



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थं सत्यनिष्ठा

Dedicated to Truth in Public Interest

**Report of the
Comptroller and Auditor General of India
on Union Territory Finances for the year 2023-24**

**Government of Union Territory of Jammu and Kashmir
Report No. 01 of 2025
(Union Territory Finances Audit Report)**

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PREFACE

This Report for the year ended 31 March 2024 has been prepared for submission to Lieutenant Governor of Jammu and Kashmir under Section 72 of the Jammu and Kashmir Reorganisation Act 2019 for laying in the Legislative Assembly.

Chapter I of this report describes the basis and approach to the Report and the underlying data and provides an overview of structure of Government accounts, budgetary processes, macro-fiscal analysis of key indices and fiscal position including the deficits/ surplus.

Chapter II provides a broad perspective of the finances of the Union Territory of Jammu and Kashmir, major fiscal aggregates, debt profile and key public accounts transactions based on the Finance Account of the Union Territory.

Chapter III is based on the Appropriation Accounts of the Union Territory of Jammu and Kashmir and reviews the appropriations and allocative priorities of the Union Territory Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter IV comments on the quality of accounts rendered by various authorities of the Government of Union Territory of Jammu and Kashmir and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the UT Government.

The Report containing the findings of audit of transactions in various departments, audit of Statutory Corporations, Boards and Government Companies and observations on Revenue Receipts related to the Union Territory of Jammu and Kashmir are presented separately.

Executive Summary

EXECUTIVE SUMMARY

About the Report

This Report of the Comptroller and Auditor General of India on Union Territory Finances for the year 2023-24 of Government of Union Territory of Jammu and Kashmir provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to the UT's finances.

The Executive Summary highlights the contents of the report and through snapshots of important figures and aspects, provides insight into Fiscal sustainability, performance against the budget intent, revenue and expenditure projections, the reasons for variations and their impact.

Gross State Domestic Product (GSDP) (at current prices) grew by 9.50 per cent from ₹2,20,204 crore in 2022-23 to ₹2,41,133 crore in 2023-24 as against the GDP growth of 9.60 per cent during 2023-24. There was 8.53 per cent growth in Gross State Value Added (GSVA) during 2023-24 over the previous year.

Revenue receipts though grew at 1.64 per cent over the previous year, the percentage of Revenue receipts over GSDP declined by 2.25 percentage points over the previous year, from 31.32 per cent in 2022-23 to 29.07 per cent in 2023-24. Tax revenue grew by 7.34 percentage points during the period and the UT's Own Revenue grew by 10.65 percentage points. Total expenditure (Revenue expenditure, Capital expenditure and Loans and Advances) of the UT of Jammu and Kashmir increased by 6.62 per cent from ₹73,832.65 crore in 2022-23 to ₹78,721.81 crore in 2023-24. Of this, Revenue expenditure showed a 5.75 per cent increase from the previous year.

Lesser increase of Revenue receipts in comparison to Revenue expenditure led to decrease in Revenue surplus from ₹5,976.61 crore during 2022-23 to ₹3,486.22 crore during 2023-24, while Fiscal deficit increased from ₹4,855.37 crore in 2022-23 to ₹8,608.08 crore in 2023-24, increasing by 77.29 per cent.

Receipt-Expenditure mismatch

The continuous mismatch between receipts and expenditure indicates rising Fiscal stress. The UT has different sources of receipts such as UT's Own Tax revenue, Non-Tax revenue, Grants-in-Aid from the Union Government and non-debt Capital receipts. The UT Government's expenditure includes expenditure on Revenue account as well as Capital account (assets creation, loans and advances, investments, etc).

From 2020-21 to 2023-24, Revenue receipts of the UT grew by 33.55 per cent from ₹52,495.48 crore to ₹70,107.69 crore. Capital receipts increased by 40.33 per cent from ₹38,115.80 crore in 2022-23 to ₹53,488.80 crore during 2023-24. Grants-in-aid constitutes a major portion of Revenue receipts of the U.T, however, during 2023-24 its share in Revenue receipts fell from 74.65 per cent in 2022-23 to 71 per cent. The UT Government received ₹7,958.26 crore as Central share for the Centrally Sponsored Schemes during 2023-24. Other transfers/ Grants to States/ Union

Territories with Legislature amounting to ₹41,815.88 crore were also received by the UT Government during the year from the Government of India.

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations. As such, it does not result in any addition to the UT's infrastructure and service network. Between 2020-21 and 2023-24, Revenue expenditure increased from ₹52,633.75 crore (31.37 per cent of GSDP) to ₹66,621.47 crore (27.63 per cent of GSDP). It consistently made up a significant portion (83 to 85 per cent) of the total expenditure during this period.

Result of expenditure beyond means

The gap between Revenue receipts and Revenue expenditure results in Revenue deficit. As against the Revenue deficit of ₹138.27 crore and ₹30.83 crore during 2020-21 and 2021-22 respectively, there was however, Revenue surplus of ₹5,976.61 and ₹3,486.22 crore during 2022-23 and 2023-24 respectively.

The UT Government spent only ₹12,088.85 crore on Capital account. This was 15.36 per cent of the total expenditure in the year 2023-24. During 2023-24, the UT Government utilised 86.37 per cent of its current borrowings for repayment of borrowings (principal). Thus, the borrowed funds were being used mainly for repayment of borrowings instead of capital creation/ development activities.

The gap between the total expenditure and total non-debt receipts of the UT results in Fiscal deficit. The Fiscal deficit of the UT increased from ₹4,855.37 crore (2.20 per cent of GSDP) in 2022-23 to ₹8,608.08 crore (3.57 per cent of GSDP) in 2023-24.

Under Revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and it consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions as a percentage of Revenue expenditure ranged between 73.10 per cent and 75.93 per cent during 2020-21 to 2023-24. It increased by 23.92 per cent from ₹39,302.27 crore in 2020-21 to ₹48,703.01 crore in 2023-24.

In addition to committed expenditure, inflexible expenditure ranged between 2.94 per cent and 4.36 per cent of Revenue expenditure during 2020-21 to 2023-24. Inflexible expenditure increased from ₹2,199.44 crore in 2022-23 to ₹2,465.07 crore in 2023-24, registering an increase of 12.08 per cent.

Taken together, the committed and inflexible expenditure in 2023-24 was ₹51,168.08 crore; 77 per cent of the Revenue expenditure. The major expenditure on committed and inflexible expenditure leaves the Government with lesser flexibility for other priority sectors and capital creation.

Subsidies component in non-committed expenditure

Within non-committed expenditure, though there was a decreasing trend in the subsidies during 2020-21 to 2022-23, but increased to ₹47.30 crore (0.26 per cent) during 2023-24.

Off-budget borrowings

The UT Government, through Public Sector Undertakings raised ₹23,742.42 crore as off-budget borrowings, which did not flow into the Consolidated Fund of the UT but is required to be repaid and serviced through the budget.

Contingent Liabilities on account of Guarantees

As of March 2024, the cumulative amount of outstanding Guarantees against borrowings by the UT Government (from 31 October 2019 onwards) post re-organisation was ₹24,484.97 crore. The annual decrease of ₹382.47 crore in outstanding Guarantees of the UT during 2023-24 was within the prescribed limits fixed in the Fiscal Responsibility Budget Management Act, 2006. The outstanding Guarantees for ₹24,484.97 crore as on 31 March 2024 were in respect of Power (₹22,189.50 crore); Cooperatives (-₹32.00 crore¹); State Financial Corporation (₹14.37 crore) and Other institutions (₹2,313.10 crore).

Fiscal sustainability

Fiscal sustainability is examined in terms of macro-Fiscal parameters such as deficits, level of debt and liabilities, commitments on account of off-budget borrowings, guarantees, subsidies, etc. So far as revenue and expenditure mismatch is concerned, one of the important constraints is committed and inflexible expenditure, which includes salaries and wages, pension payments, interests, etc. and also other inflexible expenditure such as those arising out of commitment for centrally sponsored schemes, transfer to reserve funds, transfer to local bodies, etc.

FRBM requirements and compliance with Fiscal parameters

The FRBM Act/Rules prescribes certain limits within which Revenue deficit, Fiscal deficit, debt as a percentage of the Gross State Domestic Product (GSDP) should be maintained, and similarly for Guarantees as a percentage of Revenue receipts of the previous year. The Government of Jammu and Kashmir has not fixed any targets of Fiscal indicators in the Medium Term Fiscal Policy Statement.

In 2023-24, the UT had a Revenue surplus of ₹3,486.22 crore which constituted 1.45 per cent of GSDP; the Fiscal deficit was 3.57 per cent of GSDP and the ratio of Public Liability to GSDP was 15.24 per cent. Further, if the quantum of off-budget borrowings is included as part of debt, the overall public liability (includes Public Debt and Public Account Liabilities) of the Government was 27.81 per cent of the GSDP.

¹ Minus figures due to non-apportionment of Assets and Liabilities as a result of reorganisation.

Debt/Liability of the erstwhile State is being serviced by the UT of Jammu & Kashmir. Therefore, debt sustainability analysis has been carried on overall debt/liability inclusive of Debt/liability amounting to ₹82,050.51 crore of the erstwhile State which is yet to be apportioned between the two Union Territories viz Union Territory of Jammu and Kashmir and Union Territory of Ladakh. Debt burden relative to GSDP was 49.26 *per cent* in 2023-24, witnessed decline of 7.45 percentage points from 2021-22. According to the Domar criterion, the average real growth remained higher than the average real interest rate, as evident from the average Growth Interest Differential (GID) that remained favourable during 2021-2024. In contrast to the nominal growth, the effective interest rate (in nominal terms) remained largely driven by inflation. Ratio of Repayment to Gross borrowings increased from 81.54 *per cent* in 2020-21 to 86.37 *per cent* in 2023-24. It indicates that 13.63 *per cent* of net borrowing was available during 2023-24 with the Government after repayment of earlier debts. Ratio of interest payments to Revenue receipts is also a good measure of debt sustainability. Ratio of interest payments to Revenue receipts showed an increasing trend from 12.14 *per cent* in 2020-21 to 14.16 *per cent* in 2023-24.

Budget performance

The original demands for grants as per the Jammu and Kashmir (No.2) Appropriation Act, 2023 passed by the Parliament was ₹1,48,500 crore, which was followed by Supplementary Demands for Grants of ₹8,712.90 crore. The overall expenditure incurred during 2023-24 was ₹1,26,054.97 crore rendering savings of ₹31,157.93 crore.

Aggregate expenditure outturn

Aggregate expenditure outturn measures the deviation in actual expenditure (Actuals) compared with the Budget Estimate (BE) originally approved, both in terms of less than (-) and in excess (+) of approval. In the Revenue section, deviation in outturn compared with Budget Estimates (BE) was (-) 16.48 *per cent*. In the Capital section, deviation in outturn compared with BE was (-) 23.31 *per cent*.

Expenditure composition outturn

Budget performance also looks at the extent to which the re-allocation between the main Budget categories during execution have contributed to variance in expenditure composition. This measure indicates the extent of variation between the final Budget and the Actual expenditure. In the Revenue section, deviation in outturn compared with Revised Estimates (RE) was (-) 11.86 *per cent*. In the Capital section, deviation in outturn compared with RE was (-) 9.59 *per cent*.

Supplementary provisions aggregating ₹588.69 crore obtained in two Grants, involving ₹50 lakh or more in each case during the year proved unnecessary as the expenditure did not come up to the level of the Original provisions. On the other hand, Supplementary provision of ₹5,348.97 crore in two Grants/Appropriations,

involving ₹50 lakh or more in each case during the year was not adequate to meet the requirement and led to excess expenditure.

Overall budget reliability assessment indicates that the deviations between the Actual expenditure and Original Budget as well as between the Actual expenditure and the final Budget were 15 per cent and 20 per cent respectively. Moreover, it was also noticed that in several cases, there were Supplementary grants where expenditure was not even up to the original Grant. A reliable budget practice should deal with such deviations.

Quality of Accounts and Financial Reporting

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the Actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as parking of funds outside the Government accounts, non or short-discharging of liabilities and misclassification of transactions and data gaps.

Regularisation of Excess over Grants/ Appropriations

The UT Government has to get excesses over grants/ appropriations regularised by the Legislature as per Articles 204 and 205 (1) (b) of the Constitution of India. It was observed that in 2023-24 there was excess expenditure of ₹3,760.84 crore under two grants which required regularisation. Further, excess expenditure of ₹1,24,004.41 crore during 1980-81 to 2019-20 (upto 30 October 2019) pertaining to the erstwhile State of Jammu and Kashmir and ₹15,849.33 crore during 2019-20 (from 31 October 2019 onwards) to 2022-23 was yet to be regularised.

Misclassification in accounts

It was noticed that ₹195.01 crore of Revenue expenditure which included Grants-in-aid of ₹147.71 crore and subsidy of ₹47.30 crore was booked under the wrong head of account as Capital expenditure.

Compliance with IGAS

As against the requirements of the Indian Government Accounting Standards (IGAS), the UT Government did not ensure compliance with IGAS-2: Accounting and Classification of Grants-in-Aid and IGAS-3: Loans and Advances made by the Government.

Funds to Single Nodal Agency

The Government of India and the UT Government have introduced system of Single Nodal Agency (SNA) for implementation and fund flow for each Centrally Sponsored Scheme (CSS). The share of the Government of India and the UT Government is transferred to the bank account of the SNA lying outside the Government Account.

As per information available on the PFMS portal, ₹7,662 crore (Central share of ₹6,230.64 crore and UT share of ₹1,431.36 crore) was transferred to the SNAs during

2023-24. However, as per the Accounts, the Government transferred ₹7,436.18 crore (Central share of ₹6,370.04 crore and UT share of ₹1,066.14 crore) to the SNAs, out of which, ₹5,076.26 crore was transferred through AC Bills, ₹1,634.96 crore through GIA bills and ₹724.96 crore through Fully Vouched Contingent Bills. As per the data available on PFMS portal, ₹3,267.29 crore remained unspent and was in the bank accounts of SNAs as on 31 March 2024.

Detailed vouchers and supporting documents of actual expenditure were not received by the Office of the Principal Accountant General (A&E), Jammu and Kashmir from the SNAs. The difference of figures between the amounts booked in the Accounts and as available on PFMS portal is under reconciliation.

Utilisation Certificates against conditional grants

Despite the requirement of submitting Utilisation Certificates (UCs) against conditional grants within a stipulated time period, 3,663 UCs amounting to ₹12,074.25 crore were pending as on 31st March 2024.

Utilisation Certificates outstanding beyond the specified period indicate absence of assurance on utilization of the grants for indented purposes and the expenditure shown in the accounts cannot be treated as final.

DC bills against AC bills

Similarly, despite the requirement of submitting Detailed Countersigned Contingency (DCC) Bills against the advance money withdrawn through Abstract Contingency (AC) Bills, 3,451 AC bills for ₹25,127.97 crore were pending for submission of DC bills as on 31st March 2024.

Delayed submission of Detailed Contingent Bills indicates that funds were drawn without requirement for immediate payment and may affect the completeness and correctness of Accounts.

Indiscriminate use of Minor Head-800

Minor Head-800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate Minor Head has not been provided in the accounts. Regular operation of Minor Head-800 is to be discouraged since it renders the accounts opaque.

During the year 2023-24, ₹6,655.49 crore under 37 Revenue Major Heads of Accounts constituting 9.49 *per cent* of the total Revenue receipts of ₹70,107.69 crore, was recorded under the Minor Head-800-‘Other Receipts’. Similarly, expenditure of ₹2,300.40 crore under 31 Major Heads of Accounts constituting 2.92 *per cent* of total Revenue and Capital expenditure (₹78,710.32 crore) was classified under Minor Head- 800-‘Other Expenditure’.

Funds outside Government Account

It was noticed that ₹830.68 crore collected on account of cesses /levies did not form part of Government Account.

Compliance with prevailing rules and codal provisions are meant to ensure control and accountability in accounting and financial reporting. Non-compliance and deviations impact the quality of accounting and financial reporting adversely. Non submission of UCs against conditional grants; non-submission of DC bills against AC bills; non-compliance with IGAS-2 and IGAS-3; funds remaining outside Government accounts; and non-supply of details of expenditure from SNAs have impacted the quality of accounts adversely.

Chapter-I

Overview

CHAPTER-I

OVERVIEW

This chapter provides an overview of the structure of the Government accounts, budgetary processes, macro-fiscal analysis of key indices and the Union Territory (UT) of Jammu and Kashmir's key fiscal position.

1.1 Profile of the Union Territory of Jammu and Kashmir

The Union Territory (UT) of Jammu and Kashmir is located in the Himalayan region of the northern part of India. It has two divisions - Jammu and Kashmir and has 20 districts. It has two capitals - Jammu during winter and Srinagar during summer. The projected population of the UT of Jammu and Kashmir for the year 2024 was 1.37 crore. Kashmiri, Dogri, Hindi, Urdu and English are the major languages of the UT. The literacy rate of Jammu and Kashmir was 67.20 per cent as per 2011 Census. (*Appendix 1.1*).

1.1.1 Gross State Domestic Product of the Union Territory of Jammu and Kashmir

Gross State Domestic Product (GSDP) is the value of all goods and services produced within the boundaries of the UT of Jammu and Kashmir in a given period of time. The growth of GSDP is an important indicator of the economy, as it denotes the extent of changes in the level of economic development of the State/UT over a period of time.

Changes in sectoral contribution to GSDP is also important to understand the changing structure of the economy. Economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to Agriculture, Industry and Service sectors.

Trends in GSDP compared to Gross Domestic Product (GDP) during the period 2019-20 to 2023-24 are shown in **Table 1.1**.

Table 1.1: GSDP compared to GDP

(₹ in crore)

Year	2019-20	2020-21	2021-22	2022-23	2023-24
INDIA					
GDP (2011-12 Series)	2,01,03,593	1,98,54,096	2,35,97,399	2,69,49,646 (1 st RE)	2,95,35,667 (PE)
Gross Value Added (GVA)	1,83,81,117	1,82,10,997	2,16,35,584	2,46,59,041	2,67,62,147
Growth rate of GDP over previous year (in per cent)	6.37	-1.24	18.85	14.21	9.60
Growth rate of GVA over previous year (in per cent)	7.02	-0.93	18.80	13.97	8.53
Per Capita GDP (in ₹)	1,49,915	1,46,480	1,72,422	1,94,879	2,11,725
Union Territory					
GSDP (2011-12 Series)	1,64,103	1,67,793	1,88,561	2,20,204	2,41,133

Year	2019-20	2020-21	2021-22	2022-23	2023-24
GSVA	1,53,827	1,54,653	1,76,270	2,02,764	2,20,069
Growth rate of GSDP over previous year (in per cent)	N/A*	2.25	12.38	16.78	9.50
Growth rate of GSVA over previous year (in per cent)	N/A*	0.54	13.98	15.03	8.53
Per Capita GSDP (in ₹)	1,23,730	1,25,546	1,40,038	1,62,369	1,76,525

Source: Ministry of Statistics and Programme Implementation (MOSPI), GoI website.

RE = Revised Estimates and PE = Provisional Estimates.

* Erstwhile State of J&K was bifurcated into two UTs w.e.f. 31 October 2019.

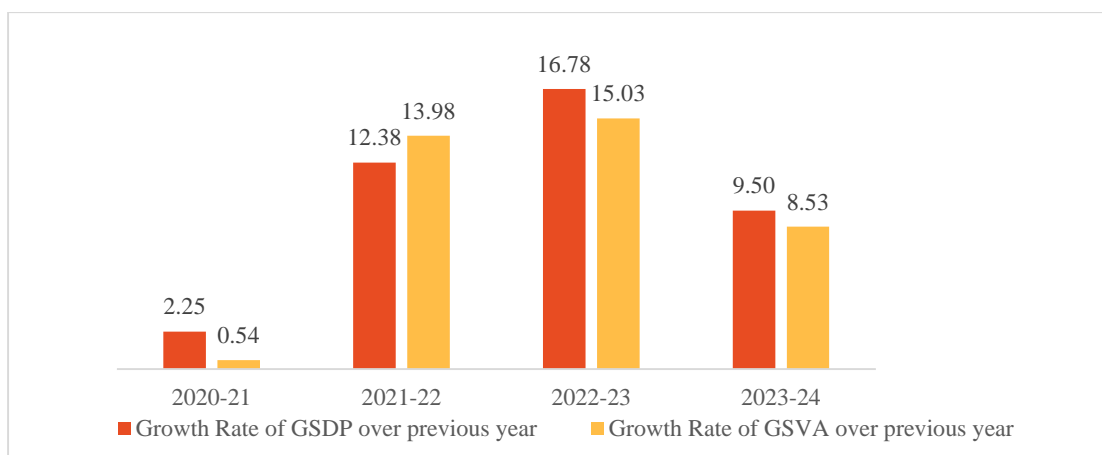
The GSDP of UT of Jammu and Kashmir in 2023-24 at current prices was ₹2,41,133 crore which comprised 0.82 per cent of the GDP of India amounting to ₹2,95,35,667 crore at current prices. GDP growth was 9.60 per cent during 2023-24 whereas the GSDP growth of the UT of Jammu and Kashmir during this period was 9.50 per cent. The per capita GSDP in respect of the UT of Jammu and Kashmir increased by 42.67 per cent from ₹1,23,730 in 2019-20 to ₹1,76,525 in 2023-24 as against increase of 41.23 per cent in per capita GDP of the country during the same period. The per capita GSDP in respect of the UT for the year 2023-24 was however less than the per capita GDP.

Gross Value Added (GVA) is being used for economic analysis by Government of India (GoI) and multilateral organisations like International Monetary Fund and World Bank. GVA is considered a better indicator of economic growth compared to GDP as it ignores the impact of taxes and subsidies, while GDP is computed as the sum total of the various expenditures incurred in the economy including private consumption spending, Government consumption spending and gross fixed capital formation or investment spending, reflecting essentially on the demand conditions in the economy. Both these measures have differences in the treatment of net taxes as a result of which the inclusion of taxes in GDP may differ from the real output situation. For better analysis and policy interventions, it is vital to compare GVA and Gross State Value Added (GSVA) from a policymaker's perspective.

The trends in growth of GSDP and GSVA for the period 2020-21 to 2023-24 and sectoral growth in GSVA are indicated in **Chart 1.1** and **Chart 1.2** respectively.

Chart 1.1: Growth rate of GSDP vs GSVA 2020-21 to 2023-24

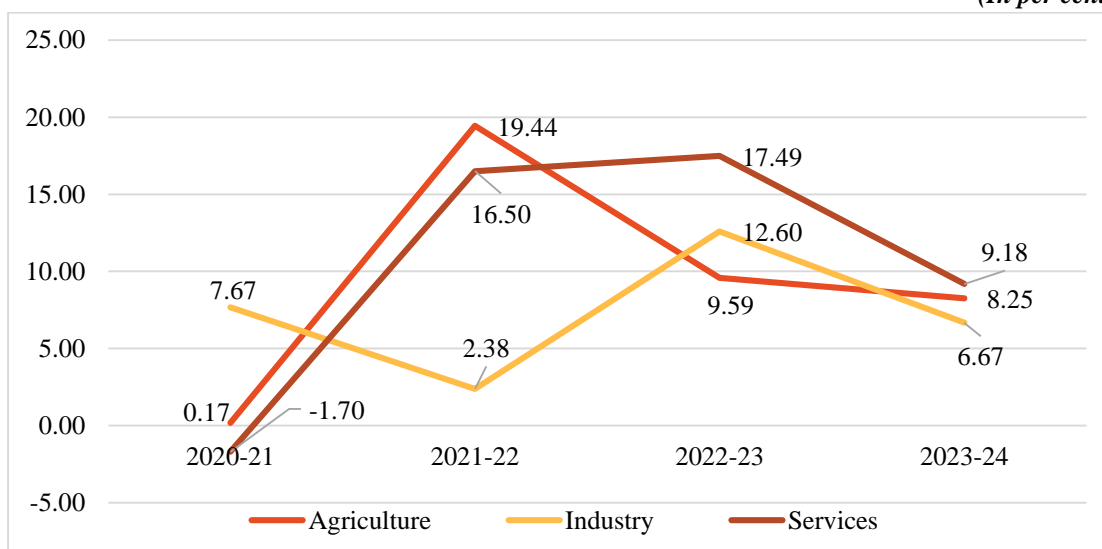
(In per cent)



Source: Ministry of Statistics and Programme Implementation GoI

Chart 1.2: Sectoral growth in GSVA during 2020-21 to 2023-24

(In per cent)



Source: Directorate of Economics and Statistics, J&K Government

During 2023-24, GSVA increased by ₹17,305 crore (8.53 per cent) over the previous year. The growth of GSVA was due to increase under all three contributing sectors viz, Agriculture, Industry and Services. The overall growth in GSVA during 2023-24 was lesser in comparison to 15.03 per cent increase noticed during 2022-23. The growth in all the contributing sectors viz, Agriculture, Industry and Services was less in comparison to growth during 2022-23.

Significant decrease in growth during 2023-24 vis-à-vis 2022-23 was noticed under the activities like Construction (from 20.66 per cent to 3.59 per cent), trade, repair and services (from 23.08 per cent to 12.26 per cent) and Public Administration (from 20.66 per cent to 7.59 per cent).

1.2 Basis and Approach to Union Territory Finances Audit Report

In terms of Section 72 of Jammu and Kashmir Reorganisation Act, 2019, the Reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of UT of Jammu and Kashmir are to be submitted to the Lieutenant Governor of the UT, who shall cause them to be laid before the Legislature of the UT.

Principal Accountant General (Accounts and Entitlement) prepares the Finance Accounts and Appropriation Accounts of the UT of Jammu and Kashmir, from the vouchers, challans and initial and subsidiary accounts rendered by the Treasuries, Offices and Departments responsible for keeping of such accounts functioning under the control of the Government of UT of Jammu and Kashmir and the statements received from the Reserve Bank of India. These accounts are audited independently by the Principal Accountant General (Audit) and certified by the CAG.

Finance Accounts and Appropriation Accounts of the UT constitute the core data for this Report. Other sources include the following:

- Budget of the UT: for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Principal Accountant General (Audit);
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- GSDP data and other UT related statistics; and
- Various audit reports of the CAG of India.

The analysis is also carried out in the context of recommendations of the Fiscal Responsibility and Budget Management (FRBM) Act, 2006 and best practices and guidelines of the Government of India (GoI).

1.3 Overview of Government Accounting Structure and Budgetary Processes

The accounts of the Government of UT of Jammu and Kashmir are kept in three parts:

1. Consolidated Fund of the Union Territory of Jammu and Kashmir (Section 67 of the Jammu and Kashmir Re-organisation Act, 2019)

This Fund comprises all revenues received in the UT of Jammu and Kashmir by the Government of India or Lieutenant Governor of the UT of Jammu and Kashmir in relation to any matter with respect to which the Legislative Assembly of the UT of Jammu and Kashmir has power to make laws, and all grants made and all loans advanced to the UT of Jammu and Kashmir from the Consolidated Fund of India and all loans

raised by the Government of India or the Lieutenant Governor of the UT of Jammu and Kashmir upon the security of the Consolidated Fund of the UT of Jammu and Kashmir and all moneys received by the UT of Jammu and Kashmir in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided in the Jammu and Kashmir Re-organisation Act, 2019.

2. Contingency Fund of the Union Territory of Jammu and Kashmir (Section 69 of the Jammu and Kashmir Re-organisation Act, 2019)

This Fund is in the nature of an imprest, which is established by the Legislature by law, and is placed at the disposal of the Lieutenant Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the Legislature of UT of Jammu and Kashmir. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the UT of Jammu and Kashmir.

3. Public Accounts of the Union Territory of Jammu and Kashmir (Section 68 of the Jammu and Kashmir Re-organisation Act, 2019)

Apart from the above, all other public moneys received by or on behalf of the Lieutenant Governor, shall be credited to a Public Account entitled the Public Account of the UT of Jammu and Kashmir. The Public Account includes re-payables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Budget Document

There is a constitutional requirement under Section 41 of the Jammu and Kashmir Re-organisation Act, 2019 to present before the Legislature of the UT of Jammu and Kashmir, a statement of estimated receipts and expenditures of the Government in respect of every financial year. This 'Annual Financial Statement' constitutes the main Budget document. Further, the Budget must distinguish expenditure on Revenue account from other expenditures.

Revenue receipts consist of Tax revenue, Non-tax revenue, and grants from the Government of India.

Revenue expenditure consists of all those expenditures of the Government of UT, which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the Government Departments and various services, interest payments on debt incurred by the Government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

Capital receipts consist of:

- **Public debt receipts:** Market Loans, Bonds, Loans from financial institutions, Net transactions under Ways and Means Advances, Loans and Advances from Central Government, etc.
- **Non-debt receipts:** Proceeds from disinvestment, Recoveries of loans and advances, etc.

Capital expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the Government to PSUs and other parties.

At present, there is an accounting classification system in Government that is both functional and economic.

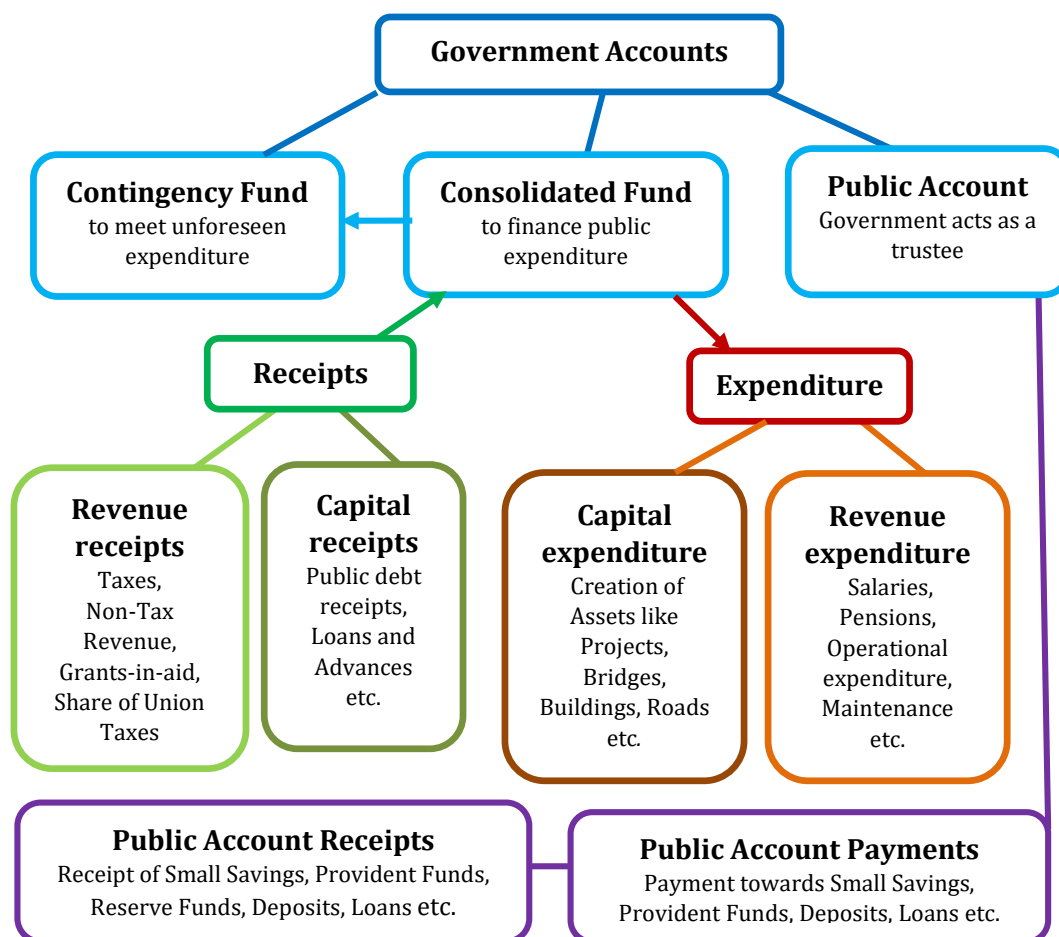
	Attribute of transaction	Classification
Standardised in List of Major and Minor Heads by Controller General of Accounts (CGA)	Function- Education, Health, etc. /Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States/UT	Scheme	Sub-Head (2-digit)
	Sub Scheme	Detailed Head (2-digit)
	Economic nature/Activity	Object Head-Salary, Minor Works, etc. (2-digit)

The functional classification enables one to know the Department, function, scheme, or programme and object of the expenditure. Economic classification helps organise these payments as Revenue, Capital, Debt etc. Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance 0 and 1 is for Revenue receipts, 2 and 3 for Revenue expenditure etc. Economic classification is also achieved by an inherent definition and distribution of some Object heads. For instance, generally ‘Salary’ Object head is Revenue expenditure, ‘Construction’ Object head is Capital expenditure. Object head is the primary unit of appropriation in the Budget documents.

1.3.1 Structure of Government Accounts

The structure of Government accounts is depicted in **Chart 1.3**.

Chart 1.3: Structure of Government Accounts



Public Debt and Public Liability: In this Report, ‘Public Debt’ has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSSF), loans given by Central Government etc. For this purpose the Major Heads 6003 and 6004- Public Debt have been taken into consideration.

Further, the transactions relating to ‘Small Savings, Provident Fund etc.’, ‘Reserve Funds’ and ‘Deposit and Advances’ under Public Account are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. The transactions relating to ‘Remittances’ and ‘Suspense’ under Public Account include merely adjusting heads such as transactions as remittances of cash between Treasuries and currency chests and transfer between different accounting circles.

In this Report, ‘Public Liability’ has been taken to include the transactions under Major Heads 8001 to 8554 relating to ‘Small Savings Provident Fund, etc.’, ‘Reserve Funds’ and ‘Deposits and Advances’ along with the transactions under Major Heads 6003 and 6004.

1.3.2 Budgetary Process

In terms of Section 41 of the Jammu and Kashmir Reorganisation Act 2019, the Lieutenant Governor of UT of Jammu and Kashmir shall cause to be laid before the Legislative Assembly, a statement of the estimated receipts and expenditure of the UT of Jammu and Kashmir, in the form of an Annual Financial Statement. In terms of Section 42 and 43 of the act *ibid*, the statement is to be submitted to the Legislature in the form of Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Section 43 to provide for appropriation of the required money out of the Consolidated Fund.

In pursuance of Gazette of India, Extraordinary, Part (II), Section 3, Sub section (ii), S.O 3938 (E) dated 31 October 2019 issued consequent upon the proclamation issued on 31st day of October 2019, Gazette of India, Extraordinary, Part (II), Section 3, Sub section (ii), S.O. 3937(E) dated 31st October, 2019, under Section 73 of Jammu and Kashmir Re-organisation Act, 2019, read with Article 239 and 239A of the Constitution of India and Section 74 of the Jammu and Kashmir Re-organisation Act, 2019, the bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the UT of Jammu and Kashmir, of the moneys required to meet the expenditure *charged* on the Consolidated Fund and the grants made for the expenditure of the UT of Jammu and Kashmir for the financial year 2023-24 was introduced in Parliament (Lok Sabha) on 21 March 2023. It was passed by both the Houses on 21 March 2023 (Lok Sabha) and 27 March 2023 (Rajya Sabha) and was assented to by the President of India on 29 March 2023. The comments arising out of audit of Appropriation Accounts of UT of Jammu and Kashmir for the period 2023-24 are given in **Chapter 3** of this Report.

1.4 Snapshot of Finances

Time series data on the finances of the UT of Jammu and Kashmir for the period 2019-20¹ to 2023-24 is given in **Appendix 1.2**. The position of Budget Estimate (BE), Revised Estimates (RE) and actuals in respect of some components for the year 2023-24 have been shown in **Table 1.2**.

¹ From 31 October 2019 (the date of creation of Union Territory of Jammu and Kashmir).

Table 1.2: Actuals vs Budget for the year 2023-24

(₹ in crore)

S. No	Components	Actuals 2022-23	Budget Estimate 2023-24 (B.E.)	Revised Estimate 2023-24 (R.E.)	Actuals 2023-24	Percentage of Actuals to B.E.	Percentage of Actuals to R.E.	Percentage of Actuals to GSDP
1	Tax Revenue	12,335.47	20,349	16,073	13,903.22	68.32	86.50	5.77
	(i) Own Tax	12,335.47	20,349	16,073	13,903.22	68.32	86.50	5.77
	(ii) Share of Union Taxes and Duties	0	0	0	0	0	0	0
2	Non-Tax revenue	5,147.55	13,593	7,864	6,430.33	47.31	81.77	2.67
3	Grants-in-Aid and Contributions	51,492.93	64,319	59,666	49,774.14	77.39	83.42	20.64
4	Additional Resource Mobilisation ²	0	7,800	1,000	0	0.00	0.00	0.00
5	Revenue receipts (1+2+3+4)	68,975.95	1,06,061	84,603	70,107.69	66.10	82.87	29.07
6	Recovery of Loans and Advances	1.33	5	6	6.04	120.8	100.67	0.00
7	Other Receipts	0.00	422	46	0	0	0	0
8	Borrowings and other Liabilities#	4,855.37	3,913	13,122	8,608.08	219.99	65.60	3.57
9	Capital receipts (6+7+8)	4,856.70	4,340	13,174	8,614.12	198.48	65.39	3.57
10	Total Receipts (5+9)	73,832.65	1,10,401	97,777	78,721.81	71.31	80.51	32.65
11	Revenue expenditure	62,999.34	77,009	76,155	66,621.47	86.51	87.48	27.63
12	Interest payments	8,493.82	9,635	9,435	9,924.96	103.01	105.19	4.12
13	Capital expenditure and Loans and Advances	10,833.31	33,392	21,622	12,100.34	36.24	55.96	5.02
14	Capital expenditure	10,773.78	33,293	21,600	12,088.85	36.31	55.97	5.01
15	Loans and advances	59.53	99	22	11.49	11.61	52.23	0.00
16	Appropriation to Contingency Fund	0	0	0	0	0	0	0
17	Total expenditure (11+13+16)	73,832.65	1,10,401	97,777	78,721.81	71.31	80.51	32.65
18	Revenue deficit /surplus (5-11)	+5,976.61	+29,052	+8,448	+3,486.22	12.00	41.27	1.45
19	Fiscal deficit[§] {17-(5+6+7)}	-4,855.37	-3,913	-13,122	-8,608.08	219.99	65.60	-3.57
20	Primary deficit/surplus (19-12)	+3,638.45	+5,722	-3,687	+1,316.88	23.01	-35.72	0.55

Source: Budget 2023-24 and Finance Accounts 2023-24

#Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance. § Fiscal deficit reflected in the BE 2023-24 and RE 2023-24 on gross basis was ₹12,012 crore and ₹23,542 crore respectively in the Budget document. However, Fiscal deficit in the above table has been worked out as ₹3,913 crore and ₹13,122 crore for BE 2023-24 and RE 2023-24 respectively on net basis.

² BE 2023-24 and RE 2023-24 includes Additional Resource Mobilisation (ARM)/ Channelising Resources into System Pool (CRISP) and Asset Monetisation amounting to ₹7,800 and ₹1,000 crore respectively.

During 2023-24, Revenue receipts increased by two *per cent* with respect to the previous year but fell short of the BE by 34 *per cent* and RE by 17 *per cent*. UT's Own Tax revenue increased by 13 *per cent* and Non-Tax revenue increased by 25 *per cent* with respect to the previous year.

During 2023-24, the increase of ₹1,131.74 crore (1.64 *per cent*) in Revenue receipts was comparatively lesser than the increase of ₹3,622.13 crore (5.75 *per cent*) in Revenue expenditure over the previous year. This led to decrease in Revenue surplus from ₹5,976.61 crore during 2022-23 to ₹3,486.22 crore during 2023-24. In addition to the increase in Revenue expenditure, the increase of ₹1,267.03 crore (11.70 *per cent*) in Capital expenditure over the previous year was the major reason for increase of Fiscal deficit from ₹4,855.37 crore in 2022-23 to ₹8,608.08 crore in 2023-24.

During 2023-24, there was Fiscal deficit of ₹8,608.08 crore, which was 220 *per cent* above the projection in the BE 2023-24. Primary surplus during the year 2023-24 was ₹1,316.88 crore which was about 77 *per cent* below the projections made in the Budget 2023-24. The Revenue surplus of ₹3,486.22 during 2023-24 was lesser than the amount projected in the BE (₹29,052 crore) and RE (₹8,448 crore).

Goods and Services Tax (GST) compensation is revenue of the UT Government under GST (Compensation to States) Act, 2017. However, during the current year, Government of Jammu and Kashmir did not receive any GST compensation.

1.4.1 Snapshot of Assets and Liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.2** gives an abstract of receipts and disbursements during 2023-24 and the summarised financial position of Liabilities and Assets as on 31 March 2024, compared with the corresponding position of the previous year. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds, while the assets comprise mainly the Capital expenditure and loans and advances given by the UT Government and cash balances. Summarised position of Assets and Liabilities is depicted in **Table 1.3**.

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
		2022-23	2023-24	Per cent increase/decrease			2022-23	2023-24	Per cent increase/decrease
Consolidated Fund									
A	Internal Debt	23,474	30,285	29.02	A	Gross Capital expenditure	37,713	49,802	32.06
B	Loans and Advances from GoI*	5,711	5,591	-2.10	B	Loans and Advances	227	232	2.20

Liabilities				Assets					
	2022-23	2023-24	Per cent increase/decrease		2022-23	2023-24	Per cent increase/decrease		
Contingency Fund									
A	Contingency Fund	25	25	0	A	Contingency Fund	-	-	-
Public Account									
A	Small Savings, Provident Funds, etc.	1,018	2,166	112.77	A	Remittances	688	697	1.31
B	Deposits	2,393	2,838	18.60	B	Cash balance (including investment in Earmarked Funds)	1,448	1,596	10.22
C	Remittances	-	-	-	C	Suspense and Misc Balances	-	-	-
D	Reserve Funds	1,296	1,807	39.43					
E	Suspense and Misc Balances	538	508	-5.58					
Total		34,455	43,220	25.44	Total		40,076	52,327	30.57
	Excess receipt over expenditure	5,621	9,107	62.02	D	Excess expenditure over receipt	-	-	-
Total		40,076	52,327	30.57	Total		40,076	52,327	30.57

Source: Finance Accounts.

* Includes back-to-back loans of ₹5,945.29 crore (₹2,099.80 crore and ₹3,845.49 crore received from the GoI during 2020-21 and 2021-22 respectively), in lieu of GST Compensation shortfall, which are not to be repaid by the UT Government from its resources.

Further, Assets and Liabilities of the erstwhile State of Jammu and Kashmir ending 30 October 2019 are yet to be distributed between UT of Jammu and Kashmir and UT of Ladakh.

1.5 Fiscal Balance: Achievement of deficit and Total Debt Targets

As per the Statements laid under Fiscal Responsibility and Budget Management (FRBM) Act in the Parliament by the UT of Jammu and Kashmir, no rolling targets for the Fiscal indicators were specified for the year 2023-24 in respect of UT of Jammu and Kashmir.

1.5.1 Fiscal Parameters of the Union Territory of Jammu and Kashmir

Position of Fiscal indicators like Deficits and Debt during the period 2020-21 to 2023-24 in respect of UT of Jammu and Kashmir is as under:

Table 1.4: Fiscal indicators of UT during the period 2021-22 to 2023-24

Fiscal Parameters	2020-21	2021-22	2022-23	2023-24
Revenue deficit (-) / surplus (+) (₹in crore)	(-) 138.27	(-) 30.83	(+) 5,976.61	(+) 3,486.22
Fiscal deficit (-) / surplus (+) (₹in crore)	(-) 10,693.36	(-) 11,150.60	(-) 4,855.37	(-) 8,608.08
Primary deficit (-)/surplus (+)	(-) 4,320.90	(-) 3,790.29	(+) 3,638.45	(+) 1,316.88

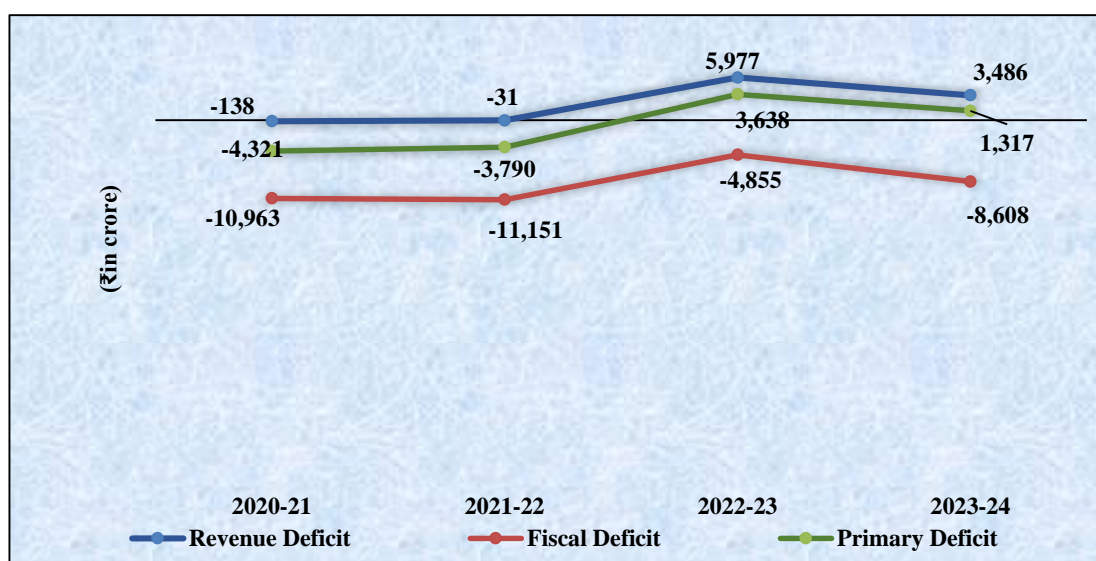
Fiscal Parameters	2020-21	2021-22	2022-23	2023-24
Ratio of total outstanding liability* to GSDP (in per cent)	8.87	12.40	12.69	15.24
Revenue surplus/Revenue deficit as per cent of GSDP	-0.08	-0.02	+2.71	+1.45
Fiscal deficit as per cent of GSDP	-6.37	-5.91	-2.20	-3.57
Primary deficit as per cent of GSDP	-2.58	-2.01	+1.65	+0.55

Source: Finance Accounts 2020-21 to 2023-24

*Outstanding liabilities excludes the back-to-back loans of ₹2,099.80 crore and ₹3,845.49 crore received from the GoI during 2020-21 and 2021-22 respectively, as they were not to be treated as debt of the UT for any norms, as per the Guidelines (August 2020).

Charts 1.4 and 1.5 present the trends in Deficit/ Surplus parameters and trends relative to GSDP respectively over the period 2020-24.

Chart 1.4: Trends in deficit(-)/surplus(+) parameters during 2020-21 to 2023-24



Source: Finance Accounts

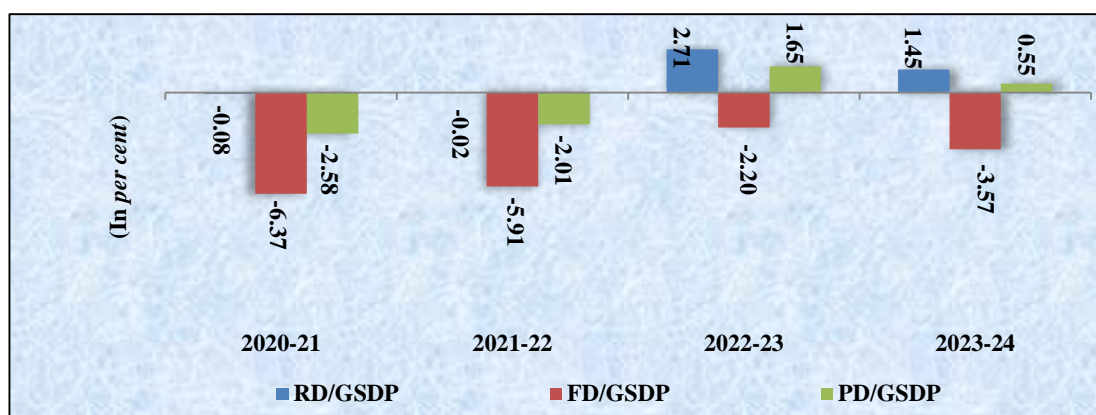


Chart 1.5: Trends in deficit(-)/surplus(+) relative to GSDP

Source: Finance Accounts

Revenue deficit indicates excess of Revenue expenditure over Revenue receipts. In terms of Jammu and Kashmir FRBM Act, 2006, the Government shall maintain Revenue surplus and initiate steps for progressive strengthening of surplus. There was

Revenue surplus of ₹5,976.61 crore and ₹3,486.11 crore during 2022-23 and 2023-24 respectively compared to the Revenue deficit during 2020-21 and 2021-22.

Fiscal deficit, which represents total borrowings of the Government i.e. its total resource gap, decreased from ₹11,150.60 crore (5.91 *per cent* of GSDP) in 2021-22 to ₹4,855.37 crore (2.20 *per cent* of GSDP) in 2022-23. During 2023-24 the Fiscal deficit increased to ₹8,608.08 crore (3.57 *per cent* of GSDP). Fiscal liabilities increased by 31.47 *per cent* from ₹27,946.62 crore in 2022-23 to ₹36,742.17 crore in 2023-24. The ratio of total outstanding liability to GSDP continuously increased from 8.87 *per cent* in 2020-21 to 15.24 *per cent* in 2023-24.

Primary deficit, which indicates the excess of primary expenditure (total expenditure net of interest payments) over non-debt receipts, was ₹4,320.90 crore (2.58 *per cent* of GSDP) in 2020-21 and ₹3,790.29 crore (2.01 *per cent* of GSDP) in 2021-22. There was a primary surplus of ₹3,638.45 crore and ₹1,316.88 crore during 2022-23 and 2023-24 respectively.

1.6 Deficits after examination in Audit

In order to present a better picture of UT finances, there is a tendency to classify Revenue expenditure as Capital expenditure and to conduct off-budget fiscal operations, position of deficits and Debt after audit has been shown below.

1.6.1 Post Audit - deficits

As per the FRBM Act, the UT Government must ensure compliance to the targets fixed for the fiscal indicators such as deficits, ceiling on debt and on guarantees, etc. The Revenue deficit and the Fiscal deficit as worked out for the State gets impacted due to various circumstances such as misclassification of Revenue expenditure as Capital and off-budget fiscal operations. Besides, deferment of clear-cut liabilities, not depositing cess/ royalty to Consolidated Fund, short contribution to New Pension Scheme, Sinking Fund and Guarantee Redemption Fund, etc. also impacts the Revenue and Fiscal deficit figures. In order to arrive at actual deficit figures, the effect of misclassification of Revenue expenditure/Capital outlay and/or any such misclassification needs to be included and the impact of such irregularities needs to be reversed. Analysis of deficits after examination in audit are given in **Table 1.5**.

Table 1.5: Revenue and Fiscal deficit, post examination by Audit

Sl. No	Item	Impact on Revenue deficit {Understated (+) / overstated (-)} (₹in crore)	Impact on Fiscal deficit (Under Statement) (₹in crore)
1	Misclassification between Revenue and Capital	195.01	-
2	Non-payment of interest on State Compensatory Afforestation Fund MH 8121	25.84	25.84
3	Non-payment of interest on State Compensatory Afforestation Deposit MH 8336	16.69	16.69

Sl. No	Item	Impact on Revenue deficit {Understated (+) / overstated (-)} (₹in crore)	Impact on Fiscal deficit (Under Statement) (₹in crore)
4	Repayment of Off-Budget Borrowings under MH-6003-Internal Debt instead of treating as a debit to relevant head as assistance	6,493.24	6,493.24
Total Net impact		6,730.78	6,535.77

Source: Finance Accounts.

There was Revenue surplus of ₹3,486.22 crore in the accounts of UT of Jammu and Kashmir for the year 2023-24, which was overstated by ₹6,730.78 crore due to misclassification of Revenue expenditure of ₹195.01 crore (Grants-in-Aid: ₹147.71 crore and Subsidy: ₹47.30 crore) as Capital expenditure, classifying repayment of Off-Budget Borrowings under MH-6003-Internal Debt instead of treating as a debit to relevant head as assistance (₹6,493.24 crore) and non-payment of Interest on State Compensatory Afforestation Fund (₹25.84 crore) and State Compensatory Afforestation Deposit (₹16.69 crore). There was Fiscal deficit of ₹8,608.08 crore during 2023-24 which was understated by ₹6,535.77 crore (43 per cent) due to non-payment of interest on State Compensatory Afforestation Fund and State Compensatory Afforestation Deposit and classifying repayment of Off-Budget Borrowings under MH-6003-Internal Debt instead of treating as a debit to relevant head as assistance, as shown in the **Table 1.5**.

After considering the above transactions the Revenue deficit and Fiscal deficit during 2023-24 works out to ₹3,244.56 crore (1.35 per cent of GSDP) and ₹15,143.85 crore (6.28 per cent of GSDP) respectively.

In reply, the Finance Department stated (February 2025) that the necessary book adjustments on account of non-payment of interest on State Compensatory Afforestation Fund and Non-payment of interest on State Compensatory Afforestation Deposit shall be carried out during current financial year after reconciliation with the line Department and office of the Principal Accountant General (A&E).

