

सत्यमेव जयते

Accounts at a glance for the year 2014-15



GOVERNMENT OF HIMACHAL PRADESH

**Accounts at a glance
for the year 2014-15**

**Accountant General
(Accounts and Entitlement)**

Government of Himachal Pradesh

Preface

I am happy to present the seventeenth issue of our annual publication, the 'Accounts at a glance' for the year 2014-15. The purpose of this publication is to distil and make more accessible the body of information that is available in the Annual Finance and Appropriation Accounts prepared by my office under the direction of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971 for being laid before the Legislature of the State. The Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and Public Account. The Appropriation Accounts record the grant-wise expenditure against provisions approved by the State Legislature and depict explanations for variations between the actual expenditure and the funds allocated.

'Accounts at a glance' provides an overview of Governmental activities, as reflected in the Finance Accounts and Appropriation Accounts. The information is presented through brief explanations, statements and graphs.

We look forward to suggestions.

Shimla

Date:15.12.2015



(Sushil Kumar)

Accountant General (A&E)

Our Vision, Mission and Core Values

VISION: We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.

(The vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become.)

MISSION: Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders: the Legislature, the Executive and the Public- that public funds are being used efficiently and for the intended purposes.

(Our mission enunciates our current role and describes what we are doing today.)

CORE VALUES:

(Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.)

- ❖ Independence
- ❖ Objectivity
- ❖ Integrity
- ❖ Reliability
- ❖ Professional Excellence
- ❖ Transparency
- ❖ Positive Approach

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Chapter I

Overview

1.1 Introduction

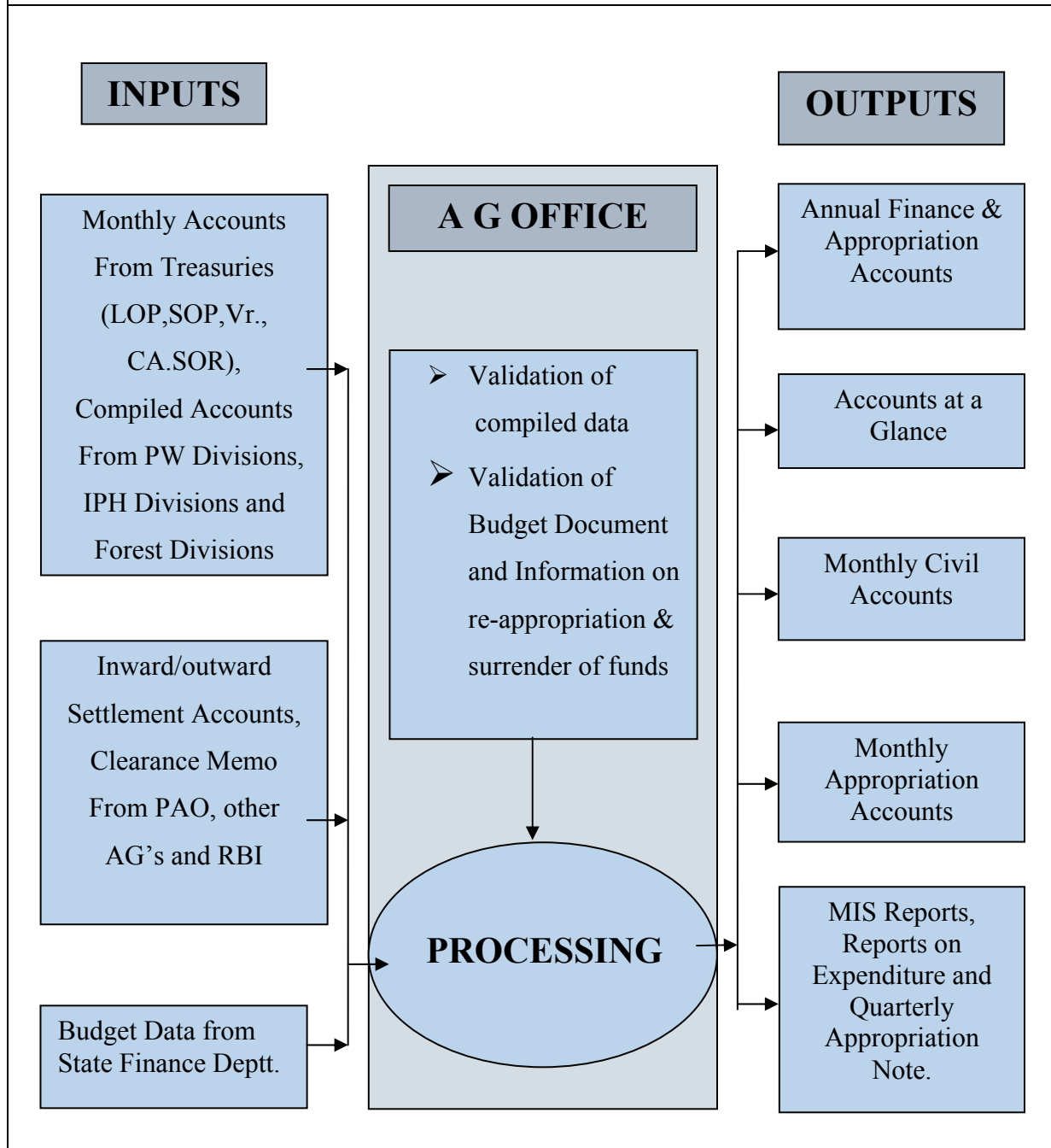
The Accountant General (Accounts and Entitlements), Himachal Pradesh collates, classifies, compiles the accounts data rendered by multiple agencies, and prepares the accounts of the Government of Himachal Pradesh. The compilation is done from the initial accounts rendered by the District Treasuries, Public Works Divisions, Irrigation & Public Health Divisions, Forest Divisions, accounts rendered by the other states/ accounting offices and advices of Reserve Bank of India. Every month a Monthly Civil Account is presented by the office of the Accountant General (A&E) to the Government of Himachal Pradesh. The office of Accountant General (A&E) also submits a quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government. The Annual Finance Accounts and the Appropriation Accounts are placed before the State Legislature after audit by the Principal Accountant General (Audit), H.P and certification by the Comptroller and Auditor General of India.

1.2 Structure of Government Accounts

1.2.1 *Government accounts are kept in three parts:*

| Structure of Government Accounts | |
|---|---|
| Part 1 CONSOLIDATED FUND | All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) form the Consolidated Fund. All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon), are met from this fund. |
| Part 2 CONTINGENCY FUND | The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this fund for the Government of Himachal Pradesh is ₹ five crore. |
| Part 3 PUBLIC ACCOUNT | All public moneys received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. In respect of such receipts, Government acts as a banker or trustee. The Public Account comprises: repayable like Small Savings and Provident Funds, Reserve Fund, Deposits and Advances, Suspense and Miscellaneous transaction (adjusting entries pending booking to final heads of account), Remittances between accounting entities, and Cash Balance. |

Flow diagram for Accounts Compilation



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the accounts. Finance Accounts are prepared in two volumes to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to Accounts' containing summary of significant accounting policies, comments on quality of accounts and other items. Volume II contains detailed statements (Part-I) and appendices (Part-II).

Receipts and disbursement of the Government of Himachal Pradesh as depicted in the Finance Accounts 2014-15 are given below.

| Receipts and disbursement in year 2014-15 | | | <i>(₹ in crore)</i> |
|--|----------------------------|-----------------------------------|---------------------|
| Receipts | Total Receipts | | 22734 |
| | Revenue | Tax Revenue | 8584 |
| | | Non Tax Revenue | 2081 |
| | | <i>Grants-in-aid</i> | 7178 |
| | | <i>Revenue Receipts</i> | 17843 |
| | Capital | Recoveries of Loans and Advances | 41 |
| | | Borrowings and other Liabilities* | 4200 |
| | | Other Receipts | 650 |
| <i>Capital Receipts</i> | | 4891 | |
| Disbursements | Total Disbursements | | 22734 |
| | Revenue | | 19787 |
| | Capital | | 2473 |
| | Loans and Advances | | 474 |

* *Borrowings and other Liabilities: Net (Receipts - Disbursement) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursement) of Public Account + Net of Opening and Closing Cash Balance.*

In addition to the expenditure approved for the year by the Himachal Pradesh Legislature, Government of India transfers substantially funds directly to State Implementing Agencies/ Non Government Organization (NGOs) in the State for various schemes and programmes. Such transfers (amounting to ₹279 crore this year) are not reflected in the accounts of the State Government, but have been shown at Appendix VI in Volume II of the Finance Accounts.

1.3.2 Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government except with authorization of the Legislature. Barring certain expenditure specified in the Constitution as “charged” on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “voted”. The budget of the Himachal Pradesh has 14 charged Appropriation and 32 voted Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure compiled with the appropriation authorized by the Legislature through the Appropriation Act of each year.

At the end of the year, the actual expenditure of the government of Himachal Pradesh against the budget approved by the Legislature, showed a net saving of ₹373 crore (1.18 per cent of estimates) and under-estimation of ₹448 crore (23 per cent of estimates) on reduction of expenditure. Certain grants, like those relating to Administration of Justice, General Administration, Land revenue and District Administration, Police and Allied Organisation, Education, Health and Family Welfare, Public Works-Roads, Bridges and Buildings, Planning and Backward area Sub Plan, Industries, Mineral, Supplies and Information technology, Rural Development, Co-operation, Food and Civil Supplies, Labour Employment and training, Urban development, Town and country Planning and Housing, Tribal Development and Scheduled Caste Sub Plan showed substantial savings.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

Ways and Means Advances are taken from the Reserve Bank of India to make good the deficiency in the minimum cash balance which the State Government is required to maintain with the Reserve Bank of India. Ways and Means advance of ₹4193 crore was obtained and ₹4193 crore was repaid during the year 2014-15.

1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the Reserve Bank of India while the limit of minimum cash balance falls below i.e. ₹0.55 crore, which is required to be maintained with the Reserve bank of India. Overdraft amounting to ₹2667 crore was obtained during the year 2014-15.

