

Himachal Pradesh Budget Analysis 2026-27

The Chief Minister of Himachal Pradesh, Mr Sukhvinder Singh Sukhu, presented the Budget for the financial year 2026-27 on March 21, 2026.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Himachal Pradesh for 2026-27 (at current prices) is projected to be Rs 2,77,497 crore, amounting to growth of 9% over the previous year.
- **Expenditure (excluding debt repayment)** in 2026-27 is estimated to be Rs 50,088 crore, a decrease of 23% from the revised estimate of 2025-26. In addition, debt of Rs 4,840 crore will be repaid by the state. In 2025-26, expenditure (excluding debt repayment) is estimated to be 23% higher than budgeted.
- **Receipts (excluding borrowings)** for 2026-27 are estimated to be Rs 40,389 crore, a decrease of 16% from the revised estimate of 2025-26. In 2025-26, receipts (excluding borrowings) are estimated to be 13% higher than the budget estimate.
- **Revenue deficit** in 2026-27 is estimated to be 2.4% of GSDP (Rs 6,577 crore). In 2025-26, revenue deficit is estimated to be 3.9% of GSDP, higher than budgeted (2.5% of GSDP).
- **Fiscal deficit** for 2026-27 is targeted at 3.5% of GSDP (Rs 9,698 crore). In 2025-26, as per the revised estimates, fiscal deficit is expected to be 6.6% of GSDP, higher than budgeted (4% of GSDP).

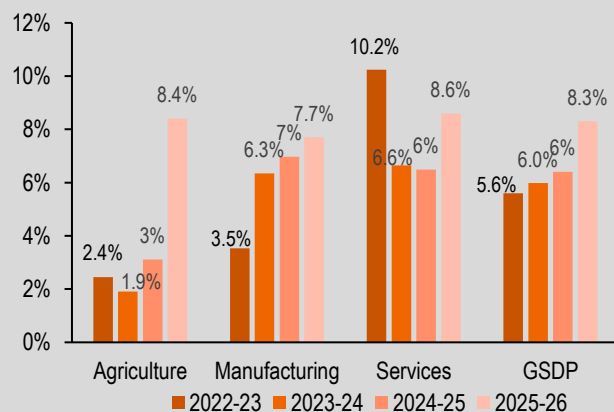
Policy Highlights

- **Fiscal Measures:** Salary of elected representatives and senior officials will be deferred for six months to help improve the fiscal condition of the state.
- **Social Welfare:** Mukhya Mantri Apna Sukhi Parivar Yojna will be launched to benefit one lakh poor families. These families will be provided 300 units of free electricity and housing support for homeless families. Women in these households will be eligible to receive Rs 1,500 per month under the Indira Gandhi Pyari Behna Sukh Samman Nidhi Yojana.
- **Agriculture:** Minimum support prices (MSP) for crops cultivated through natural farming will be raised. MSP per kg for wheat will be raised from Rs 60 to Rs 80, maize from Rs 40 to Rs 50, barley from Rs 60 to Rs 80, and turmeric from Rs 90 to Rs 150. Cow milk procurement price will also be raised from Rs 51 per litre to Rs 61 per litre and buffalo milk from Rs 61 per litre to Rs 71 per litre. A scheme will be launched to provide support to pastoral communities through livestock services, digital tracking, insurance, and breed improvement.
- **Environment:** The state government will aim to increase forest cover from 29.5% to 32% by 2030. To promote green growth and sustainable livelihoods, a Green Livelihood Initiative will be implemented to support income generation through medicinal plants, biodiversity conservation, and community-led plantation.

Himachal Pradesh's Economy

- **GSDP:** In 2025-26, Himachal Pradesh's GSDP (at constant prices) is estimated to grow by 8.3% over the previous year. In comparison, India's GDP is estimated to grow by 7.4% in 2025-26.
- **Sectors:** In 2025-26, agriculture, manufacturing, and services sectors are estimated to contribute 14.3%, 39.4%, and 46.3% of Himachal Pradesh's economy, respectively (at current prices).
- **Per capita Income:** In 2025-26, Himachal Pradesh's per capita income (at current prices) is estimated to be Rs 2,83,626, an increase of 10% over 2024-25. In 2025-26, India's per capita income is estimated to be Rs 2,19,575, an increase of 7% over the previous year.

Figure 1: Growth in Himachal Pradesh's GSDP at constant prices (2011-12)



Note: These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation.

Sources: MoSPI; Economic Survey of Himachal Pradesh, 2025-26; PRS.

