



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



ACCOUNTS at a Glance

for the year
2019-20



GOVERNMENT OF HIMACHAL PRADESH



Accounts at a Glance for the year 2019-20

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



GOVERNMENT OF HIMACHAL PRADESH

Preface

I am happy to present the twenty second issue of our annual publication, the 'Accounts at a Glance' for the year 2019-20, 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: 31st March, 2021

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 Principal 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 18 District Treasuries, 87 Public Works Divisions, 60 Jal Shakti Vibhag, 89 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 Principal Accountant General (A&E) to the Government of Himachal Pradesh. The office of Principal Accountant General (A&E) also submits 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.

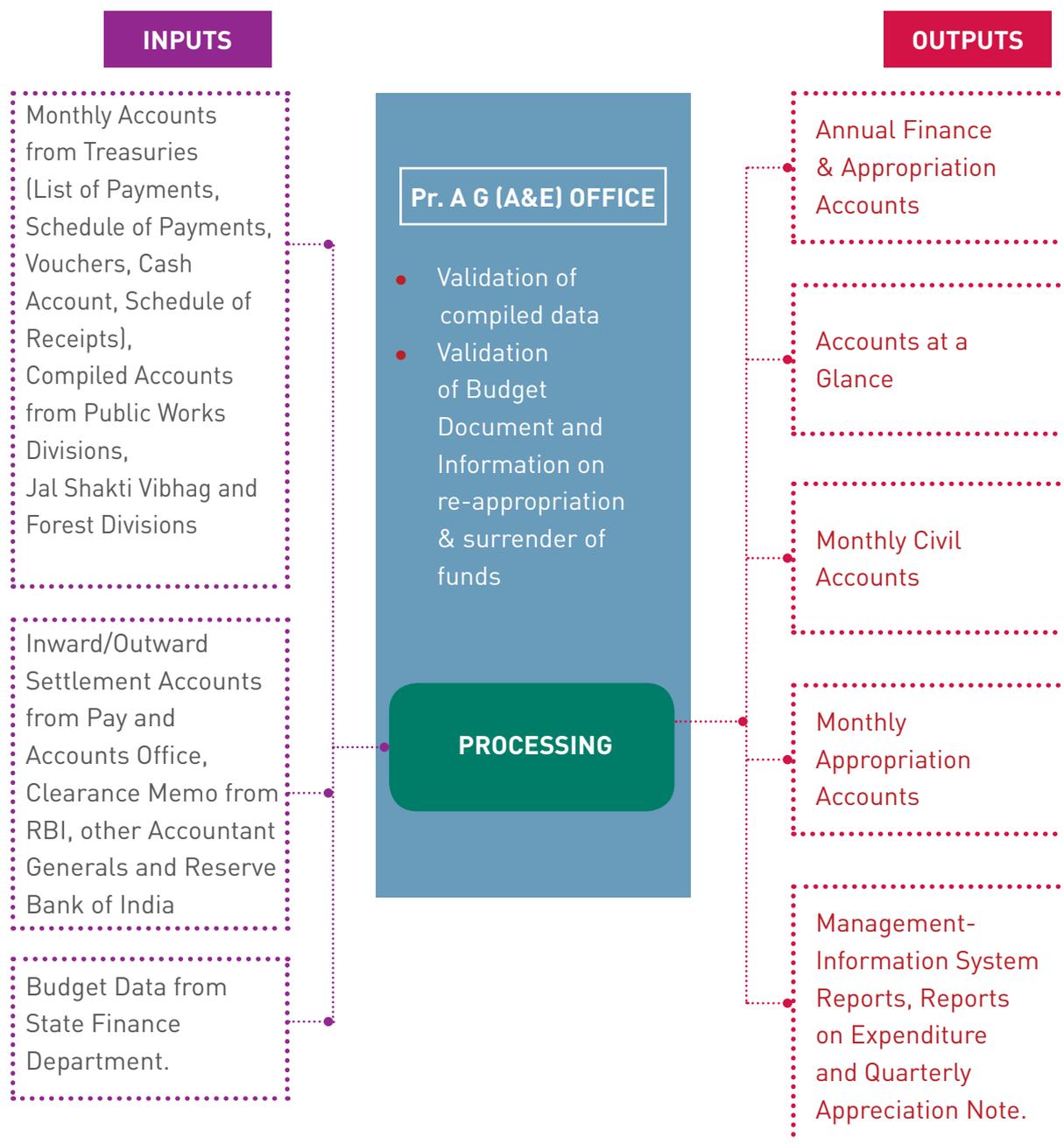
The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this fund for the Government of Himachal Pradesh is ₹ 5.00 crore.

● **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: 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).

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 ₹ 1,373 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 Financial highlight of year 2019-20

The following table provides the details of actual financial results vis-à-vis budget estimates for the year 2019-20.

(₹ in crore)

Sl. No.	Description	Budget Estimate 2019-20	Actuals 2019-20	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP (#)
1.	Tax Revenue (including central share) [a]	12,682	12,301	97	7
2.	Non-Tax Revenue	2,372	2,501	105	2
3.	Grants-in-aid & Contributions	17,276	15,940	92	10
4.	Revenue Receipts (1+2+3)	32,330	30,742*	95	19
5.	Recovery of Loans & Advances**	31	21	68	..
6.	Other Receipts**	..	2
7.	Borrowings and other liabilities (b)	10,626	5,597	53	3
8.	Capital Receipts (5+6+7)	10,657	5,620	53	3
9.	Total Receipts (4+8)	42,987	36,362	85	22
10.	Revenue Expenditure	36,337	30,730	85	19
11.	Expenditure on Interest Payments (out of Revenue Expenditure)	4,550	4,234	93	3
12.	Capital Expenditure	5,943	5,174	87	3
13.	Loans and Advances Disbursed (c)**	707	458	65	..
14.	Total Expenditure(10+12+13)	42,987	36,362	85	22
15.	Revenue Deficit (-) / Revenue Surplus (+)[4-10] **	(-)4,007	12	129	..
16.	Fiscal Deficit (4+5+6-14)	(-)10,626	(-)5,597	53	3

(a) Includes share of net proceeds assigned to state amounting to ₹ 4,678 crore. (State Government Own Tax receipts were ₹ 7,624 crore which was 5 per cent of (GSDP).

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

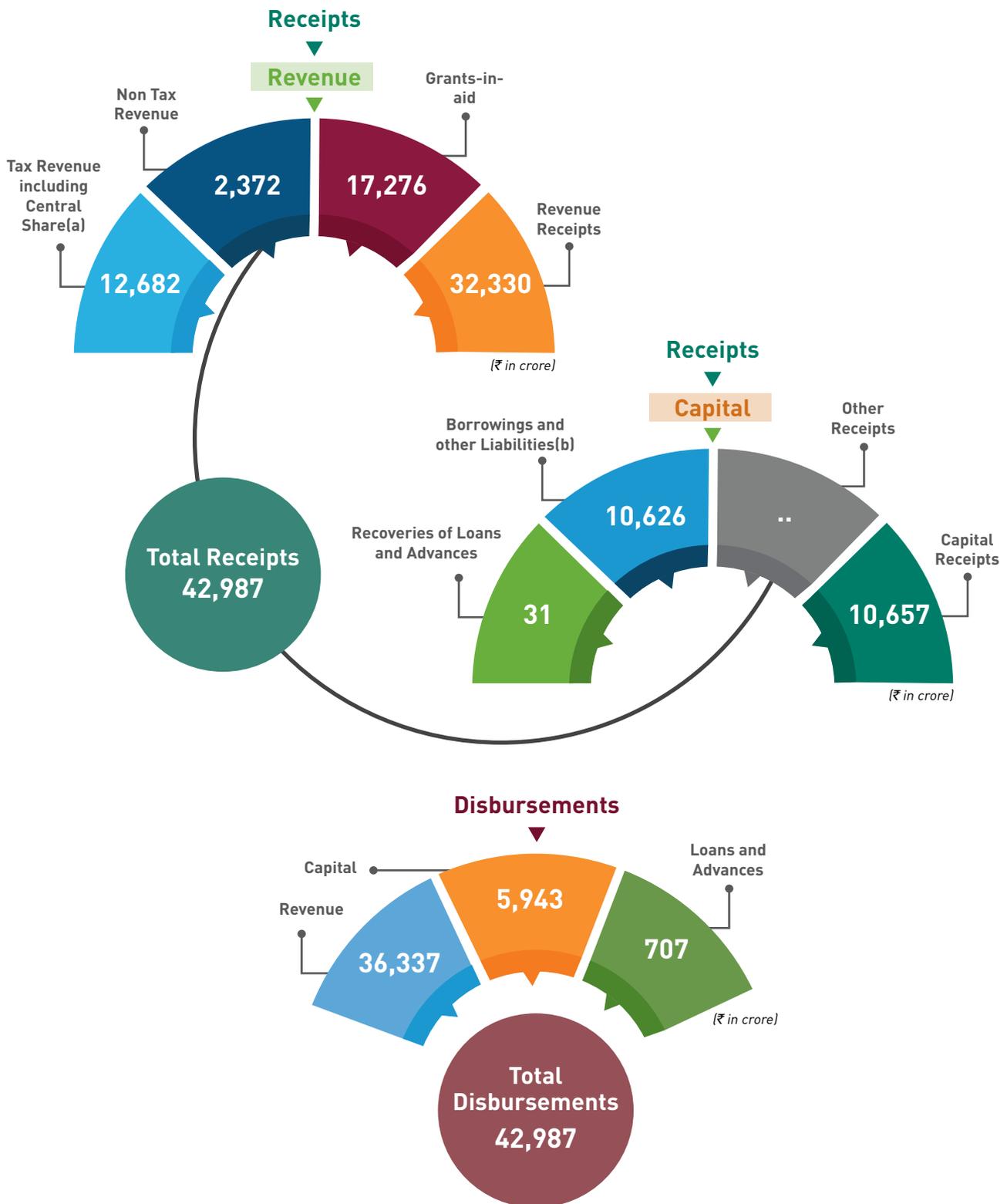
(c) Loans and advances Plan (₹ 448 crore) + Loans and advances Non Plan (₹ 10 crore)

GSDP figures (₹ 1,65,472 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 ₹ 3 crore by way of book adjustment.

** Percentage is negligible hence shown as --

Receipts and disbursement in year 2019-20



(a) Includes share of net proceeds assigned to state amounting to ₹ 4,678 crore. (State Government Own Tax receipts is ₹ 7,624 crore which is 5 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.

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 expenditure requires to be “voted”. The budget of the Himachal Pradesh has 15 charged Appropriation out of total 32 grants and voted in all 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.

1.3.4 Efficiency on Budget Preparation

At the end of the year, actual expenditure of the Government of Himachal Pradesh against the budget ₹ 53,708 crore approved by the Legislature, showed total saving of ₹ 8,229 crore and excess expenditure of ₹ 50 crore, therefore, net saving was ₹ 8,179 crore. In four grants, relating to Food and Civil Supplies, Irrigation, Water Supply and Sanitation, Co-Operation, Urban Development, Town and Country Planning and Housing (all Voted Provisions amounting to ₹ 50 crore) requires regularization.

The excess over the charged appropriation also requires regularization, these are; Land Revenue and District Administration, Irrigation, Water Supply and Sanitation, and Finance (all charged appropriation ₹ 0.24 crore) in which excess expenditure were incurred during the year 2019-20.

During the year 2019-20 expenditure to the tune of ₹ 2,374 crore was incurred without budget provision under eight Grants viz. Grant No. 04, 05, 10, 11, 13, 21, 31 and 32. Expenditure without budget provision indicates financial irregularities and attracts violation of financial rules.

During the year 2019-20, the DDOs of the State Government drew funds of ₹ 1,374 crore (examined on the test checked basis) from treasuries merely based on sanction orders and transferred these amounts in the savings bank accounts of the DDOs. The State Government has taken into account this amount as expenditure incurred against the budget provisions. The amount of ₹ 1,374 crore includes ₹ 1202 crore under revenue heads and ₹ 172 crore under capital heads.

The Principal Accountant General (A&E) has not taken the entire amount of ₹ 1,374 crore as actual expenditure since the State Government has not provided vouchers as a proof of actual expenditure and the amount has been kept under “Suspense”, which resulted in over all savings in the relevant grants of Appropriation Account of 2019-20.

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 ₹ 3,444 crore was obtained and ₹ 3,444 crore was repaid during the year 2019-20.

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 2019-20 there was no overdraft of the State.

1.4.3 Fund flow statement

The state had a Revenue Surplus of ₹ 12 crore and a Fiscal Deficit of ₹ 5,597 crore as on 31 March 2020. The Fiscal Deficit was met from net Public Debt (₹ 4,147 crore) increase in Public Account (₹ 1,578 crore) and net increase of opening and closing cash balance (₹ 128 crore). Around 73 per cent of the revenue receipts (₹ 30,742 crore) of the State Government was spent on committed expenditure like salaries (₹ 11,477 crore), interest payments (₹ 4,234 crore), pensions (₹ 5,490 crore), subsidies (₹ 1,068 crore) and wages (₹ 265 crore).

