



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 2024-25**

**Government of Union Territory of Jammu and Kashmir
Report No. 02 of 2026
(Union Territory Finances Audit Report)**

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Preface

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

The Union Territory Finances Audit Report of the Government of Jammu and Kashmir intends to assess the financial performance of the Union Territory, during the financial year 2024-25 and to provide the Union Territory Legislature with inputs, based on audit analysis of financial data. The Report contains three Chapters.

Chapter I – Overview of the Finances of the Union Territory

This Chapter describes the basis and approach to the Report and provides a broad perspective of the finances of the Union Territory. It includes a macro-fiscal analysis of key indices and UT's fiscal position including deficits/ surplus, debt profile and key Public Account transactions.

Chapter II – Budgetary Management

This chapter is based on the Appropriation Accounts of the Union Territory and reviews the appropriations and allocative priorities of the Union Territory Government and reports on deviations from constitutional provisions relating to budgetary management.

Chapter III – Financial Reporting Practices

This chapter comments on the quality of accounts rendered by various authorities of the Union Territory Government and issues of non-compliance with prescribed financial rules and regulations by various departments of the Union Territory Government.

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

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.

The Principal Accountant General (Accounts and Entitlements) compiles the annual Finance Accounts and Appropriation Accounts of the UT of Jammu and Kashmir based on vouchers, challans, and initial and subsidiary accounts submitted by Treasuries, Offices, and Departments under the control of the Government of UT of Jammu and Kashmir, as well as statements received from the Reserve Bank of India. These accounts are independently audited by the Accountant General (Audit) and certified by the Comptroller and Auditor General of India.

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

- Budget of the Union Territory: 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 Accountant General (Audit).
- Other data with departmental authorities and treasuries (accounting as well as MIS)
- GSDP data and other UT related statistics
- J&K Fiscal Responsibility and Budget Management (FRBM) Act
- Various audit reports of the CAG of India.
- best practices and guidelines of the Government of India (GoI).

An Entry Conference was held on 08th August 2025 with the Principal Secretary, Finance, Government of Union Territory of Jammu and Kashmir, wherein the audit approach followed in the preparation of the UTFAR was explained. Exit meeting was held with Finance Department on 19th January 2026 wherein Audit findings were discussed. The responses of the Government have been incorporated in the Report appropriately.

Structure of the Government Account

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.

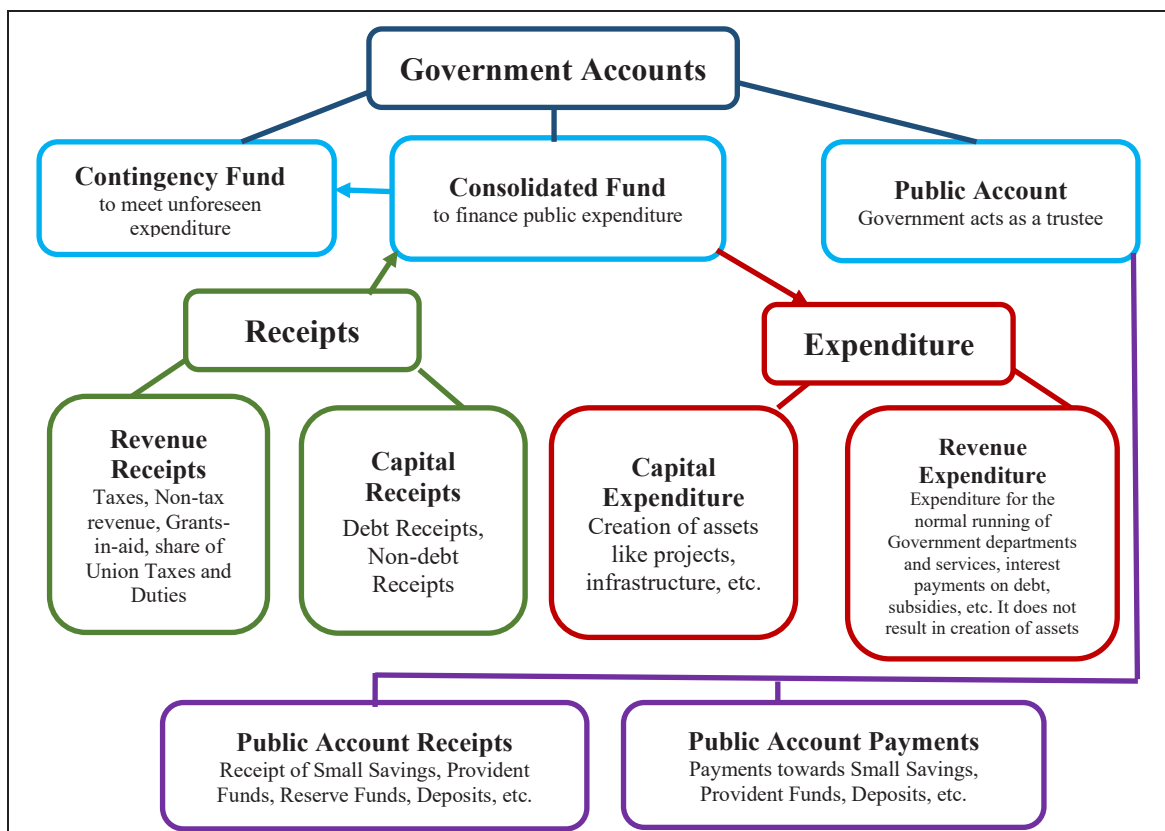
2. Contingency Fund of the Union Territory of Jammu and Kashmir (Section 69 of the Jammu and Kashmir Re-organisation Act, 2019)

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.

Structure of Government Accounts



Executive Summary

Executive Summary

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

UT of Jammu and Kashmir's economy showed moderate growth during the FY 2024-25, with GSDP registering growth of 11.18 *per cent* as against the previous financial year. UT contributed (0.79 *per cent*) to GDP of India. This contribution declined from 0.85 *per cent* in 2020-21. It was observed that the revenue receipts of the UT during 2024-25 increased by 6.12 *per cent* mainly due to increase in Grants-in-Aid from Government of India (GoI). However, growth of own tax revenue was 2.5 *per cent*. Though UT's own revenue performance improved, the dependence on central grants-in-aid remains substantial.

Out of Total Expenditure (TE) of ₹82,547.28 crore, revenue expenditure (85.37 *per cent*) was substantial, particularly committed costs and subsidies (68.39 *per cent* of Revenue Expenditure and 58.39 *per cent* of TE), leaving limited fiscal space for capital investment. Capital expenditure remained below budgeted levels, reflecting constraints in infrastructure investment. The UT was not able to arrest the fiscal deficit within the target levels set in the budget documents. The outstanding liabilities of the UT increased from 8.87 *per cent* of GSDP in 2020-21 to 17.21 *per cent* in 2024-25. However, taking into account the liabilities of the erstwhile state, the outstanding liabilities increased to 48.47 *per cent* of GSDP in 2024-25 which was excluding the Off-budget borrowings of ₹23,197.08 crore. Besides, the UT government also carried forward undischarged liabilities in respect of Guarantee Redemption Fund (GRF), interest liabilities, Consolidated Sinking Fund (CSF), pension fund etc., to the tune of ₹934.02 crore and 1.13 *per cent* of TE in the FY 2024-25.

The fiscal year also continued to witness large scale excess in one revenue charged section and overall savings in all 36 grants. Excess expenditure in FY 2024-25, previous financial years and that pertaining to erstwhile State of Jammu and Kashmir requires regularisation by the legislature. There was delays in submission Utilisation Certificates (1,395 UCs amounting to ₹4,105.08 crore). Against 3,451 AC bills amounting to ₹25,127.97 crore outstanding as on 31st March 2024, there were 3,068 AC bills amounting to ₹15,607.21 crore outstanding as on 31st March 2025. Twenty eight accounts in respect of eight Autonomous Bodies (ABs) were pending as of March 2025. During the year 2024-25, ₹1,941.43 crore under 30 Major Heads of account, constituting 2.35 *per cent* of the total Revenue and Capital expenditure (₹82,532.19 crore) was classified under the Minor Head 800 in the accounts. Of these, ₹49.15 crore under five Major Heads was budgeted/classified under Minor Head 800- Other Expenditure despite availability of appropriate Minor Heads. These irregularities affect the transparency in financial reporting.

Funds, viz., Building and Other Construction Workers Welfare Cess, District Mineral Foundation Fund Trust, Water Usage Charges and Social Responsibility Corpus Fund were kept outside Government Account.

Positive steps like implementation of Empowerment/ Janbhagidari portal for transparency about developmental works was taken up by the Government. However, migration from Single Nodal Account (SNA) to SNA Sparsh system is still pending.

The increasing debt load, high committed expenditure, and limited capital investment raise concerns about fiscal sustainability. There's a need for revenue augmentation, better expenditure control, and structural reforms to ensure long-term fiscal health. Transparency should be enhanced in off-budget borrowings, ensuring timely accounting and reporting. Steps should be taken for more judicious budget provisioning.

Chapter-I
Overview of Finances of the Union
Territory

Chapter-I: Overview of Finances of the Union Territory

This chapter provides a snapshot of Union Territory (UT) of Jammu and Kashmir's finances for 2024-25, covering demographics, economic indicators, and the UT's Fiscal structure. It analyses trends in Revenue and Expenditure, Debt levels, and Fiscal Deficits, highlighting persistent imbalances and reliance on borrowings. The chapter flags issues like high Committed expenditure, low returns on investments etc.

1.1 Profile of the Union Territory

Union Territory of Jammu and Kashmir, a predominantly agrarian UT in north India, covers 1.20¹ lakh sq. km. and comprises 20 districts and 6,431 villages. As of 2025, its projected population stood at 1.38 crore (0.98 per cent of India's total), with a density of 82 persons per sq. km. This section provides an overview of the UT's demography, Gross State Domestic Product (GSDP), and per capita GSDP.

1.1.1 Demography of the UT

The UT's demographic details *vis-à-vis* national average are presented in the **Table 1.1** below.

Table 1.1: Demographic profile of the UT

	UT of J&K	National average
Projected Rural Population (<i>per cent</i>) (2025) (<i>Population Projection for India and State 2011-36, MoHFW, GoI</i>)	68.95	64.30
Projected Urban Population (<i>per cent</i>) (2025) (<i>Population Projection for India and State 2011-36, MoHFW, GoI</i>)	31.05	35.70
Population density (2025) (<i>Population Projection for India and State 2011-36, MoHFW, GoI</i>)	82	415
Sex Ratio per 1,000 Males (2021) (<i>Population Projection for India and State 2011-36, MoHFW, GoI</i>)	913	947
Infant Mortality Rate per 1,000 Live births (<i>SRS bulletin September 2025 (Ref. year 2023)</i>)	14	25
Total Fertility Rate (<i>NFHS-5, 2019-21 MoHFW, GoI</i>)	1.41	1.99
Life Expectancy at Birth (<i>SRS Abridged Life (2019-23)</i>)	74.4	70.3
Population below Poverty Line (<i>Multidimensional Poverty Index, 2023, NITI Aayog</i>)	4.80	14.96
Literacy Rate (<i>Periodic Labour Force Survey(PLFS), 2023-24</i>)	82	80.9

¹ Including area of POK

Maternal Mortality Rate per lakh women in the age group of 15-49 (SRS Bulletin on Maternal Mortality in India 2021-23 (September 2025), Registrar General of India, GoI)	NA	5
Labour Force Participation Rate (PLFS 2023-24)	48.7	46.5

1.1.2 Economy of the Union Territory

Gross State Domestic Product (GSDP) and per capita income are important indicators of the UT's economy as discussed in succeeding paragraphs.

