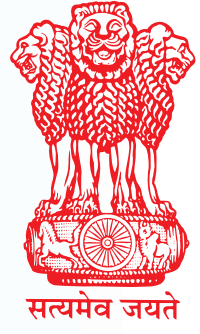




SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



ACCOUNTS at a Glance

for the year
2022-23



GOVERNMENT OF HIMACHAL PRADESH



Accounts at a Glance for the year 2022-23

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



GOVERNMENT OF HIMACHAL PRADESH

Preface

I am happy to present the twenty fifth issue of our annual publication, the 'Accounts at a glance' for the year 2022-23, which provides an overview of activities of Governmental Himachal Pradesh, as reflected in the Finance Accounts and Appropriation Accounts.

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

Finance and Appropriation Accounts are prepared annually by my office under the direction of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971 for being laid before the Legislature of the State.

We look forward to suggestions.

Shimla

Date: 05 December 2023

Pr. Accountant General (A&E)

Our Vision, Mission and Core Values

VISION

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

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

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

MISSION

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

CORE VALUES

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

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

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Chapter I

Overview

1.1 Introduction

The office of the Principal Accountant General (Accounts and 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, 93 Public Works Divisions (74 Building and Roads, 08 National Highway, 06 Mechanical, 05 Electrical), 70 Divisions of Jal Shakti Vibhag, accounts rendered by the other states/ accounting offices and advices of Reserve Bank of India. Every month a Monthly Civil Account is submitted by the office of the Principal Accountant General (A&E) to the Government of Himachal Pradesh. The office of Principal Accountant General (A&E) also submits to the State Government a quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government. The Principal Accountant General (A&E) also prepares, annually, Finance Accounts and the Appropriation Accounts which are placed before the State Legislature after audit by the Principal Accountant General (Audit), H.P and certification by the Comptroller and Auditor General of India.

1.2 Structure of Government Accounts

1.2.1 Government accounts are kept in three parts:

Structure of Government Accounts

● **Part 1** **CONSOLIDATED FUND**

All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) form the Consolidated Fund.

All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon), are met from this fund.

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

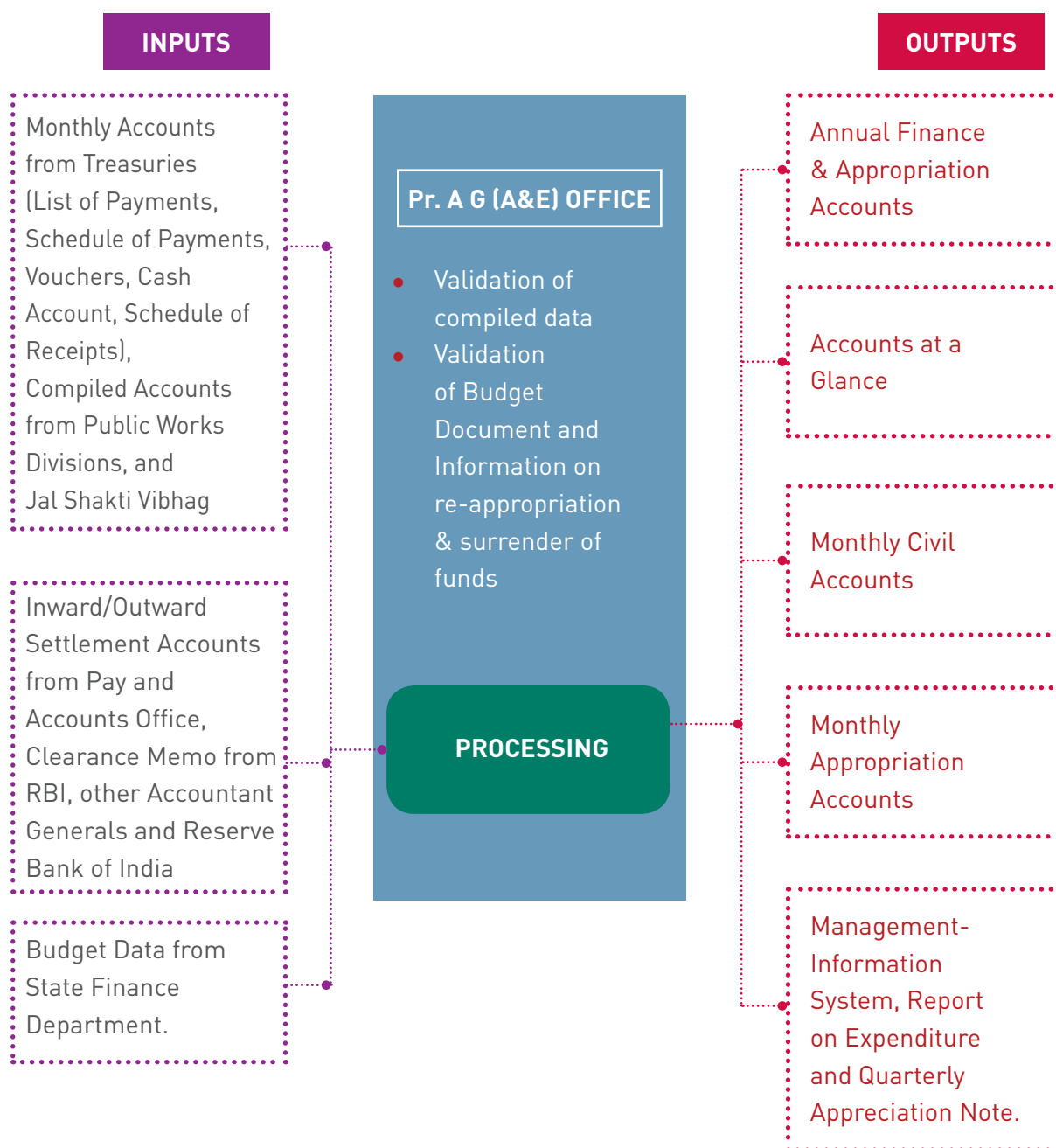
● **Part 2** **CONTINGENCY FUND**

● **Part 3** **PUBLIC ACCOUNT**

All public money received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. In respect of such receipts, Government acts as a banker or trustee. The Public Account comprises repayables like Small Savings and Provident Funds, Reserve Fund, Deposits and Advances, Suspense and Miscellaneous transaction (adjusting entries pending booking to final heads of account), Remittances between accounting entities, and Cash Balance.

1.2.2 Compilation of Accounts

Flow diagram for Accounts Compilation



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the accounts. Finance Accounts are prepared in two volumes to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements

of overall receipts and disbursements and 'Notes to Finance Accounts' containing summary of significant accounting policies, comments on quality of accounts and other items. Volume II contains detailed statements (Part-I) and appendices (Part-II).

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

In addition to the expenditure approved for the year by the Himachal Pradesh Legislature, Government of India transfers substantial funds directly to State Implementing Agencies/ Non-Government Organization (NGOs) in the State for various schemes and programmes. Such transfers (amounting to ₹ 2,938 crore this year) are not reflected in the Accounts of the State Government but have been shown in Appendix VI in Volume II of the Finance Accounts.

1.3.2 Financial highlight of year 2022-23

The following table depicts the budgeted receipts and disbursements as per Budget Estimates, along with the actual receipts and expenditure as per the Finance Accounts for the year 2022-23. Planned and actual values for key fiscal indicators have also been described.

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

(₹ in crore)

Sl. No.	Description	Budget Estimate 2022-23	Actuals 2022-23	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP#
1.	Tax Revenue (including central share) [a]	18,750	18,479	99	9
2.	Non-Tax Revenue	3,023	2,876	95	1
3.	Grants-in-aid & Contributions	17,172	16,734	97	9
4.	<i>Revenue Receipts (1+2+3)</i>	38,945	38,089*	98	19
5.	Recovery of Loans & Advances**	94	83	88	---
6.	Other Receipts**	---	13	100	---
7.	Borrowings and other liabilities (b)	12,483	12,380	99	6
8.	<i>Capital Receipts (5+6+7)</i>	12,577	12,476	99	6
9.	<i>Total Receipts (4+8)</i>	51,522	50,565	98	26
10.	<i>Revenue Expenditure</i>	45,115	44,425	98	23
11.	Expenditure on Interest Payments (out of Revenue Expenditure)	4,784	4,829	101	2
12.	<i>Capital Expenditure</i>	6,311	6,029	96	3
13.	<i>Loans and Advances Disbursed (c)</i>	96	111	115	---
14.	<i>Total Expenditure (10+12+13)</i>	51,522	50,565	98	26
15.	<i>Revenue Deficit (-) / Revenue Surplus (+) (4-10)</i>	(-)6,170	(-)6,336	103	(-)3
16.	<i>Fiscal Deficit(-) / Surplus(+) (4+5+6-14)</i>	(-)12,483	(-)12,380	99	(-)6
17.	<i>Primary Deficit** (16-11)</i>	(-)7,699	(-)7,551	98	4

(a) Includes share of net proceeds assigned to state amounting to ₹ 7,884 crore. State Government's Own Tax receipts were ₹ 10,595 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.

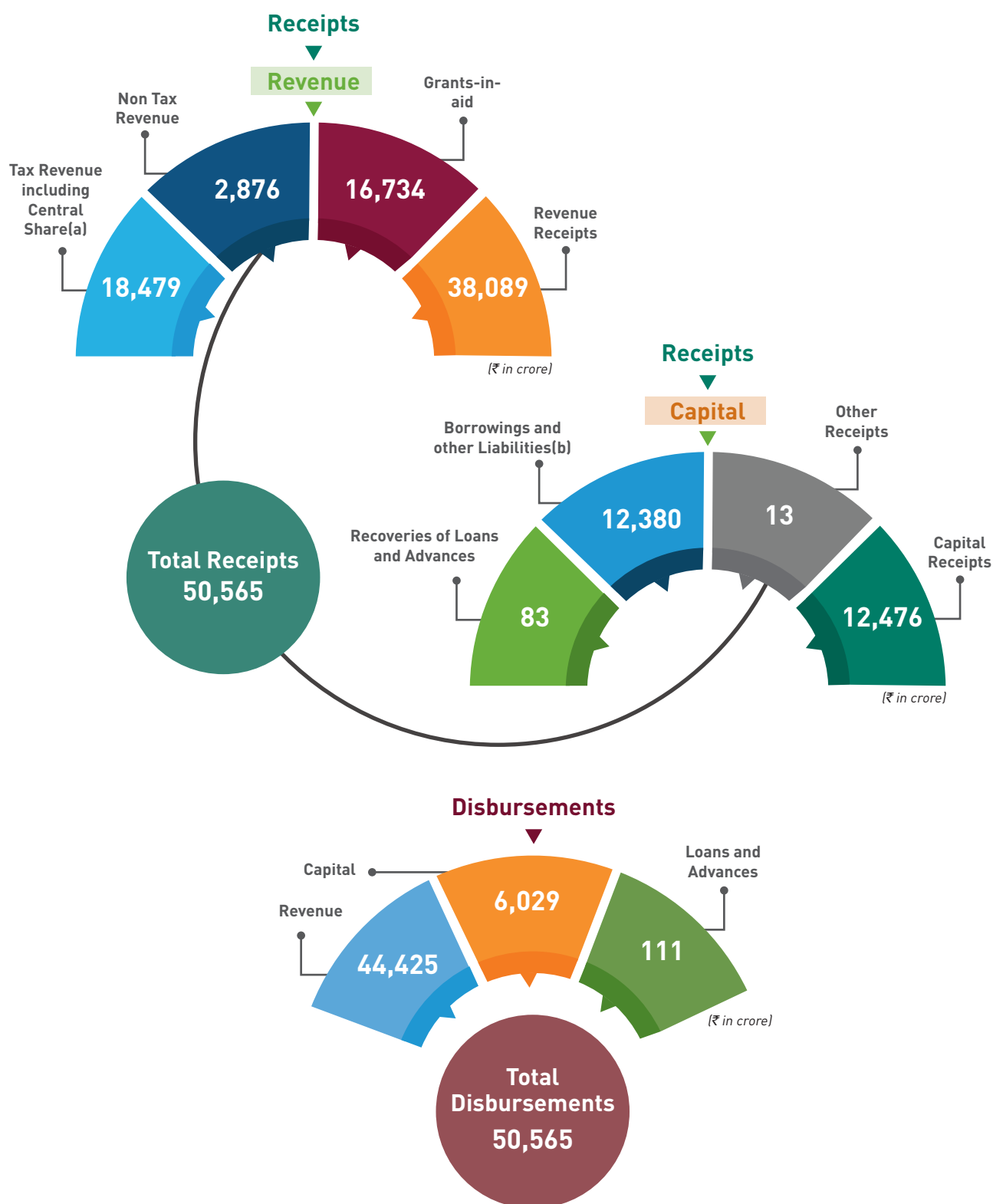
(c) Loans and advances (₹ 111 crore) = State Plan (₹ 105 crore) + Central Plan (₹ 5 crore)

GSDP (Gross State Domestic Product) of H.P. for 2022-23 was ₹ 1,95,404 crore as per revised estimates presented in Legislative Assembly.