Sources and Application of Funds

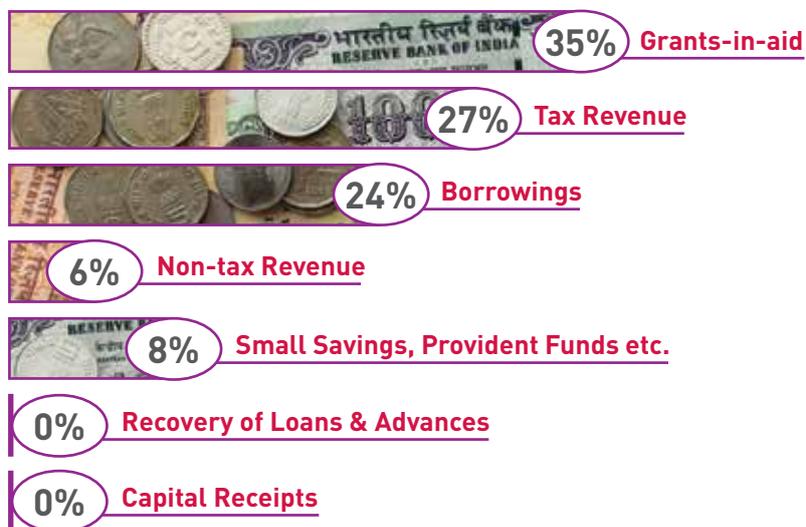
	(₹ in crore)	
SOURCES	Opening Cash Balance as on 1 April 2019	(-)50
	Revenue Receipts	30,742
	Capital Receipts	2
	Recovery of Loans and Advances	21
	Public Debt	10,847
	Small Savings, Provident Funds etc.	3,835
	Reserves Fund & Sinking Funds	2,405
	Deposits Received	4,016
	Civil Advances Repaid	45
	Suspense Account	37,482*
	Remittances	7,735
	TOTAL	97,080
APPLICATION	Revenue Expenditure	30,730
	Capital Expenditure	5,174
	Loans Given	458
	Repayment of Public Debt	6,701
	Small Savings, Provident Funds etc.	2,647
	Reserves Fund & Sinking Funds	--
	Deposits Repaid	3,842
	Civil Advances Given	45
	Suspense Account	39,766**
	Remittances	7,639
	Closing Cash Balance as on 31 March 2020	78
	TOTAL	97,080

* Includes ₹ 32,948 crore on account of cash balances investment account.

** Includes ₹ 33,828 crore on account of cash balances investment account.

1.4.4 Where the ₹ came from ?

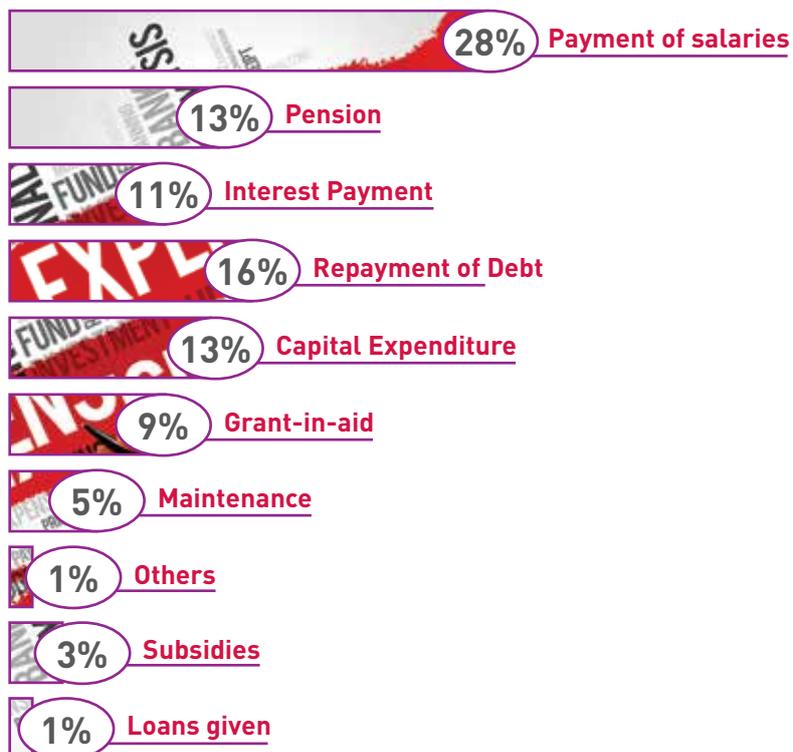
Actual Receipts



(Recovery of loans and advances was only ₹ 21 crore which is negligible hence value is shown as zero)

1.4.5 Where the ₹ went ?

Actual Expenditure



During the year 2019-20 revenue surplus of ₹ 12 crore (₹ 1,508 crore Revenue Surplus in 2018-19) and fiscal deficit of ₹ 5,597 crore in 2019-20 (₹ 3,512 crore fiscal deficit in 2018-19) represent Nil and 3 per cent of the Gross State Domestic Product (GSDP) respectively. The fiscal deficit constituted 15 per cent of total expenditure.

What do the deficits and surpluses 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 2019-20 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	12 (Surplus)	Eliminate by 2011-12	Achieved during the year
2	Fiscal Deficit	5,597	3.50 or less	Achieved during the year (3 per cent)
3	Outstanding Guarantees	1,947	Less than 40 per cent of Revenue Receipt of previous Financial year	6 per cent (achieved)

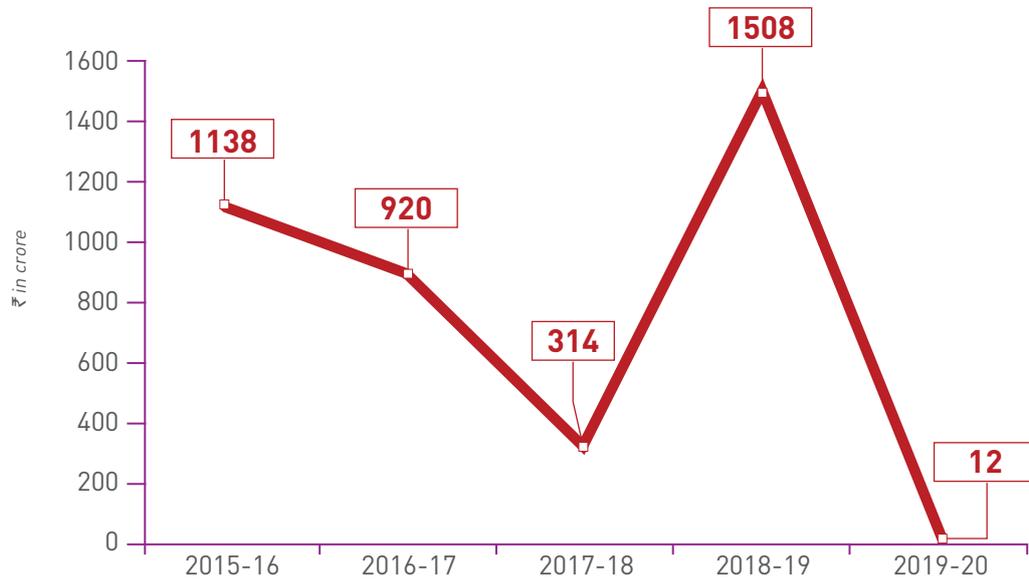
* Source: GSDP figure (₹ 1,65,472 crore) is taken from Economic and Statistics Department, Government of Himachal Pradesh as the same was not available on the web site of Ministry of Statistics and Program Implementation, Government of India.

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 ₹ 1,508 crore in 2018-19 and ₹ 12 crore during the year 2019-20 which was as per the target of FRBM Act. Fiscal deficit increased by ₹ 2,085 crore from ₹ 3,512 crore in 2018-19 to ₹ 5,597 crore in the current year and was to 3.38 per cent of GSDP which confirm the target of 3.50 per cent of FRBM Act. 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 ₹ 1,947 crore as on 31 March 2020 equaling 6 per cent of total revenue receipt (₹ 30,950 crore) of previous year i.e. 2018-19.

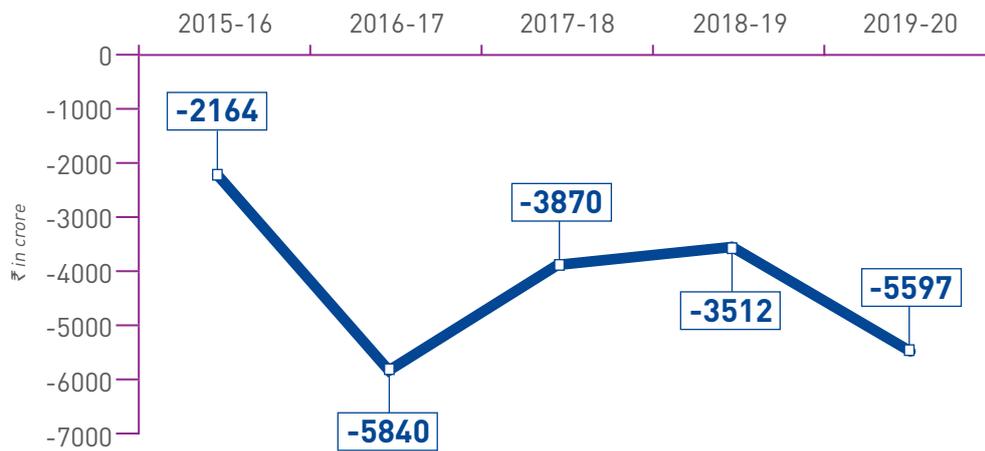
1.5.1 Trend of Revenue Deficit/ Surplus

Trend of Revenue Surplus/ Deficit



1.5.2 Trend of Fiscal Deficit

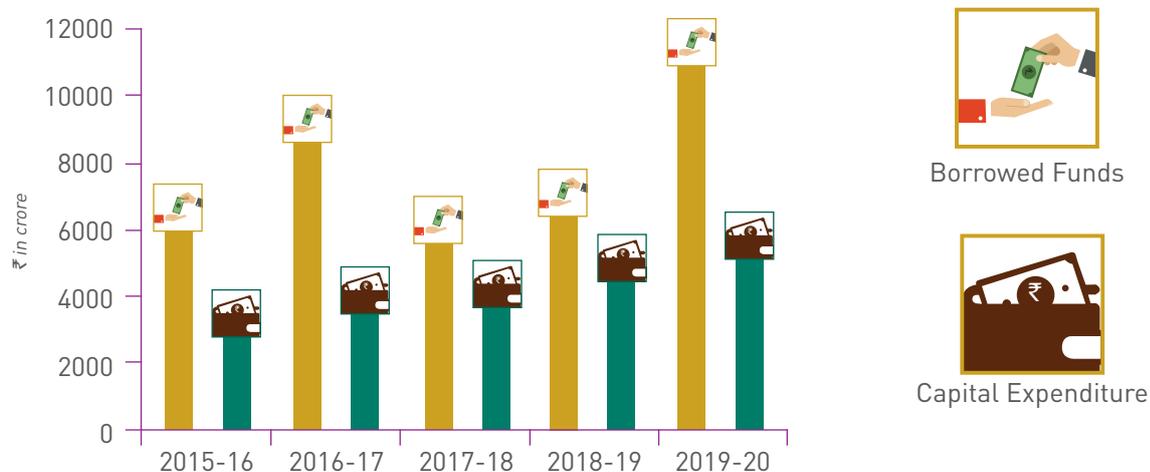
Trend of Fiscal Deficit



1.5.3 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

Year	Borrowed Fund	Capital Expenditure
2015-16	6,129	2,864
2016-17	8,603	3,499
2017-18	5,600	3,756
2018-19	6,427	4,583
2019-20	10,847	5,174



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 48 per cent of the borrowings of the current year (₹ 10,847 crore) on capital expenditure (₹ 5,174 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 for 2019-20 was ₹ 36,362 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.

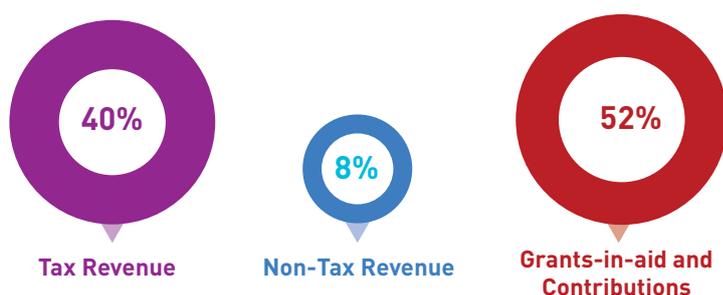
Includes interest receipts, dividend, profits, departmental receipts etc.

● 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 give Grants-in-aid to institutions like Panchayati Raj Institution, Autonomous bodies etc.