Budget Estimates for 2026-27

- **Total expenditure (excluding debt repayment)** in 2026-27 is targeted at Rs 50,088 crore. This is a decrease of 23% from the revised estimate of 2025-26. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 40,389 crore and net borrowings of Rs 11,965 crore. Total receipts for 2026-27 (other than borrowings) are expected to register a decrease of 16% over the previous year.
- The state estimates a **revenue deficit** of 2.4% of GSDP (Rs 6,577 crore) in 2026-27, lower than the revised estimate for 2025-26 (3.9% of GSDP). **Fiscal deficit** for 2026-27 is targeted at 3.5% of GSDP (Rs 9,698 crore), lower than the revised estimates for 2025-26 (6.6% of GSDP).
- In 2025-26, total expenditure (excluding debt repayment) is estimated to be 23% higher than budgeted, whereas total receipts (excluding borrowings) are estimated to be only 13% higher than budgeted, leading to higher deficits than budgeted. Revenue deficit is estimated to be 54% higher than the budget estimate, and fiscal deficit is estimated to be 62% higher than the budget estimate.

Table 1: Budget 2026-27 - Key figures (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Total Expenditure	71,837	58,514	96,661	65%	54,928	-43%
(-) Repayment of debt	18,169	5,806	32,004	451%	4,840	-85%
Net Expenditure (E)	53,668	52,708	64,657	23%	50,088	-23%
Total Receipts	67,680	55,746	89,122	60%	52,355	-41%
(-) Borrowings	26,622	13,375	41,173	208%	11,965	-71%
<i>Of which central capex loans</i>	<i>2,381</i>	<i>1,100</i>	<i>2,700</i>	<i>145%</i>	<i>0</i>	<i>-100%</i>
Net Receipts (R)	41,057	42,371	47,949	13%	40,389	-16%
Fiscal Deficit (E-R)	12,611	10,337	16,708	62%	9,698	-42%
<i>as % of GSDP</i>	<i>5.5%</i>	<i>4.0%</i>	<i>6.6%</i>	-	<i>3.5%</i>	-
Revenue Deficit	6,805	6,390	9,812	54%	6,577	-33%
<i>as % of GSDP</i>	<i>3.0%</i>	<i>2.5%</i>	<i>3.9%</i>	-	<i>2.4%</i>	-
Primary Deficit	6,350	3,598	10,014	178%	2,427	-76%
<i>as % of GSDP</i>	<i>2.8%</i>	<i>1.4%</i>	<i>3.9%</i>	-	<i>0.9%</i>	-
GSDP	2,30,587	2,55,636	2,53,886	-1%	2,77,497	9%

Note: BE is Budget Estimates; RE is Revised Estimates. *Central government has been providing 50-year interest-free loans to state governments for capital expenditure since 2020-21. These loans are excluded from the calculation of the state's borrowing ceiling. A relatively higher borrowing and repayment in 2025-26 RE is owing to higher short-term advances from RBI and their repayment.

Sources: Annual Financial Statement, Himachal Pradesh Budget Documents 2026-27; PRS.

Expenditure in 2026-27

- **Revenue expenditure** for 2026-27 is proposed to be Rs 46,938 crore, a decrease of 14% over the revised estimate of 2025-26. This includes the expenditure on salaries, pension, interest, grants, and subsidies.
- **Capital outlay** for 2026-27 is proposed to be Rs 3,090 crore, a decrease of 70% from the revised estimate of 2025-26. Capital outlay indicates the expenditure towards creation of assets. In 2025-26, capital outlay is estimated to be 160% higher than the initial budget estimate. For instance, capital outlay towards energy is estimated to be Rs 3,013 crore as per the revised estimates, against the budget estimate of Rs 14 crore. Capital outlay towards transport is estimated to be Rs 3,106 crore, against the budget estimate of Rs 1,773 crore.

Targeting of Power Subsidy

The 16th Finance Commission observed that power subsidy in Himachal Pradesh had increased from Rs 579 crore in 2018-19 to Rs 1,936 crore in 2024-25 (annualised increase of 22%). It observed that in states that provide subsidies to large groups of households, subsidies become less progressive, and benefits flow disproportionately to higher consumption households. As per a study for the Commission, 69.7% of households in the highest consumption quintile in Himachal Pradesh received free electricity. This ratio was 3.4% in Uttarakhand.

Source: 16th Finance Commission Report; PRS.

Table 2: Expenditure budget 2026-27 (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Revenue Expenditure	47,677	48,733	54,349	12%	46,938	-14%
Capital Outlay	5,957	3,941	10,229	160%	3,090	-70%
Loans given by the state	34	34	79	130%	60	-24%
Net Expenditure	53,668	52,708	64,657	23%	50,088	-23%

Sources: Annual Financial Statement, Himachal Pradesh Budget Documents 2026-27; PRS.

