



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



ACCOUNTS at a Glance

for the year
2021-22



GOVERNMENT OF HIMACHAL PRADESH



Accounts at a Glance for the year 2021-22

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



GOVERNMENT OF HIMACHAL PRADESH

Preface

I am happy to present the twenty fourth issue of our annual publication, the 'Accounts at a glance' for the year 2021-22, which provides an overview of Governmental activities, as reflected in the Finance Accounts and Appropriation Accounts.

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

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

We look forward to suggestions.

Shimla

Date: 26 December 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, 90 Public Works Divisions (71 Building and Roads, eight National Highway, six Mechanical, and five Electrical), 65 Jal Shakti Vibhag divisions, accounts rendered by the other states/ accounting offices and advices of Reserve Bank of India. Every month 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 quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government to the state 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 revenues 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.

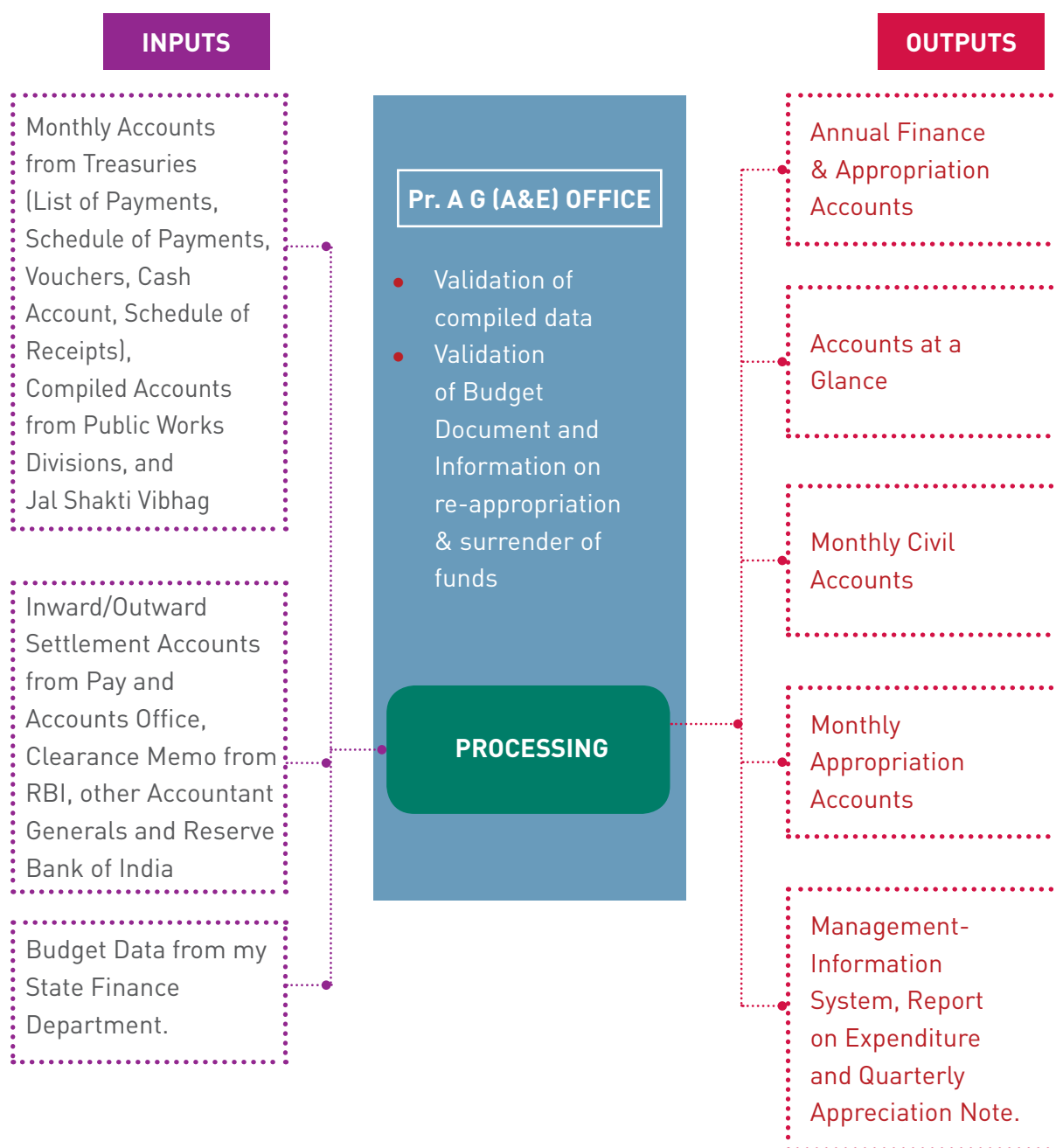
..... **Part 2 CONTINGENCY FUND** ●

● **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 Legislature of Himachal Pradesh, 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 ₹ 2,535 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 2021-22

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 2021-22. Planned and actual values for key fiscal indicators have also been described.

Table 1.1 Snapshot of Finances of Himachal Pradesh (Year 2021-22)

(₹ in crore)

Sl. No.	Description	Budget Estimate 2021-22	Actuals 2021-22	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP#
1.	Tax Revenue (including central share) [a]	15,933	17,064	107	10
2.	Non-Tax Revenue	2,624	2,612	100	1
3.	Grants-in-aid & Contributions	18,755	17,633	94	10
4.	<i>Revenue Receipts (1+2+3)</i>	37,312	37,309	100	21
5.	Recovery of Loans & Advances**	44	41	93	--
6.	Other Receipts**	0.00	7	--	--
7.	Borrowings and other liabilities (b)	7,090	5,245	74	3
8.	<i>Capital Receipts (5+6+7)</i>	7,134	5,293	74	3
9.	<i>Total Receipts (4+8)</i>	44,446	42,602	96	24
10.	<i>Revenue Expenditure</i>	37,034	36,195	98	21
11.	Expenditure on Interest Payments (out of Revenue Expenditure)	4,805	4,641	97	3
12.	<i>Capital Expenditure</i>	7,099	6,029	85	3
13.	<i>Loans and Advances Disbursed (c)**</i>	314	378	120	--
14.	<i>Total Expenditure (10+12+13)</i>	44,447	42,602	96	24
15.	<i>Revenue Deficit (-) / Revenue Surplus (+) (4-10)</i>	(+)278	(+)1,115	401	1
16.	<i>Fiscal Deficit(-) / Surplus(+) (4+5+6-14)</i>	(-)7,091	(-)5,245	74	3
17.	<i>Primary Deficit** (16-11)</i>	(-)4,269	(-)604	14	--

(a) Includes share of net proceeds assigned to state amounting to ₹ 7,349 crore. State Government's Own Tax receipts were ₹ 9,715 crore which was 6 Per cent of GSDP.

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

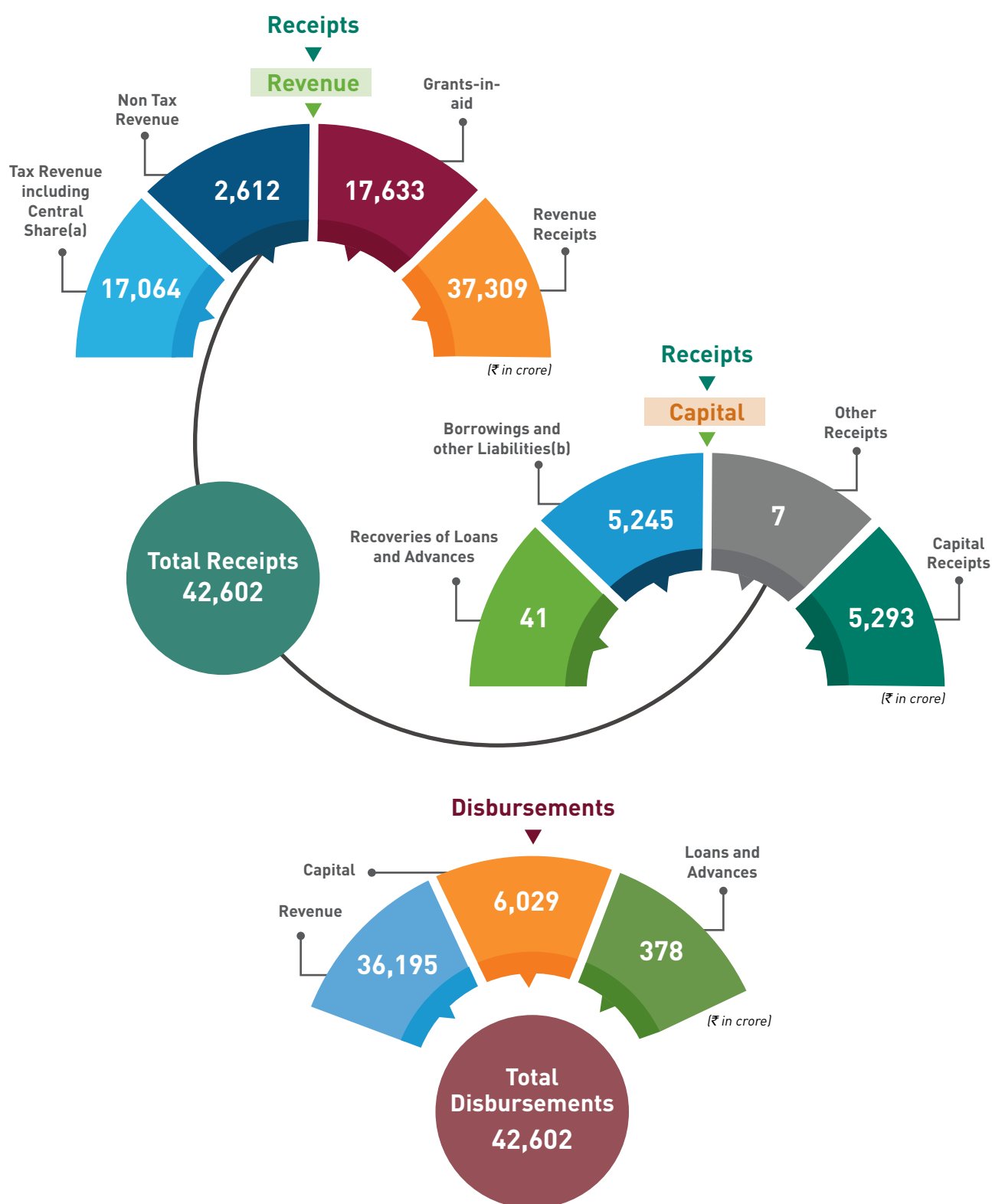
(c) Loans and advances (₹ 378 crore) = State Plan (₹ 3 74 crore) + Central Plan (₹ 4 crore)

GSDP (Gross State Domestic Product) of H.P. for 2021-22 was ₹ 1,75,173 crore as per revised estimates presented in Legislative Assembly.

* Includes an amount of ₹ 4 crore by way of book adjustment.

** Percentage is negligible hence shown as --

Receipts and disbursement in year 2021-22



(a) Includes share of net proceeds assigned to state amounting to ₹ 7,349 crore. (State Government's Own Tax receipts is ₹ 9,715 crore which is 6 Per cent of GSDP).