1.6.2 Post Audit – Total Public Debt

As per the Jammu and Kashmir Fiscal Responsibility and Budget Management Act, 2006, total liabilities mean the liabilities under the Consolidated Fund and the Public Account and includes borrowings by the Public Sector Undertakings and Special Purpose Vehicles and other equivalent instruments including guarantees where the principal and /or interest are to be serviced out of the budget. The outstanding debt/liabilities can be split into various components as given in **Table 1.6**

Table 1.6: Components of outstanding debt/liabilities as on 31 March 2024

(*₹ in crore*)

Borrowings and other liabilities as per Finance Accounts	Amount
Internal Debt (A)	30,285.52
Market Loans	35,541.43
Loans from other institutions, etc.	-6,031.05
Compensation and other bonds	-921.51
Ways and means advances from RBI	-692.11
Special Securities issued to the National Small Savings Fund of the Central Government	2,388.76
Loans and Advances from Central Government (B)	5,590.68
Non-plan loans	0
Loans for State/UT Plan Schemes	-531.20
Others	6121.88*
Liabilities upon Public Accounts (C)	6,811.26
Small Savings, Provident Funds, etc.	2,165.98
Deposits	2,838.16
Reserve Funds	1,807.12
Total (A+B+C)	42,687.46

Source: Finance Accounts. Liabilities upon Public Account is excluding Suspense & Miscellaneous and Remittance heads.

* Includes ₹5,945.29 crore (₹2,099.80 crore in 2020-21 & ₹3,845.49 crore in 2021-22) as back-to-back loans from GoI in lieu of GST Compensation shortfall.

The outstanding Off-Budget Borrowings of ₹23,742.42 crore³ (credit balance) as on 31 March 2024 were not accounted for in the overall outstanding debt/liabilities of the UT. Further, repayment of Off-Budget Borrowings of ₹6,568.71 crore⁴ has been made from the Internal debt of the Government which included repayment of ₹6,493.24 crore as detailed in **Table 1.7** made during 2023-24.

Table 1.7: Repayment of Off-Budget Borrowings made from Internal debt of UT Government during 2023-24

(*₹ in crore*)

Head of account	Amount repaid during 2023-24
MH-6003- Internal Debt of State Government, 101-Market loans	61.27
MH-6003- Internal Debt of State Government, 109-Loans from other institutions	6,431.97
Total	6,493.24

Non-inclusion of Off-Budget Borrowings of ₹23,742.42 crore in the overall debt/liability of Government and making repayment of Off-Budget Borrowings of ₹6,568.71 crore from the Internal debt of the Government, has resulted in

³ JKIDFC: ₹2,151.46 crore; JKPCL: ₹21,547.43 crore, JK Cements Limited : ₹43.53 crore

⁴ Which included repayment of ₹6,493.24 crore made during 2023-24.

understatement of the overall outstanding debt/liabilities of the UT by ₹30,267.60 crore⁵ at the end of the year 2023-24. The outstanding liabilities to GSDP ratio was understated by 12.57 per cent. Taking into account the Off-Budget Borrowings and their repayments, the ratio of liabilities to GSDP will increase from 15.24 per cent⁶ to 27.81 per cent⁷. There is also borrowing of the erstwhile State of Jammu and Kashmir ending 30 October 2019 amounting to ₹82,050.50 crore which is yet to be bifurcated between the two successor UTs.

In reply, the Finance Department stated (February 2025) that repayment of these Off Budget Borrowing has commenced and shall be ceased fully by November 2025. Further, repayment of these Off-Budget Loans are now part of the overall ceiling of gross borrowing consent approved by the Ministry of Finance, Government of India. The Finance Department has now put in place stronger mechanism to oversee and have internal controls to prevent any misclassifications and ensure adherence to the principles set out in the Jammu and Kashmir Fiscal Responsibility and Budget Management Act, 2006.

1.7 Conclusions

- Rolling targets for various Fiscal indicators in the Medium Policy Statement laid under FRBM Act were not fixed for Jammu & Kashmir. In absence of any targets the progress achieved in the fiscal correction path against laid down goals is not discernable.
- Gross State Domestic Product (at current prices) grew by 9.50 per cent from ₹2,20,204 crore in 2022-23 to ₹2,41,133 crore in 2023-24 as against the GDP growth of 9.60 per cent during 2023-24. There was 8.53 per cent growth in Gross State Value Added (GSVA) during 2023-24 over the previous year.
- Revenue receipts grew by two per cent with respect to the previous year but fell short of the Budget Estimates by 34 per cent and Revised Estimates by 17 per cent.
- Fiscal deficit of ₹8,608.00 crore was 220 per cent above the projection made in the budget. Revenue surplus of ₹3,486.22 during 2023-24 was lesser than the amount projected in the Budget Estimates (₹29,052 crore) and Revised Estimates (₹8,448 crore).

⁵ Repayments of Off budget borrowings made from Internal debt: ₹6,568.71 crore and Off-budget borrowing not included in the Debt: ₹23,742.42 crore.

⁶ (Public Liabilities ₹42,687.46 crore excluding back to back loans in lieu of GST compensation amounting to ₹5,945.29 crore = ₹36742.17 crore) / (GSDP of ₹2,41,133 crore during 2023-24) = 15.24 per cent.

⁷ (Public Liabilities ₹42,687.46 crore excluding back to back loans in lieu of GST compensation amounting to ₹5,945.29 crore including OBBs of ₹23,742.42 crore and Repayments of Off budget borrowings made from Internal debt: ₹6,568.71 crore = ₹67,053.30 crore) / (GSDP of ₹2,41,133 crore during 2023-24) = 27.79 per cent.

- Revenue surplus for the year 2023-24, was overstated by ₹6,730.54 crore due to misclassification of Revenue expenditure as Capital expenditure, repayment of Off-Budget Borrowings from Internal debt and non-payment of Interest on State Compensatory Afforestation Fund/ Deposit. Besides, the Fiscal deficit during 2023-24 was understated by ₹6,535.53 crore.

1.8 Recommendations

1. *The Government should fix rolling targets for various Fiscal indicators in the Medium Policy Statement under FRBM Act to be laid before the Legislature and monitor the progress achieved in the fiscal correction path against the goals fixed.*
2. *The Government may also take appropriate steps in avoiding misclassification of Revenue or Capital expenditure so that the correct financial position is depicted in the accounts.*

Chapter-II
Finances of the Union Territory

CHAPTER-II

FINANCES OF THE UNION TERRITORY

This Chapter provides a broad perspective of the finances of the Government of Jammu and Kashmir (UT) during the year 2023-24.

2.1 Major changes in Key Fiscal Aggregates vis-à-vis 2022-23

The major key fiscal aggregates of the UT for the year 2023-24 have been compared with fiscal aggregates for the year 2022-23.

Changes in key fiscal aggregates during 2023-24 w.r.t. 2022-23

Revenue receipts	<ul style="list-style-type: none">✓Revenue receipts increased by 1.64 <i>per cent.</i>✓Own Tax Receipts increased by 12.71 <i>per cent.</i>✓Own Non-tax Receipts increased by 24.92 <i>per cent.</i>✓Grants-in-Aid from Government of India decreased by 3.34 <i>per cent.</i>
Revenue expenditure	<ul style="list-style-type: none">✓Revenue expenditure increased by 5.75 <i>per cent.</i>✓Revenue expenditure on General Services increased by 2.68 <i>per cent.</i>✓Revenue expenditure on Social Services decreased by 1.95 <i>per cent.</i>✓Revenue expenditure on Economic Services increased by 36.52 <i>per cent.</i>
Loans and Advances	<ul style="list-style-type: none">✓Disbursement of Loans and Advances decreased by 80.70 <i>per cent.</i>✓Recoveries of Loans and Advances increased by 354.14 <i>per cent.</i>
Capital expenditure	<ul style="list-style-type: none">✓Capital expenditure increased by 12.21 <i>per cent.</i>✓Capital expenditure on General Services decreased by 37.73 <i>per cent.</i>✓Capital expenditure on Social Services increased by 42.29 <i>per cent.</i>✓Capital expenditure on Economic Services increased by 8.36 <i>per cent.</i>
Public Debt	<ul style="list-style-type: none">✓Public Debt Receipts increased by 40.32 <i>per cent.</i> *✓Repayment of Public Debt increased by 37.35 <i>per cent.</i> *

Public Accounts	✓Public Account Receipts decreased by 0.55 per cent. ✓Disbursement from Public Account decreased by 3.76 per cent.
Cash Balance	✓Cash Balance decreased by ₹3.44 crore during 2023-24 compared to previous year.

*Including Ways & Means Advances

2.2 Sources and Application of Funds

Comparison of the components of the sources and application of funds of the UT during the current year with those of the previous year is given in **Table 2.1**.

Table 2.1: Details of Sources and Application of funds during 2022-23 and 2023-24

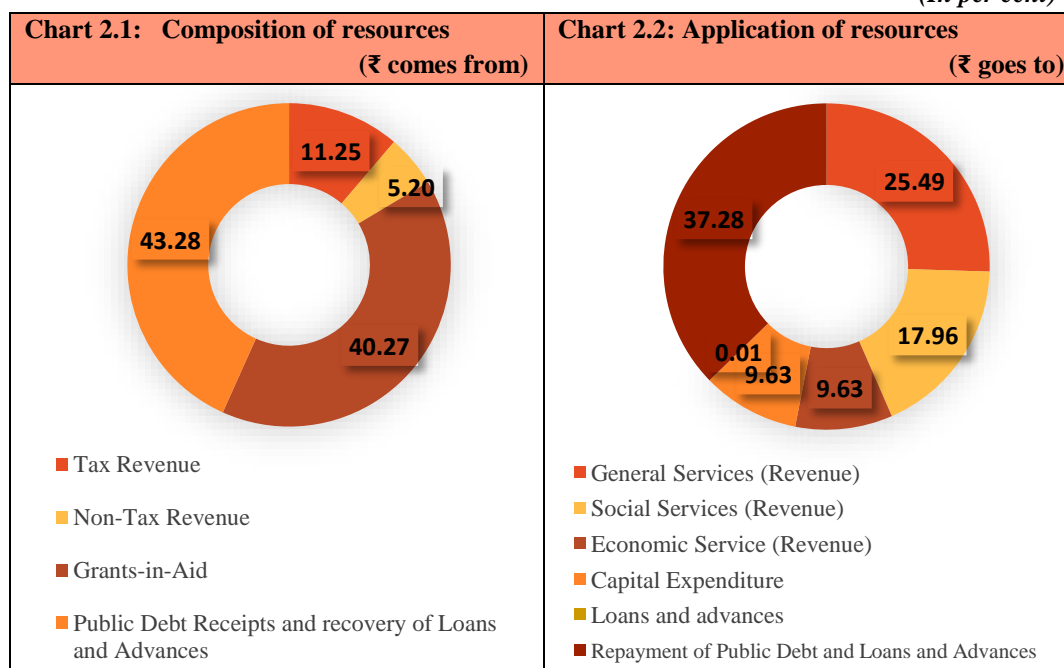
(₹ in crore)				
	Particulars	2022-23	2023-24	Increase (+)/ decrease (-) (per cent)
Sources	Opening Cash Balance with RBI and other cash balances	1,447.65	1,448.31	0.66 (0.05)
	Revenue receipts	68,975.95	70,107.69	1,131.74 (1.64)
	Recoveries of Loans and Advances	1.33	6.04	4.71 (354.14)
	Public Debt Receipts (Net)	4,047.57	6,690.80	2,643.23 (65.30)
	Public Account Receipts (Net)	808.46	1,913.84	1,105.38 (136.73)
	Total	75,280.96	80,166.68	4,885.72 (6.49)
Application	Revenue expenditure	62,999.34	66,621.47	3,622.13 (5.75)
	Capital expenditure	10,773.78	12,088.85	1,315.07 (12.21)
	Disbursement of Loans and Advances	59.53	11.49	-48.04 (80.70)
	Closing Cash Balance with RBI and other cash balances	1,448.31	1,444.87	-3.44 (0.24)
	Total	75,280.96	80,166.68	4,885.72 (6.49)

Source: Finance Accounts.

Revenue receipts were the largest source (87.45 per cent) of revenue and significant part (83.10 per cent) of these resources were utilised towards Revenue expenditure.

The composition of sources and application of funds in the Consolidated Fund of the Union Territory of Jammu and Kashmir during 2023-24 is given in **Charts 2.1** and **2.2**.

(In per cent)



Note: Public debt receipts and repayments include ways and means advances.

Public Debt Receipts and Grants-in-Aid together constituted 83.55 per cent of resources of UT of Jammu and Kashmir. Repayment of Public Debt and Expenditure on General Services (Revenue) together accounted for 62.77 per cent of total expenditure.

2.3 Resources of the Union Territory of Jammu and Kashmir

The resources of the Union Territory (UT) are described below:

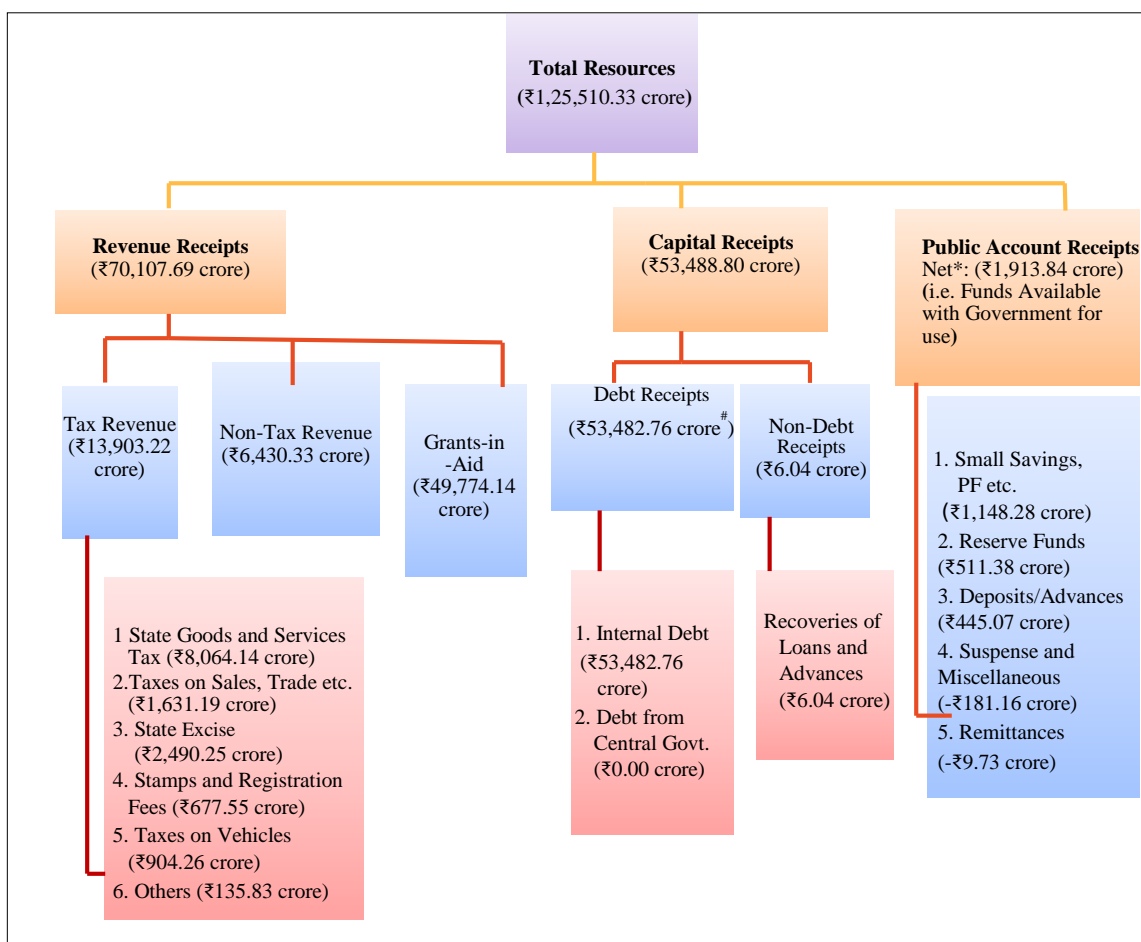
1. **Revenue receipts** consist of Tax revenue, Non-Tax revenue and Grants-in-Aid from the Government of India (GoI).
2. **Capital receipts** (debt and non-debt Capital receipts) comprise miscellaneous Capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. Both Revenue and Capital receipts form part of the Consolidated Fund of the UT.
3. **Net Public Accounts Receipts:** There are net of receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund.

These are kept in the Public Account set up under Section 68(1) of the Jammu & Kashmir Re-organisation Act, 2019 and are not subject to vote by the Union Territory's Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the Union Territory

This paragraph provides the composition of the overall receipts. Besides the Revenue and Capital receipts, funds available in the Public Account (net of disbursement made from it) are also utilised by the Government to finance its deficit. The composition of total receipts of the UT is depicted in **Chart 2.3**.

Chart 2.3: Composition of receipts of the UT of Jammu and Kashmir during 2023-24



Source: Finance Accounts.

*Public Accounts Receipts Net {₹1,913.84 crore} = Public Accounts Receipts (₹35,268.87 crore) less Public Accounts Disbursements (₹33,355.03 crore)

Includes Ways and Means Advance.

Out of the total resources of ₹1,25,510.33 crore of the UT Government during the year 2023-24, Revenue receipts (₹70,107.69 crore) constituted 55.86 per cent while Capital receipts (₹53,488.80 crore) and net Public Account Receipts (₹1,913.84 crore) constituted 42.62 per cent and 1.52 per cent of the total resources respectively.

2.3.2 Union Territory's Revenue receipts

The components of Revenue receipts of UT of Jammu and Kashmir and their share in Revenue receipts during 2020-21 to 2023-24 is shown in **Table 2.2**. The trends and composition of Revenue receipts over the same period are presented in **Appendix 1.2**.

Table 2.2: Trend and Components of Revenue receipts

(₹ in crore)

Components	2020-21	2021-22	2022-23	2023-24
Revenue receipts (RR)	52,495.48	59,238.50	68,975.95	70,107.69
Rate of growth of RR (<i>per cent</i>)	NA	12.84	16.44	1.64
Own Tax Revenue	8,876.99	11,707.28	12,335.47	13,903.22
Rate of growth of Own Tax Revenue (<i>per cent</i>)	NA	31.88	5.37	12.71
Non-Tax Revenue	4,076.38	4,840.45	5,147.55	6,430.33
Grants-in-Aid from Government of India	39,542.11	42,690.77	51,492.93	49,774.14
Rate of growth of Grants-in-Aid from Government of India (<i>per cent</i>)	NA	7.96	20.62	(-) 3.34
Own Revenue (Own Tax and Non-tax Revenue)	12,953.37	16,547.73	17,483.02	20,333.55
Rate of growth of Own Revenue (<i>per cent</i>)	NA	27.75	5.65	16.30
GSDP	1,67,793	1,88,561	2,20,204	2,41,133
Revenue receipts to GSDP (<i>per cent</i>)	31.29	31.42	31.32	29.07
Rate of growth of GSDP (<i>per cent</i>)	NA	12.38	16.78	9.50
Buoyancy Ratios ¹				
Union Territory's Own Tax Revenue Buoyancy w.r.t. GSDP	NA	2.58	0.32	1.34

Source of GSDP figures: Ministry of Statistics and Programme Implementation (MOSPI) GoI website; Finance Account

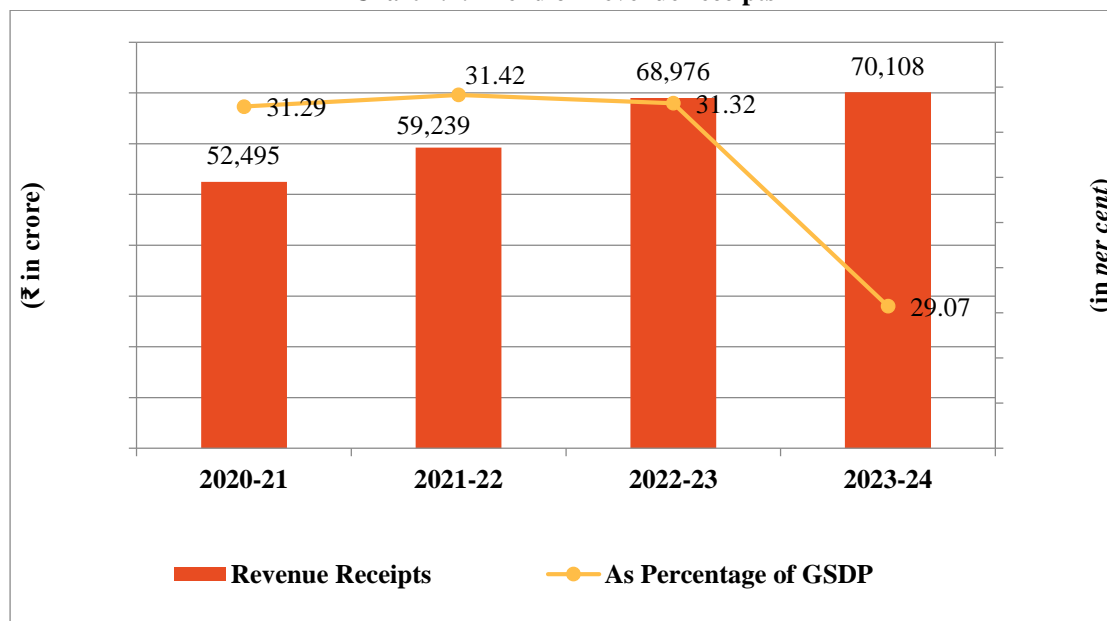
Table 2.2 shows that Revenue receipts increased by 34 *per cent* from ₹52,495.48 crore in 2020-21 to ₹70,107.69 crore in 2023-24. Tax revenue and Non-Tax revenue increased by ₹5,026.23 crore (57 *per cent*) and ₹2,353.95 crore (58 *per cent*) during 2023-24 respectively in comparison to 2020-21. Grants-in-Aid from the GoI had increased by 30 *per cent* from ₹39,542.11 crore in 2020-21 to ₹51,492.93 crore in 2022-23, however, during 2023-24 it decreased to ₹49,774.14 crore.

Buoyancy of UT's Own Tax Revenue to GSDP which decreased from 2.58 *per cent* in 2021-22 to 0.32 *per cent* in 2022-23, increased to 1.34 *per cent* in 2023-24. Out of total Revenue receipts of ₹70,107.69 crore during 2023-24, the Grants-in-Aid from GoI (₹49,774.14 crore) constituted 71 *per cent* of total Revenue receipts.

Significant proportion of Grants-in-Aid in the total Revenue receipts of the UT Government during 2021-22 to 2023-24 indicates more reliance on GoI support. Diversifying revenue resources and strengthening the local tax base are essential for sustainable fiscal stability and development. Trend of Revenue receipts are shown in **Chart 2.4**.

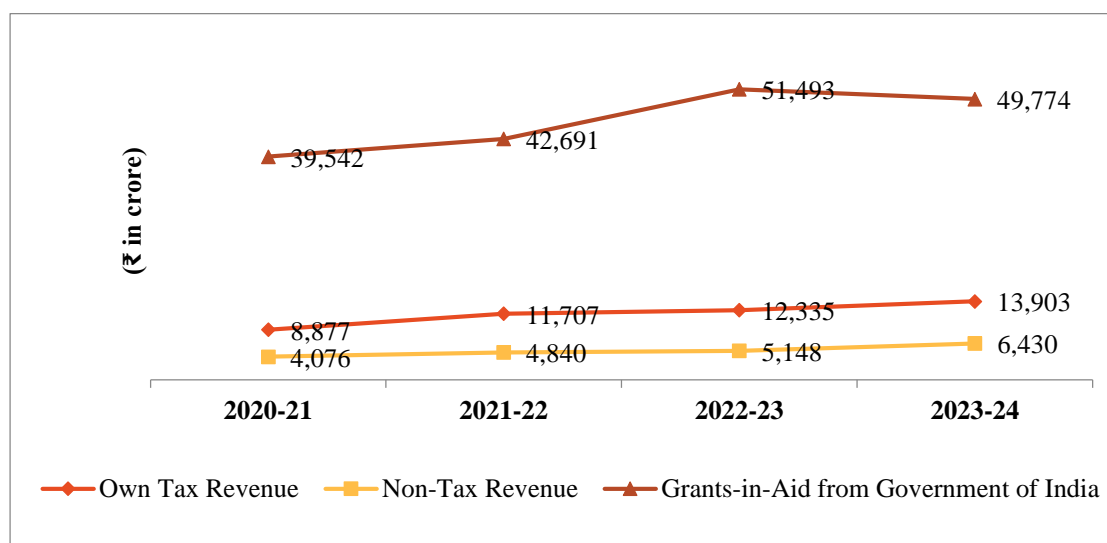
¹ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable

Chart 2.4: Trend of Revenue receipts



Trends in the composition of Revenue receipts are given in **Chart 2.5**.

Chart 2.5: Trend of Components of Revenue receipts



2.3.2.1 Own Resources of UT of Jammu and Kashmir

Government's performance in mobilisation of resources is assessed in terms of its Own Tax resources comprising revenue from its Own Tax and Non-Tax sources. Details of Own Tax Revenue, Own Non-Tax revenue and its components are shown in the following sub-paragraphs.

(i) Own Tax Revenue

Own Tax Revenues of the UT consist of State Goods and Services Tax (SGST), State Excise, Taxes on Vehicles, Stamp Duty and Registration fees, Land revenue, Taxes on Goods and Passengers, etc.

Trends of Own Tax Revenue and analysis of its components during the period 2020-21 to 2023-24 are shown in **Chart 2.6** and **Table 2.3**.

Chart 2.6: Trend of Own Tax Revenue during 2020-24

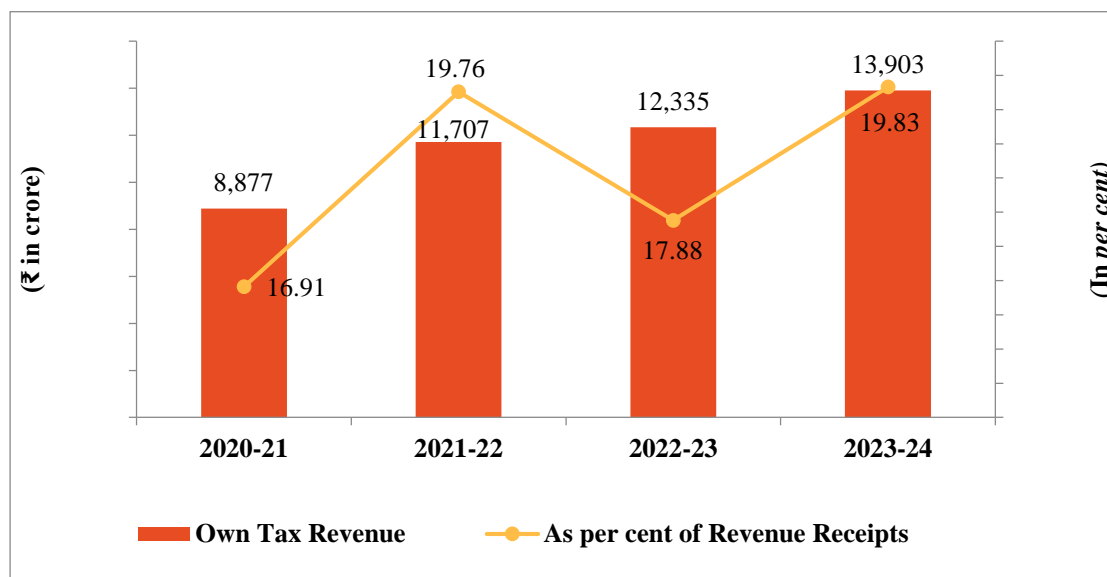


Table 2.3: Components of Own Tax Revenue

Revenue Head	2020-21	2021-22	2022-23	2023-24	Percentage Increase	Sparkline
Taxes on Sales, Trade etc.	1,495.61	1,906.31	1,554.32	1,631.19	4.95	
SGST	4,839.35	6,394.31	7,211.98	8,064.14	11.82	
State Excise	1,347.42	1,782.79	1,793.74	2,490.25	38.83	
Taxes on Vehicles	488.38	616.24	723.42	904.26	25.00	
Stamp duty and Registration fees	325.54	512.02	556.66	677.55	21.72	
Land Revenue	60.57	113.28	131.60	123.79	-5.93	
Taxes on Goods and Passengers	0.90	5.73	23.75	11.33	-52.29	
Other Taxes	319.22	376.60	340.00	0.71	-99.79	
Total	8,876.99	11,707.28	12,335.47	13,903.22	12.71	

Source: Finance Accounts

There was an increase in most of the components of Own Tax Revenue during 2023-24 with respect to the previous year 2022-23 and Own Tax Revenue showed an increase of 12.71 per cent with respect to the previous year. SGST (₹852.16 crore), State Excise (₹696.51 crore), Taxes on Vehicles (₹180.84 crore) and Stamp duty and Registration fees (₹120.89 crore), taxes on sales, trade, etc. (₹76.87 crore) showed maximum increase. The highest percentage increase with respect to 2022-23 was 38.83 per cent and 25 per cent under State Excise and Taxes on Vehicles respectively.

Increase in taxes on vehicles was mainly due to increase of ₹775.98 crore under receipts under Indian Motor Vehicles Act. The increase under stamp duty and registration fees was due to increased sale of ₹140.51 crore of non-judicial stamps.

Decrease in Taxes on Goods and Passengers was mainly due to decrease of ₹11.38 crore in Tolls on roads. Similarly, the decrease under Other Taxes was due to decrease of ₹339.40 crore in Taxes on consumption and sale of electricity.

(a) State Goods and Services Tax (SGST)

As per the books of RBI, the amount of SGST receipts during 2023-24 was ₹8,128.47 crore while as per the Finance Accounts, the amount of SGST receipts was ₹8,064.14 crore. The difference of ₹64.33 crore was due to recovery from UT towards SGST refunds made by the Centre to the taxpayers on behalf of the UT (₹42.92 crore) and refunds made by the UT Government (₹21.41 crore).

(b) Audit of GST Receipts

The Government of India’s decision to provide access to Pan-India data at GSTN premises was conveyed on 22 June 2020. In case of UT of Jammu and Kashmir, which is a Model-II State², role-based access to back-end application was provided³ to the office of the Principal Accountant General (Audit), Jammu and Kashmir on 25 November 2020. However, the access was limited to GSTN premises only and the audit teams are not authorised to access the Pan-India data.

(c) Analysis of arrears of revenue and arrears of assessment

The arrears of revenue indicate delayed realisation of revenue due to the Government. Similarly, arrears of assessment indicate potential revenue which is blocked due to delayed assessment. Both deprive the UT of potential Revenue Receipts and ultimately affect the Revenue Deficit.

Arrears of revenue

As on 31 March 2024, the arrears of revenue in respect of the following principal heads of revenue were ₹2,276.51 crore, of which ₹1,130.99 crore were outstanding for more than five years, as depicted in **Table 2.4**.

Table 2.4: Arrears of Revenue

(₹ in crore)

S. No.	Head of revenue	Amount outstanding as on 31 March 2024	Amount outstanding for more than five years as on 31 March 2024	Replies of Department
1.	Goods and Services Tax	742.44	115.65	Commissioner, State Taxes Department J&K stated (September 2024) that steps like issuance of demand (Dastak),
2.	Taxes/VAT on Sales, Trade, etc.	1,488.92	970.43	

² State which has opted for development of backend system by GSTN.

³ Modules/ Functions: (1) Search ARN (2) Get Taxpayer Details (3) Record search (4) DSC Registration (5) Find GSTIN (6) User Login (7) MIS

S. No.	Head of revenue	Amount outstanding as on 31 March 2024	Amount outstanding for more than five years as on 31 March 2024	Replies of Department
3.	Motor Spirit Tax	0.09	0.09	memo, seizure of bank accounts and thereafter attachment of immovable property have been taken. In addition arrest warrants are issued to ensure recovery of arrears.
4.	Entertainment Tax	0.21	0.21	Out of total arrears of ₹45.06 crore, stay on ₹42.98 crore was granted by the courts/ appellate authorities. Balance arrears of ₹2.08 crore are recoverable arrears under Land Revenue Act. Excise Commissioner, J&K stated (July 2024) that action has been taken under J&K Land Revenue Act for recoverable arrears and most of the cases were pending in the Hon'ble High Court. The amount outstanding in respect of Entertainment Tax is outstanding since 1989-90.
5.	Toll Tax	28.24	28.00	
6.	State Excise	16.61	16.61	
Total		2,276.51	1,130.99	

Source: Departmental information

Arrears in assessment

The information on number of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed during the year and number of cases pending for finalisation at the end of the year, as furnished by the Department of Excise and Taxation in respect of Sales Tax/VAT is depicted in **Table 2.5**.

Table 2.5: Arrears of assessment

S. No.	Head of Revenue	Cases pending at the beginning of 2023-24	New cases due for assessment during 2023-24	Total cases due for assessment	Cases disposed of during 2023-24	Balance at the end of the year	Percentage of disposal
1.	Sales Tax/ VAT	258	212	470	183	287	38.94
2.	Goods and Services Tax	63	16,823	16,886	8,849	8,037	52.40
3.	Taxes on Works Contract	0	14	14	14	0	100.00
Total		321	17,049	17,370	9,046	8,324	52.08

Source: Departmental information

As can be seen from the above table 52.08 per cent assessment cases were disposed of during 2023-24, still 8,324 assessment cases were pending at the close of the year. As

against the disposal rate of 100 *per cent* in Taxes on works contract, disposal rate of Sales Tax/ VAT cases and Goods and Services Tax cases was 38.94 *per cent* and 52.40 *per cent*, which needs to be improved.

(b) Details of evasion of tax detected by the Department, refund cases, etc.

Cases of evasion of tax detected, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the UT Government. Promptness in disposal of refund cases is an important indicator of performance of the Department concerned.

The details of cases of evasion of tax detected by the Excise and Taxation Department, cases finalised and demand for additional taxes raised are given in **Table 2.6**. Details of refund cases during the year 2023-24, as reported by the departments concerned, are depicted in **Table 2.7**.

Table 2.6: Evasion of tax detected

S. No.	Head of revenue	Cases pending as on 31 March 2023	Cases detected during 2023-24	Total	No. of cases in which assessment / investigation completed and additional demand with penalty, etc. raised		Amount of demand recovered (₹ in crore)	No. of cases pending for finalisation as on 31 March 2024
					No. of cases	Amount of demand (₹ in crore)		
1	Taxes on Sales/ VAT trade etc.	52	0	52	16	0.70	0.00	36
2	Goods and Services Tax	6	738	744	561	70.57	28.51	183
3	Excise	0	1	1	1	0.15	0.15	0
	Total	58	739	797	578	71.42	28.66	219

Source: Departmental information

Table 2.7: Details of refund cases

(₹ in crore)

S. No.	Particulars	GST		Sales Tax/VAT		State Excise	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	556	27.61	4	3.35	143	6.32
2.	Claims received during the year	562	88.50	21	8.37	0	0
3.	Refunds made during the year	350	51.64	19	8.35	48	2.46
4.	Refunds rejected during the year	112	24.42	0	0	0	0
5.	Balance outstanding at the end of year	656	40.05	6	3.37	95	3.86

Source: Departmental information

(ii) Non-Tax Revenue

Non-tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc. **Table 2.8** depicts components of non-tax revenue of the Union Territory during 2020-21 to 2023-24.

Table 2.8: Components of UT's Non-Tax Revenue

Revenue Head	2020-21	2021-22	2022-23	2023-24	Percentage Increase (+) /Decrease (-)	Sparkline	(₹ in crore)
Interest Receipts	17.86	16.54	18.79	27.87	48.32		
Dividend and Profits	0	0	0	31.41	NA		
Other Non-Tax Receipts	4,058.52	4,823.91	5,128.76	6,371.05	24.22		
a) Power	2,349.74	2,715.75	3,307.54	4,208.61	27.24		
b) Medium Irrigation	996.66	886.62	706.23	1,220.49	72.82		
c) Non-Ferrous Mining and Metallurgical Industries	227.91	128.78	101.17	175.47	73.44		
d) Water Supply and Sanitation	93.89	111.88	110.16	124.28	12.82		
e) Education, Sports, Art and Culture	41.33	474.12	12.53	33.03	163.61		
f) Police	39.91	68.68	89.89	37.58	-58.19		
g) Other misc.	309.08	438.08	801.24	571.59	-28.66		
Total	4,076.38	4,840.45	5,147.55	6,430.33	24.92		

Source: Finance Accounts

Non-Tax Revenue receipts increased by 24.92 per cent during 2023-24 with respect to the previous year. The major increases were under Power (₹901.07 crore), Medium Irrigation (₹514.26 crore), Non-ferrous Mining and Metallurgical Industries (₹74.30 crore), Dividends and Profits (₹31.41 crore) and Educations, Sports, Art and Culture (₹20.50 crore). Police and Other Miscellaneous revenue heads (viz. Pension/ Miscellaneous General services, Village and Small Industries, Social Security and Welfare etc.) showed a decline in receipts with respect to the previous year.

2.3.2.2 Transfers from the Centre

Transfers from the Centre constituted of Grants-in-Aid and devolution under Finance Commission Award.

(A) Grants-in-Aid from GoI

The details of Grants-in-Aid (GIA) from Government of India (GoI) is shown below.

Table 2.9: Grants-in-Aid from Government of India

Head	2020-21	2021-22	2022-23	2023-24	(₹ in crore)
Grants for Centrally Sponsored Schemes (CSS)	6,533.49	6,713.77	6,029.68	7,958.26	
Other transfers/Grants to States/Union Territories with Legislature	33,008.62	35,977.00	45,463.25	41,815.88	
Total	39,542.11	42,690.77	51,492.93	49,774.14	

Head	2020-21	2021-22	2022-23	2023-24
Increase/ decrease over previous year (per cent)	NA	7.96	20.62	-3.34
Percentage of GIA to Revenue receipts	75.32	72.07	74.65	71.00

Source: Finance Accounts

Table 2.9 shows that Grants-in-Aid from GoI (₹49,774.143 crore) constituted 71 per cent of the total Revenue receipts of ₹70,107.69 crore for 2023-24. Although the percentage of GIA to Revenue receipts decreased from 74.65 per cent in 2022-23 to 71 per cent in 2023-24, still the UT Government is dependent on Grants-in-Aid from Government of India.

There was a decrease of 3.34 per cent in GIA from GoI during 2023-24, which was mainly due to decrease of ₹3,647.37 crore (8.02 per cent) under other transfers to the UT, partially offset by an increase of ₹1,928.58 crore (31.98 per cent) under Grants for Centrally Sponsored Schemes.

Other transfers of ₹41,815.88 crore received by the UT during 2023-24, included Grants from Central Road and Infrastructure Fund (₹206.67 crore) and Special assistance (₹41,609.21 crore).

The decrease of ₹3,647.37 crore (8.02 per cent) in Other transfers was mainly due to decrease of ₹3,092.47 crore (₹6.92 per cent) under Special assistance and decrease of ₹418.12 crore (100 per cent) in GST Compensation.

(B) Grants for Centrally Sponsored Schemes

Out of the grants of ₹7,958.26 crore for Centrally Sponsored Schemes during 2023-24, major amounts were received for:

- Scheme of Modernisation of Police Force: ₹1,319.12 crore (registered a decrease of ₹211.24 crore constituting 13.80 per cent over previous year);
- Pradhan Mantri Awas Yojana (Rural); ₹1,234.68 crore (registered an increase of ₹203.10 crore constituting 19.69 per cent over previous year);
- Pradhan Mantri Gram Sadak Yojana: ₹1,304.17 crore (registered an increase of ₹587.17 crore constituting 81.89 per cent over previous year);
- Saksham Anganwadi and Poshan (Umbrella ICDS-Anganwadi Services, Poshan Abhiyan Scheme for Adolescent Girls, National Creche Scheme): ₹530.47 crore (registered an increase of ₹51.46 crore constituting 10.74 per cent over previous year);
- Flexible Pool for Reproductive and Child Health (RCH) and Health System Strengthening, National Health Programme and National Urban Health Mission: ₹595.67 crore (registered an increase of ₹101.42 crore constituting 20.52 per cent over previous year);
- Samagra Shiksha Abhiyan: ₹865.44 crore (registered an increase of ₹500.47 crore constituting 57.83 per cent over previous year);
- Mission for Development of 100 Smart Cities: ₹294.00 crore (registered an increase of ₹245.00 crore constituting 500 per cent over previous year).

- Swachh Bharat Mission- Rural (SBM-Rural): ₹241.32 crore (registered an increase of ₹124.53 crore constituting 106.63 *per cent* over previous year);
- Mahatma Gandhi National Rural Guarantee Programme: ₹196.00 crore (registered a decrease of ₹150.25 crore constituting 43.39 *per cent* over previous year);
- National Rural Livelihood Mission (NRLM): ₹186.00 crore (registered an increase of ₹58.17 crore constituting 45.29 *per cent* over previous year);
- Infrastructure Maintenance under Health and Family Welfare: ₹172.76 crore (registered an increase of ₹40.43 crore constituting 33.55 *per cent* over previous year); and
- Pradhan Mantri Poshan Shakti Nirman (Erstwhile National Programme of Mid Day Meal in schools): ₹136.81 crore (registered an increase of ₹49.96 crore constituting 57.52 *per cent* over previous year).

Single Nodal Agency

The Government of India, Ministry of Finance Department of Expenditure, New Delhi vide Office Memorandum No. 1 (13)/PFMS/FCD/2020 dated 8 December 2021 provided that every State/UT Government is required to designate a Single Nodal Agency (SNA) for implementing each Centrally Sponsored Scheme (CSS). The Single Nodal Agency will open a Single Nodal Account for each CSS at the UT level in a Scheduled Commercial Bank authorised to conduct business by the State/UT Government. Further, as per the new procedure, it is the responsibility of the State/UT Government concerned to ensure that the entire unspent amount is returned by all the Implementing Agencies (IAs) to the Single Nodal Account of the Single Nodal Agency.

As per the SNA-01 report from the PFMS, the Union Territory Government received ₹7,840.03 crore being Central share during the year in its Treasury Account. Besides, the UT Government also received ₹187.08 crore (₹172.76 crore transferred by Ministry of Health and Family Welfare for Infrastructure maintenance, ₹2.32 crore transferred for Nirbhaya Fund, ₹2.00 crore for augmenting Nursing education and ₹10.00 crore under National River Conservation Plan) which was not reflected in SNA-01 report, as on 31 March 2024. As per SNA-01 report, the UT Government transferred Central share of ₹6,230.64 crore and UT share of ₹1,431.36 crore to SNAs.

However, as per the Accounts, the Government transferred Central share of ₹6,370.04 crore and UT share of ₹1,066.14 crore to the SNAs. Out of total transfer of ₹7,436.18 crore, ₹5,076.26 crore was transferred through AC Bills, ₹1,634.96 crore through GIA bills and ₹724.96 crore through Fully Vouched Contingent Bills. Detailed vouchers and supporting documents of actual expenditure were not received by Accountant General office from the SNAs. The difference of figures between the amount booked in the Accounts and SNA report is under reconciliation.

As per the SNAs report, ₹3,267.29 crore was lying unspent in the bank accounts of SNAs as on 31 March 2024, which has been confirmed by Union Territory Government.

In reply, the Finance Department (February 2025) stated that the UT Government has to switch to SNA/SPARSH from 01/04/2025 and observation raised will be mitigated on implementation of SNA/SPARSH.

2.3.3 Capital receipts

Capital receipts comprise miscellaneous Capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Trends of Capital receipts and its components during 2020-21 to 2023-24 are shown in **Table 2.10**.

Table 2.10: Composition of Capital receipts

	(₹ in crore)			
Sources of UT's Receipts	2020-21	2021-22	2022-23	2023-24
Capital receipts*	40,635.06	50,200.89	38,115.80	53,488.80
<i>Miscellaneous Capital receipts</i>	0.00	0.00	0.00	0.00
<i>Recovery of Loans and Advances</i>	1.93	1.03	1.33	6.04
Public Debt Receipts*	40,633.13	50,199.86	38,114.47	53,482.76
<i>Internal Debt</i>	40,450.24	50,199.86	38,114.47	53,482.76
<i>Growth rate (per cent)</i>	NA	24.10	-24.07	40.32
<i>Loans and advances from GoI</i>	182.89	0	0	0
<i>Growth rate (per cent)</i>	NA	-100	0	0
Rate of growth of debt Capital receipts (per cent)	NA	23.54	-24.07	40.32
Rate of growth of Non-debt Capital receipts (per cent)	NA	-46.63	29.13	354.14
Rate of growth of GSDP (per cent)	NA	12.38	16.78	9.50
Rate of growth of Capital receipts (per cent)	NA	23.54	-24.07	40.33

Source: Finance Accounts

*Includes Ways and Means Advance and excludes ₹2,099.80 crore in 2020-21 and ₹3,845.49 crore in 2021-22 received as back-to-back loans from GoI in lieu of GST Compensation shortfall.

Total Capital receipts of Union Territory of Jammu and Kashmir increased from ₹38,115.80 crore during 2022-23 to ₹53,488.80 crore during 2023-24. There was an increase of 40.33 per cent during 2023-24 with respect to the previous year. Internal debt receipts of ₹53,482.76 crore was the major component of total Capital receipts of ₹53,488.80 crore and it showed an increase of ₹15,368.29 crore over the previous year.

2.3.4 UT's Performance in Mobilisation of Resources

The UT's performance in mobilisation of resources is assessed in terms of its own resources comprising Own Tax and Non-Tax sources. The UT of Jammu and Kashmir's Own Tax and Own non-tax receipts for the year 2023-24 vis-à-vis budget estimates/ revised estimates are given in the following table:

Table 2.11: Tax and Non-Tax Receipts *vis-à-vis* projections(*₹ in crore*)

	Budget estimates (BE)	Revised estimates (RE)	Actual	Percentage of variation of actual over budget estimates	Percentage of variation of actual over revised estimates
Own Tax Revenue	20,349.00	16,073.41	13,903.22	-31.68	-13.50
Non-Tax Revenue	13,593.47	7,863.79	6,430.33	-52.70	-18.23
Total	33,942.47	23,937.2	20,333.55	-40.09	-15.05

Source: Budget document and Finance Accounts

The collection under own resources fell short by 40.09 *per cent* of BE and 15.05 *per cent* of RE. The UT Government could not achieve its own targets for Own Tax Revenue and Own Non-tax revenue in the BE/ RE. Own Tax Revenue fell short by 31.68 *per cent* of BE and 13.50 *per cent* of RE. Within Own Tax Revenue, the SGST collection of ₹8,064.14 crore during 2022-23 fell short of both the BE of ₹13,174 crore and RE of ₹9,700 crore by 38.79 *per cent* and 16.86 *per cent* respectively. Non-Tax revenue fell short by 40.48 *per cent* of BE and 44.20 *per cent* of RE. UT's own resources (Own Tax Revenue and Own Non-tax revenue) of ₹20,333.55 crore during the year 2023-24 was 41.75 *per cent* of committed⁴ expenditure of ₹48,703.01 crore for the year 2023-24.

2.4 Application of Resources

The Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the UT is not at the cost of expenditure directed towards development of capital infrastructure and social sector. The following sub-paragraphs give an analysis of allocation of expenditure in the Union Territory of Jammu and Kashmir.

Growth and composition of expenditure

Revenue expenditure: Charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for day-to-day running of the organisation, including establishment and administrative expenses are classified as Revenue expenditure.

Capital expenditure: All charges for the first construction of a project as well as charges for intermediate maintenance of the work while not opened for service and also charges for such further additions and improvements as may be sanctioned under the rules made by the competent authority are classified as Capital expenditure.

Loans and Advances: There are loans and advances made by the Government to Public Sector Undertakings (PSUs) and other parties.

⁴ Salaries: ₹29,380.89 crore; Wages: ₹0.92 crore; Interest: ₹9,924.96 crore; Pension and other Retirement benefits: ₹9,396.24 crore

2.4.1 Composition of Expenditure

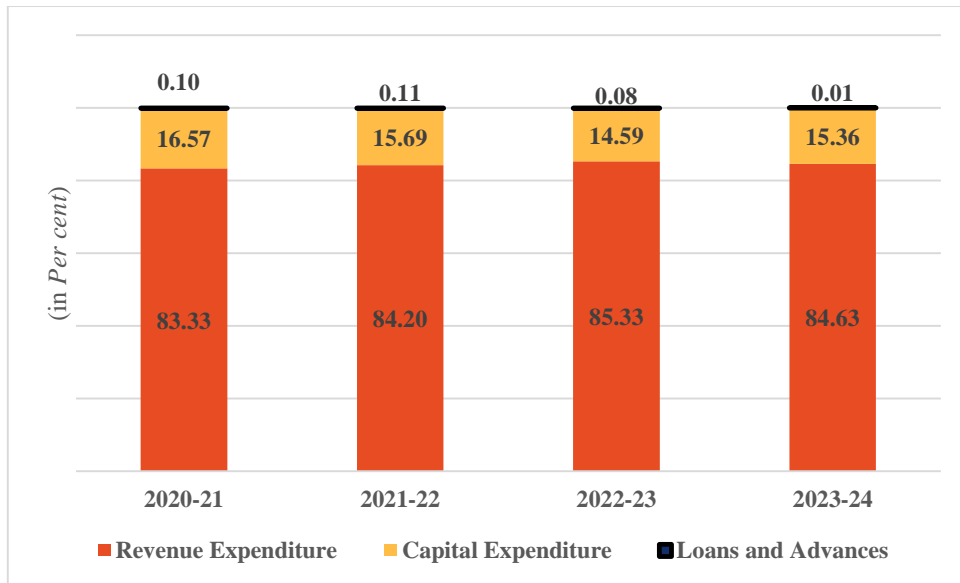
Trends of overall expenditure and its components are shown in **Table 2.12** and **Chart 2.7**.

Table 2.12: Trend of expenditure and its composition

Parameters	2020-21	2021-22	2022-23	2023-24
Revenue expenditure (RE)	52,633.75	59,269.33	62,999.34	66,621.47
Capital expenditure (CE)	10,470.38	11,047.04	10,773.78	12,088.85
Loans and Advances	61.64	73.77	59.53	11.49
Total Expenditure (TE)	63,165.77	70,390.14	73,832.65	78,721.81
TE/GSDP (<i>per cent</i>)	37.65	37.33	33.53	32.65
RE/GSDP (<i>per cent</i>)	31.37	31.43	28.61	27.63
CE/GSDP (<i>per cent</i>)	6.24	5.86	4.89	5.01
Loans and Advances/GSDP (<i>per cent</i>)	0.04	0.04	0.03	0.01

Source: Finance Accounts

Chart 2.7: Total Expenditure- Trends in share of its components



Total expenditure increased by ₹15,556.04 crore (24.63 *per cent*) from ₹63,165.77 crore in 2020-21 to ₹78,721.81 crore in 2023-24. However, the ratio of total expenditure to GSDP during this period decreased from 37.65 *per cent* to 32.65 *per cent*.

Revenue expenditure constituted a sizeable proportion of total expenditure and it increased from 83 *per cent* in 2020-21 to 85 *per cent* in 2023-24. The proportion of Capital expenditure to the total expenditure, on the other hand, decreased from 17 *per cent* in 2020-21 to 15 *per cent* in 2023-24.

Relative share of various sectors of expenditure during 2020-24 is depicted in **Table 2.13** and **Chart 2.8**.

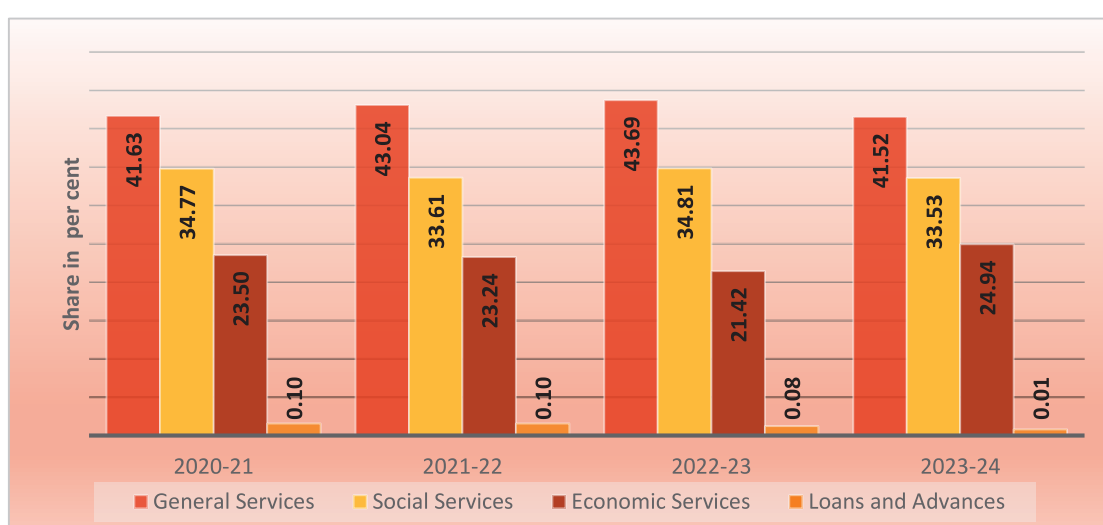
Table 2.13: Relative share of various sectors of expenditure

Parameters	2020-21	2021-22	2022-23	2023-24
General Services	26,297.40	30,298.89	32,260.50	32,682.12
Social Services	21,964.27	23,655.75	25,697.79	26,398.11
Economic Services	14,842.46	16,361.73	15,814.83	19,630.09
Loans and Advances	61.64	73.77	59.53	11.49
Total	63,165.77	70,390.14	73,832.65	78,721.81

(₹ in crore)

Source: Finance Accounts

Chart 2.8: Total expenditure - Expenditure by activities

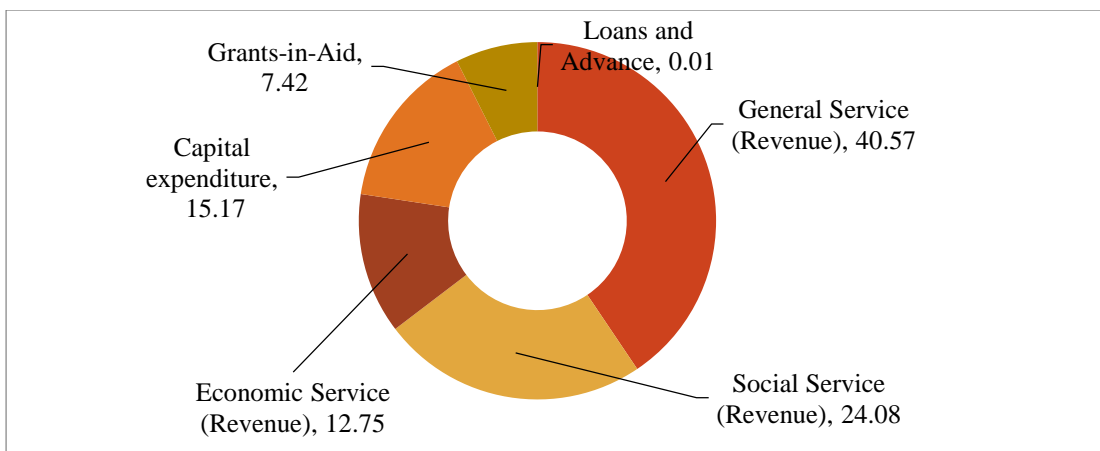


Relative share of various components of expenditure in the total expenditure showed marginal fluctuations. The share of General services in total expenditure increased from 41.63 per cent in 2020-21 to 43.69 per cent in 2022-23 and decreased to 41.52 per cent during 2023-24. The share of Economic services in total expenditure decreased from 23.50 per cent in 2020-21 to 21.42 per cent in 2022-23 but increased to 24.94 per cent in 2023-24. The share of Social services in total expenditure during 2020-24 ranged between 33.53 per cent and 34.81 per cent.