* Includes an amount of ₹ 2 crore by way of book adjustment.

** Percentage is negligible hence shown as ---

Receipts and disbursement in year 2022-23



(a) Includes share of net proceeds assigned to state amounting to ₹ 7,884 crore. (State Government's Own Tax receipts is ₹ 10,595 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 for 2022-23 had 32 Grants and there were 13 charged Appropriations under these Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complied with the appropriation authorized by the Legislature through the Appropriation Act of each year. The figures in Appropriation Accounts are shown as gross.

1.3.4 Efficiency on Budget Preparation

At the end of the year, actual expenditure of the Government of Himachal Pradesh was ₹ 63,463 crore against the budget of ₹ 67,733 crore approved by the Legislature. Overall, there was saving of ₹ 4,932 crore and excess expenditure of ₹ 662 crore, resulting in net saving was ₹ 4,270 crore. The excess of ₹ 662 crore occurred in sixteen grants relating to (i) Land Revenue and District Administration, (ii) Police and Allied Organisations (iii) Health and Family Welfare (iv) Horticulture (v) Animal Husbandry, Dairy Development and Fisheries (vi) Election (vii) Industries, Minerals, Supplies and Information Technology (viii) Rural Development (ix) Co-operation (x) Food and Civil Supplies (xi) Power Development (xii) Road and Water Transport (xiii) Labour Employment and Training (xiv) Urban Development, Town and Country Planning and Housing (xv) Finance and (xvi) Miscellaneous General Services which requires regularization. While the excess (₹ 0.20 crore only) in charged appropriations took place in two grants: (i) Education and (ii) Irrigation, Water Supply and Sanitation. The excess expenditures need to be regularised by the Legislature.

During the year 2022-23, expenditure to the tune of ₹ 1 crore was incurred without budget provision under four grants viz. Grant No 7 (Police and Allied Organisations), 8 (Education), 9 (Health and Family Welfare), 11 (Agriculture). Expenditures without budget provision indicated violation of financial rules.

During the year 2022-23, an amount of ₹ 0.20 crore has been kept under “Suspense” in the books of Principal Accountant General (A and E) due to expenditure done without scheme notified in Budget.

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 ₹ 4,043 crore was obtained and the same (₹ 4,043 crore) was repaid during the year 2022-23.

1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the RBI when the cash balance falls below limit of minimum cash balance i.e. ₹ 0.55 crore which is required to be maintained with the RBI, even after taking Ways and Means Advances. During the year 2022-23, an amount of ₹ 2,744 crore overdraft was availed for 19 days and fully repaid.

1.4.3 Fund flow statement

The state had a Revenue Deficit of ₹ 6,336 crore and a Fiscal Deficit of ₹ 12,380 crore as on 31 March 2023. The Fiscal Deficit was met from net Public Debt (₹ 12,236 crore), increase in Public Account (₹ 100 crore) and net decrease of opening and closing cash balance (₹ 44 crore). Around 84 per cent of the revenue receipts (₹ 38,089 crore) of the State Government was spent on committed expenditure like salaries (₹ 15,569 crore), Interest Payments (₹ 4,829 crore), Pensions (₹ 9,284 crore), Subsidies (₹ 1,973 crore) and Wages (₹ 282 crore).

Sources and Application of Funds

(₹ in crore)

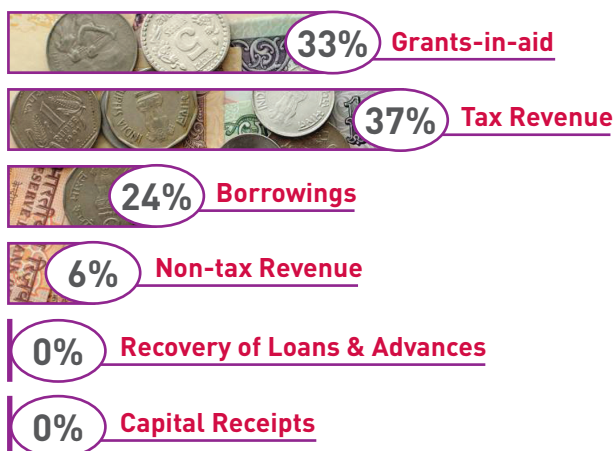
SOURCES		
Opening Cash Balance as on 1 April 2022		(-)45
Revenue Receipts		38,089
Capital Receipts		13
Recovery of Loans and Advances		83
Public Debt		22,372
Small Savings, Provident Funds etc.		3,633
Reserves Funds		741
Deposits Received		5,946
Civil Advances Repaid		...
Suspense Account		40,864*
Remittances		8,179
TOTAL		1,19,875*
APPLICATION		
Revenue Expenditure		44,425
Capital Expenditure		6,029
Loans Given		111
Repayment of Public Debt		10,136
Small Savings, Provident Funds etc.		2,957
Reserves Funds		781
Deposits Repaid		5,764
Civil Advances Given		...
Suspense Account		41,423**
Remittances		8,338
Closing Cash Balance as on 31 March 2023		(-)89
TOTAL		1,19,875

* Includes ₹ 39,294 crore on account of cash balances investment account.

** Includes ₹ 40,371 crore on account of cash balances investment account.

1.4.4 Where the ₹ came from ?

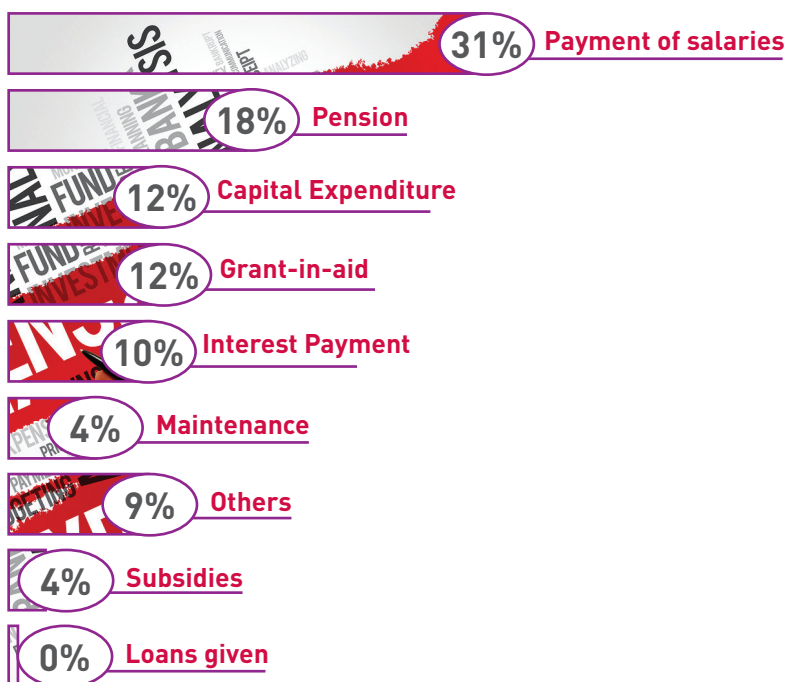
Actual Receipts



(Recovery of loans and advances was only ₹ 83 crore and Capital Receipt was only ₹ 13 crore which is negligible hence value is shown as zero)

1.4.5 Where the ₹ went ?

Actual Expenditure



During the year 2022-23 Revenue Deficit of ₹ 6,336 crore (₹ 1,115 crore Revenue Surplus in 2021-22) and Fiscal Deficit of ₹ 12,380 crore (₹ 5,245 crore Fiscal Deficit in 2021-22) were 3 per cent and 6 per cent of the GSDP respectively. The Fiscal Deficit constituted 24 per cent of total expenditure.

What do the deficits and surplus indicate?

DEFICIT

Refers to the gap between revenue and expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in financial management.

Refers to the gap between revenue receipt and revenue expenditure. Revenue expenditure is required to maintain the existing establishment of government and ideally should be fully met from revenue receipts.

REVENUE DEFICIT/ SURPLUS

FISCAL DEFICIT/ SURPLUS

Refers to the gap between total receipts (excluding borrowings) and total expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings and ideally should be invested in capital projects.

1.5 Fiscal Responsibility and Budget Management (FRBM) Act, 2005

The Government of Himachal Pradesh has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. As per this Act, the State Government was required to achieve certain fiscal targets by specified periods. Achievements during the year 2022-23 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(+)	(-)6,336 (3 per cent of GSDP*)	Eliminate by 2011-12	Not achieved during the year
2	Fiscal Deficit	12,380 (6 per cent of GSDP)	3 per cent of GSDP or less	Not achieved during the year
3	Outstanding Guarantees	1,781 (5 per cent of Revenue Receipt of previous Financial year)	Less than 40 per cent of Revenue Receipt of previous Financial year	Achieved during the year

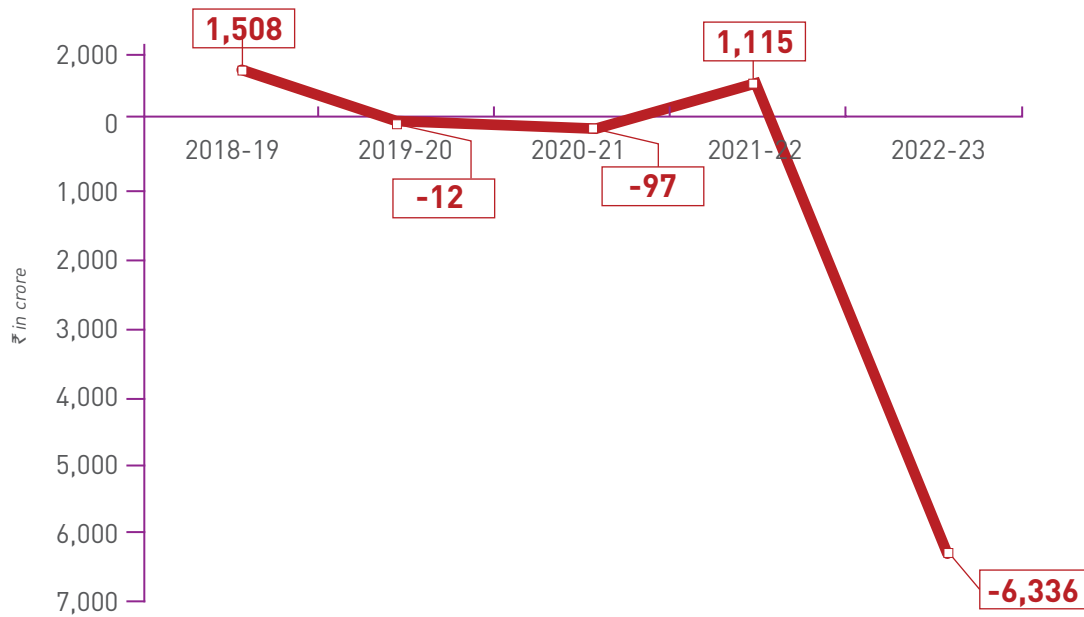
* Source: GSDP (Gross State Domestic Product) of H.P. for 2022-23 is ₹ 1,95,404 crore as per revised estimates presented in Legislative Assembly.

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

The State Government had Revenue Surplus of ₹ 1,115 crore in 2021-22, and during the year 2022-23 there was Revenue Deficit of ₹ 6,336 crore, though as per target set under FRBM Act, the State should have Revenue Surplus. On the other hand, Fiscal Deficit increased by ₹ 7,135 crore from ₹ 5,245 crore in 2021-22 to ₹ 12,380 crore in 2022-23 and was 6 per cent of GSDP, which exceeded the target of three per cent set under FRBM Act. However, the target of maintaining outstanding guarantees below 40 per cent of total revenue receipts of previous financial year was achieved. The amount of outstanding guarantees was ₹ 1,781 crore as on 31 March 2023 equaling 5 per cent of total revenue receipt (₹ 37,309 crore) of previous year i.e. 2021-22.