1.4.3 Fund flow statement

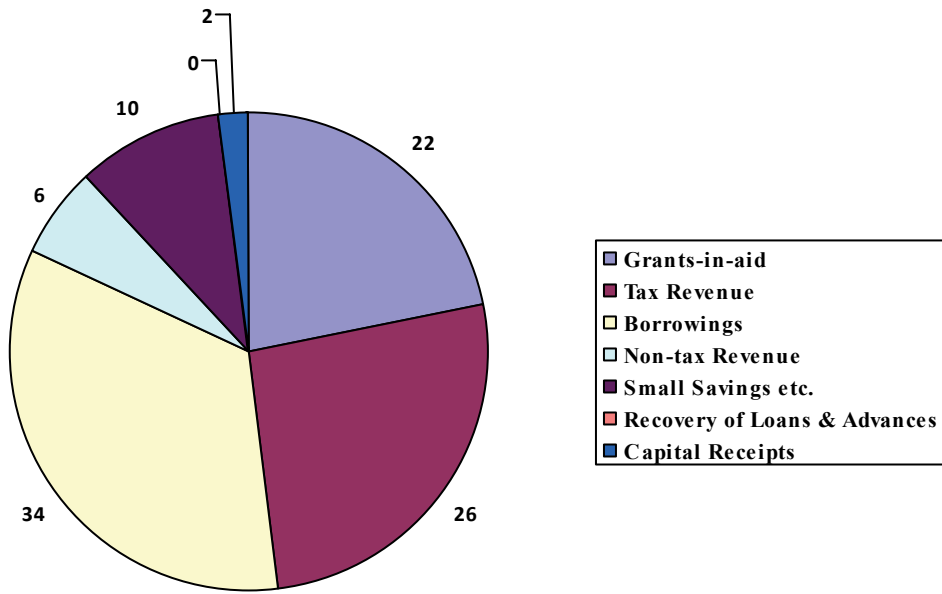
The state had a Revenue Deficit of ₹1944 crore and a Fiscal Deficit of ₹4200 crore as on 31 March 2015. The Fiscal Deficit was met from net Public Debt (₹2617 crore) increase in

Public Account (₹1731 crore) and net increase of opening and closing cash balance (₹148 crore). Around 84 *per cent* of the revenue receipts (₹17843 crore) of the State Government was spent on committed expenditure like salaries (₹8195 crore), interest payments (₹2849 crore), pensions (₹2914 crore), subsidies (₹801 crore) and wages (₹223 crore).

| Sources and Application of Funds | | |
|---|---|--------------|
| | | (₹ in crore) |
| SOURCES | PARTICULARS | AMOUNT |
| | Opening cash balance as on 1 April 2014 | (-)887 |
| | Revenue Receipts | 17843 |
| | Capital Receipts | 650 |
| | Recovery of Loans & Advances | 41 |
| | Public Debt | 10877 |
| | Small Savings Provident Fund & Others | 3153 |
| | Reserves & Sinking Funds | 161 |
| | Deposits Received | 2137 |
| | Civil Advances Repaid | 85 |
| | Suspense Account | 5649 |
| | Remittances | 4552 |
| TOTAL | 44261 | |

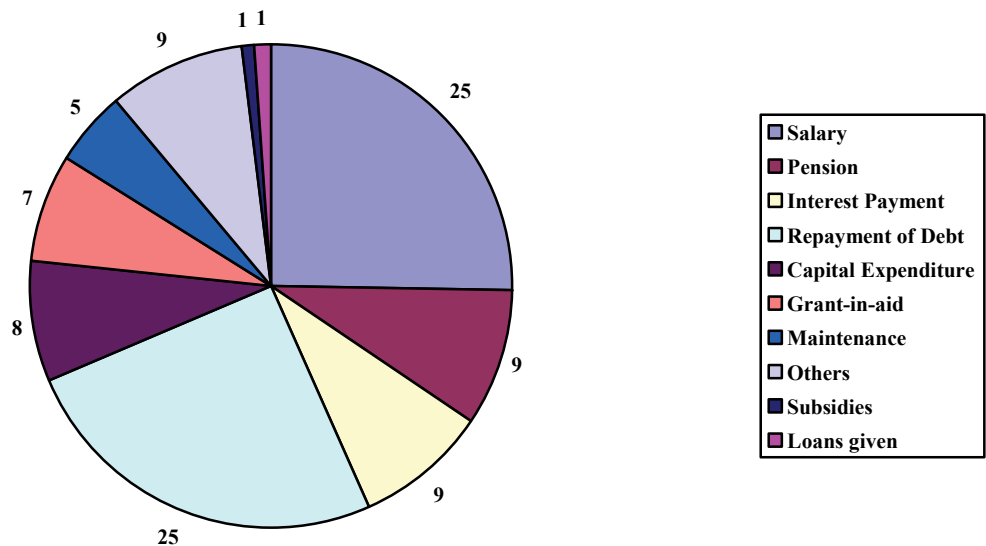
| | | |
|--------------------|--|--------------|
| APPLICATION | Revenue Expenditure | 19787 |
| | Capital Expenditure | 2473 |
| | Loans Given | 474 |
| | Repayment of Public Debt | 8260 |
| | Small Savings Provident Fund & Others | 1968 |
| | Reserves & Sinking Funds | 159 |
| | Deposits Repaid | 1633 |
| | Civil Advances Given | 85 |
| | Suspense Account | 5621 |
| | Remittances | 4541 |
| | Closing Cash Balance as on 31 March 2015 | (-)740 |
| | TOTAL | 44261 |

1.4.4 Where the Rupee came from



(Recovery of loans and advances was only ₹ 41 crore which is negligible hence value is shown as zero)

1.4.5 Where the Rupee went



(The figures in the above charts depict paise.)

1.5 Financial highlight of year 2014-15

(₹ in crore)

| Sl. No | Description | Budget Estimate. 2014-15 | Actuals 2014-15 | Percentage of Actuals to B.E. | Percentage of Actuals to GSDP (#) |
|--------|--|--------------------------|-----------------|-------------------------------|-----------------------------------|
| 1. | Tax Revenue (a) | 8702 | 8584 | 99 | 9 |
| 2. | Non-Tax Revenue | 1389 | 2081 | 150 | 2 |
| 3. | Grants-in-aid & Contributions | 6431 | 7178 | 112 | 8 |
| 4. | Revenue Receipts (1+2+3) | 16522 | 17843* | 108 | 19 |
| 5. | Recovery of Loans & Advances | 26 | 41 | 158 | -- |
| 6. | Other Receipts | 200 | 650 | 325 | 1 |
| 7. | Borrowings and other liabilities (b) | 5354 | 4200 | 78 | 4 |
| 8. | Capital Receipts (5+6+7) | 5580 | 4891 | 88 | 5 |
| 9. | Total Receipts (4+8) | 22102 | 22734 | 103 | 24 |
| 10. | Non-Plan Expenditure | 17683 | 16646 | 94 | 17 |
| 11. | Non Plan Expenditure on Revenue Account | 17656 | 16583 | 94 | 17 |
| 12. | Non-Plan Expenditure on Interest Payments out of Sl. No.11 | 2750 | 2894 | 105 | 3 |
| 13. | Non-Plan Expenditure on Capital Account (c) | 27 | 63 | 233 | -- |
| 14. | Plan Expenditure | 4052 | 6088 | 150 | 6 |
| 15. | Plan Expenditure on Revenue Account | 2178 | 3204 | 147 | 3 |
| 16. | Plan Expenditure on Capital Account (d) | 1924 | 2884 | 150 | 3 |
| 17. | Total Expenditure(10+14) (e) | 22102 | 22734 | 103 | 24 |
| 18. | Revenue Expenditure(11+15) | 19784 | 19787 | 100 | 21 |
| 19. | Capital Expenditure (13+16) (e) | 2319 | 2947 | 127 | 3 |
| 20. | Revenue Deficit (-) / Revenue Surplus (+)(18-4) | (-)3262 | (-)1944 | 60 | (-)2 |
| 21. | Fiscal Deficit (4+5+6-17) | (-)5354 | (-)4200 | (-)78 | (-)4 |

(a) Includes share of net (tax) proceed assigned to the state amounting to ₹2644 crore. (State Government Own Tax receipts were ₹5940 crore which was six per cent of GSDP)

(b) Borrowing and other Liabilities: Net (Receipts-Disbursement) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursement) of Public Account + Net of opening and closing balance.

(c) Includes ₹21 crore pertaining to Loans and Advances.

(d) Includes ₹453 crore pertaining to Loans and Advances.

(e) Expenditure on Capital Account includes Capital Expenditure (₹2473 crore) and Loans and Advances disbursed (₹474 crore).

GSDP figures (₹95587 crore) is taken from Economic and Statistic Department of Government of Himachal Pradesh as the same was not available on the web site of Ministry of Statistics and Programme Implementation as on 1 August 2015.

* Includes an amount of ₹1 crore by way of book adjustment.

The revenue deficit of ₹1944 crore (₹1641 crore deficit in 2013-14) and fiscal deficit of ₹4200 crore (₹4011 crore deficit in 2013-14) represent two *per cent* and four *per cent* of the Gross State Domestic Product (GSDP) respectively. The fiscal deficit constituted 18 *per cent* of total expenditure.

| <i>What do the deficits and surpluses indicate?</i> | |
|---|--|
| Deficit | Refers to the gap between revenue and expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in financial management |
| Revenue Deficit/ Surplus | Refers to the gap between revenue receipt and revenue expenditure. Revenue expenditure is required to maintain the existing establishment of government and ideally, should be fully met from revenue receipts. |
| Fiscal Deficit/ Surplus | Refers to the gap between total receipts (excluding borrowings) and total expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings and ideally should be invested in capital projects. |

1.6 Fiscal Responsibility and Budget Management (FRBM) Act. 2005

The Government of Himachal Pradesh has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. As per this Act, the State Government was required to achieve certain fiscal targets by specified periods. Achievements during the year 2014-15 against fiscal targets laid down in the Act and rules framed there under, were as follows:-

| Sr. No. | Financial Parameter | Actual (₹ in crore) | Ratio to GSDP* | |
|----------------|----------------------------|----------------------------|-----------------------|--------------------|
| | | | Target | Achievement |
| 1 | Revenue Deficit | 1944 | Eliminate by 2011-12 | 2.03 |
| 2 | Fiscal Deficit | 4200 | 3.00 or less | 4.39 |
| 3 | Debt and other obligation | 38192 | 40.1 | 39.95 |

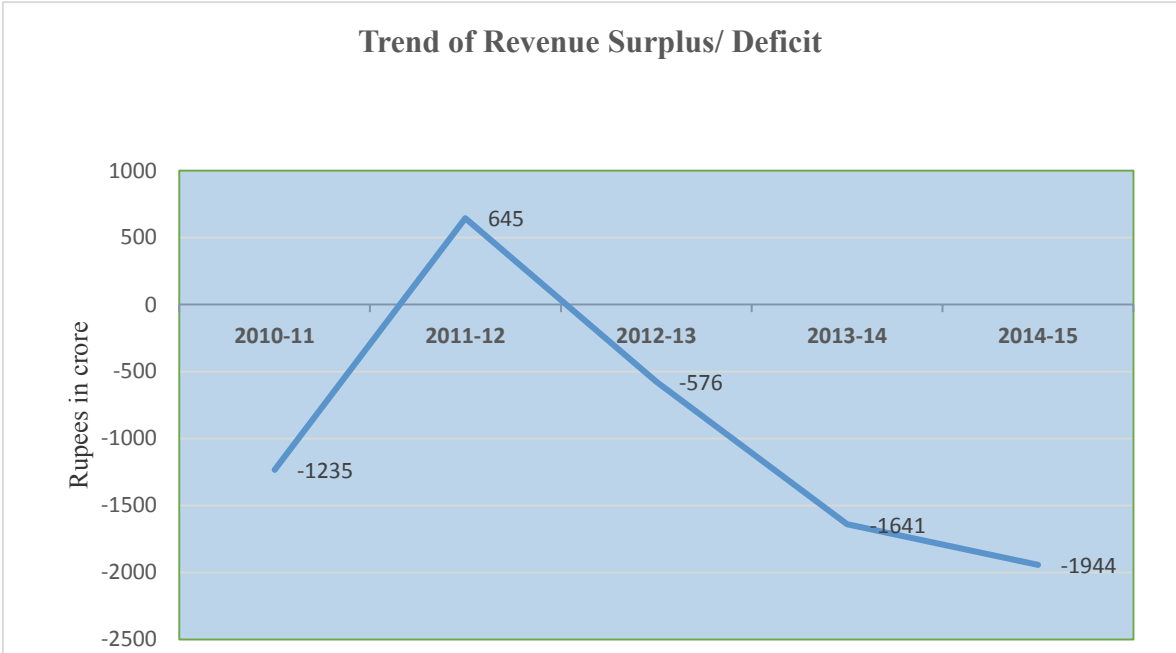
* Source: GSDP figure (₹95587 crore) is taken from Economic and Statistics Department, Government of Himachal Pradesh as the same was not available on the web site of Ministry of Statistics and Program Implementation, Government of India as on 1 August 2015 .

