



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

## Accounts at a Glance 2024-25



Government of Himachal Pradesh





## **Accounts at a Glance for the year **2024-25****

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



**GOVERNMENT OF HIMACHAL PRADESH**



# Preface

I am happy to present the twenty seventh issue of our annual publication, the 'Accounts at a glance' for the year 2024-25, which provides an overview of activities of Governmental Himachal Pradesh, as reflected in the Finance Accounts and Appropriation Accounts.

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

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

We look forward to suggestions.



Shimla

Date: 16 December 2025

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



# Table of Contents

		Page No.
<b>Chapter I</b>	<b>Overview</b>	
1.1	Introduction.....	1
1.2	Structure of Government Accounts .....	2-3
1.3	Finance Accounts and Appropriation Accounts.....	3-6
1.4	Sources and Application of Funds .....	6-9
1.5	Fiscal Responsibility and Budget Management (FRBM) Act, 2005 .....	10-12
<b>Chapter II</b>	<b>Receipts</b>	
2.1	Introduction.....	13
2.2	Revenue Receipts .....	13-15
2.3	Tax Revenue.....	15-17
2.4	Cost of collection of Taxes .....	18
2.5	Trend in State’s share of Union Taxes over the past five years	18
2.6	Grants-in-Aid.....	19-20
2.7	Goods and Service Tax .....	20
2.8	Public Debt .....	20-21
<b>Chapter III</b>	<b>Expenditure</b>	
3.1	Introduction.....	22
3.2	Revenue Expenditure .....	22-24
3.3	Capital Expenditure .....	24-26
<b>Chapter IV</b>	<b>Appropriation Accounts</b>	
4.1	Summary of Appropriation Accounts for 2024-25.....	27
4.2	Trend of Savings/Excess during the past five years.....	27
4.3	Significant Savings.....	28-29
4.4	Re-appropriation without Budget provision.....	30-31

<b>Chapter V</b>	<b>Assets and Liabilities</b>	
5.1	Assets .....	32
5.2	Debt and Liabilities .....	33
5.3	Guarantees .....	34
<b>Chapter VI</b>	<b>Other Issues</b>	
6.1	Adverse Balances under Internal Debt .....	35
6.2	Loans and Advances by the State Government.....	35
6.3	Financial Assistances to Local Bodies and others .....	35-37
6.4	Cash Balance and Investment of Cash Balance .....	37-38
6.5	Reconciliation of Accounts .....	38
6.6	Status of Suspense Balances and Remittances Balances .....	38
6.7	Status of Outstanding Utilization Certificate .....	38-39
6.8	National Pension System .....	39
6.9	Cash Balance (Deposit with Reserve Bank of India) .....	39
6.10	State Disaster Response Fund/National Disaster Response Fund .....	40
6.11	State Disaster Mitigation Fund .....	40
6.12	State Compensatory Afforestation Fund .....	40-41
6.13	Cess levied by the State Government .....	41
6.14	Misclassification/ Incorrect operation of Object Heads .....	41
6.15	Transactions booked under/cleared from Objection Book Suspense Accounts .....	42
6.16	Transfer of funds to Single Nodal Agency (SNA) .....	42
6.17	Funds transferred to DDO Bank Account.....	42

## Chapter I

# Overview

### 1.1 Introduction

The office of the Principal Accountant General (Accounts and Entitlement), Himachal Pradesh collates, classifies, compiles the 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 19 Treasuries (18 District Treasuries & 01 SNA-Sparsh), 96 Public Works Divisions (77 Building and Roads, 08 National Highway, 06 Mechanical, 05 Electrical), 72 Divisions of Jal Shakti Vibhag, accounts rendered by the other states/ accounting offices and advice of Reserve Bank of India. Every month, a *Monthly Civil Account* is submitted to the Government of Himachal Pradesh. The office also submits to the State Government; a quarterly *Appreciation Note* on the important financial indicators and quality of expenditure of the Government. In addition, the office also prepares, annually, Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after being audited by the Principal Accountant General (Audit), H.P and certified by the Comptroller and Auditor General of India.

## 1.2 Structure of Government Accounts

### 1.2.1 Government Accounts are kept in three parts:

#### Structure of Government Accounts

##### ● **Part 1** **CONSOLIDATED FUND**

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

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

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

##### ● **Part 2** **CONTINGENCY FUND**

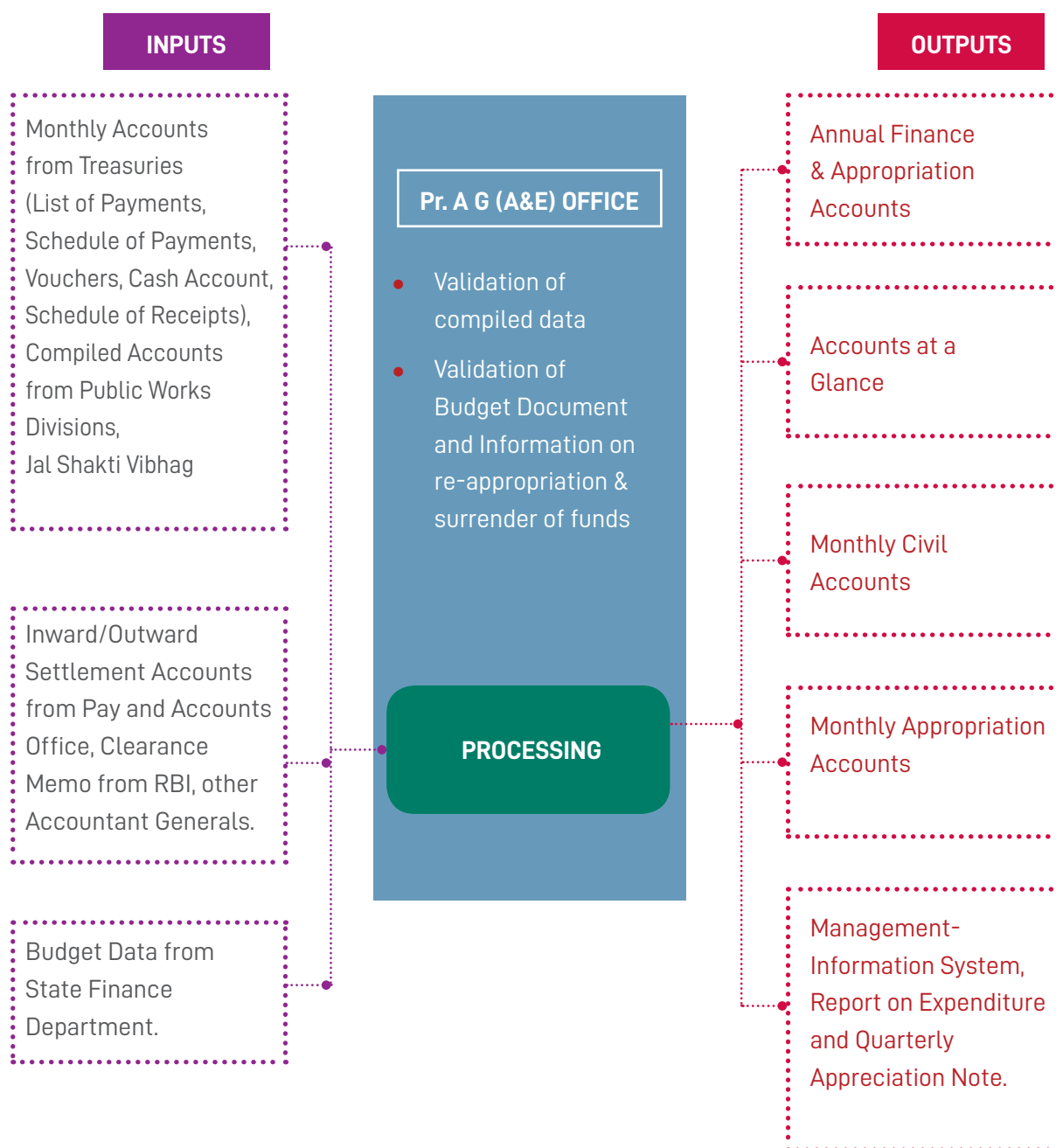
##### ● **Part 3** **PUBLIC ACCOUNT**

All public money received that is not credited to the Consolidated Fund is accounted for under the Public Account. In respect of such receipts, the Government acts as a banker or trustee.

The Public Account comprises repayable like Small Savings and Provident Funds, Reserve Fund, Deposits and Advances, Suspense and Miscellaneous transactions (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. To make the information more comprehensive and user-friendly, the Finance Accounts are prepared in two volumes.

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), whereas figures in Appropriation Accounts are shown on gross basis.

In addition to the expenditure approved by the Himachal Pradesh Legislature, Government of India transfers substantial funds directly to State Implementing Agencies/ Non-Government Organization (NGOs) in the State for various schemes and programmes. These direct transfers (amounting to ₹ 1,852 crore this year) are not reflected in the Accounts of the State Government but have been shown in Appendix VI in Volume II of the Finance Accounts.

### 1.3.2 Financial highlight of year 2024-25

The following table presents the budgeted receipts and disbursements as per Budget Estimates, alongside the actual receipts and expenditure as per the Finance Accounts for the year 2024-25. It also outlines the planned and actual values for key fiscal indicators.

**Table 1.1 Snapshots of Finances of Himachal Pradesh (Year 2024-25)**

(₹ in crore)

Sl. No.	Description	Budget Estimate 2024-25	Actuals 2024-25	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP#
1.	Tax Revenue (including central share) <sup>[a]</sup>	24,207	23,453	97	10
2.	Non-Tax Revenue	4,231	3,698	87	2
3.	Grants-in-Aid & Contributions	15,266	13,721	90	6
4.	<b>Revenue Receipts (1+2+3)</b>	<b>43,704</b>	<b>40,872</b>	<b>94</b>	<b>18</b>
5.	Recovery of Loans & Advances*	29	185	638	---
6.	Other Receipts*	---	---	---	---
7.	Borrowings and other liabilities (b)	15,409	12,611	82	5
8.	<b>Capital Receipts (5+6+7)</b>	<b>15,438</b>	<b>12,796</b>	<b>83</b>	<b>6</b>
9.	<b>Total Receipts (4+8)</b>	<b>59,142</b>	<b>53,668</b>	<b>91</b>	<b>23</b>
10.	<b>Revenue Expenditure</b>	<b>50,190</b>	<b>47,677</b>	<b>95</b>	<b>21</b>
11.	Expenditure on Interest Payments (out of Revenue Expenditure)	6,265	6,261	100	3
12.	<b>Capital Expenditure</b>	<b>8,767</b>	<b>5,957</b>	<b>68</b>	<b>3</b>
13.	<b>Loans and Advances Disbursed (c)</b>	<b>186</b>	<b>34</b>	<b>18</b>	<b>---</b>
14.	<b>Total Expenditure (10+12+13)</b>	<b>59,143</b>	<b>53,668</b>	<b>91</b>	<b>23</b>
15.	<b>Revenue Deficit (-) / Surplus (+) (4-10)</b>	<b>(-)6,486</b>	<b>(-)6,805</b>	<b>105</b>	<b>(-)3</b>
16.	<b>Fiscal Deficit (-) / Surplus (+) (4+5+6-14)</b>	<b>(-)15,409</b>	<b>(-)12,611</b>	<b>82</b>	<b>(-)5</b>
17.	<b>Primary Deficit (16-11)</b>	<b>(-)9,144</b>	<b>(-)6,350</b>	<b>69</b>	<b>(-)3</b>

(a) Includes share of net proceeds assigned to state amounting to ₹10,681 crore. State Government's Own Tax receipts were ₹12,772 crore which was 6 per cent of GSDP.

