



सत्यमेव जयते

# Accounts at a glance for the year 2016-17



GOVERNMENT OF HIMACHAL PRADESH

**Accounts at a glance**  
for the year 2016-17

Accountant General  
(Accounts and Entitlement)

Government of Himachal Pradesh

## *Preface*

I am happy to present the nineteenth issue of our annual publication, the 'Accounts at a glance' for the year 2016-17, which provides an overview of Governmental activities, as reflected in the Finance Accounts and Appropriation Accounts.

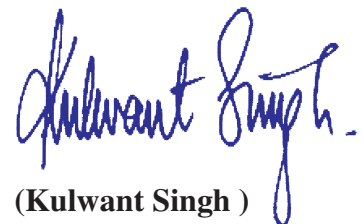
The Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and Public Account. The Appropriation Accounts record the grant-wise expenditure against provisions approved by the State Legislature and depict explanations for variations between the actual expenditure and the funds allocated.

Finance and Appropriation Accounts are prepared annually 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.

We look forward to suggestions.

*Shimla*

Date: 09 January 2018



(Kulwant Singh )

**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



## **TABLE OF CONTENTS**

<b>Chapter I</b>	<b>Overview</b>	<b>Page(s)</b>
1.1	Introduction	1
1.2	Structure of Government Accounts	1-2
1.3	Finance Accounts and Appropriation Accounts	3-4
1.4	Sources and Application of Funds	4-6
1.5	Financial highlight of year 2016-17	7-8
1.6	Fiscal Responsibility and Budget Management (FRBM) Act. 2005	8-11
<b>Chapter II</b>	<b>Receipts</b>	
2.1	Introduction	12
2.2	Revenue Receipts	12-14
2.3	Tax Revenue	14-16
2.4	Efficiency of Tax collection	17
2.5	Trend in State's share of Union Taxes over the past five years	17
2.6	Grants-in-Aid	18
2.7	Public Debt	19
<b>Chapter III</b>	<b>Expenditure</b>	
3.1	Introduction	20
3.2	Revenue Expenditure	20-22
3.3	Capital Expenditure	22-23
<b>Chapter IV</b>	<b>Plan and Non Plan Expenditure</b>	
4.1	Distribution of Expenditure	24
4.2	Plan Expenditure	24-25
4.3	Non Plan Expenditure	25-26
4.4	Committed Expenditure	26-27
<b>Chapter V</b>	<b>Appropriation Accounts</b>	
5.1	Summary of Appropriation Accounts for 2016-17	28
5.2	Trend of Saving/Excess during the past five years	28
5.3	Significant Savings	29-32
<b>Chapter VI</b>	<b>Assets and Liabilities</b>	
6.1	Assets	33
6.2	Debt and Liabilities	33-34
6.3	Guarantees	35

<b>Chapter VII</b>	<b>Other Items</b>	
7.1	Adverse Balances under Internal Debt	36
7.2	Loans and Advances by the State Government	36
7.3	Financial Assistances to Local Bodies and others	36-37
7.4	Cash Balance and Investment of Cash Balance	37
7.5	Reconciliation of Accounts	37
7.6	Submission of Accounts by Accounts rendering units	37-38
7.7	Advance payments	38
7.8	Status of Suspense Balances	38
7.9	Status of Outstanding Utilization Certificate	39
7.10	Commitments on account of Incomplete Capital works	40



## 1.1 Introduction

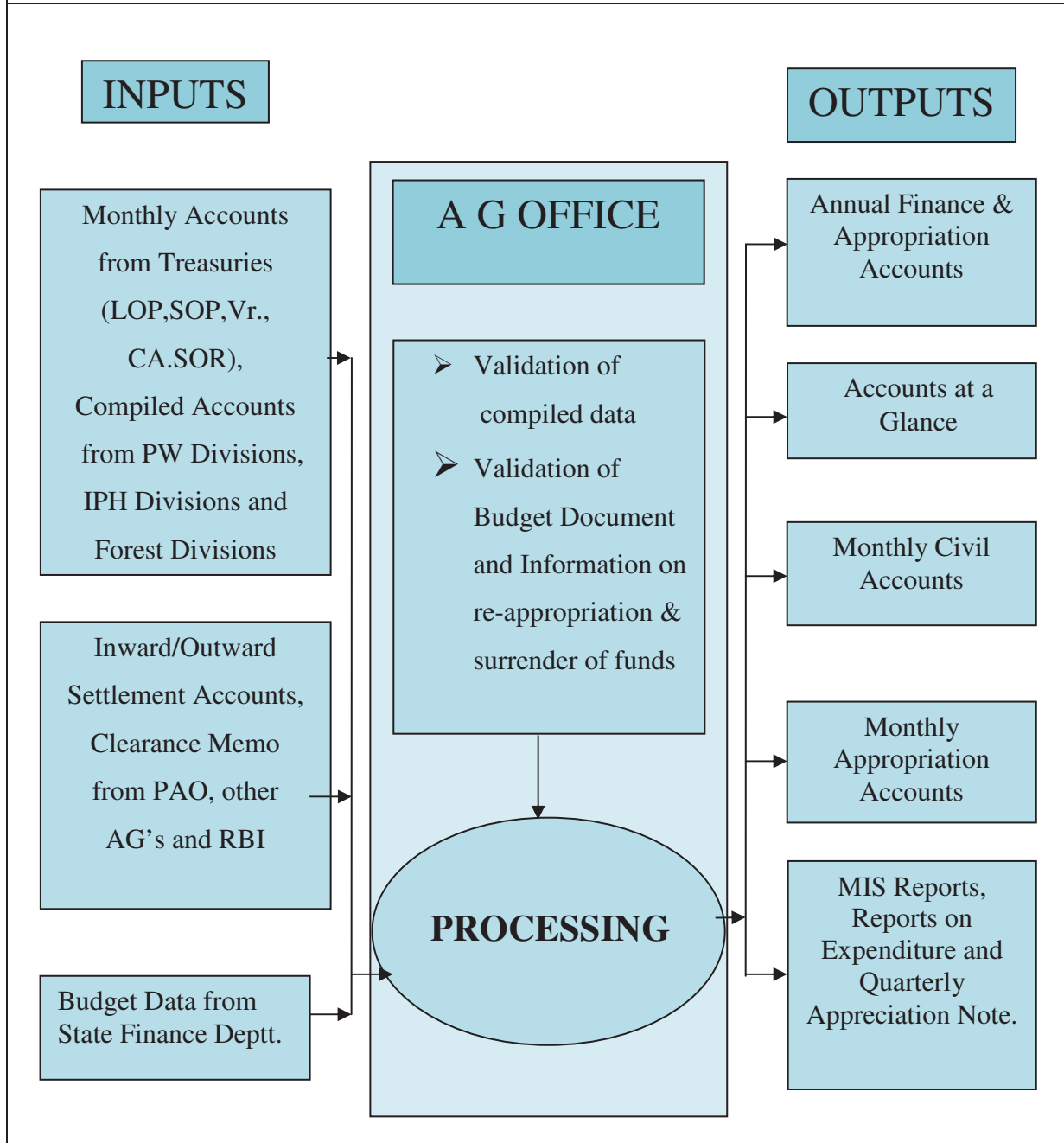
The Accountant General (Accounts and Entitlements), Himachal Pradesh collates, classifies, compiles the accounts data rendered by multiple agencies, and prepares the accounts of the Government of Himachal Pradesh. The compilation is done from the initial accounts rendered by the District Treasuries, 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	
<b>Part 1 CONSOLIDATED FUND</b>	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.
<b>Part 2 CONTINGENCY FUND</b>	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 ₹ 5.00 crore.
<b>Part 3 PUBLIC ACCOUNT</b>	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 2016-17 are given below.

<b>Receipts and disbursement in year 2016-17</b>			<b>(₹ in crore)</b>
<b>Receipts</b>	<b>Total Receipts</b>		<b>32133</b>
	Revenue	Tax Revenue	11383
		Non Tax Revenue	1717
		<i>Grants-in-aid</i>	13164
		<i>Revenue Receipts</i>	<b>26264</b>
	Capital	Recoveries of Loans and Advances	29
		Borrowings and other Liabilities*	5840
		Other Receipts	-
<i>Capital Receipts</i>		<b>5869</b>	
<b>Disbursements</b>	<b>Total Disbursements</b>		<b>32133</b>
	Revenue		25344
	Capital		3499
	Loans and Advances		3290

\* *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 ₹ 457 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 15 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 ₹ 454 crore ( 1.24 *per cent* of estimates) and under-estimation of ₹ 486 crore (22.66 *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 ₹ 1671 crore was obtained and ₹ 1671 crore was repaid during the year 2016-17.

### *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, even after taking Ways and Means Advances which is required to be maintained with the Reserve Bank of India. During the year 2016-17 there was no overdraft of the State.