The outstanding guarantees (as estimated by the State Government) on long term debt at the end of year was 27.25 per cent of revenue receipt of previous financial year, which was well within the target of 40 per cent of revenue receipt of previous financial year.

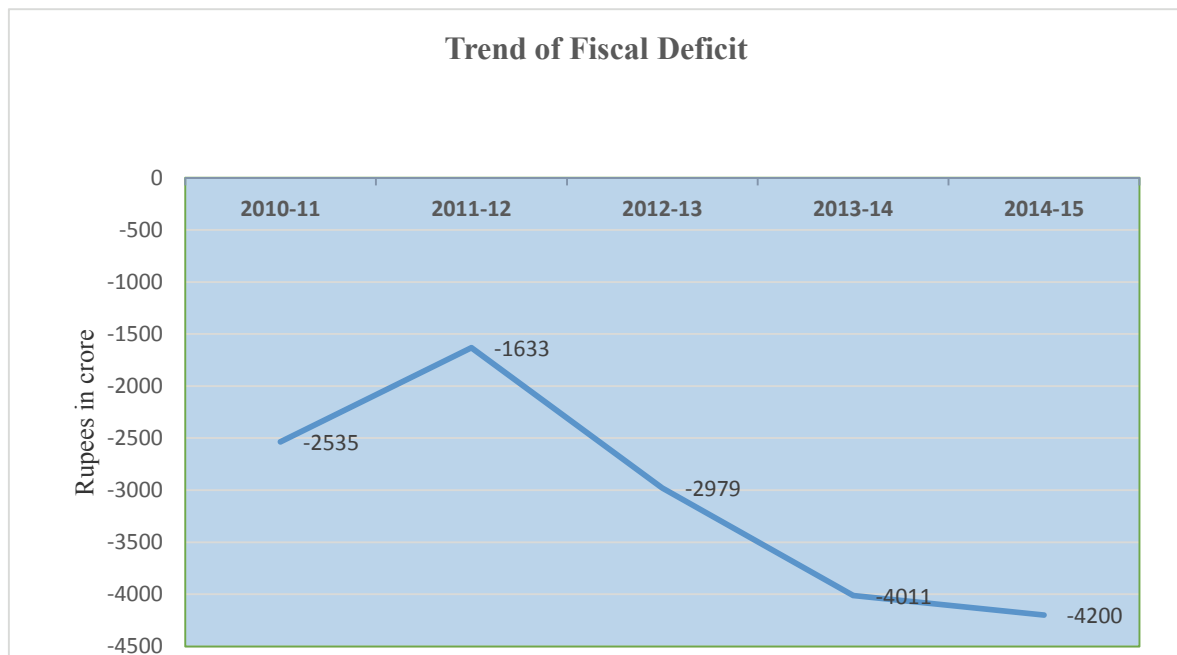
The State Government had made disclosures to the Legislature required under the Himachal Pradesh Fiscal Responsibility and Budget Management Rules, 2005.

In 2013-14 the State had revenue deficit of ₹1641 crore which increased to ₹1944 crore during 2014-15. Fiscal deficit increased by ₹189 crore from ₹4011 crore in 2013-14 to ₹4200 crore in the current year and was equal to four per cent of GSDP which was higher than the target of 3 per cent or less of GSDP laid down in the amended FRBM Act. Against the target of reducing outstanding debt to 40.1 per cent of GSDP by the year 2014-15, the outstanding debt stood at ₹38192 crore as on 31 March 2015, being 40 per cent of GSDP. Similarly the target of maintaining amount of outstanding guarantees below 40 per cent of total revenue receipts of previous financial year, the amount of outstanding guarantees was ₹4281 crore as on 31 March 2015 equaling 27 per cent of total revenue receipt (₹15711 crore) of previous year i.e. 2013-14.

1.6.1 Trend of Revenue Deficit/ Surplus

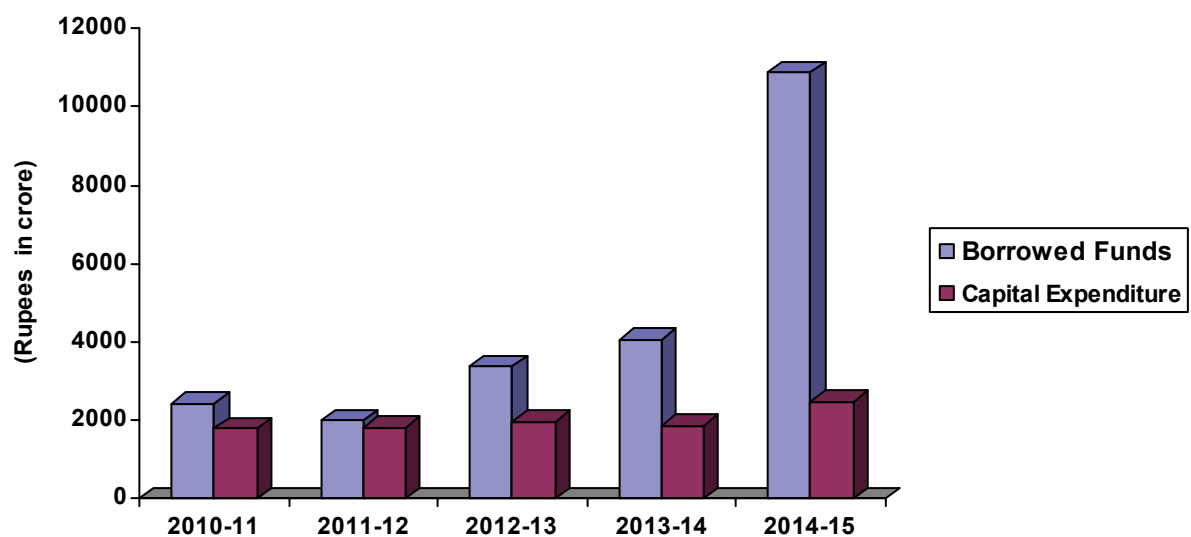


1.6.2 Trend of Fiscal Deficit



1.6.3 Proportion of borrowed funds spent on Capital

Borrowed funds and Capital Expenditure



The governments usually run fiscal deficits and borrow funds for capital/ assets formation or for creation of economic and social infrastructure, so that assets created through borrowings

could pay for themselves by generating an income stream. Thus it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 23 *per cent* of the borrowings of the current year (₹10877 crore) on capital expenditure (₹2473 crore). It would therefore appear that balance of borrowings in the public debt was utilized to repay the principal (₹8260 crore) and part of interest on public debt of previous years.

Chapter II

Receipts

2.1 Introduction

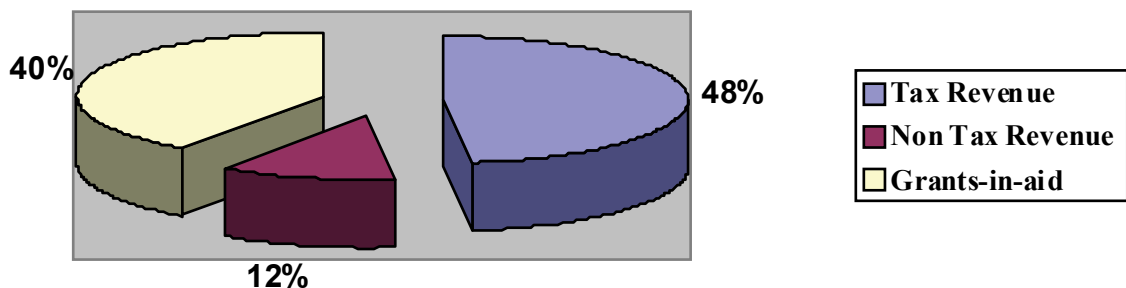
Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2014-15 was ₹22734 crore.

2.2 Revenue Receipts

The revenue receipts of the government comprise three components viz. Tax Revenue, Non-tax Revenue and Grants-in-aid received from the Union Government.

| | |
|-----------------|---|
| Tax Revenue | Comprises taxes collected and retained by the state and State's share of Union Taxes under Article 280(3) of the Constitution. |
| Non-Tax Revenue | Includes interest receipts, dividend, profits, departmental receipts etc. |
| Grants-in -aid | Grants-in-aid represent central assistance to the State Government from the Union Government. It also includes "External Grant Assistance" received from Foreign Government and channelised through the Union Government. In turn, the State Government also give Grants-in-aid to institutions like Panchayati Raj Institution, Autonomous bodies etc. |

Revenue Receipts



2.2.1 Revenue Receipts Components (2014-15)

(₹ in crore)

| Components | Actuals |
|--|--------------|
| A. Tax Revenue | 8584 |
| Taxes on Income & Expenditure | 1583 |
| Taxes on Property & Capital Transactions | 210 |
| Taxes on Commodities & Services | 6791 |
| B. Non-Tax Revenue | 2081 |
| Interest Receipts, Dividend and Profits | 272 |
| General Services | 131 |
| Social Services | 231 |
| Economic Services | 1447 |
| C. Grants-in-aid & Contribution | 7178 |
| Total –Revenue Receipts | 17843 |

2.2.2 Trend of Revenue Receipts

(₹ in crore)