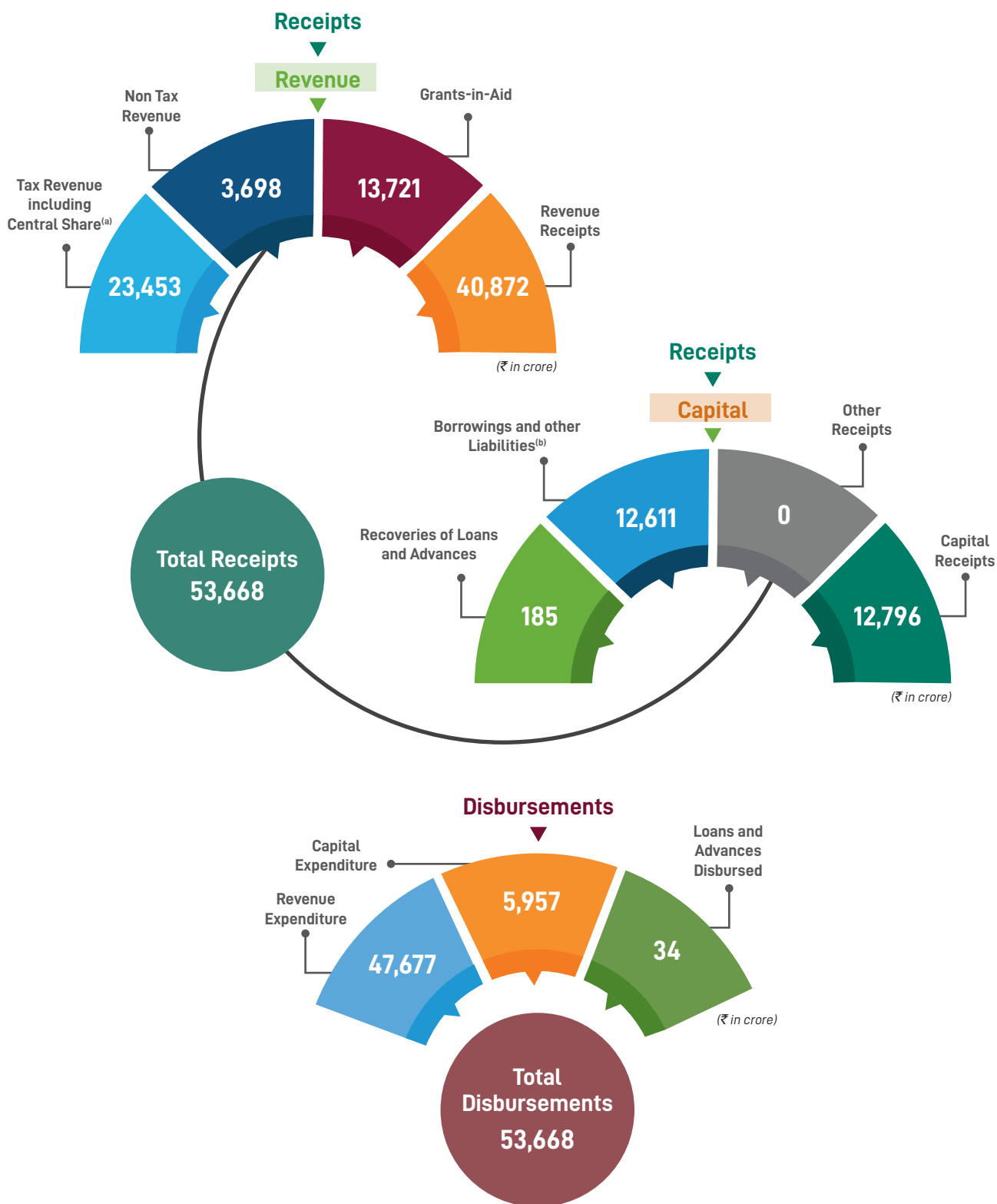
(b) Borrowing and other Liabilities: Net (Receipts-Disbursement) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursement) of Public Account + Net of opening and closing cash balance.

(c) Loans and advances (₹ 34 Crore) = State Plan (₹ 34 crore) + Central Plan (---)

# GSDP (Gross State Domestic Product) of H.P. for 2024-25 is ₹ 2,32,185 crore as per revised estimates presented in Legislative Assembly.

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

## Receipts and disbursement in year 2024-25



(a) Includes share of net proceeds assigned to state amounting to ₹ 10,681 crore. (State Government's Own Tax receipts were ₹ 12,772 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.

### 1.3.3 Appropriation Accounts

Under Articles 204 & 205 of the Constitution of India, no expenditure can be incurred by the Government without authorization of the Legislature. Except for certain expenditure specified in the Constitution as “charged” on the Consolidated Fund, which may be incurred without vote of the Legislature, all other expenditures require to be “voted”.

For the years 2024-25, the budget of Himachal Pradesh had 32 Grants and 18 charged Appropriations under these Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure corresponds with the appropriation authorized by the Legislature through the Appropriation Act for the year. The figures in Appropriation Accounts are presented on gross basis.

### 1.3.4 Efficiency in Budget Preparation

At the end of the year, actual expenditure of the Government of Himachal Pradesh was ₹ 75,325 crore against the budget of ₹ 79,475 crore approved by the Legislature. Overall, there was saving of ₹ 7,253 crore and excess expenditure of ₹ 3,103 crore, resulting in net saving of ₹ 4,150 crore.

The excess (voted) of ₹ 545 crore occurred in seven grants relating to (i) 01-Vidhan Sabha, (ii) 04-General Administration, (iii) 09-Health and Family Welfare, (iv) 16- Forest and Wildlife, (v) 23-Power Development, (vi) 25-Road and Water Transport, (vii) 26-Tourism and Civil Aviation which requires regularization. While the excess of ₹ 2,558 crore in charged appropriations took place in four grants: (i) 01-Vidhan Sabha, (ii) 03- Administration of Justice, (iii) 04- General Administration and (iv) 29- Finance.

The excess expenditures need to be regularized by the Legislature.

During the year 2024-25, expenditure to the tune of ₹ 427 crore was incurred without budget provision in eight grants: (i) 03- Administration of Justice, (ii) 12- Horticulture, (iii) 14- Animal Husbandry, Dairy Development and Fisheries, (iv) 19- Social Justice and Empowerment, (v) 23- Power Development, (vi) 25- Road and Water Transport, (vii) 31- Tribal Area Development Programme (TADP) and (viii) 32- Scheduled Caste Development Programme (SCDP).

Expenditure incurred without budget provision constitutes a violation of prescribed financial rules. Such lapses undermine financial discipline and legislative control over public expenditure.

## 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 temporary shortfalls in the minimum cash balance that the State Government is required to maintain with the RBI. During the year 2024-25 the State Government availed Ways and Means Advance amounting to ₹ 15,875 crore (including overdraft), against which ₹ 14,222 crore (including overdraft) was repaid during the year.

### 1.4.2 Overdraft from the Reserve Bank of India

An overdraft is taken from the RBI when the state government’s cash balance falls below the minimum required level of ₹ 0.55 crore, which is required to be maintained with the RBI, even after taking Ways and Means Advances. During the year 2024-25 an amount of ₹ 4,607 crore overdraft was availed for 42 days and ₹ 3,731 crores were repaid during the same year.

### 1.4.3 Fund flow statement

As on 31 March 2025, the state had a Revenue Deficit of ₹ 6,805 crore and a Fiscal Deficit of ₹ 12,611 crore. The Fiscal Deficit was financed through net Public Debt of ₹ 8,453 crore, an increase in Public Account of ₹ 4,160 crore, and a net increase in the opening and closing cash balance of ₹ 2 crore. Around 84 *per cent* of the revenue receipts ₹ 40,872 crore of the State Government was

spent on committed expenditure like salaries (₹ 15,335 crore), Interest Payments (₹ 6,261 crore), Pensions (₹ 10,536 crore), Subsidies (₹ 1,872 crore) and Wages ( ₹ 312 crore).

## Sources and Application of Funds

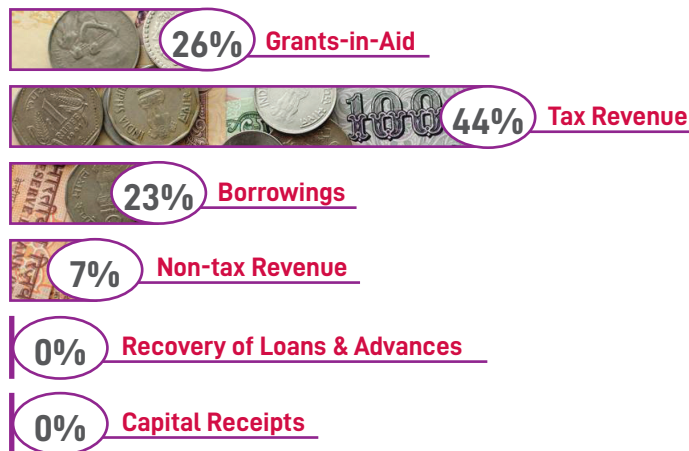
		(₹ in crore)
<b>SOURCES</b>	Opening Cash Balance as on 1 April 2024	42
	Revenue Receipts	40,872
	Capital Receipts	---
	Recovery of Loans and Advances	185
	Public Debt	26,622
	Small Savings, Provident Funds etc.	5,167
	Reserves Funds	1,554
	Deposits Received	4,122
	Civil Advances Repaid	...
	Suspense Account	20,819*
	Remittances	7,456
	<b>TOTAL</b>	<b>1,06,839*</b>
<b>APPLICATION</b>	Revenue Expenditure	47,677
	Capital Expenditure	5,957
	Loans Given	34
	Repayment of Public Debt	18,169
	Small Savings, Provident Funds etc.	3,637
	Reserves Funds	954
	Deposits Repaid	3,738
	Civil Advances Given	...
	Suspense Account	19,356**
	Remittances	7,272
	Closing Cash Balance as on 31 March 2025	45
	<b>TOTAL</b>	<b>1,06,839</b>

\* Includes ₹ 19,344 crore on account of cash balances investment account.

\*\* Includes ₹ 17,886 crore on account of cash balances investment account.

#### 1.4.4 Where the ₹ came from ?

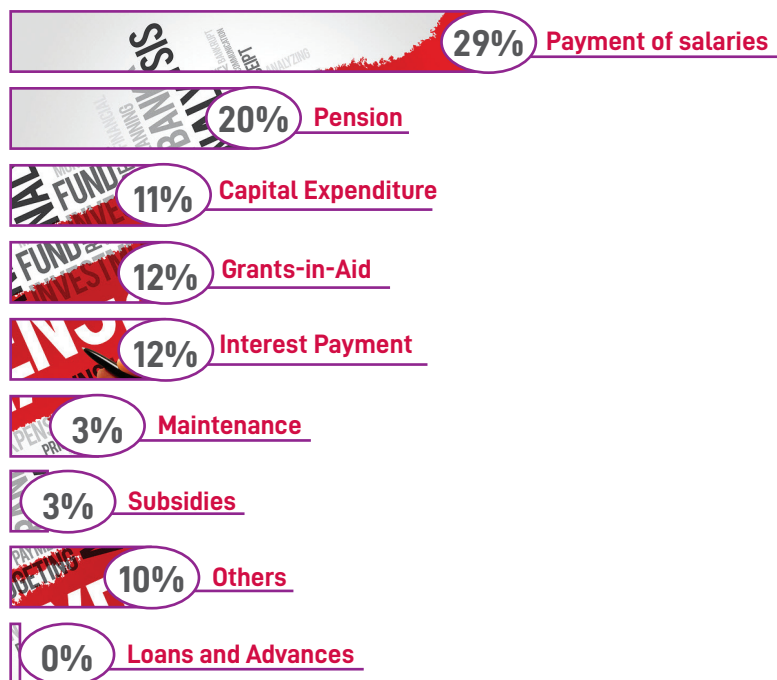
##### Actual Receipts



(Recovery of loans and advances was only ₹ 185 crore and Capital Receipt was nil which is negligible hence value is shown as zero)

#### 1.4.5 Where the ₹ went ?

##### Actual Expenditure



During the year 2024-25, the Government of Himachal Pradesh recorded a Revenue Deficit of ₹ 6,805 crore compared to ₹ 5,559 crore in 2023-24 and a Fiscal Deficit of ₹ 12,611 crore, compared to ₹ 11,266 crore in 2023-24. These deficits represented 3 *per cent* and 5 *per cent* of the Gross State Domestic Product (GSDP), respectively. The Fiscal Deficit constituted 23 *per cent* of the total expenditure of the state government.

### What do the deficits and surplus indicate?

#### DEFICIT

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

Refers to the gap between revenue receipt and revenue expenditure. Revenue expenditure is primarily required to maintain the existing establishment of the 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 reflects the extent to which government expenditure is financed through borrowings. Ideally, the borrowings should be used to finance capital expenditure, rather than revenue expenditure.

## 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. Under this Act, the State Government is required to achieve specific fiscal targets within prescribed timelines. Achievements during the year 2024-25, against fiscal targets laid down in the Act and rules framed thereunder, were as follows:

Sr. No.	Financial Parameter	Actual (₹ in crore)	Ratio to GSDP*	
			Target	Achievement
1	Revenue Deficit (-)/ Revenue Surplus (+)	(-)6,805 (3 per cent of GSDP*)	Revenue Surplus	Not achieved
2	Fiscal Deficit	12,611 (5 per cent of GSDP)	3.5 per cent of GSDP or less	Not achieved
3	Outstanding Guarantees	1,896 (5 per cent of Revenue Receipt of previous financial year)	Less than 40 per cent of Revenue Receipt of previous financial year	Achieved
4	Outstanding Debt	96,422 (42 per cent of GSDP)	Less than 40.83 per cent of GSDP	Not achieved

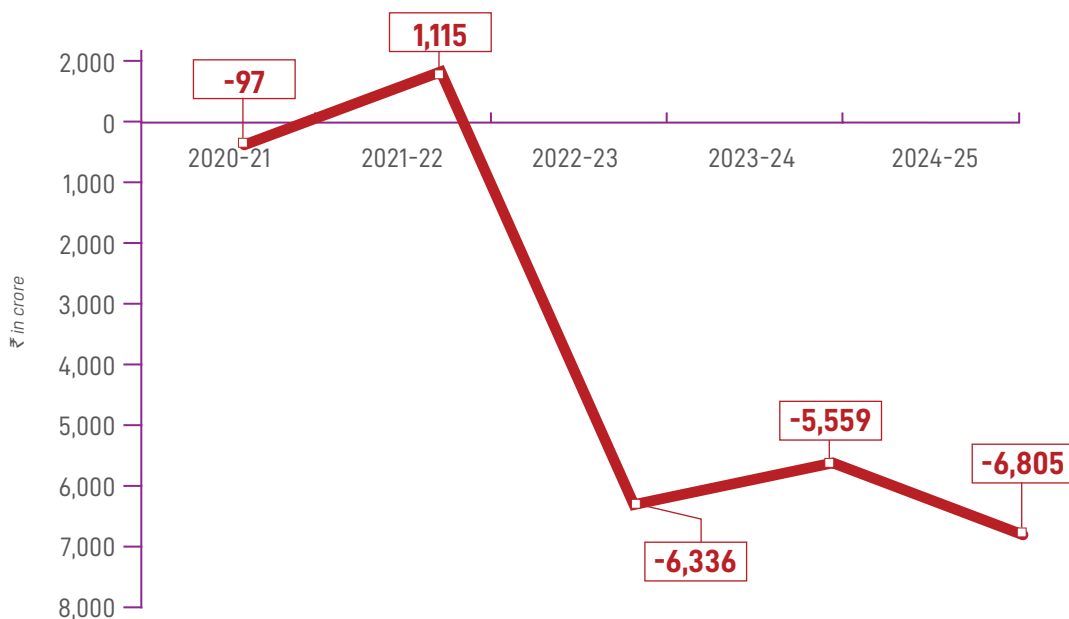
\* Source: GSDP (Gross State Domestic Product) of H.P. for 2024-25 is ₹ 2,32,185 crore as per revised estimates presented in Legislative Assembly.

