Executive Summary

This Report on the finances of the State of Jharkhand provides an independent assessment of the fiscal position of the State for FY 2024-25. It analyses the State's overall financial health and reviews its revenue and expenditure trends, assesses the State's debt position and borrowing patterns, evaluates its compliance with fiscal responsibility laws and compares its performance against fiscal health indicators.

Fiscal sustainability is examined in terms of macro-fiscal parameters such as deficits, level of debt and liabilities, guarantees, subsidies, *etc*. So far as revenue and expenditure comparison is concerned, one of the important constraints is committed expenditure, which includes salaries and wages, pension payments and interest payments.

Overview of the Finances of the State

Jharkhand's economy showed moderate growth during the FY 2024-25, with GSDP registering a growth of 10.87 *per cent* over the previous financial year. The State contributed 1.56 *per cent* to the GDP of India during 2024-25, which was nearly the same over the last five years.

Receipt and Expenditure

The State has different sources of receipts such as State's Own Tax Revenue, Non-tax Revenue, devolution of States' shares in taxes, Grants-in-aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure included expenditure on revenue account as well as capital expenditure (assets creation, loans and advances, investments *etc.*).

During 2024-25, revenue receipts grew at 7.46 *per cent* over the previous year driven by increased central tax devolution. The percentage of revenue receipts to GSDP stood at 18.30 *per cent* in 2024-25 against 18.88 *per cent* in 2023-24. The State's own tax revenue marginally increased by 1.77 *per cent*. Growth of Non-tax revenue (2.76 *per cent* of GSDP*)* was modest at six *per cent*, and Grants from the Centre remained nearly the same as in the previous year. The State's own revenue performance remained at the level of the previous year and dependence on Central transfers remained substantial. The State Government received ₹ 6,714.04 crore as Central share for Centrally Sponsored Schemes (CSSs) during the year.

From 2015-16 to 2024-25, revenue receipts grew from ₹ 40,638 crore to ₹ 94,489 crore, with a CAGR of 9.83 *per cent*. Capital receipts decreased from ₹ 13,276 crore to ₹ 9,357 crore during 2015-16 to 2024-25. State's share in Union taxes & duties increased from ₹ 15,969 crore in 2015-16 to ₹ 42,557 crore in 2024-25 with a CAGR of 11.51 *per cent*. Grants-in-aid from GoI increased marginally from ₹ 7,338 crore in 2015-16 to ₹ 9,199 crore in 2024-25.

Total expenditure (revenue expenditure, capital expenditure and loans & advances) of the State increased by 7.56 *per cent* from ₹ 1,01,537 crore in 2023-24 to ₹ 1,09,212 crore in 2024-25.

Revenue expenditure is incurred to maintain the current level of services and payments for past obligations. As such, it does not result in any addition to the State's infrastructure and service network. Revenue expenditure increased from ₹ 36,553 crore in 2015-16 to ₹ 86,565 crore in 2024-25 at a CAGR of 10.05 *per cent*. It consistently made up a significant portion (70 to 85 *per cent*) of the total expenditure during last ten years. During 2024-25, revenue expenditure was 16.77 *per cent* of GSDP.

Committed expenditure

The quantum of committed expenditure constitutes the largest share of revenue expenditure. Committed expenditure, which constituted 37.24 *per cent* of the revenue expenditure during 2024-25, has first charge on resources and consists of interest payments, expenditure on salaries and wages and pensions.

Expenditure on subsidies

Within the non-committed expenditure, amount paid as subsidies increased from ₹ 4,831 crore in 2023-24 to ₹ 7,889 crore in 2024-25. Subsidies were 9.11 *per cent* of the total revenue expenditure in 2024-25 with subsidies to Power (₹ 5,537 crore) constituting a significant portion (70 *per cent*).

Capital expenditure

The State Government spent ₹ 18,410 crore on capital expenditure during 2024-25, against ₹ 20,570 crore in 2023-24 with the CE to GSDP ratio being 3.57 *per cent* in 2024-25. Capital expenditure decreased by ₹ 2,160 crore over the previous year and was below budget levels, reflecting less emphasis on creation of assets.

Fiscal parameters

Revenue surplus of the State increased from ₹ 4,085 crore in 2015-16 (1.98 *per cent* of GSDP) to ₹ 7,924 crore in 2024-25 (1.53 *per cent* of GSDP), except in 2020-21 when there was a deficit. However, during 2024-25, revenue surplus of the State decreased to ₹ 7,924 crore against ₹ 11,252 crore in 2023-24.