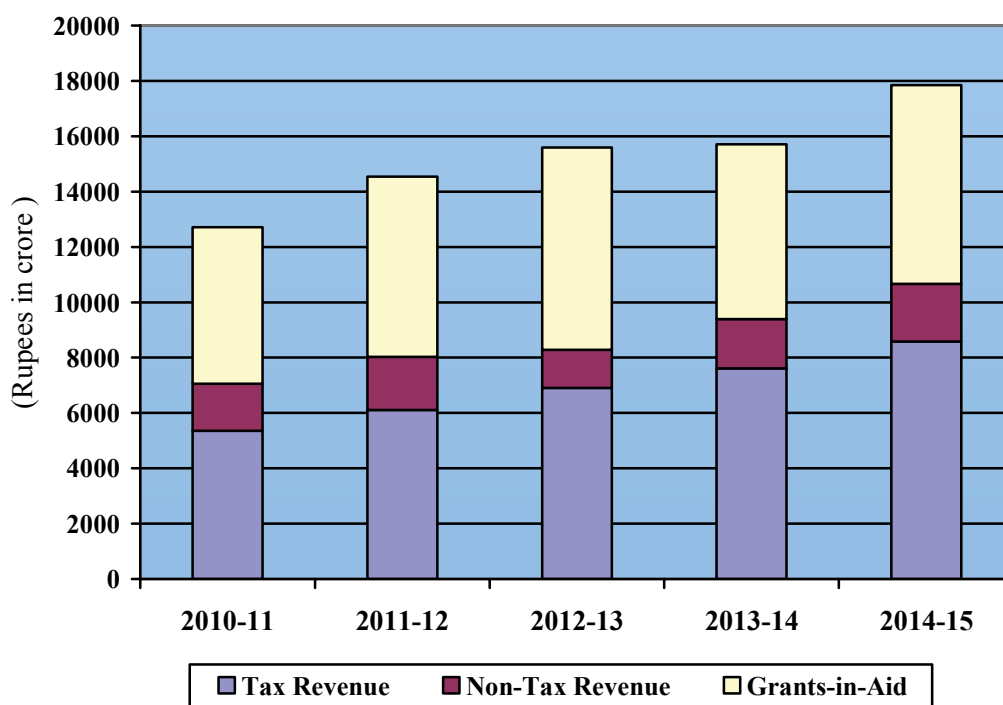
| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Tax Revenue | 5358 (10) | 6107 (10) | 6908 (10) | 7612 (9) | 8584 (9) |
| Non-Tax Revenue | 1695 (3) | 1915 (3) | 1377 (2) | 1785 (2) | 2081 (2) |
| Grants-in-aid | 5658 (11) | 6521 (10) | 7313 (10) | 6314 (8) | 7178 (8) |
| Total Revenue Receipts | 12711 (24) | 14543 (23) | 15598 (22) | 15711 (19) | 17843 (19) |
| GSDP | 52426 | 63084 | 72076 | 82585 | 95587 |

Note: Figures in parentheses represent percentage to GSDP.

Though the GSDP increased by 16 per cent in 2014-15 compared to previous year, growth in revenue receipt was only 14 per cent. The tax revenue increased by 13 per cent, the non-tax revenues increased by 17 per cent and the grants-in-aid increased by 14 per cent compared to

previous year, thus impacted the revenue receipt of the State adversely. Significant increase was seen in collections under Taxes on Sales Trade etc., Power, Taxes and Duties on Electricity, State Excise, Service Tax, Taxes on Income other than Corporation Tax.

Trend of components of Revenue Receipts



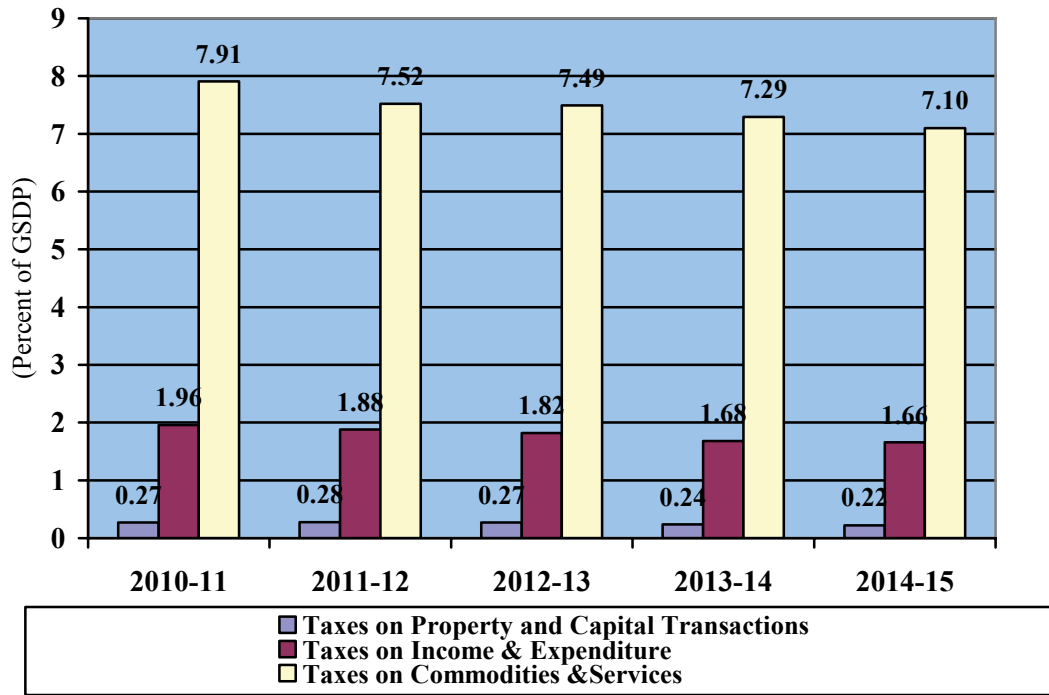
2.3 Tax Revenue

(₹ in crore)

| Sector-wise Tax Revenue | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| Taxes on Income and Expenditure | 1025 | 1186 | 1310 | 1390 | 1583 |
| Taxes on Property and Capital Transaction | 139 | 176 | 198 | 200 | 210 |
| Taxes on Commodities and Services | 4194 | 4745 | 5400 | 6022 | 6791 |
| Total Tax Revenue | 5358 | 6107 | 6908 | 7612 | 8584 |

The increase in total tax revenue during 2014-15 was mainly attributable to higher collection under Taxes on Sales Trade etc. (₹519 crore), Taxes and Duties on Electricity (₹141 crore), State Excise (₹92 crore), Taxes on Income other than Corporation Tax (₹108 crore).

Trend of Major Taxes in proportion to Gross State Domestic Product



2.3.1 State's own Tax and State's share of Union Taxes

Tax Revenue of the State Government comes from two sources viz. State's own tax collections and devolution of Union taxes.

(₹ in crore)

| Year | Tax Revenue | State share of Union Taxes | State's Own Tax Revenue | |
|---------|-------------|----------------------------|-------------------------|--------------------|
| | | | Tax revenue | Percentage to GSDP |
| (1) | (2) | (3) | (4) | (5) |
| 2010-11 | 5358 | 1715 | 3643 | 6.95 |
| 2011-12 | 6107 | 1999 | 4108 | 6.51 |
| 2012-13 | 6908 | 2282 | 4626 | 6.42 |
| 2013-14 | 7612 | 2491 | 5121 | 6.20 |
| 2014-15 | 8584 | 2644 | 5940 | 6.21 |

Following table depicts the comparative position amount tax revenue received from the two sources over a period of five years:

(₹ in crore)

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|--|-------------|-------------|-------------|-------------|-------------|
| State's own Tax collection | 3643 | 4108 | 4626 | 5121 | 5940 |
| Devolution of Union Taxes | 1715 | 1999 | 2282 | 2491 | 2644 |
| Total Tax Revenue | 5358 | 6107 | 6908 | 7612 | 8584 |
| Percentage of State's own tax to total tax revenue | 68 | 67 | 67 | 67 | 69 |

The proportion of State's own tax collection in overall tax revenue has shown a increasing trend since 2010-11, and its share as compared to total tax revenue, after remaining steady at 67 per cent during the years 2011-12 to 2013-14, increased to 69 per cent in 2014-15

2.3.2 Trend in state's own Tax collection over the past five years

(₹ in crore)

| Taxes | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| 1. Taxes on Sales, Trade etc. | 2101 | 2477 | 2728 | 3141 | 3660 |
| 2. State Excise | 562 | 707 | 810 | 952 | 1044 |
| 3 Taxes on Vehicles | 163 | 176 | 196 | 208 | 220 |
| 4. Stamp and Registration fees | 133 | 155 | 173 | 187 | 191 |
| 5. Taxes and Duties on electricity | 302 | 185 | 263 | 191 | 333 |
| 6. Land Revenue | 5 | 18 | 24 | 10 | 17 |
| 7. Taxes on Goods and Passengers | 93 | 94 | 101 | 105 | 110 |
| 8. Other Taxes | 284 | 296 | 331 | 327 | 365 |
| Total State's own Taxes | 3643 | 4108 | 4626 | 5121 | 5940 |

2.4 Efficiency of Tax Collection

(₹ in crore)

| Taxes | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---------|---------|---------|---------|---------|
| 1. Taxes on Sales, Trade etc. | | | | | |
| Revenue collection | 2101 | 2477 | 2728 | 3141 | 3660 |
| Expenditure on collection | 3 | 5 | 3 | 11 | 3 |
| Efficiency of tax collection | 0.14 % | 0.20 % | 0.12 % | 0.35% | 0.08% |
| 2. State Excise | | | | | |
| Revenue collection | 562 | 707 | 810 | 952 | 1044 |
| Expenditure on collection | 3 | 3 | 3 | 3 | 4 |
| Efficiency of tax collection | 0.53 % | 0.42 % | 0.37 % | 0.32% | 0.38% |
| 3. Taxes on Vehicles, Goods and Passengers | | | | | |
| Revenue collection | 256 | 270 | 297 | 313 | 330 |
| Expenditure on collection | 24 | 25 | 30 | 32 | 37 |
| Efficiency of tax collection | 9.38 % | 9.26 % | 10.10 % | 10.22% | 11.21% |
| 4. Stamp and Registration Fee | | | | | |
| Revenue collection | 133 | 155 | 173 | 187 | 191 |
| Expenditure on collection | 1 | 1 | 1 | 1 | 2 |
| Efficiency of tax collection | 0.75 % | 0.65 % | 0.58 % | 0.53% | 1.05% |

The expenditure on collection of Taxes on Vehicles, Goods and Passengers was very high compared to other taxes.

2.5 Trend in state's share of Union Taxes over the past five years

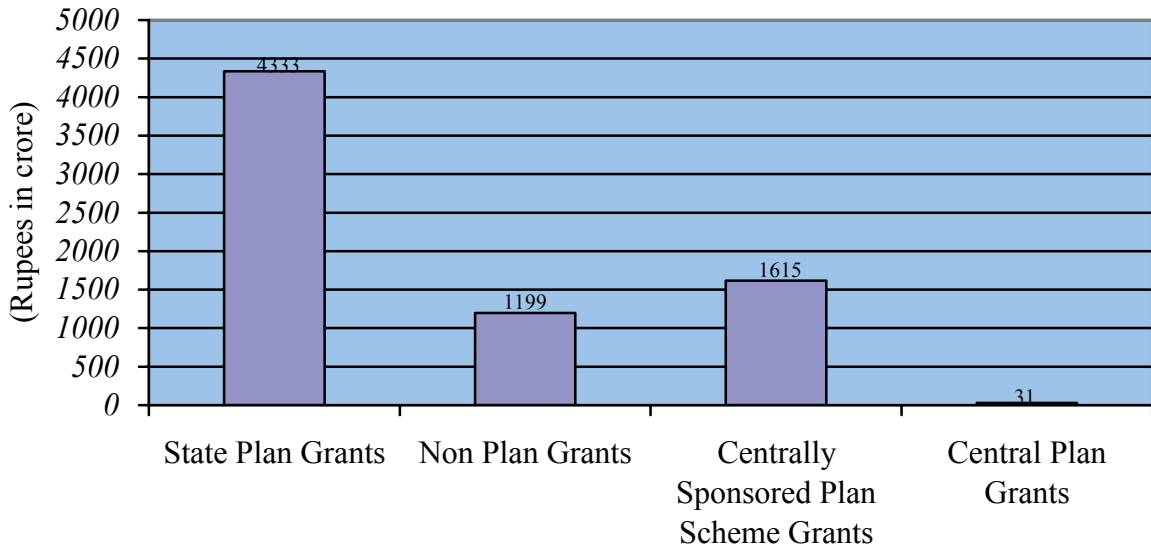
(₹ in crore)

| Description | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|--|-------------|-------------|-------------|-------------|-------------|
| Corporation Tax | 671 | 787 | 820 | 838 | 923 |
| Taxes on Income other than Corporation Tax | 354 | 400 | 491 | 552 | 659 |
| Taxes on Wealth | 1 | 3 | 1 | 2 | 3 |
| Customs | 300 | 347 | 379 | 406 | 428 |
| Union Excise Duties | 218 | 224 | 258 | 287 | 241 |
| Service Tax | 171 | 238 | 333 | 406 | 390 |
| State's share of Union Taxes | 1715 | 1999 | 2282 | 2491 | 2644 |
| Total Tax Revenue | 5358 | 6107 | 6908 | 7612 | 8584 |
| Percentage of Union Taxes to Total Tax Revenue | 32 | 33 | 33 | 33 | 31 |

