| TABLE OF CONTENTS  |               |          |  |  |  |
|--|---------------|----------|--|--|--|
| Subject  | Paragraph (s) | Page (s) |  |  |  |
| Preface  | -             | V        |  |  |  |
| Executive Summary  | -             | vii      |  |  |  |
| <b>CHAPTER-I: FINANCES OF THE STATE GOVERN</b>   | IMENT         |          |  |  |  |
| Introduction   | 1.1           | 1        |  |  |  |
| Resources of the State   | 1.2           | 5        |  |  |  |
| Revenue Receipts   | 1.3           | 7        |  |  |  |
| Capital Receipts   | 1.4           | 12       |  |  |  |
| Public Account Receipts  | 1.5           | 13       |  |  |  |
| Application of Resources   | 1.6           | 14       |  |  |  |
| Quality of Expenditure   | 1.7           | 18       |  |  |  |
| Financial analysis of Government expenditure and investments   | 1.8           | 19       |  |  |  |
| Assets and Liabilities   | 1.9           | 24       |  |  |  |
| Debt Management  | 1.10          | 27       |  |  |  |
| Fiscal Imbalances  | 1.11          | 30       |  |  |  |
| Follow up on Audit Report on State Finances  | 1.12          | 33       |  |  |  |
| Conclusion   | 1.13          | 33       |  |  |  |
| Recommendations  | 1.14          | 34       |  |  |  |
| CHAPTER-II: FINANCIAL MANAGEMENT AND BU  | UDGETARY CONT | ГROL     |  |  |  |
| Introduction   | 2.1           | 35       |  |  |  |
| Summary of Appropriation Accounts  | 2.2           | 35       |  |  |  |
| Financial Accountability and Budget Management   | 2.3           | 36       |  |  |  |
| Operation of Personal Deposit Accounts   | 2.4           | 41       |  |  |  |
| Outcome of Review of Selected Grants   | 2.5           | 41       |  |  |  |
| Outcome of Inspection of Treasuries  | 2.6           | 45       |  |  |  |
| Conclusion   | 2.7           | 46       |  |  |  |
| Recommendations  | 2.8           | 46       |  |  |  |
| CHAPTER-III: FINANCIAL REPORTING   |               |          |  |  |  |
| Delay in furnishing Utilisation Certificates   | 3.1           | 47       |  |  |  |
| Delay in submission of Accounts/Separate Audit Reports (SARs) of Autonomous bodies and placement of SARs | 3.2           | 47       |  |  |  |
| before the State Legislature   |               |          |  |  |  |
| Non-submission of details of grants/loans paid   | 3.3           | 48       |  |  |  |
| Misappropriation/loss, theft, etc.   | 3.4           | 48       |  |  |  |
| Non-adjustment of temporary advances   | 3.5           | 49       |  |  |  |
| Comments on Accounts   | 3.6           | 50       |  |  |  |
| Conclusion   | 3.7           | 50       |  |  |  |
| Recommendations  | 3.8           | 51       |  |  |  |

## APPENDICES

| Appendix No. | Title  | Paragraph (s)                   | Page (s) |
|--------------|--|---------------------------------|----------|
| Appendix-1   | State Profile  |                                 |          |
|              | A: General Data  | 1.1                             | 53       |
|              | B: Financial Data  | 1.1                             | 53       |
| Appendix-1.1 | Part-A: Structure and Form of Government Accounts  | -                               | 54       |
|              | Part-B: Layout of Finance Accounts   | -                               | 55       |
| Appendix-1.2 | Part-A: Methodology adopted for the Assessment of<br>Fiscal Position   | -                               | 57       |
|              | Part-B: Fiscal Responsibility and Budgetary<br>Management (FRBM) Act, 2005 (Amended<br>vide Act No. 25 of 2011)  | -                               | 59       |
| Appendix-1.3 | Time Series Data on the State Government Finances  | 1.3, 1.6.1, 1.9.2<br>and 1.11.3 | 60       |
| Appendix-1.4 | Part-A: Abstract of Receipts and Disbursements for<br>the year 2016-17   | 1.1.1                           | 63       |
|              | Part-B: Summarised financial position of the<br>Government of Himachal Pradesh as on<br>31 March 2017  | 1.1.1 and 1.9.1                 | 66       |
| Appendix-1.5 | Gender Budgeting   | 1.1.4                           | 68       |
| Appendix-1.6 | Statement showing the funds transferred directly to<br>the State Implementing Agencies by the GoI under<br>Programme/Schemes during 2015-16 and 2016-17        | 1.2.2                           | 71       |
| Appendix-1.7 | Investment in SPSUs in Paid up Share Capital as per<br>latest finalised accounts upto 31 May 2017 for<br>Return on Investment                                  | 1.8.2.2                         | 73       |
| Appendix-1.8 | Status of PPP Projects of different departments in Himachal Pradesh  | 1.8.2.3                         | 74       |
| Appendix-2.1 | Statement of various grants/appropriations where excess was more than $\overline{\mathbf{x}}$ one crore or more than 20 <i>per cent</i> of the total provision | 2.3.1                           | 75       |
| Appendix-2.2 | Excess over provisions relating to previous years requiring regularisation   | 2.3.1.1                         | 76       |
| Appendix-2.3 | Excess over provision during 2016-17 requiring regularisation  | 2.3.1.1                         | 77       |
| Appendix-2.4 | Expenditure incurred without provision during 2016-17  | 2.3.1.3                         | 78       |
| Appendix-2.5 | Cases where supplementary provisions proved unnecessary  | 2.3.1.4                         | 79       |

| Appendix No.  | Title   | Paragraph (s) | Page (s) |
|---------------|---|---------------|----------|
| Appendix-2.6  | Statement of various grants where supplementary provision proved insufficient by more than<br>₹ one crore in each case                      | 2.3.1.4       | 80       |
| Appendix-2.7  | Excessive/unnecessary/insufficient re-appropriation of funds  | 2.3.2         | 81       |
| Appendix-2.8  | Rush of expenditure   | 2.3.3         | 82       |
| Appendix-2.9  | Statement of various grants where saving was more than ₹ one crore each or more than 20 <i>per cent</i> of the total provision              | 2.3.4         | 83       |
| Appendix-2.10 | A: Statement showing substantial surrenders made during the year 2016-17  | 2.3.4.2       | 84       |
| Appendix-2.11 | B: Statement showing cent <i>per cent</i> surrenders during the year  | 2.3.4.2       | 87       |
| Appendix-2.12 | Statement showing surrender of funds in excess of<br>₹ 10 crore on 31 March 2017  | 2.3.4.2       | 90       |
| Appendix-2.13 | Statement showing unspent balances in PDAs as on 31 March 2017  | 2.4           | 92       |
| Appendix-3.1  | Utilisation Certificates outstanding as on 31 March 2017  | 3.1           | 94       |
| Appendix-3.2  | Statement showing performance of the Autonomous<br>Bodies   | 3.2           | 98       |
| Appendix-3.3  | Department wise and duration wise break-up of the cases of theft, misappropriation/losses, etc.   | 3.4           | 99       |
| Appendix-3.4  | Department/category-wise details in respect of cases<br>of loss to Government due to theft,<br>misappropriation/loss of Government material | 3.4           | 100      |
| Appendix-4    | Glossary of terms   | -             | 101      |