



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

Accounts at a Glance 2023-24



Government of Himachal Pradesh



Accounts at a Glance for the year **2023-24**

**Pr. Accountant General
(Accounts and Entitlement)**



GOVERNMENT OF HIMACHAL PRADESH

Preface

I am happy to present the twenty sixth issue of our annual publication, the 'Accounts at a glance' for the year 2023-24, which provides an overview of activities of Governmental Himachal Pradesh, 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: 01 January 2025

Pr. Accountant General (A&E)

Our Vision, Mission and Core Values

VISION

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

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.

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.

MISSION

(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 office of the Principal Accountant General (Accounts and Entitlement), 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 18 District Treasuries, 93 Public Works Divisions (74 Building and Roads, 08 National Highway, 06 Mechanical, 05 Electrical), 69 Divisions of Jal Shakti Vibhag, accounts rendered by the other states/ accounting offices and advices of Reserve Bank of India. Every month a Monthly Civil Account is submitted by the office of the Principal Accountant General (A&E) to the Government of Himachal Pradesh. The office of Principal Accountant General (A&E) also submits to the State Government a quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government. The Principal Accountant General (A&E) also prepares, annually, Finance Accounts and the Appropriation Accounts which 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.

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.

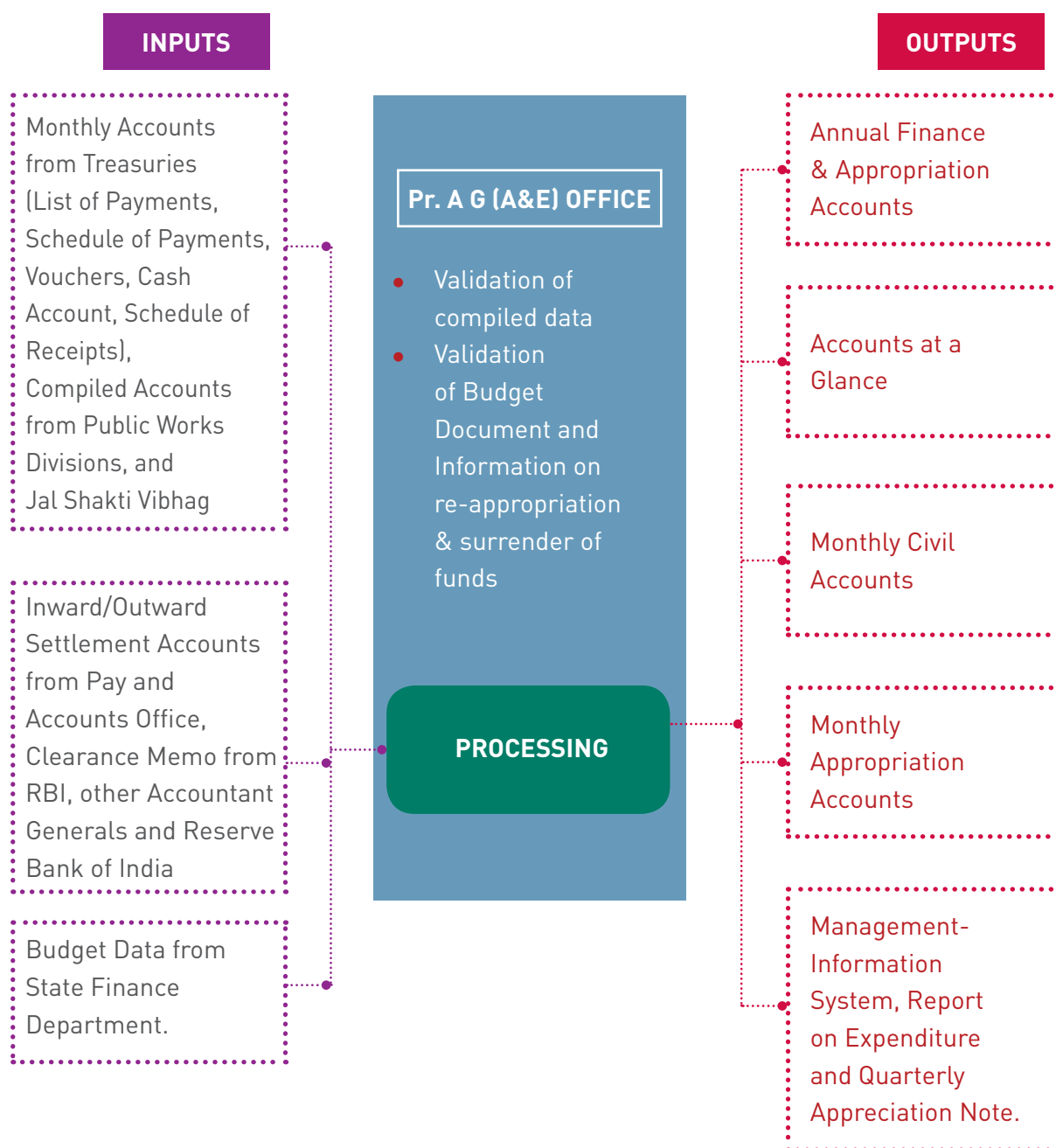
● **Part 2** **CONTINGENCY FUND**

● **Part 3** **PUBLIC ACCOUNT**

All public money 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 repayables 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.

1.2.2 Compilation of Accounts

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 Finance 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).

The figures in Finance Accounts are shown on net basis i.e. gross expenditure minus recoveries and gross receipts minus refunds, while the figures in Appropriation Accounts are shown on gross basis.

In addition to the expenditure approved for the year by the Himachal Pradesh Legislature, Government of India transfers substantial funds directly to State Implementing Agencies/ Non-Government Organization (NGOs) in the State for various schemes and programmes. Such transfers (amounting to ₹ 1,946 crore this year) are not reflected in the Accounts of the State Government but have been shown in Appendix VI in Volume II of the Finance Accounts.

1.3.2 Financial highlight of year 2023-24

The following table depicts the budgeted receipts and disbursements as per Budget Estimates, along with the actual receipts and expenditure as per the Finance Accounts for the year 2023-24. Planned and actual values for key fiscal indicators have also been described.

Table 1.1 Snapshot of Finances of Himachal Pradesh (Year 2022-23)

(₹ in crore)

Sl. No.	Description	Budget Estimate 2023-24	Actuals 2023-24	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP#
1.	Tax Revenue (including central share) [a]	21,936	21,210	97	10
2.	Non-Tax Revenue	3,325	3,021	91	1
3.	Grants-in-aid & Contributions	15,185	14,942	98	7
4.	<i>Revenue Receipts (1+2+3)</i>	40,446	39,173	97	18
5.	Recovery of Loans & Advances**	27	27	100	---
6.	Other Receipts*	---	2	0	---
7.	Borrowings and other liabilities (b)	12,295	11,266	92	5
8.	<i>Capital Receipts (5+6+7)</i>	12,322	11,295	92	5
9.	<i>Total Receipts (4+8)</i>	52,768	50,468	96	24
10.	<i>Revenue Expenditure</i>	45,926	44,732	97	22
11.	Expenditure on Interest Payments (out of Revenue Expenditure)	5,658	5,648	100	2
12.	<i>Capital Expenditure</i>	6,781	5,630	83	3
13.	<i>Loans and Advances Disbursed (c)</i>	61	106	175	---
14.	<i>Total Expenditure (10+12+13)</i>	52,768	50,468	96	24
15.	<i>Revenue Deficit (-) / Revenue Surplus (+) (4-10)</i>	(-)15,480	(-)15,559	101	(-)3
16.	<i>Fiscal Deficit(-) / Surplus(+) (4+5+6-14)</i>	(-)12,295	(-)11,266	92	(-)5
17.	<i>Primary Deficit** (16-11)</i>	(-)6,636	(-)15,617	85	3

(a) Includes share of net proceeds assigned to state amounting to ₹ 9,375 crore. State Government's Own Tax receipts were ₹ 11,835 crore which was 6 per cent of GSDP.

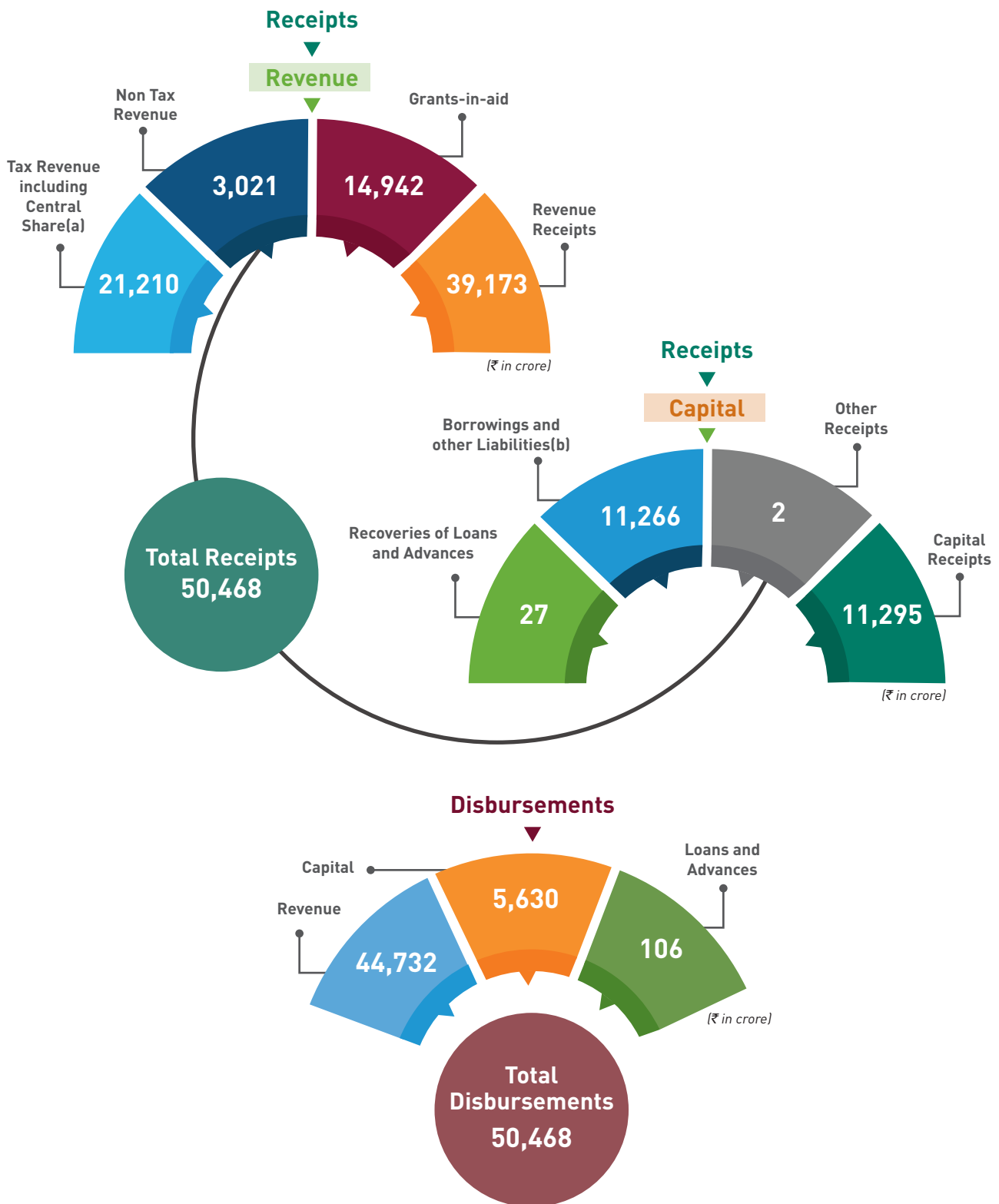
(b) Borrowing and other Liabilities: Net (Receipts-Disbursement) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursement) of Public Account + Net of opening and closing cash balance.

(c) Loans and advances (₹ 106 Crore) = State Plan (₹ 106 crore) + Central Plan [----]

GSDP (Gross State Domestic Product) of H.P. for 2023-24 is ₹ 2,07,430 crore as per revised estimates presented in Legislative Assembly.

* Percentage is negligible hence shown as ---

Receipts and disbursement in year 2023-24



(a) Includes share of net proceeds assigned to state amounting to ₹ 9,375 crore. State Government's Own Tax receipts were ₹ 11,835 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 cash balance.

