioners.

Table 2.17

Excess payment of pensionary benefit (on account of DP/IR/Relief in Pension/Commutation) during 2011-12 (Inspection Reports issued in 2012-13)

(₹ in lakh)

Sr. No.	Name of District Treasury (DT)/Sub-Treasury (ST)	Paragraph number	Nature of overpayment	Number of cases	Payment		
					Through Bank	Through Treasury (ThT)	Treasury-wise Total
1.	DT, Hamirpur	2	Commutation	1	--	ThT	0.15
2.	ST, Kaza	1	Commutation	1	--	ThT	0.57
3.	DT, Shimla	11	Commutation	1	--	ThT	0.19
4.	ST, Dodra Kwar	2	Commutation	2	--	ThT	0.88
5.	DT, Nahan	3	Commutation	7	--	ThT	1.35
Total				12	--		3.14

Source: Annual review report on the working of Treasuries in Himachal Pradesh for the year 2012-13 prepared by Accountant General (A&E)

2.8.2 Excess drawal of funds over Letter of Credit

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

During local inspection of treasuries, it was noticed that an amount of ₹8.07 crore was drawn in excess of the prescribed LOC limit by 19 cheque drawing DDOs and one Sub-Post Master. Thus, the drawal of funds in excess of LOC limit rendered the

system of internal control ineffective. The details are given in **Table 2.18**.

Table 2.18
Excess drawal of funds over LOC (Inspection Reports issued in 2012-13)

(₹ in lakh)

Sr. No.	Name of District Treasury (DT)/Sub-Treasury (ST)	Paragraph number	Amount of excess drawal	Name of DDO's
1.	DT, Bilaspur	1	(-) 134.82	EE, PWD, Div.I, Bilaspur
			(-) 17.01	EE, PWD, Div.II, Bilaspur
			(-) 0.32	AE, IPH, Kandraur
			(-) 16.71	EE, PWD, Ghumarwin
			(-) 35.90	EE, IPH, Ghumarwin
			(-) 0.02	AE, IPH-II, Bilaspur
			(-) 0.39	AE, IPH, Swarghat
			(-) 0.95	AE, IPH, Jukhala
2.	DT, Hamirpur	5	(-) 0.18	AE, PWD, Sujanpur
3.	DT, Keylong	4	(-) 23.53	EE, IPH, Keylong
4.	ST, Baldwara	1	(-) 1.00	SPM, Baldwara
5.	ST, Arki	5	(-) 4.59	EE, IPH, Arki
			(-) 1.58	AE, IPH, Arki
6.	DT, Nahan	2	(-) 32.00	EE, PWD, Nahan
			(-) 3.51	EE, PWD, Paonta
			(-) 38.91	EE, PWD, Rajgarh
			(-) 39.24	EE, PWD, Shillai
			(-) 0.15	EE, PWD, Nahan Foundry
			(-) 143.55	EE, IPH, Nahan
			(-)313.07	EE, IPH, Nohradhar
Total			807.43 or say ₹8.07 crore	20 DDO's

Source: Annual review report on the working of Treasuries in Himachal Pradesh for the year 2012-13 prepared by Accountant General (A&E)

2.8.3 Misclassification of payment made under Group Insurance Scheme

During test-check of data for the year 2011-12 available in Himachal Pradesh Online Treasury Information System (HPOLTIS) of District Treasuries/Treasuries, it was noticed that payment amounting to ₹16.68 lakh made on account of Insurance Fund, had been wrongly booked under Saving Fund and similarly an amount of ₹48.19 lakh pertaining to payment on account of Saving Fund was wrongly booked in Insurance

Fund by six District Treasuries and one Sub-treasury as detailed in **Table 2.19**. The wrong booking resulted in incorrect estimation of interest due on Savings Fund.

Table 2.19

Misclassification of payment made under Group Insurance Scheme (Inspection Reports issued in 2012-13)

(₹ in lakh)

Sr. No.	Name of District Treasury (DT)/Sub-Treasury (ST)	Paragraph number	Insurance payment booked under saving fund	Saving fund payment booked under Insurance Fund	Total amount of misclassification
1.	DT, Bilaspur	2	8.35	41.65	50.00
2.	DT, Hamirpur	4	2.40	1.30	3.70
3.	DT, Kangra at Dharamshalla	4	0.90	--	0.90
4.	DT, Kullu	2	2.48	0.38	2.86
5.	DT, Mandi	2	0.60	--	0.60
6.	ST, Sunder Nagar	2	0.15	4.86	5.01
7.	DT, Una	3	1.80	--	1.80
Total			16.68	48.19	64.87

Source: Annual review report on the working of Treasuries in Himachal Pradesh for the year 2012-13 prepared by Accountant General (A&E)

2.8.4 Misclassification of expenditure under Pensionary Heads

During test-check of data available in HPOLTIS for the year 2011-12, it was noticed that an amount of ₹21.02 crore had been misclassified under the pensioner account heads by District Treasury Officers/Treasury Officers as detailed in **Table 2.20** and **Appendix 2.15**. The wrong classification resulted in wrong depiction of expenditure in accounts and incorrect raising of debit from other States.

Table 2.20

Misclassification of expenditure under Pensionary Heads

(₹ in crore)

Sr. No.	Correct Head of Account	Nature of expenditure	Head of Account under which amount was wrongly booked	Amount
1.	2071-01-104-02 (Payments from 1 November 1966 Gratuities)	DCRG	2071-01-104-01 (Payments before 1 November 1966)	2.42
2.	2071-01-101-03 (Superannuation from 1 November 1966)	Pension	2071-01-101-01 (Payments before 1 November 1966)	18.38
3.	2071-01-102-02 (Payments from 1 November 1966)	Commutation	2071-01-102-01 (Payments before 1 November 1966)	0.22
			Total	21.02

Source: Annual review report on the working of Treasuries in Himachal Pradesh for the year 2012-13 prepared by Accountant General (A&E)

2.9 Conclusion

The overall excess of ₹54.76 crore registered under grants/appropriation during the year 2012-13 was the net result of excess of ₹703.08 crore offset by savings of ₹648.32 crore. Thus, excess expenditure of ₹703.08 crore requires regularisation of the State Legislature.

There was persistent excess expenditure under two grants viz. 'Public Works-Roads, Bridges and Buildings' and 'Irrigation, Water Supply and Sanitation' during the last five years. During 2012-13, excess expenditure of ₹320.78 crore was spent under these grants. Besides, there were persistent savings under Grants No. 03-Administration of Justice, 15- Planning and Backward Area Sub-Plan, 20-Rural Development and 29-Finance during the last five years.

Funds amounting to ₹12.53 crore were drawn to avoid lapse of budget grant and kept either under Civil Deposits or lying unutilised with the executing agencies. Supplementary provision aggregating ₹185.38 crore obtained in seven cases (₹50 lakh or more in each case) during the year 2012-13 proved unnecessary as original provisions were sufficient to meet the expenditure and in three cases, supplementary provision of ₹95.31 crore (more than ₹one crore in each case) proved insufficient leaving an aggregate uncovered excess expenditure of ₹81.21 crore. There were instances of injudicious re-appropriations, which resulted in excess/ savings of over ₹10 lakh under 146 sub-heads. In eight cases, the amount surrendered (₹20 lakh or more in each case) was in excess of actual saving. Rush of expenditure in the last quarter of the financial year indicated lack of budgetary control in the departments. ₹27.92 crore drawn on AC bills during 2008-13 remained unadjusted as of July 2013 due to non-submission of DC bills.

2.10 Recommendations

The government may consider:

- preparing realistic annual budget estimates to avoid large savings/excesses;
- surrendering of savings by stipulated date for their effective utilisation by needy departments;
- regularisation of excess expenditure incurred;
- monitoring of expenditure against the allocations by all departments; and
- speedy submission of DC bills against the amount drawn on Abstract Contingent Bills within the timeframe as stipulated in the extant rules.

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 & Entitlement) Himachal Pradesh within one year from the date of their sanction unless specified otherwise. However, of the 29987 utilisation certificates (UCs) due in respect of grants and loans aggregating ₹1955.71 crore upto March 2012, 18387 UCs (61 *per cent*) for an aggregate amount of ₹1339.06 crore were pending as of March 2013 out of which one UC involving ₹1.37 crore was pending for more than nine years. The department-wise break-up of outstanding UCs is given in **Appendix 3.1** and age-wise delays in submission of UCs are summarized in **Table 3.1**.

Table 3.1

Age-wise arrears of Utilisation Certificates as on 31 March, 2013

(₹ in crore)

Sl. No.	Range of delay (in number of years)	Total grants paid		Utilisation certificates outstanding	
		Number of Cases	Amount	Number	Amount
1.	0 – 1	20361	1031.05	13422	708.00
2.	1 – 3	8549	899.35	4911	616.24
3.	3 – 5	1075	23.94	53	13.45
4.	5 – 7	1	--*	--	--
5.	7 – 9	--	--	--	--
6.	9 and above	1	1.37	1	1.37
	Total	29987	1955.71	18387	1339.06

Source: Accountant General (Accounts & Entitlement) office, H.P.

* Amount of ₹3000.

Pendency of UCs mainly pertained to the Department of Education (14447 UCs: ₹214.49 crore), Rural Development (1858 UCs: ₹541.83 crore), Social Justice and Empowerment (1189 UCs: ₹153.12 crore), Industries (273 UCs: ₹29.58 crore), Art and Culture (217 UCs: ₹4.34 crore), Urban Development (85 UCs: ₹183.98 crore), Animal Husbandry (37 UCs: ₹25.39 crore), Tourism (24 UCs: ₹9.18 crore), Sports and Youth Services (22 UCs: ₹5.95 crore), Secretariat and Social Services (12 UCs: ₹2.16 crore), Medical and Public Health (seven UCs: ₹36.06 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/Audit Reports of Autonomous Bodies

Several Autonomous Bodies have been set up by the State government. A large number of these bodies are audited by the Comptroller and Auditor General of India for verification of their transactions, operational activities and accounts, regulatory compliance audit, review of internal management, financial control and review of systems and procedure, etc. The audit of accounts of 14 autonomous bodies in the State has been entrusted to the Comptroller and Auditor General of India. The status

of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report and its placement in the Legislature is indicated in **Appendix 3.2**.

The accounts of HP Building and Construction Workers Welfare Board, Shimla were late by nine months for the year 2011-12 whereas for the year 2012-13 the accounts have not been received as of August 2013. The accounts for the year 2012-13 in respect of ten¹ bodies had not been furnished as of August 2013 and accounts of four District Legal Authorities, Kangra, Mandi, Chamba and Bilaspur were delayed by more than a month. Delay in finalisation of accounts carries the risk of financial irregularities going undetected and, therefore, the accounts need to be finalised and submitted to audit at the earliest.

Separate Audit Reports (SARs) of 13 Autonomous Bodies issued by Audit for the year 2011-12 are yet to be placed before the legislature and one SAR has not been issued due to delay in receipt of accounts for 2011-12 (**Appendix 3.2**). These need to be tabled before the State legislature at the earliest.

3.3 Non-submission of details of grants/loans paid

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

No department of the government had furnished such details for the year 2012-13 upto August 2013. Due to this, audit was not able to provide assurance to

¹ H.P. State Veterinary Council, Shimla, HP Building & Construction Worker Welfare Board, Shimla, State Legal Service Authority, Shimla and District Legal Service Authorities, Hamirpur, Kullu, Nahan, Rampur, Shimla, Solan and Una.

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

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

3.4 Misappropriation/ loss, theft, etc.

As per the provisions of Himachal Pradesh Financial Rules, State government reported 52 cases of misappropriation/losses, theft, etc., involving government money amounting to ₹ 82.77 lakh upto June 2013 on which final action was pending. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.3** and nature of these cases is given in **Appendix 3.4**. The age-profile of the pending cases and the number of cases pending in each category 'Theft and misappropriation/loss' as emerged from these appendices are summarised in **Table 3.2**.

Table 3.2
Profile of misappropriations/losses and theft

(₹ in lakh)

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in years	Number of cases	Amount involved	Nature/characteristics of the cases	Number of cases	Amount involved
0 – 5	7	10.76	Theft	14	14.06
5 – 10	15	21.60			
10 – 15	9	39.81	Misappropriation/loss of material	38	68.71
15 – 20	4	5.61			
20 – 25	2	0.80			
25 and above	15	4.19			
Total	52	82.77	Total	52	82.77

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

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

		(₹in lakh)	
Reasons for the Delay/Outstanding Pending Cases		Number of Cases	Amount
i)	Awaiting departmental and criminal investigation	19	23.23
ii)	Awaiting orders for recovery or write off	24	28.72
iii)	Pending in the courts of law	4	26.61
iv)	Recovery made/written off but awaiting final disposal from PAC	5	4.21
Total		52	82.77

3.5 Outstanding balances under major Suspense heads

Certain intermediary/adjusting heads of accounts known as ‘Suspense heads’ are operated in government accounts to reflect transactions of receipts and payments which cannot be booked to a final head of account due to lack of information as to their nature or for other reasons. These heads of accounts are finally cleared by minus debit or minus credit when the amount under them is booked to their respective final heads of accounts.

The position of Suspense Balances under major suspense heads for the last three years is given in **Appendix 3.5**. There were ₹8.25 crore (debit) under 101-Pay and Accounts office-Suspense and ₹12.94 crore (debit) under 102-Suspense Account (Civil) balances at the end of 2012-13. The net balances under Minor Head (MH) 112-Tax deducted at source suspense and 129-Material purchase settlement suspense Account increased by ₹11.36 crore (credit) and ₹31.23 crore (credit), respectively, during the current year over the year 2011-12.

If these amounts remain unadjusted, the balances under the suspense heads would accumulate and the accounts would not reflect government’s receipts and expenditure accurately. Thus, clearance of outstanding balances under Suspense Heads needs to be pursued vigorously.

3.6 Operation of Omnibus Minor Head-800

Minor Head 800-Other Expenditure/Other Receipts is intended to be operated only when the appropriate Minor Head has not been provided in the accounts. Routine operation of Minor Head 800 is to be discouraged, since it renders the account opaque.

During 2012-13, revenue receipts aggregating ₹2028 crore (13 *per cent* of total revenue receipts) were classified under omnibus minor head-800-other receipts under 49 Major Heads. Instances where a substantial proportion (50 *per cent* or more) of the receipts were classified under the minor head 800-Other receipts are given in **Appendix 3.6**. Similarly, expenditure aggregating ₹522 crore under 43 Revenue and Capital Major Heads constituting 2.88 *per cent* of the total expenditure (Revenue and Capital) was classified under Minor Head-800 under the concerned Major Heads. Classification of large amounts under the omnibus minor head-800-other expenditure/ receipts affects true and fair picture of the financial reporting.

3.7 Conclusion

Compliance with various rules, procedures and directives by the government was not satisfactory as evident from delays in furnishing utilisation certificates to the AG (A&E), H.P. against the loans and grants given to various institutions.

Delay in finalisation of accounts by the autonomous bodies carries the risk of financial irregularities going undetected and, therefore, the accounts need to be finalised and submitted to Audit at the earliest.

The bodies/institutions to which grants or loans aggregating ₹ 10 lakh or more were paid during the preceding year, could not be examined in audit due to non-furnishing of the details to express audit opinion.

Out of 52 outstanding cases of misappropriation/loss, theft, etc., involving ₹ 82.77 lakh, departmental proceedings and investigations were not initiated in 19 cases involving ₹ 23.23 lakh.

