



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest



सत्यमेव जयते

# ACCOUNTS at a Glance

for the year  
**2020-21**



GOVERNMENT OF HIMACHAL PRADESH





## **Accounts at a Glance for the year 2020-21**

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



**GOVERNMENT OF HIMACHAL PRADESH**



# Preface

I am happy to present the twenty third issue of our annual publication, the 'Accounts at a glance' for the year 2020-21, which provides an overview of Governmental activities, as reflected in the Finance Accounts and Appropriation Accounts of Government of Himachal Pradesh for the year 2020-21.

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: 08<sup>th</sup> June 2022

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, 89 Public Works Divisions, 61 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 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.

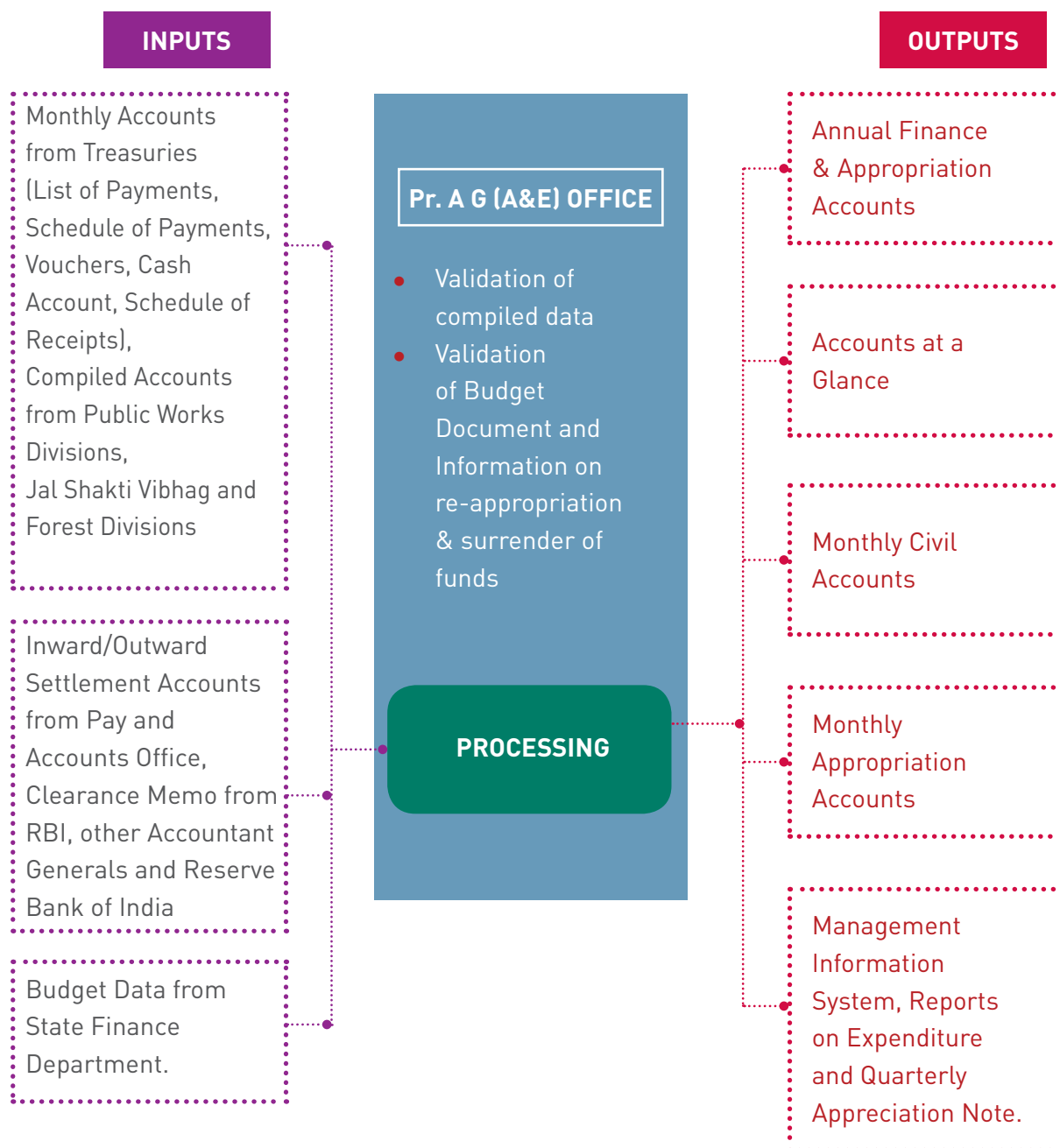
The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this fund for the Government of Himachal Pradesh is ₹ 5 crore.

##### ● **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 substantial funds directly to State Implementing Agencies/ Non-Government Organization (NGOs) in the State for various schemes and programmes. Such transfers (amounting to ₹ 1,867 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 2020-21

The following table provides the details of actual financial results vis-à-vis budget estimates for the year 2020-21.

(₹ in crore)

Sl. No.	Description	Budget Estimate 2020-21	Actuals 2020-21	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP#
1.	Tax Revenue (including central share) [a]	12,311	12,837	104	8
2.	Non-Tax Revenue	2,268	2,188	96	1
3.	Grants-in-aid & Contributions	21,009	18,413	88	12
4.	<b>Revenue Receipts (1+2+3)</b>	<b>35,588</b>	<b>33,438</b>	<b>94</b>	<b>21</b>
5.	Recovery of Loans & Advances**	31	23	74	...
6.	Other Receipts**	0	3	...	...
7.	Borrowings and other liabilities (b)	6,445	5,700	88	4
8.	<b>Capital Receipts (5+6+7)</b>	<b>6,476</b>	<b>5,726</b>	<b>88</b>	<b>4</b>
9.	<b>Total Receipts (4+8)</b>	<b>42,064</b>	<b>39,164</b>	<b>93</b>	<b>25</b>
10.	<b>Revenue Expenditure</b>	<b>36,011</b>	<b>33,535</b>	<b>93</b>	<b>21</b>
11.	Expenditure on Interest Payments (out of Revenue Expenditure)	4,932	4,472	91	3
12.	<b>Capital Expenditure</b>	<b>5,692</b>	<b>5,309</b>	<b>94</b>	<b>3</b>
13.	<b>Loans and Advances Disbursed (c)**</b>	<b>361</b>	<b>320</b>	<b>89</b>	<b>...</b>
14.	<b>Total Expenditure (10+12+13)</b>	<b>42,064</b>	<b>39,164</b>	<b>93</b>	<b>25</b>
15.	<b>Revenue Deficit (-) / Revenue Surplus (+)[4-10]**</b>	<b>(-1423)</b>	<b>(-197)</b>	<b>23</b>	<b>...</b>
16.	<b>Fiscal Deficit(-) / Surplus(+)[4+5+6-14]</b>	<b>(-6,445)</b>	<b>(-5,700)</b>	<b>88</b>	<b>4</b>

[a] Includes share of net proceeds assigned to state amounting to ₹ 4,754 crore. (State Government's Own Tax receipts were ₹ 8,083 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 cash balance.

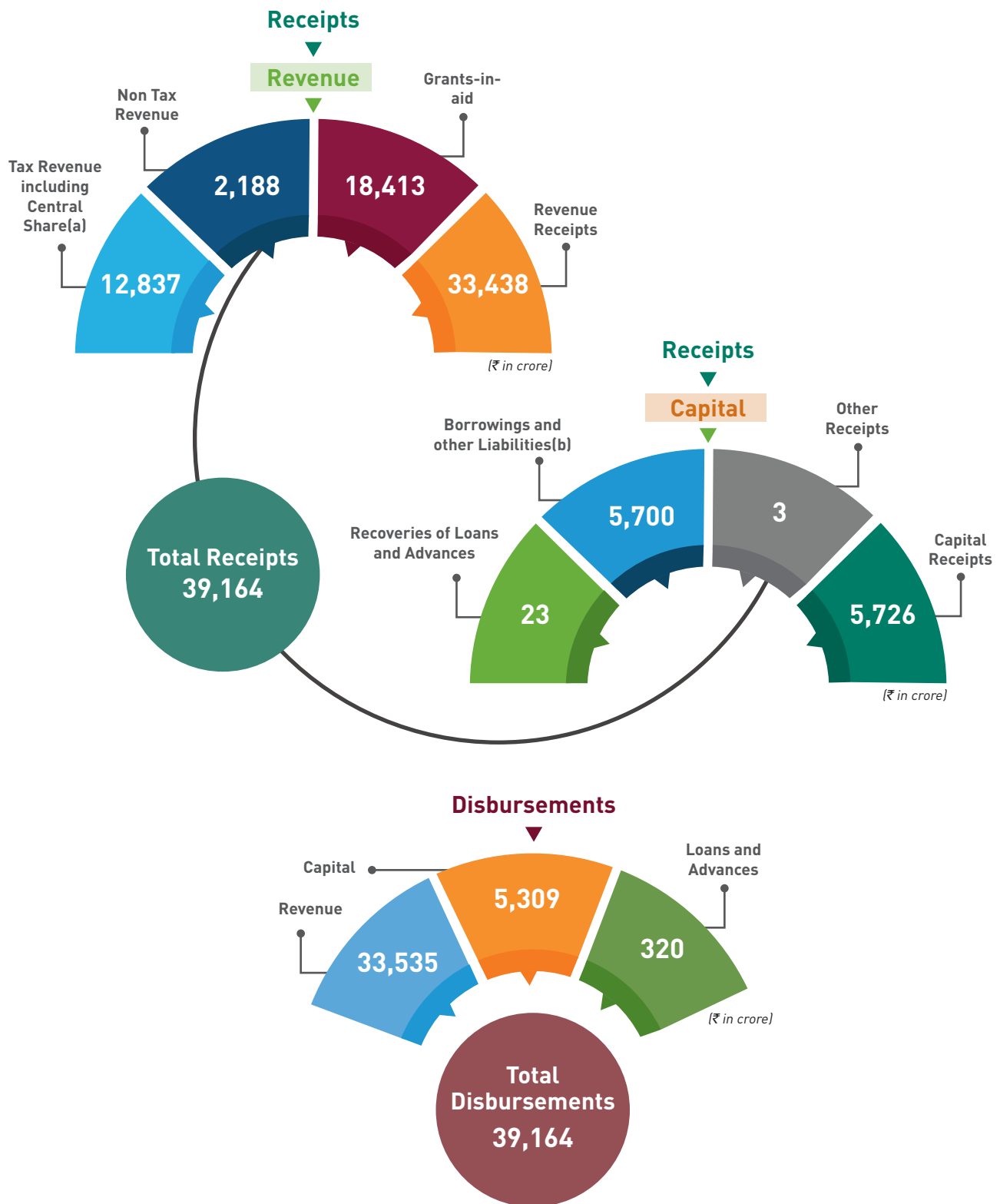
[c] Loans and advances Plan (₹ 313 crore ) + Loans and advances Non Plan (₹7 crore )

# GSDP(Gross State Domestic Product) of H.P. for 2020-21 is ₹ 1,56,522 crore as per revised estimates presented in Legislative Assembly.

\* Includes an amount of ₹ 3 crore by way of book adjustment.

\*\* Percentage is negligible hence shown as ---

## Receipts and disbursement in year 2020-21



(a) Includes share of net proceeds assigned to state amounting to ₹ 4,754 crore. (State Government's Own Tax receipts is ₹ 8,083 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 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 the Himachal Pradesh has 16 charged Appropriations 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 complied 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 of ₹ 61,596 crore approved by the Legislature was ₹ 53,049 crore and there was saving of ₹ 8,547 crore and excess expenditure of ₹ 89 crore, therefore, net saving was ₹ 8,458 crore. The voted excess (₹ 88.92 crore) occurred in three grants relating to (i) Public Works-Roads, Bridges and Buildings, (ii) Road and Water Transport, and (iii) Urban Development, Town and Country Planning and Housing which requires regularization. While the excess (₹ 0.08 crore) in charged appropriations took place in two grants: (i) Irrigation, Water Supply and Sanitation, and (ii) Tribal Development. The excess expenditures need to be regularised by the Legislature.

During the year 2020-21 expenditure to the tune of ₹ 0.37 crore was incurred without budget provision under two grants viz. Grant No. 11 (Agriculture) and 13 (Irrigation, Water Supply and Sanitation). Expenditures without budget provision indicated financial irregularities and were in violation of financial rules.

During the year 2020-21, the State Government opened 148 new Sub heads (111 under Revenue section and 37 under Capital section) without seeking the advice of the Principal Accountant General (A&E) as required under the provisions of Article 150 of the Constitution of India.

An amount of ₹ 228 crore has been kept under “Suspense” in the books of the Principal Accountant General (A&E) due to non-furnishing of sub-vouchers and other documents as a proof of expenditure. 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 2020-21.

## 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. Ways and Means Advance of ₹ 6,444 crore was obtained and the same (₹ 6,444 crore) was repaid during the year 2020-21.

### 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 i.e. ₹ 0.55 crore which is required to be maintained with the RBI, even after taking Ways and Means Advances. During the year 2020-21 there was overdraft of ₹ 1,300 crore and ₹ 1,300 crore was repaid.

### 1.4.3 Fund flow statement

The state had a Revenue Deficit of ₹ 97 crore and a Fiscal Deficit of ₹ 5,700 crore as on 31 March 2021. The Fiscal Deficit was met from net Public Debt (₹ 5,608 crore), increase in Public



Account (₹ 74 crore) and net decrease of opening and closing cash balance (₹ 18 crore). Around 71 per cent of the revenue receipts (₹ 33,438 crore) of the State Government was spent on committed expenditure like salaries (₹ 11,641 crore), interest payments (₹ 4,472 crore), pensions (₹ 6,088 crore), subsidies (₹ 1,241 crore) and wages (₹ 263 crore).