### 1.4.3 Fund flow statement

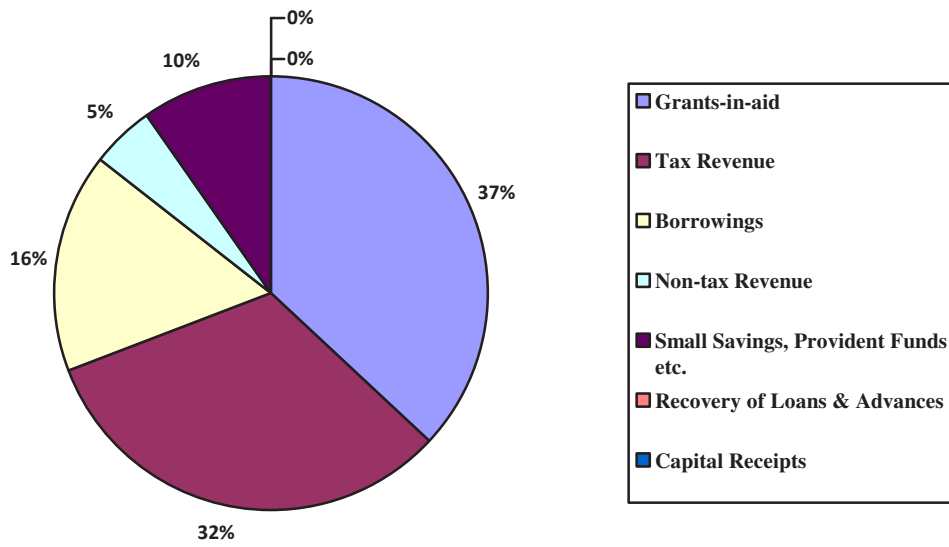
The state had a Revenue Surplus of ₹ 920 crore and a Fiscal Deficit of ₹ 5840 crore as on 31 March 2017. The Fiscal Deficit was met from net Public Debt (₹ 4660 crore) increase in Public Account (₹ 1078 crore) and net increase of opening and closing cash balance (₹ 102 crore). Around 68 per cent of the revenue receipts (₹ 26264 crore) of the State Government was spent on committed expenditure like salaries (₹ 9356 crore), interest payments (₹3359 crore), pensions (₹ 4114 crore), subsidies (₹ 764 crore) and wages (₹ 326 crore).

<b>Sources and Application of Funds</b>		<b>(₹ in crore)</b>
<b>SOURCES</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
	Opening Cash Balance as on 1 April 2016	(-)341
	Revenue Receipts	26264
	Capital Receipts	--
	Recovery of Loans and Advances	29
	Public Debt	8603
	Small Savings, Provident Funds etc.	3402
	Reserves Fund & Sinking Funds	249
	Deposits Received	2665
	Civil Advances Repaid	63
	Suspense Account	25867*
	Remittances	6451
	<b>TOTAL</b>	<b>73252</b>
<b>APPLICATION</b>	Revenue Expenditure	25344
	Capital Expenditure	3499
	Loans Given	3290
	Repayment of Public Debt	3943
	Small Savings, Provident Funds etc.	2198
	Reserves Fund & Sinking Funds	249
	Deposits Repaid	2483
	Civil Advances Given	62
	Suspense Account	26141**
	Remittances	6486
	Closing Cash Balance as on 31 March 2017	(-)443
	<b>TOTAL</b>	<b>73252</b>

\* Includes ₹ 25067 crore on account of cash balances investment account.

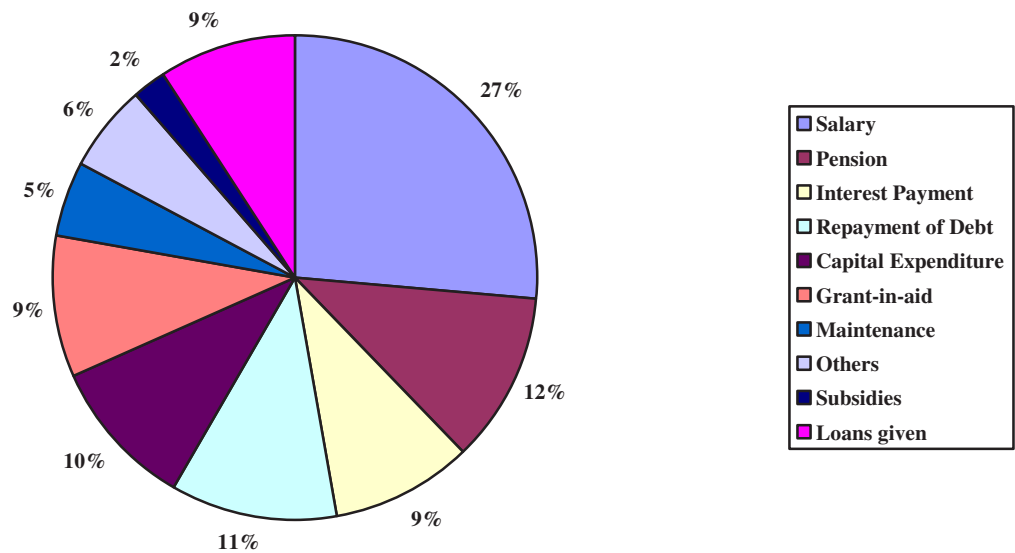
\*\* Includes ₹ 25269 crore on account of cash balances investment account.

#### 1.4.4 Where the Rupee came from



(Recovery of loans and advances was only ₹ 29 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 2016-17

(₹ in crore)

S. No.	Description	Budget Estimate 2016-17	Actuals 2016-17	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP (#)
1.	Tax Revenue (a)	11803	11383	96	9
2.	Non-Tax Revenue	1668	1717*	103	1
3.	Grants-in-aid & Contributions	12799	13164	103	11
4.	<b>Revenue Receipts (1+2+3)</b>	<b>26270</b>	<b>26264*</b>	<b>100</b>	<b>21</b>
5.	Recovery of Loans & Advances	19	29	153	--
6.	Other Receipts	--	--	--	--
7.	Borrowings and other liabilities (b)	4076	5840	143	5
8.	<b>Capital Receipts (5+6+7)</b>	<b>4095</b>	<b>5869</b>	<b>143</b>	<b>5</b>
9.	<b>Total Receipts (4+8)</b>	<b>30365</b>	<b>32133</b>	<b>106</b>	<b>26</b>
10.	Non-Plan Expenditure (11+ 13)	22627	21208	94	17
11.	Non Plan Expenditure on Revenue Account	22276	20824	93	17
12.	Non-Plan Expenditure on Interest Payments out of Sl. No.11	3400	3359	99	3
13.	Non-Plan Expenditure on Capital Account	351	384	109	--
14.	Plan Expenditure (15+16)	7310	7635	104	6
15.	Plan Expenditure on Revenue Account	4470	4520	101	4
16.	Plan Expenditure on Capital Account	2840	3115	110	3
17.	<b>Total Expenditure(10+14+20)</b>	<b>30365</b>	<b>32133</b>	<b>106</b>	<b>26</b>
18.	<b>Revenue Expenditure(11+15)</b>	<b>26746</b>	<b>25344</b>	<b>95</b>	<b>20</b>
19.	<b>Capital Expenditure (13+16)</b>	<b>3190</b>	<b>3499</b>	<b>110</b>	<b>3</b>
20.	<b>Loans and Advances</b>	<b>428</b>	<b>3290**</b>	<b>769</b>	<b>3</b>
21.	<b>Revenue Deficit (-) / Revenue Surplus (+)(18-4)</b>	<b>(-)476</b>	<b>(+)920</b>	<b>293</b>	<b>1</b>
22.	<b>Fiscal Deficit (4+5+6-17)</b>	<b>(-)4076</b>	<b>(-)5840</b>	<b>(-)143</b>	<b>5</b>

(a) Includes share of net (tax) proceed assigned to the state amounting to ₹ 4344 crore. (State Government Own Tax receipts were ₹ 7039 crore which was 6 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.

# GSDP figures (₹124570 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 Govt. of India.

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

\*\* Loans and advances Plan(₹3160 crore ) + Loans and advances Non Plan (₹ 130 crore )

During the year 2016-17 revenue surplus of ₹ 920 crore (₹ 1138 crore Surplus in 2015-16) and fiscal deficit of ₹ 5840 crore (₹ 2164 crore deficit in 2015-16) represent 1 *per cent* and 5 *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>	
<b>Deficit</b>	<b>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</b>
<b>Revenue Deficit/ Surplus</b>	<b>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.</b>
<b>Fiscal Deficit/ Surplus</b>	<b>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.</b>

## 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 2016-17 against fiscal targets laid down in the Act and rules framed there under, were as follows:-

S. No.	Financial Parameter	Actual (₹ in crore)	Ratio to GSDP*	
			Target	Achievement
1	Revenue Deficit	920 (Surplus)	Eliminate by 2011-12	Achieved during the year
2	Fiscal Deficit	5840	3.00 or less	4.69 (not achieved)
3	Debt and other obligation	47244	40.1	37.93(achieved)
4	Outstanding Guarantees	4550	Less than 40% of Revenue Receipt of previous Financial year	19% (achieved)