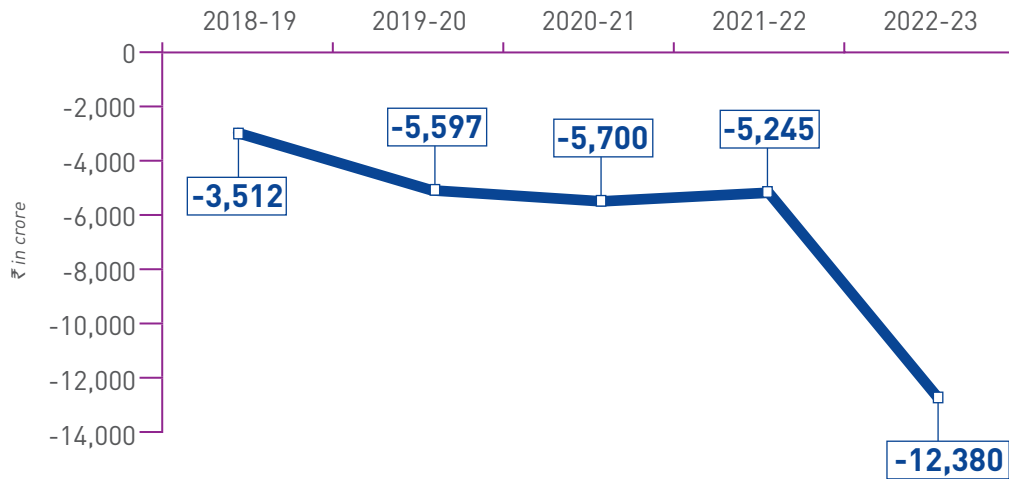
1.5.1 Trend of Revenue Deficit/ Surplus

Trend of Revenue Surplus/ Deficit



1.5.2 Trend of Fiscal Deficit

Trend of Fiscal Deficit



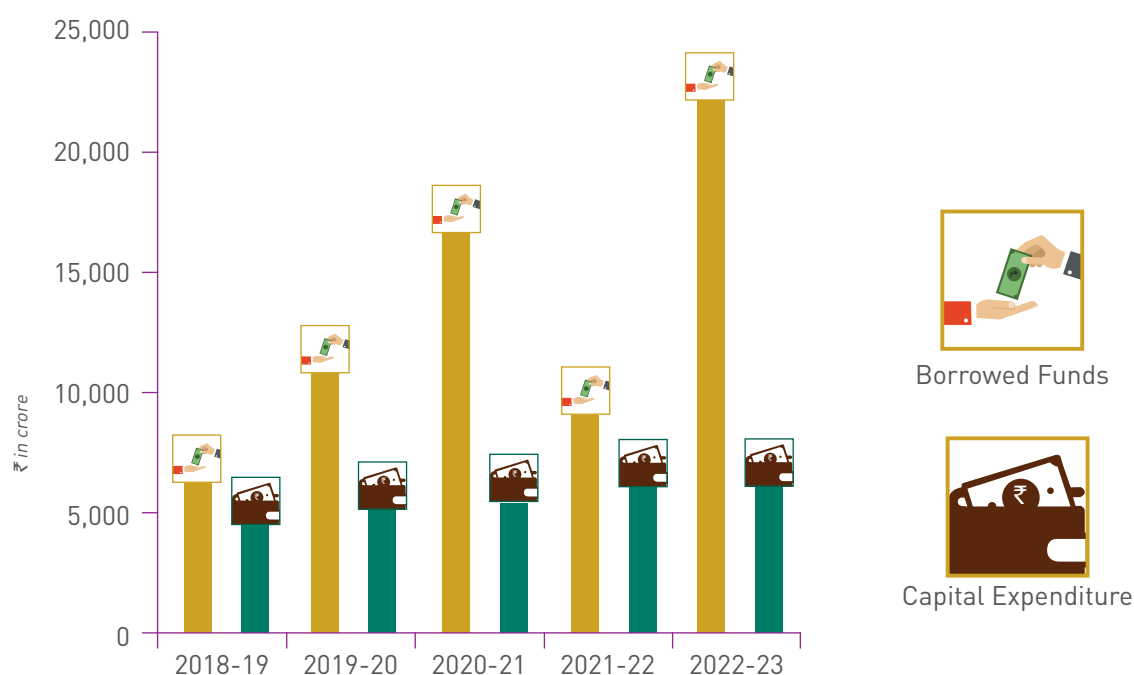
1.5.3 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

Year	Borrowed Fund	Capital Expenditure
2018-19	6,427	4,583
2019-20	10,847	5,174
2020-21	16,749*	5,309
2021-22	9,335**	6,029
2022-23	22,372	6,029

* 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")

** This debt includes ₹ 2,695 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 27 per cent of the borrowings of the current year (₹ 22,372 crore) on capital expenditure (₹ 6,029 crore).

It appears that balance of borrowings in the public debt was utilized to repay the principal and part of interest on public debt of previous years.

Chapter II

Receipts

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts of the State Government for 2022-23 was ₹ 50,565 crore.

2.2 Revenue Receipts

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

● TAX REVENUE

Comprises taxes collected and retained by the state and State's share of Union Taxes under Article 280(3) of the Constitution.

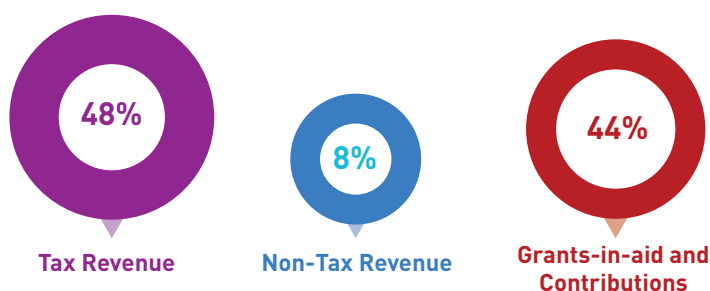
Includes interest receipts, dividend, profits, departmental receipts etc.

● NON-TAX REVENUE

● GRANTS-IN-AID

Grants-in-aid represent central assistance to the State Government from the Union Government. It also includes "External Grant Assistance" received from Foreign Government and channelized through the Union Government. In turn, the State Government also gives Grants-in-aid to institutions like Panchayati Raj Institution, Autonomous Bodies etc.

Revenue Receipts



2.2.1 Revenue Receipts - Components

(₹ in crore)

Components	Actuals	Per cent to Revenue Receipt
A. Tax Revenue*	18,479	48
Goods and Services Tax	7,486	19
Taxes on Income and Expenditure	5,225	14
Taxes on Property, Capital and other Transactions	407	1
Taxes on Commodities and Services other than Goods and Services Tax	5,361	14
B. Non-Tax Revenue	2,876	8
Interest Receipts, Dividend and Profits	266	1
General Services	289	1
Social Services	290	1
Economic Services	2,031	5
C. Grants-in-Aid & Contributions	16,734	44
Total –Revenue Receipts	38,089	100

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

2.2.2 Trend of Revenue Receipts

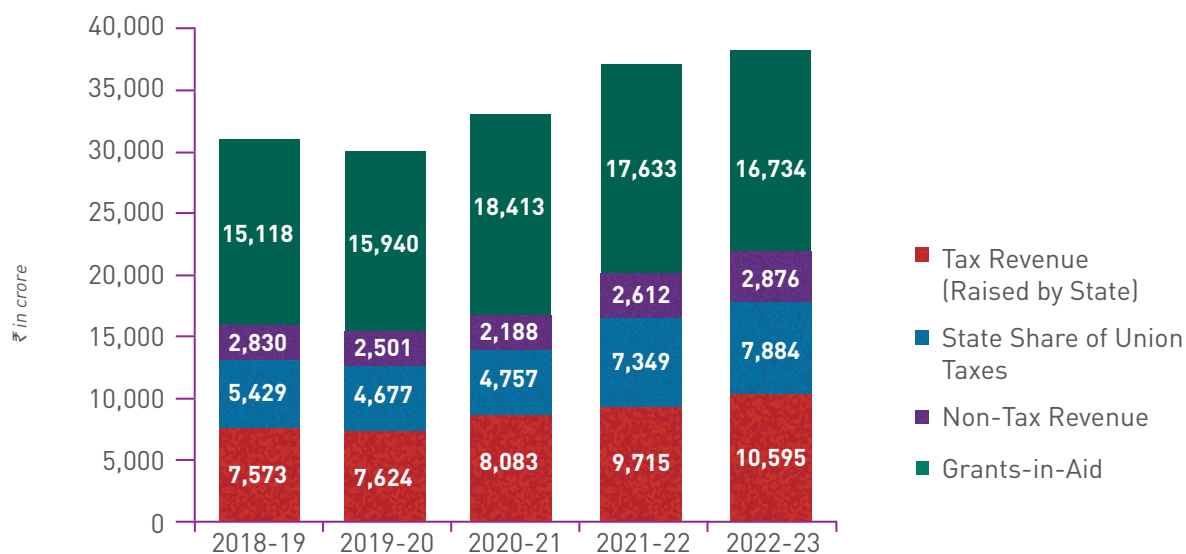
(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
Tax Revenue (Raised by the State)	7,573 (5)	7,624 (5)	8,083 (5)	9,715 (6)	10,595 (5)
State Share of Union Taxes/ Duties	5,429 (4)	4,677 (3)	4,754 (3)	7,349 (4)	7,884 (4)
Non-Tax Revenue	2,830 (2)	2,501 (2)	2,188 (1)	2,612 (1)	2,876 (1)
Grants-in-aid	15,118 (10)	15,940 (10)	18,413 (12)	17,633 (10)	16,734 (9)
Total Revenue Receipts	30,950 (20)	30,742 (19)	33,438 (21)	37,309 (21)	38,089 (19)
GSDP	1,51,835	1,65,472	1,56,522	1,75,173	1,95,404

Note: Figures in parentheses represent percentage to GSDP (Gross State Domestic Product). GSDP figures for 2022-23 at current prices, as per revised estimates presented in Legislative Assembly.

Though the GSDP increased by 12 per cent in 2022-23 compared to previous year, increase in revenue receipt was 2 per cent. This meagre growth in revenue receipt was due to the decrease in Grants-in-aid. The tax revenue increased by 9 per cent, the non-tax revenue increased by 10 per cent and the Grants-in-aid decreased by 5 per cent as compared to previous year.

Trend of components of Revenue Receipts



2.3 Tax Revenue

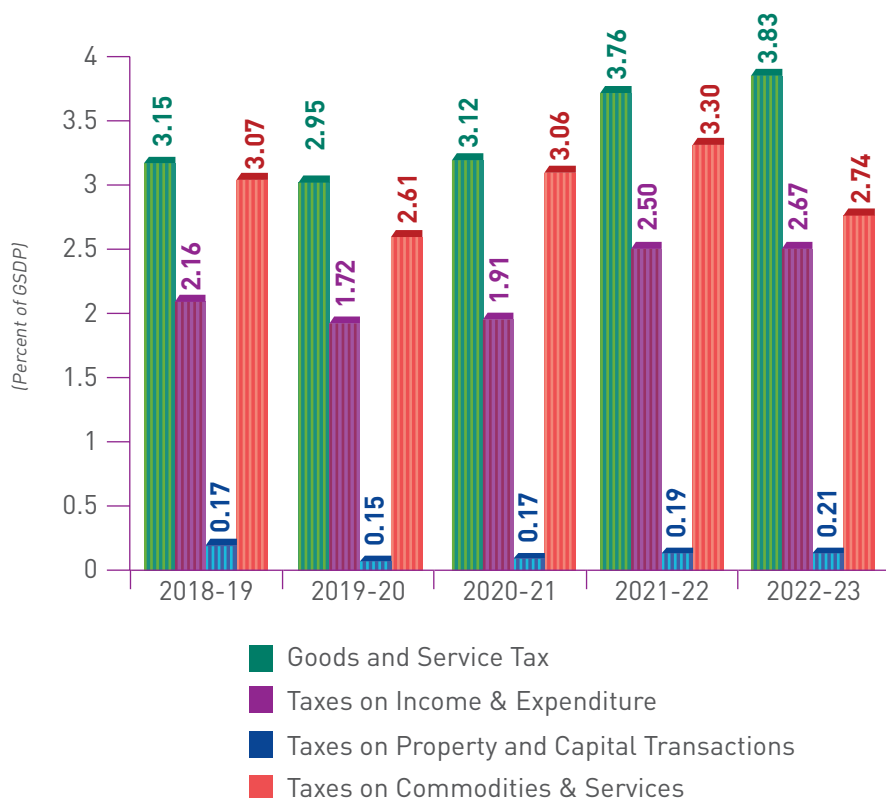
(₹ in crore)

Sector wise Tax Revenue				
Taxes	2019-20	2020-21	2021-22	2022-23
a. Goods and Services Tax	4,878 (3)	4,886 (3)	6,588 (4)	7,486 (4)
b. Taxes on Income and Expenditure	2,844 (2)	2,894 (2)	4,372 (2)	5,225 (3)
c. Taxes on Property Capital and Other Transactions	264 ---	260 ---	324 ---	407 ---
d. Taxes on Commodities and Services Other than Goods and Services Tax	4,315 (3)	4,797 (3)	5,780 (3)	5,361 (3)
Total Tax Revenue	12,301 (7)	12,837 (8)	17,064 (10)	18,479 (9)
GSDP	1,65,472	1,56,522	1,75,173	1,95,404

Note: Figures in parentheses represent percentage to GSDP.