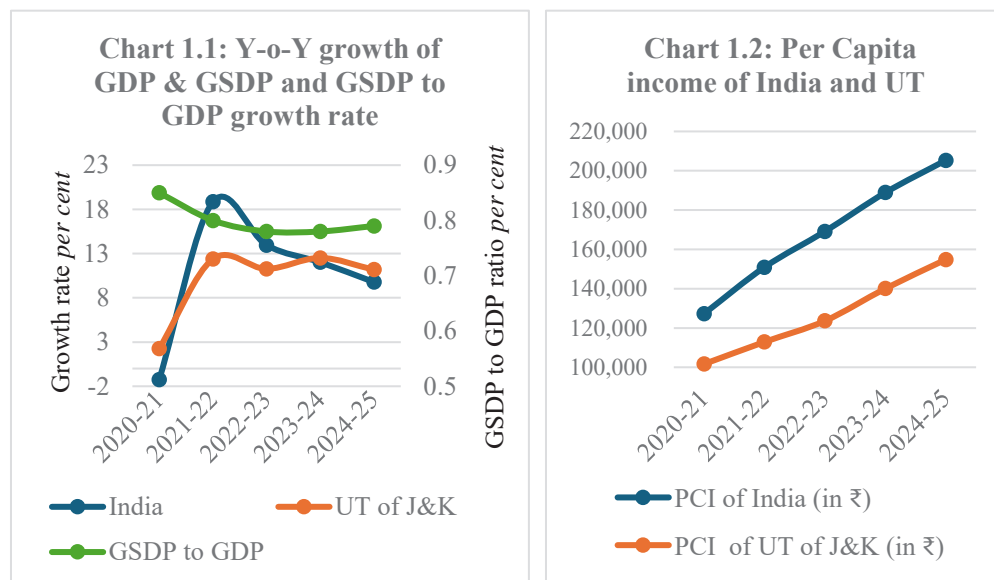
1.1.2.1 Gross State Domestic Product and Per capita Income

Gross Domestic Product (GDP) refers to the total value of goods and services produced within a country, while Gross State Domestic Product (GSDP) measures the same at the State/UT level, and both reflect economic development and overall progress. Trends of GSDP and GDP is given in **Table 1.2**. Year on year growth of GSDP and GDP and share of GSDP in India's GDP is given in **Chart 1.1** and Per capita income of the country and per capita Income of the UT of Jammu and Kashmir is depicted in **Chart 1.2**.

Table 1.2: Trends in GSDP compared to GDP of India (at current prices, base year 2011-12)

Year	2020-21	2021-22	2022-23	2023-24	2024-25
GDP of India (₹ in crore)	1,98,54,096	2,35,97,399	2,68,90,473 (FE)	3,01,22,956 (FRE)	3,30,68,145 (PE)
GSDP of UT of J&K (₹ in crore)	1,67,793	1,88,561	2,09,816	2,36,059	2,62,458
Per Capita Income of India (in ₹)	1,27,244	1,50,906	1,69,145	1,88,892	2,05,324
Per Capita Income of UT of J&K (in ₹)	1,01,645	1,12,898	1,23,614	1,40,051	1,54,826
Share of GSDP in GDP	0.85	0.80	0.78	0.78	0.79

Source: Ministry of Statistics and Programme Implementation, GoI



Year on year growth of GDP of India increased from -1.24 per cent in 2020-21 to 18.85 per cent in 2021-22 after Covid and thereafter showed a declining trend with growth rate of 9.78 per cent in 2024-25. During the same period GSDP of UT of J&K increased from 2.25 per cent in 2020-21 to 12.38 per cent in 2021-22, which later decreased to 11.18 per cent in 2024-25.

The per capita GSDP of UT of J&K remained consistently lesser than the national average during FY 2020-25. During the same period, GSDP to GDP ratio declined from 0.85 per cent in 2020-21 to 0.79 per cent in 2024-25 which indicates decline in contribution of UT of J&K in the GDP of India.

In reply, the department stated (January 2026) that GSDP depends on numerous factors which vary from year to year and efforts will be made to analyse the areas which needs to be focussed to increase the GSDP.

1.1.2.2 Sectoral contribution to Gross State Value Added (GSVA)

Economic activities are broadly classified into three main sectors: primary, secondary, and tertiary sectors. These sectors represent different stages of economic development and are interdependent on one another.

The **primary sector** involves activities that directly use natural resources to produce raw materials. This includes agriculture, horticulture, fishing & aquaculture, forestry, mining and quarrying activities. It forms the foundation of the economy as it provides essential raw materials for other sectors.

The **secondary sector** includes activities that involve the processing and manufacturing of raw materials into finished or semi-finished goods. This encompasses manufacturing, construction, electricity, gas, water supply and other utility services. It adds value to raw materials and supports industrial growth.

The **tertiary sector**, also known as the service sector, provides services that support both individuals and other sectors of the economy. It includes trade, repairs, hotels & restaurants, transport, storage, communication & services related to broadcasting, financial services, real estate, ownership of dwellings & professional services, public administration, and other services. This sector plays a crucial role in improving the quality of life and ensuring the smooth functioning of the economy.

The sectoral contribution by various sectors during 2024-25 and sectoral growth in GSVA during the last five years are depicted in **Chart 1.3** and **Chart 1.4** respectively.

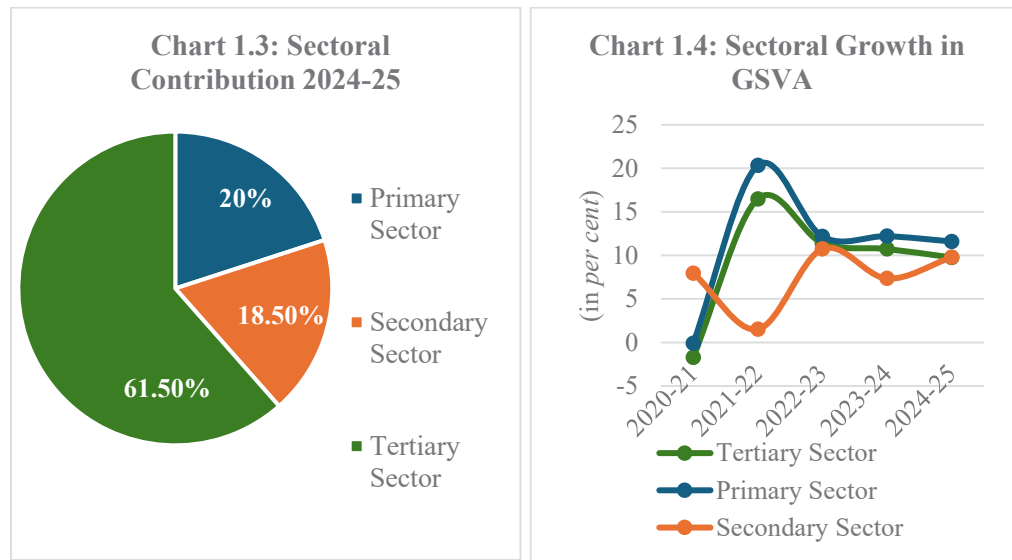
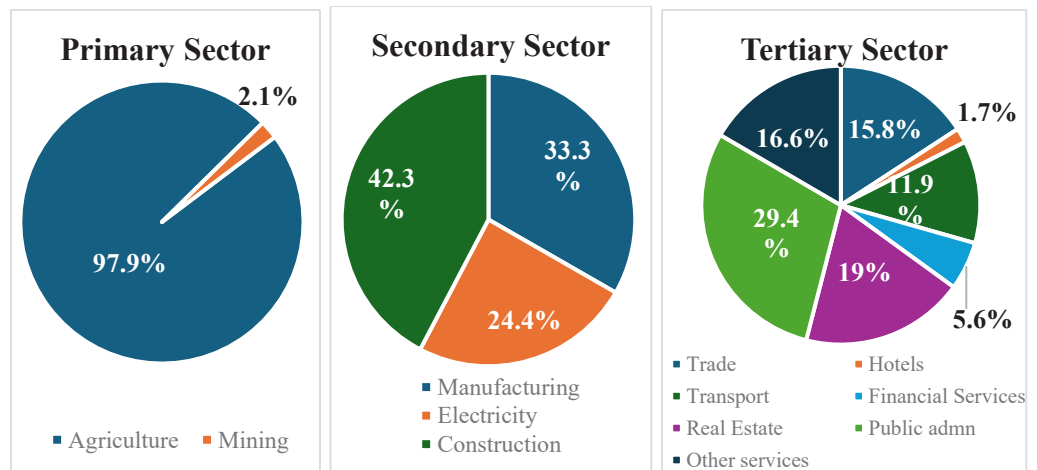


Chart 1.5 shows the composition of each sector during FY 2024-25, in terms of its major contributing segments.

Chart 1.5: Sector-wise distribution, FY 2024-25



Source: Ministry of Statistics and Programme Implementation, GoI.

During 2024-25, the sectoral growth in primary and tertiary sector decreased to 11.61 per cent and 9.77 per cent from 12.21 per cent and 10.74 per cent respectively, in 2023-24. However, the secondary sector recorded an increase in growth, rising from 7.35 per cent in 2023-24 to 9.78 per cent in 2024-25.

The tertiary sector remained the largest contributor throughout 2020-25. In tertiary sector, the biggest contributor was Public administration with 29.4 per cent share followed by real estate with 19 per cent. Similarly, in the Secondary sector, Construction had maximum share of 42.3 per cent whereas Agriculture had maximum share of 97.9 per cent in the Primary sector. Agriculture is the biggest contributor in GSDP.

1.1.3 Snapshot of Finances

Table 1.3 shows the details of actual financial results of UT Government of J&K for the years 2023-24 and 2024-25 vis-a-vis Budget Estimates (BE), Revised Estimates (RE) and GSDP for the year 2024-25.