2.6 Grants -in-Aid

Grants-in-aid represent assistance from the Government of India, and comprise, grant for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and Non-Plan Grants recommended by the Finance Commission. Total receipts during 2014-15 under Grants -in-aid were ₹7178 crore as shown below:

Grants-in-Aid



The share of Non-Plan Grants in total Grants-in-aid declined from 32 *per cent* during 2013-14 to 17 *per cent* in 2014-15, while the share of Grants for Plan schemes shows a stable trends during 2013-14 and 2014-15 i.e 60 *per cent* . As against budget estimate of ₹5103 crore of Union share in Plan schemes, the State Government has actually received ₹4333 crore of Grants-in-aid (85 *per cent* of Budget Estimate)

2.7 Public Debt

Trend of position of Public Debt over the past five years

| Description | (₹ in crore) | | | | |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| Internal Debt | 17694 | 18563 | 19747 | 22099 | 24658 |
| Central Loans | 960 | 947 | 1018 | 1012 | 1071 |
| Total | 18654 | 19510 | 20765 | 23111 | 25729 |

During the year 2014-15, ten loans totaling ₹2345 crore were raised from the open market at interest rates varying from 8.08 *per cent* to 9.63 *per cent* and the same are redeemable in the year 2024-25. In addition, the state Government raised loan of ₹444 crore from the financial

institutions and ₹1102 crore from the National Small Savings Fund (NSSF). An amount of ₹6860 crore obtained from Wage and Means Advances (₹4193 crore from Normal Ways and Means Advances and ₹2667 crore Overdrafts) from the Reserve Bank of India. Thus the total Internal Debt raised by the Government during the year 2014-15 aggregated to ₹10752 crore. The Government also received ₹125 crore from Government of India as loans and advances.

Chapter III

Expenditure

3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the organization. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

In Government accounts, the expenditure is classified at top level into three sectors: General Services, Social Services and Economic Services. The significant areas of expenditure covered under these sectors are mentioned in the table given below:

| | |
|-------------------|--|
| General Services | Includes Justice, Police, Jail, PWD, Interest, Pension etc. |
| Social Services | Includes Education, Health & Family Welfare, Water Supply etc. |
| Economic Services | Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc. |

3.2 Revenue Expenditure

The excess of revenue expenditure against budget estimates during the past five years is given below:

(₹ in crore)

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|--|---------|---------|---------|---------|---------|
| Budget Estimates | 12093 | 14042 | 15969 | 17647 | 19784 |
| Actuals | 13946 | 13898 | 16174 | 17352 | 19787 |
| Gap | 1853 | (-)144 | 205 | (-)295 | (+)3 |
| Percentage of variation of Actuals against BE | 15 | (-)1 | 1 | (-)2 | - |

Around 76 *per cent* of the total revenue expenditure was incurred on committed expenses viz. on Salaries and Wages (₹8418 crore) Interest payment (₹2849 crore) and Pensions (₹2914 crore) and subsidies (₹801 crore) which is the committed liability of the State Government.

The position of committed and uncommitted revenue expenditure over the last five years is given below:

(₹ in crore)

| Component | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|-----------|-----------|-----------|-----------|-----------|
| Total revenue expenditure | 13946 | 13898 | 16174 | 17352 | 19787 |
| Committed revenue expenditure # | 9880 | 11027 | 12939 | 13348 | 14982 |
| <i>Percentage of committed revenue expenditure to total revenue expenditure</i> | <i>71</i> | <i>79</i> | <i>80</i> | <i>77</i> | <i>76</i> |
| Uncommitted revenue expenditure | 4066 | 2871 | 3235 | 4004 | 4805 |

Committed revenue expenditure includes expenditure on Salaries & Wages, Interest Payments, Pensions and Subsidies.

It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has decrease drastically during the year 2014-15. The total revenue expenditure increased by 42 *per cent* from ₹13946 crore in 2010-11 to ₹19787 crore in 2014-15 and committed revenue expenditure increased by 52 *per cent* over the same period.

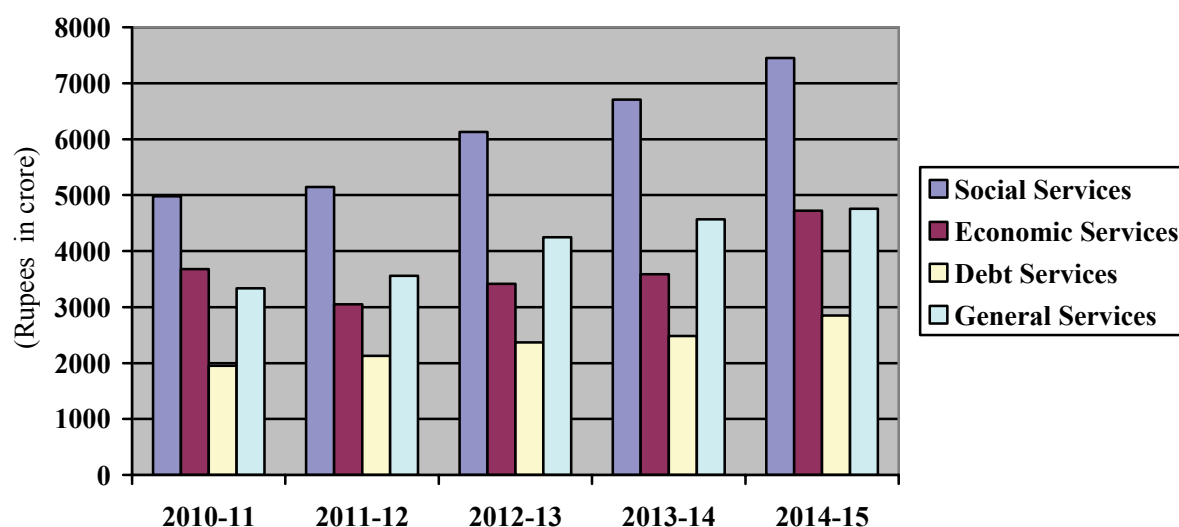
3.2.1 Sectoral distribution of Revenue Expenditure (2014-15)

(₹ in crore)

| Components | Amount | Percentage |
|---|--------------|------------|
| A. Organs of State | 232 | 1 |
| B. Fiscal Services | 231 | 1 |
| (i) Collection of Taxes on Property and Capital transaction | 184 | 1 |
| (ii) Collection of Taxes on Commodities and services | 46 | -- |
| (iii) Other Fiscal Services | 1 | -- |
| C. Interest Payments and Servicing of debt | 2849 | 14 |
| D. Administrative Services | 1354 | 7 |
| E. Pensions and Miscellaneous General Services | 2938 | 15 |
| F. Social Services | 7451 | 38 |
| G. Economic Services | 4723 | 24 |
| H. Grants-in-aid | 9 | -- |
| Total Expenditure (Revenue Accounts) | 19787 | 100 |

3.2.2 Major components of Revenue Expenditure 2010-11 to 2014-15

Trend of major components of Revenue Expenditure



3.3 Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital disbursements during 2014-15 amounting for ₹2473 crore (3 per cent of GSDP) were excess than Budget Estimates by ₹521 crore (Excess disbursement of ₹506 crore under plan expenditure and excess expenditure of ₹15 crore under non-plan). The growth in capital expenditure has not kept pace with the steady growth of GSDP since 2010-11 onwards and has almost remained stagnated. This can be seen from the table below:

(₹in crore)

| S.No. | Components | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|-------|--------------------------------------|---------|---------|---------|---------|---------|
| 1 | Budget (B.E.) | 1760 | 1498 | 1970 | 2063 | 1952 |
| 2 | Actual Expenditure(#) | 1789 | 1810 | 1955 | 1856 | 2473 |
| 3 | Percentage of Actual Exp. to B.E. | 102 | 121 | 99 | 90 | 127 |
| 4 | Yearly growth in Capital Expenditure | (-)8% | 1% | 8% | (-)5% | 33% |
| 5 | GSDP | 52426 | 63084 | 72076 | 82585 | 95587 |
| 6 | Yearly growth in GSDP | 24% | 20% | 14% | 15% | 16% |

(#) Does not include expenditure on Loans and Advances

3.3.1 Sectoral distribution of Capital Expenditure

During 2014-15, the Government spent ₹154 crore on various Irrigation Projects (₹31 crore on Medium Irrigation, ₹123 crore on Minor Irrigation). Apart from above, the Government spent ₹836 crore on construction of roads and bridges and invested ₹98.49 crore in Statutory Corporations/Boards, ₹260.30 crore in Government and other Companies, and ₹0.42 crore in Cooperative societies. During the year, share capital amounting to ₹0.38 crore was redeemed by Co-operative Bank, ₹2.02 crore by Co-operative Societies.