Substantial amounts of receipts (₹2028 crore) and expenditure (₹522 crore) were classified under the omnibus minor head 800-Other receipts/expenditure during 2012-13.

3.8 Recommendations

The government may consider:

- timely submission of Utilization Certificates in respect of the grants released for specific purposes to the grantee institutions;
- timely preparation of Annual Accounts by the Autonomous bodies to facilitate auditing;
- depicting the amounts received and expenditure incurred under various schemes distinctly instead of clubbing the receipts and expenditure of major schemes under the Minor Head '800-Other expenditure' and '800-Other receipts'; and
- timely furnishing of details of bodies/institutions to which grants or loans aggregating ₹10 lakh or more were paid during the preceding year.

Shimla
The



(SATISH LOOMBA)
Principal Accountant General (Audit)
Himachal Pradesh

Countersigned

New Delhi
The



(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

Appendix-1

State Profile

A General Data

S.No.	Particulars	Figures
1.	Area	55673 Sq km
2.	Population	
	A As per Census (2001)	0.61 crore
	B 2011	0.69 crore
3	(a) Density of Population (2001) (All India density= 325 persons/sq km)*	109 persons/sq km
	(b) Density of Population (2011) (All India average= 382 persons/sq km)*	123 persons/sq km
4	Population below poverty line (All India average= 27.5%)*	10%
5	(a) Literacy (2001) (All India average= 64.8%)*	76.50%
	(b) Literacy (2011) (All India average= 74%)*	83.78%
6	Gini Coefficient	
	A Rural (All India= 0.28)	0.28
	B Urban (All India= 0.37)	0.35
7	Gross State Domestic Product (GSDP) 2012-13	72076
8	GSDP CAGR* (2003-04 to 2012-13)	13.28

B Financial Data

	CAGR (2003-04 to 2012-13)	
A	of Revenue Receipts	14.63
B	of Tax Revenue	16.74
C	of Non-Tax Revenue	16.78
D	of Total Expenditure	11.27
E	of Capital Expenditure	9.55
F	of Revenue Expenditure on Education	13.50
G	of Revenue Expenditure on Health	12.39
H	of Salary and wages	11.78
I	of Pension	16.93

* Based on General Category States excluding Delhi, Goa and Puducherry

Source: Finance Accounts and Audit Reports, BPL (Planning Commission and NSSO data, 61st round), Gini Coefficient (unofficial estimates of Planning Commission, 61st Round 2004-05 MRP and 2009-10, 66th Round), Density of Population (Office of the Registrar General and census commissioner of India; Ministry of Home Affairs), Literacy (Office of the Registrar General of India; Ministry of Home Affairs) and Economics and Statistics Department of Himachal Pradesh.

* CAGR: Compound Annual Growth Rate.

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 2012-13 have been divided into two Volumes – Volume I and II. Volume I represents the financial statements of the Government in summarized form while Volume II represents detailed financial statement. The layout of the Finance Accounts is chalked out in the following manner:

	Layout
VOLUME I	
<i>Statement 1</i>	Statement of Financial Position
<i>Statement 2</i>	Statement of Receipts and Disbursements
<i>Statement 3</i>	Statement of Receipts (Consolidated Fund)
<i>Statement 4</i>	Statement of Expenditure (Consolidated Fund) By Function and Nature Notes to Accounts Appendix I: Cash balances and investment of Cash balances
VOLUME II	
PART I	
<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 Grants-in-aid given by the Government
<i>Statement 9</i>	Statement of Guarantees given by the Government
<i>Statement 10</i>	Statement of Voted and Charged Expenditure
PART II	
<i>Statement 11</i>	Detailed Statement of Revenue and Capital Receipts by minor heads
<i>Statement 12</i>	Detailed Statement of Revenue Expenditure by minor heads
<i>Statement 13</i>	Detailed Statement of Capital Expenditure
<i>Statement 14</i>	Detailed Statement of Investments of the Government
<i>Statement 15</i>	Detailed Statement of Borrowings and other Liabilities
<i>Statement 16</i>	Detailed Statement on Loans and Advances given by the Government
<i>Statement 17</i>	Detailed Statement on Sources and Application of funds for expenditure other than revenue account
<i>Statement 18</i>	Detailed Statement on Contingency Fund and other Public Account transactions
<i>Statement 19</i>	Detailed Statement on Investments of earmarked funds
Part III: Appendices	
<i>II</i>	Comparative Expenditure on Salary
<i>III</i>	Comparative Expenditure on Subsidy
<i>IV</i>	Grants-in-aid (Scheme wise and Institution wise)
<i>V</i>	Externally Aided Projects
<i>VI</i>	Plan Scheme expenditure (Central and State Plan Schemes)
<i>VII</i>	Direct transfer of funds to implementing agencies
<i>VIII</i>	Summary of Balances
<i>IX</i>	Financial results of Irrigation Schemes
<i>X</i>	Incomplete Works
<i>XIII</i>	Maintenance expenditure with segregation of salary and non-salary portion

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 2008-13 and observations have been made on their behavior. In its Restructuring Plan of State finances, the ThFC recommended the norms/ceiling for some fiscal aggregates and also made normative projections for others. In addition, ThFC 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 ThFC as well as its projections for fiscal aggregates along with the commitments/projections made by the State Government in their FR Acts and in other Statements required to be laid in the legislature under the Act, have been used to make qualitative assessment of the trends and pattern of major fiscal aggregates during the current year. Assuming that GSDP is a good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue (NTR), revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for tax revenues, NTRs, revenue expenditure etc., with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP. The new GSDP series with 2004-05 as base as published by the Director of Economics and Statistics of the State Government have been used in estimating these percentages and buoyancy ratios.

Trends in Gross State Domestic Product (GSDP)

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

	2008-09	2009-10	2010-11	2011-12	2012-13
Gross State Domestic Product (₹ in crore)	41483	48188	56355	63812	72076 (A)
Growth rate of GSDP (In <i>per cent</i>)	22.1	16.16	16.95	13.23	12.95
<i>Source:</i> Department of Economics and Statistics, Government of Himachal Pradesh.					

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

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

Appendix-1.2

Part-B

Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005 (Amended vide Act No. 25 of 2011)

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

- Eliminate revenue deficit by financial year 2011-12 and maintain revenue surplus thereafter;
- Reduce fiscal deficit to three *per cent* or less of Gross State Domestic Product by financial year 2011-12 and maintain fiscal deficit at the level of three *per cent* or less of Gross State Domestic Product thereafter;
- Reduce outstanding debt to 44.4 *per cent* of GSDP by the financial year 2012-13.
- Maintain outstanding risk weighted guarantees on long term debt below 40 *per cent* of total revenue receipt in the preceding financial year for which actuals are available as per Finance Accounts.

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

Appendix-1.3

(Reference: Paragraphs 1.1, 1.3 and 1.9.2; Pages:1, 13 and 33)
Time Series Data on the State Government Finances

(₹ in crore)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Part-A: Receipts										
1. Revenue Receipts										
(i) Tax Revenue										
Taxes on Sales, Trade, etc.	984 (25)	1,252 (27)	1,497 (23)	1,656 (21)	1,958 (21)	2,242 (24)	2,574 (25)	3,643 (29)	4,108 (28)	4,626 (30)
State Excise	437 (44)	542 (43)	727 (49)	914 (55)	1,092 (56)	1,246 (56)	1,487 (58)	2,101 (58)	2,477 (60)	2,728 (59)
Taxes on Vehicles	280 (29)	300 (24)	329 (22)	342 (21)	389 (20)	432 (19)	500 (19)	562 (15)	707 (17)	810 (18)
Taxes on Registration fees	78 (8)	108 (9)	102 (7)	106 (6)	114 (6)	136 (6)	134 (5)	163 (4)	176 (4)	196 (4)
Taxes and Duties on electricity	52 (5)	75 (6)	82 (5)	93 (6)	87 (4)	98 (4)	113 (4)	133 (4)	155 (4)	173 (4)
Land Revenue	17 (2)	88 (7)	89 (6)	30 (2)	82 (4)	79 (4)	39 (2)	302 (8)	185 (5)	262 (6)
Taxes on Goods and Passengers	1 (-)	3 (-)	1 (-)	2 (-)	2 (-)	20 (1)	15 (1)	50 (1)	18 (11)	24 (-)
Other Taxes	34 (3)	38 (3)	43 (3)	50 (3)	55 (3)	62 (3)	89 (3)	93 (3)	94 (2)	101 (2)
(ii) Non Tax Revenue	85 (9)	98 (8)	124 (8)	119 (7)	137 (7)	169 (7)	197 (8)	284 (8)	296 (7)	332 (7)
(iii) State's share of Union taxes and duties	292 (7)	611 (13)	690 (11)	1,337 (17)	1,823 (20)	1,756 (19)	1,784 (17)	1,695 (13)	1,915 (13)	1,377 (9)
(iv) Grants in aid from Government of India	450 (11)	537 (12)	493 (7)	629 (8)	794 (9)	838 (9)	862 (8)	1,715 (13)	1,999 (14)	2,282 (14)
2. Miscellaneous Capital Receipts	2,255 (57)	2,235 (48)	3,879 (59)	4,213 (54)	4,567 (50)	4,472 (48)	5,126 (50)	5,658 (45)	6,521 (45)	7,313 (47)
3. Recoveries of Loans and Advances	--	--	--	--	--	--	--	646	--	--
4. Total Revenue and Non debt capital receipts (1+2+3)	28	26	22	23	26	21	34	73	25	21
5. Public Debt Receipts	4,009	4,661	6,581	7,858	9,168	9,329	10,380	13,430	14,568	15,619
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3,762	2,677	1,781	2,080	1,849	2,249	2,553	2,411	1,984	3,371
Net transactions under Ways and Means Advances and Overdrafts	3,473 (92)	2,444 (91)	1,753 (98)	2,042 (98)	1,798 (97)	2,237 (99)	2,484 (97)	2,372 (98)	1,904 (96)	3,239 (96)
Loans and Advances from Government of India	--	--	--	--	--	--	--	--	--	--
Loans and Advances from Government of India	289 (8)	233 (9)	28 (2)	38 (2)	51 (3)	12 (1)	69 (3)	39	80 (4)	132 (4)
6. Total Receipts in the Consolidated Fund (4+5)	7,771	7,338	8,362	9,938	11,017	11,578	12,933	15,841	16,552	18,990
7. Contingency Fund Receipts	--	--	--	--	--	--	--	--	--	--
8. Public Account Receipts	5,033	5,030	4,933	5,265	6,223	6,760	6,821	8,507	9,237	9,146
9. Total Receipts of the State (6+7+8)	12,804	12,368	1,3295	1,5203	17,240	18,338	19,754	24,348	25,789	28,136

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	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Part-B Expenditure/disbursement										
10. Revenue Expenditure										
Plan	5,588	5,793	6,466	7,644	8,292	9,438	11,151	13,946	13,898	16174
	840(15)	978(17)	1,182(18)	1,325(17)	1,202(14)	877(9)	1,238(11)	1,652(12)	1,701(12)	2079(13)
Non Plan	4,748(85)	4,815(83)	5,284(82)	6,319(83)	7,090(86)	8,561(91)	9,913(89)	12,294(88)	12,197(88)	14095(87)
General Services (including interest payments)	2,483(44)	2,723(47)	2,818(42)	3,300(43)	3,429(41)	3,918(42)	4,377(39)	5,279(38)	5,690(41)	6618(41)
Social Services	1,933(35)	1,890(33)	2,309(36)	2,586(34)	2,876(35)	3,332(35)	3,902(35)	4,979(35)	5,147(37)	6131(38)
Economic Services	1,169(21)	1,177(20)	1,333(21)	1,755(23)	1,984(24)	2,184(23)	2,868(26)	3,682(26)	3,049(22)	3418(21)
Grants-in-aid and contributions	3(-)	3(-)	6(-)	3(-)	3 (-)	4 (-)	4 (-)	6(-)	12 (-)	7 (-)
11. Capital Expenditure	785	654	821	1,110	1,414	2,079	1,943	1,789	1,810	1955
Plan	781(100)	630(96)	820(100)	1,043(94)	1,313(93)	1,992(96)	1,895(98)	1,774(99)	1,764(97)	1859(95)
Non Plan	(-4)	24(4)	1(-)	67(6)	101(7)	87(4)	48(2)	15(1)	46(3)	96(5)
General Services	23(3)	30(5)	52(6)	61(5)	59(4)	64(3)	63(3)	73(4)	73(4)	74(4)
Social Services	304(39)	330(50)	369(45)	575(52)	586(42)	833(40)	610(31)	611(34)	372(21)	436(22)
Economic Services	458(58)	294(45)	400(49)	474(43)	769(54)	1,182(57)	1,270(65)	1,105(62)	1,365(75)	1445(74)
12. Disbursement of Loans and Advances	20	24	14	26	14	90	70	227	493	469
13. Total (10+11+12)	6,393	6,471	7,301	8,780	9,720	11,607	13,164	1,5962	16,201	18598
14. Repayments of Public Debt	1,855	1,659	1,308	1,311	937	885	867	870	1,128	2117
Internal Debt (excluding Ways and Means Advances and Overdrafts)	763(41)	581(35)	1,219(93)	1,182(90)	839	829	811	808	1,034	2056
Net transactions under Ways and Means Advances and Overdraft	152(8)	95(6)	23(2)	--	42	--	--	--	--	-
Loans and Advances from Government of India	940(51)	983(59)	66(5)	129(10)	56	56	56	62	94	61
15. Appropriation to Contingency Fund	-	-	-	-	-	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	8,248	8,130	8,609	10,091	10,657	12,492	14,031	16,832	17,329	20715
17. Contingency Fund disbursements	-	-	-	-	-	-	-	-	-	-
18. Public Account disbursements	4,789	4,027	4,387	5,370	5,737	5,690	6,421	7,162	8,526	8285
19. Total disbursement by the State (16+17+18)	13,037	12,157	12,996	15,461	16,394	18,182	20,452	23,994	25,855	29000

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Part C: Deficits										
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	(-) 1,607	(-) 1,158	(+) 93	(+) 191	(+) 850	(-) 130	(-) 805	(-) 1235	(+) 645	(-) 576
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-) 2,384	(-) 1,810	(-) 720	(-) 922	(-) 552	(-) 2,278	(-) 2,784	(-) 2,532	(-) 1,633	(-) 2979*
22. Primary Deficit (-)/Surplus (+) (21+23)	(-) 911	(-) 169	(+) 843	(+) 747	(+) 1,151	(-) 384	(-) 828	(-) 582	(+) 497	(-) 609
Part D: Other data										
23. Interest Payments (included in revenue expenditure)	1,473	1,641	1,563	1,669	1,703	1,894	1,956	1,950	2,130	2370
24. Financial Assistance to local bodies etc.,	273	275	380	399	467	582	718	849	981	1203
25. Ways and Means Advances/Overdraft availed (days)	250	120	13	01	-	-	-	-	-	-
Ways and Means Advances availed (days)		93	13	01	-	-	-	-	-	-
Overdraft availed (days)		27	-	-	-	-	-	-	-	-
26. Interest on Ways and Means Advances/ Overdraft	7.13	2.34	0.32	0.89	-	-	-	-	-	-
27 Gross State Domestic Product (GSDP) [@]	20,721 (9.6)	24076 (16.29)	27127 (12.7)	30280 (11.6)	33,962 (12.2)	41,483 (22.1)	48188 (16.16)	56355 (16.95)	63812 (13.23)	72076 (12.95)
28 Outstanding Fiscal liabilities (year end)	14437	16533	17432	18071	19,419	21,819	23,713	26,415	28,228	30442
29. Outstanding guarantees (year end) (including interest)	4,682	4,751	3,587	2,976	2,632	2,291	1,949	3,910	3,316	3353
30. Maximum amount guaranteed (year end)	6,144	6,409	5,526	6,347	6,450	6,076	4,361	6,232	6,208	9455
31. Number of incomplete projects	14	39	15	30	20	17	29	11	13	12
32. Capital blocked in incomplete projects	46	58	25	160	121	96	108	86	930	115
Part E: Fiscal Health Indicators										
I Resource Mobilization										
Own Tax revenue/GSDP	0.05	0.05	0.06	0.05	0.06	0.05	0.05	0.06	0.06	0.06
Own Non-Tax Revenue/GSDP	0.01	0.03	0.03	0.04	0.05	0.04	0.04	0.03	0.03	0.01
Central Transfers/GSDP	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.03	0.03	0.03

* Actual ₹ 2978.41 crore

@ GSDP figures communicated by the Government adopted.