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

1.3.3 Appropriation Accounts

Under Articles 204 & 205 of the Constitution of India, no expenditure can be incurred by the Government except with authorization of the Legislature. Barring certain expenditure specified in the Constitution as “charged” on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditures require to be “voted”. The budget of the Himachal Pradesh for 2021-22 had 32 Grants and there were 14 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 ₹ 50,129 crore against the budget of ₹ 55,715 crore approved by the Legislature. There was saving of ₹ 7,367 crore and excess expenditure of ₹ 1,782 crore, resulting in net saving was ₹ 5,585 crore. The excess of ₹ 1,782 crore occurred in thirteen grants relating to (i) Land Revenue and District Administration, (ii) Excise and Taxation (iii) Police and Allied Organisations (iv) Education (v) Health and Family Welfare (vi) Horticulture (vii) Election (viii) Industries, Minerals, Supplies and Information Technology (ix) Rural Development (x) Power Development (xi) Road and Water Transport (xii) Labour Employment and Training and (xiii) Miscellaneous General Services, which requires regularization. While the excess (₹ 71 crore only) in charged appropriations took place in two grants: (i) 07-Police and Allied Organisations and (ii) 28-Urban Development, Town and Country Planning and Housing. The excess expenditures need to be regularised by the Legislature.

During the year 2021-22, expenditure to the tune of ₹ 623 crore was incurred without budget provision under twelve grants viz. Grant No 5 (Land Revenue and District Administration), 8 (education), 10 (Public Works-Roads, Bridges and Buildings), 11 (Agriculture), 13 (Irrigation, Water Supply and Sanitation), 14 (Animal Husbandry, Dairy Development and Fisheries), 20 (Rural Development), 22 (Food and Civil Supplies), 28 (Urban Development, Town and Country Planning and Housing), 30 (Miscellaneous General Services), 31 (Tribal Development) and 32 (Scheduled Caste Sub Plan). Expenditures without budget provision indicated violation of financial rules.

During the year 2021-22, the State Government opened 136 new Sub heads, (110 under Revenue section and 26 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 ₹ 79 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 2021-22.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

Ways and Means Advances are taken from the Reserve Bank of India (RBI) to make good the deficiency in the minimum cash balance which the State Government is required to maintain with the RBI. The State Government obtained Ways and Means Advance of ₹ 1,043 crore and the same (₹ 1,043 crore) was repaid during the year 2021-22.

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 2021-22 the overdraft was neither availed nor repaid.

1.4.3 Fund flow statement

The state had a Revenue Surplus of ₹ 1,115 crore and a Fiscal Deficit of ₹ 5,245 crore as on 31 March 2022. The Fiscal Deficit was met from net Public Debt (₹ 4,948 crore), increase in Public Account (₹ 192 crore) and net decrease of opening and closing cash balance (₹ 105 crore). Around

65 Per cent of the Revenue Receipts (₹ 37,309 crore) of the State Government was spent on committed expenditures like Salaries (₹ 11,990 crore), Interest Payments (₹ 4,641 crore), Pensions (₹ 6,399 crore), Subsidies (₹ 1,188 crore) and Wages (₹ 202 crore).

Sources and Application of Funds

	(₹ in crore)
SOURCES	
Opening Cash Balance as on 1 April 2021	60
Revenue Receipts	37,309
Capital Receipts	7
Recovery of Loans and Advances	41
Public Debt	9,335
Small Savings, Provident Funds etc.	3,562
Reserves Funds	417
Deposits Received	3,566
Civil Advances Repaid	...
Suspense Account	54,945*
Remittances	6,574
TOTAL	1,15,816*
APPLICATION	
Revenue Expenditure	36,195
Capital Expenditure	6,029
Loans Given	378
Repayment of Public Debt	4,387
Small Savings, Provident Funds etc.	3,079
Reserves Funds	1,160
Deposits Repaid	3,601
Civil Advances Given	...
Suspense Account	54,570**
Remittances	6,462
Closing Cash Balance as on 31 March 2022	(-)45
TOTAL	1,15,816

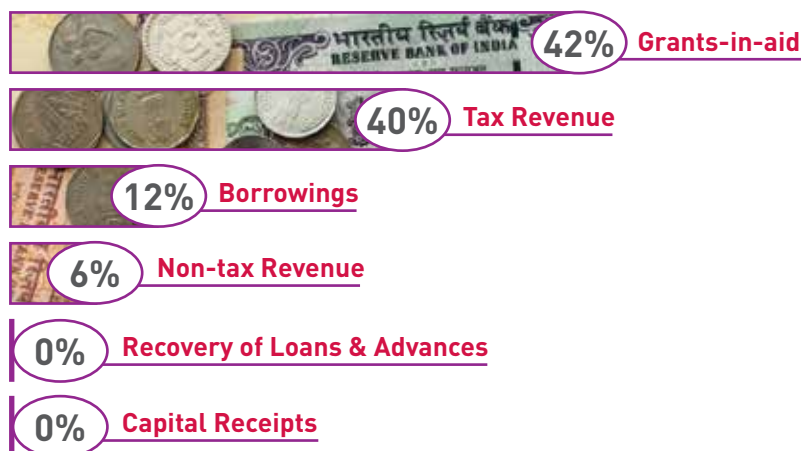
* Includes ₹ 53,881 crore on account of cash balances investment account.

** Includes ₹ 54,753 crore on account of cash balances investment account.

(a) 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.

1.4.4 Where the ₹ came from ?

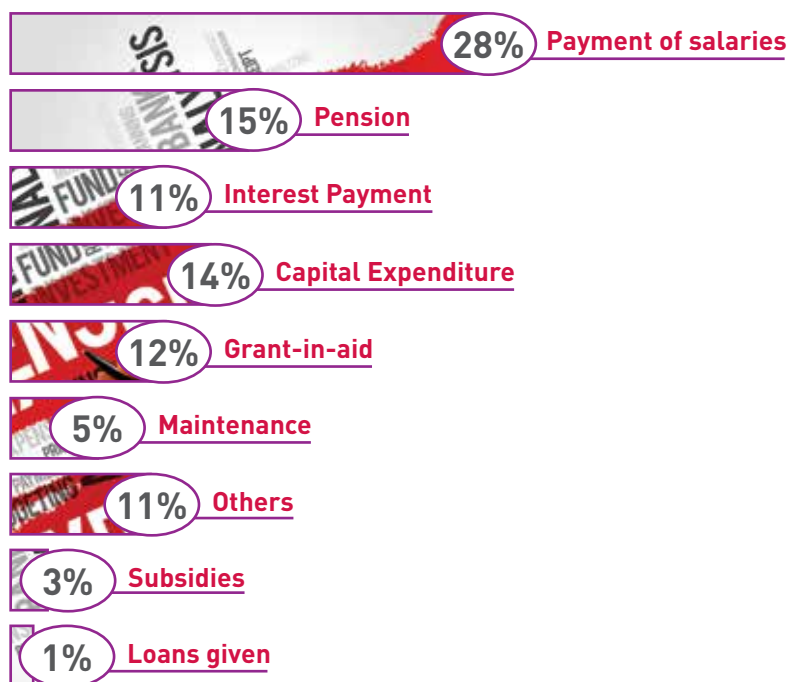
Actual Receipts



(Recovery of loans and advances was only ₹ 41 crore and Capital Receipt was only ₹ 7 crore which is negligible hence value is shown as zero)

1.4.5 Where the ₹ went ?

Actual Expenditure



During the year 2021-22, the State had Revenue Surplus of ₹ 1,115 crore (₹ 97 crore Revenue Deficit in 2020-21) and Fiscal Deficit of ₹ 5,245 crore (₹ 5,700 crore Fiscal Deficit in 2020-21), which were 1 *Per cent* and 3 *Per cent* of the GSDP respectively. The Fiscal Deficit constituted 12 *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 2021-22 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 (+)	(+)1,115 (1 % of GSDP)	Eliminate by 2011-12	Achieved during the year
2	Fiscal Deficit	5,245 (3 % of GSDP)	3.00 Per cent or less of GSDP	Achieved during the year
3	Outstanding Guarantees	1,885 (6 % of Revenue Receipt of previous financial year)	Less than 40 Per cent of Revenue Receipt of previous financial year	Achieved during the year

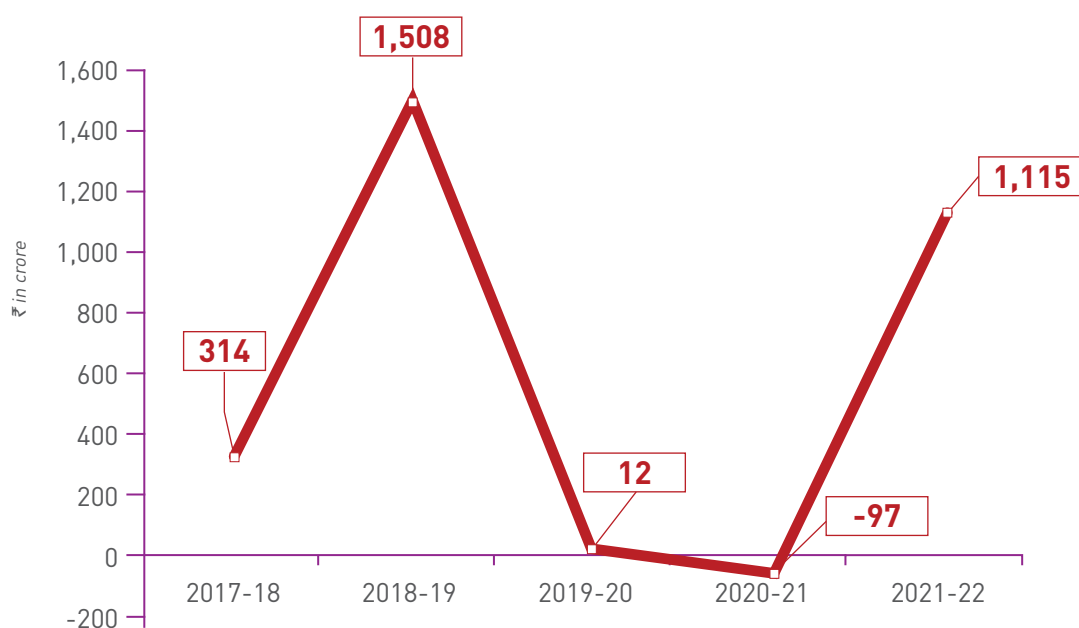
* Source: GSDP (Gross State Domestic Product) of H.P. for 2021-22 is ₹ 1,75,173 crore as per revised estimates presented in Legislative Assembly.

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

The State Government had Revenue Deficit of ₹ 97 crore in 2020-21, and during the year 2021-22 there was Revenue Surplus of ₹ 1,115 crore, thus achieved the target of FRBM Act. Fiscal Deficit decreased by ₹ 455 crore from ₹ 5,700 crore in 2020-21 to ₹ 5,245 crore in the current year and was 3 Per cent of GSDP, which is within the target of three Per cent of GSDP set under FRBM Act. In terms of FRBM Act, the total outstanding guarantee of any year shall not exceed 40 Per cent of total revenue receipts of previous financial year. The amount of outstanding guarantees was ₹ 1,885 crore as on 31 March 2022 equaling 6 Per cent of total revenue receipt (₹ 33,438 crore) of previous year i.e. 2020-21.