Revenue Receipts



2.2.1 Revenue Receipts Components (2019-20)

(₹ in crore)

Components	Actuals	Per Cent to Revenue Receipt
A. Tax Revenue *	12,301	40
Goods and Services Tax	4,878	16
Taxes on Income and Expenditure	2,844	9
Taxes on Property, Capital and other Transactions	264	1
Taxes on Commodities and Services other than Goods and Services Tax	4,315	14
B. Non-Tax Revenue	2,501	8
Interest Receipts, Dividend and Profits	494	2
General Services	196	1
Social Services	390	1
Economic Services	1,421	4
C. Grants-In-Aid & Contributions	15,940	52
Total- Revenue Receipts	30,742	100

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

2.2.2 Trend of Revenue Receipts

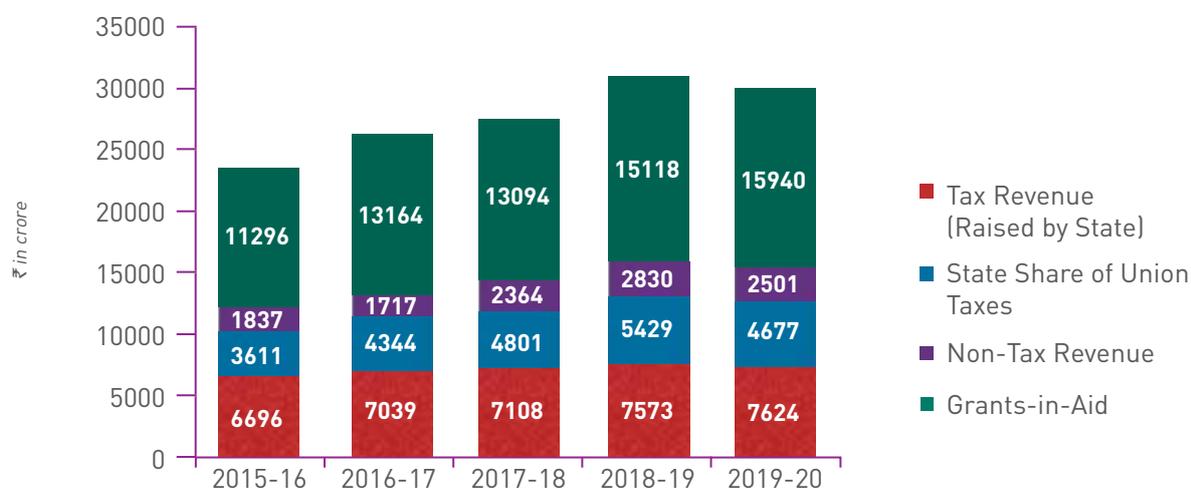
(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Tax Revenue (Raised by the State)	6,696 (6)	7,039 (6)	7,108 (5)	7,573 (5)	7,624 (5)
State Share of Union Taxes/Duties	3,611 (3)	4,344 (3)	4,801 (3)	5,429 (4)	4,677 (3)
Non-Tax Revenue	1,837 (2)	1,717 (1)	2,364 (2)	2,830 (2)	2,501 (2)
Grants-in-aid	11,296 (10)	13,164 (11)	13,094 (10)	15,118 (10)	15,940 (10)
Total Revenue Receipts	23,440 (21)	26,264 (21)	27,367 (20)	30,950 (20)	30,742 (19)
GSDP	1,10,511	1,24,570	1,35,914	1,51,835	1,65,472

Note: Figures in parentheses represent percentage to GSDP (Gross State Domestic Product). GSDP Figures for 2019-20 at current prices, as intimated by Department of Economic & Statistical Analysis, Himachal Pradesh.

Though the GSDP increased by 9 per cent in 2019-20 compared to previous year, reduction in revenue receipt was 1 per cent. The tax revenue increased by 5 per cent, the non-tax revenue decreased by 12 per cent and the grants-in-aid increased by 5 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)

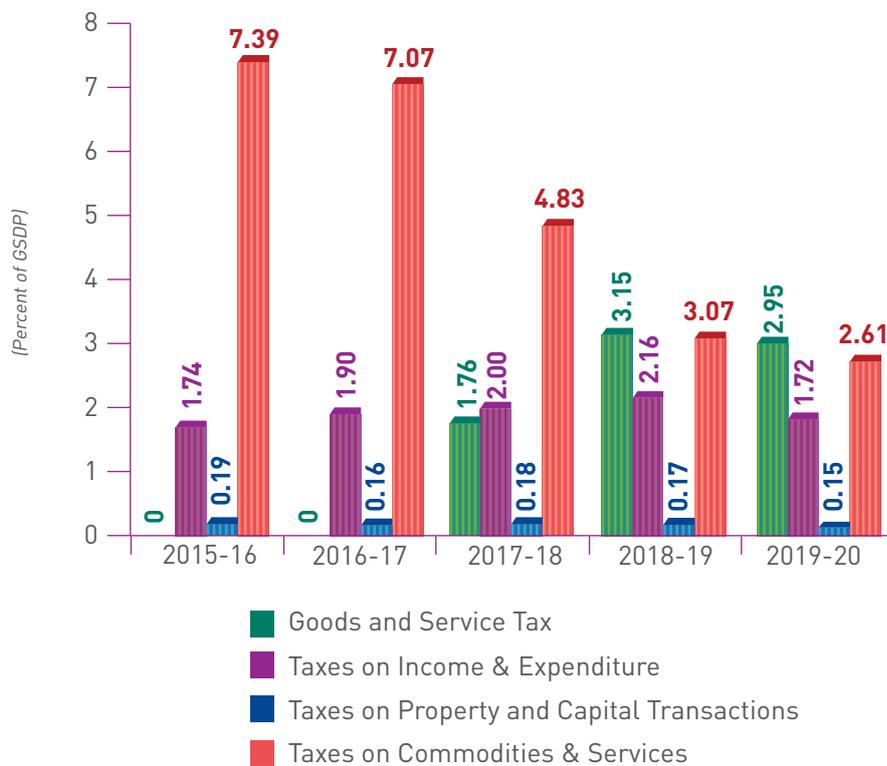
Sector-wise Tax Revenue					
	2015-16	2016-17	2017-18	2018-19	2019-20
a. Goods and Services Tax	NA *	NA *	2,386 (2)	4,790 (3)	4,878 (3)
b. Taxes on Income and Expenditure	1,922 (2)	2,362 (2)	2,713 (2)	3,289 (2)	2,844 (2)
c. Taxes on Property Capital and other transactions	213 --	220 ...	246 ...	259 ...	264 ...
d. Taxes on Commodities and Services other than Goods and Services Tax	8,172 (7)	8,801 (7)	6,564 (5)	4,664 (3)	4,315 (3)
Total Tax Revenue	10,307 (9)	11,383 (9)	11,909 (9)	13,002 (9)	12,301 (7)
GSDP	1,10,511	1,24,570	1,35,914	1,51,835	1,65,472

Note: Figures in parentheses represent percentage to GSDP.

* Not Applicable.

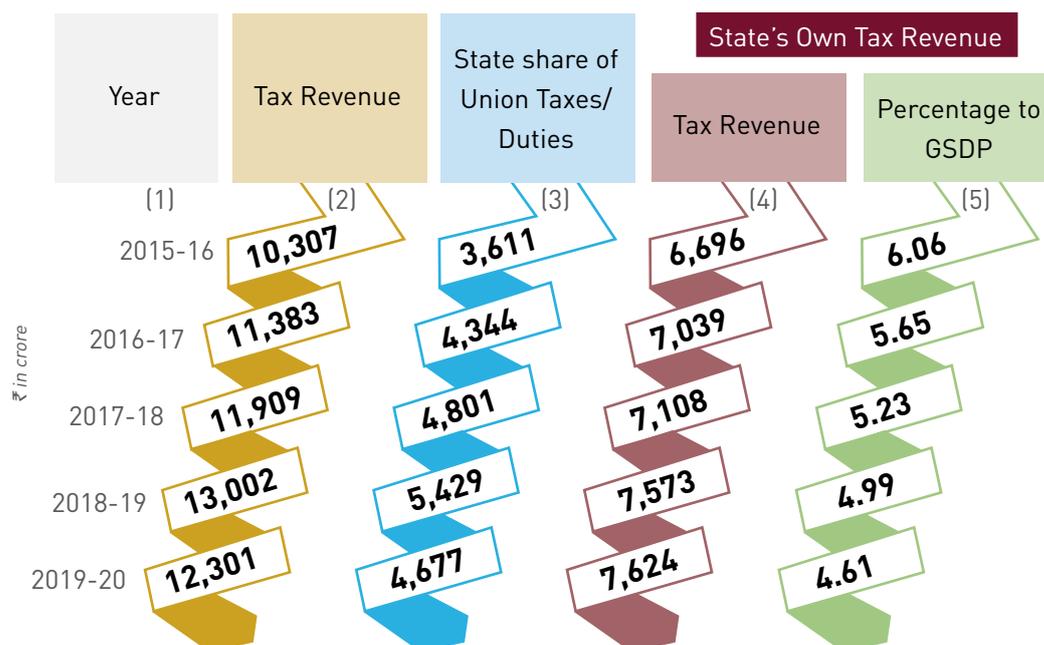
The decrease in total tax revenue during 2019-20 was mainly due to less allocation of State share from Govt. of India and lesser collection under Corporation Tax (₹ 1,595 crore), land revenue (₹ 5 crore), Customs (₹ 296 crore), and Service Tax Nil.

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.



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

(₹ in crore)

Description	2015-16	2016-17	2017-18	2018-19	2019-20
State's own Tax collection	6,696	7,039	7,108	7,573	7,624
Devolution of Union Taxes	3,611	4,344	4,801	5,429	4,677
Total Tax Revenue	10,307	11,383	11,909	13,002	12,301
Percentage of State's own tax to total tax revenue	65	62	60	58	62

The proportion of State's own tax collection in overall tax revenue decreased to 62 per cent during the year 2016-17 and decreased to 60 per cent in 2017-18, further decreased to 58 per cent in 2018-19 & again increased to 62 per cent in 2019-20.

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

(₹ in crore)

Description	2015-16	2016-17	2017-18	2018-19	2019-20
State Goods and Service Tax	NA*	NA*	1,833	3,343	3,550
Taxes on Sales, Trade etc.	3,993	4,382	2,526	1,185	1,169
State Excise	1,131	1,308	1,311	1,482	1,660
Taxes on Vehicles	317	280	367	408	466
Stamp and Registration fees	206	209	229	251	260
Taxes and Duties on electricity	551	372	361	487	101
Land Revenue	7	8	17	8	5
Taxes on Goods and Passengers	115	121	112	104	104
Other Taxes	376	359	352	305	309
Total State's own Taxes	6,696	7,039	7,108	7,573	7,624

* Not applicable

2.4 Cost of Tax Collection

(₹ in crore)

Taxes	2015-16	2016-17	2017-18	2018-19	2019-20
1. Taxes on Sales, Trade etc.					
Revenue collection	3,993	4,382	2,526	1,185	1,169
Expenditure on collection	4	4	7	2	35
Cost of tax collection <i>per cent</i>	0.10	0.09	0.28	0.17	2.99
2. State Excise					
Revenue collection	1,131	1,308	1,311	1,482	1,660
Expenditure on collection	4	6	6	6	7
Cost of tax collection <i>per cent</i>	0.35	0.46	0.46	0.40	0.42
3. Taxes on Vehicles, Goods and Passengers					
Revenue collection	432	401	479	512	570
Expenditure on collection	41	42	48	53	48
Cost of tax collection <i>per cent</i>	9.49	10.47	10.0	10.35	8.42
4. Stamp and Registration Fee					
Revenue collection	206	209	229	251	260
Expenditure on collection	2	23	8	9	20
Cost of tax collection <i>per cent</i>	0.97	11.00	3.49	3.59	7.69

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	2015-16	2016-17	2017-18	2018-19	2019-20
Central Goods & Services Tax (CGST)	NA*	NA*	68	1340	1,327
Integrated Goods & Services Tax (IGST)	NA*	NA*	485	107	Nil
Corporation Tax	1,136	1,394	1,471	1,888	1,595
Other Taxes on Income and Expenditure	NA*	NA*	NA*	10	Nil
Taxes on Income other than Corporation Tax	787	968	1,242	1,391	1,250
Taxes on Wealth	Nil	3	Nil	Nil	Nil
Customs	579	600	485	385	296
Union Excise Duties	484	684	506	256	206
Service Tax	622	695	544	49	Nil
Other Taxes and Duties on Commodities and Services	3	Nil	Nil	3	3
<i>State's share of Union Taxes/Duties</i>	3,611	4,344	4,801	5,429	4,677
<i>Total Tax Revenue</i>	10,307	11,383	11,909	13,002	12,301
Percentage of Union Taxes to Total Tax Revenue	35	38	40	42	38

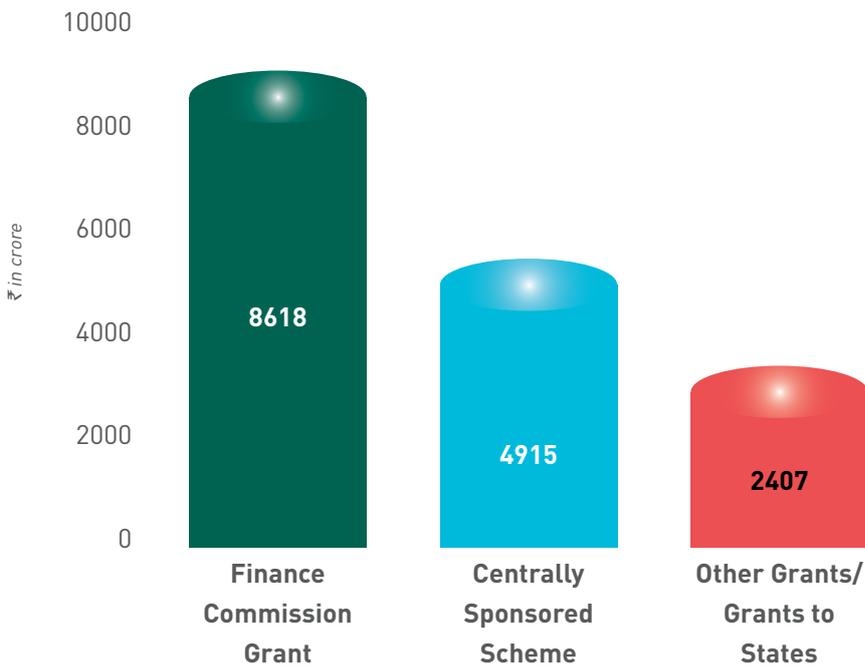
* Not applicable

Government of Himachal Pradesh received ranging between 35 *per cent* to 42 *per cent* share of total Tax Revenue from the net proceeds of all shareable Union taxes during the period 2015-16 to 2019-20.