1.3.3 Appropriation Accounts

Under Articles 204 & 205 of the Constitution of India, 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 expenditures require to be “voted”. The budget of Himachal Pradesh for 2023-24 had 32 Grants and there were 18 charged Appropriations under these Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complied with the appropriation authorized by the Legislature through the Appropriation Act of each year. The figures in Appropriation Accounts are shown on gross basis..

1.3.4 Efficiency on Budget Preparation

At the end of the year, actual expenditure of the Government of Himachal Pradesh was ₹ 62,024 crore against the budget of ₹ 66,991 crore approved by the Legislature. Overall, there was saving of ₹ 6,223 crore and excess expenditure of ₹ 1,256 crore, resulting in net saving of ₹ 4,967 crore. The excess of ₹ 1,256 crore occurred in ten grants relating to (i) 03-Administration of Justice, (ii) 04-General Administration, (iii) 05-Land Revenue and District Administration, (iv) 08-Education, (v) 09-Health and Family Welfare, (vi) 18-Industries, Minerals, Supplies and Information Technology, (vii) 23-Power Development, (viii) 27-Labour Employment and Training, (ix) 28- Urban Development, Town and Country Planning and Housing and (x) 29-Finance which requires regularization. While the excess (₹ 0.02 crore only) in charged appropriations took place in two grants: (i) 13- Irrigation, Water Supply and Sanitation and (ii) 16-Forest and Wild Life. The excess expenditures need to be regularized by the Legislature.

During the year 2023-24, expenditure to the tune of ₹ 27.85 crore was incurred without budget provision under Grant No 28-Urban Development, Town and Country Planning and Housing. Expenditures without budget provision indicated violation of financial rules.

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 (RBI) to make good the deficiency in the minimum cash balance which the State Government is required to maintain with the RBI. The State Government obtained Ways and Means Advance of ₹ 3,505 crore during the year 2023-24 and the same (₹ 3,505 crore) was repaid during the same year.

1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the RBI when the cash balance falls below limit of minimum cash balance i.e. ₹ 0.55 crore which is required to be maintained with the RBI, even after taking Ways and Means Advances. During the year 2023-24 an amount of ₹ 876 crore overdraft was availed for 05 days and was fully repaid.

1.4.3 Fund flow statement

The state had a Revenue Deficit of ₹ 5,559 crore and a Fiscal Deficit of ₹ 11,266 crore as on 31 March 2024. The Fiscal Deficit was met from net Public Debt (₹ 7,006 crore), increase in Public Account (₹ 4,392 crore) and net decrease of opening and closing cash balance (₹ 132 crore). Around 84 per cent of the revenue receipts (₹ 39,173 crore) of the State Government was spent on committed expenditure like salaries (₹ 15,047 crore), Interest Payments (₹ 5,648 crore), Pensions (₹ 10,056 crore), Subsidies (₹ 1,768 crore) and Wages (₹ 306 crore).

Sources and Application of Funds

(₹ in crore)

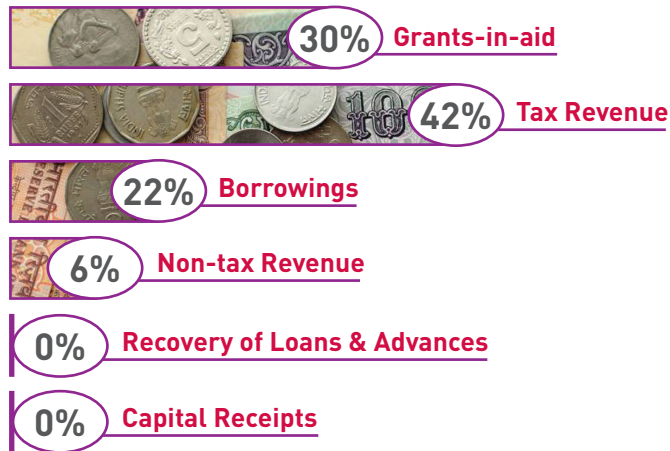
SOURCES		
Opening Cash Balance as on 1 April 2023		(-)89
Revenue Receipts		39,173
Capital Receipts		2
Recovery of Loans and Advances		27
Public Debt		14,902
Small Savings, Provident Funds etc.		4,795
Reserves Funds		1,646
Deposits Received		4,071
Civil Advances Repaid		---
Suspense Account		44,950*
Remittances		9,077
TOTAL		1,18,554*
APPLICATION		
Revenue Expenditure		44,732
Capital Expenditure		5,630
Loans Given		107
Repayment of Public Debt		7,896
Small Savings, Provident Funds etc.		3,139
Reserves Funds		1,301
Deposits Repaid		4,035
Civil Advances Given		...
Suspense Account		42,722**
Remittances		8,950
Closing Cash Balance as on 31 March 2024		42
TOTAL		1,18,554

* Includes ₹ 43,549 crore on account of cash balances investment account.

** Includes ₹ 41,361 crore on account of cash balances investment account.

1.4.4 Where the ₹ came from ?

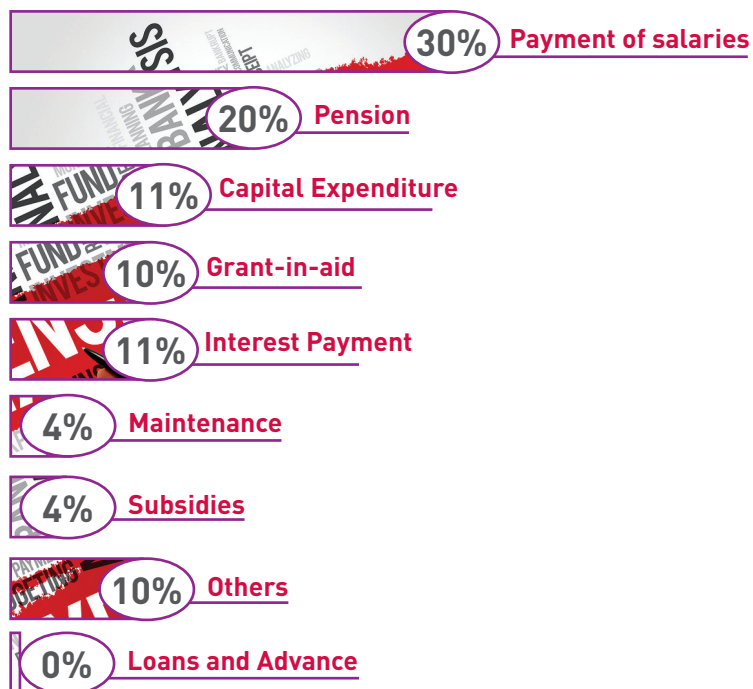
Actual Receipts



(Recovery of loans and advances was only ₹ 27 crore and Capital Receipt was only ₹ 2 crore which is negligible hence value is shown as zero)

1.4.5 Where the ₹ went ?

Actual Expenditure



During the year 2023-24 Revenue Deficit of ₹ 5,559 crore (₹ 6,336 crore Revenue Deficit in 2022-23) and Fiscal Deficit of ₹ 11,266 crore (₹ 12,380 crore Fiscal Deficit in 2022-23) of the State Government were 3 per cent and 5 per cent of the GSDP respectively. The Fiscal Deficit constituted 22 per cent of total expenditure.

What do the deficits and surplus indicate?

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.

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.

REVENUE DEFICIT/ SURPLUS

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.

1.5 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 2023-24 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(-)/ Revenue Surplus(+)	(-)5,559 (3 per cent of GSDP*)	Eliminate by 2011-12.	Not achieved during the year.
2	Fiscal Deficit	11,266 (5 per cent of GSDP)	3.5 per cent of GSDP or less	Not achieved during the year.
3	Outstanding Guarantees	1,745 (5 per cent of Revenue Receipt of previous Financial year)	Less than 40 per cent of Revenue Receipt of previous Financial year	Achieved during the year.

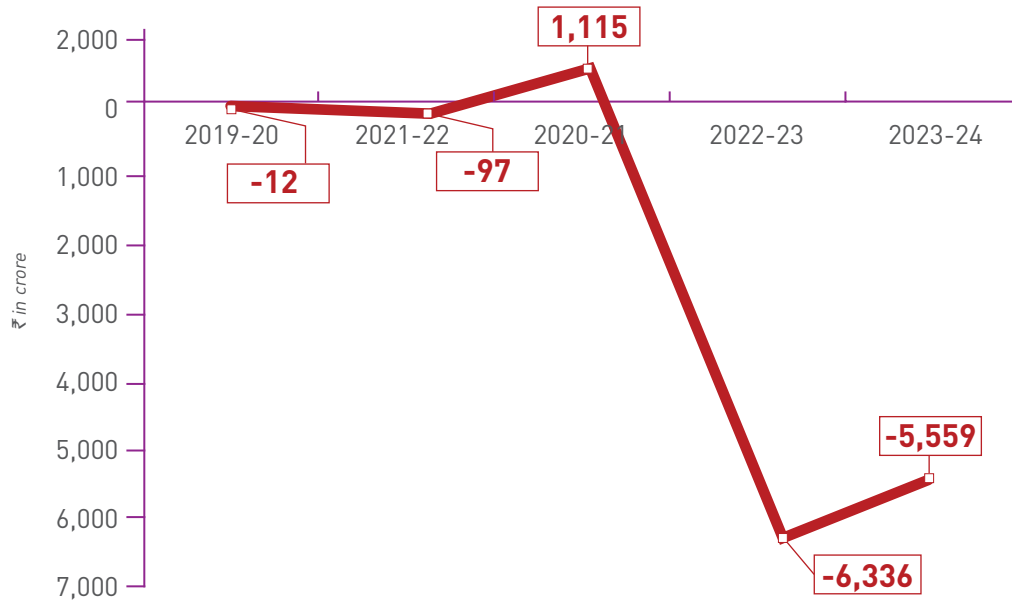
* Source: GDP (Gross State Domestic Product) of H.P. for 2022-23 is ₹ 2,07,430 crore as per revised estimates presented in Legislative Assembly.

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

The State Government had Revenue Deficit of ₹ 6,336 crore in 2022-23, and during the year 2023-24 there was Revenue Deficit of ₹ 5,559 crore, though as per target set under FRBM Act, the State should have Revenue Surplus. On the other hand, the Fiscal Deficit decreased by ₹ 1,114 crore from ₹ 12,380 crore in 2022-23 to ₹ 11,266 crore in 2023-24 and was 5 per cent of GSDP, which exceeded the target of 3.5 per cent set under FRBM Act. However, the target of maintaining outstanding guarantees below 40 per cent of total revenue receipts of previous financial year was achieved. The amount of outstanding guarantees was ₹ 1,745 crore as on 31 March 2024 equaling 5 per cent of total revenue receipt (₹ 38,089 crore) of previous year i.e. 2022-23.