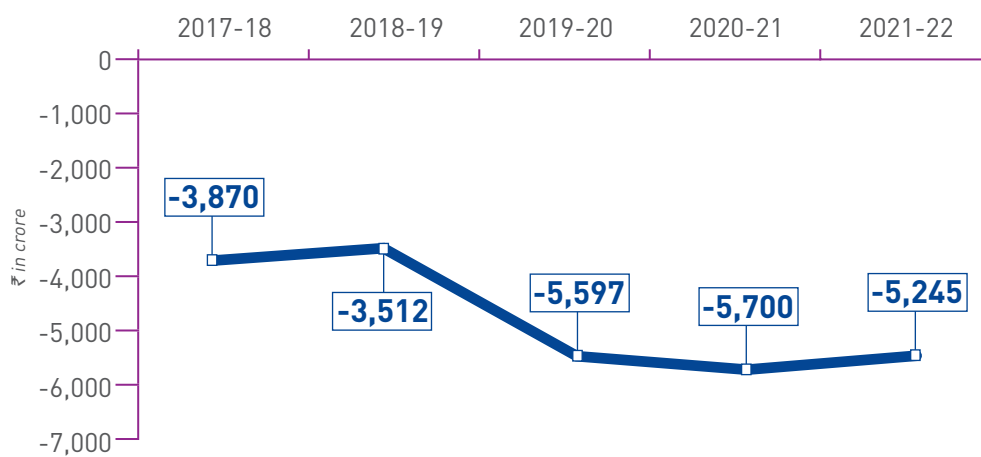
1.5.1 Trend of Revenue Deficit/ Surplus

Trend of Revenue Surplus/ Deficit



1.5.2 Trend of Fiscal Deficit

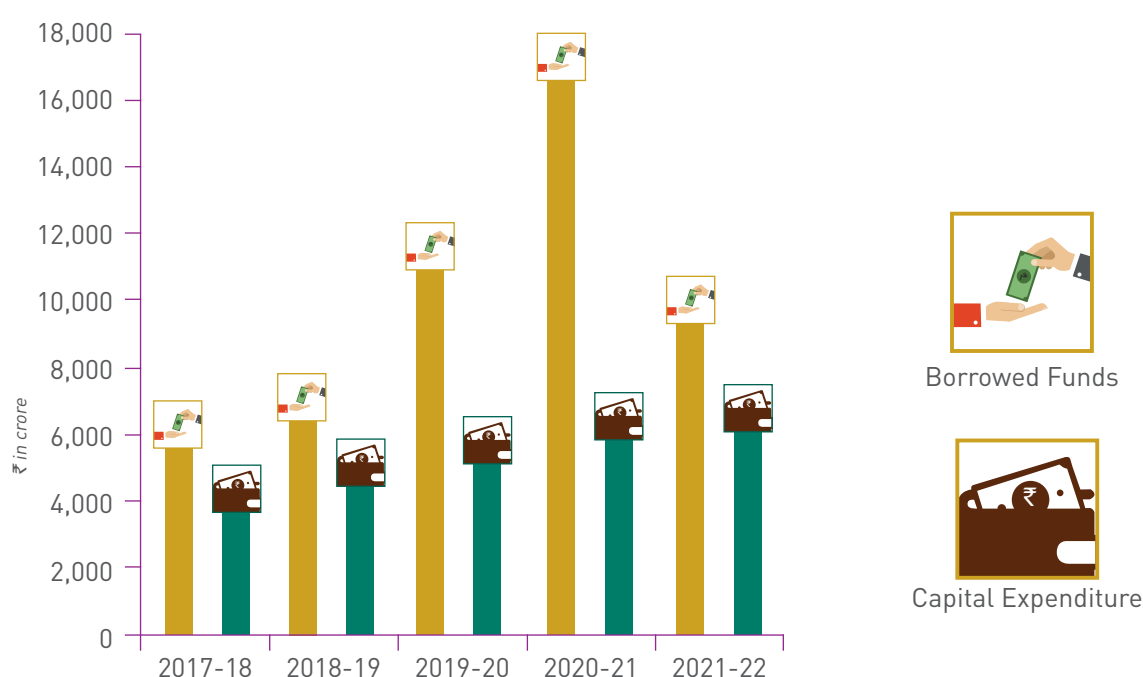
Trend of Fiscal Deficit



1.5.3 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

Year	Borrowed Fund	Capital Expenditure
2017-18	5,600	3,756
2018-19	6,427	4,583
2019-20	10,847	5,174
2020-21	16,749	5,309
2021-22	9,335*	6,029



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

The Governments usually run fiscal deficits and borrow funds for capital/ assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus, it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 65 Per cent of the borrowings of the current year (₹ 9,335 crore) on capital expenditure (₹ 6,029 crore). 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.

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 2021-22 was ₹ 42,602 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.

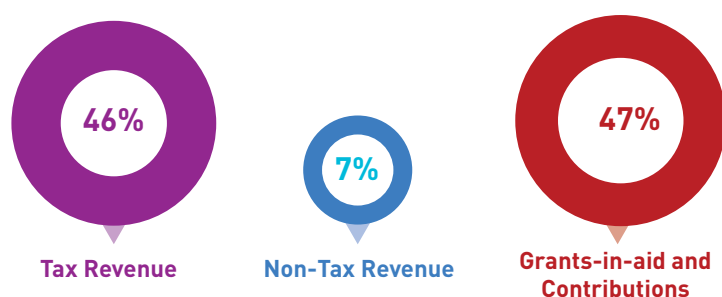
Includes interest receipts, dividend, profits, departmental receipts etc.

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*	17,064	46
Goods and Services Tax	6,588	18
Taxes on Income and Expenditure	4,372	12
Taxes on Property, Capital and other Transactions	324	1
Taxes on Commodities and Services other than Goods and Services Tax	5,780	15
B. Non-Tax Revenue	2,612	7
Interest Receipts, Dividend and Profits	340	1
General Services	278	1
Social Services	392	1
Economic Services	1,602	4
C. Grants-in-Aid & Contributions	17,633	47
Total –Revenue Receipts	37,309	100

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

2.2.2 Trend of Revenue Receipts

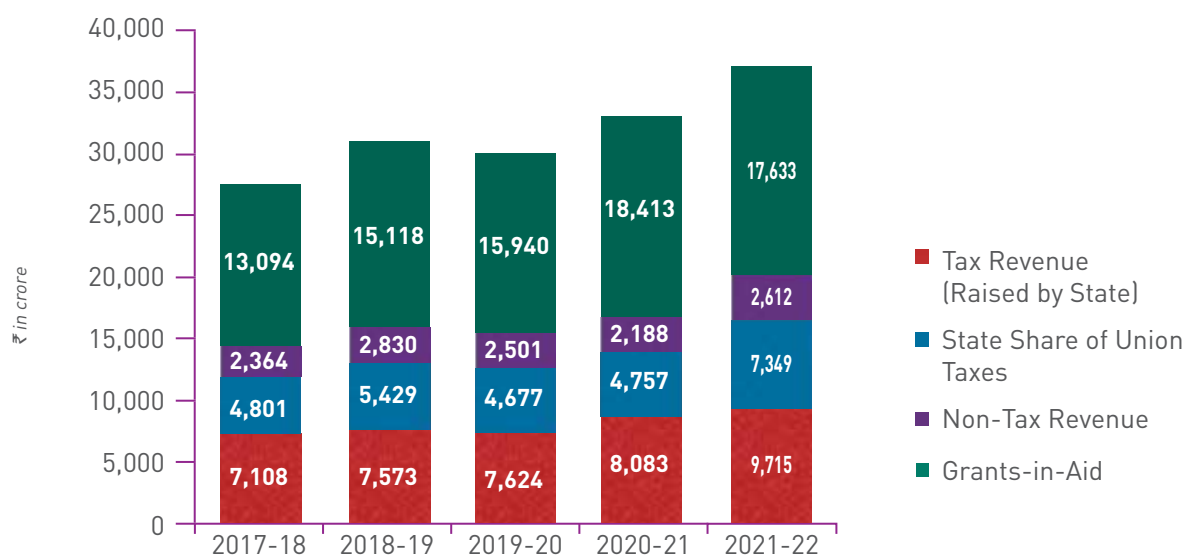
(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Tax Revenue (Raised by the State)	7,108 (5)	7,573 (5)	7,624 (5)	8,083 (5)	9,715 (6)
State Share of Union Taxes/ Duties	4,801 (3)	5,429 (4)	4,677 (3)	4,754 (3)	7,349 (4)
Non-Tax Revenue	2,364 (2)	2,830 (2)	2,501 (2)	2,188 (1)	2,612 (1)
Grants-in-aid	13,094 (10)	15,118 (10)	15,940 (10)	18,413 (12)	17,633 (10)
Total Revenue Receipts	27,367 (20)	30,950 (20)	30,742 (19)	33,438 (21)	37,309 (21)
GSDP	1,35,914	1,51,835	1,65,472	1,56,522	1,75,173

Note: Figures in parentheses represent percentage to GSDP (Gross State Domestic Product). GSDP Figures for 2021-22 at current prices, as per revised estimates presented in Legislative Assembly.

Though the GSDP increased by 12 Per cent in 2021-22 as compared to previous year, increase in revenue receipt was also 12 Per cent. The tax revenue increased by 33 Per cent, the non-tax revenue increased by 19 Per cent and the Grants-in-aid decreased by 4 Per cent as compared to previous year.

Trend of components of Revenue Receipts



2.3 Tax Revenue

(₹ in crore)

Sector wise Tax Revenue				
Taxes	2018-19	2019-20	2020-21	2021-22
a. Goods and Services Tax	4,790 (3)	4,878 (3)	4,886 (3)	6,588 (4)
b. Taxes on Income and Expenditure	3,289 (2)	2,844 (2)	2,894 (2)	4,372 (3)
c. Taxes on Property Capital and Other Transactions	259	264	260	324 (0.18)
d. Taxes on Commodities and Services Other than Goods and Services Tax	4,664 (3)	4,315 (3)	4,797 (3)	5,780 (3.30)
Total Tax Revenue	13,002 (9)	12,301 (7)	12,837 (8)	17,064 (10)
GSDP	1,51,835	1,65,472	1,56,522	1,75,173

Note: Figures in parentheses represent percentage to GSDP.