3.3.2 Sectoral distribution of capital and revenue expenditure

The comparative sectoral distribution of capital and revenue expenditure over the past five years is illustrated below:

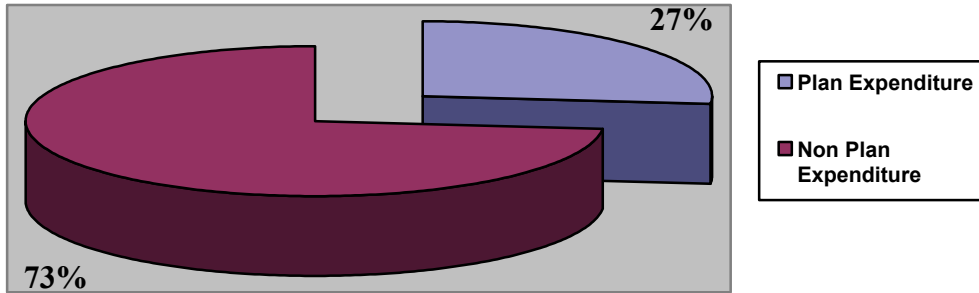
(₹ in crore)

| S.No. | Sector | | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|-------|--------------------------------|---------|---------|---------|---------|---------|---------|
| (A) | General Services | Capital | 73 | 73 | 74 | 81 | 83 |
| | | Revenue | 5279 | 5690 | 6618 | 7047 | 7604 |
| (B) | Social Services | Capital | 611 | 372 | 436 | 477 | 522 |
| | | Revenue | 4979 | 5147 | 6131 | 6706 | 7451 |
| (C) | Economic Service | Capital | 1104 | 1365 | 1445 | 1297 | 1868 |
| | | Revenue | 3682 | 3049 | 3418 | 3590 | 4723 |
| (D) | Grants-in-Aid and Contribution | Capital | -- | -- | -- | -- | -- |
| | | Revenue | 6 | 12 | 7 | 9 | 9 |

Chapter IV

Plan and Non-plan Expenditure

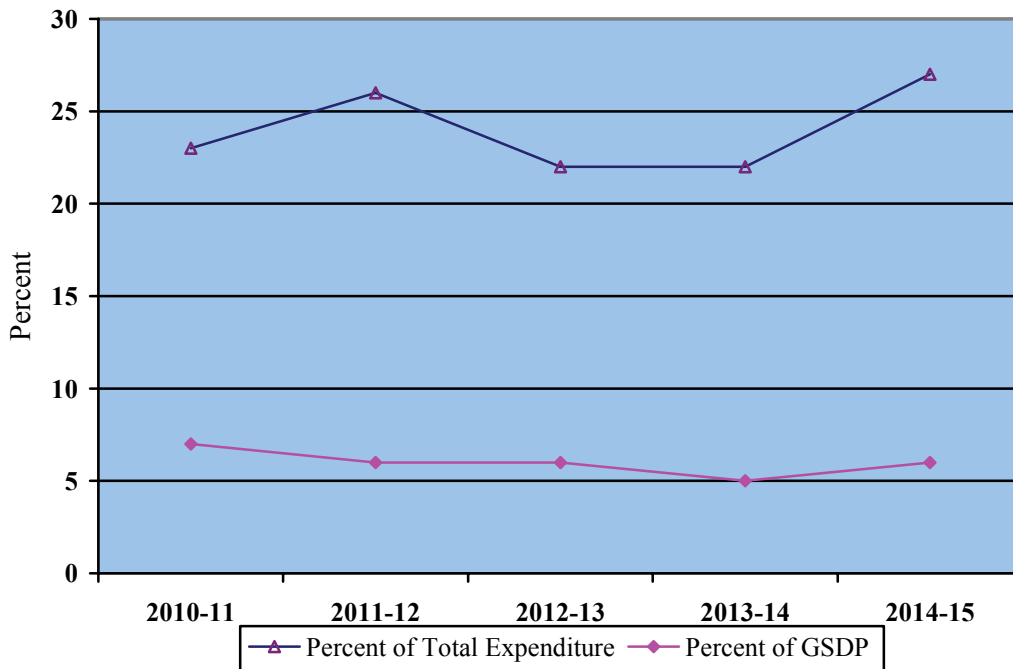
4.1 Distribution of expenditure (2014-15)



4.2 Plan Expenditure

Plan expenditure (both revenue and capital) during 2014-15 was ₹6088 crore constituting 27 per cent of total disbursement of ₹22734 crore. This comprised ₹3761 crore under state plan, ₹1874 crore under centrally sponsored/ central plans scheme and ₹453 crore on loans and advances.

Plan Expenditure as proportion of Total Expenditure and Gross State Domestic Product



Plan expenditure under the revenue sector increased by 34 *per cent* from ₹2387 crore in 2013-14 to ₹3204 crore in 2014-15. In capital sector it witnessed increase of 46 *per cent*, from ₹2025 crore in 2013-14 to ₹2947 crore in 2014-15. The share of Centrally Sponsored Schemes/ Central Plan (Revenue ₹1439 crore and Capital ₹435 crore) in Plan expenditure increased from ₹449 crore in 2013-14 to ₹1874 crore in 2014-15.

4.2.1. Plan Expenditure under Capital Account

(₹ in crore)

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---------|---------|---------|---------|---------|
| Total Capital Expenditure | 2016 | 2303 | 2424 | 2387 | 2947 |
| Capital Expenditure (Plan) | 1996 | 2242 | 2020 | 2025 | 2884 |
| Percentage of Capital Expenditure (Plan) to total Capital Expenditure | 99 | 97 | 83 | 85 | 98 |

4.2.2 Plan expenditure on Loans and Advances

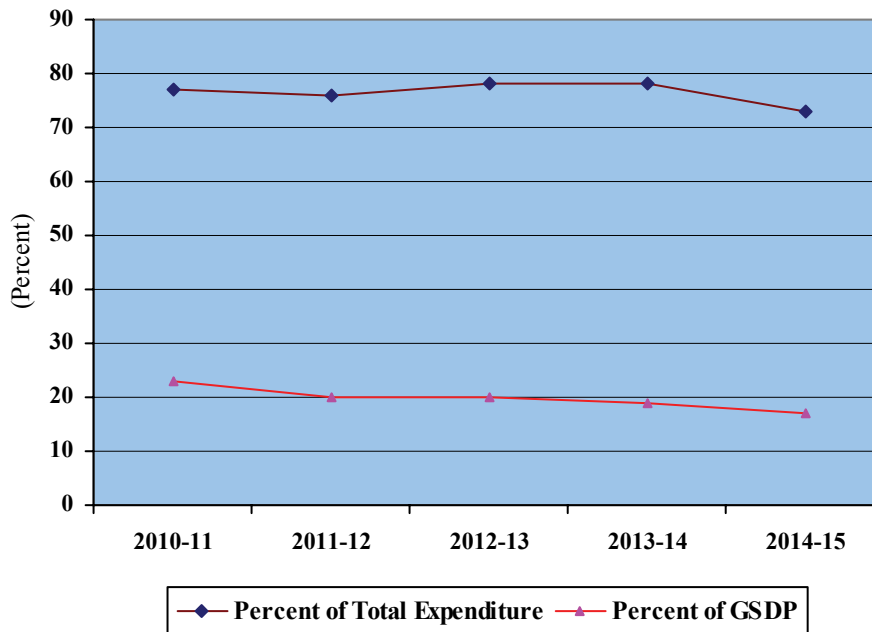
Significant disbursements of Loans and Advances were as under:

| Major Heads | Amount (₹ in crore) | Purpose |
|---|------------------------|--|
| 6425- Loans for Co-operation | 44 | Loans to strengthen Marketing activities |
| 6801 Loans for Power Project | 404 | Loans for clean energy Development Projects |
| 6885-Other Loans to Industries & Minerals | 17 | Redemption of bonds of HPFC guaranteed by the State Government |

4.3 Non-plan Expenditure

Non-plan expenditure during 2014-15, representing 73 *per cent* of total disbursement of ₹22734 crore was ₹16646 crore (₹16583 crore under Revenue and ₹63 crore under Capital). Non-plan expenditure under capital includes ₹21 crore on account of Loans and Advances disbursed. The expenditure on salary and wages amounting to ₹8418 crore was 51 *per cent* of total Non-plan expenditure.

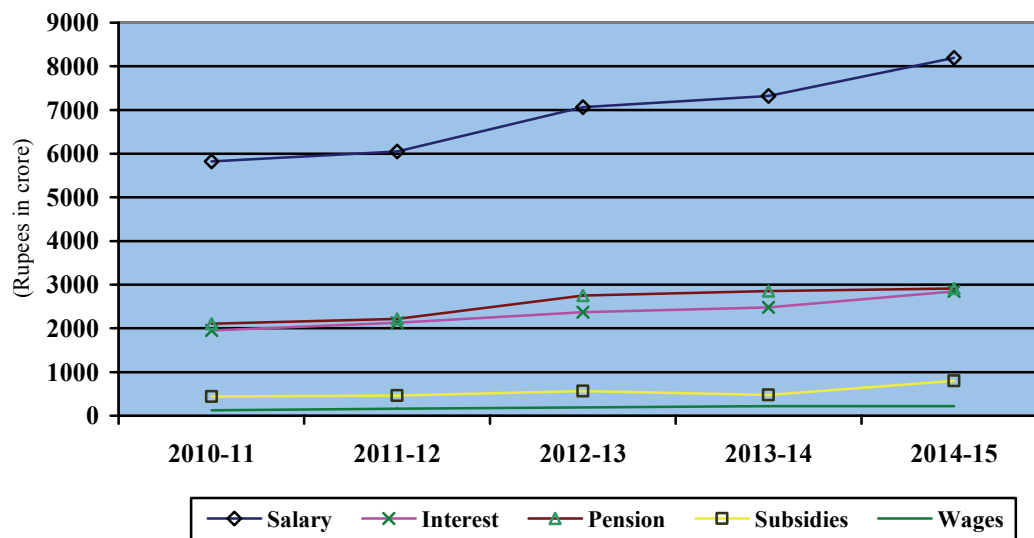
Non-Plan Expenditure as proportion of Total Expenditure and Gross State Domestic Product



4.4 Committed Expenditure

Expenditure on salaries, pensions and interest payments showed increase in 2014-15 over the previous year, mainly on account of revision of pay and pension.

Trend of Committed Expenditure



The trend of committed expenditure to in comparison to revenue expenditure and revenue receipt over the past five years is depicted below:

(₹ in crore)

| Component | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|--|---------|---------|---------|---------|---------|
| Committed Expenditure | 10318 | 11027 | 12939 | 13348 | 14982 |
| Revenue Expenditure | 13946 | 13898 | 16174 | 17352 | 19787 |
| Revenue Receipts | 12711 | 14543 | 15598 | 15711 | 17843 |
| Percentage of committed expenditure to Revenue Receipts | 81 | 76 | 83 | 85 | 84 |
| Percentage of committed expenditure to Revenue Expenditure | 74 | 79 | 80 | 77 | 76 |

The committed expenditure increased by 45 *per cent* from 2010-11 to 2014-15 while revenue expenditure registered the growth of 42 *per cent* during the same period, leaving the Government with lesser flexibility in development spending.