The combined share of Social and Economic services which represented development expenditure decreased from 58.27 per cent in 2020-21 to 56.23 per cent in 2022-23, but it increased to 58.47 per cent in 2023-24. **Chart 2.9** shows the composition of expenditure by function during 2023-24.

Chart 2.9: Composition of expenditure by function during 2023-24

(In per cent)



It can be seen from above that General Services (Revenue) was the largest component accounting for 40.57 per cent, of the total expenditure. Expenditure on Social and Economic Service (Revenue) accounted for 36.83 per cent and Grants-in-Aid accounted for 7.42 per cent. Capital expenditure accounted for 15.17 per cent of total disbursement from the Consolidated Fund during 2023-24.

2.4.2 Revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations. As such, it does not result in any addition to the UT's infrastructure and service network. **Table 2.14** presents Revenue expenditure and basic parameters of Union Territory of Jammu and Kashmir.

Table 2.14: Revenue expenditure – Basic Parameters

(₹ in crore)

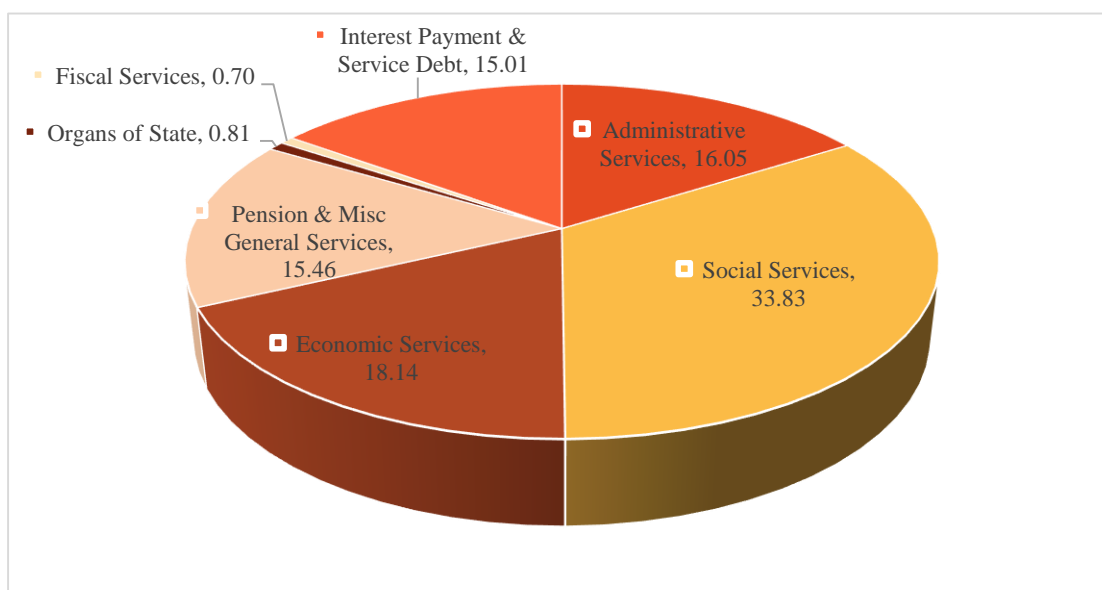
Parameters	2020-21	2021-22	2022-23	2023-24
Total Expenditure (TE)	63,165.77	70,390.14	73,832.65	78,721.81
Revenue expenditure (RE)	52,633.75	59,269.33	62,999.34	66,621.47
Rate of Growth of RE (per cent)	NA	12.61	6.29	5.75
Revenue expenditure as percentage of TE	83.33	84.20	85.33	84.63
RE/GSDP (per cent)	31.37	31.43	28.61	27.63
Revenue receipts (RR)	52,495.48	59,238.50	68,975.95	70,107.69
Rate of Growth of RR (per cent)	NA	12.84	16.44	1.64
RE as percentage of RR	100.26	100.05	91.34	95.03
Rate of Growth of GSDP (per cent)	NA	12.38	16.78	9.50

Source: Finance Accounts

Revenue expenditure increased by ₹13,987.72 crore (26.58 per cent) from ₹52,633.75 crore in 2020-21 to ₹66,621.47 crore in 2023-24. The percentage of Revenue expenditure to GSDP decreased from 31.43 per cent in 2021-22 to 27.63 per cent in 2023-24.

Chart 2.10: Sector wise distribution of Revenue expenditure during 2023-24

(In per cent)



During 2023-24, the combined share of Revenue expenditure on Economic and Social services accounted for 51.97 per cent while General Services accounted for 48.03 per cent of Revenue expenditure. The expenditure on Administrative Services (16.05 per cent), Interest payments and Servicing of debt (15.01 per cent) and Pension & Miscellaneous General Services (15.46 per cent) were the major components of expenditure on General Services.

2.4.2.1 Major Changes in Revenue expenditure

Revenue expenditure increased by ₹3,622.13 crore (5.75 per cent) from ₹62,999.34 crore in 2022-23 to ₹66,621.47 crore in 2023-24. Significant increase/ decrease of above ₹100 crore under Major Heads of Accounts with regard to Revenue expenditure of the UT during the current year as compared to Revenue expenditure of the previous year is shown in **Table 2.15**.

Table 2.15: Significant increase/decrease in Revenue expenditure with respect to previous year

(₹ in crore)

Major Head	2022-23	2023-24	Increase/Decrease (-)
2049-Interest Payments	8,493.82	9,924.96	1,431.14
2055-Police	8,200.24	8,396.48	196.24
2202-General Education	10,825.01	11,439.56	614.55
2236-Nutrition	417.76	693.89	276.13
2801-Power	2,768.74	6,290.92	3,522.18
2043-Collection Charges under State Goods and Services Tax	523.28	384.01	-139.27
2071-Pension and other Retirement Benefits	11,142.38	10,298.00	-844.38
2210-Medical and Public Health	5,027.89	4,484.24	-543.65
2211-Family Welfare	701.06	430.62	-270.44
2235-Social Security and Welfare	1,680.35	1,353.32	-327.03
3054-Roads and Bridges	666.02	452.14	-213.88

Table 2.15 shows that:

- Increase of ₹1,431.14 crore (16.85 per cent) in Interest Payments is mainly due to increase for meeting liability on account of interest on internal debt by ₹1,385.50 crore, interest on reserve funds by ₹35.98 crore and other obligations by ₹42.40 crore;
- Increase of ₹196.24 crore (2.39 per cent) in Police was due to increase in expenditure on criminal investigation and vigilance by ₹231.37 crore, District Police by ₹103.34 crore partly offset by the decrease in expenditure on Special Police by ₹33.96 crore, and internal security by ₹94.52 crore.
- Increase of ₹614.55 crore (5.68 per cent) under General Education was due to increase in expenditure on Elementary Education by ₹119.97 crore and Secondary Education by ₹525.03 crore.
- Increase of ₹276.13 crore (66.10 per cent) in Nutrition was due to increase in expenditure on special nutrition programme by ₹276.16 crore.
- Increase of ₹3,522.18 crore (127.21 per cent) in Power was due to increase in expenditure on purchase of power by ₹3,526.05 crore,
- Major decrease of ₹844.38 crore (7.58 per cent) under Pension and other Retirement benefits was attributable to decrease in Superannuation and Retirement allowances by ₹526.80 crore, commuted value of pension by ₹316.80 crore, Gratuities by ₹121.26 crore and leave encashment by ₹27.75 crore.
Finance Department stated (August 2024) that the decreasing trend in expenditure on pension and other retirement benefits is due to unpaid liability carried forward to next financial year due to resource constraints.
- Decrease of ₹543.65 crore (10.81 per cent) in Medical and Public Health was due to decrease in expenditure on rural health services by ₹635 crore, partly offset by increase in expenditure on Medical Education and Training and Research by ₹63.97 crore.
- Decrease of ₹270.44 crore (38.58 per cent) in Family Welfare was due to a decrease in expenditure on direction and administration by ₹295.65 crore.
- Decrease of ₹327.03 crore (19.46 per cent) in Social Security and welfare was due to a decrease in expenditure on welfare of aged, infirm and destitute by ₹218.18 crore, expenditure on national family benefit scheme by ₹41.55 crore and expenditure on child welfare by ₹68.57 crore.
- Decrease of ₹213.88 crore (32.11 per cent) in Roads and Bridges was due to a decrease in expenditure on District and other roads by ₹57.96 crore, direction and administration by ₹17.34 crore and transfer to Reserve funds/ deposit accounts by ₹136.94 crore.
- Decrease of ₹139.27 crore (26.61 per cent) in Collection Charges under State Goods and Services Tax was due to a decrease in expenditure on direction and administration by ₹139.27 crore.

2.4.2.2 Committed expenditure

The Committed expenditure of the UT Government on revenue account consists of interest payments, expenditure on salaries and wages and pensions. It has first charge on Government resources.

Apart from the above, there are certain items of Inflexible Expenditure which cannot be ordinarily altered or varied or are statutorily required on an annual basis unlike for variable transactions such as Capital expenditure etc. For example, the following items may be considered as Inflexible Expenditure:

- (i) Devolution to Local Bodies – Statutory devolutions to Local Bodies for pay and allowances (devolution/ transfer for Capital expenditure)
- (ii) Statutory requirements of contribution to Reserve Funds – Contributions to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation/ Response Fund (SDMF/SDRF), etc.
- (iii) Recoupment of Contingency Fund – Amount recouped within the year.
- (iv) Transfer of cess to reserve fund/ other body, which are statutorily required.
- (v) Share contribution of CSS against the Central Fund received – Amount of UT share to be transferred to SNA/ spent by the UT.
- (vi) Payment of interest on the balances of the interest-bearing funds as if they could have been invested and payment of interest on public debt as *Charged* expenditure – Interest payment.

Upward trend on Committed expenditure leaves the Government with lesser flexibility for the development sector. Trend analysis of Committed and Inflexible Expenditure and its components is depicted in **Table 2.16** and share of Committed expenditure in Revenue expenditure is shown in **Chart 2.11**.

Table 2.16: Components of Committed and Inflexible Expenditure

(₹ in crore)

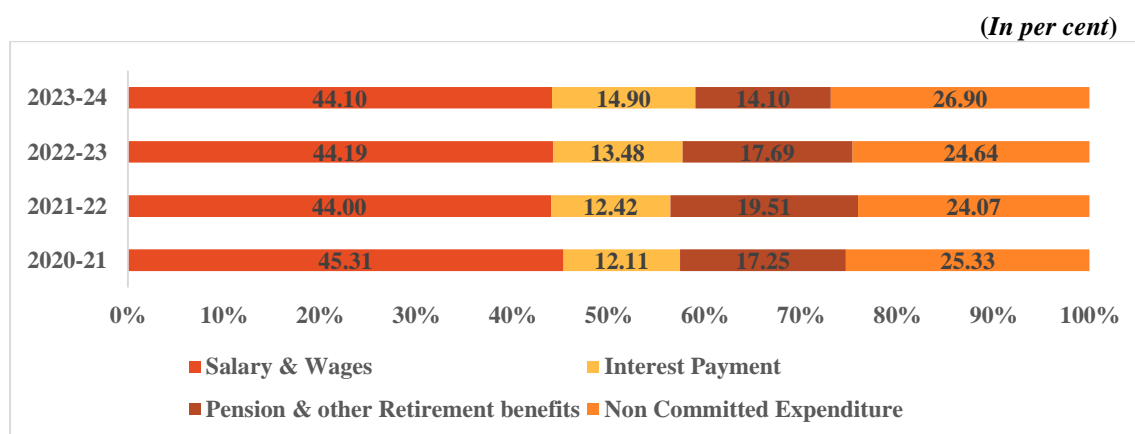
Components of Committed expenditure	2020-21	2021-22	2022-23	2023-24
Salaries & Wages	23,851.70	26,077.64	27,839.07	29,381.81
Interest Payments	6,372.46	7,360.31	8,493.82	9,924.96
Expenditure on Pensions	9,078.11	11,563.00	11,142.38	9,396.24
Total Committed expenditure	39,302.27	45,000.95	47,475.27	48,703.01
As a percentage of Revenue receipts (RR)				
Salaries & Wages	45.44	44.02	40.36	41.91
Interest Payments	12.14	12.42	12.31	14.16
Expenditure on Pensions	17.29	19.52	16.15	13.40
Committed expenditure	74.87	75.96	68.83	69.47
As a percentage of Revenue expenditure (RE)				
Salaries & Wages	45.31	44.00	44.19	44.10
Interest Payments	12.11	12.42	13.48	14.90
Expenditure on Pensions	17.25	19.51	17.69	14.10

Components of Committed expenditure	2020-21	2021-22	2022-23	2023-24
Committed expenditure	74.67	75.93	75.36	73.10
Non-Committed expenditure	13,331.48	14,268.38	15,524.07	17,918.46
Percentage of RE	25.33	24.07	24.64	26.90
Percentage of TE	21.11	20.27	21.03	22.76
Components of Inflexible Expenditure				
Statutory devolutions to Local Bodies	901.74	673.01	1,182.69	1,098.05
Contribution to Reserve Funds	511.67	153.89	173.45	258.35
Recoupment of Contingency Fund	25.00	0.00	0.00	0
Transfer of cess to reserve fund/ other body	NA	NA	NA	NA
Share contribution of CSS ⁵ against the Central Fund received	830.53	873.17	801.48	1,066.14
Payment of interest on the balances of the interest-bearing funds as if they could have been invested and payment of interest on public debt as <i>Charged</i> expenditure	23.91	41.53	41.82	42.53
Total Inflexible Expenditure	2,292.85	1,741.60	2,199.44	2,465.07
Inflexible Expenditure as a percentage of Revenue receipts (RR)	4.37	2.94	3.19	3.52
Inflexible Expenditure as a percentage of Revenue expenditure (RE)	4.36	2.94	3.49	3.70
Subsidies	128.24	95.16	28.03	47.30
Subsidies as percentage of Non-Committed expenditure	0.96	0.67	0.18	0.26

Source: Finance Accounts

Table 2.16 shows that the percentage of Non-Committed expenditure to Revenue expenditure during 2020-21 to 2023-24 ranged between 24.07 per cent and 26.90 per cent. However, the percentage of Committed expenditure to Revenue expenditure ranged between 73.10 per cent and 75.93 per cent. The ratio of Committed expenditure to Revenue receipts during 2020-21 to 2023-24 ranged between 68.83 per cent and 75.96 per cent. It shows that major portion of Revenue receipts was exhausted to meet Committed expenditures and Government was left with 24.04 per cent to 31.17 per cent of its Revenue receipts for other expenditure.

Chart 2.11: Share of Committed expenditure in Revenue expenditure



Source: Finance Accounts

⁵ Since the share contribution of CSS released by UT is not clearly discernible in the accounts during 2021-22 and 2022-23, the proportionate UT share as per SNA-01 generated from PFMS has been adopted during the years 2021-22 and 2022-23.

Salaries and wages

Expenditure on salaries and wages (₹29,381.81 crore) increased by 5.54 *per cent* during 2023-24 over the previous year (₹27,839.07 crore) and constituted 44.10 *per cent* of Revenue expenditure.

Interest payment

The expenditure of ₹9,924.96 crore on interest payments during 2023-24 increased by 16.85 *per cent* over the previous year (₹8,493.82 crore). Interest on internal debt (₹7,613.05 crore), Small Savings and Provident Funds (₹1,886.83 crore), Loans and Advances from GoI (₹36.87 crore), Reserve Funds (₹107.81 crore) and other obligations (₹280.40 crore) were the major components of interest payments during 2022-23.

Pensions

The expenditure on pension and other retirement benefits to the UT Government pensioners (₹9,396.24 crore) during 2023-24 constituted 14.10 *per cent* of Revenue expenditure. The expenditure on pension and other retirement benefits during 2023-24 decreased by 15.67 *per cent* over the previous year (₹11,142.38 crore). In comparison to 2022-23, Superannuation and Retirement allowances (₹6,398.73 crore) during 2023-24 decreased by ₹526.80 crore, Commuted value of pension (₹660.05 crore) decreased by ₹316.80 crore, Gratuities (₹1,129.93 crore) decreased by ₹121.26 crore. However, the Government contribution for Defined Contribution Pension Scheme (₹1,146.76 crore) increased by ₹144.75 crore and family pension (₹262.66 crore) increased by ₹3.16 crore over the previous year.

Finance Department stated (August 2024) that the decrease in expenditure on pension and other retirement benefits is due to unpaid liability carried forward to next financial year due to resource constraints.

2.4.2.3 Undischarged liabilities in National Pension System

As per the provisions of Defined Contribution Pension Scheme, Government employees recruited on or after 1 January 2010 are covered under the Scheme. Under the scheme the employee contributes 10 *per cent* of basic pay and dearness allowance which is matched by the Government with an equal amount. Government of Union Territory contribution was enhanced to 14 *per cent* in May 2021 (Government of Union Territory of Jammu and Kashmir S.O No. 178 dated 20 May 2021) with retrospective effect from 1 April 2020.

During the year 2023-24, total contribution to Defined Contribution Pension Scheme was ₹2,061.32 crore (Employee's contribution: ₹819.11 crore, Government of Union Territory contribution: ₹1,146.76 crore and Direct cash remittance into Treasury: ₹95.45 crore).

The Government transferred ₹2,061.32 crore to the Public Account under Major Head 8342-117 Defined Contribution Pension Scheme, out of which ₹1,871.90 crore

was transferred from this Head of Deposit Account to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank. As on 31 March 2024, an amount of ₹193.28 crore was lying under the Major Head 8342-“Other Deposits”-117 “Defined Contribution Pension Scheme” (New Pension Scheme) for Government employees awaiting transfer to NSDL/Trustee Bank. There was also a liability of ₹53.67 crore required to be transferred to NSDL/Trustee Bank pertaining to the erstwhile State of Jammu and Kashmir ended 30 October 2019 (pre re-organisation) which is yet to be apportioned between the successor Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

Inflexible Expenditure

The components of Inflexible Expenditure which include among others, statutory devolutions to Local Bodies and contribution to Reserve Funds fluctuated from ₹2,292.84 crore in 2020-21 to ₹1,741.60 crore in 2021-22 and ₹2,199.44 crore in 2022-23 and ₹2,465.07 crore in 2023-24. Inflexible Expenditure of ₹2,465.07 crore in 2023-24 comprised 3.70 *per cent* of Revenue expenditure.

2.4.2.4 Subsidies

Amounts being booked under the object head ‘subsidies’ have been shown below.

Table 2.17: Expenditure on subsidies during 2020-21 to 2023-24

Particulars	2020-21	2021-22	2022-23	2023-24
Non-Committed expenditure (₹in crore)	13,331.48	14,268.38	15,524.07	17,918.46
Subsidy (₹in crore)	128.24	95.16	28.03	47.30
Subsidy as percentage of Non-Committed expenditure	0.96	0.67	0.18	0.26
Subsidies as a percentage of Revenue receipts	0.24	0.16	0.04	0.07
Subsidies as a percentage of Revenue expenditure	0.24	0.16	0.04	0.07

Source: Finance Accounts

The expenditure on subsidies by Union Territory of J&K has decreased from ₹128.24 crore in 2020-21 to ₹28.03 crore in 2022-23, however, it increased to ₹47.30 crore in 2023-24. It constituted 0.07 *per cent* of Revenue receipts (₹70,107.69 crore) and Revenue expenditure (₹66,621.47 crore). The Horticulture Department was provided maximum subsidy (₹46.45 crore) constituting 98.20 *per cent* of the total expenditure on subsidy during the year 2023-24.

2.4.2.5 Financial Assistance by the UT Government to Local Bodies and other Institutions

Financial assistance is provided by the Union Territory Government to Local Bodies and other institutions by way of grants and loans. The quantum of assistance provided by way of Grants to Local Bodies and other institutions is presented in **Table 2.18**.

Table 2.18: Financial Assistance to Local Bodies etc.

(₹ in crore)

Financial Assistance to Institutions	2020-21	2021-22	2022-23	2023-24
(A) Local Bodies				
Municipal Corporations	502.15	388.43	819.87	722.61
Others	356.32	256.03	330.66	339.29
Total (A)	858.47	644.46	1,150.53	1,061.90
(B) Others				
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	2,256.56	2,205.67	2,792.66	2,486.76
Development Authorities	68.43	71.08	77.92	34.60
Jammu and Kashmir Power Companies*	2,759.98	1,188.23	1,286.88	1,290.72
Other Institutions	588.42	761.41	972.52	967.77
Total (B)	5,673.39	4,226.39	5,129.98	4,779.85
Total (A+B)	6,531.86	4,870.85	6,280.51	5,841.75
Revenue expenditure	52,633.75	59,269.33	62,999.34	66,621.47
Assistance as percentage of Revenue expenditure	12.41	8.22	9.97	8.77

Source: Finance Accounts

*J&K Power Development Corporation, Jammu Power Discom, Kashmir Power Discom and J&K State Power Trading Company Ltd

During the current year, financial assistance to the Local Bodies and other institutions decreased by ₹438.76 crore (6.98 per cent) over the previous year. Major decrease was under financial assistance given to Local Bodies (₹88.63 crore; 7.70 per cent) and Educational Institutions (₹305.90 crore; 10.95 per cent).

Educational Institutions and Jammu and Kashmir Power Companies were the major beneficiaries of assistance, as they received 42.57 per cent and 22.09 per cent respectively of total financial assistance disbursed during 2023-24. Grants-in-Aid as percentage of Revenue expenditure during 2023-24 was 8.77 per cent in comparison to 9.97 per cent during 2022-23.

Major recipients of financial assistance are shown in **Table 2.19**.

Table 2.19: Major recipients of financial assistance during the year 2023-24

(₹ in crore)

Recipient	Amount
Jammu Municipal Corporation	400.43
Srinagar Municipal Corporation	322.18
Urban Local Bodies (Kashmir)	188.12
Urban Local Bodies (Jammu)	151.18
Jammu and Kashmir Power Companies ⁶	1,290.72
Medical Education Training and Research	765.22
Government Educational Institutions	680.49

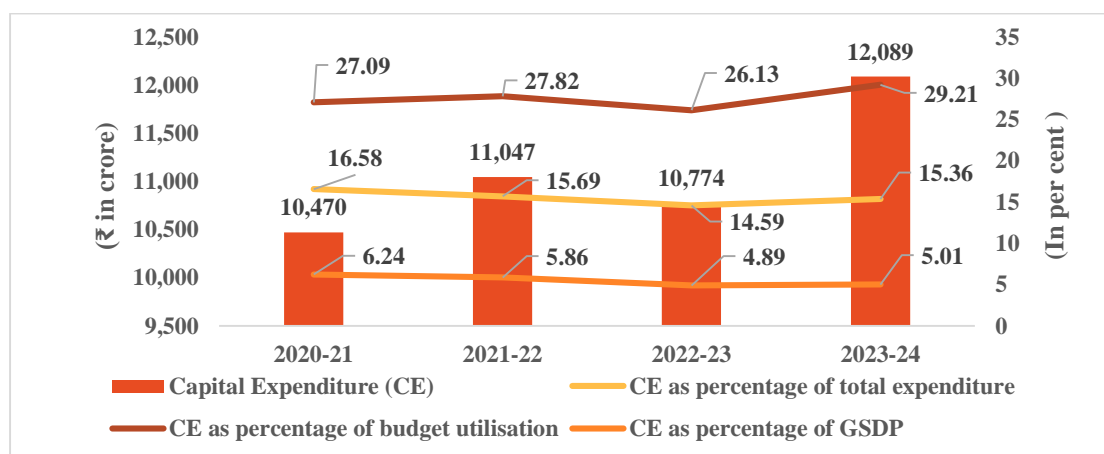
⁶ J&K Power Development Corporation: ₹10.26 crore; Jammu Power Discom: ₹501.00 crore; Kashmir Power Discom: ₹603.00 crore; J&K Power Trading Company Ltd: ₹176.46 crore

Recipient	Amount
Kashmir University	294.93
Sher-e-Kashmir University of Agriculture Sciences and Technology Kashmir	279.41
Jammu University	221.08
Sher-e-Kashmir University of Agriculture Sciences and Technology Jammu	130.00

2.4.3 Capital expenditure

Capital expenditure (Capex) is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings etc. Capex is being met from budgetary support and extra budgetary resources/off budget. It also includes investments made by the UT Government in Companies/Corporations. Trends of Capital expenditure in the UT over the period 2020-21 to 2023-24 is given in **Chart 2.12**.

Chart 2.12: Capital expenditure in the Union Territory



Capital expenditure increased by ₹1,315.07 crore (12.21 per cent) during 2023-24 against the decrease of ₹273.26 crore (2.47 per cent) during 2022-23. The percentage of Capital expenditure in total expenditure decreased from 16.58 per cent in 2020-21 to 14.59 per cent during 2022-23. However, during 2023-24 the percentage of Capital expenditure in total expenditure was 15.36 per cent. Utilisation of budget for Capital expenditure decreased from 27.82 per cent in 2021-22 to 26.13 per cent in 2022-23, however, it increased to 29.21 per cent in 2023-24. Capital expenditure to GSDP ratio decreased from 6.24 per cent in 2020-21 to 5.01 per cent in 2023-24.

2.4.3.1 Major Changes in Capital expenditure

Capital expenditure increased by ₹1,315.07 crore (12.21 per cent) from ₹10,773.78 crore in 2022-23 to ₹12,088.85 crore in 2023-24. Significant variations of ₹100 crore and above under various Major Heads of Accounts with regard to capital outlay of the UT during the current year as compared to the previous year is shown in **Table 2.20**.

Table 2.20: Significant increase/decrease of more than ₹100 crore with respect to previous year

Major Head description	(₹ in crore)		
	2022-23	2023-24	Increase (+)/ Decrease (-)
4210- Capital outlay on Medical and Public Health	365.76	643.59	277.83
4215-Capital outlay on Water supply and sanitation	208.77	629.35	420.58

Major Head description	2022-23	2023-24	Increase (+)/ Decrease (-)
4217- Capital Outlay on Urban Development	772.91	1,283.86	510.95
4408-Capital outlay on Food Storage and Warehousing	73.54	178.33	104.79
4515-Capital outlay on Other Rural Development Programmes	2,436.38	2,728.05	291.67
5054- Capital outlay on Roads and Bridges	2,091.39	2,427.76	336.37
4059- Capital Outlay on Public Works	887.40	519.38	-368.02
4711-Capital Outlay Flood Control Projects	170.15	56.99	-113.16
5475- Capital outlay on Other General Economic Services	557.98	420.99	-136.99

Source: Finance Accounts

Increased expenditure under Capital expenditure on Medical and Public Health was mainly due to more expenditure on 03-Medical Education Training and Research and 04-Public Health with respect to the previous year.

Increased expenditure under Capital expenditure on Water Supply and Sanitation was mainly due to more expenditure on Rural Water Supply improvement/ augmentation schemes Kashmir and improvement of Urban Water Supply Jammu.

Increase in expenditure under Capital expenditure on Urban Development was mainly due to increase in expenditure on 03-Integrated Development of Small and Medium Towns and 60- Other Urban Development Schemes.

Increase in expenditure under Capital expenditure on Food Storage and Warehousing was mainly due to increase in expenditure on 01-Food-101-Procurement and supply of Rice/ paddy.

Increased expenditure under Capital expenditure on Other Rural Development programmes was mainly due to more expenditure on 103-Rural Development and 102-Community Development with respect to the previous year.

Increased expenditure under Capital expenditure on Roads and Bridges was mainly due to more expenditure on 03- State Highways (101-Bridges) and 05-Roads (337-Road works) with respect to the previous year.

The decrease in expenditure under Capital expenditure on Public Works was mainly due to less expenditure on 01-Office buildings with respect to previous year.

The decrease in expenditure under Capital expenditure on Flood Control Projects was mainly due to less expenditure on Civil Works of Flood Control with respect to previous year.

Decreased expenditure under Capital expenditure on Other General Economic Services was mainly due to less expenditure under 115-Financial Support for Infrastructure Development with respect to the previous year.

2.4.3.2 Quality of Capital expenditure

Capital expenditure includes investments in Cooperative Banks, Societies and Government Companies with an expected return. This section presents an analysis of investments and other Capital expenditure undertaken by the Government during the current year.

(i) Quality of investments in the companies, corporations and other bodies

UT of Jammu and Kashmir had a total investment of ₹1,780.01 crore as on 31 March 2024 in 40 Companies (₹1,243.82 crore), two Statutory Corporations (₹193.91 crore), eight Co-operative Institutions/ Local Bodies (₹239.85 crore), and two Rural Banks (₹102.43 crore). The major portion of investments has been made in Jammu and Kashmir Road Transport Corporation (₹193.91 crore), Rural banks⁷ (₹102.43 crore), Ratle Hydroelectric Power Corporation Limited (₹300.00 crore), Jammu and Kashmir Central Co-operative Bank Limited, Jammu (₹180.14 crore) and Chenab Valley Power Projects Limited (₹869.76 crore).

The erstwhile Jammu and Kashmir State Government had a cumulative investment of ₹4,614.00 crore in 40 Companies⁸ (₹4,151.70 crore), two Statutory Corporations (₹368.31 crore), eight Co-operative Institutions/ Local Bodies (₹47.83 crore), two Rural Banks (₹45.82 crore) and two Joint Stock Companies (₹0.34 crore) ending 30 October 2019 which had not been apportioned between Union Territory of Jammu and Kashmir and Union Territory of Ladakh. Dividend of ₹30.41 crore was received and credited to Government accounts during the year. **Table 2.21** gives the overall picture of return on investment *vis-à-vis* the average cost of Government borrowing.

Table 2.21: Return on Investment

Investment/return/ cost of borrowings	2020-21	2021-22	2022-23	2023-24
Investment at the end of the year (₹ in crore)	306.12	879.13	1,311.59	1,780.01
Return (₹ in crore)	Nil	Nil	Nil	30.41
Return (per cent)	Nil	Nil	Nil	1.71
Average rate of interest on Government Borrowings (per cent)	6.65	6.95	7.60	8.42 ⁹
Difference between interest rate and return (per cent)	(-)6.65	(-)6.95	(-)7.60	(-)6.71
Difference between cost of Government borrowings and return on investment (₹ in crore) [#]	(-)20.36	(-)61.10	(-)99.68	(-)119.44

Source: Finance Accounts

(Investment at the end of the year x Difference between interest rate and return)/100

Average rate of interest paid on its public debt by the Government during 2023-24 was 8.42 per cent against which return on investment received by the Government was 1.71 per cent. Cost of borrowing of the Government during 2020-24 has increased from ₹20.36 crore to ₹119.44 crore. Taking into account the investment of the erstwhile State amounting to ₹4,614.00 crore, the cost of borrowing amounts to ₹429.04 crore.

⁷ Jammu and Kashmir Grameen Bank: ₹73.84 crore; Ellaquai Dehati Bank: ₹28.59 crore

⁸ Includes 37 Working Companies (₹4,149.13 crore) and 3 Non-working Companies (₹2.57 crore)

⁹ Interest paid ₹9,626.79 crore on public borrowings during 2023-24 as per cent of Average Public debt and other liabilities of UT and erstwhile State excluding back to back loans received from GoI in lieu of GST Compensation ((OB: ₹1,09,997.14 crore + CB ₹1,18,792.68 crore)/2 = ₹1,14,394.91 crore).

(ii) Reconciliation of Government Investments with Accounts of Companies

The figures of Government investments as equity in Public Sector Undertakings (PSU) should agree with those appearing in the accounts of the PSUs. Reconciliation of figures is necessary to figure out the differences in accounts of PSUs and Finance Accounts of the UT Government.

Government of UT of Jammu and Kashmir booked ₹68.62 crore as investment during 2023-24. However, Companies, Corporations and other bodies concerned had shown an investment of ₹468.42 crore during 2023-24, thereby resulting in variation of ₹399.80 crore.

2.4.3.3 Quantum of Loans disbursed and recovered

In addition to the investments in co-operative societies, corporations and companies, the UT Government has also been providing loans and advances to many institutions/organisations. **Table 2.22** presents the position of outstanding loans and advances as on 31 March 2024 and interest receipts *vis-à-vis* interest payments by the UT Government on its borrowings during the years 2020-21 to 2023-24.

Table 2.22: Quantum of loans disbursed and recovered during the year 2020-21 to 2023-24

(₹ in crore)				
Quantum of loans disbursed and recovered	2020-21	2021-22	2022-23	2023-24
Opening Balance of loans outstanding*	35.80 (1,740.44)	95.51 (1,740.44)	168.26 (1,740.44)	226.46 (1,740.44)
Amount advanced during the year	61.64	73.77	59.53	11.49
Amount recovered during the year	1.93	1.03	1.33	6.04
Closing Balance of loans outstanding*	95.51 (1,740.44)	168.25 (1,740.44)	226.46 (1,740.44)	231.91 (1,740.44)
Net addition	59.71	72.74	58.20	5.45
Interest received on Loans and Advances	Nil	0.13	0.47	2.21
Interest received <i>vis-à-vis</i> loans outstanding (per cent)	Nil	0.08	0.21	0.95
Rate of interest paid on outstanding borrowings** of the Government	6.65	6.95	7.60 ¹⁰	8.42 ¹¹
Difference between the rate of interest paid and interest received (per cent)	(-) 6.65	(-) 6.87	(-) 7.39	(-) 7.47

Source: Finance Accounts

* Figures in brackets are the balances of Outstanding loans of the erstwhile State of Jammu and Kashmir as on 30 October 2019, yet to be apportioned between the two newly created UTs.

**Worked out on borrowings including Outstanding borrowings of the erstwhile State (₹82,050.50 crore) which is to be apportioned between successor UTs, but excluding Back to Back loans in lieu of GST compensation (2020-21: ₹2,099.80 crore and 2021-22 to 2023-24: ₹5,945.29 crore)

¹⁰ Interest paid ₹8,242.92 crore on public borrowings during 2022-23 as per cent of Average Public debt and other liabilities of UT and erstwhile State excluding back to back loans received from GoI in lieu of GST Compensation ((OB: ₹1,06,926.76 crore + CB: ₹1,09,997.14 crore)/2 = ₹1,08,461.95 crore).

¹¹ Interest paid ₹9,626.79 crore on public borrowings during 2023-24 as per cent of Average Public debt and other liabilities of UT and erstwhile State excluding back to back loans received from GoI in lieu of GST Compensation ((OB: ₹1,09,997.14 crore + CB: ₹1,18,792.68 crore)/2 = ₹1,14,394.91 crore).

During the year 2023-24, the Government of Union Territory of Jammu and Kashmir disbursed loans and advances of ₹11.49 crore and recovered loans and advances amounting to ₹6.04 crore. Loans amounting to ₹11.49 crore was disbursed during 2023-24, as loan assistance to Public Sector Units of Industries and Minerals. Recoveries of Loans and Advances are not forthcoming from loss making public sector undertakings.

The Government of UT of Jammu and Kashmir had total outstanding loans and advances of ₹226.46 crore ending 31 March 2023 which increased to ₹231.91 crore at the end of 31 March 2024. In addition, there were Loans and Advances of ₹1,740.44 crore disbursed by the Government of the erstwhile State which were outstanding as on 30 October 2019 and were yet to be divided between the Union Territory of Jammu and Kashmir and Union Territory of Ladakh.

As against the loan amount ranging between ₹59.53 crore to ₹73.77 crore advanced during 2020-23, the recovery of loans during the same period ranged between ₹1.03 crore and ₹1.93 crore only. However, during 2023-24 the situation has slightly improved as against the disbursement of loan of ₹11.49 crore, loan recovered was ₹6.04 crore. Interest receipts of ₹2.21 crore during 2023-24 was only 0.95 per cent of the outstanding loans at the end of 2023-24.

2.4.3.4 Capital Blocked in Incomplete Works

An assessment of trends in capital blocked in incomplete capital works would also indicate quality of Capital expenditure. Blocking of funds in incomplete projects/works impinges negatively on the quality of expenditure and deprives the UT of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years lead to extra burden in terms of servicing of debt and interest liabilities. Details of age-wise and department-wise incomplete projects are shown in **Tables 2.23** and **2.24** respectively.

Table 2.23: Age profile of incomplete projects as on 31 March 2024

(₹ in crore)			
Year of commencement	No of incomplete projects	Estimated cost	Expenditure (as on 31 March 2024)
2011-12	9	13.79	10.61
2015-16	13	22.46	15.09
2017-18	1	2.34	1.93
2020-21	3	5.85	4.25
2021-22	2	8.46	4.36
2022-23	2	3.30	1.95
Total	30	56.20	38.19

Source: Finance Accounts

Table 2.24: Department-wise profile of incomplete projects as on 31 March 2024

(₹ in crore)			
Department	No. of incomplete projects	Estimated cost	Expenditure (as on 31 March 2024)
Jal Shakti (PHE) Department, Jammu	8	19.95	12.48
Jal Shakti (I&FC) Department, Jammu	22	36.25	25.71
Total	30	56.20	38.19

The expenditure of ₹38.19 crore incurred on 30 incomplete projects was yet to yield the intended benefits. Out of 30 incomplete projects, 26 projects on which expenditure of ₹31.88 crore had been incurred, pertained to the period prior to the year 2020-21.

Delay in completion of projects not only adversely affected the quality of expenditure but also deprived the UT of intended benefits and economic growth.

2.4.3.5 Implementation of Ujwal Discom Assurance Yojana (UDAY)

For ensuring financial turnaround of Power Distribution Companies (DISCOM), the Ministry of Power, Government of India (GoI) introduced (November 2015) the Ujwal Discom Assurance Yojana (UDAY) to improve the operational and financial efficiency of the State DISCOM. States were to takeover 75 per cent of DISCOM debt as on September 2015 over two years i.e. 50 per cent of DISCOM debt was to be taken over in 2015-16 and 25 per cent in 2016-17. In March 2016, the Ministry of Power, Government of India and Government of Jammu and Kashmir signed a Memorandum of Understanding (MOU) under the scheme UDAY-"Ujwal DISCOM Assurance Yojana" and borrowed ₹3,537.55 crore (₹2,140 crore in 2015-16 and ₹1,397.55 crore in 2016-17) from RBI by issue of Non-Statutory Liquidity Ratio (SLR) bond at rates ranging between 7.07 per cent to 8.72 per cent with maturity date from March 2022 to October 2031. The function of electricity supply to consumers was being handled departmentally, so the money was utilised by the Government to clear liabilities towards the Central Public Sector Undertakings (CPSU). The Government has to pay interest on the bonds and bonds are maturing every year from 2021-22 to 2031-32. During the year 2023-24, the Government paid ₹237.90 crore towards interest on bonds issued under UDAY Scheme and has also so far paid principal amount amounting to ₹921.51 crore (including ₹567.76 crore¹² paid during 2021-23).

2.4.4 Expenditure priorities

Enhancing human development levels requires the UT to step up its expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure under a category to total expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better. Fiscal priority¹³ of the UT Government with regard to expenditure on social and economic sectors, etc. is shown in **Table 2.25**.

¹² 2021-22: ₹214.00 crore; 2022-23: ₹353.76 crore

¹³ Ratio of expenditure in that category to Total Expenditure (TE).

Table 2.25: Expenditure priority with regards to Health, Education, Capital expenditure etc.

(In per cent)

Region	TE/GSDP	CE/TE	Education/TE	Health/ TE
North Eastern and Himalayan States Average (2020-21)	28.14	15.81	16.88	7.03
North Eastern and Himalayan States Average (2021-22)	28.00	17.45	15.93	7.24
North Eastern and Himalayan States Average (2022-23)	27.57	15.56	15.77	6.94
North Eastern and Himalayan States Average (2023-24)	25.19	17.61	15.93	6.43
Jammu and Kashmir (2020-21)	37.65	16.67	16.28	7.85
Jammu and Kashmir (2021-22)	37.33	15.80	15.66	7.98
Jammu and Kashmir (2022-23)	33.53	14.67	15.99	8.25
Jammu and Kashmir (2023-24)	32.65	15.37	15.70	7.06

Source: Figures calculated on the basis of Finance Accounts of the respective States/UT

TE: Total Expenditure and CE: Capital expenditure (includes Loans and advances disbursed)

Table 2.25 shows that:

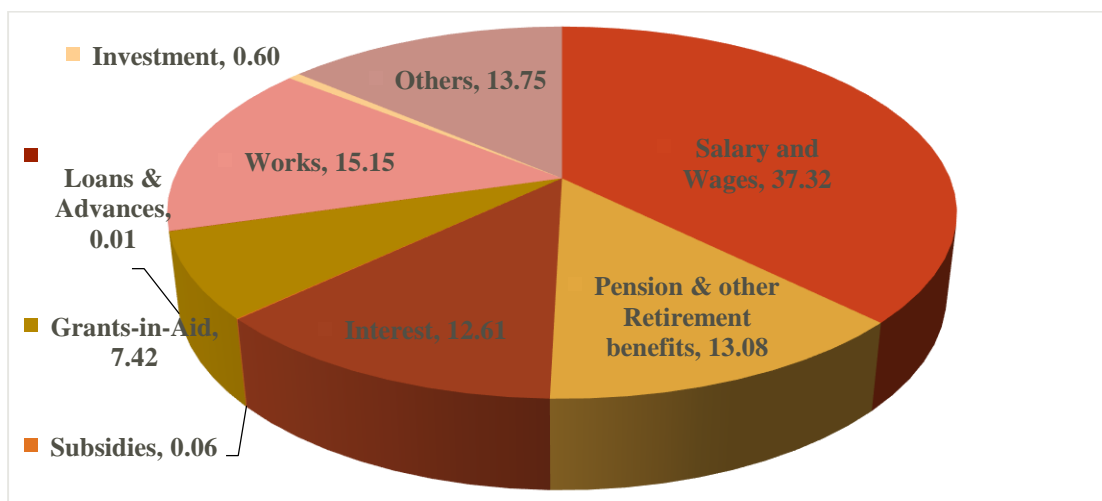
- The UT Government’s total expenditure as proportion of GSDP decreased from 37.65 per cent in 2020-21 to 32.65 per cent in 2023-24 whereas for North Eastern and Himalayan States (NE&HS), it decreased from 28.14 per cent to 25.19 per cent during 2020-24.
- Capital expenditure facilitates asset creation which generates opportunities for higher growth. Ratio of Capital expenditure to total expenditure in respect of UT of Jammu and Kashmir decreased from 16.67 per cent in 2020-21 to 15.37 per cent in 2023-24 and it was below the ratio for NE&HS. This ratio for NE&HS decreased from 15.81 per cent in 2020-21 to 15.52 per cent in 2022-23, while as it increased to 17.61 per cent in 2023-24.
- The ratio of expenditure on education to total expenditure in UT of Jammu and Kashmir decreased from 16.28 per cent in 2020-21 to 15.70 per cent in 2023-24. The ratio also decreased from 16.88 per cent to 15.93 per cent in case of NE&HS during 2020-24.
- The ratio of expenditure on health to total expenditure in Jammu and Kashmir increased from 7.85 per cent in 2020-21 to 8.25 per cent in 2022-23, however, during 2023-24 it decreased to 7.06 per cent. While as in case of NE&HS ratio of expenditure on health to total expenditure decreased from 7.03 per cent to 6.43 per cent during 2020-24.

2.4.5 Object Head-wise Expenditure

Object head-wise expenditure gives information about the object/ purpose of the expenditure.

Chart 2.13: Object Head-wise Expenditure

(in per cent)



Source: Finance Accounts; Investment figures as per information provided by the concerned PSUs (Statement 19)

Salary and Wages of UT of Jammu and Kashmir accounted for 37.32 per cent and Pension and other Retirement benefits accounted for 13.08 per cent of total expenditure. It indicates that more than 50.40 per cent of total expenditure was on Salary & Wages and Pension and other Retirement benefits. Works accounted for 15.15 per cent of total expenditure.

2.5 Public Accounts

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Section 68(1) of the Jammu & Kashmir Re-Organisation Act, 2019 and are not subject to vote by Legislature. The Government acts as a banker in respect of these transactions. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.5.1 Net Public Account Balances

In respect of sums credited to the Public Accounts of the Union Territory of Jammu and Kashmir, the UT Government acts as a trustee or banker and bears a fiduciary liability. Major constituents of the Public Accounts are State Provident Fund, Insurance/Pension Funds, Reserve Funds, and Deposits and Advances. Besides, the Public Accounts section of the Government Accounts is also used to record transitory and passthrough transactions under Suspense and Miscellaneous and Remittance heads before their final accounting to appropriate receipt or payment head of account, and also cash balance transactions. **Table 2.26** given below shows the component-wise net balances in Public Account of the UT.

Table 2.26: Component-wise net balances in Public Account at close of the years

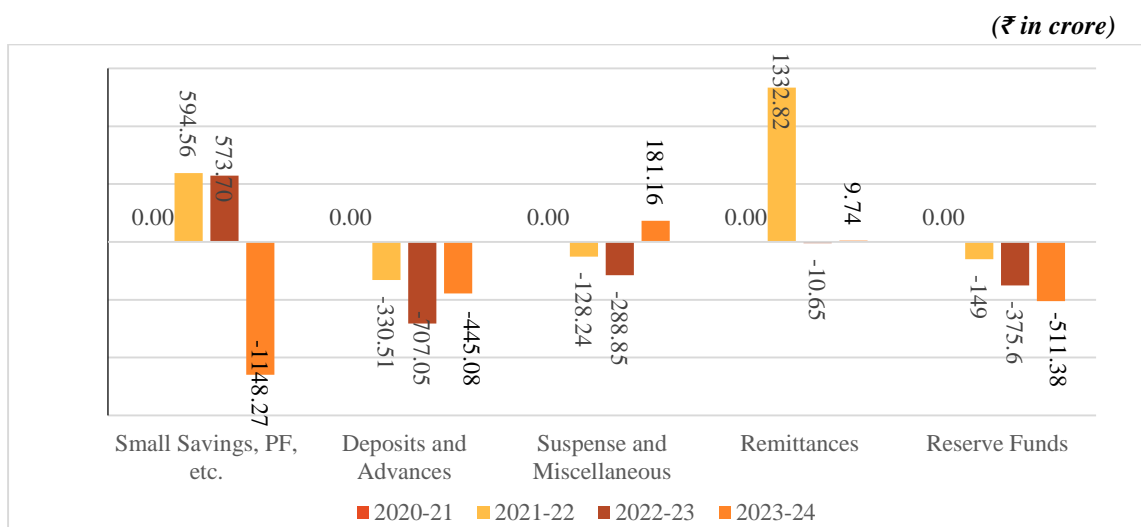
(₹ in crore)					
Sector	Sub Sector	2020-21	2021-22	2022-23	2023-24
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	-2,185.97 (-27,161.62)	-1,591.41 (-27,161.62)	-1,017.71 (-25,735.23)	-2,165.98 (-25,735.23)
J. Reserve Funds	(a) Reserve Funds bearing Interest	-780.89 (-1,260.62)	-873.86 (-1,260.62)	(-) 1,183.99 (-1,260.62)	(-) 1,619.06 (-1,260.62)
	(b) Reserve Funds not bearing Interest	9.76 (-1,533.95)	-46.27 (-1,533.95)	-111.74 (-1,533.95)	-188.05 (-1,533.95)
K. Deposits and Advances	(a) Deposits bearing Interest	-474.74 (-53.67)	-495.52 (-53.67)	-501.79 (-53.67)	-692.41 (-53.67)
	(b) Deposits not bearing Interest	-880.79 (-6,860.56)	-1,190.52 (-6,860.56)	-1,891.30 (-6,800.82)	-2,145.76 (-6,800.82)
	(c) Advances	0.00 (12.69)	0.00 (12.69)	0.00 (12.69)	0.00 (12.69)
L. Suspense and Miscellaneous	(b) Suspense	-121.14 (344.15)	-249.38 (344.15)	-538.23 (344.15)	-508.02 (344.15)
	(c) Other Accounts	-0.0002 (389.01)	+0.0004 (389.01)	-0.0004 (389.01)	150.95 (389.01)
M. Remittances	(a) Money Orders, and other Remittances	-632.57 (-2,856.74)	689.07 (-2,856.74)	689.12 (-2,856.74)	689.12 (-2,856.74)
	(b) Inter-Governmental Adjustment Account	-1.93 (9.26)	9.25 (9.26)	-1.45 (9.26)	8.29 (9.26)
Total		-5,068.27 (-38,972.05)	-3,748.64 (-38,972.05)	-4,557.09 (-37,485.92)	-6,470.92 (-37,485.92)

Source: Finance Accounts

Note: +ve denotes debit balance and -ve denotes credit balances. The figures in brackets indicate balances of the erstwhile State of Jammu and Kashmir yet to be apportioned between the two newly created UTs.

The total credit balance under Public Account of UT of Jammu and Kashmir was ₹6,470.92 crore ending 31 March 2024. There was also a credit balance of ₹37,485.92 crore ending 30 October 2019 under Public Account of the erstwhile State of Jammu and Kashmir, which is yet to be bifurcated between the Union Territory of Jammu and Kashmir and UT of Ladakh.

Chart 2.14: Yearly change in Balances in Public Account of UT of J&K during 2020-24



During the year 2023-24, major changes occurred in Small Savings and Provident Funds, Reserve Funds and Deposits and advances components of Public Account.

2.5.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Accounts of the Government. These funds are met from contributions or grants from the Consolidated Fund of the UT of Jammu and Kashmir. It comprises interest bearing reserve funds and reserve funds not bearing interest. Details of reserve funds are available in Statements 21 and 22 of the Finance Accounts. There were two interest bearing funds and five reserve funds not bearing interest as on 31 March 2024. The balances lying in these reserve funds as on 31 March 2024 are given in Table 2.27.

Table 2.27: Closing Balances under Reserve Funds

(₹ in crore)

Reserve funds	2020-21	2021-22	2022-23	2023-24
Reserve Funds Bearing interest				
State Disaster Response Fund	16.32	109.29	419.42	814.50
State Compensatory Afforestation Fund	764.57	764.57	764.57	804.56
Total - Reserve Fund Bearing Interest	780.89	873.86	1,183.99	1,619.06
Reserve Funds Not Bearing interest				
Sinking Fund	55.63	100.63	159.54	232.05
Other Development and Welfare Funds	-90.38	-103.72	-106.62	-108.72
General Insurance Fund-Janta Insurance	20.12	37.01	37.08	37.22
Guarantee Redemption Fund	2.00	4.00	5.00	7.00
Other Funds	2.87	8.35	16.74	20.51
Total – Reserve Funds Not Bearing interest	(-9.76)	46.27	111.74	188.06
Total -Reserve Funds	771.13	920.13	1,295.73	1,807.12

Source: Finance Accounts.

Note : Balances ending 30 October 2019 of erstwhile State were not apportioned between the two UTs (UT of Jammu & Kashmir and UT of Ladakh); as such, opening balance of UT of Jammu & Kashmir has been taken as zero, due to which there was negative closing balances.

The total accumulated balance at the end of 31 March 2024 in these funds was ₹1,807.12 crore out of which ₹1,619.06 crore (Credit) was under interest bearing Reserve Fund and ₹188.06 crore (Credit) under Non-Interest Bearing Reserve Fund. There is cumulative aggregate balance in these funds at the end of 30 October 2019 amounting to ₹2,805.43 crore of the erstwhile State of Jammu and Kashmir which is yet to be bifurcated between the two successor UTs.

2.5.2.1 Consolidated Sinking Fund

No Consolidated Sinking Fund was separately created in the Union Territory of Jammu and Kashmir after re-organisation of the erstwhile State of Jammu and Kashmir. The Government of the erstwhile State of Jammu and Kashmir set up the Consolidated Sinking Fund for amortisation of loans in January 2012. According to the guidelines of the Fund, Government may contribute a minimum of 10 per cent of 0.5 per cent of the outstanding liabilities as at the end of 2010-11 every year beginning with the financial year 2011-12 upto 2021-22 to make it equal to 0.5 per cent of outstanding liabilities of 2010-11. In addition, contribution in respect of incremental liabilities as from year to year thereafter shall be made at 0.5 per cent of such incremental liabilities so as to reach the level deemed sufficient to meet the objective of the Scheme. The Government of Union Territory of Jammu and Kashmir continued with the existing Fund and in the year 2023-24 contributed ₹72.51 crore. The amount required to be contributed to the Fund as per guidelines of 2012 could not be worked out as the available balance under the Fund amounting to ₹355.87 crore as on 30 October 2019 (pre re-organisation) is yet to be apportioned between the Union Territory of Jammu and Kashmir and Union Territory of Ladakh. The total accumulation in the Fund (for the period 31 October 2019 to 31 March 2024-post re-organisation) was ₹232.05 crore as on 31 March 2024.