## Sources and Application of Funds

		(₹ in crore)
<b>SOURCES</b>	Opening Cash Balance as on 1 April 2020	78
	Revenue Receipts	33,438
	Capital Receipts	3
	Recovery of Loans and Advances	23
	Public Debt	16,749(a)
	Small Savings, Provident Funds etc.	3,666
	Reserves Funds	564
	Deposits Received	3,555
	Civil Advances Repaid	...
	Suspense Account	29,974*
	Remittances	6,775
	<b>TOTAL</b>	<b>94,825</b>
<b>APPLICATION</b>	Revenue Expenditure	33,535
	Capital Expenditure	5,309
	Loans Given	320
	Repayment of Public Debt	11,141
	Small Savings, Provident Funds etc.	2,680
	Reserves Funds	569
	Deposits Repaid	3,474
	Civil Advances Given	...
	Suspense Account	30,898**
	Remittances	6,839
	Closing Cash Balance as on 31 March 2021	60
	<b>TOTAL</b>	<b>94,825</b>

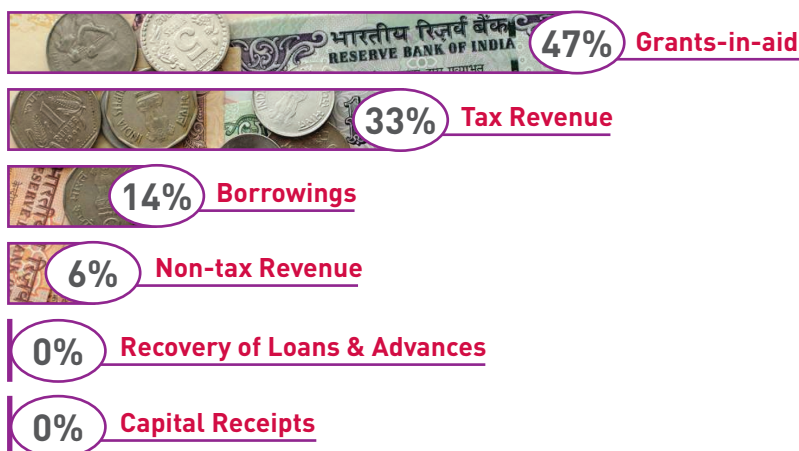
\* Includes ₹ 29,090 crore on account of cash balances investment account.

\*\* Includes ₹ 29,804 crore on account of cash balances investment account.

(a) This debt includes ₹ 1,717 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"

### 1.4.4 Where the ₹ came from ?

#### Actual Receipts



(Recovery of loans and advances was only ₹ 23 crore which is negligible hence value is shown as zero)

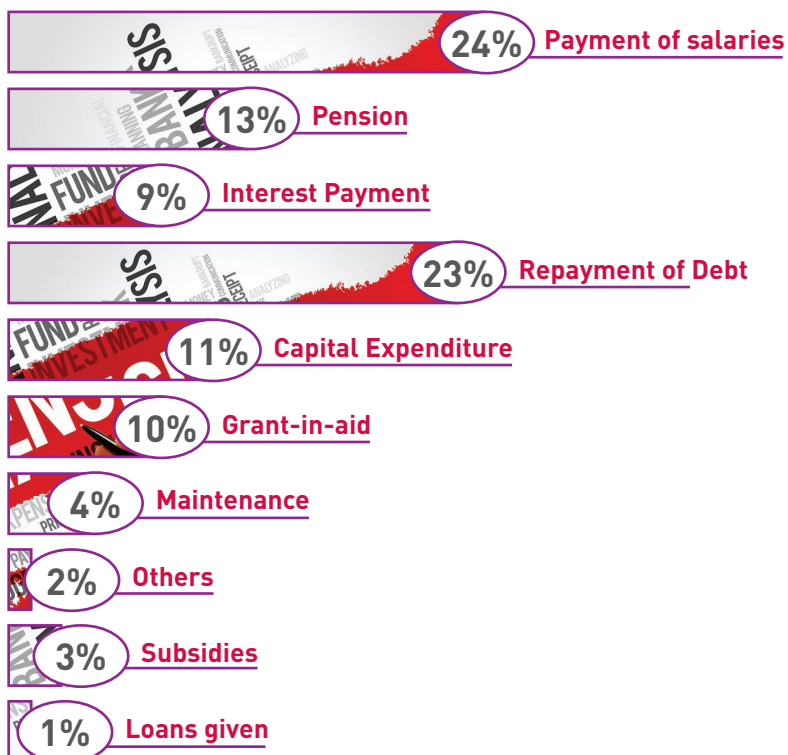
### 1.4.5 Where the ₹ went ?

#### Actual Expenditure

Actual Expenditure

Rev Exp= 33,535= 86%

Cap Exp= 5,309= 14%



During the year 2020-21 Revenue Deficit of ₹ 97 crore (₹ 12 crore Revenue Surplus in 2019-20) and Fiscal Deficit of ₹ 5,700 crore (₹ 5,597 crore Fiscal Deficit in 2019-20) were 0.06 *per cent* and 4 *per cent* of the 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 2020-21 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(+)	(-)97 (0.06 % of GSDP)	Eliminate by 2011-12	Not achieved during the year
2	Fiscal Deficit	5,700 (3.64 % of GSDP)	3.00 <i>per cent</i> or less	Not achieved during the year
3	Outstanding Guarantees	2,142 (6.97 % of Revenue Receipt of previous Financial year)	Less than 40 <i>per cent</i> of Revenue Receipt of previous Financial year	Achieved during the year

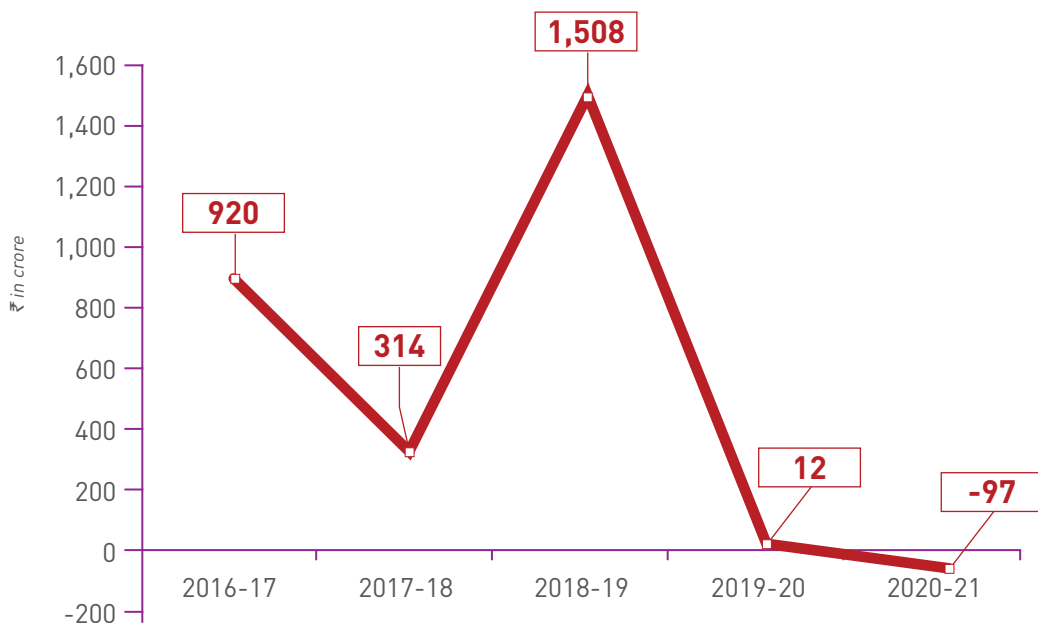
\* Source: GSDP (Gross State Domestic Product) of H.P. for 2020-21 is ₹ 1,56,522 crore as per revised estimates presented in Legislative Assembly.

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 ₹ 12 crore in 2019-20, but during the year 2020-21 there was Revenue Deficit of ₹ 97 crore, thus failed to achieve the target of FRBM Act. Similarly, Fiscal Deficit increased by ₹ 103 crore from ₹ 5,597 crore in 2019-20 to ₹ 5,700 crore in the current year and was four *per cent* of GSDP, which exceeded the target of three *per cent* set under FRBM Act. Though the target of maintaining amount of outstanding guarantees below 40 *per cent* of total revenue receipts of previous financial year was achieved. The amount of outstanding guarantees was ₹ 2,142 crore as on 31 March 2021 equaling 6.97 *per cent* of total revenue receipt (₹ 30,742 crore) of previous year i.e. 2019-20.

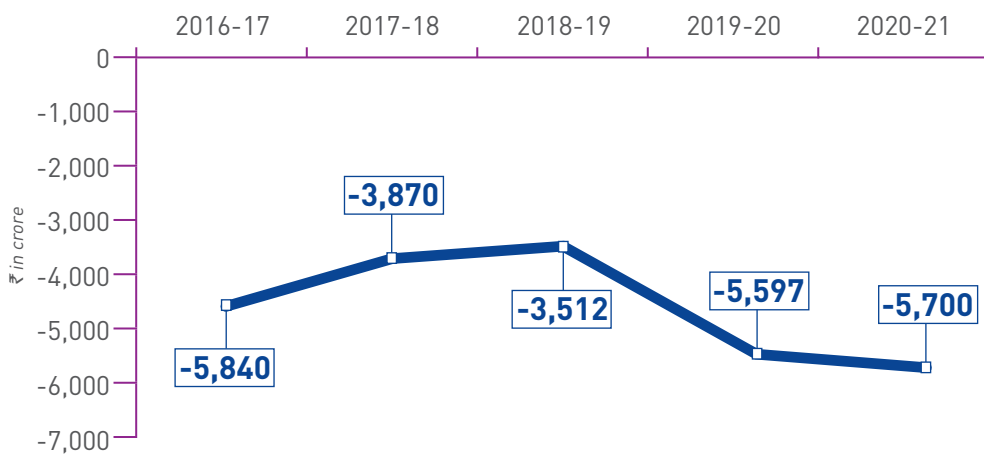
### 1.5.1 Trend of Revenue Deficit/ Surplus

#### Trend of Revenue Surplus/ Deficit



### 1.5.2 Trend of Fiscal Deficit

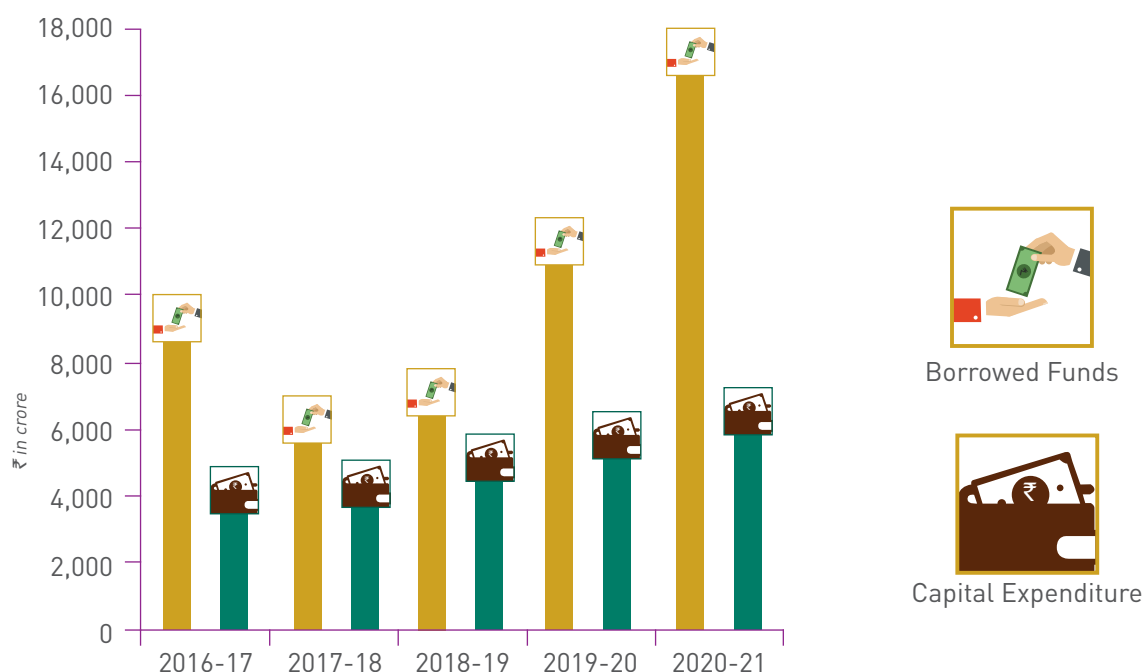
#### Trend of Fiscal Deficit



### 1.5.3 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

Year	Borrowed Fund	Capital Expenditure
2016-17	8,603	3,499
2017-18	5,600	3,756
2018-19	6,427	4,583
2019-20	10,847	5,174
2020-21	16,749*	5,309



\* This debt includes ₹ 1,717 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 32 per cent of the borrowings of the current year (₹ 16,749 crore) on capital expenditure (₹ 5,309 crore). This debt includes ₹ 1,717 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.

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 2020-21 was ₹ 39,164 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.

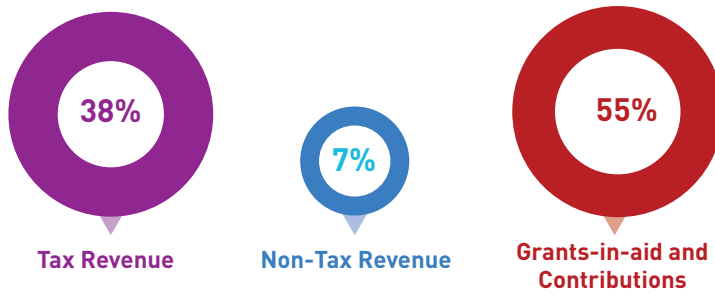
Includes interest receipts, dividend, profits, departmental receipts etc.