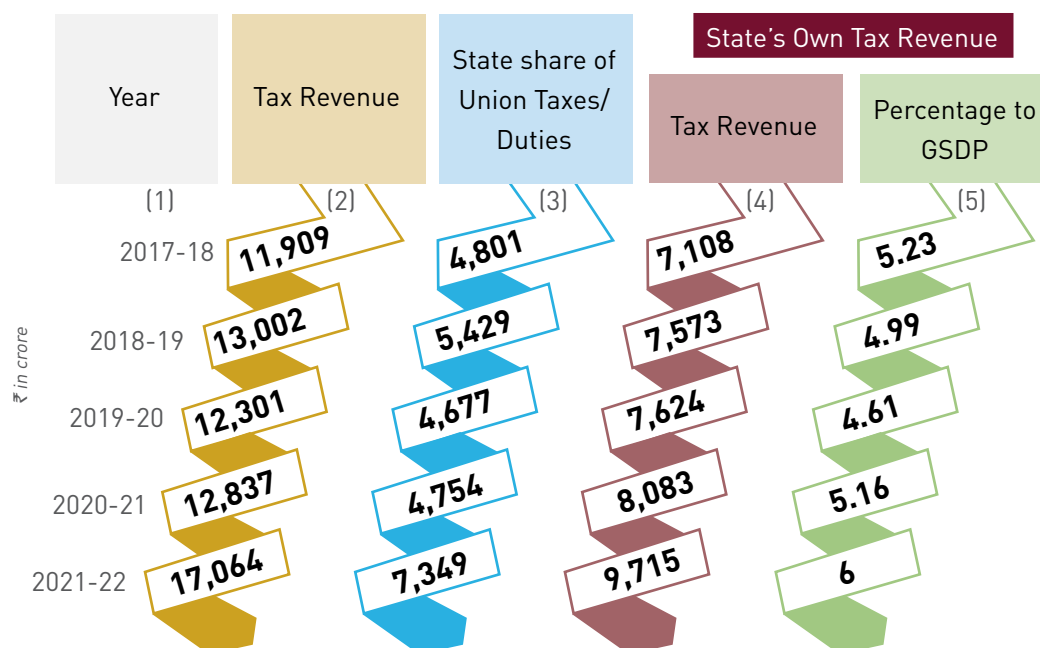
The increase in total tax revenue during 2021-22 was due to increase in tax devolution from Union Government mainly on account of Input Tax Credit Cross Utilisation of CGST and IGST (₹ 491 crore), Corporation Tax (₹ 773 crore), Income other than Corporation Tax (₹ 705 crore and Customs (₹ 254 crore) and also increase in State Excise (₹ 381 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	2017-18	2018-19	2019-20	2020-21	2021-22
State's own Tax collection	7,108	7,573	7,624	8,083	9,715
YTY growth of 'Own Tax'	1	6	1	6	20
Devolution of Union Taxes	4,801	5,429	4,677	4,754	7,349
YTY growth of 'Devolution of Union Taxes'	10	12	-16	2	55
Total Tax Revenue	11,909	13,002	12,301	12,837	17,064
Percentage of State's own tax to total tax revenue	60	58	62	63	57

The proportion of State's own tax collection in overall tax revenue was 60 *Per cent* during the year 2017-18 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, however the proportion decreased to 57 *Per cent* during 2021-22.

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

(₹ in crore)

Description	2017-18	2018-19	2019-20	2020-21	2021-22
State Goods and Service Tax	1,833	3,343	3,550	3,467	4,482
Taxes on Sales, Trade etc.	2,526	1,185	1,169	1,630	1,592
State Excise	1,311	1,482	1,660	1,600	1,981
Taxes on Vehicles	367	408	466	380	510
Stamp and Registration fees	229	251	260	253	319
Taxes and Duties on electricity	361	487	101	402	394
Land Revenue	17	8	5	7	5
Taxes on Goods and Passengers	112	104	104	84	99
Other Taxes	352	305	309	260	333
Total State's own Taxes	7,108	7,573	7,624	8,083	9,715

2.4 Cost of collection of Taxes

(₹ in crore)

Taxes	2017-18	2018-19	2019-20	2020-21	2021-22
1. Taxes on Sales, Trade etc.					
Revenue collection	2,526	1,185	1,169	1,630	1,592
Expenditure on collection	7	2	35	20	29
Cost of tax collection <i>Per cent</i>	0.28	0.17	2.99	1.23	1.82
2. State Excise					
Revenue collection	1,311	1,482	1,660	1,600	1,981
Expenditure on collection	6	6	7	8	8.27
Cost of tax collection <i>Per cent</i>	0.46	0.40	0.42	0.50	0.42
3. Taxes on Vehicles, Goods and Passengers					
Revenue collection	479	512	570	464	609
Expenditure on collection	48	53	48	48	62.79
Cost of tax collection <i>Per cent</i>	10.00	10.35	8.42	10.34	10.31
4. Stamp and Registration Fee					
Revenue collection	229	251	260	253	318
Expenditure on collection	8	9	20	13	5
Cost of tax collection <i>Per cent</i>	3.49	3.59	7.69	5.14	1.54

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	2017-18	2018-19	2019-20	2020-21	2021-22
Central Goods & Services Tax (CGST)	68	1340 (94)	1327	1420	2,105
Integrated Goods & Services Tax (IGST)	485	107	Nil	Nil	Nil
Customs	485	385	296	257	511
Union Excise Duties	506	256	206	161	266
Service Tax	544	49	Nil	19	88
Other Taxes and Duties on Commodities and Services	Nil	3	3	3	7
Corporation Tax	1,471	1,888	1,595	1,429	2,202
Other Taxes on Income and Expenditure**	Nil	10	Nil	Nil	--
Taxes on Income other than Corporation Tax	1,242	1,391	1,250	1,465	2,170
Taxes on Wealth**	Nil	Nil	Nil	Nil	--
State's share of Union Taxes/Duties	4,801	5,429	4,677	4,754	7,349
Total Tax Revenue	11,909	13,002	12,301	12,837	17,064
Percentage of Union Taxes to Total Tax Revenue	40	42	38	37	43

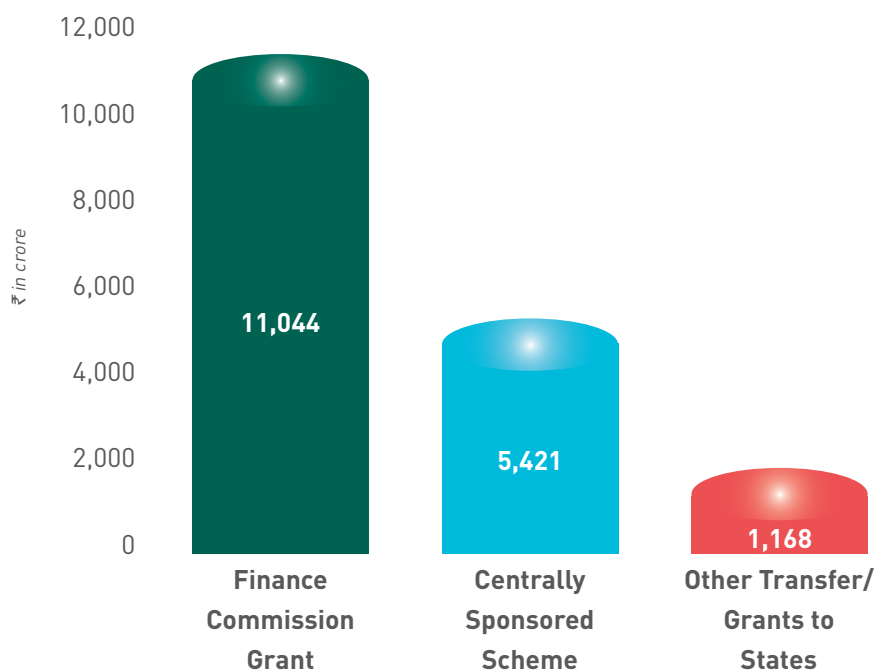
** Percentage is negligible hence shown as ---

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 rose to 43 *Per cent* during 2021-22.

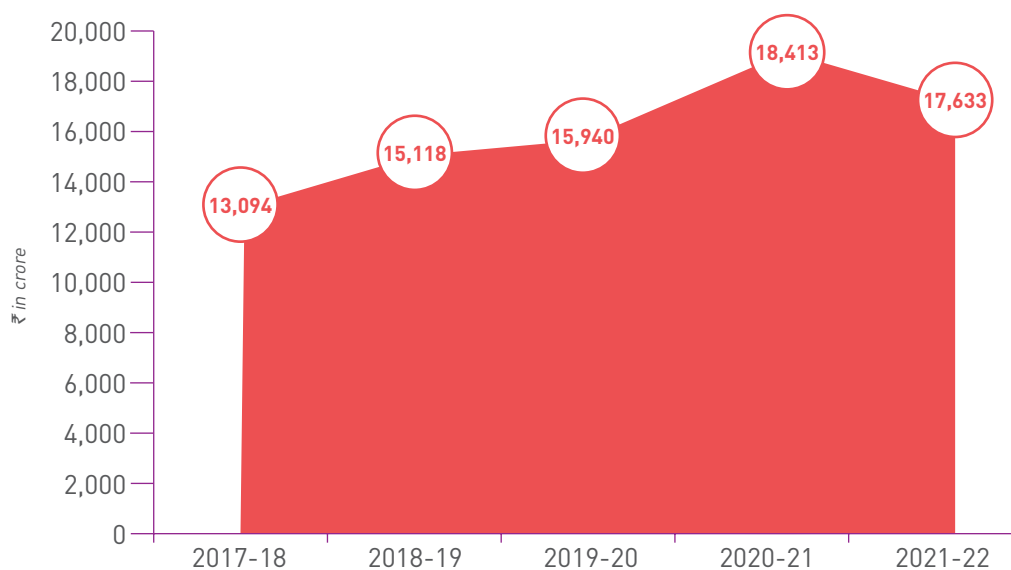
2.6 Grants-in-aid

Grants-in-aid represent assistance from the Government of India, and comprise, grants for Centrally Sponsored Schemes, Finance Commission Grants and other Transfers/ Grants to State/ Union Territories with Legislatures. The Grants-in-aid received from these sources during 2021-22 is shown below:

Grants-in-aid



Trend of Grants-in-aid



The decrease in Grants-in-aid during 2021-22 was mainly due to decrease in 'Compensation for loss of revenue arising out of implementation of GST' ₹ 596 crore and 'Post devolution revenue Deficit Grant' ₹ 1,182 crore.

2.7 Goods and Services Tax (GST)

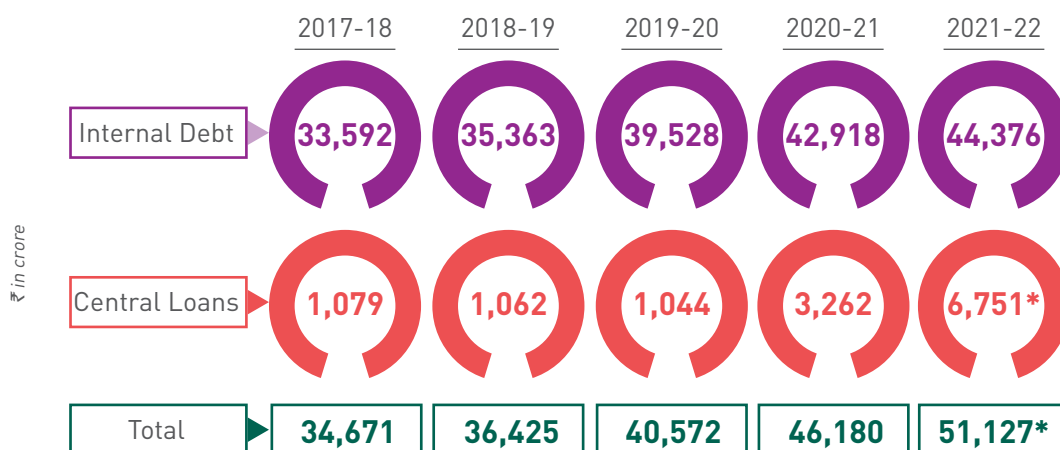
Goods and Service Tax (GST) was implemented w.e.f. 1 July 2017. According to GST (Compensation to the States) Act 2017, Central Government will compensate the states for loss of revenue arising on account of implementation of GST for a period of five year.