Table 1.3: Snapshot of Finances

(₹ in crore)							
Sl. No.	Components	2023-24 (Actuals)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1	Tax Revenue	13,903.22	20,860	20,855	14,249.38	68	5
(i)	Own Tax Revenue	13,903.22	20,860	20,855	14,249.38	68	5
(ii)	Share of Union taxes/duties	0.00	0.00	0	0.00	0	0
2	Non-Tax Revenue	6,430.33	9,726	8,578	6,871.98	71	3
3	Grants-in-aid and Contributions	49,774.14	67,133	59,072	53,279.80	79	20
4	Additional Resource Mobilisation ²	0.00	1,000	4,900	0.00	0	0
5	Revenue receipts (1+2+3+4)	70,107.69	98,719	93,405	74,401.16	75	28
6	Recovery of Loans and advances	6.04	6	6	0.44	7	0
7	Other receipts	0	0	0	0	0	0
8	Borrowings and other liabilities*	8,608.08	7,984	9,788	8,145.68	102	3
9	Capital receipts (6+7+8)	8,614.12	7,990	9,794	8,146.12	102	3
10	Total receipts (5+9)	78,721.81	1,06,709	1,03,199	82,547.29	77	31
11	Revenue expenditure	66,621.47	81,486	83,580	70,472.13	86	27

² BE 2024-25 and RE 2024-25 includes Additional Resource Mobilisation (ARM)/ Channelising Resources into System Pool (CRISP) and Asset Monetisation amounting to ₹1,000 crore and ₹4,900 crore respectively.

12	Interest payments	9,924.96	10,272	10,272	10,874.51	106	4
13	Capital expenditure	12,088.85	25,194	19,597	12,060.06	48	5
14	Loans and advances	11.49	29	22	15.09	52	0
15	Total expenditure (11+13+14)	78,721.81	1,06,709	1,03,199	82,547.28	77	31
16	Revenue Surplus (+)/Deficit (-) (5-11)	3,486.22	17,233	9,825	3,929.03	23	1
17	Fiscal Surplus (+)/Deficit (-) {(5+6+7)-15}	(8,608.08)	(7,984)	(9,788)	(8,145.68)	102	-3
18	Primary Deficit (-)/ Surplus(+) (17-12)	1,316.88	2,288	484	2,728.84	119	1

Source: Finance Accounts and Budget

*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.

The details of UT Government Finances for the FY 2020-21 to 2024-25 is given in **Appendix 1.1**.

During 2024-25, Revenue receipts increased over six *per cent* with respect to the previous year but fell short of the BE by 24.6 *per cent* and RE by 20.3 *per cent*. UT's Own Tax revenue increased by 2.5 *per cent* and Non-Tax revenue increased by about seven *per cent* with respect to the previous year. During 2024-25, the increase of ₹4,293.47 crore (6.12 *per cent*) in Revenue receipts was comparatively higher than the increase of ₹3,850.66 crore (5.78 *per cent*) in Revenue expenditure over the previous year. This led to increase in Revenue surplus from ₹3,486.22 crore during 2023-24 to ₹3,929.03 crore during 2024-25. During 2024-25, there was Fiscal Deficit of ₹8,145.68 crore, which was two *per cent* above the projection in the BE 2024-25. Primary surplus during the year 2024-25 was ₹2,728.44 crore which was about 19 *per cent* above the projections made in the Budget 2024-25. The Revenue surplus of ₹3,929.03 crore during 2024-25 was lesser than the amount projected in the BE (₹17,233 crore) and RE (₹9,825 crore).

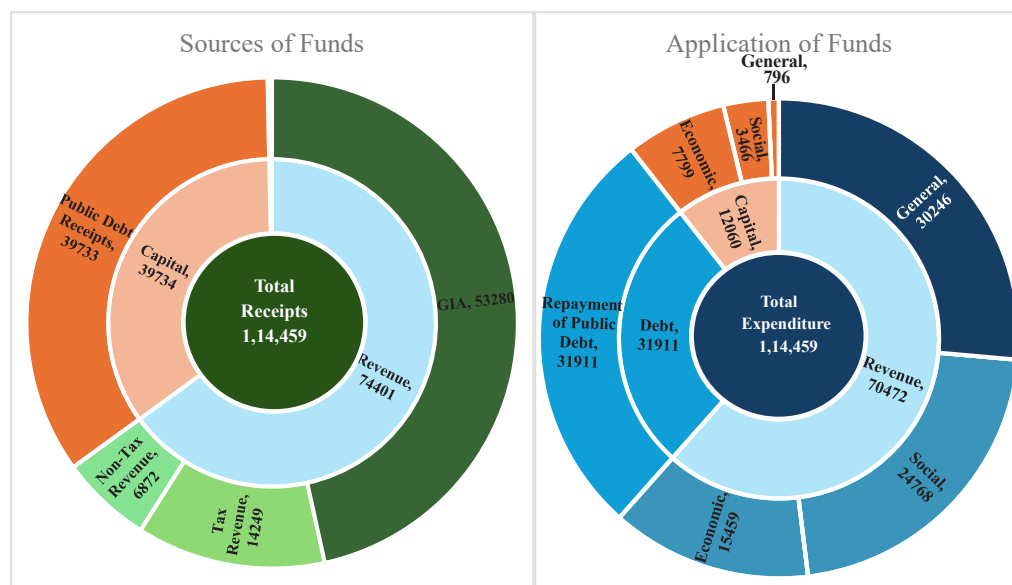
During 2024-25, there was 'Nil' receipt under Additional Resource Mobilization against the budget estimate of ₹1,000 crore and RE of ₹4,900 crore. Receipts under Grants in Aid fell short of budget estimates by ₹13,853 crore indicating unrealistic estimations. There was 52 *per cent* shortfall in Capital expenditure against the projection in the Budget which could be attributable to shortfall in actual receipts.

1.1.4 Sources and Application of Funds

Comparison of components of the sources and application of funds of the UT during the FY 2024-25 is given in **Chart 1.6**.

Chart 1.6: Details of Sources and Application of Funds during 2024-25

(₹ in crore)



Source: Finance Accounts

Appendix 1.2 provides details of receipts, disbursements and the overall fiscal position of the UT during the year 2024-25 as well as previous year.

1.1.5 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 1.3** gives an abstract of such liabilities and assets, as on 31st March 2025, compared with the corresponding position of the previous year. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from the Public Account and Reserve Funds. Assets comprise mainly of the Capital Expenditure, and loans and advances, given by the UT Government and cash balances. A summarised position of assets and liabilities, for the financial years 2023-24 and 2024-25, is given in **Table 1.4**.

Table 1.4: Summarised position of assets and liabilities

(₹ in crore)

Liabilities					Assets				
		2023-24	2024-25	Percent increase/decrease			2023-24	2024-25	Percent increase/decrease
Consolidated Fund									
A	Internal Debt	30,285.52	38,228.41	26	A	Gross Capital Expenditure	49,802.24	61,862.30	24
B	Loans and Advances from GoI*	5,590.68	3,777.28	-32	B	Loans and Advances	231.91	246.56	6

Liabilities					Assets				
		2023-24	2024-25	Percent increase/decrease			2023-24	2024-25	Percent increase/decrease
Contingency Fund		25	25	0					
Public Account									
A	Small Savings, Provident Funds, etc.	2,165.98	2,094.81	-3	A	Advances with Departmental officers	-	-	-
B	Deposits	2,838.16	2,721.83	-4	B	Remittances	697.40	688.26	-1
C	Reserve Funds	1,807.12	2,670.92	48	C	Suspense and Miscellaneous	-	-	-
D	Remittances	-	-	-		Cash balance (including investment in Earmarked Funds)	1,595.82	1,520.10	-5
E	Suspense and Miscellaneous	508.02	70.82	-86		Total	52,327.37	64,317.22	23
	Total	43,220.48	49,589.07	15		Difference on account of rounding-off	-	-	-
	Excess receipt over expenditure	9,106.89	14,728.15	62		Deficit in Revenue Account	-	-	-
	Total	52,327.37	64,317.22	23			52,327.37	64,317.22	23

Source: Finance Accounts of respective years

* Includes back-to-back loans of ₹4,253.08 crore (₹2,099.80 crore and ₹3,845.49 crore received from the GoI during 2020-21 and 2021-22 respectively and its adjustment of ₹1,692.21 crore in 2024-25), 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 30th October 2019 are yet to be apportioned between UT of Jammu and Kashmir and UT of Ladakh. The increase in Reserve Funds was mainly due to receipts under State Disaster Response Fund (₹442.57 crore against disbursement of ₹29.11 crore) and Sate Compensatory Afforestation Fund (₹478.58 crore against disbursement of ₹161.72 crore). The decrease in the head 'Suspense and Miscellaneous' was mainly due to reduction of Tax Deducted at Source (TDS) balance by ₹328 crore.

1.2 Consolidated Fund of the UT

All revenues received by the UT Government, all loans raised by the UT Government, ways and means advances extended by the Reserve Bank of India and all money received by the UT Government in repayment of loans forms part of the Consolidated fund of the Union Territory.

1.2.1 Revenue Receipts

Trends and growth of revenue receipts with respect to Gross State Domestic Product (GSDP) over the five-year period (2020-25) are shown in **Table 1.5**.

Table 1.5: Trends in Revenue Receipts

Parameters	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Receipts	52,495.48	59,238.50	68,975.95	70,107.69	74,401.16
Tax Revenue	8,876.99	11,707.28	12,335.47	13,903.22	14,249.38
<i>Own Tax Revenue</i>	8,876.99	11,707.28	12,335.47	13,903.22	14,249.38
Non-Tax Revenue	4,076.38	4,840.45	5,147.55	6,430.33	6,871.98
Grants- in aid from GoI	39,542.11	42,690.77	51,492.93	49,774.14	53,279.8
UT's Own Revenue (Own Tax and Non-Tax Revenue)	12,953.37	16,547.73	17,483.02	20,333.55	21,121.36
GSDP (2011-12 series)	1,67,793	1,88,561	2,09,816	2,36,059 (Q)	2,62,458 (A)
Year-on-year growth rates (in per cent)					
Revenue Receipts	NA	12.84	16.44	1.64	6.12
UT's Own Revenue	NA	27.75	5.65	16.3	3.87
GSDP	NA	12.38	11.27	12.51	11.18
Buoyancy Ratios³					
Revenue Buoyancy w.r.t GSDP	NA	1.04	1.46	0.13	0.55
UT's Own Revenue Buoyancy w.r.t GSDP	NA	2.24	0.5	1.3	0.35

Source: Finance Accounts for Revenue Receipts and Ministry of Statistics and Programme Implementation, GoI. for GSDP figures