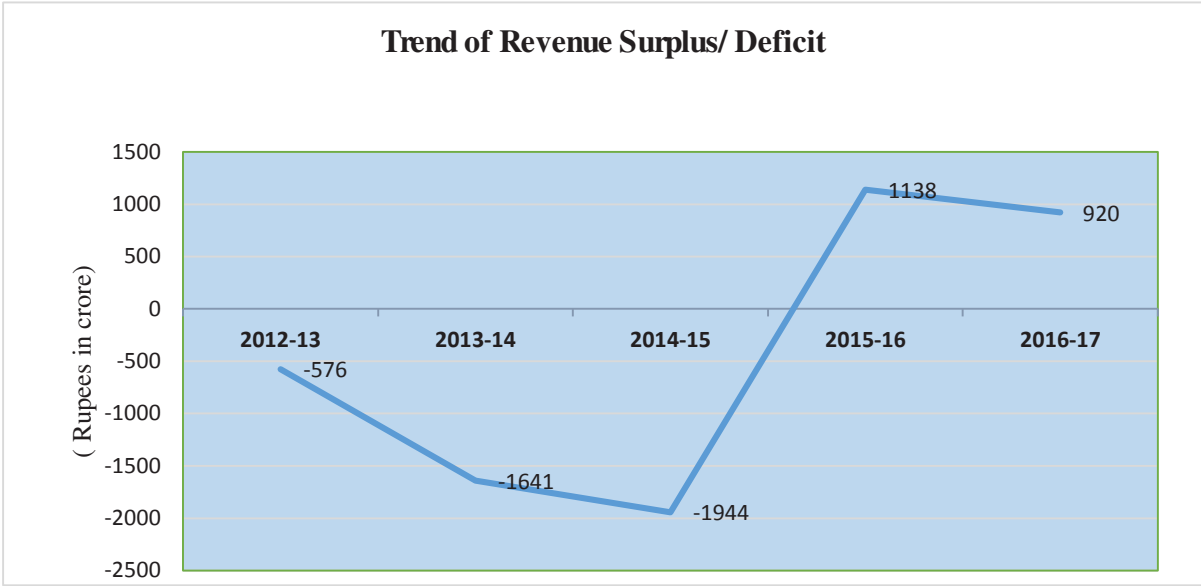
\* Source: GSDP figure ( ₹ 124570 crore) is taken from Economic and Statistics Department, Government of Himachal Pradesh as the same was not available on the web site of Ministry of Statistics and Program Implementation, Government of India .



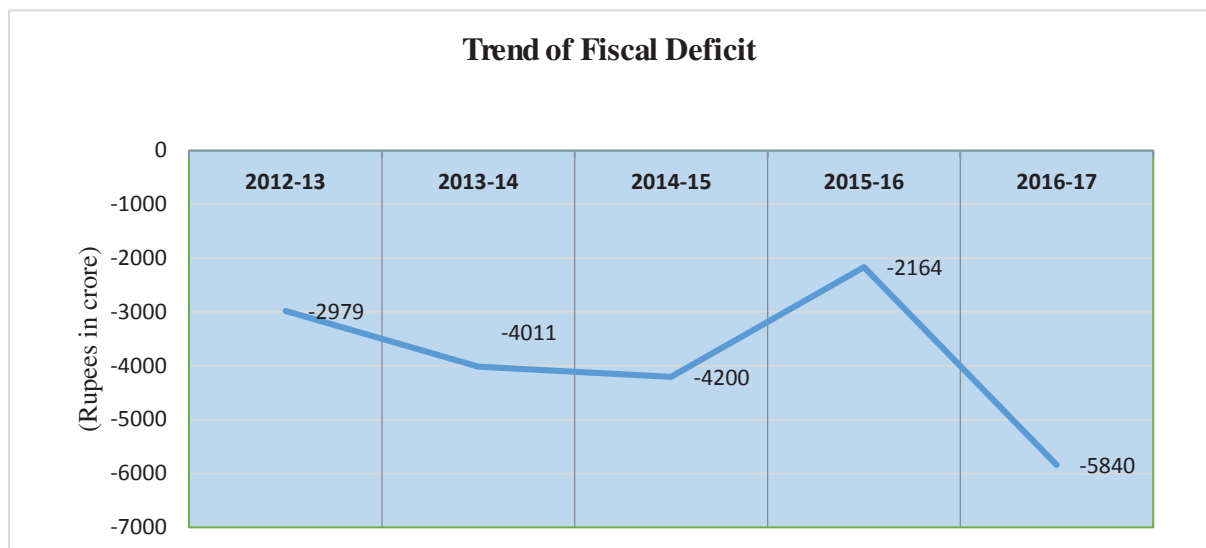
The State Government had made disclosures to the Legislature required under the Himachal Pradesh Fiscal Responsibility and Budget Management Rules, 2005.

The State Government had revenue surplus of ₹ 1138 crore in 2015-16 and ₹ 920 crore during the year 2016-17 which was as per the target of FRBM Act. Fiscal deficit increased by ₹ 3676 crore from ₹ 2164 crore in 2015-16 to ₹ 5840 crore in the current year and was to 4.69 per cent of GSDP which does not confirm the target of 3.00 per cent of FRMB Act. Against the target of reducing outstanding debt to 40.1 per cent of GSDP by the year 2016-17, the outstanding debt stood at ₹ 47244 crore as on 31 March 2017, being 37.93 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 ₹ 4550 crore as on 31 March 2017 equaling 19 per cent of total revenue receipt (₹ 23440 crore) of previous year i.e. 2015-16.

**1.6.1 Trend of Revenue Deficit/ Surplus**

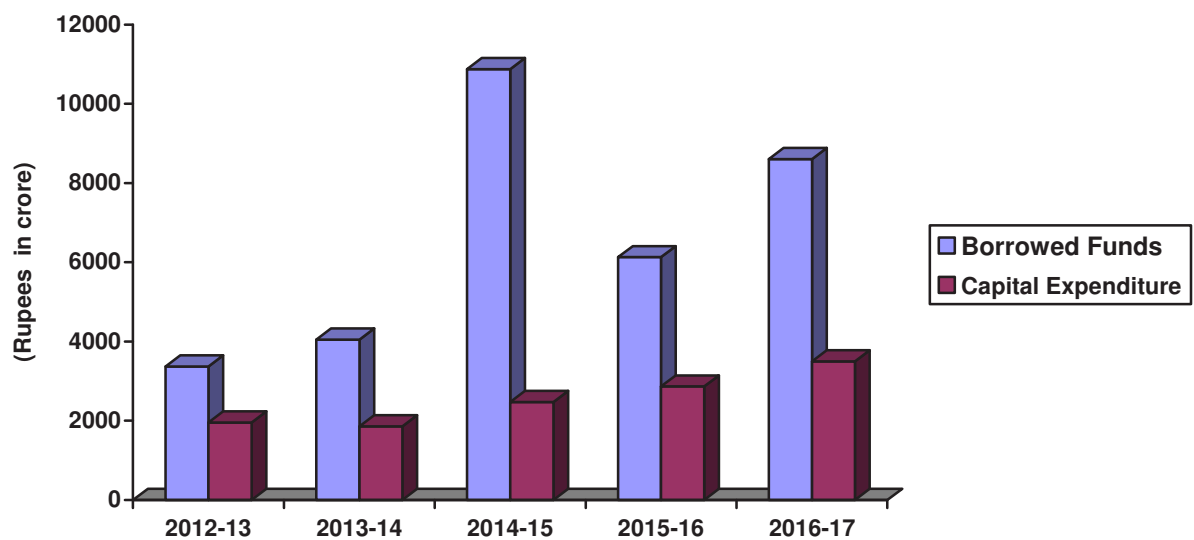


### 1.6.2 Trend of Fiscal Deficit



### 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 41 *per cent* of the borrowings of the current year (₹ 8603 crore) on capital expenditure (₹ 3499 crore). It would therefore appear that balance of borrowings in the public debt was utilized to repay the principal (₹ 3943 crore) and part of interest on public debt of previous years.

## Chapter II

### Receipts

#### 2.1 Introduction

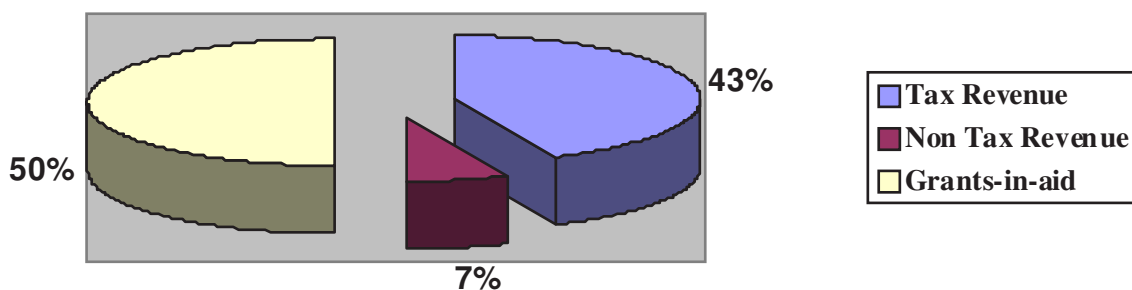
Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2016-17 was ₹ 32133 crore.

