

# Jharkhand Budget Analysis 2026-27

The Finance Minister of Jharkhand, Mr. Radha Krishna Kishore, presented the Budget for the state for the financial year 2026-27 on February 24, 2026.

## Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Jharkhand for 2026-27 (at current prices) is projected to be Rs 6,24,868 crore, amounting to growth of 10% over the previous year.
- **Expenditure (excluding debt repayment)** in 2026-27 is estimated to be Rs 1,50,106 crore, an increase of 6% over the revised estimate for 2025-26. In addition, debt of Rs 8,454 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2026-27 are estimated to be Rs 1,36,510 crore, an increase of 9% as compared to the revised estimate for 2025-26.
- **Revenue surplus** in 2026-27 is estimated to be 2.5% of GSDP (Rs 15,358 crore), higher than revised estimate for 2025-26 (1.7% of GSDP). In 2025-26, revenue surplus is expected to be lower than initial budget estimate (2.6% of GSDP).
- **Fiscal deficit** for 2026-27 is targeted at 2.2% of GSDP (Rs 13,596 crore). In 2025-26, as per the revised estimates, fiscal deficit is expected to be 2.9% of GSDP, higher than the budgeted (2% of GSDP).

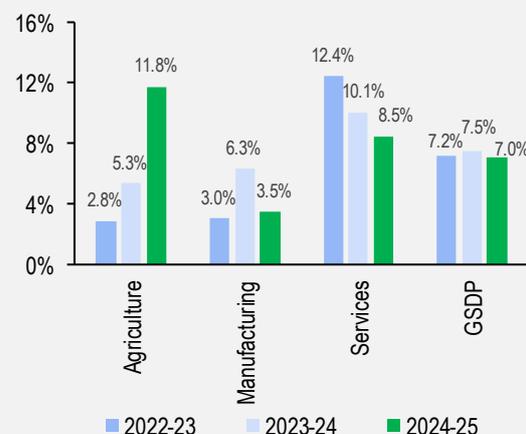
## Policy Highlights

- **Abua Davakhana:** The state government aims to open 750 pharmacies across the state to provide affordable and quality medicines.
- **Cancer Diagnostics:** PET & CT scan machines will be installed in all five government medical college hospitals across the state.
- **Mahila Kisan Khushali Yojana:** The state government seeks to provide women farmers with modern technical support and access to online and offline marketing platforms.
- **J-PRAGATI:** All 23 state polytechnic institutions will be revamped and upgraded into Jharkhand Institutes of Technology, modelled after IITs and NITs.
- **STEM education:** Various programmes will be launched to encourage STEM education in the state.
- **Establishment of universities:** The state government will establish Dr. Bhimrao Ambedkar University in Chatra district.

## Jharkhand's Economy

- **GSDP:** In 2024-25, Jharkhand's GSDP (at constant prices) is estimated to grow by 7% over the previous year. In comparison, India's GDP is estimated to grow by 6.5% in 2024-25.
- **Sectors:** In 2024-25, agriculture, manufacturing, and services sectors are estimated to contribute 23%, 32%, and 45% of Jharkhand's economy, respectively (at current prices).
- **Per capita GSDP:** In 2024-25, Jharkhand's per capita GSDP (at current prices) is estimated to be Rs 1,28,253, an increase of 10% over 2023-24. In 2024-25, India's per capita GDP is estimated to increase by 9% over 2023-24 to Rs 2,34,859.

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



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

## Budget Estimates for 2026-27

- **Total expenditure (excluding debt repayment)** in 2026-27 is targeted at Rs 1,50,106 crore. This is an increase of 6% from the revised estimate of 2025-26. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 1,36,510 crore and net borrowings of Rs 13,596 crore. Total receipts for 2026-27 (other than borrowings) are expected to register an increase of 9% over the revised estimate of 2025-26.
- The state estimates a **revenue surplus** of 2.5% of GSDP (Rs 15,358 crore) in 2026-27, higher than 2025-26 (1.7% of GSDP per the revised estimates). In 2025-26, revenue surplus is expected to be lower than the initial budget estimate. This is due to revenue expenditure exceeding the budget estimate by 4%.
- **Fiscal deficit** for 2026-27 is targeted at 2.2% of GSDP (Rs 13,596 crore), lower than the revised estimates for 2025-26 (2.9% of GSDP). In 2025-26, fiscal deficit is estimated to be higher than budgeted amount. (2% of GSDP).