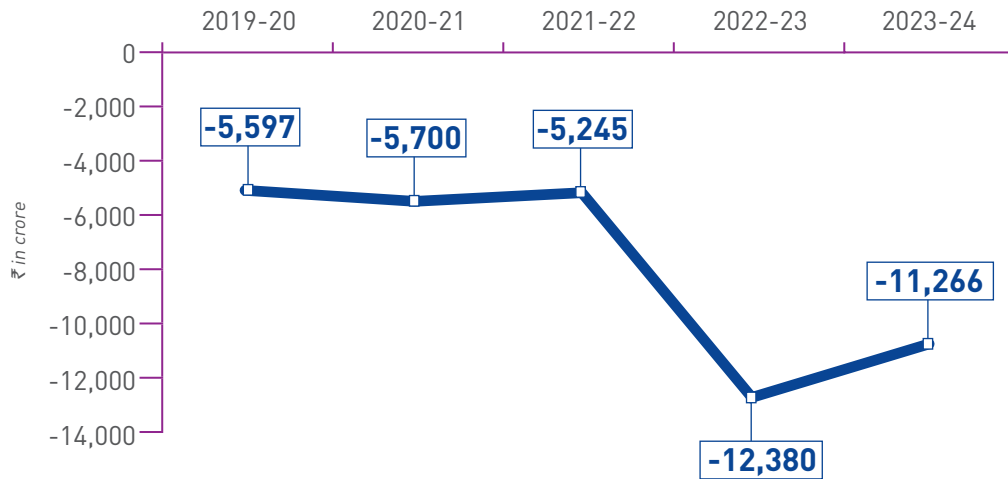
1.5.1 Trend of Revenue Deficit/ Surplus

Trend of Revenue Surplus/ Deficit



1.5.2 Trend of Fiscal Deficit

Trend of Fiscal Deficit



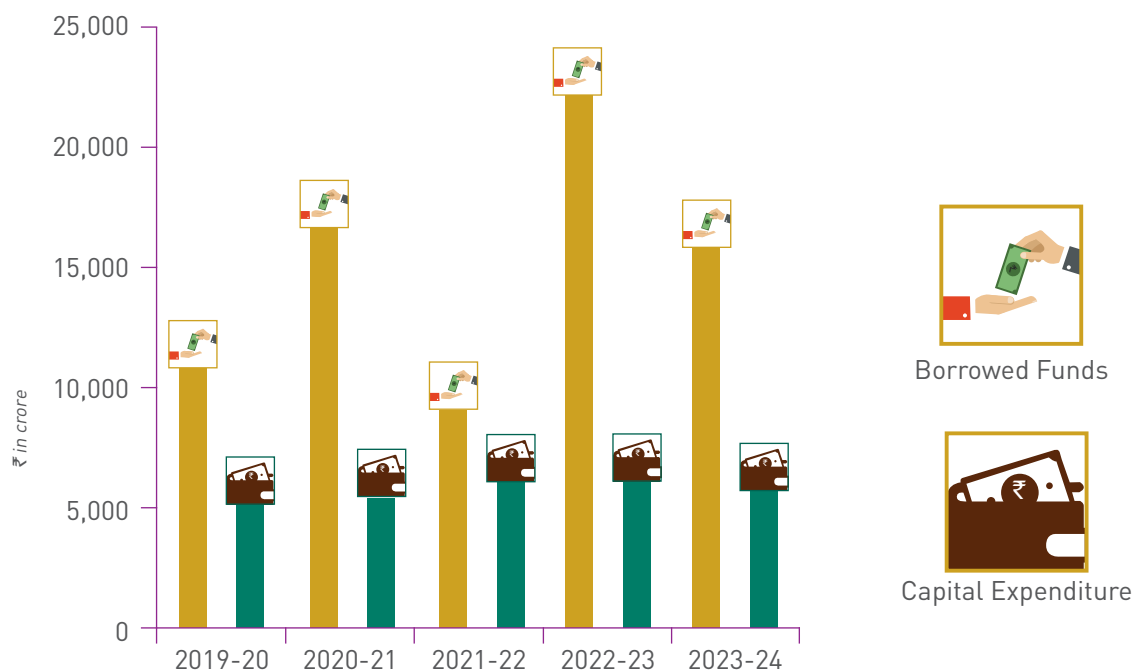
1.5.3 Proportion of borrowed funds spent on Capital Expenditure

The following table depicts the position of borrowed funds spent on capital expenditure:

(₹ in crore)

Year	Borrowed Fund	Capital Expenditure	Percentage of Col. 3 to Col. 2
1	2	3	4
2019-20	10,847	5,174	48
2020-21	16,749	5,309	32
2021-22	9,335	6,029	65
2022-23	22,372	6,029	27
2023-24	14,902*	5,630	38

* This debt includes ₹ 4,412 crore, which was passed on as back-to-back loans by Gol in lieu of shortfall in GST Compensation, vide Gol's letter No.F.No. 40(1) PF-S/2021-22 dated 10-12-2021")



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 38 per cent of the borrowings of the current year (₹ 14,902 crore) on capital expenditure (₹ 5,630 crore).

It appears that balance of borrowings in the public debt was utilized to repay the principal 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 of the State Government during 2023-24 was ₹ 50,468 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.

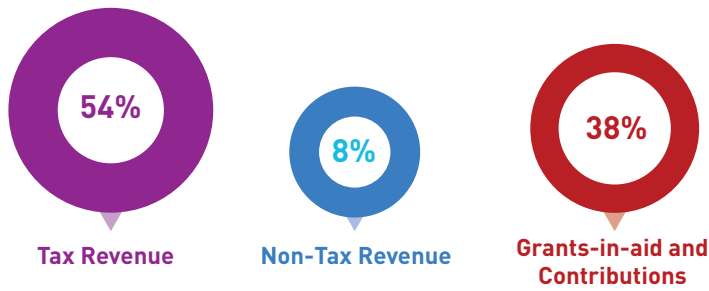
Includes interest receipts, dividend, profits, departmental receipts etc.

● NON-TAX REVENUE

● 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 gives Grants-in-aid to institutions like Panchayati Raj Institution, Autonomous Bodies etc.

Revenue Receipts



2.2.1 Revenue Receipts - Components

(₹ in crore)

Components	Actuals	Per cent to Revenue Receipt
A. Tax Revenue*	21,210	54
Goods and Services Tax	8,185	21
Taxes on Income and Expenditure	6,064	15
Taxes on Property, Capital and other Transactions	447	1
Taxes on Commodities and Services other than Goods and Services Tax	6,514	17
B. Non-Tax Revenue	3,021	8
Interest Receipts, Dividend and Profits	317	1
General Services	354	1
Social Services	178	...
Economic Services	2,172	6
C. Grants-in-Aid & Contributions	14,942	38
Total –Revenue Receipts	39,173	100

* Includes share of net proceeds assigned to State (received from the Government of India)

2.2.2 Trend of Revenue Receipts

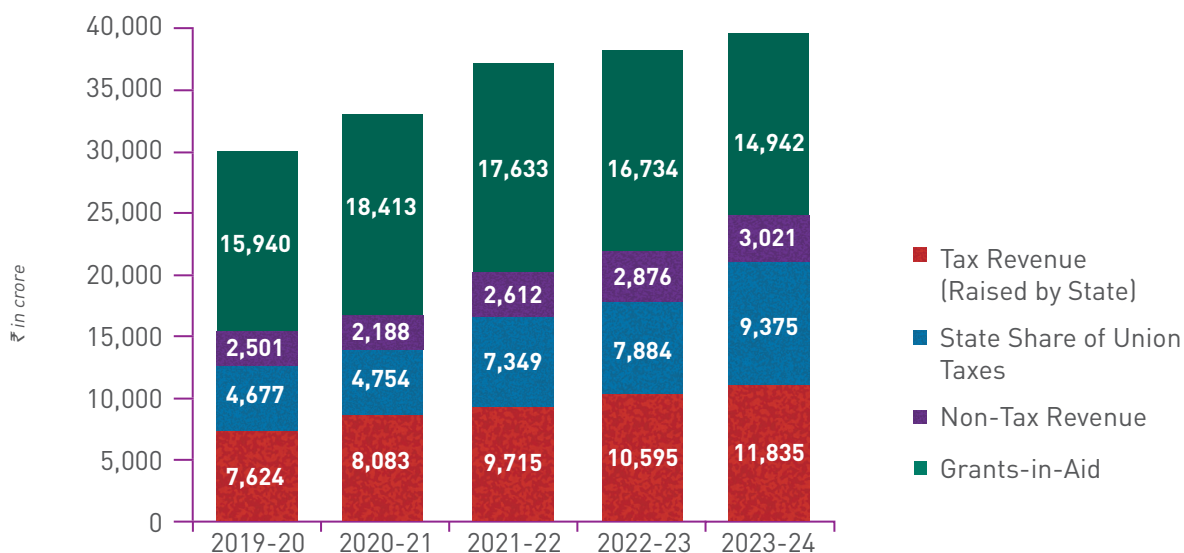
(₹ in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
The revenue raised by the State Government					
Tax Revenue (Raised by the State)	7,624 (5)	8,083 (5)	9,715 (6)	10,595 (5)	11,835 (6)
Non-Tax Revenue	2,501 (2)	2,188 (1)	2,612 (1)	2,876 (1)	3,021 (1)
The revenue received from the Union Government					
State Share of Union Taxes/ Duties	4,677 (3)	4,754 (3)	7,349 (4)	7,884 (4)	9,375 (5)
Grants-in-aid	15,940 (10)	18,413 (12)	17,633 (10)	16,734 (9)	14,942 (7)
Total Revenue Receipts	30,742 (19)	33,438 (21)	37,309 (21)	38,089 (19)	39,173 (19)
GSDP	1,65,472	1,56,522	1,75,173	1,95,404	2,07,430

Note: Figures in parentheses represent percentage to GSDP (Gross State Domestic Product). GSDP figures for 2023-24 at current prices, as per revised estimates presented in Legislative Assembly.

Though the GSDP increased by 6 *per cent* in 2023-24 compared to previous year, increase in revenue receipt was 3 *per cent*. This meagre growth in revenue receipt was due to the decrease in Grants-in-aid. The tax revenue and non-tax revenue increased by 12 *per cent* and 5 *per cent* respectively, but the Grants-in-aid decreased by 11 *per cent* as compared to previous year.

Trend of components of Revenue Receipts



2.3 Tax Revenue

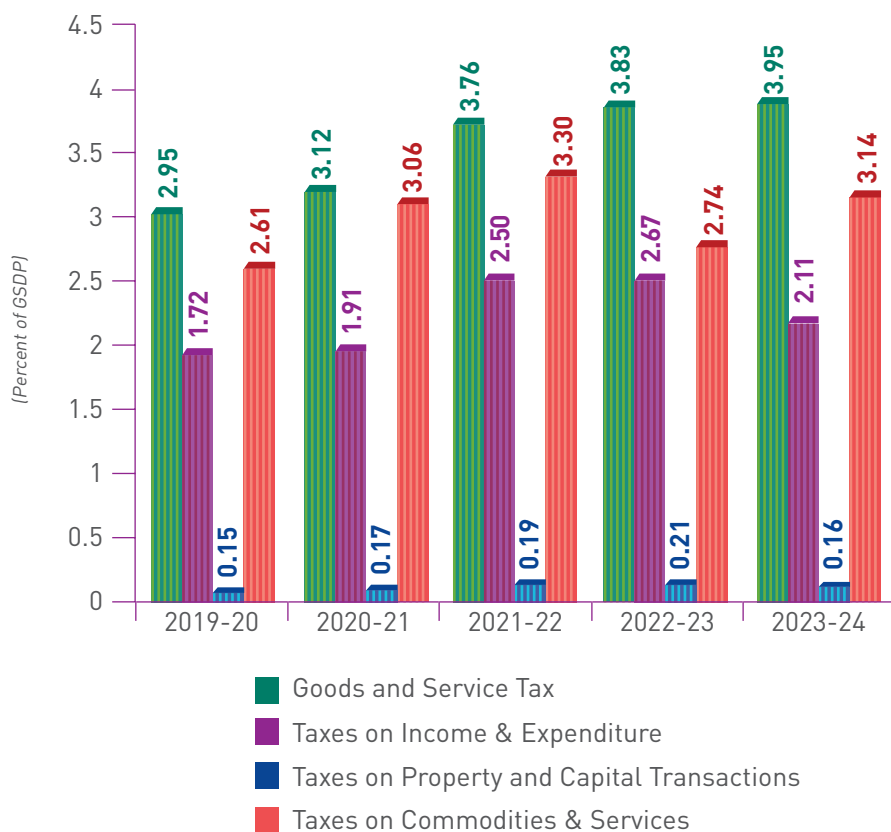
(₹ in crore)

Sector wise Tax Revenue				
Taxes	2020-21	2021-22	2022-23	2023-24
a. Goods and Services Tax	4,886 (3)	6,588 (4)	7,486 (4)	8,185 (4)
b. Taxes on Income and Expenditure	2,894 (2)	4,372 (2)	5,225 (3)	6,064 (3)
c. Taxes on Property Capital and Other Transactions	260 ---	324 ---	407 ---	447 ---
d. Taxes on Commodities and Services Other than Goods and Services Tax	4,797 (3)	5,780 (3)	5,361 (3)	6,514 (3)
Total Tax Revenue	12,837 (8)	17,064 (10)	18,479 (9)	21,210 (10)
GSDP	1,56,522	1,75,173	1,95,404	2,07,430

Note: Figures in parentheses represent percentage to GSDP.