#### 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 channelized 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 (2016-17)

(₹ in crore)

Components	Actuals
<b>A. Tax Revenue</b>	<b>11383</b>
Other Taxes on Income and Expenditure	2362
Taxes on Property and Capital Transactions	220
Taxes on Commodities and Services	8801
<b>B. Non-Tax Revenue</b>	<b>1717</b>
Interest Receipts, Dividend and Profits	435
General Services	182
Social Services	195
Economic Services	905
<b>C. Grants-in-aid &amp; Contribution</b>	<b>13164</b>
<b>Total –Revenue Receipts</b>	<b>26264</b>

### 2.2.2 Trend of Revenue Receipts

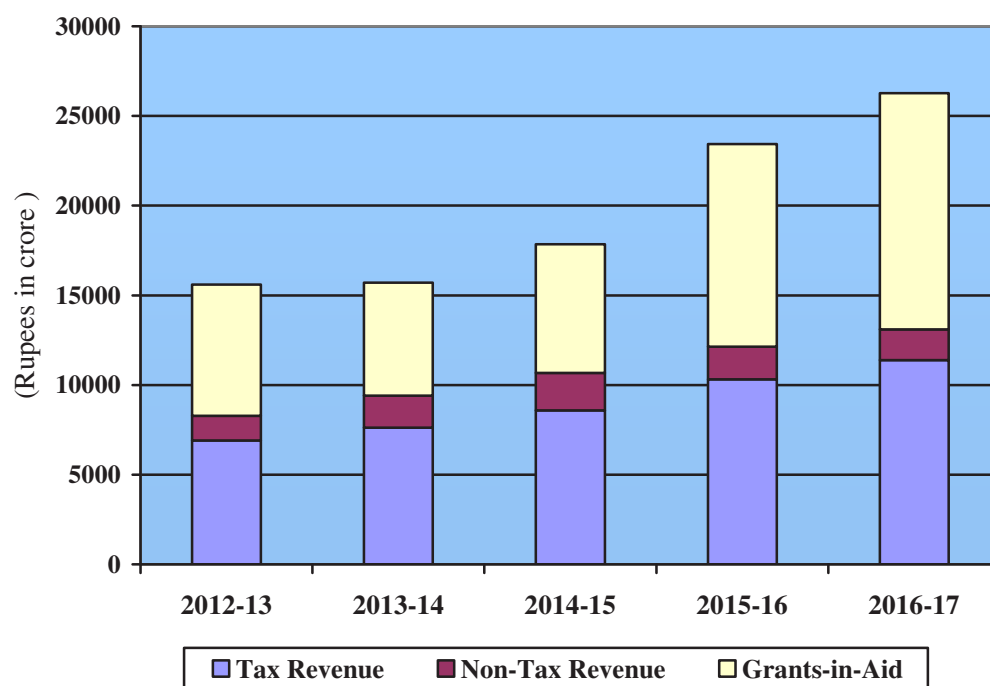
(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Tax Revenue	6908 (10)	7612 (9)	8584 (9)	10307 (9)	11383 (9)
Non-Tax Revenue	1377 (2)	1785 (2)	2081 (2)	1837 (2)	1717 (1)
Grants-in-aid	7313 (10)	6314 (8)	7178 (8)	11296 (10)	13164 (11)
<b>Total Revenue Receipts</b>	<b>15598 (22)</b>	<b>15711 (19)</b>	<b>17843 (19)</b>	<b>23440 (21)</b>	<b>26264 (21)</b>
GSDP	72076	82585	95587	110511	124570

Note: Figures in parentheses represent percentage to GSDP (Gross State Domestic Product)

Though the GSDP increased by 13 *per cent* in 2016-17 compared to previous year, growth in revenue receipt was only 12 *per cent*. The tax revenue increased by 10 *per cent*, the non-tax revenue decreased by 7*per cent* and the grants-in-aid increased by 17 *per cent* compared to previous year, thus impacted the revenue receipt of the State adversely.

**Trend of components of Revenue Receipts**



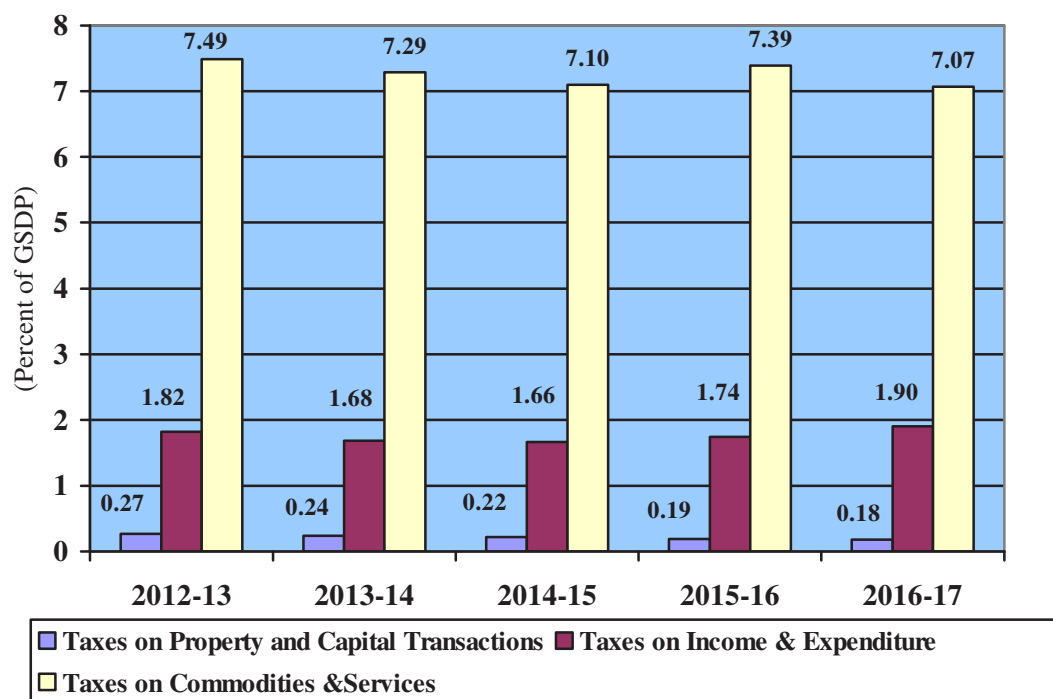
## 2.3 Tax Revenue

(₹ in crore)

Sector-wise Tax Revenue					
	2012-13	2013-14	2014-15	2015-16	2016-17
Other Taxes on Income and Expenditure	1310	1390	1583	1922	2362
Taxes on Property and Capital Transaction	198	200	210	213	220
Taxes on Commodities and Services	5400	6022	6791	8172	8801
<b>Total Tax Revenue</b>	<b>6908</b>	<b>7612</b>	<b>8584</b>	<b>10307</b>	<b>11383</b>

The increase in total tax revenue during 2016-17 was mainly attributable to allocation of State share from Govt. of India and higher collection under Corporation Tax (₹ 1393 crore), Taxes on Income other than corporation Tax (₹ 968 crore), Union Excise Duties (₹ 684 crore), Taxes on sales, Trade etc. (₹ 4382 crore), State Excise (₹ 1308 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/Duties	State's Own Tax Revenue	
			Tax revenue	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2012-13	6908	2282	4626	6.42
2013-14	7612	2491	5121	6.20
2014-15	8584	2644	5940	6.21
2015-16	10307	3611	6696	6.06
2016-17	11383	4344	7039	5.65

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

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
State's own Tax collection	4626	5121	5940	6696	7039
Devolution of Union Taxes	2282	2491	2644	3611	4344
<b>Total Tax Revenue</b>	<b>6908</b>	<b>7612</b>	<b>8584</b>	<b>10307</b>	<b>11383</b>
Percentage of State's own tax to total tax revenue	67	67	69	65	62

The proportion of State's own tax collection in overall tax revenue has remaining steady at 67 percent during the year 2012-13 to 2013-14 increased to 69 percent in 2014-15 and decreased to 65 percent in 2015-16 & again decreased to 62 percent in 2016-17.

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

(₹ in crore)

Taxes	2012-13	2013-14	2014-15	2015-16	2016-17
1. Taxes on Sales, Trade etc.	2728	3141	3660	3993	4382
2. State Excise	810	952	1044	1131	1308
3 Taxes on Vehicles	196	208	220	317	280
4. Stamp and Registration fees	173	187	191	206	209
5. Taxes and Duties on electricity	263	191	333	551	372
6. Land Revenue	24	10	17	7	8
7. Taxes on Goods and Passengers	101	105	110	115	121
8. Other Taxes	331	327	365	376	359
<b>Total State's own Taxes</b>	<b>4626</b>	<b>5121</b>	<b>5940</b>	<b>6696</b>	<b>7039</b>



## 2.4 Efficiency of Tax Collection

(₹ in crore)

Taxes	2012-13	2013-14	2014-15	2015-16	2016-17
1. Taxes on Sales, Trade etc.					
Revenue collection	2728	3141	3660	3993	4382
Expenditure on collection	3	11	3	4	4
Efficiency of tax collection	0.12 %	0.35%	0.08%	0.10%	0.09%
2. State Excise					
Revenue collection	810	952	1044	1131	1308
Expenditure on collection	3	3	4	4	6
Efficiency of tax collection	0.37 %	0.32%	0.38%	0.35%	0.46%
3. Taxes on Vehicles, Goods and Passengers					
Revenue collection	297	313	330	432	401
Expenditure on collection	30	32	37	41	42
Efficiency of tax collection	10.10 %	10.22%	11.21%	9.49%	10.47%
4. Stamp and Registration Fee					
Revenue collection	173	187	191	206	209
Expenditure on collection	1	1	2	2	23
Efficiency of tax collection	0.58 %	0.53%	1.05%	0.97%	11.00%