In reply, the Finance Department stated (February 2025) that the UT of Jammu and Kashmir has constituted Sinking Fund in the year 2024-25.

2.5.2.2 State Disaster Response Fund

In terms of guidelines on constitution and administration of the State Disaster Response Fund (under Major Head '8121- General & Other Reserve Funds' which is under interest bearing section), the Central and UT Governments are required to contribute to the fund in the proportion of 90:10. On re-organisation of the State of Jammu and Kashmir into two new Union Territories on 30 October 2019, the Government of Union Territory of Jammu and Kashmir continued with the State Disaster Response Fund. During the year 2023-24, an amount of ₹279.00 crore on account of 'Grants towards contribution to Union Territory Disaster Response Fund' was released by the Ministry of Home Affairs, Government of India. The contributions to the Fund, expenditure and the balance therein relating to the Union Territory of Jammu and Kashmir during the year 2023-24 are as under:

Table 2.28: Receipts and Expenditure under State Disaster Response Fund

(₹ in crore)

Opening balance (1 April 2023)	Contribution by Centre	UT Share	Receipts under NDRF	Total receipts during the year	Amount set off (MH 2245-05)	Balance in the fund
419.42	279.00	31.00	Nil	417.84*	22.76	814.50

*Includes interest of ₹107.81 crore and deposit of unspent amount of ₹0.03 crore by the Drawing and Disbursing Officers

There was opening balance of ₹419.42 crore under the Fund as on 1 April 2023 and during the year 2023-24, Government of UT of Jammu and Kashmir transferred ₹417.84 crore (Central share: ₹279.00 crore, UT share: ₹31.00 crore, interest: ₹107.81 crore, deposit of unspent amount by DDO: ₹0.03 crore) to the Fund under Major Head 8121-122 SDRF. Expenditure of ₹22.76 crore was incurred during the year 2023-24 under Minor Head-101 Gratuitous Relief, leaving a balance of ₹814.50 crore as on 31 March 2024. The balance under the Fund has not been invested by the Government of UT of Jammu and Kashmir.

There was gross balance of ₹1,271.48 crore under State Disaster Response Fund (SDRF) as on 30 October 2019 which is yet to be apportioned between the two new successor Union Territories viz UT of Jammu and Kashmir and UT of Ladakh. An amount of ₹10.86 crore stood invested from the Fund leaving net un-apportioned balance of ₹1,260.62 crore.

2.5.2.3 Guarantee Redemption Fund

The RBI guidelines of 2013 on the Guarantee Redemption Fund (GRF) mentions that it is desirable for the Government to contribute a minimum of one *per cent* of outstanding guarantees at the beginning of the year in the year of constitution of the Fund, and thereafter a minimum of 0.50 *per cent* every year to achieve a corpus of minimum three to five *per cent* of the outstanding guarantees of the previous year.

The Government of Union Territory of Jammu and Kashmir has not framed Guarantee Redemption Fund Act as on 31 March 2024. Further, the Guarantee Redemption Fund Scheme of the erstwhile State of Jammu and Kashmir did not have any target for contribution to the Fund.

During the year, the Government of UT of Jammu and Kashmir contributed ₹2.00 crore to the Fund. The total accumulation of the Fund for the period post re-organisation viz. 31 October 2019 to 31 March 2024 was ₹7.00 crore. There was also a balance of ₹20.42 crore in the Fund as on 30 October 2019 (pre re-organisation) yet to be apportioned between the UT of Jammu and Kashmir and UT of Ladakh. The entire amount of ₹27.42 crore [₹7.00 crore relating to UT of Jammu and Kashmir (31 October 2019 to 31 March 2024) and ₹20.42 crore relating to erstwhile State of Jammu and Kashmir (upto 30 October 2019)] has not been invested by the Government.

2.5.2.4 Central Road and Infrastructure Fund (CRIF)

Government of India provides annual grants under the Central Road and Infrastructure Fund (CRIF) to the Government of Union Territory to incur expenditure on specific road projects. During the year 2023-24, the Government of Union Territory received grants of ₹206.67 crore towards CRIF and transferred the entire amount to the Deposit Head- 8449 through expenditure Head-3054. The Government of Union Territory incurred expenditure of ₹214.10 crore from the Fund during the year leaving closing balance of ₹668.62 crore¹⁴ in the Fund as on 31 March 2024.

There was also a balance of ₹573.33 crore as on 30 October 2019 (pre re-organisation) under the Fund, which is yet to be apportioned between the Union Territories viz. Union Territory of Jammu and Kashmir and Union Territory of Ladakh.

2.5.3 Funds outside Consolidated Fund or Public Account of the Union Territory of Jammu and Kashmir

Section 67 of Jammu and Kashmir Re-organisation Act, 2019 envisages that all revenues received in the Union Territory of Jammu and Kashmir by the Government of India or Lieutenant Governor of the Union Territory of Jammu and Kashmir in relation to any matter with respect to which the Legislative Assembly of the UT of Jammu and Kashmir has power to make laws, and all grants made and all loans advanced to the Union Territory of Jammu and Kashmir from the Consolidated Fund of India and all loans raised by the Government of India or the Lieutenant Governor of the Union Territory of Jammu and Kashmir upon the security of the Consolidated Fund of the Union Territory of Jammu and Kashmir and all moneys received by the Union Territory of Jammu and Kashmir in repayment of loans shall form one Consolidated Fund. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided in Jammu and Kashmir Re-organisation Act, 2019. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments etc.), constitute a charge on the Consolidated Fund of the Union Territory of Jammu and Kashmir (*Charged expenditure*) and are not subject to vote by the Legislature. All other expenditure (*Voted expenditure*) is voted by the Legislature.

Section 68 of the Jammu and Kashmir Re-organisation Act, 2019 states that public moneys, other than those credited to the Consolidated Fund of the Union Territory or the Contingency Fund of the Union Territory of Jammu and Kashmir, received by or on behalf of the Lieutenant Governor, shall be kept in the Public Account of the Union Territory of Jammu and Kashmir.

¹⁴ Opening balance of ₹676.05 crore plus receipts ₹206.67 crore less disbursement of ₹214.10 crore.

2.5.3.1 Building and other Construction Workers Welfare Cess

The Government of India enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) to levy and collect cess for providing benefits to the building and other construction workers. The Act, *inter alia*, mandated constitution of a Building and Other Construction Workers' Welfare Board and framing of rules by every Government to exercise the powers conferred under the Act. Accordingly, the erstwhile State Government of Jammu and Kashmir framed the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2006 under the Act and constituted the Jammu and Kashmir Building and Other Construction Workers Welfare Board in 2007. The Board is responsible for the operation and maintenance of the amount credited by Government as Labour Cess Deposits. The Government of Union Territory of Jammu and Kashmir continued with the same rules. During 2023-24, opening balance with the Board on account of labour cess was ₹717.29 crore. The receipts during the year were ₹282.52 crore and disbursements were ₹220.97 crore. The closing balance of labour cess as on 31 March 2024 was ₹778.84 crore¹⁵.

2.5.3.2 Water Usage Charges

Water usage charges are being levied on Hydel power generating companies under the provisions of the Jammu and Kashmir Water Resources (Regulation and Management) Act, 2010 amended on 25 October 2012 and 27 October 2014. Under the Act, a Fund was to be constituted as an account in the Jammu and Kashmir Bank or allotted a proper account head. The amount realised as water usage charges was to be deposited in the account/head so created, and utilised for establishment of Hydroelectric and Multi-purpose Hydro Electric Projects and for buying back Hydroelectric power projects already established in the State and purchase of power. During 2022-23, no transaction was made in this Fund account except for crediting of interest amounting to ₹0.46 crore. As on 31 March 2023, an amount of ₹15.99 crore on account of water usage charges/interest was lying in the Water Usage Fund Account (Saving Bank Account) which remained out of Government Account of the Union Territory of Jammu and Kashmir. The status of amount lying in the savings account on account of water usage charges and interest thereupon during 2023-24 was not provided by the Finance Department.

2.5.3.3 District Mineral Foundation Trust

Section 9(B) of Mines and Minerals (Development and Regulation) Act, 1957 provides that in any district affected by mining related operations, the State Government shall, by notification, establish a trust, as a non-profit body, to be called the District Mineral Foundation. The objective of the District Mineral Foundation shall be to work for the interest and benefit of persons, and areas affected by mining related operations in such manner as may be prescribed by the State Government. The

¹⁵ Figures are provisional as accounts/balance sheet of the Board is yet to be finalised (August 2024).

composition and functions of the District Mineral Foundation shall be such as may be prescribed by the State Government.

The Jammu and Kashmir District Mineral Foundation (Composition, Contribution, Financing, Funding & Trust) Rules were notified vide SRO No. 3 dated 11 January 2017. As per the Rules, the Government shall set up a fund under the Trust to be called as the District Mineral Foundation Trust Fund which shall be managed by the Executive Committee¹⁶. The Trust Fund shall receive Contribution Fund as per the contributions defined in these rules. The holders of mineral concessions granted under the Act and rules made thereunder, shall make payments for contribution to the Trust Fund of amounts payable to the State/UT Government simultaneously with payments of royalty.

As per rule 11(1), all holders of major mineral concessions shall, in addition to royalty, pay to the respective District Mineral Foundation, an amount equivalent to such percentage of royalty as may be prescribed by the Central Government under sub-section (5) or sub-section (6) of section 9B of the Act as the case may be. As per Rule 11(2) amended (February 2023)¹⁷, out of the total amount of royalty realised from the holders of minor mineral concessions, 10 *per cent* (if concession granted through auctions) or 30 *per cent* (if concession not granted through auction) shall be deposited/paid towards the respective Trust Fund by the Department.

There are 20 District Mineral Foundation Fund (DMF) Trusts in the UT of Jammu and Kashmir. Against the total collection of ₹46.59 crore¹⁸ under DMF Fund by all Trusts upto the end of 2023-24, an expenditure of ₹10.95 crore had been incurred during 2023-24. A balance of ₹35.64 crore under DMF Fund was lying in bank accounts of 20¹⁹ District Mineral Foundation Trusts as on 31 March 2024. This amount remained out of Government Account. However, as per Government of India, Ministry of Mines order dated 12 July 2021, no fund shall be transferred from District Mineral Foundation Trust to the State exchequer. As per Constitution of India and as per J&K Re-organisation Act 2019, all receipts are to be accounted for either in the Consolidated Fund or Public Accounts, but these receipts are being remitted into the bank accounts of the respective District Mineral Foundation Trusts, as per the directions of Government.

2.5.3.4 Social Responsibility Corpus fund

In terms of Government Order 50-F of 2016 dated 23 February 2016 the Finance Department Jammu and Kashmir Government, issued a sanction for creation of 'Social Responsibility Corpus Fund' in the Excise Department. The Fund was to support the de-addiction centres, take measures to reduce the incidence of drunk

¹⁶ Divisional Commissioner, Kashmir/Jammu, Chairperson, Director Geology and Mining Kashmir/Jammu, Director, Health Services, Kashmir/Jammu, Director, Rural Development, Kashmir/Jammu, Chief Engineer, PWD, Kashmir/Jammu, Special Invitees having knowledge and experience in Mineral Administration/exploration to be invited by the Chairperson.

¹⁷ SO 69 dated 08 February 2023

¹⁸ Includes Opening balance of ₹25.50 crore, receipts of ₹20.06 crore and interest of ₹1.03 crore

¹⁹ Jammu, Kathua, Samba, Reasi, Udhampur, Ramban, Doda, Kishtwar, Rajouri, Poonch, Srinagar, Anantnag, Kulgam, Ganderbal, Pulwama, Bandipura, Baramulla, Shopian, Budgam and Kupwara.

driving, promote road safety etc. As per Excise policy, the holders of liquor license were to contribute towards the 'Social Responsibility Corpus Fund' as per rates fixed from time to time. The Department was to make an equal contribution to the contribution made by the stakeholders/ liquor industries.

The amount received in the Social Responsibility Corpus Fund is being credited into the savings bank account maintained at J&K Bank. There was an opening balance of ₹14.26 crore in the bank account as on 01 April 2023. An amount of ₹2.38 crore was received during 2023-24 on account of contribution of license holders (₹1.66 crore), Government (₹0.28 crore) and interest (₹0.44 crore) from the bank. After incurring expenditure of ₹0.44 crore, there was a closing balance of ₹16.20 crore in the account as on 31 March 2024. The amount lying in the savings bank account was outside the Government account and needs to be accounted for either in the Consolidated Fund or Public Accounts.

2.5.4 Loans of UT Government not being credited to the Consolidated Fund

As per J&K FRBM Act 2006, 'total liabilities' means the liabilities under the Consolidated Fund of the State and the Public Account of the State and includes borrowings by the public sector undertakings, the special purpose vehicles and other equivalent instruments including guarantees where the principal and/or interest are to be serviced out of the budget. As per Section 10 (3) of the FRBM Act 2006, whenever the Government undertakes to unconditionally and substantially repay the principal amount and/or pay the interest of any separate legal entity, it has to show such liability as the borrowings of the State.

The Government of Union Territory of Jammu and Kashmir did not disclose the off budget liabilities in their budget documents/ annual financial statements 2023-24. However, as per FRBM statements placed along with the budget document 2024-25, there was an off budget liability of ₹23,911.53 crore availed by Jammu & Kashmir Infrastructure Development Finance Corporation (JKIDFC: ₹2,297.90 crore) and Jammu and Kashmir Power Corporation Ltd (JKPCL: ₹21,613.63 crore) outstanding as of 31 March 2023.

Further, Director (Resources), UT Finance Department intimated (May 2024) that the UT of Jammu and Kashmir availed, the Off Budget Borrowings (OBBs) of ₹6,357.88 crore²⁰ during 2023-24. Repayment of principal of ₹6,570.51 crore²¹ and interest of ₹2,394.27 crore²² was made during 2023-24. An amount of ₹23,742.42 crore availed by JKIDFC (₹2,151.46 crore), JKPCL (₹21,547.43 crore) and JK Cements (₹43.53 crore) was outstanding as of 31 March 2024. These borrowings are being serviced by the Government from the budget, but this debt has not been included in the liability of Government in the accounts, which is against the provisions of JKFRBM Act.

Although the outstanding Off-Budget Borrowings of ₹23,742.42 crore²³ (credit balance) as on 31 March 2024 were not accounted for in the overall outstanding debt/liabilities of the UT. However, the repayment of Off-Budget Borrowings of

²⁰ JKIDFC: Nil; JKPCL: ₹6,357.88 crore (₹2,467.43 crore from Power Finance Corporation and ₹3,890.45 crore from Rural Electrification Corporation)

²¹ JKIDFC: ₹146.44 crore; JKPCL: 6,424.07 crore

²² JKIDFC: ₹203.13 crore; JKPCL: ₹2,191.14 crore

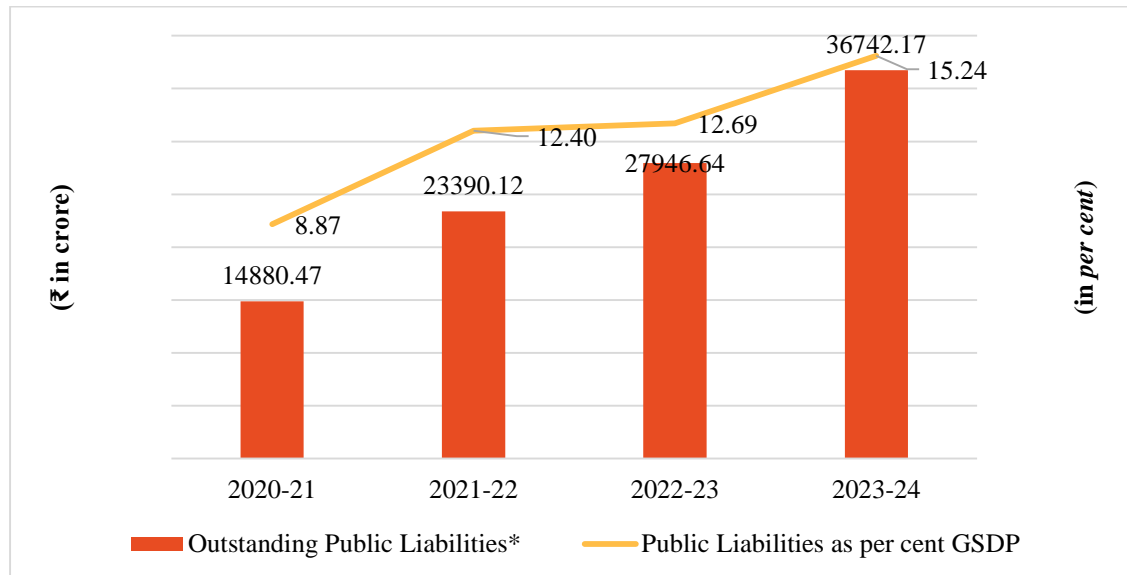
²³ JKIDFC: ₹2,151.46 crore; JKPCL: ₹21,547.43 crore, JK Cements Limited: ₹43.53 crore

₹6,568.71 crore²⁴ has been made from the Internal debt of the Government, resulting not only in the adverse balances under certain debt heads but also in understatement of the overall outstanding debt/liabilities of the UT by ₹30,311.13 crore²⁵ at the end of the year 2023-24.

2.6 Public Liability Management

Management of public liabilities is the process of establishing and executing a strategy for managing the Government’s liabilities in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements. Outstanding liability of UT along with its percentage to GSDP for the years 2020-21 to 2023-24 is depicted in Chart 2.15.

Chart 2.15: Outstanding Public Liability and its percentage to GSDP



* The back-to-back loan amount of ₹2,099.80 crore during 2020-21 and ₹3,845.49 crore during 2021-22 received from GoI in lieu of GST Compensation shortfall has been excluded from the total outstanding amount at the end of 2020-21, 2021-22, 2022-23 and 2023-24 respectively.

2.6.1 Liability profile: Components

Total liabilities of the State/UT Government typically constitutes Internal debt of the State/UT (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government, and Public Account liabilities. The components of the outstanding liability for the period 2020-21 to 2023-24 are given Table 2.29.

²⁴ Which included repayment of ₹6,493.24 crore made during 2023-24.

²⁵ Repayments of Off Budget Borrowings made from Internal debt: ₹6,568.71 crore and Off-Budget Borrowings not included in the Debt: ₹23,742.42 crore.

Table 2.29: Component wise outstanding liability trends

(*₹ in crore*)

	2020-21	2021-22	2022-23	2023-24
Outstanding total liability*	14,880.48	23,390.12	27,946.64	36,742.17
Public Debt	10,567.85	19,192.54	23,240.11	29,930.91
<i>Internal debt</i>	<i>10,562.21</i>	<i>19,306.08</i>	<i>23,473.66</i>	<i>30,285.52</i>
<i>Loans from GoI²⁶</i>	<i>5.64</i>	<i>-113.54</i>	<i>-233.55</i>	<i>-354.61</i>
Public Account liabilities	4,312.63	4,197.58	4706.53	6,811.26
<i>Small savings, Provident funds etc.</i>	<i>2,185.97</i>	<i>1,591.41</i>	<i>1,017.71</i>	<i>2,165.98</i>
<i>Reserve funds bearing interest</i>	<i>780.89</i>	<i>873.86</i>	<i>1,183.99</i>	<i>1,619.06</i>
<i>Reserve funds not bearing interest</i>	<i>-9.75</i>	<i>46.27</i>	<i>111.74</i>	<i>188.05</i>
<i>Deposits bearing interest</i>	<i>474.73</i>	<i>495.52</i>	<i>501.79</i>	<i>692.41</i>
<i>Deposits not bearing interest</i>	<i>880.79</i>	<i>1,190.52</i>	<i>1,891.30</i>	<i>2,145.76</i>
Off Budget Borrowing	-	12,444.60	23,911.53	23,742.42
Rate of growth of outstanding total liabilities (<i>per cent</i>)	NA	57.19	19.48	31.47
Gross State Domestic Product (GSDP)	1,67,793	1,88,561	2,20,204	2,41,133
Liability/GSDP (<i>per cent</i>)	8.87	12.40	12.69	15.24
Borrowings and other liabilities (as per Statement 6 of Finance Accounts)				
Total Receipts²⁷	50,819.38	60,938.99	49,242.28	64,532.54
Total Repayments (including ways and means advances)	41,439.26	52,429.36	44,685.76	55,736.99
Net Funds available (including ways and means advances)	9,380.12	8,509.63	4,556.52	8,795.55
Repayments/ Receipts (<i>per cent</i>)	81.54	86.04	90.75	86.37

Source: Finance Accounts

*Outstanding total liability includes Public Debt, Small savings, Provident funds etc. Reserve funds and Deposits (Outstanding liability of erstwhile State of Jammu and Kashmir has not been included).

The total liabilities of the UT Government had been on the rise as it increased by 146.92 *per cent* from ₹14,880.48 crore in 2020-21 to ₹36,742.17 crore in 2023-24. Public Debt increased by ₹19,363.06 crore (183.23 *per cent*) during 2020-24, wherein the Internal debt recorded major increase of ₹19,723.31 crore (186.73 *per cent*) and Loans from GOI decreased by ₹360.25 crore during the same period. Public account liabilities increased by ₹2,498.63 crore (57.94 *per cent*) during 2020-24 and the major increase was under Reserve funds bearing interest (₹838.17 crore, 107.34 *per cent*) and Deposits not bearing interest (₹1,264.97 crore, 143.62 *per cent*).

During 2023-24, the repayment of borrowings was 86.37 *per cent* of total borrowing receipts resulting in only ₹8,795.55 crore (13.63 *per cent*) of total borrowing receipts being available with the Government. During 2023-24, the borrowing receipts increased by 31.05 *per cent* and the net debt available increased by 93.03 *per cent*

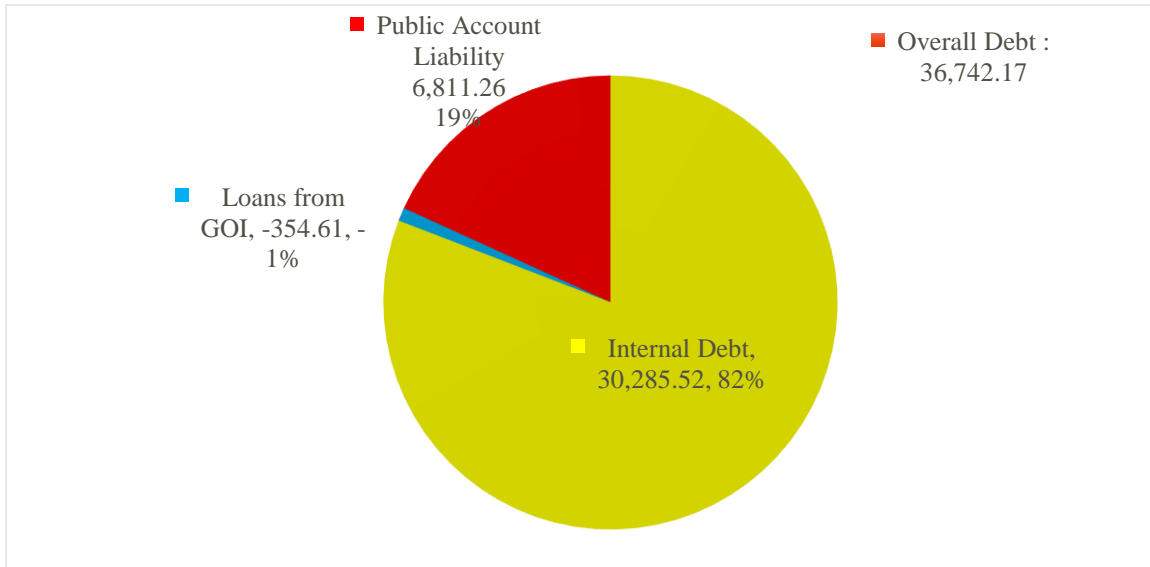
²⁶ The back-to-back loan amount of ₹2,099.80 crore during 2020-21 and ₹3,845.49 crore during 2021-22 received from GoI in lieu of GST Compensation shortfall has been excluded from the total outstanding loan amount of ₹2,105.44 crore, ₹5,831.75 crore, ₹5,711.74 crore and ₹5,590.68 crore at the end of 2020-21, 2021-22, 2022-23 and 2023-24 respectively.

²⁷ Excludes back-to-back loan amount of ₹2,099.80 crore and ₹3,845.49 crore received from GoI in lieu of GST Compensation shortfall during 2020-21 and 2021-22, respectively.

with respect to 2023-24. Taking into account the outstanding Off Budget Borrowings ₹23,742.42 crore availed and the repayment of Off Budget Borrowings of ₹6,568.71 crore²⁸ made from the Internal debt, the liabilities to GSDP ratio of UT Government will increase from 15.24 per cent²⁹ to 27.81 per cent³⁰. Break up of outstanding liabilities at the end of 2023-24 is shown in **Chart 2.16**.

Chart 2.16: Break-up of outstanding overall liabilities of UT of Jammu and Kashmir at the end of the year 2023-24

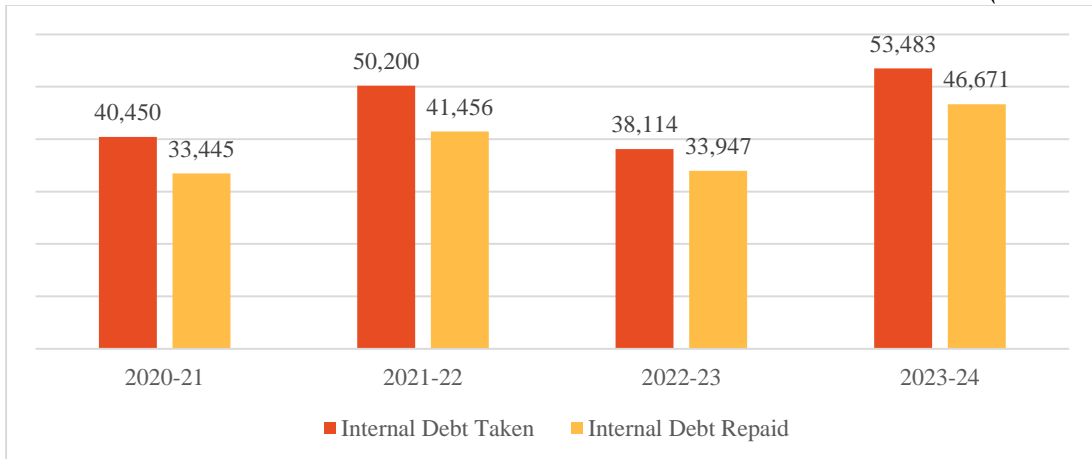
(₹ in crore)



*Excludes back to back loans of ₹2,099.80 crore and ₹3,845.49 crore received during 2020-21 and 2021-22 respectively from GoI in lieu of GST compensation shortfall.

Chart 2.17: Internal debt taken vis-a-vis repaid

(₹ in crore)



Source: Finance Accounts

²⁸ Which included repayment of ₹6,493.24 crore made during 2023-24.

²⁹ (Public Liabilities ₹42,687.46 crore excluding back to back loans in lieu of GST compensation amounting to ₹5,945.29 crore = ₹36,742.17 crore) / (GSDP of ₹2,41,133 crore during 2023-24) = 15.24 per cent.

³⁰ (Public Liabilities ₹42,687.46 crore excluding back to back loans in lieu of GST compensation amounting to ₹5,945.29 crore including OBBs of ₹23,742.42 crore and Repayments of Off Budget Borrowings made from Internal debt: ₹6,568.71 crore = ₹67,053.30 crore) / (GSDP of ₹2,41,133 crore during 2023-24) = 27.81 per cent.

Internal debt of the UT Government increased by ₹19,723.31 crore (187 per cent) from ₹10,562.21 crore in 2020-21 to ₹30,285.52 crore in 2023-24 (**Table 2.29**). An amount of ₹7,595.28 crore was paid towards interest on internal debt during 2023-24. The percentage of internal debt repaid to internal debt taken was 87.26 per cent during the year 2023-24.

Table 2.30 depicts financing pattern of the Fiscal Deficit during 2020-24.

Table 2.30: Components of Fiscal Deficit and its financing pattern

(₹ in crore)

Particulars		2020-21	2021-22	2022-23	2023-24
Composition of Fiscal Deficit		-10,693.36	-11,150.61	-4,855.37	-8,608.08
1	Revenue Deficit/Surplus	-138.27	-30.83	+5,976.61	+3,486.22
2	Net Capital expenditure	-10,470.38	-11047.04	-10,773.78	-12,088.85
3	Net Loans and Advances	-59.71	-72.74	-58.20	-5.45
4	Appropriation to Contingency Fund	-25.00	0	0	0
Financing Pattern of Fiscal Deficit					
1	Market Borrowings	7,508.66	4,088.00	4,893.62	13,726.42
2	Loans from GoI*	2,164.35	3,726.31	-120.00	-121.06
3	Special Securities issued to NSSF	-348.65	4,651.36	-848.64	-848.64
4	Loans from Financial Institutions	-154.75	4.52	122.59	-6,065.93
5	Small Savings, PF, etc.	1,144.17	-594.55	-573.70	1,148.28
6	Deposits and Advances	581.96	330.52	707.05	445.08
7	Suspense and Miscellaneous	-82.34	128.23	288.86	-181.16
8	Remittances	-763.81	-1,332.81	10.64	-9.73
9	Reserve Funds	584.18	148.99	375.61	511.38
10	Contingency Fund	25.00	0	0	0
10	Overall Deficit	10,658.77	11,150.57	4,856.03	8,604.64
11	Increase (-) /Decrease (+) in cash balance	34.59	0.04	-0.66	3.44
12	Gross Fiscal Deficit	10,693.36	11,150.61	4,855.37	8,608.08

Source: Finance Accounts

*Includes ₹2,099.80 crore and ₹3,845.49 crore as back-to-back loans from GoI during 2020-21 and 2021-22 respectively in lieu of GST Compensation shortfall.

During 2023-24, the Union Territory of Jammu and Kashmir had Fiscal Deficit of ₹8,608.08 crore. Market borrowings were major sources to meet Fiscal Deficit.

The components of receipt and disbursements financing the Fiscal Deficit during the year 2023-24 are depicted in **Table 2.31** and the financing of Fiscal Deficit during 2023-24 is expressed through **Chart 2.18**.

Table 2.31: Receipts and disbursements under components financing the Fiscal Deficit (2023-24)

(₹ in crore)

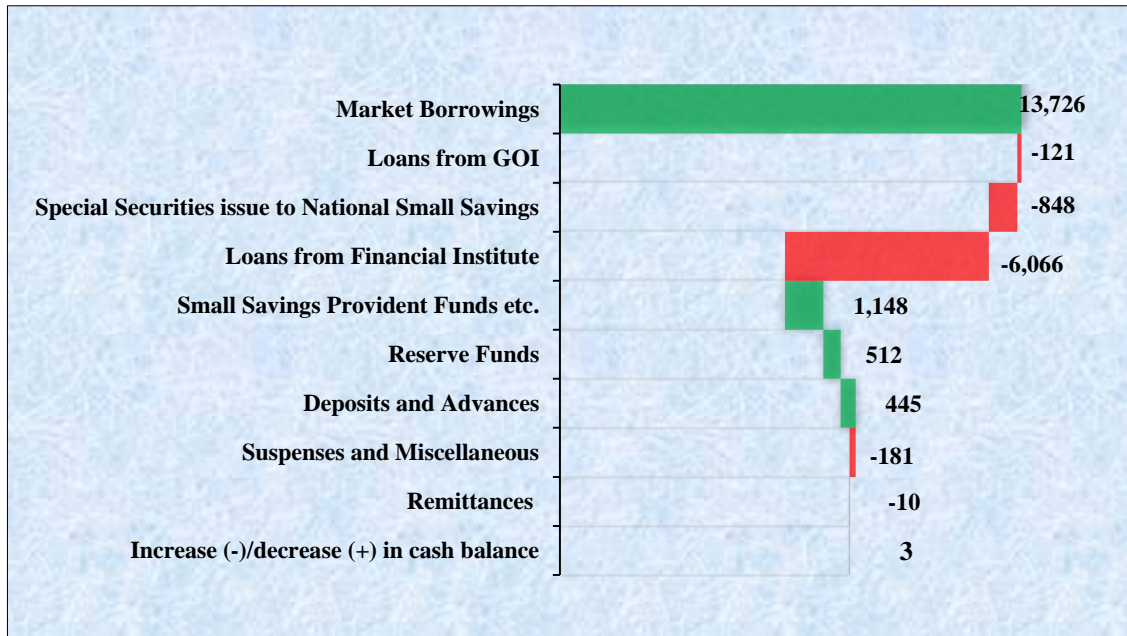
Particulars		Receipt	Disbursement	Net
1	Market Borrowings	52,581.70	38,855.28	13,726.42
2	Loans from GOI*	0	121.06	-121.06
3	Special Securities issued to NSSF	0	848.64	-848.64
4	Loans from Financial Institutions	901.05	6,966.98	-6,065.93
5	Small Savings, PF, etc.	6,177.91	5,029.63	1,148.28

Particulars		Receipt	Disbursement	Net
6	Deposits and Advances	4,334.51	3,889.43	445.08
7	Suspense and Miscellaneous	24,218.86	24,400.02	-181.16
8	Remittances	0.24	9.97	-9.73
9	Reserve Fund	537.35	25.97	511.38
10	Contingency Fund	0	0	0
10	Overall Deficit	88,751.62	80,146.98	8,604.64
11	Increase/Decrease in cash balance	1,448.31	1,444.87	3.44
12	Gross Fiscal Deficit	75,026.97	81,591.85	8,608.08

Source: Finance Accounts

*Includes ₹2,099.80 crore and ₹3,845.49 crore as back-to-back loans from GoI during 2020-21 and 2021-22 respectively in lieu of GST Compensation shortfall.

Chart: 2.18: Financing of Fiscal Deficit during 2023-24



Source: Finance Accounts

2.7 Debt Sustainability Analysis

Debt sustainability analysis has been carried out on the basis of debt sustainability indicators and Domar criteria given below. Debt sustainability refers to the ability of the State/UT to service its debt obligation now and in the future. Analysis of variations in debt sustainability indicators is given in **Table 2.32** and **Chart 2.19**.

Table 2.32: Trends in Debt Sustainability Indicators

Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24
Overall Liabilities or Overall Debt (₹in crore) [#] (As on 31 st March of each year)	98,417.12	1,06,926.76	1,09,997.15	1,18,792.68
Rate of growth of Overall Debt (per cent)	10.15	8.65	2.87	8.00
GSDP in nominal terms (₹in	1,67,793	1,88,561	2,20,204	2,41,133

Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24
crore)				
Nominal GSDP growth (<i>per cent</i>)	2.25	12.38	16.78	9.50
Overall Debt/GSDP (<i>per cent</i>)	58.65	56.71	49.95	49.26
Debt maturity profile of repayment of State/UT debt – including default history, if any				
0-2 years	Information not available.			7,388.20
2-5 years				20,638.24
5-10 years				22,863.63
Over 10 years				31,743.43
Repayment of Gross Borrowings (<i>per cent</i>)	81.54	85.54	90.75	86.37
Net borrowings available as percentage of Gross Borrowings	18.46	14.46	9.25	13.63
Interest payment on Overall Debt (includes interest on debt of erstwhile state)	6,372.46	7,360.31	8,493.82	9,924.96
Effective rate of interest on Overall Debt (<i>per cent</i>) ^{&}	7.52	7.90	8.63	9.55
Interest payments to Revenue receipts (<i>per cent</i>)	12.14	12.42	12.31	14.16
Revenue Deficit/ Surplus	138.27	30.83	5,976.61	3,486.22
Primary Revenue Balance (PRB) [@]	6,234.19	7,329.48	14,470.43	13,411.18
Primary Balance (PB) ⁺⁺	-4,320.90	-3,790.29	3,638.45	1,316.88
PB/GSDP (<i>per cent</i>)	-2.58	-2.01	1.65	0.55
Difference between RoI [^] and effective rate of interest on Overall Debt	-7.52	-7.80	-8.39	-8.59
Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)				
Ways and means advances (no of days)	260	125	147	166
Overdraft (No of days)	58	178	135	110
Debt Stabilisation (Quantum spread [§] + Primary balance)	-9,024.52	570.32	11,766.82	1,264.11
Domar Criteria				
GSDP (in constant terms)	1,12,400	1,15,402	1,29,055	1,38,422
Real Growth (in constant terms)	-1.33	2.67	11.83	7.26
Inflation based on CPI (<i>per cent</i>)	5.79	7.20	6.32	4.15
Effective rate of interest	7.52	7.90	8.63	9.55
Real effective rate of interest (Effective rate of interest-Inflation)	1.73	0.70	2.31	5.40
Growth Interest Differential (Real growth-Real effective rate of interest)	-3.07	1.98	9.53	1.85

Source: Finance Accounts

Note: Real Growth rate calculated for GSDP at constant prices and Real Interest rate is the nominal interest rate adjusted for inflation.

Outstanding Overall Liability/Debt is the sum of outstanding balances under the heads 6003-Internal Debt, 6004 Loans and Advances from the Central Government and Public Accounts Liabilities. Outstanding Overall Debt excludes ₹2,099.80 crore during the year 2020-21 and ₹5,945.29 crore (₹2,099.80 crore and ₹3,845.49 crore) during the year 2021-22 as back-to-back loans from GoI in lieu of GST compensation shortfall, which are not to be repaid by the State from its resources. This includes ₹82,050.51 crore liability/debt of the erstwhile State

& Effective Rate of Interest: {Interest Payments/[(Average Outstanding Debt of Previous and Current Financial Year (Excluding Non-interest Bearing Liabilities)

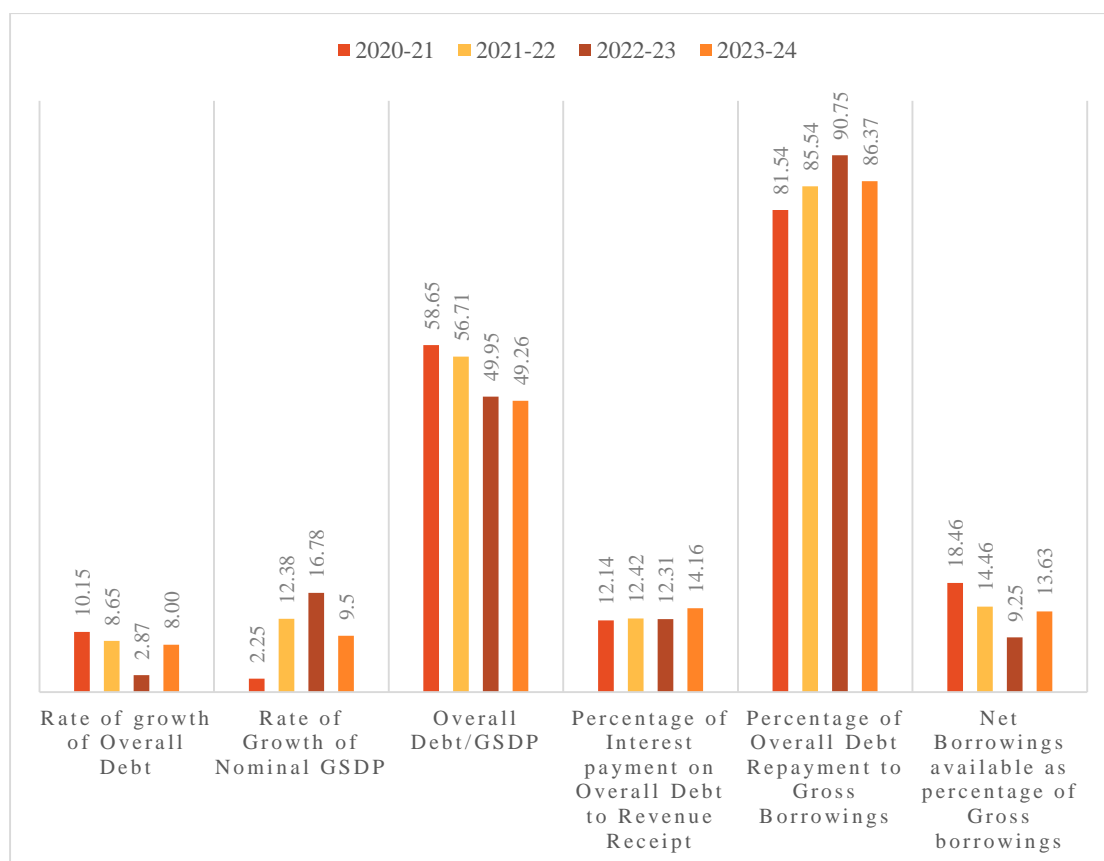
© PRB: Revenue receipts-Revenue expenditure (net of interest payments), where (-) PB implies Primary Deficit

++PB: Total Receipts (net of borrowings) -Total Expenditure (net of interest payments), where (-) PB implies Primary Deficit.

^ RoI: Return on Investment = Interest received/[(opening balance of Loan and advances outstanding + closing balance of Loan and advances outstanding)/2] *100

§ Quantum spread = (Debt X Rate spread) where Rate spread = (GSDP growth rate-Interest rate).

Chart 2.19: Trends of Debt Sustainability Indicators



i) Despite the declining trend, the average debt burden, measured by the total liabilities-GSDP ratio remained over 53 per cent. It decreased from 58.65 per cent in 2020-21 to 49.26 per cent in 2023-24. During 2021-2024³¹, nominal growth perpetually exceeded the debt growth, thereby leading to consistent decline in debt-GSDP ratio. Debt dynamics shows that the Growth Interest Differential (GID), which remained favourable in 2021-22 improved significantly in 2022-23 and declined in 2023-24. The primary balance which remained negative in 2020-21 and 2021-22 improved substantially and thereby turning positive in 2022-23 and continued to remain favourable in 2023-24 despite deterioration compared to previous year.

³¹ 2020-21 being the first financial year of UT of Jammu & Kashmir is considered as the base year for fiscal analysis.

- ii) Debt burden relative to GSDP witnessed the sharpest three-year decline of 6.76 percentage points in 2022-23, taking the debt-GSDP ratio down from 56.71 *per cent* in 2021-22 to 49.95 *per cent* in 2022-23. Despite the deteriorating GDP, the primary surplus generated by UT of Jammu and Kashmir was sufficient to balance the impact of the GDP, leading to marginal reduction in its debt burden in 2023-24.
- iii) According to the Domar criterion, the average real growth remained higher than the average real interest rate, as evident from the average GDP that remained favourable during 2021-2024. In contrast to the nominal growth, the effective interest rate (in nominal terms) remained largely driven by inflation. Average inflation as measured by the CPI remained close to the upper tolerable limit (2-6 *per cent*) of the bandwidth set by the RBI, which helped the UT of Jammu and Kashmir to keep the real interest rate below the real growth.
- iv) The Union Territory of Jammu & Kashmir needs to demonstrate fiscal prudence by consistent increase in developmental expenditure which observed fluctuating trend since 2020-21 by steady reduction in Committed expenditure. On average, Committed expenditure of the UT of J&K accounts for over 75 *per cent* of Revenue expenditure and eats up over 72 *per cent* of Revenue receipts, sharply reducing fiscal space for growth-boosting spending. Salary & Wages constitutes over 44 *per cent* of Revenue expenditure and consumed over 42 *per cent* of Revenue receipts, followed by pension outgo (17 *per cent* of Revenue expenditure and 17 *per cent* of Revenue receipts) and interest payments (13 *per cent* of Revenue expenditure and 13 *per cent* of Revenue receipts). Therefore, the UT of J&K should focus on steadily reducing its Committed expenditure in order to reduce its dependence on borrowings in view of the declining trend in grants from the Centre, so as to increase resource availability and achieve potential growth, ultimately stabilising its debt-GSDP ratio in the medium and long term.
- v) Overall Debt Repayments/Overall Debt Receipts: Higher the percentage of overall debt repayments to overall debt receipts, the greater the proportion of debt utilised for debt servicing rather than productively. Ratio of Repayment to Gross borrowings increased from 81.54 *per cent* in 2020-21 to 86.37 *per cent* in 2023-24. Net borrowings available as percentage of Gross Borrowings decreased from 18.46 *per cent* in 2020-21 to 9.25 *per cent* in 2022-23. However, during 2023-24 it marginally increased to 13.63 *per cent*. It indicates that 13.63 *per cent* of net borrowing was available during 2023-24 with the Government after repayment of earlier debts.
- vi) Ratio of interest payments to Revenue receipts is also a good measure of debt sustainability. Ratio of interest payments to Revenue receipts showed an increasing trend from 12.14 *per cent* in 2020-21 to 14.16 *per cent* in 2023-24 which is indicative of decreased debt sustainability.

vii) UT has obtained ways and means advance/overdraft on days ranging from 318 to 276 during 2020-21 to 2023-24 which is indicative of weak liquidity management.

The Debt of the erstwhile State is being serviced by the UT of Jammu & Kashmir. Therefore, debt sustainability analysis has been carried on overall debt/liability inclusive of Debt/liability amounting to ₹82,050.51 crore of the erstwhile State which is yet to be apportioned between the two Union Territories viz UT of Jammu & Kashmir and UT of Ladakh.

2.7.1 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not a healthy trend. **Table 2.33** depicts the utilisation of borrowed funds during 2020-24.

Table 2.33: Utilisation of borrowed funds during 2020-21 to 2023-24

(₹ in crore)					
S. No.	Year	2020-21	2021-22	2022-23	2023-24
1	Total borrowings ³²	42,097.29	48,880.23	38,922.93	55,396.60
2	Repayment of borrowings (Principal) (percentage)	33,563.32 (79.73)	41,575.17 (85.06)	34,066.90 (87.52)	46,791.96 (84.47)
3	Net Capital expenditure ³³ met out of borrowings(percentage)	8,533.97 (20.27)	7,305.06 (14.94)	4,856.03 (12.48)	8,604.64 (15.53)
4	Net of loans and advances met out of borrowings (percentage)	NA	NA	NA	NA
5	Portion of Revenue expenditure met out of net available borrowings (percentage)	NA	NA	NA	NA
6	Total budget of the UT ³⁴	1,33,595.72	1,39,795.19	1,49,582.03	1,57,212.90
7	Expenditure against total budget	96,786.29	1,11,983.49	1,07,948.46	1,25,551.48
8	Repayment of borrowings (Principal) to total expenditure (per cent)	34.68	37.13	31.56	37.27

Source: Finance Accounts and Appropriation Accounts.

Table 2.33 shows that the repayment of borrowings (principal) to total expenditure of the UT ranged between 31.56 per cent and 37.27 per cent of the total expenditure during the period 2020-21 to 2023-24. During this period, the UT Government utilised 79.73 per cent to 87.52 per cent of its current borrowings for repayment of borrowings (principal). Net Capital expenditure ranged between 12.48 per cent

³² Includes Public Debt receipts (2020-21: ₹42,732.93 crore; 2021-22: ₹54,045.35 crore; 2022-23: ₹38,114.47 crore; 2023-24: ₹53,482.76 crore) and Net of Public Accounts receipts (2020-21: ₹1,464.16 crore; 2021-22: ₹(-)1319.63 crore; 2022-23: ₹808.46 crore; 2023-24: ₹1,913.84 crore). These exclude back-to-back loans of ₹2,099.80 crore and ₹3,845.49 crore received from GoI in lieu of GST Compensation shortfall during 2020-21 and 2021-22 respectively.

³³ Total Capital expenditure during 2020-21: ₹10,470.38 crore; 2021-22: ₹11,047.04 crore; 2022-23: ₹10,773.78 crore; 2023-24: ₹12,088.85 crore

³⁴ Adopted from Appropriation Accounts. Total Budget during 2020-21 to 2022-23, includes Original, supplementary and reappropriations/ augmentations.

and 20.27 per cent during the period 2020-2024. Thus, the major portion of borrowed funds was used for repayment of borrowings instead of capital creation/ development activities. Further no amount was available for disbursing any loans or advances or for meeting other Revenue expenditure. The UT Government spent 15.53 per cent of the borrowed funds on Capital expenditure during 2023-24 as against 12.48 per cent spent during 2022-23.

2.7.2 Status of Guarantees – Contingent Liabilities

As at the end of the year 2023-24 (31 October 2019 to 31 March 2024) post re-organisation cumulative amount guaranteed by the Government of Union Territory is ₹24,484.97 crore (under reconciliation with Government of Union Territory of Jammu and Kashmir). Further, there is also outstanding guarantees of ₹452.65 crore given by the erstwhile State of Jammu and Kashmir (ending 30 October 2019 pre re-organisation) which is yet to be apportioned between the successor Union Territories of Jammu and Kashmir and Ladakh. No guarantee commission/ fee was received by Government of Union Territory of Jammu and Kashmir during 2023-24. J&K FRBM Act limits the amount of annual incremental risk weighted guarantees to 75 per cent of the total Revenue receipts in the year preceding the current year or at 7.5 per cent of GSDP of the year preceding the current year, whichever is lower. As per Statement 9 of the Finance Accounts, details of the guarantees and status of outstanding guarantees to total receipts for the last three years are given in **Table 2.34**.

Table 2.34: Guarantees given by the UT Government

(₹ in crore)

Guarantees	2020-21	2021-22	2022-23	2023-24
Ceiling applicable to the outstanding amount of guarantees:				
(i) 75 per cent of Revenue receipts of previous year	NA	39,371.61	44,428.88	51,731.96
(ii) 7.5 per cent of GSDP of previous year	12,307.73	12,584.48	14,142.08	16,515.30
(iii) Least of the above two	12,307.73	12,584.48	14,142.08	16,515.30
Outstanding amount of guarantees at the end of year	1,486.07	12,328.80	24,867.44	24,484.97
Increase in the amount of outstanding guarantees during the year	NA	10,842.73	12,538.64	-382.47

Source: Finance Accounts and Annual Financial Statements

There was a decrease of ₹382.47 crore in the amount of outstanding guarantees of UT Government from ₹24,867.44 crore in 2022-23 to ₹24,484.97 crore in 2023-24, hence it was within the ceiling limits³⁵. The outstanding guarantees for ₹24,484.97 crore as on 31 March 2024 were in respect of Power (₹22,189.50 crore); Cooperatives (-₹32.00 crore³⁶); State Financial Corporation (₹14.37 crore) and Other institutions (₹2,313.10 crore).

³⁵ 75 per cent of Revenue Receipts of ₹68,975.95 crore during 2022-23 is ₹51,731.96 crore and 7.5 per cent of GSDP of ₹2,20,204 crore during 2022-23 is ₹16,515.30 crore.

³⁶ Minus figures due to non-apportionment of Assets and Liabilities as a result of reorganisation.

In reply, the Finance Department stated (February 2025) that it shall collect guarantee commission/fee from entities/PSUs.

2.7.3 Management of Cash Balances

As per an agreement with the Reserve Bank of India, UT Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum amount on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/ Special Ways and Means Advances (SWMA)/ Overdrafts (OD) from time to time. The limit for ordinary WMA to the Government are revised by the RBI from time to time.

The Government of Union Territory of Jammu and Kashmir maintained minimum cash balance of ₹1.14 crore on 90 days without resorting to Normal Ways and Means Advances and Overdraft, availed Normal Ways and Means Advances on 166 days and on 110 days it had to avail Overdraft too from RBI. The balance at the end of 31 March 2024 was (-)₹692.11 crore under Normal Ways and Means Advances.

There was also a balance of ₹692.11 crore under Normal Ways and Means Advances as on 30 October 2019 which is yet to be apportioned between the successor Union Territories viz. Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

Union Territory Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are to be credited as receipts under the head '0049-Interest Receipts'.

Details of cash balances and their investment during 2022-23 and 2023-24 are given in **Table 2.35**

Table 2.35: Cash Balances and their investment

	(₹ in crore)	
	Closing balance on 31 March 2023	Closing balance on 31 March 2024
A. General Cash Balance		
Cash in treasuries	0.00	0.00
Deposits with Reserve Bank of India	1,448.31	1,444.87
Deposits with J&K Bank and other Banks	0.00	0.00
Remittances in transit – Local	0.00	0.00
Total	1,448.31	1,444.87
Investments held in Cash Balance investment account	0.00	150.95
Total (A)	1,448.31	1,595.82
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	0.00	0.00
Permanent advances for contingent expenditure with department officers	0.00	0.00
Investment in earmarked funds	0.00	0.00
Total (B)	0.00	0.00
Total (A + B)	1,448.31	1,595.82
Interest realized	0.03	0.00

Source: Finance Accounts

The Cash balance as on 31 March 2024 as per the records of the office of the Principal Accountant General (A&E) was ₹1,444.87 crore (Debit) and that reported by the Reserve Bank of India (RBI)³⁷ was ₹1,445.69 crore (Credit). There was a net difference of ₹0.82 crore (Debit), mainly due to non-reconciliation by Government of UT of Jammu and Kashmir with RBI/Agency Bank. The difference is under reconciliation.

The general cash balance of ₹1,595.82 crore at the close of the year was not even equal to the balance of ₹1,807.12 crore shown in cash in earmarked reserve funds, which means that reserve funds were used for other than intended purpose.

Details of Cash Balance Investment Account during 2020-24; and month-wise movement of cash balance and net cash balance investments at the end of month during the year 2023-24 are depicted in **Table 2.36** and **Chart 2.20** respectively.