Similarly, the gap between the total expenditure and total non-debt receipts of the State results in fiscal deficit. The fiscal deficit of the State increased to ₹ 14,527 crore in 2024-25 (2.81 *per cent* of GSDP) against ₹ 6,332 crore in 2023-24 (1.36 *per cent* of GSDP).

Contingent Liabilities

During 2024-25, guarantees amounting to ₹ 2,175 crore were deleted resulting in outstanding guarantee of ₹ 2,823.38 crore at the end of the financial year. No guarantee was invoked during 2024-25.

FRBM requirements and compliance with fiscal parameters

The FRBM Act / Rules prescribes certain limits within which, revenue deficit, fiscal deficit and debt as a percentage of the Gross State Domestic Product (GSDP) of a State, should remain. In 2024-25, the revenue surplus of the State was 1.53 *per cent*; fiscal deficit was 2.81 *per cent* as against the limit of 3.00 *per cent* set for it in the FRBM Act and outstanding liability was 25.34 *per cent* of GSDP as against the limit of 27 *per cent*.

As per the debt stabilisation analysis, the outstanding liabilities of the State Government increased from ₹ 1,09,184.99 crore in 2020-21 to ₹ 1,30,798.56 crore in 2024-25. The overall debt to GSDP ratio of the State was at 36.80 *per cent* of GSDP in 2020-21 which continued to decline from 2021-22 onwards and reached a five-year low of 25.34 *per cent* in 2024-25.

Budgetary management

The fiscal year 2024-25 also continued to witness large scale savings. During this period, out of the total budget of the State amounting to ₹ 1,50,938.84 crore, an amount of ₹ 31,110 crore (20.61 *per cent* of the total budget) remained unutilised. Further, out of the total savings of ₹ 31,110 crore, savings of ₹ 19,648.71 crore occurred under ten grants ranging between seven and 62 *per cent* of the budget provisions, the reasons for which have not been appropriately explained in the Appropriation Accounts.

Supplementary provisions of ₹ 5,407 crore, made during the year 2024-25 in 46 cases, proved unnecessary as the expenditure did not even come up to original provisions.

The State Government has to get excesses over grants/appropriations regularised by the State Legislature as per Article 205 (1) (b) of the Constitution. It was observed that there was an excess disbursement of ₹ 306.62 crore over the authorisation made by the State Legislature under Appropriation No. 15-Pension during 2024-25. Besides, excess expenditure amounting to ₹ 4,046.43 crore pertaining to previous years, were not regularised, as of March 2025.

During 2024-25, the State Government had booked Grants-in-aid of Revenue nature amounting to ₹2,879.71 crore under Capital Expenditure. Similarly, an amount of ₹ 42.45 crore was incorrectly booked under Revenue section instead of Capital section. The misclassification resulted in overstatement of Revenue Surplus to that extent.

Out of 122 Centrally Sponsored Schemes running in the State through SNAs, only 28 SNAs had been migrated to SNA-SPARSH, as on 30 September 2025.

Financial Reporting Practices

Out of total collection of labour cess amounting to ₹ 945.67 crore as of March 2025, only ₹ 473.74 crore was transferred by the State in last three years leaving an outstanding balance of ₹ 471.93 crore for transfer to the BOCW Welfare Board. Non-transfer of cess increased liabilities of the State to that extent.

As on 31 March 2025, 52,855 Utilisation Certificates amounting to ₹ 1,60,565.80 crore, were outstanding for submission to the Principal Accountant General (A&E). Huge pendency of UCs is fraught with the risk of misutilisation of government funds.

As of 31 March 2025, DC bills, against 17,877 AC bills amounting to ₹ 4,531.00 crore, were outstanding for submission to the Principal Accountant General (A&E). Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills.

Only three (03) out of 24 Administrators of Personal Deposit Accounts had reconciled and verified their balances with the treasury figures (in the treasury) and 03 annual verification certificates were furnished by them to the Treasury officer which were forwarded to the Principal Accountant General (A&E). Non-reconciliation of balances with treasury figures defies the norms of transparency and obstructs monitoring of such fund.

The Government of Jharkhand had not established the State Mineral Exploration Trust under the Public Account/Bank Account for financing exploration activities related to minor minerals, as of November 2025.