Q- Quick Estimates

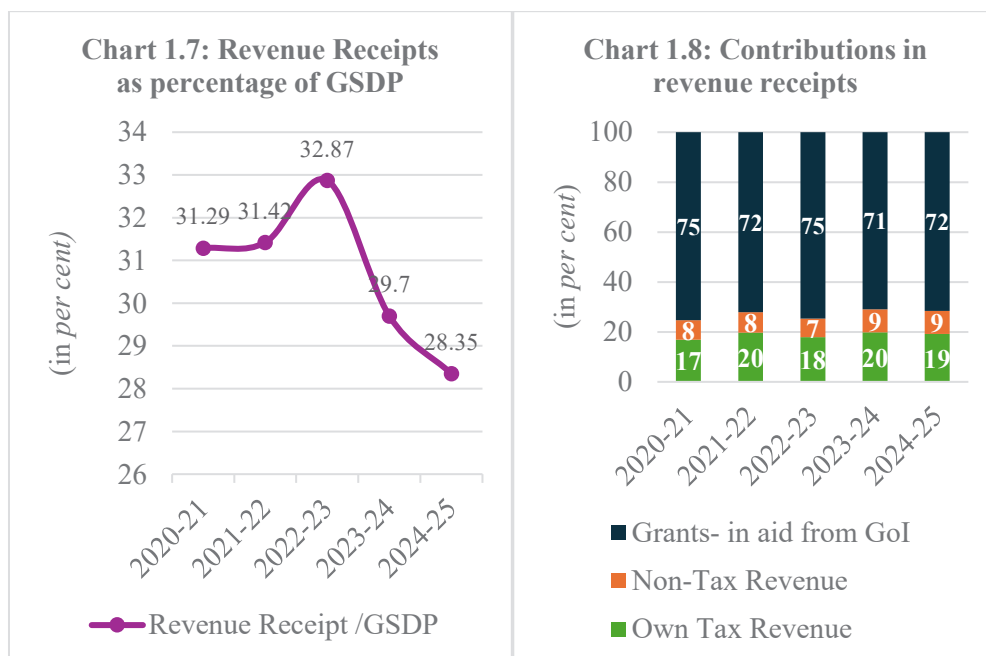
A- Advance Estimates

The year- on- year growth rate of revenue receipts during 2021-22 and 2022-23 was higher than the GSDP growth rate however it declined significantly during the next two years. Despite the growth of 11.18 *per cent* in GSDP during 2024-25, the increase in Tax and Non tax revenue was only 3.87 *per cent*. Out of total Revenue receipts of ₹74,401.16 crore during 2024-25, the

³ Buoyancy ratio indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

Grants-in-Aid from GoI (₹53,279.80 crore) constituted almost 72 per cent of total Revenue receipts.

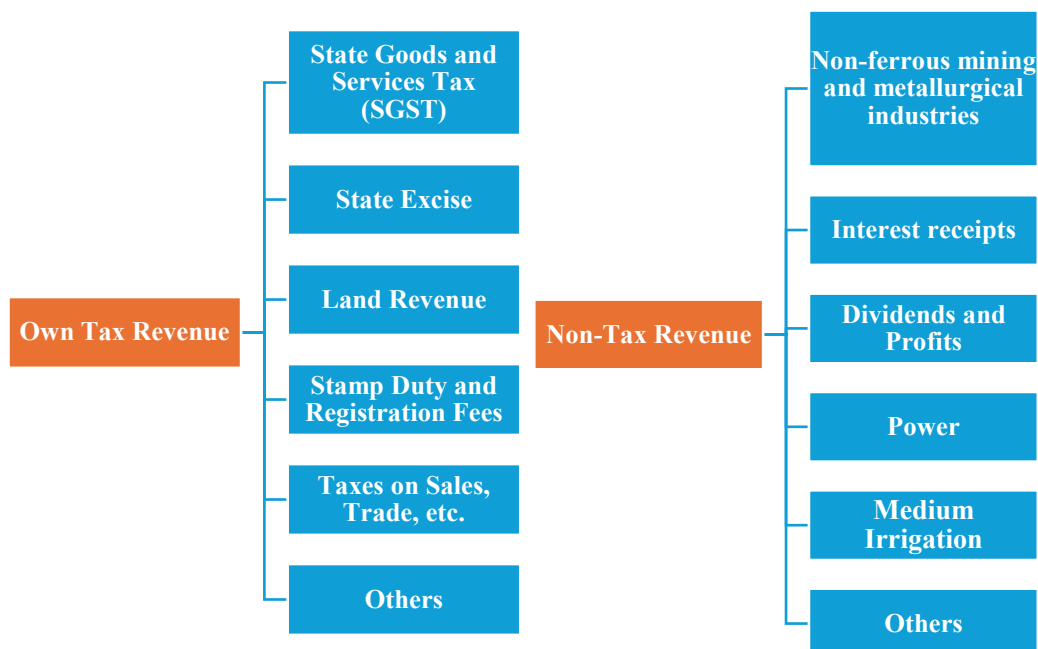
Revenue Receipts as percentage of GSDP and contribution from various sources in revenue receipts is given in **Chart 1.7** and **Chart 1.8**.



Grant in Aid remained the highest contributor to Revenue receipts of UT of J&K ranging between 71 to 75 per cent during FY 2020-25. Significant portion of GIA indicates more reliance on Government of India support. Diversifying revenue resources and strengthening the local tax base are essential for sustainable fiscal stability and development.

A. Union Territory's Own Resources

Chart 1.9: Details of UT's Own Revenue



(i) Own Tax Revenue

Own Tax Revenue is the revenue collected by the UT Government through taxes it is empowered to levy under the Constitution. Actuals for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actuals of Own Tax Revenue for the FY 2024-25 is given in **Table 1.6**.

Table 1.6: Own Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)

(₹ in crore)

Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
State Goods and Services Tax (SGST)	8,064.14	14,000	14,000	8,585.93
State Excise	2,490.25	2,600	2,600	2,271.92
Land Revenue	123.79	130	130	77.36
Stamp Duty and Registration Fees	677.54	800	800	688.14
Vehicle Tax	904.26	1,400	1,400	929.32
Taxes on Sales, Trade, etc.	1,631.19	1,900	1,900	1,688.52
Others	12.04	30	25	8.19
Total	13,903.22	20,860	20,855	14,249.38

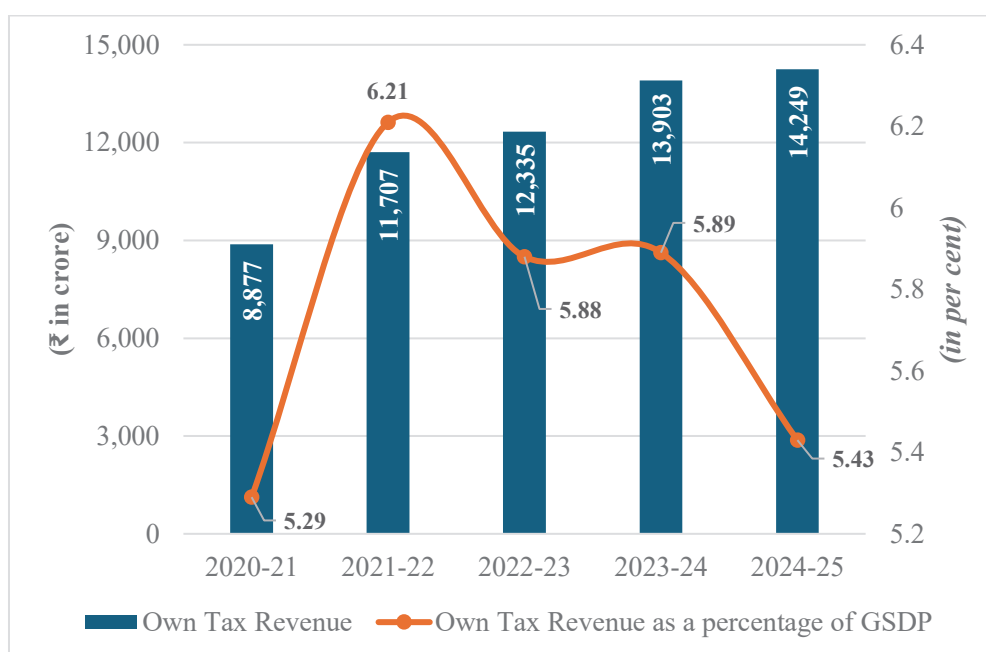
Source: Finance Accounts and Budget documents

The modest growth of 2.49 per cent in Own Tax Revenue during 2024-25, compared to the robust 11.18 per cent growth in GSDP, indicates a weakening

revenue performance relative to the size of the economy. The significant shortfall of around 32 *per cent* against both RE and BE highlights issues of overestimation and unrealistic revenue forecasting. Consequently, Own Tax Revenue as a share of GSDP declined from 5.89 *per cent* in 2023-24 to 5.43 *per cent* in 2024-25, reflecting reduced fiscal capacity. Such underperformance not only underscores inefficiencies in revenue mobilisation but also constrains the Government’s ability to sustain planned expenditure levels.

Trends of own tax revenue and its components during the period 2020-21 to 2024-25 are shown in **Chart 1.10** and **Chart 1.11** respectively.

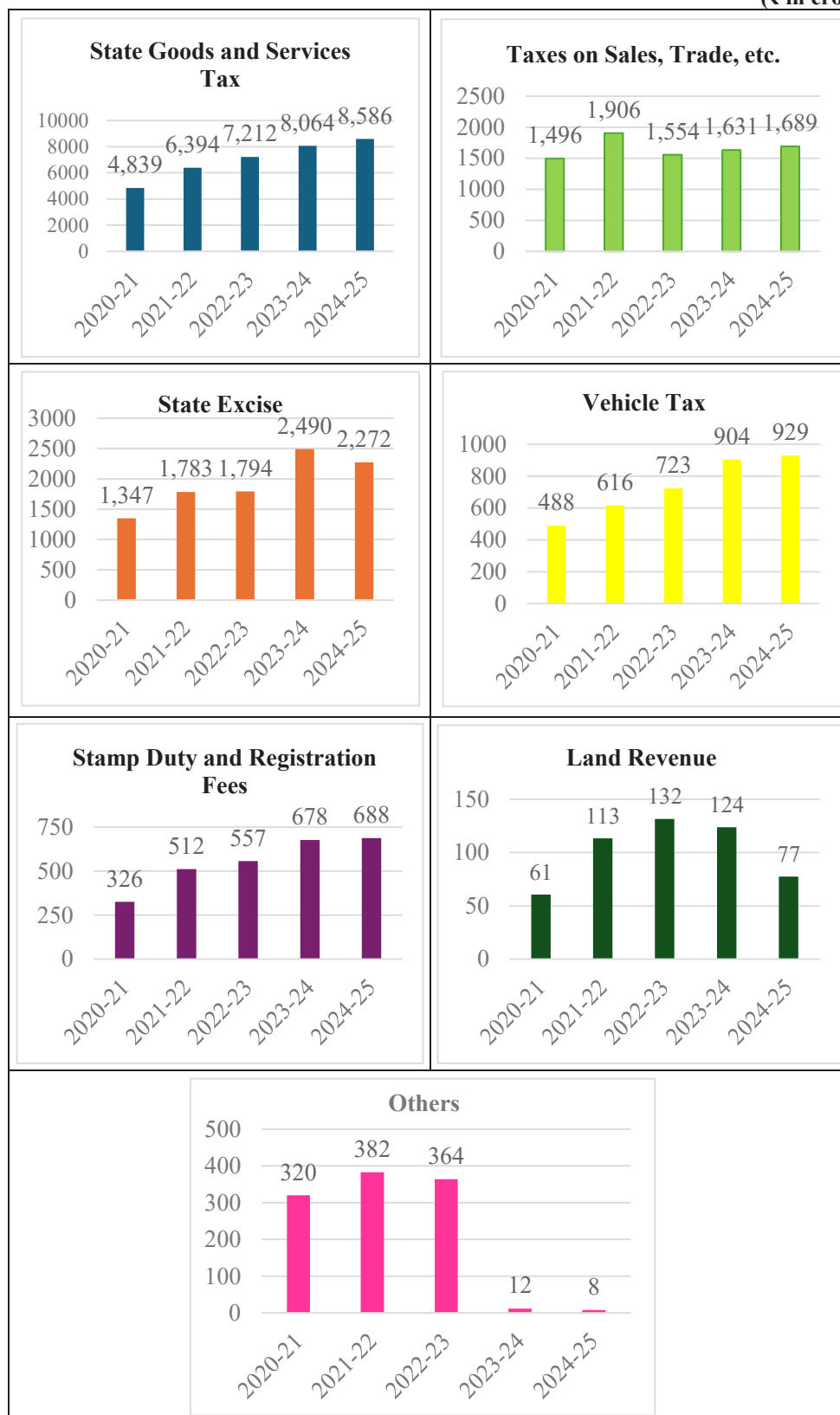
Chart 1.10: Trends of Own Tax Revenue during FY 2020-21 to FY 2024-25