#### ● 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
<b>A. Tax Revenue*</b>	<b>12,837</b>	<b>38</b>
Goods and Services Tax	4,886	14
Taxes on Income and Expenditure	2,894	9
Taxes on Property, Capital and other Transactions	260	1
Taxes on Commodities and Services other than Goods and Services Tax	4,797	14
<b>B. Non-Tax Revenue</b>	<b>2,188</b>	<b>7</b>
Interest Receipts, Dividend and Profits	552	2
General Services	195	0
Social Services	306	1
Economic Services	1,135	3
<b>C. Grants-In-Aid &amp; Contributions</b>	<b>18,413</b>	<b>55</b>
<b>Total - Revenue Receipts</b>	<b>33,438</b>	<b>100</b>

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

### 2.2.2 Trend of Revenue Receipts

(₹ in crore)

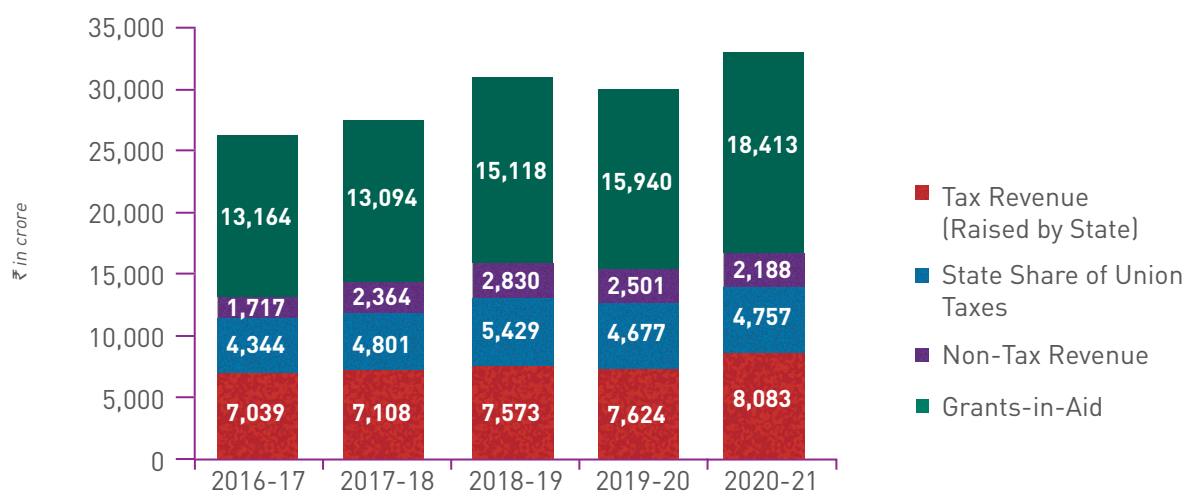
	2016-17	2017-18	2018-19	2019-20	2020-21
Tax Revenue	7,039	7,108	7,573	7,624	8,083
(Raised by the State)	(6)	(5)	(5)	(5)	(5)
State Share of Union Taxes/Duties	4,344	4,801	5,429	4,677	4,754
	(3)	(3)	(4)	(3)	(3)
Non-Tax Revenue	1,717	2,364	2,830	2,501	2,188
	(1)	(2)	(2)	(2)	(1)
Grants-in-aid	13,164	13,094	15,118	15,940	18,413
	(11)	(10)	(10)	(10)	(12)
<b>Total Revenue Receipts</b>	<b>26,264</b>	<b>27,367</b>	<b>30,950</b>	<b>30,742</b>	<b>33,438</b>
	(21)	(20)	(20)	(19)	(21)
<b>GSDP</b>	<b>1,24,570</b>	<b>1,35,914</b>	<b>1,51,835</b>	<b>1,65,472</b>	<b>1,56,522</b>

Note: Figures in parentheses represent percentage to GSDP (Gross State Domestic Product). GSDP Figures for 2020-21 at current prices, as per revised estimates presented in Legislative Assembly.

Though the GSDP decreased by 6 per cent in 2020-21 compared to previous year, increase in revenue receipt was 9 per cent. The tax revenue increased by 6 per cent, the non-tax revenue decreased by 13 per cent and the Grants-in-aid increased by 16 per cent compared to previous year.



## Trend of components of Revenue Receipts



## 2.3 Tax Revenue

(₹ in crore)

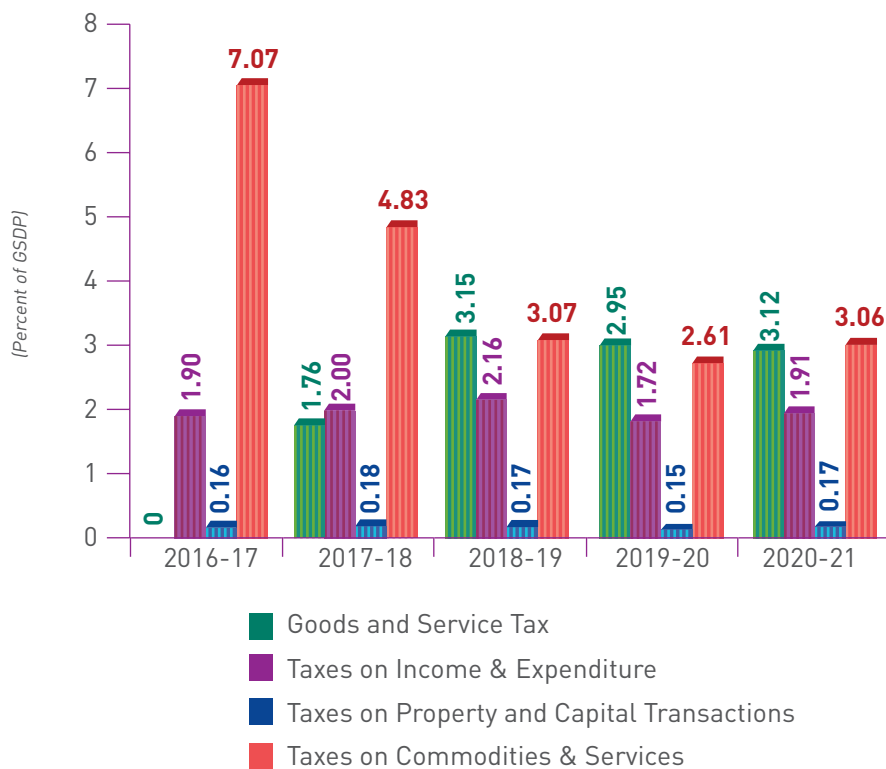
Sector-wise Tax Revenue					
	2016-17	2017-18	2018-19	2019-20	2020-21
a. Goods and Services Tax	NA *	2,386 (2)	4,790 (3)	4,878 (3)	4,886 (3)
b. Taxes on Income and Expenditure	2,362 (2)	2,713 (2)	3,289 (2)	2,844 (2)	2,894 (2)
c. Taxes on Property Capital and Other Transactions	220	246	259	264	260
d. Taxes on Commodities and Services Other than Goods and Services Tax	8,801 (7)	6,564 (5)	4,664 (3)	4,315 (3)	4,797 (3)
<b>Total Tax Revenue</b>	<b>11,383 (9)</b>	<b>11,909 (9)</b>	<b>13,002 (9)</b>	<b>12,301 (7)</b>	<b>12,837 (8)</b>
<b>GSDP</b>	<b>1,24,570</b>	<b>1,35,914</b>	<b>1,51,835</b>	<b>1,65,472</b>	<b>1,56,522</b>

Note: Figures in parentheses represent percentage to GSDP.

\* Not Applicable.

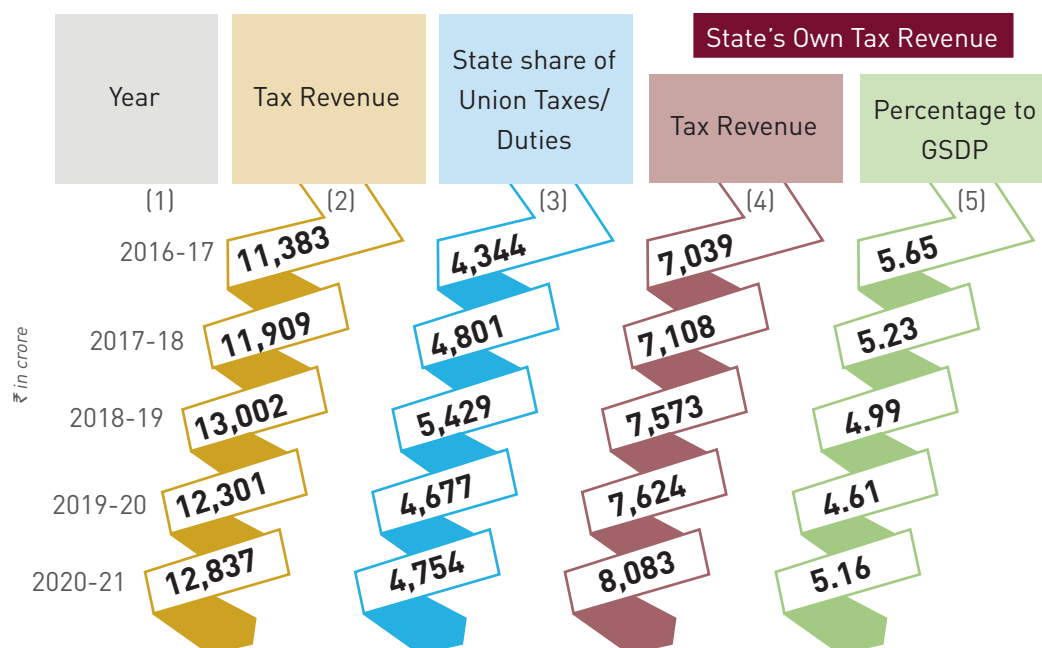
The increase in total tax revenue during 2020-21 was mainly due to more receipt of State share from Sales Tax (₹ 1,630 crore), more collection under Corporation Tax (₹ 1,429 crore), Income other than Corporation Tax (₹ 1,465 crore), and Service Tax (₹ 19 crore).

## 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.



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

(₹ in crore)

Description	2016-17	2017-18	2018-19	2019-20	2020-21
State's own Tax collection	7,039	7,108	7,573	7,624	8,083
Devolution of Union Taxes	4,344	4,801	5,429	4,677	4,754
<b>Total Tax Revenue</b>	<b>11,383</b>	<b>11,909</b>	<b>13,002</b>	<b>12,301</b>	<b>12,837</b>
Percentage of State's own tax to total tax revenue	62	60	58	62	63

The proportion of State's own tax collection in overall tax revenue was 62 per cent during the year 2016-17 which decreased to 58 per cent in 2018-19, thereafter increased to 62 per cent and 63 per cent during 2019-20 and 2020-21 respectively.

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

(₹ in crore)

Description	2016-17	2017-18	2018-19	2019-20	2020-21
State Goods and Service Tax	NA*	1,833	3,343	3,550	3,467
Taxes on Sales, Trade etc.	4,382	2,526	1,185	1,169	1,630
State Excise	1,308	1,311	1,482	1,660	1,600
Taxes on Vehicles	280	367	408	466	380
Stamp and Registration fees	209	229	251	260	253
Taxes and Duties on electricity	372	361	487	101	402
Land Revenue	8	17	8	5	7
Taxes on Goods and Passengers	121	112	104	104	84
Other Taxes	359	352	305	309	260
<b>Total State's own Taxes</b>	<b>7,039</b>	<b>7,108</b>	<b>7,573</b>	<b>7,624</b>	<b>8,083</b>

\* Not applicable

## 2.4 Cost of collection of Taxes

(₹ in crore)

Taxes	2016-17	2017-18	2018-19	2019-20	2020-21
<b>1. Taxes on Sales, Trade etc.</b>					
Revenue collection	4,382	2,526	1,185	1,169	1,630
Expenditure on collection	4	7	2	35	20
Cost of tax collection <i>per cent</i>	0.09	0.28	0.17	2.99	1.23
<b>2. State Excise</b>					
Revenue collection	1,308	1,311	1,482	1,660	1,600
Expenditure on collection	6	6	6	7	8
Cost of tax collection <i>per cent</i>	0.46	0.46	0.40	0.42	0.50
<b>3. Taxes on Vehicles, Goods and Passengers</b>					
Revenue collection	401	479	512	570	464
Expenditure on collection	42	48	53	48	48
Cost of tax collection <i>per cent</i>	10.47	10.00	10.35	8.42	10.34
<b>4. Stamp and Registration Fee</b>					
Revenue collection	209	229	251	260	253
Expenditure on collection	23	8	9	20	13
Cost of tax collection <i>per cent</i>	11.00	3.49	3.59	7.69	5.14

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	2016-17	2017-18	2018-19	2019-20	2020-21
Central Goods & Services Tax (CGST)	NA*	68	1,340	1,327	1,420
Integrated Goods & Services Tax (IGST)	NA*	485	107	Nil	Nil
Corporation Tax	1,394	1,471	1,888	1,595	1,429
Other Taxes on Income and Expenditure	NA*	NA*	10	Nil	Nil
Taxes on Income other than Corporation Tax	968	1,242	1,391	1,250	1,465
Taxes on Wealth	3	Nil	Nil	Nil	Nil
Customs	600	485	385	296	257
Union Excise Duties	684	506	256	206	161
Service Tax	695	544	49	Nil	19
Other Taxes and Duties on Commodities and Services	Nil	Nil	3	3	3
<b>State's share of Union Taxes/Duties</b>	<b>4,344</b>	<b>4,801</b>	<b>5,429</b>	<b>4,677</b>	<b>4,754</b>
<b>Total Tax Revenue</b>	<b>11,383</b>	<b>11,909</b>	<b>13,002</b>	<b>12,301</b>	<b>12,837</b>
Percentage of Union Taxes to Total Tax Revenue	38	40	42	38	37