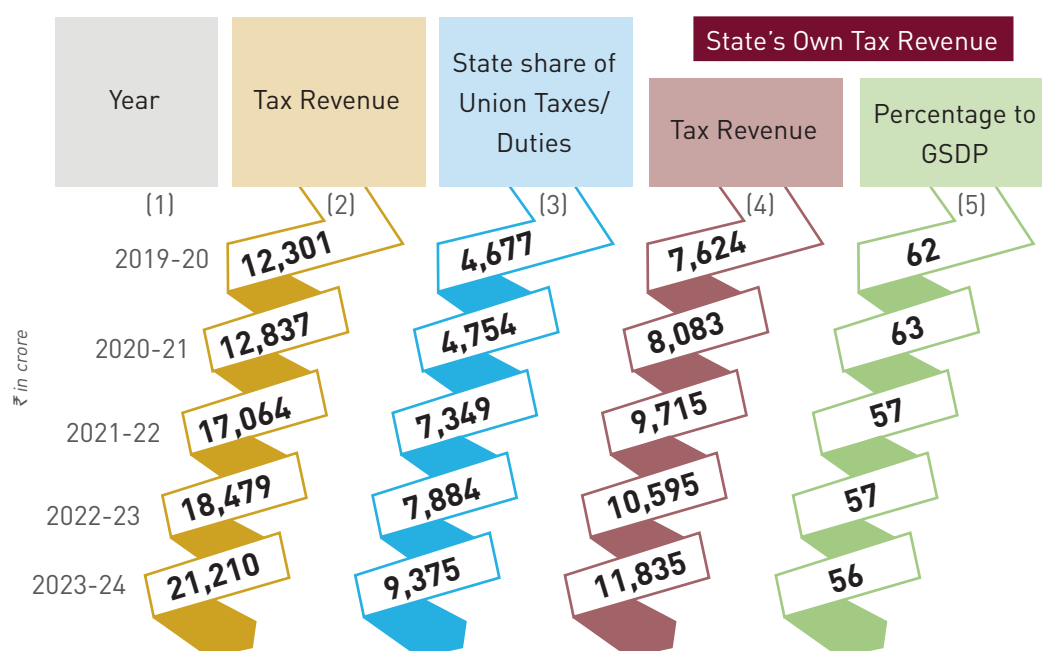
The increase in total tax revenue during 2023-24 was mainly due to higher receipt of State share from SGST (₹ 81 crore), CGST (₹ 618 crore), more collection of Income other than Corporation Tax (₹ 670 crore), Corporation Tax (₹ 169 crore) and State Excise (₹ 476 crore).

Trend of Major Taxes in proportion to Gross State Domestic Product (GSDP)



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.



The proportion of State's own tax collection in overall tax revenue was 62 *per cent* during the year 2019-20 and increased to 63 *per cent* in 2020-21, thereafter decreased to 57 *per cent* in 2021-22 and 2022-23 and further to 56 *per cent* during 2023-24.

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

(₹ in crore)

Description	2019-20	2020-21	2021-22	2022-23	2023-24
State's own Tax collection	7,624	8,083	9,715	10,595	11,835
Devolution of Union Taxes	4,677	4,754	7,349	7,884	9,375
Total Tax Revenue	12,301	12,837	17,064	18,479	21,210

2.3.2 Trend in State's Own Tax collection over the past five years

(₹ in crore)

Description	2019-20	2020-21	2021-22	2022-23	2023-24
State Goods and Service Tax	3,550	3,467	4,482	5,259	5,340
Taxes on Sales, Trade etc.	1,169	1,630	1,592	1,370	1,754
State Excise	1,660	1,600	1,981	2,216	2,692
Taxes on Vehicles	466	380	510	675	782
Stamp and Registration fees	260	253	319	399	440
Taxes and Duties on electricity	101	402	394	252	369
Land Revenue	5	7	5	8	7
Taxes on Goods and Passengers	104	84	99	69	71
Other Taxes	309	260	333	347	380
Total State's own Taxes	7,624	8,083	9,715	10,595	11,835

2.4 Cost of collection of Taxes

(₹ in crore)

Taxes	2019-20	2020-21	2021-22	2022-23	2023-24
1. Taxes on Sales, Trade etc.					
Revenue collection	1,169	1,630	1,592	1,370	1,754
Expenditure on collection	35	20	29	31	37
Cost of tax collection <i>Per cent</i>	3	1	2	2	2
2. State Excise					
Revenue collection	1,660	1,600	1,981	2,216	2,692
Expenditure on collection	7	8	8	21	8
Cost of tax collection <i>Per cent</i>	0.42	0.50	0.42	1	0.3
3. Taxes on Vehicles, Goods and Passengers					
Revenue collection	570	464	609	744	853
Expenditure on collection	48	48	63	97	85
Cost of tax collection <i>Per cent</i>	8	10	10	13	10
4. Stamp and Registration Fee					
Revenue collection	260	253	318	399	440
Expenditure on collection	20	13	5	3	10
Cost of tax collection <i>Per cent</i>	8	5	2	1	2

The expenditures on collection of Taxes on Vehicles, Goods and Passengers and Stamps and Registration were 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	2019-20	2020-21	2021-22	2022-23	2023-24
Central Goods & Services Tax (CGST)	1,327	1,420	2,105	2,227	2,845
Corporation Tax	1,595	1,429	2,202	2,645	2,814
Taxes on Income other than Corporation Tax	1,250	1,465	2,170	2,580	3,250
Customs	296	257	511	310	329
Union Excise Duties	206	161	266	97	124
Service Tax	Nil	19	88	12	2
Other Taxes and Duties on Commodities and Services	3	3	7	13	11
State's share of Union Taxes/Duties	4,677	4,754	7,349	7,884	9,375
Total Tax Revenue	12,301	12,837	17,064	18,479	21,210
Percentage of Union Taxes to Total Tax Revenue	38	37	43	43	44

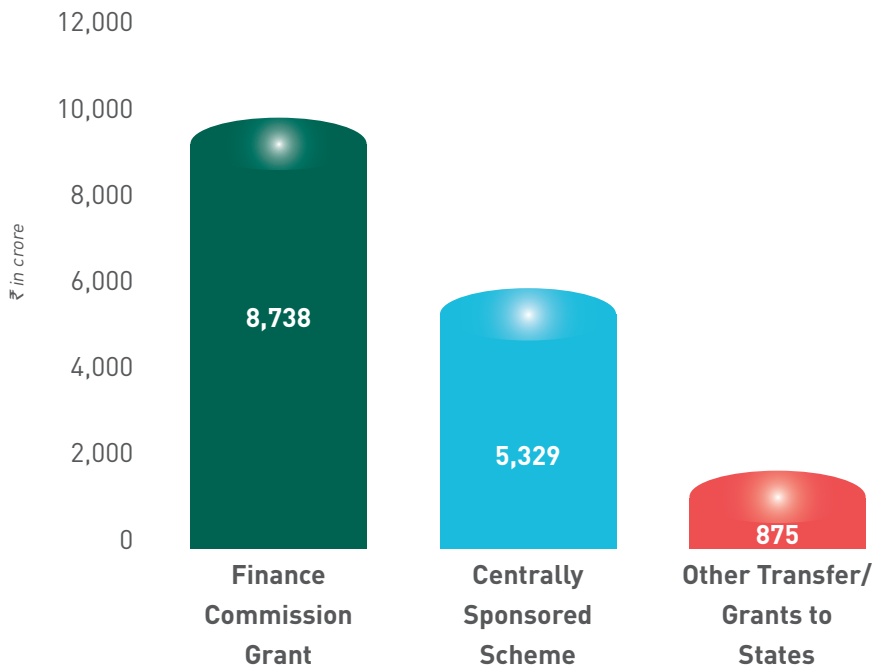
** Percentage is negligible hence shown as ---

The share of Union Taxes in total Tax Revenue of the State Government had decreased from 38 per cent in 2019-20 to 37 per cent in 2020-21 but increased to 43 per cent during 2021-22 and 2022-23 and to 44 per cent in 2023-24.

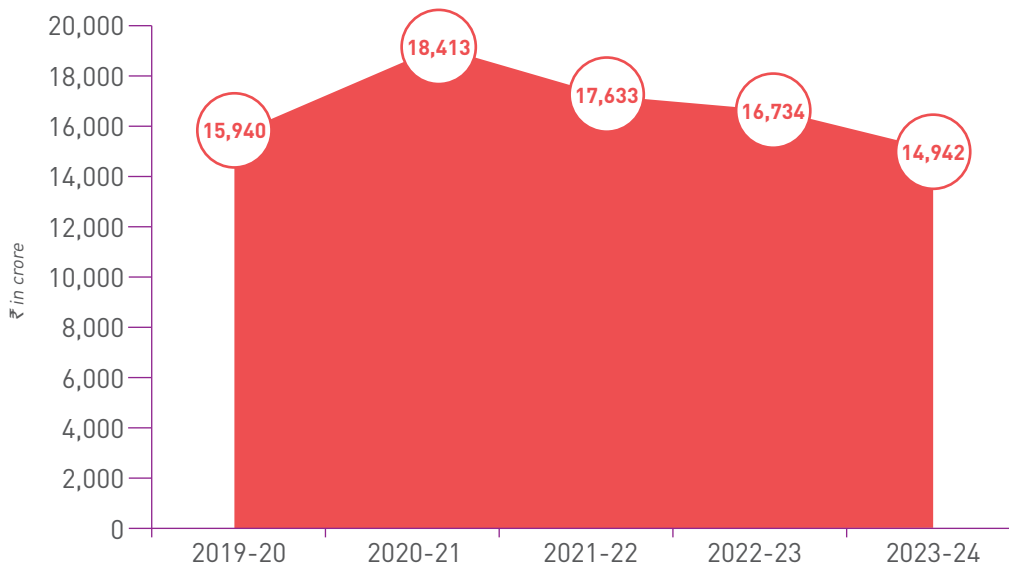
2.6 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for Centrally Sponsored Schemes, Finance Commission Grants and other transfer/ Grants to State/ Union Territories with Legislatures. The Grants-in-aid received from these sources during 2023-24 is shown below:

Grants-in-Aid



Trend of Grants-in-Aid



The decrease in Grants-in-Aid during 2023-24 was mainly due to decrease in 'Compensation GST/Share' ₹ 88 crore (₹ 1,293 crore in 2022-23), and decrease in 'Grants from Central Road and Infrastructure Fund' ₹ 136 crore (₹ 169 crore in 2022-23), and 'Post Devolution Revenue Deficit Grant' ₹ 8,058 crore (₹ 9,377 crore in 2022-23).

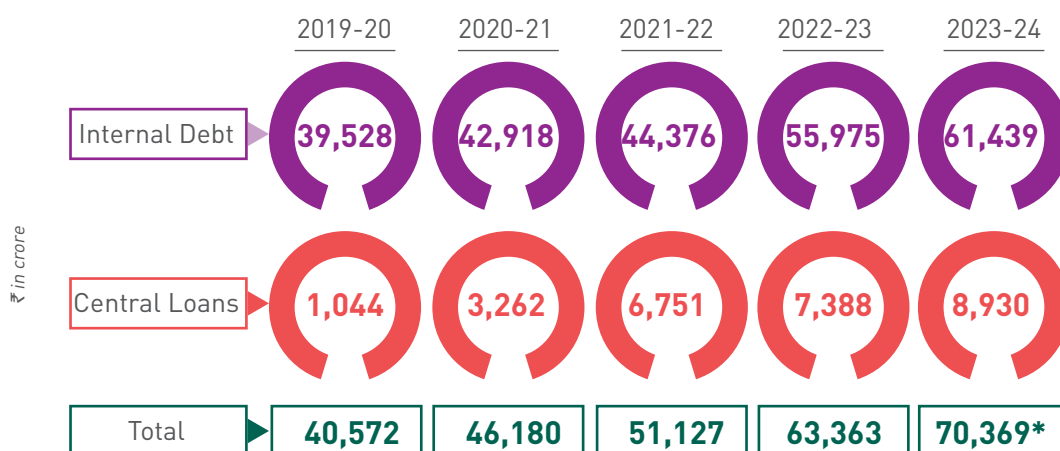
2.7 Goods and Services Tax (GST)

Goods and Service Tax (GST) was implemented from 1 July 2017. According to GST (Compensation to the States) Act 2017, Central Government was to compensate the states for loss of revenue arising on account of implementation of GST for a period of five years.

During 2023-24, the State Government received ₹ 5,340 crore (adjustment of (-)₹ 6,120 crore on account of advance apportionment of IGST) under Major Head 0006-State Goods and Service Tax. In addition, the State received ₹ 2,845 crore as its share of net proceeds assigned to the State under Central GST. The total receipts under GST were ₹ 8,185 crore. The State received compensation of ₹ 88 crore on account of loss of revenue arising out of implementation of GST during 2023-24.

