

Macro and Fiscal Landscape of the State of Jharkhand

Macro and Fiscal Brief: Jharkhand

March 2025

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1. Summary and Overview of the State of Jharkhand

Demography and Employment

- Jharkhand has a population of 39.5 million and represents 2.8 percent of the country's total population. The State's projected population growth rate at 1.3 percent is faster than the national average of 0.9 percent, as of 2022-23.
- The State's population density (483 persons per sq. km) and dependency ratio (60.2 percent) are both above their respective national averages, as per 2021 projections. Nearly three-fourths of the State's population still lives in rural areas, as only 26.2 percent of its population resides in urban areas.
- The sex ratio in the State at 943 females per 1000 males is higher than the national average of 914 females per 1000 males (NFHS V, 2019-21).
- As of 2022-23, State's annual unemployment rate at 1.7 percent is lower than the national average of 3.2 percent and Female Labour Force Participation rate at 45.8 percent is higher than the national average.
- The working population in the State is predominantly concentrated in Agriculture, Forestry, and Fishing (49.3 percent); Services (23.2 percent); Construction (17.4 percent); and, Manufacturing (8.9 percent) sectors, as of 2022-23.

Economic Structure (Growth and Sectoral Composition)

- Jharkhand's real GSDP has grown at an average rate of 5.1 percent during the period from 2012-13 and 2021-22, which is lower than the national average growth of 5.6 percent.
- The State's share in India's nominal GDP has decreased steeply from 2.7 percent in 1990-91 to 1.5 percent by 2021-22. Its nominal per capita income is 50 percent of the national per capita income, as of 2021-22.
- Among the major sectors, services sector is the largest contributor to the State's GSVA and has a share of 43.4 percent followed by Industry (38.2 percent), and agriculture (18.2 percent), respectively in that order (2021-22).
- During the period from 2013-14 to 2022-23, its services, industry and agriculture sectors have grown by 6.4 percent, 4.2 percent, and 4.1 percent per annum, respectively*.

Socio-Economic Indicators (Health and Education)

- Jharkhand's literacy rate at 66.4 percent is lower than the national average of 73 percent, as of 2011.
- As of 2016-17, the State had a higher school dropout rate (36.6 percent for Classes VIII to X) but the pass percentage for both Classes X (99.4 percent) and XII (94.1 percent) is higher, compared to their respective national benchmarks.
- The Gross Enrolment Ratio both at the Higher Secondary level (48.3 percent in 2015-16) and at the Higher Education level (17 percent 2021) are below their respective national averages.
- For people aged between 18 to 23 years, the Gender Parity Index in higher education (the ratio of girls to boys enrolled in higher education institutions) is close to the national average, as of 2021.
- As of 2020, life expectancy in the State is at 69.6 years which is close to the national average of 70 years. Infant mortality rate at 25 deaths per 1000 live births (2020) is lower but the total fertility rate at 2.3 children per woman (2019-21) is higher than their respective national averages. The share of fully immunized children in the State (73.9 percent) is below the national average of 76.4 percent, as of 2019-21.
- The State has improved on basic “quality of life” indicators but the share of households with access to electricity (93.8 percent), drinking water (86.8 percent) and sanitation facilities (55.4 percent) all remain below their respective national averages, as of 2019-21.

State of Public Finances and Tax Devolutions

- Jharkhand's debt-to-GSDP ratio at 30.2 percent in 2022-23 is close to that of a median State and its contingent liabilities at 1.2 percent of GSDP is also lower than those of a median State, as of 2021-22. The fiscal and primary deficit levels at 2.2 percent and 0.5 percent are lower than their respective levels of a median State, as of 2022-23. The State has a revenue surplus of 2.4 percent of GSDP in 2022-23 while a median State runs a deficit of 0.4 percent.
- As of 2022-23, the State's total revenue receipts (Own Tax, Own Non-Tax, and shared by the Centre) at 21.2 percent of GSDP, were higher than what a median State collected as of 2022-23, its expenditure-to-GSDP ratio at 23.4 percent was slightly lower than that of a median State.
- Debt Sustainability Analysis shows that in the baseline scenario (where debt level, primary deficit, real GDP growth, real effective interest rate remain as they are) and the scenario where contingent liabilities are absorbed, the State's debt to GSDP ratio is projected to increase in the next five years. Only in the most optimistic scenario, where the State experiences higher growth and maintains lower primary deficit (than their averages of the last ten years), it's debt to GSDP ratio is projected to decline meaningfully in the next five years.
- The State's share in taxes from the Centre, as per the FC recommendations, increased from 3.1 percent under 14th FC to 3.3 percent under 15th FC. The State's share in the total grants-in-aid also increased by 0.2 percentage points to 2 percent under the 15th FC, compared to the 14th FC's level of 1.8 percent.

Source: Reserve Bank of India, State Finances Report 2022-23.

Note: For calculation of median State, variable as a percentage of GSDP was computed for each State, with the median across 22 major States shown (excluding all Union Territories and North Eastern States, except Assam).

Fiscal Rules

- As per recommendations of the 12th FC, Jharkhand Fiscal Responsibility and Budget Management (JFRBM), Act 2007 was enacted. Since 2007, the Act has been amended in 2010, 2012, 2015, 2020 and 2021.
- **Revenue Deficit:** The initial Act in 2007 had fixed a deadline of March 31st 2009 to eliminate the revenue deficit. The 2012 amendment extended this deadline to March 31, 2012, requiring the State to maintain a zero-revenue deficit until 2014-15, and a subsequent amendment in 2015 further pushed the target deadline to the end of 2015.
- **Fiscal Deficit:** The Act, initially mandated the State to reduce fiscal deficit to a maximum of 3 percent of GSDP by March 31, 2009. A 2010 amendment extended the deadline to March 31, 2011, and the 2012 amendment, required Jharkhand to achieve this target by March 31, 2012, and maintain it until 2014-15. A further amendment in 2015 increased the limit to 3.5 percent in 2015-16 and 2016-17, and 3.25 percent from 2017-18 to 2019-20 (excluding loans under UDAY scheme taken in the years 2015-16 and 2016-17). For the year 2020-21 the fiscal deficit target was increased to 5 percent, which was lowered to 4 percent for 2021-22, contingent on the State for undertaking reforms suggested by the Union Government.
- **Debt:** The original Act had mandated the State to keep its outstanding liabilities within the 25 percent limit between 2007 to 2018. The 2012 amendment required the State to reduce its debt to 26.9 percent by 2014-15. But, following the amendments in 2015, the State's debt-to-GSDP ratio targets were fixed at 24.2 percent, 25.16 percent, 25.77 percent, and 26.31 percent for the years 2015-16, 2016-17, 2017-18, and 2018-19, respectively.
- **Fiscal Discipline:** As per the State Finances Audit Report of the Comptroller and Auditor General of India (CAG), during the period from 2017-18 to 2021-22, the State failed to achieve the revenue deficit targets only once (2020-21). The State was able to meet fiscal deficit target for four out of five years with the exception of 2017-18. However, it failed to meet the targeted achievements for the outstanding liabilities for four out five years from 2017-18 to 2020-21 barring 2021-22 when it met the target.

Source: State Finance Audit Reports of the Comptroller and Auditor General (CAG).

2. Demography and Employment

- Population data covers the Census period 1951 – 2011;
- Population Projections cover the period 2012 – 2023;
- Employment data covers the period 2017-18 to 2022-23.

Table 1: Area and Demography of Jharkhand

Indicator	Most Recent Value	As of Year	Decadal Change (b/w 2011 and 2021)	India's estimates for benchmark (iii)
Area (i)	79,716 sq. km.	2011	-	2.4% of national total
Forest Cover	23,721 sq. km.	2021	+ 0.003% points	3.3% of national total
Total Population	39.5 million persons	2023*	-	2.8% of national total
Population Growth Rate	1.3%	2023*	- 0.3% points (b/w 2012 and 2021)	0.9% (India)
Population Density (ii)	483 persons per sq. km.	2021*	-	415 persons per sq. km. (India)
Dependency Ratio	60.2%	2021*	- 16.3% points	55.7 % (India)
Sex Ratio	943 females per 1000 males	2011	-	914 females per 1000 males (India)
Urban Population	26.2 % of State population	2023*	+ 1.8% points	35.1% of total population (India)
Rural Population	73.8 % of State population	2023*	- 1.8% points	64.9% of total population (India)
Urbanization Rate	4%	2023*	-7.1% (b/w 2011 and 2021)	3.7% (India)

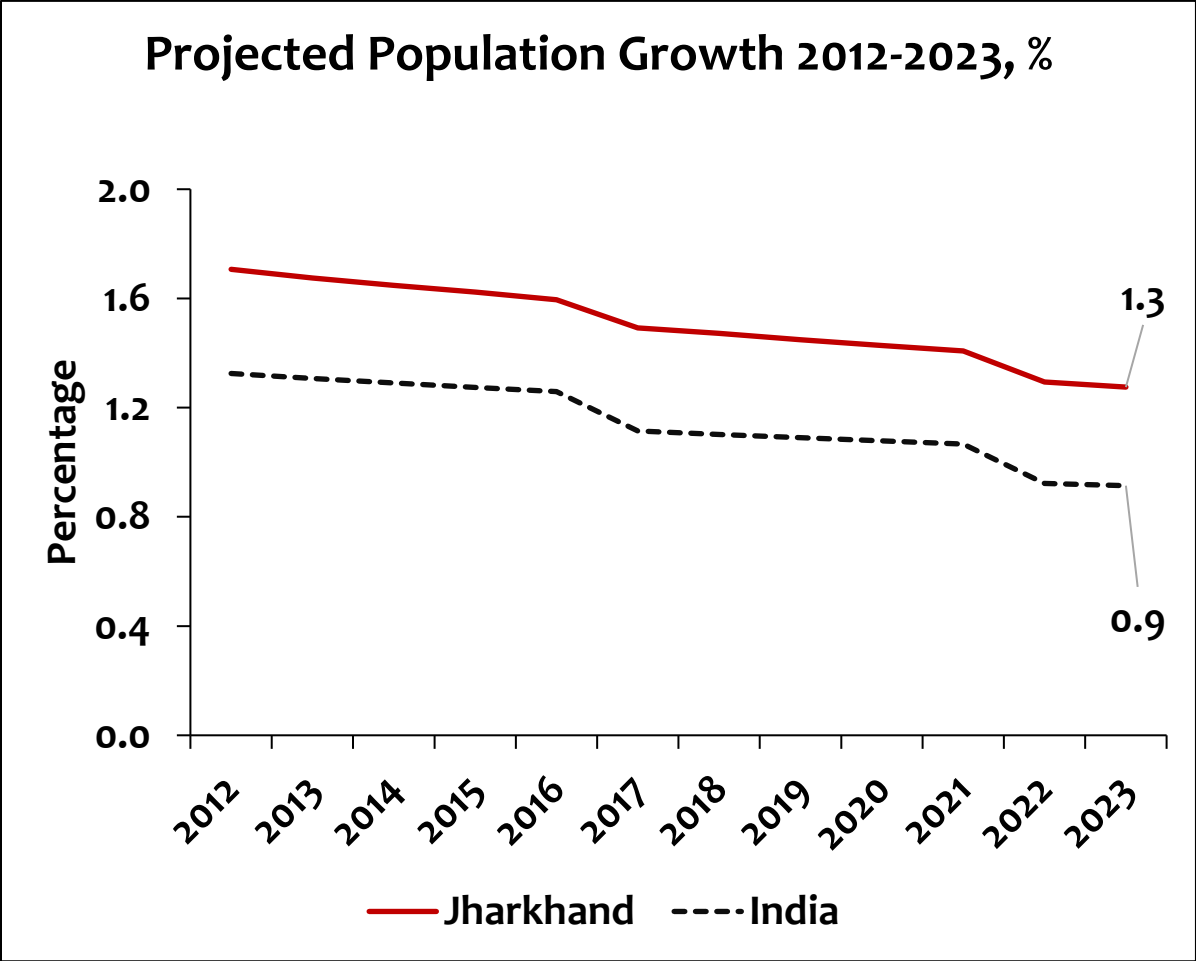
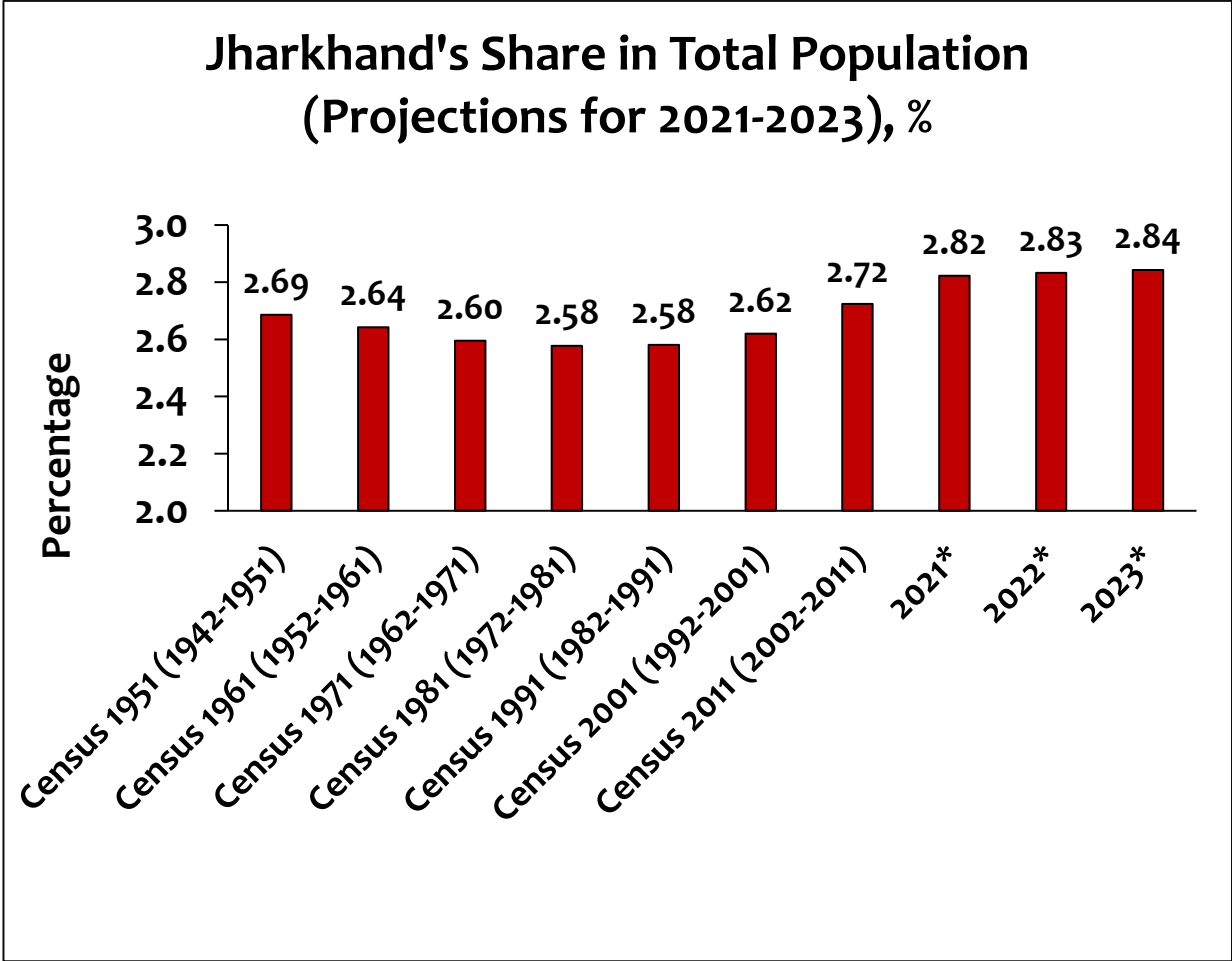
* Projected numbers are starred

Source: Census, Forest Survey of India, Ministry of Environment, Forest and Climate Change, and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

Note:

- Area figure for India (national total) includes the area under unlawful occupation of Pakistan and China. The area includes 78,114 Sq.km under illegal occupation of Pakistan, 5180 Sq.km illegally handed over by Pakistan to China and 37,555 Sq.km under illegal occupation of China.
- For working out the density of India, the entire area and population of those portions of Jammu & Kashmir which are under illegal occupation of Pakistan and China have not been taken into account, except for 2011 census.
- India's estimates for benchmark pertain to the actual data for India (except for Area, Forest Cover, and Total Population where the State's share in India's estimates have been shown).

Jharkhand has a share of 2.8 percent of National Population as per 2011 Census and its Population Growth Rate is higher than the national average

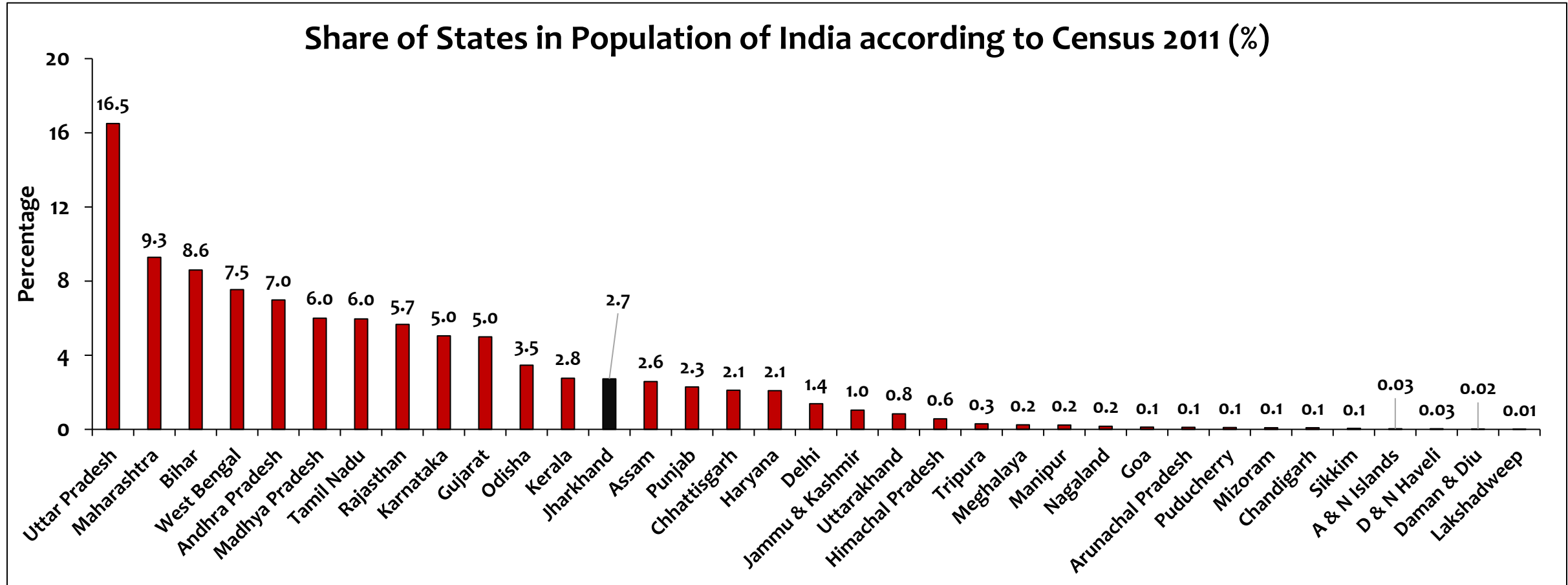


Source: Census data (1951-2011) is sourced from Office of the Registrar General of India, Ministry of Home Affairs; ii. Projections are sourced from the “Report of the Technical group on Population Projections”, (July 2020) by National Commission on Population and Ministry of Health and Family Welfare.

Note: Census Population Projections are constructed using the Cohort Component Method, where the components of population change (fertility, mortality and net migration) are used to project the base population each year separately for each birth cohort (persons born in a given year). The detailed methodology can be found in Chapter 2, [Population Projection Report 2011-2036](#).

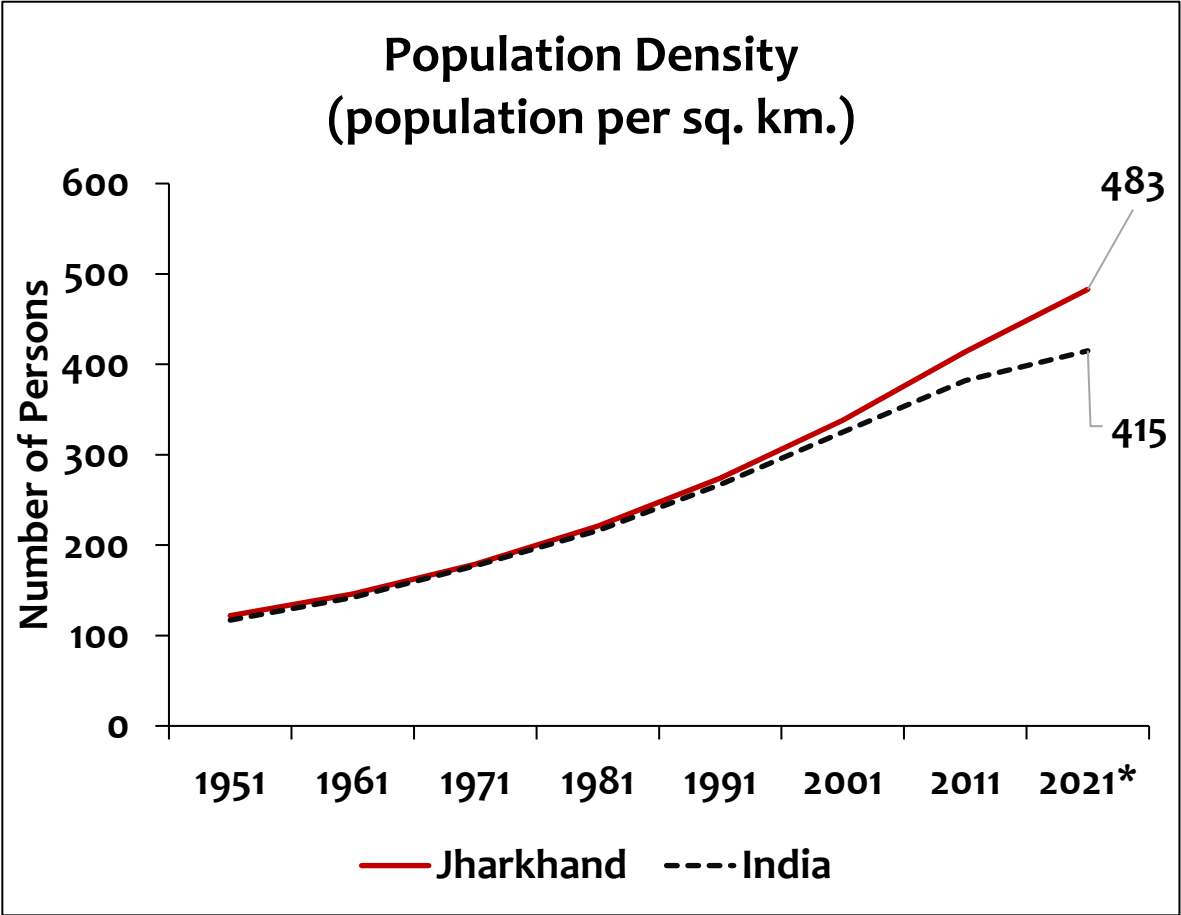
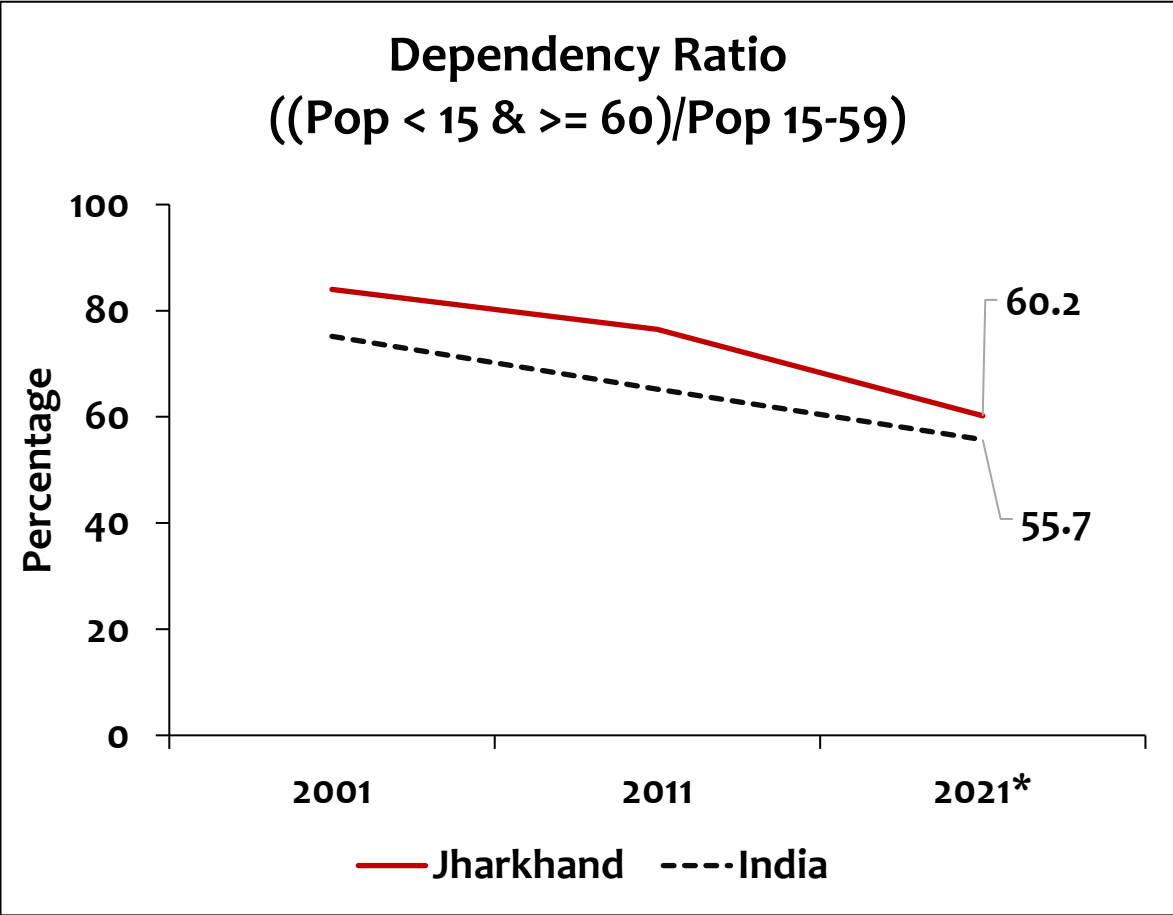
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As per the Census of 2011, Jharkhand ranked as the thirteenth-largest State in terms of its share in the total population



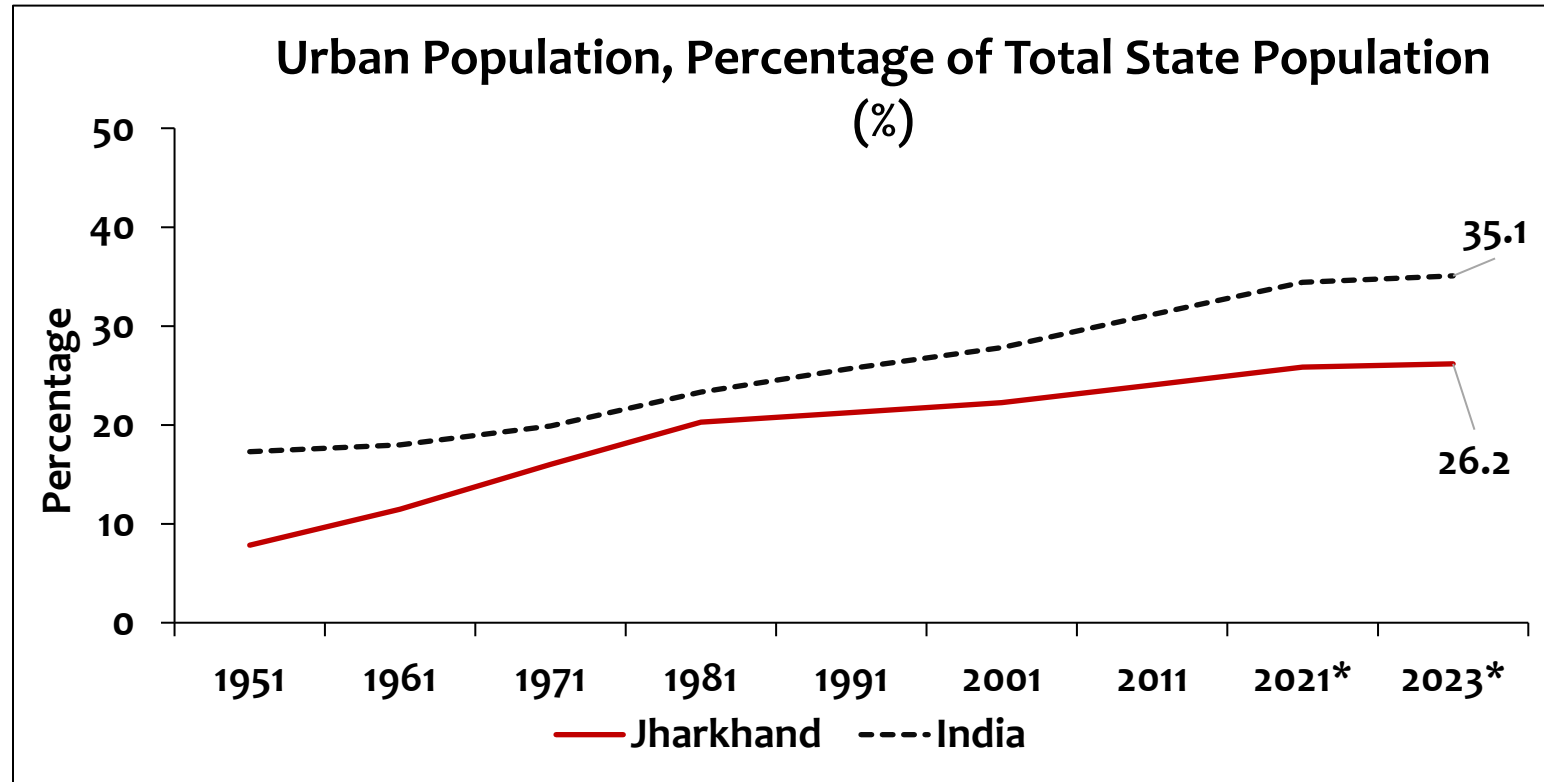
Source: Census data (1951-2011) is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Dependency Ratio in Jharkhand has consistently remained above the national estimates until 2011 and it is expected to remain above the projected national estimate in 2021. Population Density has increased over the decades closely in line with the national estimates, but after 2001 it has remained above the national estimates.



Source: Census data and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

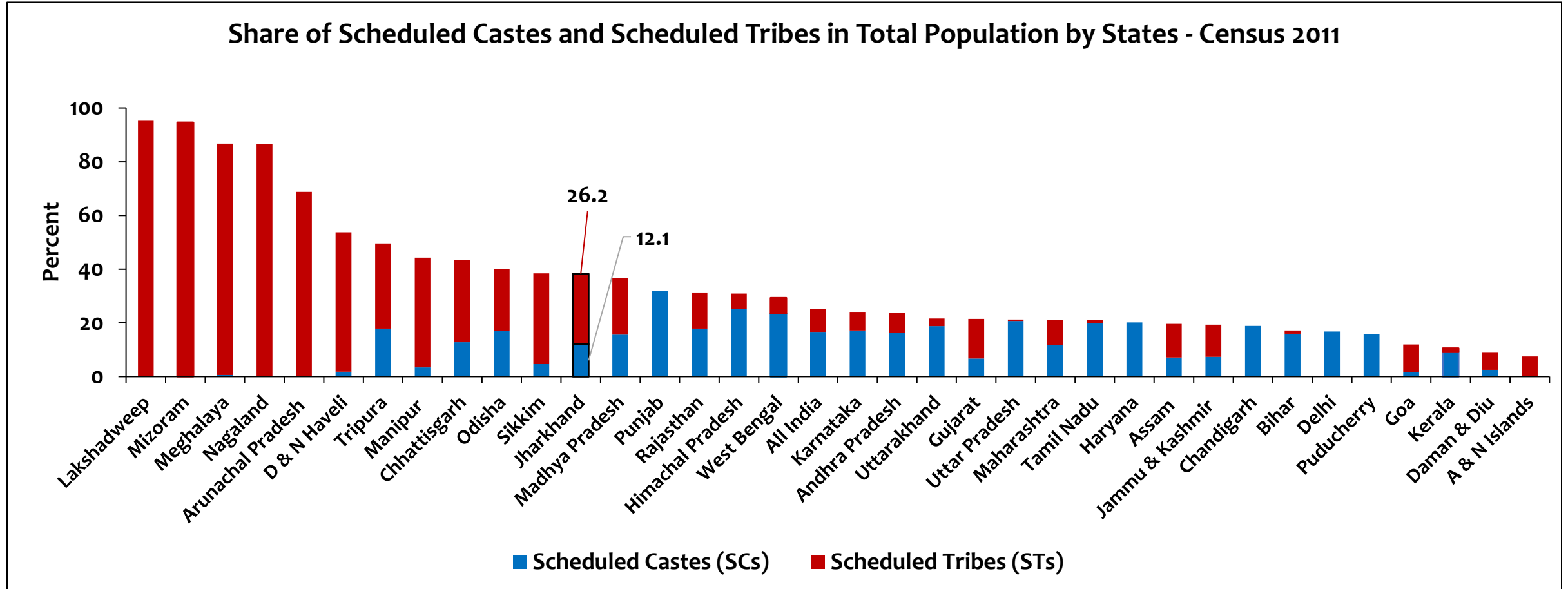
Urban Population in Jharkhand has consistently remained below the national estimates and the gap between the two has widened over the past three decades



Source: Census data and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

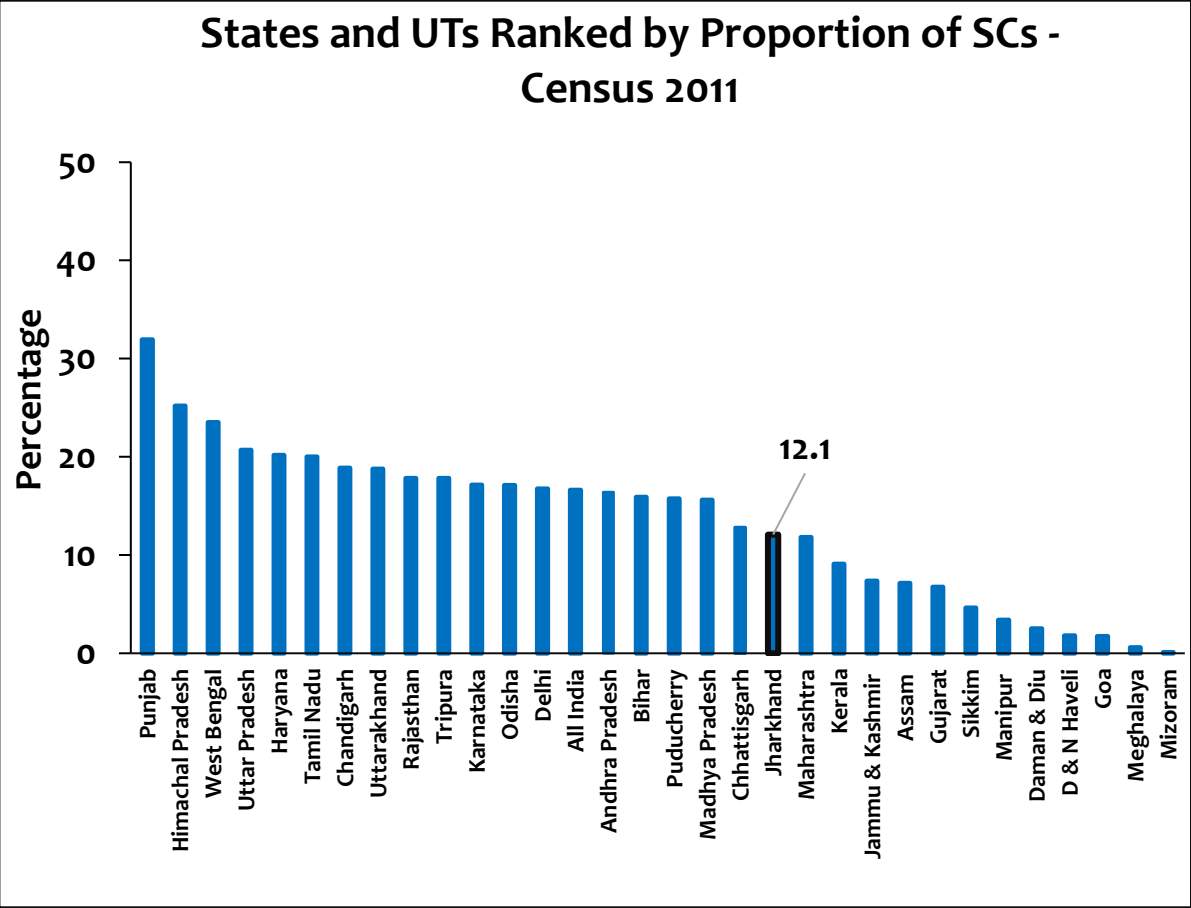
Note: i. Back-casted numbers for Percentage of Urban Population(before Jharkhand was created in 2000) are taken directly from the source.

In Jharkhand, Scheduled Castes (SCs) constituted 12.1 percent of its total population while Scheduled Tribes constituted 26.2 percent of its total population as per the 2011 Census



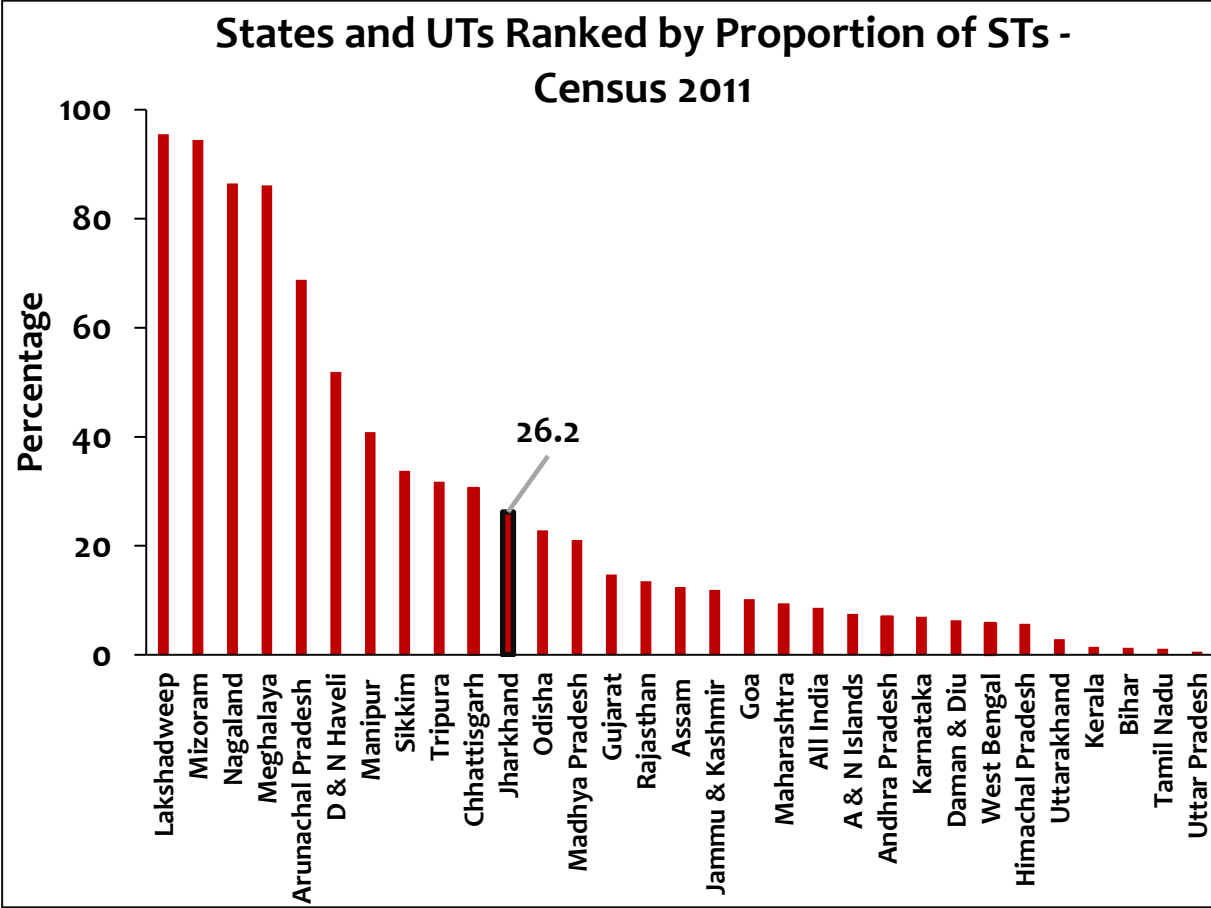
Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Jharkhand ranked as twentieth largest among States with regard to the percentage of SC population. It is ranked as eleventh largest among States with regard to the percentage of ST population



Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

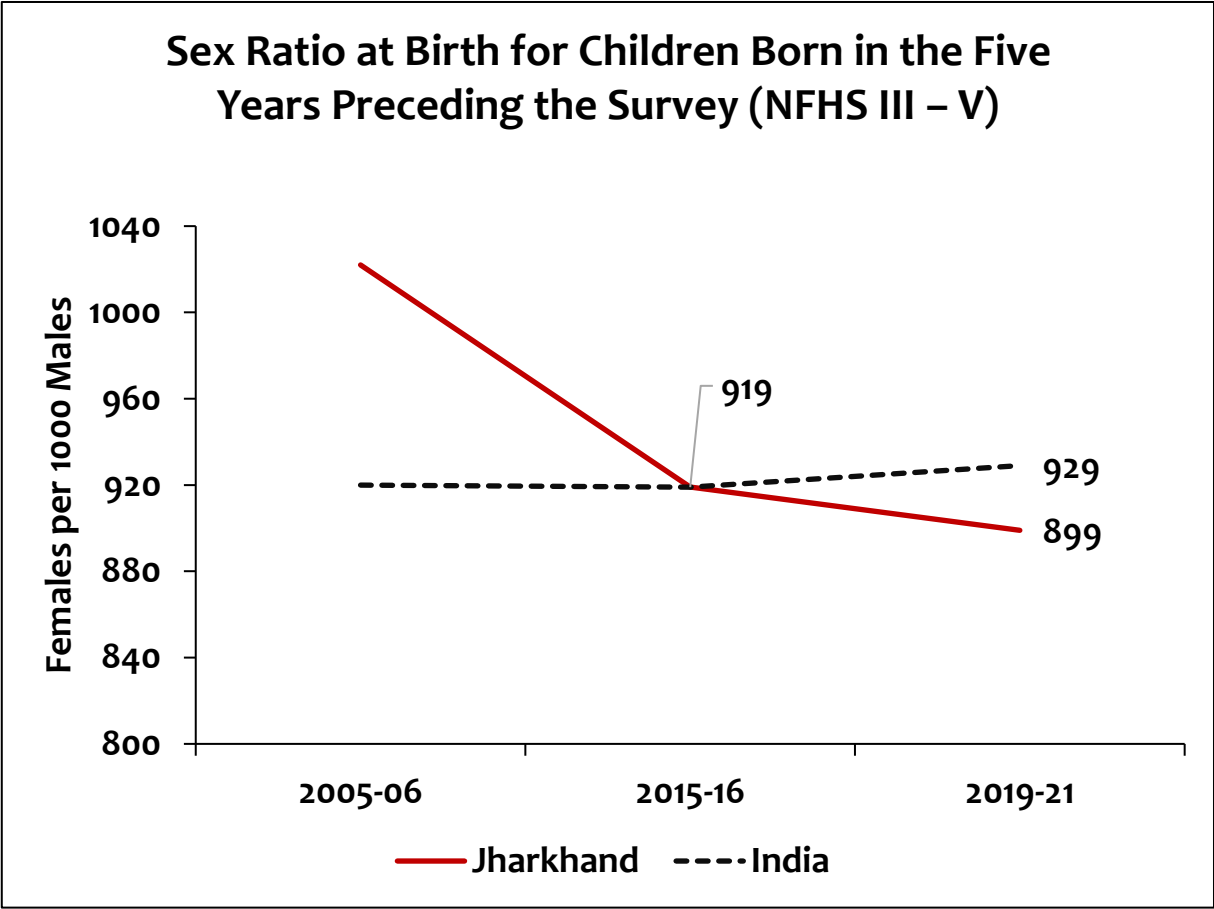
Note: As per the census data, Lakshadweep, Nagaland, Arunachal Pradesh, and Andaman & Nicobar Islands do not report any SC Population.



Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

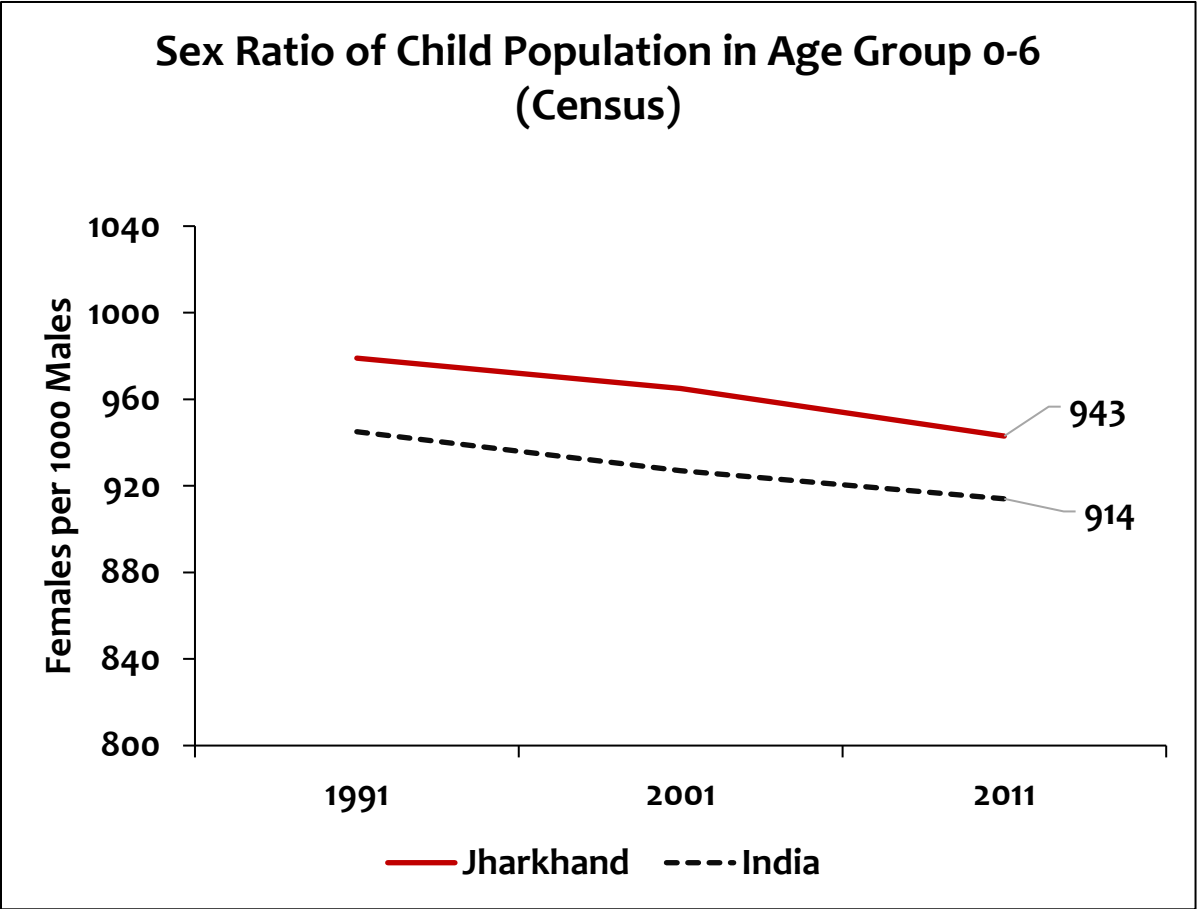
Note: As per the census data, Punjab, Haryana, Chandigarh, Delhi, and Puducherry do not report any ST population.