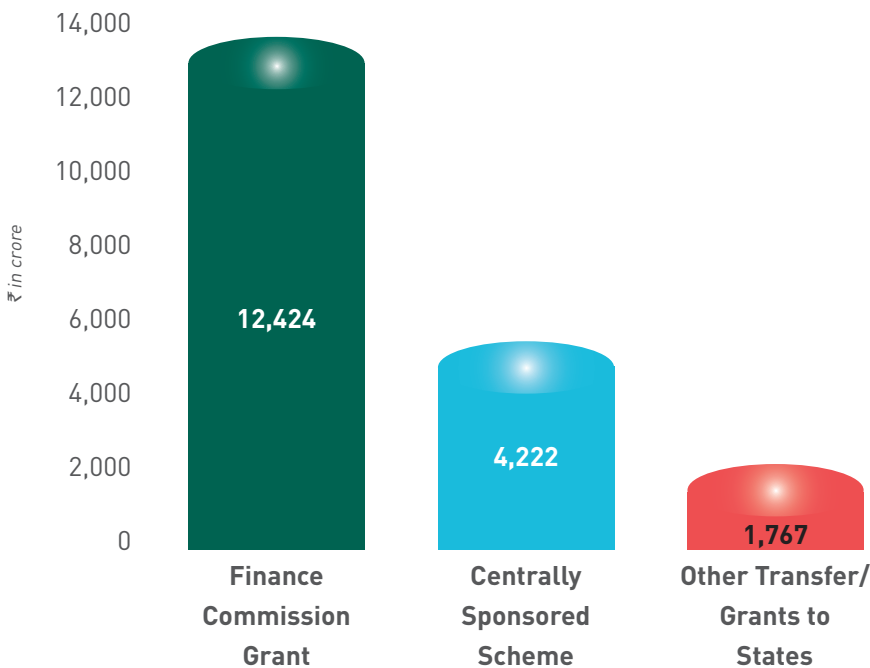
\* Not applicable

The share of Union Taxes/ Duties in total Tax Revenue of Government of Himachal Pradesh ranged from 37 per cent to 42 per cent during the period 2016-17 to 2020-21.

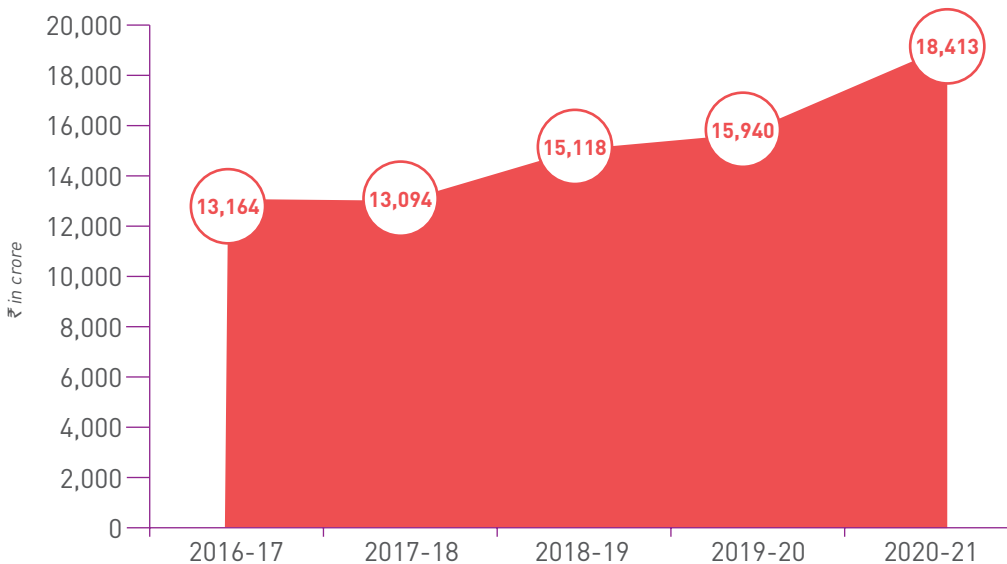
## 2.6 Grants-in-aid

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. The Grants-in-aid received from these sources during 2020-21 is shown below:

### Grants-in-aid

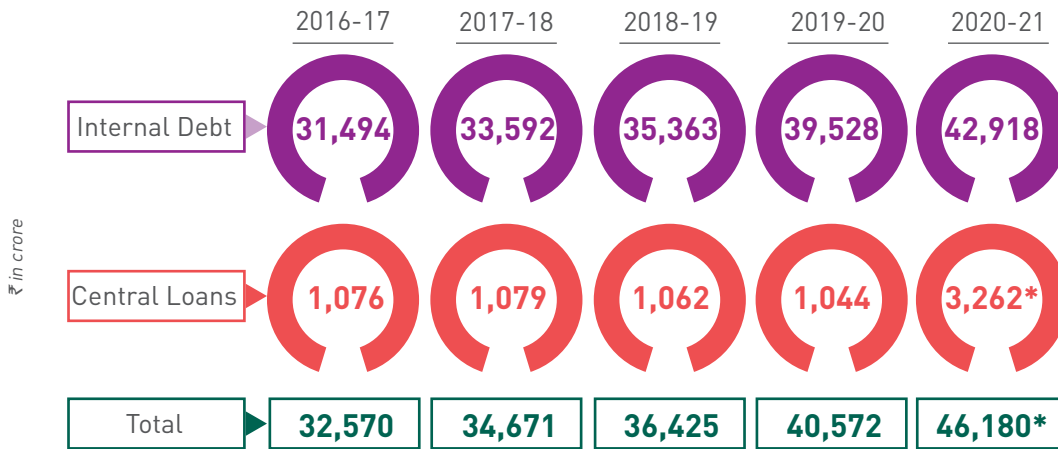


### Trend of Grants-in-aid



## 2.7 Public Debt

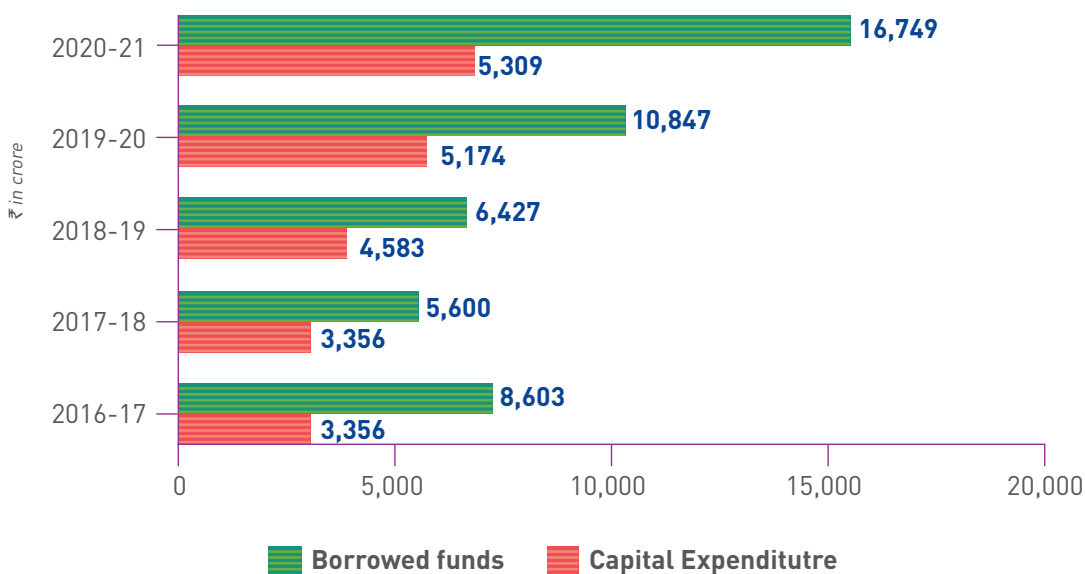
Trend of position of Public Debt over the past five years



\* This debt includes ₹ 1,717 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 2020-21, 12 loans totaling ₹ 6,000 crore were raised from the open market at interest rates varying from 6.36 per cent to 7.05 per cent and the same are redeemable during the period between 2028-2036. In addition, the State Government raised loans of ₹ 693 crore from the financial institutions. An amount of ₹ 7,744 crore was obtained from Ways and Means Advances/ Overdrafts from the RBI. Thus the total Internal Debt raised by the Government during the year 2020-21 aggregated to ₹ 14,437 crore. The Government also received ₹ 2,312 crore from Gol as loans and advances which includes debt of ₹ 1,717 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 December 2021.

### Borrowed funds viz-à-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 five years is given below:

(₹ in crore)

Year	2016-17	2017-18	2018-19	2019-20	2020-21
Budget Estimates	26,746	28,756	33,568	36,337	36,011
Actuals	25,344	27,053	29,442	30,730	33,535
Gap	(-)1,402	(-)1,703	(-)4,126	(-)5,607	(-)2,476
Percentage of variation of Actuals against BE	(-)5	(-)6	(-)12	(-)15	(-)7

(Source: Appropriation Accounts of respective years)

During 2020-21 around 71 per cent of the total revenue expenditure was incurred on committed expenses viz. on Salaries and Wages (₹ 11,904 crore), Interest payment (₹ 4,472 crore) Pensions (₹ 6,088 crore) and Subsidies (₹ 1,241 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)

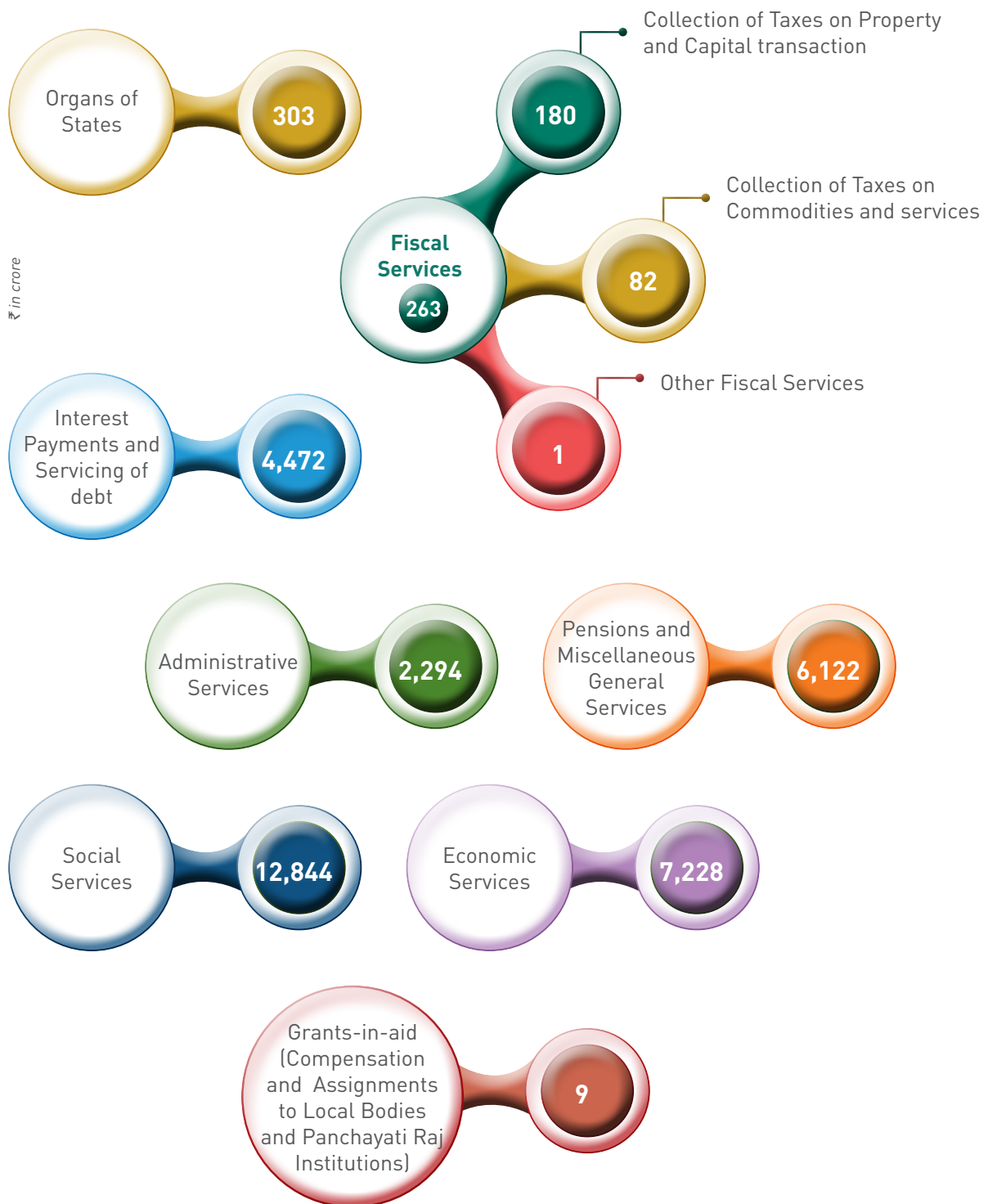
Component	2016-17	2017-18	2018-19	2019-20	2020-21
Total revenue expenditure	25,344	27,053	29,442	30,730	33,535
Committed revenue expenditure #	17,919	20,170	21,490	22,534	23,705
Percentage of committed revenue expenditure to total revenue expenditure	71	75	73	73	71
Uncommitted revenue expenditure	7,425	6,883	7,952	8,196	9,830

# 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 43 per cent from ₹ 6,883 crore in 2017-18 to ₹ 9,830 crore in 2020-21. The total revenue expenditure increased by 32 per cent from ₹ 25,344 crore in 2016-17 to ₹ 33,535 crore in 2020-21 and committed revenue expenditure increased by 32 per cent over the same period.