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	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
II Expenditure Management										
Total Expenditure/GSDP	0.30	0.27	0.27	0.29	0.29	0.28	0.28	0.28	0.25	0.26
Total Expenditure/Revenue Receipts	1.6	1.4	1.11	1.12	1.06	1.25	1.27	1.26	1.11	1.19
Revenue Expenditure/Total Expenditure	0.87	0.90	0.89	0.87	0.85	0.81	0.85	0.87	0.86	0.86
Expenditure on Social Services/Total Expenditure	0.35	0.3	0.37	0.36	0.36	0.36	0.34	0.35	0.34	0.35
Expenditure on Economic Services/Total Expenditure	0.25	0.23	0.24	0.25	0.28	0.29	0.31	0.30	0.27	0.26
Capital Expenditure/Total Expenditure	0.12	0.10	0.11	0.13	0.15	0.18	0.15	0.11	0.11	0.11
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.12	0.10	0.11	0.12	0.14	0.17	0.14	0.11	0.11	0.10
III Management of Fiscal Imbalances (In per cent)										
Revenue deficit (surplus)/GSDP	(-) 7.76	(-) 5.02	(+) 0.37	(+) 0.67	2.50	(-) 0.31	(-) 1.67	(-) 2.19	(+) 1.01	(-) 0.80
Fiscal deficit/GSDP	(-) 11.51	(-) 7.86	(-) 2.83	(-) 3.26	(-) 1.63	(-) 5.49	(-) 5.78	(-) 4.49	(-) 2.56	(-) 4.13
Primary Deficit (surplus) /GSDP	(-) 4.40	(-) 0.70	3.11	2.47	3.39	(-) 0.93	(-) 1.72	(-) 1.03	(+) 0.78	(-) 0.84
Revenue Deficit/Fiscal Deficit	67.41	63.98	(-) 12.92	(-) 20.72	NA	(-) 5.71	(-) 28.92	(-) 48.78	NA	19.34
Primary Revenue Balance/GSDP (ratio)					(-) 0.025	(-) 0.049	(-) 0.059	(-) 0.058	(-) 0.024	0.041
IV Management of Fiscal Liabilities										
Fiscal Liabilities/GSDP	0.70	0.69	0.64	0.60	0.57	0.53	0.50	0.47	0.44	0.42
Fiscal Liabilities/RR	3.63	3.57	2.66	2.31	2.12	2.34	2.29	2.07	1.94	1.95
Primary deficit vis-à-vis quantum spread					1.741	(-) 0.153	(-) 0.823	(-) 0.284	(+) 0.250	(-) 0.44
Debt Redemption (Principal +Interest)/ Total Debt Receipts					1.02	0.92	0.94	0.22	0.23	0.26
V Other Fiscal Health Indicators										
Return on Investment	0.50	0.58	28.61	1.80	0.52	89.58	73.49	64.11	85.65	100.09
Balance from Current Revenue (₹ in crore)	(-) 2262	(-) 1585	(-) 191	(-) 281	(+) 113	(-) 1,423	(-) 2,642	(-) 2607	(-) 1,529	-3,284
Financial Assets/Liabilities	0.53	0.51	0.54	0.57	0.60	0.68	0.67	0.66	0.70	0.70

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Expenditure: Basic Parameters										
Revenue Expenditure (RE) (₹ in crore)	5588	5793	6466	7644	8,292	9,438	11,151	13946	13898	16174
Rate of Growth (<i>per cent</i>) RE	8.69	3.67	11.61	18.22	8.48	13.82	18.15	25.06	(-) 0.34	16.38
Non-Plan Revenue Expenditure (NPRE) (₹ in crore)	4748	4815	5284	6319	7,090	8,561	9,913	12294	12197	14095
Rate of Growth (<i>per cent</i>) NPRE	26.44	1.41	9.74	19.59	12.20	20.75	15.79	24.01	(-) 0.79	15.56
Plan Revenue Expenditure (₹ in crore)	840	978	1182	1325	1,202	877	1,238	1652	1701	2079
Rate of Growth (<i>per cent</i>) PRE	(-) 39.39	16.43	20.86	12.10	(-) 9.28	(-) 27.04	41.16	33.44	2.97	22.22
NPRE/GSDP (<i>per cent</i>)	26.29	23.96	23.60	22.33	20.88	20.64	20.57	21.81	19.11	19.56
RE/TE ² (<i>per cent</i>)	87.68	89.86	88.73	87.32	85.43	81.95	85.16	88.63	85.78	86.97
NPRE as <i>per cent</i> of TE	74.27	74.41	72.37	71.97	72.94	73.76	75.30	77.02	75.29	75.79
NPRE as <i>per cent</i> of RR	119.27	103.88	80.56	80.65	77.55	91.97	95.81	96.72	83.87	90.36
Percentage of NPRE to RE	84.97	83.12	81.72	82.67	85.50	90.70	88.90	88.15	87.76	87.15
PRE to RE	15.03	16.88	18.28	17.33	14.50	9.30	11.10	11.85	12.24	12.85
Buoyancy of Revenue Expenditure with										
GSDP (ratio)	0.91	0.23	0.914	1.575	0.70	0.63	1.123	1.48	(-) 0.015	1.26
RRs (ratio)	0.988	0.223	0.280	0.937	0.51	7.59	1.63	1.09	(-) 0.02	2.26
NPRE (ratio)	0.33	2.60	1.19	0.93	0.70	0.67	1.15	1.04	(-) 0.43	1.05
PRE (ratio)	(-) 0.22	0.22	0.56	1.51	(-) 0.91	(-) 0.51	0.44	0.75	(-) 0.12	0.74

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

² Total expenditure excludes loan and advances.

Appendix-1.4

(Reference: Paragraphs 1.1.1 Page 2)

Part-A

Abstract of Receipts and Disbursements for the year 2012-13

(₹ in crore)

Receipts					Disbursements					
		2011-12	2012-13			2011-12	2012-13			
							Non-Plan	Plan	Total	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Section-A Revenue										
I-Revenue Receipts		14542.86		15598.12	I-Revenue Expenditure	13897.97	14095.23	2079.02	16174.25	16174.25
(i) Tax revenue	4107.92		4626.15		General Services	5690.00	6571.26	46.93	6618.19	
(ii) Non-tax revenue	1915.20		1376.88		Social Services	5147.45	4852.53	1278.55	6131.08	
(iii) State's share of Union Taxes and Duties	1998.37		2282.02		Education, Sports, Art and Culture	2990.15	2902	537.42	3439.42	
(iv) Non-Plan Grants	2646.86		2526.31		Health and Family Welfare	797.30	791.10	160.59	951.69	
(v) Grants for State Plan Schemes	3342.38		4179.08		Water Supply, Sanitation, Housing and Urban Development	643.62	702.17	196.89	899.06	
(vi) Grants for Central Plan and Centrally Sponsored Plan Schemes	532.13		607.68		Information and Broadcasting	21.42	28.90	0.40	29.30	
					Welfare of Scheduled Castes, Scheduled Tribes and Other backward Classes	103.38	10.60	55.97	66.57	
					Labour and Labour Welfare	44.21	44.77	6.47	51.24	
					Social Welfare and Nutrition	536.81	360.85	316.94	677.79	
					Others	10.56	12.14	3.87	16.01	
					Economic Services	3048.55	2664.27	753.53	3417.80	
					Agriculture and Allied Activities	1101.85	731.94	464.46	1196.40	
					Rural Development	357.53	257.06	109.87	366.93	
					Irrigation and Flood Control	261.32	274.02	6.76	280.78	
					Energy	150.88	230.41	0.84	231.25	
					Industry and Minerals	57.16	35.73	33.04	68.77	
					Transport	1062.18	1087.84	109.92	1197.76	
					Science, Technology and Environment	6.28	2.87	2.31	5.18	
					General Economic Services	51.35	44.40	26.33	70.73	
					Grants-in-aid and Contributions	11.97	7.18	-	7.18	
Total		14542.86		15598.12	Total	13897.97			16174.25	16174.25
II-Revenue Deficit carried over to Section -B					II-Revenue surplus carried over to Section-B	644.89			(-) 576.13	
Total:		14542.86		15598.12	Total:	14542.86			15598.12	15598.12

Receipts					Disbursements					
		2011-12		2012-13			2011-12	2012-13		
								Non-Plan	Plan	Total
1.	2.	3	4.	5	6	7.	8.	9.	10	11
Section-B-Capital										
III-Opening cash balance including Permanent Advances and Cash Balance Investment		634.86		568.72	III- Opening overdraft from Reserve Bank of India					
IV- Misc. Capital Receipts	—			-	IV- Capital Outlay	1809.83	95.53	1859.27	1954.80	1954.80
					General Services	73.30	7.18	66.38	73.56	
					Social Services	371.87	-	435.74	435.74	
					Education, Sports, Art and Culture	97.73	-	144.90	144.90	
					Health and Family Welfare	29.19	-	54.79	54.79	
					Water Supply, Sanitation, Housing and Urban Development	225.37	-	223.27	223.27	
					Information and Broadcasting	0.12	-	0.27	0.27	
					Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	13.22	-	6.52	6.52	
					Social Welfare and Nutrition	5.83	-	5.53	5.53	
					Others	0.41	-	0.46	0.46	
					Economics Services	1364.66	88.35	1357.15	1445.50	
					Agriculture and Allied Activities	71.62	0.43	73.05	73.48	
					Other Rural Development Programmes			0.37	0.37	
					Irrigation and Flood Control	323.50	-	255.74	255.74	
					Energy	206.50	50	214.21	264.21	
					Industry and Minerals	14.52	-	15.83	15.83	
					Transport	686.44	37.92	696.18	734.10	
					General Economic Services	62.08	-	101.77	101.77	
					Total	1809.83			1954.80	
V-Recoveries of Loans and Advances		24.86		21.10	V- Loans and Advances disbursed	492.98			468.58	468.58
From Power Projects	1.22				For Power Projects	473.56			442.53	
From Government Servants	10.55		11.36		To Government Servants	6.13			8.21	
From Others	13.09		9.74		To others	13.29			17.84	
VI-Revenue surplus brought down		644.89		(-) 576.13	VI-Revenue deficit brought down	--			—	

Audit Report on State Finances for the year ended 31 March 2013

Receipts					Disbursements					
		2011-12	2012-13			2011-12	2012-13			
							Non-Plan	Plan	Total	
1.	2.	3	4.	5	6	7.	8.	9.	10	11
VII-Public Debt Receipts		1984.05		3371.30	VII-Repayment of Public Debt	1127.72				2116.96
Internal Debt other than Ways and Means Advances and Overdraft	1903.87		3239.48		Internal debt other than Ways and Means Advances and Overdraft		2055.92			
Net transactions under Ways and Means Advances including Overdraft --	--				Net transactions under Ways and Means Advances and Overdraft		-			
Loans and Advances from the Central Government	80.18		131.82		Repayment of Loans and Advances to Central Government		61.04			
VIII-Appropriation to Contingent Fund	--				VIII-Appropriation to Contingent Fund	--	-			
IX- Amount transferred to Contingent Fund	--				IX-Expenditure from Contingent Fund					
X- Public Account Receipts		9236.66		9145.77	X- Public Account disbursements	8526.07				8285.47
Small Savings and Provident Funds	2099.97		2832.33		Small Savings and Provident Funds				1720.59	
Reserve Funds	285.00		188.07		Reserve Funds				182.95	
Deposits and Advances	1780.24		1570.51		Deposits and Advances				1726.79	
Suspense and Miscellaneous	361.71		501.92		Suspense and Miscellaneous				428.50	
Remittances	4709.74		4052.94		Remittances				4226.64	
XI- Closing overdraft from Reserve Bank of India --	--	--			XI-Cash Balance at end	568.72				(-) 295.05
					Cash in Treasuries and Local Remittances				-	
					Departmental Cash Balance including Permanent Advances				0.19	
					Deposits with Reserve Bank				(-) 561.71	
					Cash Balance investment				266.47	
Total:		12525.32		12530.76	Total:	12525.32			12530.76	12530.76

Appendix-1.4

(Reference: Paragraphs 1.1.1 and 1.9.1; Pages 2 and 33)

Part-B

(₹ in crore)

Summarised financial position of the Government of Himachal Pradesh as on 31 March 2013			
Assets	As on 31 March 2012	As on 31 March 2013	
Gross Capital Outlay on Fixed Assets -	18610.82		20565.62
Investments in shares of Companies, Corporations, etc.	2448.06	2767.44	
Other Capital Outlay	16162.76	17798.18	
Loans and Advances -	951.40		1398.88
Loans for Power Projects	808.62	251.16	
Other Development Loans	98.72	1106.80	
Loans to Government servants and Miscellaneous loans	44.06	40.92	
Reserve Fund Investments	—		
Cash -	568.72		(-) 295.05
Cash in Treasuries and Local Remittances	2.14		-
Deposits with Reserve Bank of India	(-) 382.28	(-) 561.71	
Departmental Cash Balance	0.16	0.16	
Permanent Imprest	0.03	0.03	
Cash Balance Investments	948.67	266.47	
Cumulative excess of expenditure over receipts*	8692.54		9272.75
Total	28823.48		30942.20

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

Liabilities	As on 31 March 2012	As on 31 March 2013	
Internal Debt	18563.40		19746.95
Market Loans bearing interest	10146.61	11808.83	
Market Loans not bearing interest	0.07		
Loans from Life and General Insurance Corporation of India	282.71	234.28	
Loans from the NABARD	1278.06	1479.72	
Loans from National Co-operative Development Corporation	23.11	26.90	
Special securities issued to NSSF of the Central Government	5063.00	5348.50	
Compensation and other bonds	23.30	21.07	
Loans from other Institutions	1746.54	827.65	
Loans and Advances from Central Government -	947.30		1018.07
Non-Plan Loans	9.55	8.05	
Loans for State Plan Schemes	937.13	1009.89	
Loans for Central Plan Schemes	--	-	
Loans for Centrally Sponsored Plan Schemes	0.49	-	
Other Loans	0.13	0.13	
Contingency Fund	5.00		5.00
Small Savings, Provident Funds, etc.	6737.89		7849.63
Deposits	1757.82		1601.54
Reserve Funds	220.58		225.70
Suspense and Miscellaneous Balances	191.00		268.52
Remittance Balances	400.49		226.79
Total	28823.48		30942.20