Sex Ratio at Birth (female births per 1000 male births in a given population), as per the National Family Health Survey (NFHS) for Jharkhand has dropped below the national estimate in 2019-21. However, Census Sex Ratio of the child population in 0-6 age group has consistently remained above the national estimates



Source: NFHS III – V

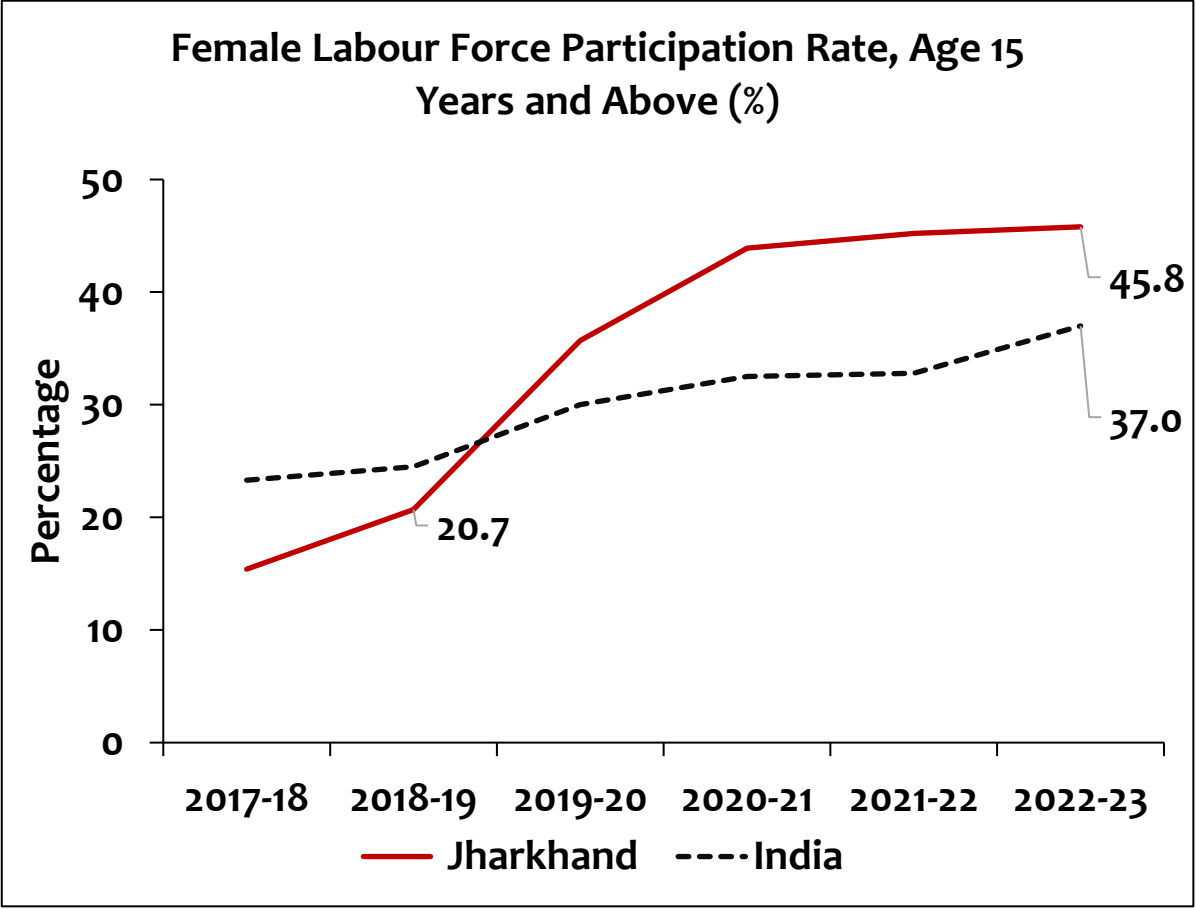
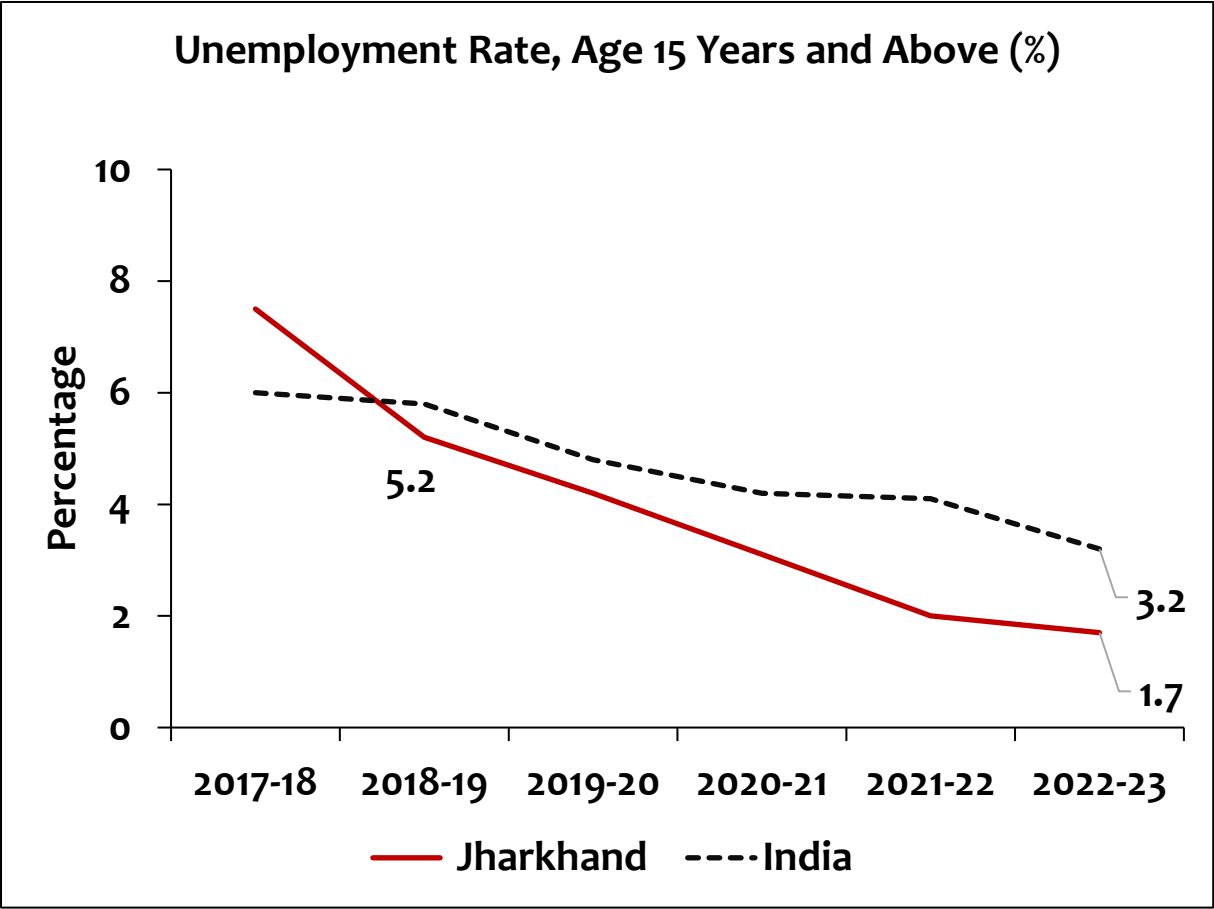
Note: NFHS I and II were not conducted in Jharkhand as it did not exist as a separate State then.



Source: Census of India

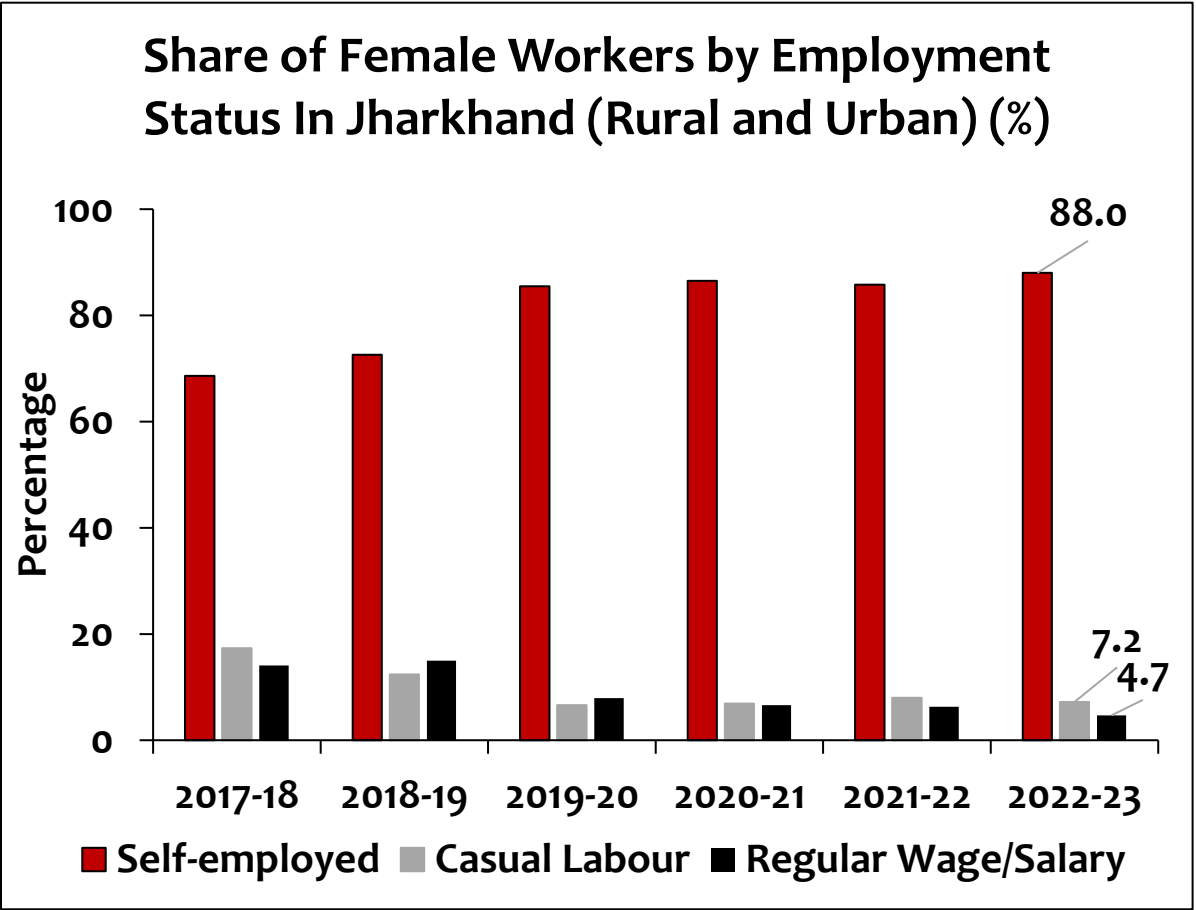
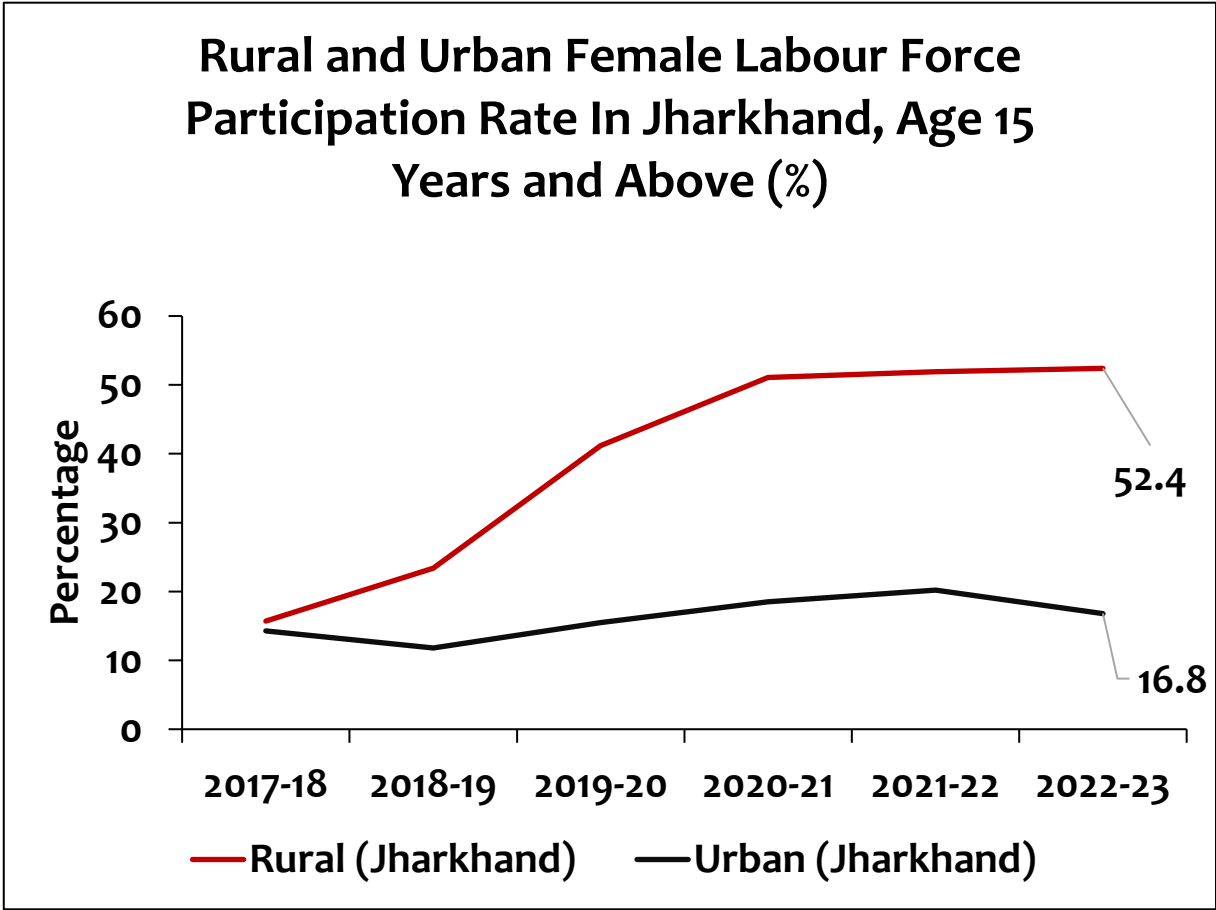
Note: Back-casted numbers for Sex Ratio (before Jharkhand was created in 2000) are taken directly from the source.

Annual Unemployment Rate in Jharkhand has consistently remained below the national estimates since 2018-19 , decelerating to 1.7 percent in 2022-23. Female Labour Force Participation has improved and remains above the national estimates since 2019-20



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.
Note: Number for India has been taken directly from the source. The Unemployment Rate and Female Labour Force Participation Rate (FLFPR), is as per the Usual Status (PS+SS) approach, considering both Rural and Urban labour force for the age group 15 years and above. The PLFS uses two reference periods for measuring employment status, the last 7 days (Periodic Status or PS) and the last 365 days (Usual Status or SS). The PS+SS category combines information from both reference periods to determine the usual status of employment.

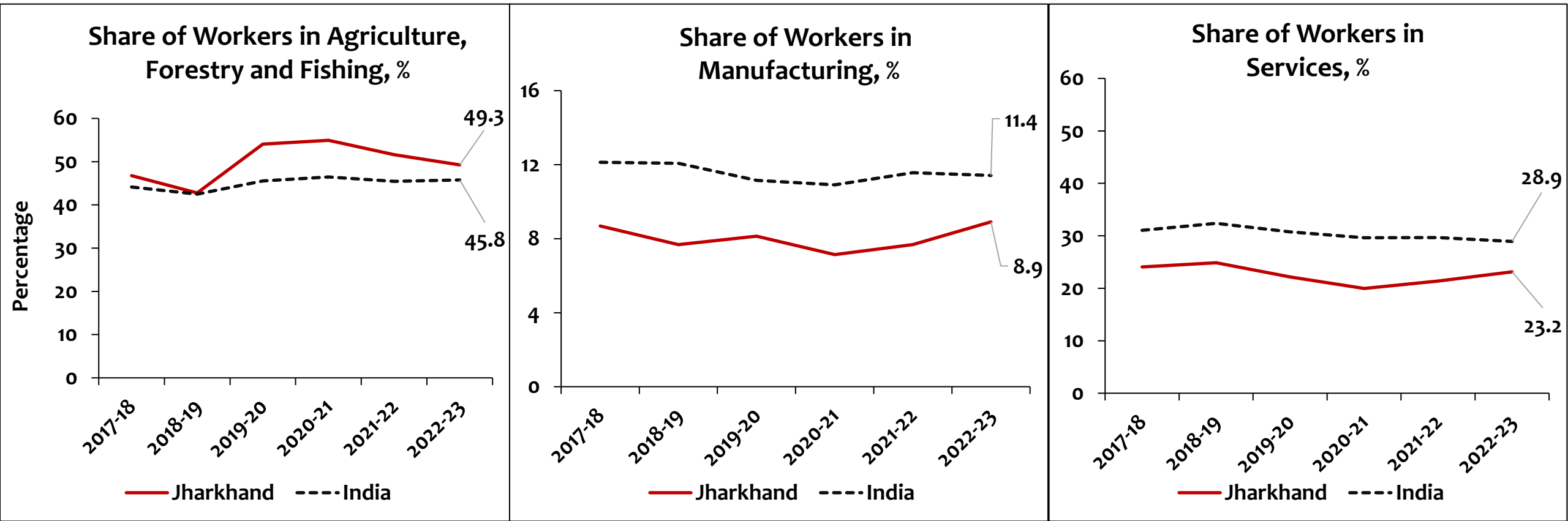
In Jharkhand, Female Labour Force Participation is predominantly higher in rural areas. Additionally, majority of the female workforce comprises of Self-Employed workers



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: The Rural and Urban Female Labour Force Participation Rate (FLFPR) and Distribution of Female Workers by Employment Status, is as per the Usual Status (PS+SS) approach, considering both Rural and Urban labour force for the age group 15 years and above. The PLFS uses two reference periods for measuring employment status, the last 7 days (Periodic Status or PS) and the last 365 days (Usual Status or SS). The PS+SS category combines information from both reference periods to determine the usual status of employment.

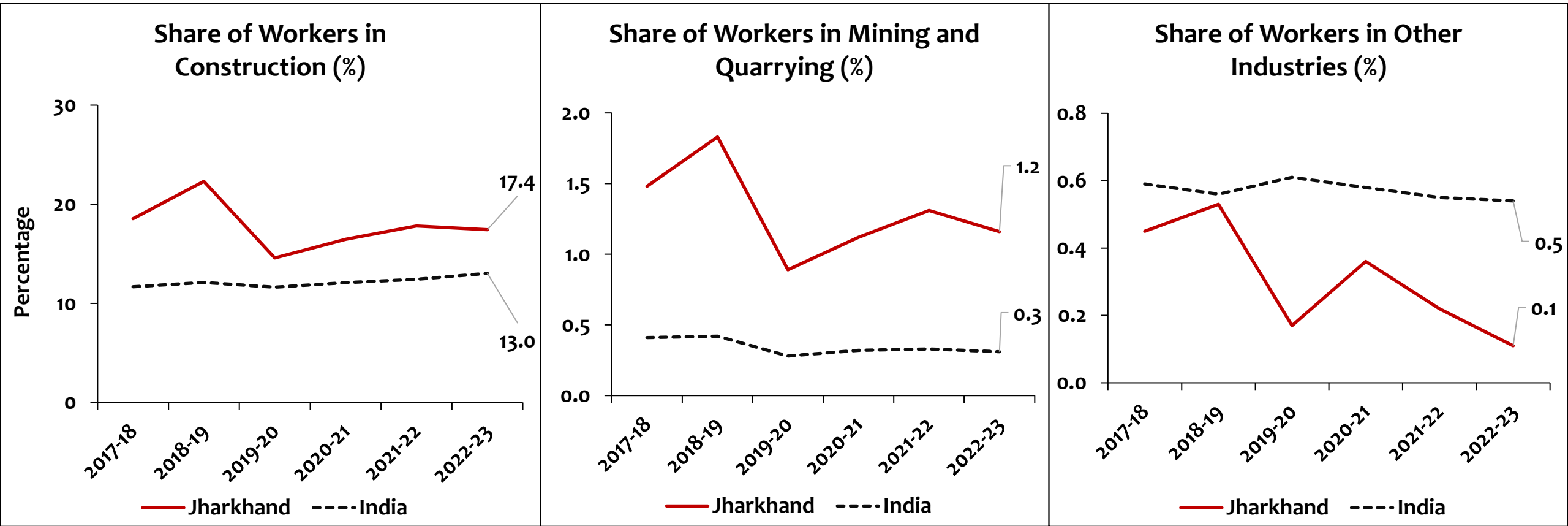
Working population in Jharkhand is predominantly concentrated in Agriculture, Forestry, and Fishing; Services; Construction, and Manufacturing sectors. Manufacturing constituted 8.9 percent of the total share of workers in 2022-23. The proportion of workers engaged in Mining and Quarrying exceeds the national estimates, and for Other Industries it is small and below national estimates



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: i. Number for India has been taken directly from the source; ii. Services includes Transportation and Storage; Accommodation and Food Service Activities; Information and Communication; Financial and Insurance Activities; Real Estate Activities; Professional, Scientific and Technical Activities; Administrative and Support Service Activities; Public Administration and Defense; Compulsory Social Security; Education; Human Health and Social Work Activities; Arts, Entertainment and Recreation; Activities of Households as Employers; Undifferentiated Goods and Services Producing Activities of Households for Own Use; Activities of Extraterritorial Organizations and Bodies; Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles; and other Services.

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Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.
Note: i. Number for India has been taken directly from the source; ii. Other industries include, Electricity, Gas, Steam and Air Conditioning Supply; and Water Supply, Sewerage, Waste Management and Remediation Activities.

3. Economic Structure (Growth and Sectoral Composition)

- Income data covers the fiscal period 1990-91 to 2022-23

Table 2A: State Domestic Product, Per Capita Income, Sectoral Shares, Inflation, FDI inflow and Exports for Jharkhand

Indicator	Most Recent Value	States' Average	Decadal Change, % (b/w 2012-13 and 2021-22)	Source
Nominal Gross State Domestic Product (GSDP)	Rs. 35,886,259 (Lakh) (FY 2021-22)	Rs. 2,347,101,174 (Lakh; India) (FY 2021-22)	+105.4% growth	MoSPI; EPWRF
Nominal GSDP share in India's Nominal GDP, %	1.5% (FY 2021-22)	-	-0.2% points	MoSPI; EPWRF
Real Gross State Domestic Product Growth Rate, %	5.1% (Decadal avg. b/w 2012-13 and 2021-22)	5.6% (Decadal avg. b/w 2012- 13 and 2021-22 for India)	+2.7% points	MoSPI; EPWRF
Nominal Per Capita GSDP	Rs. 92,581 (FY 2021-2022)	Rs. 1,71,498 (India) (FY 2021-22)	+79.4% growth	MoSPI; EPWRF
Nominal Per Capita GSDP in India's Nominal Per Capita GSDP (Ratio)	0.5 (FY 2021-22)	-	-0.1 points	MoSPI; EPWRF
Share of Agricultural Sector to Total Gross State Value Added (GSVA) (Nominal), %	18.2% (FY 2021-22)	19.7% (FY 2021-22)	+2.4% points	MoSPI; EPWRF
Share of Industry Sector to Total GSVA (Nominal), %	38.2% (FY 2021-2022)	29.3% (FY 2021-22)	-8.0% points	MoSPI; EPWRF
Within Industry: Share of Manufacturing Sector to Total GSVA (Nominal), %	20.8% (FY 2021-22)	14.8% (FY 2021-22)	-2.8% points	MoSPI; EPWRF
Within Industry: Share of Construction Sector to Total GSVA (Nominal), %	9.1% (FY 2021-22)	7.7% (FY 2021-22)	+0.01% points	MoSPI; EPWRF
Within Industry: Share of Mining and Quarrying Sector to Total GVA (Nominal), %	6.1% (FY 2021-22)	2.3% (FY 2021-22)	-5.5% points	MoSPI; EPWRF
Share of Services Sector to Total GSVA (Nominal), %	43.5% (FY 2021-2022)	51.0% (FY 2021-22)	+5.6% points	MoSPI; EPWRF
Within Services: Share of Trade and Hospitality Sector to Total GSVA (Nominal), %	11.7% (FY 2021-2022)	11.3% (FY 2021-22)	+3.1% points	MoSPI; EPWRF

Source: Data is taken from MOSPI, as of August 2023.

Note: i. States' Average for shares are simple averages of each State's/UT's share for that year; ii. States' average growth rates are calculated as the simple average of each State/UT's growth rate for that year.

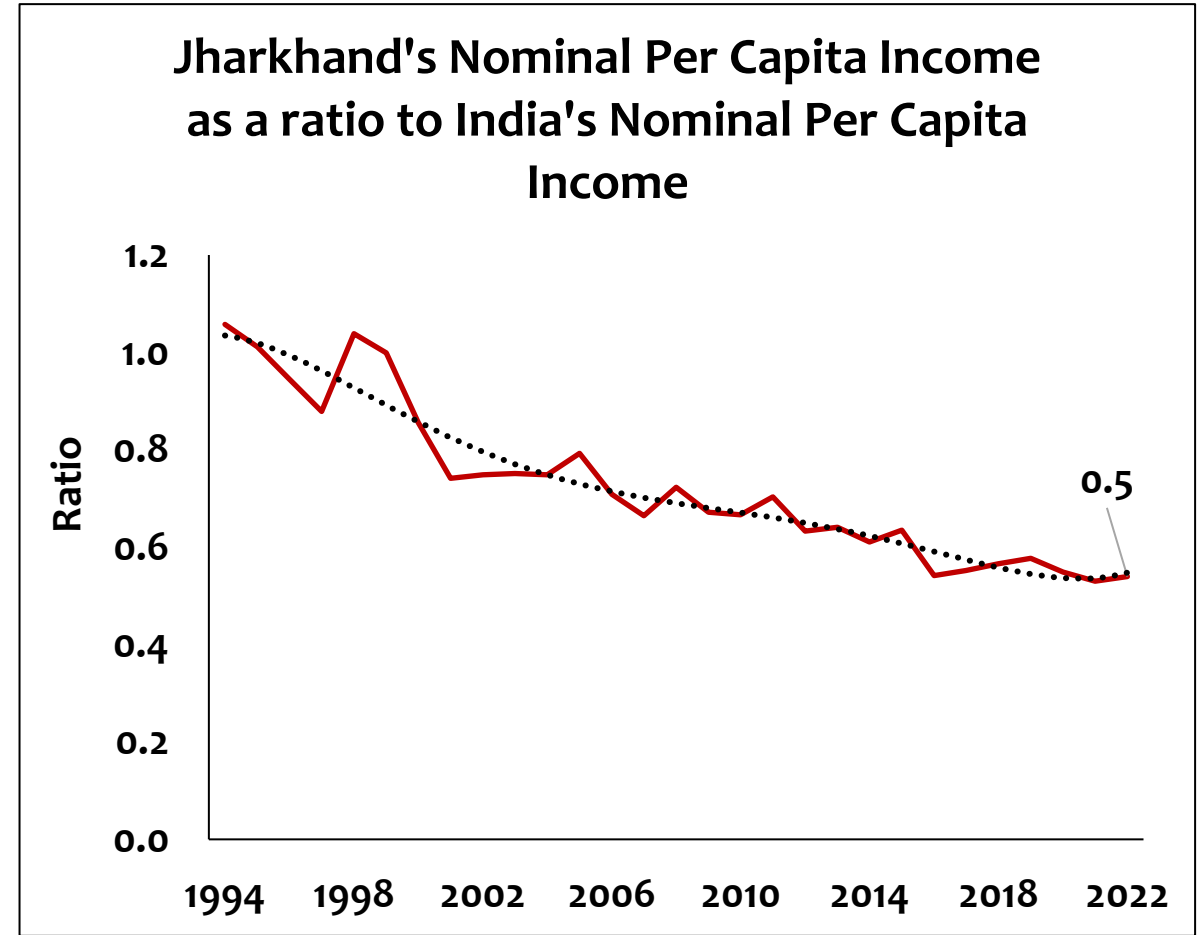
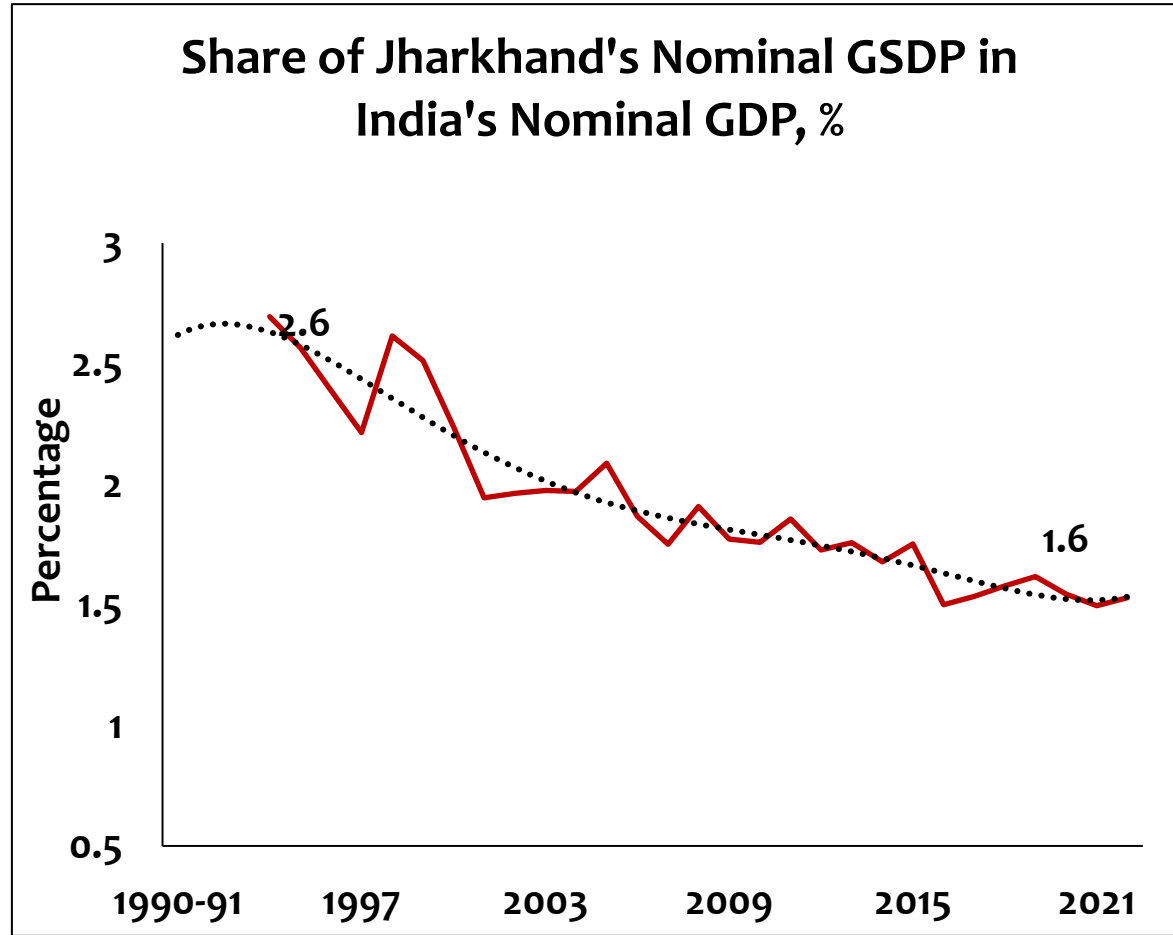
Table 2B: State Domestic Product, Per Capita Income, Sectoral Shares, Inflation, FDI inflow and Exports for Jharkhand

Indicator	Most Recent Value	States' Average	Decadal Change, % (b/w 2013-14 to 2022-23)	Source
Share of Agricultural Sector to Total GSDP (Nominal), %	17.4% (FY 2022-23)	15.8% (FY 2022-23)	0.4% points	MoSPI, EPWRF
Share of Industry Sector to Total GSDP (Nominal), %	34.8% (FY 2022-23)	25.3% (FY 2022-23)	-0.7% points	MoSPI, EPWRF
Within Industry: Share of Manufacturing Sector to Total GSDP (Nominal), %	19.2% (FY 2022-23)	13.1% (FY 2022-23)	-0.2% points	MoSPI, EPWRF
Share of Services Sector to Total GSDP (Nominal), %	40.8% (FY 2022-23)	42.6% (FY 2022-23)	+0.4% points	MoSPI, EPWRF
Inflation Rate	+5.6% (FY 2022-23)	+ 5.5 % (FY 2022-23)	-0.4% points	MoSPI, EPWRF
FDI Inflow	0.025 % of India FDI Inflow (2023-24)	3% of India FDI Inflow	-1.3 % of India FDI Inflow (b/w 2020-21 and 2023-24)	DPIIT
Exports	1398 Million \$ (2022-23)	15,346 Million \$	849 Million \$ (b/w 2014-15 and 2022-23)	Multiple Sources*

Source: i. Data on sectoral shares to GSDP is taken from MOSPI, as of March 2024; ii. (*)Multiple sources for exports are various Issues of Economic Survey, Department of Economic Affairs, (data.gov.in); Various Issues of Bulletin on Foreign Trade Statistics, Directorate General of Foreign Trade (DGFT); iii. FDI data is available State-wise in a cumulative format with the starting date as December 2019 till the month and year of the DPIIT publication.

Note: i. The State average for FDI has been calculated as the sum of all States/region divided by the number of States/regions, and this is divided by India's FDI inflow, multiplied by 100; ii. Benchmark number for exports is an average of all States/UT number.

Jharkhand's share in India's Nominal GDP and its Nominal Per Capita Income as a ratio to India's Nominal Per Capita Income have both declined steeply since 1998



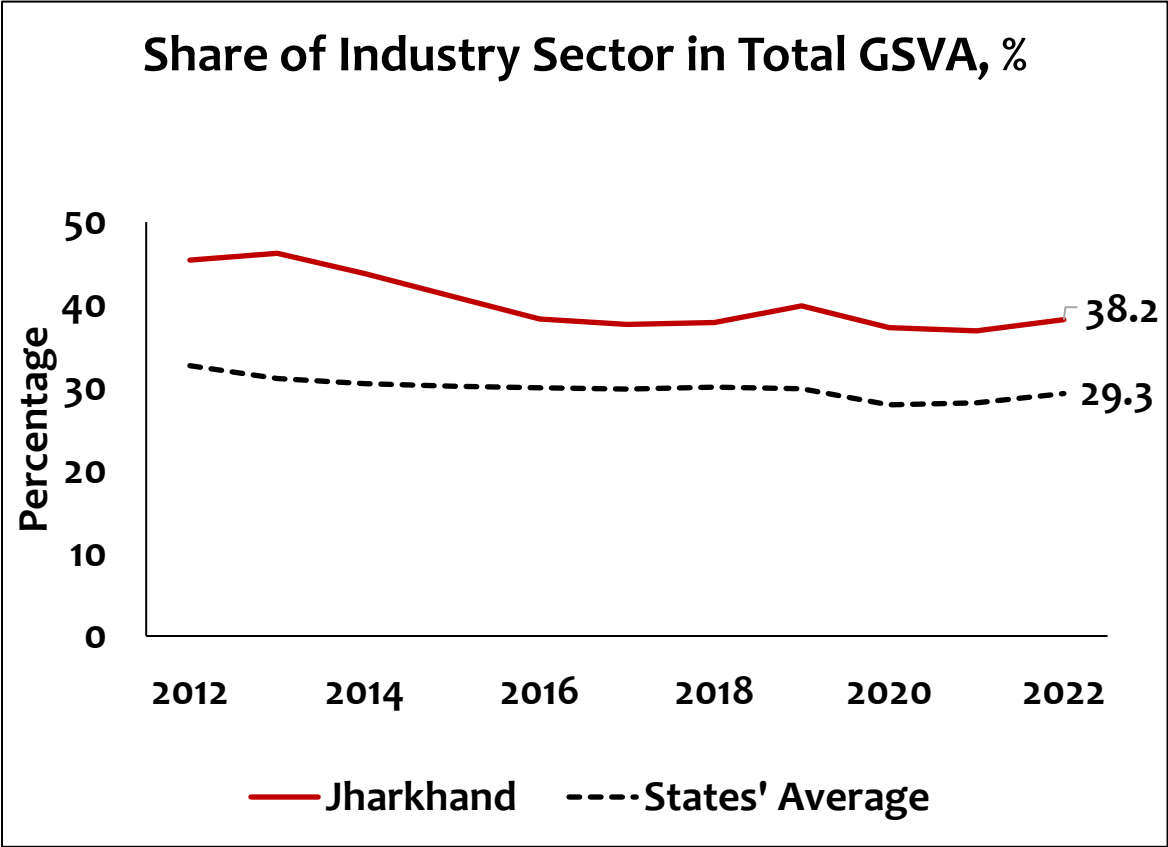
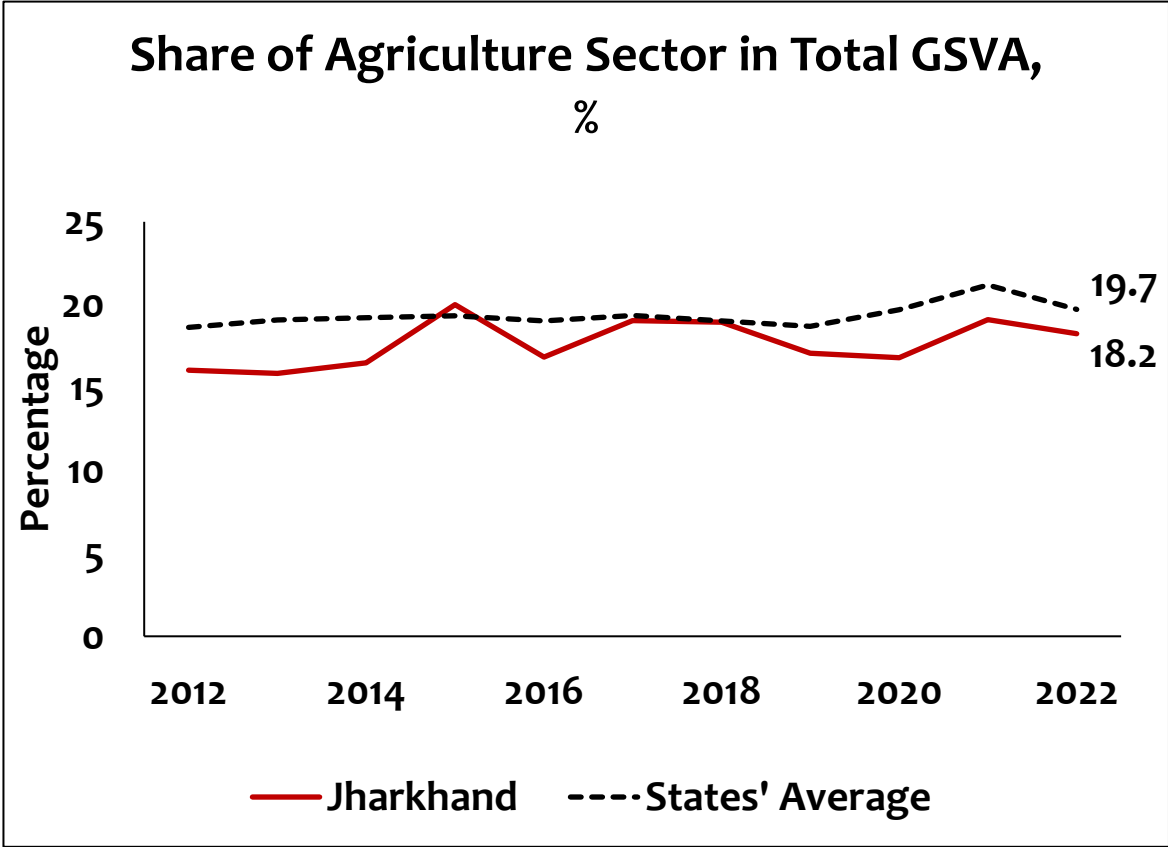
Source: The Ministry of Statistics and Programme Implementation (MoSPI). Back series with 2011-12 base has been taken from Economic and Political Weekly Research Foundation (EPWRF).
Note: i. GSDP refers to Gross State Domestic Product at current market prices; ii. As per EPWRF, this series is spliced with earlier GSDP series to generate the long time series; iii. National GDP is the National Gross Domestic Product of India at current market prices; iv. This series has been spliced with earlier GDP series to generate the long time series.

Sectoral Gross State Value Added (GSVA): Jharkhand vis-à-vis rest of India (FY2021-22)

- According to official estimates for FY 2021-22, Services sector contributes 43.5 percent share to the GSVA in Jharkhand, while the States' average stands at 51 percent. Within the services sector, the largest contributors are Trade, Hotels, and Restaurants (11.7 percent); Real Estate, Ownership of Dwellings and Business Services (8.4 percent); and Transport, Storage and Communication (7.8 percent).
- For FY 2021-22, the Industry sector has a 38.2 percent share of Jharkhand's GSVA, whereas the States' average stands at 29.3 percent. This sector is primarily driven by Manufacturing (20.8 percent), Construction (9.1 percent) and Mining and Quarrying (6.1 percent) with minor contribution from Electricity (2.2 percent).
- For FY 2021-22, Jharkhand's Agriculture sector is 18.2 percent of its GSVA, lower than the States' average of 19.7 percent.
- For FY 2021-22, Jharkhand ranks 23rd out of 33 States and UTs in its share of GSVA in the Services sector (43.5 percent) but ranks 9th in its share of GSVA in the Industry Sector (38.2 percent).

Note: Gross State Value Added (GSVA) is defined as the sum of the value added by each of the sectors under agriculture, industry, and services. This series currently is available at basic prices with 2011-12 base and it can be spliced with the earlier GSVA series to obtain the long-time series for this variable.

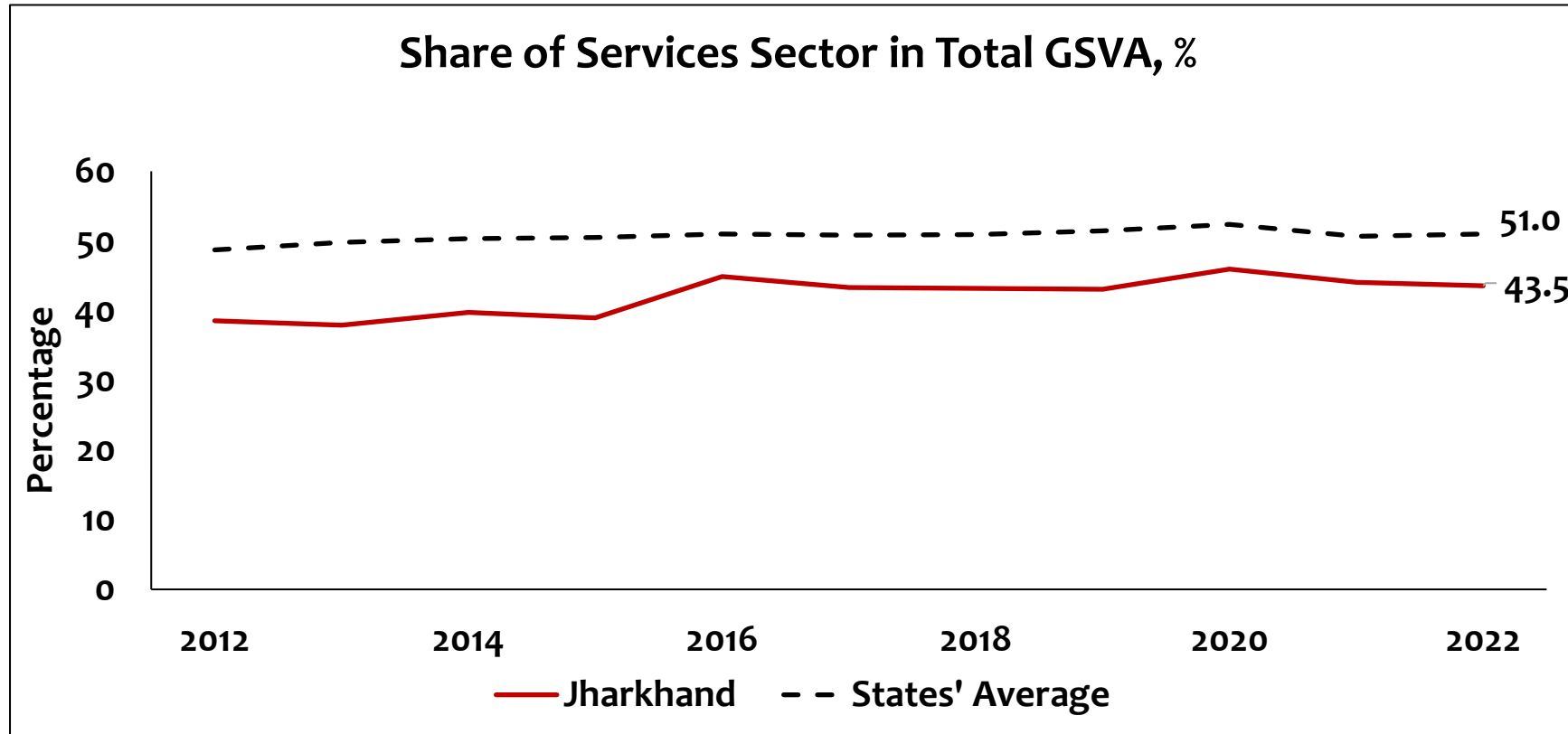
Agriculture sector's share of GSVA has remained below the average share of States for most years (barring 2015), while Industry sector's share in GSVA has consistently been above the average share of States



Source: MoSPI, as of August 2023.

Note: i. States' average refers to a simple average of the shares of 33 States and UTs; ii. Nominal variables have been used to calculate the shares; iii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iv. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water.

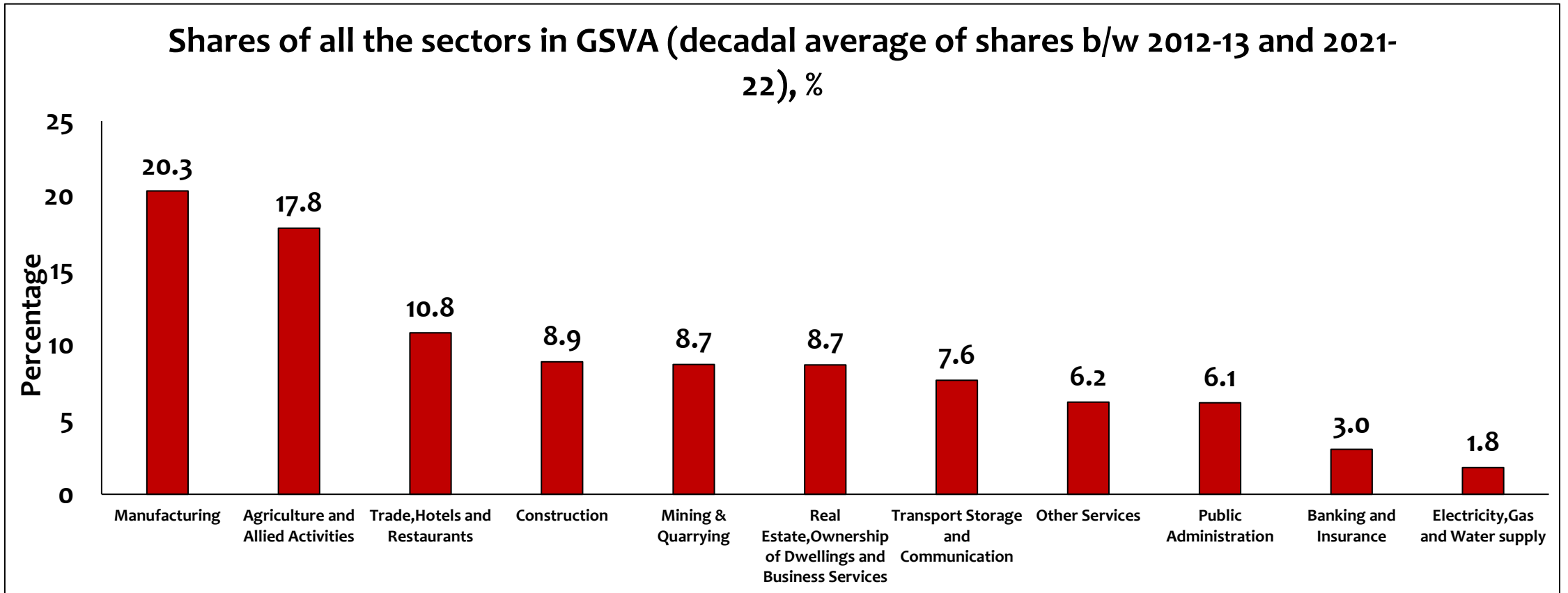
Jharkhand's share of Services sector in its total GSVA has consistently been lower than the average share of all States



Source: MoSPI, as of August 2023.

Note: i. States' average refers to a simple average of the shares of 33 States and UTs; ii. Nominal variables have been used to calculate the shares. iii. Services include Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

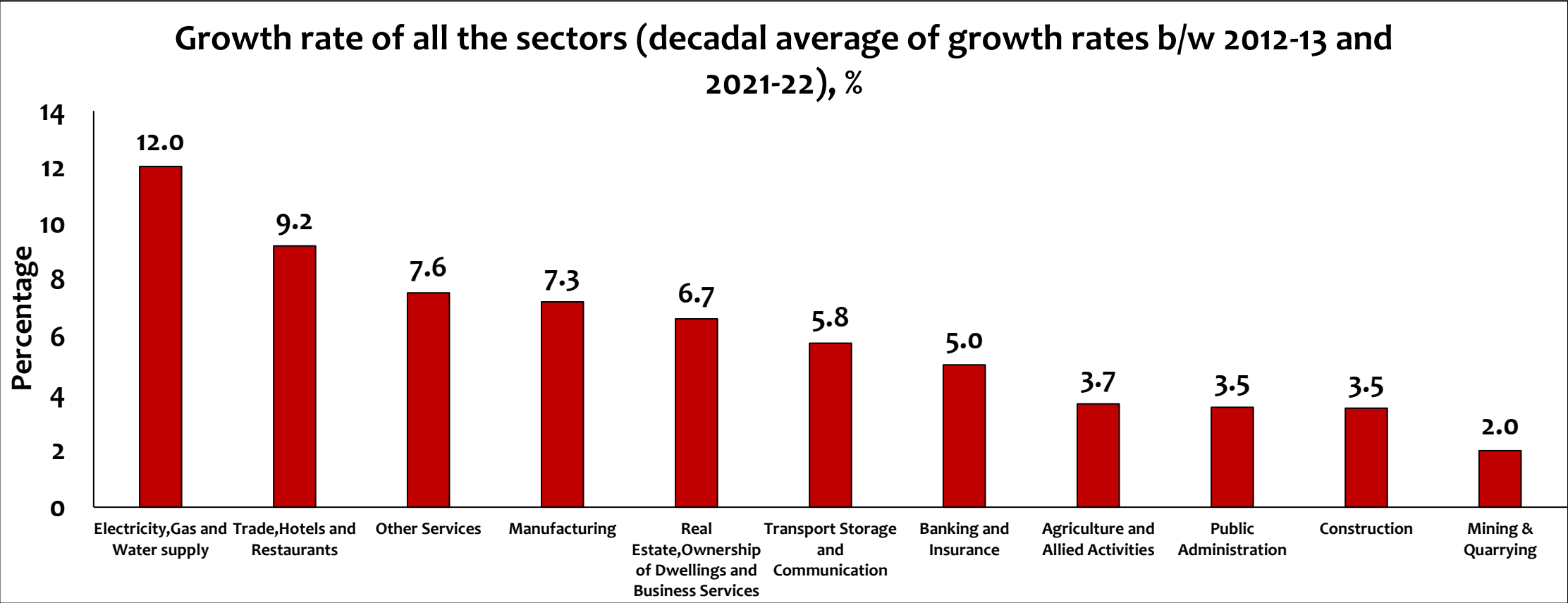
Among all major sectors, the Manufacturing sector has the largest share in GSVA during the past 10 years



Source: MoSPI, as of August 2023.

Note: i. Nominal variables have been used to calculate the shares; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Out of all major sectors, the Electricity, Gas and Water supply sector has shown the highest growth in GSVA during the last decade



Source: MoSPI, as of August 2023.