Committed expenditure: Committed expenditure of a state typically includes expenditure on payment of salaries, pension, and interest. A larger proportion of the budget allocated for committed expenditure items limits the state's flexibility to decide on other expenditure priorities, such as capital outlay. In 2026-27, Himachal Pradesh is estimated to spend Rs 35,641 crore on committed expenditure, which is 88% of its estimated revenue receipts. This comprises spending on salaries (41% of revenue receipts), pension (29%), and interest payments (18%). In 2024-25, as per actual figures, 80% of revenue receipts were spent on committed expenditure items. In comparison, states on average had budgeted to spend 50% of their revenue receipts towards committed expenditure items in 2025-26.

Table 3: Committed Expenditure in 2026-27 (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Salaries	15,949	16,635	16,055	-3%	16,603	3%
Pension	10,536	11,577	11,415	-1%	11,766	3%
Interest	6,261	6,739	6,694	-1%	7,272	9%
Total	32,746	34,952	34,164	-2%	35,641	4%

Sources: Annual Financial Statement, Himachal Pradesh Budget Documents 2026-27; PRS.

Sector-wise expenditure: The sectors listed below account for 55% of the total expenditure on sectors by the state in 2026-27. A comparison of Himachal Pradesh's expenditure on key sectors with that by other states is shown in Annexure 1.

Table 4: Sector-wise expenditure under Himachal Pradesh Budget 2026-27 (in Rs crore)

Sector	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE	Budget Provisions (2026-27 BE)
Education, Sports, Arts, and Culture	9,090	9,965	10,033	9,806	-2%	Rs 1,296 crore has been allocated towards Samagra Shiksha Abhiyan.
Transport	4,933	3,858	5,360	3,297	-38%	Rs 1,322 crore is estimated to be spent on capital outlay towards roads and bridges.
Health and Family Welfare	3,662	3,332	4,137	3,203	-23%	Rs 879 crore has been allocated towards Medical Education, Training and Research. Rs 485 crore has been allocated towards the National Rural Health Mission.
Agriculture and Allied Activities	2,617	2,601	2,702	2,407	-11%	Rs 374 crore has allocated towards Veterinary Services and Animal Health.
Social Welfare and Nutrition	3,173	3,158	4,975	2,185	-56%	Rs 645 crore is estimated to be spent on pension under social security schemes. Rs 407 crore has been allocated for integrated child care services.
Rural Development	1,974	2,106	2,453	2,052	-16%	Rs 560 crore has been allocated for the National Rural Employment Guarantee Scheme.
Police	1,603	1,643	1,631	1,626	-0.3%	Rs 894 crore has been allocated towards District Police.
Water Supply and Sanitation	1,881	1,721	2,499	1,418	-43%	Rs 888 crore is estimated to be spent on rural water supply programs.
Irrigation and Flood Control	799	1,023	1,302	1,130	-13%	Rs 748 crore is estimated to be spent on capital outlay towards irrigation and flood control.
Energy	2,052	823	5,358	322	-94%	Rs 300 crore has been allocated towards subsidy on account of tariff rollback.
% of total expenditure on all sectors	59%	57%	63%	55%		

Sources: Annual Financial Statement, Himachal Pradesh Budget Documents 2026-27; PRS.

Receipts in 2026-27

- **Total revenue receipts** for 2026-27 are estimated to be Rs 40,361 crore, a decrease of 9% over the revised estimate of 2025-26. Of this, Rs 19,238 crore (48%) will be raised by the state through its **own resources**, and Rs 21,123 crore (52%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (35% of revenue receipts) and grants (18% of revenue receipts).
- **Devolution:** In 2026-27, the state's share in central taxes is estimated at Rs 13,950 crore, an increase of 21% over the revised estimate of 2025-26. This may be driven by an increase in Himachal's share in devolution as per the recommendations of the 16th Finance Commission (see Page 7 for more details).
- **Grants from the centre** in 2026-27 are estimated at Rs 7,173 crore, a decrease of 48% over the revised estimate for 2025-26. This decrease is driven by: (i) discontinuation of revenue deficit grants which is estimated at Rs 3,257 crore in 2025-26 (see next page for more details), and (ii) a decrease of Rs 1,967 crore estimated in grants for centrally sponsored schemes in comparison to 2025-26 revised estimates.
- **State's own tax revenue:** Himachal Pradesh's total own tax revenue is estimated to be Rs 15,290 crore in 2026-27, an increase of 10% over the revised estimate of 2025-26. Own tax revenue as a percentage of GSDP is estimated at 5.5% in 2026-27, similar to the revised estimate (5.5%) for 2025-26. As per the actual figures for 2024-25, own tax revenue as a percentage of GSDP was 5.5%.
- **Non-debt capital receipts:** In 2025-26, non-debt capital receipts are estimated to be significantly higher than budgeted. This is owing to recovery of loans and advances from power projects worth Rs 3,385 crore.