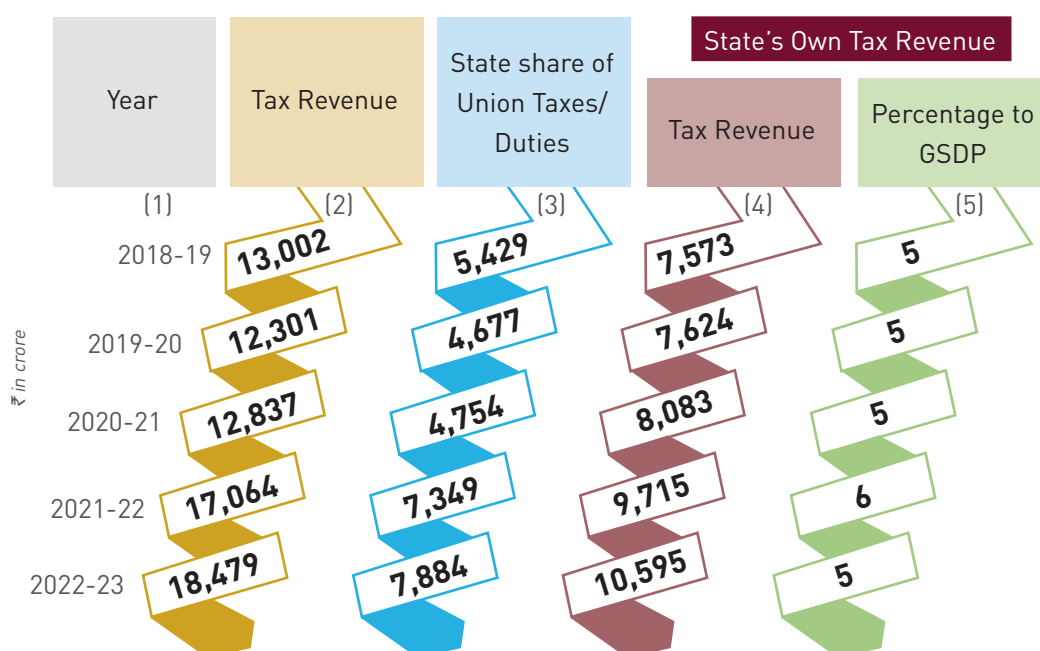
The increase in total tax revenue during 2022-23 was mainly due to more receipt of State share from SGST (₹ 777 crore), CGST (₹ 122 crore), more collection under Corporation Tax (₹ 442 crore), Income other than Corporation Tax (₹ 410 crore), Power (₹ 245 crore) and State Excise (₹ 236 crore).

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	2018-19	2019-20	2020-21	2021-22	2022-23
State's own Tax collection	7,573	7,624	8,083	9,715	10,595
Devolution of Union Taxes	5,429	4,677	4,754	7,349	7,884
Total Tax Revenue	13,002	12,301	12,837	17,064	18,479
Percentage of State's Own Tax to Total Tax Revenue	58	62	63	57	57

The proportion of State's own tax collection in overall tax revenue was 58 *per cent* during the year 2018-19 which increased to 62 *per cent* in 2019-20, thereafter increased to 63 *per cent* in 2020-21 and decreased to 57 *per cent* during 2021-22 and 2022-23.

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

(₹ in crore)

Description	2018-19	2019-20	2020-21	2021-22	2022-23
State Goods and Service Tax	3,343	3,550	3,467	4,482	5,259
Taxes on Sales, Trade etc.	1,185	1,169	1,630	1,592	1,370
State Excise	1,482	1,660	1,600	1,981	2,216
Taxes on Vehicles	408	466	380	510	675
Stamp and Registration fees	251	260	253	319	399
Taxes and Duties on electricity	487	101	402	394	252
Land Revenue	8	5	7	5	8
Taxes on Goods and Passengers	104	104	84	99	69
Other Taxes	305	309	260	333	347
Total State's own Taxes	7,573	7,624	8,083	9,715	10,595

2.4 Cost of collection of Taxes

(₹ in crore)

Taxes	2018-19	2019-20	2020-21	2021-22	2022-23
1. Taxes on Sales, Trade etc.					
Revenue collection	1,185	1,169	1,630	1,592	1,370
Expenditure on collection	2	35	20	29	31
Cost of tax collection <i>Per cent</i>	0.17	3	1	2	2
2. State Excise					
Revenue collection	1,482	1,660	1,600	1,981	2,216
Expenditure on collection	6	7	8	8	21
Cost of tax collection <i>Per cent</i>	0.40	0.42	0.50	0.42	1
3. Taxes on Vehicles, Goods and Passengers					
Revenue collection	512	570	464	609	744
Expenditure on collection	53	48	48	63	97
Cost of tax collection <i>Per cent</i>	10	8	10	10	13
4. Stamp and Registration Fee					
Revenue collection	251	260	253	318	399
Expenditure on collection	9	20	13	5	3
Cost of tax collection <i>Per cent</i>	4	8	5	2	1

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

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

(₹ in crore)

Description	2018-19	2019-20	2020-21	2021-22	2022-23
Central Goods & Services Tax (CGST)	1,340	1,327	1,420	2,105	2,227
Integrated Goods & Services Tax (IGST)	107	Nil	Nil	Nil	Nil
Corporation Tax	1,888	1,595	1,429	2,202	2,645
Other Taxes on Income and Expenditure	10	Nil	Nil	Nil	---
Taxes on Income other than Corporation Tax	1,391	1,250	1,465	2,170	2,580
Taxes on Wealth	Nil	Nil	Nil	Nil	Nil
Customs	385	296	257	511	310
Union Excise Duties	256	206	161	266	97
Service Tax	49	Nil	19	88	12
Other Taxes and Duties on Commodities and Services	3	3	3	7	13
<i>State's share of Union Taxes/Duties</i>	5,429	4,677	4,754	7,349	7,884
<i>Total Tax Revenue</i>	13,002	12,301	12,837	17,064	18,479
Percentage of Union Taxes to Total Tax Revenue	42	38	37	43	43

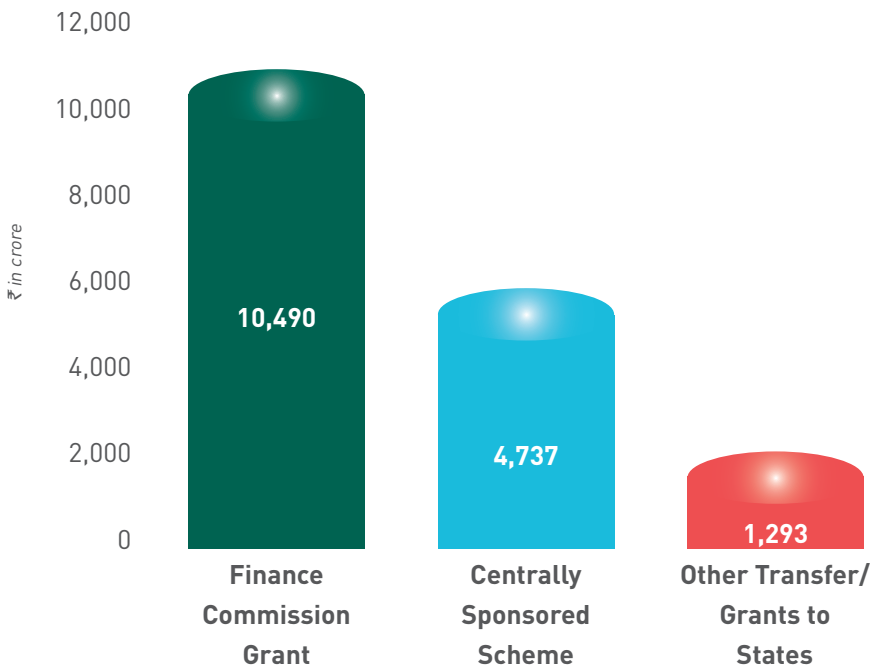
** Percentage is negligible hence shown as ---

The share of Union Taxes in total Tax Revenue of the State Government had decreased from 42 per cent in 2018-19 to 37 per cent in 2020-21 but increased to 43 per cent during 2022-23.

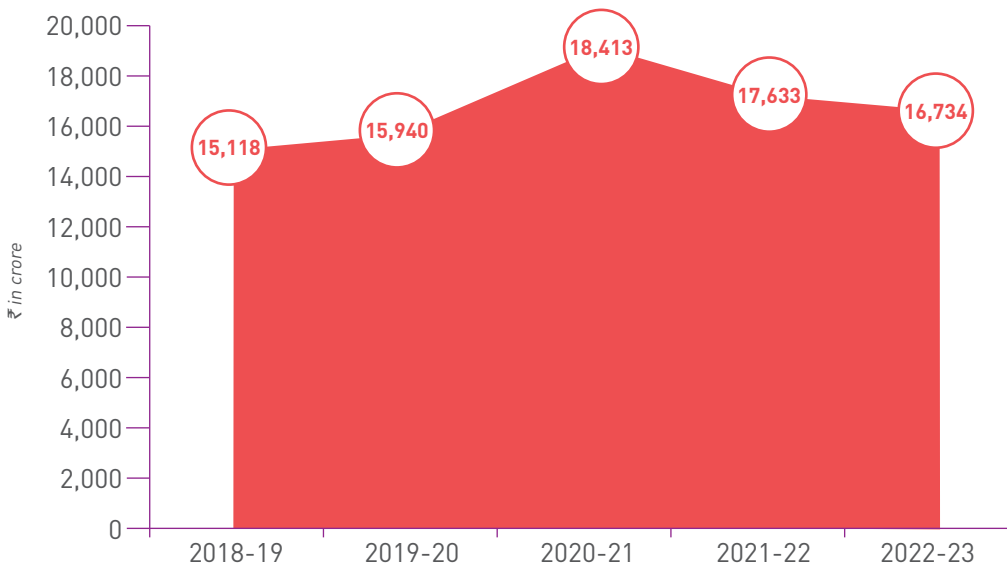
2.6 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for Centrally Sponsored Schemes, Finance Commission Grants and other transfer/ Grants to State/ Union Territories with Legislatures. The Grants-in-aid received from these sources during 2022-23 is shown below:

Grants-in-Aid



Trend of Grants-in-Aid



The decrease in Grants-in-Aid during 2022-23 was mainly due to decrease in 'Central Assistance/ Share ₹ 2,956 crore (₹ 3,658 crore in 2021-22)", 'Grants from Central Road and infrastructure Fund ₹ 169 crore (₹ 188 crore in 2021-22)", and 'Post Devolution Revenue Deficit Grant' ₹ 9,337 crore (₹ 10,249 crore in 2021-22).