Table 2.36: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

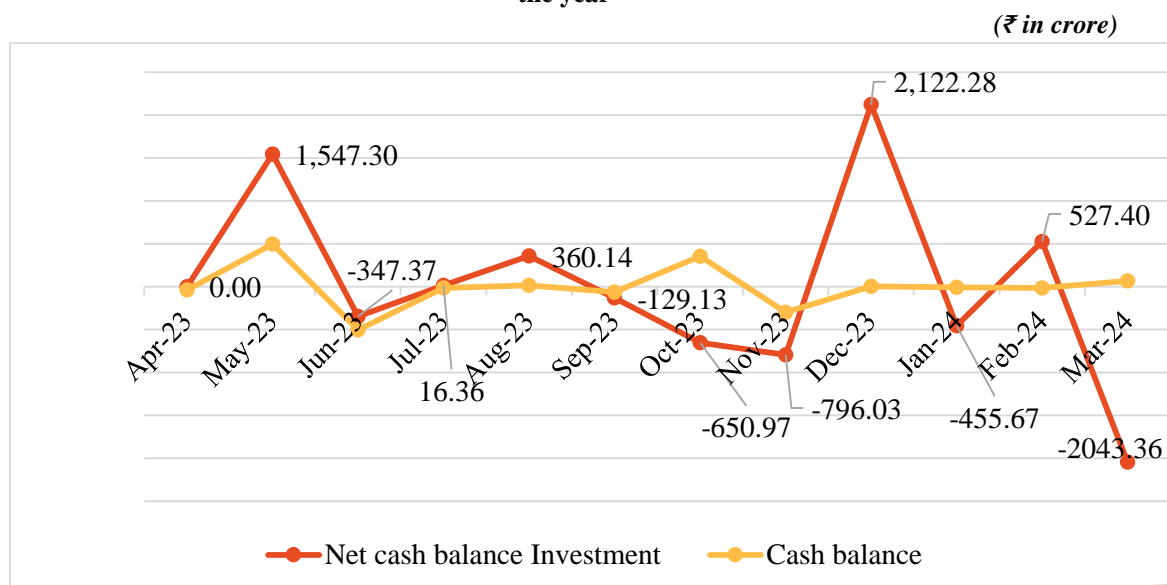
Year	Opening Balance	Closing Balance	Increase (+) / Decrease (-)	Interest earned
2020-21	0.00 (383.92)	0.00 (383.92)	-	0.11
2021-22	0.00 (383.92)	0.0001 (383.92)	0.0001	0.00
2022-23	0.0001 (383.92)	0.0001 (383.92)	-	0.03
2023-24	0.0001 (383.92)	150.95 (383.92)	150.95	0.00

Source: Finance Account; Figures in parenthesis denotes the cash balance investment at the end of 30 October 2019 yet to be apportioned between UT of J&K and UT of Ladakh.

Negligible amount was held in Cash Balance Investment Account by the Government of UT of Jammu and Kashmir at the close of the year 2022-23. However, an amount of ₹383.92 crore was held in the Cash Balance Investment Account at the end of 30 October 2019, which is yet to be apportioned between UT of J&K and UT of Ladakh. Government earned an interest of ₹0.03 crore on cash balance investment during 2022-23. An amount of ₹150.95 crore was held in Cash Balance Investment Account at the close of the year 2023-24.

³⁷ Worked out by Principal Accountant General (A&E) by excluding transactions pertaining to the UT of Ladakh for the period 31 October 2019 to 31 March 2020, during which a single account was maintained by RBI in respect of both UTs (UT of J&K and UT of Ladakh)

Chart 2.20: Month-wise movement of Cash Balances and net cash balance investments during the year



Source: Finance Accounts

Table 2.37: Month wise cash balance and net cash balance Investment during 2023-24

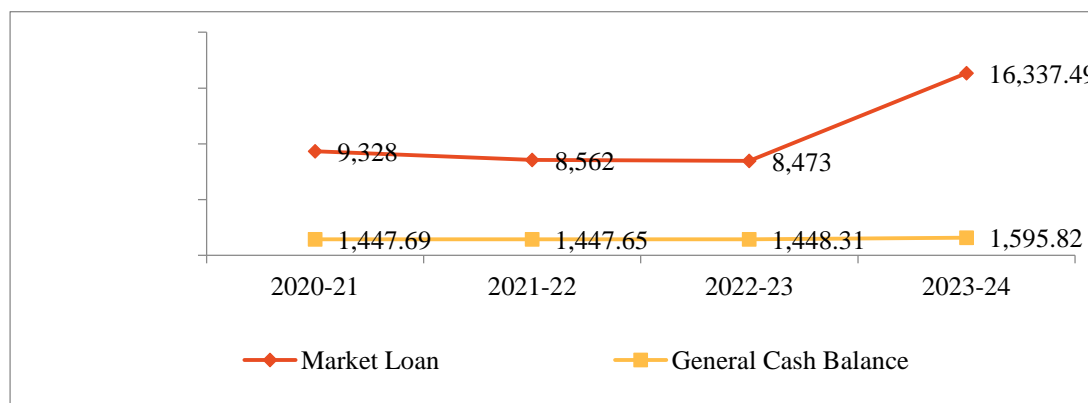
(₹ in crore)

Month	Cash Balance	Net cash balance investment
April 2023	-38.67	0.00
May 2023	497.97	1,547.30
June 2023	-504.47	-347.37
July 2023	-13.00	16.36
August 2023	15.37	360.14
September 2023	-61.83	-129.13
October 2023	354.49	-650.97
November 2023	-298.38	-796.03
December 2023	3.94	2,122.28
January 2024	-8.39	-455.67
February 2024	-13.25	527.40
March 2024	66.18	-

Source: Finance Account

Chart 2.21: Market Loans vis-a vis Cash Balance

(₹ in crore)



Source: Finance Accounts

During the year 2023-24 UT Government could have avoided market borrowings to the extent of general cash balance (₹1,595.82 crore) held as deposit with Reserve Bank of India. Interest earned on cash balance was nil in comparison to the average rate of interest of 9.64 *per cent* paid by the Government on Public Debt during 2023-24.

2.8 Conclusions

- Buoyancy of UT's Own Tax Revenue to GSDP which decreased from 2.58 *per cent* in 2021-22 to 0.32 *per cent* in 2022-23, increased to 1.34 *per cent* in 2023-24. Of the total Revenue receipts of ₹70,107.69 crore during 2023-24, the Grants-in-Aid from GoI (₹49,774.14 crore) constituted 71 *per cent* of total Revenue receipts.
- The collection under own resources (Own Tax Revenue and Own Non-Tax Revenue) fell short by 40.09 *per cent* of budget estimates and 15.05 *per cent* of revised estimates. UT's own resources of ₹20,333.55 crore during 2023-24 were sufficient only to meet 41.75 *per cent* of the Committed expenditure of ₹48,703.01 crore incurred on salaries, interest and pension etc., during the year.
- Total expenditure increased by ₹15,556.04 crore (24.63 *per cent*) from ₹63,165.77 crore in 2020-21 to ₹78,721.81 crore in 2023-24. Revenue expenditure constituted the predominant proportion (83 *per cent* in 2020-21 to 85 *per cent* in 2022-23) of total expenditure. However, Capital expenditure decreased from 17 *per cent* in 2020-21 to 15 *per cent* in 2023-24. More than 50.40 *per cent* of total expenditure was on Salary & Wages and Pension & gratuities. Expenditure on works accounted for 15.15 *per cent* of total expenditure.
- The total liabilities of the UT Government had been on the rise as it increased by 146.92 *per cent* from ₹14,880.48 crore in 2020-21 to ₹36,742.17 crore in 2023-24. Taking into account the outstanding Off Budget Borrowings ₹23,742.42 crore availed and the repayment of Off Budget Borrowings of ₹6,568.71 crore made from the Internal debt, the liabilities to GSDP ratio of UT Government will increase from 15.24 *per cent* to 27.81 *per cent*.
- As per Finance Accounts for the year 2023-24, there were 30 incomplete/ongoing projects in Jal Shakti Department Jammu as on 31 March 2024 out of which 26 projects on which expenditure of ₹31.88 crore was incurred pertained period prior to 2020-21. Delay in projects not only adversely affected the quality of expenditure but also deprived the UT of the intended benefits of economic growth.
- The ratio of Interest payments to Revenue receipts increased from 12.14 *per cent* in 2020-21 to 14.16 *per cent* in 2023-24 and indicated decreased debt sustainability. UT has obtained ways and means advance/overdraft on days ranging from 318 to 276 during 2020-21 to 2023-24 which is indicative of weak liquidity management. Debt/liability amounting to ₹82,050.51 crore of the

erstwhile State which is yet to be apportioned between the two Union Territory's, Jammu & Kashmir and Ladakh.

- The Government of UT of Jammu and Kashmir had total outstanding loans and advances of ₹231.91 crore ending 31 March 2024. In addition, there were loans and advances of ₹1,740.44 crore disbursed by the Government of the erstwhile State which were outstanding ending 30 October 2019 and were yet to be divided between the Union Territory of Jammu and Kashmir and Union Territory of Ladakh. Recoveries of Loans and Advances are not forthcoming from loss making public-sector undertakings.

2.9 Recommendations

1. *The Government needs to settle the pending tax claims timely, settle the arrears in assessment of taxes and recover the arrears of revenue and improve local tax base for better resource mobilisation.*
2. *The Government should explore ways to minimise its Committed expenditure, so that more funds could be made available for development expenditure.*
3. *The Government needs to institute a robust mechanism for monitoring the progress of incomplete projects of the all the Departments and ensure their time-bound completion.*

Chapter-III
Budgetary Management

CHAPTER-III

BUDGETARY MANAGEMENT

3.1 Budget Process

The Office of the Principal Accountant General (Accounts and Entitlements) of Union Territory (UT) of Jammu and Kashmir is responsible for compilation and preparation of the Annual Accounts of the Union Territory Government. This is in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and Section 71 of Jammu and Kashmir Re-organisation Act, 2019.

The Appropriation Accounts of the Government of Union Territory of Jammu and Kashmir for the year 2023-24 present the accounts of sums expended in the year ended 31st March 2024 compared with the sums specified in the schedules appended to the Appropriation Acts passed under Articles 204 and 205 of the Constitution of India.

The Annual Accounts have been compiled from the vouchers, challans and initial and subsidiary accounts as received from the treasuries, offices and departments of the Government of Union Territory of Jammu and Kashmir and the statements received from the Reserve Bank of India.

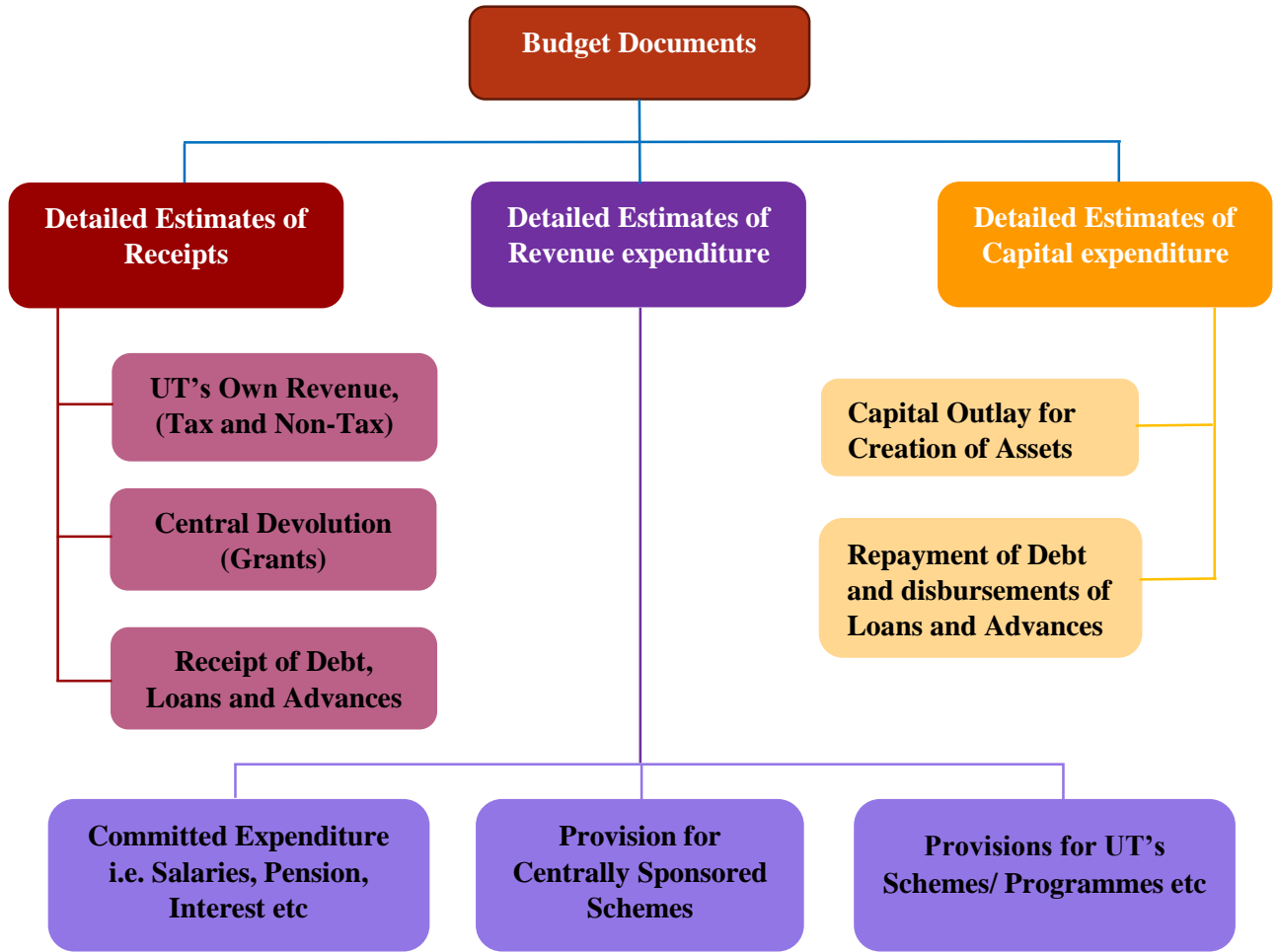
The audit of the Annual Accounts is conducted through the Office of the Principal Accountant General (Audit) in accordance with the requirements of Articles 149 and 151 of the Constitution of India, Section 72 of the Jammu and Kashmir Re-organisation Act, 2019 and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for expressing an opinion on these Accounts based on the results of such audit.

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. Appropriation Accounts are accounts of the expenditure, voted and *charged*¹, of the Government for each financial year compared with the amounts of voted Grants and Appropriations *charged* for different purposes as specified in the schedules appended to the Appropriation Acts passed under Sections 43 and 44 of the Jammu and Kashmir Re-organisation Act, 2019.

Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts. Budget glossary is given in **Appendix 5**. A typical budget preparation process is given in **Chart 3.1**.

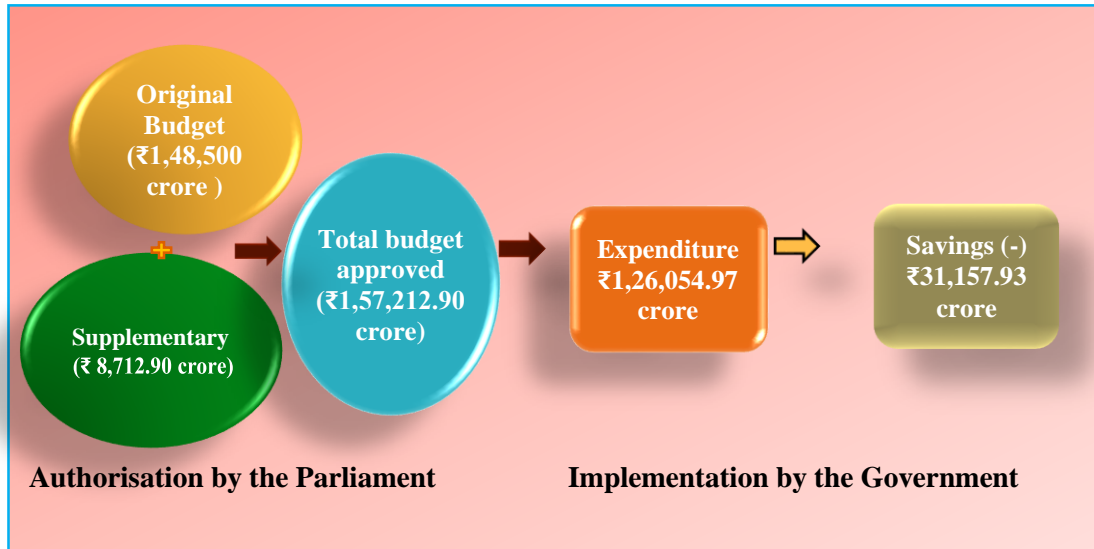
¹ **Charged expenditure:** Certain categories of expenditure (e.g. Salaries of Constitutional authorities, loan repayments etc.), constitute a charge on the Consolidated Fund of the Union Territory and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

Chart 3.1: Details of Union Territory Budget Documents



After creation of the Union Territory of Jammu and Kashmir by virtue of the Jammu and Kashmir Re-organisation Act, 2019 with effect from 31 October, 2019, the Union Territory of Jammu and Kashmir continues to be under President's rule (as on 31st March, 2024) vide Gazette Notification S.O. 3937 (E), dated 31 October, 2019. The powers of the legislature of the Union Territory of J&K are exercised by or under the authority of the Parliament. The various components of Budget 2023-24 are depicted in **Chart 3.2**.

Chart 3.2: Flow Chart of Budget Implementation



Source: Based on the procedure prescribed in Budget Manual and Appropriation Accounts 2023-24.

As per Article 114 (2) of the Constitution of India, no amendment shall be proposed to any such Bill in either House of Parliament which will have the effect of varying the amount or altering the destination of any Grant so made or of varying the amount of any expenditure charged on the Consolidated Fund of India, and the decision of the person presiding as to whether an amendment is inadmissible under this clause shall be final. Article 114 (3) further states that subject to the provisions of Articles 115 and 116, no money shall be withdrawn from the Consolidated Fund of India except under Appropriation made by law passed in accordance with the provisions of this article.

Section 14.8.1 of the Jammu and Kashmir Budget Manual 2020 states that once the final Re-appropriation process is completed, implementation of a budget during a year gets concluded. The overall position of the behavior of the budget thus gets known and is reflected in the Appropriation Accounts prepared by the Comptroller and Auditor General of India. This account indicates the original estimates as approved by the Legislature and how these stands modified by the acts of Re-appropriation, Supplementary Grants and acceptance of surrenders. Such accounts are prepared in respect of every individual Grant and presented to the Legislature by the Comptroller and Auditor General with comments.

The Original Demands for Grants as per the Jammu and Kashmir (No.2) Appropriation Act, 2023 passed by the Parliament was ₹1,48,500.00 crore, which was followed by Supplementary Demands for Grants of ₹8,712.90 crore in respect of four Grants and one Appropriation. The overall expenditure incurred during 2023-24 was ₹1,26,054.97 crore.

3.1.1 Summary of total provisions, actual disbursements and savings during financial year 2023-24

A summarised position of total budget provision, disbursement and saving/ excess with its further bifurcation into voted/*charged* during 2023-24 for total 36 Grants/Appropriations is given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and saving/excess during the financial year 2023-24

(₹ in crore)

Description	Total Budget provisions		Disbursements		Savings (-)/ Excess (+)	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	70,603.14	9,770.09	57,098.96	10,026.00	-13,504.18	+ 255.91
Capital	33,417.58	0.0	12,126.56	0.0	-21,291.02	0.00
Loans and Advances	98.79	0.0	11.49	0.0	-87.30	0.00
Public Debt	0.0	43,323.30	0.0	46,791.96	0.00	+3,468.66
Total	1,04,119.51	53,093.39	69,237.01	56,817.96	-34,882.50	+3,724.57

Source: Appropriation Accounts 2023-24

During 2023-24, savings of ₹34,882.50 crore (33.50 per cent) was noticed in the voted section whereas excess expenditure of ₹3,724.57 crore (7.02 per cent) was incurred in the *charged* section, as shown in the table above.

In reply, the Finance Department stated (February 2025) that a mechanism shall be worked out to prevent excess.

3.1.2 Charged and Voted disbursements

Break-up of total disbursement into *charged* and voted during 2023-24 is given in **Table 3.2**.

Table 3.2: Disbursement and Saving/ Excess during 2023-24

(₹ in crore)

Year	Disbursements		Saving (-)/ Excess (+)	
	Voted	Charged	Voted	Charged
2023-24	69,237.01	56,817.96	(-)34,882.50	(+)3,724.57

Source: Appropriation Accounts 2023-24

As can be seen from the above table, there were savings of ₹34,882.50 crore in the voted section and excesses of ₹3,724.57 crore in the *charged* section during the year 2023-24.

3.1.3 Budget Marksmanship

Aggregate Expenditure Outturn

Aggregate expenditure outturn measures the deviation in actual expenditure (Actuals) compared with the Budget Estimate (BE) originally approved, both in terms of less than and more than approval, as given in **Table 3.3**.

Table 3.3: Comparison of Budget Estimates and Actual Outturn during the year 2023-24*(₹ in crore)*

Description	Approved Budget (Original + Supplementary) (BE)	Actual Outturn	Difference between Actuals and BE*
(1)	(2)	(3)	(4)
Revenue	80,373.23	67,124.96	-13,248.27
Capital	76,839.67	58,930.01	-17,909.66
Total	1,57,212.90	1,26,054.97	-31,157.93

*Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure

Source: Appropriation Accounts 2023-24

In the Revenue section, there was saving of 16.48 per cent compared with Budget Estimates (BE). This was due to excess/ saving up to 25 per cent in 24 Grants, between 25 per cent and 50 per cent in 10 Grants; and between 50 per cent and 100 per cent in two Grants (**Appendix 3.1**).

In the Capital section, there was saving of 23.31 per cent compared with BE. This was due to saving/ excess up to 25 per cent in two Grants, between 25 per cent and 50 per cent in three Grants; and between 50 per cent and 100 per cent in 31 Grants (**Appendix 3.2**).

Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition as shown in **Table 3.4**.

Table 3.4: Comparison of Budget Estimates, Revised Estimates and Actual Outturn during the year 2023-24*(₹ in crore)*

Description	Approved Budget (Original + Supplementary) (BE)	Revised Estimates (RE)	Actuals Outturn	Difference between BE and RE	Difference between Actual and RE*
(1)	(2)	(3)	(4)	(5)	(6)
Revenue	80,373.23	76,154.75	67,124.96	4,218.48	-9,029.79
Capital	76,839.67	65,178.40	58,930.01	11,661.27	-6,248.39
Total	1,57,212.90	1,41,333.15	1,26,054.97	15,879.75	-15,278.18

*Excess of actuals over revised estimate is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure

Source: Appropriation Accounts 2023-24 and Demand for Grants 2024-25

In the Revenue section, there was saving of 11.86 per cent compared with Revised Estimates (RE). This was due to excess/saving up to 25 per cent in 32 Grants, between 25 per cent and 50 per cent in four Grants. (**Appendix 3.3**).

In the Capital section, there was saving of 9.59 per cent compared with RE. This was due to excess/ saving up to 25 per cent in four Grants, between 25 per cent and 50 per cent in 13 Grants and between 50 per cent and 100 per cent in 19 Grants. (**Appendix 3.4**).

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of Grants voted and Appropriations charged for different purposes as specified in the Schedules appended to the Appropriation Act passed under Article 204 of the Constitution of India. Appropriation Accounts are on gross basis. These Accounts depict the Original budget provisions, Supplementary Grants, Surrenders and Re-appropriations distinctly and indicate actual Capital and Revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both *Charged* and Voted items of budget. Appropriation Accounts, thus, facilitate understanding of utilisation of funds, management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of Appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution of India (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Integrity of Budgetary and Accounting Process

3.3.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the Union Territory except under Appropriation made by law passed in accordance with the provisions of Section 43 of Jammu and Kashmir Re-organisation Act 2019.

An amount of ₹5,214.45 crore was incurred under 35 schemes/ Sub Heads in nine Grants (**Appendix 3.5**) without budgetary provision during 2023-24 which needs to be regularised.

3.3.2 Classification of expenditure of Revenue nature as Capital expenditure or vice-versa

Classification of expenditure of Revenue nature as Capital expenditure or *vice-versa*, results in overstatement/understatement of Revenue expenditure and Revenue deficit/surplus.

During 2023-24, a sum of ₹195.01 crore of Revenue expenditure as detailed below was disbursed under Capital Major Heads of expenditure, thereby resulting in overstatement of Capital expenditure and understatement of Revenue expenditure and overstatement of revenue surplus to the extent of ₹195.01 crore.

This includes Grants-in-Aid of ₹147.71 crore under the schemes upgradation of Government Medical Colleges for increasing PG and MBBS/UG seats, Implementation of AYUSH and Crop Husbandry schemes like Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PM-FME), Sub-Missions on

Agriculture Mechanization, Agro Forestry, Seed and Planting Material, Rainfed Area Development Programme, Praramparagat Krishi Vikas Yojana, Soil Health & Fertility etc . Besides this, there was misclassification of subsidy amount of ₹47.30 crore for the schemes of National Horticulture Mission and Subsidy on replacement of old fleet (Transport Department).

Table 3.5: Classification of expenditure of Revenue nature as Capital expenditure

S. No.	Major Head of Account	Type of Misclassification	Amount (₹ in crore)
1	4210 and 4401	Grants-in-Aid classified as Capital expenditure	147.71
2	4401	Subsidy booked as Capital expenditure	46.45
3	5055	Subsidy on replacement of old fleet.	0.85
		Total	195.01

Source: Finance Accounts 2023-24

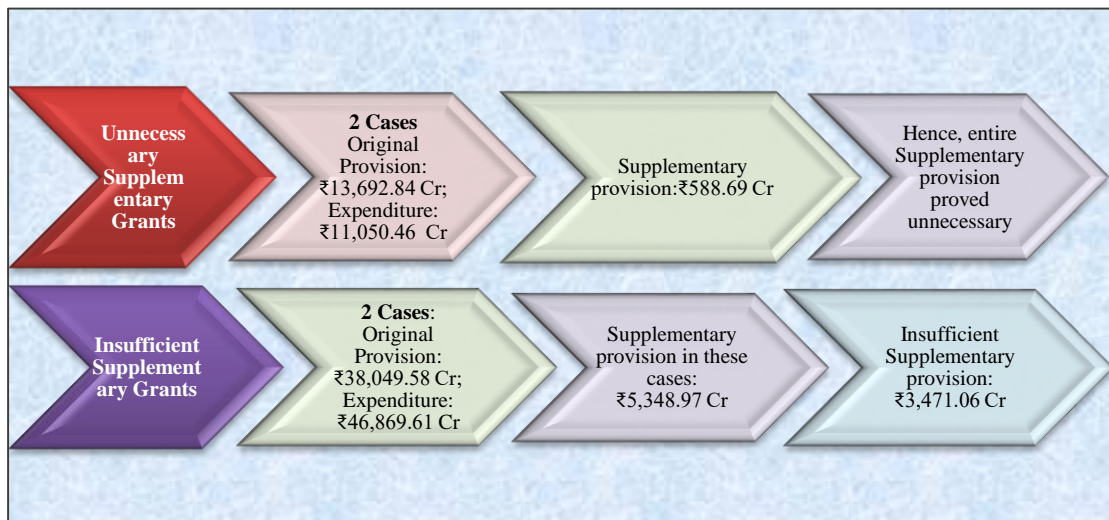
During the entry conference (September 2024), the Department assured that all such misclassifications will be rectified from the year 2024-25.

3.3.3 Unnecessary or insufficient Supplementary Grants

As per Section 44 of the Jammu and Kashmir Re-organisation Act, 2019 a Supplementary or Additional Grant over the provision made by the Appropriation Act for the year, can be made during the current financial year.

Supplementary provisions aggregating ₹588.69 crore obtained in two Grants, involving ₹50 lakh or more in each case during the year proved unnecessary as the expenditure did not come up to the level of the original provisions as detailed in **Appendix 3.6**. On the other hand, Supplementary provision of ₹5,348.97 crore in two Grants/Appropriations, involving ₹50 lakh or more in each case during the year was not adequate to meet the requirement and led to excess expenditure (**Chart 3.3**).

Chart 3.3: Unnecessary and Insufficient Supplementary Provisions



Source: Appropriation Accounts 2023-24

The Government may prepare realistic budget estimates to avoid large savings or excess expenditure as well as Supplementary provisions.

In reply, it was stated (February 2025) that the excess expenditure will be regularised and due controls will be exercised in reducing scale of savings.

3.4 Substantial savings and surrenders

Complete accuracy of estimates may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious or unrealistic estimating, it is a matter of concern. All Estimating Officers should strive to provide in the budget for everything that can be foreseen and to provide only as much as is necessary. The Administrative and Finance Departments should consider this while exercising final check on the estimates.

Budgetary allocations based on unrealistic proposals, overstretching the potential of resource mobilisation, poor expenditure monitoring mechanism and weak scheme implementation capacities/weak internal controls promote release of funds towards the end of the financial year. Excessive savings in some heads also deprive other departments of the funds which they could have utilised.

As per the Jammu and Kashmir Budget Manual, the spending departments are required to surrender the Grants/Appropriations or portion thereof to the Finance Department as and when the savings are anticipated. Out of the 36 Grants, there were savings in all the 36 Grants. All these 36 Grants have savings of ₹10 crore and above as on 31st March 2024. However, savings were not surrendered.

In case of 30 Grants, savings of ₹100 crore and above were noticed, with the percentage savings ranging between 0.18 *per cent* and 80.09 *per cent*. The savings in these cases were ₹30,803.88 crore. Relevant details are indicated in **Appendix 3.7**. The above savings also include huge savings of ₹100 crore and above by the departments under Capital section in 26 Grants amounting to ₹20,338.55 crore. Savings under the Capital section ranged between 34.56 *per cent* and 99.52 *per cent* of the total Appropriation of the Grant during 2023-24. The savings under the Capital section indicate that the Government could not utilise the funds earmarked for developmental activities/creation of assets.

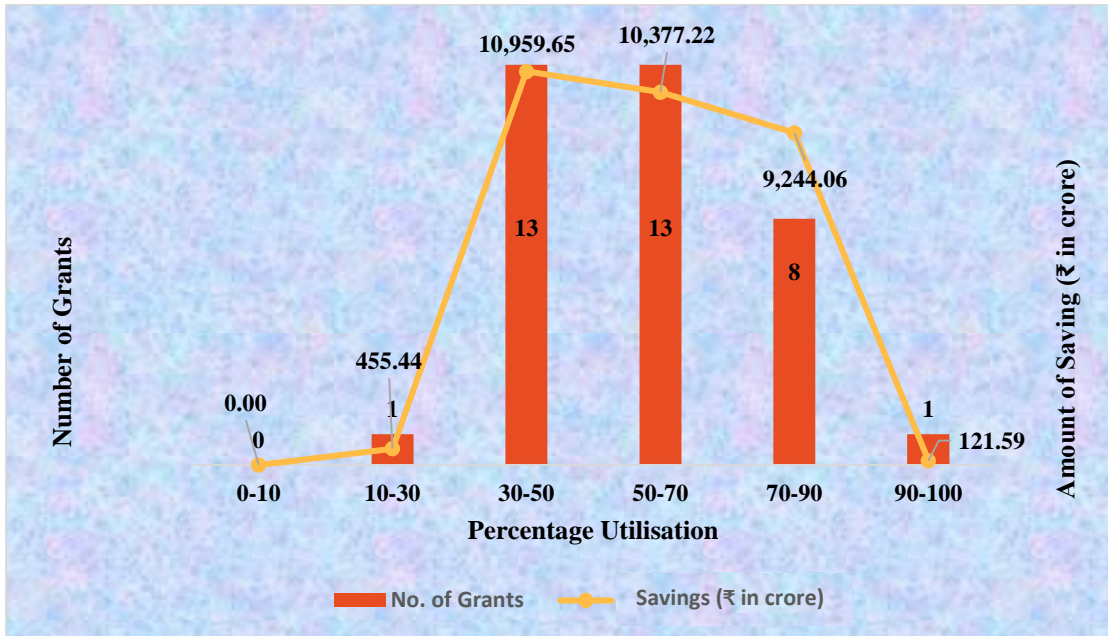
Analysis of Grants and Appropriations further showed that in 45 cases (under 28 Grants) during the year 2023-24, savings (excluding surrenders) exceeded ₹100 crore in each case (**Appendix 3.8**).

Further, it was also observed that in 37 cases under 28 Grants, there were persistent savings exceeding ₹100 crore in each case during 2021-22 to 2023-24 (**Appendix 3.9**).

It was noticed that savings (exceeding ₹one crore in each case) under 36 Grants and two Appropriations amounting to ₹34,917.96 crore (**Appendix 3.10**) were not surrendered at all.

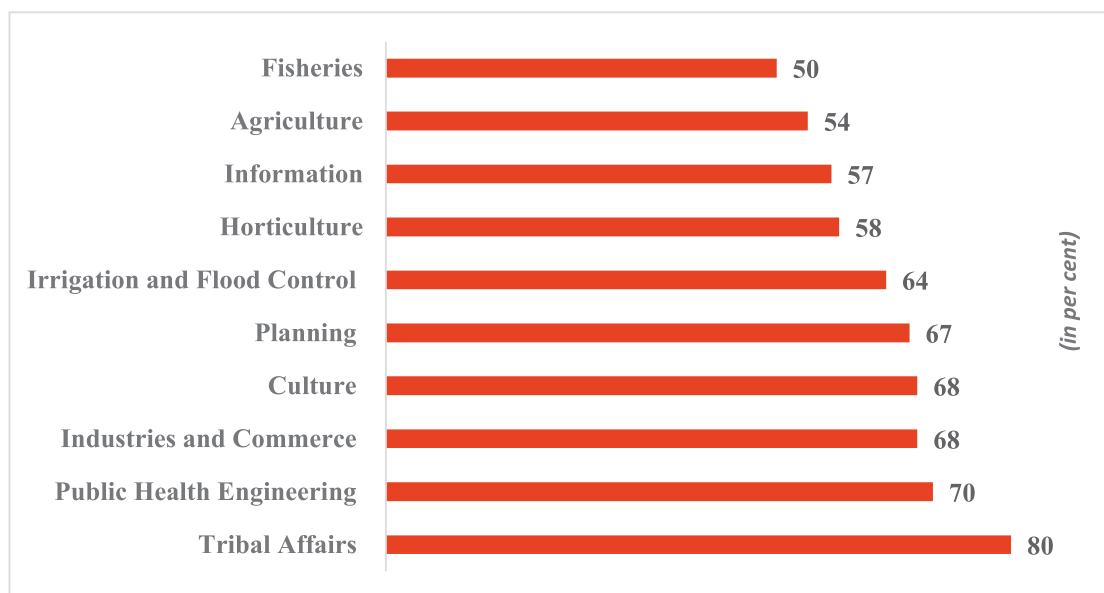
Details of Grants grouped by percentage of utilisation along with total savings during 2023-24 are shown in **Appendix 3.11** and **Chart 3.4**.

Chart 3.4: Distribution of number of Grants/Appropriations grouped by the percentage of utilisation along with total savings



The top ten departments wherein the savings in the respective Grants were more than 50 per cent were Tribal Affairs Department (₹455.44 crore, 80 per cent), Public Health Engineering Department (₹5,357.21 crore, 70 per cent), Industries and Commerce Department (₹739.98 crore, 68 per cent), Planning Department (₹618.30 crore, 67 per cent), Irrigation and Flood Control Department (₹1,303.86 crore, 64 per cent), Horticulture Department (₹428.94 crore, 58 per cent), Agriculture Department (₹1,762.02 crore, 54 per cent), Culture Department (₹183.18 crore, 68 per cent), Fisheries Department (₹133.00 crore, 50 per cent) as well as the Information Department (₹126.19 crore, 57 per cent).

Chart 3.5: Top ten Departments having savings more than 50 per cent



Sizeable percentage of savings indicated that the Government could not utilise the funds earmarked for the planned purposes.

In reply, the Finance Department stated (February 2025) that savings were largely due to less receipts against anticipated provisions under CSS and less expenditure under Capex for 2023-24 and due controls will be exercised for reducing the scale of savings in future.

3.5 Grants with Nil expenditure

The entire budget provision of ₹10,597.90 crore under 31 Grants involving 160 numbers of schemes as detailed in **Appendix 3.12** which included developmental schemes under Police, Civil Aviation Department, Power Development Department, Education Department, Industries and commerce Department, Agriculture Department, Animal and Sheep Husbandry Department, Revenue Department, Food Civil Supplies and Consumer Affairs Department, Health & Medical Education Department, Public Health Engineering Department, Irrigation and Flood Control Department, Housing and Urban Development, remained unutilised during the year resulting in denial of intended benefits to the general public. The provision could have been re-appropriated to the schemes/works where there was excess expenditure over the provision.

In reply, the Finance Department stated (February 2025) that departments will be advised to project realistic budget provision.

3.5.1 Excess over provisions requiring regularisation

Section 43 of the Jammu and Kashmir Re-organisation Act, 2019 stipulates that no money shall be withdrawn from the Consolidated Fund of the Union Territory except under Appropriation made by law passed in accordance with the provisions of this section.

Total excess expenditure amounting to ₹19,610.17 crore² was incurred by the UT Government during the period 31 October 2019 to 31 March 2024 which included excess expenditure amounting to ₹3,760.84 crore as detailed in **Appendix 3.13** under Revenue (*Charged*) and Capital (*Charged*) sections in Grant No. 08 (Finance Department), and Revenue (Voted) section in Grant No. 36 (Co-operative Department) incurred during 2023-24. Excess expenditure remaining un-regularised for extended periods vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

3.5.2 Persistent excesses in one Grant

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring legislative sanction but is also indicative of bad planning, which could be avoided by keeping track of expenditure progression with the budget made for the purpose.

Persistent excesses were noticed in Grant No. 08- Finance Department under Capital (*Charged*) section during the years 2021-22 to 2023-24. Persistent excess expenditure indicates that the budgetary control in the department was ineffective, and budget estimates were not prepared on a realistic basis. Persistent excesses may be due to improper estimation at the time of preparation of the budget.

The details of persistent excess expenditure during the period from 2021-22 to 2023-24 are mentioned in **Table 3.6**

Table 3.6: Details of excess expenditure in Grant No. 08 during 2021-22 to 2023-24

(₹ in crore)			
Description of Grant/Appropriation	2021-22	2022-23	2023-24
Grant No. 08- Finance Department			
Capital Charged			
Total Grant	41,420.20	32,720.87	43,323.30
Expenditure	41,575.17	34,066.91	46,791.96
Excess	154.97	1,346.04	3,468.66
Grant No. 08- Finance Department			
Revenue Charged			
Total Grant	7,093.67	7,424.68 ³	9,635.18
Expenditure	7,360.31	8,493.82	9,924.96
Excess	266.64	1,069.14	289.78

Source: Appropriation Accounts of respective years.

As is evident from the above table, persistent excesses were noticed in Grant No. 08- Finance Department. The excess was mainly under Major Head-2049-Interest Payment under Revenue (*Charged*) section and under Major Head 6003-Internal Debt of the UT Government in Capital (*Charged*) section during 2023-24. This is indicative of the fact that proper budgeting exercise was not being carried out as was required under Paragraph 6.2.4 of Government of Jammu and Kashmir Budget Manual.

² 2019-20 (31 October 2019 to 31 March 2020): ₹3,875.61 crore; 2020-21: ₹7,094.29 crore; 2021-22: ₹2,049.26 crore; 2022-23: ₹2,830.17 crore; 2023-24: ₹3,760.84 crore.

³ Does not include augmentation of ₹1,651.09 crore

In reply, the Finance Department stated (February 2025) that the excess will be regularised by the legislature.

3.5.3 Regularisation of excess expenditure of previous financial years pertaining to erstwhile State of Jammu and Kashmir

As the Appropriation Accounts of 1980-81 onwards had not been discussed in the Public Accounts Committee, the excess expenditure aggregating to ₹1,24,004.41 crore for the years 1980-81 to 2019-20 (1 April 2019 to 30 October 2019) pertaining to the erstwhile State of Jammu and Kashmir, as detailed in **Appendix 3.14**, is yet to be regularised. Excess expenditure remaining un-regularised for such extended periods vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

In reply it was stated (February 2025) by the Finance Department that the legacy issue of excess expenditure will be regularised by the Legislature.

3.6 Grants-in-Aid for creation of Capital Assets

Grants-in-Aid are payments in the nature of assistance, donations or contributions made by one Government to another Government, body, institution or individual. Grants-in-Aid are given for specified purpose of supporting an institution including construction of assets.

As per IGAS⁴ 2, Grants-in-Aid disbursed by a Grantor to a Grantee shall be classified and accounted for as Revenue expenditure irrespective of the purpose for which the funds disbursed as Grants-in-Aid are to be spent by the Grantee, except in cases where it has been specifically authorised by the President on the advice of the Comptroller and Auditor General of India. It has been seen that Grants-in-Aid (GIA) for capital assets are sometimes classified as Capital expenditure. This leads to understatement of revenue deficit and over statement of revenue surplus. It was noticed that there was booking of GIA as Capital expenditure during the financial year 2023-24 as shown in **Table 3.7**.

Table 3.7: Extent of classification of GIA as Capital expenditure

Item	(₹ in crore)
	2023-24
GIA booked as Capital expenditure	147.71
Total Capital expenditure	12,088.85
Share of GIA in Capital expenditure (<i>in per cent</i>)	1.22
Revenue Deficit (-)/ Revenue Surplus (+)	(+) 3,486.22
Revenue Deficit (-)/Revenue Surplus (+), if expenditure from GIA is treated as Revenue expenditure	(+) 3,338.51

Source: Finance Accounts (NTA) of respective years

The Union Territory Government booked Grants-in-Aid as Capital expenditure during 2023-24. This has resulted in overstatement of revenue surplus of ₹147.71 crore

⁴ Indian Government Accounting Standards

during 2023-24.

In reply, the Finance Department stated (February 2025) that such expenditure will be booked as Revenue expenditure during 2024-25.

3.7 Effectiveness of Budgetary and Accounting Process

3.7.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities and weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprive other departments of the funds which they could have utilised.

The total provision for expenditure during 2023-24 was ₹1,57,212.90 crore. The actual gross expenditure during the year was ₹1,26,054.97 crore (80.18 per cent). This resulted in savings of ₹31,157.93 crore during 2023-24 which were not surrendered. The summarised position of actual expenditure during 2023-24 against 36 Grants/Appropriations is given in **Table 3.8**.

Table 3.8: Summarised position of actual expenditure vis-à-vis Budget (Original/ Supplementary) provisions during 2023-24

(₹ in crore)

Nature of expenditure		Original Grant/ App.	Supplementary Grant/ App. (S)	Total	Actual expenditure ⁵	Net Saving (-) / Excess (+)
Voted	I. Revenue	67,238.67	3,364.47	70,603.14	57,098.96	(-)13,504.18
	II. Capital	33,414.07	3.51	33,417.58	12,126.56	(-)21,291.02
	III. Loans & Advances	98.79 #	0	98.79	11.49*	(-)87.30
	Total	1,00,751.53	3,367.98	1,04,119.51	68,733.51	(-)34,882.50
Charged	IV. Revenue	9,770.09	0.00	9,770.09	10,026.00	255.91
	V. Capital	0	0	0	0	0
	VI. Public Debt Repayment	37,978.38	5,344.92	43,323.30	46,791.96	3,468.66
	Total	47,748.47	5,344.92	53,093.39	56,817.96	3,724.57
Appropriation to Contingency Fund (if any)		Nil	Nil	Nil	Nil	Nil
Grand Total		1,48,500.00	8,712.90	1,57,212.90	1,26,054.97	(-)31,157.93

Source: Appropriation Accounts.

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Composition of expenditure is given in **Table 3.9**.

⁵ The expenditure figures shown are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹503.49 crore) and Capital Heads (₹37.71 crore).

Table 3.9: Composition of expenditure

Parameters	Amount (₹ in crore)	Percentage
Revenue expenditure	67,124.96	53.25
Capital expenditure	12,126.56	9.62
Loans and Advances	11.49	0.01
Public Debt	46,791.96	37.12
Total expenditure	1,26,054.97	100.00

The savings in Grants are indicative of over budgeting which is as much a financial irregularity as excess in expenditure in terms of Rule 6.2.4 of the Jammu and Kashmir Budget Manual. Besides, excessive savings in some departments during the period is indicative of deprivation of other departments of the funds which they could have utilised and also non-surrender of funds (savings) is in contravention of the instructions of the Jammu and Kashmir Budget Manual.

The position of Original and Supplementary budget, Revised Estimate and Actual expenditure for the years 2022-23 to 2023-24 is given in **Table 3.10**.

Table 3.10: Original Budget, Supplementary Budget, Revised Estimate and Actual Expenditure during 2022-23 to 2023-24

(₹ in crore)

Particulars (Appropriation accounts)	2022-23	2023-24
Original Budget (OB)	1,42,150.10	1,48,500.00
Supplementary Budget	7,431.93 ⁶	8,712.90
Total Budget (TB)	1,49,582.03	1,57,212.90
Revised Estimate (RE)	1,32,788.90	1,41,333.15
Actual Expenditure (AE)	1,07,948.46	1,26,054.97
Savings (TB-AE)	41,633.57	31,157.93
Percentage of Supplementary Budget to OB	5.23	5.87
Percentage of Overall Savings / Excess to the overall provision	27.83	19.82
TB-RE	16,793.13	15,879.75
RE-AE	24,840.44	15,278.18
(TB-RE) as <i>per cent</i> of TB	11.23	10.10
(RE-AE) as <i>per cent</i> of TB	16.61	9.72

Source: Appropriation Accounts and Annual Financial Statements.

Table 3.10 shows that during 2023-24, Revised Estimate was lower than Total Budget of the Union Territory. The gap between RE and TB during 2023-24 was 10.10 *per cent*. The Supplementary provisions during the year 2023-24 were 5.87 *per cent* of the original provisions. However, the Supplementary provisions proved unnecessary as the expenditure did not come up even to the level of the original budget provisions during the year. The overall savings remained 19.82 *per cent* of the budget provisions during the year 2023-24. This reflects that the budgetary allocations were based on unrealistic proposals.

⁶ Includes Supplementary amount of ₹3,711.72 crore and augmentations of ₹3,720.21 crore.

Keeping in view overall savings of 19.82 *per cent* of the budget provision during 2023-24, effective measures need to be taken to ensure optimum utilisation of the budget and avoid savings in future.

In reply, the Finance Department stated (February 2025) that Departments will be advised to project realistic budget in future.

3.7.2 Rush of expenditure

Rule 62(3) of the General Financial Rules provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided.

Government funds should be spent evenly throughout the year. Maintaining a steady pace of expenditure is a crucial component of sound public financial management as it obviates fiscal imbalances and temporary cash crunches arising out of unanticipated heavy expenditure.

Contrary to this, expenditure exceeding 50 *per cent* of the total expenditure for the year 2023-24 was incurred in March 2024 in respect of 11 Major Heads⁷ under 10 Grants and the percentage of expenditure ranged between 50 *per cent* and 100 *per cent* as detailed in **Appendix 3.15**.

The Finance Department of Jammu and Kashmir Government instructed (March 2022) that not more than 30 *per cent* of the budget estimate may be spent in the last quarter of the financial year and during the month of March, expenditure should be limited to 15 *per cent* of the budget estimates. The restriction of 30 *per cent* and 15 *per cent* expenditure ceiling was to be enforced both scheme-wise as well as for Demand for Grants as a whole, subject to Revised Estimate ceilings.

The pace of expenditure during each quarter was not uniform as 69 *per cent* of expenditure under these 11 Major Heads was incurred in the last quarter of the financial year 2023-24.

It was noticed in audit that the expenditure incurred in seven Grants during the last quarter of 2023-24 and three Grants during the month of March 2024 as detailed in **Tables 3.11 and 3.12** exceeded the ceiling fixed by the Finance Department.

⁷ Includes MH-2048- Appropriation for reduction or avoidance of debt, where 100 *per cent* of early expenditure incurred during March 2024.

Table 3.11: Details of Grants where expenditure during last quarter of 2023-24 exceeded the prescribed ceiling

(₹ in crore)

Grant No.-Name	Revised Estimate (RE)	Ceiling ⁸ within which expenditure to be incurred during last quarter	Expenditure during the last quarter of 2023-24	Expenditure incurred in excess of the fixed limit
03-Planning Department	446.47	133.94	152.89	18.94
06-Power Development Department	9,128.37	2,738.51	4,556.92	1,818.41
08-Finance Department	68,186.17	20,455.85	56,028.52	35,572.66
16-Public Works Department	5,165.12	1,549.53	1,816.79	267.25
24-Hospitality and Protocol Department	272.64	81.79	101.07	19.28
32-Horticulture Department	478.32	143.49	150.48	6.98
33-Disaster Management Relief Rehabilitation and Reconstruction Department	1,255.77	376.73	525.30	148.57

Source: Appropriation Accounts 2023-24

Table 3.12: Details of Grants where expenditure during March 2024 exceeded the prescribed ceiling

(₹ in crore)

Grant No.- Name	Revised Estimate (RE)	Ceiling ⁹ within which expenditure to be incurred during March 2024	Expenditure during March 2024	Expenditure incurred in excess of the fixed limit
06-Power Development Department	9,128.37	1,369.26	3,619.71	2,250.45
32-Horticulture Department	478.32	71.75	80.57	8.83
33-Disaster Management Relief Rehabilitation and Reconstruction Department	1,255.77	188.37	540.62	352.26

Source: Appropriation Accounts 2023-24

There is a need to maintain a steady pace of expenditure and avoid rush of expenditure during the last quarter/ last month of the financial year.

3.8 Review of selected Grants

A review of budgetary procedure and control over expenditure in two test-checked Grants (Grant No. 4: Information Department) and (Grant No. 23: Public Health Engineering Department) out of 36 Grants were undertaken and the audit observations are given in the following paragraphs.

⁸ 30 per cent of RE

⁹ 15 per cent of RE

3.8.1 Grant No. 4: Information Department

(i) Introduction

Grant Number 4 – Information Department includes Major Head 2220- Information and Publicity and 4220-Capital Outlay on Information and Publicity.

(ii) Budget and Expenditure

The overall position of budget provisions, actual disbursement and savings under the Grant for the last three years (2021-22 to 2023-24) is given in **Table 3.13**.

Table 3.13: Budget and Expenditure during the years 2021-22 to 2023-24

(₹ in crore)

Year	Section	Budget provision	Total	Expenditure	Unutilised provision and its percentage
2021-22	Revenue -Original (Voted)	134.36	125.97	84.94	41.03 (32.57)
	Supplementary/ Re-appropriation	-8.39			
	Capital-Original (Voted)	1.15	0.92	0.22	0.70 (76.09)
	Supplementary/ Re-appropriation	-0.23			
Total	126.89	126.89	85.16	41.73 (32.89)	
2022-23	Revenue-Original (Voted)	131.95	131.95	104.98	26.97 (20.44)
	Supplementary/ Augmentation	0.00			
	Capital-Original (Voted)	100.48	100.48	0.04	100.44 (99.97)
	Supplementary	0.00			
Total	232.43	232.43	105.02	127.41 (54.82)	
2023-24	Revenue-Original (Voted)	122.04	122.04	95.85	26.19 (21.47)
	Supplementary/ Augmentation	0.00			
	Capital-Original (Voted)	100.48	100.48	0.48	100.00 (99.52)
	Supplementary	0.00			
Total	222.52	222.52	96.33	126.19 (68.48)	

Source: Appropriation Accounts 2023-24

Against the total allocation of ₹222.52 crore under the Grant during the year 2023-24, the total expenditure booked was ₹96.33 crore only. Savings of ₹126.19 crore (68 per cent) during the year indicated preparation of unrealistic budget estimates by the Department. Savings of ₹26.19 crore (21 per cent) in Revenue (Voted) and ₹100.00 crore (99.52 per cent) in Capital (Voted) section were noticed.

As can be seen from **Table 3.13**, the unutilised budget provision under Capital (Voted) during the last three years ranged between 76.09 per cent to 99.97 per cent reflecting negligent Capital expenditure by the Government.

In reply, the Information Department stated (September 2024) that the Department tries its level best to exhaust the available budget till the end of the financial year but in view of expenditure norms imposed by the Finance Department, only limited percentage of the total budget at its disposal could be spent and therefore it becomes

difficult to surrender the excess budget, if any, before the end of the financial year. The reply is not satisfactory as there is a need for proper monitoring of budget utilization in the department so that the savings are avoided and unutilised funds are timely surrendered.

3.8.1.1 Unrealistic Budget provision under Capital (Voted) section

Audit analysis of estimated expenditure on capital works to be executed during the years 2021-22 to 2023-24, vis-à-vis amounts projected in the Budget estimates revealed mismatch as detailed in the **Table 3.14**.

Table 3.14: Year-wise estimated expenditure on capital works planned, budget provisions and expenditure during the years 2021-22 to 2023-24.

Year	Estimated expenditure on Capital works planned during the year	Budget provisions	Budget provisions exceeding the estimated cost of works	Expenditure	Savings (per cent)
2021-22	1.15	0.92	0.00	0.22	0.70 (76.09)
2022-23	0.48	100.48	100.00	0.04	100.44 (99.97)
2023-24	0.48	100.48	100.00	0.12	100.36 (99.87)

As can be seen from the above table, the budget provisions during 2022-23 and 2023-24 were not framed on realistic basis and far exceeded the estimated cost of Capital works planned during these two years by around ₹100 crore. The expenditure incurred during all three years during 2021-22 to 2023-24 was far less than the estimated cost of works as well as the budget provisions.

In reply, the Directorate of Information Jammu and Kashmir, stated (September 2024) that provision of ₹100.00 crore was kept under the detailed head Film Policy under Capex Budget during 2022-23 and 2023-24. However, no funds were released by the Finance Department under the said Scheme and Policy could not be implemented in the Union Territory of Jammu and Kashmir. The reply is not acceptable as budgetary provision for 2022-23 and 2023-24 against non-existent Scheme was irregular. Reasons for keeping provisions against non-existent Scheme called for from the Department (September 2024) were awaited in audit (September 2024).