Table 5: Break-up of the state government's receipts (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
State's Own Tax	12,772	16,101	13,948	-13%	15,290	10%
State's Own Non-Tax	3,698	4,193	5,282	26%	3,948	-25%
Share in Central Taxes	10,681	11,806	11,562	-2%	13,950	21%
Grants from Centre	13,722	10,243	13,746	34%	7,173	-48%
Revenue Receipts	40,872	42,343	44,537	5%	40,361	-9%
Non-debt Capital Receipts	185	28	3,412	12086%	28	-99%
Net Receipts	41,057	42,371	47,949	13.2%	40,389	-16%

Note: BE is Budget Estimates; RE is Revised Estimates.

Sources: Annual Financial Statement, Himachal Pradesh Budget Documents 2026-27; PRS.

- In 2026-27, **State GST** is estimated to be the largest source of own tax revenue (43% share). SGST revenue is estimated to increase by 10% over the revised estimate for 2025-26.
- In 2026-27, revenue from state excise, and Sales Tax/ VAT is expected to register an increase of 10% over the previous year.
- In 2025-26, land revenue is estimated to be see a 98% shortfall as compared to the budget target. GST and Excise revenue are estimated to be 11% lower than budgeted in 2025-26.

Arrears in Revenue

Revenue arrears arise when the government is unable to collect dues on time, reducing available income and affecting revenue deficit. As of 31 March 2024, total revenue arrears stood at Rs 6,289 crore, of which Rs 3,126 crore (50%) had been pending for more than five years. A large share of these arrears was concentrated in Taxes on Sales, Trade, and VAT, which accounted for Rs 4,338 crore (69%) of the total outstanding amount. At the end of 2023-24, 60% of assessment cases due remained pending, delaying revenue realisation.

Sources: Report No. 1 of 2025, State Finances Audit Report for 2023-24, CAG; PRS.

Table 6: Major sources of state's own-tax revenue (in Rs crore)

Head	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
State GST	5,817	6,761	6,049	-11%	6,655	10%
State Excise	2,698	3,250	2,892	-11%	3,174	10%
Sales Tax/ VAT	1,842	2,212	2,074	-6%	2,282	10%
Taxes on Vehicles	907	978	981	0%	1,069	9%
Taxes and Duties on Electricity	495	688	812	18%	852	5%
Stamps Duty and Registration Fees	491	638	564	-12%	650	15%
Land Revenue	16	1,019	17	-98%	12	-28%

Sources: Annual Financial Statement, Himachal Pradesh Budget Documents 2026-27; PRS.

Deficits and Debt in 2026-27

The Himachal Pradesh Fiscal Responsibility and Budget Management Act, 2005 provides annual targets to progressively reduce the outstanding liabilities, revenue deficit and fiscal deficit of the state government.

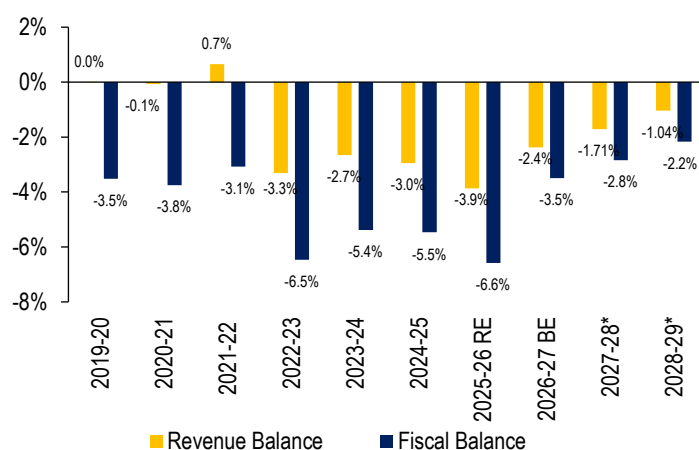
Revenue balance: It is the difference of revenue expenditure and revenue receipts. A revenue deficit implies that the government needs to borrow to finance those expenses which do not increase its assets or reduces its liabilities. The budget estimates a revenue deficit of Rs 6,577 crore in 2026-27 (2.4% of GSDP). Himachal Pradesh has observed a revenue deficit in all years since 2022-23.