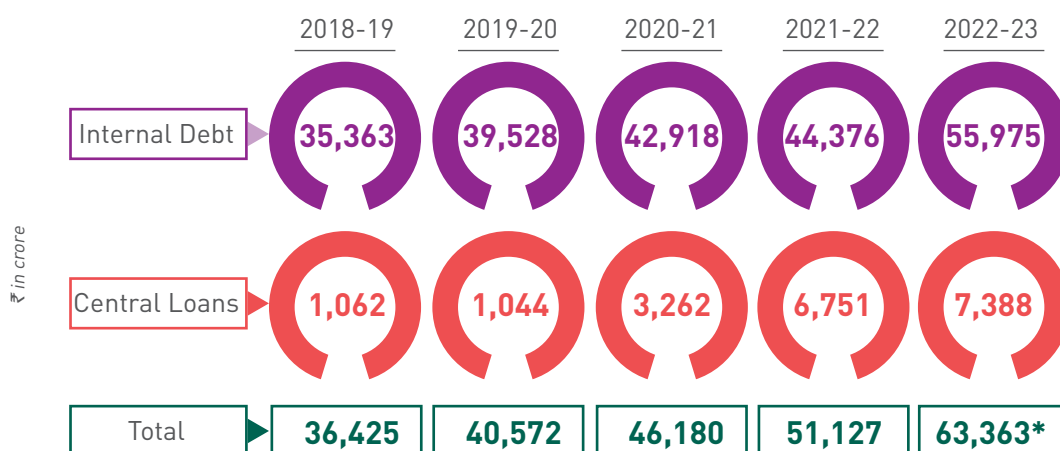
2.7 Goods and Services Tax (GST)

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

During 2022-23, the State Government received ₹ 5,259 crore (including ₹ 221 crore on account of advance apportionment of IGST) as revenue under Major Head 0006-State Goods and Service Tax. In addition, the State received ₹ 2,227 crore as its share of net proceeds assigned to the State under Central GST. The total receipts under GST were ₹ 7,486 crore. The State received compensation of ₹ 1,293 crore on account of loss of revenue arising out of implementation of GST during 2022-23.

2.8 Public Debt

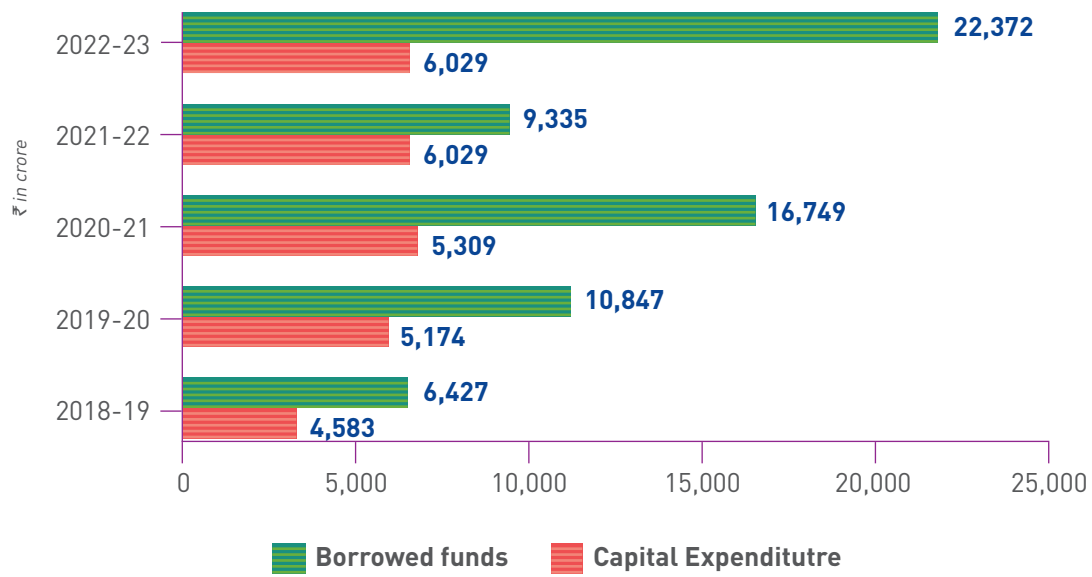
Trend of position of Public Debt over the past five years



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

During the year 2022-23, 22 loans totaling ₹ 14,000 crore were raised from the open market at interest rates varying from 7 per cent to 8 per cent and the same are redeemable during the period between 2028 to 2038. In addition, the State Government raised loans of ₹ 845 crore from the financial institutions. An amount of ₹ 6,787 crore was obtained from Ways and Means Advances/ Overdrafts from the RBI. Thus the total Internal Debt raised by the Government during the year 2022-23 aggregated to ₹ 21,632 crore. The Government also received ₹ 739.83 crore from Gol as loans and advances.

Borrowed funds viz-à-viz Capital Expenditure



Chapter III

Expenditure

3.1 Introduction

The total expenditure of the State Government during 2022-23 was ₹ 50,565 crore. The total expenditure increased by ₹ 7,963 crore (19 per cent) over previous year. Revenue expenditure during 2022-23 was ₹ 44,425 crore, had increased by ₹ 8,230 crore (23 per cent) as compared to previous year. Similarly, the Capital Expenditure which was ₹ 6028.89 crore during 2022-23 witnessed decrease of ₹ 0.49 crore (0 per cent).

3.2 Revenue Expenditure

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

Year	2018-19	2019-20	2020-21	2021-22	2022-23
Budget Estimates	33,568	36,337	36,011	37,034	45,115
Actuals	29,442	30,730	33,535	36,195	44,425
Gap	(-) 4,126	(-)5,607	(-)2,476	(-)839	690
Percentage of variation of Actuals against BE	(-)12	(-)15	(-)7	(-)2	2

During 2022-23 around 72 per cent of the total revenue expenditure was incurred on committed expenses viz. on Salaries and Wages (₹ 15,851 crore), Interest payment (₹ 4,829 crore), Pensions (₹ 9,284 crore) and Subsidies (₹ 1,973 crore) which is the committed liability of the State Government.

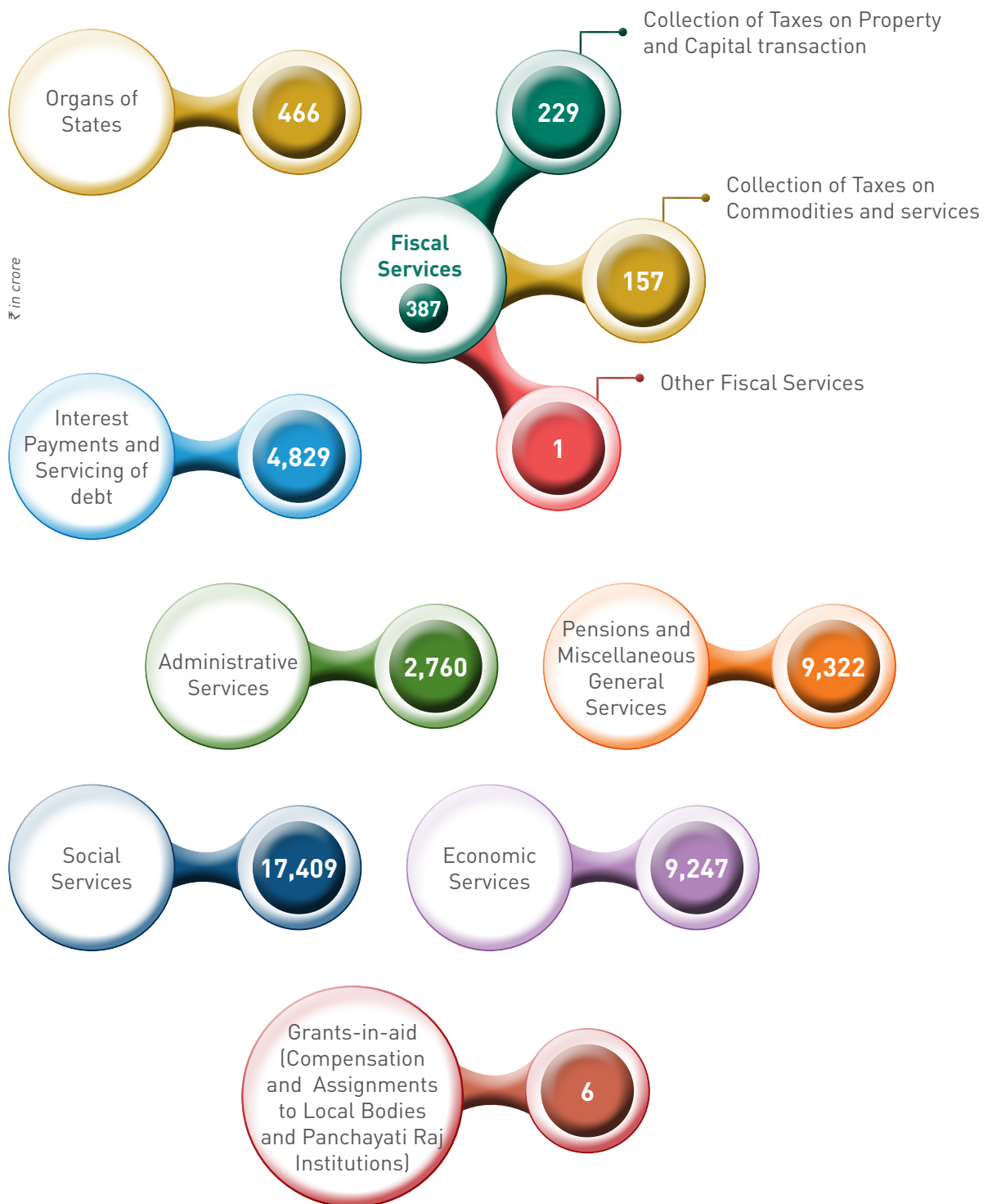
The position of committed and uncommitted revenue expenditure over the last five years is given below:

Component	2018-19	2019-20	2020-21	2021-22	2022-23
Total revenue expenditure	29,442	30,730	33,535	36,195	44,425
Committed revenue expenditure #	21,490	22,534	23,705	24,419	31,937
Percentage of committed revenue expenditure to total revenue expenditure	73	73	71	67	72
Uncommitted revenue expenditure	7,952	8,196	9,830	11,776	12,488

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

It could be seen from above table that the uncommitted revenue expenditure available for implementation of various schemes has increased by 57 per cent from ₹ 7,952 crore in 2018-19 to ₹ 12,489 crore in 2023-23. The total revenue expenditure increased by 51 per cent from ₹ 29,442 crore in 2018-19 to ₹ 44,425 crore in 2022-23 and committed revenue expenditure increased by 49 per cent over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure (2022-23)

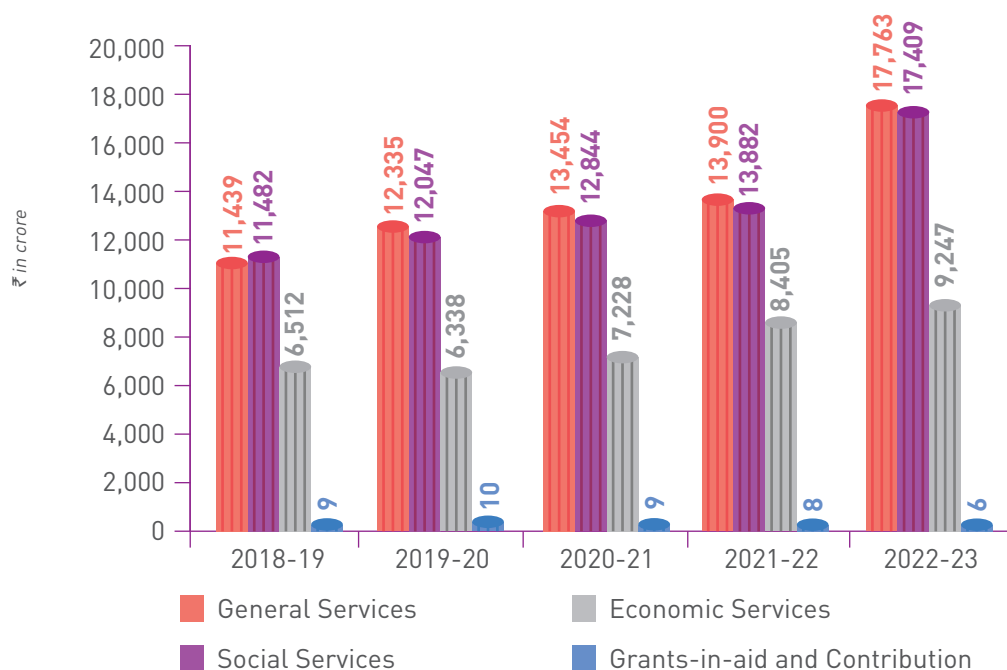


3.2.2 Major components of Revenue Expenditure 2018-19 to 2022-23

(₹ in crore)

Sector	2018-19	2019-20	2020-21	2021-22	2022-23
General Services	11,439	12,335	13,454	13,900	17,763
Social Services	11,482	12,047	12,844	13,882	17,409
Economic Service	6,512	6,338	7,228	8,405	9,247
Grants-in-aid and Contribution	9	10	9	8	6

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 2022-23 amounting to ₹ 6,029 crore (3 per cent of GSDP) were less than Budget Estimates by ₹ 282 crore. This can be seen from the table below:

(₹ in crore)

S.No.	Components	2018-19	2019-20	2020-21	2021-22	2022-23
1	Budget Estimate (B.E.)	4,240	5,943	5,692	7,099	6,311
2	Actual Expenditure (A.E.) ^(#)	4,583	5,174	5,309	6,029	6,029
3	Percentage of A.E. to B.E.	108	87	93	85	96
4	Yearly growth in Capital Expenditure in Per cent	22	13	3	14	...
5	GSDP	1,51,835	1,65,472	1,56,522	1,75,173	1,95,404
6	Yearly growth(+)/downfall(-) in GSDP in Per cent	(+)12	(+) 9	(-)5	(+)12	(+)12

(#) Does not include expenditure on Loans and Advances

3.3.1 Sectoral distribution of Capital Expenditure

During 2022-23, the Government spent ₹ 226 crore on various Irrigation Projects (₹ 17 crore on Medium Irrigation and ₹ 209 crore on Minor Irrigation). Apart from above, the Government spent ₹ 2,178 crore on construction of roads and bridges and invested ₹ 205 crore in Statutory Corporations/ Boards, ₹ 218 crore in Government and other Companies and Co-operative societies. During the year share capital amounting to ₹ 2 crore was redeemed by Co-operative Societies.