Note: i. Real variables have been used to calculate the shares; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services include Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Table 2C: Jharkhand's Sectoral Growth Rates and Decadal Averages

Sector	Latest Annual Growth Rate (2019-20)	Decadal Average of Growth rates (b/w 2010-11 and 2019-20)	Decadal Average of Growth rates for India (b/w 2010-11 and 2019-20)
Agriculture	0.02%	5.6%	4.0%
Industry	-4.1%	5.4%	5.0%
Manufacturing	-9.5%	6.6%	6.0%
Services	6.7%	8.3%	8.0%
GVA	1.1%	6.4%	6.4%
GDP	1.1%	6.6%	6.6%

Source: MoSPI, as of August 2023. Back series with 2011-12 base has been taken from EPWRF

Note: i. Real variables have been used to calculate the growth rate; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services include Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Table 2D: Jharkhand's Sectoral Growth Rates and Decadal Averages

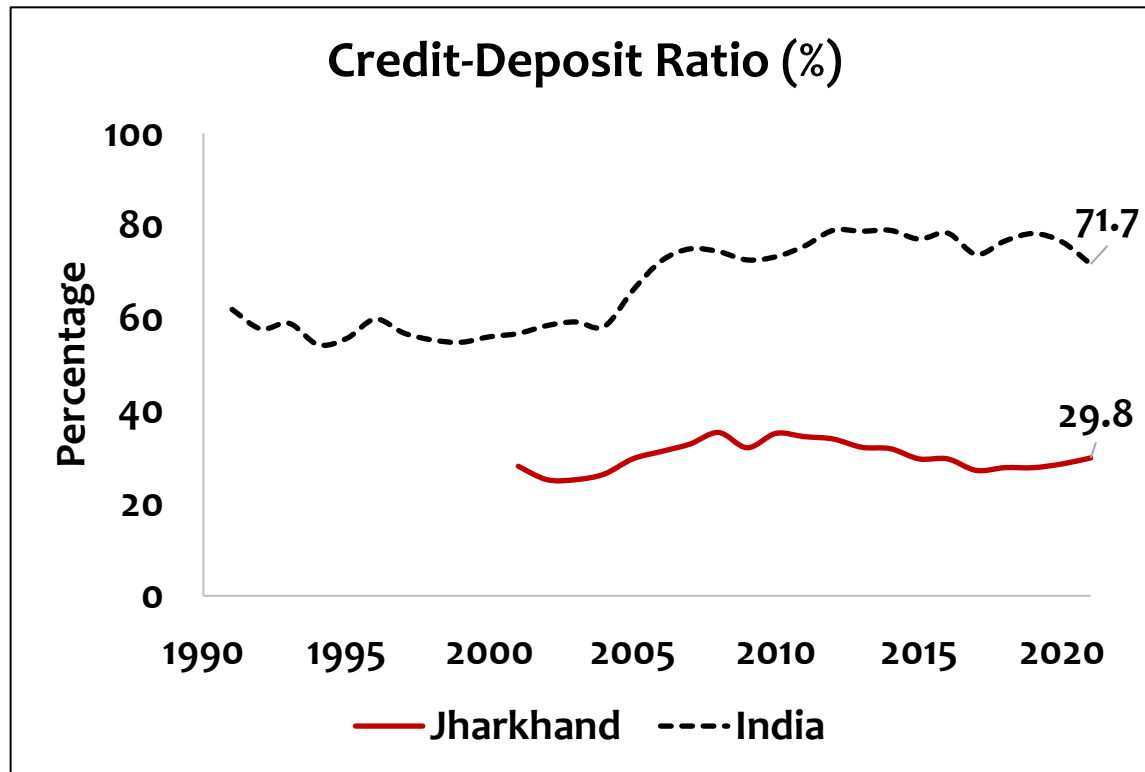
Sector	Latest Annual Growth Rate (2022-23)	Average of Growth rates (b/w 2018-19 and 2022-23)	Decadal Average of Growth rates (b/w 2013-14 and 2022-23)	Decadal Average of Growth rate for India (b/w 2013-14 and 2022-23)
Agriculture	10.1%	2.9%	4.1%	4.1%
Industry	4.3%	5.8%	4.2%	5.2%
Manufacturing	2.9%	6.2%	5.6%	5.5%
Services	8.0%	5.1%	6.4%	6.6%
GSVA	6.7%	5.0%	4.9%	5.7%
GSDP	6.8%	4.5%	5.0%	5.8%

Source: MoSPI, as of March 2024. Back series with 2011-12 base has been taken from EPWRF.

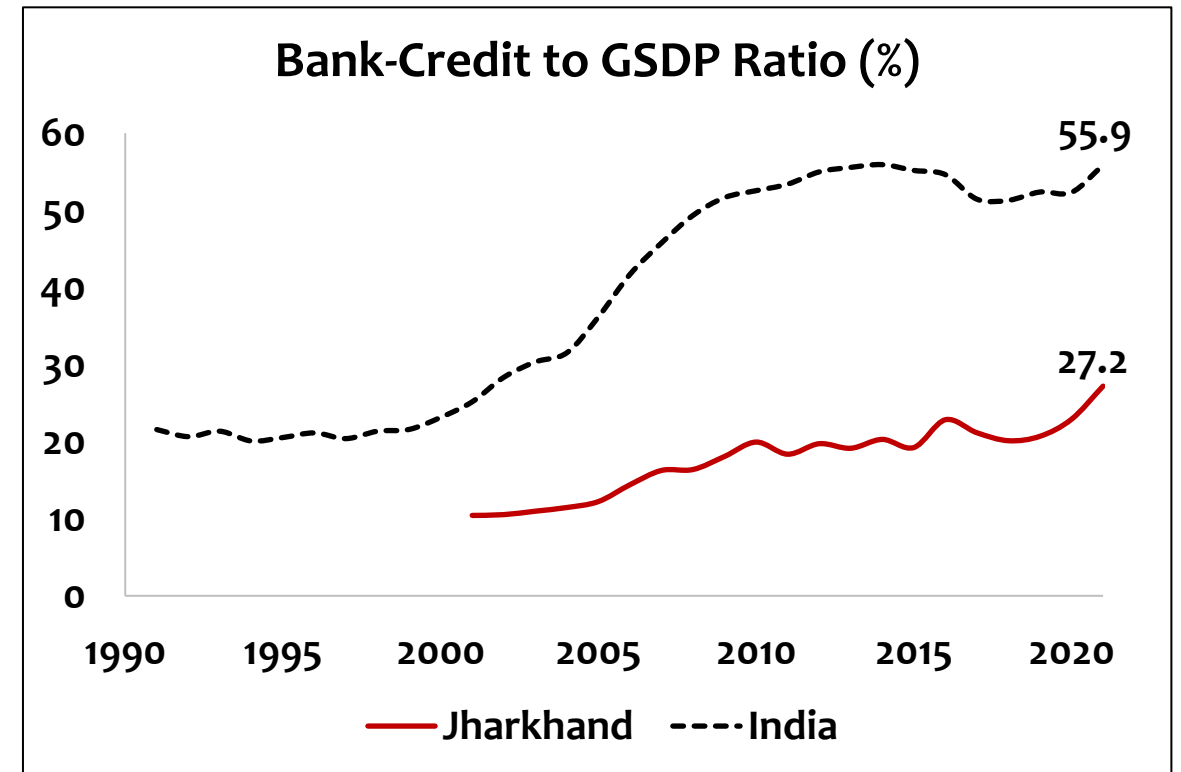
Note: i. India's GVA has been calculated taking a simple sum of the three sectors; ii. Real variables have been used to calculate the growth rate; iii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iv. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; v. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Jharkhand's Credit-Deposit Ratio is much lower than the all-India estimate, with an over 30 percent point difference with it as of 2021. Jharkhand's Credit to GSDP Ratio is also much lower than the all-India figure, with an over 25 percent point difference with it as of 2021

Indicators	Most Recent Value	Year	Decadal Change (b/w 2011-12 & 2020-21)	India
Credit - Deposit Ratio (%)	29.8%	2020-21	-4.1% points	71.7%
Credit - GSDP Ratio (%)	27.2%	2020-21	+7.5% points	55.9%



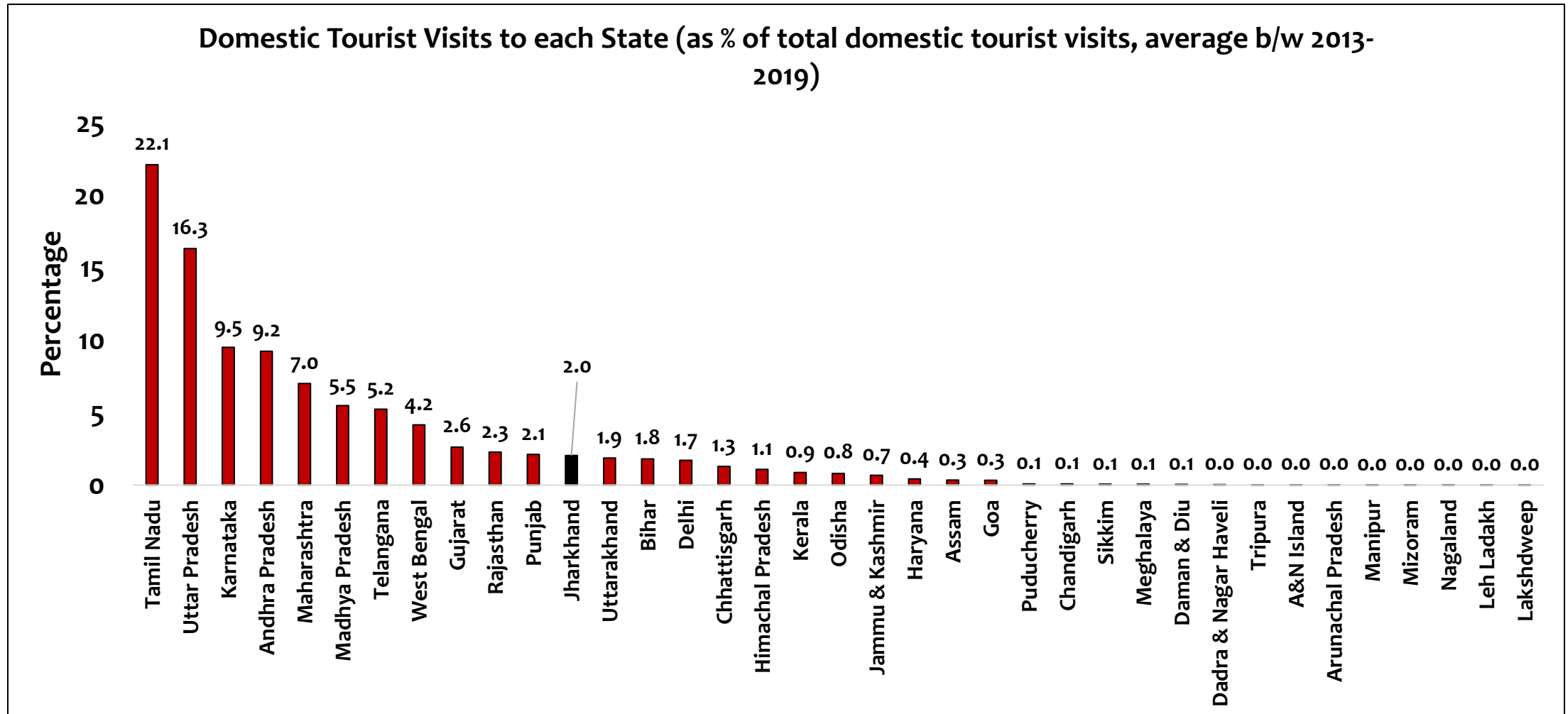
Source: Basic Statistical Returns (BSR) of Scheduled Commercial Banks, RBI (2020-21).
Note: India's numbers have been taken directly from the source.



Source: i. Bank-Credit: Basic Statistical Returns (BSR) of Scheduled Commercial Banks, RBI (2020-21); ii. GSDP: MoSPI (2020-21). Back series with 2011-12 base has been taken from EPWRF.

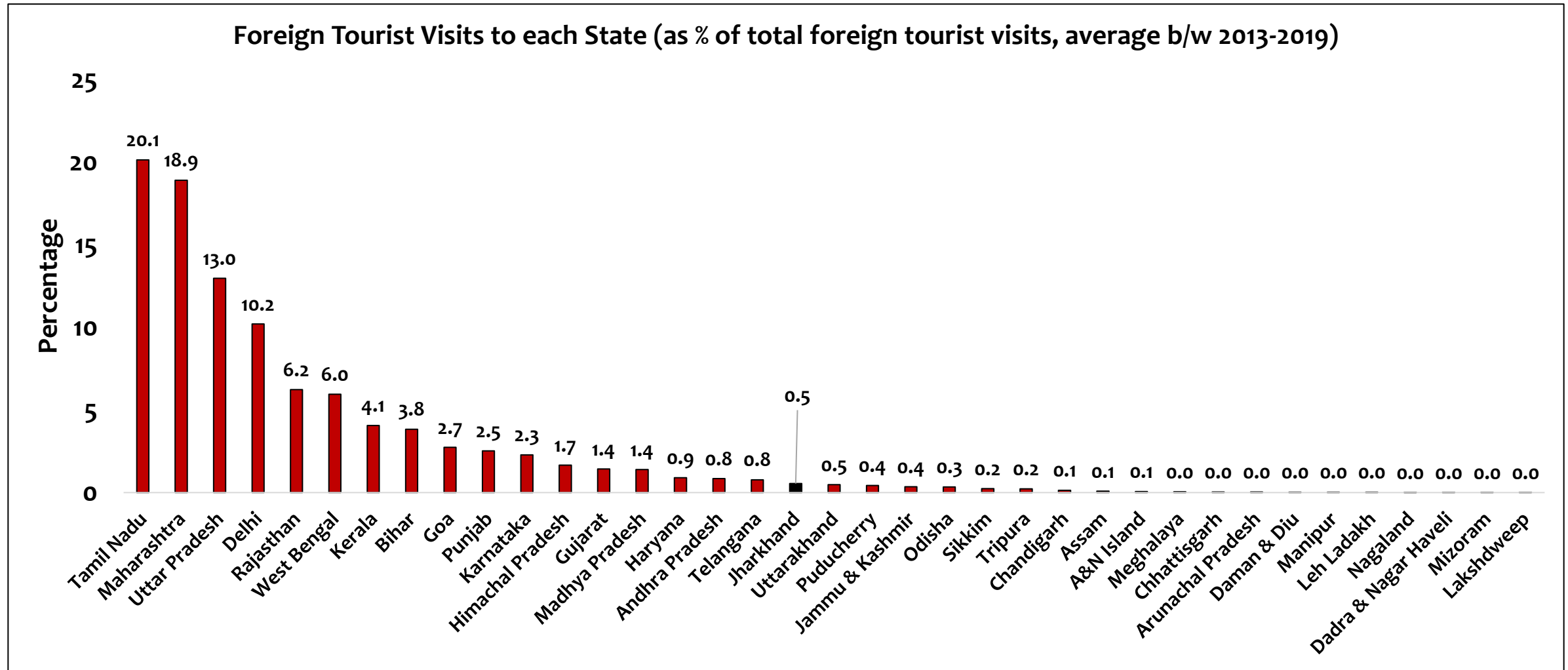
Note: The Credit variable used is Credit Outstanding as per Sanction.

Jharkhand holds an average 2 percent share of total Domestic Tourist Visits between 2013 - 2019



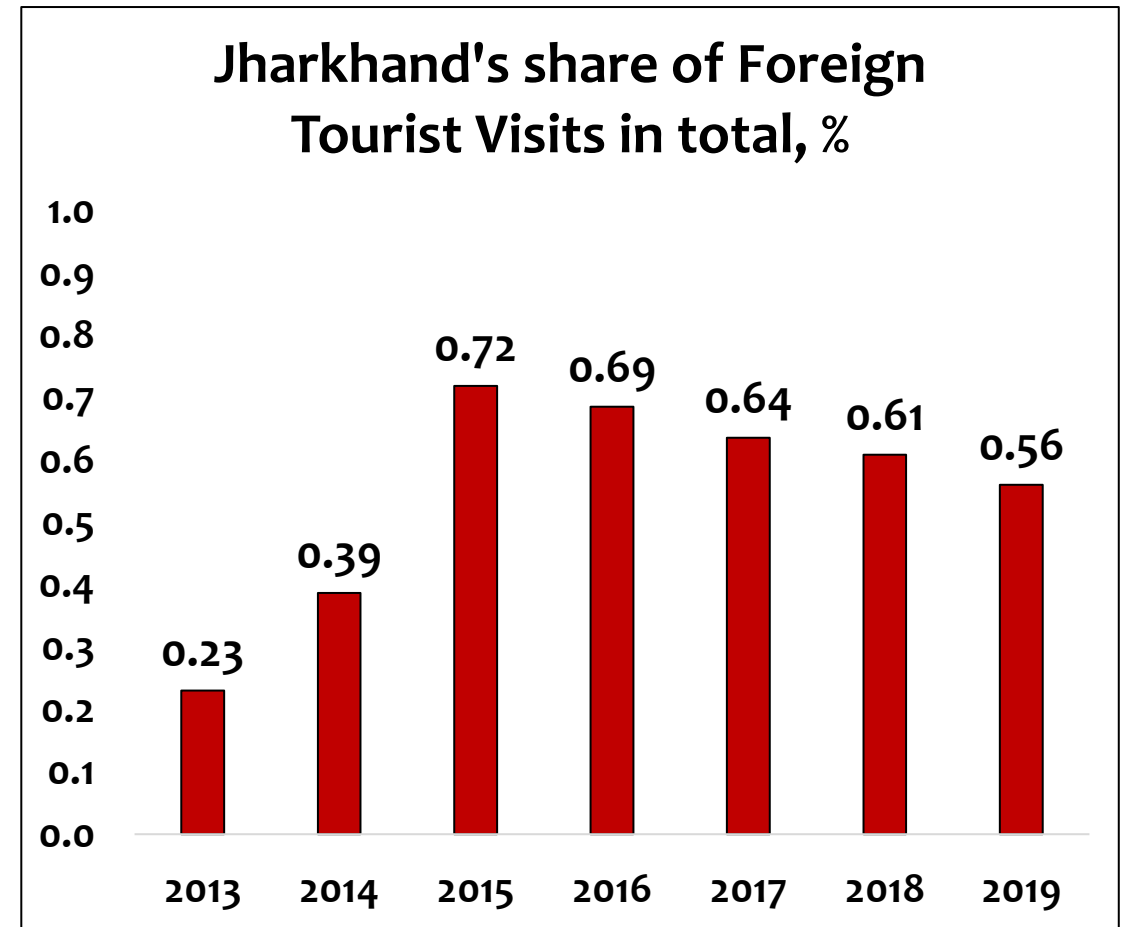
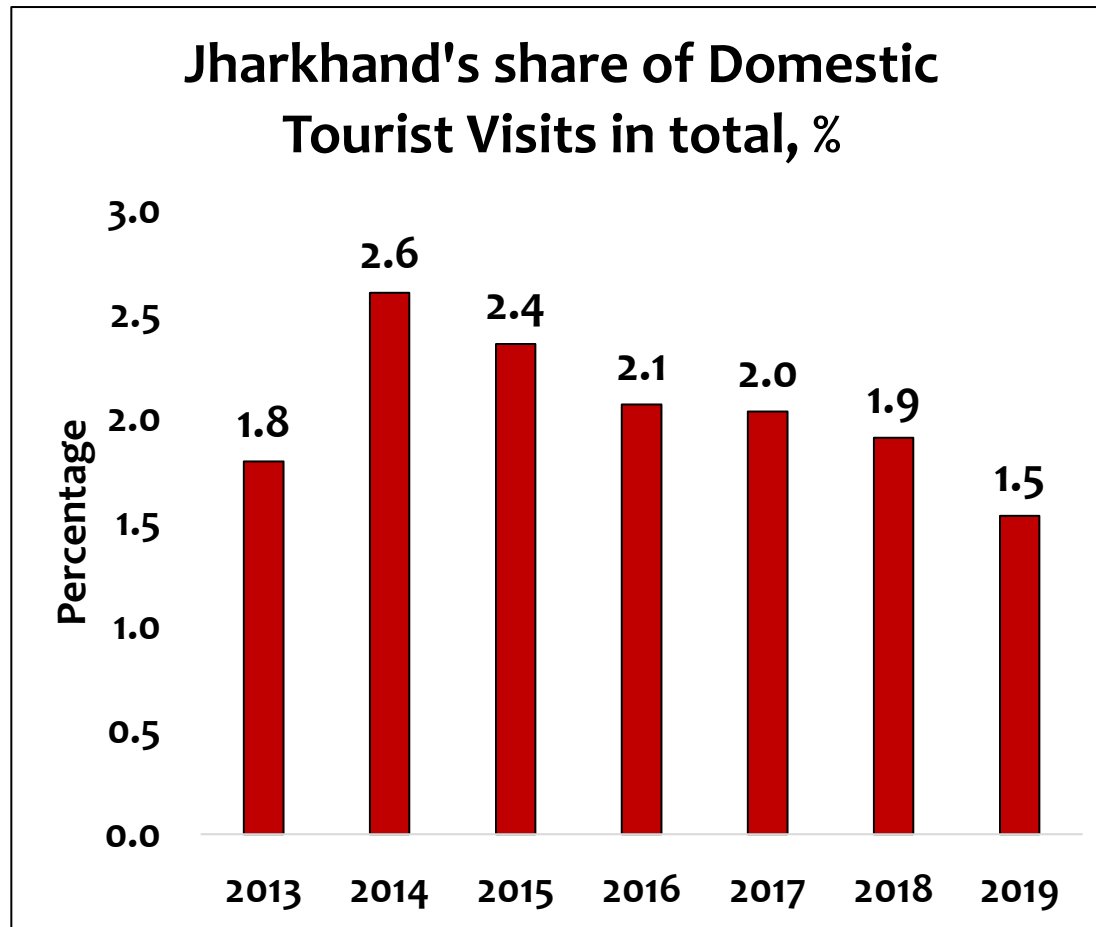
Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019).

Jharkhand holds an average 0.5 percent share of total Foreign Tourist Visits between 2013 - 2019



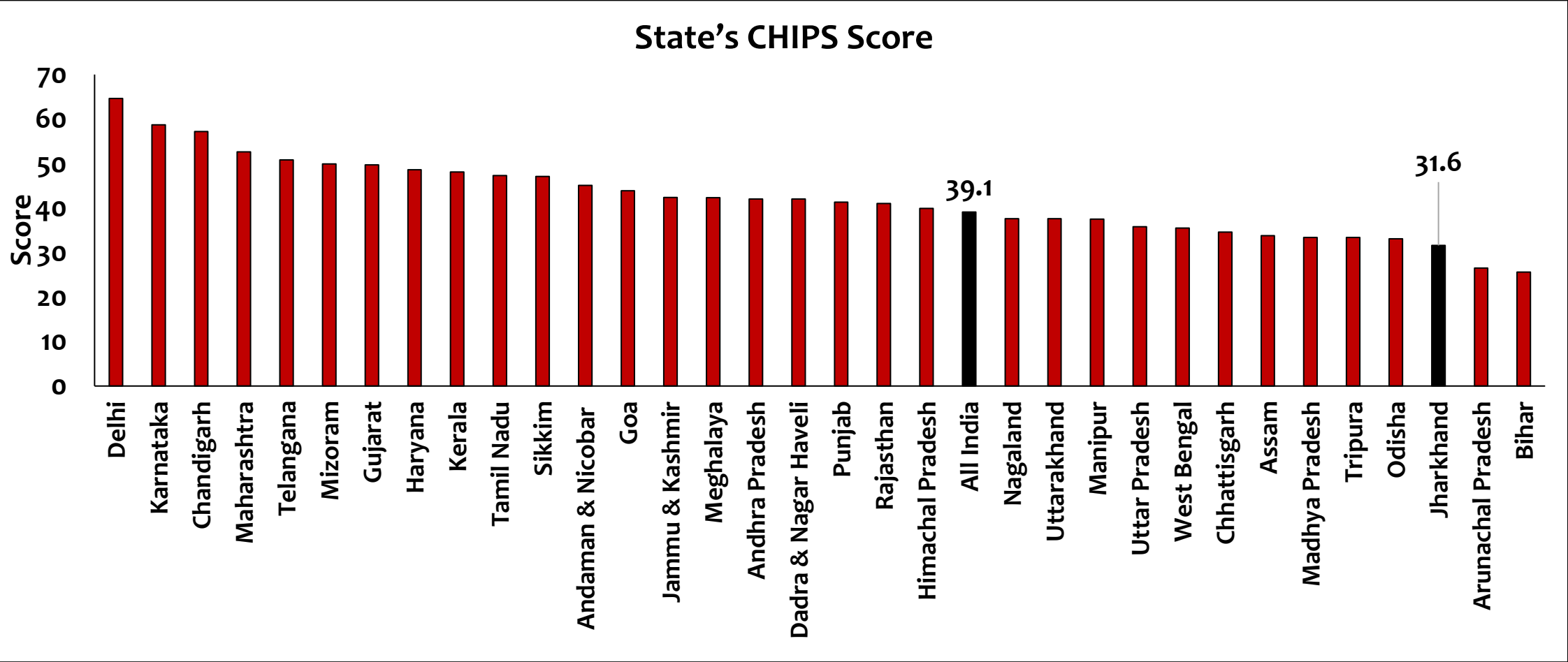
Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019).

Domestic and Foreign Tourist Visits over the years in Jharkhand



Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019).

Jharkhand's CHIPS (Connect, Harness, Innovate, Protect and Sustain) score ranks third from the bottom among all the States



Source : The State of India's Digital Economy Report 2024 by Indian Council for Research on International Economic Relations (ICRIER).
Note: 50 indicators have been used to measure the CHIPS score.

4. Socio-Economic Indicators (Education and Health)

- School Education data covers the period 2012-13 to 2016-17;
- Higher Education data covers the period 2012 to 2021;
- Health data covers the period 2011 – 2020 (SRS) and 1992-93 to 2019-21 (NFHS)

Table 3A: Education Indicators for Jharkhand

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
Literacy Rate	66.4% (2011)	73.0%	+12.8% points (b/w 2001 & 2011)	Census of India
Drop-Out Rates (Class X)	52.5% (2016-17)	35.2%	+14.6% points (b/w 2013-14 & 2016-17)	U-DISE
Drop-Out Rates (Class VIII-X)	36.6% (2016-17)	21.1%	+18.1% points (b/w 2014-15 & 2016-17)	U-DISE
Students passing Board Examinations (Class X)	99.4% (2016-17)	86.1%	+17.8% points (b/w 2012-13 & 2016-17)	U-DISE
Student passing Board Examinations (Class XII)	94.1% (2016-17)	87.3%	+13.8% points (b/w 2012-13 & 2016-17)	U-DISE
Gross Enrolment Ratio (Higher Secondary)	48.3% (2015-16)	56.2%	+22.3% points (b/w 2012-13 & 2015-16)	U-DISE
Gross Enrolment Ratio (Higher Education)	17.0% (2021)	27.3%	+7.1% points (b/w 2012 & 2021)	AISHE
Gender Parity Index (Higher Education)	1.06 (2021)	1.05	+0.13 points (b/w 2012 & 2021)	AISHE
Colleges per 100,000 population	9 (2021)	31	+2.5 points (b/w 2012 & 2021)	AISHE

Note: i. Indicators for Higher Education are based on the population of the age group 18-23 years; ii. India number has been taken directly from the source; iii. Decadal changes are across a period of 10 years unless data is available for a lesser period; iv. All years represent corresponding survey years.

Table 3B: Health Indicators for Jharkhand

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
Infant Mortality Rate	25 deaths per 1000 live births (2020)	28 deaths per 1000 live births	39 deaths per 1000 live births (2011)	Sample Registration System
Total Fertility Rate	2.3 children per woman (2019-21)	2 children per woman	3.3 children per woman (2005-06)	NFHS
Life Expectancy	69.6 years (2020)	70 years	+3.0 years (b/w 2014 and 2020)	Sample Registration System
Children Fully Immunized	73.9% (2019-21)	76.4%	+39.7% points	NFHS
Households with Access to Improved Drinking Water Source	86.8% (2019-21)	95.9%	+29.8% points	NFHS
Households with Access to Electricity	93.8% (2019-21)	96.5%	+53.6% points	NFHS
Households with Access to Sanitation Facilities	55.4% (2019-21)	69.3%	+40.3% points	NFHS

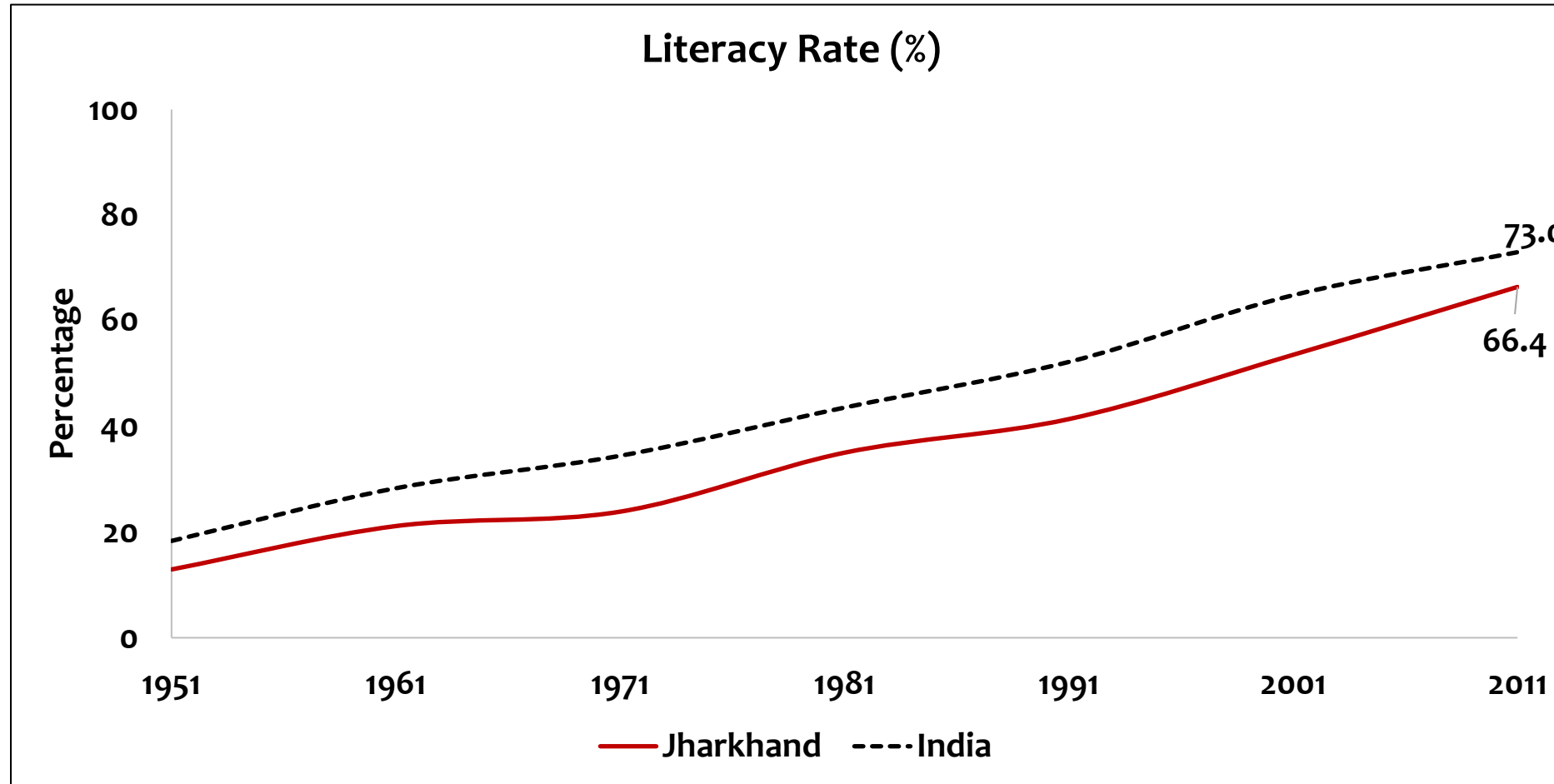
Note: i. Decadal change for NFHS variables taken from NFHS-V (2019-21) to NFHS-III (2005-06); ii. The number for India has been taken directly from the source; iii. All years represent corresponding survey years.

Table 3C: Other Socio-Economic Indicators for Jharkhand

Indicator	Most Recent Value	India Value	Decadal Change	Source
Pupil-Teacher Ratio: Elementary	28 (2016-17)	25	-20 points (b/w 2006-07 & 2016-17)	U-DISE
Pupil-Teacher Ratio: Higher Secondary	83 (2016-17)	31	-65 points (b/w 2012-13 & 2016-17)	U-DISE
Pupil-Teacher Ratio: Higher Education	54 (2018-19)	24	32 points (b/w 2008-09 & 2018-19)	AISHE
Underweight Children	39.4 % (2019-21)	32.1%	-17.1 % points (b/w 2005-06 and 2019-21)	NFHS
Stunting Among Children	39.6 % (2019-21)	35.5%	-10.2 % points (b/w 2005-06 and 2019-21)	NFHS
Anaemia Among Children	67.4 % (2019-21)	67.1%	-2.9 % points (b/w 2005-06 and 2019-21)	NFHS
Anaemia Among Women	65.3 % (2019-21)	57.0%	-4.2 % points (b/w 2005-06 and 2019-21)	NFHS
Under 5 Mortality Rate	45.4 deaths per 1000 live births	41.9 deaths per 1000 live births	-47.6 deaths per 1000 live births (b/w 2005-06 and 2019-21)	NFHS
Infant Mortality Rate	37.9 deaths per 1000 live births	35.2 deaths per 1000 live births	-30.8 deaths per 1000 live births (b/w 2005-06 and 2019-21)	NFHS
Multidimensional Poverty Index (MPI)	0.13 (2019-21)	0.07	-0.07 points (b/w 2015-16 & 2019-21)	NFHS
Sustainable Development Goals (SDG) Index	62 (2023-24)	71	+12 points (b/w 2018-19 & 2023-24)	NITI Aayog

Note: i. Indicators for Higher Education are based on the population of the age group 18-23 years; ii. India number has been taken directly from the source; iii. Decadal change for NFHS variables taken from NFHS-III (2005-06) to NFHS-V (2019-21); iv. Infant Mortality Rate in Table 3B was defined using the SRS data and the Infant Mortality Rate defined here is based on the NFHS data; v. All years represent corresponding survey years.

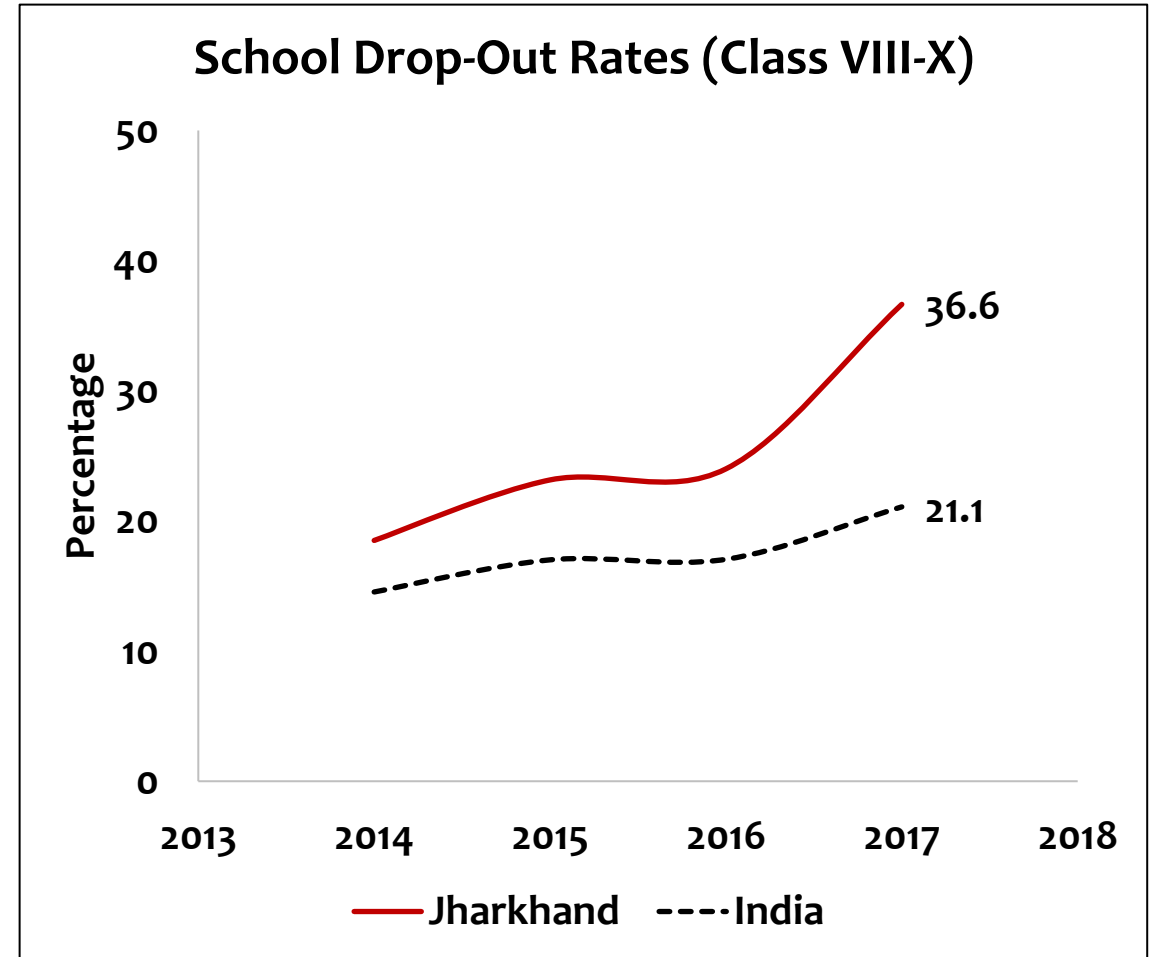
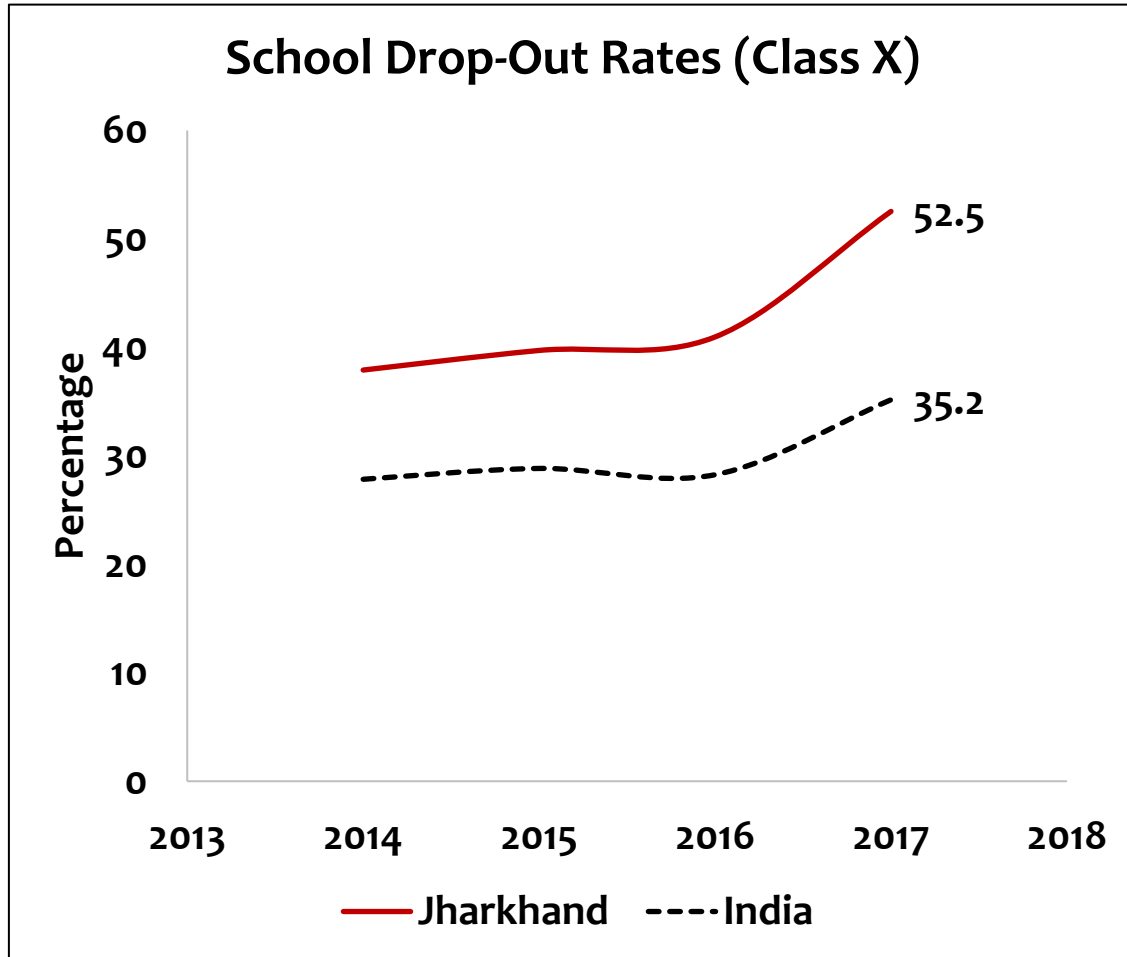
Jharkhand's Literacy Rate has increased rapidly over the decades but it has consistently remained below the national estimate



Source: Office of the Registrar General and Census Commissioner, Ministry of Home Affairs (1951 – 2011).

Note: i. India number has been taken directly from the source; ii. Census Literacy Rate relates to population aged seven years and above from 1981; iii. Back-casted number for Literacy Rates (before Jharkhand was created in 2000) are taken directly from the source.

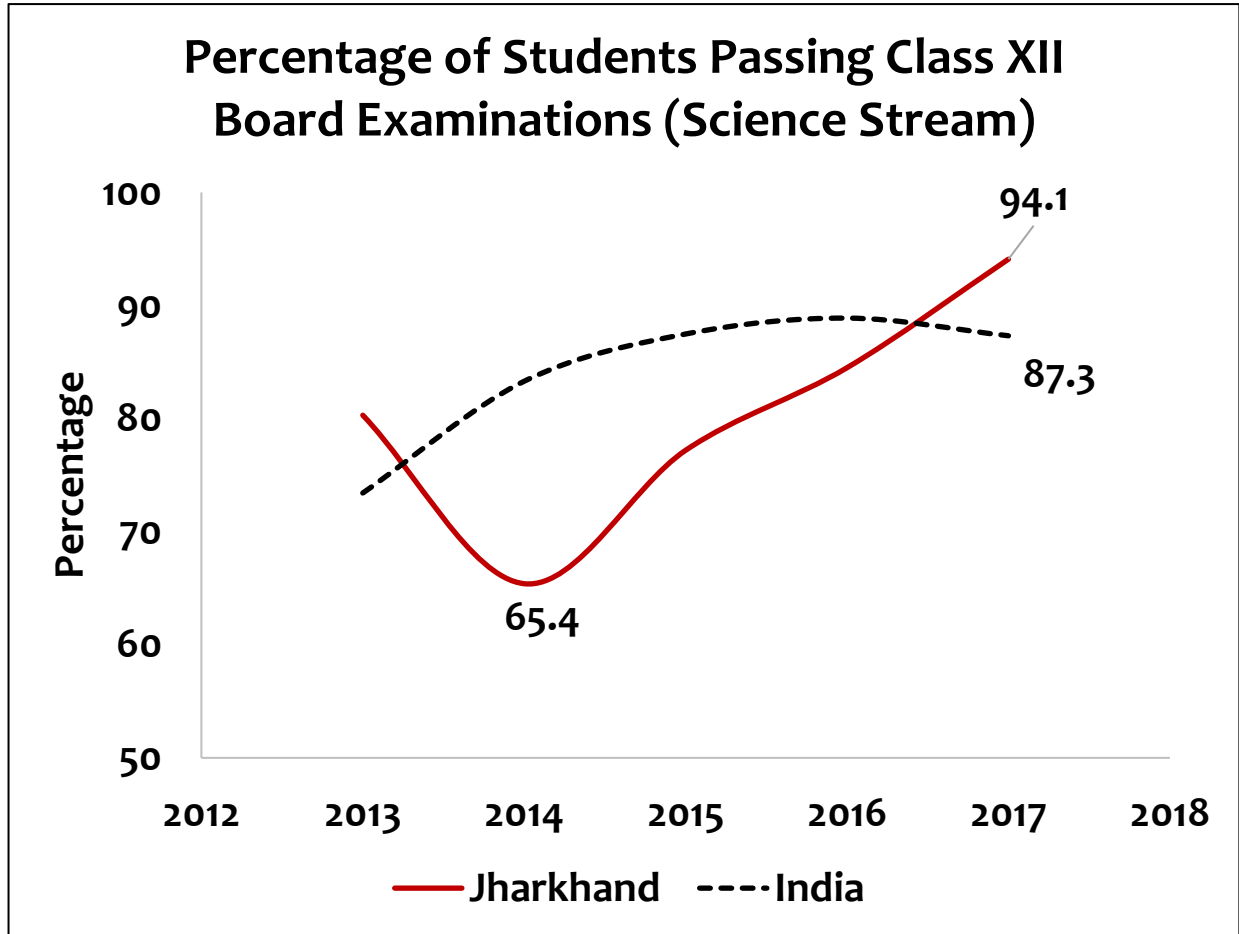
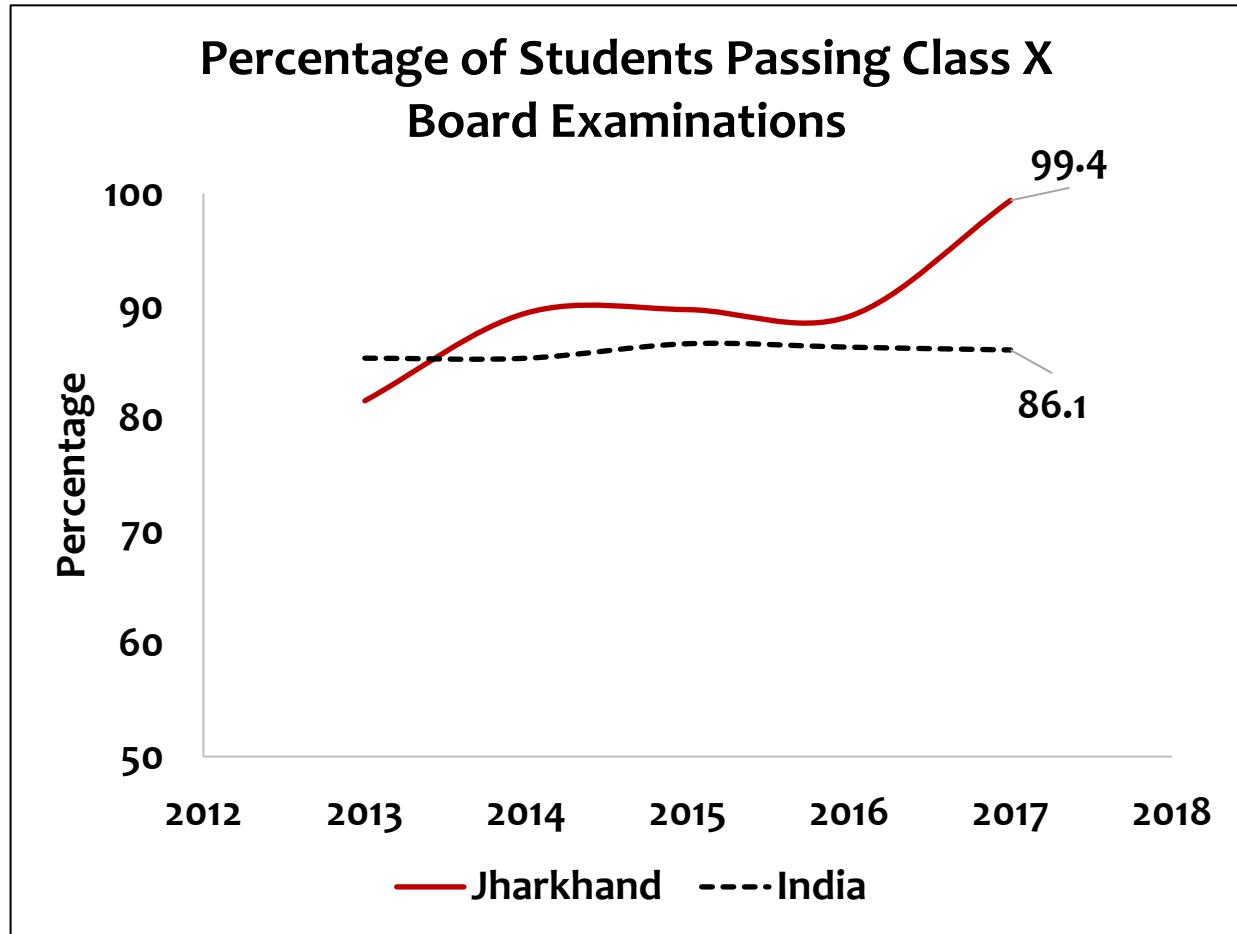
Jharkhand's school drop-out rates for Class X and for the secondary level (Classes VIII-X) have been higher than the national figures for the period from 2013-14 to 2016-17



Source: Unified District Information System for Education (U-DISE), 2015-16.

Note: i. Drop-Out Rate is defined as the proportion of pupils from a cohort enrolled in a given stage in a school year who are no longer enrolled in the following school year; ii. India number has been taken directly from the source.