Chapter V

Appropriation Accounts

5.1 Summary of Appropriation Accounts for 2014-15

(₹ in crore)

| Sl. No. | Nature of expenditure | Original grant | Supplementary grant | Surrender (by way of re-appropriation) | Total Budget | Actual expenditure (Net) | Savings(-) Excesses(+) |
|---------|--------------------------|----------------|---------------------|--|---------------|--------------------------|------------------------|
| 1. | Revenue Voted Charged | 18878 2795 | 1299 2 | 1661 61 | 18516 2736 | 16893 2894 | (-)1623 +158 |
| 2. | Capital Voted Charged | 1976 0 | 582 23 | 35 0 | 2523 23 | 2450 23 | (-)73 0 |
| 3. | Public Debt Charged | 1511 | 5782 | 0 | 7293 | 8260 | +967 |
| 4. | Loans and Advances Voted | 383 | 65 | 61 | 387 | 474 | +87 |
| | Total | 25543 | 7753 | 1818 | 31478 | 30994 | (-)484 |

5.2 Trend of Saving / Excess during the past five years

(₹ in crore)

| Savings(-) Excess (+) | | | | | |
|-----------------------|---------|---------|-------------|-----------------|---------|
| Year | Revenue | Capital | Public Debt | Loan & Advances | Total |
| 2010-11 | (+)321 | (-)158 | (-)10 | (+)135 | (+)289 |
| 2011-12 | (-)914 | (-)57 | (+)30 | (+)131 | (-)809 |
| 2012-13 | (-)1169 | (-)41 | (+) 180 | (+)94 | (-)937 |
| 2013-14 | (-)1670 | (-)70 | (-)220 | (+)81 | (-)1879 |
| 2014-15 | (-)1465 | (-)73 | (+)967 | (+)87 | (-)484 |

5.3 Significant savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/ programmes.

Some grants with persistent and significant net savings are given below:

(₹ in crore)

| Grant | Nomenclature | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|-------|--|---------|---------|---------|---------|---------|
| 3 | Administration of Justice | 19 | 18 | 15 | 17 | 6 |
| 4 | General Administration | -- | 16 | 4 | -- | 12 |
| 5 | Land Revenue and District Administration | -- | 66 | 27 | -- | 36 |
| 6 | Police and Other Organisation | -- | 35 | 3 | 22 | 10 |
| 7 | Education | 64 | -- | 120 | 343 | 385 |
| 8 | Health and Family welfare | -- | 22 | 64 | 117 | 158 |
| 9 | Public Works- Roads Bridges and Buildings | -- | -- | 45 | 77 | 18 |
| 10 | Animal Husbandry Dairy Development and Fisheries | -- | -- | -- | 17 | 7 |
| 11 | Planning and Backward Area Sub Plan | 35 | -- | 19 | 22 | 12 |
| 12 | Forest and Wild Life | -- | -- | 10 | 7 | 3 |
| 13 | Industries Minerals Supplies and Information Technology | -- | -- | -- | 12 | 5 |
| 14 | Rural Development | -- | -- | -- | 60 | 110 |
| 15 | Co-operation | -- | -- | -- | 4 | 5 |
| 16 | Food and Civil Supplies | 26 | -- | -- | 11 | 28 |
| 18 | Power Development | -- | -- | 40 | 283 | -- |
| 19 | Labour Employment and Training | -- | -- | -- | 79 | 62 |
| 20 | Finance | 238 | -- | 38 | 496 | 587 |
| 21 | Tribal Area Sub Plan | -- | 39 | 33 | 72 | 13 |
| 22 | Scheduled Caste Sub Plan | 11 | 16 | 84 | 107 | 26 |
| 23 | Urban Development, Town and Country Planning and Housing | 27 | -- | 8 | -- | 6 |

The persistent huge savings under Education, Health and Family welfare and Rural Development is on account of schemes which though approved by the legislature have been given lesser priority during implementation. This can be attributed either to increase budget estimation or the Government's desire to keep its fiscal deficit below the ceiling.

During 2014-15 Supplementary grants totaling ₹7753 crore (25.01 % of total expenditure) proved to be unnecessary in some cases. A few instances where there were savings at the end of the year even against original allocation are given below:-

(₹in crore)

| Grant | Nomenclature | Section | Original | Supple- mentary | Actual Expenditure |
|-------|---|---------|----------|--------------------|-----------------------|
| 05 | 2702- Minor Irrigation 80- General 800-Other Expenditure 07-Scheme for improvement of Irrigation Statistics Centrally Sponsored Scheme Plan | Revenue | -- | 96 | 85 |
| 07 | 2055- Police 115-Modrenisation of Police 02- Security Related Expenditure Non-Plan | Revenue | -- | 49 | 24 |
| 09 | 2059- Public Works 01- Office Buildings 053- Maintenance and Repairs 52- Maintenance of Indira Gandhi Medical College Plan | Revenue | 131 | -- | 96 |
| 10 | 3054- Roads and Bridges 03- State Highways 103- Maintenance and Repairs 15- Expenditure on Maintenance of Road under Thirteenth Finance Commission Non-Plan | Revenue | 5915 | -- | 5824 |
| 10 | 3054- Roads and Bridges 04- District and Other Roads 105- Maintenance and Repairs 02-Other Maintenance Expenditure -Road Works Plan | Revenue | 1577 | -- | 1458 |
| 12 | 2401-Crop Husbandry 119- Horticulture and Vegetable Crops 22-Marketing and Quality Control Non-Plan (Charged) | Revenue | -- | 62 | -- |

(₹ in crore)

| Grant | Nomenclature | Section | Original | Supple- mentary | Actual Expenditure |
|-------|--|---------|----------|--------------------|-----------------------|
| 13 | 2700-Minor Irrigation 01- Shah Nahar Project (non Commercial) 799- Suspense 02- Stock Manufacture Plan | Revenue | 184 | -- | 72 |
| 13 | 4215- Capital Outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply 01- Urban Water Supply in various District Plan (Charged) | Capital | -- | 69 | 37 |

A few instances where there was excess expenditure at the end of the year even after Supplementary allocations were made are given below:-

(₹ in crore)

| Grant | Nomenclature | Section | Original | Supple- mentary | Actual Expenditure |
|-------|---|---------|----------|--------------------|-----------------------|
| 06 | 3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions 107-Tax on Entry of Goods into Local Area 02-Grant-in-aid to Panchayat/Rural Bodies Non-Plan | Revenue | 2 | 3 | 6 |
| 18 | 4851-Capital Outlay on Village and Small Industries- 101- Industrial Estate 02-Creation of State of Art Industrial Areas Plan | Capital | -- | 6 | 9 |
| 18 | 6885-Other Loans to Industries and Minerals 01- Loans to Industrial Financial Institutions 190-Loans to Public Sector and Other Undertakings 01-Loan to Himachal Pradesh State Financial Corporation Non-Plan | Loan | -- | 16 | 17 |

| Grant | Nomenclature | Section | Original | Supplementary | Actual Expenditure |
|-------|--|-------------|----------|---------------|--------------------|
| 23 | 2801-Power 80-General 101-Assistance to Electricity Boards 02-Interest Subsidy Non-Plan | Revenue | -- | 55 | 56 |
| 29 | 6003-Internal Debt of the State Government 110-Ways and Means Advances from Reserve Bank of India 03-Shortfall and Over Draft by Reserve Bank of India Non-Plan | Public Debt | -- | 2219 | 2590 |

An expenditure of ₹ 31.75 crore in twenty cases where funds were allocated directly by bypassing the legislature i.e. through re-appropriation instead of Original/Supplementary budget are given below:-

(₹ in crore)

| Grant | Nomenclature | Section | Original | Supplementary | Re-Appropriation | Actuals Expenditure |
|-------|--|---------|----------|---------------|------------------|---------------------|
| 07 | 4070- Capital Outlay on other Administrative Services - 800-Other Expenditure 01- Construction of Official Buildings of Home Guard Department- Plan | Capital | -- | -- | 1.30 | 1.30 |
| 08 | 2202-General Education - 80-General - 107-Scholarships- 09-Pre-Matric Scholarship to other Backward Class Students- Plan | Revenue | -- | -- | 0.25 | 0.25 |
| 11 | 2401Crop Husbandry - 109-Extension and Farmers Training 25-Normal Extension Activities- Centrally Sponsored Scheme Plan | Revenue | -- | -- | 7.59 | 7.59 |

(₹ in crore)

| Grant | Nomenclature | Section | Original | Supplementary | Re-Appropriation | Actuals Expenditure |
|-------|---|---------|----------|---------------|------------------|---------------------|
| 11 | 2401- Crop Husbandry 113-Agriculture Engineering 04-Sub Mission on Agriculture Mechanisation- Centrally Sponsored Scheme Plan | Revenue | -- | -- | 0.80 | 0.78 |
| 11 | 2401- Crop Husbandry 800-Other Expenditure- 15-National Mission for Sustainable Agriculture- Central Plan- Plan | Revenue | -- | -- | 5.93 | 5.93 |
| 11 | 2401- Crop Husbandry 800- Other Expenditure 15-National Mission for Sustainable Agriculture- Plan | Revenue | -- | -- | 1.73 | 1.73 |
| 11 | 2810- New and Renewable Energy- 01-Bio-energy - 103-Biomass - 01-Installation of Gobar Gas Plant- Centrally Sponsored Scheme Plan | Revenue | -- | -- | 0.17 | 0.17 |
| 12 | 2401- Crop Husbandry 119-Horticulture and Vegetable Crops - 50-Rashtriya Krishi Vikas Yojna (Additional Central Assistance)- Plan | Revenue | 7.24 | 1.97 | 2.52 | 11.74 |
| 19 | 2235- Social Security and Welfare - 02-Social Welfare - 103-Women's Welfare - 11-Support Services to Victims of Rape- Plan | Revenue | -- | -- | 0.50 | 0.50 |

(₹ in crore)

| Grant | Nomenclature | Section | Original | Supplementary | Re-Appropriation | Actuals Expenditure |
|-------|---|---------|----------|---------------|------------------|---------------------|
| 20 | 2501-Special Programmes for Rural Development - 06- Self Employment Programmes - 800-Other Expenditure-04-Integrated Watershed Management Project-Centrally Sponsored Scheme Plan | Revenue | -- | -- | 1.54 | 1.54 |
| 20 | 2515-Other Rural Development Programmes - 102-Community Development - 21-Nirmal Gram Puraskar-Plan | Revenue | -- | -- | 0.15 | 0.15 |
| 22 | 3456-Civil Supplies - 001- Direction and Administration - 04-Consumer Awareness-Centrally Sponsored Scheme Plan | Revenue | -- | -- | 0.27 | 0.27 |
| 22 | 3456- Civil Supplies 001- Direction and Administration 05-Computerisation of Targeted Public Distribution System-Centrally Sponsored Scheme Plan | Revenue | -- | -- | 4.24 | 4.24 |
| 22 | 3456- Civil Supplies 001- Direction and Administration 05- Computerisation of Targeted Public Distribution System Plan | Revenue | -- | -- | 4.01 | 4.01 |
| 27 | 2230-Labour and Employment - 02-Employment Services - 101-Employment Services - 02-Vocational Guidance and Employment Counseling-Plan | Revenue | -- | -- | 0.08 | 0.08 |

(₹ in crore)

| Grant | Nomenclature | Section | Original | Supplementary | Re-Appropriation | Actuals Expenditure |
|-------|--|---------|----------|---------------|------------------|---------------------|
| 27 | 2230- Labour and Employment 03-Training - 003-Training of Craftsman and Supervisors - 08-Skill Development Incentive Scheme- Centrally Sponsored Scheme Plan | Revenue | -- | -- | 0.81 | 0.81 |
| 28 | 2217-Urban Development - 03-Integrated Development of Small and Medium Towns 192-Assistance to Municipalities/ Municipal Councils- 02-Urban Infrastructure Development Scheme for Small and Medium Towns- Plan | Revenue | -- | -- | 0.13 | 0.13 |
| 28 | 2217- Urban Development - 80-General - 191-Assistance to Municipal Corporations - 05-Rajiv Awas Yojna- Centrally Sponsored Scheme Plan | Revenue | -- | -- | 0.50 | 0.50 |
| 31 | 4202-Capital Outlay on Education Sports Art and Culture- 01-General Education - 796-Tribal Area Sub-Plan - 01-Building- Centrally Sponsored Scheme Plan | Capital | -- | -- | 0.08 | 0.08 |
| 32 | 2401-Crop Husbandry - 789-Special Component Plan for Scheduled Castes- 39-On Farm Water Management Scheme - Centrally Sponsored Scheme Plan | Revenue | -- | -- | 0.38 | 0.38 |

Chapter VI

Assets and Liabilities

6.1 Assets

The existing forms of accounts do not clearly depict valuation of Government assets like land, building etc., except the year of acquisition/ purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations.