3.8.1.2 Persistent savings

Persistent savings under one major head in seven Detailed heads were observed during the period 2021-22 to 2023-24. This indicated non-achievement of the projected financial outlays in the respective years as shown in **Table 3.15**.

Table 3.15: Persistent Savings (Grant No. -4)

(₹ in crore)

S. No.	Head of account	2021-22	2022-23	2023-24
1	MH-2220-Information and Publicity, SM-60-Other, MI-001-Direction and Administration, GH-0099- General, DH-001-Salary	10.25	5.72	6.38
2	MH-2220-Information and Publicity, SM-60-Other, MI-001-Direction and Administration, GH-0099- General, DH-089-Advertisement and Publicity	25.64	6.44	15.53
3.	MH-2220-Information and Publicity, SM-60-Other, MI-001-Direction and Administration, GH-0099- General, DH-364-Outsourcing	1.11	1.07	1.08
4	MH-2220-Information and Publicity, SM-60-Other, MI-001-Direction and Administration, GH-0099- General, DH-009-Rent Rate and Taxes	0.15	0.14	0.13
5	MH-2220-Information and Publicity, SM-60-Other, MI-001-Direction and Administration, GH-0099- General, DH-006-Telephone	0.12	0.14	0.17
6	MH-2220-Information and Publicity, SM-60-Other, MI-001-Direction and Administration, GH-0099- General, DH-092-Celebrations	0.10	0.10	0.07
7	MH-2220-Information and Publicity, SM-60-Other, MI-001-Direction and Administration, GH-0099- General, DH-002-Traveling Expenses	0.35	0.72	0.44

Source: Appropriation Accounts 2021-24

In reply, the Directorate of Information, UT of Jammu and Kashmir, stated (September 2024) that non-utilisation of the budget provision was due to various reasons like budget projections for salary of vacant posts, expenditure norms imposed by the finance department and delay in release of funds. The Department stated that it will be ensured that budget provisions beyond the requirement will not be projected.

3.8.1.3 Entire provision remained unutilised

It was observed that the entire budget allocation remained unutilised under three detailed heads during 2023-24, indicating non-implementation of schemes as shown in Table 3.16.

Table 3.16: Provision remained unutilised under Grant No.-4 during 2023-24

S. No.	Head of Account	Original Budget	Re-appropriation/ Supplementary	Expenditure	Savings (per cent)
1.	MH-2220-Information and Publicity, SM-60-Other, MI-001-Direction and Administration, GH-0099-General, DH-003-LTC	0.46	0	0	0.46 (100)
2.	MH-2220-Information and Publicity, SM-60-Other, MI-001-Direction and Administration, GH-0099-General, DH-054-Furniture	0.10	0	0	0.10 (100)

S. No.	Head of Account	Original Budget	Re-appropriation/ Supplementary	Expenditure	Savings (per cent)
3.	MH-4220- Capital Outlay on Information and Publicity, SM-60- other, MI-800-Other Expenditure, GH-0011-General, DH-115-Works	100.48	0	0.48	100.00 (99.52)

Source: Appropriation Accounts 2023-24

Audit analysis further revealed that the budget provisions had persistently remained unutilised under these detailed heads during 2021-22 and 2022-23 also as shown in the **Table 3.17**.

Table 3.17: Provision remaining unutilised persistently under Grant No.-4 during 2021-22 and 2022-23

S. No.	Head of Account	Year	Original Budget	Re-appropriation/ Supplementary	Expenditure	Savings (per cent)
1.	MH-2220- Information and Publicity, SM-60-Other, MI-001-Direction and Administration, GH-0099- General, DH-003-LTC	2021-22	0.81	0	0	0.81 (100)
		2022-23	0.64	0	0	0.64 (100)
2.	MH-2220- Information and Publicity, SM-60-Other, MI-001-Direction and Administration, GH-0099- General, DH-054-Furniture	2021-22	0.10	0	0	0.10 (100)
		2022-23	0.10	0	0	0.10 (100)
3.	MH-4220- Capital Outlay on Information and Publicity, SM-60-other, MI-800-Other Expenditure, GH-0011-General, DH-115-Works	2021-22	0.92	0	0.22	0.70 (76.09)
		2022-23	100.48	0	0.04	100.44 (99.96)

Source: Appropriation Accounts 2021-23

In reply, the Directorate of Information Jammu and Kashmir, stated (September 2024) that being budget controlling authority, the provisions for the LTC are being projected keeping in view sanctioned strength of the department to a lump-sum amount for entertaining the LTC claims. As regards the unutilised budget under 054-Furniture, it was stated that minimum provision is being kept for meeting any such demand.

The reply is not acceptable, as the entire funds remained unutilised for the last three years under the aforesaid Heads of Accounts.

3.8.1.4 Unnecessary creation of liability

Despite the availability of sufficient budget provisions under the Head 2220-60-001-0099-089-Advertisement and Publicity, during 2021-22 to 2023-24, the expenditure incurred was far less than the budget estimates consequently leading to savings ranging between 8.03 per cent to 31.74 per cent. Although there were savings during each year from 2021-22 to 2023-24, still there was an expenditure liability of ₹5.74 crore for the above period as detailed in the **Table 3.18**.

Table 3.18: Year-wise outstanding liability under Advertisement and Publicity

(₹ in crore)

Year	Head of Account	Budget Provision	Expenditure	Savings	Liability
2021-22	MH-2220-Information and Publicity, SM-60-Other, MI-001-Direction and Administration, GH-0099- General, 089-Advertisement and Publicity	80.77	55.13	25.64 (31.74)	0.27
2022-23		80.15	73.72	6.44 (8.03)	0.008
2023-24		80.19	64.65	15.53 (19.37)	5.46
Total					5.738

Source: Appropriation Accounts 2021-24

In reply, Directorate of Information Jammu and Kashmir, stated (September 2024) that bills for the month of March are received in the month of April and therefore liability of the previous year gets carried forward to the next financial year. The reply is not acceptable as the outstanding liability of ₹5.74 crore as on 31 March 2024 pertains to the period 2021-22 to 2023-24 and should have been cleared in the respective financial years which has not been done.

3.8.1.5 Non Release of Funds by the Administrative Department

Audit analysis of the funds released to sub-ordinate offices vis-à-vis the budget estimates revealed that the amount released was less than the budget provisions as detailed in **Table 3.19**.

Table 3.19: Year-wise Budget provisions vis-à-vis funds released

(₹ in crore)

Year	Budget Provision		Funds Released		Funds Not Released (per cent)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2021-22	125.97	0.92	124.41	0.58	1.56 (1.24)	0.34 (36.97)
2022-23	131.95	100.48	119.72	0.38	12.23 (9.27)	100.10 (99.62)
2023-24	122.05	100.48	108.06	0.43	13.99 (11.46)	100.05 (99.57)

Although the non- release of funds by the Administrative Department to sub-ordinate offices under Revenue section during 2021-22 to 2023-24 ranged from 1.24 per cent to 11.46 per cent. However, the non-release of funds under Capital

section during the same period was significant and ranged between 36.97 per cent to 99.62 per cent under Capital Section.

In reply, Directorate of Information Jammu and Kashmir, stated (September 2024) that under Capital Section, Finance Department kept provision of ₹100.00 crore for Film Subsidy in 2022-23 and 2023-24 but funds were not released. Reply is silent regarding non release of funds under Revenue Section.

3.8.2 Grant No. 23: Public Health Engineering Department

(i) Introduction

Grant No. 23: Public Health Engineering Department includes Major Heads 2055-Police, 2215- Water Supply and Sanitation and 4215-Capital Outlay on Water Supply and Sanitation.

(ii) Budget and Expenditure

The overall position of budgetary provisions, actual disbursements and savings under the Grant for the last three years (2021-22 to 2023-24) is as under:

Table 3.20: Budget and Expenditure during the years 2021-22 to 2023-24

(₹ in crore)

Year	Section	Budget Provision	Total	Expenditure	Unutilised provision and its percentage
2021-22	Revenue Original (Voted)	1,837.53	1,831.63	1,700.76	130.87 (7.15)
	Supplementary/ Re-appropriation	-5.90			
	Capital – Original(V)	6,346.46	2,107.25	174.99	1,932.26 (91.70)
	Supplementary/ Re-appropriation	-4,239.21			
Total		3,938.88	3,938.88	1,875.75	2,063.13 (52.38)
2022-23	Revenue Original (Voted)	1,805.63	1,936.27	1,746.35	189.92 (9.81)
	Supplementary/ Re-appropriation	130.64			
	Capital –Original (V)	8,051.46	8,051.46	208.77	7,842.69 (97.41)
	Supplementary	0			
Total		9,987.73	9,987.73	1,955.12	8,032.61 (80.42)
2023-24	Revenue Original (Voted)	1,838.12	1,838.12	1,701.56	136.56 (7.43)
	Supplementary	0			
	Capital –Original (V)	5,850.00	5,850.00	629.35	5,220.65 (89.24)
	Supplementary	0			
Total		7,688.12	7,688.12	2,330.91	5,357.21 (69.68)

Source: Appropriation Accounts 2023-24

Against total allocation of ₹7,688.12 crore under the Grant during the year 2023-24, the total expenditure booked was ₹2,330.91 crore only and there were savings of ₹5,357.21 crore (69.68 per cent). Savings of ₹136.56 crore (7.43 per cent) and ₹5,220.65 crore (89.24 per cent) were noticed in Revenue (Voted) and Capital (Voted) sections respectively during 2023-24. However, none of the savings was surrendered.

The unutilised budget provision under Revenue (Voted) during 2021-22 to 2023-24 ranged between 7.15 per cent and 9.81 per cent, whereas the unutilised budget provision under Capital (Voted) ranged between 89.24 per cent and 97.41 per cent.

Audit analysis showed that the approved capital budget of ₹5,850 crore under MH-4215 Capital outlay on Water Supply and Sanitation during 2023-24 included provision of ₹850 crore under GH-0011 General and ₹5,000 crore under GH-0031 Centrally Sponsored Scheme. Although an expenditure of ₹629.35 crore was incurred under GH-0011 General, which included ₹394.08 crore drawn on AC bills as the UT's share for implementation of Centrally Sponsored Schemes (Jal Jeevan Mission) transferred to SNA. However, no expenditure was incurred during 2023-24 against the provision of ₹5,000 crore kept under GH-0031 (Centrally Sponsored Scheme). An amount of ₹3,267.12 crore released by the GOI during 2023-24 as Central share for implementation of Centrally Sponsored Scheme (Jal Jeevan Mission) was transferred directly to the SNA of the implementing agency without routing through the Consolidated Fund of the UT Government. Similarly, during 2021-22 and 2022-23 despite budgetary provision under GH-0031 Centrally Sponsored Scheme, no expenditure had been incurred.

Keeping budgetary provisions under GH-0031 (Centrally Sponsored Scheme) and subsequent release of these funds directly to the implementing agencies without routing through the Consolidated Fund of the UT, leads to depiction of wrong picture of savings as well as capital assets in the Government accounts.

3.8.2.1 Persistent savings

Persistent savings under 31 Detailed heads of three Major Heads were observed during the period 2021-22 to 2023-24 which indicates non-achievement of the projected financial outlays in the respective years as shown in **Table 3.21**.

Table 3.21: Persistent savings under various detailed heads on Grant No. 23

(₹ in crore)				
S. No.	Head of Account	2021-22	2022-23	2023-24
Revenue (Voted)				
1	MH-2055-Police, MI-117- Internal security, GH-0099- General, SH-1002- Public Health Engineering Jammu, DH-370-Tanker service	0.07	0.15	0.59
2	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-0878-Mission Directorate Jal Jeevan Mission, DH-001-Salary	0.47	0.26	0.74

S. No.	Head of Account	2021-22	2022-23	2023-24
3	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-001-Salary	52.11	71.66	45.53
4	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-003-LTC	1.55	1.10	1.32
5	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-008-Electricity Charges	3.75	28.74	0.76
6	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-009- Rent Rates and Taxes	0.13	0.10	0.16
7	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-010-Material and Supplies	3.92	0.06	2.76
8	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-014- POL	0.07	0.06	0.11
9	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-020-Machinery and Equipment	0.76	0.77	2.16
10	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-023-Maintenance and Repairs	0.49	1.44	10.78
11	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-037-Professional and Special Service Charge	0.06	0.06	0.10
12	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-043-Uniform	0.06	0.06	0.12

S. No.	Head of Account	2021-22	2022-23	2023-24
13	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-046-Purchase of Vehicles	0.15	0.50	0.50
14	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-054-Furniture and Furnishings	0.07	0.07	0.08
15	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-071-Medical Reimbursement	0.38	0.54	0.57
16	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-320-Research and Survey	0.13	0.08	0.10
17	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001-Public Health Engineering Kashmir, DH-370-Tanker Service	0.14	0.87	3.86
18	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002-Public Health Engineering Jammu, DH-001- Salary	48.69	68.33	45.15
19	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002-Public Health Engineering Jammu, DH-003- LTC	6.00	1.90	1.70
20	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002-Public Health Engineering Jammu, DH-008-Electricity Charges	0.46	1.10	3.31
21	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002-Public Health Engineering Jammu, DH-009- Rent Rates and Taxes	0.06	0.13	0.18
22	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002-Public Health Engineering Jammu, DH-010-Material and Supplies	0.77	0.41	3.78
23	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002-	0.41	0.46	2.61

S. No.	Head of Account	2021-22	2022-23	2023-24
	Public Health Engineering Jammu, DH-020-Machinery and Equipment			
24	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002-Public Health Engineering Jammu, DH-023-Maintenance and Repairs	3.07	1.43	9.81
25	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002-Public Health Engineering Jammu, DH-054-Furniture and Furnishing	0.12	0.10	0.10
26	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002-Public Health Engineering Jammu, DH-103- Office Equipment and Appliances	0.06	0.06	0.12
27	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002-Public Health Engineering Jammu, DH-370-Tanker Service	0.68	1.09	5.60
Capital (voted)				
28	MH-4215- Capital Outlay on Water Supply and Sanitation, SM-01-Water Supply, MI-102- Rural Water Supply, GH-0011- General, SH-1001- Public Health Engineering Kashmir, DH-115- Works	165.98	115.83	42.98
29	MH-4215- Capital Outlay on Water Supply and Sanitation, SM-01-Water Supply, MI-102- Rural Water Supply, GH-0011- General, SH-1002- Public Health Engineering Jammu, DH-115- Works	164.26	205.89	177.68
30	MH-4215- Capital Outlay on Water Supply and Sanitation, SM-01-Water Supply, MI-102- Rural Water Supply, GH-0031- Centrally Sponsored Schemes, SH-1001- Public Health Engineering Kashmir, DH-115- Works	889.85	1,000.00	1,500.00
31	MH-4215- Capital Outlay on Water Supply and Sanitation, SM-01-Water Supply, MI-102- Rural Water Supply, GH-0031- Centrally Sponsored Schemes, SH-1002- Public Health Engineering Jammu, DH-115- Works	712.17	1,000.00	3,500.00

In reply, the Finance Department stated (February 2025) that the department will be advised to project realistic budget in future.

3.8.2.2 Entire provision remaining unutilised

It was observed that the entire budget allocation of ₹5,003.83 crore remained unutilised under 15 detailed heads during 2023-24, indicating non-implementation of schemes as shown in **Table 3.22**.

Table 3.22: Entire provision remaining unutilised under Grant No.-23

(₹ in crore)

S. No.	Head of Account	Amount unutilized
1.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-0878- Mission Directorate Jal Jeevan Mission, DH-003-LTC	0.02
2.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-0878- Mission Directorate Jal Jeevan Mission, DH-008-Electricity Charges	0.02
3.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-0878- Mission Directorate Jal Jeevan Mission, DH-009-Rent Rates and Taxes	0.02
4.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-0878- Mission Directorate Jal Jeevan Mission, DH-054-Furniture & Furnishings	0.01
5.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-0878- Mission Directorate Jal Jeevan Mission, DH-071- Medical Reimbursement	0.02
6.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001- Public Health Engineering Kashmir, DH-003-LTC	1.32
7.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001- Public Health Engineering Kashmir, DH-011-Books, Periodicals and Publication	0.02
8.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001- Public Health Engineering Kashmir, DH-046-Purchase of Vehicles	0.50
9.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001- Public Health Engineering Kashmir, DH-054- Furniture and Furnishings	0.08
10.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001- Public Health Engineering Kashmir, DH-079-Stipend and Scholarship	0.01
11.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002- Public Health Engineering Jammu, DH-003-LTC	1.70
12.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002- Public Health Engineering Jammu, DH-043-Uniform	0.01
13.	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002- Public Health Engineering Jammu, DH-054-Furniture and Furnishing	0.10
14.	MH-4215-Water Supply and Sanitation, SM-01-Water Supply, MI-102-Rural Water Supply, GH-0031- Centrally Sponsored Schemes, SH-1001- Public Health Engineering Kashmir, DH-115-Works	1,500.00
15.	MH-4215-Water Supply and Sanitation, SM-01-Water Supply, MI-102-Rural Water Supply, GH-0031- Centrally Sponsored Schemes, SH-1002- Public Health Engineering Jammu, DH-115-Works	3,500.00
	Total	5,003.83

In reply, Chief Engineer, Jal Shakti Department, Jammu stated (September 2024) that the funds were demanded in anticipation in the revised budget under these heads but were not approved in the Budget estimates. The reply is not acceptable, as there was nil expenditure against the approved budget under these heads.

3.8.2.3 Unnecessary Supplementary Grants/ Re-appropriations

As per Article 205 of the Constitution of India, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the Grant to cover the excess by Re-appropriation, the Secretary in the Department concerned proposes to the Finance Department for Supplementary or additional Grant or Appropriation.

Audit analysis showed that Supplementary provisions/Re-appropriation of ₹10.38 crore during the year 2023-24 proved unnecessary as the expenditure of ₹267.40 crore did not come up even to the level of the original provision of ₹300.00 crore, which is indicative of budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism and weak internal controls as shown in **Table 3.23**.

Table 3.23: Unnecessary Supplementary Grants/ Re-appropriation

(₹ in crore)

S. No.	Head of Account	Budget Allocation			Actual Expenditure	Savings (Per cent)
		Original	Supplementary/ Re-appropriated	Total Grant		
Capital (Voted)						
1	MH-4215-Water Supply and Sanitation, SM-01-Water Supply, MI-102-Rural Water Supply, GH-0011-General, SH-1001-Public Health Engineering Kashmir, DH-115-Works	300.00	10.38	310.38	267.40	42.98 (13.85)
Total		300.00	10.38	310.38	267.40	42.98 (13.85)

In reply, the Finance Department stated (February 2025) that the departments will be advised to project realistic budget provision.

3.8.2.4 Excess expenditure against the allocations

An expenditure of ₹316.57 crore under two detailed heads of MH 2215 has been made against the allocation of ₹308.24 crore resulting in excess expenditure of ₹8.33 crore as detailed in **Table 3.24**.

Table 3.24: Excess expenditure against the allocations

(₹ in crore)

S. No.	Head of Account	Budget allocation	Expenditure Booked	Excess
1	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1001- Public Health Engineering Kashmir, DH-364- Outsourcing/ Additionality	102.64	106.08	3.44
2	MH-2215-Water Supply and Sanitation, SM-01-Water Supply, MI-001-Direction and Administration, GH-0099- General, SH-1002- Public Health Engineering Jammu, DH-364- Outsourcing/ Additionality	205.60	210.49	4.89
Total		308.24	316.57	8.33

Financial Advisor Jal Shakti Department, Kashmir stated (August 2024) that during 2023-24, an amount of ₹106.15 crore were utilised against the allocation of ₹106.41 crore and ₹0.26 crore were surrendered. Reply is not acceptable as against the budget provision of ₹102.64 crore in respect of Public Health Engineering, Kashmir the expenditure was ₹106.08 crore leading to excess expenditure of ₹3.44 crore.

3.8.2.5 Single Nodal Accounts

In terms of Government of India (GoI), Ministry of Finance (MoF), Department of Expenditure, Office Memorandum (OM) dated 23-03-2021, zero balance Single Nodal Accounts (SNAs) were required to be opened for each Centrally Sponsored Scheme (CSS) operational either in the Union Territory or in any State.

The details of Centrally Sponsored Schemes implemented in Public Health Engineering Department, along with the balances lying in the SNA accounts, are indicated in **Table 3.25**.

Table 3.25: Details of Centrally Sponsored Schemes

(₹ in crore)

S. No.	Scheme/ SNA	Name of bank	Opening balance	Funds received during 2023-24	Amount available during 2023-24	Expenditure	Closing balance as on March 2024
1	Jal Jeevan Mission, Union Territory of Jammu and Kashmir	Jammu and Kashmir Bank, Civil Secretariat Jammu	901.93 ¹⁰	3,661.20 ¹¹	4,563.13 ¹²	3,875.47	687.66

Source: Information provided by Jal Shakti Department

¹⁰ Includes Central Share of ₹895.56 crore and UT share of ₹6.37 crore.

¹¹ Includes Central Share of ₹3,267.12 crore and UT share of ₹394.08 crore.

¹² Central Share: ₹4,162.68 crore UT Share: ₹400.45 crore = ₹4,563.13 crore

As against the closing balance of ₹687.66 crore as per cash book the closing balance as on 31 March 2024 as per bank statement (SNA) was ₹1,035.12 crore.

3.9 Conclusions

- The overall utilisation of budget was 20 *per cent* less than the total amount of Grants and Appropriations during the year 2023-24. There were savings of ₹34,882.50 crore (33.50 *per cent*) in the Voted section and excess expenditure of ₹3,724.57 crore (7.02 *per cent*) in the *Charged* section.
- An amount of ₹5,214.45 crore was incurred under 35 Schemes/Sub Heads in nine Grants without budgetary provisions during 2023-24.
- Excess expenditure amounting to ₹3,760.84 crore under Revenue (*Charged*) and Capital (*Charged*) sections in Grant No. 08 (Finance Department), and Revenue (Voted) section in Grant No. 36-Co-operative Department was incurred during 2023-24 which required regularization.
- Supplementary provisions aggregating to ₹588.69 crore obtained in two Grants, involving ₹50 lakh or more in each case, during the year proved unnecessary as the expenditure did not come up to the level of the original provisions. On the other hand, Supplementary provisions of ₹5,348.98 crore obtained in two Grants, involving ₹50 lakh or more in each case, during the year was not adequate to meet the requirement and led to excess expenditure of ₹3,471.06 crore.
- There were savings of ₹10 crore and above in 36 Grants, which included 30 Grants wherein savings of ₹100 crore and above were noticed. Budgetary allocations were based on unrealistic proposals as out of total 36 Grants, in 26 Grants, savings were more than ₹100 crore in the capital section.
- The entire budget provision of ₹10,597.90 crore under 31 Grants involving 160 number of schemes remained unutilised during the year resulting in denial of intended benefits to the general public.
- Rush of expenditure in the month of the March 2024 was noticed in respect of 11 Major Heads under 10 Grants wherein expenditure exceeding 50 *per cent* of the total expenditure was incurred in March 2024
- Against the total allocation of ₹222.52 crore during 2021-24 under Grant No. 4 - Information Department, the total expenditure booked is ₹96.33 crore only. Savings of ₹126.19 crore (68 *per cent*) indicated preparation of unrealistic budget estimates by the Department. Savings of ₹26.19 crore in Revenue (Voted) and ₹100.00 crore in Capital (Voted) sections was noticed which were not surrendered.
- Against the total allocation of ₹7,688.12 crore under Grant No. 23-Public Health Engineering Department, an expenditure of ₹2,330.91 crore was booked and there were savings of ₹5,357.21 crore (70 *per cent*). The savings under the Revenue

Head (Voted) and Capital Head (Voted) were ₹136.56 crore (7.43 per cent) and ₹5,220.65 crore (89.24 per cent) respectively. Savings were not surrendered.

3.10 Recommendations

- 1. The Government should make realistic budgetary provisions and ensure efficient control mechanisms to curtail savings/excess expenditure.*
- 2. Excess expenditure over the approved Grants may be regularised at the earliest.*
- 3. Controlling Officers need to be made aware of their responsibility to explain the variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.*
- 4. Government may consider strengthening of financial monitoring to avoid rush of expenditure at the fag end of the year.*

Chapter-IV
Quality of Accounts and Financial
Reporting Practices

CHAPTER-IV

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the Union Territory Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is thus one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

Issues related to completeness of accounts

4.1 Non-discharge of liability in respect of interest towards interest bearing deposits/ Reserve Funds

The Government has a liability to provide and pay interest on the amounts in interest-bearing Deposits/Reserve Funds. Audit observed that ₹42.29 crore was required to be paid as interest on the balance of ₹1,262.50 crore lying under interest bearing deposits/Reserve Funds as on 1st April 2023 as shown in **Table 4.1**. Non-payment of interest liability has resulted in overstatement of revenue surplus and understatement of fiscal deficit to that extent.

Table 4.1: Details of non-discharge of liability in respect of interest towards interest-bearing deposits/Reserve Funds

(₹ in crore)

S. No.	Name/Head of the interest-bearing deposit	Opening Balance as on 1 April 2023	Basis for calculation of interest	Amount of interest not provisioned
1.	State Compensatory Afforestation Fund- MH-8121	764.57	As per circulars issued by the Ministry of Environment, Forest & Climate Change at the annual rate of 3.35 <i>per cent.</i>	25.61
2	State Compensatory Afforestation Deposit- MH-8336	497.93		16.68
	Total	1,262.50		42.29

4.2 Funds transferred directly to Implementing Agencies

Government of India (GoI) transfers substantial funds directly to State Implementing Agencies (SIAs) for implementation of various schemes and programmes. The amount of funds transferred by the various Ministries/ Departments of GoI directly to SIAs of the Union Territory Government of Jammu and Kashmir during 2023-24 as per the Public Financial Management System (PFMS) portal of Controller General of Accounts (CGA) was ₹793.86 crore (**Appendix 4.1**). This constituted 1.13 *per cent* and 1.59 *per cent* of total revenue receipts (₹70,107.69 crore) and Grants-in Aid (₹49,774.14 crore) respectively. Although the direct transfer of funds to the implementing agencies during 2022-23 (₹786.95 crore) decreased by 1.88 *per cent* as

compared to 2021-22 (₹802.04 crore), however, it increased marginally by 0.88 per cent during 2023-24 to ₹793.86 crore. Further, the Central Government also released an amount of ₹5,999.32 crore during 2023-24 directly to various Autonomous Bodies/ other entities of the Government. The schemes where direct funding was more than ₹100 crore during the year 2023-24 are given in **Table 4.2**.

Table 4.2: Schemes where more than ₹100 crore funds transferred by Government of India directly to Government Departments

(₹ in crore)

S. No.	Name of the GoI Scheme	Name of the Implementing Agency	Government of India releases during 2023-24
1	Pradhan Mantri Kisan Samman Nidhi	Department of Agriculture Production, Government of Jammu and Kashmir	579.48
2	Works under Roads Wings	Deputy Commissioners	144.85

Source: Finance Accounts

4.3 Deposit of Local Funds

Jammu and Kashmir Panchayati Raj Act, 1989 provides that Halqa Panchayat would maintain Halqa Panchayat Fund which would include all moneys realised or realisable under the Act and all moneys otherwise received by the Panchayati Raj Institutions (PRIs), such as grants received from Government and its own revenue, which includes tax and non-tax receipt of a Panchayat. The Municipal Act, 2000 envisages that the Municipal Fund is to be held by the Municipality. All moneys realised or realisable under this Act and all moneys otherwise received by the Municipalities are to be kept in the Municipal Fund. These are kept under Major Head 8448-Deposits of Local Funds-109-Panchayat Bodies Funds and 102-Municipal Funds. Receipt and expenditure under the aforesaid two local funds during 2023-24 is shown in **Table 4.3**.

Table 4.3: Deposits of Local Funds

S. No.	Local Funds		(₹ in crore)	
1	Panchayat Fund	(8448-109)	Opening Balance	Nil (0.27)
			Receipt	Nil
			Expenditure	Nil
			Closing Balance	Nil (0.27)
2	Municipal Fund	(8448-102)	Opening Balance	339.36 (133.39)
			Receipt	907.17
			Expenditure	1,176.29
			Closing Balance	70.24 (133.39)

Source: Finance Accounts. Figures in bracket shows closing balance ending 30 October 2019 of erstwhile State of Jammu and Kashmir which has to be bifurcated between the two successor UTs

There was no receipt and expenditure in the Panchayat Fund during 2023-24. However, there was a closing balance of ₹0.27 crore of the erstwhile State of Jammu and Kashmir. The Municipal Fund has a closing balance of ₹70.24 crore ending 2023-24, besides there is a closing balance of ₹133.39 crore of the erstwhile State of Jammu and Kashmir which is yet to be divided between the two successor Union Territories.

Issues related to transparency

4.4 Delay in submission of Utilisation Certificates

The Government of UT of Jammu and Kashmir has not framed revised rules relating to drawl of Grants-in-Aid and submission of Utilisation Certificate (UCs) thereof. However, as per para 10.19 of the erstwhile State of Jammu and Kashmir (pre re-organisation) Financial Code Volume-I, UCs in respect of Grants-in-Aid received by the grantee should be furnished by the grantee to the authority that sanctioned it, within 18 months from the date of receipt of grant or before applying for a further grant on the same subject, whichever is earlier. Utilisation Certificates outstanding beyond the specified period indicate absence of assurance on utilization of the grants for indented purposes and the expenditure shown in the accounts cannot be treated as final.

There are 1,396¹ number of UCs amounting to ₹5,231.09 crore pertaining to UT of Jammu and Kashmir outstanding as on 31 March 2024. Further, 2,267 number of UCs amounting to ₹6,843.16 crore pertaining to erstwhile State of Jammu and Kashmir outstanding as on 31 March 2024.

Year-wise break up of total 3,663 number of UCs amounting to ₹12,074.25 crore pertaining to the erstwhile State and UT of Jammu and Kashmir outstanding as on 31 March 2024 is given in **Table 4.4**.

Table 4.4: Year-wise arrears in submission of Utilisation Certificates

Year*	Number of UCs outstanding	Amount (₹ in crore)
Upto 2014-15 ²	259	788.89
2015-16	185	333.78
2016-17	208	615.52
2017-18	396	2,068.97
2018-19	302	1,183.32
2019-20	278	578.73
2020-21	601	1,272.23
2021-22	621	1,454.24
2022-23	371	1,182.91
2023-24	442	2,595.66
Total	3,663	12,074.25

* The year mentioned above relates to "Due year" i.e, after 18 months of actual drawal year

Source: Finance Accounts and information from A&E Office.

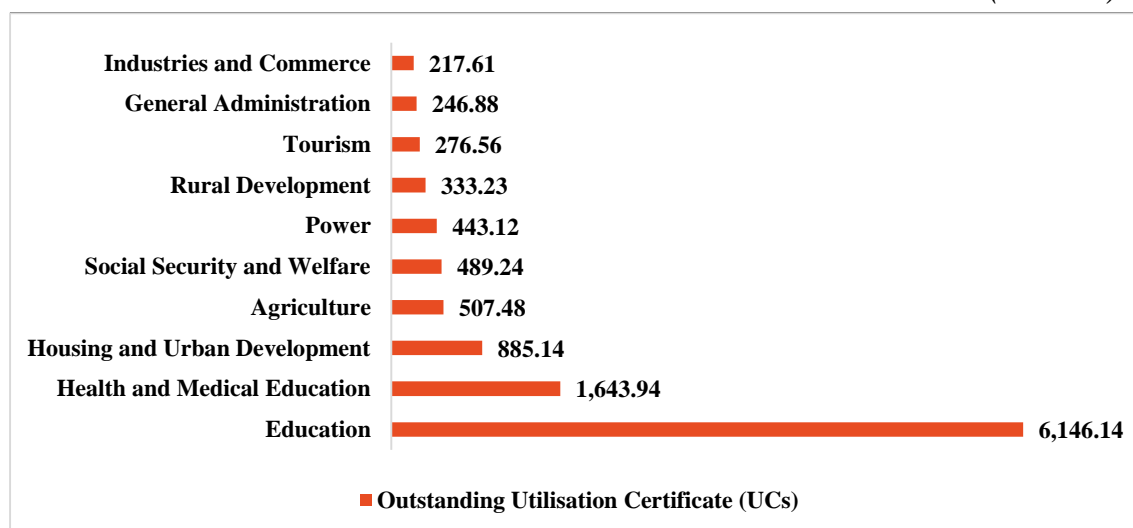
¹ Includes 26 outstanding UCs amounting to ₹628.43 crore pertaining to SNAs.

² Awaited UCs upto 2014-15 includes 228 UCs amounting to ₹744.88 crore where complete details with regard to year of drawal of the bill is not available.

The top ten Departments where UCs are outstanding are shown in **Chart 4.1**.

Chart 4.1: Outstanding UCs in respect of major Departments for the grants paid up to September 2022

(₹ in crore)



Source: Finance Accounts and information from A&E Office.

Department-wise break-up of total outstanding UCs shows 93 per cent of total amount of outstanding UCs pertain to the above mentioned ten departments, of which 51 per cent of outstanding UCs pertain to Education department.

Non-submission of UCs means that the authorities have not explained as to how the funds were spent over the years. Also, there is no assurance that whether the intended objectives of providing these funds have been achieved. This assumes greater importance if such UCs are pending against Grants-in-Aid meant for Capital expenditure. Pendency of UCs for longer periods is indicative of lack of internal control by the administrative departments.

In reply, Finance Department stated (February 2025) that the UCs for considerable amounts have been submitted during 2024-25.

4.5 Abstract Contingent bills

The Government of UT of J&K has not revised codal provisions for drawal of Abstract Contingent (AC) bills and their settlement. However, Financial Code Volume-I (Para 7.18) of the erstwhile State of J&K envisages that when it is considered necessary to draw money from the Treasury for contingent expenditure of which vouchers cannot be readily obtained before payment, Drawing and Disbursing Officers (DDOs) are authorised to draw sums of money through AC bills. In terms of the erstwhile State of Jammu and Kashmir (pre re-organisation) Financial Code Para 7.10, DDOs are required to present Detailed Countersigned Contingent (DCC) bills containing vouchers in support of final expenditure within two months from the date on which the advance was drawn.

The year-wise position of unadjusted AC bills is shown in **Table 4.5**.

Table 4.5: Year-wise position of unadjusted AC bills of UT of Jammu and Kashmir

Year	No of unadjusted AC Bills	Amount (₹ in crore)
Upto 2012-13	645	243.66
2013-14	313	199.85
2014-15	381	307.08
2015-16	81	146.82
2016-17	08	3.81
2017-18	70	330.03
2018-19	196	2,194.97
2019-20	158	2,377.57
2020-21	234	4,398.39
2021-22	654	5,555.30
2022-23	265	3,350.87
2023-24	446	6,019.62
Total	3,451	25,127.97³

Source: Finance Accounts and information from A&E Office.

As against 3,466 AC bills amounting to ₹19,774.97 crore outstanding as on 31 March 2023, there were 3,451 AC bills amounting to ₹25,127.97 crore outstanding as on 31 March 2024.

The outstanding AC bills as on 31 March 2024 included 1,814 AC bills amounting to ₹5,537.45 crore drawn prior to 30 October 2019 by the Government of erstwhile State of Jammu and Kashmir and 1,637 AC bills amounting to ₹19,590.52 crore drawn thereafter by the Government of UT of Jammu and Kashmir.

The bifurcation of these outstanding AC bills is yet to be done between the successor Union Territories viz., Union Territory of Jammu and Kashmir and Union Territory of Ladakh.

The top ten Departments where DCC Bills were awaited are shown in **Table 4.6**.

Table 4.6: Awaited DC bills from Departments of UT/Erstwhile State of Jammu and Kashmir

S. No.	Name of the Department	Amount Outstanding (₹ in crore)	Percentage of total outstanding amount of ₹25,127.97 crore as on 31 March 2024
1	Rural Development	6,403.73	25.48
2	Public Works	4,351.56	17.32
3	Social Security and Welfare	2,874.47	11.44
4	Housing and Urban Development	2,553.33	10.16
5	Planning and Development	1,854.81	7.38
6	Education	1,820.83	7.25
7	Health and Medical Education	1,758.38	7.00
8	Agriculture	687.23	2.73
9	Power	659.31	2.62

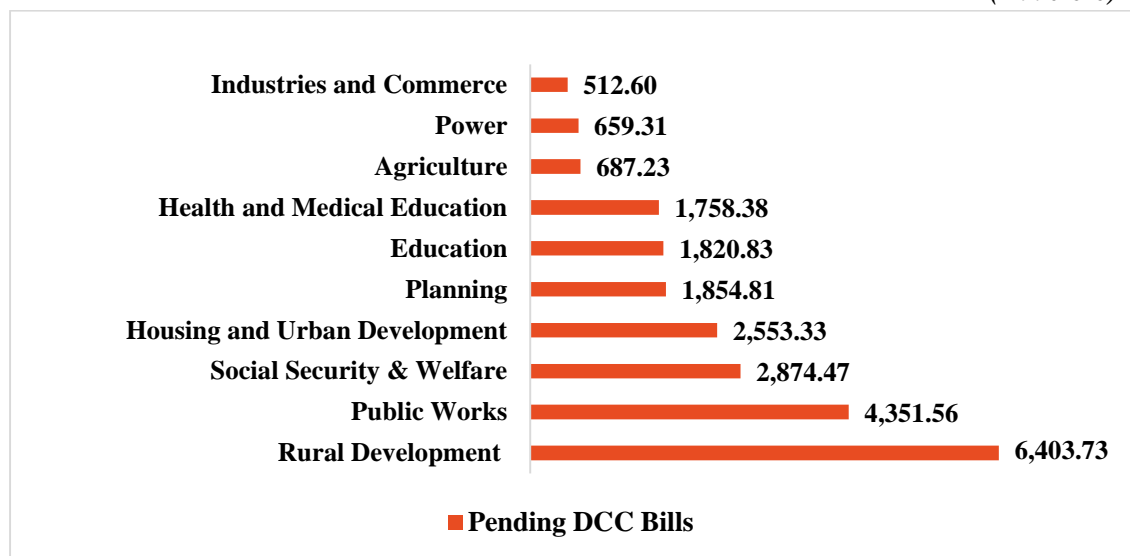
³ Includes 724 AC bills amounting to ₹11,012.70 crore pertaining to SNAs

10	Industries and Commerce	512.60	2.04
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Source: Finance Accounts and information from Accounts & Entitlement Office.

Chart 4.2: Pending DCC Bills in respect of Major Departments of UT/ Erstwhile State of Jammu and Kashmir

(₹ in crore)



Source: Finance Accounts and information from the A&E Office.

As can be seen from the above table/chart, more than 93 per cent of DCC bills are awaited from ten departments. Further, 360 AC bills amounting to ₹6,038.60 crore were drawn during the year 2023-24, out of which 56 AC bills amounting to ₹392.61 crore (6.50 per cent) were drawn in March 2024. Expenditure against AC bills in March indicates that the drawals were primarily to exhaust the budget provisions and reveals inadequate budgetary control.

Delayed submission of Detailed Contingent Bills indicates that funds were drawn without requirement for immediate payment and may affect the completeness and correctness of Accounts.

In reply, the Finance Department stated (February 2025) that AC bills of considerable amounts have been settled during 2024-25.

4.6 Indiscriminate use of Minor Head-800

Minor Head-800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate minor head has not been provided in the accounts. Regular operation of Minor Head-800 is to be discouraged since it renders the accounts opaque. Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

During the year 2023-24, ₹6,655.49 crore (including revenue receipts of ₹4,208.61 crore representing Sale of Power and Miscellaneous Power Receipts under Major Head-0801 for which no relevant minor head was provided) under 37 Revenue Major Heads of Accounts constituting 9.49 per cent of the total Revenue receipts of ₹70,107.69 crore, was recorded under the Minor Head-800-‘Other Receipts’.

Similarly, expenditure of ₹2,300.40 crore under 31 Major Heads of Accounts constituting 2.92 per cent of total Revenue and Capital expenditure (₹78,710.32 crore) was classified under Minor Head- 800-‘Other Expenditure’.

Instances where a substantial proportion (50 per cent or more/ significant amount) of the receipts and expenditure under a Major Head was classified/ booked under the Minor Head-800-Other Receipts and Other Expenditure are shown in **Appendix 4.2** and **Appendix 4.3**.

Instances where a significant amount (20 per cent or more and exceeding ₹ five crore) of the receipts and expenditure under a Major Head was classified/ booked under the Minor Head-800-Other Receipts and Other Expenditure are shown in **Table 4.7**.

Table-4.7: Significant amount booked under Minor Head ‘800-Other Receipts/ Expenditure’ during 2023-24

(₹ in crore)

S. No.	800- “Other Receipts”				800- “Other Expenditure”			
	Major Head	Total Receipts	Booking under Minor Head 800	Percentage of Receipts	Major Head	Total Expenditure	Booking under Minor Head 800	Percentage of Expenditure
1.	0029- Land Revenue	123.79	35.80	28.92%	2054-Treasury and Accounts Administration	164.75	52.01	31.57%
2.	0039-State Excise	2,490.25	677.38	27.20%	2070-Other Administrative Services	462.89	41.62	8.99%
3.	0049-Interest Receipts	27.87	25.89	92.90%	2225-Welfare of SC, ST, Other Backward Classes and Minorities	49.30	5.71	11.58%
4.	0059-Public Works	43.67	24.80	56.79%	3452-Tourism	162.11	80.05	49.38%
5.	0070-Other Administrative Services	69.09	47.96	69.42%	4070-Capital Outlay on Other Administrative Services	13.48	13.48	100.00%
6.	0210-Medical and Public Health	43.40	18.22	41.98%	4202-Capital Outlay on Education, Sports, Art and Culture	779.95	367.88	47.17%
7.	0215-Water Supply and Sanitation	124.28	32.46	26.12%	4216- Capital Outlay on Housing	99.51	98.95	99.44%
8.	0217-Urban Development	42.39	33.68	79.45%	4217- Capital Outlay on Urban Development	1,283.86	586.24	45.66%
9.	0403-Animal Husbandry	11.39	6.71	58.91%	4225-Capital Outlay on Welfare of SC,ST, Other	76.98	76.02	98.75%

S. No.	800- "Other Receipts"				800- "Other Expenditure"			
	Major Head	Total Receipts	Booking under Minor Head 800	Percentage of Receipts	Major Head	Total Expenditure	Booking under Minor Head 800	Percentage of Expenditure
					Backward Classes and Minorities			
10.	0406-Forestry and Wild Life	165.05	86.91	52.66%	4405-Capital Outlay on Fisheries	24.20	15.35	63.43%
11.	0408-Food Storage and Warehousing	11.12	11.12	100.00%	4406-Capital Outlay on Forestry and Wild Life	70.93	53.21	75.02%
12.	0515-Other Rural Development Programmes	6.55	6.55	100.00%	4801-Capital Outlay on Power Projects	713.08	375.45	52.65%
13.	0701-Medium Irrigation	1,220.49	1,220.49	100.00%	5425-Capital Outlay on Other Scientific and Environmental Research	35.88	34.32	95.65%
14.	0702-Minor Irrigation	12.62	8.76	69.41%	5452-Capital Outlay on Tourism	137.78	137.78	100.00%
15.	0801-Power	4,208.61	4,208.61	100.00%	5475-Capital Outlay on Other General Economic Services	420.99	240.78	57.19%
16.	0853-Non-Ferrous Mining and Metallurgical Industries	175.47	92.95	52.97%	-	-	-	-
17.	1452-Tourism	20.22	18.19	89.96%	-	-	-	-
Total		8,796.26	6,556.48	74.54%		4,495.69	2,178.85	48.47%

It may be seen from the above table, around 74.54 per cent of receipts in respect of 17 Major Heads pertaining to Land Revenue, State Excise, Irrigation, Power, Public Works, Forestry and Wildlife, etc. were booked under '800-Other Receipts'. Similarly, 48.47 per cent of expenditure in respect of 15 Major Heads pertaining to Tourism, General Economic Services, Power, Urban Development, Housing, Fisheries, Forestry and Wildlife etc. were booked under '800-Other Expenditure'.

The extent of operation of Minor Head-800 in comparison to Total Expenditure and Receipts during 2020-21 to 2023-24 is given in **Chart 4.3** and **Chart 4.4**.

Chart 4.3: Minor Head 800-Other Expenditure during the last four years

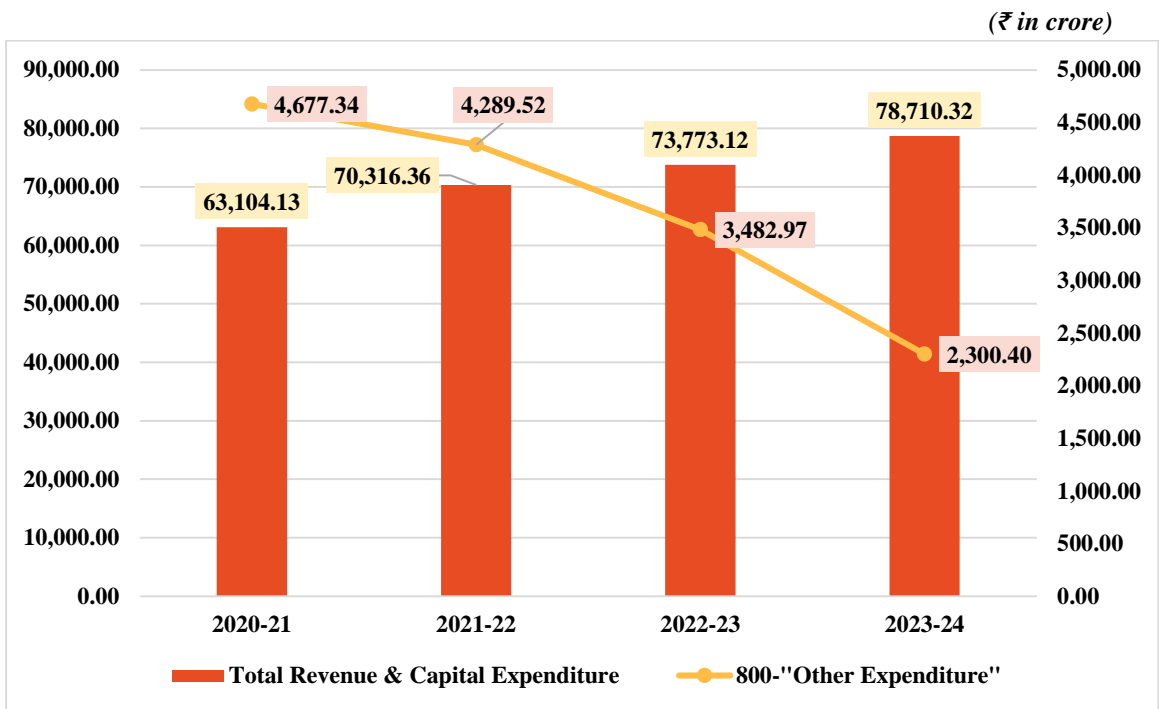
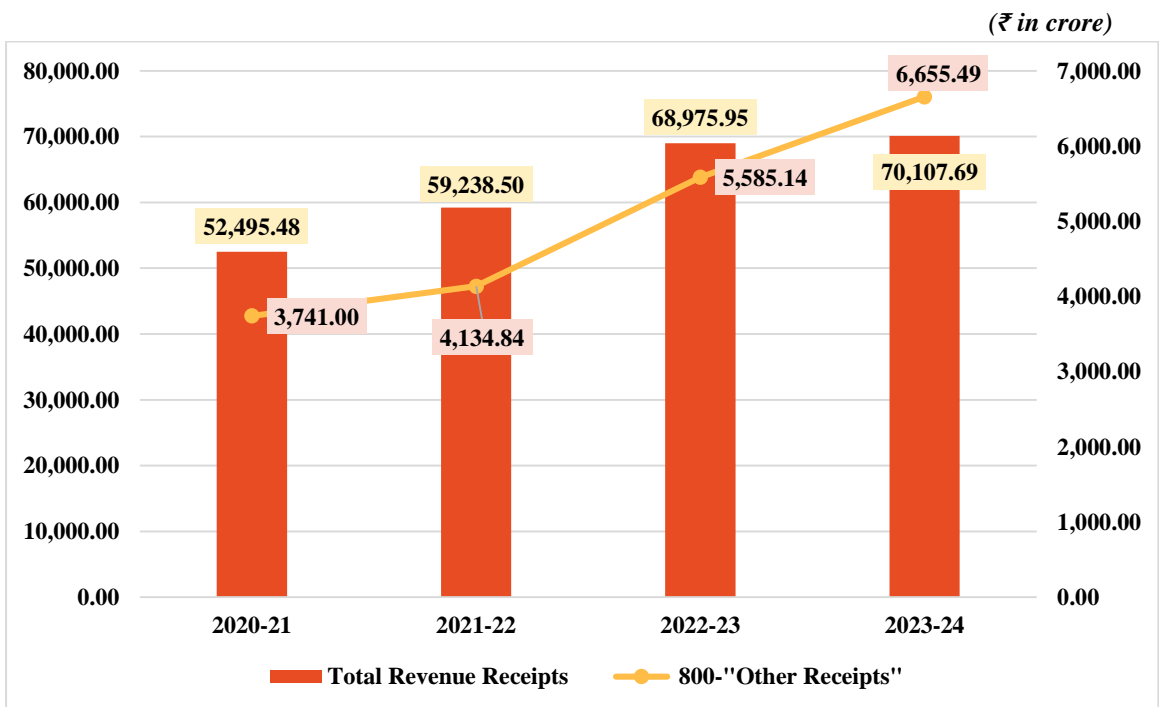


Chart 4.4: Minor Head 800-Other Receipts during the last four years



Although booking under Minor Head ‘800-Other Expenditure’ showed decreasing trend during 2020-21 to 2023-24, however, during the same period the booking under Minor Head ‘800-Other Receipts’ showed an increasing trend.

The Government may consider depicting the amounts received and expenditure incurred under various schemes distinctly, instead of clubbing the Receipts and

Expenditure of major schemes under the Minor Head 800-Other Expenditure and 800-Other Receipts, for better clarity in Accounts.

Issues related to measurement

4.7 Outstanding balance under Major Suspense and DDR heads

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Significant suspense items have been shown as gross debit and credit balances for 2023-24 in **Table 4.8.**

Table 4.8: Balances under Suspense and Remittances

Minor Head	2021-22			2022-23			2023-24		
	(Dr)	(Cr)	Net (Dr /Cr.)	(Dr)	(Cr)	Net (Dr /Cr.)	(Dr)	(Cr)	Net (Dr /Cr.)
8658- Suspense Account-									
101-PAO Suspense	107.20	0.01	107.19 (Dr.)	152.48	0.24	152.24 (Dr)	192.34	0.35	191.99 (Dr)
102-Suspense Account (Civil)	51.59	20.07	31.52 (Dr.)	7.64	194.61	186.97 (Cr)	46.96	202.91	155.95 (Cr)
109-RBI Suspense (Hqrs)	0.09	0.40	0.31 (Cr.)	0.08	0.18	0.10 (Cr)	0.19	0.10	0.09 (Dr)
110- RBI Suspense (Central Accounts)	0.67	0.18	0.49 (Dr.)	0.92	0.10	0.82 (Dr)	0.93	0.30	0.63 (Dr)
112- Tax Deducted at Source (TDS) Suspense	-	384.71	384.71 (Cr.)	-	500.13	500.13 (Cr)	-	541.50	541.50 (Cr)
123- All India Service officers Group Insurance Scheme	0.88	-	0.88 (Dr.)	0.87	-	0.87 (Dr)	0.93	-	0.93 (Dr)
139-GST- Tax Deducted at Source Suspense	0.72	5.16	4.44 (Cr.)	-	4.96	4.96 (Cr)	-	4.03	4.03 (Cr)
8782- Cash Remittance and Adjustments between officers rendering accounts to same Accountant General / Accounts Officers									
110-Misc Remittances	689.07	-	689.07 (Dr.)	689.12	-	689.12 (Dr)	689.12	-	689.12 (Dr)
8793- Inter State Suspense Account	9.29	0.04	9.25 (Dr.)	0.02	1.47	1.45 (Cr)	8.76	0.48	8.28 (Dr)

Source: Finance Accounts

There was also a net credit balance of ₹2,114.33 crore {₹733.16 crore (Debit) under Suspense and ₹2,847.49 crore (Credit) under Remittances} at the end of 30 October 2019 (pre re-organisation) relating to the erstwhile State of Jammu and Kashmir under Suspense and Remittance Heads which is yet to be apportioned between the successor Union Territories of Jammu & Kashmir and Ladakh.

Non-clearance of outstanding balances under these Heads affects the accuracy of receipt/ expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the Government of Union Territory.

In reply, the Finance Department stated (February 2025) that a dedicated task force has been constituted to ensure submission of accounts to claim reimbursement.