During 2021-22, the State Government received ₹ 4,482 crore (including ₹ 308 crore on account of advance apportionment of IGST) as revenue under Major Head 0006-State Goods and Service Tax. In addition, the State received ₹ 2,105 crore as its share of net proceeds assigned to the State under Central GST. The total receipts under GST were ₹ 6,588 crore. The State received compensation of ₹ 1,168 crore on account of loss of revenue arising out of implementation of GST during 2021-22.

Further, the State also received ₹ 2,695 crore debt during 2021-22 (total loan of ₹ 4,412 crore as on 31 March 2022) as back-to-back loan from the Central Government in lieu of GST compensation which would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission as per the decision of Department of Expenditure, Government of India.

2.8 Public Debt

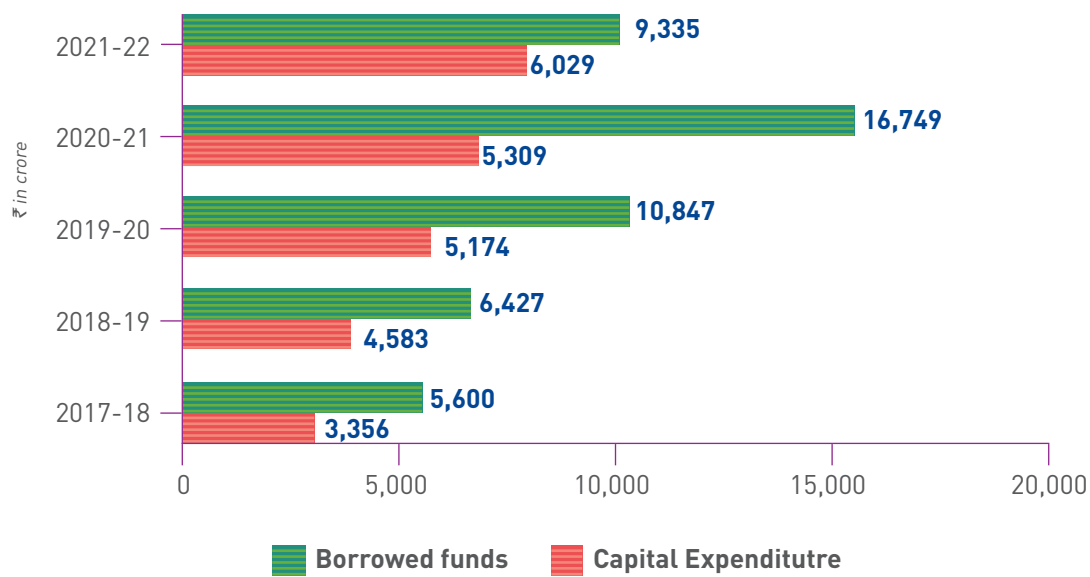
Trend of position of Public Debt over the past five years



**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 2021-22, eight loans totaling ₹ 4,000 crore were raised from the open market at interest rates varying from 6.86 Per cent to 7.14 Per cent and the same are redeemable during the period between 2031-2033. In addition, the State Government raised loans of ₹ 704 crore from the financial institutions. Further, an amount of ₹ 1,044 crore was obtained from Ways and Means Advances/ Overdrafts from the RBI. Thus, the total Internal Debt raised by the Government during the year 2021-22 aggregated to ₹ 5,747 crore. The Government also received ₹ 3,588 crore from Gol as loans and advances which includes debt of ₹ 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 December 2021.

Borrowed funds viz-à-viz Capital Expenditure



Chapter III

Expenditure

3.1 Introduction

The total expenditure of the State Government during 2021-22 was ₹ 42,602 crore. The total expenditure increased by ₹ 3,438 crore (9%) over previous year. Revenue Expenditure during 2021-22 was ₹ 36,195 crore, had increased by ₹ 2,660 (8%) as compared to previous year. Similarly, the Capital Expenditure which was ₹ 6,029 crore during 2021-22 witnessed increase of ₹ 720 (14%).

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	2017-18	2018-19	2019-20	2020-21	2021-22
Budget Estimates	28,756	33,568	36,337	36,011	37,034
Actuals	27,053	29,442	30,730	33,535	36,195
Gap	(-) 1,703	(-) 4,126	(-) 5,607	(-) 2,476	(-) 839
Percentage of variation of Actuals against BE	(-) 6	(-) 12	(-) 15	(-) 7	(-) 2

During 2021-22 around 65 *Per cent* of the total revenue expenditure was incurred on committed expenses viz. on Salaries (₹ 11,990 crore), Interest payment (₹ 4,640 crore) Pensions (₹ 6,399 crore) and Subsidies (₹ 1,188 crore) and wages (₹ 202 crore) which are the committed liabilities of the State Government.

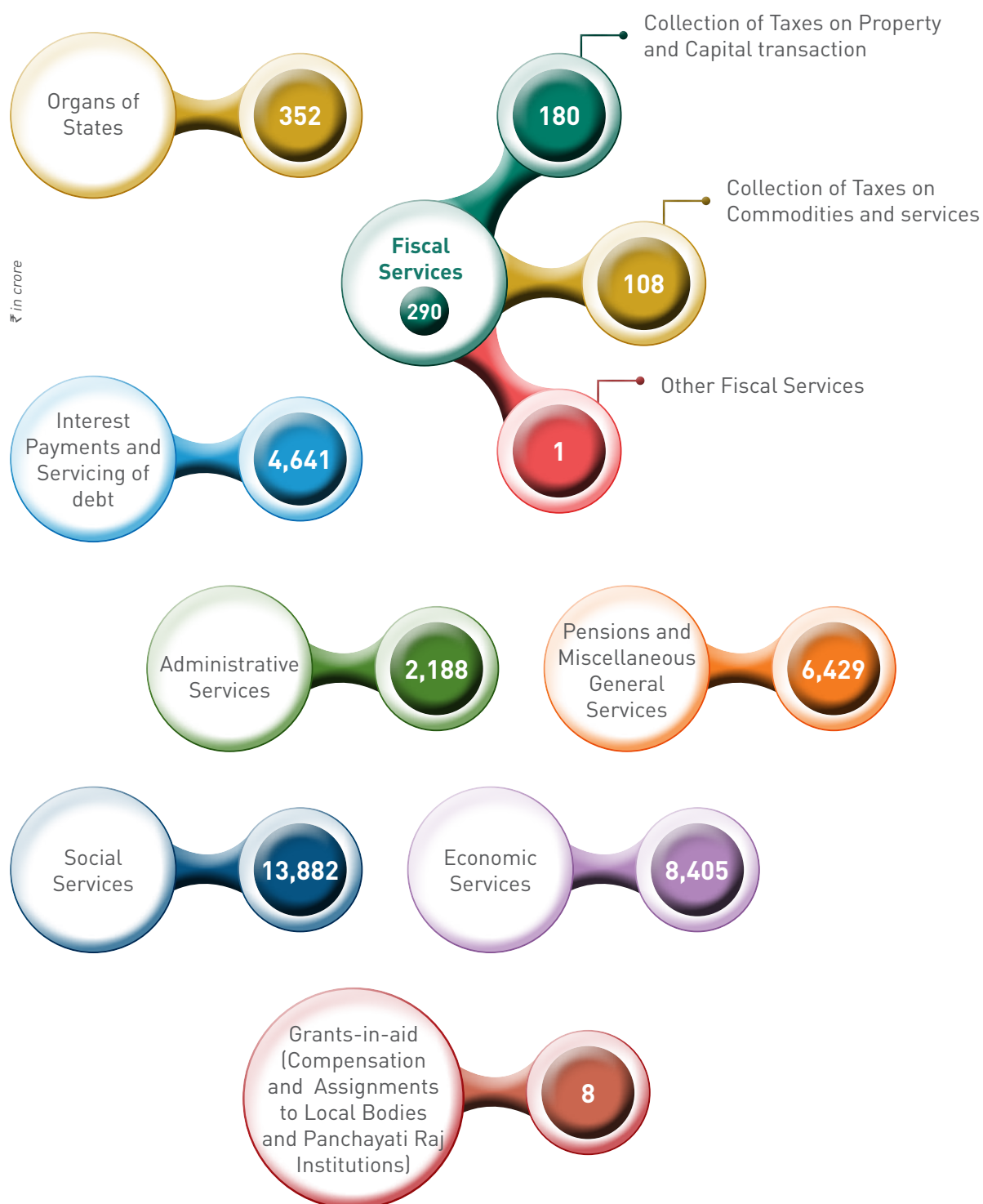
The position of committed and uncommitted revenue expenditure over the last five years is given below:

(₹ in crore)					
Component	2017-18	2018-19	2019-20	2020-21	2021-22
Total revenue expenditure	27,053	29,442	30,730	33,535	36,195
Committed revenue expenditure [#]	20,170	21,490	22,534	23,705	24,419
Percentage of committed revenue expenditure to total revenue expenditure	75	73	73	71	67
Uncommitted revenue expenditure	6,883	7,952	8,196	9,830	11,774

[#] Committed revenue expenditures 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 71 *Per cent* from ₹ 6,883 crore in 2017-18 to ₹ 11,774 crore in 2021-22. The total revenue expenditure increased by 34 *Per cent* from ₹ 27,053 crore in 2017-18 to ₹ 36,195 crore in 2021-22 and committed revenue expenditure increased by 21 *Per cent* over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure (2021-22)

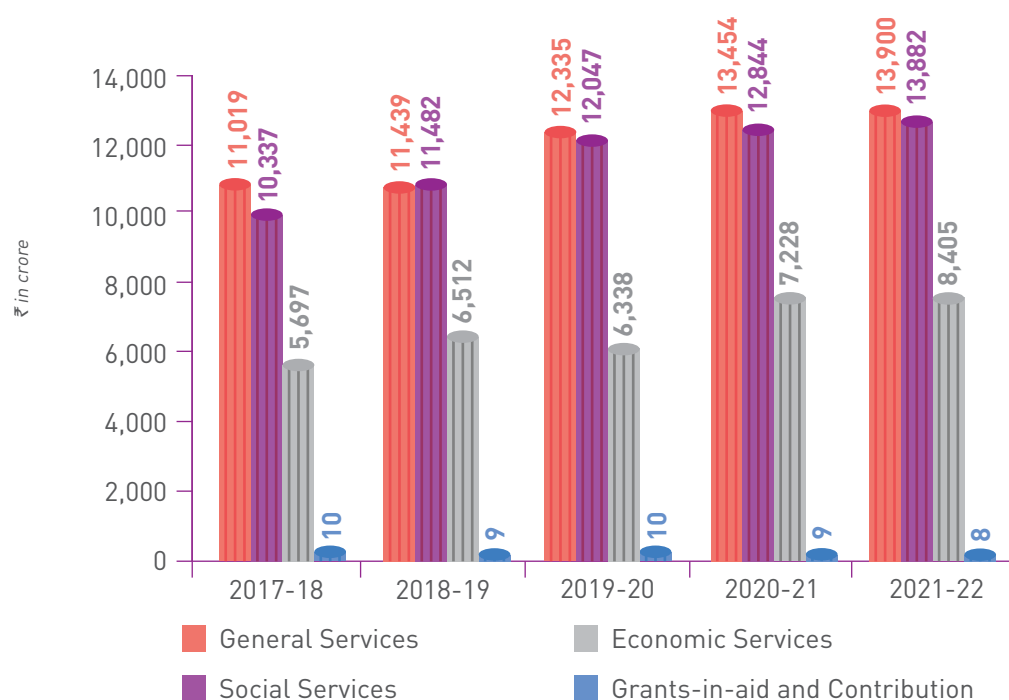


3.2.2 Major components of Revenue Expenditure 2017-18 to 2021-22

(₹ in crore)