Source: Finance Accounts

Chart 1.11: Major components of UT's Own Tax Revenue

(₹ in crore)



Source: Finance Accounts

Own Tax Revenue increased by ₹346.16 crore (2.49 per cent) during 2024-25 as compared to previous year. Major components of tax-revenue (except Land revenue, State Excise and Others) have shown an increase during 2024-25 as compared to 2023-24. SGST was major contributor to the overall growth in tax revenue.

However, there was decrease in tax revenue under State Excise and Land revenue during FY 2024-25. The decrease in State Excise was primarily due to the remittance of advance e-auction amounts for two years (2023–24 and 2024–25) during 2023–24, and for one year (2025–26) during 2024–25. Decrease under land revenue was due to lesser receipts under Sale of land and Land Revenue/ Tax.

(ii) Non-Tax Revenue

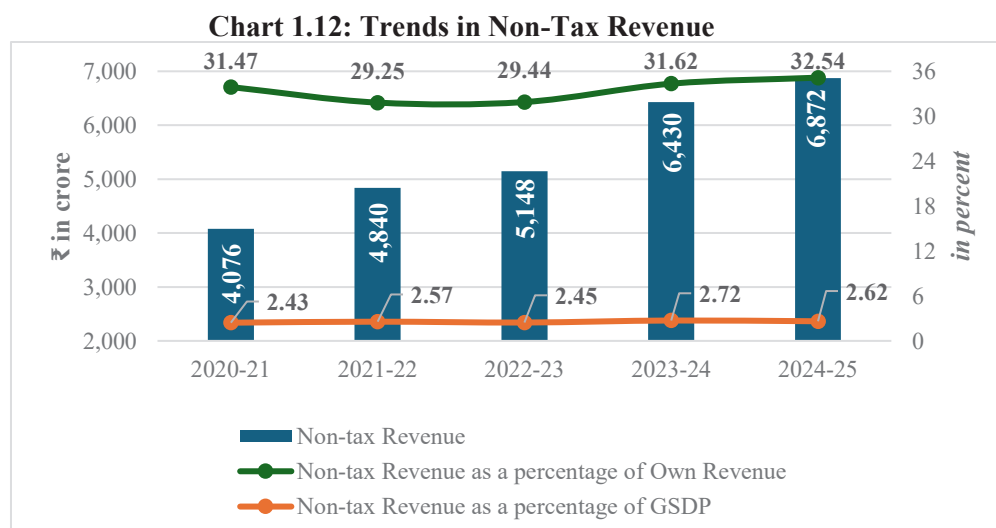
Non-Tax Revenue of a UT refers to the rent, fees, royalties and other receipts, of the UT Government from sources other than taxes.

Actuals for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actuals of Non-Tax Revenue for the FY 2024-25 is given in **Table 1.7**.

Table 1.7: Major Non-Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)

Non-Tax Revenue	(₹ in crore)			
	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
Interest Receipts	27.87	20	2	20.35
Dividends and Profits	31.41	200	0	130.78
Others	6,371.05	9,506	8,576	6,720.85
Total	6,430.33	9,726	8,578	6,871.98

Trends of Non-tax revenue and its components during the period 2020-21 to 2024-25 are shown in **Chart 1.12** and **Chart 1.13** respectively.



Source: Finance Accounts of respective years.

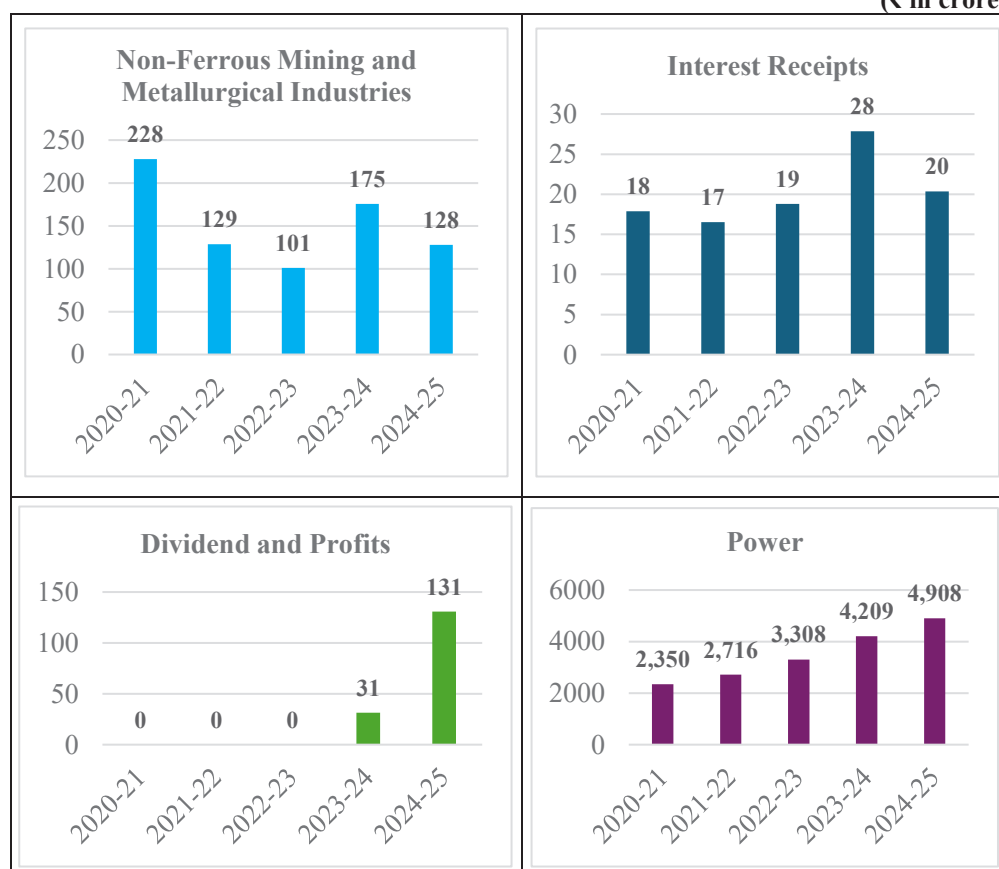
During 2024-25, there was an increase of ₹441.65 crore (6.87 per cent) under Non-Tax revenue with respect to 2023-24. However, it fell short of RE by more than 19 per cent and BE by around 29 per cent. Shortfall in comparison to BE and RE points towards unrealistic budgeting of Non-Tax revenue and adversely impacts the Government’s capacity to plan expenditure and implement developmental programmes effectively.

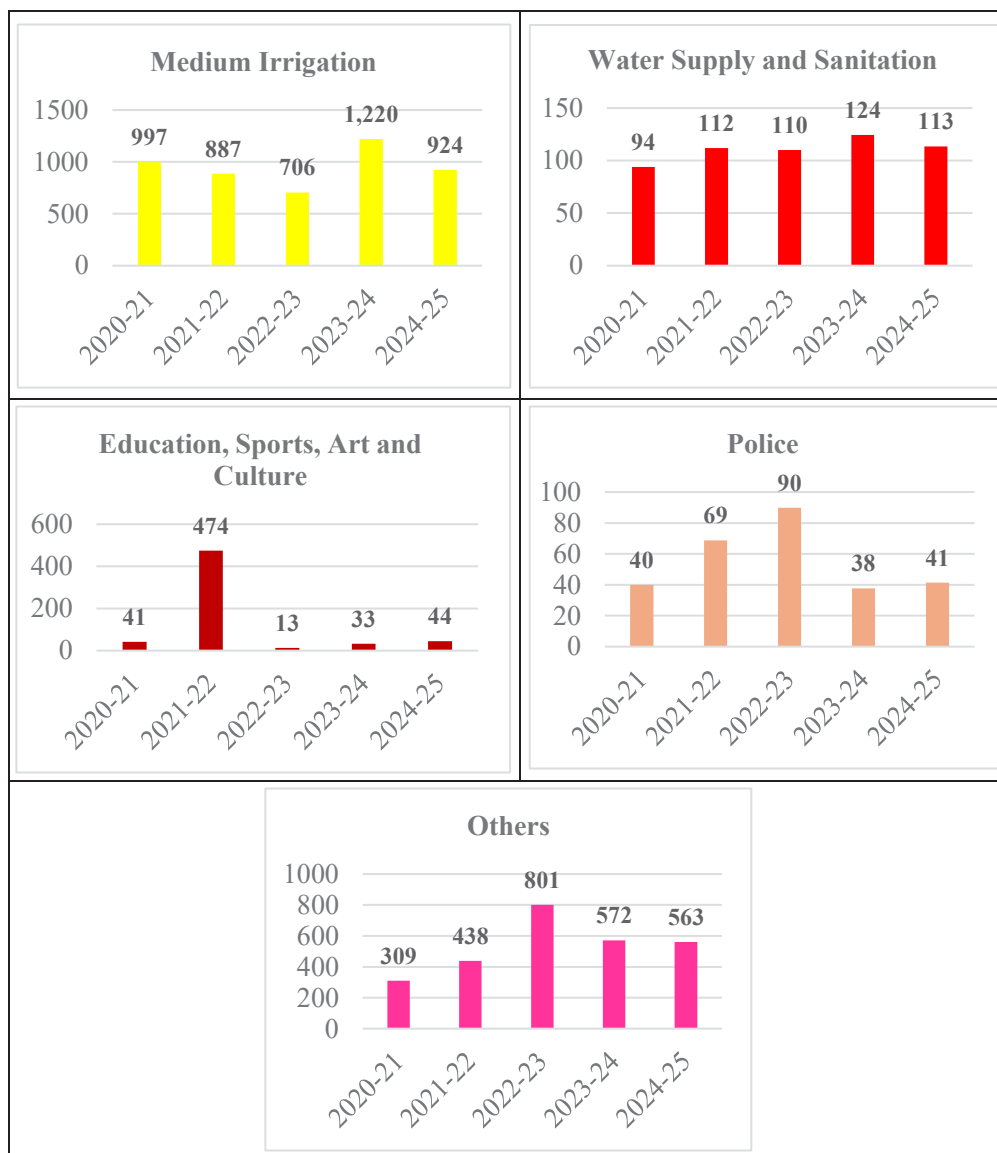
In reply, the department stated (January 2026) that efforts will be made to make budget more realistic.