Fiscal deficit: It is the excess of total expenditure over total receipts. This gap is filled by borrowings and leads to an increase in total liabilities. In 2026-27, the fiscal deficit is estimated to be 3.5% of GSDP (Rs 9,698 crore). The 16th Finance Commission has recommended the annual fiscal deficit limit for states to be 3% of GSDP for the 2026-31 period. 50-year interest free loans for capital expenditure given by the central government will be excluded to arrive at the borrowing ceiling. In 2026-27, the state government has not estimated any receipt from central capex loans. As per the Union Budget, the central government will continue to provide these loans in 2026-27.

As per the revised estimates, in 2025-26, the fiscal deficit of the state is expected to be 6.6% of GSDP. This is significantly higher than the budget estimate (4% of GSDP). In 2025-26, central capex loans are expected to be Rs 2,700 crore (1.1% of GSDP) as per revised estimates. These loans are expected to be higher than the initial budget estimate (Rs 1,100 crore which is 0.4% of GSDP).

Outstanding liabilities: Outstanding liabilities is the accumulation of total borrowings at the end of a financial year. It also includes any liabilities on public accounts such as provident funds. At the end of 2026-27, outstanding liabilities is estimated to be 40.5% of GSDP, lower than the revised estimate for 2025-26 (41% of GSDP).

Figure 2: Revenue and Fiscal Balance (% of GSDP)



Note: *Figures from 2027-28 onwards are projections. RE is Revised Estimates; BE is Budget Estimates. (+) indicates a surplus and (-) indicates a deficit.

Sources: Medium Term Fiscal Policy, Himachal Pradesh Budget Documents 2026-27; Report No. 1 of 2025, State Finances Audit Report for 2023-24, CAG; PRS.

Outstanding Government Guarantees: Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of March 2025, the state's outstanding guarantee is estimated to be Rs 3,100 crore, which is 1.34% of Himachal Pradesh's GSDP.

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Revenue Deficit Grants

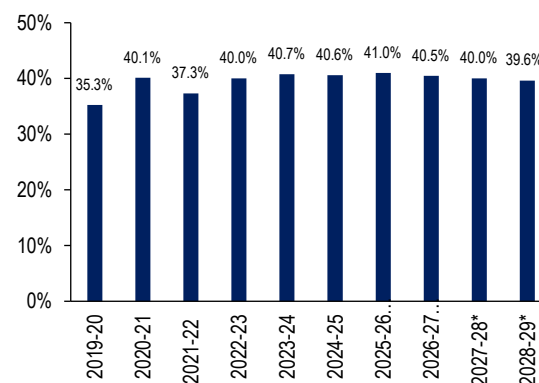
The 15th Finance Commission had recommended revenue deficit grants worth Rs 37,199 crore over five years for Himachal Pradesh. These grants are aimed at helping a state eliminate revenue deficit. Himachal observed a revenue deficit between 2022-23 and 2025-26 even after accounting for these grants. The 16th Finance Commission did not recommend any revenue deficit grants to any states for its award period. It observed that these grants create an adverse incentive. It further observed that expectation of such grants encourages states to be profligate rather than addressing root causes of revenue shortage.

Table 7: Revenue deficit grant to Himachal from the central government (Rs crore)

Year	Amount	% of GSDP
2021-22	10,249	6.0%
2022-23	9,377	4.9%
2023-24	8,058	3.8%
2024-25	6,258	2.7%
2025-26	3,257	1.3%

Sources: Reports of 15th and 16th Finance Commissions; PRS.

Figure 3: Outstanding liabilities (as % of GSDP)