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

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Total Expenditure	1,16,892	1,45,400	1,50,275	3%	1,58,560	6%
(-) Repayment of debt	7,680	8,747	8,747	0%	8,454	-3%
<b>Net Expenditure (E)</b>	<b>1,09,212</b>	<b>1,36,653</b>	<b>1,41,529</b>	<b>4%</b>	<b>1,50,106</b>	<b>6%</b>
Total Receipts	1,03,846	1,45,400	1,50,275	3%	1,58,560	6%
(-) Borrowings	9,161	20,000	24,985	25%	22,050	-12%
of which central capex loans*	2,718	4,970	7,203	45%	4,650	-35%
<b>Net Receipts (R)</b>	<b>94,685</b>	<b>1,25,400</b>	<b>1,25,290</b>	<b>-0.1%</b>	<b>1,36,510</b>	<b>9%</b>
<b>Fiscal Deficit (E-R)</b>	<b>14,527</b>	<b>11,253</b>	<b>16,239</b>	<b>44%</b>	<b>13,596</b>	<b>-16%</b>
as % of GSDP	2.8%	2.0%	2.9%		2.2%	
<b>Revenue Surplus</b>	<b>7,924</b>	<b>14,517</b>	<b>9,401</b>	<b>-35%</b>	<b>15,358</b>	<b>63%</b>
as % of GSDP	1.5%	2.6%	1.7%		2.5%	
<b>Primary Deficit</b>	<b>8,664</b>	<b>4,899</b>	<b>9,884</b>	<b>102%</b>	<b>7,076</b>	<b>-28%</b>
as % of GSDP	1.7%	0.9%	1.7%		1.1%	
GSDP	5,16,255	5,56,286	5,67,897	2%	6,24,868	10%

Note: BE is Budget Estimates; RE is Revised Estimates. \*Central government has been providing 50-year interest-free loans to state governments for capital expenditure since 2020-21. These loans are excluded from the calculation of the state's borrowing ceiling.

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

## Expenditure in 2026-27

- **Revenue expenditure** for 2026-27 is proposed to be Rs 1,20,852 crore, an increase of 5% over the revised estimate for 2025-26. This includes expenditure on salaries, pension, interest, grants, and subsidies. 12% of revenue expenditure has been allocated towards the Mukhyamantri Maiya Samman Yojana (Rs 14,066 crore). This scheme provides a monthly financial assistance of Rs 2,500 to women between 18 to 50 years of age in the state.
- **Capital outlay** for 2026-27 is proposed to be Rs 24,791 crore, an increase of 11% over the revised estimate for 2025-26. Capital outlay indicates the expenditure towards asset creation. In 2026-27, capital outlay is estimated to be 4% of GSDP.
- In 2026-27, loans and advances by the state are expected to be Rs 4,463 crore, a 22% increase over 2025-26 revised estimates.

### Underutilisation of funds by local bodies

As of March 2024, the closing balance of rural local body (RLB) funds was Rs 547 crore, and the closing balance for urban local bodies (ULBs) fund was Rs 1,120 crore. While RLBs had Rs 743 crore in 2023-24, they could only spend about 26% of this. Similarly, ULBs had Rs 1,759 crore but could only spend 36% of the fund. These funds include grants from central and state governments and other revenue realised by the local bodies. They are used to support local infrastructure and civic services. Key reasons for underutilisation include grants being tied in nature and shortage of skilled man power in these local bodies.

Source: Report No. 2 of 2025, State Finances Audit Report for the year 2023-24, CAG; Analysing State-Local Fiscal Transfers for the 16<sup>th</sup> Finance Commission, IIPA; PRS.