Sector	2017-18	2018-19	2019-20	2020-21	2021-22
General Services	11,019	11,439	12,335	13,454	13,900
Social Services	10,337	11,482	12,047	12,844	13,882
Economic Service	5,697	6,512	6,338	7,228	8,405
Grants-in-aid and Contribution	10	9	10	9	8

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 2021-22 amounting to ₹ 6,029 crore (3 Per cent of GSDP) were less than Budget Estimates by ₹ 1,070 crore. This can be seen from the table below:

(₹ in crore)

S.No.	Components	2017-18	2018-19	2019-20	2020-21	2021-22
1	Budget Estimate (BE)	3,475	4,240	5,943	5,692	7,099
2	Actual Expenditure (AE) ^(#)	3,756	4,583	5,174	5,309	6,029
3	Percentage of AE to BE	108	108	87	93	85
4	Yearly growth in Capital Expenditure in Per cent	7	22	13	3	14
5	GSDP	1,35,914	1,51,835	1,65,472	1,56,522	1,75,173
6	Yearly growth(+)/downfall(-) in GSDP in Per cent	(+)9	(+)12	(+) 9	(-)5	(+)12

(#) Does not include expenditure on Loans and Advances

3.3.1 Sectoral distribution of Capital Expenditure

During 2021-22, the State Government spent ₹ 210 crore on various Irrigation Projects (₹ 19 crore on Medium Irrigation and ₹ 190 crore on Minor Irrigation). Apart from above, the Government spent ₹ 2,163 crore on construction of roads and bridges and invested ₹ 195 crore in Statutory Corporations, ₹ 157 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

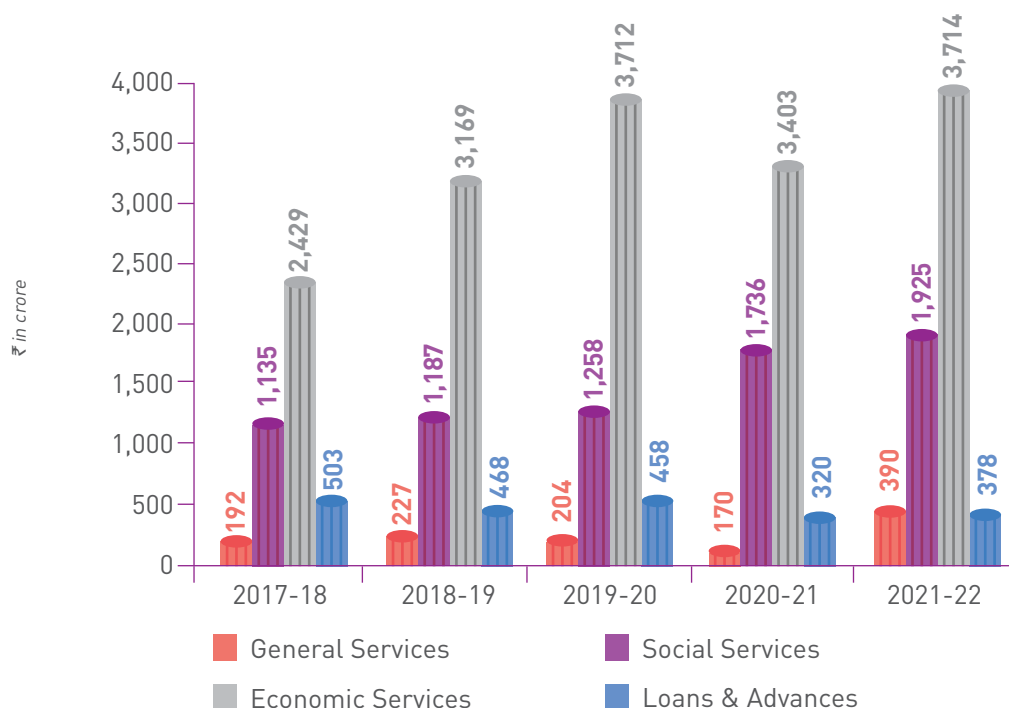
The comparative sectoral distribution of capital expenditure over the past five years is illustrated below:

(₹ in crore)

Sector	2017-18	2018-19	2019-20	2020-21	2021-22
General Services	192 (5)	227 (4)	204 (4)	170 (3)	390 (6)
Social Services	1,135 (27)	1,187 (24)	1,258 (22)	1,736 (31)	1,925 (30)
Economic Service	2,429 (57)	3,169 (63)	3,712 (66)	3,403 (60)	3,714 (58)
Loans and Advances	503 (12)	468 (9)	458 (8)	320 (6)	378 (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		2017-18	2018-19	2019-20	2020-21	2021-22
(A)	General Services	Capital	192	227	204	170	390
		Revenue	11,019	11,439	12,335	13,454	13,900
(B)	Social Services	Capital	1,135	1,187	1,258	1,736	1,925
		Revenue	10,337	11,482	12,047	12,844	13,882
(C)	Economic Service	Capital	2,429	3,169	3,712	3,403	3,714
		Revenue	5,697	6,512	6,338	7,228	8,405
(D)	Grants-in-aid and Contribution	Capital	*	*	*	*	*
		Revenue	10	9	10	9	8

*Not Applicable

Chapter IV

Appropriation Accounts

4.1 Summary of Appropriation Accounts

The position Budget allocations under Revenue, Capital, Public Debt and Loans and Advances and actual expenditure thereagainst during the financial year 2021-22 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	33,394	1,093	3,176	31,311	31,478	(+)167
	Charged	5,097	8	214	4,891	4,717	(-)174
2.	Capital						
	Voted	6,013	1,092	922	6,183	6,024	(-)159
	Charged	...	6	...	6	6	...
3.	Public Debt						
	Charged	5,333	...	946	4,387	4,387	...
4.	Loans and Advances						
	Voted	354	5	45	314	378	(+)64
	Charged	...	...	...	...	...	...
	Total (Voted)	39,761	2,190	4,143	37,808	37,880	(+)72
	Charged	10,430	14	1,160	9,284	9,110	(-)174

4.2 Trend of Saving / Excess

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

(₹ in crore)

Savings(-) Excess (+)					
Year	Revenue	Capital	Public Debt	Loan & Advances	Total
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
2021-22	(-)7	(-)159	...	(+)64	(-)102

4.3 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of the schemes/ programmes. The overall grant-wise position of savings during the period 2017-18 to 2021-22 are given below:

(₹ in crore)

Grant No.	Nomenclature	2017-18	2018-19	2019-20	2020-21	2021-22
1	Vidhan Sabha	3	3	1	6	4
2	Governor and Council of Ministers	--	3	5	4	2
3	Administration of Justice	12	33	54	55	29
4	General Administration	14	21	78	45	32
5	Land Revenue and District Administration	--	--	659	116	-
6	Excise and Taxation	7	14	14	2	12
7	Police and Other Organisation	82	147	233	336	245
8	Education	665	981	1,141	1,362	1,096
9	Health and Family welfare	216	340	403	498	244
10	Public Works- Roads Bridges and Buildings	42	283	1,018	906	1,240
11	Agriculture	11	75	42	89	49
12	Horticulture	103	19	80	18	13
13	Irrigation, Water Supply and Sanitation	119	152	180	162	154
14	Animal Husbandry Dairy Development and Fisheries	45	74	75	80	36
15	Planning and Backward Area Sub Plan	30	32	138	240	71
16	Forest and Wild Life	88	131	152	174	136
17	Election	--	--	11	6	-
18	Industries Minerals Supplies and Information Technology	11	119	120	49	19
19	Social Justice and Empowerment	60	32	114	70	50
20	Rural Development	403	390	357	163	134
21	Co-operation	3	4	4	3	2
22	Food and Civil Supplies	55	--	5	30	4
23	Power Development	383	185	286	7	-
24	Printing and Stationary	--	--	2	3	2
25	Road and Water Transport	2	2	31	6	6
26	Tourism and Civil Aviation	--	--	85	947	545
27	Labour Employment and Training	206	40	40	123	26
28	Urban Development, Town and Country Planning and Housing	25	119	93	101	105
29	Finance	304	1,185	1,535	1,925	2,037
30	Miscellaneous General Services	8	13	18	10	6
31	Tribal Area Sub Plan	301	408	466	491	534
32	Scheduled Caste Sub Plan	236	545	745	414	532

The persistent and substantial savings had taken place under Grants relating to Finance, Public works- Roads Bridges and Buildings, Education, 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 over estimation of budget or to the Government's desire to keep its fiscal deficit within the ceiling.

During 2021-22 supplementary grants totaling ₹ 2,230 crore (4 Per cent of total expenditure of ₹ 50,129 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
08	4202- Capital Outlay on Education Sports, Art and Culture- 01-General Education- 203-University and Higher Education- Buildings-	Capital	42	66	125
09	2211-Family Welfare- 200-Other Services and Supplies- 12-India Covid-19 Emergency Response and Health System Preparedness Package-	Revenue	0	79	171
18	4851- Capital Outlay on Village and Small Industries- 800- Other Expenditure- 01-Construction of Industrial Building-	Capital	30	4	109
23	2801-Power- 80-General- 800- Other Expenditure - 07-Compensation to Renuka Ji Dam Oustees	Revenue	0	11	1,049

4.4 Reappropriation with Budget Provision

Budget provision of ₹ 6 crore was made through re-appropriation on 31 March 2022 in three grants viz. Grants No. 08, 09 and 32. The 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
08	2202- General Education- 80- General- 107- Scholarships- 09-Pre Matric Scholarship to Other Backward Class Students	Revenue	0	0	4	4
09	2211- Family Welfare- 200- Other Services and Supplies- 12- India Covid-19 Emergency Response and Health System Preparedness Package	Revenue	0	0	2	2
32	4210- Capital Outlay on Medical and Public Health- 03-Medical Education Training and Research- 789- Special Component Plan for Scheduled Castes- 04-Medical College Nahan	Capital	0	0	0.22	0.22

A few instances having substantial budget provisions where entire budget provisions were either surrendered or re-appropriated are shown in the following table:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supple- mentary	Surrender	Actual Expenditure
29	2049- Interest Payments- 01- Interest on Internal Debt- 101- Interest on market Loans- 89- Percent of Himachal Pradesh State Development Loan (New Loan)	Revenue	120	0	120	0
31	2251- Secretariat-Social Services- 796- Tribal Area Sub Plan- 03-Expenditure on Infrastructure Facilities	Revenue	14	0	14	0
32	5053- Capital Outlay on Roads and bridges- 02- Air Ports- 789- Special Component Plan for Scheduled Castes- 02- Development of Airports/ Heliports	Capital	279	0	279	0