The Growth rate of Non-Tax revenue (6.87 per cent) was less in comparison to the growth rate of GSDP (11.18 per cent) during 2024-25. Non-Tax revenue as a percentage of GSDP fell from 2.72 per cent in 2023-24 to 2.62 per cent in 2024-25, reflecting a weakening revenue mobilisation effort in this segment.

Chart 1.13: Major components of UT’s Non-Tax Revenue

(₹ in crore)





Source: Finance Accounts of respective years

Power receipts constituted a major component of Non-Tax revenue, accounted for approximately 71 per cent of total Non-Tax revenue during 2024-25. Although the rates of sale of power were not revised during the year, the Government registered an increase in power receipts as compared to 2023-24. However, the receipts fell short of the budgeted target of ₹6,000 crore.

Water usage charges paid by the Hydel Power Projects continued to be a significant source of revenue under the Major Head 'Irrigation'. During 2023-24, arrears on account of water usage charges were realised from Jammu and Kashmir State Power Corporation (JKSPC). In 2024-25, however, lower water availability in reservoirs led to a decline in receipts under 'Irrigation' as compared to the previous year.

B. Grants-in-aid from Government of India

Trend of Grants-in-aid (GIA) from GoI and its components are shown in **Table 1.8**.

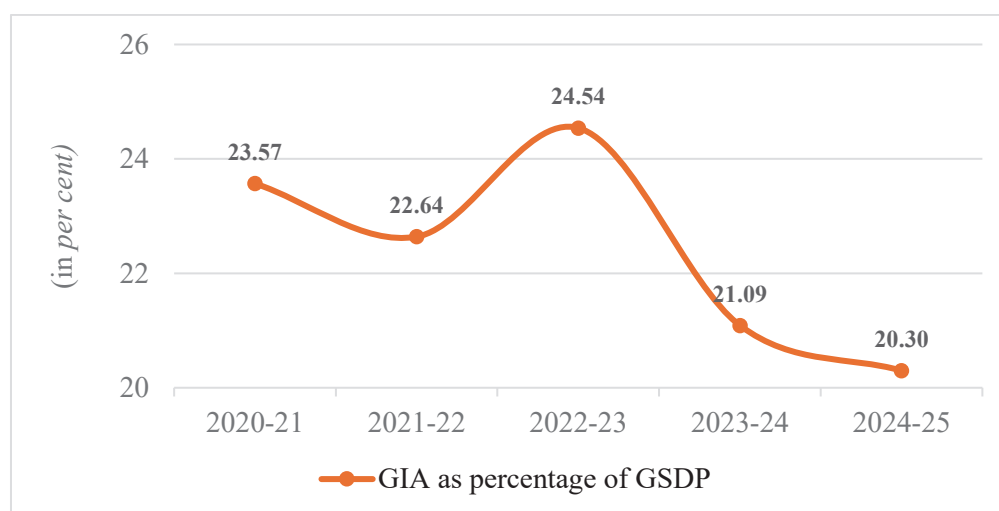
Table 1.8: Grants-in-aid from Government of India

(₹ in crore)					
Components	2020-21	2021-22	2022-23	2023-24	2024-25
Grants for Centrally Sponsored Plan Schemes	0	0	0	0	0
Grants for Centrally Sponsored Schemes	6,533.49	6,713.77	6,029.68	7,958.26	7,147.46
Finance Commission Grants	0	0	0	0	0
Other transfers/Grants to States/Union Territories with Legislature	33,008.62	35,977.00	45,463.25	41,815.88	46,132.34
Total	39,542.11	42,690.77	51,492.93	49,774.14	53,279.80

Source: Finance Accounts

Percentage of Grant-in-aid from Government of India to GSDP is given in **Chart 1.14**

Chart 1.14: Percentage of Grant-in-aid from Government of India to GSDP



Grants-in-Aid has increased from ₹49,774.14 crore in 2023-24 to ₹53,279.80 crore in 2024-25, though there was reduction in Grants for centrally sponsored schemes. During 2024-25, Grants-in-Aid from GoI constituted more than 71 per cent of the total Revenue receipts. It reflects UT Government's high fiscal dependence on Grants-in-Aid from Government of India.

Other transfers/Grants to States/Union Territories with Legislature of ₹46,132.34 crore was received by the UT during 2024-25, included Grants towards Jhelum and Tawi Flood Recovery Project (J&TFRP), an Externally Aided Projects (EAP) (₹170.00 crore) under Special assistance (₹46,004.17 crore).

GIA as percentage of GSDP decreased from 21.09 *per cent* in 2023-24 to 20.30 *per cent* in 2024-25, reflecting a marginal improvement in the UT's fiscal capacity and reduced relative dependence on GIA from GoI.

The UT Government agreed (January 2026) to high dependency on GIA due to very low scope for levy of tax revenue.

(i) Grants for Centrally Sponsored Schemes

Grants for Centrally Sponsored Scheme has reduced from ₹7,958.26 crore in 2023-24 to ₹7,147.46 crore in 2024-25. Out of the Grants of ₹7,147.46 crore for Centrally Sponsored Schemes during 2024-25, major allocations were made to the schemes shown in **Table 1.9**.

Table 1.9: Major Schemes receiving grants (above ₹100 crore)

(₹ in crore)			
Name of the Scheme	2024-25 Amount (₹ in crore)	2023-24 Amount (₹ in crore)	Percentage change over previous year
Krishionnati Yojana	112.87	66.16	70.6
Flexible Pool for RCH and Health System Strengthening, National Health Programme and National Urban Health Mission	806.93	595.67	35.47
Infrastructure Maintenance	195.08	172.76	12.92
Modernisation of Police Forces	1,602.61	1,319.12	21.49
Swachh Bharat Mission- Rural (SBM-Rural)	185.00	241.33	-23.34
Mission for Development of 100 Smart Cities	208.25	294.00	-29.17
Mahatma Gandhi National Rural Employment Guarantee Programme	249.48	196.00	27.29
Pradhan Mantri Awas Yojana- Rural (PMAY)	288.88	1,234.69	-76.60
Pradhan Mantri Gram Sadak Yojana (PMGSY)	1,028.25	1,304.17	-21.16
Pradhan Mantri Poshan Shakti Nirman (Erstwhile National Programme of Mid-Day Meal in Schools)	119.37	136.81	-12.75
Samagra Shiksha	823.49	865.44	-4.85
Saksham Anganwadi and Poshan 2.0 (Umbrella ICDS-Anganwadi Services Poshan Abhiyan Scheme for Adolescent Girls National Creche Scheme)	662.79	530.47	24.94

Source: Finance Accounts

There was reduction mainly in PMAY (Rural) scheme. The scheme was stated to have achieved 85 per cent completion rate in 2024-25 indicating the substantial completion of the works for which advances were granted in previous years.

1.2.2 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 2024-25 are shown in **Table 1.10**.

Table 1.10: Trends in growth and composition of Capital receipts

(₹ in crore)					
Sources of UT's Receipts	2020-21	2021-22	2022-23	2023-24	2024-25
Capital receipts	40,653.06	50,200.89	38,115.80	53,488.80	39,733.60
Miscellaneous Capital receipts	-	-	-	-	-
Recovery of Loans and advances	1.93	1.03	1.33	6.04	0.44
Public Debt receipts	40,633.13	50,199.86	38,114.47	53,482.76	39,733.16
<i>Internal Debt*</i>	40,450.24	50,199.86	38,114.47	53,482.76	39,733.16
<i>Loans and advances from GoI[#]</i>	182.89	0	0	0	0
Year-on Year growth rates (in percent)					
GSDP	2.25	12.38	11.27	12.51	11.18
Capital receipts	NA	23.54	-24.07	40.33	-25.72
Debt Capital receipts	NA	23.54	-24.07	40.32	-25.71
Internal Debt	NA	24.1	-24.07	40.32	-25.71
Loans and advances from GoI	NA	-100	-	-	-

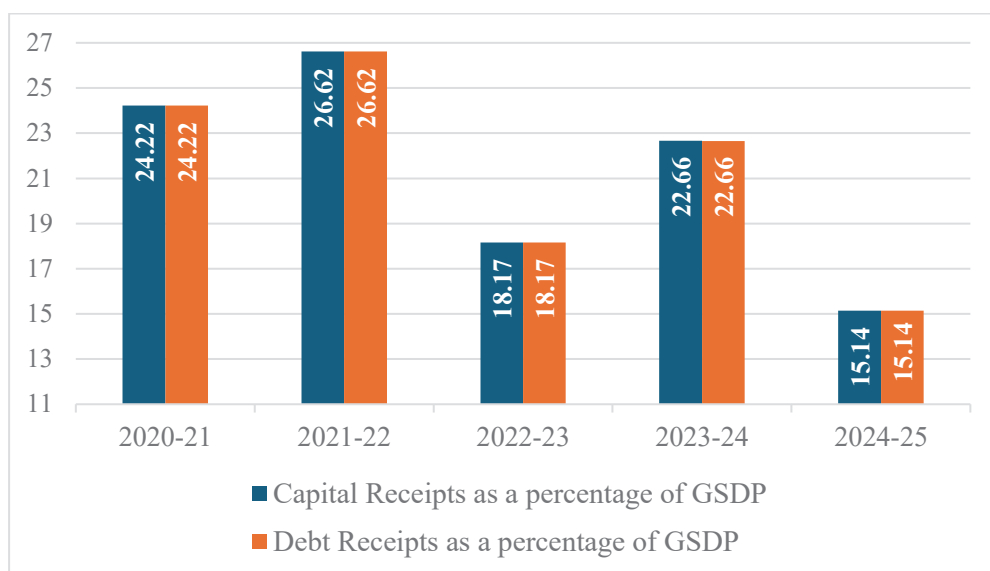
Source: Finance Accounts

* Includes Ways and Means Advance.

Excludes back-to-back loans of ₹4,253.08 crore (₹2,099.80 crore and ₹3,845.49 crore received from the GoI during 2020-21 and 2021-22 respectively and its repayment of ₹1692.21 crore in 2024-25), in lieu of GST Compensation shortfall.

Capital Receipts as percentage of GSDP is depicted in **Chart 1.15**

Chart: 1.15: Capital Receipts as percentage of GSDP



Capital receipts and Debt receipts as percentage of GSDP has declined in 2024-25 with respect to 2023-24. Reduction in Capital receipts and Debt receipts as percentage of GSDP was due to less borrowings made during 2024-25 as compared to 2023-24.