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

The State recorded a Revenue Deficit of ₹ 5,559 crore in 2023-24, which increased to ₹ 6,805 crore during the year 2024-25, although the FRBM Act target required the State to maintain a Revenue Surplus. Meanwhile, the Fiscal Deficit rose by ₹ 1,345 crore, from ₹ 11,266 crore in 2023-24 to ₹ 12,611 crore in 2024-25, which was 5 per cent of GSDP, thus exceeding the FRBM target of 3.5 per cent. However, the target of maintaining outstanding guarantees below 40 per cent of total revenue receipts of previous financial year was achieved. The amount of outstanding guarantees on 31 March 2025 was ₹ 1,896 crore, representing 5 per cent of the total revenue receipt (₹ 39,173 crore) of previous year i.e. 2023-24.

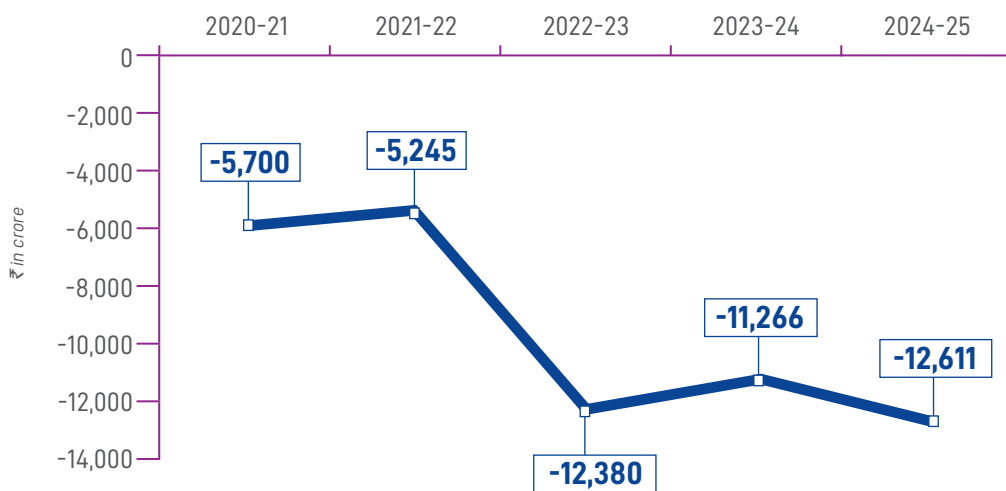
### 1.5.1 Trend of Revenue Deficit/ Surplus

#### Trend of Revenue Surplus/ Deficit



### 1.5.2 Trend of Fiscal Deficit

#### Trend of Fiscal Deficit

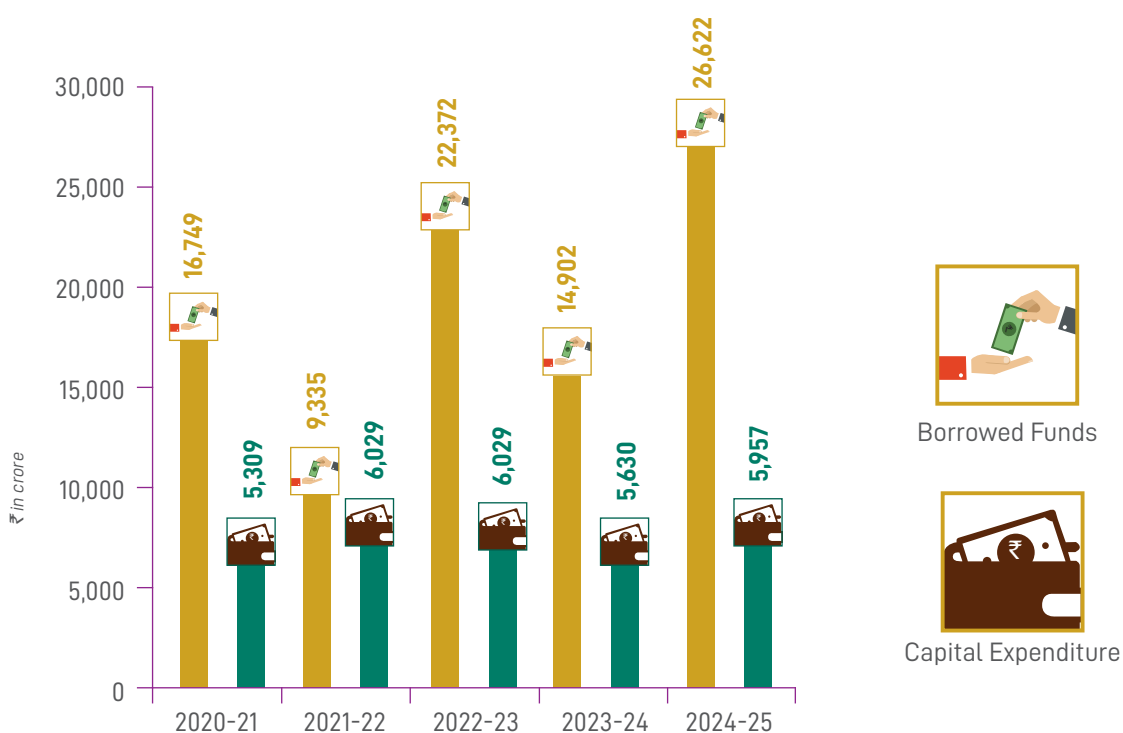


### 1.5.3 Application of borrowed funds for Capital Expenditure

The following table depicts the position of borrowed funds spent on capital expenditure:

(₹ in crore)

Year	Borrowed Fund	Capital Expenditure	Percentage of Col. 3 to Col. 2
1	2	3	4
2020-21	16,749	5,309	32
2021-22	9,335	6,029	65
2022-23	22,372	6,029	27
2023-24	14,902	5,630	38
2024-25	26,622	5,957	22



The Government generally runs fiscal deficits and borrow funds for capital formation or for creation of economic and social infrastructure, with the expectation that assets created through borrowings will 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.

However, during 2024-25 the State Government utilized only 22 *per cent* of its borrowings for capital expenditure with ₹ 5,957 crore spent out of total borrowings of ₹ 26,622 crore. The remaining borrowings were largely used to repay principal and part of the interest on public debt from previous years.

## Chapter II

# Receipts

### 2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. During 2024-25, total receipts of the State Government were ₹ 53,668 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.

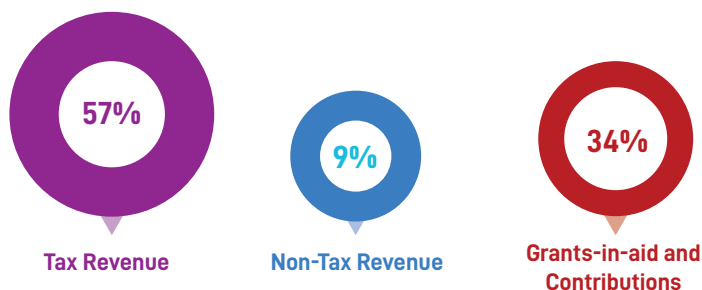
Includes interest receipts, dividend, profits, departmental receipts etc.

#### NON-TAX REVENUE

#### GRANTS-IN-AID

Grants-in-aid represent financial assistance provided by the Union Government to the State Government. This also includes "External Grant Assistance" received from foreign governments, which is routed through the Union Government. In addition, the State Government also provides Grants-in-Aid to Panchayati Raj Institutions, Autonomous Bodies and other similar organizations.

## Revenue Receipts



### 2.2.1 Revenue Receipts - Components

(₹ in crore)

Components	Actuals	Per cent to Revenue Receipt
<b>A. Tax Revenue*</b>	<b>23,453</b>	<b>57</b>
Goods and Services Tax	8,936	22
Taxes on Income and Expenditure	6,896	17
Taxes on Property, Capital and other Transactions	507	1
Taxes on Commodities and Services other than Goods and Services Tax	7,114	17
<b>B. Non-Tax Revenue</b>	<b>3,698</b>	<b>9</b>
Interest Receipts, Dividend and Profits	747	2
General Services	297	1
Social Services	180	...**
Economic Services	2,474	6
<b>C. Grants-in-Aid &amp; Contributions</b>	<b>13,721</b>	<b>34</b>
<b>Total –Revenue Receipts</b>	<b>40,872</b>	<b>100</b>

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

\*\* figure comes out to 0.44 per cent which is negligible, hence not shown in table.

### 2.2.2 Trend of Revenue Receipts

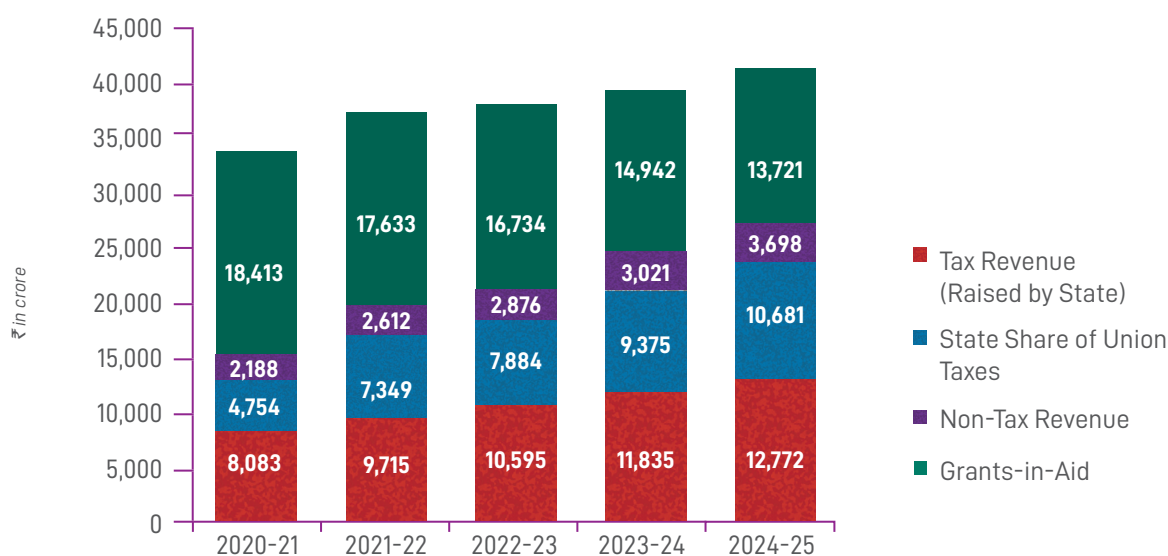
(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
<b>The revenue raised by the State Government</b>					
Tax Revenue (Raised by the State)	8,083 (5)	9,715 (6)	10,595 (5)	11,835 (6)	12,772 (6)
Non-Tax Revenue	2,188 (1)	2,612 (1)	2,876 (1)	3,021 (1)	3,698 (2)
<b>The revenue received from the Union Government</b>					
State Share of Union Taxes/ Duties	4,754 (3)	7,349 (4)	7,884 (4)	9,375 (5)	10,681 (5)
Grants-in-Aid	18,413 (12)	17,633 (10)	16,734 (9)	14,942 (7)	13,721 (6)
<b>Total Revenue Receipts</b>	<b>33,438 (21)</b>	<b>37,309 (21)</b>	<b>38,089 (19)</b>	<b>39,173 (19)</b>	<b>40,872 (18)</b>
<b>GSDP</b>	<b>1,56,522</b>	<b>1,75,173</b>	<b>1,95,404</b>	<b>2,07,430</b>	<b>2,32,185</b>

Note: Figures in parentheses represent percentage to GSDP (Gross State Domestic Product). GSDP figures for 2024-25 are at current prices, as per revised estimates presented in Legislative Assembly.

Although the GSDP increased by 12 per cent in 2024-25 compared to previous year, the revenue receipts grew by only 4 per cent. This modest growth was primarily due to the decline in Grants-in-aid. While the tax revenue and non-tax revenue increased by 11 per cent and 22 per cent respectively, Grants-in-aid decreased by 8 per cent compared to previous year.