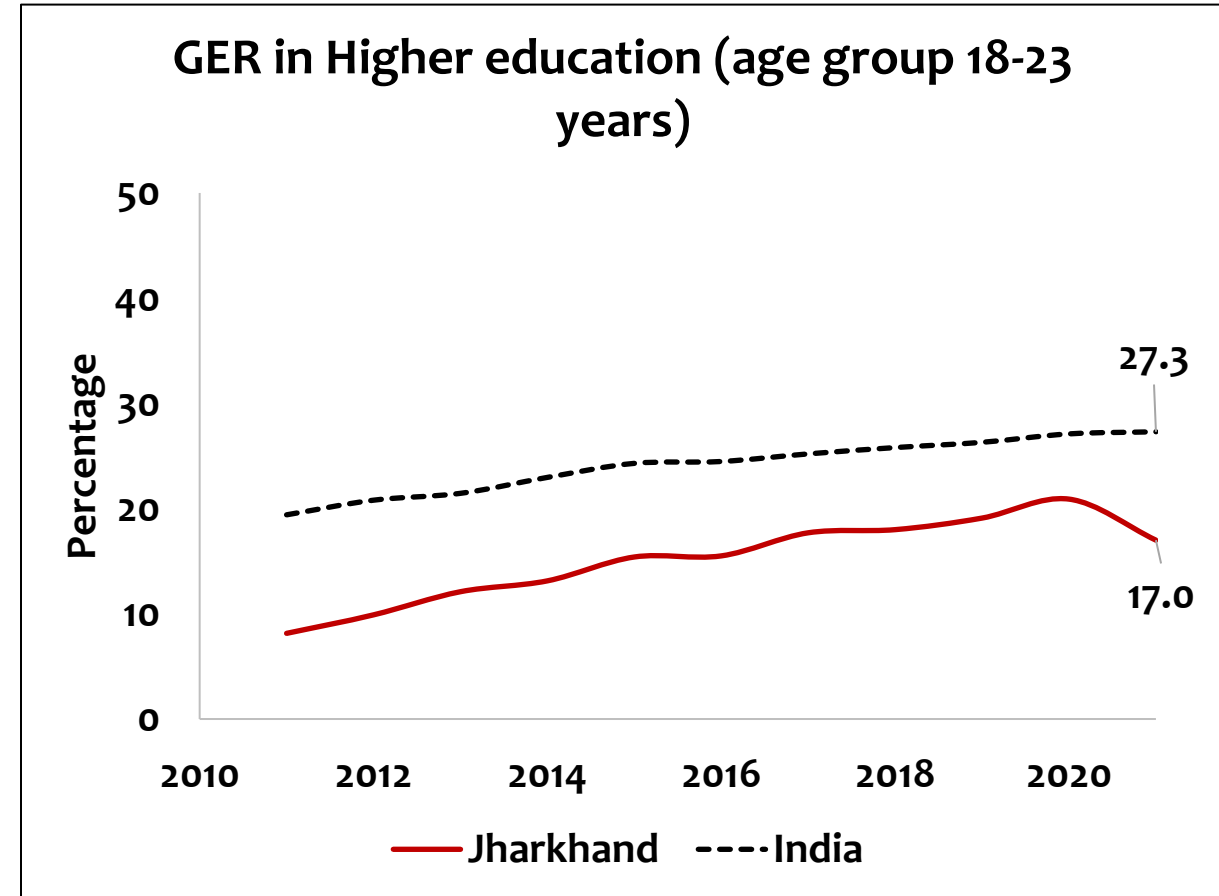
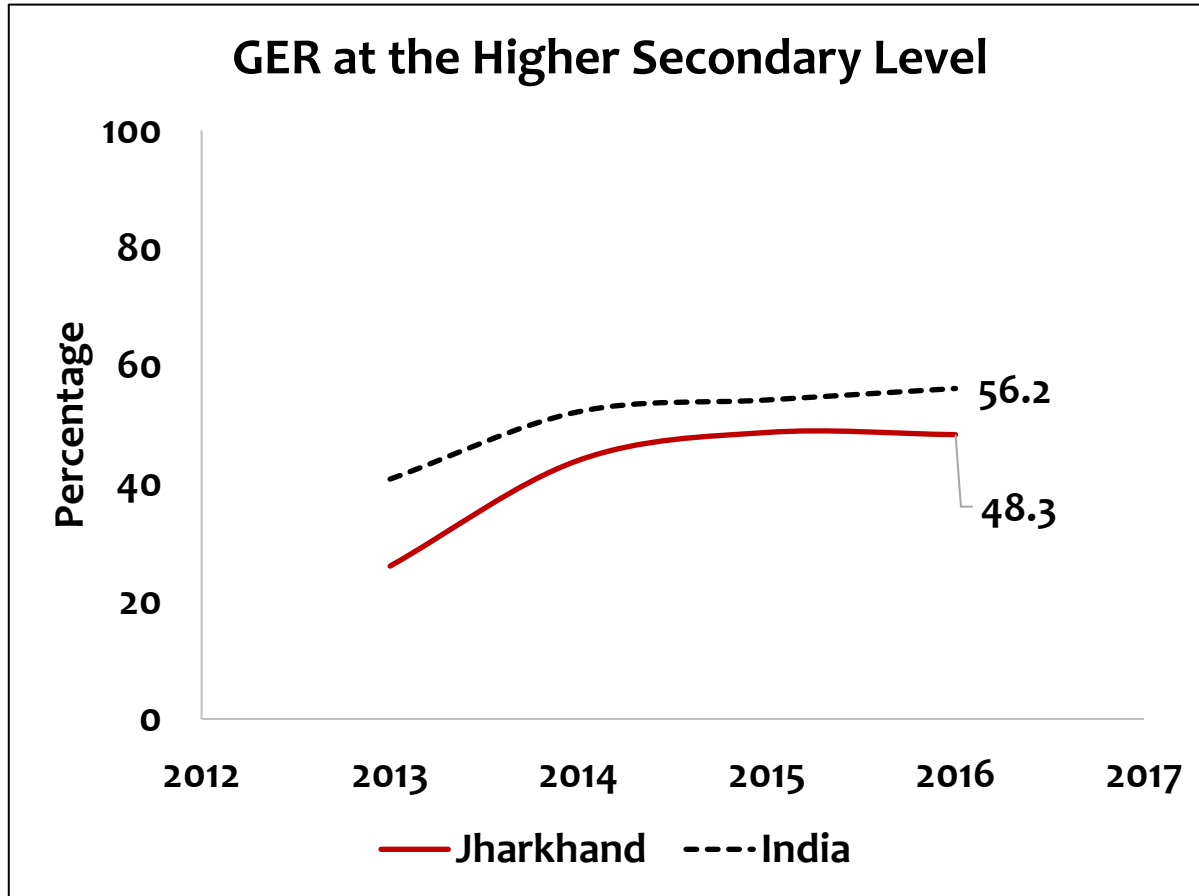
Share of students passing the Secondary (Class X) level examinations in Jharkhand is close to 100 percent as of 2016-17. The share of students passing the Higher Secondary (Class XII) level examinations has improved significantly and surpassed the national average in 2016-17



Source: Unified District Information System for Education (U-DISE), 2015-16.

Note: i. Percentages are a simple average of the pass percentages for boys and girls as reported separately; ii. India number has been taken directly from the source; iii. Pass percentages for Higher Secondary Level are reported separately by Stream (Science, Arts, Humanities, Vocational, Others).

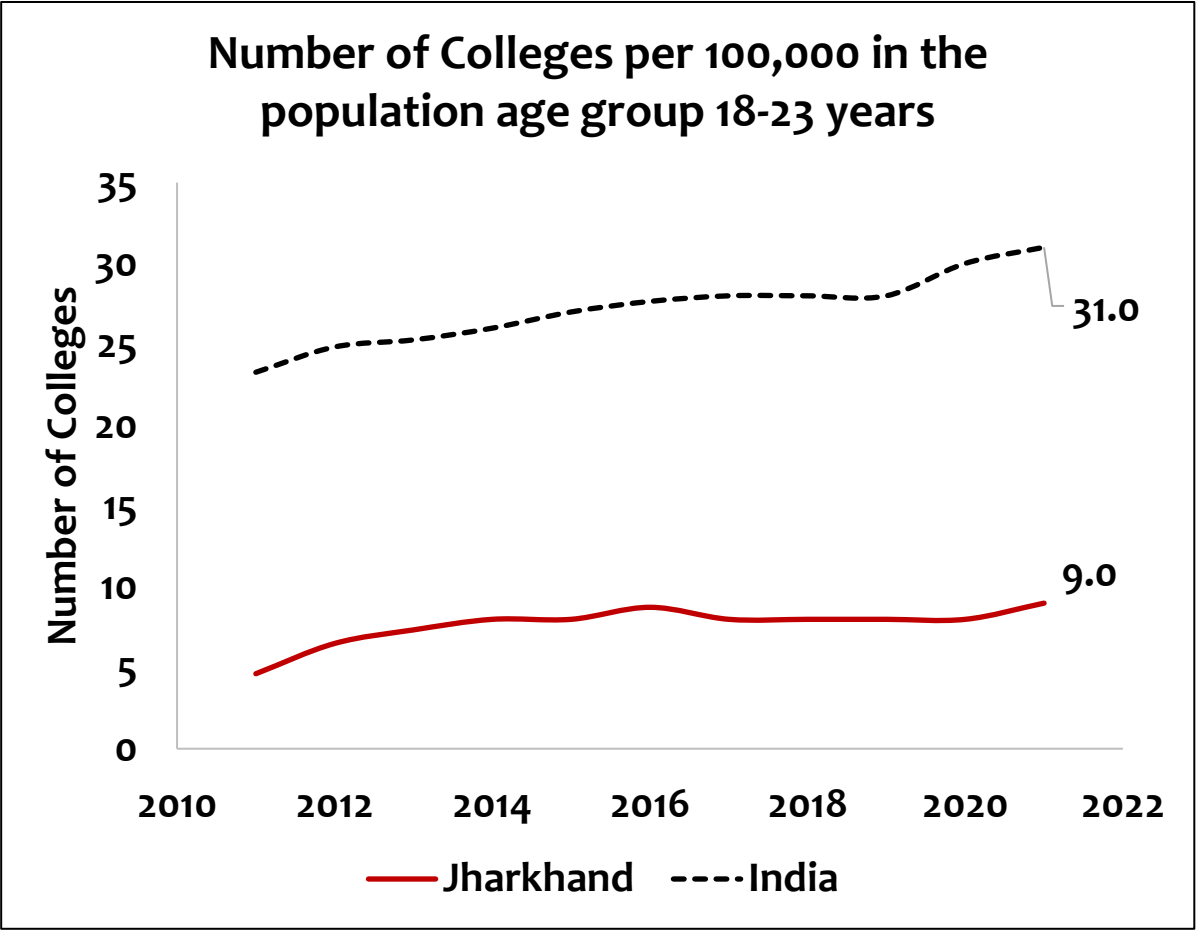
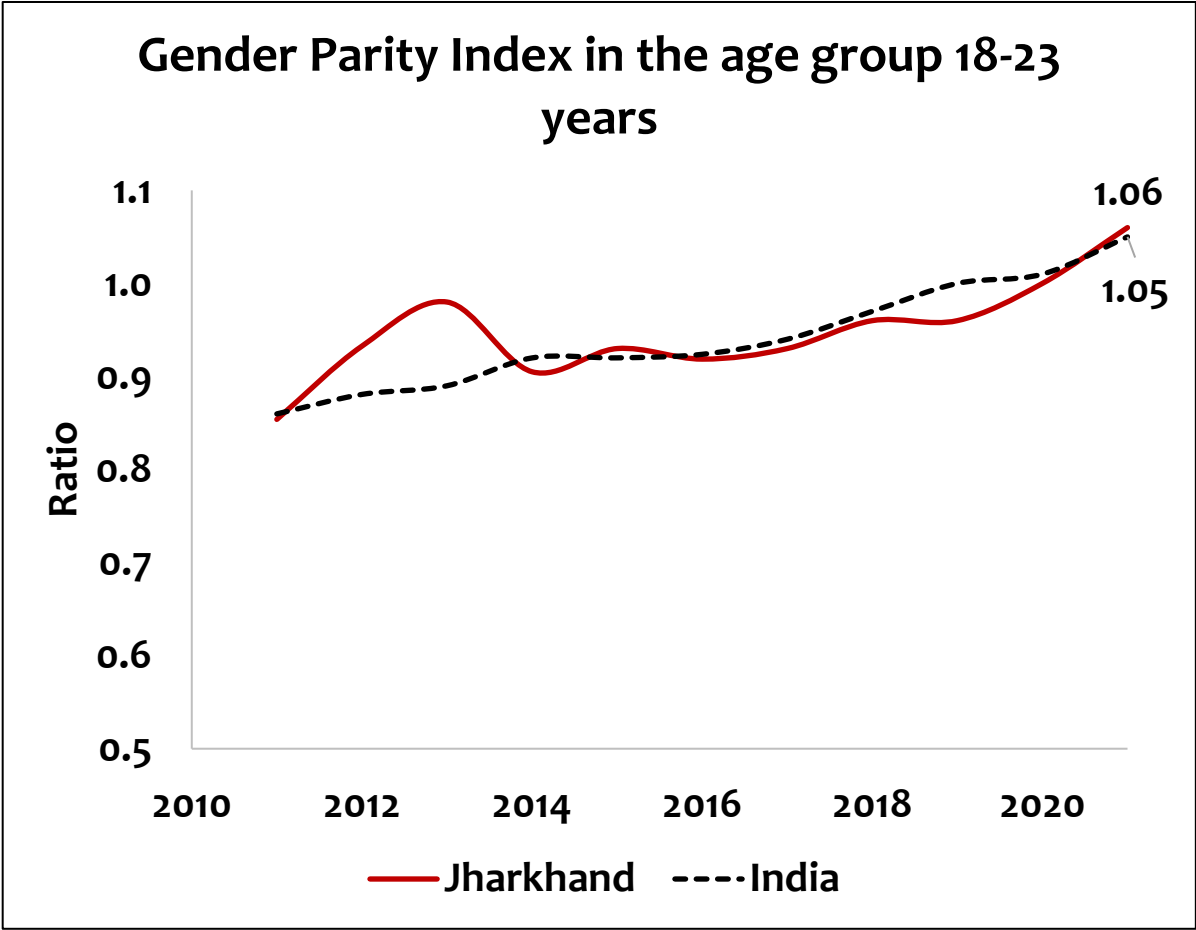
Jharkhand's Gross Enrolment Ratio (GER) at the Higher Secondary (Class XII) Level and in Higher Education (in the age group 18-23 years) have stayed below the national figures over their respective periods



Source: i. Unified District Information System for Education (U-DISE), 2015-16; ii. All India Survey on Higher Education (AISHE), 2020-21.

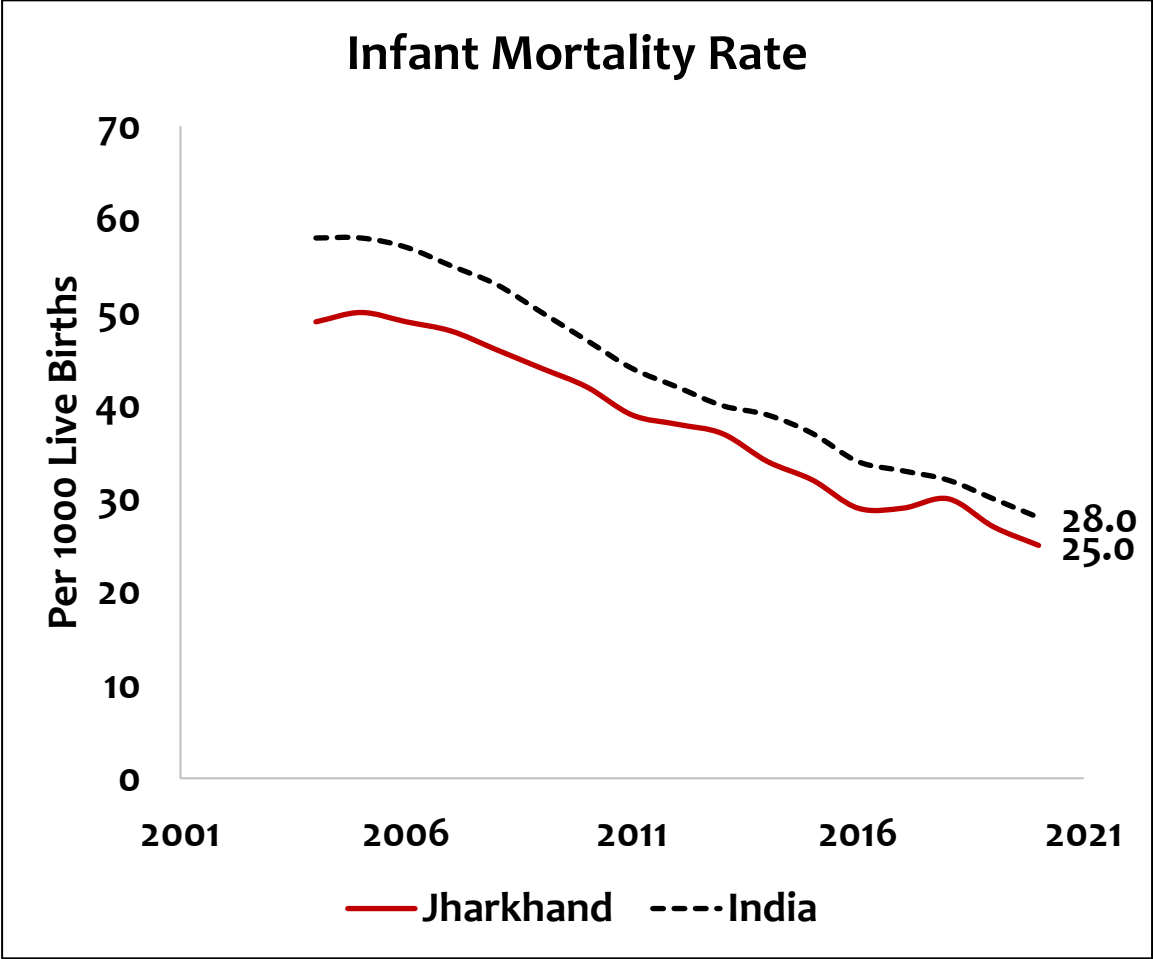
Note: i. GER is the total enrolment in a particular stage of education, regardless of age, expressed as a percentage of the official age-group of the population which corresponds to the given stage of education in a given year. It is the general level of participation per stage of education; ii. The Higher Education GER represents share of enrollees to the total population in the age group 18-23 years; iii. India number has been taken directly from the source.

In terms of Gender Parity Index (the share of girls to boys enrolled at Higher Education institutions in the age group 18-23 years), Jharkhand has been close to the national benchmark for much of the last decade. Jharkhand has significantly fewer colleges per 100,000 people in the age-group 18-23 years compared to the national average

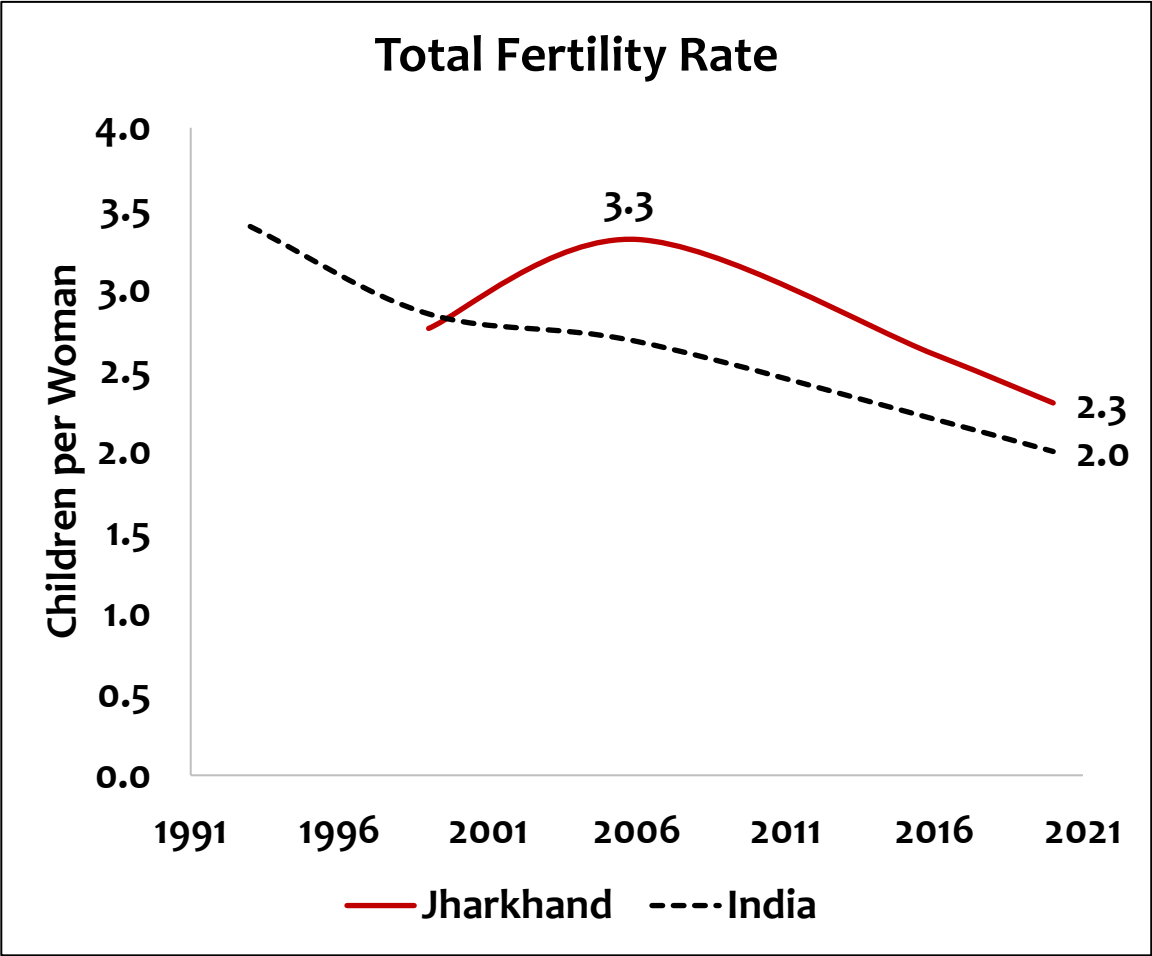


Source: All India Survey on Higher Education (AISHE), 2020-21
Note: The number for India has been taken directly from the source.

Jharkhand has seen a decline in Infant Mortality and Total Fertility Rates over their respective decades. It is in a better position than the national benchmark in terms of Infant Mortality rate but is in a slightly worse position in terms of Total Fertility Rate

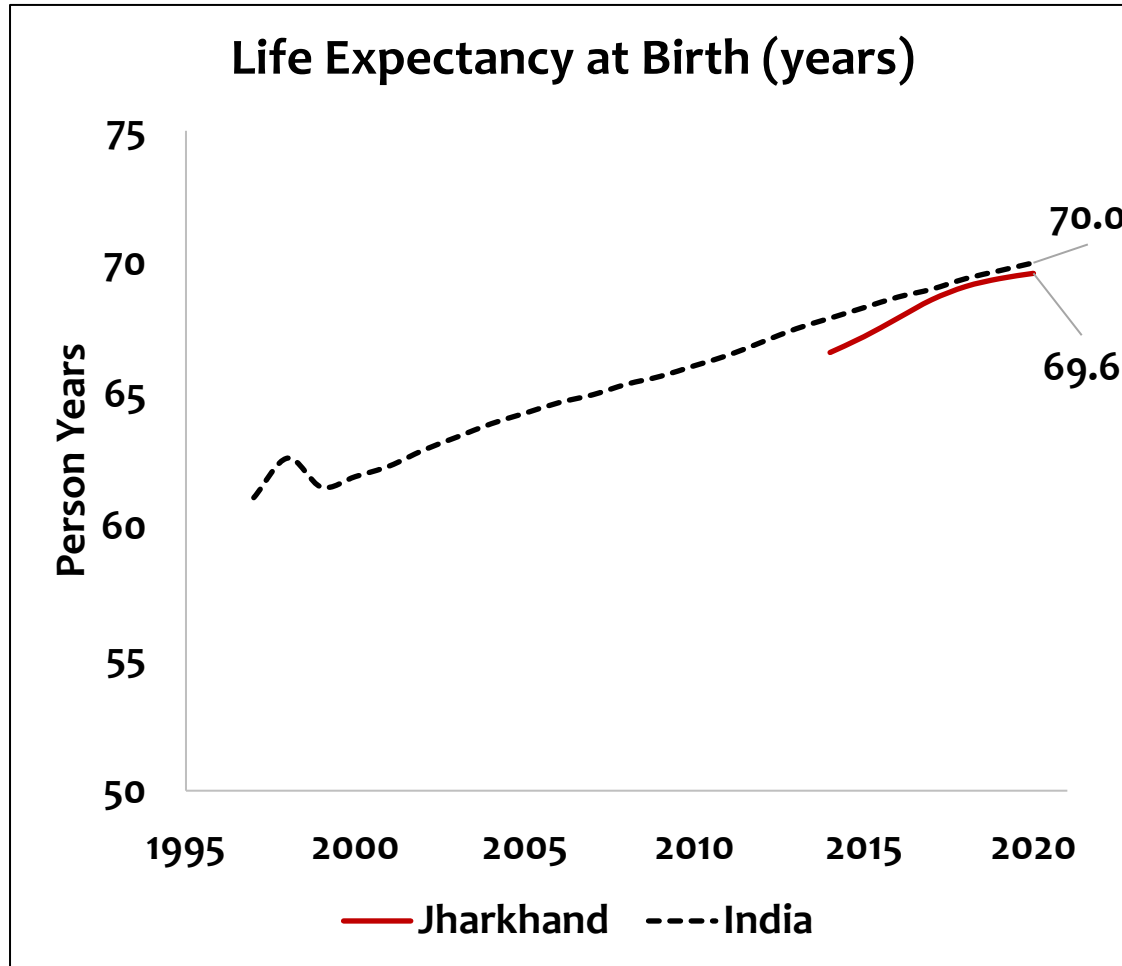


Source: Sample Registration System (SRS) Bulletin, Ministry of Home Affairs, 2020.
Note: India Number has been taken directly from the source

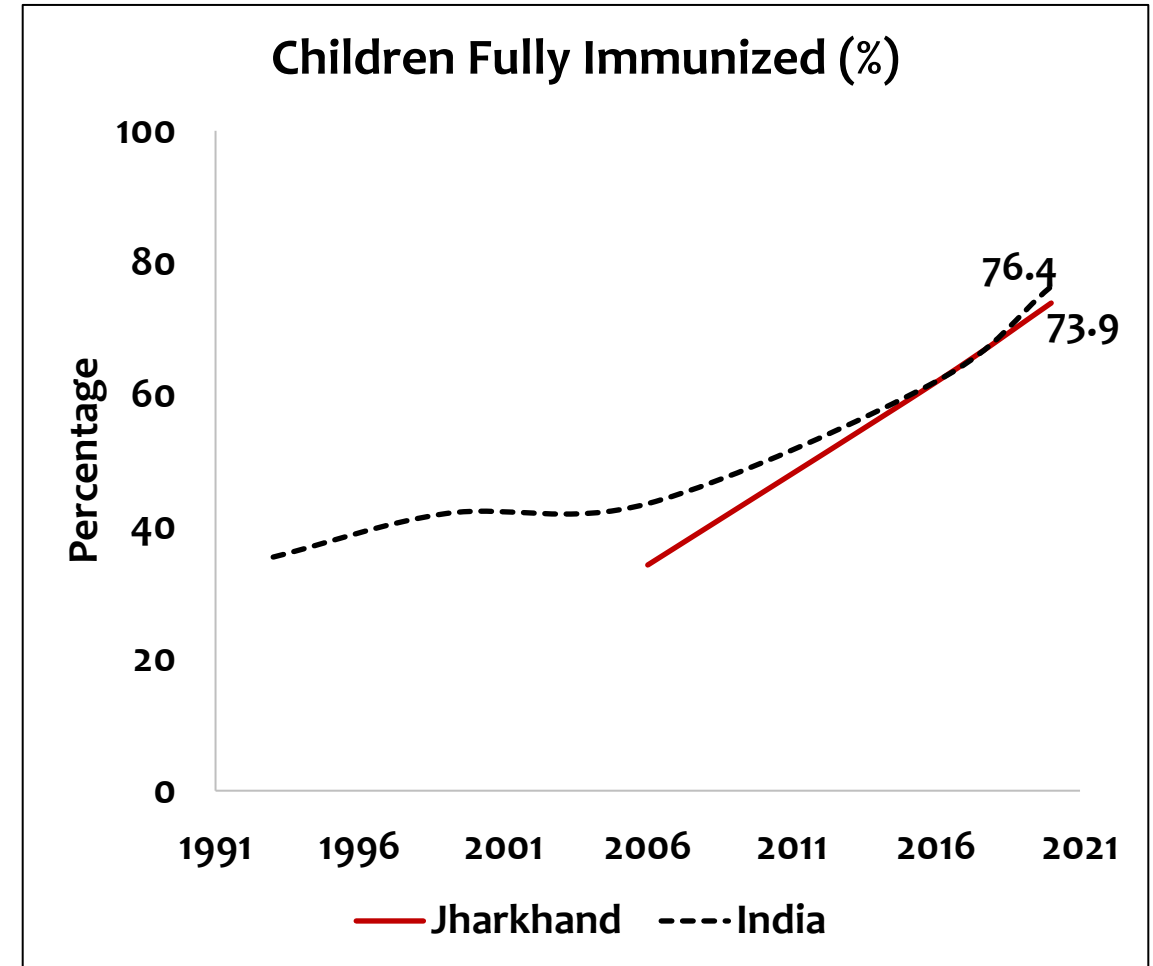


Source: NFHS (I - V).
Note: i. India Number has been taken directly from the source; ii. Back-casted numbers for Fertility Rate (before Jharkhand was created in 2000) are taken directly from source.

Life expectancy in Jharkhand was slightly lower than an average person in India. Jharkhand is placed almost at par with the national average , in terms of full immunization of children (12-23 months), as of 2019-21

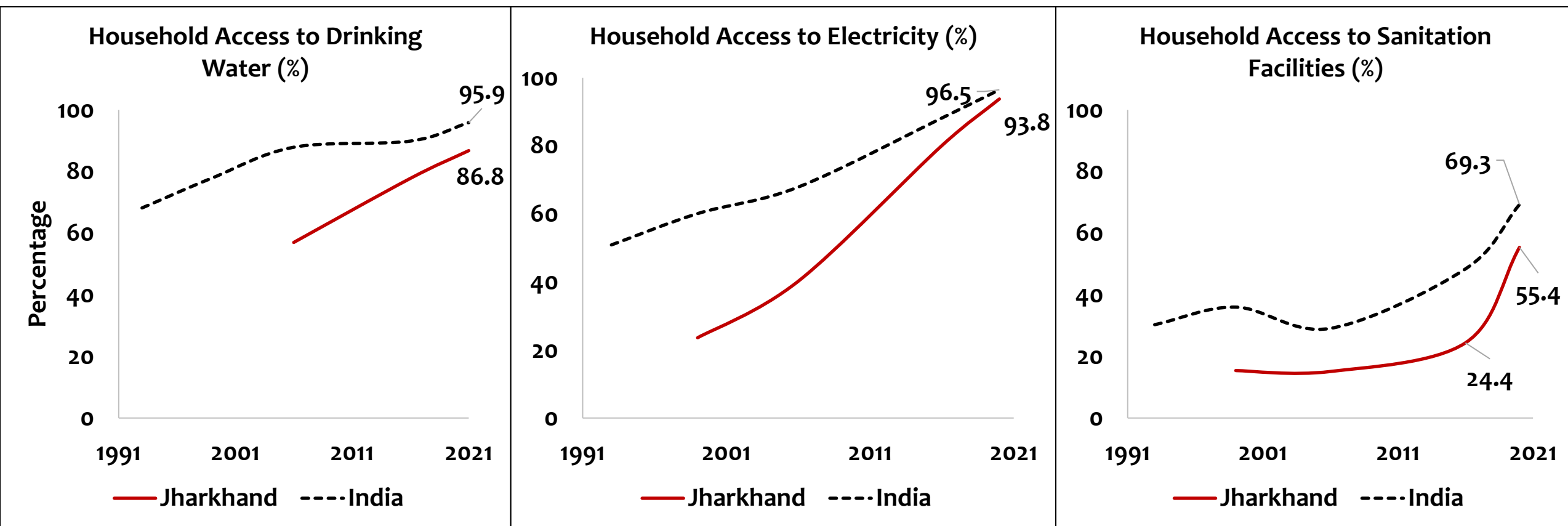


Source: Sample Registration System Bulletin, Ministry of Home Affairs, 2020.
Note: India number has been taken directly from the source.



Source: NFHS (I- V).
Note: India number has been taken directly from the source.

Jharkhand has improved on basic “quality of life” indicators but percentage of households with access to electricity, drinking water and sanitation facilities have all remained below the national average as of 2019-21



Source: NFHS (I – V).

Note: i. India number has been taken directly from the source; ii. Drinking water and sanitation refers to improved sources and facilities respectively as defined in NFHS; iii. Back-casted numbers for access to amenities (before Jharkhand was created in 2000) are taken directly from the source.

5. Fiscal Indicators

- Fiscal Data covers the fiscal period 1990-91 to 2022-23
- Benchmark includes all 29 States (all Union Territories are excluded)

Table 4A : Deficits, Revenue, Expenditure, Debt, Subsidies and Off-Budget Borrowings for Jharkhand

Indicators	Most Recent Value (% of GSDP)	For Year	Decadal Change (b/w 2013-14 & 2022-23)	States' Median (All States)	States' Median (Large States)	All States/UTs (% of National GDP)
Fiscal Deficit, % of GSDP	2.2 %	2022-23	+ 1.1 % points	3.8 %	3.6%	3.4 %
Primary Deficit, % of GSDP	0.5 %	2022-23	+ 0.7 % points	1.9 %	1.6%	1.7 %
Revenue Surplus (+)/Deficit (-), % of GSDP	+ 2.4 %	2022-23	+ 1.0 % points	0.3 %	-0.4%	- 0.5 %
Total Revenue Receipts, % of GSDP	21.2 %	2022-23	+ 7.3 % points	19.9 %	15.3%	14.4 %
Own Tax Revenue, % of GSDP	6.3 %	2022-23	+ 1.3 % points	6.3 %	6.4%	6.6 %
Own Non Tax Revenue, % of GSDP	3.3 %	2022-23	+ 1.3 % points	1.2 %	1.1%	1.0 %
Total Expenditure, % of GSDP	23.4 %	2022-23	+ 8.4 % points	24.0 %	19.3%	17.8 %
Revenue Expenditure, % of GSDP	18.8 %	2022-23	+ 6.4 % points	18.8 %	16.9 %	14.8 %
Capital Expenditure, % of GSDP	4.7 %	2022-23	+ 2.0 % points	4.0 %	3.4%	3.0 %
Capital Expenditure, % of Total Exp	19.8 %	2022-23	+ 2.4 % points	17.6 %	16.1%	16.7 %
Total Public Debt, % of GSDP	30.2 %	2022-23	+ 10.1 % points	32.1 %	30.7%	27.5 %
Contingent Liabilities, % of GSDP	1.2 %	2021-22	+ 1.1 % points	1.6 %	1.7%	3.8 %

Source: Data is taken from State Finances Report (SFR), Reserve Bank of India (RBI), as of December 2023.

Note: i. Median of All States includes all 29 States (all Union Territories are excluded); ii. Median of 22 States excludes the North Eastern States, except Assam; iii. All States/UTs shows the sum of 29 States, Delhi and Puducherry, expressed as a % of national gross domestic product; iv. Most Recent Values are the Revised Estimates for 2022-23 (except for Contingent Liabilities, for which the most recent value is for 2021-22)

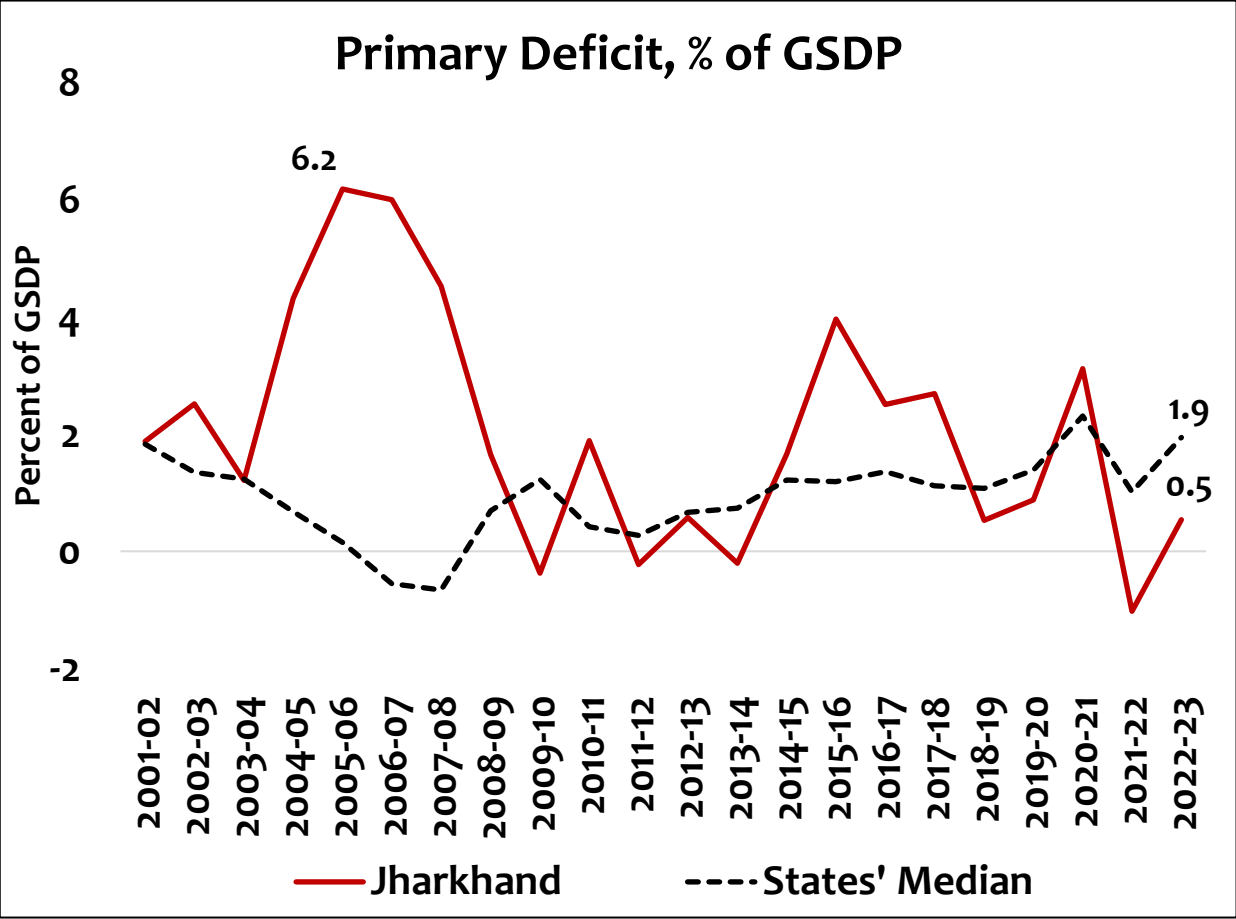
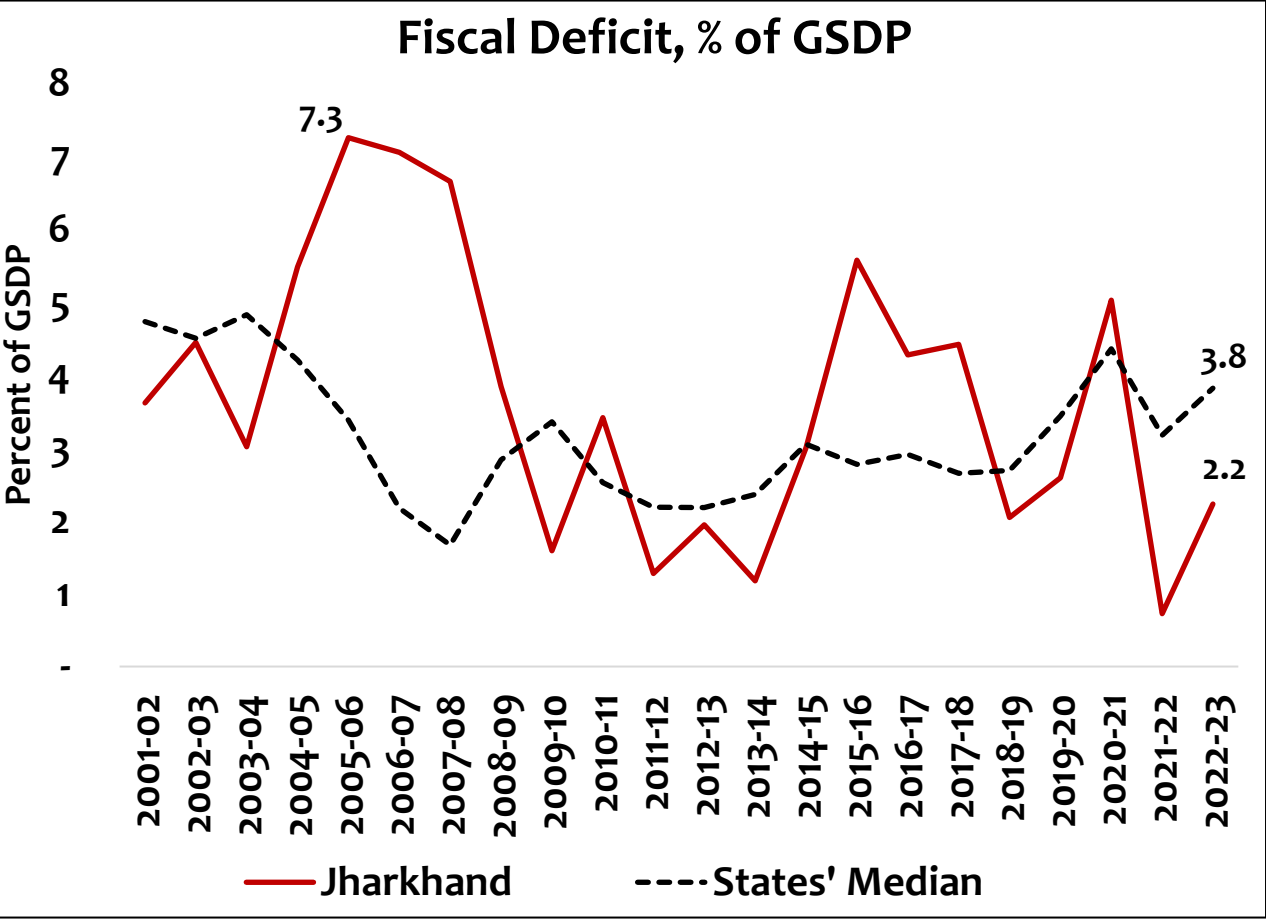
Table 4B : Deficits, Revenue, Expenditure, Debt, Subsidies and Off-Budget Borrowings for Jharkhand

Indicators	Most Recent Value (% of GSDP)	For Year	Decadal Change (b/w 2013-14 & 2022-23)	States' Median (All States)	States' Median (Larger States)	All States/UT's (% of National GDP)
Committed Expenditure, % of GSDP	7.6%	2022-23	+0.7% points	9.2%	8.1%	6.9%
Committed Expenditure, % of Total Expenditure	34.3%	2022-23	-11.1% points	42.4%	40.9%	38.6%
Subsidies, % of GSDP	1.1%	2022-23	-0.3% points (b/w 2019-20 & 2022-23)	1.0%	1.1%	1.5%
Subsidies, % of Total Expenditure	4.9%	2022-23	-1.5% points (b/w 2019-20 & 2022-23)	3.7%	5.8%	8.2%
Off-Budget Borrowings, % of GSDP	-	2022-23	-	0.2%	0.2%	0.1%
Per Capita Social Expenditure	Rs. 12104	2022-23	+Rs. 8700	Rs. 18949	Rs. 2606	Rs. 6514
Per Capita Health Expenditure	Rs. 1471	2022-23	+Rs. 1139	Rs. 17385	Rs. 2494	Rs. 5669
Per Capita Education Expenditure	Rs. 3444	2022-23	+Rs. 2262	Rs. 17585	Rs. 2421	Rs. 5700
Social Expenditure, % of Total Expenditure	51.5%	2022-23	+10.2% points	43.9%	45.6%	45.3%
Health Expenditure, % of Total Expenditure	6.3%	2022-23	+2.2% points	6.3%	6.3%	6.2%
Education Expenditure, % of Total Expenditure	14.7%	2022-23	+0.3% points	14.6%	14.8%	14.7%
Buoyancy for Revenue Expenditure with GSDP - ratio	1.8%	2022-23	+1.8% points	1.8%	1.7%	1.5%

Source: i. Subsidies, Wage and Salaries, Pension, Social sector expenditure, Medical and Public Health, Family Welfare, Education expenditure, Total Expenditure data are from the RBI's SFR, as of December 2023; ii. Off-Budget Borrowing data is from Ministry of Expenditure (2021-22); iii. Data for Population and GSDP are taken from MoSPI.

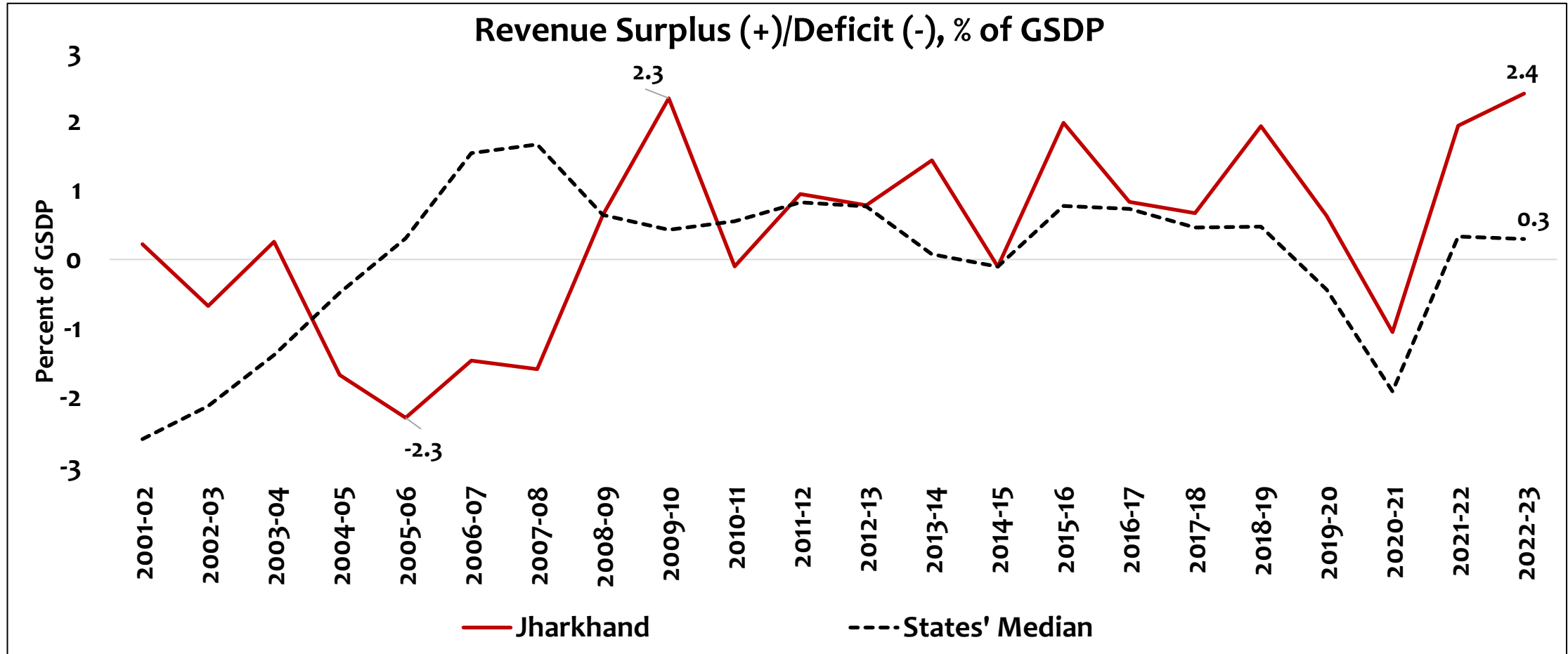
Note: i. Median of All States includes all 29 States (all Union Territories are excluded); ii. Median of 22 States excludes the North Eastern States, except Assam; iii. All States/UTs shows the sum of 29 States, Delhi and Puducherry, expressed as a % of national gross domestic product; iv. Committed Expenditure is calculated as the sum of Wage, Salaries, and Pension; v. Health Expenditure is calculated as the sum of Medical and Public Health, Family Welfare; vi. Social, Health, and Education Expenditures are calculated as per capita values by dividing the respective expenditure by the population; vii. Total Expenditure is calculated as the sum of Revenue Expenditure (RevEx), Capital Outlay, and Loans and Advances; viii. The Buoyancy of RevEx is calculated as the ratio between the year-on-year growth rate of Revenue Expenditure and that of GSDP.

In 2022-23, Jharkhand ran a Fiscal Deficit and a Primary Deficit of 2.2 and 0.5 percent of its GSDP respectively, both were lower than that of a median State



Source: i. Fiscal Deficit (FD) is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).
Note: i. Primary Deficit (PD) is calculated (Fiscal Deficit – Interest Payments). Interest Payments is sourced from RBI SFR; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

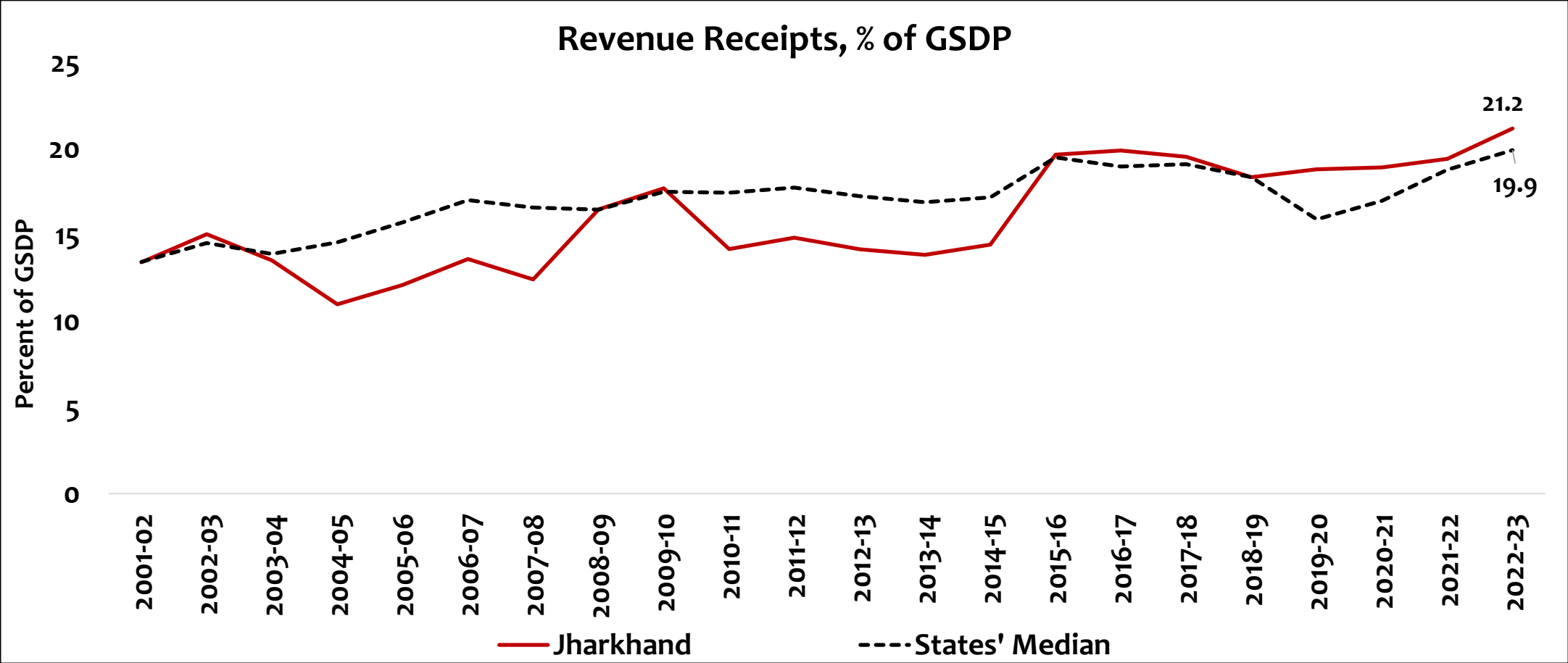
Jharkhand ran a Revenue Surplus of 2.4 percent of its GSDP in 2022-23, about 2 percentage points higher than that of a median State in the same year



Source: i. Revenue Deficit is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).