1.2.3 Expenditure

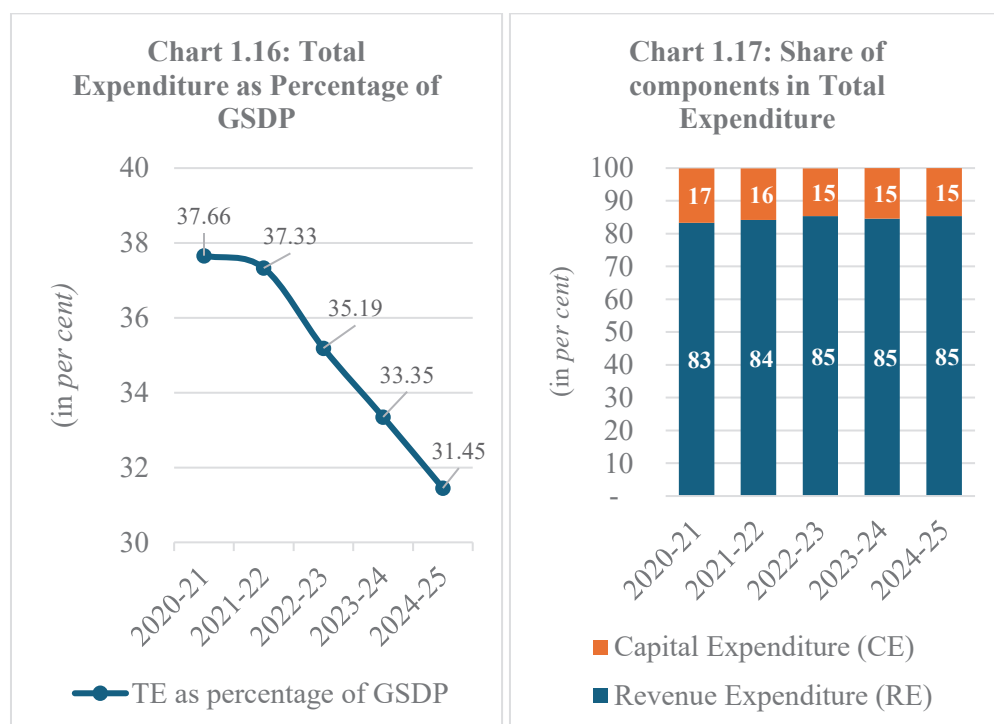
Government expenditure is classified into revenue expenditure, capital expenditure, and loans and advances. Revenue expenditure includes costs for maintenance, repairs, and day-to-day functioning of departments, including administrative and establishment expenses. Capital expenditure relates to the initial construction of projects and sanctioned improvements or additions to assets. Loans and advances comprise funds provided by the government to Public Sector Undertakings and other entities, which are recoverable over time. Details of expenditure, total expenditure as percentage of GSDP and share of its components is given in **Table 1.11**, **Chart 1.16** and **Chart 1.17** respectively.

Table 1.11: Total expenditure and its composition

Parameters	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Total expenditure (TE)	63,190.77	70,390.14	73,832.65	78,721.81	82,547.28
Revenue expenditure (RE)	52,633.75	59,269.33	62,999.34	66,621.47	70,472.13
Capital expenditure (CE)	10,470.38	11,047.04	10,773.78	12,088.85	12,060.06
Loans and advances	61.64	73.77	59.53	11.49	15.09
Appropriation to contingency fund	25.00	-	-	-	-

Source: Finance Accounts

Total expenditure increased by ₹19,356.51 crore (30.63 per cent) from ₹63,190.77 crore in 2020-21 to ₹82,547.28 crore in 2024-25. However, the ratio of total expenditure to GSDP during this period consistently decreased from 37.66 per cent to 31.45 per cent. Reduction in total expenditure as percentage of GSDP indicates that growth of the economy has become relatively less dependent on Government expenditure.



Source: Finance Accounts

Revenue expenditure constituted a sizeable proportion of total expenditure, and it ranged between 83 to 85 per cent during FY 2020-25. Out of the total expenditure of ₹ 82,547.28 crore incurred by the UT during the FY 2024-25, a major portion of ₹70,472.13 crore pertained to Revenue expenditure which accounted for 85 per cent of Total expenditure. 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 2024-25. The predominance of Revenue expenditure indicates a high level of committed and administrative spending, which constrains fiscal flexibility and limits the resources available for capital creation and developmental activities.

Sector-wise Total expenditure

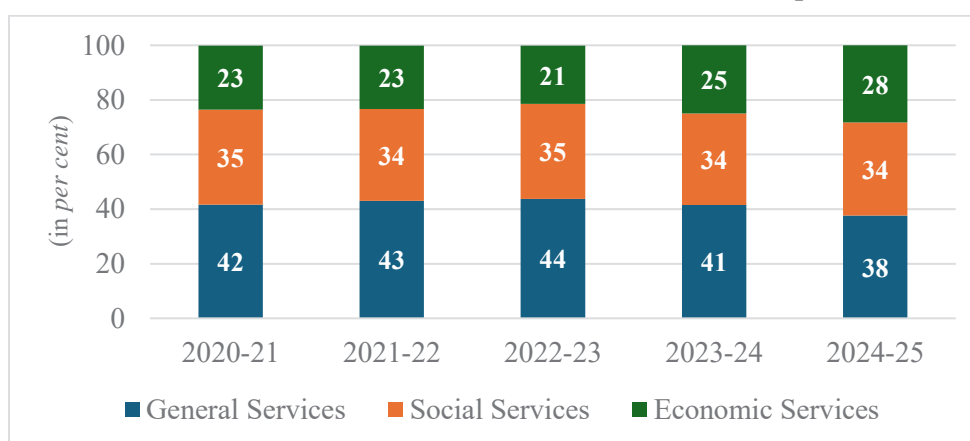
Sector-wise composition of expenditure is given in **Table 1.12** and relative share of various sectors in total expenditure is depicted in **Chart 1.18**.

Table 1.12: Sector-wise Total expenditure

(₹ in crore)					
Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	26,297.40	30,298.89	32,260.50	32,682.13	31,041.17
Social Services	21,964.27	23,655.75	25,697.79	26,398.12	28,233.77
Economic Services	14,842.46	16,361.73	15,814.83	19,630.07	23,257.25
Grants to Local Bodies	0.00	0.00	0.00	0.00	0.00
Loans and Advances	61.64	73.77	59.53	11.49	15.09

Source: Finance Accounts

Chart 1.18: Relative share of various sectors in Total expenditure



Source: Finance Accounts

Relative share of various components of expenditure in the total expenditure showed significant fluctuation. Although the share of General services in total expenditure remained the highest throughout, the combined share of Social and Economic services which represented developmental expenditure improved from 59 per cent in 2023-24 to 62 per cent in 2024-25.

1.2.3.1 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the UT's infrastructure and service network. Growth of revenue expenditure, its ratio to total expenditure, GSDP and revenue receipts are shown in **Table 1.13**.

Table 1.13: Revenue expenditure – Basic Parameters

(₹ in crore)					
Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
Total expenditure (TE)*	63,165.77	70,390.14	73,832.65	78,721.81	82,547.28
Revenue expenditure (RE)	52,633.75	59,269.33	62,999.34	66,621.47	70,472.13
RE as percentage of Revenue Receipts	100.26	100.05	91.34	95.03	94.72
RE as percentage of TE	83.33	84.20	85.33	84.63	85.37

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
RE/GSDP (per cent)	31.37	31.43	30.03	28.22	26.85
Year-on-year growth (in per cent)					
Revenue expenditure	NA	12.61	6.29	5.75	5.78
GSDP Growth	2.25	12.38	11.27	12.51	11.18

Source: Finance Accounts

*Does not include appropriation to Contingency Fund

Revenue expenditure increased by ₹17,838.38 crore (33.89 per cent) from ₹52,633.75 crore in 2020-21 to ₹70,472.13 crore in 2024-25. However, the percentage of Revenue expenditure to GSDP decreased from 31.37 per cent in 2020-21 to 26.85 per cent in 2024-25, indicating that while Revenue expenditure continued to rise in absolute terms, its growth was outpaced by the expansion of the overall economy.

A. Sector-wise Revenue expenditure

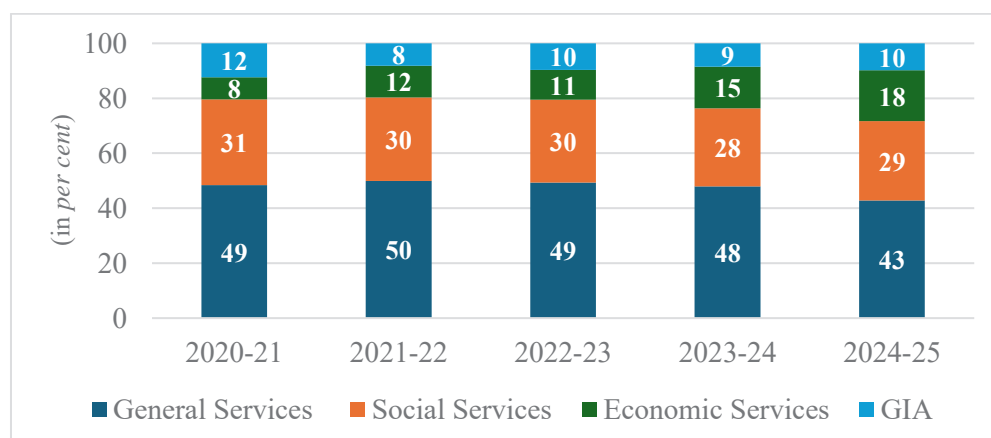
Sector-wise composition of Revenue expenditure is given in **Table 1.14** and Relative share of various sectors in Revenue expenditure is depicted in **Chart 1.19**. Detailed Sector-wise expenditure is given in **Appendix 1.2**.

Table 1.14: Sector-wise Revenue expenditure

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	25,461.88	29,567.10	31,080.57	31,934.59	30,166.66
Social Services	16,472.09	18,044.76	18,979.68	18,957.30	20,322.86
Economic Services	4,229.50	6,850.23	6,849.69	10,035.55	13,075.42
Grants-In-Aid and Contributions	6,470.28	4,807.24	6,089.40	5,694.03	6,907.19

Source: Finance Accounts

Chart 1.19: Relative share of various sectors in Revenue expenditure



Source: Finance Accounts

Revenue expenditure increased by ₹3,850.66 crore (5.78 per cent) from ₹66,621.47 crore in 2023-24 to ₹70,472.13 crore in 2024-25. Expenditure on

Economic and Social Sector is considered as development expenditure, the combined share of Revenue expenditure on Economic and Social services has improved from 43 *per cent* in 2023-24 to 47 *per cent* in 2024-25. Expenditure on General Services which is administrative expenses, has reduced significantly during 2024-25 which is primarily due to bearing of expenditure of ‘Police’ and ‘Public order’ of UT of J&K by the Ministry of Home, Government of India.