Total investment as share capital in non-financial public sector undertakings (PSUs) stood at ₹1910 crore at the end of the year of 2014-15. However, dividends received during the year were ₹171 crore (i.e. 6 per cent) on total investment. During 2014-15, investments decreased by ₹293 crore and disinvestment made during the ₹650 crore while dividend income increased by ₹68 crore.

Cash Balance with RBI stood at ₹(-) 887 crore on 1 April 2014 and increased to ₹ (-) 739 crore at the end of March 2015. In addition, Government had invested an amount of ₹5162 crore on 54 occasions in Treasury Bills and rediscounted Treasury Bills worth ₹5162 crore on 75 occasions during 2014-15. The position of investment during the year 2014-15 is depicted in the table given below:

(₹ in crore)

| Cash Balance Investment in Government of India Treasury Bills | | | |
|---|--------------------------|----------------------|----------------------------------|
| Balance as on 1 April 2014 | Purchases during 2014-15 | Sales during 2014-15 | Closing balance on 31 March 2015 |
| -- | 5162 | 5162 | -- |

6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund. Government of India determines, from time to time, the limit up to which State Government can borrow from the market. The limit for 2014-15 was ₹2345 crore. Against this Government of Himachal Pradesh has availed open market borrowing for ₹2345 crore.

Details of the Public Debt and total liabilities of the State Government are as under:

(₹ in crore)

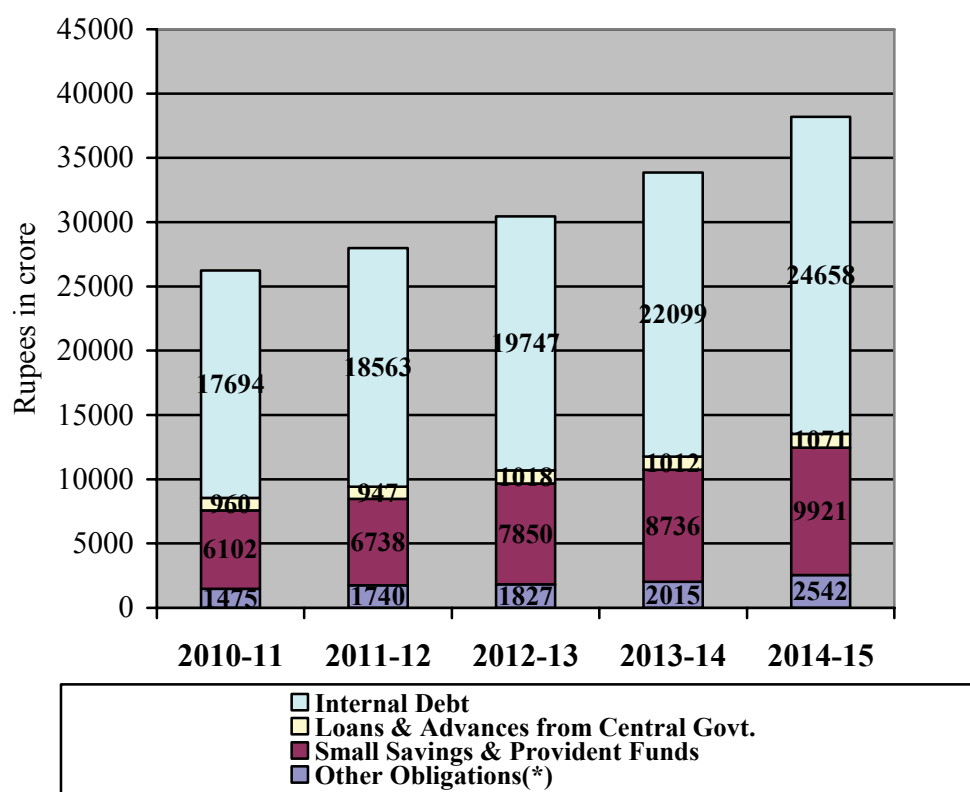
| Year | Public Debt | Per cent of GSDP | Public Account* | Per cent of GSDP | Total Liabilities | Per cent of GSDP |
|---------|-------------|------------------|-----------------|------------------|-------------------|------------------|
| 2010-11 | 18654 | 36 | 7759 | 15 | 26413 | 50 |
| 2011-12 | 19511 | 31 | 8717 | 14 | 28228 | 45 |
| 2012-13 | 20765 | 29 | 9677 | 13 | 30442 | 42 |
| 2013-14 | 23111 | 28 | 10773 | 13 | 33884 | 41 |
| 2014-15 | 25729 | 27 | 12463 | 13 | 38192 | 40 |

* Excludes suspense and remittance balance.

Note: Figures are progressive balance to end of the year.

Public Debt and other liabilities showed a net increase of ₹4308 crore (13 per cent) over the previous year.

Trend in Government Liabilities



(*) Interest & Non-interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

6.3 Guarantees

In addition to directly raising loans, State Governments also guarantee loans raised by Government companies and corporation from the market and financial institution for implementation of various plan schemes and programmes. These guarantees are projected out side the State Budget. The position of guarantees by the State Government for the repayment of loans (payment of principal and interest thereon) raised by statutory corporation, government companies, corporations, cooperative societies etc., is given below.

(₹ in crore)

| At the end of the year | Maximum Amount Guaranteed (Principal only) | Amount outstanding at the end of the year | |
|------------------------|--|---|----------|
| | | Principal | Interest |
| 2010-11 | 6232 | 3248 | 662 |
| 2011-12 | 6208 | 3316* | ... |
| 2012-13 | 9455 | 3353* | ... |
| 2013-14 | 9316 | 4333* | ... |
| 2014-15 | 9316 | 4281* | ... |

* Inclusive of Principal and Interest.

Chapter VII

Other Items

7.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Government also guarantees loans raised by government companies and corporations from the market and financial institutions for implementation of various plan schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, the loan repayments appear in Government account, resulting in irreconcilable adverse balances and under statement of liabilities in Government accounts. As on 31 March 2015 no adverse balance is appearing in favour H.P State.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2014-15 was ₹2347 crore. Out of this, loans and advances to government corporation/ companies, non-government institutions and local bodies amounted to ₹1615 crore. Recovery of principal aggregating to ₹80 crore was in arrears at the end of 31 March 2015. The information relating to recovery of interest in arrear was not made available by the State Government. During 2014-15 only ₹41 crore was towards repayment of loans and advances, out of which ₹9 crore relates to repayment of loans to government servants. Effective steps to recover the outstanding loans would help the Government improve its fiscal position.

7.3 Financial assistances to local bodies and others

Grants-in-aid given to local bodies, autonomous bodies etc. increased from ₹849 crore in 2010-11 to ₹2156 crore in 2014-15. Grants to Zilla Parishads and Panchayat Raj Institutions, Municipal Corporations and Municipalities (₹983 crore) represent 46 *per cent* of total grants given during the year.

Details of Grants-in-aid for the past 5 years are as under:

(₹ in crore)

| S. No | | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|-------|---|------------|------------|-------------|-------------|-------------|
| 1 | Zilla Parishads & Panchayati Raj Institutions | 256 | 264 | 262 | 327 | 781 |
| 2 | Municipal Corporations & Municipalities | 92 | 123 | 173 | 282 | 202 |
| 3 | Universities & Educational Institution | 311 | 315 | 401 | 447 | 597 |
| 4 | Development Agencies | 52 | 47 | 43 | 52 | 56 |
| 5 | Hospital & Others Charitable Institutes | 48 | 70 | 86 | 95 | 110 |
| 6 | Other Institute | 90 | 162 | 238 | 235 | 410 |
| | Total | 849 | 981 | 1203 | 1438 | 2156 |

7.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

| Component | As on 1 April 2014 | As on 31 March 2015 | Net increase(+)/ decrease (-) |
|--|--------------------|---------------------|-------------------------------|
| Cash Balances | (-)887 | (-)739 | (+)148 |
| Investment from cash balance (GOI Treasury Bills) | ... | ... | ... |
| Investment from earmarked fund balances | ... | ... | ... |
| (a) Sinking Fund | ... | ... | ... |
| (b) Guarantee Redemption Fund | ... | ... | ... |
| Interest realized during the year | 24 | 10 | (-)14 |

State Government had a negative closing cash balance at the end of 31 March 2015. Interest receipt on the investment of cash balance has decreased by 58 per cent from ₹24 crore to ₹10 crore.

7.5 Reconciliation of Accounts

Chief Controlling Officer (CCOs)/ Controlling Officer (COs) are required to reconcile the receipts and expenditure figures of the Government with the figures accounted for by the office of the Accountant General (A&E). Such reconciliation has been completed by all CCOs/Cos for such receipts and expenditures.

7.6 Submission of Accounts by Accounts rendering units

The accounts of receipts and expenditure of the Government of Himachal Pradesh have been compiled based on the initial accounts rendered by 17 District Treasuries, 74 Public Works

Division, 88 Forest Divisions, 52 Irrigation and Public Health Divisions and Advices of the Reserve Bank of India. Rendition of monthly accounts by the Accounts Rendering Units of the State Government was satisfactory and no accounts remained excluded at the end of the Financial Year.

7.7 Advance payments

Drawing and Disbursing Officers (DDOs) are authorized to draw sums of money in advance and submit adjustment bills thereafter. However, the State Government has not introduced a system of marking such adjustment vouchers, following which, the Accountant General is unable to certify whether all advances have been settled and that there is no misappropriation/ fraud. Over the past many years, the Accountant General (A&E) has been requesting the State Government to adopt the mode of Abstract Contingency Bills and subsequent submission of Detailed Contingency (DC) Bills (vouchers in support of final expenditure) prevalent in the Central Government and other States. The matter remains unresolved.

7.8 Commitments on account of Incomplete Capital works

A total expenditure of ₹141 crore as per Appendix IX in Volume II of the Finance Accounts was incurred up to the year 2014-15 by the State Government on various incomplete projects against an original estimated cost of ₹121 crore.

The original estimated cost (₹121 crore) had escalated by 17 *per cent* on various projects. Abnormal increase in revised estimates was noticed in respect of sewerage schemes and water supply schemes. A summarized view on commitments on account of 'Incomplete Capital Works' is furnished below:

(₹ in crore)

| Sl No. | Category of works (No. of works) | Estimated cost of work | Expenditure during the year | Progressive expenditure to the end of the year | Pending payments | Estimated cost after revision |
|--------|----------------------------------|------------------------|-----------------------------|--|------------------|-------------------------------|
| 1 | Sewerage Scheme (8) | 42 | ... | 63 | ... | 66 |
| 2 | Water supply Scheme (2) | 17 | 2 | 20 | ... | 10 |
| 3 | Building Works (3) | 62 | 2 | 58 | 3 | -- |
| | Total | 121 | 4 | 141 | 3 | 76 |

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