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

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Revenue Expenditure	86,565	1,10,637	1,15,532	4%	1,20,852	5%
Capital Outlay	18,410	22,621	22,347	-1%	24,791	11%
Loans given by the state	4,237	3,396	3,650	7%	4,463	22%
<b>Net Expenditure</b>	<b>1,09,212</b>	<b>1,36,653</b>	<b>1,41,529</b>	<b>4%</b>	<b>1,50,106</b>	<b>6%</b>

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

**Committed expenditure:** Committed expenditure of a state typically includes expenditure on payment of salaries, pension, and interest. A larger proportion of the budget allocated for committed expenditure items limits the state's flexibility to decide on other expenditure priorities, such as capital outlay. In 2026-27, Jharkhand is estimated to spend Rs 38,456 crore on committed expenditure, which is 28% of its estimated revenue receipts. This comprises spending on salaries (16% of revenue receipts), pension (7%), and interest payments (5%). In 2024-25, as per actual figures, 34% of revenue receipts were spent on committed expenditure items.

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

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Salaries	16,651	20,255	19,896	-2%	21,968	10%
Pension	9,522	10,173	10,173	0%	9,967	-2%
Interest payment	5,863	6,355	6,355	0%	6,520	3%
<b>Total</b>	<b>32,036</b>	<b>36,782</b>	<b>36,424</b>	<b>-1%</b>	<b>38,456</b>	<b>6%</b>

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

**Sector-wise expenditure:** The sectors listed below account for 76% of the total expenditure on sectors by the state in 2026-27. A comparison of Jharkhand's expenditure on key sectors with that by other states is shown in Annexure 1.

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

Sector	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	2026-27 Budgeted	% change from 2025-26 RE to 2026- 27 BE	Budget Provisions 2026-27 BE
Social Welfare and Nutrition	16,037	23,914	25,694	24,900	-3%	<ul style="list-style-type: none"> <li>Mukhyamantri Maiya Samman Yojana has been allocated Rs 14,066 crore.</li> <li>Mukhyamantri Sarvajan Pension Yojana has been allocated Rs 3,517 crore.</li> </ul>
Rural Development	14,093	16,538	18,129	19,687	9%	<ul style="list-style-type: none"> <li>Rs 4,100 crore has been allocated towards Abua Awas Yojana.</li> <li>Rs 2,638 crore has been allocated towards MGNREGA.</li> </ul>
Education, Sports, Arts, and Culture	13,377	18,076	17,926	19,320	8%	<ul style="list-style-type: none"> <li>Sarva Siksha Abhiyan has been allocated Rs 2,093 crore.</li> </ul>
Police	7,292	7,396	7,602	8,291	9%	<ul style="list-style-type: none"> <li>District police have been allocated Rs 4,158 crore.</li> <li>Rs 2,250 crore has been allocated towards special police (such as for panchayat elections).</li> </ul>
Health and Family Welfare	4,162	7,481	7,692	7,997	4%	<ul style="list-style-type: none"> <li>Rs 2,094 crore has been allocated towards National Health Mission.</li> </ul>
Energy	7,958	6,655	6,829	7,379	8%	<ul style="list-style-type: none"> <li>Rs 5,405 crore has been allocated towards power tariff subsidies for consumers.</li> </ul>
Transport	5,818	6,241	5,633	6,994	24%	<ul style="list-style-type: none"> <li>Rs 6,000 crore has been allocated towards capital outlay on roads and bridges, of which Rs 5,700 crore has been allocated for state highways.</li> </ul>
Agriculture and Allied Activities	3,704	6,007	6,448	6,468	0.3%	<ul style="list-style-type: none"> <li>For capital outlay on agriculture and allied activities, Rs 1,115 crore has been allocated.</li> <li>The State Horticulture Development Scheme has been allocated Rs 246 crore.</li> </ul>
Water Supply and Sanitation	1,775	4,721	5,151	5,208	1%	<ul style="list-style-type: none"> <li>Rs 3,455 crore has been allocated towards Jal Jeevan Mission.</li> </ul>
Urban Development	1,510	3,425	3,305	3,768	14%	<ul style="list-style-type: none"> <li>Rs 658 crore has been allocated towards PM Awas Yojana- Urban.</li> <li>Rs 220 crore has been allocated as grants to urban local bodies for civic amenities.</li> </ul>
<b>% of total expenditure on all sectors</b>	<b>72%</b>	<b>75%</b>	<b>76%</b>	<b>76%</b>		