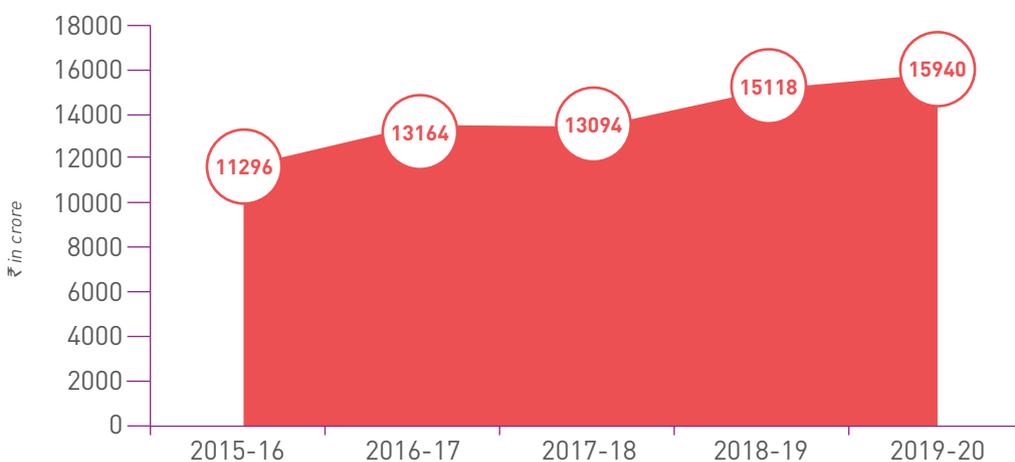
2.6 Grants-in-aid

Grants-in-aid represent assistance from the Government of India, and comprise, grant for Centrally Sponsored Schemes, Finance Commission Grants and other transfer/Grants to State/ Union Territory Legislatures. Total receipts during 2019-20 under Grants-in-aid were ₹ 15,940 crore as shown below:

Grants-in-aid

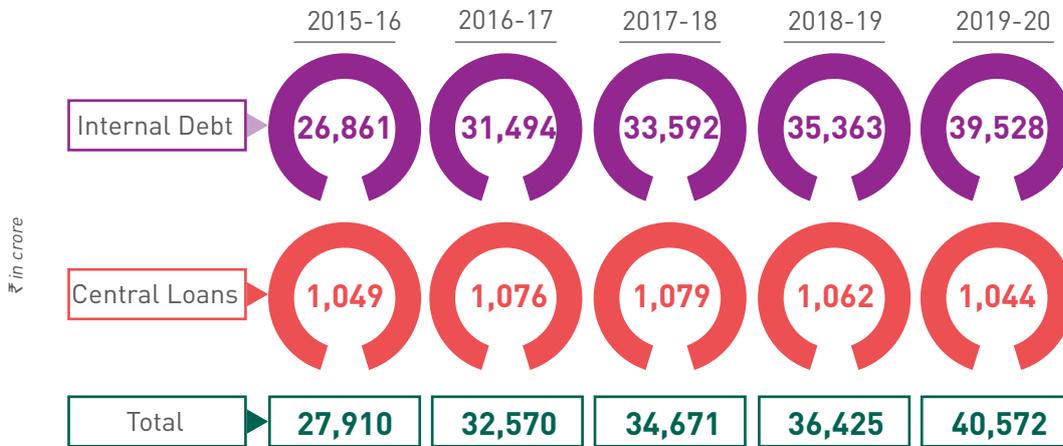


Trend of Grants-in-aid



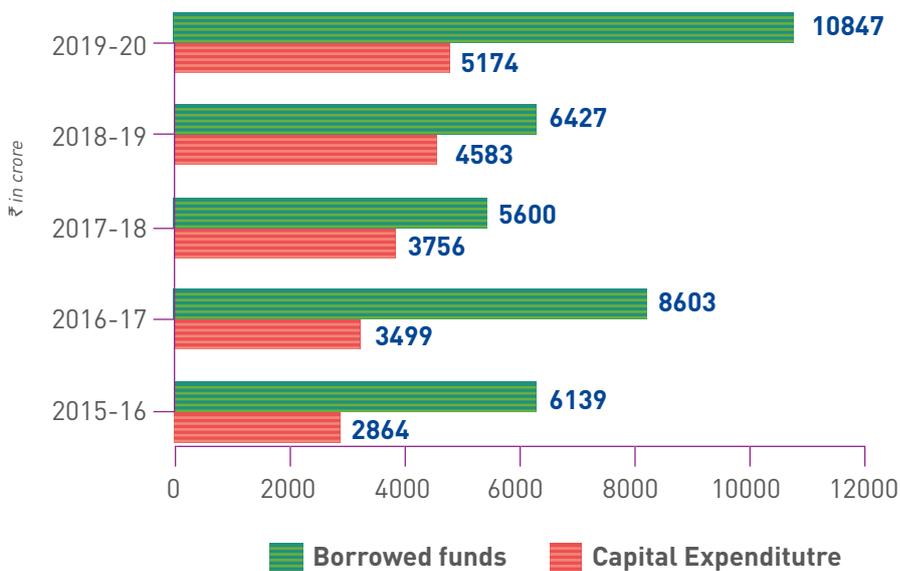
2.7 Public Debt

Trend of position of Public Debt over the past five years



During the year 2019-20, seventeen loans totaling ₹ 6,580 crore were raised from the open market at interest rates varying from 6.29 *per cent* to 8.20 *per cent* and the same are redeemable during the period between 2022-2035. In addition, the State Government raised loan of ₹ 753 crore from the financial institutions. An amount of ₹ 3,444 crore obtained from Ways and Means Advances from the Reserve Bank of India. Thus the total Internal Debt raised by the Government during the year 2019-20 aggregated to ₹ 10,777 crore. The Government also received ₹ 70 crore from Government of India as loans and advances.

Borrowed funds viz-a-viz Capital Expenditure



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.

Includes Education, Health & Family Welfare, Water Supply etc.

SOCIAL SERVICES

ECONOMIC SERVICES

Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

The Shortfall of revenue expenditure against budget estimates as per Appropriation Accounts during the past five years is given below:

(₹ in crore)

Year	2015-16	2016-17	2017-18	2018-19	2019-20
Budget Estimates	23,488	26,746	28,756	33,568	36,337
Actuals	22,303	25,344	27,053	29,442	30,730
Gap	(-)1,185	(-)1,402	(-)1,703	(-)4,126	(-)5,607
Percentage of variation of Actuals against BE	(-)5	(-)5	(-)6	(-)12	(-)15

(Source: Appropriation Accounts of respective years)

Around 73 per cent of the total revenue expenditure was incurred on committed expenses viz. on Salaries and Wages (₹ 11,742 crore) Interest payment (₹ 4,234 crore) and Pensions (₹ 5,490 crore) and subsidies (₹ 1,068 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:

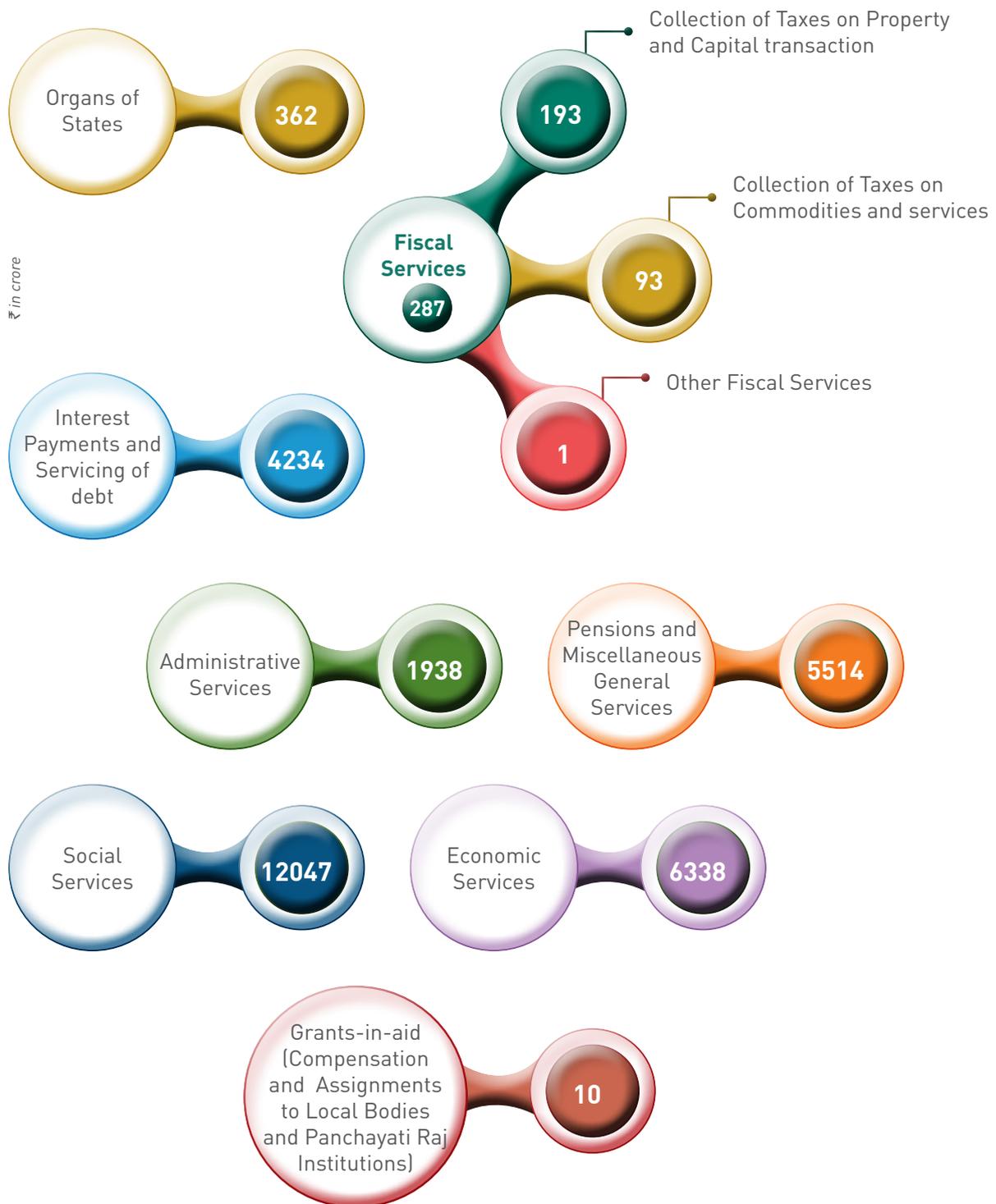
(₹ in crore)

Component	2015-16	2016-17	2017-18	2018-19	2019-20
Total revenue expenditure	22,303	25,344	27,053	29,442	30,730
Committed revenue expenditure #	16,511	17,919	20,170	21,490	22,534
Percentage of committed revenue expenditure to total revenue expenditure	74	71	75	73	73
Uncommitted revenue expenditure	5,792	7,425	6,883	7,952	8,196

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 42 per cent from ₹ 5,792 crore in 2015-16 to ₹ 8,196 crore in 2019-20. The total revenue expenditure increased by 38 per cent from ₹ 22,303 crore in 2015-16 to ₹ 30,730 crore in 2019-20 and committed revenue expenditure increased by 36 per cent over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure (2019-20)

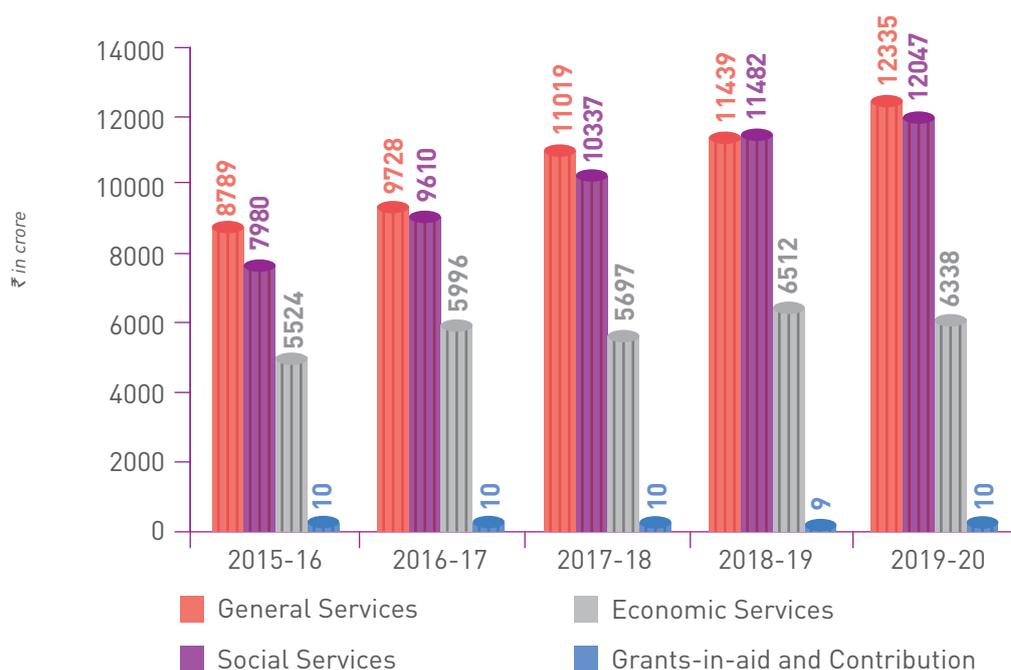


3.2.2 Major components of Revenue Expenditure 2015-16 to 2019-20

(₹ in crore)

Sector	2015-16	2016-17	2017-18	2018-19	2019-20
General Services	8,789	9,728	11,019	11,439	12,335
Social Services	7,980	9,610	10,337	11,482	12,047
Economic Service	5,524	5,996	5,697	6,512	6,338
Grants-in-aid and Contribution	10	10	10	9	10

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 2019-20 amounting for ₹ 5,174 crore (3 per cent of GSDP) were less than Budget Estimates by ₹ 769 crore (less expenditure of ₹ 662 crore under plan expenditure and less expenditure of ₹ 107 crore under non-plan). This can be seen from the table below:

(₹ in crore)

S.No.	Components	2015-16	2016-17	2017-18	2018-19	2019-20
1	Budget (B.E.)	2,951	3,190	3,475	4,240	5,943
2	Actual Expenditure (#)	2,864	3,499	3,756	4,583	5,174
3	Percentage of Actual Exp. to B.E.	97	110	108	108	87
4	Yearly growth in Capital Expenditure in per cent	16	22	7	22	13
5	GSDP	1,10,511	1,24,570	1,35,914	1,51,835	1,65,472
6	Yearly growth in GSDP in per cent	16	13	9	12	9

(#) Does not include expenditure on Loans and Advances

3.3.1 Sectoral distribution of Capital Expenditure

During 2019-20, the Government spent ₹ 365 crore on various Irrigation Projects (₹ 85 crore on Medium Irrigation and ₹ 280 crore on Minor Irrigation). Apart from above, the Government spent ₹ 2,205 crore on construction of roads and bridges and invested ₹ 118 crore in Statutory Corporations/Boards, ₹ 296 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 and Banks.