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

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

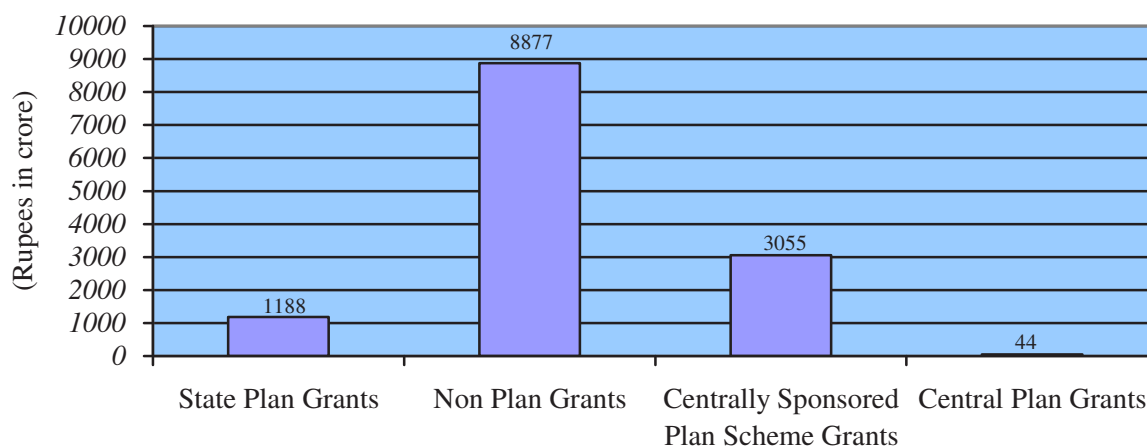
(₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Corporation Tax	820	838	923	1136	1394
Taxes on Income other than Corporation Tax	491	552	659	787	968
Taxes on Wealth	1	2	3	--	3
Customs	379	406	428	579	600
Union Excise Duties	258	287	241	484	684
Service Tax	333	406	390	622	695
Other Taxes and Duties on Commodities and Services	--	--	--	3	--
<b>State's share of Union Taxes/Duties</b>	<b>2282</b>	<b>2491</b>	<b>2644</b>	<b>3611</b>	<b>4344</b>
<b>Total Tax Revenue</b>	<b>6908</b>	<b>7612</b>	<b>8584</b>	<b>10307</b>	<b>11383</b>
Percentage of Union Taxes to Total Tax Revenue	33	33	31	35	38

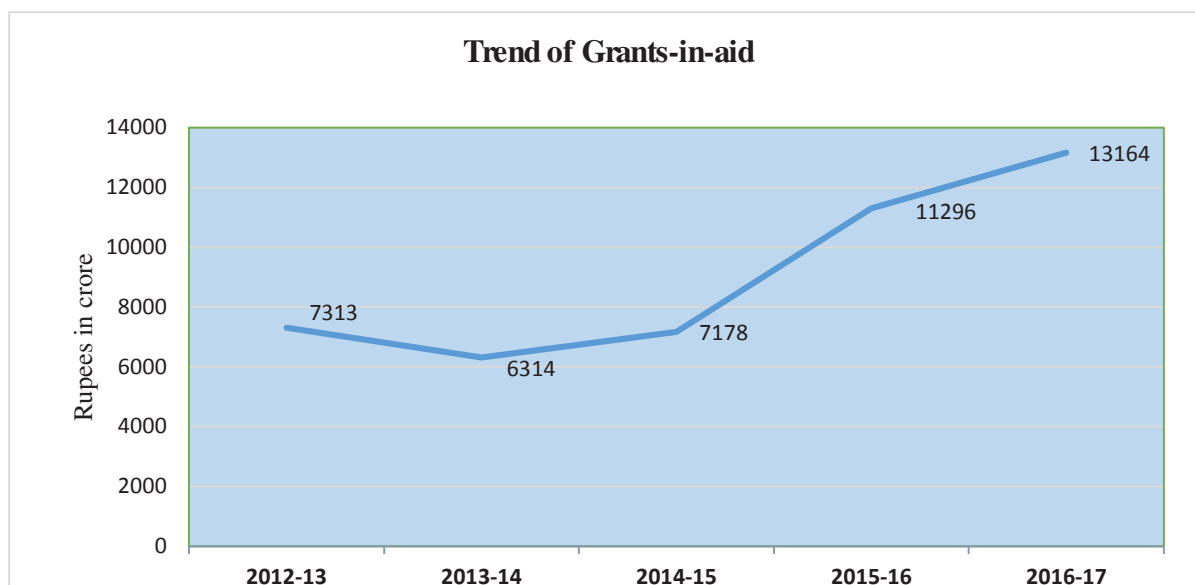
## 2.6 Grants -in-aid

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 2016-17 under Grants -in-aid were ₹ 13164 crore as shown below:

**Grants-in-Aid**



The share of Non-Plan Grants in total Grants-in-aid decrease from 75 per cent during 2015-16 to 2016-17, while the share of Grants for Plan schemes shows increase from 7 per cent during 2015-16 to 9 per cent in 2016-17.



## 2.7 Public Debt

Trend of position of Public Debt over the past five years

(₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Internal Debt	19747	22099	24658	26861	31494
Central Loans	1018	1012	1071	1049	1076
<b>Total</b>	<b>20765</b>	<b>23111</b>	<b>25729</b>	<b>27910</b>	<b>32570</b>

During the year 2016-17, five loans totaling ₹ 3400 crore were raised from the open market at interest rates varying from 7.17 per cent to 7.91 per cent and the same are redeemable during the period between 2025-27. In addition, the State Government raised loan of ₹ 541 crore from the financial institutions and ₹ 2890 crore from the Ujwala DISCOM Assurance Yojana (UDAY). An amount of ₹ 1671 crore obtained from Wage and Means Advances from the Reserve Bank of India. Thus the total Internal Debt raised by the Government during the year 2016-17 aggregated to ₹ 8502 crore. The Government also received ₹ 101 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:

	<i>(₹ in crore)</i>				
Year	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Budget Estimates</b>	15969	17647	19784	23488	26746
<b>Actuals</b>	16174	17352	19787	22303	25344
<b>Gap</b>	205	(-)295	(+)3	(-)1185	(-)1402
<b>Percentage of variation of Actuals against BE</b>	1	(-)2	-	(-)5	(-)5

Around 71 *per cent* of the total revenue expenditure was incurred on committed expenses viz. on Salaries and Wages (₹ 9682 crore) Interest payment (₹ 3359 crore) and Pensions (₹ 4114 crore) and subsidies (₹ 764 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	2012-13	2013-14	2014-15	2015-16	2016-17
Total revenue expenditure	16174	17352	19787	22303	25344
Committed revenue expenditure #	12939	13348	14982	16511	17919
<i>Percentage of committed revenue expenditure to total revenue expenditure</i>	80	77	76	74	71
Uncommitted revenue expenditure	3235	4004	4805	5792	7425

# *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 increased by 130% from ₹ 3235 crore in 2012-13 to ₹ 7425 crore in 2016-17. The total revenue expenditure increased by 57 *per cent* from ₹ 16174 crore in 2012-13 to ₹ 25344 crore in 2016-17 and committed revenue expenditure increased by 38 *per cent* over the same period.

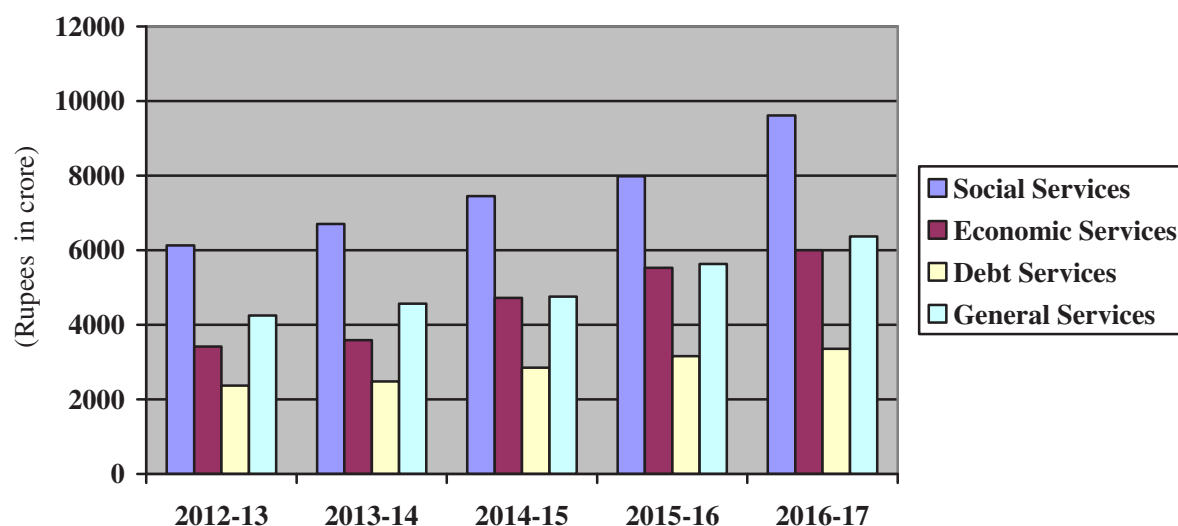
### 3.2.1 Sectoral distribution of Revenue Expenditure (2016-17)

(₹ in crore)