2.8 Public Debt

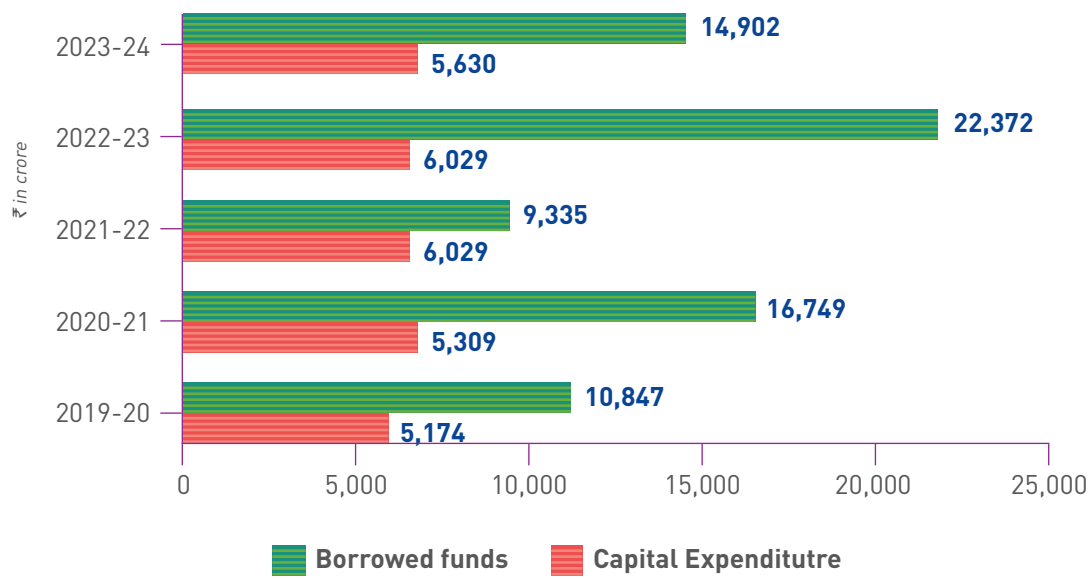
Trend of position of Public Debt over the past five years



*This debt includes ₹ 4,412 crore, which was passed on as back to back loans by Gol in lieu of shortfall in GST Compensation, vide Gol's letter No.F.No. 40(1) PF-S/2021-22 dated 10-12-2021"

During the year 2023-24, 14 loans totaling ₹ 8,072 crore were raised from the open market at interest rates varying from 7 to 8 per cent and the same are redeemable during the period between 2029 to 2043. In addition, the State Government raised loans of ₹ 800 crore from the financial institutions. An amount of ₹ 4,380 crore was obtained from Ways and Means Advances/Overdrafts from the RBI. Thus the total Internal Debt raised by the Government during the year 2023-24 aggregated to ₹ 13,252 crore. The Government also received ₹ 1,649.15 crore from Gol as loans and advances.

Borrowed funds viz-à-viz Capital Expenditure



Chapter III

Expenditure

3.1 Introduction

The total expenditure of the State Government during 2023-24 was ₹ 50,468 crore. The total expenditure decreased by ₹ 97 crore (0.19 per cent) as compared to the previous year. Revenue expenditure during 2023-24 was ₹ 44,732 crore, had increased by ₹ 307 crore (0.69 per cent) in comparison to the previous year. The Capital Expenditure of ₹ 5,630 crore during 2023-24 also witnessed decrease of ₹ 399 crore (7 per cent) as compared to previous year.

3.2 Revenue Expenditure

The revenue expenditures fell short against budget estimates during the five years (2019-20 to 2023-24) as shown in the following table below:

Year	2019-20	2020-21	2021-22	2022-23	2023-24
Budget Estimates	36,337	36,011	37,034	45,115	45,926
Actuals	30,730	33,535	36,195	44,425	44,732
Gap	(-)5,607	(-)2,476	(-)839	(-)690	(-)1,194
Percentage of variation of Actuals against BE	(-)15	(-)7	(-)2	(-)2	(-)3

During 2023-24 around 68 per cent of the total revenue expenditure was incurred on committed expenses viz. on Salaries and Wages (₹ 15,353 crore), Interest payment (₹ 5,648 crore), and Pensions (₹ 9,213 crore) which is the committed liability of the State Government.

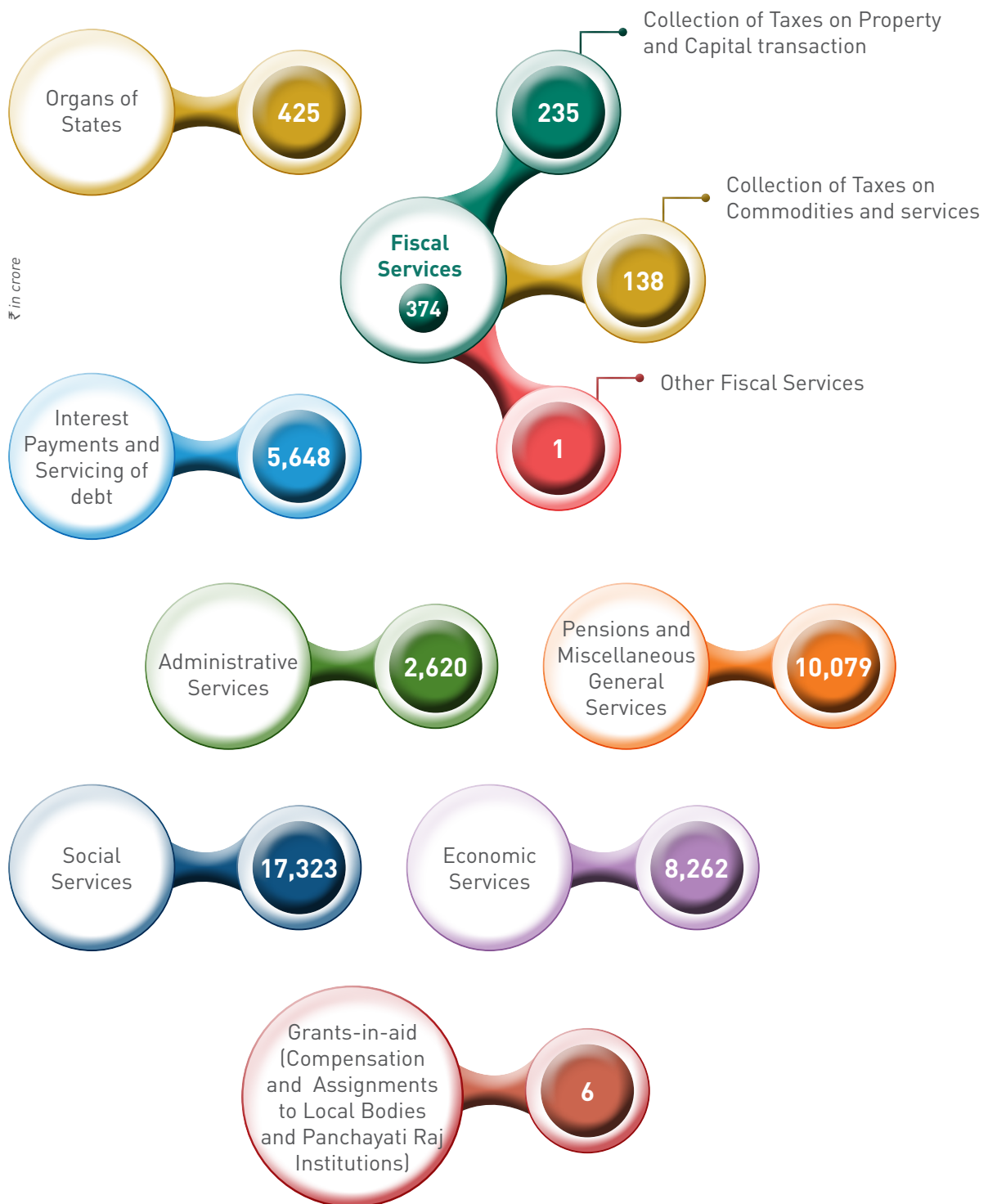
The position of committed and uncommitted revenue expenditure over the last five years is given below:

Component	2019-20	2020-21	2021-22	2022-23	2023-24
Total revenue expenditure	30,730	33,535	36,195	44,425	44,732
Committed revenue expenditure #	22,534	23,705	24,419	31,937	30,214
Percentage of committed revenue expenditure to total revenue expenditure	73	71	67	72	68
Uncommitted revenue expenditure	8,196	9,830	11,776	12,488	14,518

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

It could be seen from above table that the uncommitted revenue expenditure available for implementation of various schemes increased by 77 per cent from ₹ 8,196 crore in 2019-20 to ₹ 14,518 crore in 2023-24. The total revenue expenditure increased by 46 per cent from ₹ 30,730 crore in 2019-20 to ₹ 44,732 crore in 2023-24 and committed revenue expenditure increased by 34 per cent over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure (2023-24)

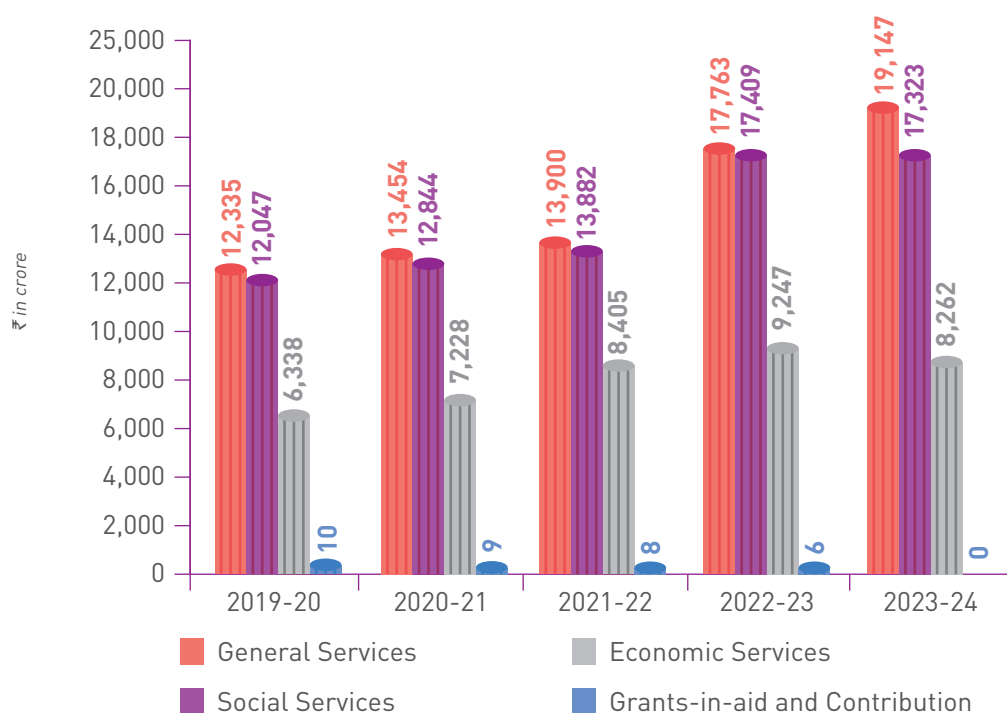


3.2.2 Major components of Revenue Expenditure 2019-20 to 2023-24

(₹ in crore)

Sector	2019-20	2020-21	2021-22	2022-23	2023-24
General Services	12,335	13,454	13,900	17,763	19,147
Social Services	12,047	12,844	13,882	17,409	17,323
Economic Services	6,338	7,228	8,405	9,247	8,262
Grants-in-aid and Contribution	10	9	8	6	Nil

Trend of major components of Revenue Expenditure



3.3 Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital expenditure during 2023-24 amounting to ₹ 5,630 crore (3 per cent of GSDP) was less than Budget Estimates by ₹ 1,151 crore. This can be seen from the table below:

(₹ in crore)

S.No.	Components	2019-20	2020-21	2021-22	2022-23	2023-24
1	Budget Estimate (B.E.)	5,943	5,692	7,099	6,311	6,781
2	Actual Expenditure (A.E.) ^(#)	5,174	5,309	6,029	6,029	5,630
3	Percentage of A.E. to B.E.	87	93	85	96	83
4	Yearly growth (+)/ decline (-) of Capital Expenditure (in %)	13	3	14	...	(-)7
5	GSDP	1,65,472	1,56,522	1,75,173	1,95,404	2,07,430
6	Yearly growth (+)/ decline (-) of GSDP (in %)	(+) 9	(-)5	(+)12	(+)12	(+)6

(#) Does not include expenditure on Loans and Advances

3.3.1 Sectoral distribution of Capital Expenditure

During 2023-24, the Government spent ₹ 295 crore on various Irrigation Projects (₹ 0.04 crore on Medium Irrigation and ₹ 295 crore on Minor Irrigation). Apart from above, the Government spent ₹ 2,065 crore on construction of roads and bridges and invested ₹ 97 crore in Statutory Corporations/ Boards, ₹ 95 crore in Government and other Companies and Co-operative societies. During the year share capital amounting to ₹ 2 crore was redeemed by Co-operative Societies.