3.3.2 Sectoral distribution of Capital Expenditure over the past five years

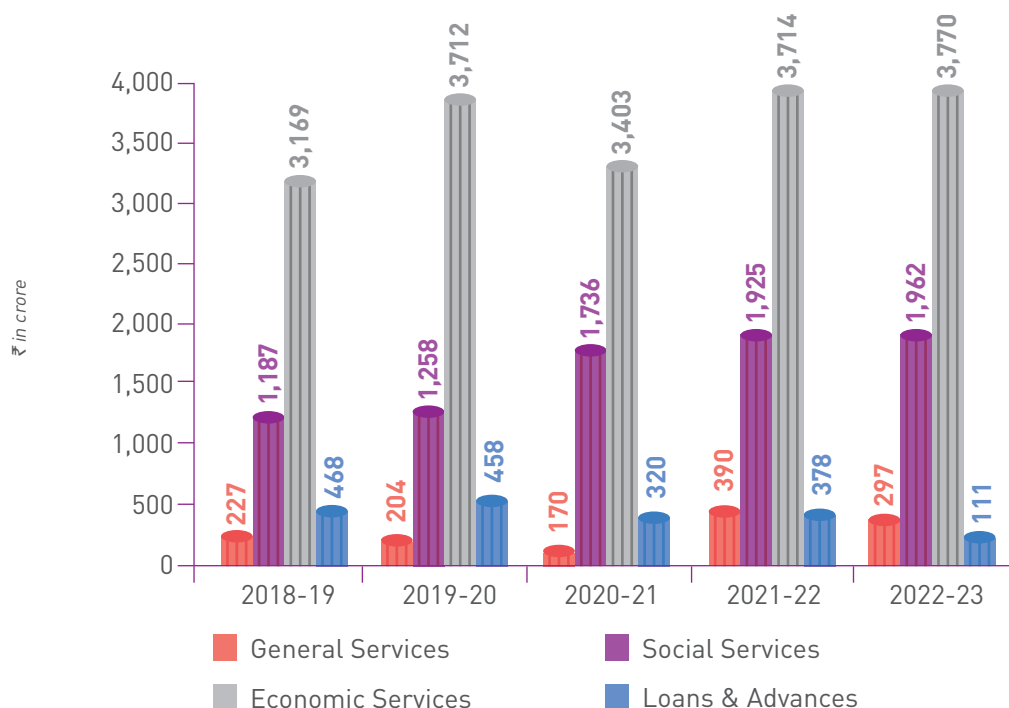
The comparative sectoral distribution of capital expenditure over the past five years is illustrated below:

(₹ in crore)

Sector	2018-19	2019-20	2020-21	2021-22	2022-23
General Services	227 (4)	204 (4)	170 (3)	390 (6)	297 (5)
Social Services	1,187 (24)	1,258 (22)	1,736 (31)	1,925 (32)	1,962 (33)
Economic Service	3,169 (63)	3,712 (66)	3,403 (60)	3,714 (62)	3,770 (63)
Loans and Advances	468 (9)	458 (8)	320 (6)	378 (6)	111 (2)

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

Trend of Sectoral Distribution of Capital Expenditure



3.3.3 Sectoral distribution of Capital and Revenue Expenditure

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

(₹ in crore)

S.No.	Sector		2018-19	2019-20	2020-21	2021-22	2022-23
(A)	General Services	Capital	227	204	170	390	297
		Revenue	11,439	12,335	13,454	13,900	17,763
(B)	Social Services	Capital	1,187	1,258	1,736	1,925	1,962
		Revenue	11,482	12,047	12,844	13,882	17,409
(C)	Economic Service	Capital	3,169	3,712	3,403	3,714	3,769
		Revenue	6,512	6,338	7,228	8,405	9,247
(D)	Grants-in-aid and Contribution	Capital	*	*	*	*	*
		Revenue	9	10	9	8	6

*Not Applicable

Chapter IV

Appropriation Accounts

4.1 Summary of Appropriation Accounts for 2022-23

The position Budget allocations under Revenue, Capital, Public Debt and Loans and Advances and actual expenditure there against during the financial year 2022-23 is shown in the following table:

(₹ in crore)

Sl. No	Nature of expenditure	Original grant	Supplementary grant	Surrender (by way of re-appropriation)	Total Budget	Actual expenditure (Net)	Savings(-) Excesses(+)
1.	Revenue						
	Voted	35,091	5,189	710	39,570	39,512	(-)58
	Charged	5,188	8	324	4,872	4,913	(+)41
2.	Capital						
	Voted	5,647	1,467	934	6,180	6,005	(-)175
	Charged	---	24	---	24	24	---
3.	Public Debt						
	Charged	5,342	6,007	---	11,349	10,136	(-)1,213
4.	Loans and Advances						
	Voted	97	1	3	95	110	(+)15
	Charged	---	...	...	...	...	...
	Total (Voted)	40,835	6,657	1,647	45,845	45,627	(-)218
	Charged	10,530	6,039	324	16,245	15,073	(-)1,172

4.2 Trend of Savings / Excess during the past five years

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

(₹ in crore)

Year	Savings(-) Excess (+)				Total
	Revenue	Capital	Public Debt	Loan & Advances	
2018-19	(+)252	(+)4	(+)51	(+)58	(+)365
2019-20	(-)703	(-)39	--	(+)45	(-)697
2020-21	(-)2,528	(-)386	(-)256	(-)41	(-)3,210
2021-22	(-)7	(-)159	--	(+)64	(-)102
2022-23	(-) 17	(-)175	(-)1,213	(+)15	(-)1,390

4.3 Significant Savings

Substantial savings under a grant indicates either non-implementation savings under a grant indicates either non-implementation or slow implementation of the schemes/ programmes. The grant-wise position of savings during the period 2018-19 to 2022-23 are given below:

(₹ in crore)

Grant No.	Nomenclature	2018-19	2019-20	2020-21	2021-22	2022-23
1	Vidhan Sabha	3	1	6	4	1
2	Governor and Council of Ministers	3	5	4	2	1
3	Administration of Justice	33	54	55	29	48
4	General Administration	21	78	45	32	3
5	Land Revenue and District Administration	--	659	116	-	275
6	Excise and Taxation	14	14	2	12	13
7	Police and Other Organisation	147	233	336	245	24
8	Education	981	1,141	1,362	1,096	122
9	Health and Family welfare	340	403	498	244	208
10	Public Works- Roads Bridges and Buildings	283	1,018	906	1,240	616
11	Agriculture	75	42	89	49	57
12	Horticulture	19	80	18	13	1
13	Irrigation, Water Supply and Sanitation	152	180	162	154	76
14	Animal Husbandry, Dairy Development and Fisheries	74	75	80	36	1
15	Planning and Backward Area Sub Plan	32	138	240	71	188
16	Forest and Wildlife	131	152	174	136	91
17	Election	---	11	6	---	---
18	Industries, Minerals Supplies and Information Technology	119	120	49	19	---
19	Social Justice and Empowerment	32	114	70	50	127
20	Rural Development	390	357	163	134	120
21	Co-operation	4	4	3	2	---
22	Food and Civil Supplies	--	5	30	4	---
23	Power Development	185	286	7	---	4
24	Printing and Stationary	---	2	3	2	---
25	Road and Water Transport	2	31	6	6	---
26	Tourism and Civil Aviation	---	85	947	545	498
27	Labour, Employment and Training	40	40	123	26	20
28	Urban Development, Town and Country planning and Housing	119	93	101	105	66
29	Finance	1,185	1,535	1,925	2,037	1,496
30	Miscellaneous General Services	13	18	10	6	---
31	Tribal Area Sub Plan	408	466	491	534	360
32	Scheduled Caste Sub Plan	545	745	414	532	516

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

During 2022-23 supplementary grants totaling ₹ 13,141 crore (21 per cent of total expenditure of ₹ 63,463 crore) proved to be inadequate in some cases. In below mentioned cases the supplementary grant proved inadequate:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
25	5002- Capital Outlay on Indian Railways Commercial Lines- 03-Capital Outlay- 115-New Lines- 01-Construction of Railway Lines-	Capital	18	129	212
05	2245-Relief on Account of Natural Calamities- 80-General- 103-Assistance to States from National Disaster Response Fund- 01-Expenditure from National Disaster Response Fund-	Revenue	0	200	214
08	2202- General Education- 02-Secondary Education- 109-Government Secondary Schools- 15-Srinivasa Ramanujan Student Digital Yojna-	Revenue	16	32	65
05	4059-Capital Outlay on Public Works- 80-General- 051- Construction - 05-Combined Office Buildings and Mini Secretariat-	Capital	7	42	58

4.4 Re-appropriation Without Budget provision

Budget provision of ₹ 39 crore was made through re-appropriation in March 2023 in five grants viz. Grants No. 07, 09, 29, 31 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 12.50 of Budget Manual of Himachal Pradesh.

The cases are shown in the following table:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supple- mentary	Re- Appropriation	Actual Expenditure
29	2049- Interest Payments- 01-Interest on Internal Debt- 101-Interest on Market Loans- 18-7.76 Percent Himachal Pradesh State Development Loan 2030-	Revenue	0	0	23	23
29	2049- Interest Payments- 01-Interest on Internal Debt- 101-Interest on Market Loans- 19-7.82 Percent Himachal Pradesh State Development Loan 2032-	Revenue	0	0	16	16
31	4210-Capital Outlay on Medical and Public Health- 03-Medical Education Training and Research- 796-Tribal Area Sub-Plan - 11-Upgradation of Government Medical Colleges-	Capital	0	0	0.11	0.11
32	4210-Capital Outlay on Medical and Public Health- 03-Medical Education Training and Research- 789-Special Component Plan for Scheduled Castes - 09-Upgradation of Government Medical Colleges-	Capital	0	0	0.18	0.18

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

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Surrender	Actual Expenditure
5	2245-Relief on Account of Natural Calamities- 80-General- 102-Management of Natural Disaster, Contingency Plans in Disaster Prone Areas- 01-Expenditure on Natural Disaster, Contingency Plans in Disaster Prone Areas-	Revenue	95	0	95	0
8	2202- General Education- 80-General- 107-Scholarships- 22-Swaran Jayanti Super 100 Yojna-	Revenue	3	0	3	0
10	3054- Roads and Bridges- 04-District and Other Roads- 105-Maintenance and Repairs- 29-Swaran Jayanti Gram Sadak Rakh Rakhav-	Revenue	10	0	10	0
11	2401- Crop Husbandry- 102-Food Grain Crops- 01-Rashtriya Krishi Vikas Yojna-	Revenue	18	0	18	0
31	5053-Capital Outlay on Civil Aviation- 80-General- 796- Tribal Area Sub-Plan- 03-Development of Airports and Heliports-	Capital	81	0	81	0
32	5053-Capital Outlay on Civil Aviation- 02-Air ports- 789- Special Component Plan for Scheduled Castes- 02-Development of Airports and Heliports-	Capital	279	0	279	0

Chapter V

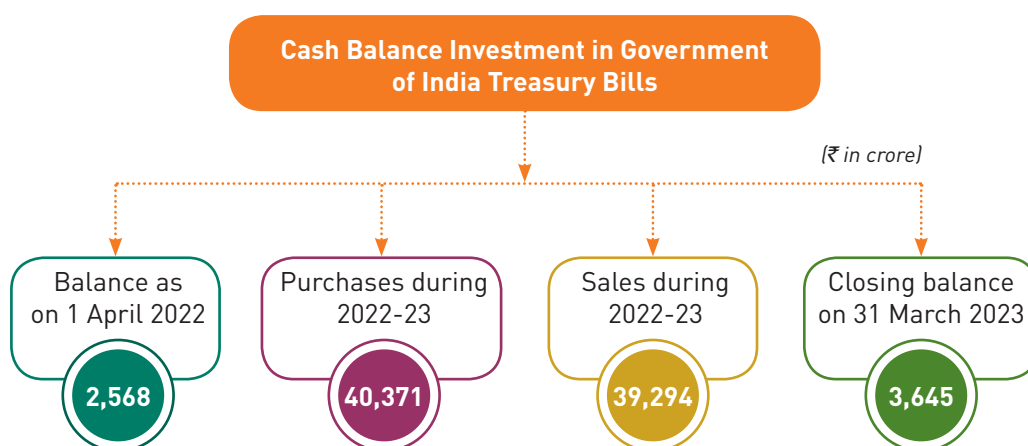
Assets and Liabilities

5.1 Assets

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

Total investment as share capital in non-financial Public Sector Undertakings (PSUs) stood at ₹ 3,519 crore at the end of the year of 2022-23. However, dividends received during the year were ₹ 181 crore (i.e. 3 per cent) on total investment. At the end of the year 2022-23, investments increased by ₹ 421 crore and dividend income increased by ₹ 14 crore.