Components	Amount	Percentage
<b>A. Organs of States</b>	258	1
<b>B. Fiscal Services</b>	242	1
(i) Collection of Taxes on Property and Capital transaction	186	1
(ii) Collection of Taxes on Commodities and services	55	--
(iii) Other Fiscal Services	1	--
<b>C. Interest Payments and Servicing of debt</b>	3359	13
<b>D. Administrative Services</b>	1731	7
<b>E. Pensions and Miscellaneous General Services</b>	4138	16
<b>F. Social Services</b>	9610	38
<b>G. Economic Services</b>	5996	24
<b>H. Grants-in-aid (Compensation and Assignments to Local Bodies and Panchayati Raj Institutions)</b>	10	--
<b>Total Expenditure (Revenue Accounts)</b>	<b>25344</b>	<b>100</b>

### 3.2.2 Major components of Revenue Expenditure 2012-13 to 2016-17

**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 2016-17 amounting for ₹ 3499 crore (3 per cent of GSDP) were excess than Budget Estimates by ₹ 308 crore (excess disbursement of ₹ 275 crore under plan expenditure and excess expenditure of ₹ 33 crore under non-plan). The growth in capital expenditure has not kept pace with the steady growth of GSDP since 2012-13 onwards. This can be seen from the table below:

(₹ in crore)

S.No.	Components	2012-13	2013-14	2014-15	2015-16	2016-17
1	Budget (B.E.)	1970	2063	1952	2951	3190
2	Actual Expenditure (#)	1955	1856	2473	2864	3499
3	Percentage of Actual Exp. to B.E.	99	90	127	97	110
4	Yearly growth in Capital Expenditure	8%	(-5%)	33%	16%	22%
5	GSDP	72076	82585	95587	110511	124570
6	Yearly growth in GSDP	14%	15%	16%	16%	13%

(#) Does not include expenditure on Loans and Advances

### 3.3.1 Sectoral distribution of Capital Expenditure

During 2016-17, the Government spent ₹ 110 crore on various Irrigation Projects (₹ 80 crore on Minor Irrigation and ₹ 30 crore on Medium Irrigation). Apart from above, the Government spent ₹ 1458 crore on construction of roads and bridges and invested ₹ 99 crore in Statutory Corporations/Boards, and ₹ 156 crore in Government and other Companies and Co-operative societies, During the year share capital amounting to ₹ 30 crore was redeemed by Co-operative Banks and Societies.

### 3.3.2 Sectoral distribution of capital and revenue expenditure

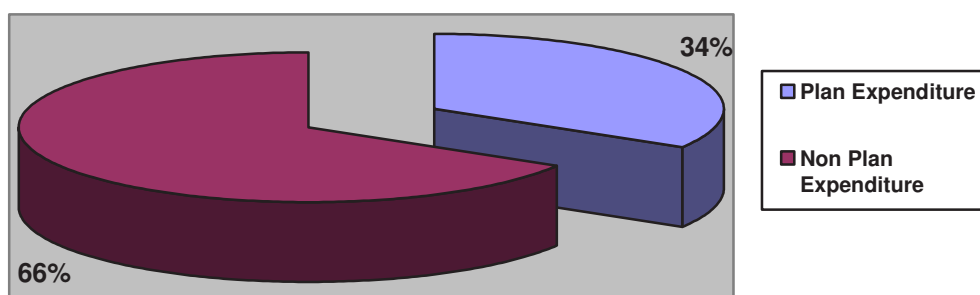
The comparative sectoral distribution of capital and revenue expenditure over the past five years is illustrated below:

(₹ in crore)

S.No.	Sector		2012-13	2013-14	2014-15	2015-16	2016-17
(A)	General Services	Capital	74	81	83	88	208
		Revenue	6618	7047	7604	8789	9728
(B)	Social Services	Capital	436	477	522	792	1041
		Revenue	6131	6706	7451	7980	9610
(C)	Economic Service	Capital	1445	1297	1868	1984	2250
		Revenue	3418	3590	4723	5524	5996
(D)	Grants-in-aid and Contribution	Capital	--	--	--	--	--
		Revenue	7	9	9	10	10

Plan and Non-plan Expenditure

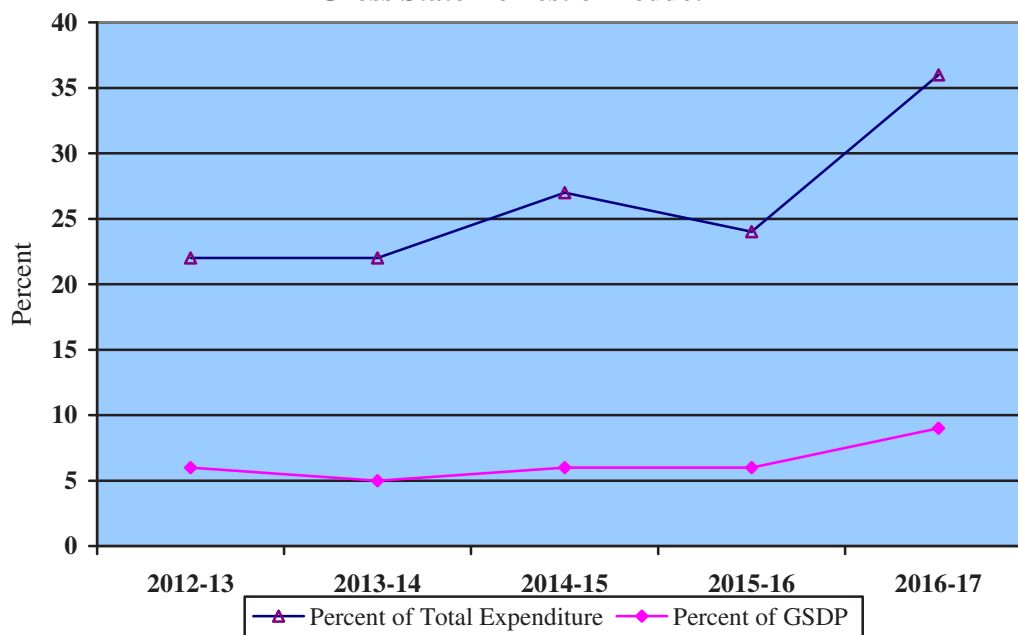
4.1 Distribution of expenditure (2016-17)



4.2 Plan Expenditure

Plan expenditure (both revenue, capital and loans and advances) during 2016-17 was ₹ 10795 crore constituting 34 per cent of total expenditure of ₹ 32133 crore. This comprised ₹ 4196 crore under state plan, ₹ 3439 crore under centrally sponsored/ central plans scheme and ₹ 3160 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 29 *per cent* from ₹ 3493 crore in 2015-16 to ₹ 4520 crore in 2016-17. In capital sector it witnessed increase of 21 *per cent* from ₹ 2568 crore in 2015-16 to ₹ 3115 crore in 2016-17. The share of Centrally Sponsored Schemes/ Central Plan (Revenue ₹ 2666 crore and Capital ₹ 773 crore) in Plan expenditure increased from ₹ 2077 crore in 2015-16 to ₹ 3439 crore in 2016-17.

#### 4.2.1. Plan Expenditure under Capital Account

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Total Capital Expenditure	2424	2387	2947	2864	3499
Capital Expenditure (Plan)	2020	2025	2884	2764	6275*
Percentage of Capital Expenditure (Plan) to total Capital Expenditure	83	85	98	97	89

\* Includes Loans and Advances of ₹ 3160 crore

#### 4.2.2. Plan expenditure on Loans and Advances

Significant disbursements of Loans and Advances were as under:

Major Heads	Amount (₹ in crore)	Purpose
6801 Loans for Power Project	3118#	Loans given to various power projects
7610-Loans to Government Servant etc,	2	House building advance to Government Servant
<b>Total</b>	<b>3120</b>	

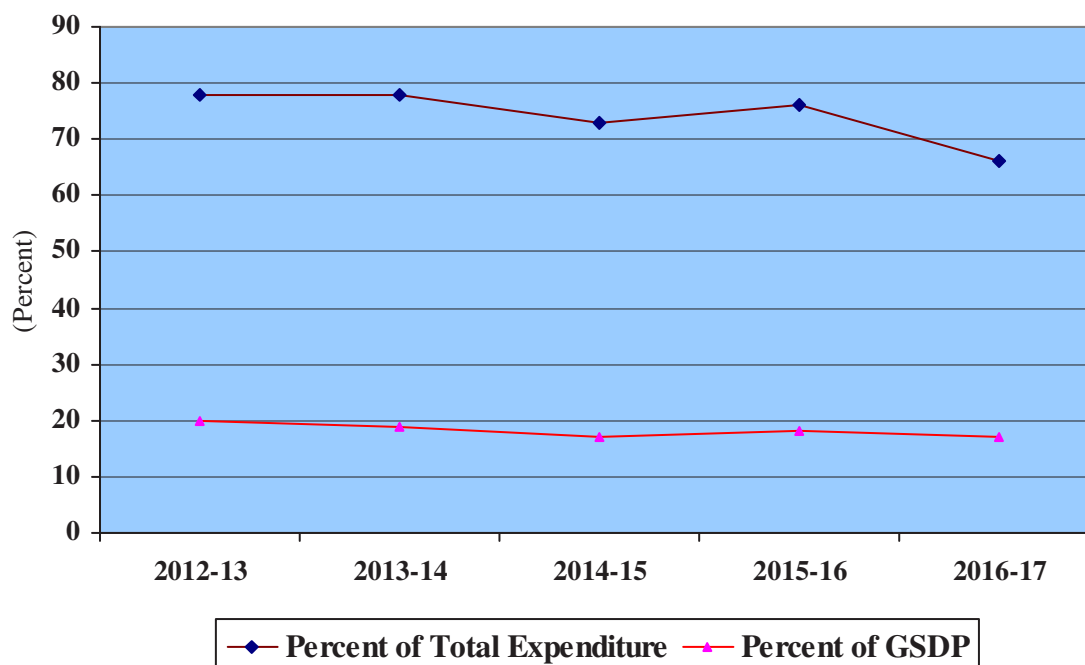
#Includes ₹ 2890 crore given to HPSEB on account of revival package for electricity distribution companies (UDAY).