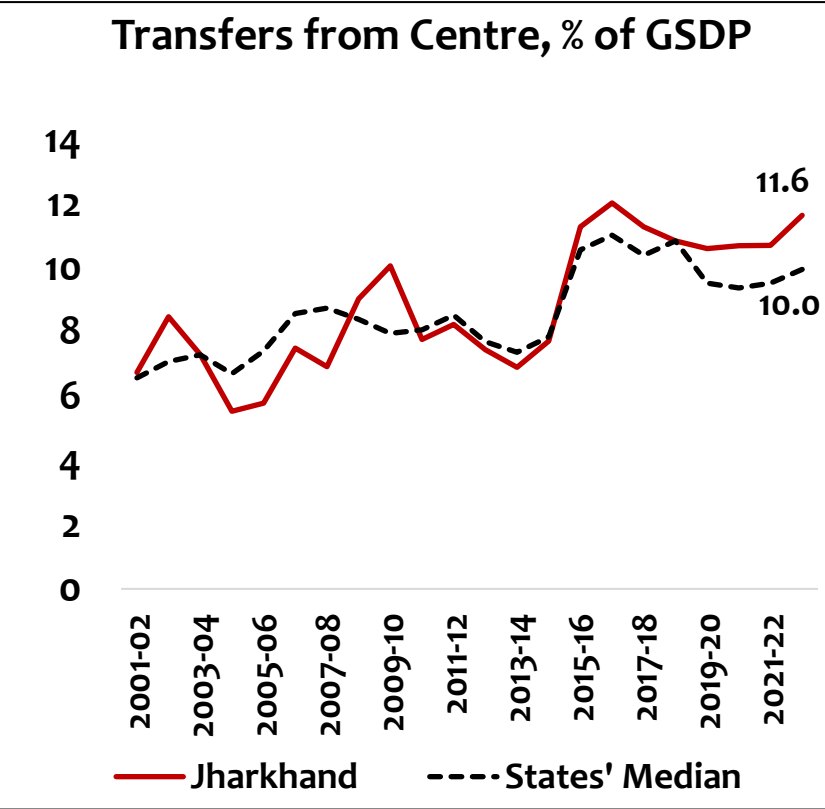
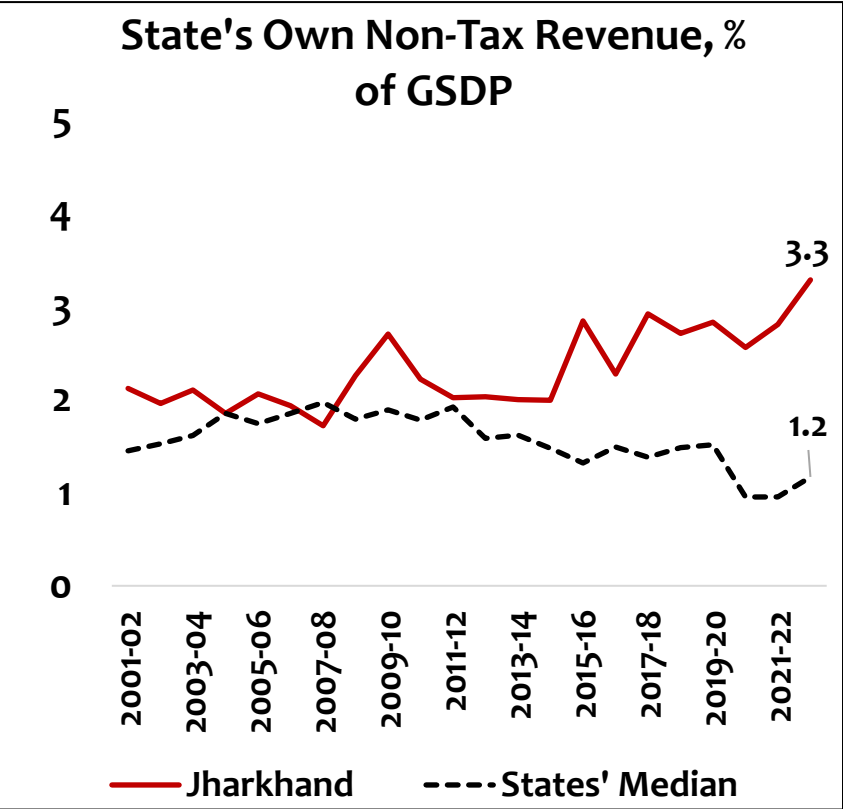
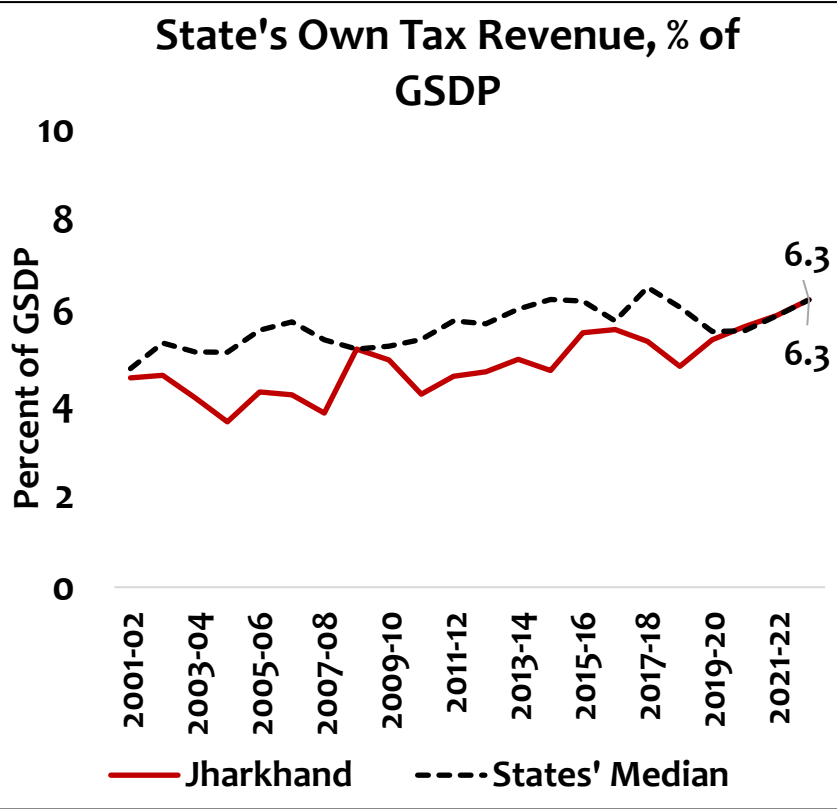
Note: The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

In 2022-23, Jharkhand's total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) were higher than what a median State collected, at about 21.2 percent of its GSDP



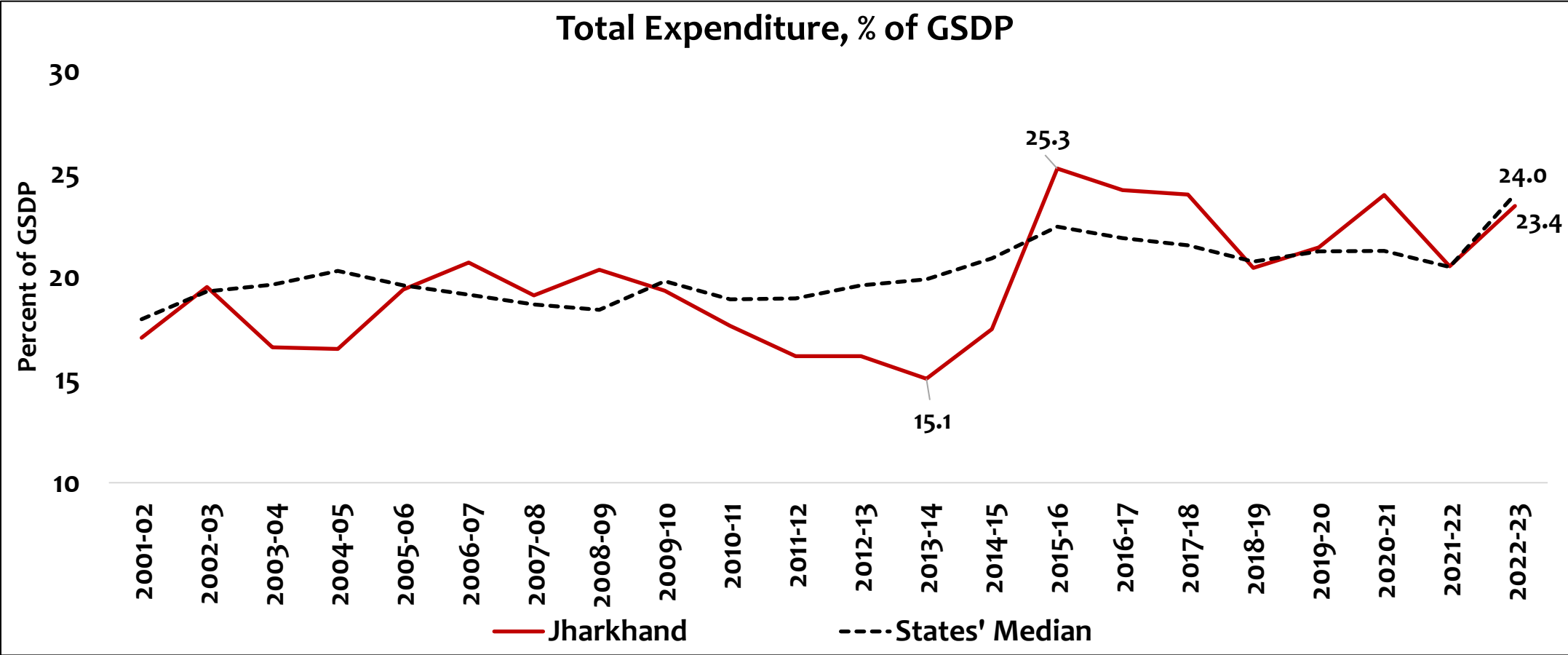
Source: i. Revenue Receipts from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).
Note: The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

Jharkhand's Own Tax Revenue at 6.3 percent was at par with a median State, while its Own Non-Tax Revenue and Transfers from the Centre, at 3.3 percent and 11.6 percent of GSDP respectively, were higher than those of a median State as of 2021-22. Transfers from Centre account for 55 percent of its Revenue Receipts



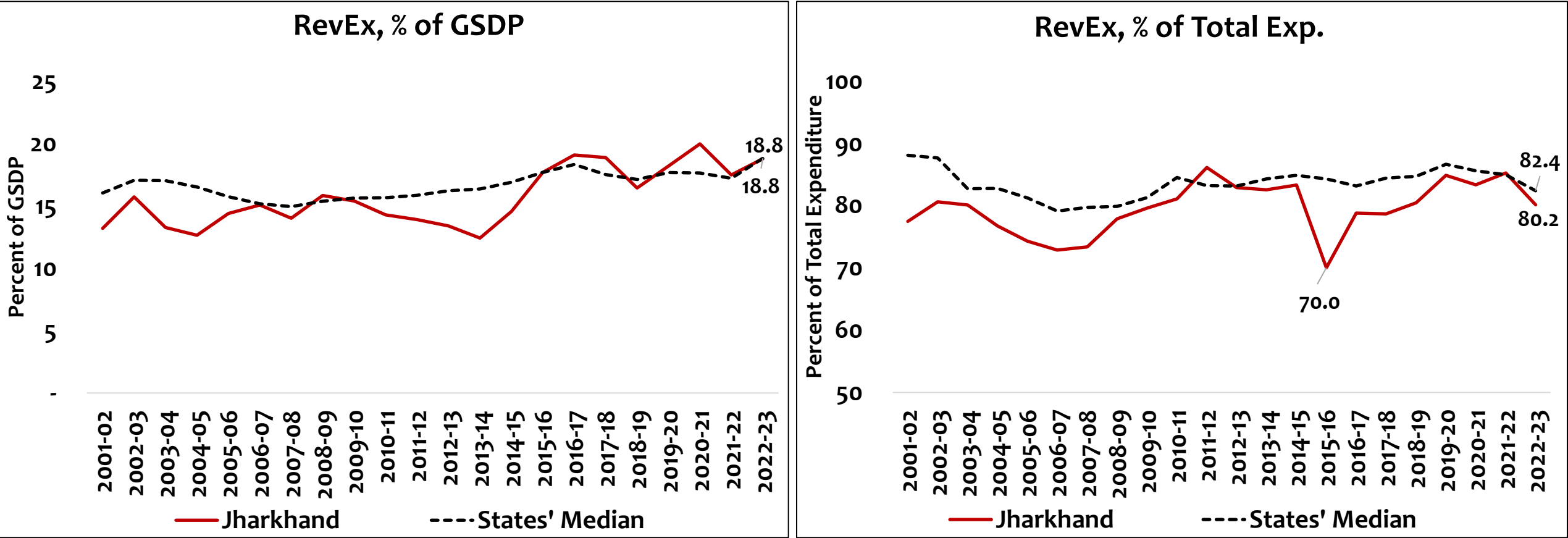
Source: i. Own-Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).
Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); ii. Transfers from the Centre include both Tax and Non-Tax transfers.

In 2022-23, Jharkhand's Expenditure at 23.4 percent of its GSDP was about 0.6 percentage points lower than that of a median State



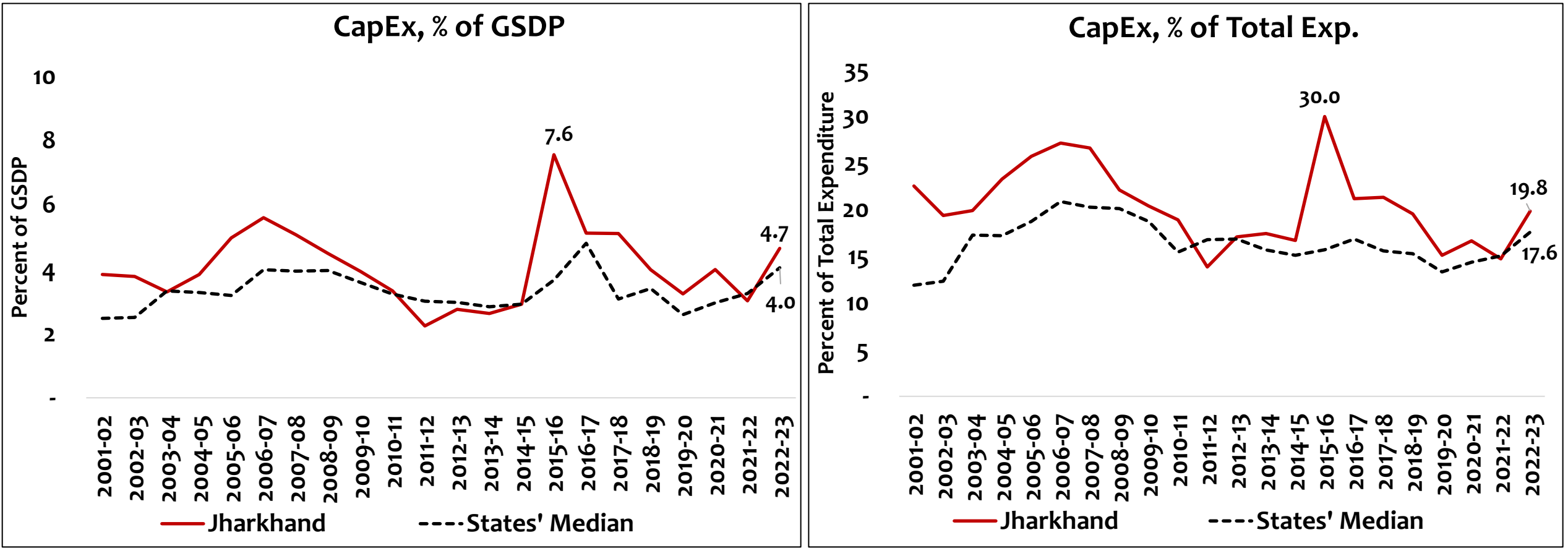
Source: i. Total Expenditure is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).
Note: i. Total Expenditure is calculated as Revenue Expenditure (RevEx) plus Capital Expenditure (CapEx); ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

Jharkhand's RevEx at 18.8 percent of its GSDP was at par with what a median State spent in 2022-23. Jharkhand's RevEx as a share of Total Expenditure at 80.2 percent was marginally lower than what a median State spent in 2022-23



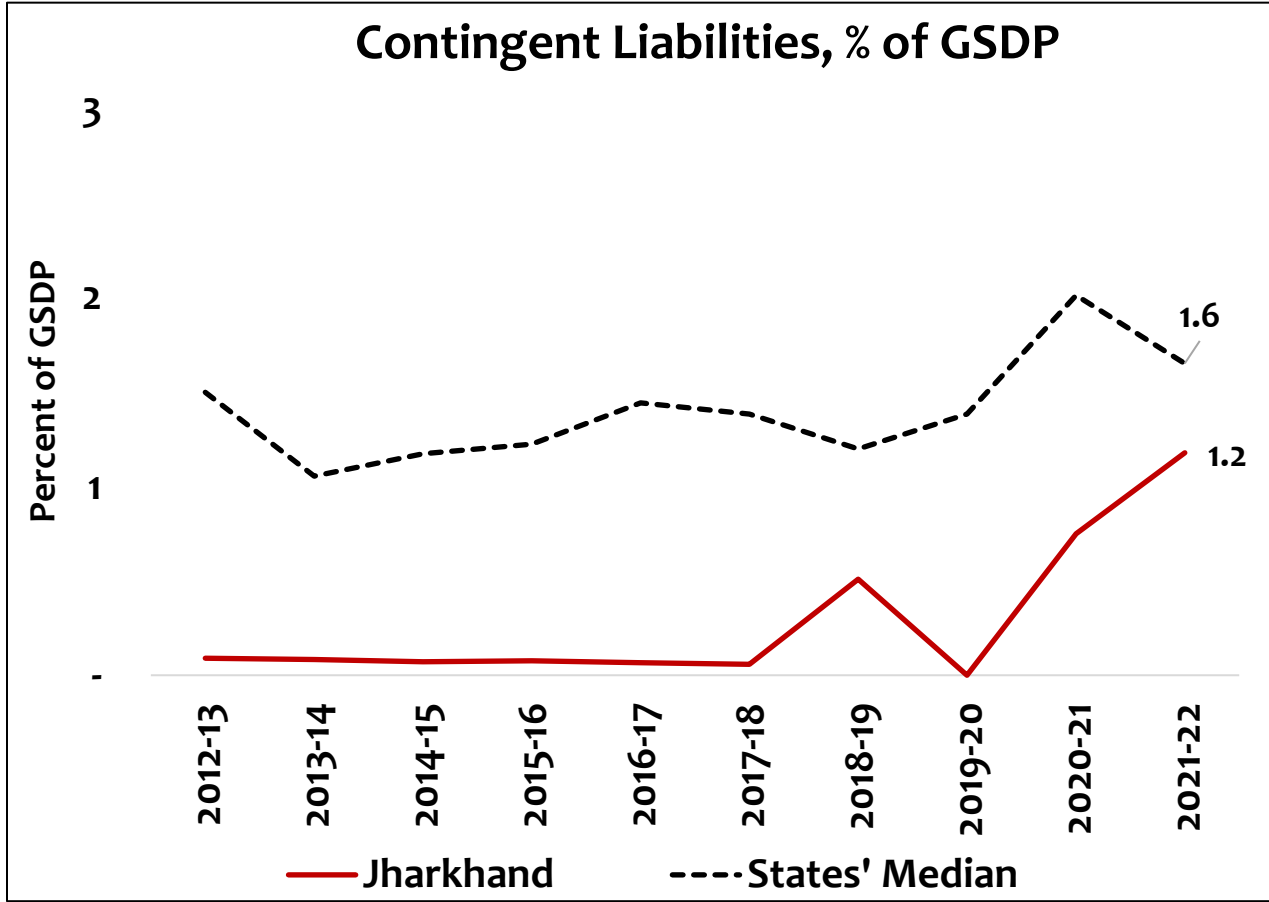
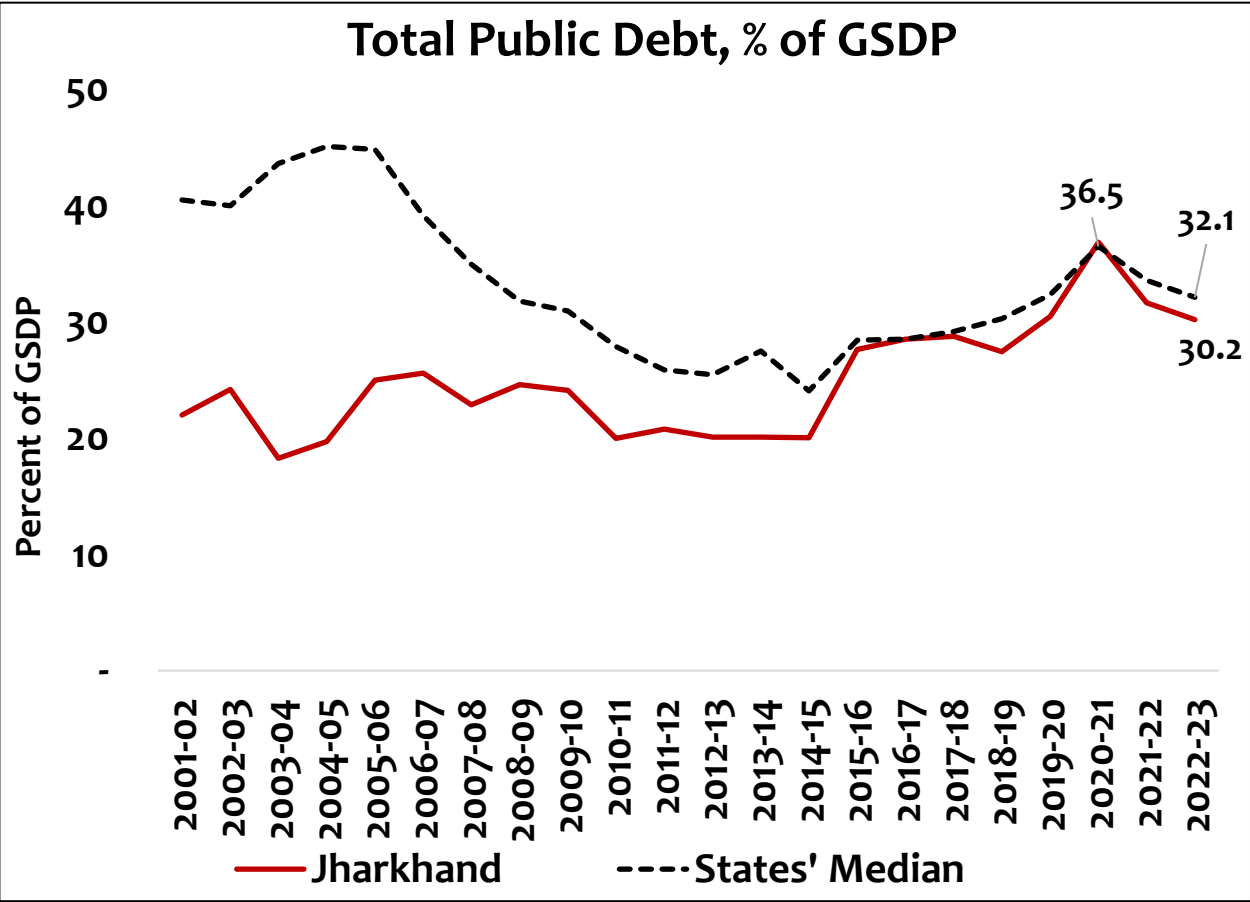
Source: i. Revenue Expenditure is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).
Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

Jharkhand's CapEx at 4.7 percent of its GSDP, was about 0.7 percentage points higher than what a median State spent and CapEx in 2022-23. As a share of Total Expenditure at 19.8 percent it was 2.2 percentage points higher than what a median State spent, in 2022-23



Source: i. CapEx is calculated as Capital Outlay + Loans and Advances given by the State government and the data for both is taken from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).
Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

Jharkhand has seen a consistent rise in its public debt, which, as of 2022-23, stood at 30.2 percent of its GSDP, 2 percentage points lower than that of a median State. Its Contingent Liabilities as of 2021-22 were 1.2 percent of its GSDP, lower than that of a median State



Source: i. Public Debt and State-wise contingent liabilities data has been taken from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).
Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); ii. The data for Contingent Liabilities is available only from 2012-13 for Jharkhand.

Debt Sustainability Assessment

- Extrapolations of the debt-to-GSDP ratio are used as a way of thinking about debt sustainability, using the equation: $\Delta b_t = \frac{b_{t-1}(r_t - g_t)}{1 + g_t} + pd_t^*$
- A baseline scenario assumes real GDP growth, the real effective interest rate and primary deficit will be at the same levels for the next five years as their respective averages from 2012-13 to 2021-22.
- Second scenario assumes faster GDP growth to the tune of half a standard deviation over the average growth between 2012-13 to 2021-22.
- Third scenario assumes a favorable change of half a standard deviation to the primary deficit over the average deficit between 2012-13 to 2021-22.
- Fourth scenario assumes baseline plus outstanding contingent liabilities in 2021-22 will be absorbed (by 20 percent) each year in the next five years.
- A fifth scenario, by combining scenarios two and three.

Note: i. b_t is the debt-to-GSDP ratio, pd_t is the primary-deficit-to-GSDP ratio (deficit net of interest payment), g_t is growth of real GSDP, and r_t is the real effective interest rate on public debt; all in year t ; ii. Δb_t is the change in debt-to-GSDP ratio between t and $t-1$; iii. The exercise is based on the assumption that g , r , and pd are exogenous, that is, they are not impacted by the level of debt.

Jharkhand's Debt Evolution (2012-13 to 2021-22)

Averages and standard deviations of key parameters

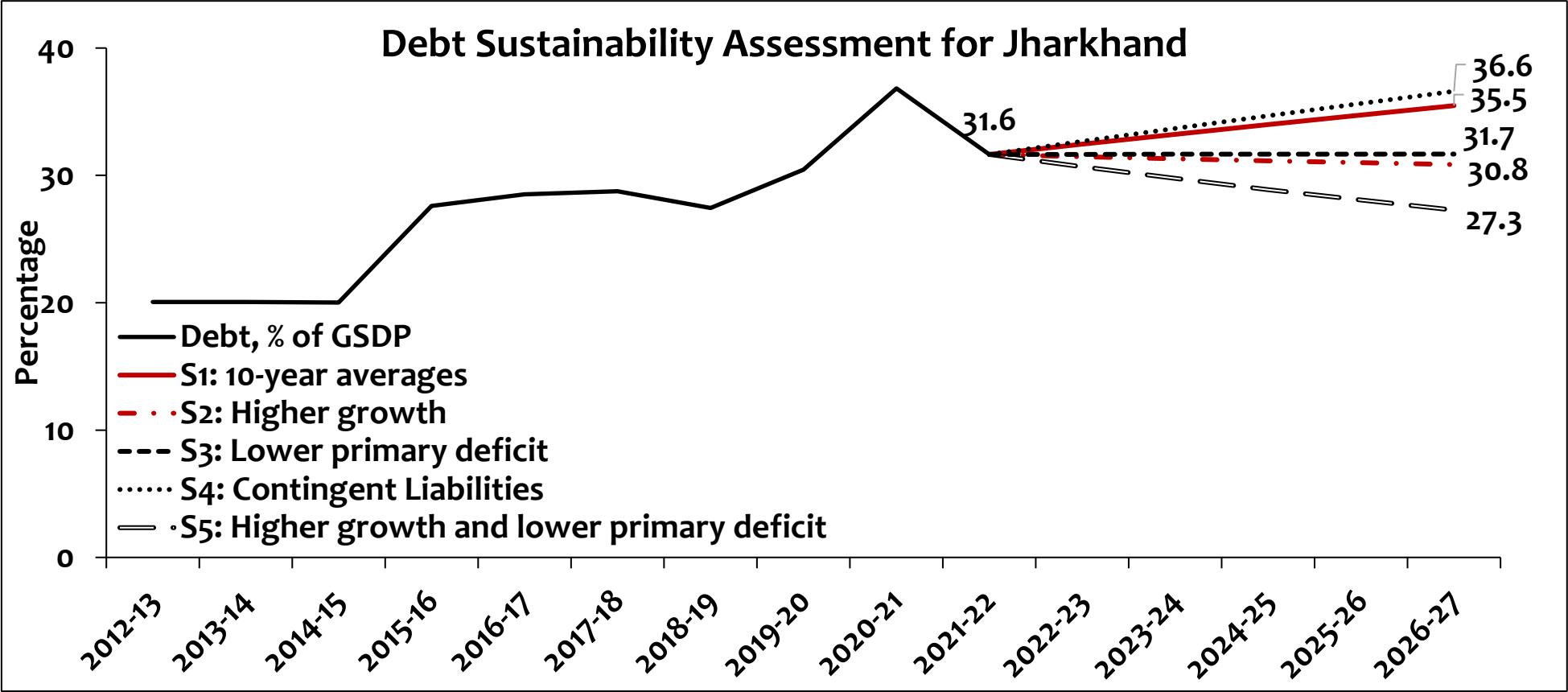
	Ten-year average and std. deviations (2012-13 to 2021-22)		Five-year average and std. deviations (2017-18 to 2021-22)	
	Mean	Std dev	Mean	Std dev
Nominal GDP growth (γ)	9.4	9.2	9.1	10.3
Deflator growth (π)	4.0	2.9	3.9	3.5
Real GDP growth (g)	5.1	6.8	4.9	6.8
Effective interest rate (e)	6.9	0.8	6.2	0.5
Real effective interest rate (\hat{e})	2.9	3.0	2.3	3.6
Primary deficit (pd)	1.5	1.6	1.2	1.7
Growth-effective interest differential ($g-\hat{e}$)	2.2	8.9	2.6	9.9
Contingent Liabilities (CL) as of 2021-22	1.2	-	-	-
Percentage points of CL absorbed each year for 5 years	0.24	-	-	-

Different scenarios for conducting debt sustainability assessments

Scenarios	Debt level in 2021-22 (bt-1)	Primary Deficit (pd)	Real GDP growth (g)	Real Effective Interest Rate (\hat{e})	Change in Debt in first year (2022-23)	Cumulative change in Debt in next five years
Baseline (Scenario 1): 10-year averages (2012-13 to 2021-22)	31.6	1.5	5.1	2.9	0.80	3.83
Scenario 2: Higher growth (increasing growth by half a standard deviation over baseline)	31.6	1.5	8.5	2.9	-0.18	-0.80
Scenario 3: Lower Primary Deficit (reducing primary deficit by half a standard deviation over baseline)	31.6	0.7	5.1	2.9	0.01	0.03
Scenario 4: Contingent Liabilities in 2021-22 are absorbed 20% in each year	31.6	1.5	5.1	2.9	1.03	4.96
Scenario 5: Lower Primary Deficit and Higher Growth	31.6	0.7	8.5	2.9	-0.97	-4.37

Note: In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock. In Scenario 4, 0.24 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year.

Only in the most optimistic scenario, where Jharkhand experiences higher growth and maintains lower primary deficit (than their averages of the last ten years), it's debt to GSDP ratio is projected to decline meaningfully in the next five years. In the baseline scenario and the scenario where contingent liabilities are absorbed, the debt to GSDP ratio is projected to go on increasing in the next five years

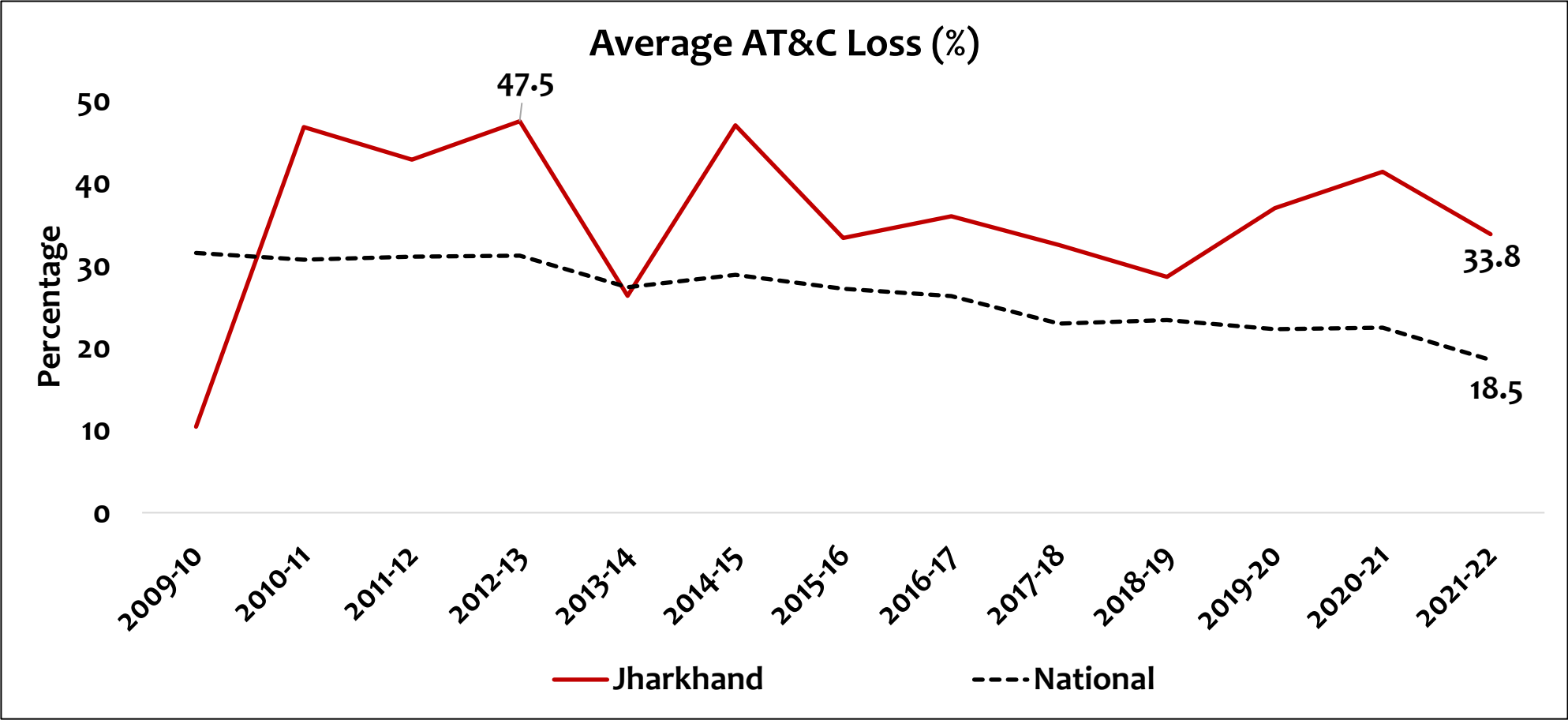


Note: In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock. In Scenario 4, 0.24 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year

Jharkhand: Power Sector

- The State has one distribution company (DISCOM) – Jharkhand Bijli Vitran Nigam Limited (JBVNL), formerly known as Jharkhand State Electricity Board (JSEB).
- Compared to the national average, the DISCOM in Jharkhand reports higher Aggregate Technical & Commercial (AT&C) Losses. In 2009-10 and 2013-14, the DISCOM reported substantially lower AT&C Losses on account of a spike in the collection efficiency in those years.
- The State signed the MoU for the Ujwal DISCOM Assurance Yojana (UDAY) scheme which was launched by the GoI in November 2015, for both the performance efficiency targets as well as the financial turnaround and financing of future losses by the State government.
- The State of Jharkhand took over 100 per cent liabilities of outstanding dues of JBVNL with Central Public Sector Undertakings (CPSUs) and 75 per cent of the outstanding debt of JBVNL as on 30.09.2015.
- The State DISCOM did not meet all targets under the UDAY scheme, specifically those concerning DT (Distribution Transformers) Metering, Feeder Segregation, Smart Metering.

The average aggregate AT&C losses of Jharkhand have reduced from about 47 percent in 2010-11 to 34 percent in 2021-22



Source: PFC Report on Performance of State Power Utilities (2009-10 to 2021-22).
Note: i. Figure shows the AT&C Loss for JBVNL over the years; ii. The National average is across all DISCOMs in the 29 States and 2 Union Territories (Delhi & Puducherry)

6. Devolution to Jharkhand from Centre in 14th and 15th Finance Commission (FC)

Tax Devolution Criteria of 14th and 15th FC to all States

- The Net Proceeds of all taxes¹ collected by the Union are shareable with the States, and constitute the divisible pool of taxes.
- The 14th FC placed the States' share of tax devolution to 42 percent of the divisible pool, and the 15th FC adjusted it to 41 percent of the divisible pool due to the changed status of Jammu & Kashmir into the Union Territories of Ladakh and Jammu & Kashmir.
- Below table highlights the tax devolution matrix used by the two FCs, and the corresponding weights for each criteria.

Criteria	14th FC (2015-20)	15th FC (2021-26)
Income Distance	50	45
Area	15	15
Population (1971)	17.5	0
Population (2011) ²	10	15
Demographic Performance	0	12.5
Forest Cover	7.5	0
Forest and Ecology	0	10
Tax and fiscal efforts ³	0	2.5
Total	100	100

Source: 14th and 15th FC Reports.

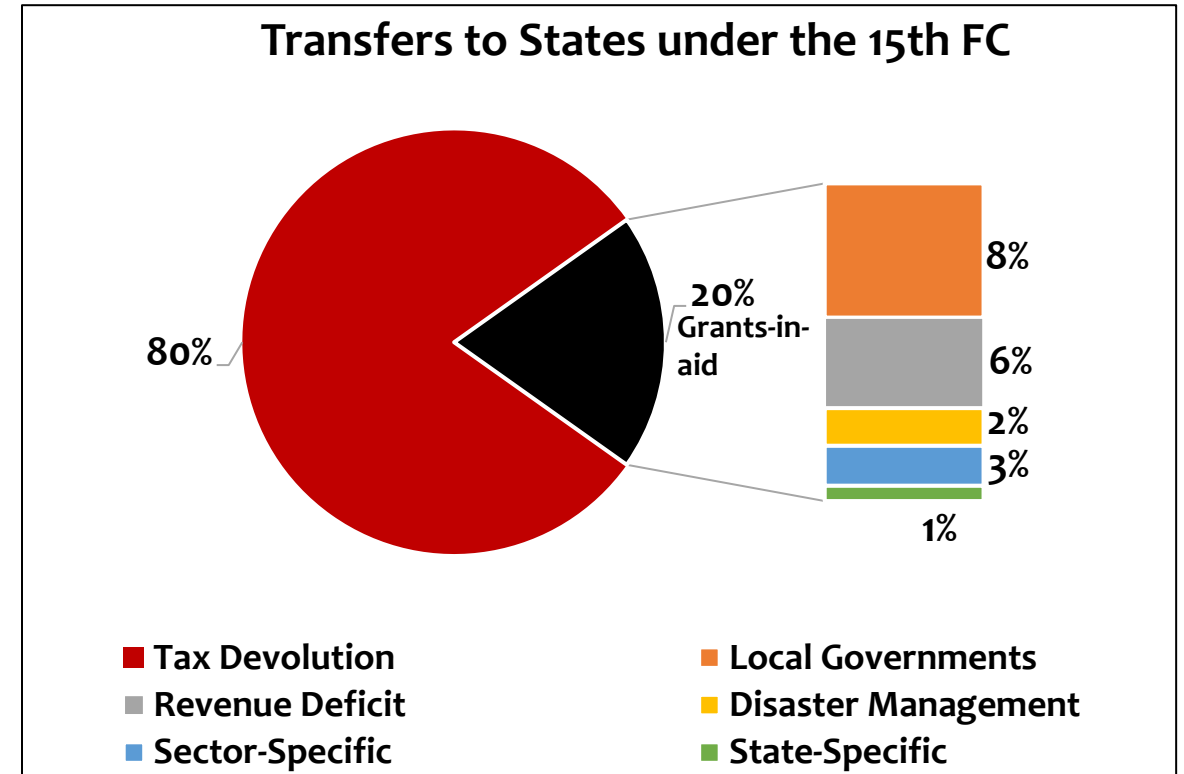
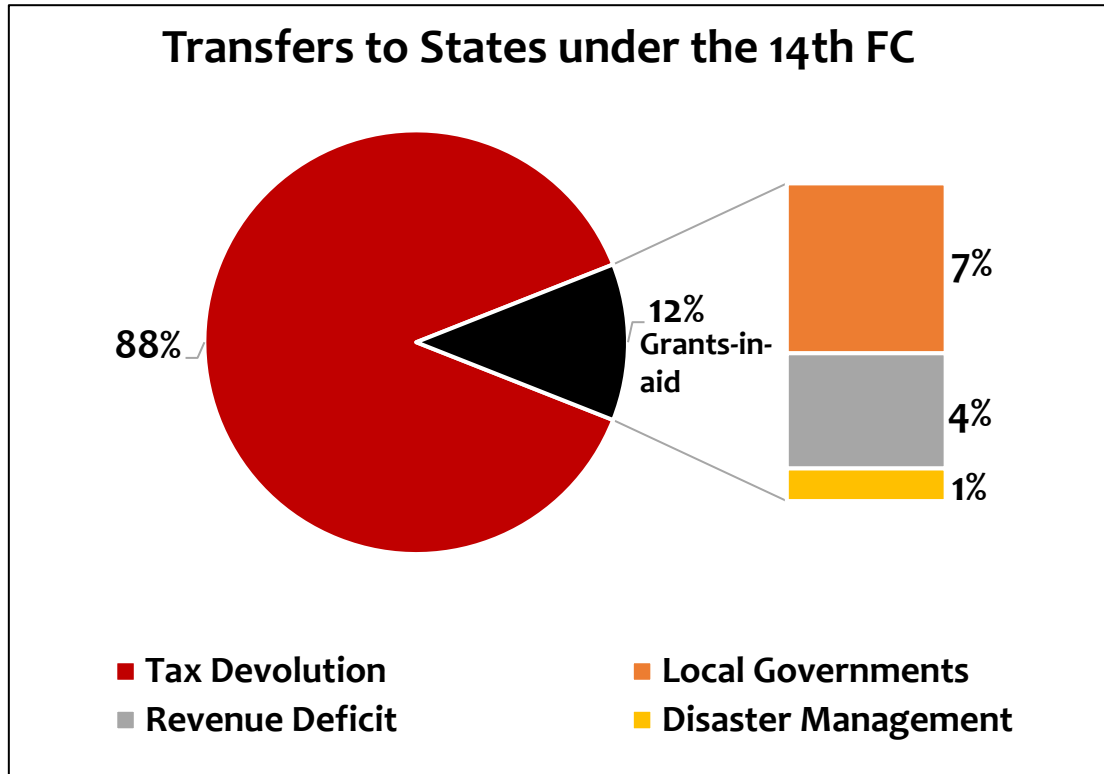
Note: i. Per Articles 270 and 279, Net Proceeds of taxes is defined as all the taxes, except cess and surcharges, reduced by the cost of collection; ii. 14th FC used the term “demographic change” which was defined as Population in 2011; iii. The 15th FC reintroduced the “tax and fiscal efforts” criteria. The definitions of all criteria can be referred to from the [15th FC Report](#).

Grants-in-Aid

- There were three types of grants recommended by the 14th FC – revenue deficit grants, grants for local governments, and grants for disaster management. The 15th FC, in addition to the three, also recommended sector-specific and State-specific grants.
 1. **Revenue-deficit grants:** Post tax devolution, those States which remain in a state of revenue deficit, are allocated this grant in the magnitude of their deficit (estimated for the award period based on the projected revenues and tax devolution).
 2. **Grants for Local Governments:** These are distributed between the rural and urban local bodies (65:35 ratio per the 15th FC). The States' shares are calculated with 90 percent weightage given to population and 10 percent to area.
 3. **Grants for Disaster Management:** The corpus of the State Disaster Response Fund (envisaged under the Disaster Management Act, 2005, which covers both natural and man-made disasters) is recommended by the FC per Article 275 (1) of the Constitution. Under the 14th FC, it was recommended that Centre contribute 90 percent of the SDRF and States provide the remaining 10 percent. The 15th FC reinstated the previous sharing arrangement, wherein Centre's contribution to SDRF for General Category States is 75 percent contribution and it remains 90 percent for the North-Eastern and Himalayan States.
 4. **Sector-Specific Grants:** The 15th FC reinstated recommendations for social sectors like health and education, rural economy (encouraging agricultural reforms and grants for the Pradhan Mantri Gram Sadak Yojana), administrative and governance reforms (for judiciary, improved statistics, and incentivizing aspirational districts and blocks).
 5. **State-specific Grants:** To help States address special needs and overcome cost disabilities, State-specific grants were recommended by the 15th Finance Commission. These span six broad areas: a) social needs, b) administrative governance and related infrastructure, c) conservation and sustainable use of water, drainage and sanitation, d) preserving culture and historical monuments, e) high-cost physical infrastructure, and f) tourism.

Source: 14th and 15th FC reports.

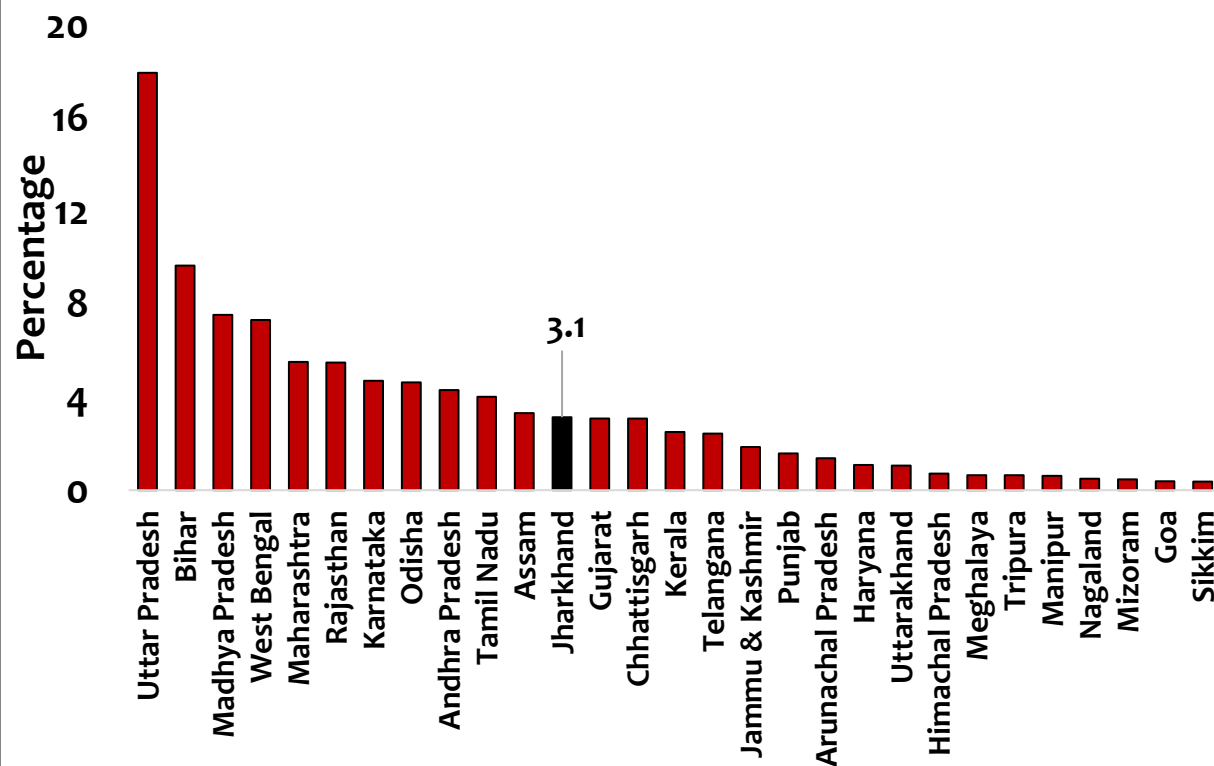
Proposed transfers from the Centre to all States: 15th FC reinstated recommendations on sector-specific and State-specific grants, which 14th Finance Commission had excluded from the grants-in-aid to States, thus increasing the share of grants in the total transfers recommended from Centre to States to 20 percent



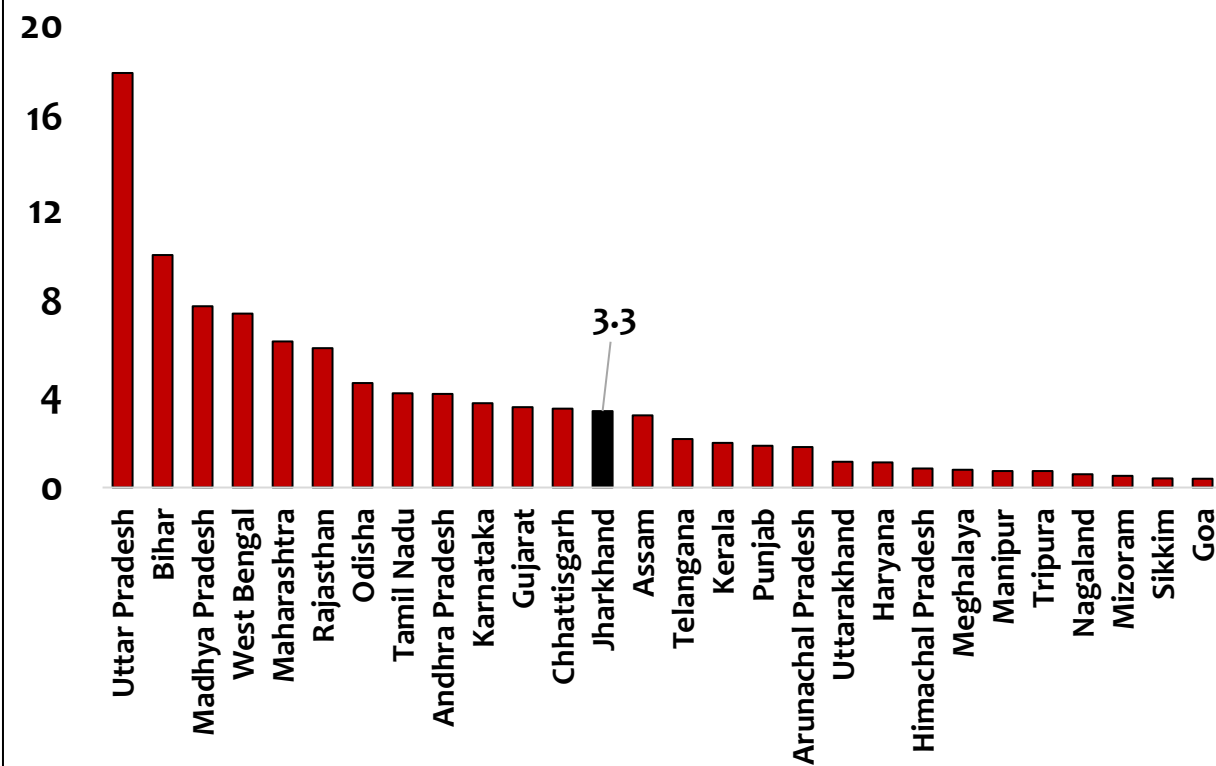
- Sector-Specific Grants are further divided into three categories:
 - Social Sector - health and education
 - Rural Economy - agriculture reforms, self reliance, export & sustainability, and PMGSY roads
 - Governance and Administrative Reforms - judiciary, statistics, aspirational districts and blocks

Jharkhand's share in Taxes from the Centre, as per the FC recommendations, increased from 3.1 percent under 14th FC to 3.3 percent under 15th FC recommendations

States' Shares under the 14th FC



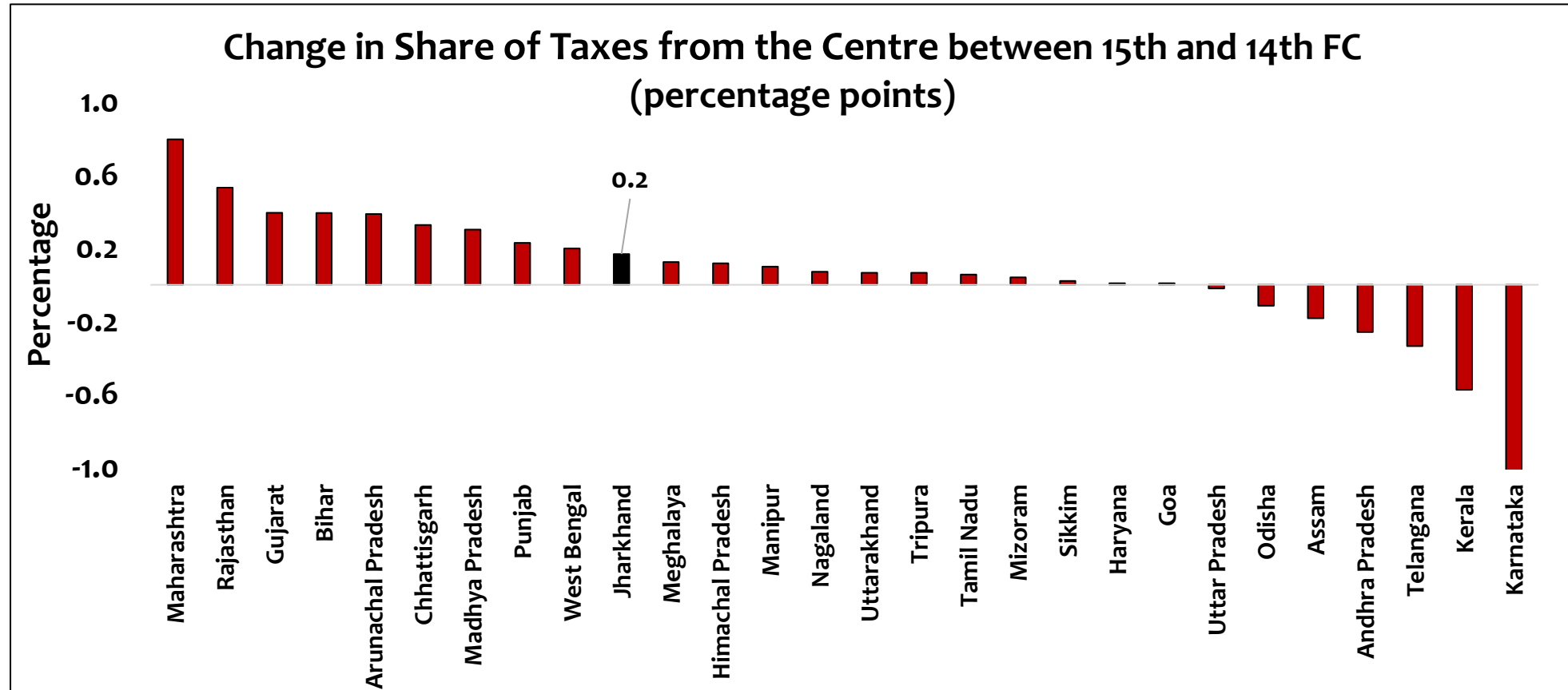
States' Shares under the 15th FC



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of taxes from the Centre.