Appendix-1.5

(Reference: Paragraphs 1.1.4 ; Page 6)

Gender Budgeting

1. Budgetary allocations to schemes to benefit women to extent of 100 per cent allocation

(₹ in crore)

Sr. no	Name of the scheme	Year	Outlay under			Expenditure under	
			Centre Share	State Share	Total	Centre Share	State Share
1	Mukhyamantri Kanya Dan Yojana	2010-11	--	1.31	1.31	--	1.16
		2011-12	--	1.42	1.42	--	1.17
		2012-13	--	1.45	1.45	--	1.45
2	Awareness Campaign	2010-11	--	0.13	0.13	--	0.13
		2011-12	--	--	--	--	--
		2012-13	--	0.12	0.12	--	0.12
3	Widow Remarriage	2010-11	--	0.23	0.23	--	0.18
		2011-12	--	0.31	0.31	--	0.20
		2012-13	--	0.35	0.35	--	0.26
4	Women Commission	2010-11	--	0.49	0.49	--	0.51
		2011-12	--	0.49	0.49	--	0.62
		2012-13	--	0.72	0.72	--	0.72
5	Sabla Nutrition	2010-11	1.86	1.85	3.71	1.86	1.85
		2011-12	3.21	3.21	6.42	3.21	3.21
		2012-13	6.66	3.00	9.66	6.66	3.00
6	Sabla Non-Nutrition	2010-11	--	--	--	--	--
		2011-12	--	1.82	1.82	--	1.82
		2012-13	0.98	--	0.98	0.98	--
7	Indira Gandhi Matri Sambal Yojana	2010-11	--	--	--	--	--
		2011-12	2.38	--	2.38	2.38	--
		2012-13	0.65	--	0.65	0.65	--
8	Kishori Shakti Yojana	2010-11	0.42	--	0.42	0.42	--
		2011-12	0.25	--	0.25	0.25	--
		2012-13	0.98	--	0.98	0.98	--
9	Financial assistance to victims of rape	2010-11	--	--	--	--	--
		2011-12	--	--	--	--	--
		2012-13	--	0.50	0.50	--	0.50
10	Scheme for providing alternative opportunities to women in moral danger	2010-11	--	--	--	--	--
		2011-12	--	--	--	--	--
		2012-13	--	1.00	1.00	--	1.00
	Total	2010-11	2.28	4.01	6.29	2.28	3.83
		2011-12	5.84	7.25	13.09	5.84	7.01
		2012-13	9.27	7.14	16.41	9.27	7.05

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

Sr. no	Name of the scheme	Year	Outlay under			Expenditure under	
			Centre Share	State Share	Total	Centre Share	State Share
1	Mother Terressa Matri Ashay Yojana	2010-11	--	2.76	2.76	--	2.76
		2011-12	--	2.98	2.98	--	2.98
		2012-13	--	4.24	4.24	--	4.24
2	Special Nutrition Programme	2010-11	24.66	15.30	39.96	24.66	15.30
		2011-12	28.19	20.40	48.59	28.19	16.19
		2012-13	29.66	29.40	59.06	29.66	29.40
3	Mata Shabri Sashaktikaran Yojana	2010-11	--	--	--	--	--
		2011-12	--	0.66	0.66	--	0.66
		2012-13	--	0.66	0.66	--	0.66
	Total	2010-11	24.66	18.06	42.72	24.66	18.06
		2011-12	28.19	24.04	52.23	28.19	19.83
		2012-13	29.66	34.30	63.96	29.66	34.30

Appendix-1.6

(Reference: Paragraph 1.2.2; Page 10)

Statement showing the funds transferred directly to the State Implementing Agencies by the GoI under Programme/Schemes during 2012-13

(₹ in crore)

Direct transfer of Central Scheme Fund to implementing agencies in the State(Funds routed outside State Budget) (unaudited figures)			
Govt. of India Scheme	Implementing Agency	GoI releases	
		2012-13	2011-12
National Rural Employment Guarantee Act	Project Director, DRDAs	361.30	311.38
Total		361.30	311.38
Sarva Shiksha Abhiyan	H.P. Primary Education Society	107.37	141.93
Total		107.37	141.93
National Institute of Technology NIT DHE	NIIT Hamirpur	45.00	70.00
Total		45.00	70.00
Pradhanmantri Gram Sadak Yojna	H.P. Gram Sadak Dev. Agency	--	310.30
Total		--	310.30
Integrated Watershed Management Programme(IWMP)	Project Director DRDA	13.43	67.78
Total		13.43	67.78
Package for Special Category State	H.P. State Industrial Development Corporation	25.06	101.37
Total		25.06	101.37
Development of Tourist Destinations	H.P. Tourism Dev. Board	23.84	2.70
Total		23.84	2.70
Product/ Infrastructure	H.P. Tourism Dev. Board	10.69	--
Total		10.69	--
Rural Housing IAY	Project Director DRDAs	29.00	23.09
Total		29.00	23.09
MPs Local Area Development	Deputy Commissioners	37.50	--
Total		37.50	--
Swaran Jayanti Gram Swarojgar Yojna	Project Director DRDAs	5.92	11.01
Total		5.92	11.01
DRDA Administration	Project Director DRDAs	4.27	10.24
Total		4.27	10.24
Hospitals and Dispensaries (Under NRHM)	Society for the Development of Ayush Institutions in H.P.	1.19	8.75
	National Rural Health Mission(Centrally sponsored)	60.26	164.71
	National Rural Health Mission(Central Sector)	0.57	0.61
Total		62.02	174.07

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Govt. of India Scheme	Implementing Agency	GoI releases	
		2012-13	2011-12
Central Rural Sanitation Scheme	State Water and Sanitation Mission	16.67	4.70
Total		16.67	4.70
E-Governance	SITEG	6.05	0.90
Total		6.05	0.90
National Aids Control Programme Including STD Control	HP State Aids Control Society	8.88	12.90
Total		8.88	12.90
Support to State for Extension Reforms	State Agricultural Management & Extension Training Institute H.P.	9.31	14.48
Total		9.31	14.48
Rashtriya Gram Swaraj Yojna	Principal Panchayati Raj Training Institute Shimla	4.40	4.24
Total		4.40	4.24
National Afforestation Programme	State Forest Development Agency	3.62	0.33
Total		3.62	0.33
National Rural Drinking Water Programme	State Water and Sanitation Mission	102.24	146.03
Total		102.24	146.03
Panchayat Yuva Krida and Khel Abhiyan(PYKKA)	H.P. Sports Council	7.60	4.90
Total		7.60	4.90
Studies in Agricultural Economic Policy and Development	H.P. University Shimla	3.01	3.57
Total		3.01	3.57
Research and Designing in New and Renewable Energy Technologies	CSK HP Krishi Vishwavidyalaya	0.09	0.18
Total		0.09	0.18
Rashtriya Madhyamic Shiksha Abhiyan	HP State Primary Education Society	20.35	--
Total		20.35	--
Others	--	294.82	--
Total		294.82	--
Grand Total		1202.44	

Source: CPSMS Portal of C.G.A.

Appendix-1.7

(Reference: Paragraph 1.8.2.2; Page 30)

Statement showing PPP Projects by Central Ministries/State Government

(i) Projects under implementation

Sr. No.	Items	Mode- BOT/BOOT/BOL T/BOO etc.	Total project Cost	Pattern of Investment/Fundin g	Project Duration (No. of years)	Other concessions granted by State/Centre	Benefitted Population	Whether included in 12 th Plan	Viability Gap Funding by GOI	Grant by State	Other Remarks, if any
1	Urban Transport (Bus Stands)										
(i)	Parwanu Bus Stand	DBOT	6.87	-	25	-	-	-	-	-	-
(ii)	Una Bus Stand	DBOT	50.50	-	30	-	-	-	-	-	-
(iii)	Hamirpur Bus Stand	DBOT	65.90	-	30	-	-	-	-	-	-
2	Solid Waste (Solid Waste Management for Shimla town)	BOOT	16.04	Gol share: 12.83 State share: 1.60 ULB share 1.60	20	-	3 lacs appr.	-	-	1.60	Request has been sent to the State Government to bear ULB share
3	Other Urban Infrastructure										
i.	Development of Parking cum-Commercial Complex, Sanjauli	DBOT	24.70	Total project cost is to be borne by the Concessionaire	30	-	20,000 appr.	-	-	-	-
ii.	Development of Parking- cum-Commercial complex, lift, Shimla	DBOT	46.11		30	-	35,000 appr.	-	-	-	-
iii.	Development of Parking- cum-Commercial complex, Chotta Shimla	DBOT	11.68		30	-	12,000 appr.	-	-	-	-
iv.	Development of Parking- cum-Commercial complex, Vikasnagar, Shimla	DBOT	--		40	-	8,000 appr.	-	-	-	-
v.	Development of Parking- cum-Commercial complex, Palampur, Kangra	DBOT	7.00		40	-	4,000 appr.	-	-	-	-
vi.	Development of Parking complex, Mandi	DBOT	60.00		40	--	6,000 appr.	--	--	-	-
vii.	Development of Parking complex, Bilaspur	DBOT	8.00		40	-	4,500 appr	--	--	-	-

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Sr. No.	Items	Mode- BOT/BOOT/BOL T/BOO etc.	Total project Cost	Pattern of Investment/ Funding	Project Duration (No. of years)	Other concessions granted by State/Centre	Benefitted Population	Whether included in 12 th Plan	Viability Gap Funding by GOI	Grant by State	Other Remarks, if any
4	Tourism Projects										
(i)	Shivalik to Jakhoo Ropeway	BOT	12.00	-	40	-	-	--	-	-	Agreement signed on 16.03.2006
(ii)	Neugal (Palampur) Ropeway	BOT	2.00	-	40	-	-	-	-	-	Agreement signed on 26.03.2012
(iii)	Palchan to Rohtang Ropeway	BOT	245.00	-	40	-	-	-	-	-	Project awarded and Concession Agreement being signed
(iv)	Bhuntar to Bijli Mahadev Ropeway	BOT	61.88	-	40	-	-	-	-	-	Project awarded and Concession Agreement being signed

(ii) Completed projects

(₹ in crore)

Sr. No.	Items	Mode- BOT/BOOT/BO LT/BOO etc.	Total project Cost	Pattern of Investment/Fundi ng	Project Duration (No. of years)	Other concessions granted by State/Centre	Benefitted Population	Whether included in 12 th Plan	Viability Gap Funding by GOI	Grant by State	Other Remarks, if any
Sector											
1	Urban Transport										
(i)	Tutikandi Bus Stand	BOT	16.00	6	17	-	-	-	-	-	-
(ii)	Kangra Bus Stand	BOT	9.50	-	17	-	-	-	-	-	-
2	Tourism Projects (Ropeway-cum-Ski Centre at Solang Nallah, Manali)	BOOT	15.00	-	40	-	-	-	-	-	Commercial operation started from 23.01.2011
Social Service Sector											
3	Health Services										
	Emergency Medical Transport Service	PPP	91.30	14.69	5	-	68 lacs	-	-	15.03	-

Appendix 1.8

(Reference: Paragraphs 1.8.2.2; Pages 31)

Position of investment in PPP Projects

A. Parking Complex

Points	1. Concession agreement for Development of Parking Complex at Sanjauli, Shimla	2. Concession Agreement for Development of Parking complex at Chhota Shimla	3. Concession agreement for development of Parking complex at Lift, Shimla.
Agreement date	04 February 2011	12 October 2010	26 February 2011
Notice of award	18 November 2010	05 August 2010	18 November 2010
Concessioneing Authority(CA)	Municipal Corporation, Shimla	Municipal Corporation, Shimla	Municipal Corporation, Shimla
Concessionaire	M/S Tania Sanjauli Parkings Pvt. Ltd, Kolkatta	M/S P.K. Construction Co., Khalini, Shimla(H.P)	M/S Shimla Tolls & Projects Pvt. Ltd.
Type of Project	Design Build Operate Transfer(DBOT)	Design Build Operate Transfer(DBOT)	Design Build Operate Transfer(DBOT)
Const. Period	12 months starting from the compliance date.	12 months starting from the compliance date.	15 months starting from the compliance date.
Concession period	30 years	30 years	30 years
1. Transfer of assets and liabilities by concessionaire.	1.On the transfer date the concessionaire shall hand over the project site, parking complex and project assets to CA at zero cost. 2.The CA shall be responsible for the costs and expenses incurred in connection with the transfer of the project.	1.On the transfer date the concessionaire shall hand over the project site, parking complex and project assets to CA at zero cost. 2.The CA shall be responsible for the costs and expenses incurred in connection with the transfer of the project.	1.On the transfer date the concessionaire shall hand over the project site, parking complex and project assets to CA at zero cost. 2.The CA shall be responsible for the costs and expenses incurred in connection with the transfer of the project.
Performance Security	Construction performance security- ₹100.00 lakh in shape of Bank Guarantee (BG) till issuance of construction completion certificate. O & M performance security- ₹40 lakh in shape of BG valid up to two months after the issuance of Concession Agreement Completion Certificate.	Construction performance security- ₹75.00 lakh in shape of BG till issuance of Construction Completion Certificate. O & M performance security- ₹30 lakh in shape of BG valid up to two months after the issuance of Concession Agreement Completion Certificate.	Construction performance security- ₹150 lakh in shape of BG till issuance of construction completion certificate. O & M performance security- ₹60 lakh in shape of BG valid up to two months after the issuance of Concession Agreement Completion Certificate