## Trend of components of Revenue Receipts



### 2.3 Tax Revenue

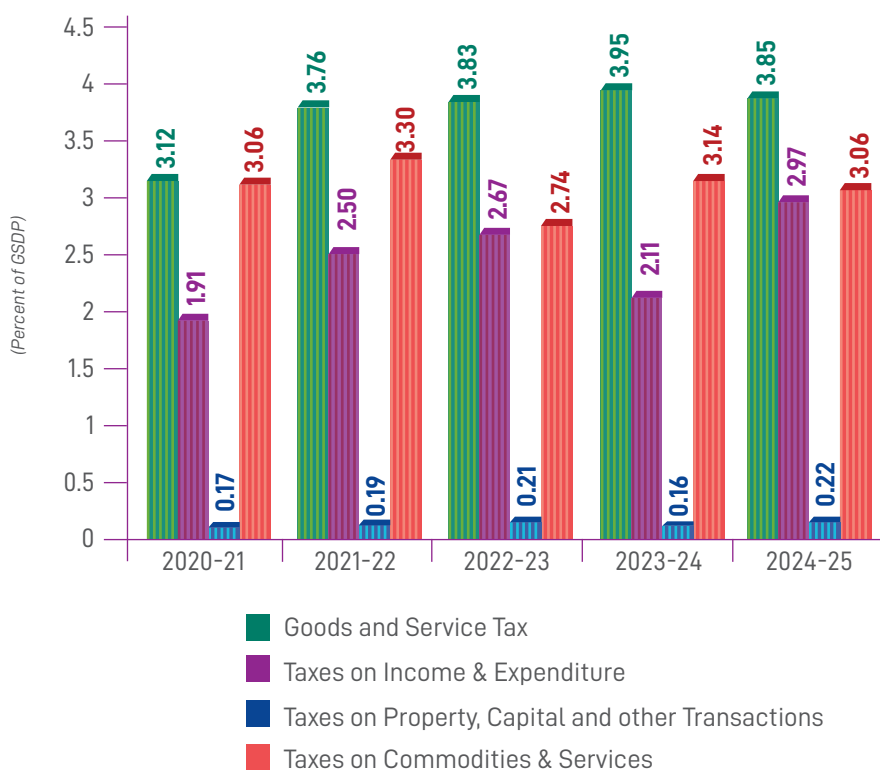
(₹ in crore)

Sector wise Tax Revenue					
Taxes	2020-21	2021-22	2022-23	2023-24	2024-25
a. Goods and Services Tax	4,886 (3)	6,588 (4)	7,486 (4)	8,185 (4)	8,936 (4)
b. Taxes on Income and Expenditure	2,894 (2)	4,372 (2)	5,225 (3)	6,064 (3)	6,896 (3)
c. Taxes on Property, Capital and other Transactions	260 ---	324 ---	407 ---	447 ---	507 ---
d. Taxes on Commodities and Services other than Goods and Services Tax	4,797 (3)	5,780 (3)	5,361 (3)	6,514 (3)	7,114 (3)
<b>Total Tax Revenue</b>	<b>12,837</b> (8)	<b>17,064</b> (10)	<b>18,479</b> (9)	<b>21,210</b> (10)	<b>23,453</b> (10)
<b>GSDP</b>	<b>1,56,522</b>	<b>1,75,173</b>	<b>1,95,404</b>	<b>2,07,430</b>	<b>2,32,185</b>

Note: Figures in parentheses represent percentage to GSDP

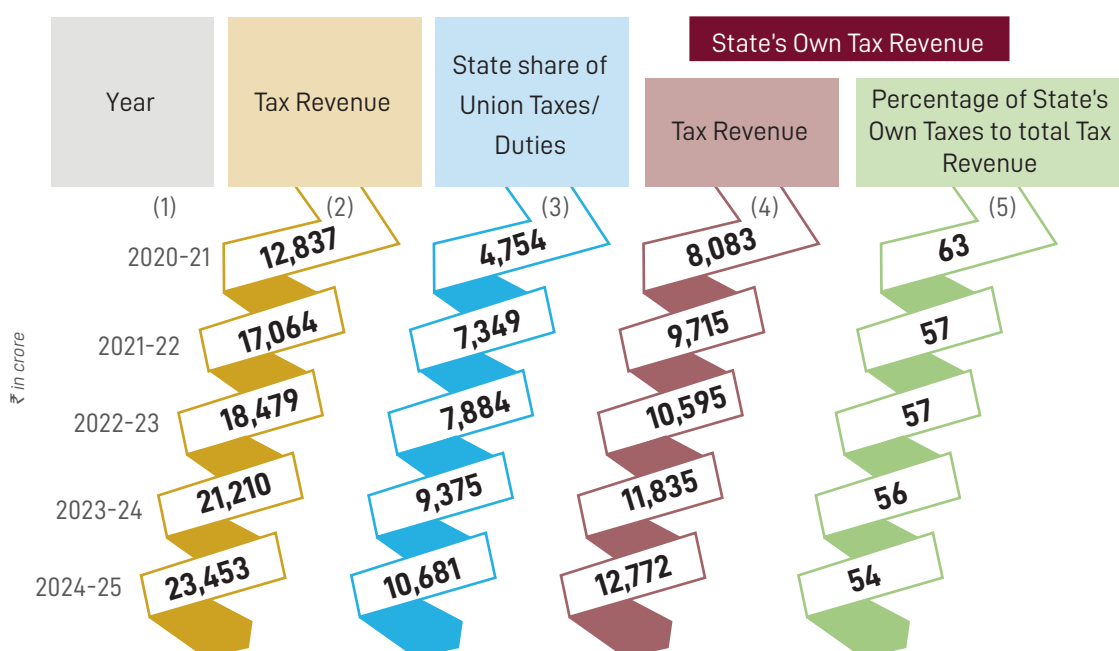
The increase in total tax revenue during 2024-25 was primarily driven by higher receipt of State share of SGST (₹ 477 crore), CGST (₹ 274 crore), as well as increased collection of Income other than Corporation Tax (₹ 616 crore), Corporation Tax (₹ 217 crore) and State Excise (₹ 6 crore).

## Trend of Major Taxes in proportion to Gross State Domestic Product (GSDP)



### 2.3.1 State's own Tax and 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.



The proportion of State's own tax collection in the total tax revenue was 63 *per cent* in 2020-21. It subsequently declined to 57 *per cent* in 2021-22 and 2022-23, decreased slightly to 56 *per cent* in 2023-24 and further to 54 *per cent* in 2024-25.

The following table presents a comparative overview of tax revenue received from the two sources over a period of five years:

(₹ in crore)

Description	2020-21	2021-22	2022-23	2023-24	2024-25
State's own Tax collection	8,083	9,715	10,595	11,835	12,772
Devolution of Union Taxes	4,754	7,349	7,884	9,375	10,681
<b>Total Tax Revenue</b>	<b>12,837</b>	<b>17,064</b>	<b>18,479</b>	<b>21,210</b>	<b>23,453</b>

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

(₹ in crore)

Description	2020-21	2021-22	2022-23	2023-24	2024-25
State Goods and Service Tax	3,467	4,482	5,259	5,340	5,817
Taxes on Sales, Trade etc.	1,630	1,592	1,370	1,754	1,842
State Excise	1,600	1,981	2,216	2,692	2,698
Taxes on Vehicles	380	510	675	782	907
Stamp and Registration fees	253	319	399	440	491
Taxes and Duties on electricity	402	394	252	369	495
Land Revenue	7	5	8	7	16
Taxes on Goods and Passengers	84	99	69	71	76
Other Taxes	260	333	347	380	430
<b>Total State's own Taxes</b>	<b>8,083</b>	<b>9,715</b>	<b>10,595</b>	<b>11,835</b>	<b>12,772</b>

## 2.4 Cost of collection of Taxes

(₹ in crore)

Taxes	2020-21	2021-22	2022-23	2023-24	2024-25
<b>1. Taxes on Sales, Trade etc.</b>					
Revenue collection	1,630	1,592	1,370	1,754	1,842
Expenditure on collection	20	29	31	37	15
Cost of tax collection <i>Per cent</i>	1	2	2	2	1
<b>2. State Excise</b>					
Revenue collection	1,600	1,981	2,216	2,692	2,698
Expenditure on collection	8	8	21	8	95
Cost of tax collection <i>Per cent</i>	0.50	0.42	1	0.3	4
<b>3. Taxes on Vehicles, Goods and Passengers</b>					
Revenue collection	464	609	744	853	983
Expenditure on collection	48	63	97	85	86
Cost of tax collection <i>Per cent</i>	10	10	13	10	9
<b>4. Stamp and Registration Fee</b>					
Revenue collection	253	318	399	440	491
Expenditure on collection	13	5	3	10	1
Cost of tax collection <i>Per cent</i>	5	2	1	2	---*

\*Figure is negligible, hence shown as ---

Expenditure on collection of Taxes on Vehicles, Goods & Passengers and State Excise were significantly higher, compared to other taxes.

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

(₹ in crore)

Description	2020-21	2021-22	2022-23	2023-24	2024-25
Central Goods & Services Tax (CGST)	1,420	2,105	2,227	2,845	3,120
Corporation Tax	1,429	2,202	2,645	2,814	3,030
Taxes on Income other than Corporation Tax	1,465	2,170	2,580	3,250	3,865
Customs	257	511	310	329	544
Union Excise Duties	161	266	97	124	105
Service Tax	19	88	12	2	---*
Other Taxes and Duties on Commodities and Services	3	7	13	11	17
<i>State's share of Union Taxes/Duties</i>	<b>4,754</b>	<b>7,349</b>	<b>7,884</b>	<b>9,375</b>	<b>10,681</b>
<i>Total Tax Revenue</i>	<b>12,837</b>	<b>17,064</b>	<b>18,479</b>	<b>21,210</b>	<b>23,453</b>
Percentage of Union Taxes to Total Tax Revenue	37	43	43	44	46

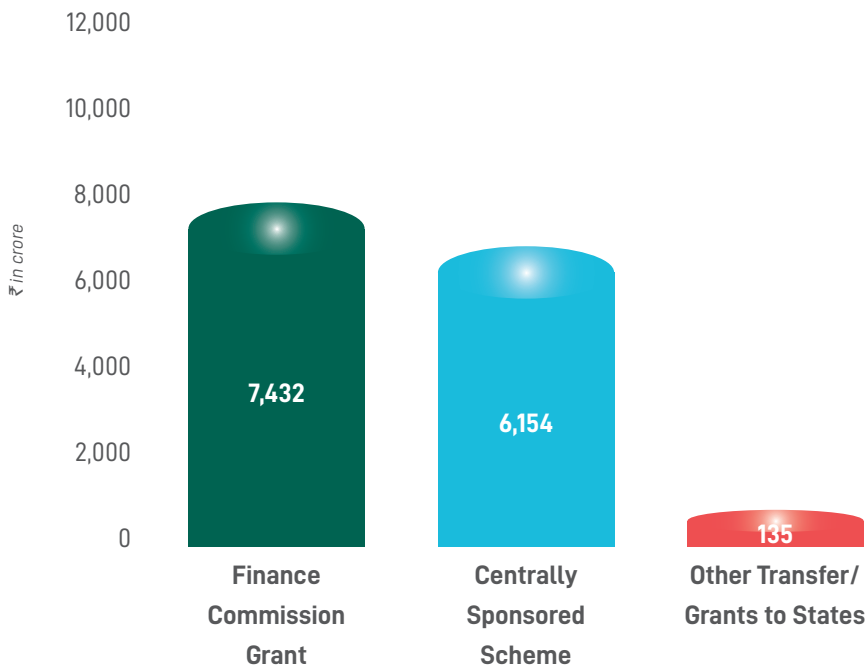
\*Figure is negligible, hence shown as ---

The share of Union Taxes in total Tax Revenue of the State Government has steadily risen over the past few years, from 37 per cent in 2020-21 to 43 per cent in 2021-22 and 2022-23, 44 per cent in 2023-24 and reaching 46 per cent in 2024-25.

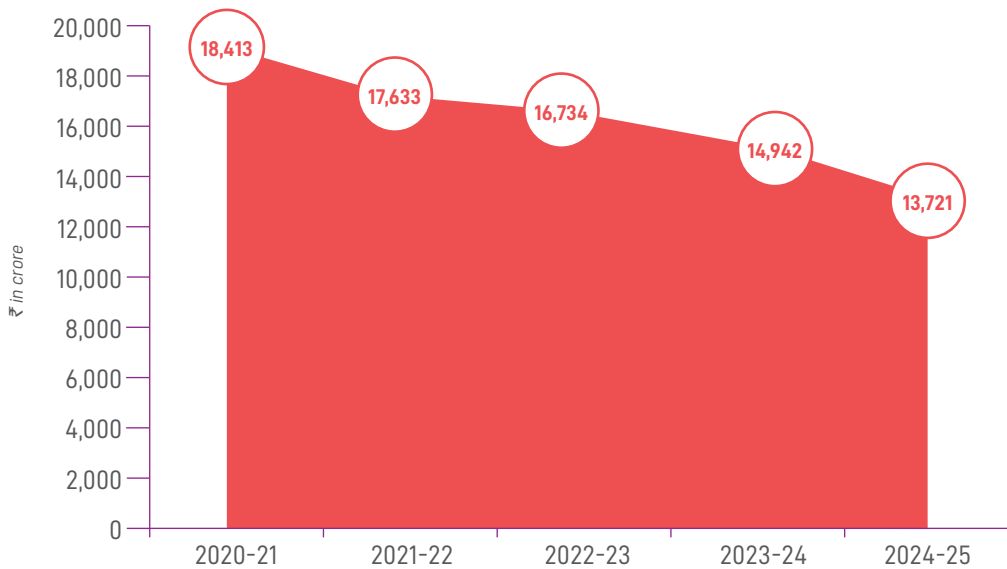
## 2.6 Grants-in-Aid

Grants-in-aid represent assistance from the Government of India, and comprise Grants for Centrally Sponsored Schemes, Finance Commission Grants and other transfer/ Grants to State/ Union Territories with Legislatures. The Grants-in-aid received from these sources during 2024-25 is shown below:

### Grants-in-Aid



### Trend of Grants-in-Aid



The decrease in Grants-in-aid during 2024-25 was primarily due to a reduction in the Compensation GST/Share (₹ 51 crore in 2024-25 compared to ₹ 88 crore in 2023-24), a decline in Grants from Central Road and Infrastructure Fund (₹ 131 crore in 2024-25 compared to ₹ 136 crore in 2023-24), and a decrease of ₹ 1,800 crore in the Post Devolution Revenue Deficit Grant (₹ 6,258 crore in 2024-25 compared to ₹ 8,058 crore in 2023-24).