3.3.2 Sectoral distribution of Capital Expenditure over the past five years

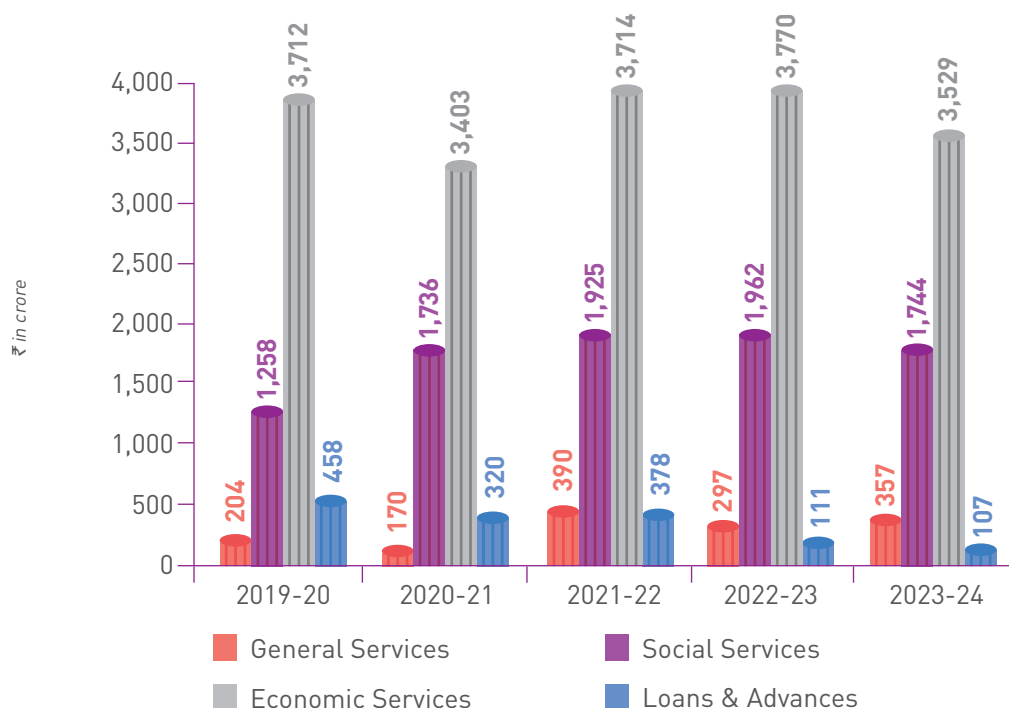
The comparative sectoral distribution of capital expenditure over the past five years is illustrated below:

(₹ in crore)

Sector	2019-20	2020-21	2021-22	2022-23	2023-24
General Services	204 (4)	170 (3)	390 (6)	297 (5)	357 (6)
Social Services	1,258 (22)	1,736 (31)	1,925 (32)	1,962 (33)	1,744 (31)
Economic Services	3,712 (66)	3,403 (60)	3,714 (62)	3,770 (63)	3,529 (63)
Loans and Advances	458 (8)	320 (6)	378 (6)	111 (2)	107 (2)

Note: Figures in parentheses represent percentage to total capital expenditure.

Trend of Sectoral Distribution of Capital Expenditure



3.3.3 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		2019-20	2020-21	2021-22	2022-23	2023-24
(A)	General Services	Capital	204	170	390	297	357
		Revenue	12,335	13,454	13,900	17,763	19,146
(B)	Social Services	Capital	1,258	1,736	1,925	1,962	1,744
		Revenue	12,047	12,844	13,882	17,409	17,323
(C)	Economic Service	Capital	3,712	3,403	3,714	3,769	3,529
		Revenue	6,338	7,228	8,405	9,247	8,262
(D)	Grants-in-aid and Contribution	Capital	*	*	*	*	*
		Revenue	10	9	8	6	*

*Not Applicable

Chapter IV

Appropriation Accounts

4.1 Summary of Appropriation Accounts for 2022-23

The position Budget allocations under Revenue, Capital, Public Debt and Loans and Advances and actual expenditure there against during the financial year 2023-24 is shown in the following table:

(₹ 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	37,061	3,428	1,109	39,380	38,992	(-)388
	Charged	5,643	157	---	5,800	5,739	(-)61
2.	Capital						
	Voted	5,202	1,865	617	6,450	5,617	(-)833
	Charged	---	15	---	15	13	(-)2
3.	Public Debt						
	Charged	5,487	3,370	---	8,857	7,896	(-)961
4.	Loans and Advances						
	Voted	20	43	6	57	107	(+)50
	Charged	---	...	...	...	...	...
	Total						
	Voted	42,283	5,336	1,732	45,887	44,716	(-)1,171
	Charged	11,130	3,542	----	14,672	13,648	(-)1,024

4.2 Trend of Savings / Excess during the past five years

The following table presents the trend of savings/excesses in Revenue, Capital, Public Debt and Loans and Advances during last five years:

(₹ in crore)

Year	Savings(-) Excess (+)				
	Revenue	Capital	Public Debt	Loan & Advances	Total
2019-20	(-)703	(-)39	--	(+)45	(-)697
2020-21	(-)2,528	(-)386	(-)256	(-)41	(-)3,210
2021-22	(-)7	(-)159	--	(+)64	(-)102
2022-23	(-) 17	(-)175	(-)1,213	(+)15	(-)1,390
2023-24	(-)449	(-)835	(-)961	(+)50	(-)2,195

4.3 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of the schemes/ programmes. The grant-wise position of savings during the period 2019-20 to 2023-24 are given below:

(₹ in crore)

Grant No.	Nomenclature	2019-20	2020-21	2021-22	2022-23	2023-24
1	Vidhan Sabha	1	6	4	1	2
2	Governor and Council of Ministers	5	4	2	1	1
3	Administration of Justice	54	55	29	48	15
4	General Administration	78	45	32	3	19
5	Land Revenue and District Administration	659	116	-	275	122
6	Excise and Taxation	14	2	12	13	24
7	Police and Other Organisation	233	336	245	24	64
8	Education	1,141	1,362	1,096	122	801
9	Health and Family welfare	403	498	244	208	187
10	Public Works- Roads Bridges and Buildings	1,018	906	1,240	616	1032
11	Agriculture	42	89	49	57	100
12	Horticulture	80	18	13	1	15
13	Irrigation, Water Supply and Sanitation	180	162	154	76	58
14	Animal Husbandry, Dairy Development and Fisheries	75	80	36	1	13
15	Planning and Backward Area Sub Plan	138	240	71	188	361
16	Forest and Wildlife	152	174	136	91	165
17	Election	11	6	---	---	1
18	Industries, Minerals Supplies and Information Technology	120	49	19	---	16
19	Social Justice and Empowerment	114	70	50	127	145
20	Rural Development	357	163	134	120	486
21	Co-operation	4	3	2	---	---
22	Food and Civil Supplies	5	30	4	---	61
23	Power Development	286	7	---	4	47
24	Printing and Stationary	2	3	2	---	4
25	Road and Water Transport	31	6	6	---	39
26	Tourism and Civil Aviation	85	947	545	498	224
27	Labour, Employment and Training	40	123	26	20	23
28	Urban Development, Town and Country Planning and Housing	93	101	105	66	---
29	Finance	1,535	1,925	2,037	1,496	973
30	Miscellaneous General Services	18	10	6	---	15
31	Tribal Area Sub Plan	466	491	534	360	518
32	Scheduled Caste Sub Plan	745	414	532	516	692

The persistent and substantial savings had taken place under the Grants of Public Works- Roads Bridges and Buildings, Finance, Education, Tribal Area Sub Plan, Scheduled Caste Sub Plan. This indicated that some of the schemes approved by the Legislature under these grants have been given less priority during implementation. This can be attributed either to overestimation of the budget or to the Government's desire to control its fiscal deficit.

During 2023-24 supplementary grants totaling ₹ 10,307 crore (16.62 per cent of total expenditure of ₹ 62,024 crore) proved to be inadequate in some cases:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
28	2217- Urban Development 80-General 191-Assistance to Local Bodies, Corporations, urban development, Town improvement Boards etc. 54-Grant to Municipal Corporations	Revenue	0	16	160
13	4215- Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Rural Water Supply in various Districts	Capital	5	135	188
05	4059-Capital Outlay on Public Works 80-General- 051- Construction - 05-Combined Office Buildings and Mini Secretariat	Capital	3	45	136
05	2217-Urban Development 80-General 193-Assistance to Nagar Panchayats/ Notified Area Committees or Equivalent Thereof	Revenue	--	31	59

4.4 Re-appropriation Without Budget provision

Budget provision of ₹ 0.55 crore was made through re-appropriation in March 2024 in three grants viz. Grants No. 16, 18 and 32. Whereas funds were required to be obtained through Original/ Supplementary budget Estimates. Re-appropriation without provision was improper and violation of the provision contained in para 12.5 of Budget Manual of Himachal Pradesh.

In below mentioned cases funds were allocated directly bypassing the Legislature i.e. through re-appropriation instead of Original/Supplementary budget are given below:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Re-Appropriation	Actual Expenditure
16	2406- Forestry and Wild Life 02-Environmental Forestry and Wild Life 110- Wild Life Preservation 11- Project Elephant	Revenue	0	0	0.22	0.22
18	4851- Capital Outlay on Village and Small Industries 101- Industries Estates 04- PM Gatishakti Scheme	Capital	0	0	0.05	66

A few instances where entire budget provision either surrendered or re-appropriated are as under:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Surrender	Actual Expenditure
06	3604- Compensations and Assignments to Local Bodies and Panchayati Raj Institutions 107- Tax on Entry of Goods into Local Areas 02-Grant In Aid to Panchayats/Rural Bodies	Revenue	6	0	6	0
09	2210-Medical and Public Health 06-Public Health 200-Other Systems 05-Mukhya Mantri Aashirwad Yojana	Revenue	7	0	7	0
19	2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities 01-Welfare of Minorities 102-Economic Development 01-Pradhan Mantri Jan Vikas Karyakaram	Revenue	20	0	20	0

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Surrender	Actual Expenditure
32	2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities 01-Welfare of Scheduled castes 789-Special Component Plan for Scheduled Castes 18-Pradhan Mantri Anusuchit Jaati Abhyuday Yojana	Revenue	20	0	20	0
32	5053-Capital Outlay on Civil Aviation 02-Airports 789-Special Component Plan for Scheduled Castes 01-Construction of Helipads and Airstrips	Capital	3	0	3	0
32	5452-Capital Outlay on Tourism 01-Tourist Infrastructure 789-Special Component Plan for Scheduled Castes 01-Paryatan Vikas	Capital	159	0	159	0

Chapter V

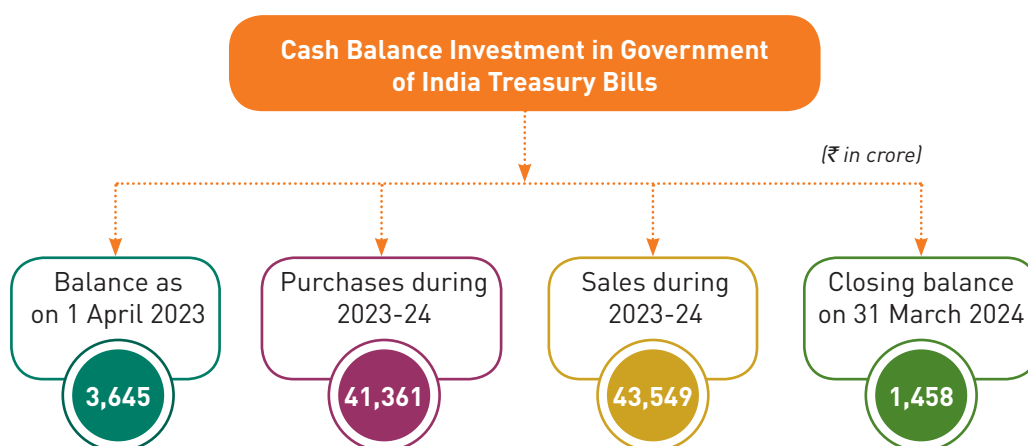
Assets and Liabilities

5.1 Assets

The existing forms of accounts do not clearly depict valuation of Government assets like land, building etc., except during 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 on future generations.