3.3.2 Sectoral distribution of Capital Expenditure over the past five years

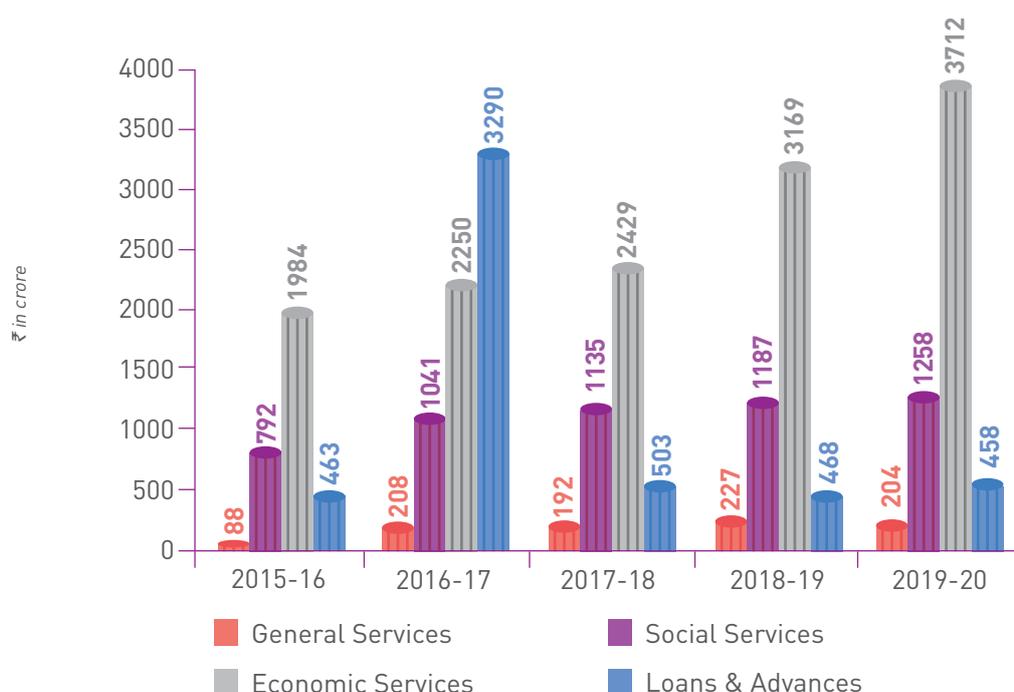
The comparative sectoral distribution of capital and revenue expenditure over the past five years is illustrated below:

(₹ in crore)

Sector	2015-16	2016-17	2017-18	2018-19	2019-20
General Services	88 (3)	208 (3)	192 (5)	227 (4)	204 (4)
Social Services	792 (24)	1,041 (15)	11,35 (27)	1,187 (24)	1,258 (22)
Economic Services	1,984 (60)	2,250 (33)	2,429 (57)	3,169 (63)	3,712 (66)
Loans and Advances	463 (14)	3,290 (48)	503 (12)	468 (9)	458 (8)

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)

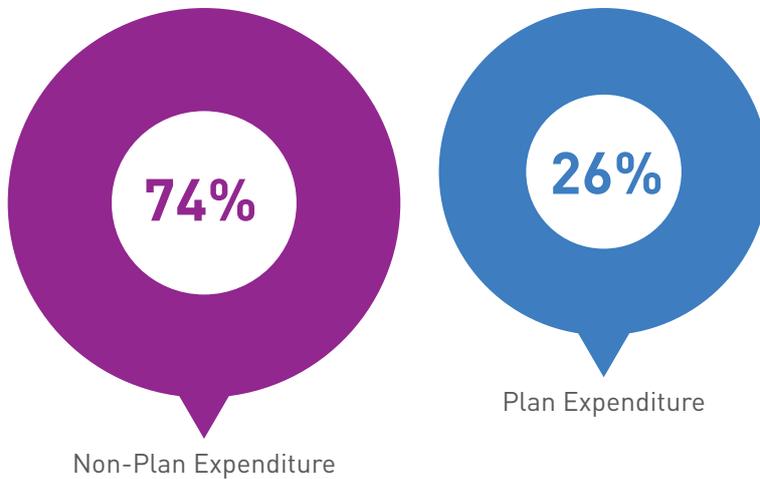
S.No.	Sector		2015-16	2016-17	2017-18	2018-19	2019-20
(A)	General Services	Capital	88	208	192	227	204
		Revenue	8,789	9,728	11,019	11,439	12,335
(B)	Social Services	Capital	792	1,041	1,135	1,187	1,258
		Revenue	7,980	9,610	10,337	11,482	12,047
(C)	Economic Service	Capital	1,984	2,250	2,429	3,169	3,712
		Revenue	5,524	5,996	5,697	6,512	6,338
(D)	Grants-in-aid and Contribution	Capital	NA*	NA*	NA*	NA*	NA*
		Revenue	10	10	10	9	10

*Not Applicable

Chapter IV

Plan and Non-plan Expenditure

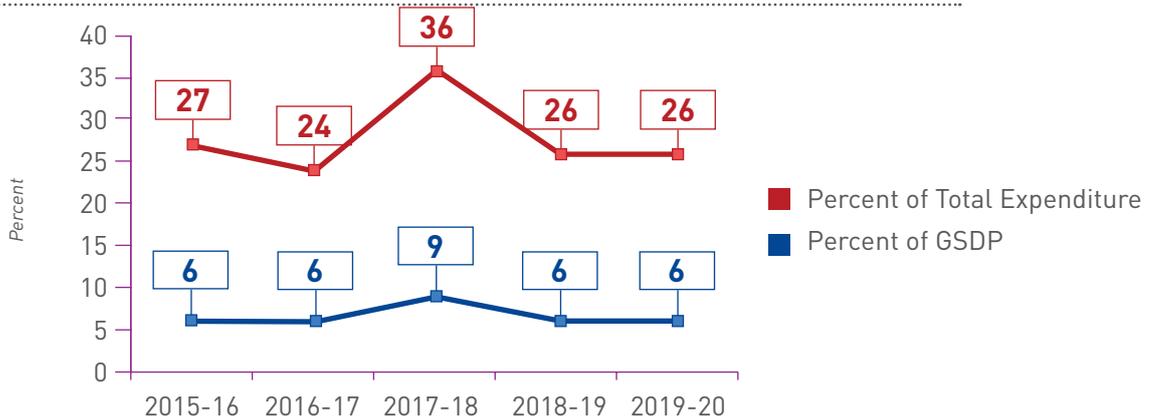
4.1 Distribution of expenditure (2019-20)



4.2 Plan Expenditure

Plan expenditure (Revenue, Capital and Loans and Advances) during 2019-20 was ₹ 9,296 crore constituting 26 per cent of total expenditure of ₹ 36,362 crore. This comprised ₹ 5,549 crore under state plan, ₹ 3,747 crore under centrally sponsored/ central plans scheme.

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



Plan expenditure under the revenue sector decreased by 6 per cent from ₹ 4,263 crore in 2018-19 to ₹ 4,028 crore in 2019-20. In capital sector it witnessed increase of 17 per cent from ₹ 4,103 crore in 2018-19 to ₹ 4,820 crore in 2019-20. The share of Centrally Sponsored Schemes/ Central Plan (Revenue ₹ 1,908 crore and Capital ₹ 1,815 crore) in Plan expenditure increased from ₹ 3,346 crore in 2018-19 to ₹ 3,723 crore in 2019-20.

4.2.1. Plan Expenditure under Capital Account

	2015-16	2016-17	2017-18	2018-19	2019-20
Total Capital Expenditure	2,864	3,499	3,756	4,583	5,174
Capital Expenditure (Plan)	2,764	6,275	3,791	4,542	5,268*
Percentage of Capital Expenditure (Plan) to total Capital Expenditure	97	179	101	99	102

* Includes Loans and Advances of ₹ 448 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
6425 Loans for Cooperative	24	Integrated cooperative Development Project.
6801 Loans for Power Projects	423	Loans given to various power projects
7610 Loans to Government Servants etc.	1	House building advance to Government Servants
Total	448	

4.3 Non-Plan Expenditure

Non plan expenditure (Revenue, Capital and Loans and Advances) during 2019-20 was ₹ 27,066 crore constituting 74 per cent of total expenditure of ₹ 36,362 crore. This comprised ₹ 26,519 crore under state non plan, ₹ 537 crore under centrally sponsored/ central non plans scheme and ₹ 10 crore on Loans and Advances. The expenditure on salary and wages amounting to ₹ 11,742 crore was 43 per cent of total Non-plan expenditure.

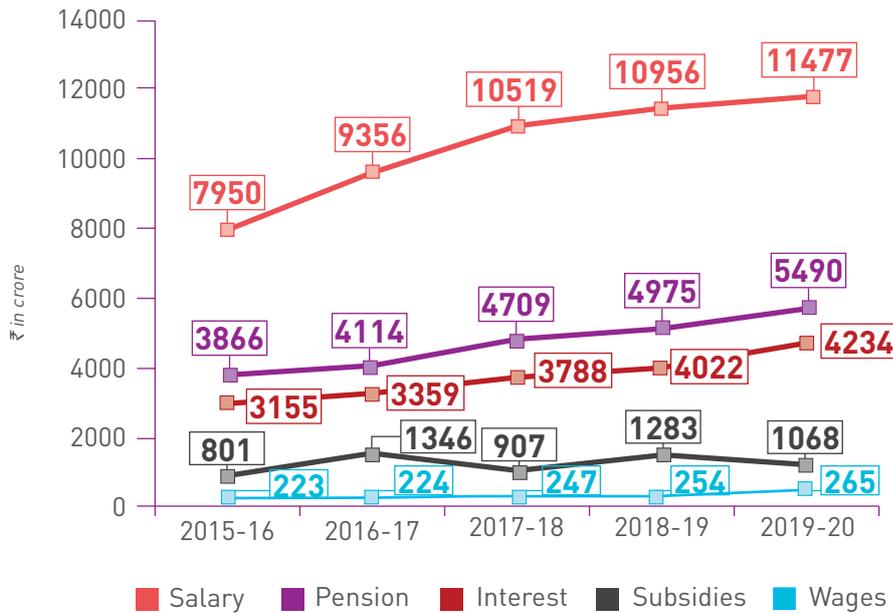
Non-Plan Expenditure as proportion of Total Expenditure and Gross State Domestic Product



4.4 Committed Expenditure

Expenditure on salaries, pensions and interest payments showed increase in 2019-20 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	2015-16	2016-17	2017-18	2018-19	2019-20
Committed Expenditure	16,511	17,919	20,170	21,490	22,534
Revenue Expenditure	22,303	25,344	27,053	29,442	30,730
Revenue Receipts	23,440	26,264	27,367	30,950	30,742
Percentage of committed expenditure to Revenue Receipts	70	68	74	69	73
Percentage of committed expenditure to Revenue Expenditure	74	71	75	73	73

The committed expenditure increased by 36 per cent from 2015-16 to 2019-20 while revenue expenditure registered the growth of 38 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 2019-20

(₹ 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	31,471	1,098	5,754	26,815	26,427	(-)388
	Charged	4,619	18	18	4619	4304	(-)315
2.	Capital						
	Voted	4,578	1,293	650	5,221	5,280	(+)59
	Charged	2	113	1	114	16	(-)98
3.	Public Debt						
	Charged	3,262	3,439	--	6,701	6,701	--
4.	Loans and Advances						
	Voted	457	257	301	413	458	(+)45
	Charged	--	--	--	--	--	--
	Total (Voted)	36,506	2,648	6,705	32,449	32,165	(-)284
	Charged	7,883	3,570	19	11,434	11,021	(-)413

5.2 Trend of Saving / Excess during the past five years

(₹ in crore)

Year	Savings (-) Excess (+)				Total
	Revenue	Capital	Public Debt	Loan & Advances	
2015-16	(+)31	(+)35	(+)2,319	(+)138	(+)2,523
2016-17	(-)2,544	(+)69	(+)56	(+)2,889	(+)470
2017-18	(+)204	(-)100	--	(+)10	(+)114
2018-19	(+)252	(+)4	(+)51	(+)58	(+)365
2019-20	(-)703	(-)39	--	(+)45	(-)697