### 3.2.1 Sectoral distribution of Revenue Expenditure (2020-21)

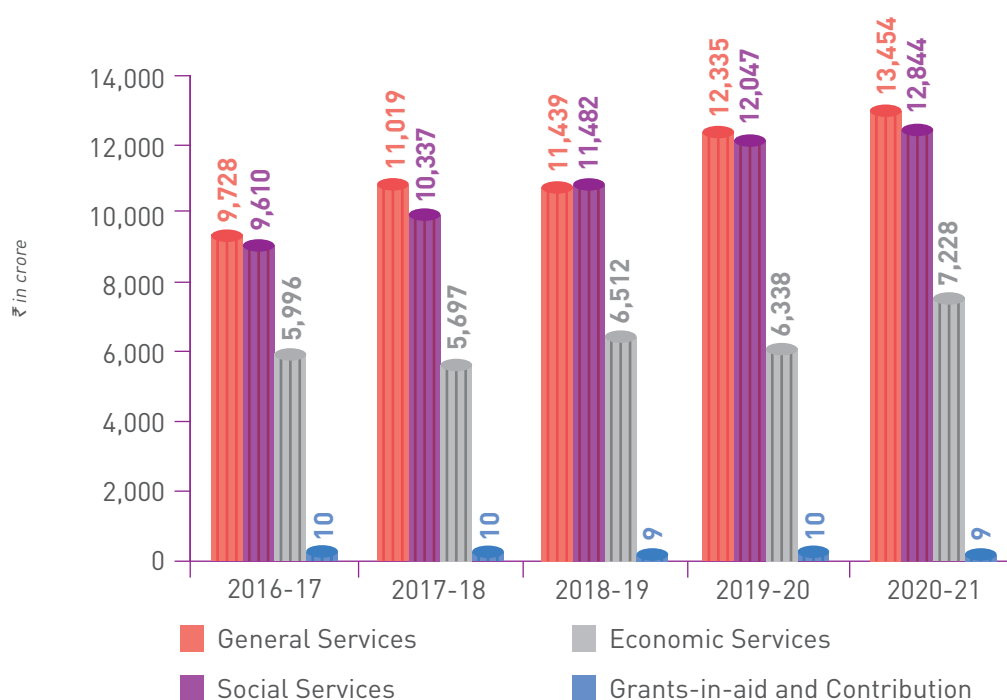


### 3.2.2 Major components of Revenue Expenditure 2016-17 to 2020-21

(₹ in crore)

Sector	2016-17	2017-18	2018-19	2019-20	2020-21
General Services	9,728	11,019	11,439	12,335	13,454
Social Services	9,610	10,337	11,482	12,047	12,844
Economic Service	5,996	5,697	6,512	6,338	7,228
Grants-in-aid and Contribution	10	10	9	10	9

#### 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 2020-21 amounting to ₹ 5,309 crore (3 per cent of GSDP) were less than Budget Estimates by ₹ 383 crore (₹ 295 crore under plan and ₹ 88 crore under non-plan). This can be seen from the table below:

(₹ in crore)

S.No.	Components	2016-17	2017-18	2018-19	2019-20	2020-21
1	Budget (B.E.)	3,190	3,475	4,240	5,943	5,692
2	Actual Expenditure (#)	3,499	3,756	4,583	5,174	5,309
3	Percentage of Actual Exp. to B.E.	110	108	108	87	93
4	Yearly growth in Capital Expenditure in per cent	22	7	22	13	3
5	GSDP	124,570	135,914	151,835	165,472	156,522
6	Yearly growth(+)/downfall(-) in GSDP in per cent	(+)13	(+)9	(+)12	(+) 9	(-)5

(#) Does not include expenditure on Loans and Advances

### 3.3.1 Sectoral distribution of Capital Expenditure

During 2020-21, the Government spent ₹ 297 crore on various Irrigation Projects (₹ 70 crore on Medium Irrigation and ₹ 227 crore on Minor Irrigation). Apart from above, the Government spent ₹ 2,316 crore on construction of roads and bridges and invested ₹ 114 crore in Statutory Corporations/ Boards, ₹ 188 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

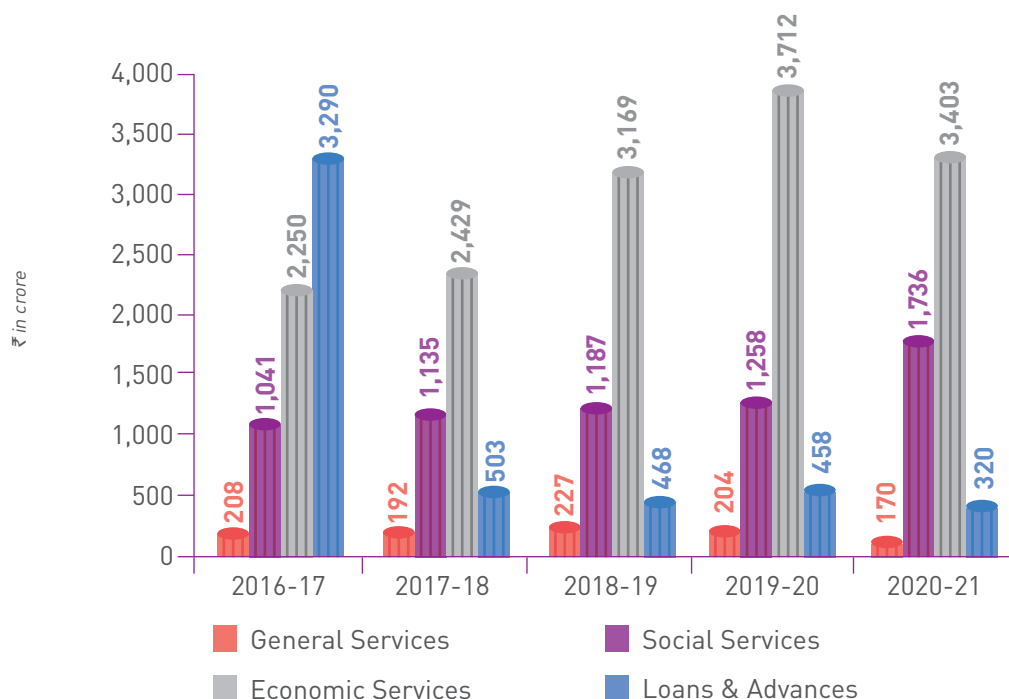
The comparative sectoral distribution of capital expenditure over the past five years is illustrated below:

(₹ in crore)

Sector	2016-17	2017-18	2018-19	2019-20	2020-21
General Services	208 (3)	192 (5)	227 (4)	204 (4)	170 (3)
Social Services	1,041 (15)	1,135 (27)	1,187 (24)	1,258 (22)	1,736 (31)
Economic Service	2,250 (33)	2,429 (57)	3,169 (63)	3,712 (66)	3,403 (60)
Loans and Advances	3,290 (48)	503 (12)	468 (9)	458 (8)	320 (6)

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)

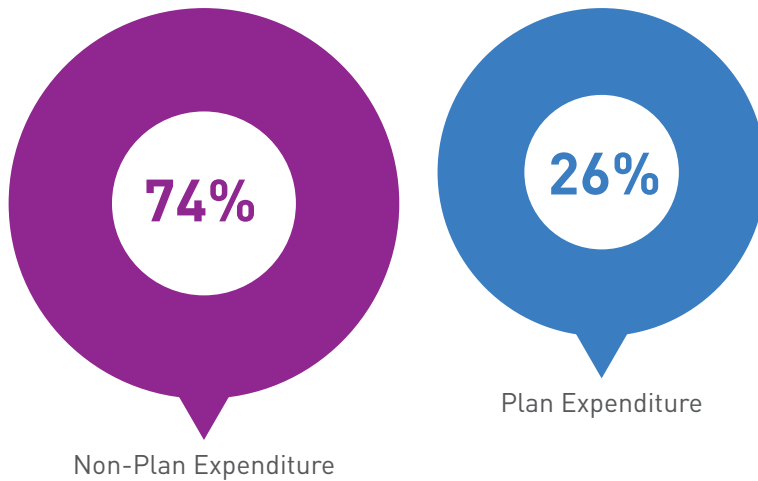
S.No.	Sector		2016-17	2017-18	2018-19	2019-20	2020-21
(A)	General Services	Capital	208	192	227	204	170
		Revenue	9,728	11,019	11,439	12,335	13,454
(B)	Social Services	Capital	1,041	1,135	1,187	1,258	1,736
		Revenue	9,610	10,337	11,482	12,047	12,844
(C)	Economic Service	Capital	2,250	2,429	3,169	3,712	3,403
		Revenue	5,996	5,697	6,512	6,338	7,228
(D)	Grants-in-aid and Contribution	Capital	NA*	NA*	NA*	NA*	NA*
		Revenue	10	10	9	10	9

\*Not Applicable

## Chapter IV

# Plan and Non-plan Expenditure

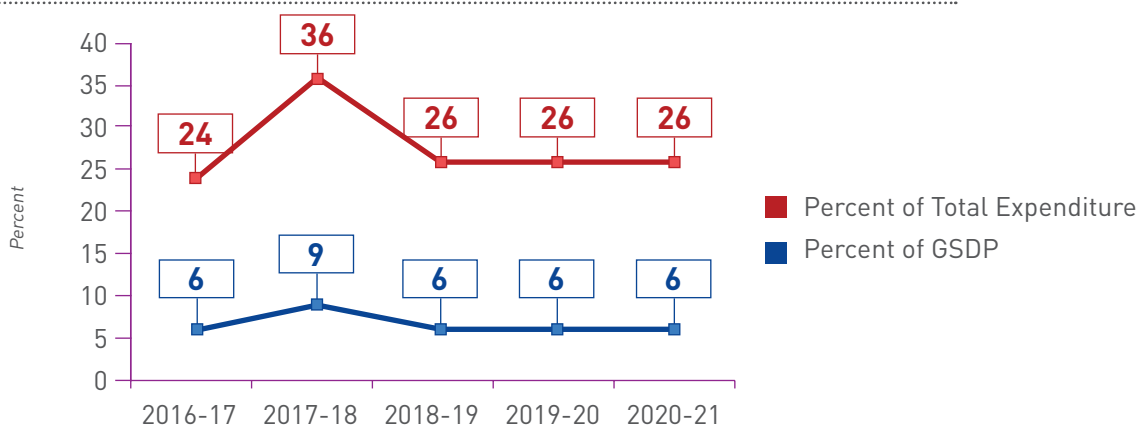
### 4.1 Distribution of Expenditure



### 4.2 Plan Expenditure

Plan expenditure (Revenue, Capital and Loans and Advances) during 2020-21 was ₹ 10,330 crore constituting 26 per cent of total expenditure of ₹ 39,164 crore. This comprised ₹ 6,454 crore under state plan, ₹ 3,876 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 increased by 24 per cent from ₹ 4,028 crore in 2019-20 to ₹ 4,983 crore in 2020-21. In capital sector it witnessed increase of 4 per cent from ₹ 4,820 crore in 2019-20 to ₹ 5,033 crore in 2020-21. The share of Centrally Sponsored Schemes/ Central Plan (Revenue ₹ 2,188 crore and Capital ₹ 1,688 crore) in plan expenditure increased from ₹ 3,723 crore in 2019-20 to ₹ 3,876 crore in 2020-21.

#### 4.2.1. Plan Expenditure under Capital Account

	2016-17	2017-18	2018-19	2019-20	2020-21
Total Capital Expenditure	3,499	3,756	4,583	5,174	5,629
Capital Expenditure (Plan)	6,275	3,791	4,542	5,268	5,346*
Percentage of Capital Expenditure (Plan) to total Capital Expenditure	179	101	99	102	95

\* Includes Loans and Advances of ₹ 313 crore.

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

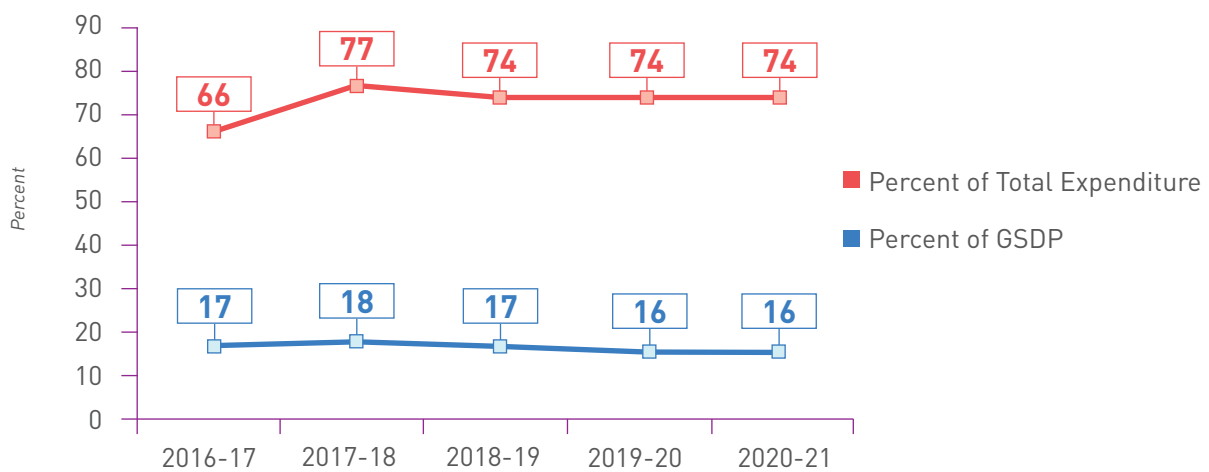
Significant disbursements of Loans and Advances were as under:

Major Heads	Amount (₹ in crore)	Purpose
6425 Loans for Cooperative	59	Integrated cooperative Development Project.
6801 Loans for Power Projects	254	Loans given to various power projects
Total	313	

### 4.3 Non-Plan Expenditure

Non plan expenditure (Revenue, Capital and Loans and Advances) during 2020-21 was ₹ 28,834 crore constituting 74 per cent of total expenditure of ₹ 39,164 crore. This comprised ₹ 28,804 crore under state non plan, ₹ 30 crore under centrally sponsored/ central non plans scheme and Nil on Loans and Advances. The expenditure on salary and wages amounting to ₹ 11,904 crore was 41 per cent of total Non-plan expenditure.