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

## Receipts in 2026-27

- **Total revenue receipts** for 2026-27 are estimated to be Rs 1,36,210 crore, an increase of 9% over the revised estimate for 2025-26. Of this, Rs 66,699 crore (49%) will be raised by the state through its **own resources**, and Rs 69,511 crore (51%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (38% of revenue receipts) and grants (13% of revenue receipts).
- **Devolution:** In 2026-27, the state's share in central taxes is estimated at Rs 51,237 crore, an increase of 11% over the revised estimate for 2025-26.
- **Grants from the centre** in 2026-27 are estimated at Rs 18,274 crore, an increase of 7% over the revised estimates for 2025-26. Grants in 2026-27 are almost double the actual amount for 2024-25 (Rs 9,199 crore). This is mainly driven by an increase anticipated in grants for centrally sponsored schemes (CSS). Grants for CSS are estimated to be Rs 13,671 crore in 2026-27, and Rs 12,862 crore as per the revised estimates for 2025-26. In 2024-25, as per actuals, grants for CSS were Rs 6,714 crore.
- **State's own tax revenue:** Jharkhand's total own tax revenue is estimated to be Rs 45,999 crore in 2026-27, an increase of 10% over the revised estimate for 2025-26. Own tax revenue as a percentage of GSDP is estimated at 7.4% in 2026-27, similar to the revised estimates for 2025-26 (7.4%). As per the actual figures for 2024-25, own tax revenue as a percentage of GSDP was 5.5%.
- **State's own non-tax revenue:** Jharkhand's total own non-tax revenue is estimated to be Rs 20,700 crore in 2026-27, an increase of 4% from the revised estimate for 2025-26 (19,880 crore). In 2025-26, own non-tax revenue is estimated to be 23% lower than budgeted. This is mainly due to shortfall estimated in non-tax revenue from mining (Rs 16,000 crore against a budget target of Rs 21,900 crore).

### Revenue from Cess on Mineral Bearing Land

The Jharkhand Mineral Bearing Land Cess Act, 2024 was notified in October 2024. It levies a cess on mineral bearing land. In 2026-27, the state has estimated Rs 14,656 crore as revenue from this cess (booked across tax and non-tax revenue heads). In 2025-26, the earning from this cess is estimated at Rs 13,442 crore.

The state government has also constituted the Jharkhand Budget Stabilisation Fund. It aims to protect the state from adverse impacts on its obligations caused by potential future decreases in income, particularly from mining revenue. Investment in this fund is estimated to be Rs 832 crore in 2025-26, and Rs 1,209 crore in 2026-27.

Sources: Revenue and Receipts (Detail), Budget Speech, Jharkhand Budget Documents 2026-27; PRS.

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

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
State's Own Tax	28,501	35,199	41,929	19%	45,999	10%
State's Own Non-Tax	14,231	25,856	19,880	-23%	20,700	4%
Share in Central Taxes	42,557	47,041	46,066	-2%	51,237	11%
Grants-in-aid from Centre	9,199	17,057	17,057	0%	18,274	7%
<b>Revenue Receipts</b>	<b>94,489</b>	<b>1,25,153</b>	<b>1,24,932</b>	<b>-0.2%</b>	<b>1,36,210</b>	<b>9%</b>
Non-debt Capital Receipts	197	247	357	45%	300	-16%
<b>Net Receipts</b>	<b>94,685</b>	<b>1,25,400</b>	<b>1,25,290</b>	<b>-0.1%</b>	<b>1,36,510</b>	<b>9%</b>

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

Sources: Annual Financial Statement, Budget at a Glance, Jharkhand Budget Documents 2026-27; PRS.

- In 2026-27, **State GST** is estimated to be the largest source of own tax revenue (32% share). State GST revenue is estimated to register a decrease of 9% from the revised estimate for 2025-26.
- In 2026-27, revenue from Sales tax/ VAT is expected to register a decrease of 9% from the revised estimate for 2025-26. In 2025-26, revenue under this head is estimated to be 7% lower than budgeted.