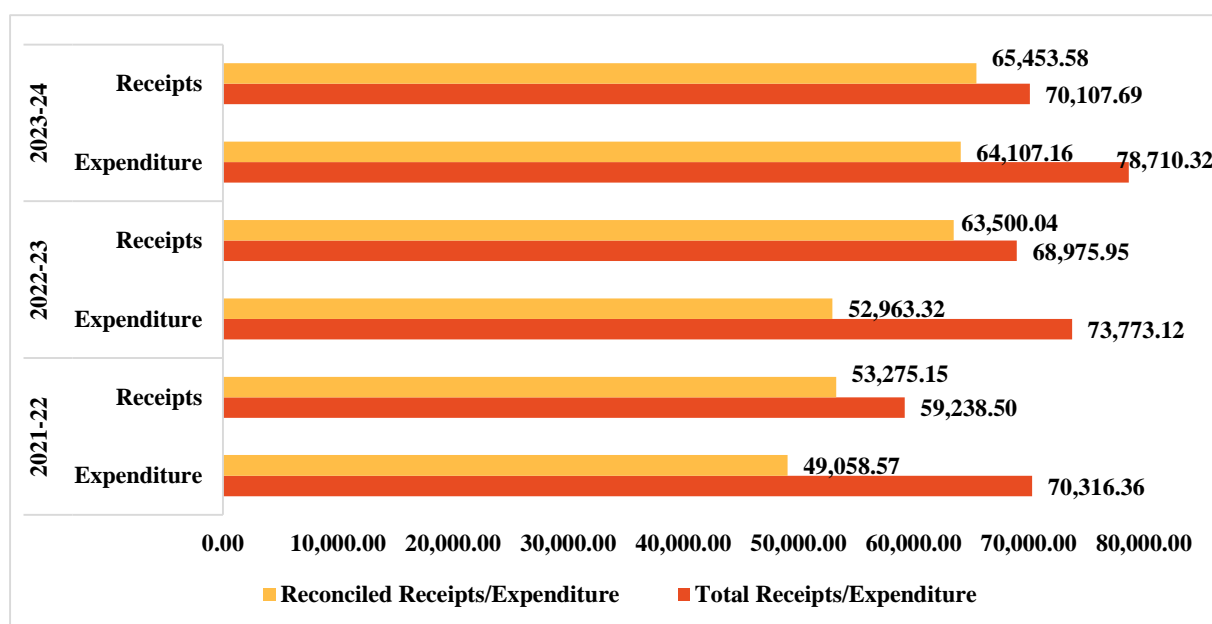
4.8 Non-reconciliation of Departmental figures

To enable Controlling Officers of the Departments to exercise effective control over spending to keep it within the budget grants and to ensure accuracy of their accounts, the receipts and expenditure during the financial year recorded in their books are to be reconciled by them every month with that recorded in the books of the Accountant General (A&E). Reconciliation and verification of figures is an important tool of financial management. Failure to exercise/ adhere to the codal provisions and executive instructions in this regard not only results in misclassification and incorrect booking of receipts and expenditure in the accounts, but also defeats the very objective of budgetary process.

The status of reconciliation of receipts and expenditure figures by the Controlling Officers during the 2021-22 to 2023-24 is shown in **Chart 4.5**.

Chart 4.5: Status of reconciliation during the last three years

(₹ in crore)



Source: Finance Accounts

The details relating to the number of Controlling Officers and the extent of reconciliation during the last three years are given in **Table 4.9**

Table 4.9: Status of reconciliation of Receipts and Expenditure figures

(₹ in crore)

Year	Total No. of Controlling officers	Fully reconciled	Partially reconciled	Not reconciled at all	Total receipts/ expenditure	Reconciled Receipts/ Expenditure	Percentage of Reconciliation
Receipts							
2021-22	338	28	11	286	59,238.50	53,275.15	89.93
2022-23	371	68	71	232	68,975.95	63,500.04	92.06
2023-24	373	86	131	156	70,107.69	65,453.58	93.36
Expenditure							
2021-22	338	123	72	143	70,316.36	49,058.57	69.77
2022-23	371	233	101	37	73,773.12	52,963.32	71.79
2023-24	373	251	84	38	78,710.32	64,107.16	81.44

Source: Finance Accounts and information furnished by the Principal Accountant General (A&E), Jammu and Kashmir

During the year 2023-24, receipts amounting to ₹65,453.58 crore (93.36 per cent of total receipts of ₹70,107.69 crore) and expenditure amounting to ₹64,107.16 crore (81.44 per cent of total Revenue and Capital expenditure of ₹78,710.32 crore) were reconciled by the Government of Union Territory of Jammu and Kashmir.

In comparison, receipts amounting to ₹63,500.04 crore (92.06 per cent of total receipts of ₹68,975.95 crore) and expenditure amounting to ₹52,963.32 crore (71.79 per cent of total expenditure of ₹73,773.12 crore) were reconciled by the Government of Union Territory of Jammu and Kashmir with the Office of the Principal Accountant General (A&E) during 2022-23.

4.9 Reconciliation of Cash Balances

The Cash balance as on 31 March 2024 as per the records of the Principal Accountant General (A&E) was ₹1,444.87 crore (Debit) and that reported by the Reserve Bank of India (RBI) [as worked out by Principal Accountant General (A&E)] was ₹1,445.69 crore (Credit). There was a net difference of ₹0.82 crore (credit), mainly due to non-reconciliation by the Government of Union Territory of Jammu and Kashmir with RBI/ Agency Bank. The difference is under reconciliation.

In reply, the Finance Department stated (February 2025) that difference is under reconciliation.

There was also a net difference of ₹83.32 crore (debit) between RBI and Principal Accountant General's figures as on 30 October 2019 which is yet to be reconciled and apportioned between the Union Territory of Jammu and Kashmir and Union Territory of Ladakh.

Issues related to disclosure

4.10 Compliance with Accounting Standards

As per Section 71 of the Jammu and Kashmir Re-organisation Act 2019, the Lieutenant Governor may, on the advice of the Comptroller and Auditor General of India, prescribe the form of accounts of the Union Territory of Jammu and Kashmir. Further, as per Article 150 of the Constitution of India, the President of India, on the

advice of the Comptroller and Auditor General of India, has so far notified three Indian Government Accounting Standards (IGAS). Compliance with Accounting Standards by the Government of Union Territory of Jammu and Kashmir in 2023-24 and the deficiencies noticed by Audit are given in **Table 4.10**.

Table 4.10: Compliance to Accounting Standards

S. No.	Accounting Standards	Essence of IGAS	Compliance by UT Government	Impact of deficiency
1	IGAS-1: <i>Guarantees given by the Government - Disclosure requirements.</i>	To ensure uniform and complete disclosure of such guarantees.	Complied (Statements 9 and 20 of Finance Accounts)	NA
2	IGAS-2: <i>Accounting and Classification of Grants-in-Aid</i>	To prescribe the principles for accounting and classification of Grants-in-Aid in the Financial Statements of Government both as a grantor as well as a grantee.	Not complied (Statement 10 of Finance Accounts)	(i) Certain Grants-in-Aid to be classified under Revenue Section have been classified under Capital Section. (ii) Information has not been furnished in respect of Grants-in-Aid given in kind by the UT Government.
3	IGAS-3: <i>Loans and Advances made by Government</i>	To ensure adequate disclosure on loans and advances made by the Government consistent with best international practices.	Not complied (Statement 7 and 18 of Finance Accounts)	The closing balances have not been reconciled by the Loanee Entities/ Government of UT. The Government has not furnished figures in respect of certain loans and advances for which they maintain detailed accounts.

Source: Finance Accounts

4.11 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

Certification Audit of accounts of Autonomous Bodies (ABs) set up by the Government is conducted under Sections 19(2), 19(3) and 20(1) of Comptroller and Auditor General of India (DPC) Act, 1971. The ABs coming under the audit purview as per the above Sections are required to submit the annual accounts to audit. In respect of eight Autonomous Bodies which were to render annual accounts to C&AG, 40 accounts were not rendered for periods ranging between 3 to 14 years as tabulated below:

Table 4.11: Arrears of accounts by Autonomous Bodies as on 31 March 2024

S. No.	Name of Body/Authority	Accounts pending (years)	No of accounts pending
1	Compensatory Afforestation Management and Planning Authority (CAMPA) ⁴	2009-10 to 2022-23	14
2	Sher-e-Kashmir University of Agricultural Sciences and Technology (SKUAST), Srinagar Kashmir	2020-21 to 2022-23	3

⁴ Audit of J&K CAMPA was entrusted to C&AG from 01 January 2010. Though accounts for the years 2010-11 to 2019-20 were submitted (April 2023), the same could not be certified as the accounts for the period from January 2010 to March 2010 were not submitted.

3	Sher-e-Kashmir University of Agricultural Sciences and Technology (SKUAST), Jammu	2020-21 to 2022-23	3
4	JK Employee Provident Funds Organisation (EPFO)	2015-16 to 2018-19 ⁵	4
5	Jammu & Kashmir Housing Board	2019-20 to 2022-23 ⁶	4
6	J&K Khadi and Village Industries Board (KVIB)	2020-21 and 2022-23	3
7	J&K Building and Other Construction Workers Welfare Board (BOCWVB)	2019-20 to 2022-23	4
8	J&K State Legal Services Authority (SLSA)	2018-19 to 2022-23	5
	Total		40

Audit of Compensatory Afforestation Management and Planning Authority (CAMPA) was entrusted to C&AG of India from 01 January 2010. Though accounts for the years 2010-11 to 2019-20 were submitted (April 2023), the same could not be certified as the accounts for the period from 01 January 2010 to 31 March 2010 were not submitted as on March 2024. As such, the audit of accounts for the last 14 years from 2009-10 is pending. J&K Employee Provident Funds Organisation (EPFO) has not submitted its accounts for audit for the years 2015-16 to 2018-19.

Non-submission/ delay in submission of accounts by these Bodies receiving substantial funding from the Government is a financial irregularity persisting for years. In view of this non-compliance, the audited accounts of these Autonomous Bodies have not so far been presented to the Legislature, as required under the Statutes under which these bodies were created. Delay/ arrears in finalisation of accounts carries the risk of financial irregularities going undetected and entails possibility of fraud and misappropriation. This has also deprived the Legislature/ Government of the opportunity to get feedback on their activities and financial performance.

The Government may impress upon these Autonomous Bodies the need for timely preparation and submission of accounts.

In reply, the Finance Department stated (February 2025) that the Administrative Department/ Autonomous bodies have been implored to prepare and submit accounts to Audit.

4.12 Departmental Commercial Undertakings/Corporations/Companies

The departmental undertakings of certain Government departments performing activities of commercial nature are required to prepare *proforma* accounts in the prescribed format annually. The finalised accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalisation of accounts, the investment of the Government, corrective measures, if any required, for

⁵ The accounts for the years 2015-16 to 2018-19 were received unapproved from the Organisation.

⁶ J&K EPFO had ceased to operate since the enactment of J&K Re-organisation Act, 2019 i.e. from 31 October 2019 whereunder J&K Employees Provident Funds and Miscellaneous Provisions Act, 1961 was repealed. It is required to prepare and finalise its financial statements upto date of enactment of the J&K.

ensuring accountability and improving efficiency cannot be taken on time. Besides, the delay is fraught with the risk of fraud and leakage of public money.

The Heads of the Government Departments are required to ensure that the undertakings prepare accounts and submit the same to the Pr. Accountant General (Audit), Jammu and Kashmir for audit, within a specified time frame. The Government has two such departmental undertakings: (a) Government Printing Presses at Srinagar and Jammu and (b) Public Distribution System (PDS) under the Consumer Affairs and Public Distribution Department. The *proforma* accounts of the commercial operations of both these undertakings are in arrears. The two Government Presses have not submitted their *proforma* accounts from 1968-69 to 2022-23. The *proforma* accounts have not been submitted by Food Civil Supplies & Consumer Affairs Department, Kashmir from 1975-76 to 2022-23 and Food Civil Supplies & Consumer Affairs Department, Jammu from 1973-74 to 1997-98 and 1999-2000 to 2022-23.

The status of audit of Government Companies/ Corporations is illustrated in **Appendix 4.4**. Accounts in respect of only four Companies were audited up to 2022-23. In respect of 35 Companies/ Corporations, audit of 139 accounts was in arrears for period ranging from one to twelve years. In absence of timely finalisation of accounts, results of the investment of the Government remained outside the oversight of the legislature. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency could not be taken in time. The Government may ensure that the Companies and Corporations prepare their accounts and submit the same to the Principal Accountant General (Audit), J&K within a specified time frame.

In reply, the Finance Department stated (February 2025) that departments are working on completion of accounts in arrears.

4.13 Non-submission of details of Grants/ Loans given to Bodies and Authorities

To identify institutions/ organisations which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (C&AG's DPC Act), the Government / HODs are required to furnish to Audit every year:

- detailed information about the financial assistance given to various institutions,
- the purpose for which the assistance is granted, and
- total expenditure of the institutions.

Further, Regulations on Audit and Accounts (Amendments) 2020, provides that Governments and HODs who sanction grants and / or loans to bodies or authorities shall furnish to Audit by the end of July every year a statement of such bodies and authorities to which grants and / or loans aggregating ₹10 lakh or more were paid during the preceding year indicating (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or

authority. The Government, however, did not furnish the above-mentioned information, which contravenes the provisions of Regulations on Audit and Accounts (Amendments) 2020. In absence of above information Audit is facing difficulties in identifying the bodies /authorities attracting audit under Sections 14 and 15 of C&AG's DPC Act.

In reply, the Finance Department stated (February 2025) that all administrative departments have been instructed to furnish the above details to audit.

4.14 Timeliness and Quality of Accounts

The accounts of receipts and expenditure of the Government of Union Territory of Jammu and Kashmir have been compiled based on the initial accounts rendered by 122 Treasuries (including 20 District Treasuries and one virtual Treasury), and Advices of the Reserve Bank of India. As the Government of Jammu and Kashmir had already switched over to Civil Accounting System for Works and Forest Divisions (in previous years), no monthly accounts were due from these Divisions during 2023-24. No account was excluded at the end of the year 2023-24.

Other Issues

4.15 Follow up action on State/ UT Finances Audit Report

To ensure accountability of executives to the issues dealt with in various Audit Reports, the erstwhile State Government (Finance Department) issued instructions in June 1997 to the administrative departments to furnish to Public Accounts Committee (PAC)/ Committee on Public Undertaking (COPU), *suo-motu* Action Taken Notes (ATNs) on all the audit paragraphs featuring in the Audit Reports, irrespective of whether these were taken up for discussion by these Committees or not. These ATNs are to be submitted to these Committees duly vetted by the Principal Accountant General (Audit), within a period of three months from the date of presentation of Audit Reports in the State/UT Legislature.

The Report of the Comptroller and Auditor General of India on State Finances is being prepared since 2008-09 and Reports till the year 2015-16 have been tabled in the State Legislature. The State/UT has been under Governor's/ President rule since 20 June 2018 and as such the Report on State Finances /State Finances Audit Report for the years 2016-17, 2017-18, 2018-19, 1 April 2019 to 30 October 2019 and UT Finance Audit Report for the period 31 October 2019 to 31 March 2020, 2020-21 and 2021-22 have been tabled in the Parliament along with the other Audit Reports. Action Taken Notes on these Reports were not furnished by the State/UT Governments.

4.16 Conclusions


- Utilisation Certificates amounting to ₹12,074.25 crore (3,663 UCs) were outstanding indicating lack of internal control of administrative departments. There is also no assurance that the intended objectives of providing these funds have been achieved.

- Advances drawn through Abstract Contingent Bills and their detailed countersigned bills were not submitted which increased the possibility of wastage/ misappropriation.
- There were instances of non-submission/ delay in submission of accounts by the Bodies receiving substantial funding from the Government. It deprived the Legislature of the opportunity to get feedback on activities and the financial performance of these bodies.
- Significant amount of expenditure and receipts booked under Minor head-800-Other Expenditure and 800-Other Receipts under various Major Heads affects the transparency in the accounts.

4.17 Recommendations

1. *The Government should ensure timely submission of Utilisation Certificates by the grantees in respect of grants released for specific purposes and furnishing of Detailed Countersigned Contingent bills by the departments;*
2. *The Government should strengthen its internal control mechanism to ensure that the Controlling Officers reconcile their figures of expenditure with those of Accountant General (Accounts and Entitlements) at prescribed intervals;*
3. *The UT Government should take steps to fully implement the Indian Government Accounting Standards in the UT to improve the quality of financial reporting;*
4. *The Government should ensure that companies, corporations and autonomous bodies submit their annual accounts in a time-bound manner.*

Jammu/ Srinagar
Date: 09 Oct 2025


(K. P. YADAW)
Principal Accountant General (Audit),
Jammu and Kashmir

Countersigned

New Delhi
Date: 17 Oct 2025


(K. SANJAY MURTHY)
Comptroller and Auditor General of India

APPENDICES

Appendix - 1.1
(Reference Paragraph: 1.1)
Profile of Jammu & Kashmir

A. General Data						
S. No.	Particulars				Figures	
1	Area				2.22 lakh Sq. Kms	
2	Population (Projected 2024)				UT of Jammu & Kashmir	
					UT of Jammu & Kashmir and Ladakh	
3	Density of Population (UT of Jammu & Kashmir and Ladakh) (All India Density: 426.09 persons per Sq.Kms) (Source: Population Projection 2011-2036 for India & States)				63.01 per Sq. Kms	
4	Population below poverty line (BPL)^ (All India Average=21.92 per cent)				10.35	
5	Literacy (as per 2011 Census) [§] (All India Average=73.00 per cent)				67.20	
6	Infant mortality [@] (per 1000 live births) ^{\$\$} (All India Average=28 per 1000 live births-2020)				17	
7	Life Expectancy at birth [@] (All India Average=70 years (2016-20))				74.30	
8	Human Development Index (India)**				2021	
					2022	
9	Per Capita GSDP CAGR (2014-15 to 2023-24)				Jammu & Kashmir UT & Ladakh	
					North Eastern and Himalayan States	
10	GSDP CAGR (2014-15 to 2023-24)				Jammu & Kashmir UT & Ladakh	
					North Eastern and Himalayan States	
11	Population Growth (2014 to 2024)				Jammu & Kashmir UT & Ladakh	
					All India (inclusive of UT's)	
B. Financial Data[@]						
Sl. No.	Particulars (YoY)	Figures (in per cent)				
		2021-22 to 2022-23		2022-23 to 2023-24		
		North Eastern and Himalayan States	Jammu & Kashmir	North Eastern and Himalayan States	Jammu & Kashmir	
a.	Revenue Receipts	11.02	16.44	4.79	1.64	
b.	Own Tax Revenue	17.39	5.37	12.61	12.71	
c.	Non Tax Revenue	34.51	6.34	6.60	24.92	
d.	Total Expenditure	13.26	4.89	4.25	6.62	
e.	Capital Expenditure (including loans and advance)	1.03	-2.59	18.00	11.70	
f.	Revenue Expenditure on Education (General Education and Technical Education)	11.76	4.88	3.26	5.62	
g.	Revenue Expenditure on Health & Family Welfare	9.15	15.10	-4.03	-14.21	
h.	Salary & Wages	10.05	6.75	3.32	5.54	
i.	Pension	10.74	-3.64	3.16	-15.67	

Source: Area – Forest Survey Report (2021), Population – Population projection for India and States 2011-2036 by National Commission on Population, Ministry of Health & Family Welfare, Literacy Rate – Census of India 2011, IMR- SRS Bulletin (2020), Poverty BPL – MoSPI, Life Expectancy – SRS based abridged Life Tables (2016-20), Fiscal Priority by Economic Advisor O/o CAG of India.

^ MoSPI (Based on Tendulkar Methodology),

§ Economic Survey 2021-22,

\$\$ SRS Bulletin (2020)

@ SRS Based Abridged life Tables 2016-20, Registrar General of India

** UNDP Report HDR 2023/2024

Appendix 1.2
(Reference Paragraph: 1.4, 2.3.2)
Time Series Data¹ on the UT Government Finances

(₹ in crore)

Part-A Receipts					
Fiscal Aggregate	31/10/2019 to 31/03/2020	2020-21	2021-22	2022-23	2023-24
1.Revenue Receipts (a) + (b)	22,557.34	52,495.48	59,238.50	68,975.95	70,107.69
(a) Tax Revenue	4,056.49	8,876.99	11,707.28	12,335.47	13,903.22
(i) Revenue from UT's Own Taxes	4,056.49	8,876.99	11,707.28	12,335.47	13,903.22
Of which					
State Goods & Service Tax	2,115.75	4,839.35	6,394.31	7,211.98	8,064.14
Taxes on sales, trade, etc.	782.43	1,495.61	1,906.31	1,554.32	1,631.19
State Excise	587.67	1,347.42	1,782.79	1,793.74	2,490.25
Taxes on vehicles	246.08	488.38	616.24	723.42	904.26
Stamps and Registration fees	117.54	325.54	512.02	556.66	677.55
Land Revenue	48.32	60.57	113.28	131.60	123.79
Other Taxes	158.70	320.12	382.33	363.75	12.04
(ii) UT's share of Union taxes and duties	0.00	0.00	0.00	0.00	0.00
(b) Non-Tax Revenue	18,500.85	43,618.49	47,531.22	56,640.48	56,204.47
(i) UTs Own Non-Tax Revenue	2,062.77	4,076.38	4,840.45	5,147.55	6,430.33
Of which					
Power Department receipts	1,196.66	2,349.74	2,715.75	3,307.54	4,208.61
(ii) Grants-in-aid from the Union Government	16,438.08	39,542.11	42,690.77	51,492.93	49,774.14
UT's Own Revenues (a) (i) + (b) (i)	6,119.26	12,953.37	16,547.73	17,483.02	20,333.55
Revenue transfers from Centre (a) (ii) + (b) (ii)	16,438.08	39,542.11	42,690.77	51,492.93	49,774.14
2. Miscellaneous capital receipts (Recoveries of Loans and Advances)	2.34	1.93	1.03	1.33	6.04
3. Gross Public Debt receipts (including receipts of Ways and Means Advances)	16,647.37	42,732.93	54,045.36	38,114.47	53,482.76
4. Total receipts in the Consolidated Fund (1+2+3)	39,207.05	95,230.34	1,13,284.89	1,07,091.75	1,23,596.49
5. Contingency Fund receipts	0.00	25.00	0.00	0.00	0.00
6. Gross Public Account receipts (including receipts in departmental cash chest and cash balance investment)	11,364.19	24,833.82	27,223.48	35,464.84	35,268.87
Gross Receipts (4+5+6)	50,571.24	1,20,089.16	1,40,508.37	1,42,556.59	1,58,865.36
Public Account Receipts (Net) including receipts in departmental cash chest and cash balance investment	3,604.34	1,464.16	-1,319.63	808.46	1,913.84

¹ Difference of 0.01 crore, wherever occurring, is due to rounding off

Part-B Disbursements					
Fiscal Aggregate	31/10/2019 to 31/03/2020	2020-21	2021-22	2022-23	2023-24
1. Revenue Expenditure (a) + (b)=(i) + (ii) + (iii)	22,719.43	52,633.75	59,269.33	62,999.34	66,621.47
(a) CSS/CA	637.96	1,740.45	2,007.69	1,997.43	1,961.93
(b) Normal/General/SFE	22,081.47	50,893.30	57,261.64	61,001.91	64,659.54
(i) General Services (including interest payments)	9,383.75	25,521.16	29,639.86	31,162.12	31,998.20
(ii) Social Services	8,614.74	19,471.70	20,933.14	22,984.37	22,537.18
(iii) Economic Services	4,720.94	7,640.89	8,696.33	8,852.85	12,086.09
2. Capital Expenditure (a) + (b)=(i) + (ii) + (iii)	5,422.20	10,470.38	11,047.04	10,773.78	12,088.85
(a) CSS/CA	1,861.63	4,294.25	3,407.58	3,353.45	4,780.06
(b) General	3,560.57	6,176.13	7,639.45	7,420.33	7,308.79
(i) General Services	733.57	776.24	659.03	1,098.38	683.92
(ii) Social Services	1,492.93	2,492.57	2,722.61	2,713.42	3,860.94
(iii) Economic Services	3,195.70	7,201.57	7,665.40	6,961.98	7,543.99
3. Disbursement of loans and advances	38.14	61.64	73.77	59.53	11.49
4. Total (1+2+3)	28,179.77	63,165.77	70,390.14	73,832.65	78,721.81
5. Gross Repayment of Public Debt (including repayment of Ways and Means Advances) of which	13,149.34	33,563.32	41,575.17	34,066.90	46,791.96
Internal Debt (excluding Ways and Means Advances and Overdraft)	985.31	4,134.06	4,067.96	3,910.56	10,310.65
Net transactions under Ways and Means Advances and Overdraft	-295.18	-1,784.54	499.54	1,075.61	116.04
Loans and Advances from Government of India (Repayment)	58.91	118.34	119.18	120.01	121.06
6. Appropriation to Contingency Fund	0.00	25.00	0.00	0.00	0.00
7. Gross disbursement out of Consolidated Fund (4+5+6)	41,329.11	96,754.09	1,11,965.31	1,07,899.55	1,25,513.77
8. Contingency Fund disbursements	0.00	0.00	0.00	0.00	0.00
9. Gross Public Account disbursements	7,759.85	23,369.66	28,543.10	34,656.38	33,355.03
10. Gross disbursements (7+8+9)	49,088.96	1,20,123.75	1,40,508.41	1,42,555.93	1,58,868.80
11. Increase in Cash Balance	1,482.28	-34.59	-0.04	0.66	-3.44
12 Grand Total	50,571.24	1,20,089.16	1,40,508.37	1,42,556.59	1,58,865.36

Part-C Deficits						
Fiscal Aggregate	31/10/2019 to 31/03/2020	2020-21	2021-22	2022-23	2023-24	
1. Revenue Surplus (+)/Revenue Deficit (-) (Revenue Receipts-Revenue Expenditure)	-162.09	-138.27	-30.83	+5,976.61	+3,486.22	
2. Fiscal Deficit (-)/surplus (+) (Total expenditure excluding redemption of Public Debt & other liabilities – total non-debt receipts)	-5,620.09	-10,693.36	-11,150.60	-4,855.37	-8,608.08	
3. Primary Deficit (-)/Surplus (+) (Fiscal Deficit –Interest Payment)	-3,088.46	-4,320.90	-3,790.29	+3,638.45	+1,316.88	
4. Interest Payments (included in revenue expenditure)	2,531.63	6,372.46	7,360.31	8,493.82	9,924.96	
5. Financial Assistance to local bodies, etc.	3,998.98	6,531.86	4,870.85	6,280.51	5,841.75	
6. Ways and Means Advances (WMA) /overdraft (OD) availed (No of days)	WMA	81	260	125	147	166
	OD	51	58	178	135	110
7. Interest on WMA/Overdraft	12.87	40.13	61.64	47.34	56.05	
8. Public Debt Receipts	16,647.37	42,732.93	54,045.36	38,114.47	53,482.76	
9. Gross State Domestic Product at Current Prices (GSDP²)	1,64,103	1,67,793	1,88,561	2,20,204	2,41,133	
10. Outstanding Public Debt³ (year end) excluding Public Account	3,498.03	12,667.64	25,137.83	29,185.40	35,876.20	
11. Outstanding guarantees (year end) plus interest	1,324.54	1,486.07	12,328.80	24,867.44	24,485.47	
12. Maximum amount guaranteed (year end)	5,204.84	12,564.18	13,449.49	34,832.87	34,807.95	
13. Number of incomplete projects	NA	165	397	48	30	
14. Capital blocked in incomplete projects	NA	464.91	1,095.53	133.71	38.19	
Total Expenditure/GSDP (<i>per cent</i>)	NA	37.65	37.33	33.53	32.65	
Revenue Receipts/Total expenditure (<i>per cent</i>)	80.05	83.11	84.16	93.42	89.06	
Revenue Expenditure/Total Expenditure (<i>per cent</i>)	80.62	83.33	84.20	85.33	84.63	
Expenditure on Social Services/Total Expenditure (<i>per cent</i>)	35.87	34.77	33.61	34.81	33.53	
Expenditure on Economic Services/Total Expenditure (<i>per cent</i>)	28.09	23.50	23.24	21.42	24.94	
Capital Expenditure/Total Expenditure (<i>per cent</i>)	19.24	16.58	15.69	14.59	15.36	

² Figures of GSDP is from MOSPI website.

³ Includes internal debt and Loan and Advances from Central Government only.

Part-C Deficits					
Fiscal Aggregate	31/10/20 19 to 31/03/20 20	2020-21	2021-22	2022-23	2023-24
Capital Expenditure on Social and Economic Services/Total Expenditure (<i>per cent</i>)	16.64	15.35	14.76	13.10	14.49
Revenue Surplus/Revenue Deficit as <i>per cent</i> of GSDP	-	-0.08	-0.02	+2.71	+1.45
Fiscal Deficit as <i>per cent</i> of GSDP	-	-6.37	-5.91	-2.20	-3.57
Primary Deficit as <i>per cent</i> of GSDP	-	-2.58	-2.01	+1.65	+0.55
Revenue Deficit/Fiscal Deficit (<i>per cent</i>)	-	-1.29	-0.28	123.09	40.50
Liabilities/GSDP ⁴ (<i>per cent</i>)	-	8.87 (58.65)	12.40 (56.71)	12.69 (49.95)	15.24 (49.26)
Liabilities/Revenue Receipts (<i>per cent</i>)	-	28.35	39.48	40.52	52.41
Debt Redemption (Principal+Interest)/Total Debt Receipts for the year (<i>per cent</i>)	89	89	87	106	102
Return on Investment	Nil	Nil	Nil	Nil	30.41
Financial Assets/Liabilities	98	98	99	116	121

Source: Finance Accounts

⁴ Liability to GSDP has been arrived at after reducing back to back loans from liability during 2020-21 (₹16,980.28 crore - ₹2,099.80 crore = ₹14,880.48 crore), 2021-22 (₹ 29,335.41 crore - ₹5,945.29 crore = ₹23,390.12 crore), 2022-23: ₹33,891.93 crore - ₹5,945.29 crore = ₹27,946.64 crore) and 2023-24: ₹42,687.46 crore - ₹5,945.29 crore = ₹36,742.17 crore). The liability to GSDP after including liability of erstwhile State amounting to ₹83,536.63 crore during 2020-21 and 2021-22 and ₹82,050.50 crore during 2022-23 and 2023-24 which is yet to be apportioned has been shown in bracket.

Appendix 1.2 (Continued)
(Reference Paragraph: 1.4, 2.3.2)
Abstract of Receipts and Disbursements for the year 2023-24

(₹ in crore)

Receipts			Disbursements		
Various items	2022-23	2023-24	Various items	2022-23	2023-24
1	2	3	4	5	6
Section-A: Revenue					
I. Revenue Receipts	68,975.95	70,107.69	I. Revenue Expenditure	62,999.34	66,621.47
Own-Tax Revenue	12,335.47	13,903.22	General Services	31,162.12	31,998.20
			Social Services	22,984.37	22,537.17
Non-Tax Revenue	5,147.55	6,430.33	Education, Sports, Art and Culture	11,427.44	12,059.55
			Health and Family Welfare	5,728.95	4,914.87
UT's Share of Union Taxes	0.00	0.00	Water Supply, Sanitation/H&UD	3,119.84	2,950.08
			Information and Broadcasting	104.98	95.85
Centrally Sponsored Schemes	6,029.68	7,958.26	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	95.55	49.30
Finance Commission Grants	0.00	0.00	Labour and Labour Welfare	48.09	53.16
Grants from Govt. of India (Other Transfer/ Grants to UTs)	45,463.25	41,815.88	Social Welfare and Nutrition	2,409.12	2,357.93
			Others	50.40	56.44
			Economic Services	8,852.85	12,086.09
			Agriculture and Allied Activities	3,355.44	3,335.88
			Rural Development	578.97	597.53
			Special Areas Programmes	0.00	0.00
			Irrigation and Flood Control	639.33	617.19
			Energy	2,768.74	6,290.92
			Industries and Minerals	437.16	382.58
			Transport	666.01	452.14
			Science, Technology and Environment	48.48	50.63
			General Economic Services	358.72	359.22
II. Revenue deficit carried over to Section -B	0.00	0.00	II. Revenue Surplus carried over to Section-B	5,976.61	3,486.22
Total Section-A	68,975.95	70,107.69	Total Section-A	68,975.95	70,107.69

Receipts			Disbursements		
Various items	2022-23	2023-24	Various items	2022-23	2023-24
1	2	3	4	5	6
Section B: Capital					
III. Opening Cash balance including Permanent Advances and Cash Balance Investment	1,447.65	1,448.31	III. Capital Outlay	10,773.78	12,088.85
IV. Misc. Capital receipts	0.00	0.00	General Services	1,098.38	683.92
			Social Services	2,713.42	3,860.94
			Education, Sports, Art and Culture	851.87	779.95
			Health and Family Welfare	365.76	643.59
			Water Supply, Sanitation/H&UD	989.39	2,012.72
			Information and Broadcasting	0.04	0.48
			Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	100.92	76.98
			Social Welfare and Nutrition	387.72	332.33
			Other Social Services	17.72	14.89
			Economic Services	6,961.98	7,543.99
			Agriculture and Allied Activities	586.61	804.15
			Rural Development	2,436.39	2,728.05
			Special Areas Programmes	0.00	0.00
			Irrigation and Flood Control	258.40	153.25
			Energy	722.46	713.08
			Industries and Minerals	100.92	121.39
			Transport	2,094.11	2,429.42
			Science, Technology and Environment	37.17	35.88
			General Economic Services	725.92	558.77
V. Recoveries of Loans and Advances	1.33	6.04	IV. Loans and Advances Disbursement	59.53	11.49
Industries and Minerals	0.01	0.001	Industries and Minerals	52.03	11.49
Government servants	0.81	0.66	Transport	7.50	0.00
Others	0.51	5.38	Others	0.00	0.00
VI. Revenue	5,976.61	3,486.22	V. Revenue deficit	0.00	0.00

Receipts			Disbursements		
Various items	2022-23	2023-24	Various items	2022-23	2023-24
1	2	3	4	5	6
surplus					
VII. Public Debt Receipts	9,153.75	17,238.55	VI. Repayment of Public Debt	5,106.18	10,547.75
Internal debt of the UT Government other than Ways and Advances	9,153.75	17,238.55	Internal debt of the UT Government other than Ways and Advances	3,910.56	10,310.65
Loans and Advances from GOI	0.00	0.00	Repayment of Loans and Advances from GOI.	120.01	121.06
Net Ways and Means Advance	-	-	Net Ways and Means Advance	1,075.61	116.04
VIII. Appropriation to Contingency Fund	0.00	0.00	VII. Appropriation to Contingency Fund	0.00	0.00
IX. Amount recouped to Contingency Fund	0.00	0.00	VIII-Expenditure from Contingency Fund	0.00	0.00
X. Public Account Receipts	35,464.84	35,268.87	IX-Public Account Disbursements	34,656.38	33,355.03
Small Savings and Provident Funds	6,062.49	6,177.91	Small Savings and Provident Funds	6,636.19	5,029.63
Reserve Funds	452.45	537.35	Reserve Funds	76.84	25.97
Deposits and Advances	4,612.87	4,334.51	Deposits and Advances	3,905.82	3,889.44
Suspense and Miscellaneous	24,335.85	24,218.86	Suspense and Miscellaneous	24,046.99	24,400.02
Remittances	1.18	0.24	Remittances	-9.46	9.97
			X. Cash Balance at the end	1,448.31	1,444.87
			Deposits with Banks	1,448.31	1,444.87
Total Section-B	52,044.18	57,447.99	Total Section-B	52,044.18	57,447.99

Explanatory Notes

1. The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts.
2. Government accounts being mainly on cash basis, the deficit on Government account indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation on stock figures etc. do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid and payments made on behalf of the UT and others pending settlement, etc.

Appendix 1.2 (Continued)
Summarised financial position of the Government of
UT of Jammu and Kashmir as on 31 March 2024

(₹ in crore)

As on 31 March 2023			As on 31 March 2024	
Liabilities				
	23,473.66	Internal Debt		30,285.52
21,345.21		Market Loans bearing interest	35,541.43	
(-)432.76		Loans from LIC	(-)558.04	
(-)576.07		Ways and Means Advances from Reserve Bank of India (RBI)	(-)692.11	
3,137.28		Loans from other Institutions	(-)4,005.76	
	5,711.74	Loans and Advances from Central Government		5,590.68
0.00		Pre 1984-85 Loans	0.00	
0.00		Non-Plan Loans	0.00	
(-) 412.46		Loans for State /Union territories loan schemes	(-)531.20	
6,124.20		Other Loans for States/ Union Territory with Legislature Schemes	6,121.88	
	25.00	Contingency Fund		25.00
	1,017.70	Small Savings, Provident Funds, etc.		2,165.98
	1,295.74	Reserve Funds		1,807.12
	2,393.09	Deposits		2,838.16
	0.00	Remittance Balances		0.00
	538.23	Suspense and Misc. Balances		508.02
	5,620.67	Surplus on Government Account		9,106.89
	40,075.83	Total		52,327.37

As on 31 March 2023			As on 31 March 2024	
Assets				
	37,713.39	Gross Capital Outlay on Fixed Assets		49,802.24
266.27		Investments in shares of Companies, Corporations, etc.	334.89	
37,447.12		Other Capital Outlay	49,467.35	
	226.46	Loans and Advances		231.91
125.90		Industries and Minerals	137.39	
103.00		Transport	103.00	
0.00		Energy	0.00	
(-) 0.07		Agriculture and Allied Activities	(-) 5.26	
(-) 0.16		Other Development Loans	(-) 0.35	
(-) 2.21		Loans to Government servants and Miscellaneous Loans	(-) 2.87	
	0.00	Advances		0.00
	0.00	Suspense and Miscellaneous Balances		0.00
	687.67	Remittance Balances		697.40
	0.00	Contingency Fund(un-recouped)		0.00
	0.00	Contingency Fund (Corpus)		0.00
	1,448.31	Cash		1,595.82
0.00		Cash in Treasuries and Local Remittances	0.00	
0.00		Cash Balance Investment	150.95	
1,448.31		Deposits with Bank	1,444.87	
	0.00	Cumulative Excess of Expenditure over Receipts		0.00
	40,075.83	Total		52,327.37

Source: Finance Accounts Assets and Liability ending 30/10/2019 in respect of erstwhile J&K State has not been apportioned between Union Territory of J&K and Union Territory of Ladakh.

Appendix 3.1
(Reference Paragraph: 3.1.3)
Budget Estimates and Actual Outturn under Revenue Section

(₹ in crore)

Grant No.	Budget Estimate			Actual Outturn			Deviation	Percentage
	Revenue Voted	Revenue Charged	Total	Revenue Voted	Revenue Charged	Total		
1	529.18	31.69	560.87	443.37	24.67	468.04	-92.83	-16.55
2	10,314.22	0.00	10,314.22	8,191.91	0.00	8,191.91	-2,122.31	-20.58
3	134.80	0.00	134.80	98.06	0.00	98.06	-36.74	-27.26
4	122.05	0.00	122.05	95.85	0.00	95.85	-26.2	-21.47
5	78.35	0.00	78.35	60.83	0.00	60.83	-17.52	-22.36
6	7,163.47	0.00	7,163.47	6,303.94	0.00	6,303.94	-859.53	-12.00
7	12,000.18	0.00	12,000.18	10,512.70	0.00	10,512.70	-1,487.48	-12.40
8	14,206.03	9,635.18	23,841.21	10,992.77	9,924.96	20,917.73	-2,923.48	-12.26
9	58.72	0.87	59.59	23.55	0.00	23.55	-36.04	-60.48
10	830.23	102.35	932.58	434.16	76.37	510.53	-422.05	-45.26
11	347.44	0.00	347.44	227.41	0.00	227.41	-120.03	-34.55
12	1,308.01	0.00	1,308.01	1,185.13	0.00	1,185.13	-122.88	-9.39
13	669.08	0.00	669.08	612.39	0.00	612.39	-56.69	-8.47
14	830.54	0.00	830.54	592.94	0.00	592.94	-237.6	-28.61
15	236.21	0.00	236.21	189.56	0.00	189.56	-46.65	-19.75
16	1,327.60	0.00	1,327.60	1,179.38	0.00	1,179.38	-148.22	-11.16
17	6,264.75	0.00	6,264.75	4,915.59	0.00	4,915.59	-1,349.16	-21.55
18	3,538.72	0.00	3,538.72	2,083.19	0.00	2,083.19	-1,455.53	-41.13
19	1,297.50	0.00	1,297.50	1,182.82	0.00	1,182.82	-114.68	-8.84
20	215	0.00	215.00	151.68	0.00	151.68	-63.32	-29.45
21	1,568.52	0.00	1,568.52	1,182.91	0.00	1,182.91	-385.61	-24.60
22	717.58	0.00	717.58	590.34	0.00	590.34	-127.24	-17.73
23	1,838.12	0.00	1,838.12	1,701.56	0.00	1,701.56	-136.56	-7.43
24	239.37	0.00	239.37	155.38	0.00	155.38	-83.99	-35.09
25	111.13	0.00	111.13	74.95	0.00	74.95	-36.18	-32.56
26	111.57	0.00	111.57	107.62	0.00	107.62	-3.95	-3.54
27	1,540.68	0.00	1,540.68	1,357.44	0.00	1,357.44	-183.24	-11.90
28	748.33	0.00	748.33	602.44	0.00	602.44	-145.89	-19.50
29	107.39	0.00	107.39	66.84	0.00	66.84	-40.55	-37.76
30	121.90	0.00	121.90	43.57	0.00	43.57	-78.33	-64.26
31	97.38	0.00	97.38	68.42	0.00	68.42	-28.96	-29.74
32	161.53	0.00	161.53	150.12	0.00	150.12	-11.41	-7.06
33	1,009.82	0.00	1,009.82	896.80	0.00	896.80	-113.02	-11.19
34	669.47	0.00	669.47	533.93	0.00	533.93	-135.54	-20.25
35	13.02	0.00	13.02	11.76	0.00	11.76	-1.26	-9.68
36	75.25	0.00	75.25	77.65	0.00	77.65	2.4	3.19
Total	70,603.14	9,770.09	80,373.23	57,098.96	10,026.00	67,124.96	-13,248.27	-16.48

Source: Appropriation Accounts 2023-24

Appendix 3.2
(Reference Paragraph: 3.1.3)
Budget Estimates and Actual Outturn under Capital Section

(₹ in crore)

Grant No.	Budget Estimate			Actual Outturn			Deviation	Percentage
	Capital Voted	Capital Charged	Total	Capital Voted	Capital Charged	Total		
1	163.41	0.00	163.41	29.29	0.00	29.29	-134.12	-82.08
2	799.61	0.00	799.61	289.14	0.00	289.14	-510.47	-63.84
3	786.57	0.00	786.57	205.01	0.00	205.01	-581.56	-73.94
4	100.48	0.00	100.48	0.48	0.00	0.48	-100	-99.52
5	12.20	0.00	12.20	0.48	0.00	0.48	-11.72	-96.07
6	1,964.90	0.00	1,964.90	713.08	0.00	713.08	-1,251.82	-63.71
7	792.12	0.00	792.12	474.83	0.00	474.83	-317.29	-40.06
8	1,021.66	43,323.30	44,344.96	354.89	46,791.96	47,146.85	2801.89	6.32
9	4.00	0.00	4.00	0.00	0.00	0.00	-4	-100.00
10	192.00	0.00	192.00	75.74	0.00	75.74	-116.26	-60.55
11	741.79	0.00	741.79	121.82	0.00	121.82	-619.97	-83.58
12	1,953.95	0.00	1,953.95	314.78	0.00	314.78	-1,639.17	-83.89
13	476.44	0.00	476.44	127.21	0.00	127.21	-349.23	-73.30
14	59.50	0.00	59.50	2.07	0.00	2.07	-57.43	-96.52
15	390.87	0.00	390.87	178.57	0.00	178.57	-212.3	-54.31
16	4,062.87	0.00	4,062.87	2,647.06	0.00	2,647.06	-1,415.81	-34.85
17	2,097.53	0.00	2,097.53	643.60	0.00	643.60	-1,453.93	-69.32
18	98.92	0.00	98.92	26.14	0.00	26.14	-72.78	-73.57
19	2,928.04	0.00	2,928.04	1,383.37	0.00	1,383.37	-1,544.67	-52.75
20	287.32	0.00	287.32	128.71	0.00	128.71	-158.61	-55.20
21	207.74	0.00	207.74	68.91	0.00	68.91	-138.83	-66.83
22	1,310.50	0.00	1,310.50	133.88	0.00	133.88	-1,176.62	-89.78
23	5,850.00	0.00	5,850.00	629.35	0.00	629.35	-5,220.65	-89.24
24	75.50	0.00	75.50	57.69	0.00	57.69	-17.81	-23.59
25	69.00	0.00	69.00	5.76	0.00	5.76	-63.24	-91.65
26	153.26	0.00	153.26	24.20	0.00	24.20	-129.06	-84.21
27	729.75	0.00	729.75	191.79	0.00	191.79	-537.96	-73.72
28	4,169.27	0.00	4,169.27	2,728.05	0.00	2,728.05	-1,441.22	-34.56
29	54.39	0.00	54.39	4.24	0.00	4.24	-50.15	-92.20
30	446.76	0.00	446.76	69.65	0.00	69.65	-377.11	-84.41
31	170.07	0.00	170.07	15.88	0.00	15.88	-154.19	-90.66
32	572.79	0.00	572.79	155.26	0.00	155.26	-417.53	-72.89
33	410.67	0.00	410.67	190.59	0.00	190.59	-220.08	-53.59
34	227.63	0.00	227.63	107.53	0.00	107.53	-120.1	-52.76
35	109.85	0.00	109.85	34.32	0.00	34.32	-75.53	-68.76
36	25.00	0.00	25.00	4.68	0.00	4.68	-20.32	-81.28
Total :	33,516.36	43,323.30	76,839.66	12,138.05	46,791.96	58,930.01	-17,909.65	-23.31

Source: Appropriation Accounts 2023-24

Appendix 3.3
(Reference Paragraph: 3.1.3)
Revised Estimates and Actual Outturn under Revenue Section

(₹ in crore)

Grant No.	Revised Estimate			Actual Outturn			Deviation	Percent age
	Revenue Voted	Revenue Charged	Total	Revenue Voted	Revenue Charged	Total		
1	475.61	27.83	503.44	443.37	24.67	468.04	-35.40	-7.03
2	8,847.44	0.00	8,847.44	8,191.91	0.00	8,191.91	-655.53	-7.41
3	119.31	0.00	119.31	98.06	0.00	98.06	-21.25	-17.81
4	108.31	0.00	108.31	95.85	0.00	95.85	-12.46	-11.50
5	63.65	0.00	63.65	60.83	0.00	60.83	-2.82	-4.43
6	7,805.98	0.00	7,805.98	6,303.94	0.00	6,303.94	-1,502.04	-19.24
7	11,017.56	0.00	11,017.56	10,512.70	0.00	10,512.70	-504.86	-4.58
8	14,568.98	9,435.42	24,004.40	10,992.77	9,924.96	20,917.73	-3,086.67	-12.86
9	30.13	0.00	30.13	23.55	0.00	23.55	-6.58	-21.84
10	662.61	82.57	745.18	434.16	76.37	510.53	-234.65	-31.49
11	263.34	0.00	263.34	227.41	0.00	227.41	-35.93	-13.64
12	1,231.01	0.00	1,231.01	1,185.13	0.00	1,185.13	-45.88	-3.73
13	617.77	0.00	617.77	612.39	0.00	612.39	-5.38	-0.87
14	732.39	0.00	732.39	592.94	0.00	592.94	-139.45	-19.04
15	218.01	0.00	218.01	189.56	0.00	189.56	-28.45	-13.05
16	1,222.25	0.00	1,222.25	1,179.38	0.00	1,179.38	-42.87	-3.51
17	6,060.82	0.00	6,060.82	4,915.59	0.00	4,915.59	-1,145.23	-18.90
18	2,841.20	0.00	2,841.20	2,083.19	0.00	2,083.19	-758.01	-26.68
19	1,215.13	0.00	1,215.13	1,182.82	0.00	1,182.82	-32.31	-2.66
20	194.07	0.00	194.07	151.68	0.00	151.68	-42.39	-21.84
21	1,333.95	0.00	1,333.95	1,182.91	0.00	1,182.91	-151.04	-11.32
22	637.82	0.00	637.82	590.34	0.00	590.34	-47.48	-7.44
23	1,744.07	0.00	1,744.07	1,701.56	0.00	1,701.56	-42.51	-2.44
24	197.14	0.00	197.14	155.38	0.00	155.38	-41.76	-21.18
25	84.96	0.00	84.96	74.95	0.00	74.95	-10.01	-11.78
26	108.62	0.00	108.62	107.62	0.00	107.62	-1.00	-0.92
27	1,488.90	0.00	1,488.90	1,357.44	0.00	1,357.44	-131.46	-8.83
28	660.63	0.00	660.63	602.44	0.00	602.44	-58.19	-8.80
29	89.42	0.00	89.42	66.84	0.00	66.84	-22.58	-25.25
30	77.70	0.00	77.70	43.57	0.00	43.57	-34.13	-43.92
31	77.12	0.00	77.12	68.42	0.00	68.42	-8.70	-11.28
32	157.34	0.00	157.34	150.12	0.00	150.12	-7.22	-4.59
33	967.77	0.00	967.77	896.80	0.00	896.80	-70.97	-7.33
34	595.06	0.00	595.06	533.93	0.00	533.93	-61.13	-10.27
35	12.60	0.00	12.60	11.76	0.00	11.76	-0.84	-6.67
36	80.25	0.00	80.25	77.65	0.00	77.65	-2.60	-3.24
Total	66,608.92	9,545.82	76,154.74	57,098.96	10,026.00	67,124.96	-9,029.78	-11.86

Source: Appropriation Accounts 2023-24

Appendix 3.4
(Reference Paragraph: 3.1.3)
Revised Estimates and Actual Outturn under Capital Section

(₹ in crore)

Grant No.	Revised Estimate			Actual Outturn			Deviation	Percentage
	Capital Voted	Capital Charged	Total	Capital Voted	Capital Charged	Total		
1	63.52	0.00	63.52	29.29	0.00	29.29	-34.23	-53.89
2	440.18	0.00	440.18	289.14	0.00	289.14	-151.04	-34.31
3	327.16	0.00	327.16	205.01	0.00	205.01	-122.15	-37.34
4	0.48	0.00	0.48	0.48	0.00	0.48	0	0
5	1.10	0.00	1.10	0.48	0.00	0.48	-0.62	-56.36
6	1,322.39	0.00	1,322.39	713.08	0.00	713.08	-609.31	-46.08
7	664.78	0.00	664.78	474.83	0.00	474.83	-189.95	-28.57
8	779.77	43,402.00	44,181.77	354.89	46,791.96	47,146.85	2,965.08	6.71
9	0.00	0.00	0.00	0.00	0.00	0.00	0	0
10	120.00	0.00	120.00	75.74	0.00	75.74	-44.26	-36.88
11	396.27	0.00	396.27	121.82	0.00	121.82	-274.45	-69.26
12	801.45	0.00	801.45	314.78	0.00	314.78	-486.67	-60.72
13	336.63	0.00	336.63	127.21	0.00	127.21	-209.42	-62.21
14	14.00	0.00	14.00	2.07	0.00	2.07	-11.93	-85.21
15	379.46	0.00	379.46	178.57	0.00	178.57	-200.89	-52.94
16	3,942.87	0.00	3,942.87	2,647.06	0.00	2,647.06	-1,295.81	-32.87
17	1,713.49	0.00	1,713.49	643.60	0.00	643.60	-1,069.89	-62.44
18	76.50	0.00	76.50	26.14	0.00	26.14	-50.36	-65.83
19	2,628.28	0.00	2,628.28	1,383.37	0.00	1,383.37	-1,244.91	-47.37
20	253.75	0.00	253.75	128.71	0.00	128.71	-125.04	-49.28
21	134.45	0.00	134.45	68.91	0.00	68.91	-65.54	-48.75
22	602.44	0.00	602.44	133.88	0.00	133.88	-468.56	-77.78
23	930.49	0.00	930.49	629.35	0.00	629.35	-301.14	-32.36
24	75.50	0.00	75.50	57.69	0.00	57.69	-17.81	-23.59
25	37.28	0.00	37.28	5.76	0.00	5.76	-31.52	-84.55
26	70.00	0.00	70.00	24.20	0.00	24.20	-45.8	-65.43
27	434.00	0.00	434.00	191.79	0.00	191.79	-242.21	-55.81
28	3,999.50	0.00	3,999.50	2,728.05	0.00	2,728.05	-1,271.45	-31.78
29	13.89	0.00	13.89	4.24	0.00	4.24	-9.65	-69.47
30	270.70	0.00	270.70	69.65	0.00	69.65	-201.05	-74.27
31	60.50	0.00	60.50	15.88	0.00	15.88	-44.62	-73.75
32	320.98	0.00	320.98	155.26	0.00	155.26	-165.72	-51.63
33	288.00	0.00	288.00	190.59	0.00	190.59	-97.41	-33.82
34	168.58	0.00	168.58	107.53	0.00	107.53	-61.05	-36.21
35	88.00	0.00	88.00	34.32	0.00	34.32	-53.68	61
36	20.00	0.00	20.00	4.68	0.00	4.68	-15.32	-76.6
Total:	21,776.39	43,402.00	65,178.39	12,138.05	46,791.96	58,930.01	-6,248.38	-9.59

Source: Appropriation Accounts 2023-24

Appendix 3.5
(Reference Paragraph: 3.3.1)
Expenditure incurred without authority of law

S. No.	Grant No.		Detailed Head of Account	Scheme	Expenditure (₹ in crore)
1	8	RV	2075-104-0099-0975	Pension and Award Consideration of Distinguished Service	0.33
2	8	RC	2049-01-305-0099-3004	Interest on Debt Management	15.15
3	8	RC	2049-04-101-0099-1871	Assistance for Externally Aided Project(s)	12.74
4	8	RC	2049-04-109-0099-1920	Other Consolidated Loans	20.03
5	8	RC	2049-04-112-0099-1871	Assistance for Externally Aided Project(s)	4.09
6	8	CC	6003-106-0099-9902	UDAY Bonds	353.75
7	8	CC	6003-109-0099-3007	Loans from Power Finance Corporation	3,352.56
8	8	CC	6003-111-0099-0159	National Small Saving Fund	848.65
9	8	CC	6004-02-101-0099-0848	EAP Loans	29.71
10	8	CC	6004-02-105-0099-1920	Other Consolidated Loans	89.03
11	8	CC	6004-09-101-0099-0848	EAP Loans	2.32
Total Grant No. 8					4,728.36
12	12	CV	4401-104-0031-6037	Sub-Mission on Agriculture Mechanisation	7.39
13	12	CV	4401-104-0031-6038	Rainfed Area Development Programme	0.51
14	12	CV	4401-104-0031-6039	Soil Health and Fertility	1.61
15	12	CV	4401-104-0031-6040	Paramparagat Krishi Vikas Yojana	2.62
16	12	CV	4401-104-0031-6041	Sub-Mission Agro Forestry	1.08
17	12	CV	4401-104-0031-6043	Edible Oil-Oilseed (Krishionnate Yojana)	0.48
18	12	CV	4401-104-0031-6044	Sub-Mission on Seed and Planting Material	3.48
Total Grant No. 12					17.17
19	16	RV	3054-80-797-0099-1926	Central Road and Infrastructure Fund	206.67