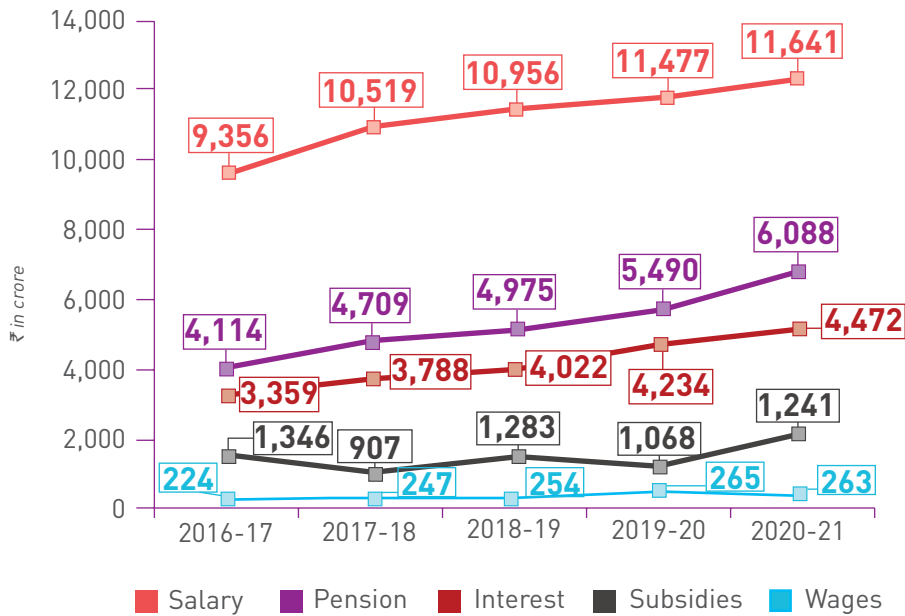
#### Non-Plan Expenditure as proportion of Total Expenditure and Gross State Domestic Product



## 4.4 Committed Expenditure

Expenditure on salaries and wages, pensions, subsidies and interest payments showed increase in 2020-21 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	2016-17	2017-18	2018-19	2019-20	2020-21
Committed Expenditure	17,919	20,170	21,490	22,534	23,705
Revenue Expenditure	25,344	27,053	29,442	30,730	33,535
Revenue Receipts	26,264	27,367	30,950	30,742	33,438
Percentage of committed expenditure to Revenue Receipts	68	74	69	73	71
Percentage of committed expenditure to Revenue Expenditure	71	75	73	73	71

The committed expenditure increased by 32 per cent during the period from 2016-17 to 2020-21 while revenue expenditure registered the growth of 32 per cent during the same period, thus the committed expenditure had maintained pace with revenue expenditure.



## Chapter V

# Appropriation Accounts

### 5.1 Summary of Appropriation Accounts

(₹ 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.	<b>Revenue</b>	34,111	542	3,300	31,353	28,991	(-)2,362
	Voted Charged	5,008	15	313	4,710	4,544	(-)166
2.	<b>Capital</b>	6,255	485	1,064	5,676	5,296	(-)380
	Voted Charged	--	20	--	20	14	(-)6
3.	<b>Public Debt</b> Charged	3,394	8,003	--	11,397	11,141	(-)256
4.	<b>Loans and Advances</b>						
	Voted Charged	360 --	60 --	59 --	361 --	320 --	(-)41 --
	<b>Total (Voted)</b> <b>Charged</b>	<b>40,726</b> <b>8,402</b>	<b>1,087</b> <b>8,038</b>	<b>4,423</b> <b>313</b>	<b>37,390</b> <b>16,127</b>	<b>34,607</b> <b>15,699</b>	<b>(-)2,783</b> <b>(-)428</b>

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

(₹ in crore)

Year	Savings(-) Excess (+)				
	Revenue	Capital	Public Debt	Loan & Advances	Total
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
2020-21	(-)2,528	(-)386	(-)256	(-)41	(-)3,210

### 5.3 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 2016-17 to 2020-21 are given below:

(₹ in crore)

Grant No.	Nomenclature	2016-17	2017-18	2018-19	2019-20	2020-21
1	Vidhan Sabha	--	3	3	1	6
2	Governor and Council of Ministers	--	--	3	5	4
3	Administration of Justice	15	12	33	54	55
4	General Administration	13	14	21	78	45
5	Land Revenue and District Administration	87	--	--	659	116
6	Excise and Taxation	2	7	14	14	2
7	Police and Other Organisation	51	82	147	233	336
8	Education	866	665	981	1,141	1,362
9	Health and Family welfare	299	216	340	403	498
10	Public Works- Roads Bridges and Buildings	46	42	283	1,018	906
11	Agriculture	27	11	75	42	89
12	Horticulture	--	103	19	80	18
13	Irrigation, Water Supply and Sanitation	--	119	152	180	162
14	Animal Husbandry Dairy Development and Fisheries	35	45	74	75	80
15	Planning and Backward Area Sub Plan	47	30	32	138	240
16	Forest and Wild Life	61	88	131	152	174
17	Election	--	--	--	11	6
18	Industries Minerals Supplies and Information Technology	9	11	119	120	49
19	Social Justice and Empowerment	25	60	32	114	70
20	Rural Development	122	403	390	357	163
21	Co-operation	10	3	4	4	3
22	Food and Civil Supplies	41	55	--	5	30
23	Power Development	146	383	185	286	7
24	Printing and Stationary	--	--	--	2	3
25	Road and Water Transport	1	2	2	31	6
26	Tourism and Civil Aviation	--	--	--	85	947
27	Labour Employment and Training	77	206	40	40	123
28	Urban Development, Town and Country Planning and Housing	42	25	119	93	101
29	Finance	87	304	1,185	1,535	1,925
30	Miscellaneous General Services	14	8	13	18	10
31	Tribal Area Sub Plan	198	301	408	466	491
32	Scheduled Caste Sub Plan	420	236	545	745	414

The persistent and substantial savings had taken place under Finance, Education, Tourism and Civil Aviation, Public works- Roads Bridges and Buildings, Health and Family Welfare, Tribal Area Sub Plan, Scheduled Caste Sub Plan, Land Revenue and District Administrations. This indicated that some of the schemes approved by the Legislature under these grants have been given lesser priority during implementation. This can be attributed either to over estimation of budget or to the Government's desire to keep its fiscal deficit within the ceiling.

During 2020-21 supplementary grants totaling ₹ 9,125 crore (17.66 per cent of total expenditure of ₹ 53,139 crore) proved to be unnecessary in some cases. In below mentioned cases the supplementary grant proved unnecessary:-

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
25	5055-Capital Outlay on Roads Transport- 190- Investment in Public Sector and Other Undertakings- 03-Construction of Road Transport office Building of Transport Department	Capital	0	1	0
28	2215-Water Supply and Sanitation- 02-Sewerage and Sanitation- 105-Sanitation Services- 04-Maintenance and Repairs-	Revenue	0	10	0

On the other hand, a few instances where there was excess expenditure at the end of the year even after supplementary allocations were made as given below:-

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
09	4210- Capital Outlay on Medical and Public Health- 03- Medical Education Training and Research- 105- Allopathy- 01-Medical College-	Capital	10	78	114
09	4210- Capital Outlay on Medical and Public Health- 03- Medical Education Training and Research- 105- Allopathy- 03-Dr. Rajendra Prasad Medical College Tanda-	Capital	12	11	36
19	2235- Social Security and Welfare- 60- Other Social Security and Welfare Programs- 102- Pension under Social Security Scheme- 01- Old Age Pension under Social Security Scheme-	Revenue	38	9	54

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
25	5002-Capital Outlay on Indian Railways- Commercial Lines- 01-Capital Bearing Dividend Liability- 120- New lines Construction- 01- Construction of Railway Lines-	Capital	38	43	88

Budget provision of ₹ 453.70 crore was made through re-appropriation in March 2021 in five grants viz. Grants No. 08, 14, 29, 30 and 31. 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
08	2202- General Education- 04- Adult Education- 200- Other Adult Education programs- 03-Pardhna Likhna Abhiyan	Revenue	0	0	2	2
14	2405- Fisheries- 101- Inland Fisheries - 10- Prdhan Mantry Matsya Sampda Yojna -	Revenue	0	0	5	5
14	2405- Fisheries- 101- Inland Fisheries - 10- Prdhan Mantry Matsya Sampda Yojna -	Revenue	0	0	1	1
29	6003-Internal Debt of State Government- 110-Ways and means Advances from RBI- 02- Special Drawing Facilities-	Capital	0	0	453	453
30	4220-Capital Outlay on Information and Publicity 60-Others- 101-Buildings- 02- Construction of Press Club Building-	Capital	0	0	0.05	0.05
31	2202- General Education- 04-Adult Education- 796-Tribal Area Sub Plan- 03-Pardhna Likhna Abhiyan-	Revenue	0	0	0.03	0.03

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

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supple- mentary	Re- Appropriation	Actual Expenditure
13	2701-Medium Irrigation- 16-Flow Irrigation Scheme- 799- Suspense- 01-Stock-	Revenue	1	0	1	0
13	4215-Capital Outlay on Water Supply and Sanitation- 01-Water Supply- 102- Rural Water Supply- 24-Chief Minister Rural Water Supply Scheme (EAP)NDB-	Capital	38	0	38	0
13	4701-Capital Outlay on Medium Irrigation- 21-Nadaum Area Medium Irrigation Project (Non Commercial) 800-Other Expenditure- 01-Nadaun Area Medium Irrigation Project-	Revenue	2	0	2	0
18	2851-Village and Small Industries- 102-Small Scale Industries- 29-Inventive under Chief Minister Start-up Schemes-	Revenue	2	0	2	0
19	2235-Social Security and Welfare- 60-Others- 800- Other Expenditure- 06- Pensioners Reserve Fund With Finance Department-	Revenue	50	0	50	0
20	2216-Housing- 03-Rural Housing- 102-Provision of Housing Site to Land less- 09-Sawarn Jyanti Asherya Awass Yojna-	Revenue	25	0	25	0

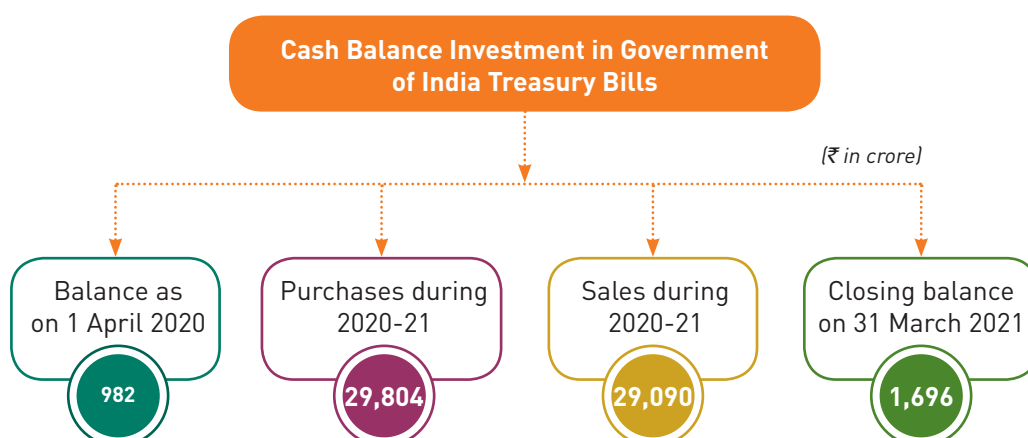
## Chapter VI

# 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 during 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 ₹ 2,630 crore at the end of the year of 2020-21. However, dividends received during the year were ₹ 245 crore (i.e 5 *per cent*) on total investment (₹ 4,562 crore). At the end of the year 2020-21, investments increased by ₹ 301 crore and dividend income decreased by ₹ 3 crore. Cash Balance with RBI which stood at ₹ 78 crore on 1 April 2020 decreased to ₹ 60 crore at the end of March 2021. In addition, Government had invested an amount of ₹ 26,728 crore on 94 occasions in 14 days Treasury Bills and ₹ 3,076 crore on two occasions on 91 days Treasury Bills and rediscounted 14 days Treasury Bills worth ₹ 26,807 crore on 141 occasions and ₹ 2,283 crore 91 days Treasury Bills were rediscounted on one occasion during 2020-21. The position of investment during the year 2020-21 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. Gol determines, from time to time, the limit up to which State Government can borrow from the market. The limit for 2020-21 was ₹ 9,449 crore. Against this, the Government of Himachal Pradesh availed open market borrowing of ₹ 6,000 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
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
2020-21	46,180**	28**	22,702	15	68,882**	43**

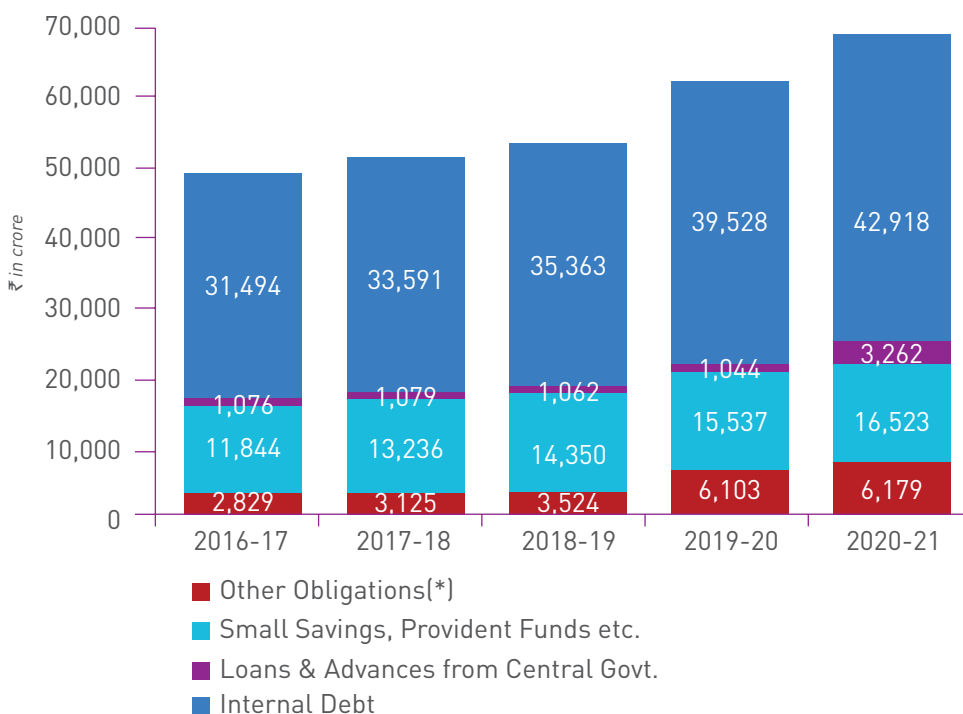
\* Excludes suspense and remittance balance.