<p>2. Contingent liabilities of the CA.</p>	<p>1. Termination</p> <p>a. Upon termination by the concessionaire on a/c of CA event of default the concessionaire shall be entitled to receive from the CA by way of termination payment a sum equal to the lowest of the following</p> <p>(i) 100 <i>per cent</i> of the book value of Project Assets based on historic investment (net of depreciation) created by concessionaire less intangible assets.</p> <p>(ii) 100 <i>per cent</i> debt due less pending insurance claims.</p> <p>b. Upon termination by CA on account of concessionaire event of default during O&M period, the concessionaire shall be entitled to receive from the CA by the way of termination payment a sum equal to the lowest of the following</p> <p>(i) 75 <i>percent</i> of the book value of Project Assets based on historic investment (net of depreciation) created by concessionaire less intangible assets.</p> <p>(ii) 75 <i>percent</i> debt due less pending insurance claims. In addition, if the termination by the CA shall also forfeit the performance security.</p> <p>2. Force Majeure(FM)</p> <p>a. Where the FM event is an indirect political event one half of the costs (exceeding insurance cover) shall be reimbursed by the CA to concessionaire.</p> <p>b. Where the FM event is political event, the FM costs to the extent actually incurred shall be reimbursed by the CA to concessionaire</p> <p>c. If termination is on</p>	<p>1. Termination</p> <p>a. Upon termination by the concessionaire on a/c of CA event of default the concessionaire shall be entitled to receive from the CA by way of termination payment a sum equal to the lowest of the following</p> <p>(i) 100 <i>per cent</i> of the book value of Project Assets based on historic investment (net of depreciation) created by concessionaire less intangible assets.</p> <p>(ii) 100 <i>per cent</i> debt due less pending insurance claims.</p> <p>b. Upon termination by CA on account of concessionaire event of default during O&M period, the concessionaire shall be entitled to receive from the CA by the way of termination payment a sum equal to the lowest of the following</p> <p>(i) 75 <i>percent</i> of the book value of Project Assets based on historic investment (net of depreciation) created by concessionaire less intangible assets.</p> <p>(ii) 75 <i>percent</i> debt due less pending insurance claims. In addition, if the termination by the CA shall also forfeit the performance security.</p> <p>2. Force Majeure(FM)</p> <p>a. Where the FM event is an indirect political event one half of the costs (exceeding insurance cover) shall be reimbursed by the CA to concessionaire.</p> <p>b. Where the FM event is political event, the FM costs to the extent actually incurred shall be reimbursed by the CA to concessionaire.</p>	<p>1. Termination</p> <p>a. Upon termination by the concessionaire on a/c of CA event of default the concessionaire shall be entitled to receive from the CA by way of termination payment a sum equal to the lowest of the following</p> <p>(i) 100 <i>per cent</i> of the book value of Project Assets based on historic investment (net of depreciation) created by concessionaire less intangible assets.</p> <p>(ii) 100 <i>per cent</i> debt due less pending insurance claims.</p> <p>b. Upon termination by CA on account of concessionaire event of default during O&M period, the concessionaire shall be entitled to receive from the CA by the way of termination payment a sum equal to the lowest of the following</p> <p>(i) 75 <i>percent</i> of the book value of Project Assets based on historic investment (net of depreciation) created by concessionaire less intangible assets.</p> <p>(ii) 75 <i>percent</i> debt due less pending insurance claims. In addition, if the termination by the CA shall also forfeit the performance security.</p> <p>2. Force Majeure(FM)</p> <p>a. Where the FM event is an indirect political event one half of the costs (exceeding insurance cover) shall be reimbursed by the CA to concessionaire.</p> <p>b. Where the FM event is political event, the FM costs to the extent actually incurred shall be reimbursed by the CA to concessionaire</p> <p>c. If termination is on account of non-political event the concessionaire shall be entitled to receive from the CA by way of termination payment a sum equal to lowest of the following:</p> <p>(i) 90 <i>per cent</i> of the book value</p>
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	<p>account of non-political event the concessionaire shall be entitled to receive from the CA by way of termination payment a sum equal to lowest of the following:</p> <p>(i) 90 <i>per cent</i> of the book value of Project Assets based on historic investment (net of depreciation) created by concessionaire less intangible assets. or</p> <p>(ii) 90 <i>per cent</i> of debt less pending insurance claims.</p> <p>d. If termination is on account of Indirect political event & Political event the concessionaire shall be entitled to receive from the CA by way of termination payment a sum equal to lowest of the following:</p> <p>(i) 100 <i>per cent</i> of the book value of Project Assets based on historic investment (net of depreciation) created by concessionaire less intangible assets. or</p> <p>(ii) 100 <i>per cent</i> of debt less pending insurance claims.</p>	<p>c. If termination is on account of non-political event the concessionaire shall be entitled to receive from the CA by way of termination payment a sum equal to lowest of the following:</p> <p>(i) 90 <i>per cent</i> of the book value of Project Assets based on historic investment (net of depreciation) created by concessionaire less intangible assets. or</p> <p>(ii) 90 <i>per cent</i> of debt less pending insurance claims.</p> <p>d. If termination is on account of Indirect political event & Political event the concessionaire shall be entitled to receive from the CA by way of termination payment a sum equal to lowest of the following:</p> <p>(i) 100 <i>per cent</i> of the book value of Project Assets based on historic investment (net of depreciation) created by concessionaire less intangible assets. or</p> <p>(ii) 100 <i>per cent</i> of debt less pending insurance claims.</p>	<p>of Project Assets based on historic investment (net of depreciation) created by concessionaire less intangible assets. or</p> <p>(ii) 90 <i>per cent</i> of debt less pending insurance claims.</p> <p>d. If termination is on account of Indirect political event & Political event the concessionaire shall be entitled to receive from the CA by way of termination payment a sum equal to lowest of the following:</p> <p>(i) 100 <i>per cent</i> of the book value of Project Assets based on historic investment (net of depreciation) created by concessionaire less intangible assets. or</p> <p>(ii) 100 <i>per cent</i> of debt less pending insurance claims.</p>
3. Revenue sharing and flow of revenue from the project.	<p>The annual concession fee payable to CA shall be the amount quoted by the concessionaire for development of project (₹0.95 crore) which shall be increased @ 10 <i>per cent</i> after every two years over the previous annual concession fee.</p>	<p>The annual concession fee payable to CA shall be the amount quoted by the concessionaire for development of project (₹0.36 crore) which shall be increased @ 10 <i>per cent</i> after every two years over the previous annual concession fee.</p>	<p>The annual concession fee payable to CA shall be the amount quoted by the concessionaire for development of project (₹1.00 crore) which shall be increased @ 10 <i>per cent</i> after every two years over the previous annual concession fee.</p>
4. Accounts & Audit	<p>By the firm of chartered accountants out of ten mutually agreed firms of chartered accountants as Statutory Auditors. All fees and expenses of Statutory Auditors will be borne by concessionaire.</p>	<p>By the firm of chartered accountants out of ten mutually agreed firms of chartered accountants as Statutory Auditor. All fees and expenses of Statutory Auditors will be borne by concessionaire.</p>	<p>By the firm of chartered accountants out of ten mutually agreed firms of chartered accountants as Statutory Auditor. All fees and expenses of Statutory Auditors will be borne by concessionaire.</p>

B. Ropeways

Points	1. Concession agreement for Development of Passenger ropeway at Neugal (Palampur) (Agreement date 26-03-2012-BOT basis)	2. Concession Agreement for Jakhoo Ropeway Project. (Agreement date 16-03-2006-BOT basis)	3. Ropeway-cum-ski centre Project at Solang (Kullu) (Agreement date 18-01-2003-BOT basis)
Concession period	Maximum 40 years including construction period.	Maximum 40 years including construction period.	Maximum 40 years including construction period.
1. Transfer of assets and liabilities by concessionaire	a. At nil value after concessioning period as per agreement. b. CA shall be responsible for the cost and expenses incurred in connection with transfer of the project assets and the project to CA	a. At zero cost after concessioning period as per agreement. b. CA shall not be responsible for the cost and expenses incurred in connection with transfer of the project assets and the project to CA.	a. Depreciated book value after concessioning period as per agreement. b. Promoter shall be responsible for the cost and expenses incurred in connection with the transfer of the project assets. The government shall at its own cost obtain or effect all other clearance and take such other actions as may be necessary for such transfer.
Performance Security	Performance security ₹10.00 lakh in shape of Bank Guarantee (BG) valid for six months beyond construction period and refundable to concessionaire after commissioning of ropeway	Construction period performance security ₹10.00 lakh in shape of Bank Guarantee (BG). Operation period performance security (BG) ₹10.00 lakh or sum equivalent to one year's MGA whichever is higher to CA on achieving the project construction completion. The amount of security deposit shall periodically escalate in accordance with escalation of WPI.	Construction period performance security ₹20.00 lakh in shape of Bank Guarantee (BG). Operation period performance security. ₹10.00 lakh for the first operating year and thereafter renew the BG for the succeeding operating years.
Land	Own cost by concessionaire. However no land lease charges shall be levied for government land/forest land/private land arranged by the concessionaire.	The concessionaire should obtain a license for Right of Way (ROW) from the CA for acquiring the site. The CA shall pay the ROW and license fee for the same.	1. GoHP will provide land free of encumbrance -Section 4 (P10 of clarification to observation). 2. Land lease rentals are to be included in the license fee.
2. Contingent liabilities of the CA	Force Majeure (FM). 1. Where the FM event is an indirect political event one half of the costs (exceeding insurance cover) shall be reimbursed by the CA to concessionaire. 2. When the FM is political event, the FM cost to the extent actually incurred shall be reimbursed by the CA to the concessionaire. 3. (a) If the termination is on account of non-political event the concessionaire	Force Majeure (FM) 1. Termination In the event of promoter terminate this agreement for the government's event of default the promoter shall transfer the project assets and project to government in accordance with article 3 clause 3.3 and the government shall accept such transfer, the government shall refund the performance security or the operational period performance security, as the case may be to the promoter and pay 1.15 time the	Force Majeure (FM) 1. Termination In the event of promoter terminate this agreement for the government's event of default the promoter shall transfer the project assets and project to government in accordance with article 14 and the government shall accept such transfer, the government shall refund the performance security or the operational period performance security, as the case may be to the promoter and pay 1.15 time the depreciated value of the

	<p>shall be entitled to receive from the CA by way of termination payment a sum equal to lowest of the following</p> <p>i. 90 <i>per cent</i> of book value of project assets less intangible assets.</p> <p>ii. 90 <i>per cent</i> of debt due less pending insurance claim.</p> <p>(b) If the termination is on account of indirect political events and political events.</p> <p>i. 100 <i>per cent</i> of book value of project assets less intangible assets.</p> <p>ii. 100 <i>per cent</i> of debt due less insurance claims.</p>	depreciated value of the project asset.	project asset.
3. Revenue sharing and the flow of revenue from the project	The concessionaire will pay Minimum Guaranteed Amount (MGA) of ₹6.00 lakh to CA during the first year of concession and this shall be escalated @ 2.5 <i>percent</i> annually after 5 th year from the date of commissioning of the project. Payable on quarterly basis within seven days of commencement of the respective quarter.	The MGA for the first year of operation or day of completion of the project will be ₹57 lakh or 15 <i>percent</i> of gross revenue earned from the project whichever is higher to the CA per year. The MGA shall be escalated every year at an average value of Wholesale Price Index (WPI) for previous year. Payable on quarterly basis within seven days of commencement of the respective quarter. First such payment shall be made at the time of commissioning of the project.	1. The promoter shall be liable to pay license fee for at least 38 years (unless the agreement is terminated sooner as per the provision of this agreement) as per the bid. For this purpose the amount indicated in the financial bid against the year 2004 shall be deemed to be license fee payable in the first year of operation
4. Auditing Arrangements	Independent Auditor would be appointed to check financial books, if required.	Independent Auditor would be appointed jointly by concessionaire and CA.	As it is operated under BOOT no concrete information regarding auditing arrangement was found in the agreement although under financial information it has been mentioned that annual audited accounts delivered within 180 days.

Appendix-2.1

(Reference: Paragraph 2.3.1; Page 52)

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

(₹ in crore)

Sr. No.	Grant No.	Name of the Grant	Total Grant	Savings	Percentage
Revenue-Voted					
1.	03	Administration of Justice	109.79	14.78	
2.	04	General Administration	122.34	1.30	
3.	05	Land Revenue and District Administration	469.04	27.31	
4.	06	Excise and Taxation	49.01	7.48	
5.	07	Police and Allied Organisations	631.15	2.89	
6.	08	Education	3184.41	119.99	
7.	09	Health and Family Welfare	922.89	62.12	
8.	11	Agriculture	239.43	39.96	
9.	12	Horticulture	115.22	4.42	
10.	15	Planning and Backward Area Sub-Plan	46.71	6.89	
11.	16	Forest and Wildlife	338.14	9.67	
12.	18	Industries, Minerals, Supplies and Information Technology	64.17	3.04	
13.	20	Rural Development	405.99	72.69	
14.	21	Co-operation	23.30	1.57	
15.	23	Power Development	269.83	39.93	
16.	28	Urban Development, Town and Country Planning and Housing	179.40	8.28	
17.	29	Finance	2826.94	32.62	
18.	30	Miscellaneous General Services	61.60	1.02	
19.	31	Tribal Development	655.91	24.05	
20.	32	Scheduled Caste Sub-Plan	451.08	22.54	
Capital-Voted					
21.	01	Vidhan Sabha	3.68	1.56	42
22.	04	General Administration	2.87	2.62	91
23.	09	Health and Family Welfare	46.11	2.00	
24.	10	Public Works – Roads, Bridges and Buildings	546.35	45.41	
25.	15	Planning and Backward Area Sub-Plan	146.98	11.94	
26.	19	Social Justice and Empowerment	9.16	1.96	21
27.	29	Finance	11.16	5.07	45
28.	31	Tribal Development	166.51	8.54	
29.	32	Scheduled Caste Sub-Plan	552.28	61.22	

Appendix-2.2

(Reference: Paragraph 2.3.3; Page 53)

Statement of various grants/ appropriations where expenditure was more than ₹one crore each of the total provision

(₹ in crore)

Sr. No.	Grant No.	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Expenditure	Excess Expenditure
Revenue-Voted					
1.	10	Public Works-Roads, Bridges and Buildings	2104.30	2139.87	35.57
2.	14	Animal Husbandry, Dairy Development and Fisheries	208.71	213.31	4.60
3.	19	Social Justice and Empowerment	423.19	424.34	1.15
Revenue-Charged					
4.	29	Finance	2296.91	2369.97	73.06
Capital-Voted					
5.	13	Irrigation, Water Supply and Sanitation	305.77	323.98	18.21
Capital-Charged					
6.	29	Finance	1937.30	2116.96	179.66
Total			7276.18	7588.43	312.25

Appendix-2.3

(Reference: Paragraph 2.3.7; Page 56)

Excess over provision of previous years requiring regularisation

(₹ in crore)

Year	Number of Grants/ Appropriations	Grant/Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2009-10	19 Grants 1 Appropriation	1, 2, 4, 5, 6, 7, 8, 10, 13, 14, 16, 19, 23, 25, 26, 27, 28, 29 and 32 10	887.80	Suo moto replies from the Finance Department are still awaited. Report yet to be discussed by PAC.
2010-11	19 Grants 2 Appropriations	1, 4, 5, 7, 9, 10, 11, 12, 13, 14, 16, 18, 23, 26, 27, 29, 30, 31, and 32 2 and 10	2237.64	
2011-12	6 Grants 1 Appropriation	9, 10, 13, 15, 21 and 23 29	752.51	Due for discussion from 09 July 2013. Suo moto replies from the Finance Department are still awaited. Report yet to be discussed by PAC.
Total			3877.95	

Appendix-2.4

(Reference: Paragraph 2.3.8; Page 57)

Excess over provision during 2012-13 requiring regularisation

(In ₹)

Sr. No.	Number and title of Grant/ Appropriation	Total Grant	Expenditure	Excess
Revenue-Voted				
1.	01-Vidhan Sabha	16,98,88,000	17,11,23,111	12,35,111
2.	02-Governor and Council of Ministers	6,50,26,000	6,71,33,455	21,07,455
3.	10-Public Works-Roads, Bridges and Buildings	2104,29,91,000	2139,86,85,297	35,56,94,297
4.	13-Irrigation, Water Supply and Sanitation	1387,90,21,000	1673,11,07,887	285,20,86,887
5.	14-Animal Husbandry, Dairy Development and Fisheries	208,71,24,000	213,31,55,296	4,60,31,296
6.	19-Social, Justice and Empowerment	423,19,12,549	424,34,48,253	1,15,35,704
Revenue-Charged				
7.	02-Governor and Council of Ministers	4,12,43,000	4,18,27,354	5,84,354
8.	03-Administration of Justice	29,29,33,000	29,35,50,586	6,17,586
9.	29-Finance	2296,90,60,327	2369,96,73,574	73,06,13,247
Capital-Voted				
10.	03-Administration of Justice	21,19,11,000	21,21,58,857	2,47,857
11.	11-Agriculture	72,81,16,000	72,84,82,068	3,66,068
12.	13-Irrigation, Water Supply and Sanitation	305,77,23,000	323,98,62,146	18,21,39,146
13.	18-Industries, Minerals, Supplies and Information Technology	20,56,00,000	27,55,61,800	6,99,61,800
14.	21-Co-operation	85,27,000	11,42,14,000	10,56,87,000
15.	23-Power Development	393,56,01,000	481,09,19,000	87,53,18,000
Capital-Charged				
16.	29-Finance	1937,29,98,000	2116,96,21,383	179,66,23,383
Total		9229,96,74,876	9933,05,24,067	703,08,49,191 or say ₹703.08 crore