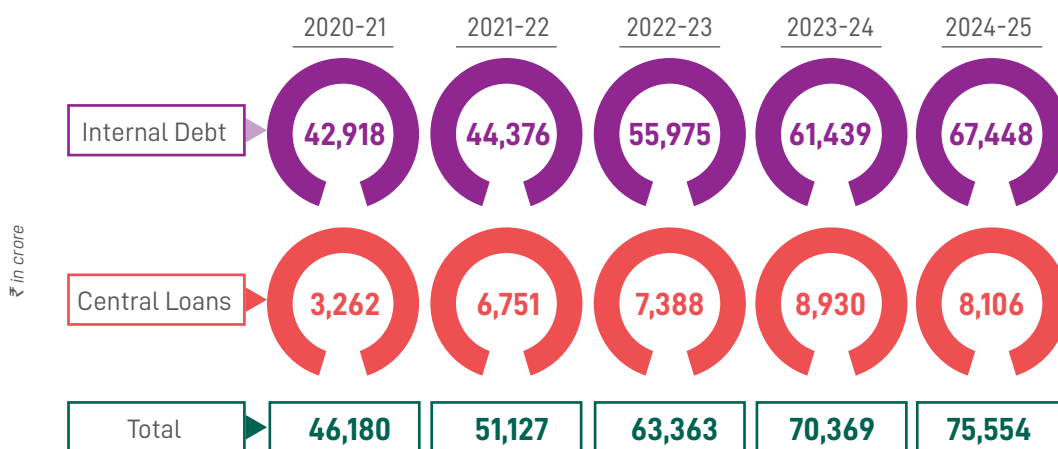
## 2.7 Goods and Services Tax (GST)

Goods and Service Tax (GST) was implemented from 1 July 2017. Under the GST (Compensation to the States) Act 2017, the Central Government was to compensate the states for any loss of revenue arising on account of implementation of GST, for a period of five years.

During 2024-25, the State Government received ₹ 5,817 crore under Major Head 0006-State Goods and Service Tax. In addition, it received ₹ 3,120 crore as its share of net proceeds assigned to the State under Central GST. Thus, the total receipts under GST were ₹ 8,936 crore. The State also received ₹ 51 crore as compensation for revenue loss arising from the implementation of GST during 2024-25.

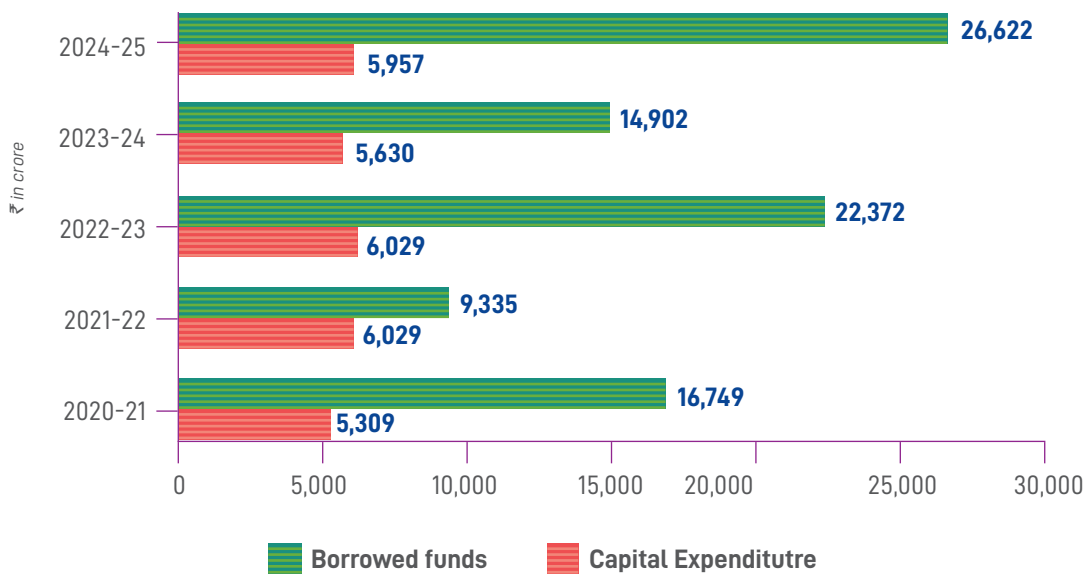
## 2.8 Public Debt

The following table shows the trend of components of Public Debt over the past five years.



During the year 2024-25, the State Government raised 13 loans amounting to ₹ 7,359 crore from the open market at interest rates varying from 7 to 8 *per cent*, redeemable between the years 2033 to 2044. In addition, the Government secured ₹ 850 crore in loans from the financial institutions. The State also availed ₹ 15,875 crore through Ways and Means Advances/ Overdrafts from the RBI. Consequently, the total Internal Debt raised by the Government during the year 2024-25 amounted to ₹ 24,100 crore. Further, the Government received ₹ 2,521 crore from the Government of India as loans and advances.

## Borrowed funds viz-à-viz Capital Expenditure



## Chapter III

# Expenditure

### 3.1 Introduction

The total expenditure of the State Government during 2024-25 was ₹ 53,668 crore, reflecting an increase of ₹ 3,200 crore (6.34 *per cent*) over the previous year. Revenue expenditure amounted to ₹ 47,677 crore in 2024-25, an increase of ₹ 2,945 crore (6.58 *per cent*) compared to the previous year. In contrast, the Capital Expenditure stood at ₹ 5,957 crore, representing a decrease of ₹ 327 crore (5.80 *per cent*) over the previous year.

### 3.2 Revenue Expenditure

The revenue expenditure remained below the budget estimates during the five years (2020-21 to 2024-25) as shown in the table below:

Year	2020-21	2021-22	2022-23	2023-24	2024-25
Budget Estimates	36,011	37,034	45,115	45,926	50,190
Actuals	33,535	36,195	44,425	44,732	47,677
Gap	(-)2,476	(-)839	(-)690	(-)1,194	(-)2,513
Percentage of variation of Actuals against Budget Estimates	(-)7	(-)2	(-)2	(-)3	(-)5

During 2024-25, about 68 *per cent* of the total revenue expenditure was incurred on committed expenses viz. Salaries and Wages (₹ 15,647 crore), Interest Payments (₹ 6,261 crore) and Pensions (₹ 10,536 crore). These constitute committed liabilities of the State Government.

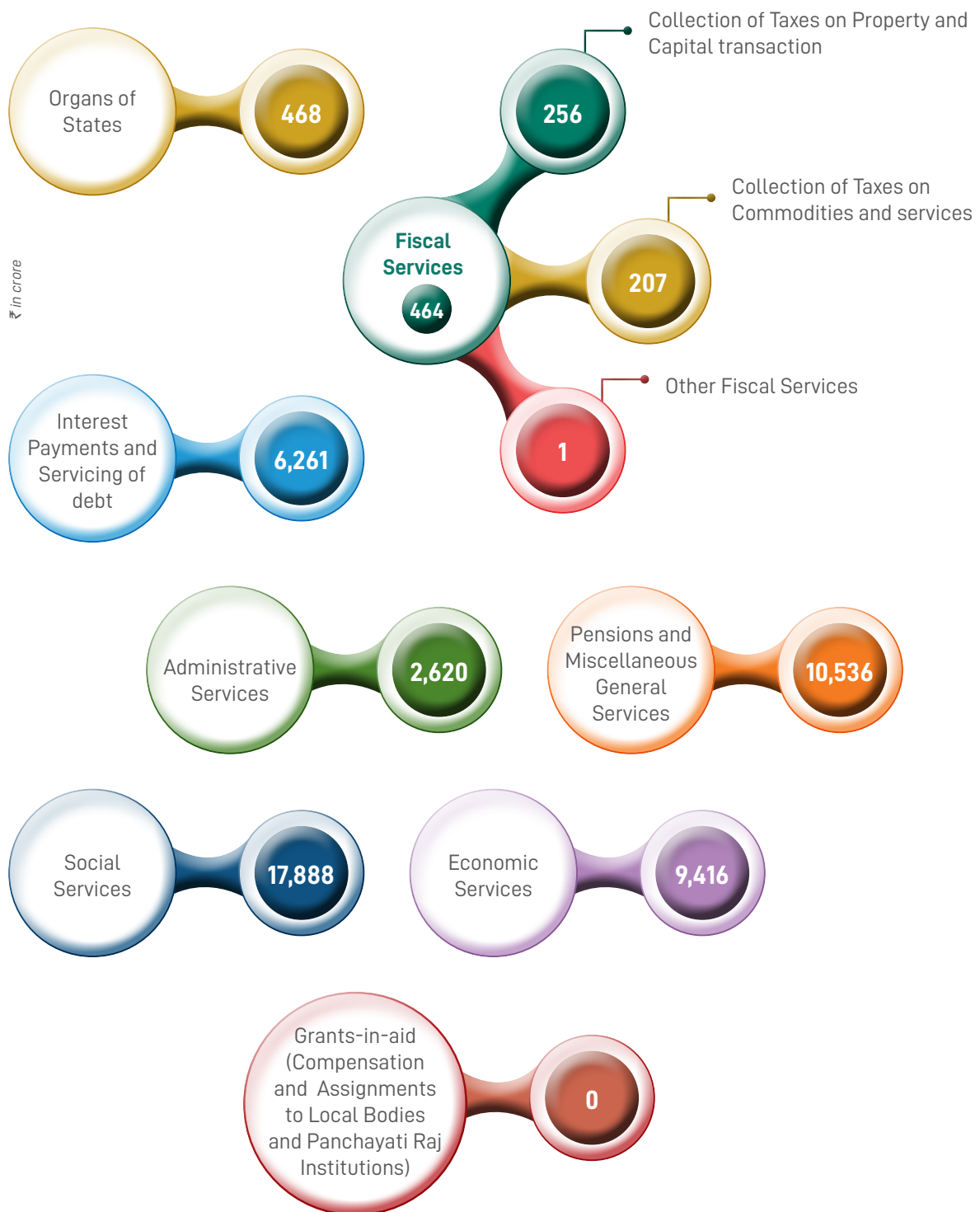
The trend in committed and uncommitted revenue expenditure over the last five years is presented below:

Component	2020-21	2021-22	2022-23	2023-24	2024-25
Total revenue expenditure	33,535	36,195	44,425	44,732	47,677
Committed revenue expenditure #	23,705	24,419	31,937	30,214	32,444
Percentage of committed revenue expenditure to total revenue expenditure	71	67	72	68	68
Uncommitted revenue expenditure	9,830	11,776	12,488	14,518	15,233

# Committed revenue expenditure includes expenditure on Salaries & Wages, Interest Payments, Pensions and Gratuities.

It could be observed from above table that the uncommitted revenue expenditure, which is available for implementation of various schemes, increased by 55 *per cent*, from ₹ 9,830 crore in 2020-21 to ₹ 15,233 crore in 2024-25. During the same period, total revenue expenditure increased by 42 *per cent* from ₹ 33,535 crore in 2020-21 to ₹ 47,677 crore in 2024-25. The committed revenue expenditure also increased by 37 *per cent* over the same period.