Note: Figures are progressive balance to end of the year

\*\*This debt includes ₹ 1,717 crore, which was passed on as back to back loans by Gol in lieu of shortfall in GST Compensation, However this amount of ₹ 1,717 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"

Public Debt and other liabilities showed a net increase of ₹ 6,670 crore ( 11 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 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 2016-17 to 2020-21 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
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#
2020-21	2,299	2,142*	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 2021 no adverse balance is appearing in accounts of State Government.

### 7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2020-21 was ₹ 7,688 crore. Out of this, loans and advances to government corporation/companies, non-government institutions and local bodies amounted to ₹ 320 crore. Recovery of principal aggregating to ₹ 97 crore was in arrears at the end of 31 March 2021. The information relating to recovery of interest in arrear was not made available by the State Government. During 2020-21 only ₹ 23 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.

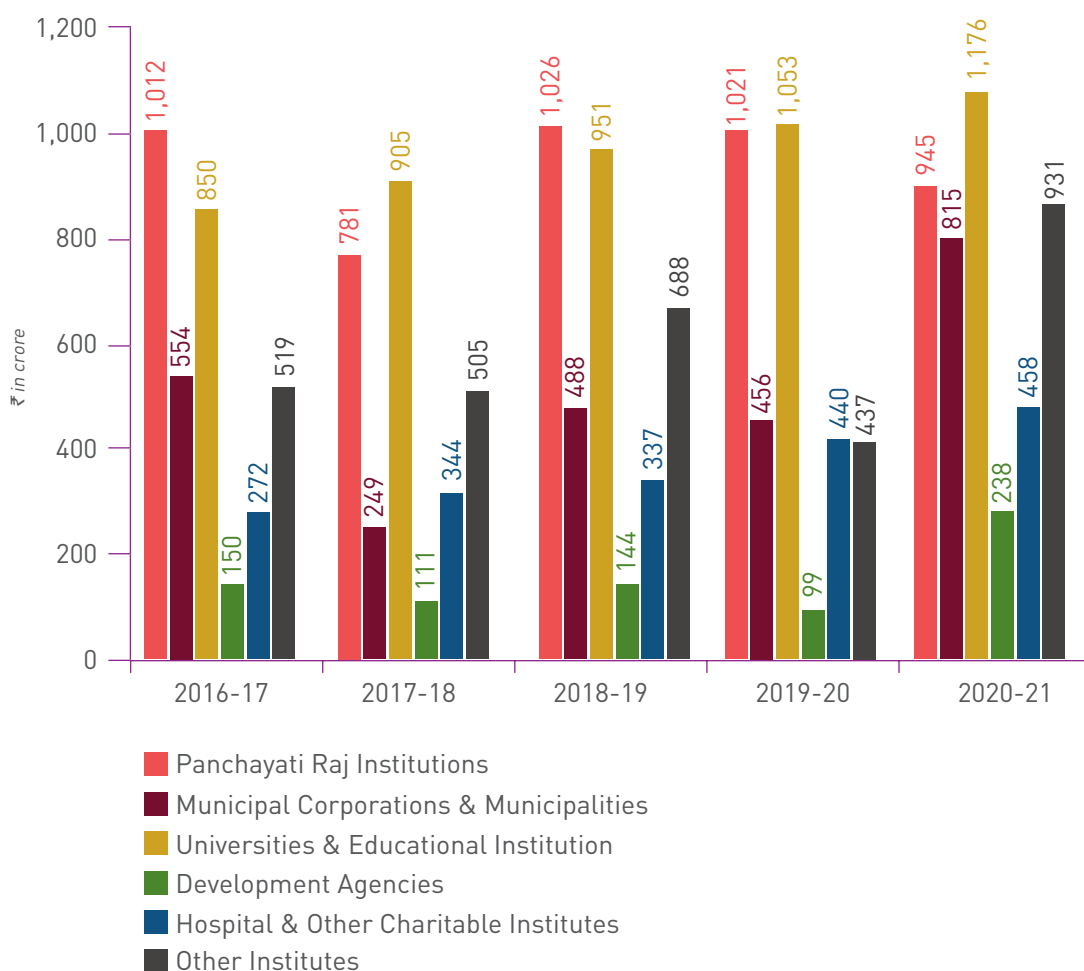
### 7.3 Financial Assurances to Local bodies and Others

Grants-in-aid given to local bodies, autonomous bodies etc. increased from ₹ 3,357 crore in 2016-17 to ₹ 4,563 crore in 2020-21. Grants to Zilla Parishads and Panchayat Raj Institutions, Municipal Corporations and Municipalities (₹ 1,760 crore) represent 39 *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	2016-17	2017-18	2018-19	2019-20	2020-21
1	Zilla Parishads & Panchayati Raj Institutions	1,012	781	1,026	1,021	945
2	Municipal Corporations & Municipalities	554	249	488	456	815
3	Universities & Educational Institution	850	905	951	1,053	1,176
4	Development Agencies	150	111	144	99	238
5	Hospital & Others Charitable Institutes	272	344	337	440	458
6	Other Institutes	519	505	688	437	931
	<b>Total</b>	<b>3,357</b>	<b>2,895</b>	<b>3,634</b>	<b>3,506</b>	<b>4,563</b>



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	2016-17	2017-18	2018-19	2019-20	2020-21
1	Zilla Parishads	--	15	29	27	66
2	Panchayati Samities	--	11	24	9	66
3	Gram Panchayats	326	321	370	501	332
4	Municipal Corporations	245	43	72	41	220
5	Municipalities	143	28	72	67	160
6	Educational Institution	1	--	--	20	1
7	Development Agencies	35	38	41	41	47
8	Statutory Corporations	10	10	12	12	7
9	Cooperative Institution	1	1	1	1	1
10	Social Welfare	--	--	--	--	25
11	Universities	--	--	--	--	1
12	Others	213	206	213	126	114
	<b>Total</b>	<b>974</b>	<b>673</b>	<b>834</b>	<b>845</b>	<b>1,040</b>

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

(₹ in crore)

Component	As on 1 April 2020	As on 31 March 2021	Net increase(+)/ decrease(-)
Cash Balances	(+)78	(+)60	(-)18
Investment from cash balance (GOI Treasury Bills)	(+)982	(+)1,696	(+)714
Investment from earmarked fund balances	...	...	...
(a) Sinking Fund	...	...	...
(b) Guarantee Redemption Fund	...	...	...
(c) Other Funds	...	...	...
Interest realized during the year	55	32	(-)23

State Government had closing cash balance of ₹ 60 crore at the end of 31 March 2021. Interest receipt on the investment of cash balance decreased by 42 *per cent* from ₹ 55 crore in 2019-20 to ₹ 32 crore in 2020-21.

## **7.5 Reconciliation of Accounts**

All Controlling Officers are required to reconcile receipts and expenditure of the Government with the figures accounted for by the Principal Accountant General (A&E). During the year, receipts amounting to ₹ 33,441 crore (100 *per cent* of total receipts) and expenditure amounting to ₹ 38,844 crore (100 *per cent* of total expenditure) were reconciled by the State Government.

## **7.6 Submission of Accounts by Accounts rendering units**

The Finance Accounts 2020-21 present the transactions of the Government of Himachal Pradesh for the period 1st April 2020 to 31 March 2021. 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, 89 Public Works Divisions, 61 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**

In terms of the Rule 187 of Himachal Pradesh Treasury Rules 2017, the advance drawals on A.C. bills shall be permitted for specific circumstances by DDOs as specified by the Finance Department for reasons to be recorded in writing. The DDOs may draw advances subject to availability of funds in relevant Standard Object of Expenditure. But at a time only one advance can be granted/ passed by DTO/TO. The advance shall have to be duly adjusted during the same financial year. It shall be the responsibility of the DDO concerned to get the advance adjusted during the same financial year in which it is drawn. Advance may be authorized in the month of March as well, but it shall be the responsibility of the DDO/HoD to ensure that these are adjusted before the close of financial year. The second advance shall only be authorized when first has been duly adjusted.

The DTO/TO shall enter advances separately in the advance register. They shall monitor that these are accounted for within the same financial year through submission of the detailed contingent bill to Principal Accountant General (A&E), by the Treasury concerned. However, 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:-

Name of Minor Head	2016-17		2017-18		2018-19		2019-20		2020-21	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8,658-Suspense Accounts										
101-Pay and Accounts Office-Suspense	77	30	86	37	96	35	125	57	139	67
<b>Net</b>	<b>47 Dr.</b>		<b>49 Dr.</b>		<b>61 Dr.</b>		<b>68 Dr.</b>		<b>72 Dr.</b>	
102-Suspense Account (Civil)	275	275	171	164	150	132	1,551	164	1,854	223
<b>Net</b>	<b>-nil-</b>		<b>7 Dr.</b>		<b>18 Dr.</b>		<b>1,387 Dr.</b>		<b>1,631 Dr.</b>	
110-Reserve Bank Suspense -Central Accounts Office	0	0	0	0	1	0	3,755	3,755	2	2
<b>Net</b>	<b>-nil-</b>		<b>-nil-</b>		<b>1 Dr</b>		<b>Nil</b>		<b>Nil</b>	
112-Tax Deducted at Source (TDS) Suspense	380	395	400	454	484	497	448	468	471	498
<b>Net</b>	<b>15 Cr.</b>		<b>54 Cr.</b>		<b>13 Cr.</b>		<b>20 Cr.</b>		<b>27 Cr.</b>	
129-Material Purchase Settlement Suspense Account	176	399	271	348	164	306	140	244	82	219
<b>Net</b>	<b>223 Cr.</b>		<b>77 Cr.</b>		<b>142 Cr.</b>		<b>104 Cr.</b>		<b>137 Cr.</b>	
<b>(b) 8,782-Cash Remittances and adjustments between rendering accounts to the same Accounts Office</b>										
102-Public Works Remittances	6,342	6,652	6,668	7,037	7,185	7,661	7,508	8,105	6,841	7,372
<b>Net</b>	<b>310 Cr.</b>		<b>368 Cr.</b>		<b>475 Cr.</b>		<b>597 Cr.</b>		<b>531 Cr.</b>	
103-Forest Remittances	139	163	120	151	152	187	125	142	0	17
<b>Net</b>	<b>24 Cr.</b>		<b>31 Cr.</b>		<b>36 Cr.</b>		<b>17 Cr.</b>		<b>17 Cr.</b>	

## 7.9 Status of Outstanding Utilization Certificate

In terms of Rule 157 of the Himachal Pradesh Financial Rules 2009, institutions or organizations receiving grants shall furnish audited utilization certificate to the Government after utilization of Grant-in-aid. However, no timeline has been fixed for submission of UCs, in HPFR. Utilisation Certificates are insisted from the authorities based on provisions contained in CAG MSO (A&E) Volume - I and conditions laid in the sanction orders of the grants.

To the extent of non-submission of UCs, there is no assurance that the amount shown in Finance Accounts had reached the beneficiaries and thus the expenditure cannot be vouched as correct or final.

During the year 2020-21, outstanding UCs of ₹ 2,777 crore pertaining previous years were cleared. The position of outstanding UCs as on 31 March 2021 is given below:

Year (*)	Number of Utilization Certificates awaited	Amount (₹ in crore)
Upto 2018-19	573	584
2019-20	914	1,003
2020-21	1,312	1,971
<b>Total</b>	<b>2,799</b>	<b>3,558</b>

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

## Net additions in UCs during the year 2020-21 for ₹ 2,528 crore (clearance upto 09/2021) involving 2,124 numbers of UCs, will be due in the year 2021-22.

Major defaulting departments that had not submitted UCs were Panchayati Raj Department (₹ 1,270 crore, 35.68 per cent), Urban Development Department (₹ 746 crore, 20.96 per cent), Rural Development Department (₹ 455 crore, 12.79 per cent), Ayush Department (₹ 350 crore, 9.84 per cent), Education Department (₹ 341 crore, 9.58 per cent).