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 No.	Nomenclature	2015-16	2016-17	2017-18	2018-19	2019-20
1	Vidhan Sabha	--	--	3	3	1
2	Governor and Council of Ministers	--	--	--	3	5
3	Administration of Justice	13	15	12	33	54
4	General Administration	17	13	14	21	78
5	Land Revenue and District Administration	--	87	--	--	659
6	Excise and Taxation	4	2	7	14	14
7	Police and Other Organisation	73	51	82	147	233
8	Education	1,076	866	665	981	1,141
9	Health and Family welfare	367	299	216	340	403
10	Public Works- Roads Bridges and Buildings	78	46	42	283	1,018
11	Agriculture	38	27	11	75	42
12	Horticulture	--	--	103	19	80
13	Irrigation, Water Supply and Sanitation	--	--	119	152	180
14	Animal Husbandry Dairy Development and Fisheries	35	35	45	74	75
15	Planning and Backward Area Sub Plan	31	47	30	32	138
16	Forest and Wild Life	33	61	88	131	152
17	Election	--	--	--	--	11
18	Industries Minerals Supplies and Information Technology	12	9	11	119	120
19	Social Justice and Empowerment	47	25	60	32	114
20	Rural Development	209	122	403	390	357
21	Rural Development	8	10	3	4	4
22	Co-operation	48	41	55	--	5
23	Food and Civil Supplies	1	146	383	185	286
24	Power Development	--	--	--	--	2
25	Road and Water Transport	1	1	2	2	31
26	Tourism and Civil Aviation	--	--	--	--	85
27	Labour Employment and Training	64	77	206	40	40
28	Urban Development, Town and Country Planning and Housing	--	42	25	119	93
29	Finance	229	87	304	1,185	1,535
30	Miscellaneous General Services	14	14	8	13	18
31	Tribal Area Sub Plan	123	198	301	408	466
32	Scheduled Caste Sub Plan	32	420	236	545	745

The persistent huge savings under Finance, Education, Public works- Roads Bridges and Buildings, Scheduled Caste Sub Plan, Tribal Area Sub Plan, Health and Family welfare, Land Revenue and District Administrations 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 2019-20 Supplementary grants totaling ₹ 6,736 crore (15 per cent of total expenditure of ₹ 45,528 crore) 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 No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
10	5054-Capital Outlay on Roads and Bridges- 04- District and Other Roads- 337- Road Works- 15- Payment for Arbitration Cases (Roads and Bridges)	Capital	0	35	0
23	6801- Loans for Power Projects- 190- Loans to Public Sector and Other Undertakings- 02- Loan to Himachal Pradesh Power Transmission Corporation Limited-	Capital	0	50	0
26	3452- Tourism- 80- General- 001- Direction and Administration- 03- Infrastructure Development Investment Programme for Tourism-	Revenue	52	3	0

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 No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
23	6801- Loans for Power Projects- 190- Loans to Public Sector and Other Undertakings- 02- Loan to Himachal Pradesh Power Transmission Corporation Limited	Capital	94	180	369
27	2230-Labour and Employment- 03- training- 003-Training of Craftsman and Supervisor- 11- World Bank Assisted Project for Skill Strengthening for Industrial Value Enhancement Programme-	Revenue	0	0.89	1.37

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
28	2215- Water Supply and Sanitation- 02- Sewerage and Sanitation- 105- Sanitation Services- 04- Maintenance and Repairs-	Revenue	3.50	0.0001	11
28	4215-Capital Outlay on water Supply and Sanitation- 02-Sewerage and Sanitation- 106- Sewerage Services- 02- Drainage Sanitation Sewerage Schemes in Various Districts-	Capital	30	34	64

Budget provision of ₹ 908 crore was made through re-appropriation in March 2020 in five Grants viz. Grants No. 11, 13, 22, 29 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. There are six 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 No.	Nomenclature	Section	Original	Supplementary	Re-Appropriation	Actual Expenditure
11	2401- Crop Husbandry- 109- Extension and Farmers Training- 32- National Bamboo Mission-	Revenue	0	0	2	2
22	2408- Food Storage and Warehousing- 01- Food - 102- Food Subsidies- 13- Subsidy on Wheat and Rice to Below Poverty Line Families-	Revenue	0	0	7	8
29	2071- Pensions and other Retirement Benefits- 01- Civil- 101- Superannuation and Retirement Allowances 02-Superannuation before 01.11.1966	Revenue	0	0	0.0068	0

A few instances where budget obtained through supplementary and was surrendered entirely as under:-

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supple- mentary	Re- Appropriation	Actual Expenditure
03	4059- Capital Outlay on Public Works- 01- Office Buildings- 051- Construction of General Pool Accommodation- 15- Upgradation of Judiciary Infrastructure-	Capital	0	1	1	0
04	4059- Capital Outlay on Public Works- 60- Other Buildings- 051- Construction- 05- Construction of State Guest House at New Delhi-	Capital	0	21	21	0
07	2055- Police- 101- Criminal Investigation and Vigilance- 02- Nationwide Emergency Response System-	Revenue	0	1	1	0
09	2210- Medical and Public Health- 05- Medical Education, Training and Research- 105- Allopathy- 17- Regional Geriatric Centre at Dr. RajendraPrashad Medical College Tanda-	Revenue	0	5	5	0
19	2235-Social Security and Welfare- 02- Social Welfare- 107- Assistance to Voluntary Organizations- 09- National Action Plan for Senior Citizens-	Revenue	0	0.75	0.75	0

Chapter VI

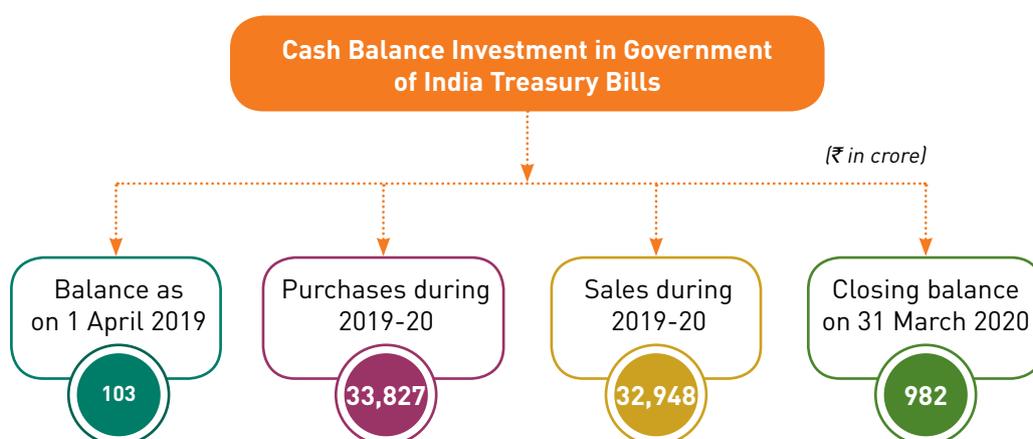
Assets and Liabilities

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 ₹ 322 crore at the end of the year of 2019-20. However, dividends received during the year were ₹ 248 crore (i.e 6 per cent) on total investment (₹ 4,261 crore). At the end of the year 2019-20, investments increased by ₹ 413 crore and dividend income increased by ₹ 67 crore.

Cash Balance with RBI stood at ₹ (-)50 crore on 1 April 2019 and increased to ₹ 78 crore at the end of March 2020. In addition, Government had invested an amount of ₹ 32,644 crore on 114 occasions in 14 days Treasury Bills and ₹1,184 crore in 91 days Treasury Bills and re-discounted 14 days Treasury Bills worth ₹ 31,764 crore on 189 occasions and ₹ 1,184 crore 91 days Treasury Bills rediscounted on 1 occasion during 2019-20. The position of investment during the year 2019-20 is depicted in the table given below:



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 2019-20 was ₹ 6,589 crore. Against this Government of Himachal Pradesh has availed open market borrowing for ₹ 6,580 crore.

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

(₹ in crore)

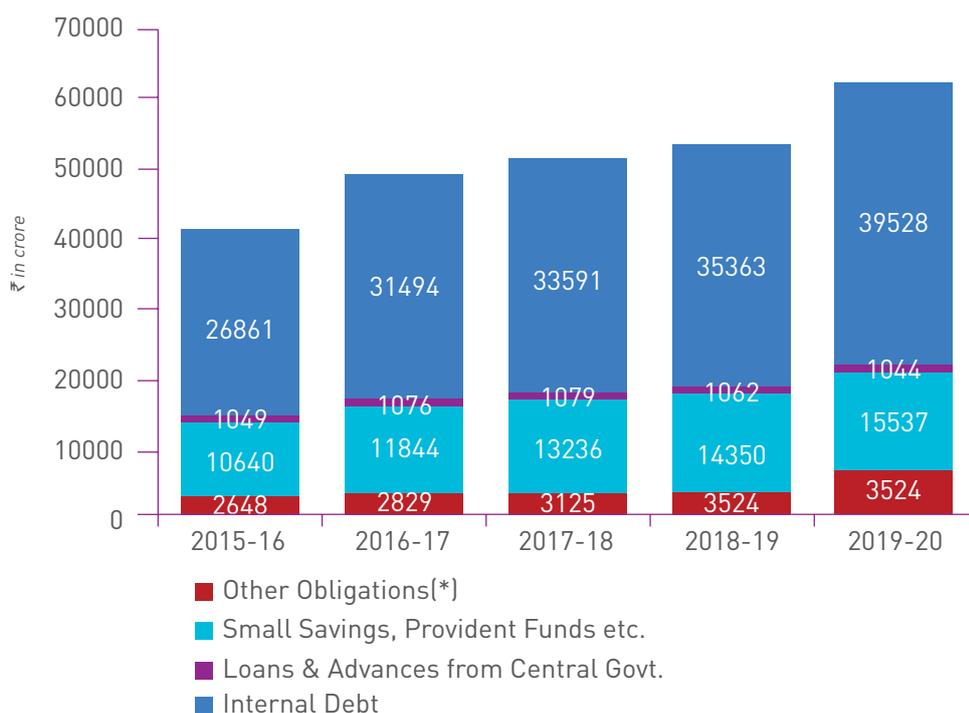
Year	Public Debt	Per cent of GSDP	Public Account*	Per cent of GSDP	Total Liabilities	Per cent of GSDP
2015-16	27,910	25	13,287	12	41,197	37
2016-17	32,570	26	14,674	12	47,244	38
2017-18	34,671	26	16,360	12	51,031	38
2018-19	36,425	24	17,874	12	54,299	36
2019-20	40,572	25	21,640	13	62,212	38

* 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 ₹ 7,913 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 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 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
2015-16	9,658	3,714*	NA#
2016-17	12,320	4,550*	NA#
2017-18	8,848	4,394*	NA#
2018-19	5,181	4,309*	NA#
2019-20	640	1,947*	NA#

* 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.

Not Applicable

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 understatement of liabilities in Government accounts. As on 31 March 2020 no adverse balance is appearing in favour of 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 2019-20 was ₹ 7,390 crore. Out of this, loans and advances to government corporation/companies, non-government institutions and local bodies amounted to ₹ 458 crore. Recovery of principal aggregating to ₹ 97 crore was in arrears at the end of 31 March 2020. The information relating to recovery of interest in arrear was not made available by the State Government. During 2019-20 only ₹ 21 crore was received towards repayment of loans and advances, out of which ₹ 7 crore relates to repayment of loans to government servants. Effective steps to recover the outstanding loans would help the Government improve its fiscal position.

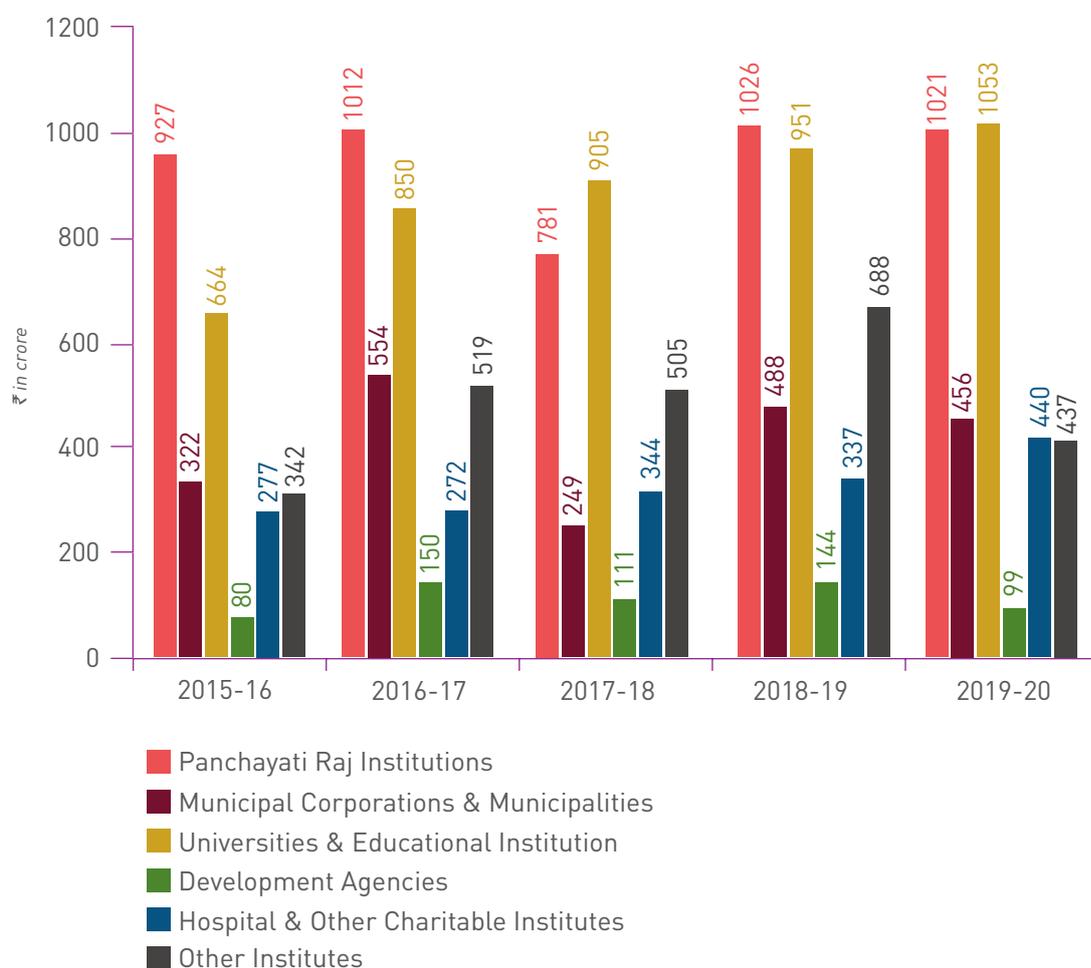
7.3 Financial Assurances to Local bodies and Others