### 3.2.1 Sectoral distribution of Revenue Expenditure (2024-25)

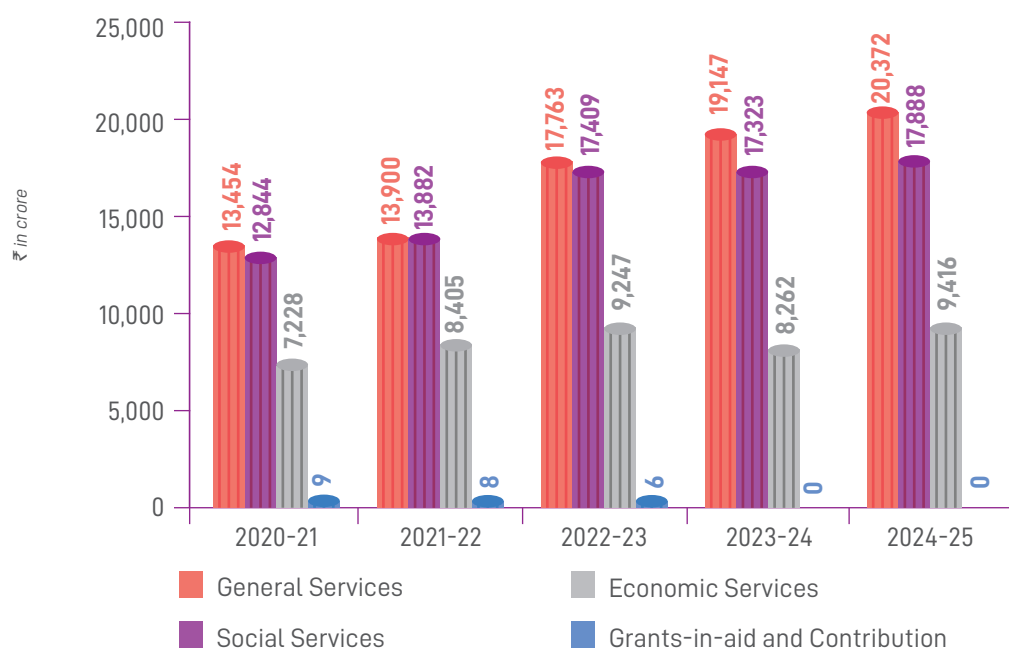


### 3.2.2 Major components of Revenue Expenditure 2020-21 to 2024-25

(₹ in crore)

Sector	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	13,454	13,900	17,763	19,147	20,372
Social Services	12,844	13,882	17,409	17,323	17,888
Economic Service	7,228	8,405	9,247	8,262	9,416
Grants-in-aid and Contribution	9	8	6	Nil	Nil

#### Trend of major components of Revenue Expenditure



### 3.3 Capital Expenditure

Capital expenditure is essential for sustaining the growth process. During 2024-25, Capital expenditure amounted to ₹ 5,957 crore (3 per cent of GSDP), which was ₹ 2,810 crore less than the Budget Estimates. This is shown in the table below:

(₹ in crore)

S.No.	Components	2020-21	2021-22	2022-23	2023-24	2024-25
1	Budget Estimate (B.E.)	5,692	7,099	6,311	6,781	8,767
2	Actual Expenditure <sup>(#)</sup>	5,309	6,029	6,029	5,630	5,957
3	Percentage of A.E. to B.E.	93	85	96	83	68
4	Yearly growth in Capital Expenditure (in per cent)	3	14	...	(-)7	6
5	GSDP	1,56,522	1,75,173	1,95,404	2,07,430	2,32,185
6	Yearly growth(+)/downfall(-) in GSDP (in per cent)	(-)5	(+)12	(+)12	(+)6	(+)12

(#) Does not include expenditure on Loans and Advances

### 3.3.1 Sectoral distribution of Capital Expenditure

During 2024-25, the Government spent ₹ 285 crore on various Irrigation Projects (₹ 17 crore on Medium Irrigation and ₹ 268 crore on Minor Irrigation). In addition, ₹ 1,769 crore was spent on the construction of roads and bridges. The Government also invested ₹ 508 crore in Statutory Corporations/ Boards, and ₹ 209 crore in Government, other Companies and Co-operative Societies. During the year, Co-operative Societies redeemed ₹ 1 crore of share capital.

### 3.3.2 Sectoral distribution of Capital Expenditure over the past five years

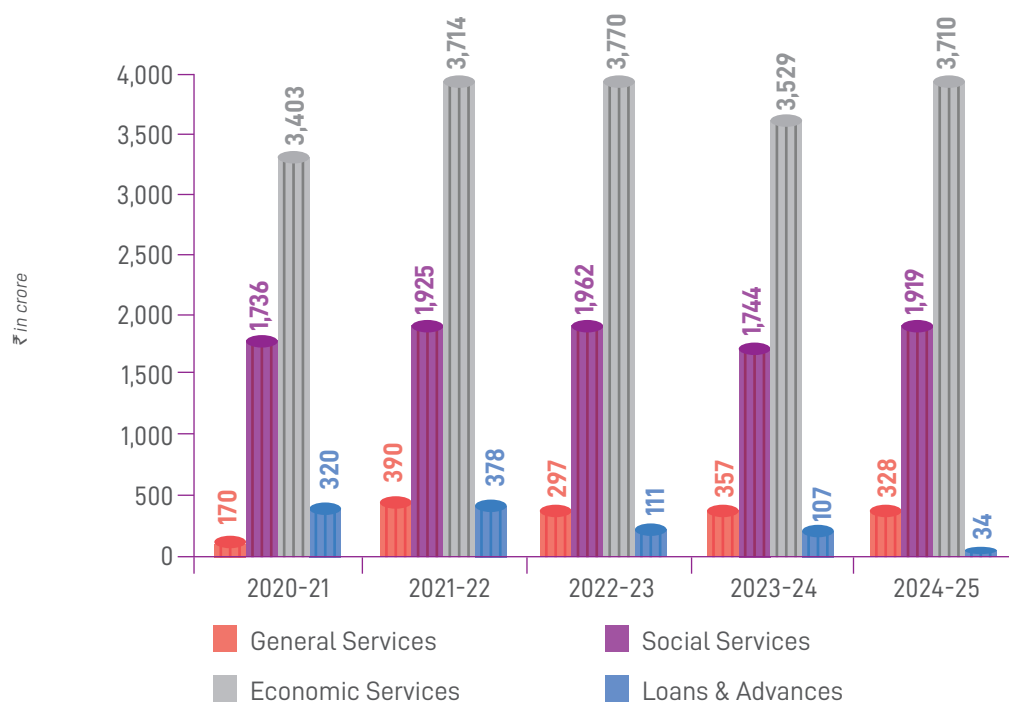
The comparative sectoral distribution of capital expenditure over the past five years is illustrated below:

(₹ in crore)

Sector	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	170 (3)	390 (6)	297 (5)	357 (6)	328 (6)
Social Services	1,736 (31)	1,925 (32)	1,962 (33)	1,744 (31)	1,919 (32)
Economic Service	3,403 (60)	3,714 (62)	3,770 (63)	3,529 (63)	3,710 (62)
Loans and Advances	320 (6)	378 (6)	111 (2)	107 (2)	34 (1)

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		2020-21	2021-22	2022-23	2023-24	2024-25
(A)	General Services	Capital	170	390	297	357	328
		Revenue	13,454	13,900	17,763	19,146	20,372
(B)	Social Services	Capital	1,736	1,925	1,962	1,744	1,919
		Revenue	12,844	13,882	17,409	17,323	17,888
(C)	Economic Service	Capital	3,403	3,714	3,769	3,529	3,710
		Revenue	7,228	8,405	9,247	8,262	9,416
(D)	Grants-in-Aid and Contribution	Capital	Nil	Nil	Nil	Nil	Nil
		Revenue	9	8	6	Nil	Nil

## Chapter IV

# Appropriation Accounts

### 4.1 Summary of Appropriation Accounts for 2024-25

The position of Budget allocations under Revenue, Capital, Public Debt and Loans and Advances, along with the actual expenditure incurred during the financial year 2024-25 is presented in the table below:

(₹ in crore)

Sl. No	Nature of expenditure	Original grant	Supplementary grant	Surrender (by way of re-appropriation)	Total Budget	Actual expenditure (Net)	Savings(-) Excesses(+)
1.	<b>Revenue</b>						
	Voted	40,328	3,662	1,413	42,577	41,084	(-),493
	Charged	6,339	263	1	6,601	6,593	(-),8
2.	<b>Capital</b>						
	Voted	6,270	2,477	160	8,587	5,933	(-),2,654
	Charged	---	23	---	23	24	(+),1
3.	<b>Public Debt</b>						
	Charged	5,479	10,137	---	15,616	18,169	(+),2,553
4.	<b>Loans and Advances</b>						
	Voted	28	160	3	185	34	(-),151
	Charged	---	---	---	---	---	---
	<b>Total</b>						
	Voted	46,626	6,299	1,576	51,349	47,051	(-),4,298
	Charged	11,818	10,423	1	22,240	24,786	(+),2,546

### 4.2 Trend of Savings / Excess during the past five years

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

(₹ in crore)

Year	Savings(-) Excess (+)				
	Revenue	Capital	Public Debt	Loans & Advances	Total
2020-21	(-),2,528	(-),386	(-),256	(-),41	(-),3,210
2021-22	(-),7	(-),159	---	(+),64	(-),102
2022-23	(-),17	(-),175	(-),1,213	(+),15	(-),1,390
2023-24	(-),449	(-),835	(-),961	(+),50	(-),2,195
2024-25	(-),1,501	(-),2,653	(+),2,553	(-),151	(-),1,752

### 4.3 Significant Savings

Substantial savings under a grant indicate either non-implementation or slow implementation of the schemes/ programmes. The grant-wise position of savings during the period 2020-21 to 2024-25 is presented below:

(₹ in crore)

Grant No.	Nomenclature	2020-21	2021-22	2022-23	2023-24	2024-25
1	Vidhan Sabha	6	4	1	2	1
2	Governor and Council of Ministers	4	2	1	1	1
3	Administration of Justice	55	29	48	15	5
4	General Administration	45	32	3	19	17
5	Land Revenue and District Administration	116	---	275	122	158
6	Excise and Taxation	2	12	13	24	79
7	Police and Other Organization	336	245	24	64	117
8	Education	1,362	1,096	122	801	690
9	Health and Family welfare	498	244	208	187	153
10	Public Works- Roads Bridges and Buildings	906	1,240	616	1,032	1,388
11	Agriculture	89	49	57	100	99
12	Horticulture	18	13	1	15	23
13	Irrigation, Water Supply and Sanitation	162	154	76	58	1,092
14	Animal Husbandry, Dairy Development and Fisheries	80	36	1	13	45
15	Planning and Backward Area Development Programme	240	71	188	361	447
16	Forest and Wildlife	174	136	91	165	4
17	Election	6	---	---	1	3
18	Industries, Minerals, Supplies and Information Technology	49	19	---	16	56
19	Social Justice and Empowerment	70	50	127	145	124
20	Rural Development	163	134	120	486	295
21	Co-operation	3	2	---	---	1
22	Food and Civil Supplies	30	4	---	61	56
23	Power Development	7	---	4	47	78
24	Printing and Stationery	3	2	---	4	6
25	Road and Water Transport	6	6	---	39	17
26	Tourism and Civil Aviation	947	545	498	224	9
27	Labour, Employment and Training	123	26	20	23	37
28	Urban Development, Town and Country Planning and Housing	101	105	66	---	33
29	Finance	1,925	2,037	1,496	973	308
30	Miscellaneous General Services	10	6	---	15	8
31	Tribal Area Development Programme	491	534	360	518	767
32	Scheduled Caste Development Programme	414	532	516	692	1,136

Persistent and substantial savings were observed under the Grants for Education, Public Works, Irrigation, Water supply and Sanitation, Tribal Area Development Programme and Scheduled Caste Development Programme. This indicates that some of the schemes approved by the Legislature under these grants were given lower priority during implementation. The shortfall may be attributed to overestimation of the budget or to the Government's effort to control its fiscal deficit.

During 2024-25, supplementary grants totaling ₹ 17,053 crore (22.64 per cent of the total expenditure of ₹ 75,325 crore) proved inadequate in some cases.

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
01	4216-Capital Outlay on Housing 01-Government Residential Buildings 700-Other Housing 16-Residential Buildings for Vidhan Sabha	Capital	0	27	40
04	4059-Capital outlay on Public Works 60-Other Buildings 051-Construction 05-Construction of Guest House in New Delhi	Capital	8	50	95
09	4210-Capital Outlay on Medical and Public Health 03-Medical Education Training and Research 105-Allopathy 06-Construction of Medical College at Hamirpur	Capital	2	162	173
23	2801-Power 80-General 800-Other Expenditure 07-Compensation to Renukaji Dam Oustees	Revenue	0	158	197
29	6003-Internal Debt of the State Government 110-Ways and Means Advances from Reserve Bank of India 03-Shortfall and Overdraft by Reserve Bank of India	Debt Head	500	2,255	3,731

#### 4.4 Re-appropriation without Budget provision

A Budget provision of ₹ 13.62 crore was made through re-appropriation in March 2025 under three grants viz. Grants No. 19, 20 and 30. Ideally, these funds should have been provided through Original/ Supplementary budget Estimates. Making re-appropriation without proper budgetary provision is improper and constitutes violation of the provisions contained in para 12.50 of the Budget Manual of Himachal Pradesh.