Appendix-2.5

(Reference: Paragraph 2.3.9; Page 57)

Cases where supplementary provisions proved unnecessary

(In thousand of ₹)

Sr. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original provision	Supplementary provision
Revenue-Voted					
1.	03-Administration of Justice	108,07,56	95,00,75	13,06,81	1,71,64
2.	08-Education	3108,57,72	3064,42,12	44,15,60	75,83,48
3.	09-Health and Family Welfare	901,74,32	860,77,07	40,97,25	21,14,39
4.	11-Agriculture	208,19,25	199,46,92	8,72,33	31,23,32
5.	20-Rural Development	377,89,00	333,30,27	44,58,73	28,09,99
Capital-Voted					
6.	10-Public Works,- Roads, Bridges and Buildings	538,11,00	500,93,90	37,17,10	8,24,17
7.	32-Scheduled Caste Sub-Plan	533,17,07	491,06,63	42,10,44	19,11,30
Total		5775,75,92	5544,97,66	230,78,26	185,38,29 or say ₹185.38 crore

Appendix-2.6

(Reference: Paragraph 2.3.9; Page 57)

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

(₹ in crore)

Sr. No.	Grant Number	Name of the Grants and Appropriation	Original Provision	Supplementary provision	Total	Expenditure	Excess
Revenue-Voted							
1.	19	Social Justice and Empowerment	379.92	43.27	423.19	424.34	1.15
Revenue-Charged							
2.	29	Finance	2249.67	47.24	2296.91	2369.97	73.06
Capital-Voted							
3.	18	Industries, Minerals, Supplies and Information Technology	15.76	4.80	20.56	27.56	7.00
Total			2645.35	95.31	2740.66	2821.87	81.21

Appendix-2.7

(Reference: Paragraph 2.3.10; Page 57)

Excess/Unnecessary/Insufficient re-appropriation of funds

(₹ in lakh)

Sr. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1.		1	Vidhan Sabha	2011-02-103-01	(-) 51.50 52.95
2.		5	Land Revenue and District Administration	2029-103-02	(-) 659.22 144.95
3.	1.		2053-093-01	(-) 740.42	(-) 249.34
4.			2053-094-01	(-) 175.09	10.38
5.			2245-80-102-01	(-) 0.01	22.79
6.		6	Excise and Taxation	2045-104-02	(-) 69.60 (-) 13.96
7.			4216-01-106-08	(-) 117.55	(-) 22.88
8.		7	Police and Allied Organisations	2070-104-01	(-) 4.81 (-) 63.41
9.			2055-116-01	28.62	41.06
10.		9	Health and Family Welfare	2210-01-001-02 (NP)	(-) 361.18 (-) 16.14
11.				2210-01-001-02	(-) 19.93 (-) 19.68
12.				2210-01-110-03	(-) 1120.97 (-) 149.72
13.				2210-01-200-01	(-) 410.22 26.53
14.				2210-02-001-02	(-) 366.22 (-) 103.46
15.				2210-03-110-01 (NP)	(-) 1904.11 170.35
16.				2210-03-110-01	(-) 199.00 189.33
17.				2210-04-101-02	(-) 609.59 15.70
18.				2210-06-101-07	(-) 108.32 (-) 10.59
19.				2211-101-01	(-) 503.29 (-) 46.09
20.				2235-60-200-10	110.00 (-) 110.30
21.				2210-05-105-04	(-) 15.61 51.44
22.		10	Public Works-Roads, Bridges and Buildings	2059-80-053-05	194.00 24.69
23.				3054-03-103-06	500.00 30.35
24.	2.		3054-03-103-12	347.40	571.05
25.	3.		3054-03-103-13	(-) 294.40	847.75
26.	4.		3054-04-105-02 (NP)	159.50	570.01
27.	5.		3054-04-105-02	2300.00	(-) 217.74
28.	6.		3054-04-105-07	(-) 5508.18	7010.56
29.			2059-80-001-01	(-) 177.00	34.81
30.	7.		2059-80-053-03	(-) 964.79	(-) 386.91
31.	8.		2059-80-053-04	(-) 68.81	(-) 313.11
32.	9.		2059-80-053-06	5.00	(-) 780.82
33.			3054-03-103-04	(-) 103.95	35.95

Sr. No.		Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
34.				3054-03-103-05	(-) 159.39	46.23
35.				3054-03-103-06	(-) 690.00	181.48
36.	10.			3054-03-103-08	(-) 390.00	269.79
37.				3054-03-103-10	(-) 1702.30	182.42
38.	11.			3054-03-103-11	(-) 1699.05	(-) 3321.10
39.	12.			3054-03-103-14	(-) 1752.06	1407.80
40.				3054-04-105-03	(-) 3330.00	24.07
41.	13.			3054-04-105-06	(-) 5508.18	(-) 8729.63
42.				3054-80-001-01	(-) 252.26	(-) 32.44
43.				4059-80-051-05	10.50	(-) 19.78
44.	14.			5054-03-337-03	(-) 4800.00	448.93
45.				5054-03-337-06	(-) 151.00	60.44
46.				5054-03-337-04	115.17	46.80
47.				5054-04-337-07	114.83	15.88
48.	15.	11	Agriculture	2401-001-01 (NP)	(-) 676.01	589.71
49.	16.			2401-001-01 (P)	600.00	(-) 600.30
50.				2401-103-01	(-) 56.61	(-) 14.27
51.				2401-109-25	(-) 329.01	(-) 17.04
52.				2402-102-01	(-) 137.92	(-) 16.67
53.		12	Horticulture	2401-119-02	(-) 130.73	25.87
54.				2401-119-11	(-) 86.59	21.83
55.				2401-119-19	(-) 15.97	59.22
56.				2401-119-05	11.04	17.28
57.		13	Irrigation, Water Supply and Sanitation	2215-01-005-01	107.56	(-) 59.30
58.	17.			2215-01-101-02	839.49	(-) 447.76
59.				2215-01-101-05	(-) 4.15	28.48
60.	18.			2215-01-102-03	1609.29	(-) 573.63
61.				2215-01-102-13	89.08	149.65
62.	19.			2702-80-001-02	(-) 738.54	887.32
63.				2701-80-001-08	3.55	44.07
64.	20.			2215-01-001-01	(-) 589.93	263.80
65.				2215-01-001-02	(-) 1794.66	74.57
66.				2215-01-101-04	2.00	(-) 27.90
67.	21.			2215-01-102-12	20.79	(-) 1285.21
68.				2700-01-001-01	(-) 4.69	(-) 36.92
69.				2701-11-001-01	0.50	(-) 12.85
70.	22.			2702-80-001-01	(-) 2166.13	(-) 262.37
71.	23.			2702-80-001-06	(-) 738.54	259.04
72.				4215-01-102-16	(-) 1320.17	41.64

Sr. No.		Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
73.	24.	14	Animal Husbandry, Dairy Development and Fisheries	2405-101-05-06	463.35	461.06
74.		15	Planning and Backward Area Sub-Plan	2210-03-101-01	(-) 329.41	(-) 45.86
75.				2210-03-103-01	(-) 31.19	(-) 13.43
76.				2210-03-104-01	(-) 9.66	(-) 26.87
77.				2210-06-101-13	(-) 35.39	(-) 18.09
78.				2851-102-05	(-) 13.09	(-) 16.20
79.		16	Forest and Wildlife	2402-102-12	(-) 162.18	21.81
80.				2406-01-001-02	(-) 3054.24	119.86
81.		18	Industries, Minerals, Supplies and Information Technology	2851-102-13	(-) 61.45	16.09
82.	25.			6885-01-190-01	0.38	699.62
83.		19	Social Justice and Empowerment	2235-02-102-03	12.05	12.54
84.				2235-60-800-30	34.40	(-) 32.40
85.	26.			2235-60-800-73	560.62	237.17
86.				2235-02-102-05	(-) 60.78	31.72
87.		20	Rural Development	2515-102-01	(-) 865.55	127.58
88.	27.	21	Co-operation	4425-107-02	0.13	1056.87
89.	28.	23	Power Development	6801-190-01	3363.94	8753.19
90.		27	Labour Employment and Training	2230-03-003-05	(-) 23.60	13.05
91.		29	Finance	2054-097-01	(-) 276.23	27.03
92.	29.			2071-01-101-03	35182.25	537.26
93.				2049-01-122-01	43977.52	46.17
94.	30.			2049-01-101-11	2149.99	(-) 2150.00
95.	31.			2049-01-101-14	1396.79	(-) 1396.80
96.	32.			2049-01-101-15	3665.39	(-) 3665.40
97.	33.			2049-01-101-16	1907.04	(-) 1907.05
98.	34.			2049-01-101-17	1915.64	(-) 1915.65
99.	35.			2049-01-101-18	1337.99	(-) 1338.00
100.	36.			2049-01-101-19	890.99	(-) 891.00
101.	37.			2049-01-101-51	(-) 179.14	(-) 253.77
102.				2049-01-200-15	(-) 11.83	(-) 24.97
103.				7610-201-01	(-) 21.35	(-) 14.65
104.	38.			6003-109-11	122.79	18475.21
105.				6003-108-02	(-) 72.16	53.94
106.	39.	31	Tribal Development	2059-01-796-11	0.93	(-) 550.84
107.				2059-80-796-01	0.92	(-) 46.45
108.				2210-03-796-02 (P)	24.94	(-) 42.75
109.				2210-03-796-03	37.18	(-) 49.57
110.				2401-796-01	(-) 5.06	(-) 13.68

Sr. No.		Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
111.				2401-796-02	(-) 23.40	(-) 42.25
112.				2401-796-05	(-) 54.00	(-) 25.51
113.				2401-796-20	(-) 0.01	(-) 14.00
114.				2401-796-22	(-) 259.60	(-) 10.08
115.				2406-01-796-01	(-) 98.83	(-) 58.14
116.				2515-796-02	(-) 38.21	(-) 26.47
117.				2851-796-02	3.22	(-) 17.73
118.				3054-04-796-01	(-) 320.79	83.62
119.				3054-04-796-04	(-) 276.76	(-) 20.41
120.	40.			3054-04-796-05	2.67	(-) 1620.02
121.				2029-796-01	65.76	(-) 46.42
122.				2053-796-01	27.58	(-) 22.91
123.				2059-01-796-09	300.00	109.53
124.				2059-80-796-02	0.93	83.04
125.				2202-01-796-03	60.91	86.93
126.	41.			2202-02-796-03	70.22	561.72
127.				2210-06-796-09	23.49	(-) 16.09
128.				2215-01-796-01	269.94	(-) 23.04
129.				2403-796-02	(-) 9.92	10.89
130.				2702-80-796-03	2.00	37.32
131.	42.			3054-04-796-03 (NP)	(-) 316.61	331.26
132.				3054-04-796-03 (P)	(-) 10.00	11.23
133.				4055-796-01	(-) 19.00	(-) 17.00
134.				4202-01-796-01	24.79	(-) 57.99
135.				4055-796-02	16.60	17.00
136.				5054-04-796-01	31.90	17.32
137.		32	32-Scheduled Caste Sub-Plan	2210-04-789-01	(-) 0.19	86.23
138.				4215-01-789-02	(-) 147.63	(-) 75.15
139.				4215-01-789-04	(-) 455.26	26.52
140.				4702-789-03	(-) 286.30	57.49
141.	43.			5054-03-789-02	(-) 2200.00	(-) 566.47
142.				5054-04-789-01	90.30	(-) 142.68
143.				4215-01-789-07	455.26	(-) 22.35
144.				4702-789-02	182.56	(-) 62.11
145.				4711-01-789-01	60.94	(-) 17.75
146.				5054-03-789-04	11.40	(-) 10.97

Appendix-2.8

(Reference: Paragraph 2.3.12; Page 58)

Statement showing substantial surrenders made during the year 2012-13

(₹ in lakh)

Sr. No.	Grant No.	Head of Account	Total Provision (₹ in lakh)	Amount of surrender (₹10 lakh and above)	Percentage of surrender with respect to total provision
Voted					
1.	01	7610-201-04	223.36	133.82	60
2.	01	7610-201-06	15.00	15.00	100
3.	03	2014-00-105-04	485.03	442.71	91
4.	03	2059-01-053-40	84.00	84.00	100
5.	04	3435-03-103-01	50.00	35.44	71
6.	04	6216-80-190-01	254.00	254.00	100
7.	05	2029-00-103-03	100	95.54	96
8.	06	2040-101-01	564.01	434.89	77
9.	07	2070-00-108-02	188.00	174.61	93
10.	09	4210-03-105-01	300.00	200.02	67
11.	10	3054-04-105-03	5330.00	3330.00	62
12.	10	4059-01-051-08	450.00	450.00	100
13.	15	4202-01-201-08	100.00	100.00	100
14.	15	5002-01-120-01	100.00	100.00	100
15.	19	4225-80-800-03	50.00	50.00	100
16.	19	4235-02-190-02	90.00	90.00	100
17.	20	2501-06-800-04	995.00	904.45	91
18.	20	4216-02-800-01	80.00	71.59	89
19.	22	2236-02-101-06	30.00	28.63	95
20.	29	7610-00-201-01	36.00	21.35	59
21.	32	2202-02-789-04	171.00	171.00	100
22.	32	2202-02-789-05	113.00	113.00	100
23.	32	2501-06-789-02	370.00	346.51	94
24.	32	2515-789-17	137.00	137.00	100
25.	32	4215-01-789-06	927.00	727.00	78
26.	32	4402-789-03	25.50	25.50	100
27.	32	4702-00-789-09	272.00	182.00	67
28.	32	4711-01-789-07	27.45	27.45	100
29.	32	4711-01-789-10	260.80	159.10	61
30.	32	6225-01-789-02	30.00	16.50	55
Total			11858.15 or say ₹118.58 crore	8921.11 or say ₹89.21 crore	

Appendix-2.9

(Reference: Paragraph 2.3.12; Page 58)

Statement showing cent *per cent* surrenders during the year

(₹ in lakh)