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

Head	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
State GST	13,980	15,500	15,977	3%	14,564	-9%
Sales Tax/ VAT	6,686	9,305	8,667	-7%	7,900	-9%
State Excise*	2,708	3,000	0	-	4,500	-
Taxes on Vehicles	1,912	2,400	2,400	0%	2,700	13%
Land Revenue	543	1,800	1,800	0%	2,000	11%
Stamps Duty and Registration Fees	1,258	1,500	1,500	0%	1,800	20%
Taxes and Duties on Electricity	1,367	1,600	1,608	0.5%	1,466	-9%
Other Taxes and Duties <sup>^</sup>	0	5	9,903	1,97,955%	11,002	11%

Note: \*Revised estimate for state excise revenue shown as zero in both Annual Financial Statement and Revenue and Receipts (Detail) documents. <sup>^</sup>Includes receipt of Rs 9,900 crore in 2025-26 RE and Rs 11,000 crore in 2026-27 BE from cess on mineral bearing land.

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

## Deficits and Debt in 2026-27

The Jharkhand Fiscal Responsibility and Budget Management Act, 2007 provides annual targets to progressively reduce the outstanding liabilities, revenue deficit and fiscal deficit of the state government.

**Revenue balance:** It is the difference of revenue expenditure and revenue receipts. A revenue deficit implies that the government needs to borrow to finance those expenses which do not increase its assets or reduces its liabilities. The budget estimates a revenue surplus of Rs 15,358 crore in 2026-27 (2.5% of GSDP).

**Fiscal deficit:** It is the excess of total expenditure over total receipts. This gap is filled by borrowings and leads to an increase in total liabilities. In 2026-27, fiscal deficit is estimated to be 2.2% of GSDP (Rs 13,596 crore). The 16<sup>th</sup> Finance Commission has recommended the annual fiscal deficit limit for states to be 3% of GSDP for the 2026-31 period. 50-year interest free loans for capital expenditure given by the central government will be excluded to arrive at the borrowing ceiling. In 2026-27, the central capex loans are estimated to be Rs 4,650 crore (0.7% of GSDP).

**Outstanding liabilities:** Outstanding liabilities is the accumulation of total borrowings at the end of a financial year. It also includes any liabilities on public accounts such as provident funds. At the end of 2026-27, outstanding liabilities is estimated to be 25.8% of GSDP, about same as the budget estimate for 2025-26 (25.7% of GSDP).

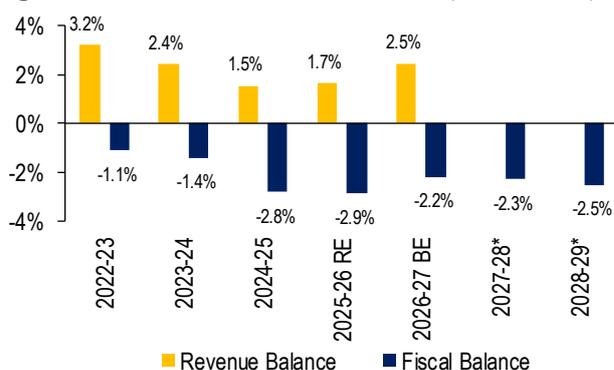
### Losses of discoms

The poor financial performance of electricity distribution companies (discoms) remains a key risk to state finances as most of the discoms are state-owned and their liabilities are contingent liabilities of the state government. In 2024-25, the Jharkhand discom booked a loss of Rs 1,928 crore. The Aggregate Technical and Commercial Losses (AT&C) in Jharkhand were 28%, higher than all-India level (15%). It refers to the ratio of power for which a discom did not receive any payment to the total electricity procured by the utility. Neighbouring states such as Bihar (16%) and Chhattisgarh (14%) registered relatively lower AT&C losses. These losses may be attributed to inefficiencies in energy transfer, and commercial losses such as theft or inadequate metering. RBI (2024) recommended that states minimise losses through timely tariff revisions.

As per the 16<sup>th</sup> Finance Commission, Jharkhand spent Rs 36,008 crore on power subsidy between 2018-19 and 2025-26.