Jharkhand has 0.2 percentage point change in Tax Devolution share between 14th and 15th Finance Commissions recommendations



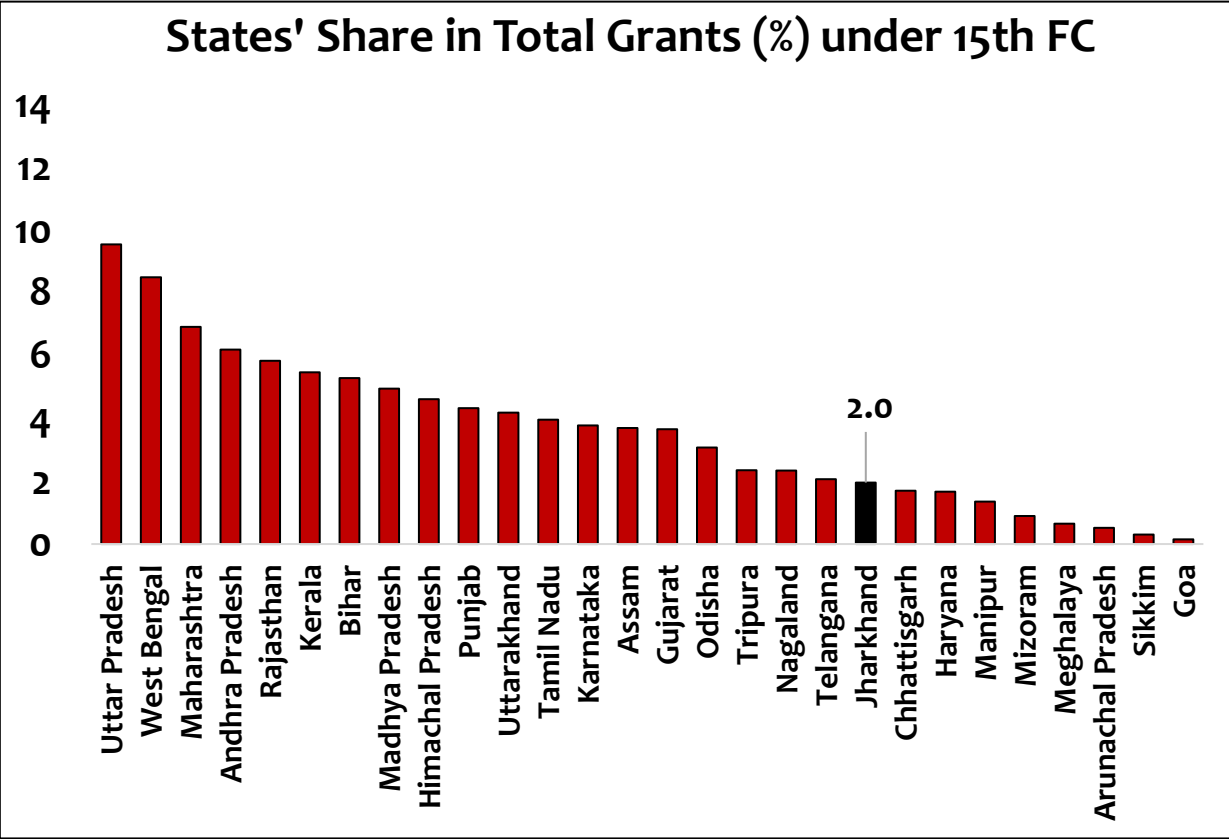
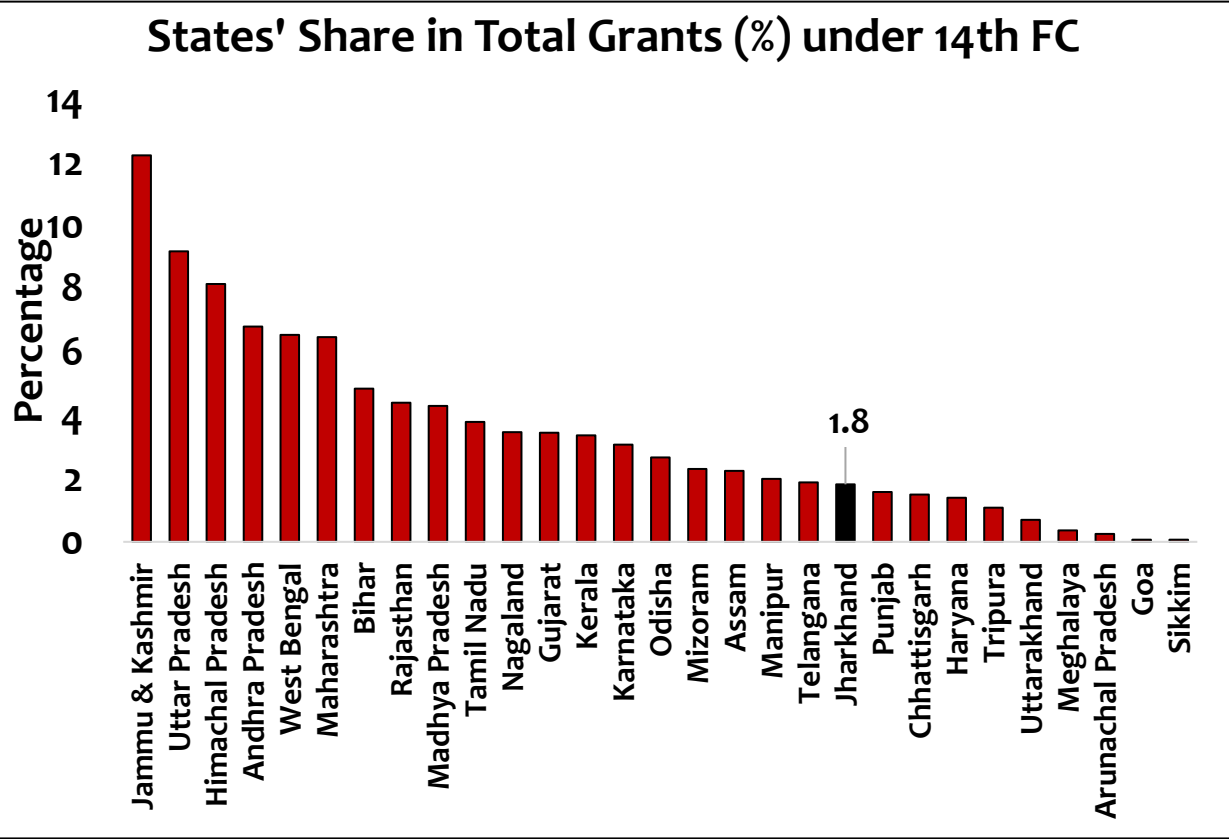
Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of taxes from the Centre, and it has been excluded from this chart.

Grants-in-Aid: Jharkhand

- There were three types of grants recommended by the 14th FC – revenue deficit grants, grants for local governments, and grants for disaster management. The 15th FC, in addition to the three, also recommended sector-specific and State-specific grants.
- **Total:** The State's share in the total grants-in-aid increased by 0.2 percentage points under the 15th FC, compared to the 14th FC, at 2 percent.
 1. **Revenue-deficit grants:** Jharkhand **did not receive any revenue-deficit grants** under both the 14th and 15th FC recommendations.
 2. **Grants for Local Governments:** About **2.9 percent** of the total grants to local governments was recommended for Jharkhand by both the 14th FC and 15th FC.
 3. **Grants for Disaster Management:** Jharkhand received **2.6 percent** of the total grants for disaster management **under the 15th FC** recommendations (a 0.7 percentage point decrease compared to the 14th FC recommendation. The allocation for each State is based on its Disaster Risk Index, which accounts for both the likelihood of hazards and the level of vulnerability to disasters such as floods, cyclones, droughts, and earthquakes.
 4. **Sector-Specific Grants: Per the 15th FC recommendations,** the State receives the **2.6 percent** of the total sectoral grants. It is recommended to receive about 4 percent of total grants for improving statistical data collection and dissemination and 3.5 percent of the grants for maintenance of PMGSY Roads. Other sector-specific grants and the State's shares in each include agriculture performance incentive grants (1.5 percent), health and education grants (3.1 percent) and grants for judiciary (2.6 percent).
 5. **State-specific Grants:** A total of Rs 1,300 crore was recommended in State-specific grants, of which, Rs 700 crore was directed towards the energy sector – strengthening urban and rural electricity distribution infrastructure. Apart from the funds directed towards energy purposes, Rs 400 crore was allocated to tourism, sports, arts and culture infrastructure, and Rs 200 crore was aimed towards the development of tourist amenities for Deoghar Baidyanath Jyotirling and surrounding tourist circuit.

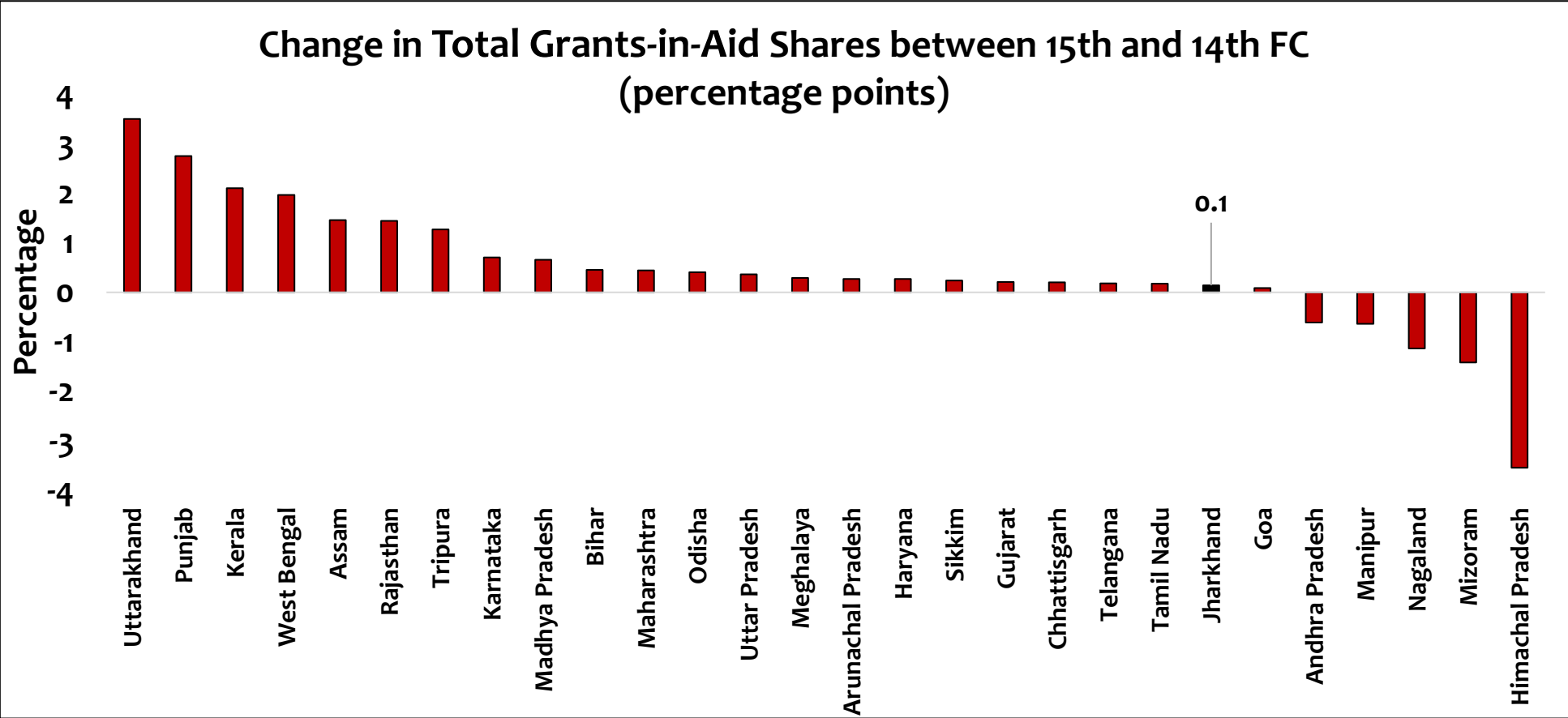
Jharkhand noted an increase of 0.2 percentage points in its share of the Total Grants-in-aid recommended between 14th and 15th Finance Commissions



Source: 14th and 15th FC Reports.

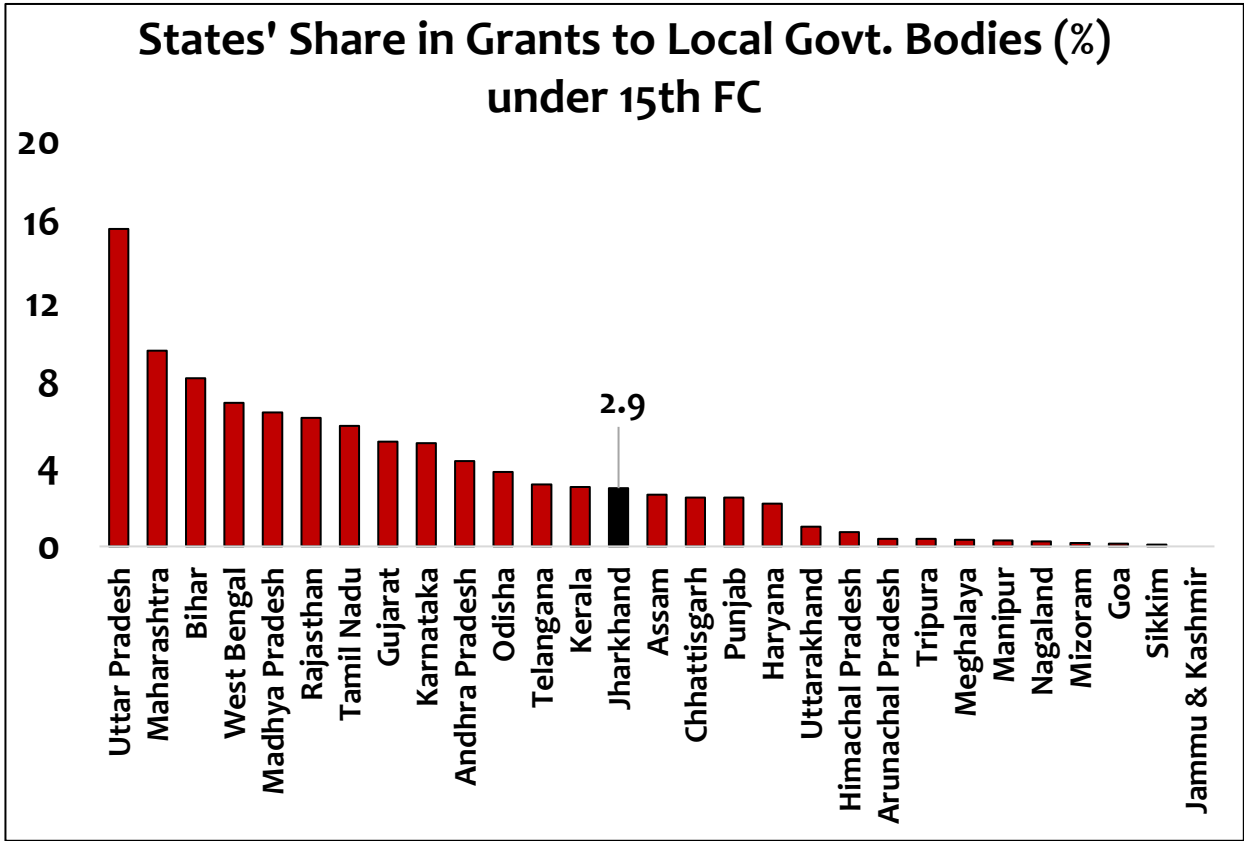
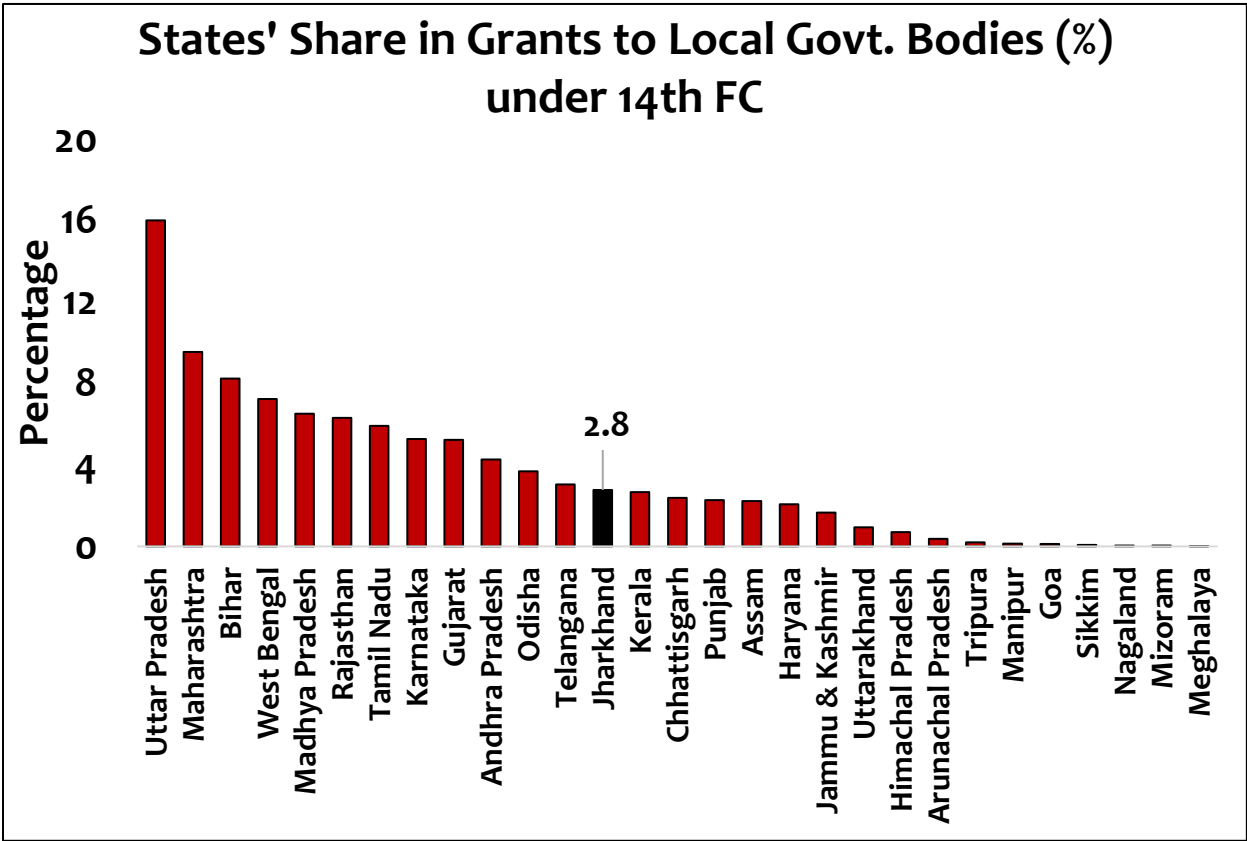
Note: i. Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of grants-in-aid from the Centre; ii. An amount of Rs. 16,400 crore is not included in the total Grants-in-aids figure for the 15th FC. This comprises of three grants (a) School Education (Rs. 4,800 crore), (b) Grants for aspirational districts and blocks (Rs. 3,150 crore) and (c) Local Bodies grants for (i) Incubation of new Cities (Rs. 8,000 Crore) and (ii) National Data Centre (Rs. 450 Crore). These were not included in the table which reports the State-wise shares in the 15th FC Report.

Jharkhand had a 0.1 percentage point rise in Total Grants-in-Aid shares between the 14th and 15th FC recommendations



Source: 14th and 15th FC Reports.
Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of grants-in-aid from the Centre, and it has been excluded from this chart.

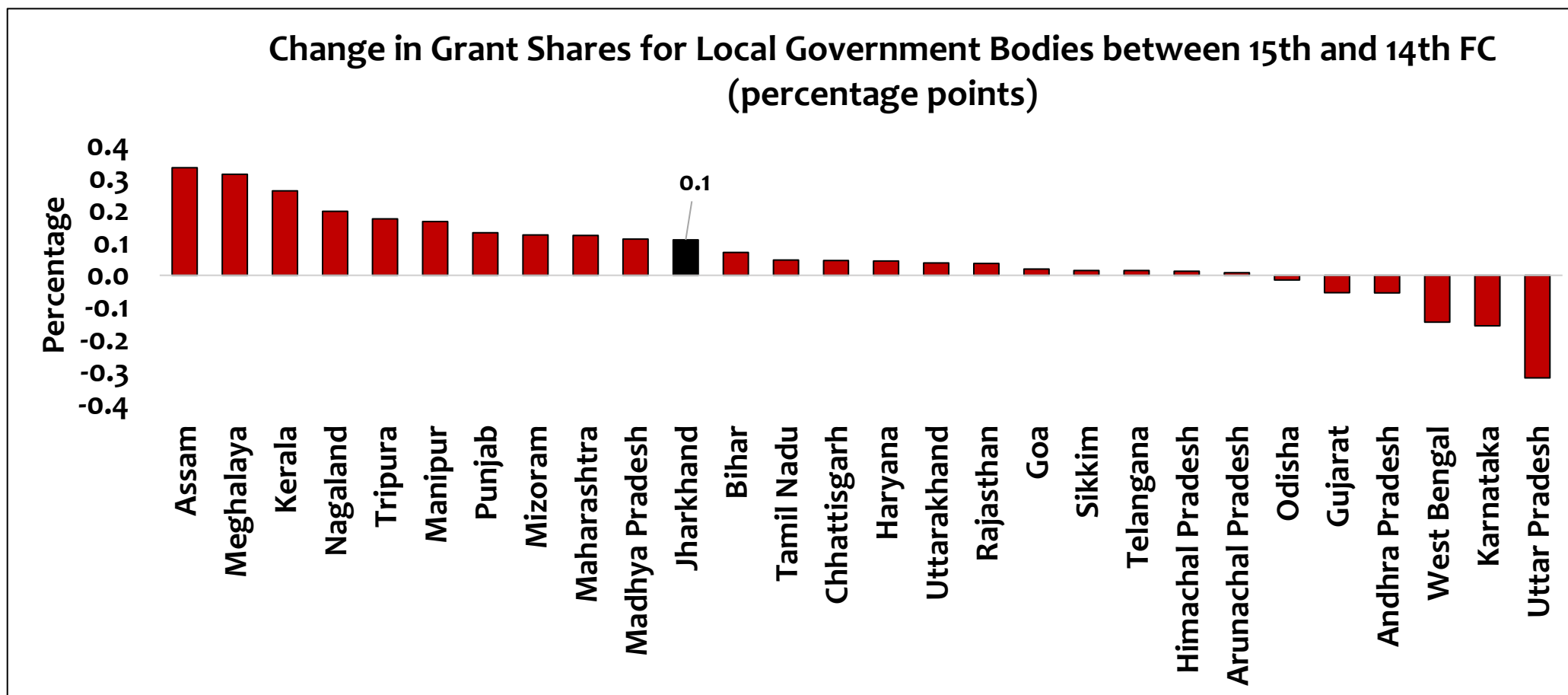
Jharkhand's recommended share in the Grants to Local Government Bodies from the Centre remained consistent at around 2.9 percent between 14th and 15th FC



Source: 14th and 15th FC Reports.

Note: i. An amount of Rs. 8,450 crore is not included in the grants for Local Bodies, these include (a) Incubation of new Cities (Rs. 8,000 Crore) and (b) National Data Centre (Rs. 450 Crore). These were not included in the table which reports the State-wise shares in the 15th FC Report.

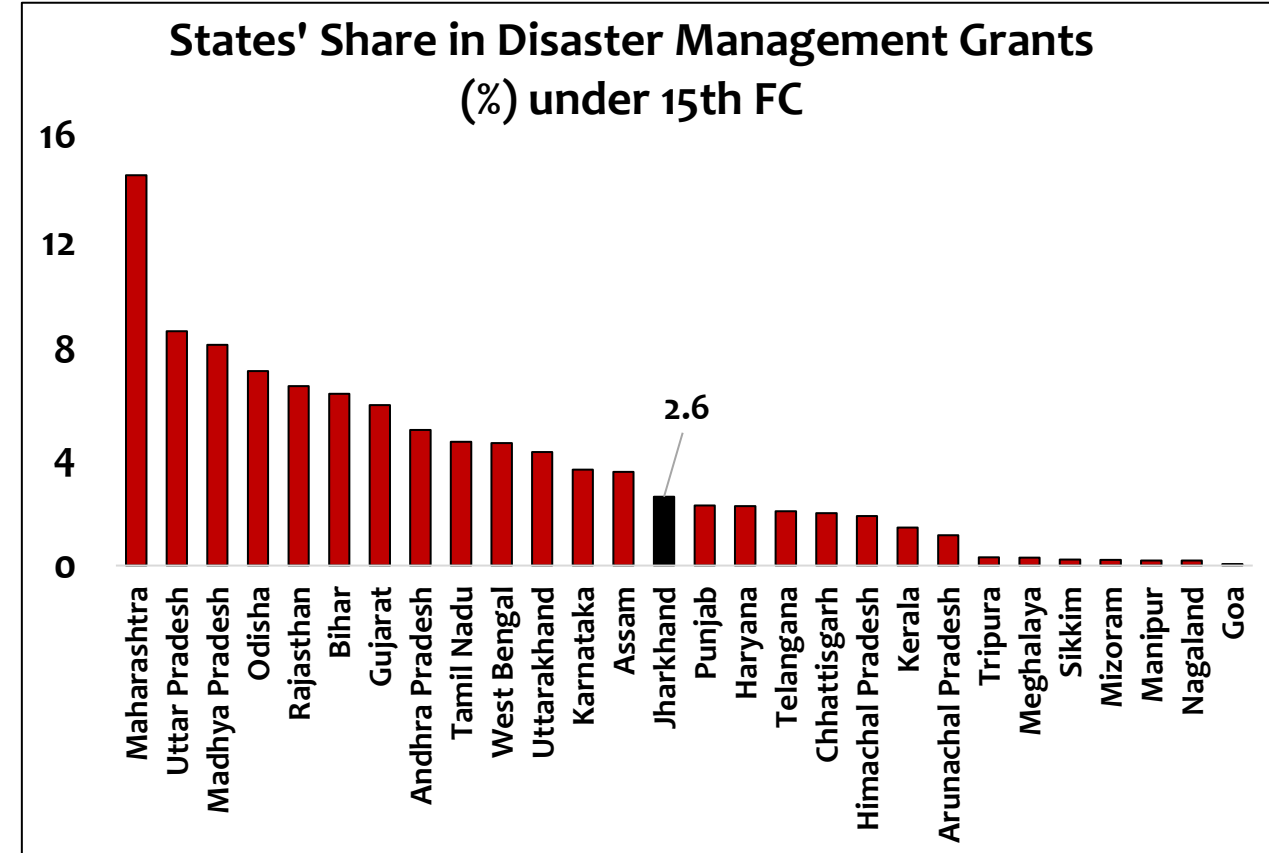
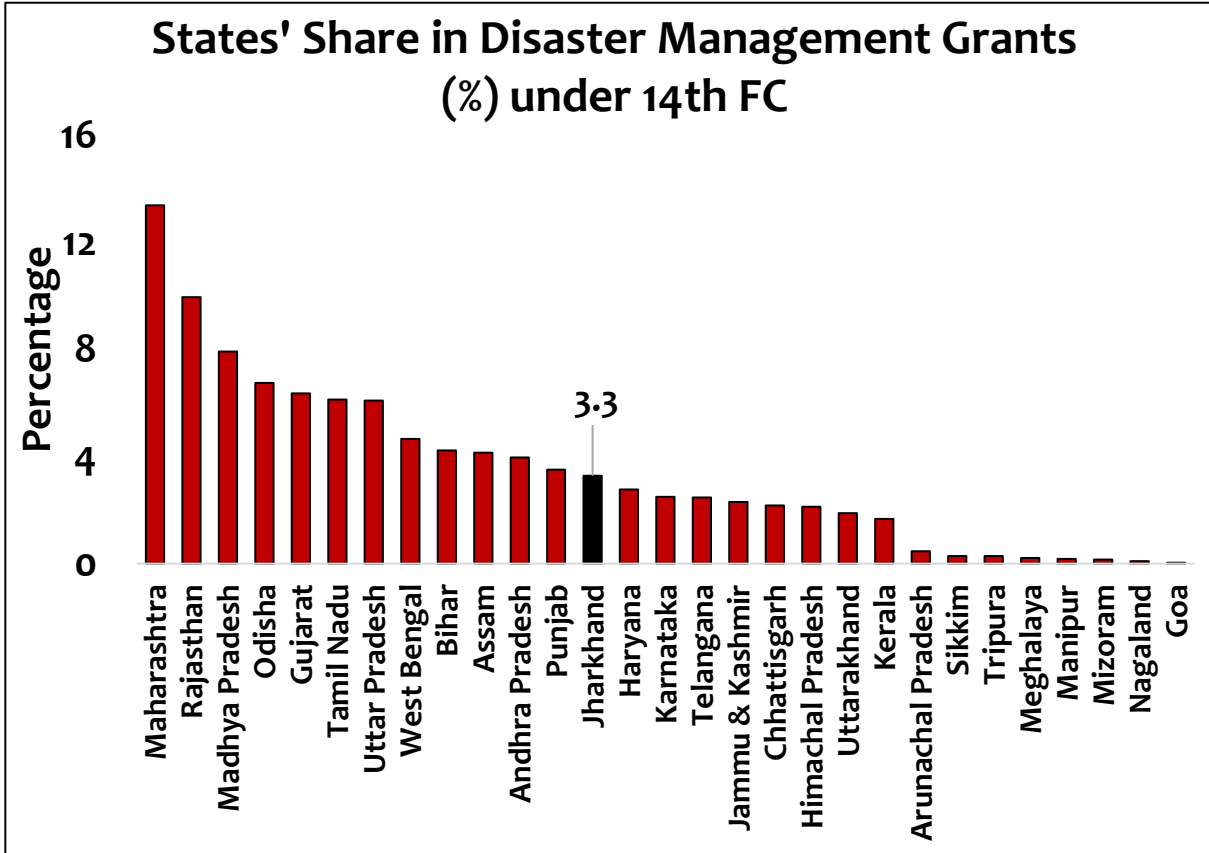
Jharkhand had a 0.1 percent point change in Local Government Bodies' Grants between the 14th and 15th FC recommendations



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Local Government Bodies' Grants from the Centre, and it has been excluded from this chart.

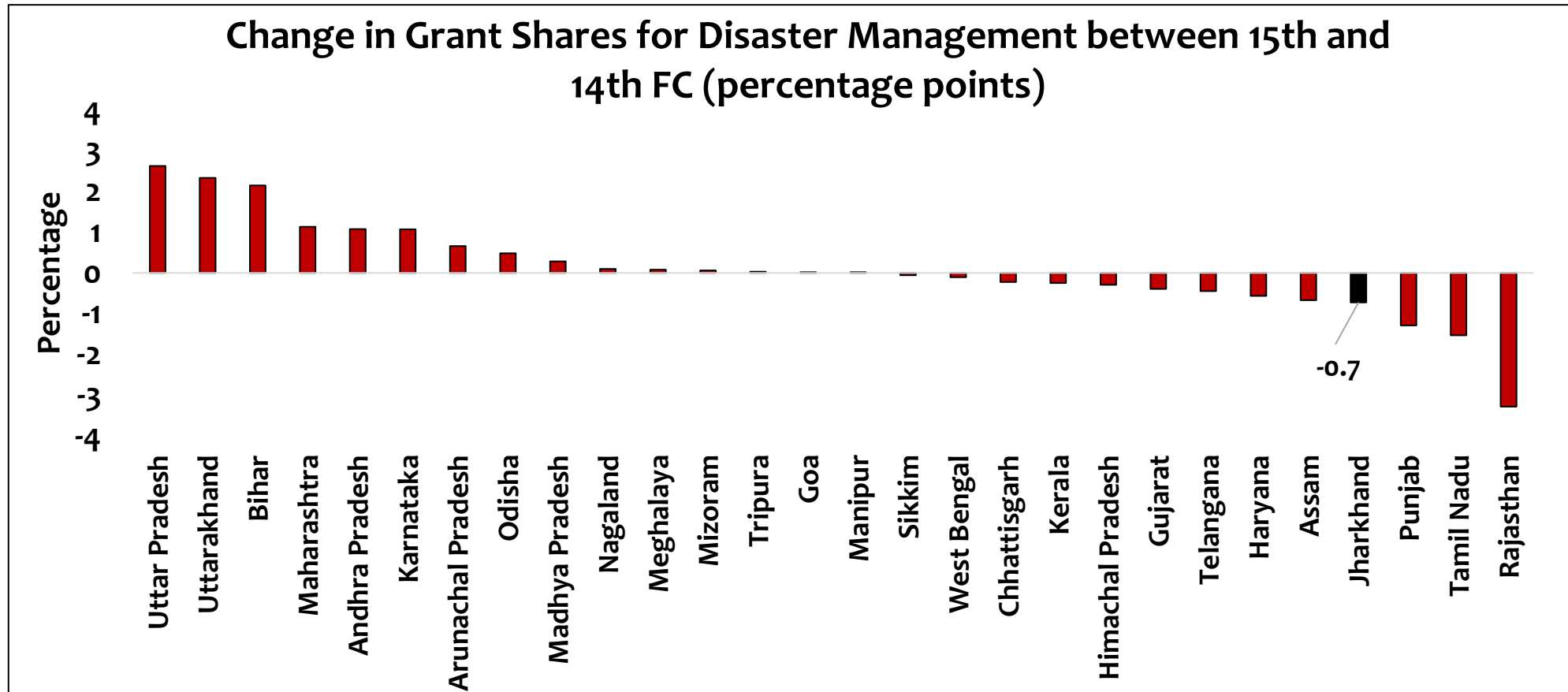
Jharkhand's recommended share in the Grants for Disaster Management from the Centre decreased from 3.3 percent by 14th FC to 2.6 percent by 15th FC



Source: 14th and 15th FC Reports.

Note: A Disaster Risk Index is calculated for all States, taking into consideration the natural calamities different States are prone to, poverty, and other factors. This index is then weighed by a factor accounting for the aggregate expenditure of States on disaster management, area and population, to calculate the States' shares in disaster management grants.

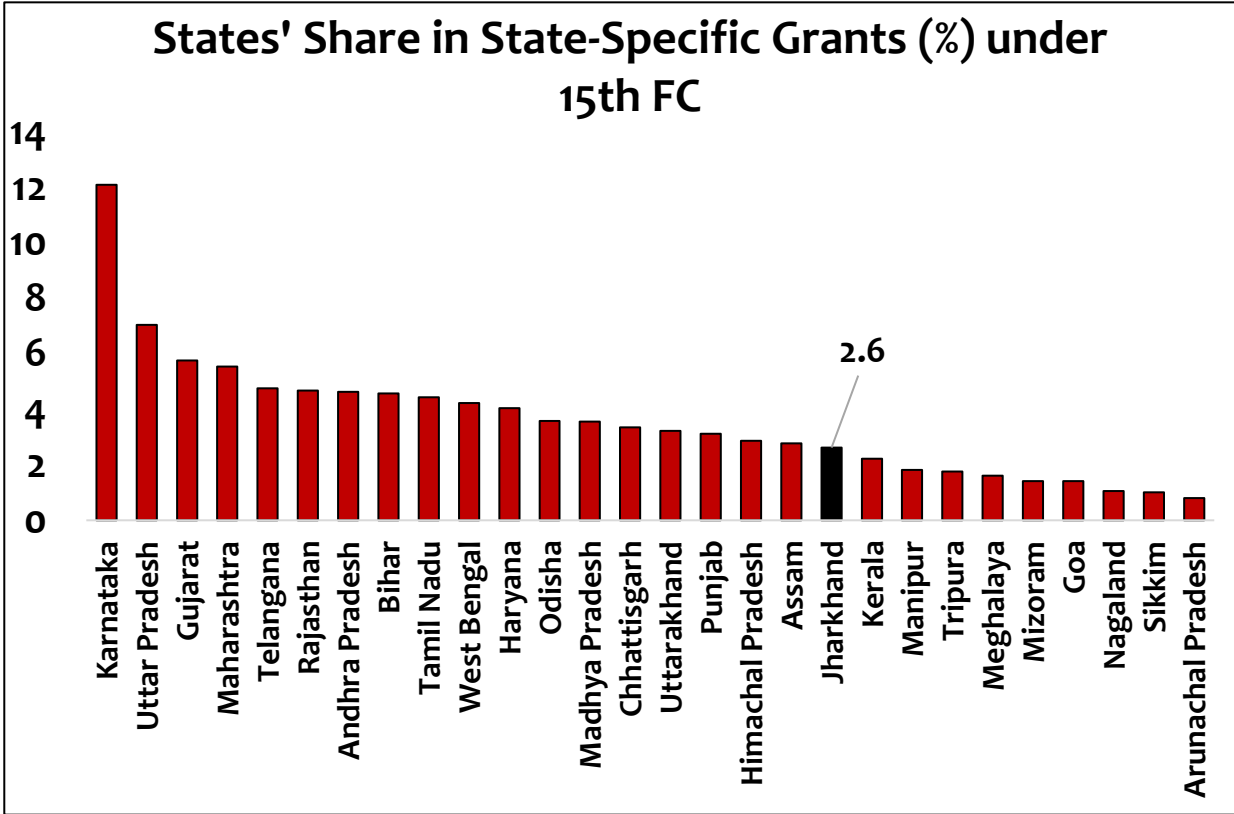
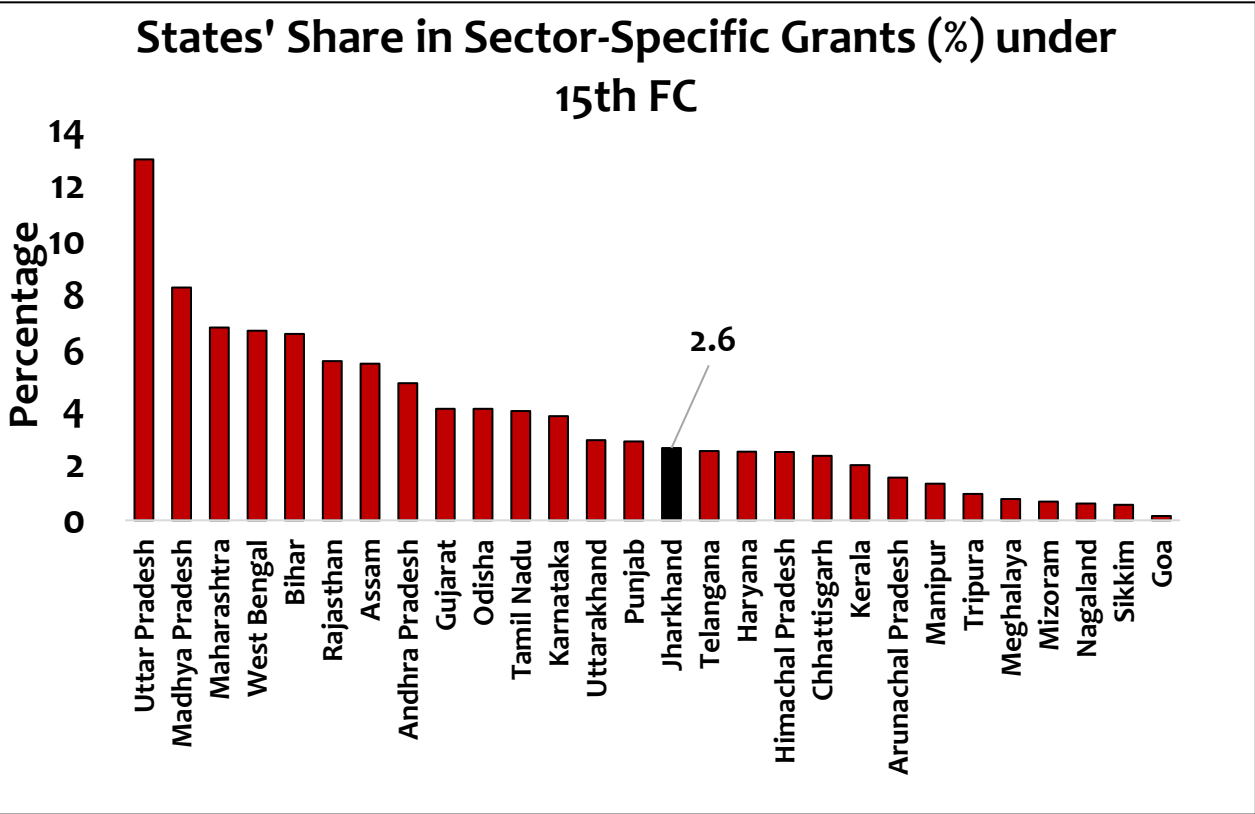
Karnataka had a 1.1 percent point increase in Grants for Disaster Management between the 14th and 15th FC recommendations



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Disaster Management Grants from the Centre, and it has been excluded from this chart.

Jharkhand's share in Sector-Specific Grants is about 2.6 percent of the total. It is recommended to receive about 4 percent of total grants for improving statistical data collection and dissemination and 3.5 percent of the grants for maintenance of PMGSY Roads. A total of Rs. 1,300 crore was recommended in State-Specific Grants, of which, Rs. 700 crore was directed towards the energy sector – strengthening urban and rural electricity distribution infrastructure



Source: 14th and 15th FC Reports.

Note: i. Other sector-specific grants and the State's shares in each include agriculture performance incentive grants (1.5 percent), health and education grants (3.1 percent) and grants for judiciary (2.6 percent); ii. Jharkhand received Rs. 1,300 crore in State-specific grants. Apart from the funds directed towards energy purposes, Rs. 400 crore was allocated to tourism, sports, arts and culture infrastructure, and Rs. 200 crore was aimed towards the development of tourist amenities for Deoghar Baidyanath Jyotirling and surrounding tourist circuit.

Climate Change under the FC

- Looking at the last two decades, there has been a shift in how the issue of climate change has been addressed by different Finance Commissions.
- **12th and 13th Finance Commissions**
 - The **12th FC** recommended grants worth Rs. 1,000 crore to be shared by States for the Maintenance of Forests, in addition to what the States were spending through their respective forest departments. The amount was distributed among the States based on their forest area, and it was to be spent for preservation of forest wealth. [refer to Chapter 10, pg. 175, 184-185]
 - Expanding on the same, the **13th FC** recommended Environment Grants worth Rs. 15,000 crores to States, which covered three areas: protection of forests, renewable energy, and water sector management (Rs. 5,000 crore each). [refer pg. 205 (table 12.1), pg. 210-217]
- **14th and 15th Finance Commissions**
 - The **14th FC** approached climate change and sustainable economic development from a fiscal perspective, and with the view that tax devolution should be the primary route of transfer of resources to States, increased the States' share in the divisible pool to 42 percent (from 32 percent under the 13th FC). [refer pg. 31 (point 2.33), pg. 103, 107 (point 8.27), pg. 180 (point 12.34-12.35)]
 - Forest cover was introduced as a criteria for tax devolution by the 14th FC, to continue accounting for concerns related to climate change and to encourage States to maintain higher forest covers. They assigned 7.5 percent weight to forest cover in the tax devolution matrix.
 - The **15th FC** maintained this recommendation, and assigned a higher weight of 10 percent to forest and ecology in the tax devolution matrix.
 - The 15th FC also made State-specific grant recommendations (based on specific requests from States). Very few of them are categorized under climate-change, and some others align with one or more of the three environment goals specified by the 13th FC: Arunachal Pradesh (Rs 355 crore, renewable energy), Goa (Rs. 500 crore, alternative power sources, waste management), **Jharkhand (Rs. 700 crore, renewable energy)**, Kerala (Rs 500 crore, forest conservation), Maharashtra (Rs 500 crore, forest conservation), Punjab (Rs. 390 crore, includes support for reduction in environment pollution caused by stubble burning), Rajasthan (Rs. 400 crore, integrated water management), Tamil Nadu (Rs. 200 crore, revamping water bodies to adapt to climate change). [refer Annex 10.9, pg. 803-810 (summary), Annex 10.10, pg. 811-837]

7. Jharkhand Fiscal Responsibility and Budget Management Act, 2007

Status of Fiscal Rule in Jharkhand

- Following the Twelfth Finance Commission's recommendations for prudent fiscal management, the Jharkhand State Government enacted the **Jharkhand Fiscal Responsibility Act and Budget Management Act (JFRBM)** in 2007, in line with Union Fiscal Responsibility and Budget Management Act, 2003.
- The JFRBM, 2007 prescribed the following fiscal targets for the State Government:
 1. **Revenue Deficit:** Eliminate revenue deficit by 31st March 2009
 2. **Fiscal Deficit:** Reduce fiscal deficit as a percentage of GSDP to not more than 3 percent by 31st March 2009 and reduce the fiscal deficit ratio in each financial year to attain this target
 3. **Primary Surplus:** generate a primary surplus of over three per cent of GSDP by the year ending 31 March, 2008
 4. In order to bring the debt stock to a sustainable level, **interest payment** as a percentage of revenue receipt is to be limited to 18 to 25 per cent
 5. The **total debt stock** should be limited to 300 per cent of the total revenue receipt of the State (by the year ending 2007-08)
 6. **Total Liabilities:** Ensure within a period of fourteen financial years from 1st April, 2007 to 31st March 2018 that total liabilities do not exceed 25 percent of GSDP for that year
 7. Other important monitorable fiscal targets would be
 - The **ratio of salary to State's Own revenue** is to be reduced to 80 per cent
 - the **ratio of non interest committed revenue expenditure to State's Own and Mandated Revenue** is to be reduced to 55 per cent by the year ending 31 March, 2008
 - The **ratio of revenue deficit to revenue receipt** is to be reduced to 'Zero' by the year ending 31 March, 2009

Source: i. Jharkhand Fiscal Responsibility Act, 2007, 2010, 2012, 2015, 2020, 2021; ii. The Jharkhand Government Gazette; iii. State Finances Audit Reports of the CAG.

Status of Fiscal Rule in Jharkhand

- The Jharkhand FRBM requires the State Government to present before both the Houses of the Legislature a **Medium Term Fiscal Plan (MTFP)** which provides three year rolling fiscal targets for prescribed fiscal indicators along with the budget.
- The JFRBM Act was amended in 2010. The amendment was carried out in pursuance of the sanction of Government of India for 2009-10 to borrow market debt up to 4 percent of GSDP. The Act further mentioned that the State would thus be required to reduce fiscal deficit to 3 percent of GSDP by 31st March 2011.
- The Act was amended again in 2012 in pursuance of the Government of India's policy on State's Fiscal Consolidation as well as the recommendations of the Thirteenth Finance Commission during the period from 2010-11 to 2014-15. The State was required to eliminate its revenue deficit by 31st march 2012 and maintain it till 2014-15. It was further required to reduce its fiscal deficit to 3 percent by 31st March 2012 and maintain it till 2014-15, and target its debt-GSDP ratio at 28.5 percent, 27.8 percent, 27.3 percent, and 26.9 percent in 2011-12, 2012-13, 2013-14, 2014-15, respectively as per the Finance Commission's recommendations.

Status of Fiscal Rule in Jharkhand

- The JFRBM Act was amended following the recommendations of the Fourteenth Finance Commission in 2015. The revised targets as per the JFRBM Act 2015 required the State to eliminate its revenue deficit at the end of the year; limit the fiscal deficit to GSDP ratio of the State to 3.5 percent in the years 2015-16 and 2016-17 and to 3.25 per cent in 2017-18, 2018-19 and 2019-20. The loans under UDAY scheme taken in the years 2015-16 and 2016-17, however, would be beyond this condition. The State's debt-GSDP ratio targets were 24.2 percent, 25.16 percent, 25.77 percent, 26.31 percent in the years 2015-16, 2016-17, 2017-18, and 2018-19, respectively as prescribed by the Fourteenth Finance Commission.
- The Act was further amended in 2020 and 2021. The fiscal deficit to GSDP ratio target was enhanced by additional 2 percent over and above the 3 percent target for 2020-21 to raise additional resources due to the adverse effects of the COVID-19 pandemic on the resources of the State, as per conditions determined by the Government of India. The fiscal deficit target for 2021-22 was enhanced to 4 percent, subject to attaining certain reforms suggested by the Union Government.