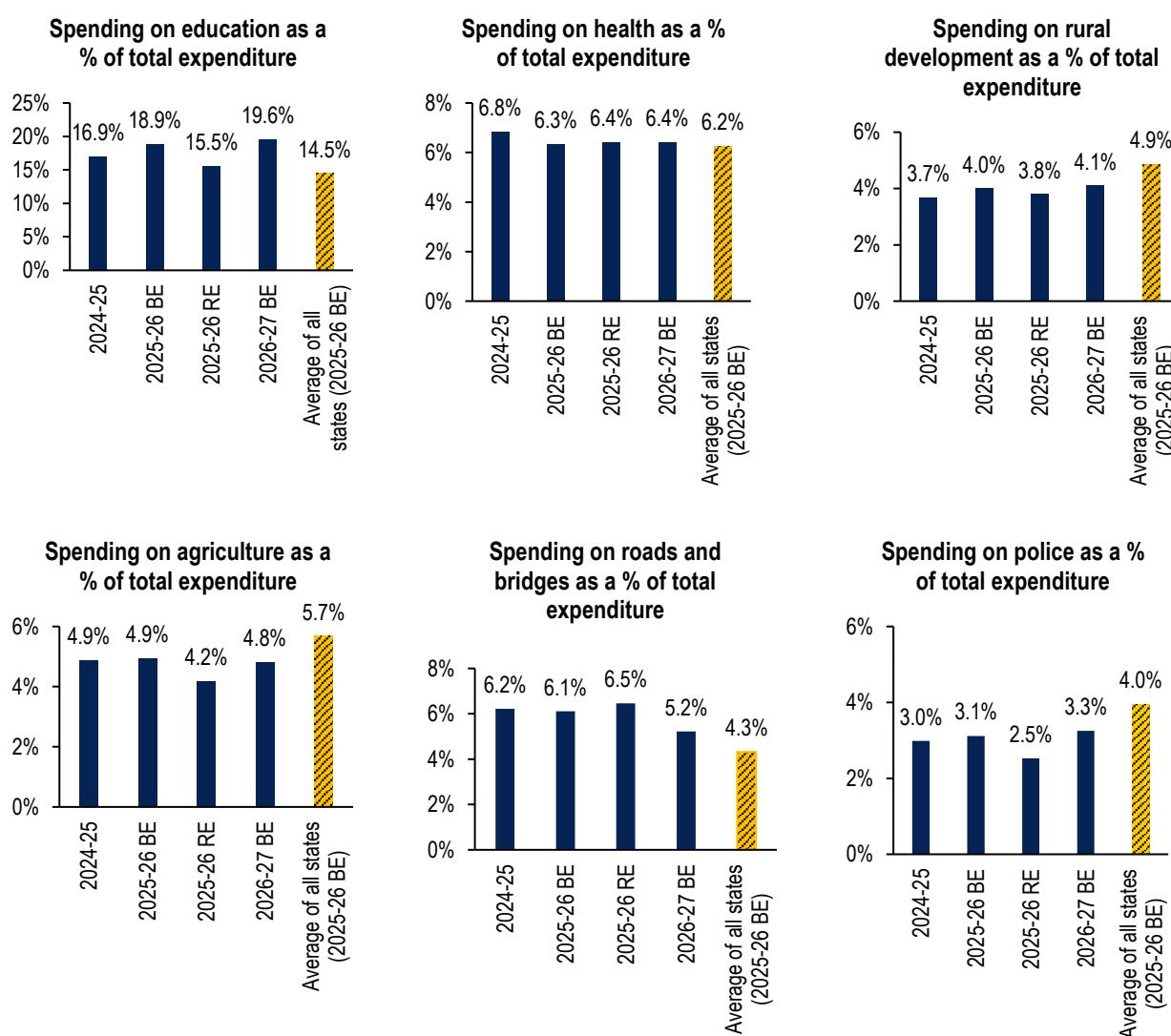
Note: *Figures from 2027-28 onwards are projections. RE is Revised Estimates; BE is Budget Estimates. Does not include certain other liabilities such as reserve fund and deposits.

Sources: Medium Term Fiscal Policy, Explanatory Memorandum, Himachal Pradesh Budget Documents 2026-27; Report No. 1 of 2025, State Finances Audit Report for 2023-24, CAG; PRS.

Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Himachal Pradesh's expenditure in 2026-27 on six key sectors as a proportion of its total expenditure on all sectors. The average for a sector indicates the average expenditure in that sector by 31 states (including Himachal Pradesh) as per their budget estimates of 2025-26.¹

- **Education:** Himachal Pradesh has allocated 19.6% of its expenditure towards education in 2026-27. This is higher than the average allocation for education by states in 2025-26 (14.5%).
- **Health:** Himachal Pradesh has allocated 6.4% of its expenditure towards health in 2026-27. This is slightly higher than the average allocation for health by states in 2025-26 (6.2%).
- **Rural development:** Himachal Pradesh has allocated 4.1% of its expenditure towards rural development in 2026-27. This is lower than the average allocation for rural development by states in 2025-26 (4.9%).
- **Agriculture:** Himachal Pradesh has allocated 4.8% of its expenditure towards agriculture in 2026-27. This is lower than the average allocation for agriculture by states in 2025-26 (5.7%).
- **Roads and bridges:** Himachal Pradesh has allocated 5.2% of its expenditure towards roads and bridges in 2026-27. This is higher than the average allocation for roads and bridges by states in 2025-26 (4.3%).
- **Police:** Himachal Pradesh has allocated 3.3% of its expenditure towards police in 2026-27. This is lower than the average allocation for police by states in 2025-26 (4.0%).



Note: 2024-25, 2025-26 (BE), 2025-26 (RE), and 2026-27 (BE) figures are for Himachal Pradesh.