Source: Report on Performance of Power Utilities 2024-25, Power Finance Corporation; State Finances: A Study of Budgets 2024-25, RBI; 16<sup>th</sup> Finance Commission Vol- I; PRS.

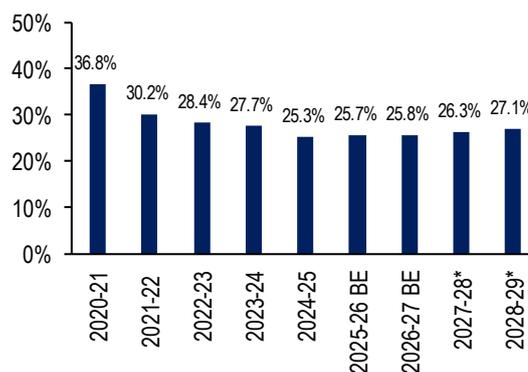
**Figure 2: Revenue and Fiscal Balance (% of GSDP)**



Note: \*Figures from 2027-28 onwards are projections. RE is Revised Estimates; BE is Budget Estimates. (+) indicates a surplus and (-) indicates a deficit. Projections for revenue balance for 2027-28 and 2028-29 have not been provided.

Sources: Medium Term Fiscal Policy, Jharkhand Budget Documents 2026-27; PRS.

**Figure 3: Outstanding liabilities (as % of GSDP)**



Note: \*Figures from 2027-28 onwards are projections. BE is Budget Estimates.

Sources: Medium Term Fiscal Policy, Jharkhand Budget Documents 2026-27; PRS.

### Delay in submission of utilisation certificates

CAG (2025) has reported that 47,367 Utilisation Certificates (UCs) were pending as of March 2024. These relate to grants worth Rs 1,33,162 crore released up to 2022-23. Departmental officers are required to submit UCs to the Principal Accountant General. In 2023-24, Rs 8,549 crore was released for the creation of capital assets. However, UCs for these grants were also not submitted. The highest share of pending UCs was related to rural development, school education and literacy, and urban development departments. CAG noted that high pendency of UCs increases the risk of fund misappropriation and fraud.

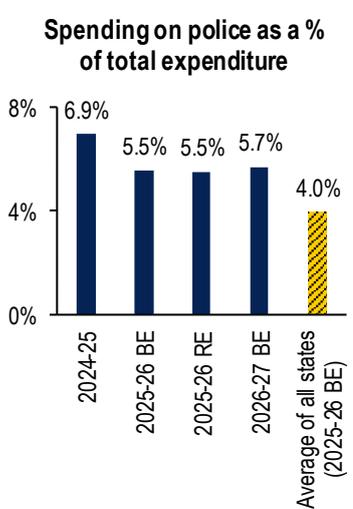
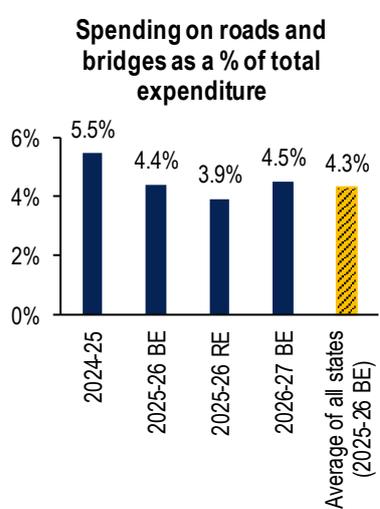
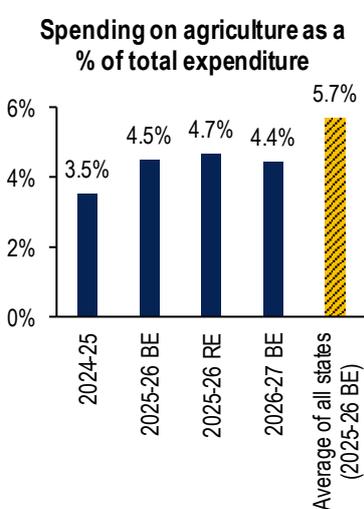
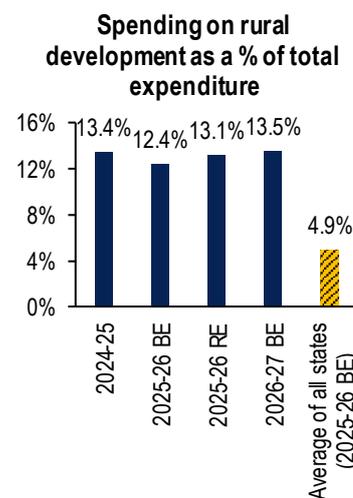
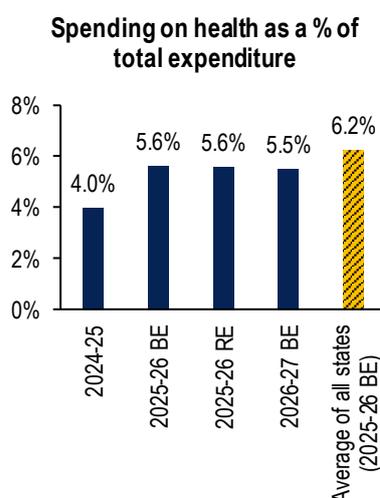
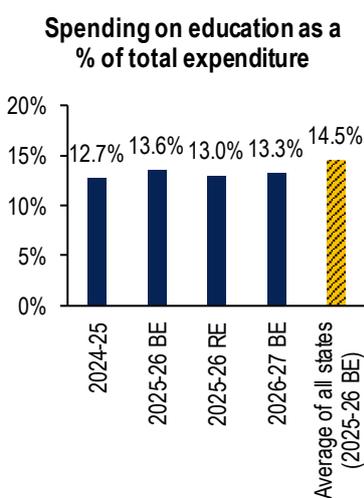
Source: Report No. 2 of 2025, State Finances Audit Report for the year 2023-24, CAG; PRS.