Sr. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender	Percentage of Surrender
1.	01-Vidhan Sabha	Loans to Ex-Members of Legislative Assembly for purchase of vehicles (7610-201-06)	15.00	100
The entire provision was surrendered due to non-completion of codal formalities.				
2.	03-Administration of Justice	Maintenance of Heritage Court Buildings under Thirteenth Finance Commission (2059-01-053-40)	84.00	100
The entire provision was surrendered due to non-completion of codal formalities.				
3.	04-General Administration	Loan to Himachal Pradesh Agro Industrial Corporation (6216-80-190-01)	254.00	100
The entire provision was surrendered due to non-completion of codal formalities.				
4.	10-Public Works-Roads, Bridges and Buildings	Treasury Organisation (4059-01-051-08)	450.00	100
The entire provision was surrendered due to non-completion of codal formalities.				
5.	15-Planning and Backward Area Sub-Plan	Construction of Buildings under Primary Education (4202-01-201-08)	100.00	100
The entire provision was surrendered due to nil expenditure on construction.				
6.	15-Planning and Backward Area Sub-Plan	Construction of Railway lines (5002-01-120-01)	100.00	100
The entire provision was surrendered due to nil expenditure on construction of Railway line.				
7.	19-Social Justice and Empowerment	Construction of Other Backward Classes Boys/Girls Hostels (4225-80-800-03)	50.00	100
The entire provision was surrendered due to non-execution of work.				
8.	19-Social Justice and Empowerment	Women's Development Corporation (4235-02-190-02)	90.00	100
The entire provision was surrendered due to nil investment.				
9.	32-Scheduled Caste Sub-Plan	Expenditure on Information and Communication Technology (2202-02-789-04)	171.00	100
The entire provision was surrendered due to non-filling up of vacant posts.				
10.	32-Scheduled Caste Sub-Plan	Expenditure in Information and Communication Technology (2202-02-789-05)	113.00	100
The entire provision was surrendered due to non-organisation of camps and seminars.				
11.	32-Scheduled Caste Sub-Plan	Computerisation of Online Departments (2515-789-17)	137.00	100
The entire provision was surrendered due to less purchase of machinery and equipment.				
12.	32-Scheduled Caste Sub-Plan	Expenditure under Rashtriya Krishi Vikas Yojna (4402-789-03)	25.50	100
The entire provision was surrendered due to less execution of works.				
13.	32-Scheduled Caste Sub-Plan	Channelisation of Seer Khad from Barshawad to Jahu in Mandi and Hamirpur District (Flood Management Programme) (4711-01-789-07)	27.45	100
The entire provision was surrendered due to non-execution of works.				
Total			1616.95 or say ₹16.17 crore	

Appendix-2.10

(Reference: Paragraph 2.3.12; Page 58)

Statement showing surrender of funds in excess of ₹10 crore on 30 March 2013

(₹ in crore)

Sr. No.	Grant No.	Major Head	Total provision	Amount of Surrender	Percentage of Total Provision
1.	03	2014-Administration of Justice	108.26	13.93	13
2.	05	2029-Land Revenue	157.86	13.72	9
3.	08	2202- General Education	3180.57	119.99	4
4.	09	2210-Medical and Public Health	795.89	54.01	7
5.	10	3054-Roads and Bridges	1661.69	219.30	13
6.	10	5054-Capital Outlay on Road and Bridges	504.74	46.51	9
7.	11	2401- Crop Husbandry	168.43	36.16	21
8.	13	2702-Minor Irrigation	390.95	32.15	8
9.	13	4701-Capital Outlay on Medium Irrigation	48.95	10.19	21
10.	16	2406-Forestry and Wildlife	326.55	11.07	3
11.	20	2505- Rural Development	55.24	18.16	33
12.	20	2515-Other Rural Development Programme	320.15	46.75	15
13.	23	2801-Power	267.13	39.79	15
14.	29	2049-Interest Payments	2296.84	43.83	2
15.	29	2071-Pensions and Other Retirement Benefits	2784.71	38.39	1
16.	32	5054-Capital Outlay on Road and Bridges	198.38	22.06	11
Total			13266.34	766.01	

Appendix-2.11

(Reference: Paragraph 2.3.13; Page 58)

Surrenders in excess of actual saving (₹20 lakh or more)

(₹ in crore)

Sr. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
Revenue-Voted					
1.	05-Land Revenue and District Administration	469.05	27.31	30.48	3.17
2.	07-Police and Allied Organisation	631.15	2.89	3.56	0.67
3.	12-Horticulture	115.22	4.42	4.62	0.20
4.	16-Forest and Wildlife	338.14	9.67	11.07	1.40
5.	18-Industries, Minerals, Supplies and Information Technology	64.17	3.04	3.25	0.21
6.	20-Rural Development	405.99	72.69	73.96	1.27
7.	29-Finance	2826.94	32.62	38.39	5.77
Capital-Voted					
8.	10-Public Works-Roads, Bridges and Buildings	546.35	45.41	51.01	5.60
Total		5397.01	198.05	216.34	18.29

Appendix-2.12

(Reference: Paragraph 2.3.15; Page 59)

Rush of expenditure

(₹ in crore)

Sr. No.	Grant Number and Name	Head of account Scheme/Service	Expenditure incurred during Jan-March 2013	Expenditure incurred in March 2013	Total expenditure during 2012-13	Percentage of total expenditure incurred during	
						Jan-March 2013	March 2013
1.	10-Public Works-Roads, Bridges and Buildings	3054-04-105-03	20.00	20.00	20.24	99	99
2.	10-Public Works-Roads, Bridges and Buildings	4216-01-106-01	12.31	10.91	15.45	80	71
3.	10-Public Works-Roads, Bridges and Buildings	5054-04-337-07	18.62	16.45	28.30	66	58
4.	11-Agriculture	2401-00-800-14	10.96	10.96	20.02	55	55
5.	13-Irrigation, Water Supply and Sanitation	4215-01-102-21	16.40	14.99	18.50	89	81
6.	14-Animal Husbandry, Dairy Development and Fisheries	2403-00-101-01	12.99	12.99	16.13	81	81
7.	21-Co-operation	4425-00-107-02	10.57	10.57	10.57	100	100
8.	23-Power Development	6801-00-190-02	17.20	17.20	26.01	66	66
9.	25-Road and Water Transport	3055-00-190-01	50.00	50.00	73.26	68	68
10.	31-Tribal Development	6801-00-796-10	32.50	32.50	32.50	100	100
11.	31-Tribal Development	6801-00-796-11	13.10	13.10	13.10	100	100
12.	32-Scheduled Caste Sub-Plan	2225-01-789-10	11.65	11.65	11.65	100	100
13.	32-Scheduled Caste Sub-Plan	6801-00-789-02	39.64	39.64	61.80	64	64
14.	32-Scheduled Caste Sub-Plan	6801-00-789-03	22.25	22.25	22.25	100	100

Appendix-2.13

(Reference: Paragraph 2.4.1; Page 60)

(i) Year-wise details of AC and DC bills for 2008-13

(₹ in crore)

Year	AC bill		DC bill		DC bills as percentage of AC bills	Outstanding AC bills	
	Number	Amount	Number	Amount		Number	Amount
2008-09	258	8.18	251	6.47	97	7	1.71
2009-10	209	7.30	195	3.74	93	14	3.56
2010-11	260	8.95	237	5.18	91	23	3.77
2011-12	244	4.97	235	1.48	96	9	3.49
2012-13	277	16.64	244	1.25	88	33	15.39
Total	1248	46.04	1162	18.12		86	27.92

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

(in ₹)

Sr. No.	Department	Number of AC bills	Amount
1.	Ayurveda	52	16,65,33,265
2.	Health and Family Welfare	19	11,25,02,327
3.	Health Safety and Regulation	4	20,200
4.	Labour and Employment	6	25,000
5.	Language Art and Culture	5	73,045
	Total	86	27,91,53,837 or say ₹27.92 crore

Source: Data compiled by audit from the information supplied by the Departments.

Appendix-2.14

(Reference: Paragraph 2.5; Page 61)

Statement showing adverse/negative balances as on 31 March 2013

(In ₹)

S. No	Major Head/Minor Head	Treasury/ DDO	Opening Balance	Credit	Debit	Closing Balance
8448- Deposit of Local Fund						
1.	102-Municipal Fund	NAC, Chopal	(-) 16,438	--	--	(-) 16,438
8448- Deposit of Local Fund						
2.	102-Municipal Fund	MC, Una	(-) 71,776	--	--	(-) 71,776
8448- Deposit of Local Fund						
3.	102-Municipal Fund	NP, Chamba	(-) 7,801	--	--	(-) 7,801
8448- Deposit of Local Fund						
4.	109-Panchayat Body Fund	PS, Nalagarh	(-) 29,211	--	--	(-) 29,211
8448- Deposit of Local Fund						
5.	109-Panchayat Body Fund	PS, Baijnath	(-) 44,756	--	--	(-) 44,756
8448- Deposit of Local Fund						
6.	109-Panchayat Body Fund	PS, Banjar	(-) 26,000	--	--	(-) 26,000
8448- Deposit of Local Fund						
7.	109-Panchayat Body Fund	PS, Paonta	(-) 12,794	--	--	(-) 12,794
8448- Deposit of Local Fund						
8.	109-Panchayat Body Fund	PS, Dehra	1,16,011	24,191	1,64,393	(-) 24,191
8448- Deposit of Local Fund						
9.	109-Panchayat Body Fund	PS, Nagar	1,66,218	--	2,09,005	(-) 42,787
8448- Deposit of Local Fund						
10.	109-Panchayat Body Fund	PS, Dharampur	52,527	--	63,426	(-) 10,899
8448- Deposit of Local Fund						
11.	109-Panchayat Body Fund	PS, Hamirpur	(-) 3,528	--	2,71,782	(-) 2,75,310
8448-Deposit of Local Fund						
12.	109-PanchayatBody Fund	PS, Narkanda	52,777	--	61,215	(-) 8,438
8449-Other Deposit						
13.	120-Miscellaneous Deposit	Pr, DAV College, Kangra	9,79,452	7,23,91,199	7,37,40,754	(-) 3,70,103
Total			11,54,681	7,24,15,390	7,45,10,575	(-) 9,40,504 or say ₹(-)9.41 lakh

Appendix-2.15

(Reference: Paragraph 2.8.4; Page 69)

Misclassification of expenditure under pensionary Heads (Inspection Report 2011-12)

(In ₹)

Sr. No.	Name of District Treasury/ Treasury	Paragraph Number	Nature of Expenditure			Head of account under which booked
			DCRG	Pension	Commutation	
1.	DT Bilaspur	2	1,67,537	--	5,76,883	2071-01-104-01 (DCRG) 2071-01-102-00 (Commutation)
2.	ST Ghumarwin	2	1,33,338	---	---	2071-01-104-01 (DCRG)
3.	DT Chamba	3	--	1,33,030	--	2071-01-101-02 (Pension))
4.	ST Dalhousie	3	1,58,325	---	---	2071-01-104-01 (DCRG)
5.	ST Bharmour	1	6,41,419	---	---	2071-01-104-00 (DCRG)
6.	ST Tissa	2	26,730	---	---	2071-01-104-00 (DCRG)
7.	ST Sihunta	1	13,81,780	---	---	2071-01-104-01 (DCRG)
8.	DT Hamirpur	1	9,33,385	20,45,633	---	2071-01-102-02 (Pension) 2071-01-104-01(DCRG)
9.	ST Nadaun	3	49,095	---	---	2071-01-104-01 (DCRG)
10.	ST Indora	3	15,359	---	---	2071-01-104-01 (DCRG)
11.	DT Nurpur	2	50,16,270	---	--	2071-01-104-01 (DCRG))
12.	ST Fatehpur	2	1,48,015	---	---	2071-01-104-00/ 01 (DCRG)
13.	ST Khundian	1	67,423	---	---	2071-01-104-01 (DCRG)
14.	DT Kinnaur	3	--	---	16,35,360	2071-01-102-01 (Commutation)
15.	ST Pooh	2	6,20,985	--	--	2071-01-104-01 (DCRG)
16.	ST Sangla	2	1,99,353	---	---	2071-01-104-01 (DCRG)
17.	ST Moorang	2	15,19,756	---	---	2071-01-104-00 (DCRG)
18.	ST Nichar	3	9,91,645	---	---	2071-01-104-01-00/01 (DCRG)
19.	DT Kullu	3	--	7,82,382	---	2071-01-105-01 (Pension) 2071-01-101-02 (Pension)
20.	ST Nirmand	1	4,68,400	---	---	2071-01-104-00/01 (DCRG)
21.	ST Udaipur	3	2,20,048	---	---	2071-01-104-01 (DCRG)
22.	ST Thunag	2	62,160	---	---	2071-01-104-01 (DCRG)
23.	ST Kotli	1	7,15,428	---	---	2071-01-104-01 (DCRG)
24.	ST Aut	1	49,288	---	---	2071-01-104-01 (DCRG)
25.	ST Baldwara	3	7,873	--	--	2071-01-104-01(DCRG)
26.	Capital Try	4	8,69,865	--	--	2071-01-104-01(DCRG)
27.	DT Shimla	1	--	18,03,72,374	--	2071-01-101-02(Pension) 2071-01-105-01(Pension)
28.	ST Rohru	1	22,30,994	--	--	2071-01-104-01(DCRG)
29.	ST Nankhari	2	10,42,315	--	--	2071-01-104-00/01(DCRG)
30.	ST Junga	5	22,278	--	--	2071-01-104-01(DCRG)
31.	ST Nerwa	2	31,85,905	--	--	2071-01-104-00(DCRG)
32.	ST Chirgaon	1	9,34,938	--	--	2071-01-104-00/01(DCRG)
33.	ST Pachhad	4	71,489	--	--	2071-01-104-01(DCRG)
34.	ST Arki	2	43,923	--	--	2071-01-104-01(DCRG)
35.	ST Ramshahar	1	6,33,312	--	--	2071-01-104-01(DCRG)
36.	DT Una	3	--	4,55,470	--	2071-01-101-02(Pension)
37.	ST Haroli	4	94,891	--	--	2071-01-104-00/01(DCRG)
38.	ST Bangana	1	8,60,484	--	--	2071-01-104-01(DCRG)
39.	ST Amb	1	5,92,655	--	--	2071-01-104-00/01(DCRG)
Total			2,41,76,661 or say ₹ 2.42 crore	18,37,88,889 or say ₹ 18.38 crore	22,12,243 or say ₹ 0.22 crore	

Appendix-3.1

(Reference: Paragraph 3.1; Page 71)

Utilisation Certificates outstanding as on 31 March 2013

(₹ in lakh)

Sr. No.	Head of Account	Year	Utilisation certificates due		Utilisation certificates outstanding	
			No. of Items	Amount	No. of Items	Amount
1	2055- Police	2008-09	1	25.00	1	25.00
		2010-11	1	25.00	1	25.00
			2	50.00	2	50.00
2	2075- Miscellaneous General Services	2006-07	4	2.75	-	-
		2007-08	9	18.42	-	-
		2008-09	6	0.79	-	-
		2009-10	4	5.29	-	-
		2010-11	3	4.00	-	-
		2011-12	15	173.47	-	-
			41	204.72	-	-
3	2202- General Education	2009-10	78	210.73	75	21.58
		2010-11	5143	17448.16	2558	9312.73
		2011-12	17946	21506.68	11814	12114.59
			23167	39165.57	14447	21448.89
4	2204- Sports & Youth services	2008-09	3	1.05	-	-
		2009-10	1	2.33	-	-
		2010-11	2	277.57	1	217.57
		2011-12	21	377.75	21	377.75
			27	658.70	22	595.33
5	2205- Art and Culture	2006-07	157	18.57	-	-
		2007-08	229	46.55	-	-
		2008-09	343	41.76	-	-
		2009-10	29	190.80	-	-
		2010-11	104	211.21	104	211.21
		2011-12	113	222.81	113	222.81
			975	731.70	217	434.02
	Medical and Public Health					
6	2210- Medical & Public Health	2009-10	1	412.80	1	412.80
		2010-11	1	21.60	-	-
		2011-12	669	3950.54	1	170.00
			671	4384.94	2	582.80