Chapter V

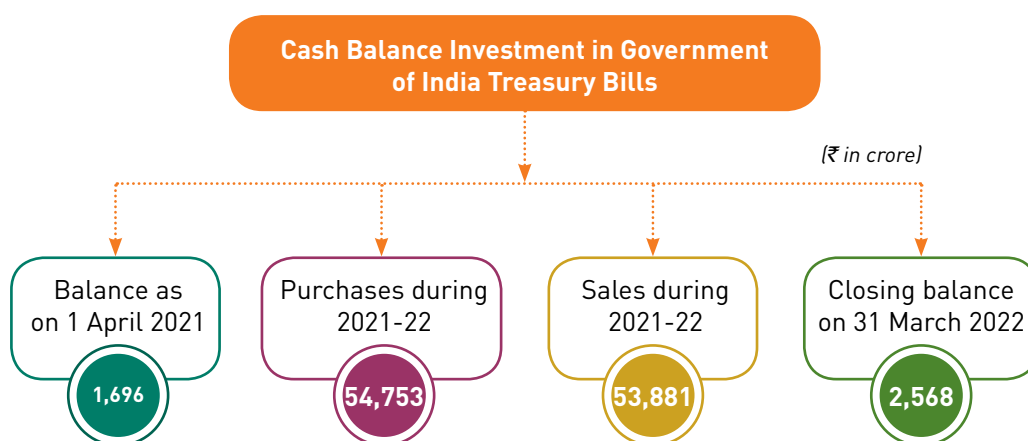
Assets and Liabilities

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 to future generations.

Total investment as share capital in Public Sector Undertakings (PSUs) stood at ₹ 4,913 crore at the end of the year of 2021-22. However, dividends received during the year were ₹ 167 crore (i.e 3 Per cent) on total investment. At the end of the year 2021-22, investments increased by ₹ 351 crore and dividend income decreased by ₹ 79 crore.

Cash Balance with RBI which stood at ₹ 60 crore on 1 April 2021 decreased to ₹ (-)45 crore at the end of March 2022. During the year 2021-22, the Government had invested an amount of ₹ 52,275 crore on 126 occasions in 14 days Treasury Bills and ₹ 2,478 crore once in 91 days Treasury Bills and rediscounted 14 days Treasury Bills worth ₹ 50,610 crore on 219 occasions and ₹ 3,272 crore 91 days Treasury Bills on two occasions during the year. The position of investment during the year 2021-22 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. Government of India determines, from time to time, the limit up to which State Government can borrow from the market. The limit for 2021-22 was ₹ 9,384 crore. Against this, the Government of Himachal Pradesh availed open market borrowing of ₹ 4,000 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
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
2021-22	51,127**	27**	22,407	13	73,535**	40**

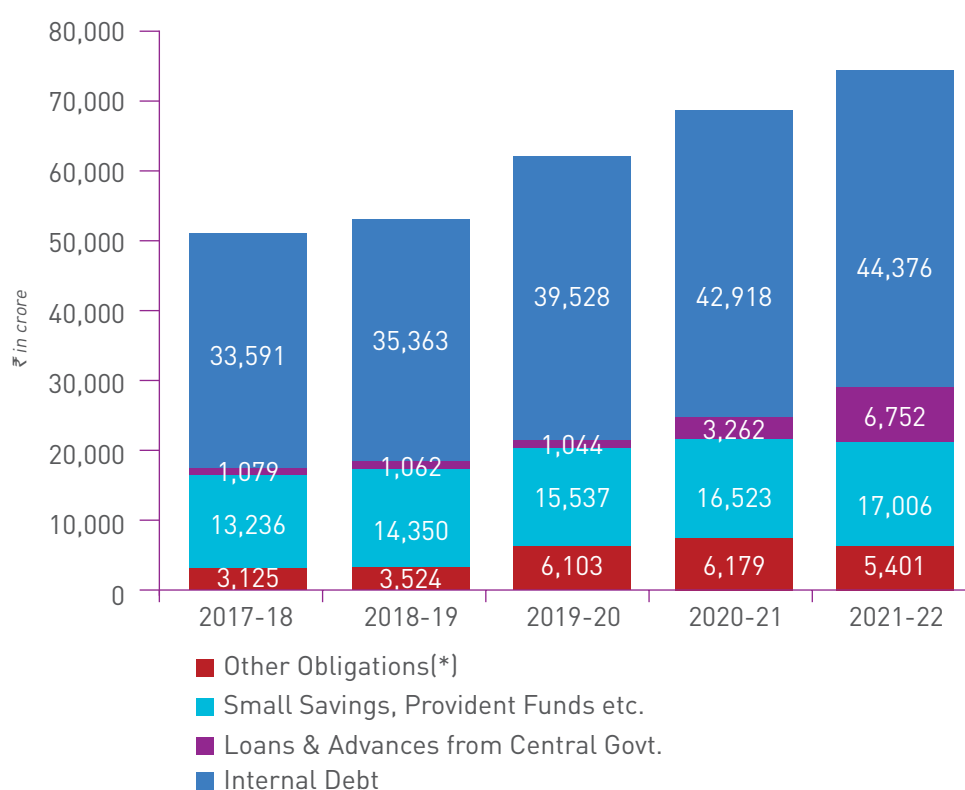
* Excludes suspense and remittance balance.

Note: Figures are progressive balance to end of the year

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

Public Debt and other liabilities showed a net increase of ₹ 4,653 crore (7 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 2017-18 to 2021-22 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
2017-18	8,848	4,394*	#
2018-19	5,181	4,309*	#
2019-20	640	1,947*	#
2020-21	2,299	2,142*	#
2021-22	2,035	1,885*	#

* 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.

The Government did not furnish the information of Principal and Interest separately.

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 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 2022 no such adverse balance was appearing in accounts of State Government.

6.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2021-22 was ₹ 8,025 crore. Out of this, loans and advances to government corporation/ companies, non-government institutions and local bodies amounted to ₹ 378 crore. Recovery of principal aggregating to ₹ 97 crore was in arrears at the end of 31 March 2022. The information relating to recovery of interest in arrear was not made available by the State Government. During 2021-22 only ₹ 41 crore was received towards repayment of loans and advances, out of which ₹ 6 crore related to repayment of loans to government servants. Effective steps to recover the outstanding loans would help the Government improve its fiscal position.

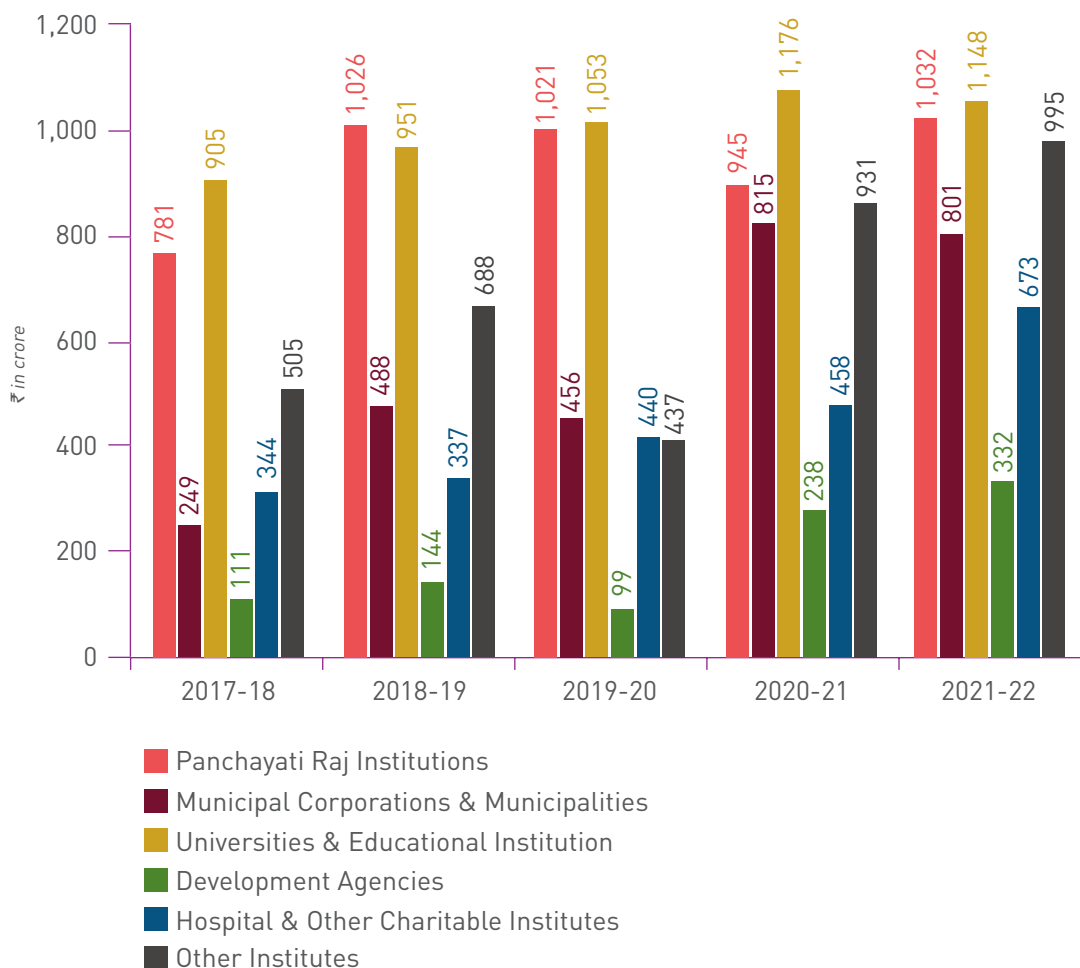
6.3 Financial Assistances to Local Bodies and other

Grants-in-aid given to local bodies, autonomous bodies etc. increased from ₹ 2,895 crore in 2017-18 to ₹ 4,981 crore in 2021-22. The grants to Urban Local Bodies and Panchayat Raj Institutions (₹ 1,832 crore) represent 37 *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	2017-18	2018-19	2019-20	2020-21	2021-22
1	Zilla Parishads & Panchayati Raj Institutions	781	1,026	1,021	945	1,032
2	Municipal Corporations & Municipalities	249	488	456	815	801
3	Universities & Educational Institutions	905	951	1,053	1,176	1,148
4	Development Agencies	111	144	99	238	332
5	Hospital & Others Charitable Institutes	344	337	440	458	673
6	Other Institutes	505	688	437	931	995
	Total	2,895	3,634	3,506	4,563	4,981



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	2017-18	2018-19	2019-20	2020-21	2021-22
1	Zilla Parishads	15	29	27	66	32
2	Panchayati Samities	11	24	9	66	40
3	Gram Panchayats	321	370	501	332	170
4	Municipal Corporations	43	72	41	220	228
5	Municipalities	28	72	67	160	139
6	Educational Institution	--	--	20	1	--
7	Development Agencies	38	41	41	47	29
8	Statutory Corporations	10	12	12	7	--
9	Cooperative Institutions	1	1	1	1	2
10	Social Welfare	--	--	--	25	43
11	Universities	--	--	--	1	10
12	Others	206	213	126	114	140
	Total	673	834	845	1040	833

6.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2021	As on 31 March 2022	Net increase(+)/ decrease(-)
Cash Balances	(+)60	(-)45	(-)105
Investment from cash balance (GOI Treasury Bills)	(+)1,696	(+)2,568	(+)872
Investment from earmarked fund balances	...	...	...
(a) Sinking Fund	...	...	...
(b) Guarantee Redemption Fund	...	...	...
(c) Other Funds	...	...	...
Interest realized during the year	32	56	(+)24

State Government had closing cash balance of ₹ (-)45 crore at the end of 31 March 2022. Interest receipt on the investment of cash balance increased by 74 *Per cent* from ₹ 32 crore in 2020-21 to ₹ 56 crore in 2021-22.