S. No.	Grant No.		Detailed Head of Account	Scheme	Expenditure (₹ in crore)
				(CRIF)	
Total Grant No. 16					206.67
20	17	RV	2210-06-101-0031-2424	National Mental Health Programme	1.15
21	17	CV	4210-01-800-0011-0305	Medical College, Srinagar	0.05
22	17	CV	4210-01-800-0011-1539	Indian System of Medicines (ISM)	0.41
23	17	CV	4210-01-800-0011-1543	Medical Institute, Soura	0.94
24	17	CV	4210-04-200-0031-0743	PM-ABHIM	44.01
25	17	CV	4210-04-200-0011-1537	Director Health, Kashmir	1.27
Total Grant No. 17					47.83
26	18	RV	2235-02-102-0031-6048	Child Helpline	3.57
Total Grant No. 18					3.57
27	19	CV	4217-03-051-0031-6061	Jammu Smart City	73.50
28	19	CV	4217-03-051-0011-6061	Jammu Smart City	73.50
Total Grant No. 19					147.00
29	28	CV	4515-103-0031-2496	RURBAN	1.31
30	28	CV	4515-103-0031-6036	Social Audit Unit	1.16
31	28	CV	4515-103-0031-6045	MGNREGA	36.83
Total Grant No. 28					39.30
32	33	RV	2245-02-101-0099-1076	Calamity Relief Fund	22.76
Total Grant No. 33					22.76
33	36	RV	2425-107-0099-6028	Assistance to Agriculture Credit Societies	1.48
34	36	RV	2425-108-0031-6059	Scheme for Computerisation of Agriculture and Rural Development Banks	0.26
35	36	RV	2425-108-0099-6059	Scheme for Computerisation of Agriculture and Rural Development Banks	0.05
Total Grant No. 36					1.79
Total					5,214.45

Source: Appropriation Accounts 2023-24

Appendix 3.6
(Reference Paragraph: 3.3.3)
Cases of unnecessary and insufficient Supplementary Grant/Appropriation

(₹ in crore)

A: Cases of Unnecessary supplementary grant/ appropriation					
S.	Number and Name of the Grant	Original Provision	Supplementary Provision	Actual Expenditure	Savings out of original provision
No					
I- Revenue (Voted)					
8	Finance Department	13,620.84	585.19	10,992.77	2,628.07
Total -I		13,620.84	585.19	10,992.77	2,628.07
II-Capital (Voted)					
24	Hospitality and Protocol Department	72.00	3.50	57.69	14.31
Total -II		72.00	3.50	57.69	14.31
Grand Total (A)		13,692.84	588.69	11,050.46	2,642.38

B: Cases of Insufficient supplementary provisions

S.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total budget approved	Actual Expenditure	Excess over approved budget
No						
I-Revenue voted						
36	Co-operative Department	71.20	4.05	75.25	77.65	2.40
Total-I		71.20	4.05	75.25	77.65	2.40
II-Capital Charged						
8	Finance Department	37,978.38	5344.92	43,323.30	46,791.96	3,468.66
Total-II		37,978.38	5,344.92	43,323.30	46,791.96	3,468.66
Grand total (B)		38,049.58	5,348.97	43,398.55	46,869.61	3,471.06

Source: Appropriation Accounts 2023-24

Appendix 3.7
(Reference Paragraph: 3.4)
Substantial Savings

(₹ in crore)

S. No.	Grant No.	Name of the Grant or Appropriation	Appropriation	Expenditure	Saving	Percentage of Saving	Saving in Capital section	Percentage of Saving under Capital Section
1	1	General Administration Department						
		Revenue						
		Voted	529.18	443.36	85.82			
		Charged	31.68	24.67	7.01			
		Capital						
		Voted	163.41	29.29	134.12		134.12	82%
		Total	724.27	497.32	226.95	31%		
2	2	Home Department						
		Revenue						
		Voted	10,314.22	8,191.91	2,122.31			
		Capital						
		Voted	799.61	289.14	510.47		510.47	64%
		Total	11,113.83	8,481.05	2,632.78	24%		
3	3	Planning Department						
		Revenue						
		Voted	134.80	98.06	36.74			
		Capital						
		Voted	786.57	205.01	581.56		581.56	74%
		Total	921.37	303.07	618.30	67%		
4	4	Information Department						
		Revenue						
		Voted	122.05	95.85	26.20			
		Capital						
		Voted	100.48	0.48	100		100	99.52%
		Total	222.53	96.33	126.20	57%		
5	6	Power Development Department						
		Revenue						
		Voted	7,163.47	6,303.94	859.53			
		Capital						
		Voted	1,964.90	713.08	1,251.82		1,251.82	64%
		Total	9,128.37	7,017.02	2,111.35	23%		
6	7	Education Department						
		Revenue						
		Voted	12,000.18	10,512.70	1,487.48			
		Capital						
		Voted	792.12	474.83	317.29		317.29	40%
		Total	12,792.30	10,987.53	1,804.77	14%		
7	8	Finance Department						
		Revenue						
		Voted	14,206.03	10,992.77	3,213.26			
		Charged	9,635.18	9,924.96	-289.78			
		Capital						
		Voted	1,021.66	354.88	666.78			
		Charged	43,323.30	46,791.96	-3,468.66			
		Total	68,186.17	68,064.57	121.60	0.18%		
8	10	Law Department						
		Revenue						
		Voted	830.23	434.16	396.07			
		Charged	102.35	76.37	25.98			
		Capital						
		Voted	192.00	75.74	116.26		116.26	61%

S. No.	Grant No.	Name of the Grant or Appropriation	Appropriation	Expenditure	Saving	Percentage of Saving	Saving in Capital section	Percentage of Saving under Capital Section
		Total	1124.58	586.27	538.31	48%		
9	11	Industry and Commerce Department						
		Revenue						
		Voted	347.44	227.41	120.03			
		Capital						
		Voted	741.79	121.82	619.97		619.96	84%
		Total	1,089.23	349.23	740.00	68%		
10	12	Agriculture Department						
		Revenue						
		Voted	1,308.01	1,185.13	122.88			
		Capital						
		Voted	1,953.95	314.78	1,639.17		1,639.17	84%
		Total	3,261.96	1,499.91	1,762.05	54%		
11	13	Animal/ Sheep Husbandary Department						
		Revenue						
		Voted	669.08	612.39	56.69			
		Capital						
		Voted	476.44	127.21	349.23		349.23	73%
		Total	1,145.52	739.60	405.92	35%		
12	14	Revenue Department						
		Revenue						
		Voted	830.54	592.94	237.60			
		Capital						
		Voted	59.50	2.07	57.43		57.43	97%
		Total	890.04	595.01	295.03	33%		
13	15	Food Civil Supplies and Consumer Affairs Department						
		Revenue						
		Voted	236.21	189.56	46.65			
		Capital						
		Voted	390.87	178.57	212.30		212.30	54%
		Total	627.08	368.13	258.95	41%		
14	16	Public Works Department						
		Revenue						
		Voted	1,327.60	1,179.38	148.22			
		Capital						
		Voted	4,062.87	2,647.06	1,415.81		1,415.81	35%
		Total	5,390.47	3,826.44	1,564.03	29%		
15	17	Health and Medical Education Department						
		Revenue						
		Voted	6,264.75	4,915.59	1,349.16			
		Capital						
		Voted	2,097.53	643.59	1,453.94		1,453.94	69%
		Total	8,362.28	5,559.18	2,803.10	34%		
16	18	Social Welfare Department						
		Revenue						
		Voted	3,538.72	2,083.19	1455.53			
		Capital						
		Voted	98.92	26.14	72.78		72.78	74%
		Total	3,637.64	2,109.33	1,528.31	42%		
17	19	Housing and Urban Development Department						
		Revenue						
		Voted	1,297.51	1,182.82	114.69			
		Capital						
		Voted	2,928.04	1383.37	1,544.67		1,544.67	53%

Report of the Comptroller & Auditor General of India on UT Finances for the year 2023-24

S. No.	Grant No.	Name of the Grant or Appropriation	Appropriation	Expenditure	Saving	Percentage of Saving	Saving in Capital section	Percentage of Saving under Capital Section
		Total	4,225.55	2,566.19	1,659.36	39%		
18	20	Tourism Department						
		Revenue						
		Voted	215.00	151.68	63.32			
		Capital						
		Voted	287.32	128.71	158.61		158.61	55%
		Total	502.32	280.39	221.93	44%		
19	21	Forest Department						
		Revenue						
		Voted	1,568.52	1,182.90	385.62			
		Capital						
		Voted	207.75	68.91	138.84		138.84	67%
		Total	1,776.27	1,251.81	524.46	30%		
20	22	Irrigation and Food Control Department						
		Revenue						
		Voted	717.58	590.34	127.24			
		Capital						
		Voted	1,310.50	133.88	1,176.62		1,176.62	90%
		Total	2,028.08	724.22	1,303.86	64%		
21	23	Public Health Engineering Department						
		Revenue						
		Voted	1,838.12	1701.56	136.56			
		Capital						
		Voted	5,850.00	629.35	5,220.65		5,220.65	89%
		Total	7,688.12	2,330.91	5,357.21	70%		
22	24	Hospitality and Protocol Department						
		Revenue						
		Voted	239.37	155.38	83.99			
		Capital						
		Voted	75.50	57.69	17.81		17.81	24%
		Total	314.87	213.07	101.80	32%		
23	26	Fisheries Department						
		Revenue						
		Voted	111.57	107.62	3.95			
		Capital						
		Voted	153.26	24.20	129.06		129.06	84%
		Total	264.83	131.82	133.01	50%		
24	27	Higher Education Department						
		Revenue						
		Voted	1,540.68	1,357.44	183.24			
		Capital						
		Voted	729.75	191.79	537.96		537.96	74%
		Total	2,270.43	1,549.23	721.20	32%		
25	28	Rural Development Department						
		Revenue						
		Voted	748.34	602.44	145.90			
		Capital						
		Voted	4,169.26	2,728.05	1,441.21		1,441.21	35%
		Total	4,917.60	3,330.49	1,587.11	32%		
26	30	Tribal Affairs Department						
		Revenue						
		Voted	121.91	43.57	78.34			
		Capital						
		Voted	446.76	69.65	377.11		377.10	84%
		Total	568.67	113.22	455.45	80%		
27	31	Culture Department						

S. No.	Grant No.	Name of the Grant or Appropriation	Appropriation	Expenditure	Saving	Percentage of Saving	Saving in Capital section	Percentage of Saving under Capital Section
		Revenue						
		Voted	97.38	68.42	28.96			
		Capital						
		Voted	170.07	15.88	154.19		154.19	91%
		Total	267.45	84.30	183.15	68%		
28	32	Horticulture Department						
		Revenue						
		Voted	161.53	150.12	11.41			
		Capital						
		Voted	572.79	155.26	417.53		417.53	73%
		Total	734.32	305.38	428.94	58%		
29	33	Disaster Management Relief Rehabilitation and Reconstruction Department						
		Revenue						
		Voted	1,009.82	896.80	113.02			
		Capital						
		Voted	410.67	190.59	220.08		220.08	54%
		Total	1,420.49	1,087.39	333.10	23%		
30	34	Youth Services And Technical Education Department						
		Revenue						
		Voted	669.48	533.93	135.55			
		Capital						
		Voted	227.63	107.53	120.10		120.10	53%
		Total	897.11	641.46	255.65	29%		
		Grand Total	1,56,493.75	1,25,689.87	30,803.88			

Source: Appropriation Account 2023-24

Appendix 3.8
(Reference Paragraph: 3.4)
Details of grants having large savings excluding surrenders
(exceeding ₹100 crore) during the year 2023-24

(₹ in crore)

S. No	Number and Name of grant	Total budget provision	Actual expenditure	Savings	Surrender	Savings excluding surrender
1	2	3	4	5	6	7
Revenue (Voted)						
1.	2-Home Department	10,314.22	8,191.91	2,122.31	0	2,122.31
2.	6-Power Development Department	7,163.47	6,303.94	859.53	0	859.53
3.	7-Education Department	12,000.18	10,512.70	1,487.48	0	1487.48
4.	8-Finance Department	14,206.03	10,992.77	3,213.26	0	3,213.26
5.	10-Law Department	830.23	434.16	396.07	0	396.07
6.	11-Industry and Commerce Department	347.44	227.41	120.03	0	120.03
7.	12-Agriculture Department	1,308.01	1,185.13	122.88	0	122.88
8.	14-Revenue Department	830.54	592.94	237.60	0	237.60
9.	16-Public Works Department	1,327.60	1,179.38	148.22	0	148.22
10.	17-Health and Medical Education Department	6,264.75	4,915.59	1,349.16	0	1,349.16
11.	18-Social Welfare Department	3,538.72	2,083.19	1,455.53	0	1,455.53
12.	19-Housing and Urban Development Department	1,297.51	1,182.82	114.69	0	114.69
13.	21-Forest Department	1,568.52	1,182.90	385.62	0	385.62
14.	22-Irrigation and Flood Control Department	717.58	590.34	127.24	0	127.24
15.	23-Public Health Engineering Department	1,838.12	1,701.56	136.56	0	136.56
16.	27-Higher Education Department	1,540.68	1,357.44	183.24	0	183.24
17.	28-Rural	748.34	602.44	145.90	0	145.90

S. No	Number and Name of grant	Total budget provision	Actual expenditure	Savings	Surrender	Savings excluding surrender
1	2	3	4	5	6	7
	Development Department					
18.	33-Disaster Management Relief, Rehabilitation and Reconstruction Department	1,009.82	896.80	113.02	0	113.02
19.	34-Youth Services and Technical Education Department	669.48	533.93	135.55	0	135.55
Total		67,521.24	54,667.35	12,853.89	0.00	12,853.89
Capital (Voted)						
1.	1-General Administration Department	163.41	29.29	134.12	0	134.12
2.	2-Home Department	799.61	289.14	510.47	0	510.47
3.	3-Planning Department	786.57	205.01	581.56	0	581.56
4.	6-Power Development Department	1,964.90	713.08	1,251.82	0	1,251.82
5.	7-Education Department	792.12	474.83	317.29	0	317.29
6.	8-Finance Department	1,021.66	354.88	666.78	0	666.78
7.	10-Law Department	192.00	75.74	116.26	0	116.26
8.	11-Industry and Commerce Department	741.79	121.82	619.97	0	619.97
9.	12-Agriculture Department	1,953.95	314.78	1,639.17	0	1,639.17
10.	13-Animal/ Sheep Husbandary Department	476.44	127.21	349.23	0	349.23
11.	15-Food Civil Supplies and Consumer Affairs Department	390.87	178.57	212.30	0	212.30
12.	16-Public Works Department	4,062.87	2,647.06	1,415.81	0	1,415.81
13.	17-Health and Medical	2,097.53	643.59	1,453.94	0	1,453.94

S. No	Number and Name of grant	Total budget provision	Actual expenditure	Savings	Surrender	Savings excluding surrender
1	2	3	4	5	6	7
	Education Department					
14.	19-Housing and Urban Development Department	2,928.04	1383.37	1,544.67	0	1,544.67
15.	20-Tourism Department	287.32	128.71	158.61	0	158.61
16.	21-Forest Department	207.75	68.91	138.84	0	138.84
17.	22-Irrigation and Flood Control Department	1,310.50	133.88	1,176.62	0	1,176.62
18.	23-Public Health Engineering Department	5,850.00	629.35	5,220.65	0	5,220.65
19.	26-Fisheries Department	153.26	24.20	129.06	0	129.06
20.	27-Higher Education Department	729.75	191.79	537.96	0	537.96
21.	28-Rural Development Department	4,169.26	2,728.05	1,441.21	0	1,441.21
22.	30-Tribal Affairs Department	446.76	69.65	377.11	0	377.11
23.	31-Culture Department	170.07	15.88	154.19	0	154.19
24.	32-Horticulture Department	572.79	155.26	417.53	0	417.53
25.	33-Disaster Management Relief, Rehabilitation and Reconstruction Department	410.67	190.59	220.08	0	220.08
26.	34-Youth Services and Technical Education Department	227.63	107.53	120.10	0	120.10
Total		32,907.52	12,002.17	20,905.35	0.00	20,905.35
Grand Total (Revenue + Capital)		1,00,428.76	66,669.52	33,759.24	0.00	33,759.24

Source: Appropriation Accounts 2023-24

Appendix 3.9
(Reference Paragraph: 3.4)
Details of grants having persistent savings
(exceeding ₹ 100 crore) during the years 2021-2024

(₹ in crore)

S. No.	Name of Grant	2021-22	2022-23	2023-24
Revenue (V)				
1.	02-Home Department	1,764.17	1,729.32	2122.32
2.	06-Power Development Department	2,085.58	3,541.78	859.53
3.	07-Education Department	1,064.88	1,572.83	1,487.48
4.	10-Law Department	282.97	370.87	396.07
5.	11-Industry and Commerce Department	100.83	106.04	120.03
6.	12-Agriculture Department	148.62	159.96	122.88
7.	14-Revenue Department	263.56	324.78	237.60
8.	17-Health and Medical Education Department	930.53	1,267.05	1,349.16
9.	18-Social Welfare Department	1,007.10	909.48	1,455.53
10.	21-Forest Department	385.9	440.42	385.62
11.	22-Irrigation and Flood Control Department	112.62	200.93	127.24
12.	23-Public Health Engineering Department	130.87	189.92	136.56
13.	28-Rural Development Department	163.31	231.47	145.90
14.	33-Disaster Management Relief, Rehabilitation and Reconstruction Department	159.58	180.52	113.02
15.	34-Youth Services and Technical Education Department	133.44	142.69	135.55
Capital (V)				
16.	01-General Administration Department	172.38	165.08	134.12
17.	02-Home Department	784.39	975.41	510.47
18.	03-Planning Department	1,198.79	522.62	581.56
19.	06-Power Development Department	1,478.12	1,735.12	1,251.82
20.	07-Education Department	488.39	481.89	317.29
21.	08-Finance Department	801.05	1,093.00	666.78
22.	11-Industry and Commerce Department	269.23	412.6	619.97
23.	12-Agriculture Department	999.8	1,260.98	1,639.17

24.	13-Animal/ Sheep Husbandry Department	120.35	155.29	349.23
25.	15-Food Civil Supplies and Consumer Affairs Department	185.15	290.37	212.30
26.	16-Public Works Department	2,647.89	2,456.43	1,415.81
27.	17-Health and Medical Education Department	933.88	1,516.80	1,453.94
28.	19-Housing and Urban Development Department	2,221.53	2,332.26	1,544.67
29.	20-Tourism Department	127.39	122.81	158.61
30.	22-Irrigation and Flood Control Department	643.97	1,171.31	1,176.62
31.	23-Public Health Engineering Department	1,932.26	7,842.69	5,220.65
32.	26-Fisheries Department	77.13	113.19	129.06
33.	27-Higher Education Department	564.8	639.78	537.96
34.	28-Rural Development Department	3,032.80	2,191.47	1,441.21
35.	30-Tribal Affairs Department	174.3	352.44	377.11
36.	31-Culture Department	268.18	315.33	154.19
37.	32-Horticulture Department	191.72	338.29	417.53

Source: Appropriation Accounts of respective years.

Appendix 3.10
(Reference Paragraph: 3.4)
Details of Appropriations/Grants in which savings
(exceeding ₹ one crore in each case) not surrendered

(₹ in crore)

S. No.	Number and Name of Grant	Revenue/ Capital	Total Grant Appropriation	Actual expenditure	Savings
1	2	3	4	5	6 (4-5)
Voted Grant					
1.	01-General Administration Department	Revenue	529.18	443.36	85.82
		Capital	163.41	29.29	134.12
2.	02-Home Department	Revenue	10,314.22	8,191.91	2,122.32
		Capital	799.61	289.14	510.47
3.	3-Planning Department	Revenue	134.80	98.06	36.74
		Capital	786.57	205.01	581.56
4.	4-Information Department	Revenue	122.05	95.85	26.20
		Capital	100.48	0.48	100.00
5.	5-Mining Department	Revenue	78.35	60.83	17.52
		Capital	12.20	0.48	11.72
6.	6-Power Development Department	Revenue	7,163.47	6,303.94	859.53
		Capital	1,964.90	713.08	1,251.82
7.	7-Education Department	Revenue	12,000.18	10,512.70	1,487.48
		Capital	792.12	474.83	317.29
8.	8-Finance Department	Revenue	14,206.03	10,992.77	3,213.26
		Capital	1,021.66	354.88	666.78
9.	9-Parliamentary Affairs Department	Revenue	58.72	23.55	35.17
		Capital	4.00	0.00	4.00
10.	10-Law Department	Revenue	830.23	434.16	396.07
		Capital	192.00	75.74	116.26
11.	11-Industry and Commerce Department	Revenue	347.44	227.41	120.03
		Capital	741.79	121.82	619.97
12.	12-Agriculture Department	Revenue	1,308.01	1,185.13	122.88
		Capital	1,953.95	314.78	1,639.17
13.	13-Animal/Sheep Husbandry Department	Revenue	669.08	612.39	56.69
		Capital	476.44	127.21	349.23

S. No.	Number and Name of Grant	Revenue/ Capital	Total Grant Appropriation	Actual expenditure	Savings
1	2	3	4	5	6 (4-5)
14.	14-Revenue Department	Revenue	830.54	592.94	237.60
		Capital	59.50	2.07	57.43
15.	15-Food Civil Supplies and Consumer Affairs Department	Revenue	236.21	189.56	46.65
		Capital	390.87	178.57	212.30
16.	16-Public Works Department	Revenue	1,327.60	1,179.38	148.22
		Capital	4,062.87	2,647.06	1,415.81
17.	17-Health and Medical Education Department	Revenue	6,264.75	4,915.59	1,349.16
		Capital	2,097.53	643.59	1,453.94
18.	Social Welfare Department	Revenue	3,538.72	2,083.19	1,455.53
		Capital	98.92	26.14	72.78
19.	19-Housing and Urban Development Department	Revenue	1,297.51	1,182.82	114.69
		Capital	2,928.04	1,383.37	1,544.67
20.	20-Touring Department	Revenue	215.00	151.68	63.32
		Capital	287.32	128.71	158.61
21.	21-Forest Department	Revenue	1,568.52	1,182.90	385.62
		Capital	207.75	68.91	138.84
22.	22-irrigation and Flood Control Department	Revenue	717.58	590.34	127.24
		Capital	1,310.50	133.88	1,176.62
23.	23-Public Health Engineering Department	Revenue	1,838.12	1,701.56	136.56
		Capital	5,850.00	629.35	5,220.65
24.	24-Hospitality and Protocol Department	Revenue	239.37	155.38	83.99
		Capital	75.50	57.69	17.81
25.	25-Labour Stationery and Printing Department	Revenue	111.13	74.95	36.18
26.	26-Fisheries Department	Revenue	111.57	107.62	3.95
		Capital	153.26	24.20	129.06
27.	27-Higher Education Department	Revenue	1,540.68	1,357.44	183.24
		Capital	729.75	191.79	537.96
28.	28-Rural Development Department	Revenue	748.34	602.44	145.90
		Capital	4,169.26	2,728.05	1,441.21

S. No.	Number and Name of Grant	Revenue/ Capital	Total Grant Appropriation	Actual expenditure	Savings
1	2	3	4	5	6 (4-5)
29.	29-Transport Department	Revenue	107.39	66.84	40.55
		Capital	54.39	4.24	50.16
30.	30-Tribal Affairs Departments	Revenue	121.91	43.57	78.34
		Capital	446.76	69.65	377.11
31.	31-Culture Department	Revenue	97.38	68.42	28.96
		Capital	170.07	15.88	154.19
32.	32-Horticulture Department	Revenue	161.53	150.12	11.41
		Capital	572.79	155.26	417.53
33.	33-Disaster Management, Relief, Rehabilitation and Reconstruction Department.	Revenue	1,009.82	896.80	113.02
		Capital	410.67	190.59	220.08
34.	34-Youth Services and Technical Education Department	Revenue	669.48	533.93	135.55
		Capital	227.63	107.53	120.10
35.	35-Science and Technology Department	Revenue	13.02	11.76	1.26
		Capital	109.85	34.32	75.53
36.	36- Co-operative Department	Capital	25.00	4.68	20.32
Total (Voted)			1,04,044.29	69,159.32	34,884.97
Charged Appropriation					
1.	1-General Administration Department	Revenue	31.68	24.67	7.01
2.	10-Law Department	Revenue	102.35	76.37	25.98
Total (Charged)			134.03	101.04	32.99
Grand Total			1,04,178.32	69,260.36	34,917.96

Source: Appropriation Accounts 2023-24

Appendix 3.11
(Reference Paragraph: 3.4)
Percentage of Utilisation of Provision under each Grant

(₹ in crore)

S. No.	Grant No.	Total Budget	Total Expenditure	Savings	Utilisation (Per cent)	Range of utilisation (Per cent)
1	30	568.67	113.23	455.44	19.91	10 to 30
Total		568.67	113.23	455.44		
2	23	7,688.12	2,330.91	5,357.21	30.25	30 to 50
3	31	267.45	84.29	183.16	31.51	
4	11	1,089.22	349.24	739.98	32.06	
5	3	921.37	303.07	618.30	32.89	
6	22	2,028.08	724.22	1,303.86	35.71	
7	9	63.59	23.55	40.04	37.03	
8	35	122.87	46.08	76.79	37.50	
9	32	734.31	305.37	428.94	41.58	
10	4	222.53	96.34	126.19	43.29	
11	29	161.78	71.07	90.71	43.93	
12	25	180.13	80.71	99.42	44.81	
13	12	3,261.96	1,499.91	1,762.05	45.98	
14	26	264.83	131.83	133.00	49.78	
Total		17,006.26	6,046.58	10,959.65		
15	10	1,124.58	586.27	538.31	52.13	50 to 70
16	20	502.32	280.39	221.93	55.82	
17	18	3,637.64	2,109.33	1,528.31	57.99	
18	15	627.08	368.13	258.95	58.71	
19	19	4,225.55	2,566.19	1,659.36	60.73	
20	13	1,145.52	739.60	405.93	64.56	
21	17	8,362.28	5,559.18	2,803.10	66.48	
22	14	890.04	595.01	295.04	66.85	
23	24	314.87	213.07	101.80	67.67	
24	5	90.55	61.31	29.24	67.71	
25	28	4,917.60	3,330.49	1,587.10	67.73	
26	27	2,270.43	1,549.23	721.19	68.24	
27	1	724.28	497.32	226.99	68.66	
Total		28,832.74	18,455.52	10,377.22		

28	21	1,776.26	1,251.81	524.45	70.47	70 to 90
29	16	5,390.47	3,826.43	1,564.04	70.99	
30	34	897.11	641.47	255.64	71.50	
31	2	11,113.83	8,481.05	2,632.78	76.31	
32	33	1,420.49	1,087.39	333.10	76.55	
33	6	9,128.37	7,017.02	2,111.35	76.87	
34	36	100.25	82.33	17.92	82.12	
35	7	12,792.30	10,987.54	1,804.76	85.89	
Total		42,619.08	33,375.04	9,244.06		
36	8	68,186.17	68,064.58	121.59	99.82	90 to 100
Total		68,186.17	68,064.58	121.59	99.82	

Source: Appropriation Accounts 2023-24

Appendix 3.12
(Reference Paragraph: 3.5)
Grants with Nil Expenditure

(₹ in crore)

S. No.	Grant No	Major Heads of Accounts	Budget Allocation	Expenditure	Number of Schemes/ Sub Heads
1	1	2013, 2055, 4070 & 4075	40.39	0	4
2	2	2055, 4055 & 4059	53.28	0	6
3	3	5475	18.00	0	4
4	5	4853	10.00	0	1
5	6	4801	160.01	0	4
6	7	2202 & 4202	15.79	0	6
7	8	2075, 2235, 2049, 5475, 6004, 6235, 6885 & 6003	1,657.12	0	11
8	9	2011 & 7610	26.92	0	3
9	10	2014	7.34	0	1
10	11	2851 & 4851	61.90	0	8
11	12	4401, 4402 & 4851	442.70	0	11
12	13	4403	4.79	0	3
13	14	2401 & 4059	30.86	0	6
14	15	4235 & 4408	151.41	0	4
15	16	3054	8.50	0	1
16	17	2210, 2211 & 4210	723.45	0	14
17	18	2055, 2070, 2225, 2235, 2236 & 4235	764.51	0	30
18	19	4216 & 4217	171.00	0	5
19	20	5452	1.50	0	1
20	21	2406 & 4406	55.78	0	3
21	22	4701, 4702 & 4711	842.72	0	9
22	23	4215	5,000.00	0	2
23	25	2230 & 4250	1.38	0	2
24	26	4405	3.22	0	1
25	27	4202	212.50	0	2
26	28	2501, 2515 & 4515	20.30	0	4
27	29	5055 & 7055	26.00	0	2
28	30	2225 & 4225	34.53	0	2
29	31	4202	5.25	0	2
30	34	2203, 2230, 4202 & 4250	46.67	0	7
31	36	2425	0.08	0	1
		Total	10,597.90	0	160

Source: Appropriation Accounts 2023-24

Appendix 3.13
(Reference Paragraph: 3.5.1)
Excess over provisions requiring regularisation

(i) Details of Grants/ appropriations where Excess over provisions was incurred by the UT Government during 2023-24

(₹ in crore)

S. No	Grant Number	Total Grant/ Appropriation	Expenditure	Excess
I-Revenue Voted				
1	36-Co-operative Department	75.25	77.65	2.4
Total-I (Revenue Voted)		75.25	77.65	2.4
II-Revenue Charged				
2	8-Finance Department	9,635.18	9,924.96	289.78
Total-II (Revenue Charged)		9,635.18	9,924.96	289.78
III-Capital Charged				
3	8-Finance Department	43,323.30	46,791.96	3,468.66
Total-II (Capital Charged)		43,323.30	46,791.96	3,468.66
Total (I+II+III)		53,033.73	56,794.57	3,760.84

(ii) Excess expenditure incurred by the UT Government during the period 2019-20 (30 October 2019 onwards) to 2022-23 requiring regularisation

(₹ in crore)

Year	No. of Grants/ Appropriation	Grant/Appropriation No.	Excess	Status of regularisation
2019-20 (30 October 2019 to 31 March 2020)	3	8, 16, 27	3,875.61	Yet to be regularised
2020-21	1	8	7,094.29	
2021-22	2	8, 16	2,049.26	
2022-23	3	8,16,19	2,830.17	
		Total	15,849.33	

Appendix 3.14
(Reference Paragraph: 3.5.3)

Excess expenditure during the period 1980-81 to 2019-20 (01/04/2019 to 30/10/2019) requiring regularisation

(₹ in crore)

Year	No. of Grants/ Appropriation	Grant/Appropriation No.	Excess	Status of regularisation
1980-81	16	1,5,6,7,8,9,12,13,14,16,18,19,20,21,22,23	227.9	Not regularised
1981-82	13	1,3,5,6,8,13,14,16,18,19,20,21,23	41.99	
1982-83	10	6,8,9,12,14,18,19,21,22,23	119.74	
1983-84	12	1,5,6,7,8,14,18,19,20,21,22,23	176.75	
1984-85	10	1,6,8,10,14,16,18,19,21,23	65.42	
1985-86	10	1,4,6,10,17,18,19,22,23,26	19.64	
1986-87	15	1,2,4,6,7,8,10,13,18,19,20,22,23,25,26	104.22	
1987-88	17	1,2,3,5,6,8,10,12,13,18,19,21,22,23,24,26,27	177.32	
1988-89	14	1,2,8,9,10,12,13,15,17,18,22,23,26,27	438.42	
1989-90	9	1,7,8,11,12,20,21,23,24	205.23	
1990-91	11	1,2,5,8,12,17,19,21,23,25,26	427.72	
1991-92	13	1,2,5,7,8,11,12,14,21,22,23,26,27	1,152.23	
1992-93	14	1,4,5,8,10,11,12,14,16,20,21,23,24,26	1,029.71	
1993-94	17	2,3,5,8,10,12,13,14,17,18,20,21,22,23,24,26,27	1,730.03	
1994-95	14	5,6,8,9,10,12,13,14,20,21,23,24,26,27	2,057.49	
1995-96	19	2,5,6,8,9,10,11,12,13,16,17,18,20,21,23,24,25,26,27	2,936.89	
1996-97	18	2,4,5,6,8,10,11,12,13,14,16,18,20,21,23,24,26,27	3,482.20	
1997-98	16	1,2,4,6,8,9,12,13,16,18,21,22,23,24,26,27	4,189.21	
1998-99	6	4,5,6,8,23,27	4,185.25	
1999-2000	12	2,3,6,8,9,12,17,18,20,23,24,26	5,851.08	
2000-01	11	1,6,8,9,12,16,18,23,25,26,27	6,310.25	
2001-02	15	3,5,6,8,11,17,18,20,21,23,25,26,27,28,29	6,393.41	
2002-03	15	3,5,6,7,8,12,14,16,17,18,21,23,25,26,28	505.61	
2003-04	18	3,5,7,8,12,13,14,15,16,17,18,20,21,23,24,25,26,28	9,770.53	
2004-05	15	3,6,8,9,12,14,15,16,18,20,25,26,27,28,29	2,108.42	
2005-06	16	3,5,8,10,12,15,16,17,18,	12,954.06	

Year	No. of Grants/ Appropriation	Grant/Appropriation No.	Excess	Status of regularisation
		20,21,23,25, 26,27,28		
2006-07	14	8,12,14,15,16,17,18,20,21,23, 25,26,27,28	2,150.03	
2007-08	14	6,8,11,12,14,15,16,20,24,25, 26,27,28,29	2,277.91	
2008-09	15	5,6,8,11,12,15,16,19,20,22,2 3,24,25,26,27	3,277.38	
2009-10	14	1,6,8,11,15,16,18,20,23,24,2 5,26,27,29	4,062.58	
2010-11	14	5,6,8,9,16,18,19,22,23,25,26, 27,28,29	6,130.76	
2011-12	14	1,6,8,11,12,15,16,18,19,20,2 3,25,26,27	5,638.79	
2012-13	12	1,5,8,11,13,16,18,20,23,25,2 6,27	4,741.57	
2013-14	13	4,6,7,8,14,15,16,18,20,23,24, 25,28	4,469.79	
2014-15	12	2,6,7,8,11,16,18,19,21,23,24, 25	1,099.28	
2015-16	11	4,6,7,8,15,16,17,18,23,26,28	4,258.62	
2016-17	12	3,4,5,8,11,15,16,19,23,26,28, 29	2,896.86	
2017-18	8	3,5,8,16,23,24,28,29	6,397.06	
2018-19	7	3,5,8,15,16,17,30	4,631.53	
2019-20 (01.04.2 019 to 30.10.2 019)	16	5,7,8,9,12,15,17,18,19,21,24, 26,29,32,33,34	5,311.53	
		Total	1,24,004.41	

Appendix 3.15
(Reference Paragraph: 3.7.2)

Rush of expenditure (Major Heads with more than 50 per cent of expenditure in March alone)

(₹ in crore)

S.No.	GNo.	MH	MH description	1 st Qtr. Exp.	2 nd Qtr. Exp.	3 rd Qtr. Exp.	4 th Qtr. Exp.	March Exp.	Yearly Exp.	Exp. March (Per cent)
1	08	2048	Appropriation for reduction or avoidance of Debt	0.00	0.00	0.00	72.51	72.51	72.51	100.00
2	08	2075	Miscellaneous General Services	0.04	0.14	0.08	2.07	2.02	2.33	86.70
3	29	4059	Capital Outlay on Public Works	0.00	0.00	0.10	2.49	2.23	2.59	86.10
4	16	4059	Capital Outlay on Public Works	4.88	38.47	50.23	125.71	151.28	219.29	68.99
5	18	4225	Capital Outlay on welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	1.48	0.00	5.85	4.89	7.33	66.71
6	15	5475	Capital Outlay on Other General Economic Services	0.00	0.00	0.00	0.24	0.15	0.24	60.50
7	12	4851	Capital Outlay on Village and Small Industries	0.27	0.63	0.98	8.69	6.11	10.57	57.81
8	22	4701	Capital Outlay on Medium Irrigation	0.00	0.16	5.02	18.78	13.83	23.96	57.71
9	06	2801	Power	565.62	747.02	647.93	4,330.35	3,527.81	6,290.92	56.08
10	29	5055	Capital Outlay on Road Transport	0.00	0.00	0.00	1.65	0.85	1.65	51.52
11	10	2015	Election	5.10	6.32	9.92	82.56	52.34	103.90	50.38
			Total (11 cases)	575.91	794.22	714.26	4,650.90	3,834.02	6,735.29	56.92

Source: VLC Data

Appendix 4.1
(Reference Paragraph: 4.2)
Direct transfer of Central Scheme Funds to UT Government departments (funds routed outside UT Budget) (unaudited figures)

(₹ in lakh)

S. No.	Name of the GOI Scheme	Implementing agencies in the UT	2021-22	2022-23	2023-24
1	Atal Innovation Mission (AIM) including Self Employment and Talent Utilisation (SETU)	Various Government Higher Secondary Schools	336.00	46.00	0
2	Agriculture Census and Statistics	Agriculture Production Department Jammu and Kashmir	0.00	200.92	52.00
3	Agriculture Economics and Statistics	Director, Planning, Financial Commissioner, Revenue	0	0	117.42
4	Assistance to State Agencies for Intra-state Movement of Foodgrains and FPS dealers margin under NFSA	Consumer Affairs & Public Distribution Department Jammu and Kashmir	4,750.57	0.00	0
5	Ayushman Bharat-PM Jan Arogya Yojana (PMJAY)	Health and Family Welfare	0.00	8,561.69	4,222.00
6	Development of Infrastructure for Promotion of Health Research	Medical College, Srinagar	32.19	0.00	0
7	Augmenting Nursing Education	Various Nursing schools of Jammu and Kashmir	0	0	232.72
8	Establishment Expenditure (EF&CC)	Pr. Chief Conservator of Forests Jammu and Kashmir	138.46	476.28	142.34
9	e-Court Phase-II	Registrar General, High Court of Jammu and Kashmir	0.00	0.00	1,537.19
10	Exploration activities under National Mineral Exploration trust	Geology and Mining Department, Jammu and Kashmir	0	0	57.82
11	Generating awareness amongst TPDS beneficiaries	Department of Food and Civil Supplies, Jammu	0	0	1.68
12	Grants to other institutions	Sher-e-Kashmir University of Agricultural Sciences and Technology Jammu- (SKUAST, Jammu	0	0	12.55

S. No.	Name of the GOI Scheme	Implementing agencies in the UT	2021-22	2022-23	2023-24
13	Human Resource and Capacity Development	Government Medical College, Jammu	17.52	0.00	0
14	Health Sector Disaster Preparedness and Response and Human Resources Development for Emergency Medical Services	Government Medical College, Jammu	124.26	0.00	0
15	Integrated Scheme on Agriculture Census and Statistics	Agriculture Production Department of Jammu and Kashmir	207.17	0.00	0
16	Integrated Management of Public Distribution System	Consumer Affairs & Public Distribution Department Jammu and Kashmir	64.80	115.87	0
17	Innovation, Technology Development and Deployment	Jammu & Kashmir Council for Science and Technology	20.26	0.00	0
18	Management Support to Rural Development Programs and Strengthening of District Planning Process	Regional Extension Training Centre Budgam	16.61	0.00	0
19	National Organ Transplant Programme	Government Medical College, Jammu	22.00	0.00	0
20	Member of Parliament Local Area Development Scheme (MPLAD)	Various Distt. Deputy Commissioners, Government of Jammu and Kashmir	1,300.00	2,200.00	0
21	National action plan for drug demand reduction (SJE)	Director, SECR, Jammu and Kashmir	0	0	34.48
22	National Digital Health Mission	Department of Health and Family Welfare, Jammu and Kashmir	0	0	40.00
23	National Livestock Mission	Sher-e-Kashmir University of Agricultural Sciences and Technology Jammu- (SKUAST, Jammu)	0	0	14.80
24	Official Development Assistance for Sustainable	SPV-Aspirational, Baramulla/Kupwara	1,602.40	0.00	0

S. No.	Name of the GOI Scheme	Implementing agencies in the UT	2021-22	2022-23	2023-24
25	Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)	Department of Agriculture Production, Government of Jammu and Kashmir	66,458.12	52,482.10	57,947.94
26	PM Formalisation of Micro Food Processing Enterprises PM-FME	Department of Horticulture, Government of Jammu and Kashmir	2.33	0.00	0
27	Rashtriya Gram Swaraj Abhhiyan (RGSA)	Department of Panchayati Raj, Jammu and Kashmir	0	0	7.61
28	Rashtriya Krishi Bikas Yojana	Sher-e-Kashmir University of Agricultural Sciences and Technology Jammu- (SKUAST, Jammu)	0	0	74.00
29	Relief and Rehabilitation for Migrants and Repatriates	Dy. Commissioners/ Additional Deputy Commissioners of Jammu and Kashmir	12.00	65.00	69.00
30	Research/ Studies, Publicity, Monitoring and Evaluation of Development Schemes for Minorities	Government Degree College Sopore, Kashmir	2.50	0.00	0
31	Research Training and Studies and Other Road Safety Schemes	Transport Commissioner, Jammu and Kashmir	373.15	101.90	0
32	SAMARTHYA (BBBP Creche PMMVY Gender Budget Research Skilling Training etc.)	Social Welfare Department Jammu & Kashmir Government	4,037.77	2,060.28	0
33	Scheme for differently Abled persons	Under Secretary, Commissioner for Persons with Disabilities, Jammu	0.00	16.00	0
34	SAMBAL (One Stop Centre Mahila Police Volunteer Women helpline Swadhar Ujjawala Widow homes etc.	Various One Stop Centres	388.85	0.00	0
35	Science and Technology Institutional and Human Capacity Building	Government Degree Colleges	42.27	0.00	0
36	Startup India Seed Fund Scheme (SISFS)	Department of Industry and Commerce, Jammu and Kashmir	0	0	210.00

S. No.	Name of the GOI Scheme	Implementing agencies in the UT	2021-22	2022-23	2023-24
37	Strengthening of Public Distribution system operations	Consumer Affairs & Public Distribution Department Jammu and Kashmir	0.00	11,551.90	0
38	Sugar Subsidy Payable Under PDS	Consumer Affairs & Public Distribution Department Jammu and Kashmir	254.13	476.32	128.24
39	Works under Roads Wings	Deputy Commissioner, Pulwama	0.00	340.89	14,484.61
40	Other		0.25	0.00	0
Grand Total			80,203.61	78,695.15	79,386.40

Source: Finance Accounts

Out of total amount of ₹6,79,318.59 lakh released by Government of India an amount of ₹79,386.40 lakh has been transferred to various Government Departments of Jammu and Kashmir and ₹5,99,932.19 lakh to various Autonomous Bodies/ other Entities of the Governments. Refer also para 3 (xvi) of Notes to Finance Accounts Vol-I.

Appendix 4.2
(Reference Paragraph: 4.6)
Significant expenditure booked under Minor Head-800-Other Expenditure
during the period 2023-24

Major Head	Total Expenditure including Expenditure under Minor Head- 800 (₹ in crore)	Expenditure under Minor Head-800 (₹ in crore)	Percentage of Expenditure under Minor Head-800 to Total Expenditure under the Major Head (Per cent)
2040-Taxes on Sales, Trade etc.	2.46	1.84	74.79
2075-Miscellaneous General Services	2.33	2.00	85.84
4070-Capital Outlay on Other Administrative Services	13.48	13.48	100
4075-Capital Outlay on Miscellaneous General Services	4.24	4.24	100
4216-Capital Outlay on Housing	99.51	98.95	99.44
4220-Capital Outlay on Information and Publicity	0.48	0.48	100
4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	76.98	76.02	98.76
4236-Capital Outlay on Nutrition	2.23	2.23	100
4405-Capital Outlay on Fisheries	24.20	15.35	63.43
4406-Capital Outlay on Forestry and Wildlife	70.93	53.21	75.02
4801-Capital Outlay on Power Projects	713.08	375.45	52.65
5425-Capital Outlay on Other Scientific and Environmental Research	35.88	34.32	95.65
5452-Capital Outlay on Tourism	137.78	137.78	100
5475- Capital Outlay on Other General Economic Services	420.99	240.78	57.19

Source: VLC Data.

Appendix 4.3
(Reference Paragraph: 4.6)
Significant receipts booked under Minor Head-800–Other Receipts during 2023-24

Major Head	Total Receipts including Receipts under Minor Head-800	Receipts under Minor Head-800	Percentage of Receipts under Minor Head-800 to Total Receipts under the Major Head
	(₹ in crore)	(₹ in crore)	(per cent)
0049-Interest Receipts	27.87	25.89	92.89
0051-Public Service Commission	0.06	0.06	99.98
0059-Public Works	43.67	24.80	56.78
0070-Other Administrative Services	69.09	47.96	69.42
0071-Contributions and Recoveries towards Pension and Other Retirement Benefits.	3.23	2.48	76.78
0211-Family Welfare	0.02	0.02	100
0217-Urban Development	42.39	33.68	79.45
0220-Information and Publicity	0.03	0.03	100
0235-Social Security and Welfare	2.44	2.44	100
0406- Forestry and Wild Life	165.05	86.91	52.66
0408-Food Storage and Warehousing	11.12	11.12	100
0515- Other Rural Development Programmes	6.55	6.55	100
0701-Medium Irrigation	1,220.49	1,220.49	100
0702-Minor Irrigation	12.62	8.76	69.41
0801-Power	4,208.61	4,208.61	100
0853-Non-Ferrous Mining and Metallurgical Industries	175.47	92.95	52.97
1452- Tourism	20.22	18.19	89.96

Source: VLC Data.

Appendix 4.4
(Reference Paragraph: 4.12)
Position of Arrears of Accounts as on 31 March 2024

S. No.	Name of the Company	Last Audit upto	Accounts received upto	No of accounts in arrears	Remarks
1.	Jammu & Kashmir Power Development Corporation Limited	2017-18	2017-18	5	
2.	Jammu & Kashmir State Industrial Development Corporation Limited	2013-14	2020-21	2	
3.	Jammu & Kashmir Small Scale Industries Development Corporation Limited	2018-19	2021-22	1	
4.	Jammu & Kashmir Minerals Limited	2013-14	2013-14	9	
5.	Jammu & Kashmir Cements limited	2013-14	2021-22	1	
6.	Jammu & Kashmir Handicrafts (Sales and Export) Development Corporation Limited	2018-19	2018-19	4	
7.	Jammu & Kashmir Handloom Development Corporation Limited	2020-21	2020-21	2	
8.	Jammu & Kashmir Industries Limited	2020-21	2020-21	2	
9.	Jammu & Kashmir Agro Industries Development Corporation Limited	2021-22	2021-22	1	
10.	Jammu & Kashmir Horticulture Produce Marketing and Processing Corporation Limited	2018-19	2019-20	3	
11.	Jammu & Kashmir Cable Car Corporation Limited	2014-15	2014-15	8	
12.	Jammu & Kashmir Tourism Development Corporation Limited	2020-21	2020-21	2	
13.	Jammu & Kashmir Women's Development Corporation Limited	2020-21	2020-21	2	
14.	Jammu & Kashmir Scheduled castes, Scheduled Tribes and Back-ward Classes Development Corporation Limited	2019-20	2021-22	1	
15.	Jammu & Kashmir Bank Limited	2022-23	2022-23	0	
16.	Jammu & Kashmir Bank Financial Services Limited	2022-23	2022-23	0	
17.	Jammu & Kashmir Projects Construction Corporation Limited	2018-19	2018-19	4	
18.	Jammu & Kashmir Police Housing Corporation Limited	2016-17	2016-17	6	
19.	Chenab Valley Power Project Private Limited	2022-23	2022-23	0	
20.	Jammu & Kashmir Overseas Employment Corporation Limited	2010-11	2010-11	12	
21.	Jammu & Kashmir Medical Supplies Corporation Limited	2015-16	2015-16	7	
22.	Jammu & Kashmir Trade Promotion Organisation	2022-23	2022-23	0	
23.	Jammu & Kashmir Infrastructure Development Finance Corporation Pvt. Limited	2020-21	2020-21	2	
24.	Kashmir Power Distribution Corporation Limited	2018-19	2020-21	2	

25.	Jammu & Kashmir Power Transmission Corporation Limited	2018-19	2018-19	4	
26.	Jammu Smart City Limited	2019-20	2019-20	3	
27.	Srinagar Smart City Limited	2018-19	2018-19	4	
28.	Jammu & Kashmir Power Corporation Limited	2018-19	2018-19	4	
29.	Jammu Power Distribution Corporation Limited	2019-20	2021-22	1	
30.	Jammu & Kashmir Entrepreneurship Development Institute (JKEDI)	-	-	5	Accounts in arrear since 2018-19.
31.	Jammu & Kashmir I.T. Infrastructure Development Pvt. Limited	2021-22	2021-22	1	
32.	Jammu & Kashmir International Trade Centre Corporation Limited (Inactive)	-	-	9	Accounts in arrear since 2014-15.
33.	Jammu & Kashmir Road Development Corporation Limited (Inactive Company)	-	-	9	Accounts in arrear since 2014-15.
34.	Jammu Mass Rapid Transit Corporation Pvt. Limited	-	-	4	Accounts in arrear since 2019-20.
35.	Srinagar Mass Rapid Transit Corporation Pvt. limited	-	-	4	Accounts in arrear since 2019-20.
36.	Jammu & Kashmir Asset Reconstruction Limited	-	-	6	Accounts in arrear since 2017-18
37.	Jammu & Kashmir Forest Development Corporation Limited	2019-20	2019-20	3	
	Total			133	
	Name of the Corporation				
38.	Jammu & Kashmir Road Transport Corporation	2018-19	2018-19	4	
39.	Jammu & Kashmir and Ladakh Financial Corporation	2020-21	2020-21	2	
	Total			6	
	Grand Total			139	

Appendix-5

Glossary of important Budget related terms

1. **'Accounts' or 'actuals' of a year** - are the amounts of receipts and disbursements for the financial year beginning on *April 1st* and ending on *March 31st* following, as finally recorded in the Accounting authority's books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts.
2. **'Administrative approval' of a scheme, proposal or work** - is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.
3. **'Annual financial statement'**- Also referred to as Budget means the statement of estimated receipts and expenditure of the Central/UT Government for each financial year, laid before the Parliament /UT Legislature.
4. **'Appropriation'** - means the amount authorized by the Parliament/UT Legislature for expenditure under different primary unit of appropriation or part thereof placed at the disposal of a disbursing officer.
5. **'Charged Expenditure'** - means such expenditure as is not to be submitted to the vote of the Legislature under the provisions of the Constitution of India.
6. **'Consolidated Fund of India/ Union Territory'**- All revenues of the Union/UT Government, loans raised by it and all moneys received in repayment of loans form the Consolidated Fund of India/ UT. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution of India.
7. **'Contingency Fund'**-is in the nature of an imprest. The Contingency Fund is intended to provide advances to the executive /Government to meet unforeseen expenditure arising in the course of a year pending its authorization by the Parliament/UT Legislature. The amounts drawn from the Contingency Fund are recouped after the Parliament/UT Legislature approves it through the Supplementary Demands.
8. **'Controlling Officer (budget)'**- means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.
9. **'Drawing and Disbursing Officer' (DDO)**-means a Head of Office and also any other Officer so designated by the Finance Department of the UT Government, to draw bills and make payments on behalf of the UT Government. The term shall also include a Head of Department where he himself discharges such function
10. **'Excess Grant'**-Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires regularization by obtaining excess grant from the Parliament /UT Legislature.

11. **'New Service'**-New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/UT Legislature earlier, including a new activity or a new form of investment.
12. **'New Instrument of Service'**-means relatively large expenditure arising out of important expansion of an existing activity.
13. **'Public Accounts'**- The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/UT Legislature, as they are not moneys issued out of the Consolidated Fund of India/UT.
14. **'Re-appropriation'**-means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.
15. **'Revised Estimate'**-is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued.
16. **'Supplementary Demands for Grants'**-means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorized in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive/cash.
 - a) **Cash Supplementary**-is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant.It should be obtained as a last resort and after proper due diligence. Presently, this method is followed by the Union Territory.
 - b) There are four Sections in each Demand i.e., Revenue Voted, Revenue Charged, Capital Voted and Capital Charged. **Technical Supplementary**, after obtaining the approval of the UT Legislature, allows to utilize the savings of one of the Sections for any other Section.
 - c) **Token Supplementary**-allows to utilize the savings within the same section of the grant.
17. **'Major Head'**-means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the Union Territory. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a 'function' of Government such as Agriculture, Education, Health, etc.
18. **'Sub-Major Head'**-means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.
19. **'Minor Head'** - means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a "programme"

undertaken to achieve the objectives of the function represented by the Major Head.

20. **'Sub-Head'** - means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.
21. **'Major Work'** - means an original work, the estimated cost of which exclusive of departmental charges exceeds the amount as notified by the Government from time to time.
22. **'Minor Work'** - means an original work, the estimated cost of which exclusive of departmental charges does not exceed the amount as notified by the Government from time to time.
23. **'Modified Grant or Appropriation'** - means the sum allotted to any Sub-Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.
24. **'Supplementary or Additional Grant or Appropriation'** - means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.
25. **'Schedule of New Expenditure'** - means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.
26. **'Token demand'** - means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.