State Finances Audit Report of the Comptroller and Auditor General of India (CAG) for Jharkhand

Table 1.6: Compliance with provisions under State FRBM Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Deficit	Nil	1,804	5,521	1,960	-3,114	6,944
		✓	✓	✓	✗	✓
Fiscal Deficit (as percentage of GSDP)	Three per cent (5 per cent for 2020-21 & 4 per cent for 2021-22)	11,933 (4.42)	6,629 (2.17)	8,035 (2.50)	14,911 (4.70)	2,604 (0.72)
		✗	✓	✓	✓	✓
Ratio of total outstanding debt to GSDP (in per cent)	Target	27.90	27.20	27.10	27.00	33.00
	Actuals	28.57	27.41	29.40	33.90 [#]	30.57 [#]
		✗	✗	✗	✗	✓

[#] Does not include ₹ 1,689 crore in 2020-21 and ₹ 2,484.41 crore in 2021-22, passed on as back-to-back loans by Government of India, in lieu of shortfall in GST compensation

Source: State Finances Audit Reports of the CAG for 2021-22.

- From 2017-18 to 2021-22, Jharkhand maintained a revenue surplus each year, except in 2020-21.
- The State generally adhered to its fiscal deficit limits under the FRBM Act, with the exception of 2017-18.
- While it exceeded its total outstanding liabilities target from 2017-18 to 2020-21, the State met this target in 2021-22.

Recommendations by the Comptroller and Auditor General of India (CAG)

- The CAG has made the following recommendations:
 - The State Government should rationalise its investments in various entities, so that the return on investment and loans, at least matches, the Government borrowing costs. Otherwise, increasing fiscal liabilities accompanied by negligible rate of returns in investments might lead to a situation of unsustainable debt.
 - The State has to put in concerted efforts to maintain its fiscal performance in respect of the targets laid down in the FRBM Act and MTFP statements.

Status of Fiscal Rule in Jharkhand

- **Revenue surplus** in 2023-24 is estimated to be 3.2 percent of GSDP, higher than the revised estimates of 2.5 percent of GSDP for 2022-23. In 2022-23, the revenue surplus is expected to be higher than the budget estimate of 1.7 percent of GSDP.
- **Fiscal deficit** for 2023-24 is targeted at 2.8 percent of GSDP. In 2022-23, as per the revised estimates, fiscal deficit is expected to be 2.3 percent of GSDP, lower than the budget estimate of 2.8 percent of GSDP.
- At the end of 2023-24, the **outstanding liabilities** are targeted at 27 percent of GSDP, lower than the budget estimate for 2022-23 (31.4 percent of GSDP). The outstanding liabilities have risen significantly as compared to 2019-20 level (30.4 percent of GSDP), but these have been declining since then.

Table 5A: Fiscal Parameters set in the FRBM Act in various years

Fiscal Parameters	Fiscal Parameters set in the Act			
	2007	2010	2012	2015
Revenue Deficit (Rs crore)	Eliminate revenue deficit by 31 st March 2009 and reduce revenue deficit as a percentage of GSDP in each financial year to achieve this	Eliminate revenue deficit and reduce revenue deficit as a percentage of GSDP in each financial year to achieve this	Eliminate its revenue deficit by 31 st march 2012 and maintain it till 2014-15	Eliminate its revenue deficit at the end of the year and maintain it thereafter
Fiscal Deficit (as percentage of GSDP)	Reduce fiscal deficit as a percentage of GSDP to not more than 3 percent by 31 st March 2009 and reduce this ratio in each financial year to attain this	Reduce fiscal deficit as a percentage of GSDP to not more than 4 percent in 2009-10 and reduce fiscal deficit to 3 percent of GSDP by 31 st March 2011	Reduce its fiscal deficit to 3 percent by 31 st March 2012 and maintain it till 2014-15	Limit the fiscal deficit to GSDP ratio of the State to 3.5 percent in the years 2015-16 and 2016-17 and to 3.25 per cent in 2017-18, 2018-19 and 2019-20
Total Outstanding Debt (as percentage of GSDP)	Ensure within a period of fourteen financial years from 1 st April, 2007 to 31 st March 2018 that total liabilities do not exceed 25 percent of GSDP for that year	No change	Target debt-GSDP ratio at 28.5 percent, 27.8 percent, 27.3 percent, and 26.9 percent in 2011-12, 2012-13, 2013-14, 2014-15, respectively as per the Finance Commission's recommendations	The State's debt-GSDP ratio targets were 24.2 percent, 25.16 percent, 25.77 percent, 26.31 percent in the years 2015-16, 2016-17, 2017-18, and 2018-19, respectively as prescribed by the Fourteenth Finance Commission

Source: i. Jharkhand Fiscal Responsibility Act, 2007, 2010, 2012, 2015, 2020, 2021; ii. The Jharkhand Government Gazette; iii. State Finances Audit Reports of the CAG.

Table 5B: Fiscal Parameters set in the FRBM Act in various years

Fiscal Parameters	Fiscal Parameters set in the Act	
	2020	2021
Revenue Deficit (Rs crore)	No change	No change
Fiscal Deficit (as percentage of GSDP)	The fiscal deficit to GSDP ratio target was enhanced by additional 2 percent over and above the 3 percent target for 2020-21 to raise additional resources due to the adverse effects of the COVID-19 pandemic on the resources of the State, as per conditions determined by the Government of India.	The fiscal deficit target for 2021-22 was enhanced to 4 percent, subject to attaining certain reforms suggested by the Union Government
Total Outstanding Debt (as percentage of GSDP)	As per the MTFP: Target debt-GSDP ratio at 27.9 percent in 2017-18 27.2 percent in 2018-19 27.1 percent in 2019-20 27.0 percent in 2020-21 33.0 percent in 2021-22	No change

Source: i. Jharkhand Fiscal Responsibility Act, 2007, 2010, 2012, 2015, 2020, 2021; ii. The Jharkhand Government Gazette; iii. State Finances Audit Reports of the CAG.

8. Extra Slides on Fiscal Variables

- Fiscal Data covers the fiscal period 1990-91 - 2022-23

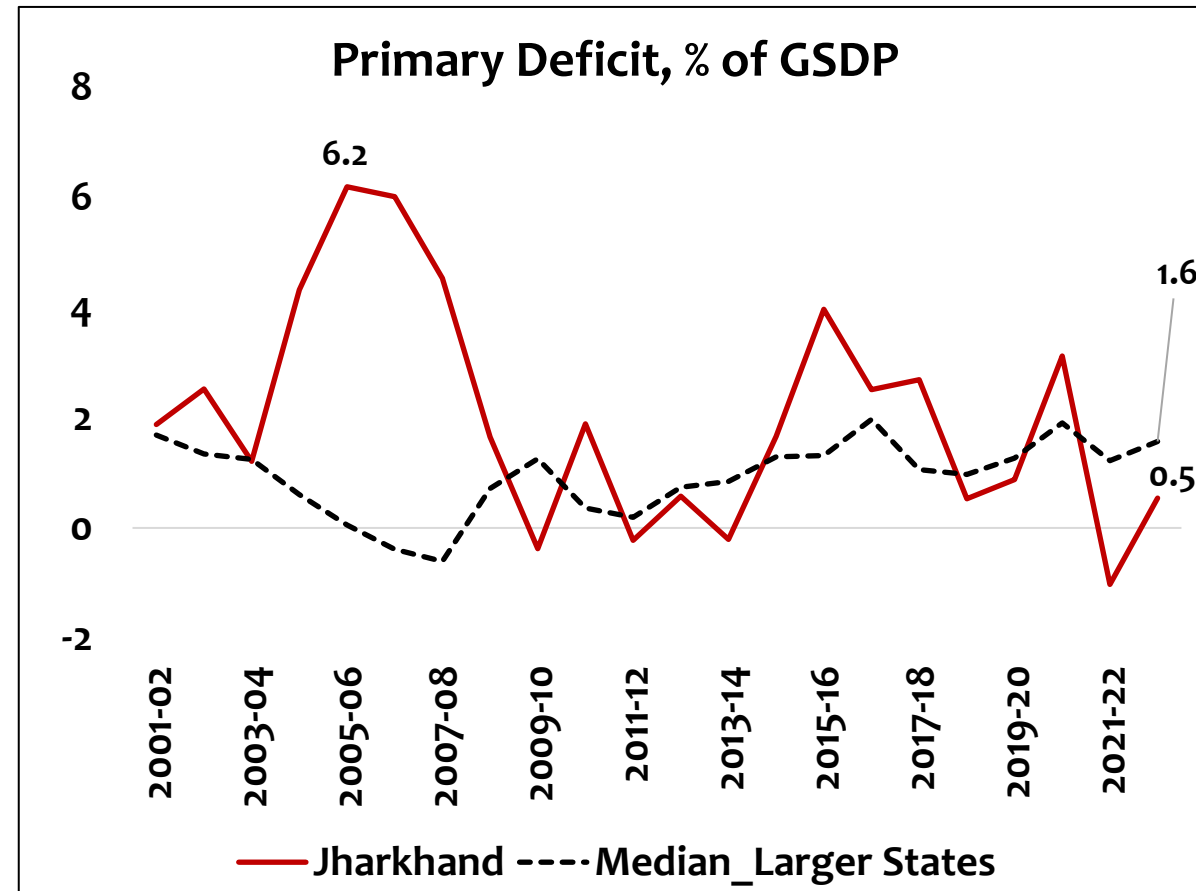
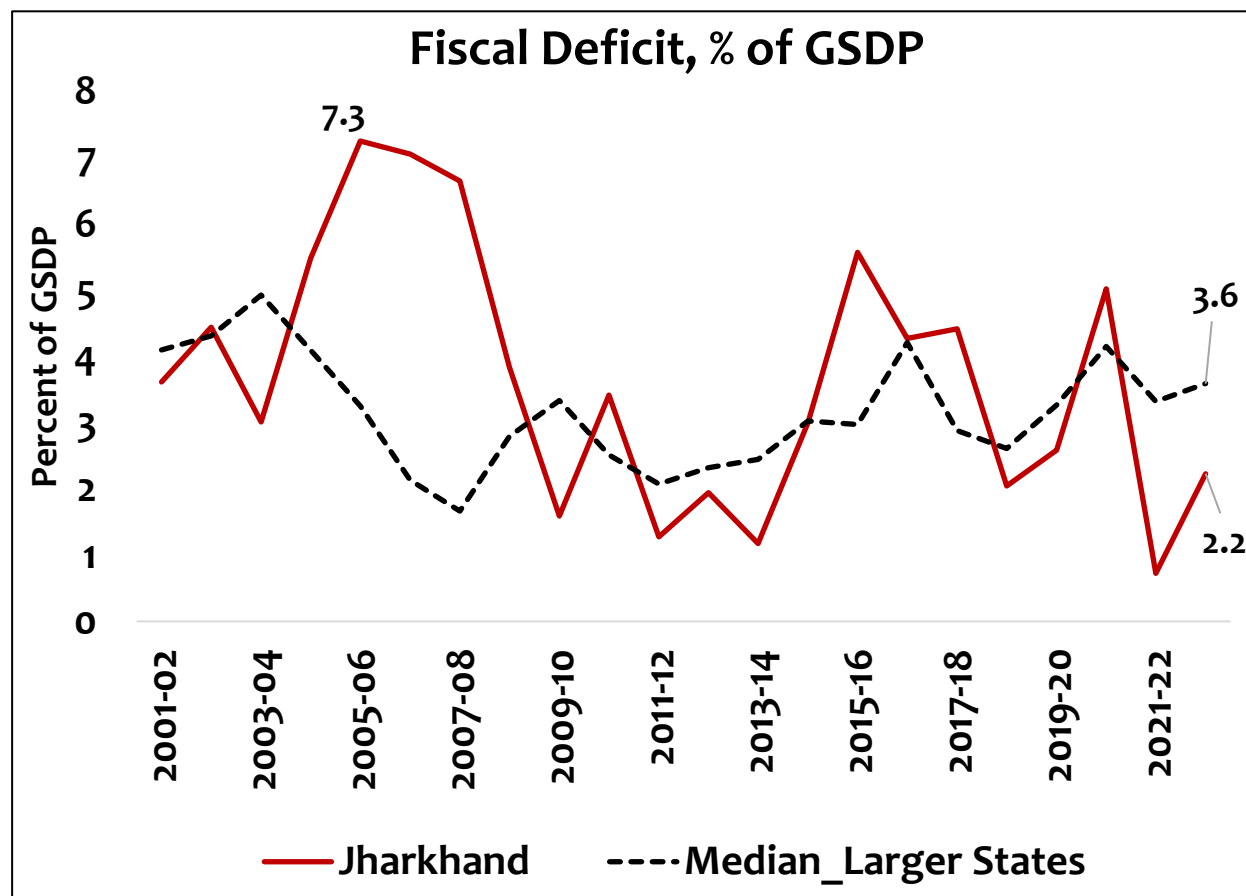
Fiscal Indicators

(I) Benchmarked with respect to *Median of Larger States*

Note: In Section 5, the benchmark was defined as the median of all States. This variable was computed as a percentage of GSDP for each State, and the median was taken across 29 States (excluding all Union Territories).

In contrast, the benchmark in this section refers to the median of larger States only. This variable was computed as a percentage of GSDP for each State, and the median was taken across 22 major States (Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand and West Bengal).

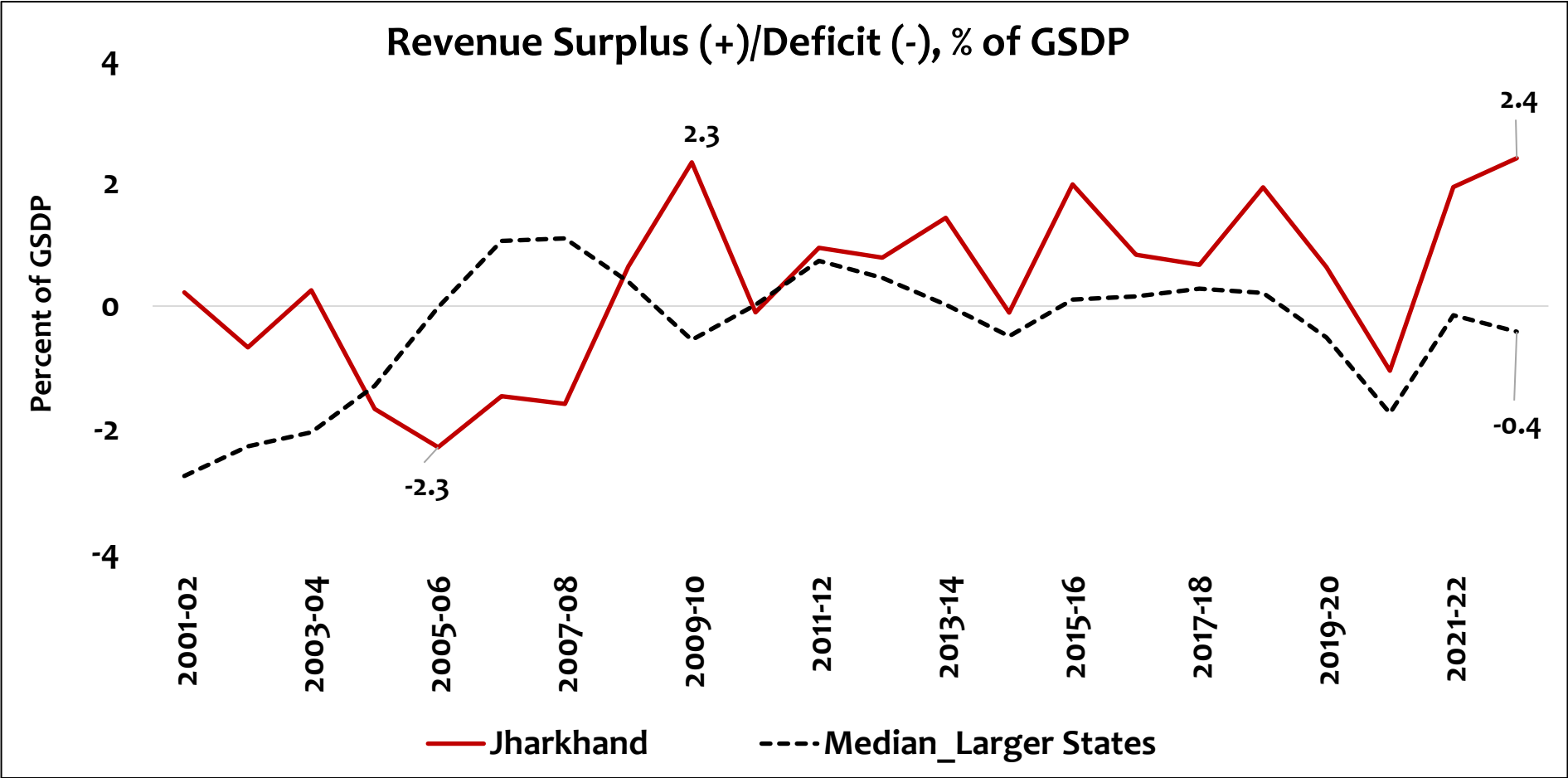
In 2022-23, Jharkhand ran a Fiscal Deficit and Primary Deficit of 2.2 and 0.5 percent of its GSDP respectively, both lower than that of a median State



Source: i. Fiscal Deficit (FD) is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).

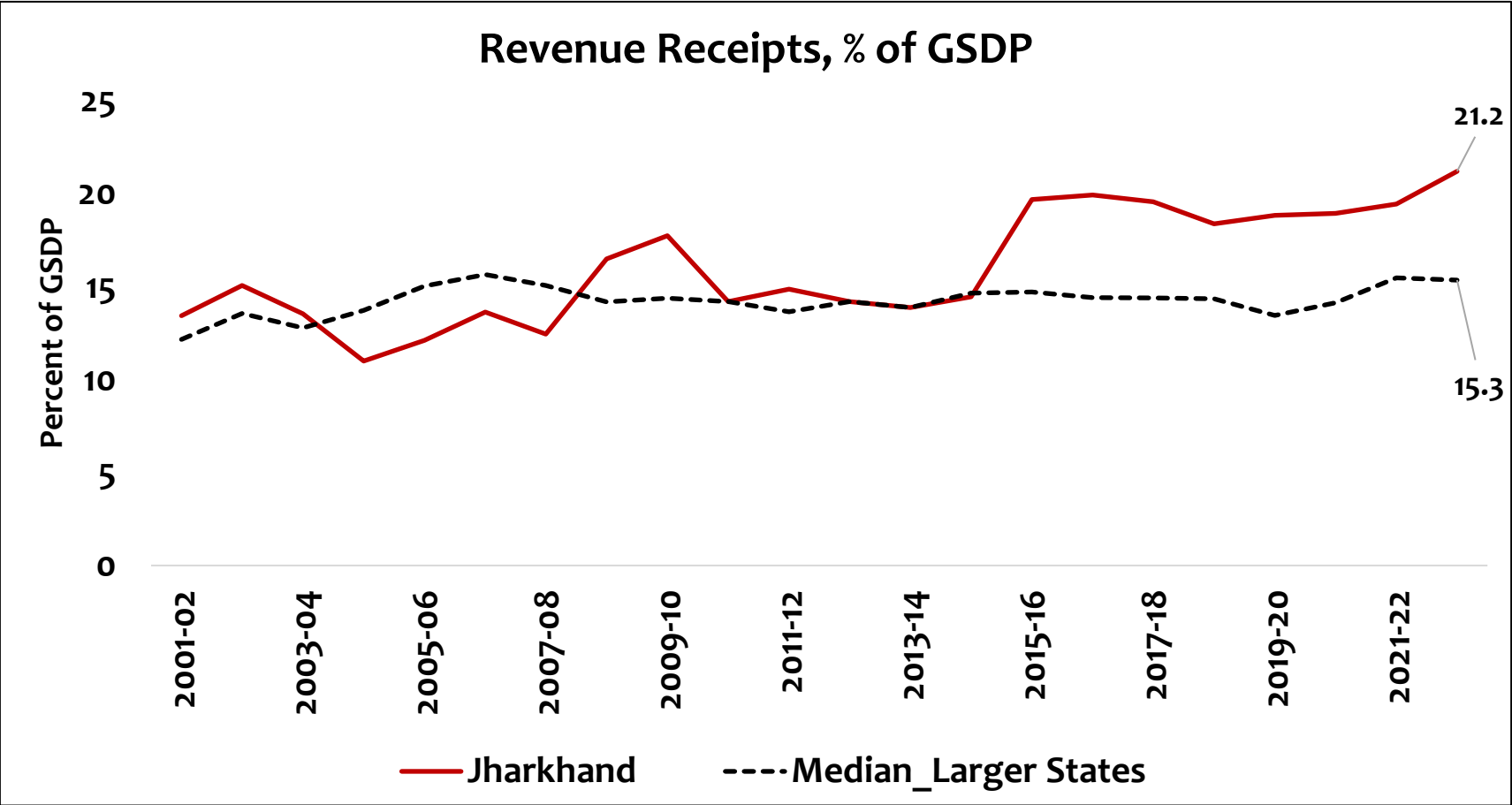
Note: i. Primary Deficit (PD) is calculated (Fiscal Deficit – Interest Payments). Interest Payments is sourced from RBI SFR; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

Jharkhand ran a Revenue Surplus of 2.4 percent of its GSDP in 2022-23, whereas a median State ran a Revenue Deficit of 0.4 percent in the same year



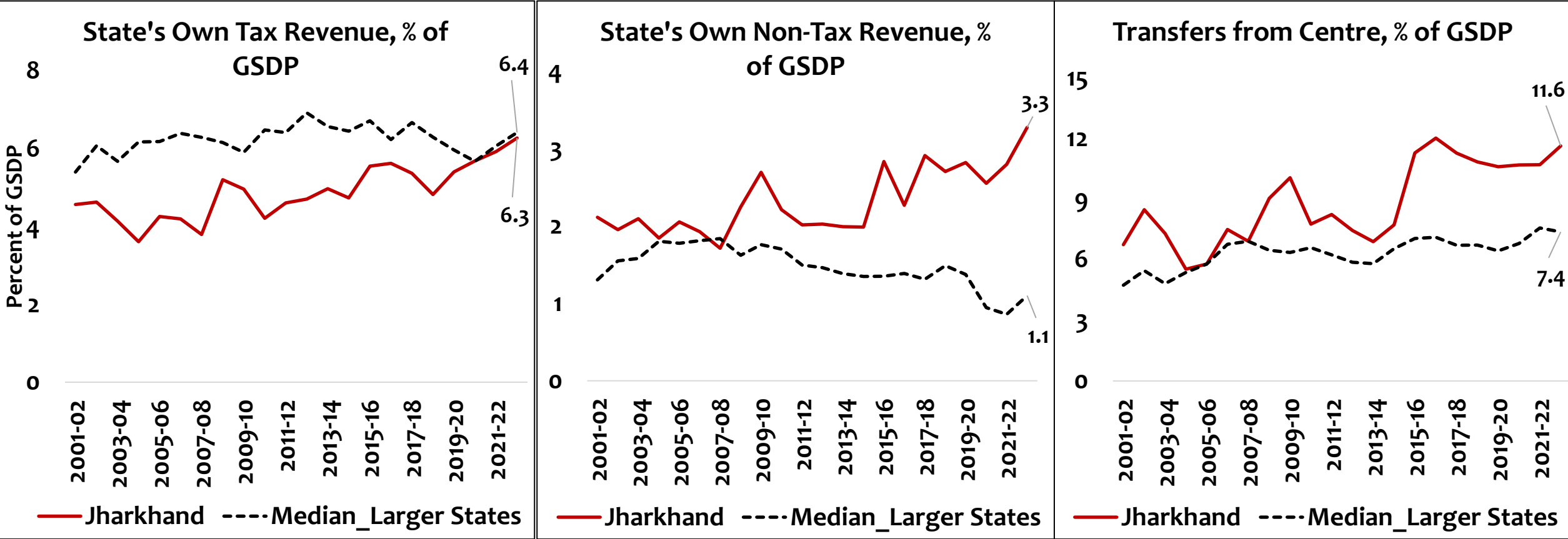
Source: i. Revenue Deficit - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).
Note: The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

In 2022-23, Jharkhand's total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) were higher than what a median State collected, at about 21.2 percent of its GSDP



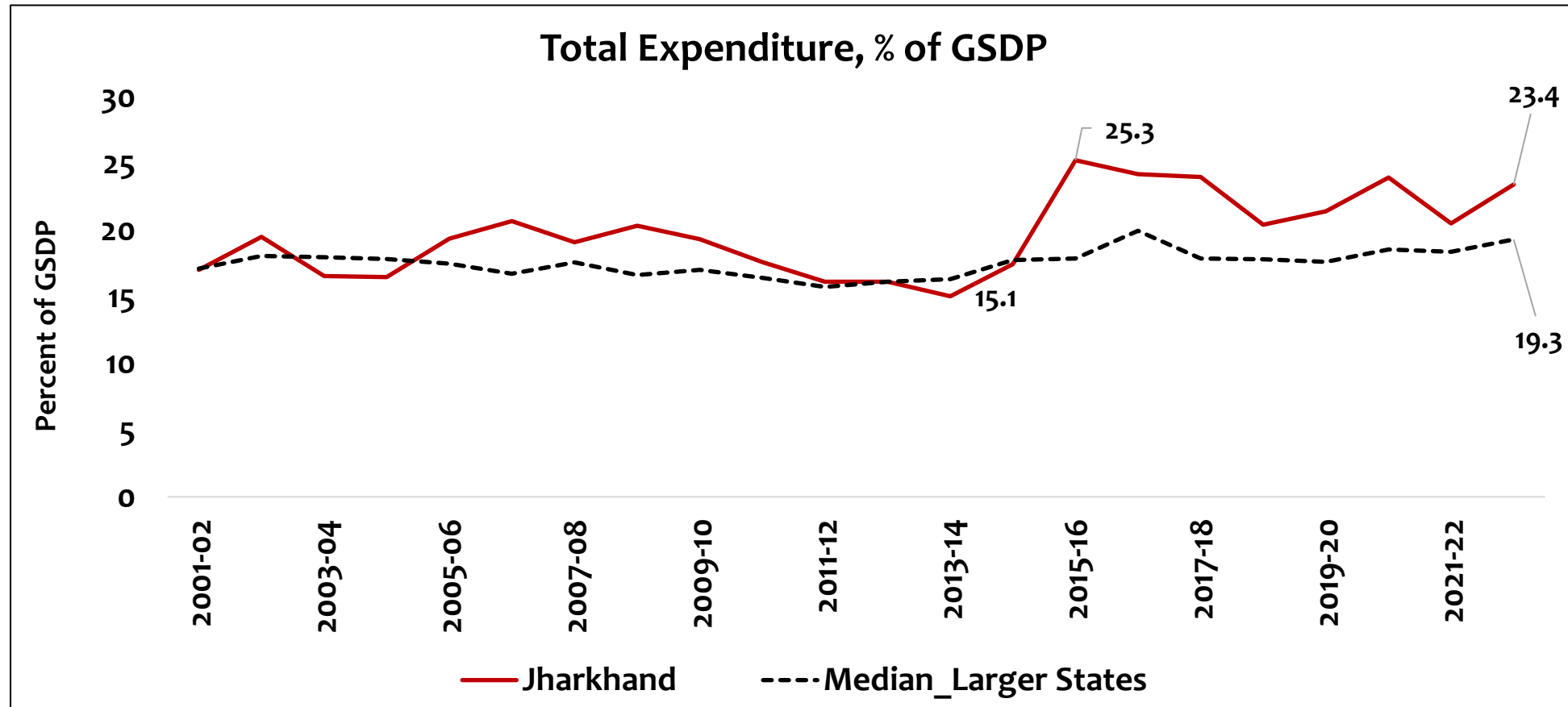
Source: i. Revenue Receipt - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).
Note: The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

Jharkhand's Own Tax Revenue at 6.3 percent was at par with a median State, while its Own Non-Tax Revenue and Transfers from the Centre, at 3.3 percent and 11.6 percent of GSDP respectively, were higher than those of a median State as of 2021-22. Transfers from Centre account for 55 percent of its Revenue Receipts



Source: i. Own-Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).
Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); ii. Transfers from the Centre include both Tax and Non-Tax transfers.

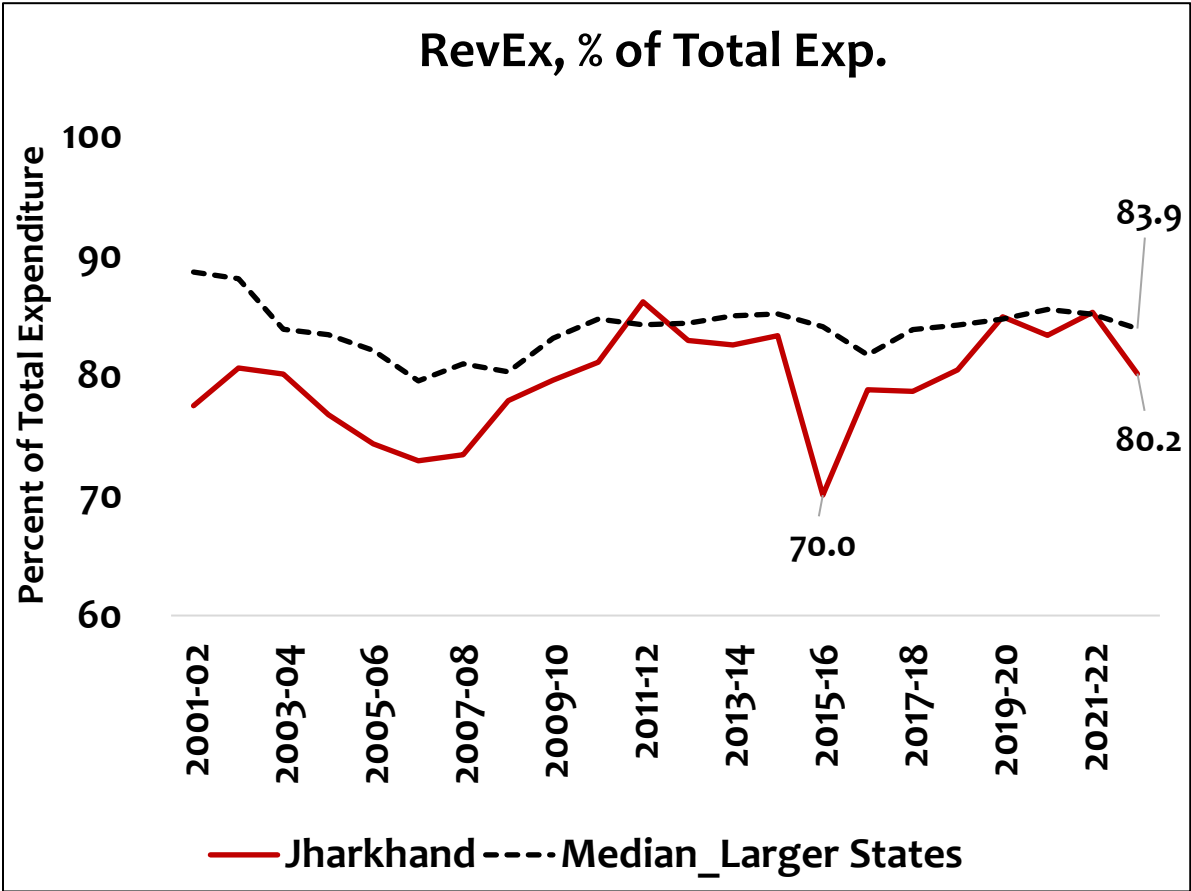
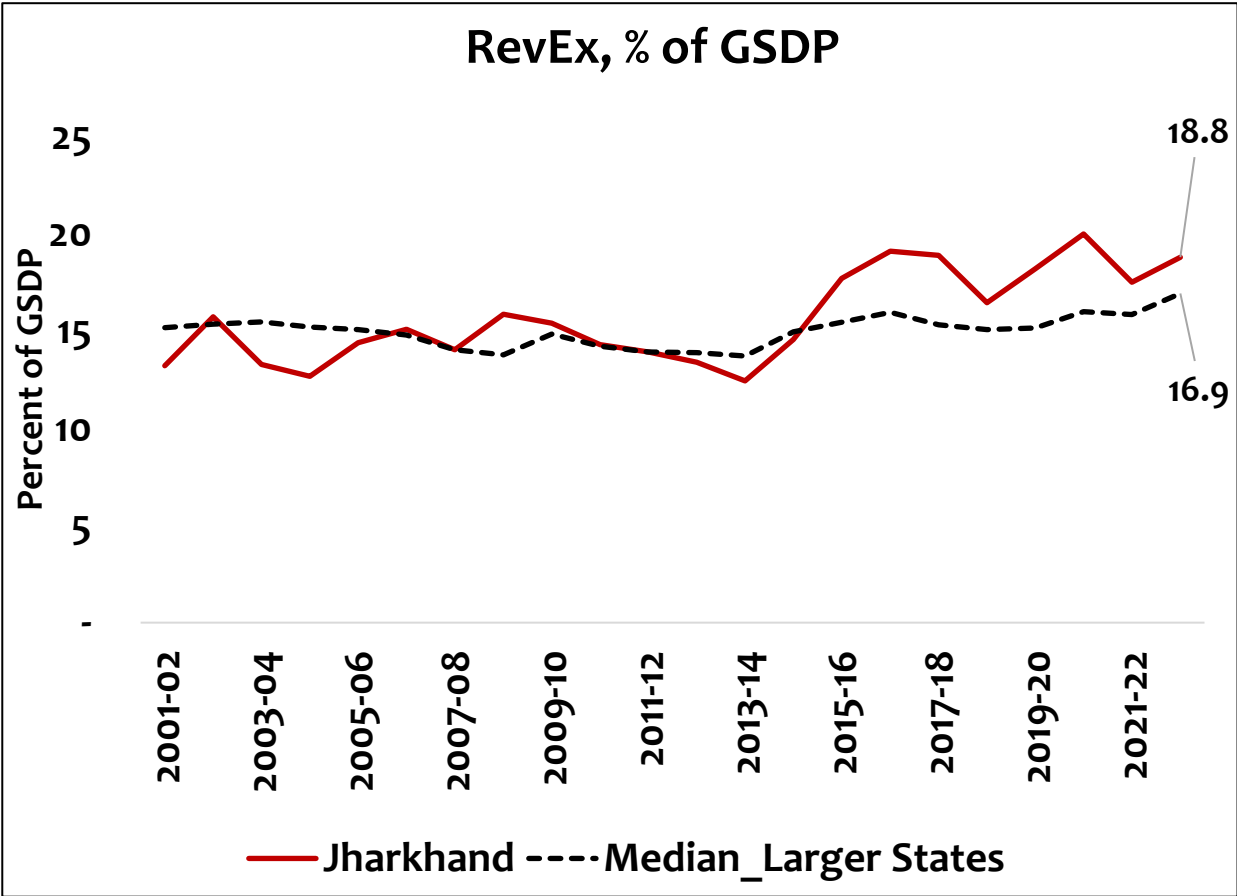
In 2022-23, Jharkhand's Expenditure at 23.4 percent of its GSDP was about 4.1 percentage points higher than that of a median State



Source: i. Total Expenditure - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

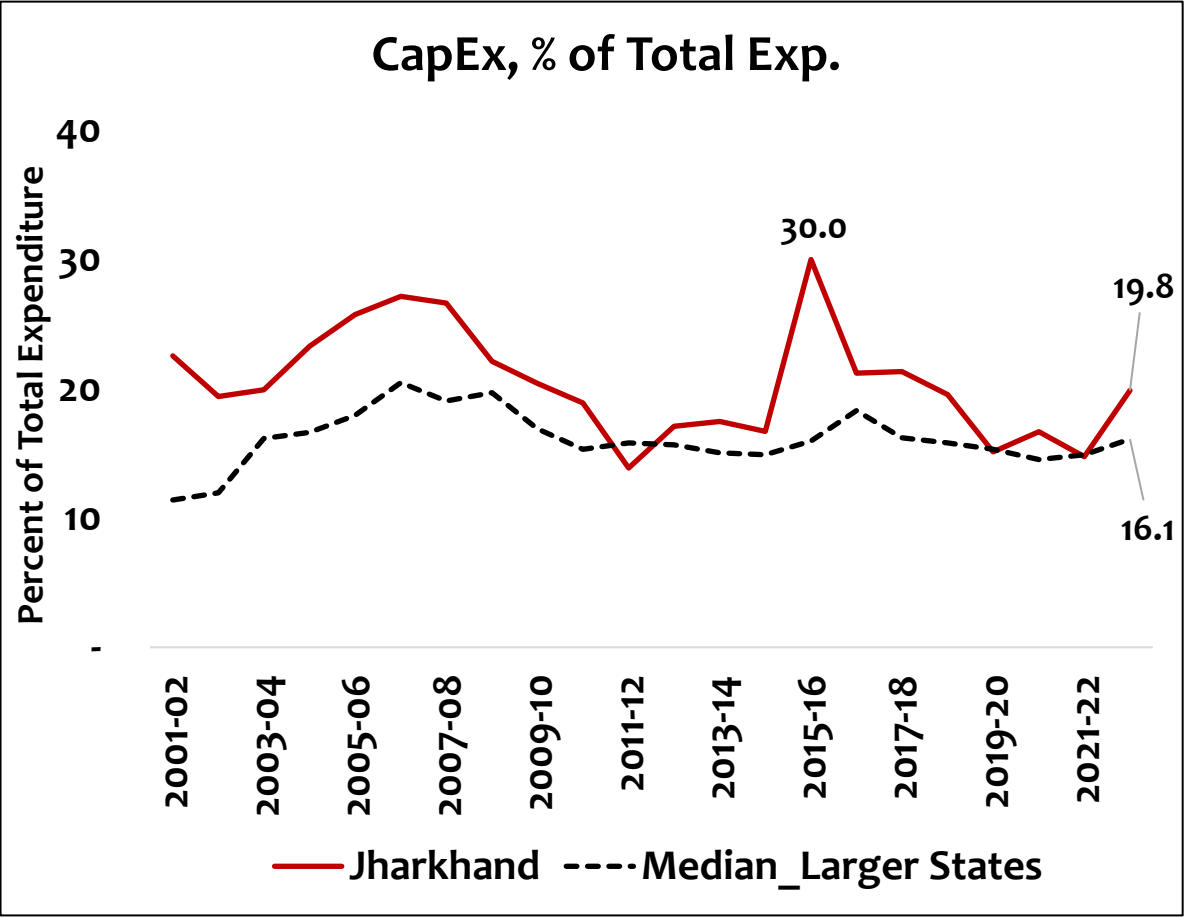
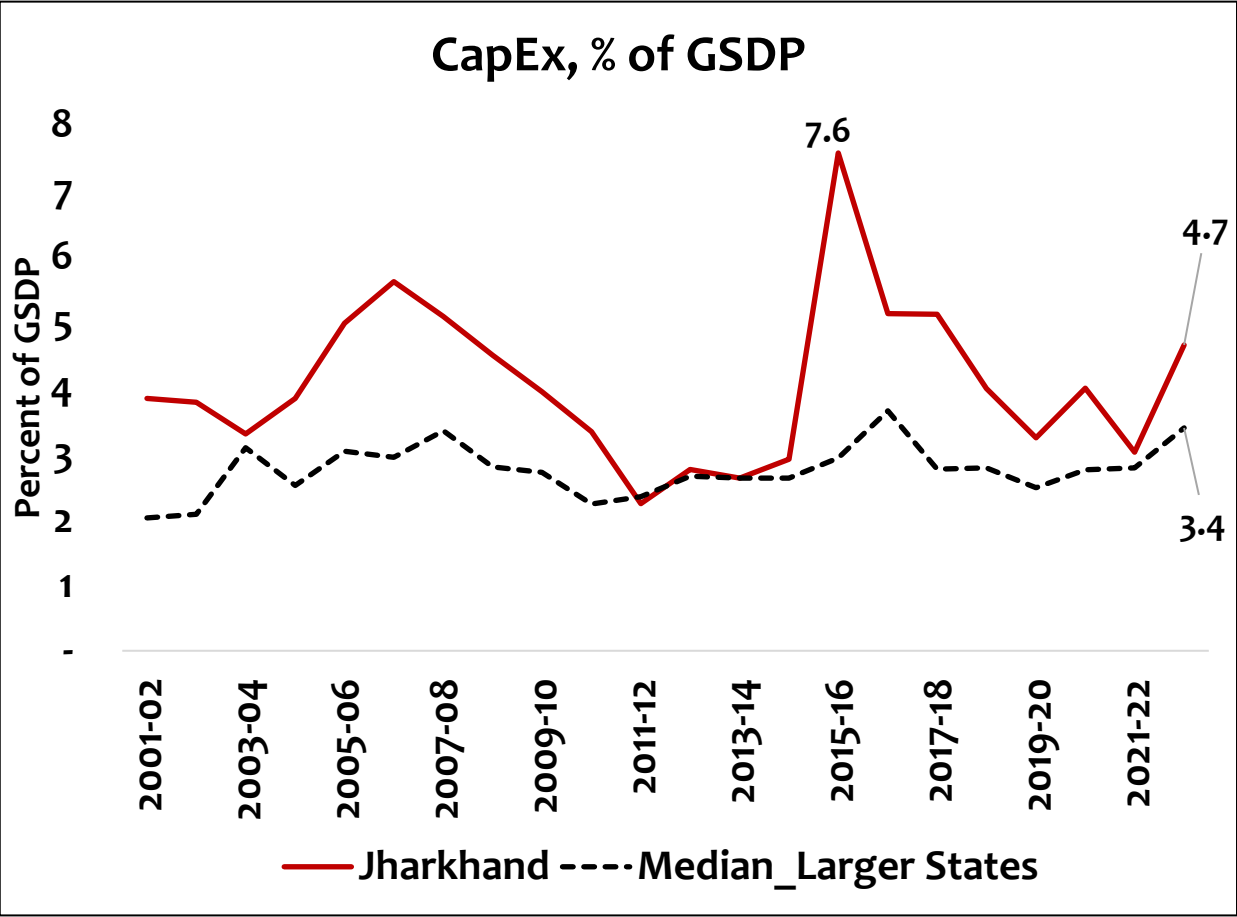
Note: i. Total Expenditure is calculated as Revenue Expenditure (RevEx) plus Capital Expenditure (CapEx); ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

Jharkhand's RevEx at 18.8 percent of its GSDP was higher than what a median State spent in 2022-23. Jharkhand's RevEx as a share of Total Expenditure at 80.2 percent was lower than what a median State spent in 2022-23



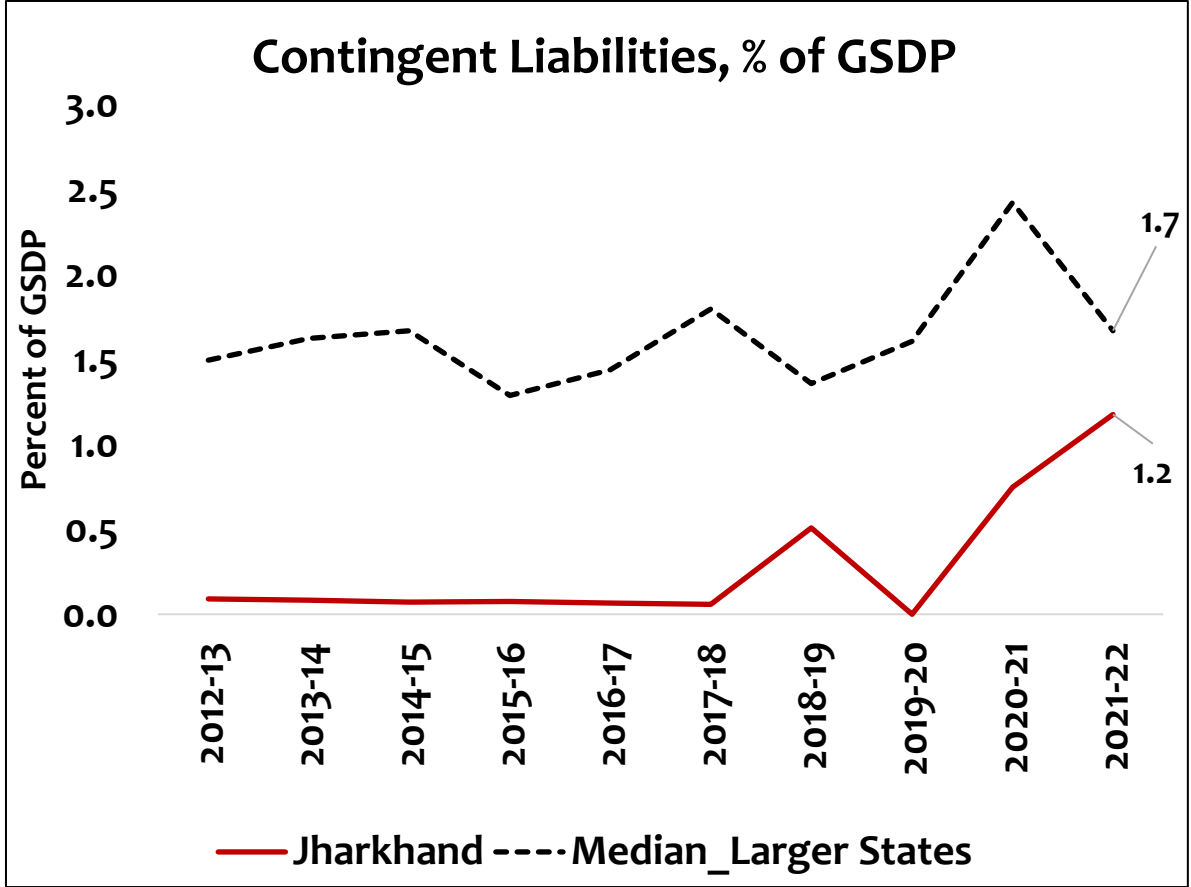
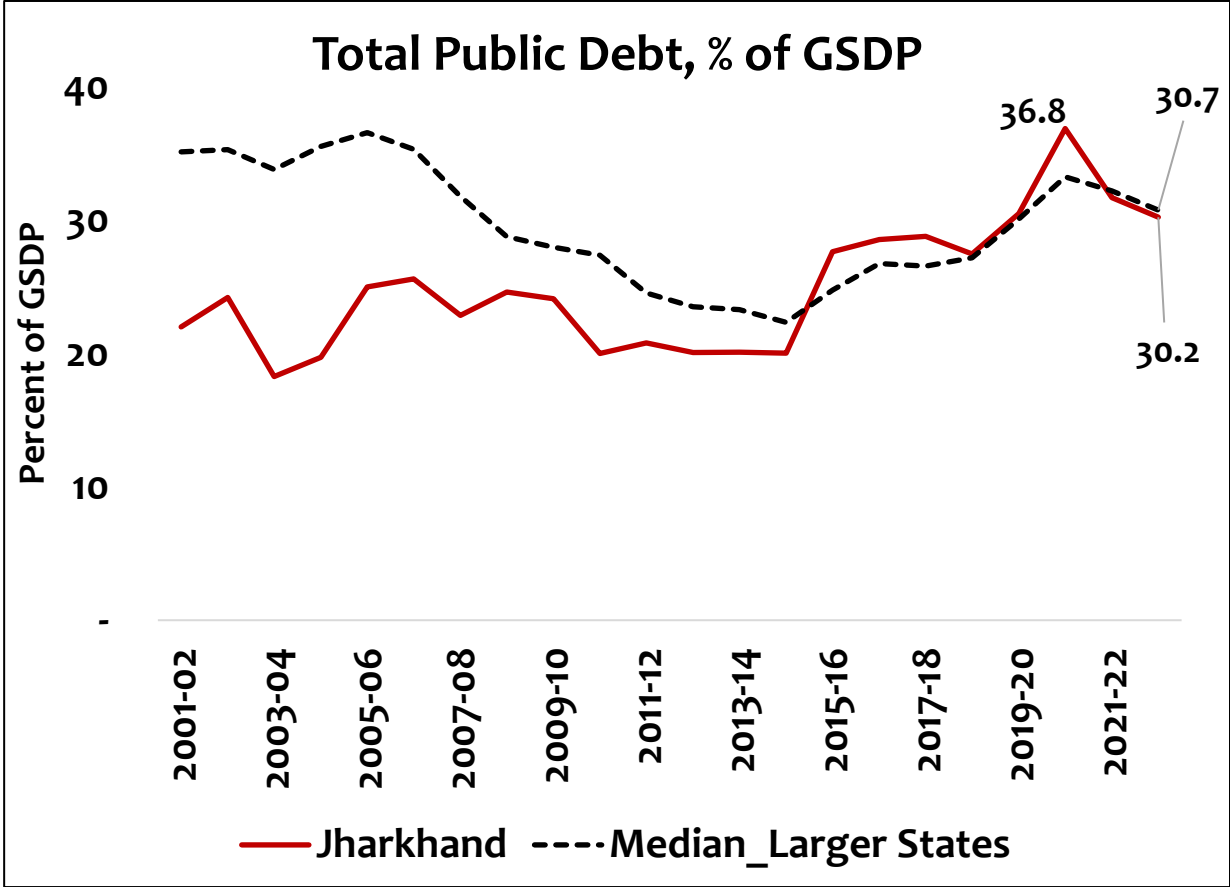
Source: i. RevEx - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).
Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

Jharkhand's CapEx at 4.7 percent of its GSDP, was about 1.3 percentage points higher than what a median State spent in 2022-23. CapEx as a share of Total Expenditure at 19.8 percent was 3.7 percentage points higher than what a median State spent, in 2022-23



Source: i. CapEx is calculated as Capital Outlay + Loans and Advances given by the State government and the data for both is taken from RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).
Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

Jharkhand has seen a consistent rise in its public debt, which, as of 2022-23, stood at 30.2 percent of its GSDP, almost at par with the median State. Its Contingent Liabilities as of 2021-22 were 1.2 percent of its GSDP, lower than that of a median State



Source: i. Public Debt and State-wise contingent liabilities - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).
Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); ii. The data for Contingent Liabilities is available only from 2012-13 for Jharkhand.