Sr. No.	Head of Account	Year	Utilisation certificates due		Utilisation certificates outstanding	
			No. of Items	Amount	No. of Items	Amount
7	2211-Family Health	2009-10	19	1152.58	-	-
		2010-11	3	1500.00	-	-
		2011-12	5	3023.00	5	3023.00
			27	5675.58	5	3023.00
	Total (Medical and Public Health)		698	10060.52	7	3605.80
	Urban Development					
8	2217- Urban Development	2008-09	21	2872.57	12	2192.49
		2009-10	24	6189.00	21	6128.00
		2010-11	41	3739.15	21	3076.09
		2011-12	43	10497.27	26	5525.50
			129	23297.99	80	16922.08
9	3054- Road & Bridges	2008-09	2	600.00	2	600.00
		2009-10	2	600.00	-	-
		2010-11	4	600.00	2	276.00
		2011-12	1	600.00	1	600.00
			9	2400.00	5	1476.00
	Total(Urban Development)		138	25697.99	85	18398.08
10	2220- Information and Publicity	2010-11	1	13.38	-	-
		2011-12	-	-	-	-
			1	13.38	-	-
	Social Justice and Empowerment					
11	2225- Welfare of SC, ST & Other Backward Classes	2006-07	10	599.17	5	554.00
		2007-08	21	719.33	7	231.00
		2008-09	33	1121.92	22	470.36
		2009-10	32	1587.00	15	943.80
		2010-11	34	2497.32	21	1534.54
		2011-12	22	7166.00	22	7166.00
			152	13690.74	92	10899.70
12	2235- Social Security & Welfare	2006-07	18	50.53	-	-
		2007-08	50	603.65	38	503.59
		2008-09	98	510.95	84	463.96
		2009-10	141	707.45	93	590.63
		2010-11	265	1447.83	263	1441.23
		2011-12	624	1425.76	619	1412.46
			1196	4746.17	1097	4411.87

Sr. No.	Head of Account	Year	Utilisation certificates due		Utilisation certificates outstanding	
			No. of Items	Amount	No. of Items	Amount
13	2250- Other Social Community Services	2010-11	1	0.27	-	-
			1	0.27	-	-
	Total(Social Justice and Empowerment)		1349	18437.18	1189	15311.58
14	2230- Labour and Employment	2010-11	1	5.00	-	-
		2011-12	1	5.00	1	5.00
			2	10.00	1	5.00
	Secretariat and Social Services					
15	3451-Secretariat Economic Services	2009-10	1	3.66	1	3.66
		2010-11	1	7.65	1	7.65
		2011-12	3	15.31	3	15.31
			5	26.62	5	26.62
16	2251- Secretariat Social Services	2009-10	4	170.57	2	65.57
		2010-11	3	82.01	2	71.45
		2011-12	3	51.53	3	51.53
			10	304.11	7	188.55
	Total (Secretariat and Social Services)		15	330.73	12	215.17
17	2401- Crop Husbandry	2010-11	1	6.50	-	-
		2011-12	32	890.00	27	825.50
			33	896.50	27	825.50
18	2403- Animal Husbandry	2007-08	1	50.00	1	50.00
		2008-09	1	7.25	-	-
		2009-10	7	105.00	-	-
		2010-11	18	197.74	18	197.74
		2011-12	18	2290.95	18	2290.95
			45	2650.94	37	2538.69
19	2404- Diary Development	2011-12	3	500.00	-	-
			3	500.00	-	-
20	2405- Fisheries	2011-12	9	688.80	1	0.80
			9	688.80	1	0.80
21	2408- Food Storage & Ware Housing	2010-11	5	19.88	1	2.49
		2011-12	15	36.90	8	20.40
			20	56.78	9	22.89
22	2425- Co-operation	2010-11	33	24.56	8	7.06
		2011-12	58	170.46	44	100.96
			91	195.02	52	108.02

Sr. No.	Head of Account	Year	Utilisation certificates due		Utilisation certificates outstanding	
			No. of Items	Amount	No. of Items	Amount
	Rural Development					
23	2216-Housing	2007-08	6	79.56	2	25.28
		2008-09	18	398.59	18	398.59
		2009-10	93	515.60	93	515.60
		2010-11	65	1176.24	58	1104.70
		2011-12	60	1330.65	60	1330.65
			242	3500.64	231	3374.82
24	2501- Special Programme	2007-08	6	159.12	-	-
		2008-09	18	141.53	18	141.53
		2009-10	29	406.20	20	366.13
		2010-11	46	710.52	27	562.00
		2011-12	61	1648.71	61	1648.71
			160	3066.08	126	2718.37
25	2505- Rural Employment	2008-09	2	816.89	2	816.89
		2009-10	2	224.04	2	224.04
		2010-11	-	-	-	-
		2011-12	18	4930.67	9	284.87
			22	5971.60	13	1325.80
26	2515- Other Rural Development Programmes	2008-09	408	11637.91	162	1908.92
		2009-10	478	10133.60	409	9520.61
		2010-11	605	15945.28	564	15682.28
		2011-12	383	19765.40	353	19652.67
			1874	57482.19	1488	46764.48
	Total (Rural Development)		2298	70020.51	1858	54183.47
28	2801- Power	2011-12	2	212.00	2	212.00
			2	212.00	2	212.00
29	2810- Non-Conventional Source of Energy	2011-12	2	255.00	-	-
			2	255.00	-	-
30	2851- Village & Small Scale Industries	2005-06	1	0.03	-	-
		2006-07	499	27.99	-	-
		2007-08	65	17.38	-	-
		2008-09	-	-	-	-
		2009-10	110	1039.44	86	469.95
		2010-11	110	1076.57	87	728.23
		2011-12	101	1759.94	100	1759.83
			886	3921.35	273	2958.01
31	3055- Road Transport	2011-12	3	7325.60	-	-
			3	7325.60	-	-

Sr. No.	Head of Account	Year	Utilisation certificates due		Utilisation certificates outstanding	
			No. of Items	Amount	No. of Items	Amount
32	3425- Other Scientific Research	2010-11	1	13.07	-	-
			1	13.07	-	-
33	3435- Ecology Environment	2010-11	1	5.20	-	-
		2011-12	3	16.81	-	-
			4	22.01	-	-
34	3452- Tourism	1998-99	1	137.00	1	137.00
		2010-11	7	74.51	7	74.51
		2011-12	16	706.62	16	706.62
			24	918.13	24	918.13
35	3604- Compensation and assignments to Local Bodies	2008-09	1	49.59	1	49.59
		2009-10	7	273.52	7	273.52
		2010-11	20	469.09	20	469.09
		2011-12	51	1197.16	51	1197.16
			79	1989.36	79	1989.36
36	2406-Forest and Wild Life (Forest Account)	2008-09	1	1.20	-	-
		2009-10	2	57.01	-	-
		2010-11	5	97.80	-	-
		2011-12	24	787.82	7	508.42
			32	943.83	7	508.42
37	2415-Agriculture Research and Education (Forest Account)	2011-12	32	9552.01	32	9552.01
		2010-11	4	25.00	-	-
		2011-12	4	25.00	4	25.00
			40	9602.01	36	9577.01
	Grand Total		29987	195571.40	18387	133906.16

Appendix – 3.2

(Reference: Paragraph 3.2; Page 73)

Statement showing performance of the autonomous bodies

S.No.	Name of the body	Period of entrustment	Year upto which Accounts were rendered	Delay in Submission of Accounts (in months)	Period upto which Separate Audit Report is issued	Placement of SAR in the Legislature	Delay in submission of SARs
1.	HP State Veterinary Council, Shimla	2005-06 onwards	2011-12	2 months	2011-12	Yet to be placed	9 months
2.	HP State Legal Service Authority, Shimla	Audit is being conducted in accordance with the Section 18 (2) of the Legal Services Authorities Act, 1987.	2011-12	1½ months	2011-12	-do-	-do-
3.	District Legal Service Authority, Shimla		2011-12	½ month	2011-12	-do-	-do-
4.	District Legal Service Authority, Rampur		2011-12	1½ months	2011-12	-do-	-do-
5.	District Legal Service Authority, Solan		2011-12	1½ months	2011-12	-do-	-do-
6.	District Legal Service Authority, Nahan		2011-12	One month	2011-12	-do-	-do-
7.	District Legal Service Authority, Una		2011-12	One month	2011-12	-do-	-do-
8.	District Legal Service Authority, Hamirpur		2011-12	1½ months	2011-12	-do-	-do-
9.	District Legal Service Authority, Kangra at Dharamshala		2012-13	1½ months	2011-12	-do-	-do-
10.	District Legal Service Authority, Chamba		2012-13	one month	2011-12	-do-	-do-
11.	District Legal Service Authority, Mandi		2012-13	1½ months	2011-12	-do-	-do-
12.	District Legal Service Authority, Bilaspur		2012-13	one month	2011-12	-do-	-do-
13.	District Legal Service Authority, Kullu		2011-12	2 months	2011-12	-do-	-do-
14.	HP Building & Construction Worker Welfare Board, Shimla	2011-12 onwards	2011-12	9 Months	Yet to be issued*	--	--

*Accounts were rendered after a delay of 9 months

Appendix 3.3

(Reference: Paragraph 3.4; Page 74)

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 to More		Total No. of Cases.	
		C	A	C	A	C	A	C	A	C	A	C	A	C	A
1.	Education	2	2.55	3	2.9	--	--	--	--	--	--	1	0.59	6	6.04
2.	Rural Development	1	4.68	1	--	--	--	--	--	--	--	--	--	2	4.68
3.	Agriculture	--	--	2	9.46	--	--	--	--	--	--	--	--	2	9.46
4.	Horticulture	1	1.54	1	0.06	1	1.29	--	--	--	--	--	--	3	2.89
5.	Land Revenue	--	--	--	--	--	--	1	2.57	--	--	--	--	1	2.57
6.	Police	1	0.08	2	1.51	--	--	--	--	--	--	--	--	3	1.59
7.	Fisheries	1	1.28	--	--	--	--	--	--	--	--	--	--	1	1.28
8.	Revenue	--	--	1	0.31	--	--	--	--	--	--	1	0.02	2	0.33
9.	Home Guard	--	--	--	--	2	25.37	--	--	--	--	1	0.05	3	25.42
10.	Animal Husbandry	--	--	1	0.17	--	--	--	--	--	--	2	0.93	3	1.1
11.	Director Planning	--	--	1	2.97	--	--	--	--	--	--	--	--	1	2.97
12.	Health	--	--	1	0.95	--	--	--	--	--	--	--	--	1	0.95
13.	Forest	1	0.63	1	2.38	--	--	--	--	--	--	2	0.40	4	3.41
14.	Public Works	--	--	--	--	4	5.44	3	3.04	1	0.55	7	2.14	15	11.17
15.	Irrigation and Public Health	--	--	1	0.89	2	7.71	--	--	1	0.25	1	0.06	5	8.91
	Total:	7	10.76	15	21.6	9	39.81	4	5.61	2	0.80	15	4.19	52	82.77

C: Number of Cases

A: Amount (₹in lakh)

Appendix-3.4

(Reference: Paragraph 3.4; Page 74)

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	4	3.57	2	2.47	6	6.04
Rural Development	2	4.68	0	0.00	2	4.68
Agriculture	0	0.00	2	9.46	2	9.46
Land Revenue	0	0.00	1	2.57	1	2.57
Horticulture	1	0.06	2	2.83	3	2.89
Fisheries	1	1.28	0	0.00	1	1.28
Police	0	0.00	3	1.59	3	1.59
Revenue	1	0.31	1	0.02	2	0.33
Home Guard	0	0	3	25.42	3	25.42
Animal Husbandry	1	0.17	2	0.93	3	1.10
Director Planning	1	2.97	0	0	1	2.97
Health	0	0	1	0.95	1	0.95
Forests	0	0	4	3.41	4	3.41
Public Works	2	0.77	13	10.40	15	11.17
Irrigation and Public Health	1	0.25	4	8.66	5	8.91
Total:	14	14.06	38	68.71	52	82.77

Appendix-3.5

(Reference: Paragraph 3.5; Page 75)

The position of Suspense balances under major Suspense Heads for the last three years

(₹ in crore)

Name of Minor Head	2010-11		2011-12		2012-13	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101-Pay and Accounts Office-Suspense	25.24	20.24	24.12	15.61	32.12	23.87
Net	5.00 Dr.		8.51 Dr.		8.25 Dr	
102-Suspense Account (Civil)	1,15.37	99.53	1,14.34	78.29	138.36	125.42
Net	15.84 Dr.		36.05 Dr.		12.94 Dr	
107-Cash Settlement Suspense Account	3.26	2.42	0.04	0.02	0.02	0.00
Net	0.84 Dr.		0.02 Dr.		0.02 Dr	
109-Reserve Bank Suspense-Headquarters	(-)1.32	(-)0.10	(-) 0.68	1.19	1.28	1.76
Net	1.22 Cr.		1.87 Cr.		0.48 Cr	
110-Reserve Bank Suspense-Central Accounts Office	4.19	0.20	11.78	0.93	92.33	92.31
Net	3.99 Dr.		10.85 Dr.		0.02 Dr	
112-Tax Deducted at Source (TDS) Suspense	2,39.60	2,69.19	2,03.84	2,20.58	227.46	255.56
Net	29.59 Cr.		16.74 Cr.		28.10 Cr	
129-Material Purchase Settlement Suspense Account	58.09	3,58.47	1,52.66	3,72.84	80.40	331.81
Net	3,00.38 Cr.		2,20.18 Cr.		2,51.41 Cr.	

Appendix-3.6

(Reference: Paragraph 3.6; Page 76)

Details of Revenue Receipts under Minor Head 800-'Other Receipts' during 2012-13

(₹ in crore)

Sl. No.	Major head		Receipt under minor head 800	Total Receipt	Percentage
1.	0045	Other Taxes and Duties on Commodities and Services	198.88	331.72	59.95
2.	0057	Supplies and Disposals	0.02	0.02	100.00
3.	0058	Stationery and Printing	3.60	6.16	58.44
4.	0070	Other Administrative Services	36.14	45.71	79.06
5.	0211	Family Welfare	0.02	0.02	100.00
6.	0217	Urban Development	6.05	6.05	100.00
7.	0230	Labour and Employment	3.65	6.74	54.15
8.	0235	Social Security and Welfare	3.80	5.76	65.97
9.	0250	Other Social Services	0.12	0.12	100.00
10.	0407	Plantation	0.02	0.02	100.00
11.	0408	Food Storage and Ware Housing	0.07	0.07	100.00
12.	0425	Cooperation	2.83	3.24	87.34
13.	0506	Land Reforms	0.33	0.33	100.00
14.	0515	Other Rural Development Programmes	2.01	3.10	64.83
15.	0575	Other Special Areas Programme	0.38	0.38	100.00
16.	0700	Major Irrigation	0.28	0.28	100.00
17.	0801	Power	637.21	637.15	100.01*
18.	0851	Village and Small Industries	0.26	0.52	50.00
19.	0852	Industries	6.17	6.17	100.00
20.	1054	Roads and Bridges	10.89	10.94	99.54
21.	1055	Road Transport	0.92	0.92	100.00
22.	1425	Other Scientific Research	1.30	1.30	100.00
23.	1452	Tourisum	0.20	0.26	76.92
24.	1456	Civil Supplies	0.03	0.03	100.00
		Total	915.17	1067.00	85.77

* Excess due to direct refund of ₹0.06 crore

Appendix-4

Glossary of terms

Sl 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.	Debt Stabilization	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be current or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
7.	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.

SI No.	Terms	Description
8.	Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
9.	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.
10.	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