Grants-in-aid given to local bodies, autonomous bodies etc. increased from ₹ 2,612 crore in 2015-16 to ₹ 3,506 crore in 2019-20. Grants to Zilla Parishads and Panchayat Raj Institutions, Municipal Corporations and Municipalities (₹ 1,509 crore) represent 43 *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	2015-16	2016-17	2017-18	2018-19	2019-20
1	Zilla Parishads & Panchayati Raj Institutions	927	1,012	781	1,026	1,021
2	Municipal Corporations & Municipalities	322	554	249	488	456
3	Universities & Educational Institution	664	850	905	951	1,053
4	Development Agencies	80	150	111	144	99
5	Hospital & Others Charitable Institutes	277	272	344	337	440
6	Other Institutes	342	519	505	688	437
	Total	2,612	3,357	2,895	3,634	3,506



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

(₹ in crore)

S. No.	Name of Institutions	2015-16	2016-17	2017-18	2018-19	2019-20
1	Zilla Parishads	--	--	15	29	27
2	Panchayati Samities	--	--	11	24	9
3	Gram Panchayat	208	326	321	370	501
4	Municipal Corporations	79	245	43	72	41
5	Municipalities	62	143	28	72	67
6	Educational Institution	--	1	--	--	20
7	Development Agencies	15	35	38	41	41
8	Statutory Corporations	10	10	10	12	12
9	Cooperative Institution	--	1	1	1	1
10	Social Welfare	--	--	--	--	--
11	Universities	2	--	--	--	--
12	Others	159	213	206	213	126
	Total	535	974	673	834	845

7.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2019	As on 31 March 2020	Net increase(+)/ decrease(-)
Cash Balances	(-)50	(+)78	(+)128
Investment from cash balance (GOI Treasury Bills)	103	982	(+)879
Investment from earmarked fund balances	--	--	--
(a) Sinking Fund	--	--	--
(b) Guarantee Redemption Fund	--	--	--
(c) Other Funds	--	--	--
Interest realized during the year	67	55	(-)12

State Government has not a negative closing cash balance at the end of 31 March 2020. Interest receipt on the investment of cash balance has decreased by 12 *per cent* from ₹ 67 crore to ₹ 55 crore in 2019-20.

7.5 Reconciliation of Accounts

To exercise effective control of expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, all Chief Controlling Officer (CCOs)/ Controlling Officer (COs) are required to reconcile the figures of Receipts and Expenditure recorded in their books every month and expenditure under the Consolidated Fund have been completed *per cent* by all CCOs/Cos.

7.6 Submission of Accounts by Accounts rendering units

The Finance Accounts 2019-20 present the transactions of the Government of Himachal Pradesh for the period 1st April 2019 to 31 March 2020. The accounts of receipts and expenditure of the Government of Himachal Pradesh have been compiled based on the initial accounts rendered by 18 District Treasuries, 87 Public Works Divisions, 89 Forest Divisions, 60 Jal Shakti Vibhag 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 Abstract Contingent Bills/Detailed Contingent Bills

Drawing and Disbursing Officers (DDOs) are authorized to draw sums of money in advance and submit adjustment bills thereafter. The State Government had identified (June 2017) six departments namely Youth Services and Sports, Ayurveda, Health and Family Welfare, Prosecution, Agriculture and Horticulture to operate Abstract Contingent (AC) bills. The State Government had not formulated any mechanism to identify/monitor the position of advances withdrawn against AC bills and its adjustment through DC bills.

7.8 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 aggregating the outstanding debit and credit balances separately under various heads. 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	2015-16		2016-17		2017-18		2018-19		2019-20	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658-Suspense Accounts										
101-Pay and Accounts Office-Suspense	56	18	77	30	86	37	96	35	125	57
Net	38 Dr.		47 Dr.		49 Dr.		61 Dr.		68 Dr.	
102-Suspense Account (Civil)	195	212	275	275	171	164	150	132	1,551	164
Net	17 Cr.		-nil-		7 Dr.		18 Dr.		1,387 Dr.	
110-Reserve Bank Suspense -Central Accounts Office	0	0	0	0	0	0	1	0	3,755	3,755
Net	-nil-		-nil-		-nil-		1 Dr.		-nil-	
112-Tax Deducted at Source (TDS) Suspense	285	303	380	395	400	454	484	497	448	468
Net	18 Cr.		15 Cr.		54 Cr.		13 Cr.		20 Cr.	
129-Material Purchase Settlement Suspense Account	144	407	176	399	271	348	164	306	140	244
Net	263 Cr.		223 Cr.		77 Cr.		142 Cr.		104 Cr.	
(b) 8782-Cash Remittances and adjustments between rendering accounts to the same Accounts Office										
102-Public Works Remittances	4,801	5,144	6,342	6,652	6,668	7,037	7,185	7,661	7,508	8,105
Net	343 Cr.		310 Cr.		368 Cr.		475 Cr.		597 Cr.	
103-Forest Remittances	190	212	139	163	120	151	152	187	125	142
Net	22 Cr.		24 Cr.		31 Cr.		36 Cr.		17 Cr.	

7.9 Status of Outstanding Utilization Certificate

In terms of Rule 157 of the Himachal Pradesh Financial Rules, 1971(Revised in 2009), where grants are sanctioned for specific purposes, the departmental officers concerned should obtain Utilization Certificates (UCs) from the grantees, which, after verification, should be forwarded to the Principal Accountant General (A&E) within the dates specified in the sanction. Such Grants-in-aid are accounted for under the respective major heads of account.

The status of outstanding UCs as per the records of the O/o the Principal Accountant General (A&E), Himachal Pradesh is given below:

Year (*)	Number of Utilization Certificates awaited	Amount (₹ in crore)
Upto 2017-2018	479	470
2018-19	604	593
2019-20	1,399	1,785
Total	2,482	2,848

(* The year mentioned above relates to "Due year" i.e., after 12 months' of actual draw).

There is a clearance of 13,619 UCs amounting to ₹ 2,395 crore (1324 UCs amounting to ₹ 836 crore upto 2018-19 and 12,295 UCs amounting to ₹ 1,559 crore for 2019-20) during 2019-20.

Out of total outstanding UCs of amount ₹ 2,848 crore, UCs of ₹ 2,295 crore i.e. 81 per cent of wanting UCs in terms of outstanding amount pertain to six departments viz. Panchayati Raj Department (956 UCs: ₹ 1,172 crore), Urban Development (166 UCs: ₹ 476 crore), Rural Development (194 UCs: ₹ 253 crore), Agriculture & Horticulture (31 UCs: ₹ 157 crore), Ayush (82 UCs: ₹ 123 crore) and Education Department (46 UCs: ₹ 114 crore) as on 31 March 2020.

7.10 Commitments on account of Incomplete Capital works

A total expenditure of ₹ 90 crore was incurred up to the year 2019-20 by the State Government on 13 incomplete projects, each involving ₹ 5 crore and above, against original estimated cost of ₹ 378 crore as detailed in Appendix IX in Volume II of the Finance Accounts.

A summarized view on commitments on account of 'Incomplete Capital Works' is furnished below:

(₹ in crore)

Sl. No.	Category of works (No. of works)	Estimated cost of work	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Estimated cost after revision
1	Water Supply Scheme(7)	143	1	14	--	--
2	Sewerage Scheme(1)	6	--	9	--	--
3	Road(2)	12	2	11	--	--
4	Housing(3)	217	15	56	--	--
	Total	378	18	90	--	--

7.11 New Pension Scheme

Expenditure during the year on pension and other retirement benefits to State Government employees recruited on or before 14 May 2003 was ₹ 5,023 crore (including ₹ 372 crore of leave encashment benefit), constituting 16 *per cent* of the total Revenue Expenditure of ₹ 30,730 crore. State Government employees recruited with effect from 15 May 2003 are eligible for the Defined Contribution Pension Scheme.

As per prescribed procedure, both the contributions (employer and employees) are to be initially credited to the Public Account under Major Head 8342-Other Deposits-117 Defined Contribution Pension Scheme for Government Employees. Thereafter, the entire amount is transferred to the designated pension fund through National Securities Depository Limited (NSDL)/Trustee Bank.

During the year 2019-20, a total amount of ₹ 821 crore was credited to the Major Head 8342-Other Deposits-117 Defined Contribution Pension Scheme for Government Employees (Employees' Share: ₹ 349 crore, Government Share: ₹ 472 crore and Interest: ₹ 0.05 crore). The Government transferred ₹ 822 crore to NSDL (Employees' Share: ₹ 350 crore and Government Share: ₹ 471 crore). However, adverse balances of ₹ 1 crore (2018-19) under the Major Head 8342-Other Deposits-117 Defined Contribution Pension Scheme for Government Employees has further gone up to ₹ 2 crore at the end of the year (2019-20), which needs to be reconciled with the State Government. In this regard, the NSDL confirmed a total amount of ₹ 821 crore was credited during the current year. The difference is under reconciliation between the State Government and NSDL.

7.12 Personal Deposit Accounts

Under Rule 12.7 of the Himachal Pradesh Financial Rules Vol-I, 1971 Personal Deposit (PD) accounts are operated by transferring amounts from the Consolidated Fund to be utilized for specific purposes and booked as final expenditure against the concerned service Major Heads without any actual cash flow. Unspent balances lying in PD accounts are required to be transferred back to the Consolidated Fund on the last working day of the financial year, and reopened next year, if necessary. This Rule has not been followed by the State Government, despite persistent correspondence over the past many years.

Details of balances in Personal Deposit Accounts are as under:

(₹ in crore)

PD Accounts as on 01.04.2019		PD Accounts opened during the year 2019-20	PD Accounts closed during the year 2019-20	Additions during the year	Disbursements during the year	Closing balance as on 31.03.2020		Operative Accounts		Inoperative Accounts	
No.	Amt.	Nil	Nil	0.61	0.35	No.	Amt.	No.	Amt.	No.	Amt.
112	2.56					112	2.82**	102	2.59	10	0.23*

* Amount lying unspent for more than one year.

** Out of total amount of ₹ 2.82 crore on account of Personal Deposit, ₹ 2.75 crore are depicted in accounts under Major Head 8443-106 (Personal Deposits) and remaining amount of ₹ 0.07 crore are under Major Head 8448-109 (Panchayat Bodies Funds).

7.13 Investment

The State Government invests in the equity and shares of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions. As per the accounts, the investment of State Government in 69 entities was ₹ 4,261 crore as on 31 March, 2020 on which an amount of ₹ 248 crore was received as dividend/interest (i.e. 6 per cent of total investments). Out of this, ₹ 248 crore was received as dividend/interest from a Central Government Company i.e. Satluj Jal Vidyut Nigam (previously Nathpa Jhakri Power Corporation) wherein invested amount of State Government was ₹ 1,098 crore. The balance dividend/interest amount of ₹ 1 crore was received on invested amount of ₹ 3,163 crore in 68 entities, as per details given in Statement-19. However, these figures require confirmation from the State Government as no reconciliation has been done with these entities.

7.14 Cash Balance (Deposit with Reserve Bank of India)

There was a difference of ₹ 17 crore (Dr.) in Cash Balance as on 31 March 2020 between the figures reflected in the account of Pr. Accountant General (A&E) and intimated by the Reserve Bank of India. The Cash Balance of the year 2019-20 as worked out by the Office of the Pr. Accountant General (A&E) was ₹ 78 crore (Dr.) whereas ₹ 61 crore (Cr.) was reported by Reserve Bank of India. After reconciliation the difference increased by ₹ 0.18 crore (Dr.) and stood at ₹ 17.46 crore (Dr.) as on 31 July 2020.

The differential cash balance of previous five years is as under:-

(₹ in crore)

Year	AG figure	RBI figure	Difference
2014-15	740 Cr.	746 Dr.	7 Dr.
2015-16	341 Cr.	352 Dr.	12 Dr.
2016-17	443 Cr.	435 Dr.	9 Cr.
2017-18	541 Cr.	483 Dr.	57 Cr.
2018-19	50 Cr.	45 Dr.	4 Cr.

Note: No penal interest has been imposed on the agency banks by the State Government as per record available in the office of the Principal Accountant General (A&E), Himachal Pradesh.