Total investment as share capital in non-financial Public Sector Undertakings (PSUs) stood at ₹ 3,640 crore at the end of 2023-24. However, the dividends received during the year were ₹ 191 crore (i.e. 4 per cent) on total investment. During the year 2023-24, investments increased by ₹ 294 crore and dividend income increased by ₹ 10 crore.

Cash Balance with RBI which stood at ₹ 89 crore (Credit) on 1 April 2023 increased to ₹ 42 crore (debit) at the end of March 2024. In addition, the Government had invested an amount of ₹ 41,361 crore on 110 occasions in 14 days Treasury Bills and rediscounted 14 days Treasury Bills worth ₹ 43,549 crore on 199 occasions during 2023-24. The position of investment during the year 2023-24 is depicted in the table given below:



5.2 Debt and Liabilities

Article 293 of the Constitution empowers the State Government to borrow on the security of the Consolidated Fund. The Government of India determines, from time to time, the limit up to which State Government can borrow from the market. The limit for 2023-24 was ₹ 9,000 crore. Against this, the State Government availed open market borrowing of ₹ 8,072 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
2019-20	40,572	25	21,640	13	62,212	38
2020-21	46,180	28	22,702	15	68,882	43
2021-22	51,127	27	22,407	13	73,535	40
2022-23	63,363	32	23,226	12	86,589	44
2023-24	70,369**	34	25,264	12	95,633**	46

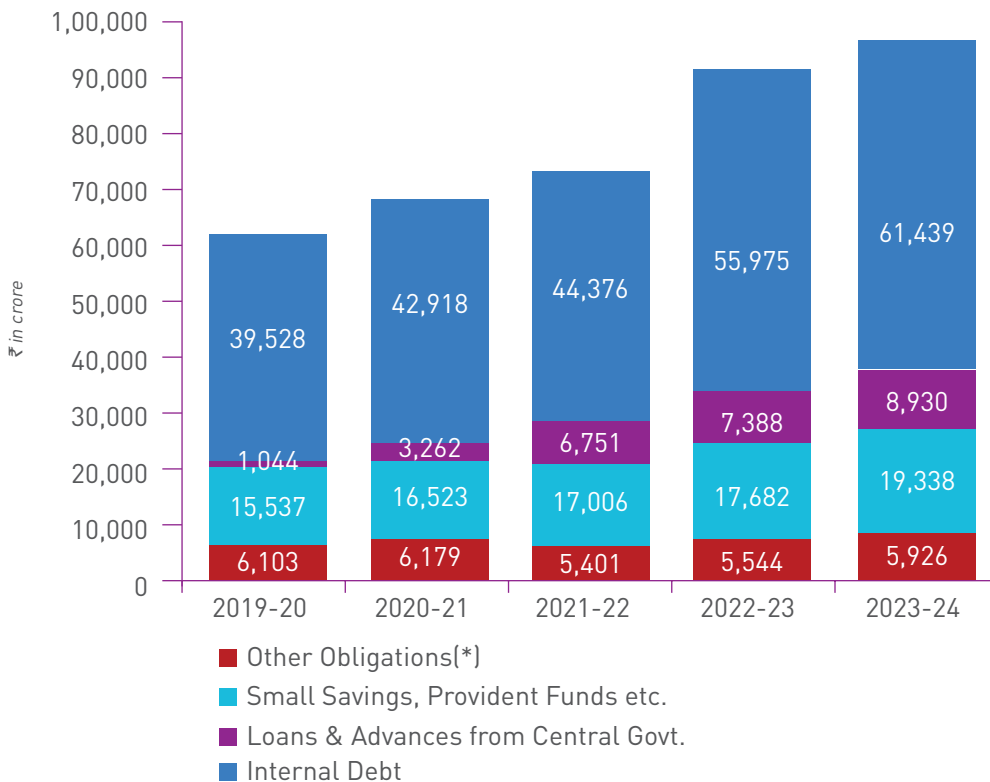
* Excludes suspense and remittance balance.

** This debt includes ₹ 4,412 crore, which was passed on as back to back loans by Gol in lieu of shortfall in GST Compensation, However this amount of ₹ 4,412 crore has been ignored to calculate percentage of GSDP to total liabilities as per Gol's letter No.F.No. 40(1) PF-S/2021-22 dated 10-12-2021"

Note: Figures are progressive balance to end of the year

Public Debt and other liabilities showed a net increase of ₹ 9,044 crore (10 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.

5.3 Guarantees

In addition to directly raising loans, State Governments also guarantee loans raised by Government companies and corporations from the market and financial institutions for implementation of various plan schemes and programmes. These guarantees are projected outside 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 Corporations, Government Companies, Corporations, Cooperative Societies etc., during 2019-20 to 2023-24 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
2019-20	640	1,947*	Not available
2020-21	2,299	2,142*	-do-
2021-22	2,035	1,885*	-do-
2022-23	3,158	1,781*	-do-
2023-24	3,129	1,745*	-do-

* Inclusive of Principal and Interest.

Note: Details are available Statement No 20 of Finance Accounts and these are based on information received from the State Government, Finance Department.

Chapter VI

Other Issues

6.1 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 Governments also guarantee loans raised by its 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 and are known as Off-budget borrowings. However, the loan repayments appear in Government account, resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts. There was no adverse balance in accounts of State Government as on 31 March 2024.

6.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2023-24 was ₹ 8,132 crore. During the year 2023-24 the Government had disbursed loans and advances of ₹ 107 crore to Government Corporations/ Companies, Non-Government Institutions and Local Bodies. Recovery of principal aggregating to ₹ 97 crore was in arrears at the end of 31 March 2024. Information relating to recovery of interest in arrears was not made available by the State Government. During 2023-24 only ₹ 27 crore was received towards repayment of loans and advances, out of which ₹ 6 crore related to repayment of loans to Government servants. Effective steps to recover the outstanding loans would help the Government improve its fiscal position.

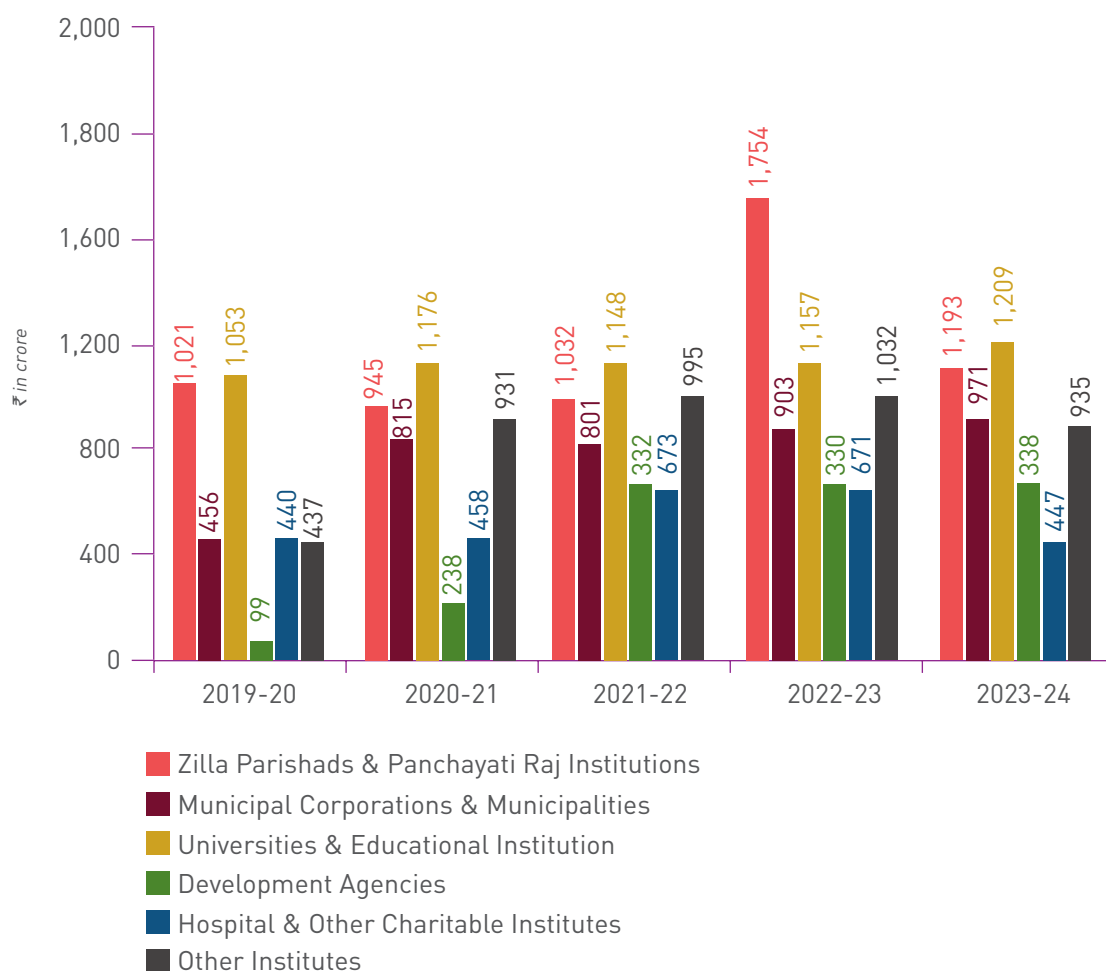
6.3 Financial Assistances to Local Bodies and others

Grants-in-aid given to Local Bodies, Autonomous Bodies etc. increased from ₹ 3,506 crore in 2019-20 to ₹ 5,092 crore in 2023-24. The Grants-in-aid to Zilla Parishads and Panchayat Raj Institutions, Municipal Corporations and Municipalities (₹ 2,164 crore) constituted 42 per cent of total Grants given during the year.

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

(₹ in crore)

S. No	Name of Institutions	2019-20	2020-21	2021-22	2022-23	2023-24
1	Zilla Parishads & Panchayati Raj Institutions	1,021	945	1,032	1,754	1,193
2	Municipal Corporations & Municipalities	456	815	801	903	971
3	Universities & Educational Institution	1,053	1,176	1,148	1,157	1,209
4	Development Agencies	99	238	332	330	338
5	Hospital & Others Charitable Institutes	440	458	673	671	447
6	Other Institutes	437	931	995	1,032	935
	Total	3,506	4,563	4,981	5,847	5,093



Details of Grants-in-aid given for creation of Assets for the past five years are as under:

(₹ in crore)

S. No.	Name of Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
1	Zilla Parishads	27	66	32	75	2
2	Panchayati Samities	9	66	40	75	25
3	Gram Panchayats	501	332	170	393	68
4	Municipal Corporations	41	220	228	449	478
5	Municipalities	67	160	139	98	184
6	Educational Institution	20	1	...	...	...
7	Development Agencies	41	47	29	25	5
8	Statutory Corporations	12	7	...	10	...
9	Cooperative Institution	1	1	2	3	2
10	Social Welfare	...	25	43	41	50
11	Universities	...	1	10	11	...
12	Others	126	114	140	197	97
	Total	845	1,040	833	1,377	911

6.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2023	As on 31 March 2024	Net increase(+)/ decrease(-)
Cash Balances	(-)89	42	132
Investment from cash balance (GoI Treasury Bills)	(+)3,645	(-)1,458	(-)2,187
Investment from earmarked fund balances	...	...	...
(a) Sinking Fund	...	...	...
(b) Guarantee Redemption Fund	...	...	...
(c) Other Funds	...	...	...
Interest realised during the year	20	21	(+)01

State State Government had a closing cash balance of ₹ 42 crore Debit at the end of 31 March 2024. Interest receipt on the investment of cash balance increased by 1 crore from ₹ 20 crore in 2022-23 to ₹ 21 crore in 2023-24.

6.5 Reconciliation of Accounts

All Controlling Officers are required to reconcile receipts and expenditure of the Government with the figures accounted for by the office of the Principal Accountant General (A&E),. During the year 2023-24, receipts amounting to ₹ 39,175 crore (100 per cent of total Revenue and Capital receipts) and expenditure amounting to ₹ 50,361 crore (100 per cent of total Revenue and Capital expenditure) were reconciled by the State Government.

Receipts amounting to ₹ 38,102 crore (100 per cent of total Revenue and Capital receipts) and expenditure amounting to ₹ 50,454 crore (100 per cent of total Revenue and Capital expenditure) were reconciled by the State Government during 2022-23, i.e., the previous year.