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 Principal Accountant General (A&E). During the year, receipts amounting to ₹ 37,316 crore (100 *Per cent* of total revenue receipts and Capital receipt) and expenditure amounting to ₹ 42,224 crore (100 *Per cent* of total revenue expenditure 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. 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	2017-18		2018-19		2019-20		2020-21		2021-22	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
(a) 8658-Suspense Accounts										
101-Pay and Accounts Office-Suspense	86	37	96	35	125	57	139	67	148	101
Net	49Dr.		61 Dr.		68 Dr.		72 Dr.		47 Dr.	
102-Suspense Account (Civil)	171	164	150	132	1,551	164	1,854	223	761	266
Net	7 Dr		18 Dr		1,387 Dr		1,631 Dr.		495 Dr	
107-Cash Settlement Suspense Account	0	43	5	43	0.40	0.38	0	0	0	0
Net	43 Cr		37 Cr		0.02 Dr		Nil		Nil	
109- Reserve Bank Suspense- Headquarters	69	(-)10	111	62	(-)0.04	0	0.42	0.37	0.05	0
Net	79 Dr		49 Dr		0.04 Cr		0.05 Dr		0.05 Dr	
110-Reserve Bank Suspense -Central Accounts Office	0	0	1	0	3,755	3,755	2	2	27	0
Net	-nil-		1 Dr		Nil		Nil		27 Dr	
111-Departmental Adjusting Account	0	0	0	0	0	0	0	0	0.10	0
Net	-nil-		-nil-		-nil-		-nil-		0.10 Dr	

112-Tax Deducted at Source (TDS) Suspense	400	454	484	497	448	468	471	498	527	568
Net	54Cr		13 Cr		20 Cr		27 Cr.		41 Cr	
117-Transactions on behalf of the Reserve Bank of India	9	0	9	0	0.09	0.01	0	0	0	0
Net	9 Dr		9 Dr		0.08 Dr		-nil-		-nil-	
123-A.I.S. Officers G.I.S.	40	5	52	5	0.60	0.04	0.73	0.04	0.81	0.03
Net	35 Dr		47 Dr		0.56 Dr		0.69 Dr		0.78 Dr	
129-Material Purchase Settlement Suspense Account	271	348	164	306	140	224	82	219	58	293
Net	77Cr		142 Cr		104 Cr		137 Cr.		235 Cr	
(b) 8782-Cash Remittances and adjustments between rendering accounts to the same Accounts Office										
101- Cash Remittances between treasuries and Currency Chests	0	0	0	0	0	0	0	0	0	1
Net	-nil-		-nil-		-nil-		-nil-		1 Cr	
102-Public Works Remittances	6,668	7,037	7,185	7,661	7,508	8,105	6,841	7,372	6,467	7,104
Net	368 Cr		475 Cr		597 Cr		531 Cr.		637 Cr	
103-Forest Remittances	120	151	152	187	125	142	0	17	0	17
Net	31 Cr		36 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, Utilisation Certificates (UCs) in respect of Grants-in-aid received by the grantee should be furnished by the grantee to the authority that sanctioned it. But no timeline has been fixed for submission of UCs in the Himachal Pradesh Financial Rules 2009. Utilisation Certificates are insisted from the authorities based on provisions contained in CAG's MSO (A&E) Volume- I and conditions laid in the sanction orders of Grants.

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 2021-22, an amount of ₹ 3,369 crore pertaining to outstanding UCs was cleared. The position of outstanding UCs as on 31 March, 2022 is given below:

Year (*)	Number of UCs Outstanding	Amount (₹ in crore)
Upto 2020-21	1,796	2,359
2021-22	1,823	2,393
Total	3,619	4,752

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

Additions during the year 17,267 UCs for an amount of ₹ 4,981 crore.

Major defaulting departments that had not submitted UCs are Panchayati Raj Department (₹ 1,580 crore, 33 Per cent), Urban Development Department (₹ 1,134 crore, 24 Per cent), Rural Development Department (₹ 517 crore, 11 Per cent), Ayush Department (₹ 638 crore, 13 Per cent) and Education Department (₹ 216 crore, 5 Per cent).

6.8 National Pension System

During the year 2021-22, total contribution to the NPS which is a Defined Contribution Pension Scheme was ₹ 1,133 crore (Employees' contribution ₹ 474 crore and Government's contribution ₹ 659 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 (₹ 659 crore) differs with the amount shown under Major Head 2071-01-117 (₹ 649 crore), which is due to directly deposit of employer share by the Government in respect of those subscribers who were earlier in GPF scheme erroneously and now enrolled under National Pension System (NPS). The Government transferred ₹ 1,133 crore (Employees' contribution ₹ 474 crore and Government's contribution ₹ 659 crore) to the Public Account under Major Head 8342-117 Defined Contribution Pension scheme. The Government's contribution to the NPS was less by ₹ 5 crore, which resulted in overstatement of Revenue surplus and understatement of Fiscal deficit to that extent.

6.9 Personal Deposit Accounts

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

During 2021-22, an amount of ₹ 0.59 crore was transferred to these PD Accounts. This includes ₹ 0.08 crore transferred in March 2022, of which, ₹ 0.04 crore was transferred on the last working day of March 2022.

In terms of Rule 200(4) of Himachal Pradesh Treasury Rules 2017, 55 Administrators of Personal Deposit Account (out of 106) had reconciled and verified their balances with the treasury figures and furnished annual verification certificates to the Treasury Officer for onward submission to the office Pr. Accountant General. Fifty-one Administrators of Personal Deposit Accounts had not reconciled and verified their balances with the treasury figures.

Details of the PD accounts as on 31 March 2022 are given below:

(₹ in crore)

Opening Balance as on 01 April 2021		Addition during the year 2021-22		Closed/Withdrawal during the year 2021-22		Closing Balance as on 31 March 2022	
Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount
112	2.18	02	0.22*	08	0.66	106	1.74

* It includes lapsed deposit of ₹ 0.37 crore.

6.10 Cash Balance (Deposit with Reserve Bank of India)

The Cash balance as on 31 March 2022 as per the records of Principal Accountant General (A&E) was ₹ 45 crore (Credit) and that reported by the RBI was ₹ 56 crore (Debit). There was a net difference of ₹ 10 crore (Debit), mainly due to incorrect reporting of transactions by the Agency Banks. The difference is under reconciliation. The relevant figures are available in Statement No. 21 of the Finance Accounts.

The Cash Balance as on 31 March of last year as per record of Principal Accountant General (A&E) was ₹ 60 crore (Debit) and that reported by the RBI was ₹ 61 crore (Credit). There was a net difference of ₹ 1 crore (Credit).

6.11 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 and Other Reserve Funds' which is under interest bearing section, the Central and State Government are required to contribute to the fund in the proportion of 90:10. During the year 2021-22, the State Government received ₹ 327.20 crore as Central Government's share. Thus, the State Government was required to remit ₹ 36.00 crore as its share during the year whereas the State Government transferred ₹ 35.80 crore, which was short by ₹ 0.20 crore. The State Government transferred ₹ 363.00 crore (Central share ₹ 327.20 crore, State share ₹ 35.80 crore) to the SDRF. The State did not receive any amount from the Central Government towards NDRF.

6.12 State Compensatory Afforestation Fund

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

The State Government did not deposit any amount in SCAF either during year 2021-22, or 2020-21. The Government did not receive any amount during 2021-22 and 2020-21 from National Compensatory Afforestation Deposit. The State Government credited total interest of ₹ 52 crore under Major Head 8121 on balances available under SCAF along with unspent money of ₹ 2 crore lying with Adhoc CAMPA. An amount of ₹ 95 crore from SCAF was set off under (MH 2406-04-904) during the year. The total balance in the SCAF as on 31st March 2022 was ₹ 1,608 crore.

6.13 Cess levied by the State Govt.

(a) Building and Other Construction Workers Welfare Cess:

The Government of India (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.

During the year 2021-22, the Government collected ₹ 39 crore (2020-21: ₹ 36 crore) as Labour Cess from Public Works and Jal Shakti Vibhag under Major Head 8443 and transferred ₹ 42 crore (2020-21: ₹ 33 crore) to the Building and Other Construction Workers Welfare Board. The un-transferred amount from the Major Head 8443 was ₹ 25 crore as on 31 March 2022 (₹ 28 crore as on 31 March 2021).

(b) Other Cess/fee/surcharge:

During the year 2021-22, the Government collected ₹ 86 crore (2020-21: ₹ 68 crore) being the collection of cess/fee/surcharge (other than Labour Cess). No fund was transferred to the designated fund as the same has not been created in the Public Account by the State Government.

6.14 Transactions booked under Objection Book Suspense Accounts and Fund transferred to DDOs' Bank Account

During 2021-22, an amount of ₹ 79 crore (Revenue Expenditure ₹ 75 crore and Capital Expenditure ₹ 4 crore) has been kept in Objection Book (OB) Suspense in the books of the Principal Accountant General (A&E) due to non-furnishing of sub-vouchers, sanction orders and other required documents. The said amount has not been taken into account as expenditure in the Finance Accounts and in the Appropriation Accounts for the year 2021-22. Further, an amount of ₹ 1,191 crore of O.B. suspense of previous years (₹ 1,184 crore of 2019-20 and ₹ 7 crore of 2020-21) has been cleared during 2021-22 and booked under respective expenditure head of accounts (Revenue Expenditure ₹ 1,057 crore and Capital Expenditure ₹ 134 crore). Thus, the Revenue expenditure and Capital expenditure in the Finance Accounts and actual expenditure in the Appropriation Accounts against the budget provisions for the year 2021-22 are overstated to that extent. Further, scrutiny of transactions for the month of March 2022 revealed that an amount of ₹ 143 crore was drawn from Treasury and initially transferred to the Bank account of DDOs, which was in violation of Rule 183 (v) and 184 (1) of Himachal Pradesh Treasury Rules, 2017.

6.15 Un-spent amount lying in the bank account of Single Nodal Agency

In accordance with the directions of Ministry of Finance, Government of India (GoI), funds received by the State Government under Centrally Sponsored Schemes (CSS) are restricted for use by the State Government and were required to be transferred to concerned Single Nodal Agency's (SNA) account within a period of 21 days of its receipt. In compliance with GoI's directions, the State Government transferred CSS funds to SNAs' accounts. As on 31st March 2022, an amount of ₹ 1,063 crore pertaining to 69 schemes, including both Central and State share, remained unspent in SNA accounts.

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