Cash Balance with RBI which stood at ₹ 45 crore (Credit) on 1 April 2022 decreased to ₹ 89 (Credit) crore at the end of March 2023. In addition, the Government had invested an amount of ₹ 40,371 crore on 105 occasions in 14 days Treasury Bills and rediscounted 14 days Treasury Bills worth ₹ 39,294 crore on 180 occasions during 2022-23. The position of investment during the year 2022-23 is depicted in the table given below:



5.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund. The Government of India determines, from time to time, the limit up to which State Government can borrow from the market. The limit for 2022-23 was ₹ 14,251 crore. Against this, the State Government availed open market borrowing of ₹ 14,000 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
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
2021-22	51,127	27	22,407	13	73,535	40
2022-23	63,363**	32**	23,226	12	86,589**	44**

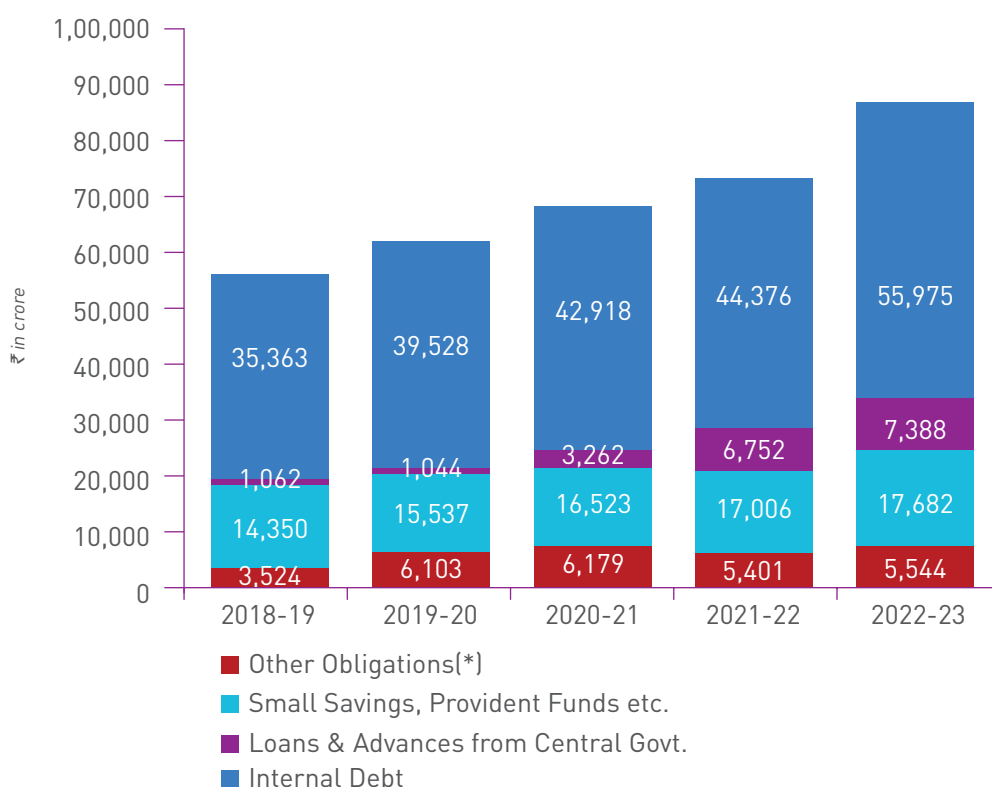
* Excludes suspense and remittance balance.

** This debt includes ₹ 4,412 crore, which was passed on as back to back loans by Gol in lieu of shortfall in GST Compensation, However this amount of ₹ 4,412.22 crore has been ignored to calculate percentage of GSDP to total liabilities as per Gol's letter No.F.No. 40(1) PF-S/2021-22 dated 10-12-2021"

Note: Figures are progressive balance to end of the year

Public Debt and other liabilities showed a net increase of ₹ 13,055 crore (18 per cent) over the previous year.

Trend in Government Liabilities



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

5.3 Guarantees

In addition to directly raising loans, State Governments also guarantee loans raised by Government companies and corporations from the market and financial institutions for implementation of various plan schemes and programmes. These guarantees are projected outside the State Budget. The position of guarantees by the State Government for the re-payment of loans (payment of principal and interest thereon) raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies etc., during 2018-19 to 2022-23 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
2018-19	5,181	4,309*	#
2019-20	640	1,947*	#
2020-21	2,299	2,142*	#
2021-22	2,035	1,885*	#
2022-23	3,158	1,781*	#

* 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 VI

Other Issues

6.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Governments also guarantee loans raised by 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 and are known as Off-budget borrowings. However, the loan repayments appear in Government account, resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts. There was no adverse balance in accounts of State Government as on 31 March 2023.

6.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2022-23 was ₹ 8,053 crore. Out of this, loans and advances to Government Corporations/ Companies, Non-Government Institutions and Local Bodies amounted to ₹ 8,026 crore. Recovery of principal aggregating to ₹ 97 crore was in arrears at the end of 31 March 2023. Information relating to recovery of interest in arrears was not made available by the State Government. During 2022-23 only ₹ 83 crore was received towards repayment of loans and advances, out of which ₹ 6 crore related to repayment of loans to Government servants. Effective steps to recover the outstanding loans would help the Government improve its fiscal position.

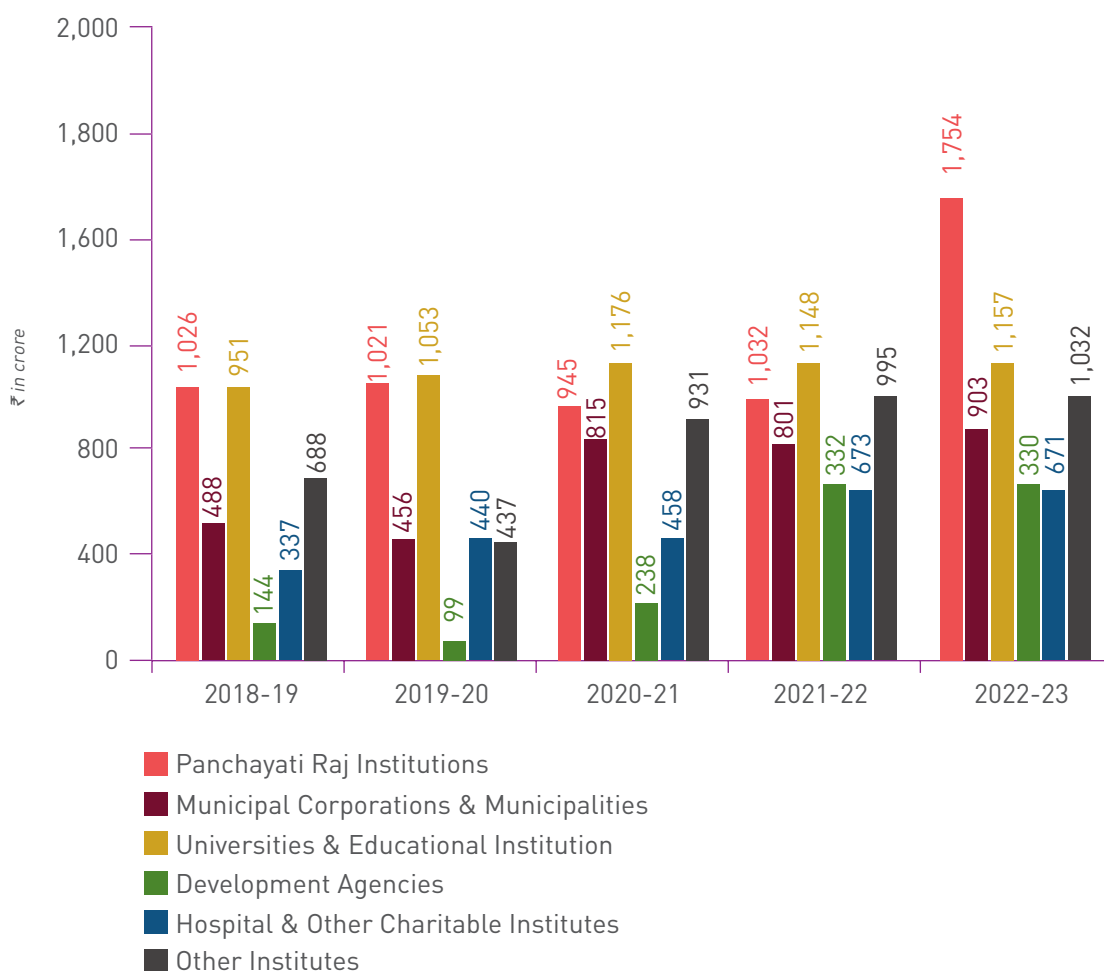
6.3 Financial Assurances to Local Bodies and others

Grants-in-aid given to Local Bodies, Autonomous Bodies etc. increased from ₹ 3,634 crore in 2018-19 to ₹ 5,847 crore in 2022-23. The Grants-in-aid to Zilla Parishads and Panchayat Raj Institutions, Municipal Corporations and Municipalities (₹ 2,656 crore) constituted 45 per cent of total Grants given during the year.

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

(₹ in crore)

S. No	Name of Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
1	Zilla Parishads & Panchayati Raj Institutions	1,026	1,021	945	1,032	1,754
2	Municipal Corporations & Municipalities	488	456	815	801	903
3	Universities & Educational Institution	951	1,053	1,176	1,148	1,157
4	Development Agencies	144	99	238	332	330
5	Hospital & Others Charitable Institutes	337	440	458	673	671
6	Other Institutes	688	437	931	995	1,032
	Total	3,634	3,506	4,563	4,981	5,847



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

(₹ in crore)

S. No.	Name of Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
1	Zilla Parishads	29	27	66	32	75
2	Panchayati Samities	24	9	66	40	75
3	Gram Panchayats	370	501	332	170	393
4	Municipal Corporations	72	41	220	228	449
5	Municipalities	72	67	160	139	98
6	Educational Institution	...	20	1	...	...
7	Development Agencies	41	41	47	29	25
8	Statutory Corporations	12	12	7	...	10
9	Cooperative Institution	1	1	1	2	3
10	Social Welfare	...	...	25	43	41
11	Universities	...	...	1	10	11
12	Others	213	126	114	140	197
	Total	834	845	1,040	833	1,377

6.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2022	As on 31 March 2023	Net increase(+)/ decrease(-)
Cash Balances	(-)45	(-)89	(-)44
Investment from cash balance (GoI Treasury Bills)	(+)2,568	(+)3,645	(+)1,077
Investment from earmarked fund balances	...	...	...
(a) Sinking Fund	...	...	...
(b) Guarantee Redemption Fund	...	...	...
(c) Other Funds	...	...	...
Interest realised during the year	55	20	(-)35

State State Government had a closing cash balance of ₹ 89 crore Credit at the end of 31 March 2023. Interest receipt on the investment of cash balance decreased by 62 *per cent* from ₹ 55 crore in 2021-22 to ₹ 21 crore in 2022-23.