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## Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Jharkhand's expenditure in 2026-27 on six key sectors as a proportion of its total expenditure on all sectors. The average for a sector indicates the average expenditure in that sector by 31 states (including Jharkhand) as per their budget estimates of 2025-26.<sup>1</sup>

- **Education:** Jharkhand has allocated 13.3% of its expenditure to education in 2026-27. This is lower than the average allocation for education by states in 2025-26 (14.5%).
- **Health:** Jharkhand has allocated 5.5% of its expenditure to health in 2026-27. This is lower than the average allocation for health by states in 2025-26 (6.2%).
- **Rural development:** Jharkhand has allocated 13.5% of its expenditure to rural development in 2026-27. This is significantly higher than the average allocation for rural development by states in 2025-26 (4.9%).
- **Agriculture:** Jharkhand has allocated 4.4% of its expenditure to agriculture in 2026-27. This is lower than the average allocation for agriculture by states in 2025-26 (5.7%).
- **Roads and bridges:** Jharkhand has allocated 4.5% of its expenditure to roads and bridges in 2026-27. This is marginally higher than the average allocation for roads and bridges by states in 2025-26 (4.3%).
- **Police:** Jharkhand has allocated 5.7% of its expenditure to police in 2026-27. This is higher than the average allocation for police by states in 2025-26 (4.0%).



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

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

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

## Annexure 2: Recommendations of the 16<sup>th</sup> Finance Commission for 2026-31

The Report of the 16<sup>th</sup> Finance Commission (Chair: Dr. Arvind Panagariya) was tabled in Parliament on February 1, 2026. The recommendations will apply for the five-year period between 2026-27 and 2030-31. The 16<sup>th</sup> Commission (FC) has recommended the share of states in the divisible pool of central taxes at 41%. The share remains unchanged from the 15<sup>th</sup> Finance Commission award period (2020-26). Divisible pool is arrived at after excluding cost of collection and cesses and surcharges from the gross tax revenue collected by the central government. The 16<sup>th</sup> FC has proposed revised criteria to determine the share of individual states. See [here](#) for a PRS summary of the 16<sup>th</sup> Finance Commission Report. Based on the recommendations of the 16<sup>th</sup> FC, Jharkhand will have a 3.36% share in the divisible pool of central taxes for the 2026-31 period.