The cases where funds were allocated directly by bypassing the legislature, i.e. through re-appropriation instead of Original/Supplementary budget, are listed below:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supple- mentary	Re- Appropriation	Actual Expenditure
19	2235-Social Security and Welfare 02-Social Welfare 103-Women Welfare 28-One Stop Centre	Revenue	0	0	2	0.14
20	2501-Special Programmes for Rural Development 02-Draught Prone Areas Development Programme 101-Minor Irrigation 01-Pradhan Mantri Krishi Sinchayee Yojna	Revenue	0	0	11	11
30	4220-Capital Outlay on Information and Publicity 60-Others 101-Buildings 02-Construction of Press Club Building	Capital	0	0	0.09	0

Few instances where entire budget provision was either surrendered or re-appropriated are as under:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supple- mentary	Surrender	Actual Expenditure
06	3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions 107-Tax on Entry of Goods into Local Areas 02-Grant-in-Aid to Panchayats/Rural Bodies	Revenue	6	0	6	0
19	2235-Social Security and Welfare 60-Other Social Security and Welfare Programmes 800-Other Expenditure 06-Pensioners of Funds Reserve with Finance Department	Revenue	60	0	60	0
31	2406-Forestry and Wildlife 02-Environmental Forestry and Wildlife 796-Tribal Area Sub Plan 11-Establishment of Zoos	Revenue	5	0	5	0
31	2251-Secretariat-Social Services 796- Tribal Area Sub Plan 08-Special Central Assistance to Tribal Sub Schemes	Revenue	10	0	10	0
31	4702-Capital Outlay on Minor Irrigation 796- Tribal Area Sub Plan 08-Expenditure on Minor Irrigation Schemes in Various Districts under Pradhan Mantri Krishi Sinhayai Yojna	Capital	20	0	20	0
31	4702- Capital Outlay on Minor Irrigation 796- Tribal Area Sub Plan 10-Diversion and Flow Irrigation Scheme in Various Districts under Pradhan Mantri Krishi Sinchayee Yojna-Har Khet ko pani	Capital	32	0	32	0

## Chapter V

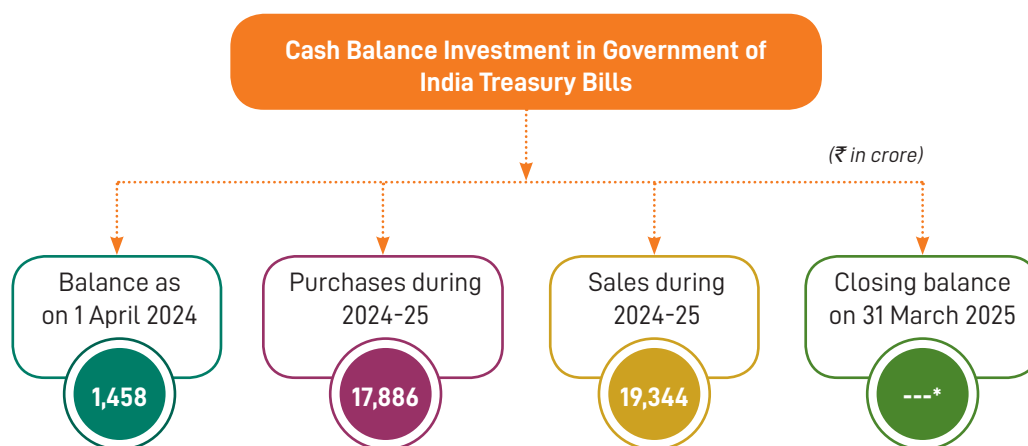
# Assets and Liabilities

### 5.1 Assets

The existing forms of government accounts do not present a clear valuation of Government assets like land, building etc., except in the year of their acquisition/ purchase. They also do not show the long-term impact of current year's liabilities on future generations.

The state's investment as share capital in non-financial Public Sector Undertakings (PSUs) stood at ₹ 4,247 crore at the end of 2024-25. The state earned dividends of ₹ 191 crore during the year, a yield of 4 *per cent* on the total investment. During the year 2024-25, investments increased by ₹ 715 crore and there was no change in the dividend income.

The Cash Balance with RBI which stood at ₹ 42 crore (Debit) on 1 April 2024 increased to ₹ 45 crore (Debit) at the end of March 2025. In addition, the Government invested an amount of ₹ 17,886 crore on 76 occasions in 14 days Treasury Bills and rediscounted 14 days Treasury Bills worth ₹ 19,344 crore on 116 occasions during 2024-25. The position of investment during the year 2024-25 is depicted in the table given below:



\* Closing balance shown 'NIL' as total invested amount was rediscounted by State Government as on 31-03-2025.

## 5.2 Debt and Liabilities

Article 293 of the Constitution empowers the State Government to borrow on the security of the Consolidated Fund of the state, subject to limits prescribed by law and by the Government of India (GOI), where applicable. For 2024-25, the GOI fixed the state's net market borrowing ceiling at ₹ 7,359 crore. Against this, the State Government availed the entire amount.

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

(₹ in crore)

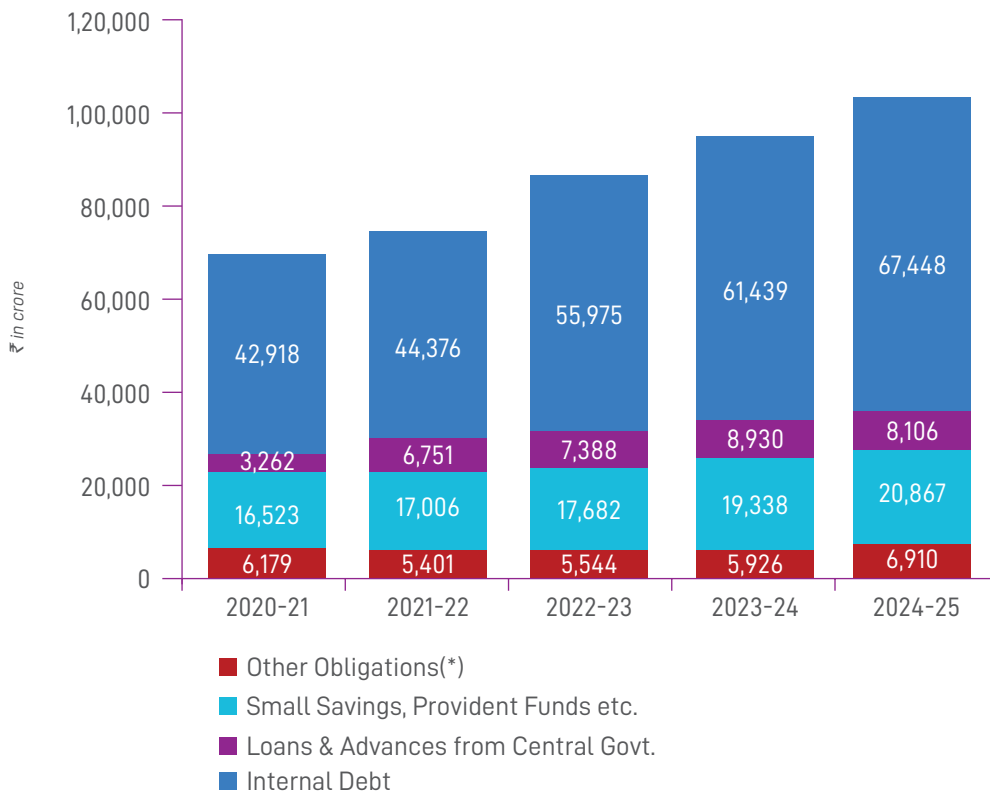
Year	Public Debt	Per cent of GSDP	Public Account*	Per cent of GSDP	Total Liabilities	Per cent of GSDP
2020-21	46,180	28	22,702	15	68,882	43
2021-22	51,127	27	22,407	13	73,535	40
2022-23	63,363	32	23,226	12	86,589	44
2023-24	70,369	34	25,264	12	95,633	46
2024-25	75,555	33	27,777	12	1,03,332	45

\* Excludes suspense and remittance balance.

Note: Figures are progressive balance to end of the year

Public Debt and other liabilities showed a net increase of ₹ 7,699 crore (8 per cent) over the previous year.

### Trend in Government Liabilities



\* Interest & non-interest bearing obligations such as Reserve Funds and Deposits.

### 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 2020-21 to 2024-25 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
2020-21	2,299	2,142	Not Available
2021-22	2,035	1,885	-do-
2022-23	3,158	1,781	-do-
2023-24	3,129	1,745	-do-
2024-25	4,115	1,896	-do-

Note: Details are available in Statement No 20 of Finance Accounts and these are based on information received from the State Government, Finance Department.

## Chapter VI

# Other Issues

### 6.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Governments also guarantee loans raised by their Companies and Corporations from the market and financial institutions for implementation of various plan schemes and programmes that are projected outside the State Budget. These loans are treated as receipts of the respective Administrative Departments and therefore do not appear in the books of the Government; and are known as Off-budget borrowings. However, the repayments of these loans are recorded in the Government accounts, resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts.

As of 31 March 2025, there was no adverse balance in accounts of the State Government.

### 6.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2024-25 amounted to ₹ 7,982 crore. During 2024-25, the Government disbursed loans and advances of ₹ 34 crore to Government Corporations/Companies, Non-Government Institutions and Local Bodies. Recovery of principal aggregating to ₹ 97 crore remained in arrears as on 31 March 2025. Information relating to the recovery of interest in arrears was not provided by the State Government. During 2024-25 only ₹ 185 crore was received towards repayment of loans and advances, of which ₹ 6 crore pertained to repayment of loans to Government servants.

Effective measures to recover the outstanding loans would help the Government strengthen its fiscal position.

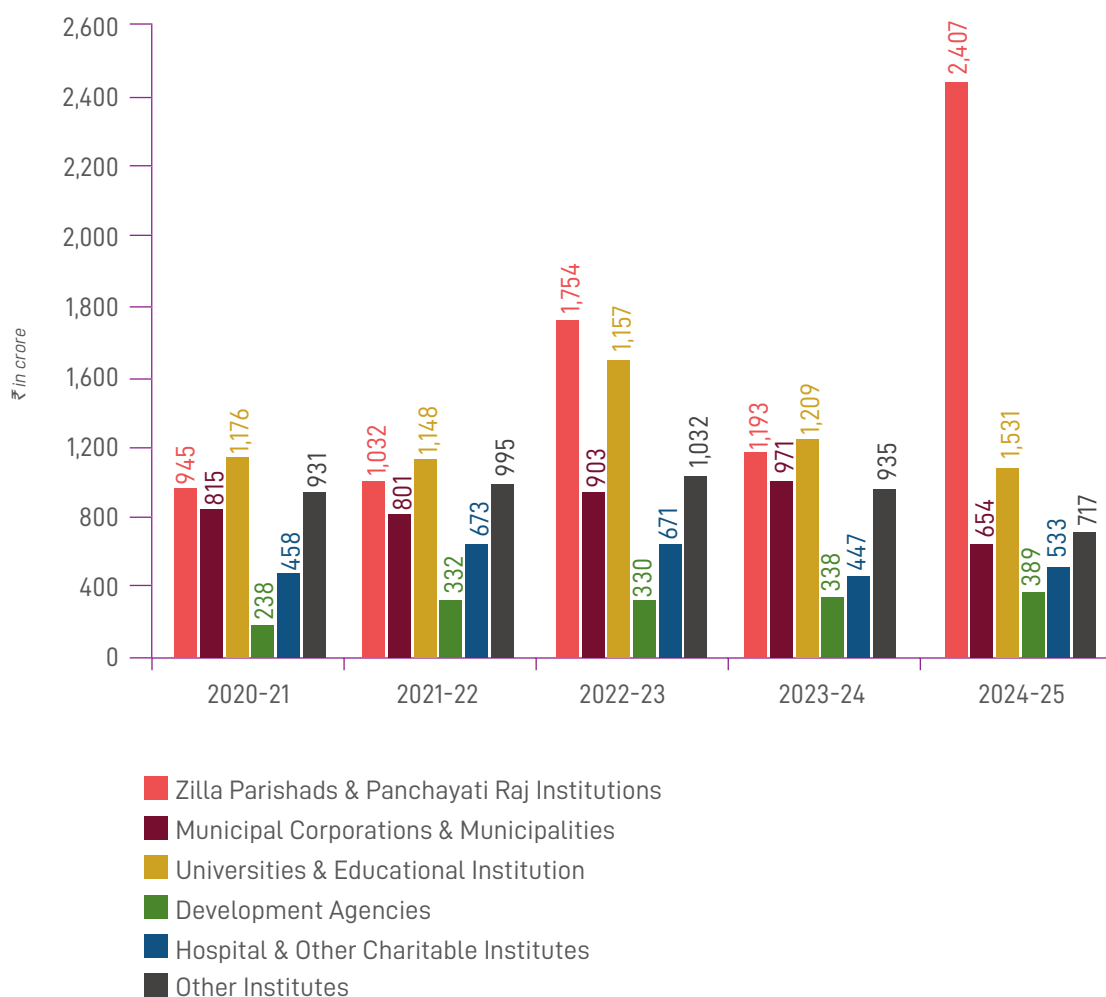
### 6.3 Financial Assurances to Local bodies and Others

Grants-in-aid given to Local Bodies, Autonomous Bodies etc. increased from ₹ 4,563 crore in 2020-21 to ₹ 6,231 crore in 2024-25. The Grants-in-aid to Zilla Parishads and Panchayat Raj Institutions, Municipal Corporations and Municipalities (₹ 3,061 crore) constituted 49 *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	2020-21	2021-22	2022-23	2023-24	2024-25
1	Zilla Parishads & Panchayati Raj Institutions	945	1,032	1,754	1,193	2,407
2	Municipal Corporations & Municipalities	815	801	903	971	654
3	Universities & Educational Institution	1,176	1,148	1,157	1,209	1,531
4	Development Agencies	238	332	330	338	389
5	Hospital & Others Charitable Institutes	458	673	671	447	533
6	Other Institutes	931	995	1,032	935	717
	<b>Total</b>	<b>4,563</b>	<b>4,981</b>	<b>5,847</b>	<b>5,093</b>	<b>6,231</b>



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

(₹ in crore)

S. No.	Name of Institutions	2020-21	2021-22	2022-23	2023-24	2024-25
1	Zilla Parishads	66	32	75	2	81
2	Panchayati Samities	66	40	75	25	75
3	Gram Panchayats	332	170	393	68	381
4	Municipal Corporations	220	228	449	478	160
5	Municipalities	160	139	98	184	147
6	Educational Institution	1	...	...	...	...
7	Development Agencies	47	29	25	5	5
8	Statutory Corporations	7	...	10	...	...
9	Cooperative Institution	1	2	3	2	1
10	Social Welfare	25	43	41	50	98
11	Universities	1	10	11	...	...
12	Others	114	140	197	97	235
	<b>Total</b>	<b>1,040</b>	<b>833</b>	<b>1,377</b>	<b>911</b>	<b>1,183</b>

## 6.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2024	As on 31 March 2025	Net increase(+)/ decrease(-)
Cash Balances	42	45	3
Investment of cash balance (Gov Treasury Bills)	1,458	...	(-),1,458
Investment from earmarked fund balances	...	...	...
(a) Sinking Fund	...	...	...
(b) Guarantee Redemption Fund	...	...	...
(c) Other Funds	...	...	...
Interest realised during the year	21	9	(-),12

The State Government had a closing cash balance of ₹ 45 crore (Debit) at the end of 31 March 2025. Interest receipt on the investment of cash balance decreased by ₹ 12 crore from ₹ 21 crore in 2023-24 to ₹ 9 crore in 2024-25.