7.15 Consolidated Sinking Fund

In terms of the recommendations of the Twelfth Finance Commission, State Governments were required to create Consolidated Sinking Fund to be administered by the Reserve Bank of India (RBI) for redemption of outstanding liabilities. As per RBI's guidelines of 2006, the State Government was required to make minimum annual contributions to the Fund at the rate of 0.5 *per cent* of the outstanding liabilities at the end of the previous financial year. This is an optional Fund. The Government of Himachal Pradesh has not created the Consolidated Sinking Fund yet.

7.16 Guarantee Redemption Fund

The State Governments were required to set up Guarantee Redemption Fund as per recommendation of Twelfth Finance Commission to meet the contingent liabilities arising from the guarantees given, and make minimum annual contributions to the Fund at the rate of 0.5 *per cent* of the outstanding guarantees as at the end of the previous year. This is also an optional fund. The Government of Himachal Pradesh has not created the Guarantee Redemption Fund yet.

7.17 State Disaster Response Fund/National Disaster Response Fund

- (i) As per recommendations of the Thirteenth Finance Commission (TFC) the State Disaster Response Fund (SDRF) has been constituted by the State Government for meeting the expenditure for providing immediate relief to the victims of cyclone, drought, earthquake, fire, flood, hailstorm, landslide, avalanche, cloud burst, etc.

In terms of Government of India's guidelines, the Centre and the State Government are required to contribute to the Fund in the proportion of 90:10. As per guidelines of the SDRF, the receipt of Central share is accounted for as Revenue Receipt under MH 1601-Grants-in-aid from Central Government 07-Finance Commission grants 104-Grant in aid for State disaster response fund in the State Accounts. In order to enable transfer of the total amount of contribution (Central share and State share) to the SDRF, the State Government would make suitable budget provision under the head 2245-Relief on Account of Natural Calamities-05 SDRF- 101-Transfer to Reserve Fund and Deposit Accounts-SDRF. On receipt of Central share, the State would transfer the amount, along with its share to the Public Account under Reserve Fund bearing interest below the Major Head 8121- General and Other Reserve Fund. The actual expenditure on relief works will be booked only under respective Sub/Minor Head within MH 2245.

During the year 2019-20, the Central Government released ₹ 197 crore towards its share of SDRF. An amount of ₹ 61 crore was withheld by the Central Government due to mis-utilization of SDRF by State Government. However, the State Government released its full share of ₹ 29 crore on ₹ 258 crore (₹ 197 crore + ₹ 61 crore) instead of ₹ 22 crore (on ₹ 197 crore). The entire amount of ₹ 226 crore (₹ 197 crore + ₹ 29 crore) has been transferred to the Public Accounts under the head 8121- General and Other Reserve Fund- 122- State Disaster Response Fund. Subsequently, the whole amount has been transferred to the Savings Bank Accounts of different DDOs. Transfer of fund to DDOs Savings Bank Accounts was a violation of SDRF guidelines.

In terms of guidelines issued by the Ministry of Home Affairs, Government of India on 28 September 2010 and 30 July 2015, unspent balances lying under SDRF are required to be invested in specified instruments. The State Government is also required to pay interest at

the rate applicable to over draft (Regulation guidelines of RBI) on half yearly basis to the SDRF. However, State Government neither invested unspent balances nor paid any interest on un-invested amount during the year 2019-20.

An amount ₹ 0.07 crore was estimated as interest on un-invested amount of ₹ 1 core lying in the fund as on 31 March 2019 (taking Ways and Means Advance average interest rate for the year 2019-20 at 7 per cent) on the un-investment amount. The State Government neither invested unspent balances nor paid any interest on un-invested amount during the year 2019-20. Non-payment of interest of ₹ 0.07 crore has resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit.

- (ii) Natural calamities of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst, pest attack, cold wave & frost etc. considered to be of severe nature by Government of India and requiring expenditure by a State Government in excess of the balance available under SDRF, will qualify for immediate relief assistance from NDRF. As per provision of the NDRF, on receipt of funds from NDRF the State Government shall take it as Revenue Receipt under MH 1601-Grants-in-aid from Central Government. In order to enable transfer of receipt of NDRF, the State Government would make suitable budget provision under the head 2245-Relief on Account of Natural Calamities-80-General- 103-Assistance to States from NDRF. The State's SDRF account should distinctly show the receipt of assistance from NDRF. Immediately upon receipt of funds from NDRF, the State would transfer the amount to the Public Account under the head 8235-General and Other Reserve Funds-125 National Disaster Response Fund. The actual expenditure out of NDRF should be booked under respective Minor Head within MH-2245.

During 2019-20, the State Government received ₹ 518 crore from Government of India under NDRF, which has been transferred to the Public Accounts under the head 8235-General and Other Reserve Funds- 125 National Disaster Response Fund. Subsequently, the whole amount has been transferred to the Savings Bank Accounts of different DDOs. Transfer of fund to DDOs Savings Bank Accounts was a violation of NDRF guidelines.

7.18 State Compensatory Afforestation Fund

In compliance to the instructions issued by the Ministry of Environment and Forests, Government of India's vide their letter No. 5-1/2009-FC dated 28 April 2009 and guidelines of 2 July 2009, the State Governments are required to establish the State Compensatory Afforestation Fund Management and Planning Authority which will administer the amount received and utilize the monies collected for undertaking compensatory afforestation, assisted natural regeneration, conservation and protection of forests, infrastructure development, wildlife conservation and protection and other related activities and for matters connected therewith or incidental thereto. The Authority will setup the State Compensatory Afforestation Fund for this purpose.

Accounting Arrangements:

The monies received by the State Governments from the User Agencies need to be credited in 'State Compensatory Afforestation Deposits' under interest bearing section in Public Accounts of the State at Minor head level below the Major Head 8336-Civil Deposits. As per Section 3 (4) of the Compensatory Afforestation Fund Act; 2016, 90 per cent of the fund needs to be transferred to the Major Head 8121-General and Other Reserve Funds in Public Account of State and balance 10 percent shall be credited into the National Fund on yearly basis provided that, the credit of 10 percent Central share of funds should be ensured on monthly basis so that the same is transferred to the National Fund.

The applicable rate of interest on balances available under 'State Compensatory Afforestation Deposits' under '8336-Civil Deposits' and 'State Compensatory Afforestation Fund' under 8121-General and other Reserve Funds will be as per the rate declared by the Central Government on year to year basis.

Status of the State Compensatory Afforestation Fund:

During the year 2019-20, the State Government received ₹ 1,661 crore from Government of India, which has been credited under Major Head 8121-129 State Compensatory Afforestation Fund. No expenditure has been incurred from the fund by the State Government during the year.

7.19 Cess levied by the State Government

(a) Building and Other Construction Workers Welfare Cess: The Government of India (GoI) enacted "The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996" and the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act), to regulate the employment and conditions of service of building and other construction workers and to provide for their safety, health and welfare measures. In exercise of the powers conferred by sub-section (1) of section 14 of the Cess Act, GoI framed the Building and Other Construction Workers' Welfare Cess Rules, 1998 (Cess Rules). Accordingly, Himachal Pradesh Building and Other Construction Workers Rules 2008 were framed under the Act and the Himachal Pradesh Building and Other Construction Workers Welfare Board was constituted in March 2009.

Section 3 of the Cess Act provides for the levy and collection of cess from every employer in relation to the building or other construction work, and paid to the Board after deducting the cost of collection of such cess not exceeding one *per cent* of the amount collected. As per section 5 of the Cess rules, the proceeds of the cess collected shall be transferred to the Board along with the form of challan prescribed (and in the head of account of the Board) under the accounting procedures of the State.

It was noted that no rules have been framed by the Government of Himachal Pradesh for accounting of labour Cess and no sub head has been provided by the Government for booking and collection of labour Cess. The Labour Cess collected is being levied at the rate of one *per cent* of the cost of construction by Building and Roads/Jal Shakti Vibhag and is being booked under 8443-Civil Deposit-108-Public Works Deposits. Since the Public Works Deposits do not have any sub head below it for booking this cess, hence the amount of Cess collected, and transferred to the Labour Welfare Board and balance yet to be transferred cannot be ascertained in the absence of prescribed accounting rules.

Further, as the Board is an autonomous body, cess details are not available in Government Accounts. However, as per information furnished by Public Works and Jal Shakti Divisions of State ₹ 33 crore were collected and ₹ 29 crore were remitted to the Board during the year 2019-20, from 8443-Civil Deposit-108-Public Works Deposits on account of Labour cess.

(b) HP Transport Infrastructure Fund: The HP Transport Infrastructure Development Fund is to be generated mainly by imposing 10 *per cent* Cess on one time tax and 5 *per cent* Cess on other taxes levied under Himachal Motor Vehicle Taxation Act 1972. During the year, ₹ 14 crore

were collected and credited to Major Head 0041-00-102-08. No procedure regarding the fund utilization and accounting thereof has so far prescribed by the State Government.

(c) HP Road Safety Fund: To reduce the road accident fatalities Supreme Court Committee on Road Safety has directed the State Government to set up Road Safety Fund which would be non-lapsable and ensure that a steady flow of money accrues to the Fund by diversion of significant portion of the fines/compounding fee collected from traffic violations. The fund should not be solely dependent on budgetary allocations which may vary according to the financial constraints of the Government.

During the year 2019-20, the State Government has transferred ₹ 7 crore for Road Safety Fund and ₹ 2 crore for Transport Infrastructure Fund in the bank account of Director, Transport Department. However, the transfer of money has been accounted for as revenue expenditure under MH 2041 for the Financial Year, as against the provisions of providing the credit of the same in the Public Account. Consequently, there is no investment of these funds by the Government.

7.20 Parking of monies in the Savings Bank Account of DDOs

As per Rule 183 (3) (V) of Himachal Pradesh Treasury Rules, no money is to be withdrawn from the Treasury unless it is required for immediate disbursement. Rule 184 (1) stipulates that it is a serious irregularity to draw money and deposit them in the cash chest or bank.

During the year 2019-20, the State Government/DDOs drew an amount of ₹ 1,374 crore (examined on the test checked basis) from treasuries merely based on sanction orders and transferred these amounts to the bank accounts of the DDOs and kept outside the Government Account in contravention of the existing Treasury Rules. The State Government treated these amounts as expenditure incurred against the budget provisions made by the State Legislative Assembly without incurring actual expenditure.

The entire amount of ₹ 1,374 crore (Revenue Expenditure ₹ 1,202 crore and Capital Expenditure ₹ 172 crore) has been kept in abeyance under OB "Suspense" in the books of the Pr. Accountant General (A&E) due to non-furnishing of vouchers and other documents as a proof of expenditure and thus the said amount has not been taken into account as Revenue expenditure/Capital expenditure in the Finance Accounts and as actual expenditure in the Appropriation Accounts against the budget provisions for the year 2019-20. The Major Head wise position for the amount kept in abeyance under OB Suspense is given in **Annexure-E** of Finance Account.

7.21 Funds transferred to HP Kaushal Vikas Nigam

The Government of India launched Pradhan Mantri Kaushal Vikas Yojana (July 2015) with an objective to enable a large number of Indian Youth to take up industry-relevant skill training and knowledge for helping them in securing a better livelihood. The scheme is implemented in the State through Himachal Pradesh Kaushal Vikas Nigam.

During the year 2019-20, the State Government provided fund amounting to ₹ 88 crore to HP Kaushal Vikas Nigam through Grants-in-Aid under the Major head 2230-Labour and Employment. The utilization of Grants is not ascertainable from the records of Principal Accountant General.

7.22 Overstatement of Expenditure: MH 2040

The MH 2040 “Expenses on Taxes on Sales, Trades etc.” includes ₹ 16 crore on account of grant-in-aid paid amounting to ₹ 8 crore to Gau Vansh Samvardhan Board (Animal Husbandry Department) and ₹ 8 crore for Ambulance Services (Health & Family Welfare Department) which are not related to the expenses on taxes and thus, it is misclassification of expenditures. Therefore, to this extent, the revenue expenditure under MH 2040 is overstated and expenditure under MH 2403 Animal Husbandry and MH 2211 Family Welfare are understated by ₹ 8 crore each respectively. However, there was no impact on overall revenue expenditure.

7.23 Funds transferred to Autonomous Bodies, etc.

The State Government provides Grants in Aid to State/ District level autonomous bodies and authorities, societies, non-government organizations, etc., for implementation of Centrally Sponsored Schemes and State Schemes. Since the funds are generally not being spent fully by the implementing agencies in the same financial year, unspent balances remain in the bank accounts of these implementing agencies. The aggregate amount of the unspent balances in the accounts of the implementing agencies kept outside Government accounts (in bank accounts) is not readily ascertainable. During 2019-20 the State Government released ₹ 805 crore as grants to autonomous bodies, Public Sector Undertakings. Details of such grants are available in Statement no. 10 and Appendix III of Finance Accounts.

7.24 Compliance with Accounting Standards

With a view to improving standards of Governmental accounting and financial reporting which will enhance the quality of decision-making and public accountability, the Government Accounting Standards Advisory Board (GASAB) has formulated Indian Government Accounting Standards (IGASs) for cash system of accounting. The IGASs specifies the disclosure requirements in the Financial Statements of the Union and the State Governments. Accordingly, following three IGASs became mandatory from the effective date after their notification by Ministry of Finance, Government of India.

1. Guarantees given by the Governments – IGAS-1
2. Accounting and Classification of Grants-in-aid – IGAS-2
3. Loans and Advances made by Government – IGAS-3

It has been noticed that IGAS-2 and IGAS-3 are not fully complied in view of observations made in Para No. 3 (xiii) and Para No. 3 (iv) of Notes to Accounts of Finance Accounts (Volume-I).

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