6.5 Reconciliation of Accounts

All Controlling Officers are required to reconcile receipts and expenditure of the Government with the figures accounted for by the Pr. Accountant General (A&E), Himachal Pradesh. During the year 2022-23, receipts amounting to ₹ 38,102 crore (100 *per cent* of total Revenue and Capital receipts) and expenditure amounting to ₹ 50,454 crore (100 *per cent* of total Revenue and Capital expenditure) were reconciled by the State Government.

6.6 Status of Suspense Balances and Remittances Balances

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

(₹ in crore)

Name of Minor Head	2018-19		2019-20		2020-21		2021-22		2022-23	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
(a) 8658-Suspense Accounts										
101-Pay and Accounts Office-Suspense	96	35	125	57	139	67	148	101	133	76
Net	61 Dr.		68 Dr.		72 Dr.		47 Dr.		57 Dr.	
102-Suspense Account (Civil)	150	132	1,551	164	1,854	223	761	266	373	338
Net	18 Dr.		1,387 Dr.		1,631 Dr.		495 Dr.		35 Dr.	
107-Cash Settlement Suspense Account	5	43	0.40	0.38	0	0	0	0	0.02	0
Net	37 Cr.		0.02 Dr.		Nil		Nil		0.02 Dr.	
109- Reserve Bank Suspense- Headquarters	111	62	(-)0.04	0	0.42	0.37	0.05	0	0.05	0
Net	49 Dr.		0.04 Cr.		0.05 Dr.		0.05 Dr.		0.05 Dr.	
110-Reserve Bank Suspense -Central Accounts Office	1	0	3,755	3,755	2	2	27	0	28	0
Net	1 Dr.		Nil		Nil		27 Dr.		28 Dr.	
111-Departmental Adjusting Account	0	0	0	0	0	0	0.10	0	0	0
Net	Nil		Nil		Nil		0.10 Dr.		Nil	

112-Tax Deducted at Source (TDS) Suspense	484	494	448	468	471	498	527	568	965	1047
Net	13 Cr.		20 Cr.		27 Cr.		41 Cr.		82 Cr.	
117-Transactions on behalf of the Reserve Bank of India	9	0	0.09	0.01	0	0	0	0	0.09	0
Net	9 Dr.		0.08 Dr.		Nil		Nil		0.09 Dr.	
123-A.I.S. Officers G.I.S.	52	5	0.60	0.04	0.73	0.04	0.81	0.03	0.84	0.03
Net	47 Dr.		0.56 Dr.		0.69 Dr.		0.78 Dr.		0.81 Dr.	
129-Material Purchase Settlement Suspense Account	164	306	140	224	82	219	58	293	122	385
Net	142 Cr.		104 Cr.		137 Cr.		235 Cr.		263 Cr.	
(b) 8782-Cash Remittances and adjustments between officers rendering accounts to the same Accounts Office										
101- Cash Remittances between treasuries and Currency Chests	0	0	0	0	0	0	0	1	0	1
Net	Nil		Nil		Nil		1 Cr.		1 Cr.	
102-Public Works Remittances	7,185	7,661	7,508	8,105	6,841	7,372	6,467	7,104	8,338	8,816
Net	475 Cr.		597 Cr.		531 Cr.		637 Cr.		478 Cr.	
103-Forest Remittances	152	187	125	142	0	17	0	17	0	17
Net	36 Cr.		17 Cr.		17 Cr.		17 Cr.		17 Cr.	

6.7 Status of Outstanding Utilization Certificate

In terms of Rule 157 of Himachal Pradesh Financial Rules 2009, Institutions or Organizations receiving grants shall furnish audited Utilisation Certificate to the Government after utilisation of Grant-in-Aid. Further, as per H.P. Govt. F.D. letter No. 1-3/73-Fin (Reg.), dated 28-01-1976, the release of further grant to institutions should not be done, which fail to furnish proof of proper utilisation of the earlier grant within a reasonable time, i.e. one year from the date of issue of the grant.

To the extent of non-submission of UCs, there is a risk that the amount shown in Finance Accounts may not have reached the beneficiaries.

During the year 2022-23, outstanding UCs for grants of ₹ 5,490 crore pertaining to the period up to 31 March, 2023 were cleared.

The position of outstanding UCs is shown in the following table:

Year (*)	Number of UCs Outstanding	Amount (₹ in crore)
Upto 2021-22	2,260	1,689
2022-23#	1,846	2,554
Total	4,106	4,243

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

Additions during the year 2022-23 was 18,804 UCs for an amount of ₹ 5,847 crore.

6.8 National Pension System

During the year 2022-23, total contribution to the NPS which is a Defined Contribution Pension Scheme was ₹ 1,782 crore (Employees' contribution ₹ 742 crore and Government's contribution ₹ 1,041 crore and interest ₹ 0.03 crore). The detailed information on government contribution is available in Statement No. 15 of the Finance Accounts. The Government contribution to Defined Contribution Pension Scheme shown under MH-8342-117 (₹ 1,041 crore) differs with the amount shown under Major Head 2071-01-117 (₹ 1,033 crore), which is due to direct deposit of employer share in Public Account by the Government for processing of EWC (Work Charged Employees) cases due to clearance Court cases. The Government transferred ₹ 1,782 crore to the Public Account under Major Head 8342-117 Defined Contribution Pension scheme.

The State Government of Himachal Pradesh vide Notification No. Fin (Pen)A(3)-1/2023, dated 04 May 2023 has notified reversion to the Old Pension Scheme (OPS) with effect from 01 April 2023.

6.9 Personal Deposit Accounts

The PD accounts enable designated Drawing Officers to incur expenditure for specific purposes pertaining to a scheme.

During 2022-23, an amount of ₹ 1 crore was transferred to these PD Accounts. This included ₹ 0.10 crore transferred in March 2023, of which, ₹ 0.05 crore was transferred on the last working day of March 2023.

In terms of Rule 200 (4) of Himachal Pradesh Treasury Rules 2017, 66 Administrators of Personal Deposit Account (out of 68) had reconciled and verified their balances with the treasury figures and furnished annual verification certificates to the Treasury Officer for onward submission to Pr. Accountant General (A&E) HP. Two Administrators (A.C. to D.C. Kangra and S.D.O. Dodra Kawar) of Personal Deposit Accounts had not reconciled and verified their balances with the treasury figures.

Details of the PD accounts as on 31 March 2023 are given below:

(₹ in crore)

Opening Balance as on 01 April 2022		Addition during the year 2022-23		Closed/Withdrawal disbursement during the year 2022-23		Closing Balance as on 31 March 2023	
Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount
106	2	01	0.65*	39**	0.63**	68	2

* It includes lapsed deposit of ₹ 0.36 crore.

** Deposit accounts pertaining to M.H 8448-109 Panchayat Bodies Funds (38 PD Accounts: ₹ 0.03 crore) & 8448-106 Funds of ICAR(1 PD Account: Nil amount) amounting to ₹ 0.03 crore have been separated from the list of PDAs and maintained in a separate list as they do not fall under the category/classification of PD Accounts. Remaining amount of ₹ 0.60 crore has been withdrawn during the year.

6.10 Cash Balance (Deposit with Reserve Bank of India)

The Cash balance as on 31 March 2023 as per the records of Pr. Accountant General (A&E) was ₹ 89.33 crore (Credit) and the figure reported by the RBI was ₹ 89.35 crore (Debit). There was a net difference of ₹ 0.02 crore (Debit), mainly due to incorrect reporting of transactions by the Agency Banks. The difference is under reconciliation.

6.11 State Disaster Response Fund/National Disaster Response Fund

In terms of guidelines on constitution and administration of the State Disaster Response Fund (under Major Head- '8121 General and Other Reserve Funds' which is under interest bearing section), the Central and State Government are required to contribute to the fund in proportion of 90:10.

During the year 2022-23, the State Government received ₹ 342 crore as Central Government's share. The State Government's share during the year was ₹ 38 crore. The State Government transferred ₹ 381 crore (Central share ₹ 342 crore and State share ₹ 38 crore) to the Fund under Major Head 8121-122 SDRF. The State received ₹ 214 crore from the Central Government towards NDRF, which was transferred to the Fund under Major Head 8235-125 NDRF.

6.12 State Disaster Mitigation Fund

The State Disaster Mitigation Fund (SDMF) is required to be constituted under Section 48 (1) (c) of the Disaster Management Act, 2005. This fund is meant exclusively for the purpose of mitigation projects in respect of disasters covered under State Disaster Response Fund (SDRF)/ National Disaster Response Fund (NDRF) guidelines and the State specific local disasters notified by the State Government from time to time. The Central and State Government are required to contribute to the fund in proportion of 90:10. The State Government has created the SDMF vide Notification No. Fin-G-C (2) 05/2022, dated 27 February 2023 under Major Head 8121-130-State Disaster Mitigation Fund.

During the year 2022-23, the State Government received ₹ 43 crore from the Central Government. The state share during the year was ₹ 5 crore. The State Government transferred ₹ 91 crore (Central share ₹ 82 crore and State share ₹ 9 crore pertaining to the year 2021-22) to the designated Fund during 2022-23.

The State Government did not transfer ₹ 48 crore (Central Share ₹ 43 crore and State Share ₹ 5 crore) for the year 2022-23 to the Fund and as such, the Revenue expenditure is understated to that extent.

6.13 State Compensatory Afforestation Fund

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

During the year 2022-23, the State Government received ₹ 0.01 crore (no amount was received during 2021-22) from the user agencies and remitted to the fund. The Government did not receive any amount from National Compensatory Afforestation Deposit during 2021-22 and 2022-23.

During the year, the State Government paid interest of ₹ 54 crore due for the year 2022-23 to the Fund under Major Head 8121-129-SCAF. Further, the interest of ₹ 2 crore on unspent money lying with Adhoc CAMPA was also credited to the Fund. The total balance in the State Compensatory Afforestation Fund as on 31st March 2023 was ₹ 1,567 crore.

6.14 Cess levied by the State Government

(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 extending benefits to the workers.

During the year 2022-23, the State collected ₹ 44 crore (2021-22: ₹ 39 crore) as Labour Cess and booked in Public Account under Major Head 8443 and transferred ₹ 42 crore (2021-22: ₹ 42 crore) to the Building and Other Construction Workers Welfare Board.

Thus, the un-transferred amount from the Major Head 8443 was ₹ 27 crore as on 31 March 2023 (₹ 25 crore as on 31 March 2022).

(b) Other Cess/fee/surcharge:

During the year 2022-23, the Government collected ₹ 68 crore (2021-22: ₹ 86 crore) being the collection of cess/fee/surcharge (other than Labour Cess). The State Government has not created any Fund in respect of such cess/fee/surcharge.

6.15 Transactions booked under/cleared from Objection Book Suspense Accounts

During 2022-23, an amount of ₹ 0.20 crore (of Major Head 4210) has been kept in Suspense Account in the books of the Pr. Accountant General (A&E) due to expenditure done without scheme notified in Budget. Thus, the said amount has not been taken into account as Capital expenditure in the Finance Accounts and actual expenditure in the Appropriation Accounts for the year 2022-23.

Further, an amount of ₹ 449 crore of O.B. suspense of previous years (₹ 158 crore of 2019-20, ₹ 213 crore of 2020-21 and ₹ 78 crore of 2021-22) has been cleared during 2022-23 and booked under respective expenditure head of accounts (Revenue expenditure ₹ 269 crore and Capital expenditure ₹ 180 crore). Thus, the Revenue expenditure/Capital expenditure in the Finance Accounts and actual expenditure in the Appropriation Accounts against the budget provisions for the year 2022-23 are overstated to that extent.

6.16 Transfer of funds to Single Nodal Agency (SNA)

Ministry of Finance, Government of India vide letter No. 1(13) PFMS/ FCD/ 2020 dated 23 March 2021 had notified procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released through SNA. For each CSS, SNA is set up with own Bank Account in scheduled Commercial Bank authorised to conduct Government business by the State Government. As per the procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share.

As per reports available on PFMS portal, the State Government received ₹ 3,622 crore being Central share during the year in its Treasury Accounts. The State Government transferred ₹ 3,294 crore of Central share received in Treasury Accounts and State share of ₹ 784 crore to the SNAs during the year. As on 31 March 2023, ₹ 2,722 crore was lying unspent in the bank accounts of SNAs.

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