### 4.3 Non-plan Expenditure.

Non plan expenditure (both revenue, capital and loans and advances) during 2016-17 was ₹21338 crore constituting 66 *per cent* of total expenditure of ₹ 32133 crore. This comprised ₹21181 crore under state non plan, ₹ 27 crore under centrally sponsored/ central non plans scheme and ₹ 130 crore on Loans and Advances.

The expenditure on salary and wages amounting to ₹ 9682 crore was 46 per cent of total Non-plan expenditure.

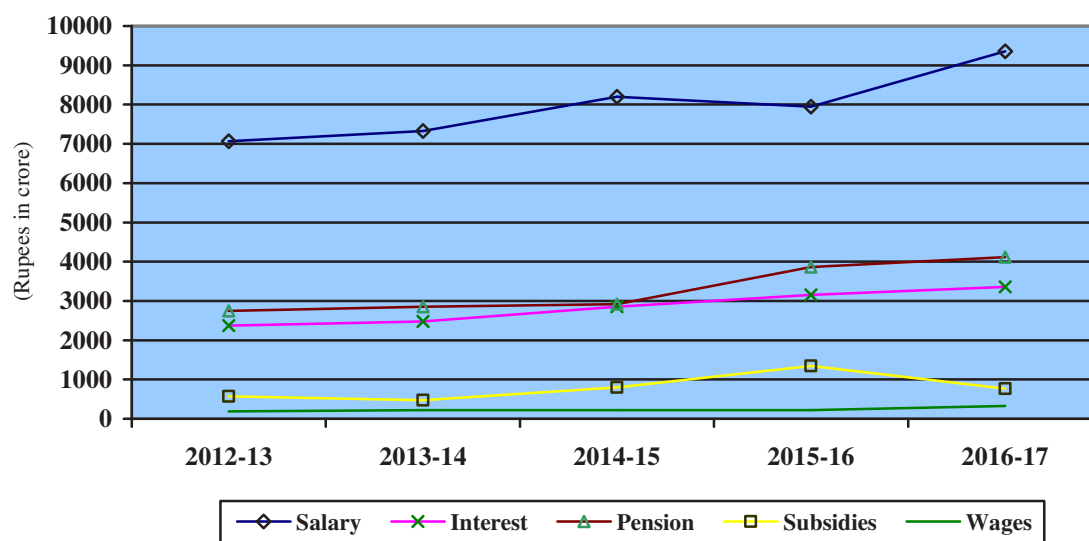
**Non-Plan Expenditure as proportion of Total Expenditure and Gross State Domestic Product**



#### 4.4 Committed Expenditure

Expenditure on salaries, pensions and interest payments showed increase in 2016-17 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	2012-13	2013-14	2014-15	2015-16	2016-17
Committed Expenditure	12939	13348	14982	16511	17919
Revenue Expenditure	16174	17352	19787	22303	25344
Revenue Receipts	15598	15711	17843	23440	26264
Percentage of committed expenditure to Revenue Receipts	83	85	84	70	68
Percentage of committed expenditure to Revenue Expenditure	80	77	76	74	71

The committed expenditure increased by 38 *per cent* from 2012-13 to 2016-17 while revenue expenditure registered the growth of 57 *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 2016-17

(₹ in crore)

S. No.	Nature of expenditure	Original grant	Supplementary grant	Surrender (by way of reappropriation)	Total Budget	Actual expenditure (Net)	Savings(-) Excesses(+)
1.	Revenue Voted Charged	23291 3455	1503 5	280 86	24514 3374	21933 3411	(-)2581 (+) 37
2.	Capital Voted Charged	3191 --	581 74	416 --	3356 74	3457 42	(+)101 (-)32
3.	Public Debt Charged	2229	1660	2	3887	3943	(+)56
4.	Loans and Advances Voted	428	114	141	401	3290	(+)2889
	<b>Total</b>	<b>26910 5684</b>	<b>2198 1739</b>	<b>837 88</b>	<b>28271 7335</b>	<b>28680 7396</b>	<b>(+)409 (+)61</b>

#### 5.2 Trend of Saving / Excess during the past five years

(₹ in crore)

Savings(-) Excess (+)					
Year	Revenue	Capital	Public Debt	Loan & Advances	Total
2012-13	(-)1169	(-)41	(+) 180	(+)94	(-)936
2013-14	(-)1670	(-)70	(-)220	(+)81	(-)1879
2014-15	(-)1465	(-)73	(+)967	(+)87	(-)484
2015-16	(+)31	(+)35	(+)2319	(+)138	(+)2523
2016-17	(-)2544	(+)69	(+)56	(+)2889	(+)470

### 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	2012-13	2013-14	2014-15	2015-16	2016-17
3	Administration of Justice	15	17	6	13	15
4	General Administration	4	--	12	17	13
5	Land Revenue and District Administration	27	--	36	--	87
6	Excise and Taxation	--	--	--	4	2
7	Police and Other Organisation	3	22	10	73	51
8	Education	120	343	385	1076	866
9	Health and Family welfare	64	117	158	367	299
10	Public Works- Roads Bridges and Buildings	45	77	18	78	46
11	Agriculture	--	--	--	38	27
14	Animal Husbandry Dairy Development and Fisheries	--	17	7	35	35
15	Planning and Backward Area Sub Plan	19	22	12	31	47
16	Forest and Wild Life	10	7	3	33	61
18	Industries Minerals Supplies and Information Technology	--	12	5	12	9
19	Social Justice and Empowerment	--	--	--	47	25
20	Rural Development	--	60	110	209	122
21	Co-operation	--	4	5	8	10
22	Food and Civil Supplies	--	11	28	48	41
23	Power Development	40	283	--	1	146
25	Road and Water Transport				1	1
27	Labour Employment and Training	--	79	62	64	77
28	Urban Development, Town and Country Planning and Housing	8	--	6	--	42
29	Finance	38	496	587	229	87
30	Miscellaneous General Services	--	--	--	14	14
31	Tribal Development.	33	72	13	123	198
32	Scheduled Caste Sub Plan	84	107	26	32	420

The persistent huge savings under Education, Health and Family welfare, Rural Development, Scheduled Caste Sub Plan and Tribal 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 2016-17 Supplementary grants totaling ₹ 3937 crore (10.17 per cent 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	Supplementary	Actual Expenditure
5	2029-Land Revenue 103-Land Record 01-Superintendence Non-Plan	Revenue	3	0	2
5	2245-Relief on account of Natural Calamity 02-Flood Cyclone etc. 113-Assistance for Repairs/ Reconstruction of Houses 01- Repairs and Construction of Houses Assistance Plan	Revenue	0	6	5
10	5054-Capital Outlay on Roads and Bridges 03-State Highway 337-Road Works 04- Construction of Roads under Road Fund Plan	Capital	20	45	43
10	5054-Capital Outlay on Roads and Bridges 04-District and Other Roads 337-Road Works 02- Construction of Rural Road Non- Plan	Capital	0	35	27
10	5054-Capital Outlay on Roads and Bridges 04-District and Other Roads 337-Road Works 15- Payment of Arbitration Cases (Road and Bridges) Plan	Capital	0	24	--
12	2401-Crop Husbandry 119-Horticulture and Vegetable Crops 56-Mission Integrated Development of Horticulture Plan	Revenue	21	0	18

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
13	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programmes 03-Maintenance and Repairs of Rural Water Supply Scheme Non-Plan	Revenue	654	96	609
13	2702-Minor Irrigation 03-Maintenance 102-Lift Irrigation Scheme 01-Other Maintenance Expenditure Non-Plan	Revenue	53	54	106
21	2425-Co-operation 001-Direction and Administration 02-District Staff	Revenue	21	1	15

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	Supplementary	Actual Expenditure
3	4059-Capital Outlay on Public Works 01-Office Buildings 051-Construction 15-Upgradation of Judiciary	Capital	2	1	4
5	2030-Stamps and Registration 02-Stamps-Non Judicial 101-Cost of Stamps 01-Centre Store Nasik Non-Plan	Revenue	2	11	23
30	2220-Information and Publicity 60-Others 101-Advertising and Visual Publicity 01-Expenditure on Advertising and Visual Publicity	Revenue	12	10	24

An expenditure of ₹ 2 crore in two cases where funds were allocated directly by bye-passing the legislature i.e. through re-appropriation instead of Original/Supplementary budget are given below:-

(₹ in crore)

Grant	Nomenclature	Section	Original	Supple- mentary	Re- Appropri- ation	Actuals Expenditure
06	2039-State Excise 104-Purchase of Liquor and Spirits 01-Assistance to Himachal Pradesh Beverages Non-Plan	Revenue	--	--	1	1
16	2406-Forestry and Wildlife 02-Environmental Forestry and Wildlife 110-Wild Life Preservation 10-Assistance of Development of National Parks and Sanctuaries Central Sponsored Scheme	Revenue	--	--	1	1



## 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 ₹ 2464 crore at the end of the year of 2016-17. However, dividends received during the year were ₹ 290 crore (i.e. 9 per cent) on total investment (₹3294 crore). At the end of the year 2016-17, investments increased by ₹ 253 crore and dividend income increased by ₹ 178 crore.