Sources: Annual Financial Statement, Himachal Pradesh Budget Documents 2026-27; various state budgets; PRS.

¹ The 31 states include the Union Territories of Delhi, Jammu and Kashmir, and Puducherry.

Annexure 2: Recommendations of the 16th Finance Commission for 2026-31

The Report of the 16th Finance Commission (Chair: Dr. Arvind Panagariya) was tabled in Parliament on February 1, 2026. The recommendations will apply for the five-year period between 2026-27 and 2030-31. The 16th Commission (FC) has recommended the share of states in the divisible pool of central taxes at 41%. The share remains unchanged from the 15th Finance Commission award period (2020-26). Divisible pool is arrived at after excluding cost of collection and cesses and surcharges from the gross tax revenue collected by the central government. The 16th FC has proposed a revised criteria to determine the share of individual states. See [here](#) for a PRS summary of the 16th Finance Commission Report. Based on the recommendations of the 16th FC, Himachal Pradesh will have a 0.91% share in the divisible pool of central taxes for the 2026-31 period.

The 16th FC has recommended grants worth Rs 9.47 lakh crore over the five-year period. These comprise grants for: (i) urban and rural local bodies, and (ii) disaster management. It has discontinued the following grants recommended by the 15th FC: (i) revenue deficit grants, (ii) sector-specific grants, and (iii) state-specific grants. Grants recommended for Himachal Pradesh over the 2026-31 period include: (i) Rs 435 crore for urban local bodies, (ii) Rs 3,744 crore for rural local bodies, and (iii) Rs 2,682 crore as disaster management grants. States will also receive a one-time grant for merger of peri-urban villages into adjoining larger urban local body with population of one lakh or above.

Table 8: Individual share of states in the taxes devolved by the centre (out of 100)

State	14 th FC (2015-2020)	15 th FC (2021-26)	16 th FC (2026-31)
Andhra Pradesh	4.31	4.05	4.22
Arunachal Pradesh	1.37	1.76	1.35
Assam	3.31	3.13	3.26
Bihar	9.67	10.06	9.95
Chhattisgarh	3.08	3.41	3.30
Goa	0.38	0.39	0.37
Gujarat	3.08	3.48	3.76
Haryana	1.08	1.09	1.36
Himachal Pradesh	0.71	0.83	0.91
Jammu and Kashmir	1.85	-	-
Jharkhand	3.14	3.31	3.36
Karnataka	4.71	3.65	4.13
Kerala	2.50	1.93	2.38
Madhya Pradesh	7.55	7.85	7.35
Maharashtra	5.52	6.32	6.44
Manipur	0.62	0.72	0.63
Meghalaya	0.64	0.77	0.63
Mizoram	0.46	0.50	0.56
Nagaland	0.50	0.57	0.48
Odisha	4.64	4.53	4.42
Punjab	1.58	1.81	2.00
Rajasthan	5.50	6.03	5.93
Sikkim	0.37	0.39	0.34
Tamil Nadu	4.02	4.08	4.10
Telangana	2.44	2.10	2.17
Tripura	0.64	0.71	0.64
Uttar Pradesh	17.96	17.94	17.62
Uttarakhand	1.05	1.12	1.14
West Bengal	7.32	7.52	7.22

Table 9: State-wise details of grants-in-aid for 2026-31 (in Rs crore)

State	Rural Local Bodies	Urban Local Bodies	Disaster Management
Andhra Pradesh	16,627	12,158	6,125
Arunachal Pradesh	1,698	233	616
Assam	14,580	3,249	5,243
Bihar	51,923	9,169	13,615
Chhattisgarh	11,664	4,990	2,481
Goa	174	726	112
Gujarat	18,802	23,764	8,459
Haryana	8,270	7,834	2,922
Himachal Pradesh	3,744	435	2,682
Jharkhand	14,231	6,093	2,806
Karnataka	18,889	18,483	6,419
Kerala	3,308	16,683	1,935
Madhya Pradesh	32,033	16,016	11,697
Maharashtra	32,817	46,803	29,619
Manipur	1,262	609	259
Meghalaya	1,479	377	437
Mizoram	567	377	284
Nagaland	697	667	408
Odisha	18,715	5,078	8,900
Punjab	8,486	7,834	2,477
Rajasthan	31,467	12,680	9,211
Sikkim	218	203	455
Tamil Nadu	16,930	25,069	8,486
Telangana	9,968	11,548	2,774
Tripura	1,176	1,016	356
Uttar Pradesh	83,261	33,543	15,321
Uttarakhand	4,047	2,497	4,954
West Bengal	28,203	22,023	6,869

Sources: Reports of the 14th, 15th, and 16th Finance Commission; PRS.