## 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 office of the Principal Accountant General (A&E). During the year 2024-25, receipts amounting to ₹ 38,896 crore (95 *per cent* of total revenue receipts) and revenue expenditure amounting to ₹ 33,933 crore (71 *per cent* of total revenue expenditure) and capital expenditure amounting to ₹ 4,899 crore (82 *per cent* of total capital expenditure) were reconciled by the State Government.

In 2023-24 (previous year) the State Government had reconciled Receipts of ₹ 39,175 crore (100 *per cent* of total Revenue and Capital receipts) and expenditure of ₹ 50,361 crore (100 *per cent* of total Revenue and Capital expenditure).

## 6.6 Status of Suspense Balances and Remittances Balances

The Finance Accounts present the net balances appearing under the Suspense and Remittance Heads. These outstanding balances are derived by aggregating the outstanding debit and credit balances separately under various heads, was ₹ 1,074 crore (credit) as on 31 March 2025.

Persistent and sizable outstanding balances under the Suspense and Remittance Heads indicate delays in clearance and adjustment of transactions. Non reconciliation of these balances affects the accuracy of the Governments cash position and may result in misstatement of receipts and expenditure.

## 6.7 Status of Outstanding Utilization Certificate

In accordance with Rule 157 of the Himachal Pradesh Financial Rules 2009, Institutions or Organizations receiving Grants-in-Aid are required to furnish audited Utilization Certificates (UCs) to the Government after utilizing the grants. Further, as per HP Government F.D. letter No. 1-3/73-Fin (Reg.) dated 28 January 1976, release of subsequent grants to an institution should be withheld if it fails to furnish proof of proper utilization of earlier grants within a reasonable time, i.e. one year from the date of issue of the grant.

This provision has been amended by the State Government w.e.f. 05-12-2024. As per the amendment

- Institutions/Organizations receiving grants shall furnish audited UCs to the Government within six months of utilization of GIA
- The grant shall be fully utilized within three months of realization or before the release of next installments, whichever is earlier.

Non-submission of UCs carries the risk that the amounts exhibited in the Finance Accounts may not have actually reached the targeted beneficiaries.

During 2024-25, Utilization Certificates amounting to ₹ 7,887 crore, pertaining to 22,512 outstanding UCs (for GIA bills drawn up to 31 March 2024) became due by 31 March 2025. Of

these, ₹ 4,563 crore, pertaining to 19,991 outstanding UCs were received and cleared during the year.

The position of outstanding UCs as on 31 March 2025 is given below:

Year (*)	Number of UCs Outstanding	Amount (₹ in crore)
Up to 2023-24	1,375	1,176
2024-25	1,146	2,148
<b>Total</b>	<b>2,521<sup>#</sup></b>	<b>3,324<sup>#</sup></b>
Year	Number of UCs submitted before due date of submission	
2024-25	3	39

\*\*The year mentioned above relates to "Due year" i.e., after one year of actual withdrawal.

<sup>#</sup>These include 155 outstanding UCs amounting to ₹ 1,200 crore related to CSS.

## 6.8 National Pension System

The Government of Himachal Pradesh notified reversion to the Old Pension Scheme (OPS) with effect from 01.04.2023. As per information provided by the State Government, there were 1,18,877 NPS Subscribers as on 01.04.2023. Of these, 1,17,520 opted for OPS, while 1,357 subscribers continued under NPS, as on 31.03.2025. All appointments made after 01.04.2023 were governed under CCS Pension Rules 1972.

During 2024-25, the governments contribution to NPS under MH-2071-Minor Head 117 was ₹ 13 crore, while the employee's contribution was ₹ 9 crore, including contributions pertaining to All India Service officers. The Government transferred ₹ 21 crore (Employee share ₹ 9 crore; Government's share ₹ 12 crore) to the Public Account under Major Head 8342-117 Defined Contribution Pension scheme.

The Government's contribution reflected under MH 8342-117 (₹ 12 crore) was lower than the amount booked under MH 2071-01-117 (₹ 13 crore) because DDOs directly released the Government's NPS contribution for the last month to retiring subscribers, instead of routing it through the Public Account.

Of the total amount transferred/deposited in the Public Account, ₹ 17 crore remained untransferred to the NSDL, as on 31 March 2025. Consequently, the cash balance of the Government was overstated by ₹ 17 crore.

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

As on 31 March 2025, the Cash balance as per the records of Principal Accountant General (A&E) was ₹ 45 crore (Debit), whereas the balance reported by the RBI was ₹ 38 crore (Credit). This resulted in a net difference of ₹ 7 crore (Debit), attributable mainly to pending reconciliation between the Treasury/RBI/Agency Bank and Office of Principal Accountant General (A&E). The difference is under reconciliation. For comparison, the difference as on 31 March 2024 was ₹ 42 crore (Debit).

## **6.10 State Disaster Response Fund/National Disaster Response Fund**

As per the guidelines governing the constitution and administration of the State Disaster Response Fund (under Major Head- '8121 General & Other Reserve Funds' which is under interest bearing section), contributions to the fund are to be made by the Centre and State Governments in the proportion of 90:10. During 2024-25, the State Government received ₹ 378 crore as Central Government's share, while the State Government's own share was ₹ 42 crore. Accordingly, ₹ 420 crore (Central share ₹ 378 crore and State share ₹ 42 crore) was transferred to the Fund under Major Head 8121-122 SDRF.

During the same year, the State Government received ₹ 85 crore from the Central Government towards the National Disaster Relief Fund (NDRF). Of this, ₹ 67 crore was transferred to the Fund under Major Head 8235-125-NDRF, up to 31 March 2025. The remaining ₹ 18 crore was not transferred during the year, resulting in understatement of revenue expenditure to that extent.

An amount of ₹ 520 crore was set off under the Major Head 2245, as expenditure met from the Fund (₹ 410 crore from SDRF and ₹ 110 crore from NDRF). The balance amount available in the fund was not invested in Government of India securities during the year, as required. The closing balance as on 31 March 2025 was ₹ 68 crore and ₹ 14 crore in SDRF and NDRF, respectively.

## **6.11 State Disaster Mitigation Fund**

The State Disaster Mitigation Fund (SDMF) is required to be constituted under section 48 (1) (c) of the Disaster Management Act, 2005. This Fund is meant exclusively for financing mitigation projects relating to disasters covered under State Disaster Response Fund (SDRF)/National Disaster Response Fund (NDRF) guidelines and State specific local disasters notified by the State Government from time to time. The State Government established the SDMF on 27.02.2023 under Major Head 8121-130- State Disaster Mitigation Fund.

The Central and the State Governments are to contribute to the Fund in the proportion of 90:10. During 2024-25, the State Government received ₹ 185 crore as Central Government's share of SDMF (₹ 95 crore for 2024-25 and ₹ 90 crore pertaining to 2023-24). The corresponding State share was ₹ 20 crore (₹ 10 crore for 2024-25 and ₹ 10 crore for 2023-24). Accordingly, ₹ 205 crore (Central share: ₹ 185 crore and State share: ₹ 20 crore) was transferred to the Fund under Major Head 8121-130 SDMF.

An amount of ₹ 200 crore was set off in the Major Head 2245 as expenditure met from the Fund. No amount was invested out of the Fund during the year. The closing balance of SDMF as on 31 March 2025 stood at ₹ 48 crore.

## **6.12 State Compensatory Afforestation Fund**

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

During 2024-25, the State Government received ₹ 0.02 crore from the user agencies (Nil in 2023-24) and remitted 10 *per cent* of the receipts (Nil in previous year) to the National Fund, as the Central Share. The Government also received ₹ 785 crore from the National Compensatory Afforestation Deposit (₹ 308 crore in 2023-24).

Expenditure of ₹ 106 crore, incurred under Major Head 2406-04-103-State Compensatory Afforestation was met from the Fund, during the year. The Government has not invested any amount from the Fund. The closing balance in the SCAF as on 31 March 2025, stood at ₹ 2,623 crore.

### **6.13 Cess levied by the State Government**

#### **(a) Building and Other Construction Workers Welfare Cess:**

The Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) provides for levy and collection of cess for the welfare of construction workers.

During 2024-25, the Government collected ₹ 33 crore (₹ 48 crore in 2023-24) as Labour Cess under Major Head 8443 and transferred ₹ 30 crore (₹ 43 crore in 2023-24) to the Building and Other Construction Workers Welfare Board. The total un-transferred amount from the Major Head 8443 amounted to ₹ 35 crore, as on 31 March 2025 (₹ 32 crore as on 31 March 2024). As this is a pass-through transaction, the cash balance of the Government was overstated by the same amount.

#### **(b) Other Cess/fee/surcharge:**

During 2024-25, the State Government collected various Cesses other than Labour Cess, amounting to ₹ 210 crore (Milk Cess: ₹ 142 crore, Cess on taxes: ₹ 43 crore, Prakritik Kheti Cess: ₹ 25 crore, Cess on land: ₹ 0.03 crore) as compared to ₹ 182 crore in 2023-24. The Acts/ Notifications governing these Cesses do not provide for creation of a Fund under Public Account of the State. In the absence of creation of a Public Account Fund and transfer of the Cess collections thereto, the utilization of the amounts collected could not be effectively monitored.

The Principal Accountant General (A&E) has taken up the matter with the State Government for creation of a Public Account Fund for these Cesses.

### **6.14 Misclassification/ Incorrect operation of Object Heads**

During 2024-25, the Government of Himachal Pradesh budgeted and booked an expenditure of ₹ 2,667 crore under Object Head '20- Other Charges'. Out of this, vouchers amounting to ₹ 1,748 crore were test checked, which revealed that

- ₹ 692 crore relating to transfer to Reserve Funds were booked under Object Head 20- instead of Object Head 49- Inter Account Transfers, and
- ₹ 128 crore relating to compensation on court orders were booked under Object Head 20 instead of Object Head 29- Compensations.

The practice of budgeting and booking of expenditure under omnibus Object Head '20- Other Charges' rather than specific Object Heads, reduces transparency and obscures the true nature of expenditure.

### **6.15 Transactions booked under/cleared from Objection Book Suspense Accounts**

An amount of ₹ 6 crore booked under Major Head 4000-Capital Receipts as compensation on account of four laning received from the National Highway Authority of India has been placed under Objection Book Suspense below Heads of Account 8658-102-02 due to non-receipt of details from the Drawing and Disbursing Officers (DDOs). The amount is required to be adjusted as a reduction of expenditure, since the corresponding expenditure had been incurred initially.

The erroneous booking under MH 4000 resulted in overstatement of receipts and a corresponding non-reduction of expenditure of Capital expenditure. Consequently, this misclassification led to an inaccurate portrayal of the Fiscal Deficit position of the Government.

### **6.16 Transfer of funds to Single Nodal Agency (SNA)**

Ministry of Finance, Government of India vide letter No. 1(13) PFMS/FCD/2020, dated 23-03-2021 notified the procedure for release of funds under Centrally Sponsored Scheme (CSS) and for monitoring utilization of the funds released through Single Nodal Agency (SNA). For each CSS, an SNA is established with its own Bank Account in a scheduled Commercial Bank authorized by the State Government to conduct Government business.

As per MoF, Gol's letter dated 16 February 2023, the State Government is required to transfer the Central share as well as commensurate State share to the SNA account, within 30 days of receipt of Central share. Any delay beyond 30 days attracts interest at the rate of 7 *per cent* per annum, with effect from 01-04-2023.

As per the State Government/SNA 01 report on the PFMS portal, the State Government received ₹ 4,091 crore as Central share in its Treasury account during 2024-25. As on 31 March 2025, the Government transferred ₹ 4,280 crore (Central share) and ₹ 797 crore (State share) to the SNAs. Detailed vouchers and supporting documents of actual expenditure were not received by Principal Accountant General (A&E) office from SNAs.

As informed by the State Government and based on the SNA report, ₹ 764 crore remained unspent in the bank accounts of SNAs, as on 31 March 2025.

### **6.17 Funds transferred to DDO Bank Account**

As per Rule 183 (V) of the Himachal Treasury Rules, no money shall be drawn from the treasury unless it is required for immediate disbursement. Drawing money in anticipation of demand or merely to prevent the lapse of budget grants is not permissible.

Due to parking funds in DDO bank accounts, the Government has to resort to additional borrowings and, on the other hand, incur avoidable interest liability arising from the sudden debits to its cash balance with the RBI.

The State Government has not provided information regarding funds transferred to DDO Bank Accounts.







© COMPTROLLER AND  
AUDITOR GENERAL OF INDIA  
[www.cag.gov.in](http://www.cag.gov.in)

<https://cag.gov.in/ae/himachal-pradesh/en>