Cash Balance with RBI stood at ₹ (-) 341 crore on 1 April 2016 and increased to ₹ (-) 443 crore at the end of March 2017. In addition, Government had invested an amount of ₹ 24777 crore on 108 occasions in 14 days Treasury Bills and ₹ 492 crore in 91 days Treasury Bills and rediscounted Treasury Bills worth ₹ 24575 crore on 187 occasions and ₹ 492 crore rediscounted on 1 occasion during 2016-17. The position of investment during the year 2016-17 is depicted in the table given below:

(₹ in crore)

Cash Balance Investment in Government of India Treasury Bills			
Balance as on 1 April 2016	Purchases during 2016-17	Sales during 2016-17	Closing balance on 31 March 2017
557	25269	25067	759

#### 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 2016-17 was

₹ 3400 crore. Against this Government of Himachal Pradesh has availed open market borrowing for ₹ 3400 crore.

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

(₹ in crore)

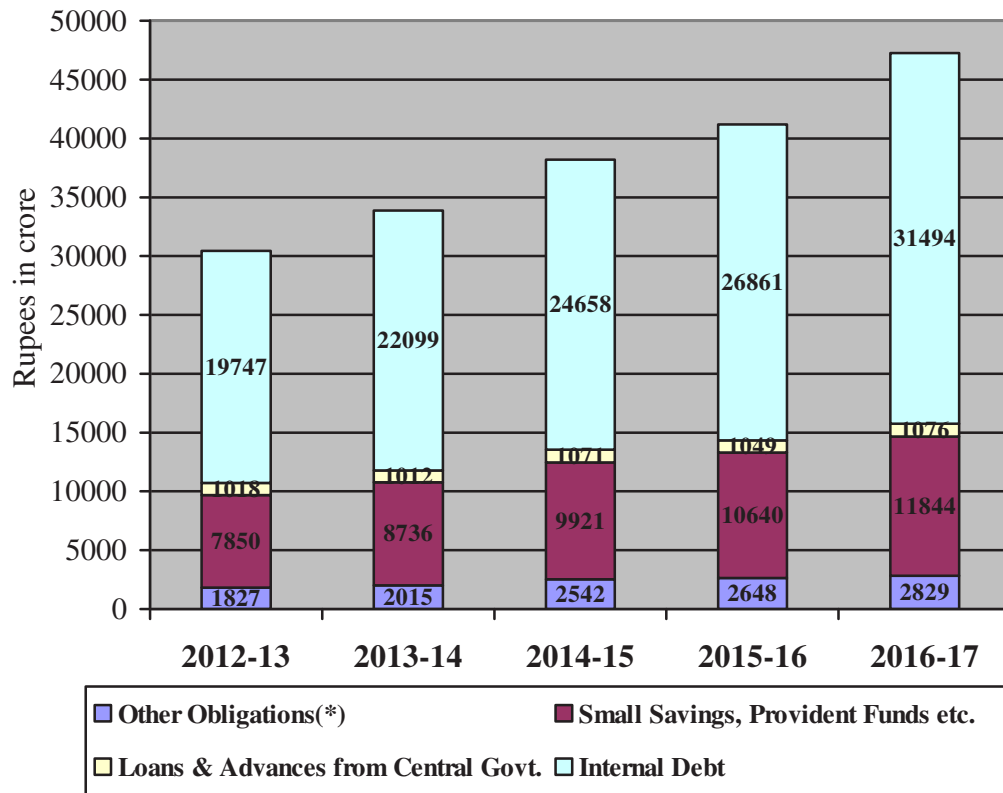
Year	Public Debt	Per cent of GSDP	Public Account*	Per cent of GSDP	Total Liabilities	Per cent of GSDP
2012-13	20765	29	9677	13	30442	42
2013-14	23111	28	10773	13	33884	41
2014-15	25729	27	12463	13	38192	40
2015-16	27910	25	13287	12	41197	37
2016-17	32570	26	14674	12	47244	38

\* 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 ₹ 6047 crore (15 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 re-payment 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
2012-13	9455	3353*	...
2013-14	9316	4333*	...
2014-15	9316	4281*	...
2015-16	9658	3714*	...
2016-17	12320	4550*	---

\* 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 2017 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 2016-17 was ₹ 6044 crore. Out of this, loans and advances to government corporation/ companies, non-government institutions and local bodies amounted to ₹ 3290 crore. Recovery of principal aggregating to ₹ 121 crore was in arrears at the end of 31 March 2017. The information relating to recovery of interest in arrear was not made available by the State Government. During 2016-17 only ₹ 29 crore was received 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 ₹ 1203 crore in 2012-13 to ₹ 3357 crore in 2016-17. Grants to Zilla Parishads and Panchayat Raj Institutions, Municipal Corporations and Municipalities (₹ 1242 crore) represent 37 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	Name of Institutions	2012-13	2013-14	2014-15	2015-16	2016-17
1	Zilla Parishads & Panchayati Raj Institutions	262	327	781	427	697
2	Municipal Corporations & Municipalities	173	282	202	320	545
3	Universities & Educational Institution	401	447	597	661	836
4	Development Agencies	43	52	56	110	172
5	Hospital & Others Charitable Institutes	86	95	110	277	230
6	Other Institute	238	235	410	817	877
	<b>Total</b>	<b>1203</b>	<b>1438</b>	<b>2156</b>	<b>2612</b>	<b>3357*</b>

\* Includes ₹ 2 crore on account of Grant- in-aid capital expenditure.

#### 7.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2016	As on 31 March 2017	Net increase(+)/ decrease (-)
Cash Balances	341	443	(+)102
Investment from cash balance ( GOI Treasury Bills)	--	--	--
Investment from earmarked fund balances	--	--	--
(a) Sinking Fund	--	--	--
(b) Guarantee Redemption Fund	--	--	--
Interest realized during the year	40	53	(+)13

State Government had a negative closing cash balance at the end of 31 March 2017. Interest receipt on the investment of cash balance has increased by 32.50 per cent from ₹ 40 crore to ₹ 53 crore in 2016-17.

#### 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, 77 Public Works

Divisions, 89 Forest Divisions, 53 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 for identifying such adjustment vouchers, following which, the Accountant General (A&E) is unable to certify whether all advances have been settled and that there is no misappropriation or fraud. Over the years, the Accountant General (A&E) has been requesting the State Government to adopt the mode of Abstract Contingent (AC) bills and subsequent submission of Detailed Countersigned Contingent (DC) bills (vouchers in support of final expenditure) prevalent in the Central Government and other States to ensure greater transparency. However, the State Government has now identified the departments authorized to operate AC (Abstract Contingent) bills from 2017-18 onwards.

## 7.8 Status of Suspense Balances

Details of outstanding balances under Major Head-8658-Suspense Account is as under: -

(₹ in crore)

Name of Minor Head	2012-13		2013-14		2014-15		2015-16		2016-17	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
<b>8658-Suspense Accounts</b>										
101-Pay and Accounts Office-Suspense	32	24	36	18	45	23	56	18	77	30
Net	8 Dr.		18 Dr.		22 Dr.		38 Dr.		47 Dr.	

Name of Minor Head	2012-13		2013-14		2014-15		2015-16		2016-17	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
<b>8658- Suspense Accounts</b>										
102- Suspense Account (Civil)	138	125	145	142	139	132	195	212	275	275
Net	13 Dr.		3 Dr.		7 Dr.		17 Cr.		-nil-	
110- Reserve Bank Suspense- Central Accounts Office	92	92	36	9	36	36	0	0	0	0
Net	-nil-		27 Dr.		-nil-		-nil-		-nil-	
112-Tax Deducted at Source (TDS) Suspense	227	255	243	275	264	286	285	303	380	395
Net	28 Cr.		32 Cr.		22 Cr.		18 Cr.		15 Cr.	
129- Material Purchase Settlement Suspense Account	80	332	61	343	69	371	144	407	176	399
Net	252 Cr.		282 Cr.		302 Cr.		263 Cr.		223 Cr.	

## 7.9 Status of Outstanding Utilization Certificate

Details of outstanding Utilization Certificate in respect of Grants sanctioned by the State Govt. as under: -

Year	Number of UCs awaited	Amount (₹ in crore)
Up to 2014-2015	1531	1672
2015-2016	1056	1238
2016-17	2475	2450
<b>Total</b>	<b>5062</b>	<b>5360</b>

## 7.10 Commitments on account of Incomplete Capital works

A total expenditure of ₹ 188 crore as per Appendix IX in Volume II of the Finance Accounts was incurred up to the year 2016-17 by the State Government on various incomplete projects against an original estimated cost of ₹ 281 crore.

The original estimated cost (₹ 281 crore) had escalated by 6 *per cent* on various projects. A summarized view on commitments on account of 'Incomplete Capital Works' is furnished below:

(₹ in crore)

S. 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 (5)	31	1	44	--	35
2	Water supply Scheme (3)	54	2	56	--	54
3	Building Works (4)	196	35	88	--	196
	<b>Total</b>	<b>281</b>	<b>38</b>	<b>188</b>	<b>--</b>	<b>285</b>



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