Table 10: Taxes devolved to states as per Union Budget 2026-27 (in Rs crore)

State	2024-25 Actuals	2025-26 Revised	2026-27 Budgeted
Andhra Pradesh	51,564	56,374	64,362
Arunachal Pradesh	22,386	24,475	20,665
Assam	39,855	43,572	49,725
Bihar	1,28,151	1,40,105	1,51,832
Chhattisgarh	43,409	47,459	50,427
Goa	4,918	5,377	5,571
Gujarat	44,314	48,448	57,311
Haryana	13,926	15,225	20,772
Himachal Pradesh	10,575	11,562	13,950
Jharkhand	42,135	46,066	51,236
Karnataka	46,467	50,802	63,050
Kerala	24,527	26,815	36,355
Madhya Pradesh	1,00,019	1,09,348	1,12,134
Maharashtra	80,486	87,994	98,306
Manipur	9,123	9,974	9,554
Meghalaya	9,773	10,684	9,631
Mizoram	6,371	6,965	8,608
Nagaland	7,250	7,926	7,341
Odisha	57,692	63,074	67,460
Punjab	23,023	25,171	30,464
Rajasthan	76,779	83,940	90,446
Sikkim	4,944	5,405	5,113
Tamil Nadu	51,971	56,819	62,531
Telangana	26,782	29,280	33,181
Tripura	9,021	9,862	9,783
Uttar Pradesh	2,28,565	2,49,885	2,68,911
Uttarakhand	14,245	15,573	17,415
West Bengal	95,852	1,04,793	1,10,119
Total	12,74,121	13,92,971	15,26,255

Note: Actuals for 2024-25 and Revised Estimates for 2025-26 have been reported in the Union Budget after adjusting for excess or less devolution in previous years. Sources: Union Budget Documents 2026-27; PRS.

Annexure 3: Comparison of 2024-25 Budget Estimates and Actuals

The following tables compare the actuals of 2024-25 with budget estimates for that year.

Table 11: Overview of Receipts and Expenditure (in Rs crore)

Particular	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Net Receipts (1+2)	42,181	41,057	-3%
1. Revenue Receipts (a+b+c+d)	42,153	40,872	-3%
a. Own Tax Revenue	15,101.00	12,772	-15%
b. Own Non-Tax Revenue	3641	3,698	2%
c. Share in central taxes	10,124.00	10,681	6%
d. Grants-in-aid from the Centre	13,287	13,722	3%
2. Non-Debt Capital Receipts	28	185	561%
3. Borrowings	12909	26,622	106%
Net Expenditure (4+5+6)	52,965	53,668	1%
4. Revenue Expenditure	46,667	47,677	2%
5. Capital Outlay	6,270	5,957	-5%
6. Loans and Advances	28	34	22%
7. Debt Repayment	5479	18,169	232%
Revenue Deficit	4,514	6,805	51%
Revenue Deficit (as % of GSDP)	1.99%	2.95%	-
Fiscal Deficit	10,784	12,611	17%
Fiscal Deficit (as % of GSDP)	4.75%	5.47%	-

Source: Himachal Pradesh Budget Documents of various years; PRS.

Table 12: Key Components of State's Own Tax Revenue

Head	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Stamps Duty and Registration Fees	626	491	-22%
Land Revenue	18	16	-13%
State GST	6,552	5,817	-11%
Sales Tax/ VAT	2,080	1,842	-11%
Taxes and Duties on Electricity	551	495	-10%
State Excise	2,884	2,698	-6%
Taxes on Vehicles	902	907	1%

Source: Himachal Pradesh Budget Documents of various years; PRS.

Table 13: Allocation towards Key Sectors

Sector	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Irrigation and Flood Control	1,382	799	-42%
Welfare of SC, ST, OBC, and Minorities	100	66	-34%
Rural Development	2,145	1,974	-8%
Education, Sports, Arts, and Culture	9,812	9,090	-7%
Transport	5,289	4,933	-7%
<i>of which Roads and Bridges</i>	<i>3,944</i>	<i>3,336</i>	<i>-15%</i>
Police	1,701	1,603	-6%
Water Supply and Sanitation	1,998	1,881	-6%
Agriculture and Allied Activities	2,755	2,617	-5%
Social Welfare and Nutrition	3,051	3,173	4%
Health and Family Welfare	3,390	3,662	8%
Urban Development	645	760	18%
Housing	294	764	160%
Energy	566	2,052	263%

Source: Himachal Pradesh Budget Documents of various years; PRS.