## 7.10 National Pension System

The State Government employees recruited on or after 15 May 2003 are covered under the National Pension System (NPS) which is a Defined Contribution Pension Scheme. In terms of the Scheme, the employee contributes 10 per cent of his/her basic pay and dearness allowance, and 14 per cent (w.e.f.01 April 2019) of basic pay and dearness allowance is contributed by the State Government; and the entire amount is to be transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank.

During the year 2020-21, total contribution to NPS was ₹ 956 crore (Employees contribution ₹ 392 crore, Government contribution ₹ 564 crore and interest ₹ 0.02 crore) which was accounted for in the Public Account under Major Head 8342-117 Defined Contribution Pension scheme (DCPS). The Government contribution to DCPS differed from the amount shown under Major Head 2071-01-117 by ₹ 19 crore. As intimated by the State Government vide letter dated 13 January 2022, the reason for differences in figures may be due to return of Government share by non-NPS subscribers, who were earlier in NPS but have returned to old pension scheme due to Court orders. Their 50 per cent Government Share deposited directly through e-Challan in 8342-00-117-02.

During the year 2020-21, the State Government transferred ₹ 947 crore from the Major Head 8342-117 Defined Contribution Pension scheme to NSDL. However, the State Government intimated vide letter dated 13 September 2021 that during the year 2020-21 an amount of ₹ 948 crore was transferred to NSDL/Trustee Bank. The balance amount of ₹ 8 crore (O.B, ₹ 2 crore Dr.) was yet to be transferred to NSDL. Uncollected, unmatched and un-transferred amounts, with accrued interest, represents outstanding liabilities of the Government under the Scheme.

## 7.11 Personal Deposit Accounts

Personal Deposit (PD) accounts enable designated Drawing Officers to incur expenditure for specific purposes pertaining to a scheme; by debiting the service heads in the Consolidated Fund of the State and crediting the Personal Deposits under the Major Head "8443-Civil Deposits" and the Minor Head "106-Personal Deposits". Administrators of PD accounts are required to close such accounts on the last working day of the financial year and transfer the unspent balances back to the Consolidated Fund.

During 2020-21, no amount has been transferred to PD accounts by debiting Consolidated Fund of State. However, an amount of ₹ 0.16 crore was credited to the PD account through challans. This includes ₹ 0.05 crore credited in March 2021 which was 31.25 *per cent* of the total credit to PD account during the year. As amount of ₹ 0.03 crore was credited on the last working day of March 2021.

In terms of Rule 200 (4) of H.P. Treasury Rules 2017, a Passbook in HPFR Form 23 is maintained by the administrator of the fund and is sent to the DTO/TO at least once in a month. The District Treasury Officer (DTO)/ Treasury officer (TO) is responsible for seeing that the entries on each side of the Passbook are totaled and the balance struck and agreed with the Treasury account. The book shall then be signed by the DTO/TO. A certificate from the Administrator of every PD account to the effect that the balance claimed is of the same amount and agrees with the Treasury figures, shall be obtained at the closing of the year.

The Administrators of PD accounts had reconciled and verified their balances with the treasury figures and the annual verification certificate was also furnished by them to the TO for onward transmission to the Principal Accountant General (A&E) Office.

Details of PD accounts as on 31 March 2021 are given below:

(₹ in crore)

Opening Balance as on 01 April 2020		Addition during the year 2020-21		Closed/Withdrawal during the year 2020-21		Closing Balance as on 31 March 2021	
Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount
112	3	01	(-)0.13*	01	1	112	2

\* Negative amount appears as lapsed amount is more than the receipt credited during 2020-21.

## 7.12 Investment

Information on Government investments appearing in Statements 8 and 19 of the Finance Accounts is based on the accounts and sanctions received by the Principal Accountant General (A&E), but the has not been confirmed by the concerned departments (including Finance) and the investee entity. The Government had invested ₹ 301 crore during 2020-21. Government investment of ₹ 4,562 crore as on 31 March 2021 yielded dividend of ₹ 245 crore (5.38 *per cent*) during 2020-21.

Details of Government investments as on 31 March 2021 are given as follows:-

(₹ in crore)

Category	Number of entities	Investment at the end of the year 2020-21
Statutory Corporation	6	1,793
Government Companies	24	1,608
Other Joint Stock Companies and Partnership	14	1,098
Co-operative Banks & Societies	26	63
<b>Total</b>	<b>70</b>	<b>4,562</b>

### 7.13 Cash Balance (Deposit with Reserve Bank of India)

The Cash balance as on 31 March 2021 as per record of Accountant General was ₹ 60 crore (Debit) and that reported by the RBI was ₹ 61 crore (Credit). There was a net difference of ₹ 1 crore (Credit), mainly due to incorrect reporting of transactions and non-reconciliation by the Agency Banks. The difference is under reconciliation.

The differences in Cash Balance for the previous years are as follows:

(₹ in crore)

Year	Cash Balance
Upto 2015-16	12 Dr.
2016-17	9 Cr.
2017-18	57 Cr.
2018-19	4 Cr.
2019-20	17 Dr.
2020-21	1 Cr.

### 7.14 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.

### 7.15 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.



## 7.16 State Disaster Response Fund/National Disaster Response Fund

In terms of guidelines on constitution and administration of the State Disaster Response Fund (SDRF) (under Major Head-“8121 General & Other Reserve Funds” which falls 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 2020-21, the State Government received ₹ 409 crore as Central share of SDRF. The State Government transferred ₹ 454 crore (Central share ₹ 409 crore and State share ₹ 45 crore) to the Fund under Major Head 8121-122 SDRF. The State Government also received ₹ 3 crore from the Central Government towards NDRF and the same has been transferred to the fund under Major Head 8235-125 NDRF.

The contributions to the Fund, expenditure and the balance therein are as under:

(₹ in crore)

Fund Name	Opening balance (01 April 2020)	Contribution by Centre	State Share	Total receipts during the year	Amount set off (MH 2245-05)	Balance in the fund	Invested by RBI/State Government during the year
SDRF	227	409	45	454	447	234	Nil
NDRF	519	3	--	3	3	519	Nil
<b>Total</b>	<b>746</b>	<b>412</b>	<b>45</b>	<b>457</b>	<b>450</b>	<b>753</b>	<b>Nil</b>

The expenditure of ₹ 450 crore incurred on natural calamities was set off (MH 2245-05-901) against the Fund balance of ₹ 1203 crore. The balance lying under the Fund as at the end of 31 March 2021 was ₹ 753 crore.

## 7.17 State Compensatory Afforestation Fund

In compliance with the instructions issued by the Ministry of Environment and Forests, GoI 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 (SCAF) for amounts received from user agencies and utilisation of 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 money received by the State Governments from the user agencies need to be credited in “State Compensatory Afforestation Deposits” under interest bearing section in Public Account 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 per cent to be credited into the National Fund on yearly basis provided that, the credit 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.

During the year 2020-21, the State Government did not receive any amount from the user agencies. The State Government credited total interest of ₹ 107 crore on balances available under "SCAF" to Major Head 8121. An amount of ₹ 119 crore from "SCAF" was set off under (MH 2406-04-904) during the year. The total balance in the "State Compensatory Afforestation Fund" as on 31 March 2021 was ₹ 1,649 crore.

### 7.18 Cess levied by the State Govt.

(a) Building and Other Construction Workers Welfare Cess:

The GoI enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) to levy and collect Cess for providing benefits to the workers. The Act, inter alia, mandated constitution of a Building and Other Construction Workers' Welfare Board and framing of rules by every State Government to exercise the powers conferred under the Act. Accordingly, the Government of Himachal Pradesh framed Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008 under the Act and constituted H.P. Building and Other Construction Workers Welfare Board. The Board is responsible for the operation and maintenance of the amount credited by Government as Labour Cess Deposits.

The information regarding collection of Labour Cess by the State Government and its transfer to the Building and Other Construction Workers Welfare Board is not available with office of the Principal Accountant General (A&E). However, as per information supplied by H.P. Building and Other Construction Workers Welfare Board, the position of the Fund as on 31 March 2021 (tentative figures) is as under:

(₹ in crore)

Opening Balance	Cess collected during 2020-21	Expenditure		Balance as on 31 March 2021
		Disbursement in respect of administrative Expenditure	Funds Utilised for Welfare Schemes	
664	106	2	111	657

### 7.19 Parking of monies in the Savings Bank Account of DDOs

Rule 184 (1) of Himachal Pradesh Treasury Rules & Detailed Treasury Procedure 2017 (HPTR & DTP 2017) stipulates that drawing money and depositing them in the cash chest or bank is a serious irregularity. Further, Rule 183 (V) of HPTR & DTP 2017 states that no money is to be withdrawn from the treasury unless it is required for immediate disbursement.

Test check of transactions revealed that during 2020-21, an amount of ₹ 1,350 crore was drawn from Treasury and transferred to the Bank accounts of DDOs, without transferring to the beneficiary concerned. Out of ₹ 1,350 crore, ₹ 189 crore relates to expenditure under Major Head "2235-Social Security & Welfare" and ₹ 358 crore relates to Major Head "2245- Relief on account of Natural Calamities". Scrutiny of six bank details provided by the State Government revealed that an amount of ₹ 119 crore remained unutilised in the bank accounts of six officials as detailed below:

Sl. No.	Officials Description	Bank Account No.	Balance in Bank account as on 31 March 2021
1	State relief Commissioner, Disaster Management	435101101078	103
2	District Revenue officer, Kangra, Dharamshala	33194600000459	1
3	Director, Agriculture, NDRF SDRF	427000106808628	10
4	DC Kangra at Dharamshala	50024895333	1
5	DC Bilaspur, HP	218010100031247	3
	<b>Total</b>		<b>118</b>

## 7.20 Funds transferred to Autonomous Bodies, etc.

The State Government provides funds to P.R./U.L.B. P.S.U., Autonomous Bodies and Authorities etc., as grants for implementation of Central Sector Schemes, Centrally Sponsored Schemes and State Schemes. During 2020-21, an amount of ₹ 4,563 crore was given by the State Government to various implementing agencies for implementation of Government scheme/ works/ programmes. The aggregate amount of unspent balances in the accounts of the implementing agencies kept outside the Government Accounts (in bank Accounts) is not readily ascertainable. The Government expenditure as reflected in the Accounts to that extent is, therefore, not final.

## 7.21 Compliance with Accounting Standards

(a) **IGAS 1-** Guarantees given by the Governments: IGAS-1 requires that sector-wise and class-wise disclosures on guarantees given by the State Government should be incorporated in Finance Accounts. Statements 9 and 20 show the details of Guarantees given by the State Government and the interest on the guaranteed amount. Although sector-wise details have been disclosed, class-wise details were not incorporated in Finance Accounts of the State.

The details on Guarantees reported in Statements 9 and 20 prepared as per IGAS 1, are on the basis of the information provided by the State Government.

(b) **IGAS 2-** Accounting and classification of Grants-in-aid: As per IGAS-2, expenditure relating to Grants-in-aid should be classified as revenue expenditure even if it involves creation of assets, except in cases specifically authorized by the President on the advice of the Comptroller and Auditor General of India. Requirements regarding accounting and classification of Grants-in-aid given by the State Government have been depicted in Statement 10 and Appendix III which are prepared as per the requirements of IGAS 2. Detailed information in respect of Grants-in-aid given in kind has also not been furnished by the State Government. Further, IGAS prescription as regards to obtaining the Utilization Certificates before providing next installments to the grantees was not ensured. So, in view of above, IGAS-2 is not fully complied with.

(c) **IGAS 3-** Loans and Advances made by the Government: IGAS-3 requires disclosure on Loans and Advances made by the Union and the State Governments. Statements 7 and 18 of the Finance Accounts of H.P. have been prepared incorporating the disclosures under IGAS 3. The details of loan and advances reported in these Statements of the Finance Accounts are based on

information received through the accounts rendered to the Principal Accountant General (A&E) and detailed accounts maintained by the Principal Accountant General (A&E) in respect of loans and advances made to Government servants. The closing balances depicted in Statements 7 and 18 as on 31 March 2021 have not been reconciled with the Loanee Entities/State Government.

Departments of the State Government had sanctioned loans aggregating ₹ 7,658 crore to various Autonomous Bodies/ PSU's, other bodies etc. till end of 31 March 2021. In respect of old loans amounting to ₹ 97 crore involving six departments, in respect of which the detailed accounts are maintained by the Principal Accountant General (A&E), recoveries of principal and interest have not been effected during the past several years. Out of these, recoveries of loans of five departments were pending for more than 10 years. The previous loans were given during the period 1,985-86 to 2015-16. List of departments is given in Statement No. 07, Section 3.

Recovery of loans given to Statutory Bodies/PSUs, etc. amounting to ₹ 3,052 crore was overdue at the end of the year (details in Statement 7, Section 3).

The Principal Accountant General (A&E) annually communicates loan balances (where detailed accounts are maintained by the Principal Accountant General) to the loan sanctioning departments for verification and acceptance.

Details of information awaited from Departmental/Treasury Officers for Reconciliation of Balances have been provided in Appendix-VII of Finance Accounts.

## **7.22 Booking of transactions under Objection Book Suspense Accounts**

During 2020-21, an amount of ₹ 228 crore (Revenue Expenditure ₹ 82 crore and Capital Expenditure ₹ 146 crore) has been kept in Suspense Account in the books of the Principal Accountant General (A&E) due to non-furnishing of sub-vouchers, sanction orders and other required documents. Thus, the said amount has not been taken into account as Revenue expenditure/ Capital expenditure in the Finance Accounts and actual expenditure in the Appropriation Accounts against the budget provisions for the year 2020-21.



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