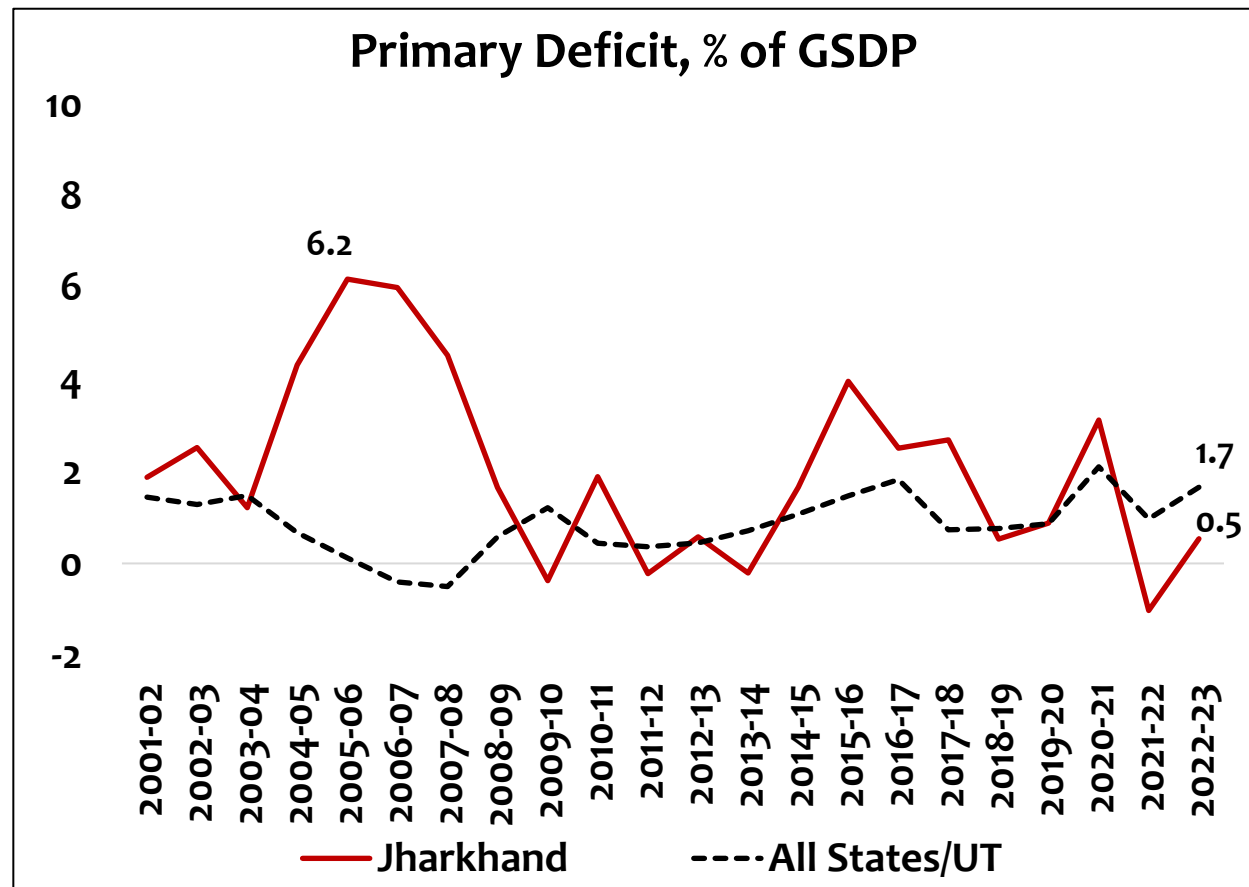
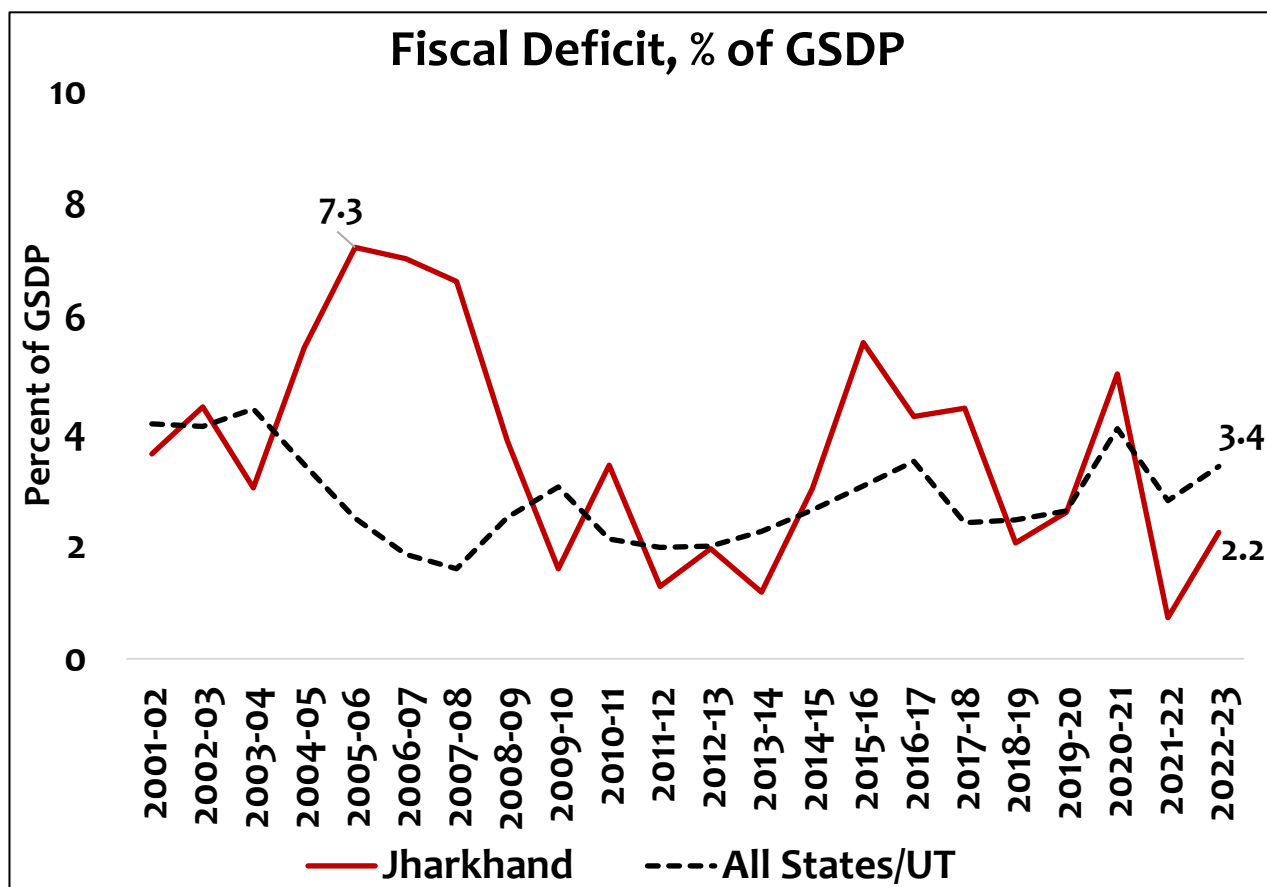
Fiscal Indicators

(II) Benchmarked with respect to *All States/UTs*

Note: In Section 5, the benchmark was defined as the median of all States. This variable was computed as a percentage of GSDP for each State, and the median was taken across 29 States (excluding all Union Territories).

In contrast, the benchmark in this section refers to the All States/UTs number, taken as available from the source and expressed as a percentage of national Gross Domestic Product.

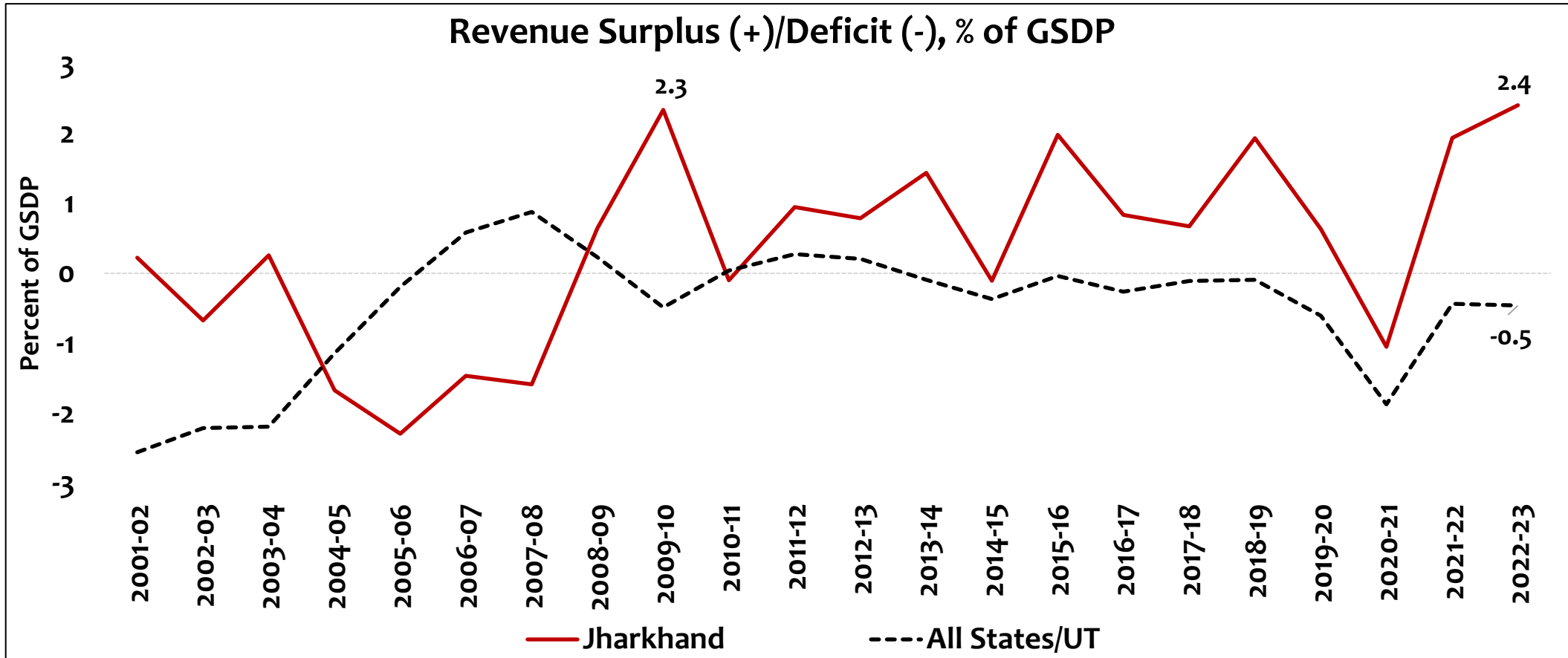
In 2022-23, Jharkhand ran a Fiscal Deficit and Primary Deficit of 2.2 and 0.5 percent of its GSDP respectively, both lower than that of an average State



Source: i. Fiscal Deficit is from RBI SFR (2022-23); ii. Primary Deficit calculated (Fiscal Deficit – Interest Payments). Interest Payments was sourced from RBI SFR.

Note: i. State GSDP and national GDP data is from MoSPI; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

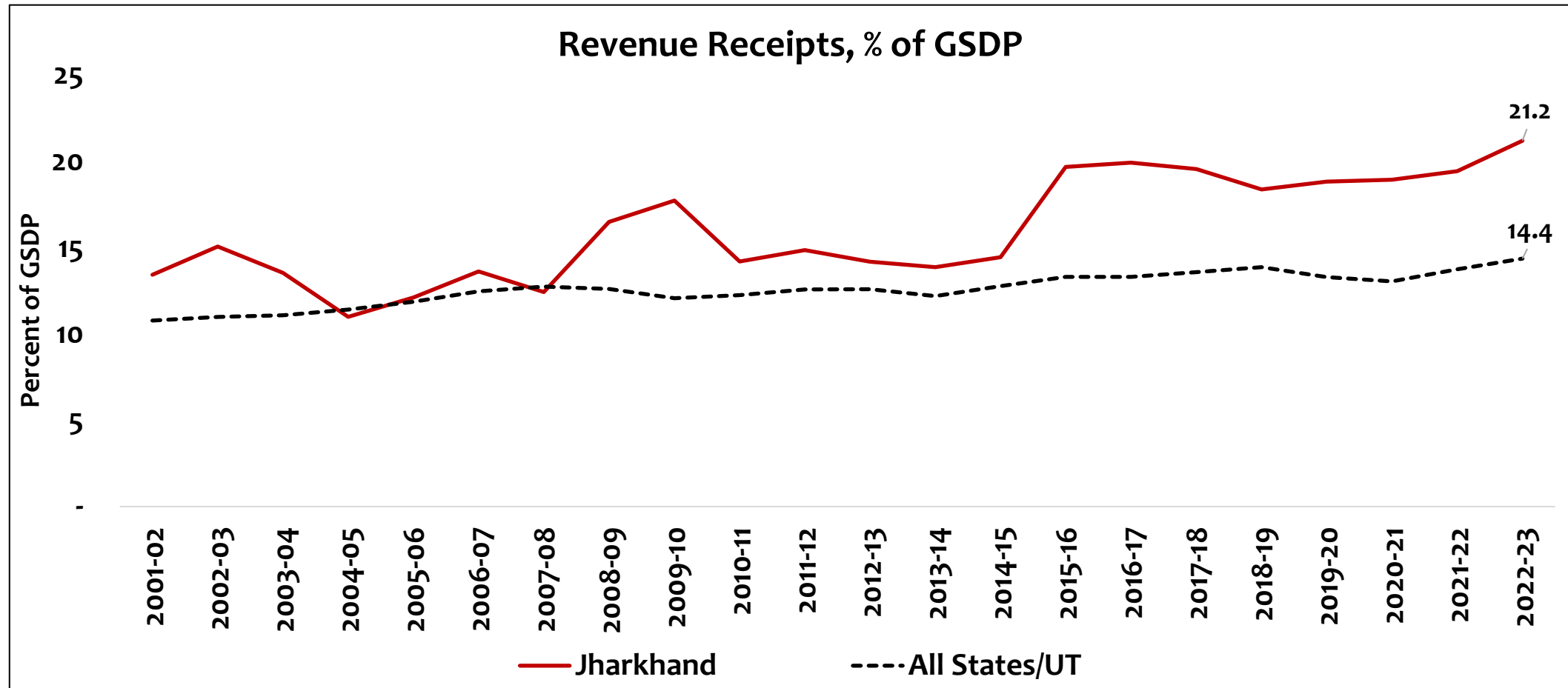
Jharkhand ran a Revenue Surplus of 2.4 percent of its GSDP in 2022-23, while an average State ran a Revenue Deficit of 0.5 percent of the GSDP in the same year



Source: i. Revenue Deficit from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

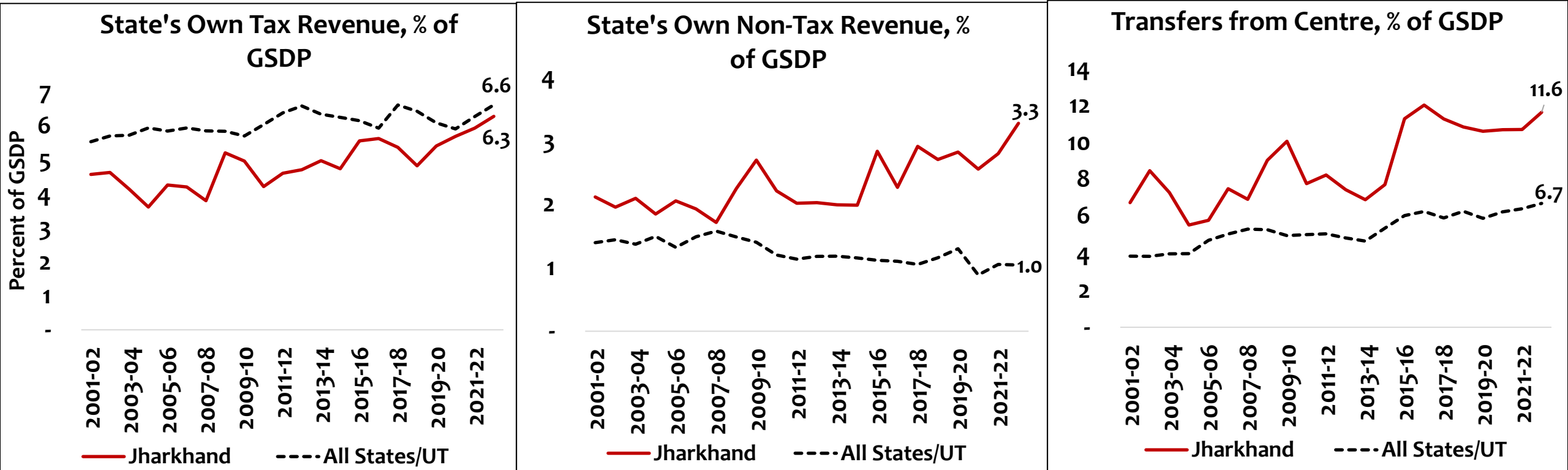
In 2022-23, Jharkhand's total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) were about 7 percentage points higher than what an average State collected, at about 21.2 percent of its GSDP



Source: i. Revenue Receipts from RBI State Finances Report (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

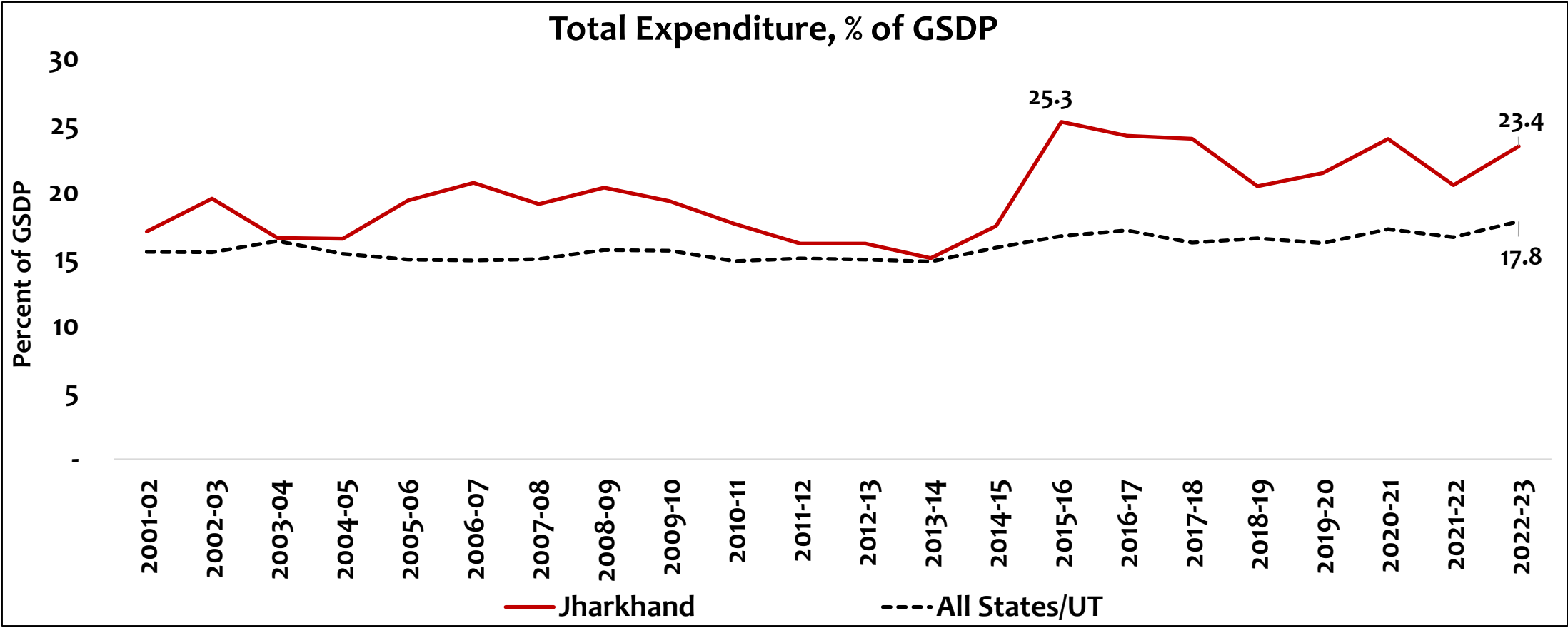
Note: All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

Jharkhand's Own Tax Revenue at 6.3 percent was lower than that of an average State while its Own Non-Tax revenue and Transfers from the Centre, at 3.3 percent and 11.6 percent of GSDP respectively, were higher than those of an average State as of 2021-22. It received nearly twice as much in Transfers from Centre compared to an average State in 2022-23



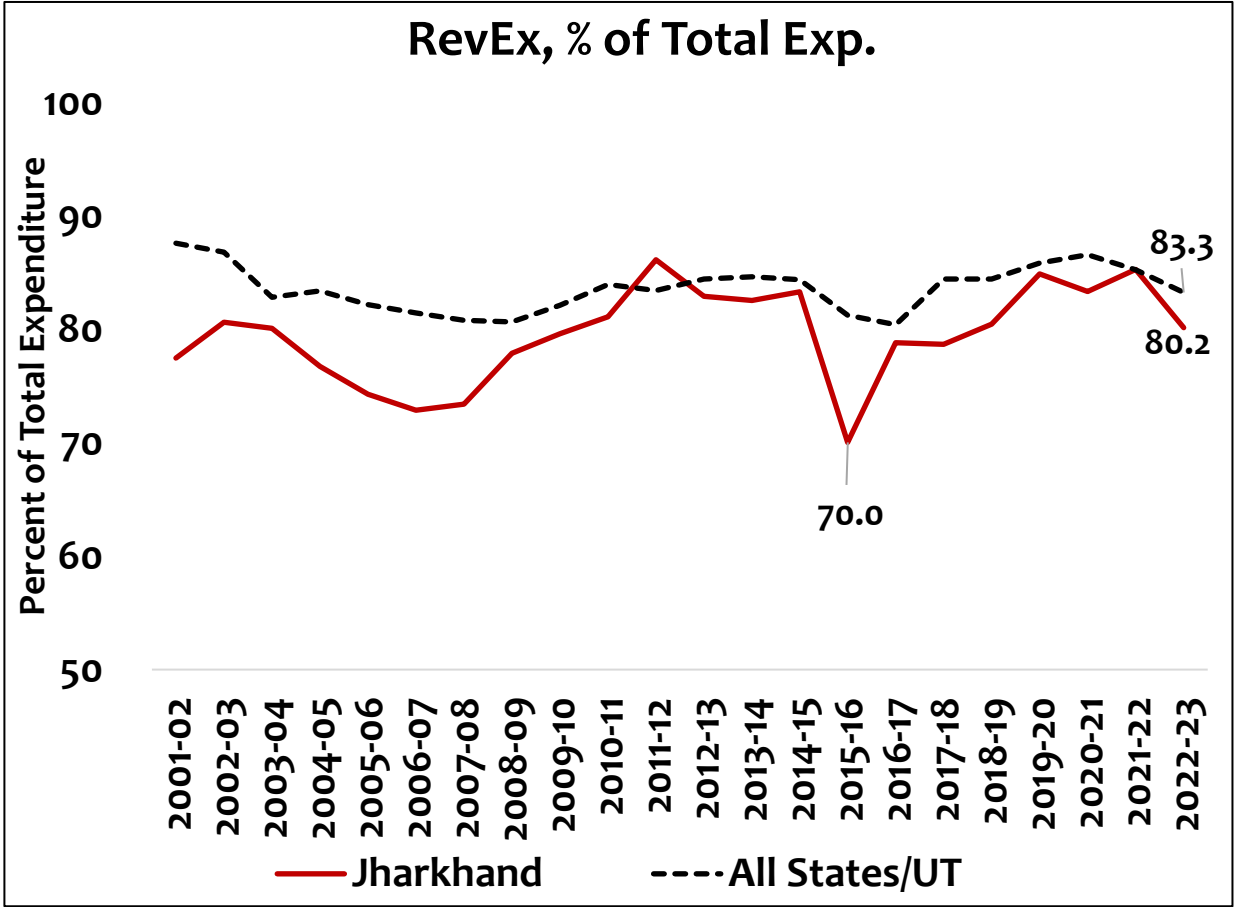
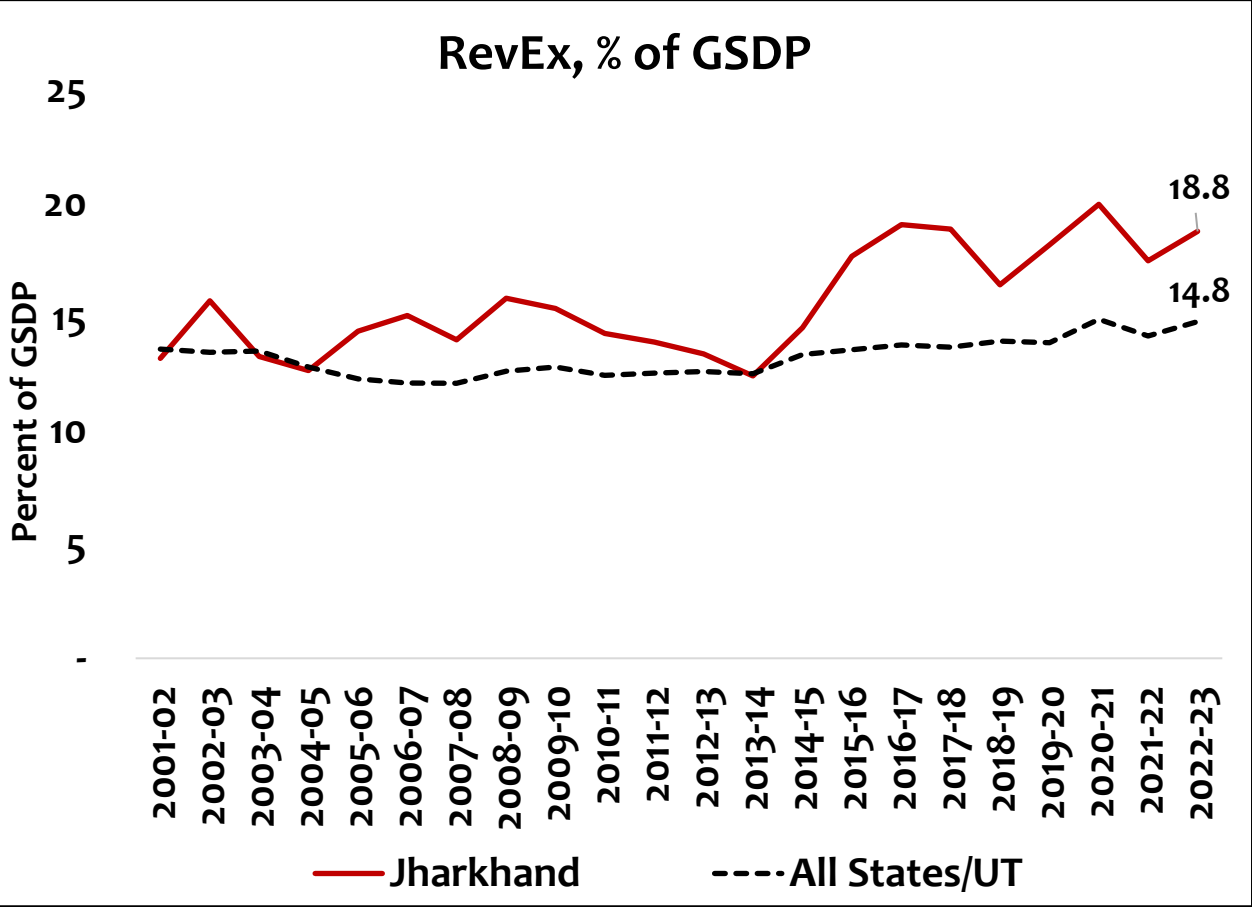
Source: i. Own Tax and Non-Tax Revenue, and Transfers from Centre from RBI SFR (2022-23); ii. The State GSDP and national GDP data is from MoSPI (2022-23).
Note: i. Centre include both tax- and non-tax revenue transfers; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product

In 2022-23, Jharkhand's Expenditure at 23.4 percent of its GSDP was about 5.5 percentage points higher than that of an average State



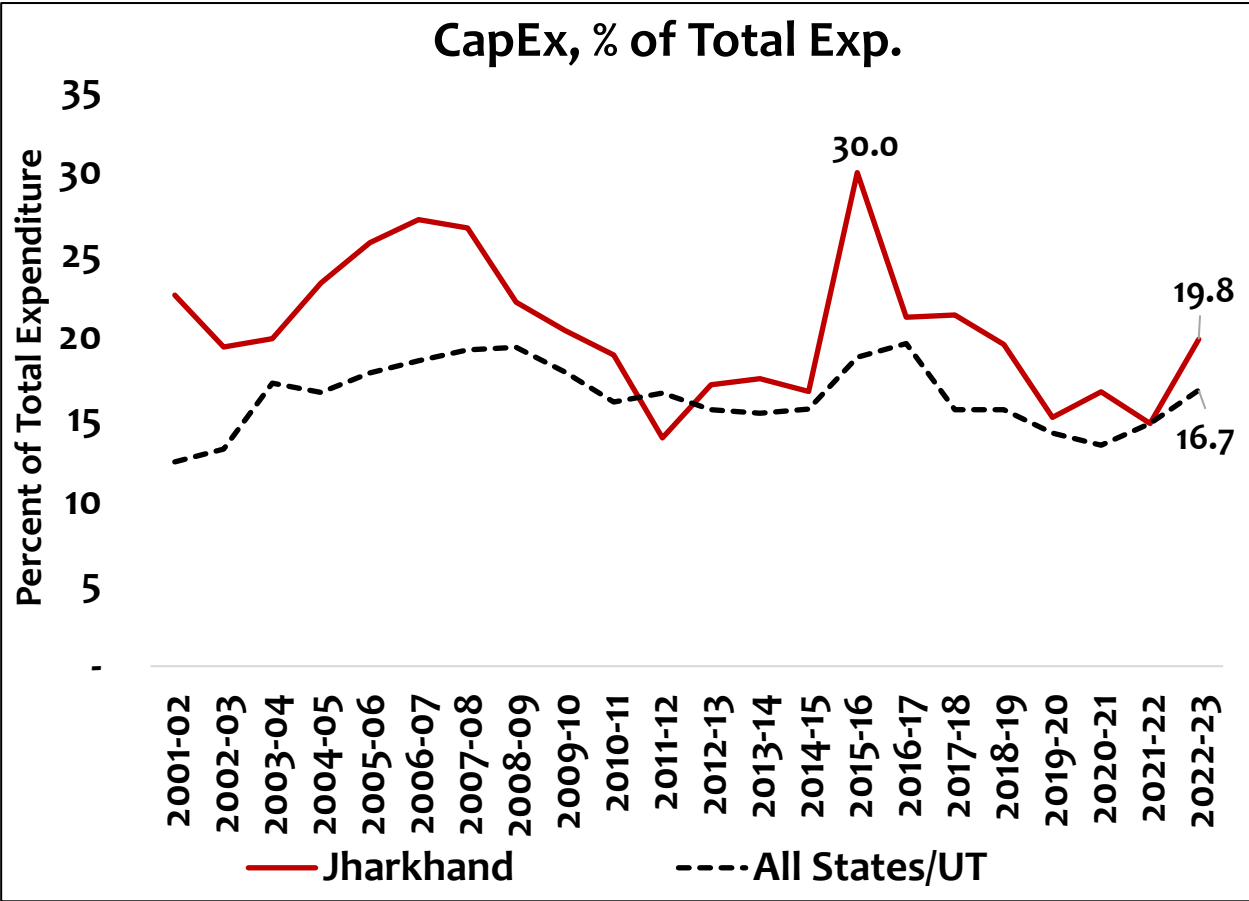
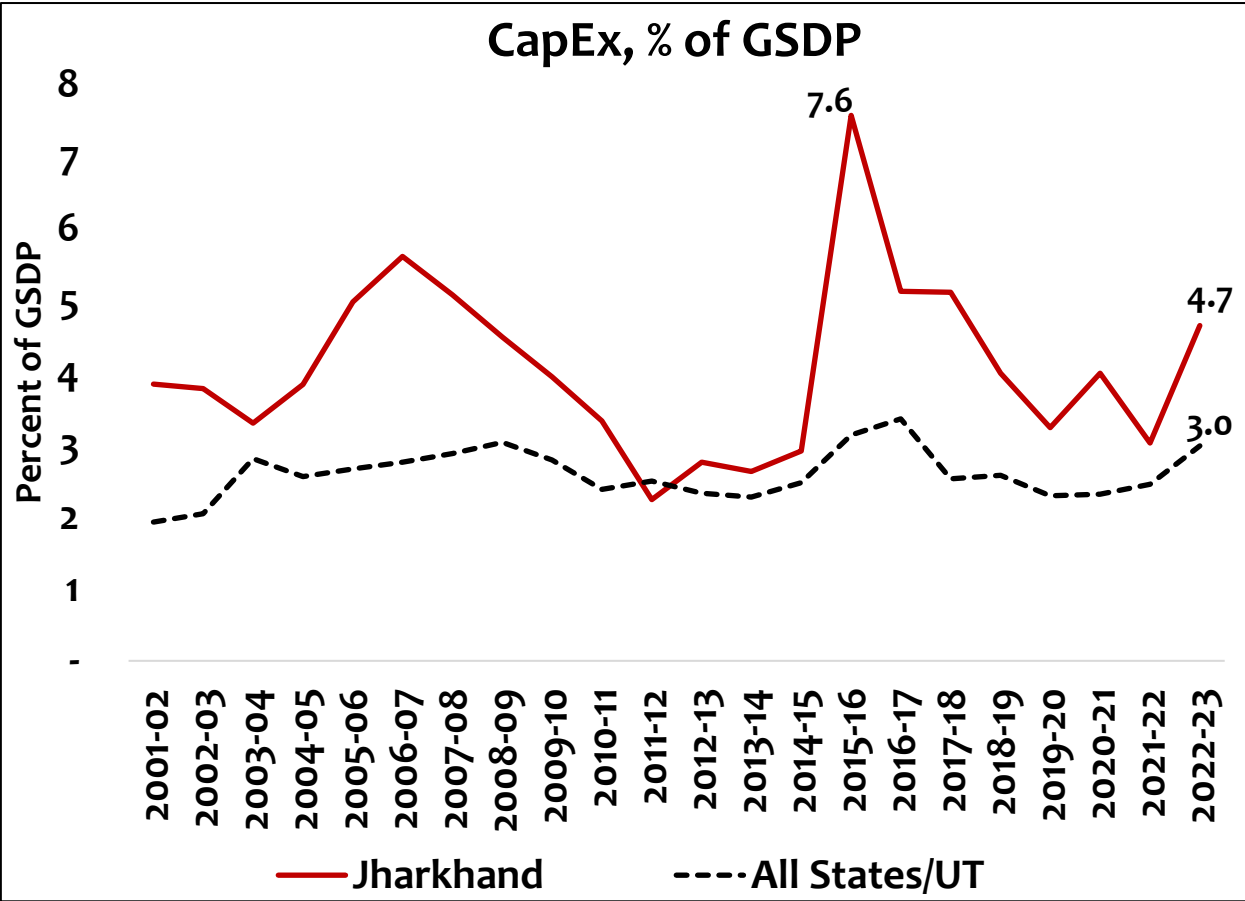
Source: i. Total Expenditure is from RBI SFR (2022-23); ii. The State GSDP and national GDP data is from MoSPI (2022-23).
Note: i. The Total Expenditure is calculated as sum of revenue expenditure (RevEx) and capital expenditure (CapEx); ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

Jharkhand's RevEx at 18.8 percent of its GSDP in 2022-23, was about 4 percentage points higher than that of an average State. RevEx as a share of Total Expenditure at 80.2 percent was lower than what a median State spent in 2022-23



Source: i. Revenue Expenditure is from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).
Note: i. Total Expenditure is calculated as RevEx plus CapEx; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

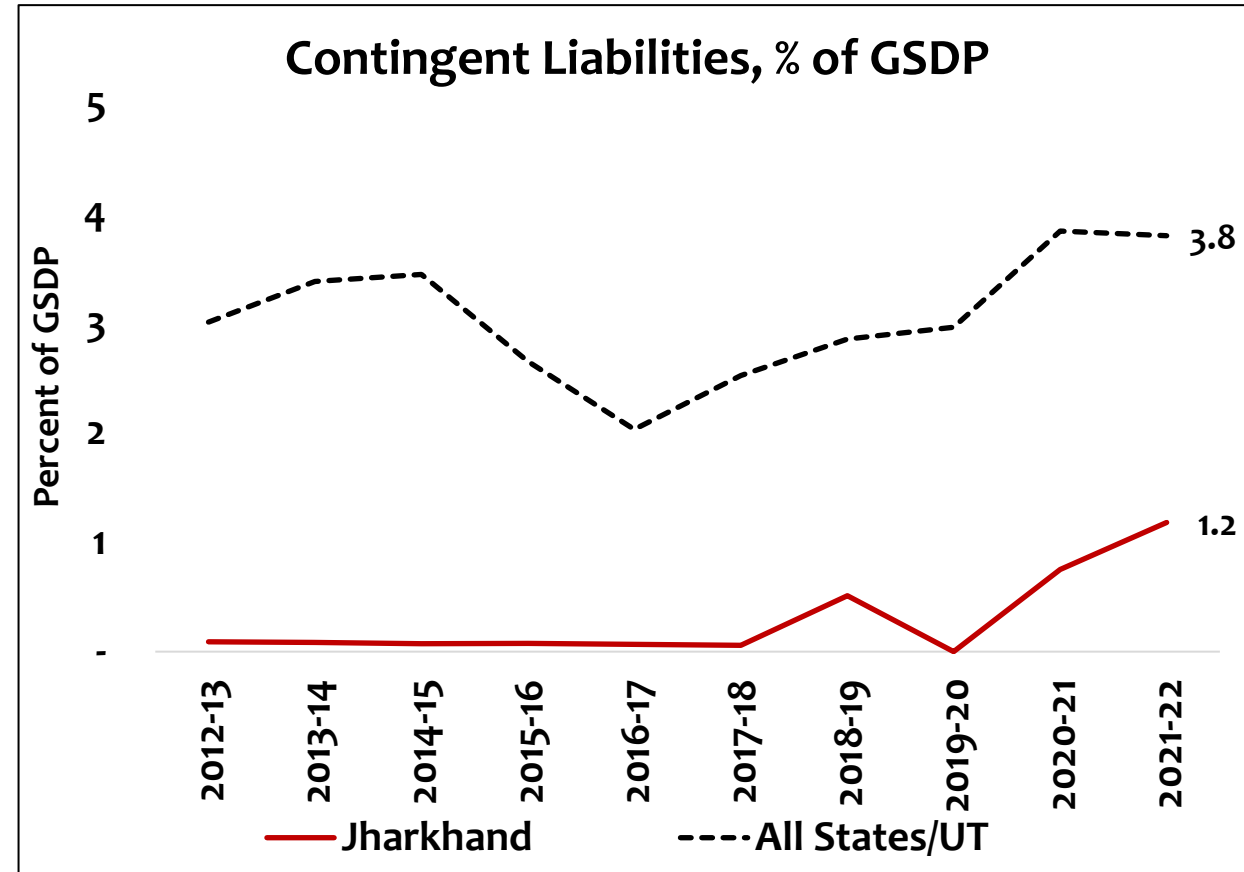
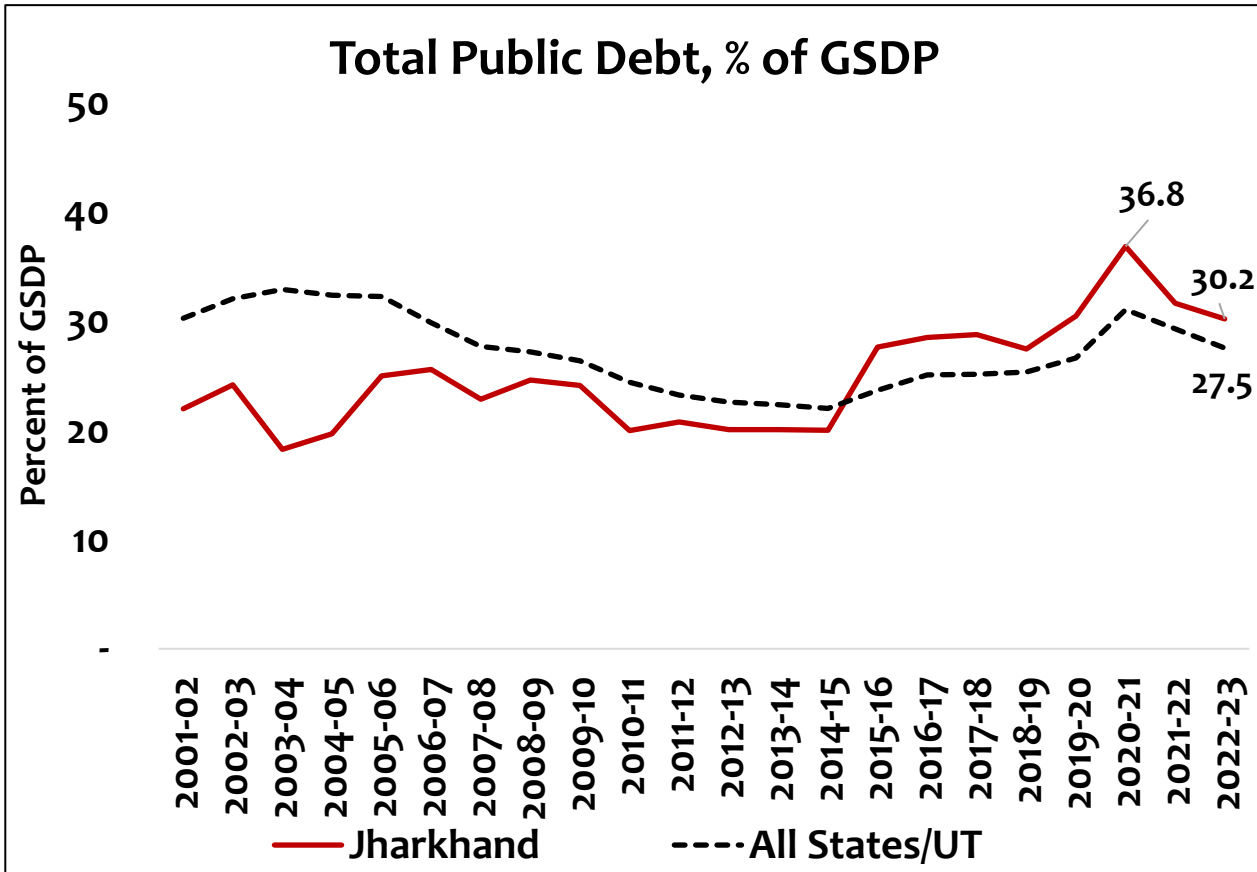
Jharkhand's CapEx at 4.7 percent of its GSDP, and 19.8 percent of its Total Expenditure, was greater than what an average State spent on Capex in 2022-23



Source: i. CapEx is calculated as Capital Outlay + Loans and Advances given by the State government and the data for both is taken from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

Jharkhand has seen a consistent rise in its public debt, which, as of 2022-23, stood at 30.2 percent of its GSDP, higher than that of an average State. Its Contingent Liabilities as of 2021-22 were 1.2 percent of its GSDP, lower than that of an average State



Source: i. Public Debt and State-wise contingent liabilities data has been taken from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; ii. Contingent Liabilities data is only available from 2012-13 for Jharkhand.

9. Annexure

Glossary of Select Terms

Variable	Section	Definition
Dependency Ratio	Demography and Employment	The dependency ratio is the number of dependents—comprising children aged 0-14 years and older adults aged 60 years and above—per 100 individuals in the working-age population (15-59 years).
Sex Ratio	Demography and Employment	<p>The Child Sex Ratio from Census is the number of females per 1,000 males in the age group of 0-6 years.</p> <p>The NFHS Sex Ratio at Birth is the number of female births per 1,000 male births for children born in the last five years preceding the survey.</p>
Unemployment Rate	Demography and Employment	The unemployment rate measures the proportion of unemployed individuals within the labour force, aged 15 years and above, based on the Usual Status (PS+SS) approach. This method integrates data from both the Principal Status (PS) and Subsidiary Status (SS) across rural and urban areas.
Female Labour Force Participation Rate	Demography and Employment	The Female Labour Force Participation Rate (LFPR) refers to the percentage of females aged 15 years and above who are part of the labour force, either working or actively seeking/available for work, relative to the total female population in the same age group. It is measured using the Usual Status (PS+SS) approach, which combines data from the Principal Status (PS) and Subsidiary Status (SS) to account for both rural and urban areas.
Urbanization Rate	Demography and Employment	The urbanization rate is the annual percentage change in the proportion of the population that lives in urban areas.
SDG Index	Demography and Employment	The SDG Index calculates goal-specific scores for the 16 Sustainable Development Goals (SDGs) across 113 indicators set by MoSPI to combine into composite scores, ranging from 0 to 100 representing the overall performance of a State. The higher the score, the closer the State is to meeting the SDG targets.

Glossary of Select Terms

Variable	Section	Definition
MPI	Demography and Employment	The National Multidimensional Poverty Index (MPI) is calculated by multiplying the Headcount Ratio (proportion of multidimensionally poor people) and the Intensity of Poverty (the average percentage of deprivations experienced by poor individuals) across 12 indicators of health, education and living standards.
Inflation Rate	Economic Structure	The Inflation Rate is calculated as the annual growth rate of the Consumer Price Index (CPI), which has been calculated by averaging the monthly CPI values for each financial year.
GSDP	Economic Structure	Gross State Domestic Product (GSDP), at current market prices with 2011-12 as the base year, represents the total value of goods and services produced within a State. This series has been spliced with earlier GSDP series to generate the long time series.
GSVA	Economic Structure	Gross State Value Added (GSVA) is the sum of the value added by all sectors—agriculture, industry, and services—at current market prices with 2011-12 as the base year. This series has been spliced with earlier GSDP series to generate the long time series.
Decadal Average of Growth Rates	Economic Structure	The decadal average of growth rates is calculated using real variables to determine the shares of sectors. It represents the simple average of the annual growth rates over a ten-year period, from 2013-14 to 2022-23.
Foreign Direct Investment (FDI)	Trade	Investment through capital instruments by a resident outside India in an unlisted Indian company; or in 10 percent or more of the post-issue paid-up equity capital of a listed Indian company. Additionally, in case an existing investment by a resident outside India in capital instruments of a listed Indian company falls to a level below 10 percent, the investment shall continue to be treated as FDI.
Exports	Trade	Exports refer to transactions where goods are supplied with/without leaving the country, and payment for these supplies is received either in Indian rupees or in freely convertible foreign exchange.

Glossary of Select Terms

Variable	Section	Definition
Pupil-Teacher Ratio	Socio-Economic Indicators (Education)	The Pupil-Teacher Ratio is the average number of students (pupils) per teacher in a school or educational institution.
Infant Mortality Rate	Socio-Economic Indicators (Health)	The probability of a child dying between birth and the first birthday, expressed per 1,000 live births.
Under-Five Mortality Rate	Socio-Economic Indicators (Health)	The probability of a child dying between birth and the fifth birthday, expressed per 1,000 live births.
Total Fertility Rate	Socio-Economic Indicators (Health)	The average number of children a woman is expected to have by the end of her childbearing years, assuming she experiences the current age-specific fertility rates throughout her reproductive life. Age-specific fertility rates are calculated based on the three years preceding the survey, using detailed birth histories provided by women.
Children Fully Immunized	Socio-Economic Indicators (Health)	Includes children aged 12-23 months who have received one dose of Bacillus Calmette Guerin (BCG) vaccine for tuberculosis, three doses of DPT vaccine for diphtheria, pertussis and tetanus, three doses for polio vaccine and one dose of measles vaccine at any time before the survey.
Underweight Children	Socio-Economic Indicators (Health)	Children under five years whose weight-for-age score is below minus two standard deviations from the median of the reference population are classified as underweight.
Stunting among Children	Socio-Economic Indicators (Health)	Children under age five years whose height-for-age score is below minus two standard deviations from the median of the reference population are considered short for their age (stunted).

Glossary of Select Terms

Variable	Section	Definition
Anaemia among Children, Anaemia among Women	Socio-Economic Indicators (Health)	Children under five years and Women aged 15-49 years with haemoglobin levels below 11 grams/decilitre are considered anaemic.
Fiscal Deficit	Fiscal Indicators	Fiscal Deficit is calculated as the difference between the total expenditure and the total revenue (excluding borrowings).
Primary Deficit	Fiscal Indicators	Primary Deficit is calculated as the difference between fiscal deficit and interest payments.
Revenue Surplus (+)/Deficit (-)	Fiscal Indicators	Revenue Surplus/Deficit is a measure of the difference between the revenue receipts and revenue expenditure.
Total Revenue Receipts	Fiscal Indicators	Total Revenue Receipts is calculated as the sum of own tax revenue, own non-tax revenue and transfers from the centre.
Own Tax Revenue	Fiscal Indicators	Own Tax Revenue is the revenue collected by the government through taxes.
Own Non Tax Revenue	Fiscal Indicators	Own Non-Tax Revenue is the revenue collected by the government from non-tax sources like various services, fees, and penalties.
Revenue Expenditure	Fiscal Indicators	Revenue Expenditure refers to government spending that is incurred for the regular functioning of its departments and services, meeting its operational needs, and fulfilling its recurring liabilities.

Glossary of Select Terms

Variable	Section	Definition
Transfers from the Centre	Fiscal Indicators	Transfers from the Centre refer to central taxes and grants devolved to States as untied funds for States to spend according to their discretion, under the recommendations of the Finance Commission.
Capital Expenditure	Fiscal Indicators	Capital Expenditure refers to government spending on creating physical and financial assets or reducing its liabilities.
Total Public Debt	Fiscal Indicators	Public debt include borrowings and other financial commitments arising from past fiscal operations that are yet to be repaid at a given point in time.
Contingent Liabilities	Fiscal Indicators	Contingent Liabilities are the commitments made by State governments to repay loans or other liabilities incurred by entities such as public sector undertakings (PSUs), corporations, local bodies, or other organizations if they fail to meet their debt obligations.
Off-Budget Borrowings	Fiscal Indicators	Off-Budget Borrowings involve the government taking on debt through entities, public sector undertakings (PSUs), or other off-budget mechanisms, rather than directly from the government's own borrowing channels that are not included in the official government budget.
Health Expenditure	Fiscal Indicators	Health Expenditure is calculated as the sum of Medical, Public Health, and Family Welfare expenditure.
Subsidies	Fiscal Indicators	Subsidies are financial assistance provided by the government to individuals, businesses, or sectors to support the production, consumption, or pricing of specific goods and services.
Buoyancy of Revenue Expenditure with GSDP	Fiscal Indicators	The Buoyancy of Revenue Expenditure is calculated as the ratio between the year-on-year growth rate of Revenue Expenditure and that of GSDP.
Committed Expenditure	Fiscal Indicators	Committed Expenditure is calculated as the sum of Wages, Salaries, and Pensions.

List of Acronyms

• AISHE	All India Survey on Higher Education
• AT&C	Aggregate Technical & Commercial
• BSR	Basic Statistical Returns
• CAG	Comptroller and Auditor General
• CapEx	Capital Expenditure
• CHIPS	Connect, Harness, Innovate, Protect and Sustain
• DGFT	Directorate General of Foreign Trade
• DISCOMS	Distribution Utilities/Companies
• EPWRF	Economic and Political Weekly Research Foundation
• FC	Finance Commission
• FLPR	Female Labour Participation Rate
• FRA	Fiscal Responsibility Act
• FRBM	Fiscal Responsibility and Budget Management Act
• GPI	Gender Parity Index
• GSDP	Gross State Domestic Product
• GDP	Gross Domestic Product
• GSVA	Gross State Value Added
• GVA	Gross Value Added

List of Acronyms

• JFRBM	Jharkhand Fiscal Responsibility and Budget Management Act
• MoSPI	Ministry of Statistical Programme and Implementation
• MPI	Multidimensional Poverty Index
• MTFP	Medium Term Fiscal Policy
• NFHS	National Family Health Survey
• PFC	Power Finance Corporation
• PLFS	Periodic Labour Force Survey
• RBI	Reserve Bank of India
• RevEx	Revenue Expenditure
• SDG	Sustainable Development Goal
• SFR	State Finances Report
• SPSE	State Public Sector Enterprises
• SRS	Sample Registration System
• SC	Scheduled Caste
• ST	Scheduled Tribe
• UDAY	Ujwal DISCOM Assurance Yojana
• U-DISE	Unified District Information System for Education

Selected Research Topics

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