The 16<sup>th</sup> FC has recommended grants worth Rs 9.47 lakh crore over the five-year period. These comprise grants for: (i) urban and rural local bodies, and (ii) disaster management. It has discontinued the following grants recommended by the 15<sup>th</sup> FC: (i) revenue deficit grants, (ii) sector-specific grants, and (iii) state-specific grants. Grants recommended for Jharkhand over the 2026-31 period include: (i) Rs 6,093 crore for urban local bodies, (ii) Rs 14,231 crore for rural local bodies, and (iii) Rs 2,806 crore as disaster management grants. In addition, Ranchi and Dhanbad will be eligible for a special infrastructure grant for development of wastewater management system (up to Rs 5,000 crore each). States will also receive a one-time grant for merger of peri-urban villages into adjoining larger urban local body with population of one lakh or above.

**Table 7: Individual share of states in the taxes devolved by the centre (out of 100)**

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

**Table 8: State-wise details of grants-in-aid for 2026-31 (in Rs crore)**

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

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

**Table 9: Taxes devolved to states as per Union Budget 2026-27 (in Rs crore)**

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

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

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

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

**Table 10: Overview of Receipts and Expenditure (in Rs crore)**

Particular	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
<b>Net Receipts (1+2)</b>	<b>1,10,900</b>	<b>94,685</b>	<b>-15%</b>
1. Revenue Receipts (a+b+c+d)	1,10,800	94,489	-15%
a. Own Tax Revenue	34,200	28,501	-17%
b. Own Non-Tax Revenue	19,300	14,231	-26%
c. Share in central taxes	40,338	42,557	6%
d. Grants-in-aid from the Centre	16,961	9,199	-46%
2. Non-Debt Capital Receipts	100	197	97%
3. Borrowings	18,000	9,161	-49%
Of which central capex loans	4,300	2,718	-37%
<b>Net Expenditure (4+5+6)</b>	<b>1,20,400</b>	<b>1,09,212</b>	<b>-9%</b>
4. Revenue Expenditure	91,832	86,565	-6%
5. Capital Outlay	23,987	18,410	-23%
6. Loans and Advances	4,581	4,237	-8%
7. Debt Repayment	8,500	7,680	-10%
<b>Revenue Surplus</b>	<b>18,968</b>	<b>7,924</b>	<b>-58%</b>
Revenue Balance (as % of GSDP)	4.0%	1.5%	-
<b>Fiscal Deficit</b>	<b>9,500</b>	<b>14,527</b>	<b>53%</b>
Fiscal Deficit (as % of GSDP)	2.0%	2.8%	-

Source: Jharkhand Budget Documents of various years; PRS.

**Table 11: Key Components of State's Own Tax Revenue**

Head	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Land Revenue	1,700	543	-68%
Sales Tax/ VAT	9,121	6,686	-27%
Taxes on Vehicles	2,350	1,912	-19%
Stamps Duty and Registration Fees	1,450	1,258	-13%
State GST	15,375	13,980	-9%
Taxes and Duties on Electricity	1,413	1,367	-3%
State Excise	2,700	2,708	0.3%

Source: Jharkhand Budget Documents of various years; PRS.

**Table 12: Allocation towards Key Sectors**

Sector	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Water Supply and Sanitation	4,707	1,775	-62%
Urban Development	3,285	1,510	-54%
Health and Family Welfare	7,232	4,162	-42%
Agriculture and Allied Activities	6,017	3,704	-38%
Rural Development	18,473	14,093	-24%
Welfare of SC, ST, OBC, and Minorities	3,513	2,836	-19%
Transport	6,742	5,818	-14%
<i>of which Roads and Bridges</i>	<i>6,389</i>	<i>5,733</i>	<i>-10%</i>
Education, Sports, Arts, and Culture	15,194	13,377	-12%
Irrigation and Flood Control	2,226	2,176	-2%
Police	7,392	7,292	-1%
Housing	330	336	2%
Social Welfare and Nutrition	9,694	16,037	65%
Energy	4,779	7,958	67%

Source: Jharkhand Budget Documents of various years; PRS.