6.6 Status of Suspense Balances and Remittances Balances

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. The balances of significant suspense items shown as gross debit and credit balances under Major Head-8658-Suspense Account and 8782-Remittances for the last five years, are as under:

(₹ in crore)

Name of Minor Head	2019-20		2020-21		2021-22		2022-23		2023-24	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
[a] 8658-Suspense Accounts										
101-Pay and Accounts Office-Suspense	125	57	139	67	148	101	133	76	148	95
Net	68 Dr.		72 Dr.		47 Dr.		57 Dr.		53 Dr.	
102-Suspense Account (Civil)	1,551	164	1,854	223	761	266	373	338	362	316
Net	1,387 Dr.		1,631 Dr.		495 Dr.		35 Dr.		46 Dr.	
107-Cash Settlement Suspense Account	0.40	0.38	0	0	0	0	0.02	0	1.88	0
Net	0.02 Dr.		Nil		Nil		0.02 Dr.		1.88 Dr.	
109- Reserve Bank Suspense- Headquarters	(-)0.04	0	0.42	0.37	0.05	0	0.05	0	0.05	0
Net	0.04 Cr.		0.05 Dr.		0.05 Dr.		0.05 Dr.		0.05 Dr.	
110-Reserve Bank Suspense-Central Accounts Office	3,755	3,755	2	2	27	0	28	0	6	0
Net	Nil		Nil		27 Dr.		28 Dr.		6 Dr.	

111-Departmental Adjusting Account	0	0	0	0	0.10	0	0	0	0	0
Net	-nil-		-nil-		0.10 Dr		-nil-		-nil-	
112-Tax Deducted at Source (TDS) Suspense	448	468	471	498	527	568	965	1047	939	982
Net	20 Cr.		27 Cr.		41 Cr.		82 Cr.		43 Cr.	
117-Transactions on behalf of the Reserve Bank of India	0.09	0.01	0	0	0	0	0.09	0	0.09	0
Net	0.08 Dr.		Nil		Nil		0.09 Dr.		0.09 Dr.	
123-A.I.S. Officers G.I.S.	0.60	0.04	0.73	0.04	0.81	0.03	0.84	0.03	0.84	0.04
Net	0.56 Dr.		0.69 Dr.		0.78 Dr.		0.81 Dr.		0.80 Dr.	
129-Material Purchase Settlement Suspense Account	140	224	82	219	58	293	122	385	25	354
Net	104 Cr.		137 Cr.		235 Cr.		263 Cr.		329 Cr.	
(b) 8782-Cash Remittances and adjustments between officers rendering accounts to the same Accounts Office										
101- Cash Remittances between treasuries and Currency Chests	0	0	0	0	0	1	0	1	0	0
Net	-nil-		-nil-		1 Cr		1 Cr		-nil-	
102-Public Works Remittances	7,508	8,105	6,841	7,372	6,467	7,104	8,338	8,816	8,950	9,556
Net	597 Cr.		531 Cr.		637 Cr.		478 Cr.		606 Cr.	
103-Forest Remittances	125	142	0	17	0	17	0	17	0	17
Net	17 Cr.		17 Cr.		17 Cr.		17 Cr.		17Cr.	

6.7 Status of Outstanding Utilization Certificate

In terms of Rule 157 of Himachal Pradesh Financial Rules 2009, Institutions or Organisations receiving grants shall furnish audited Utilization Certificates (UCs) to the Government after utilisation of Grants-in-aid. Further, as per HP Government F.D. letter No. 1-3/73-Fin (Reg.) dated 28 January 1976, the release of further grant to institutions should not be done, which fail to furnish proof of proper utilisation of the earlier grant within a reasonable time, i.e. one year from the date of issue of the grant. To the extent of non-submission of UCs, there is a risk that the amount shown in Finance Accounts may not have reached the beneficiaries.

As of 31 March 2024, 2990 Utilization Certificates for an amount of ₹ 2,795 crore were outstanding as shown in the following table.

Year	Number of UCs Outstanding	Amount (₹ in crore)
Upto 2022-23*	1,648	1,050
2023-24*	1,342	1,745
Total	2,990#	2,795#
Year	Number of UCs submitted before due date of submission	
2023-24	5	1

* The year mentioned above relates to "Due year" i.e., after 12 months of actual drawal.

These include 128 outstanding UCs amounting to ₹ 579 crore related to CSS.

6.8 National Pension System

The State Government of Himachal Pradesh notified reversion to the Old Pension Scheme (OPS) with effect from 01 April 2023. As per information provided by the State Government, 1,14,544 employees had opted for the OPS and 1,364 employees remained in NPS, as on 1st July 2024.

During the year 2023-24, contribution from Government under MH-2071-Minor Head 117 was ₹ 94 crore and employees contribution was ₹ 66 crore for NPS. This amount included the contribution in respect of AIS officers also. The Government transferred ₹ 160 crore (Employee share ₹ 66 crore and Govt.'s share ₹ 94 crore) to the Public Account under Major Head 8342-117 Defined Contribution Pension scheme. The Government contribution to Defined Contribution Pension Scheme shown under MH-8342-117 (₹ 94 crore) differed with the amount shown under Major Head 2071-01-117 (₹ 94 crore) due to direct payment of last month NPS contribution to retiring subscriber by the DDO.

Of the total amount transferred/deposited in the Public Account, ₹ 16 crore remained in the Public Account as on 31 March 2024 and was not transferred to the NSDL. The cash balance of the Government was overstated by this amount.

6.9 Cash Balance (Deposit with Reserve Bank of India)

The Cash balance as on 31 March 2024 as per the record of the office of Principal Accountant General (A&E) was ₹ 42 crore (Debit) and that reported by the RBI was ₹ 33 crore (Credit). The net difference of ₹ 9 crore (Debit), was mainly due to pending reconciliation between the Treasury / RBI / Agency Bank and the office of Principal Accountant General (A&E). The difference was under reconciliation. The difference for the last year, i.e., as on 31st March 2023 was ₹ 0.02 crore.

6.10 State Disaster Response Fund/National Disaster Response Fund

In terms of guidelines on constitution and administration of the State Disaster Response Fund (under Major Head- '8121 General & Other Reserve Funds' which is under interest bearing section), the Central and State Governments are required to contribute to the Fund in the proportion of 90:10. During the year 2023-24, the State Government received ₹ 361 crore as

Central Government's share and the State's was ₹ 40 crore. The State Government transferred ₹ 401 crore [(Central share ₹ 361 crore, State share ₹ 40 crore (excess State share of ₹ 0.20 crore pertains to the year 2021-22)] to the Fund under Major Head 8121-122 SDRF.

In addition, the State received ₹ 787 crore from the Central Government towards NDRF, which was deposited/ transferred to the Fund under Major Head 8235-125 NDRF during the year ending on 31 March 2024.

An amount of ₹ 1,145 crore was set off in the Major Head 2245 as expenditure met from the funds (₹ 398 crore from SDRF and ₹ 747 crore from NDRF) and no amount was invested from the Fund. The closing balances as on 31 March 2024 were ₹ 58 crore and ₹ 56 crore in SDRF and NDRF respectively.

6.11 State Disaster Mitigation Fund

The State Disaster Mitigation Fund (SDMF) is required to be constituted under Section 48 (1) (c) of the Disaster Management Act, 2005. This Fund is exclusively meant for the purpose of mitigation projects under disaster covered under State Disaster Response Fund (SDRF)/ National Disaster Response Fund (NDRF) guidelines and the State specific local disaster notified by the State Government from time to time. The State Government created the SDMF (Major Head 8121-130- State Disaster Mitigation Fund) vide Notification No. Fin-G-C(2) 05/2022 dated 27 February 2023.

The Central and the State Governments are required to contribute to the Fund in the proportion of 90:10. During the year 2023-24, the State Government received ₹ 43 crore as Central Government's share and the State Government's share during the year was ₹ 5 crore. The State Government transferred ₹ 95 crore [Central share: ₹ 85 crore (2022-23: ₹ 42 crore and 2023-24: ₹ 43 crore) and State share ₹ 10 crore (2022-23: ₹ 5 crore and 2023-24: ₹ 5 crore)] to the Fund during the year.

An amount of ₹ 94 crore was set off in the Major Head 2245 as expenditure met from the funds and no amount was invested from the Fund. The closing balance as on 31 March 2024 was ₹ 43 crore was available in the Fund.

6.12 State Compensatory Afforestation Fund

In compliance with the instructions issued by the Ministry of Environment, Forests and Climate Change, GoI, the State Governments are required to establish the State Compensatory Afforestation Fund (SCAF) under interest bearing section in Public Account of the State for amounts received from user agencies for undertaking Compensatory Afforestation.

During the year 2023-24, the State Government did not receive any amount (₹ 0.01 crore in 2022-23) from the user agencies. The Government received ₹ 308.30 crore (nil in 2022-23) from National Compensatory Afforestation Deposit.

The Government incurred an expenditure of ₹ 62 crore from the Fund and no amount was invested during the year. During the year, the State Government paid interest of ₹ 54 crore due for the year 2023-24 to the Fund under Major Head 8121-129-SCAF.

The balance in the State Compensatory Afforestation Fund as on 31st March, 2024 was ₹ 1,867 crore.

6.13 Cess levied by the State Government

(a) Building and Other Construction Workers Welfare Cess:

The Government of India enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) to levy and collect cess for providing benefits to the workers.

During the year 2023-24, the Government collected ₹ 48 crore (2022-23: ₹ 44 crore) as Labour Cess under Major Head 8443 and transferred ₹ 43 crore (2022-23: ₹ 42.26 crore) to the Building and Other Construction Workers Welfare Board. Thus, the un-transferred amount from the Major Head 8443 was ₹ 32 crore as on 31 March 2024 (₹ 27 crore as on 31 March 2023). Since this is pass through transaction, the cash balance of the Government was overstated by this amount.

(b) Other Cess/fee/surcharge:

During the year 2023-24, the State Government collected various cesses amounting to ₹ 182 crore (Milk Cess: ₹ 145 crore, Cess on taxes: ₹ 37 crore, Covid Cess: ₹ 0.12 crore, Cess on land: ₹ 0.02 crore,) (2022-23: ₹ 68 crore) other than Labour Cess. There is no provision for creation of Fund under Public Account of the State in the Acts/Notifications of these Cesses.


6.14 Transactions booked under/cleared from Objection Book Suspense Accounts

An amount of ₹ 40.07 crore of O.B. suspense of previous years (Revenue expenditure ₹ 34.94 crore and Capital expenditure ₹ 5.13 crore) has also been cleared during the year. Thus, the Revenue expenditure/Capital expenditure in the Finance Accounts and actual expenditure in the Appropriation Accounts against the budget provisions for the year 2023-24 are overstated to that extent.

6.15 Transfer of funds to Single Nodal Agency (SNA)

Ministry of Finance (MoF), Government of India (GoI) vide letter No. 1(13)PFMS/FCD/2020 dated 23 March 2021 had notified procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released through Single Nodal Agency (SNA). For each CSS, SNA is set up with own Bank Account in scheduled Commercial Bank authorized to conduct Government business by the State Government.

As per MoF, GoI's letter dated 16 February 2023, the State Government was required to transfer the Central share as well as the commensurate State share to the SNA account within 30 days of receipt of Central share. For the delay beyond 30 days in transfer of Central share to the SNA account, State Government has to pay interest on the number of days at the rate of 7 per cent per annum. This direction was effective from 01 April 2023.



As per the SNA 01 report from the PFMS, the State Government received ₹ 3,824 crore as Central share during the year in its Treasury account. As on 31 March 2024, the Government transferred Central share of ₹ 3,377 crore and State share of ₹ 587 crore to the SNAs. Detailed vouchers and supporting documents of actual expenditure were not being received in the office of the Principal Accountant General (A&E) from the SNAs. As per the SNAs report, ₹ 1,024 crore was lying unspent in the bank accounts of SNAs as on 31 March 2024.

However, the State Government intimated that State received ₹ 3,809 crore being Central share during the year in its Treasury account. As on 31 March 2024, the Government transferred Central share of ₹ 3,206 crore and State share of ₹ 567 crore to the SNAs. Total transfer of ₹ 3,773 crore was through Fully Vouched Contingent Bills. As informed by the State Government, ₹ 1,094 crore was lying unspent in the bank accounts of SNAs as on 31 March 2024.

The difference of figures between the amount booked in the Accounts and that informed by the State Government and the amount in the SNA report was under reconciliation.

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