B. 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. The components of committed expenditure are given in **Table 1.15** and committed expenditure as a percentage of revenue receipts and remaining fiscal space for other expenditure is given in **Chart 1.20**.

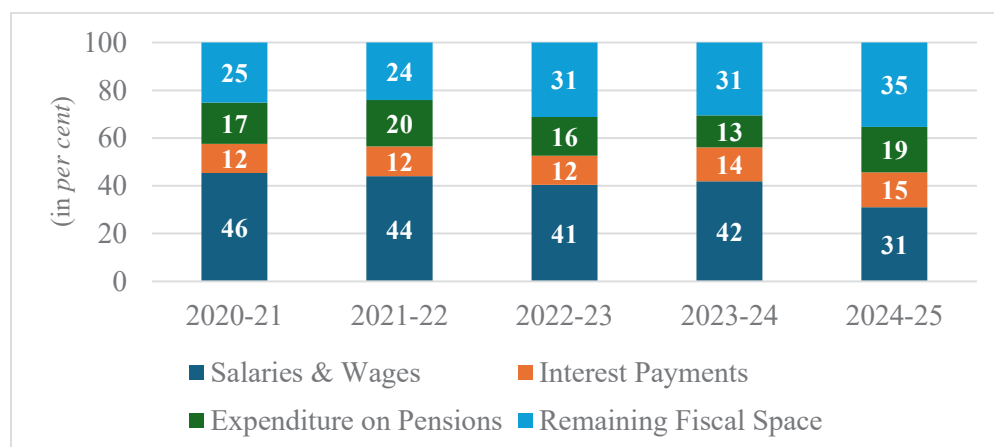
Table 1.15: Components of Committed expenditure

(₹ in crore)					
Components of Committed expenditure	2020-21	2021-22	2022-23	2023-24	2024-25
Salaries & Wages	23,851.70	26,077.64	27,839.07	29,381.81	23,099.56
Expenditure on Pensions	9,078.11	11,563.00	11,142.38	9,396.24	14,155.07
Interest Payments	6,372.46	7,360.31	8,493.82	9,924.96	10,874.51
Total	39,302.27	45,000.95	47,475.27	48,703.01	48,129.14
Committed expenditure as a percentage of Revenue expenditure	74.67	75.93	75.36	73.10	68.30

Source: Finance Accounts

Upward trend on Committed expenditure leaves the Government with lesser flexibility for the development sector. Although there was marginal decrease of ₹573.87 crore (1.18 *per cent*) in committed expenditure during 2024-25 in comparison to the previous year, committed expenditure as a percentage of Revenue Expenditure declined significantly from 73.10 *per cent* in 2023-24 to 68.30 *per cent* in 2024-25 indicating an improvement in fiscal space available to the Government for non-committed and developmental expenditure. The increase in pension outgo was mainly due payment of arrears of previous years. The expenditure on salaries decreased mainly due to taking over the expenditure of ‘Police’ and ‘Public order’ by GoI during 2024-25.

Chart 1.20: Committed expenditure as a percentage of Revenue receipts and remaining Fiscal space



Source: Finance Accounts

The percentage of Non-Committed expenditure to Revenue receipts during 2020-21 to 2024-25 ranged between 24 per cent and 35 per cent. It shows that major portion of Revenue receipts was exhausted to meet Committed expenditures. Percentage of Committed expenditure to revenue expenditure remained around 75 per cent during 2020-21 to 2022-23. However, it showed a declining trend from 75.36 per cent in 2022-23 to 68.30 per cent in 2024-25. Reduction in committed expenditure was due to reduction in expenditure on Salary during 2024-25. The reduction in committed expenditure gave additional fiscal space which can be utilized for clearing interest liability and strengthening fiscal sustainability.

C. Subsidies

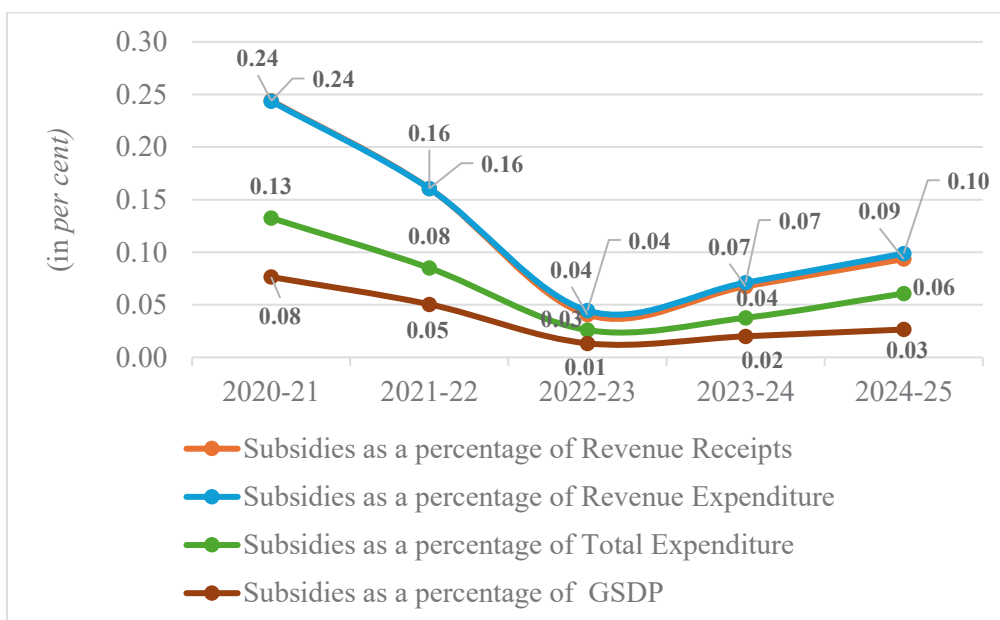
The subsidies during the current year increased by ₹ 22.28 crore (47.10 per cent) from the previous year. The increase was mainly due to increase of ₹34.21 crore on account of subsidy under Industries and Commerce department. Department-wise major subsidies for FYs 2020-21 to 2024-25, are shown in Table 1.16.

Table 1.16: Department-wise Subsidies during FYs 2020-21 to 2024-25

		(₹ in crore)				
Sl. No.	Departments	2020-21	2021-22	2022-23	2023-24	2024-25
1	Agriculture	21.56	5.94	0.0056	0	0
2	Horticulture	104.93	88.72	28.02	46.45	33.03
3	Transport	1.75	0.50	0	0.85	0.15
4	General Administration	0	0	0	0	2.19
5	Industries and Commerce	0	0	0	0	34.21
Total Subsidy		128.24	95.16	28.03	47.3	69.58

Source: Finance Accounts of respective years

Chart 1.21: Trend analysis of subsidies



Subsidies did not form a major component of expenditure for UT as it constituted only between 0.03 per cent & 0.13 per cent of the Total expenditure during 2020-21 to 2024-25.

D. Financial assistance by the UT Government to Local Bodies and Other Institutions

Assistance provided by way of grants to the local bodies and other institutions during the period 2020-21 to 2024-25 is presented in **Table 1.17**.

Table 1.17: Financial assistance to Local Bodies and other institutions

(₹ in crore)					
Institutions	2020-21	2021-22	2022-23	2023-24	2024-25
(A) Local Bodies					
Municipal Corporations	502.15	388.43	819.87	722.61	1,103.82
Others	356.32	256.03	330.66	339.29	103.88
Total (A)	858.47	644.46	1,150.53	1,061.9	1,207.7
(B) Others					
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	2,256.56	2,205.67	2,792.66	2,486.76	2,047.76
Development Authorities	68.43	71.08	77.92	34.6	48.93
Jammu and Kashmir Power Companies	2,759.98	1,188.23	1,286.88	1,290.72	1,373.03
Other Institutions	588.42	761.41	972.52	967.77	2,302.89
Total (B)	5,673.39	4,226.39	5,129.98	4,779.85	5,772.61
Total (A+B)	6,531.86	4,870.85	6,280.51	5,841.75	6,980.31

Institutions	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue expenditure	52,633.75	59,269.33	62,999.34	66,621.47	70,472.13
Assistance as percentage of Revenue expenditure	12.41	8.22	9.97	8.77	9.91

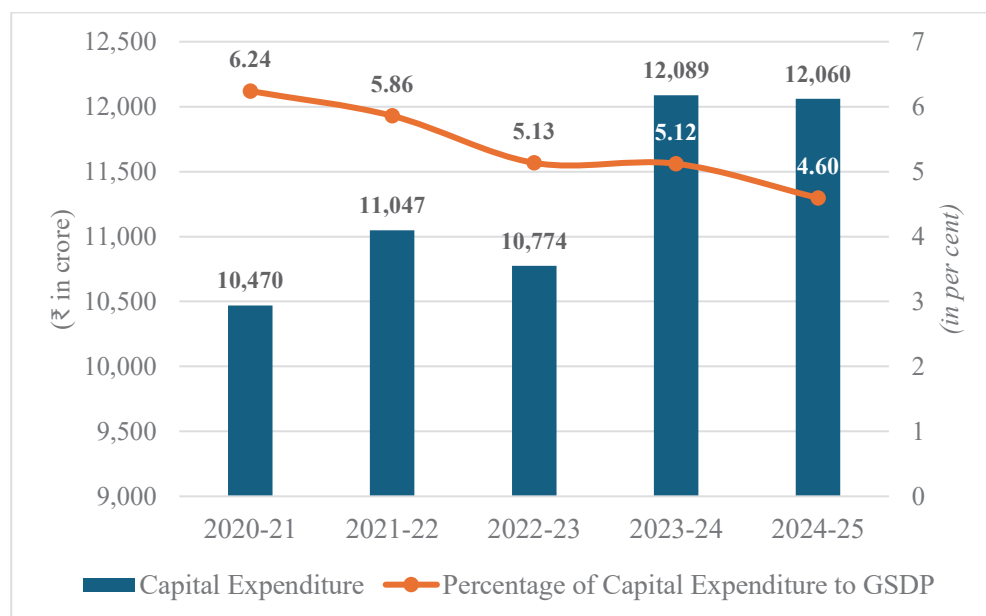
Source: Finance Accounts

During the current year, financial assistance to the local bodies and other institutions increased by ₹1,138.56 crore (19.49 per cent) over the previous year. The increase was mainly due to increase in assistance to Jammu and Kashmir Power Companies (₹82.31 crore, 6.38 per cent) and other institutions (₹1,335.12 crore, 137.96 per cent). The overall quantum of financial assistance to the local bodies and other institutions as percentage to revenue expenditure increased to 9.91 per cent during the current year from 8.77 per cent in the previous year, indicating a higher allocation of resources towards institutional support.

1.2.3.2 Capital Expenditure

Capital expenditure is primarily expenditure on creation of fixed infrastructure assets, such as roads, buildings, etc. Capital expenditure, in both the Centre and the UT, is being met through budgetary support and extra budgetary resources/ off-budget borrowings. It also includes investments made by the UT Government in Companies/Corporations. Trend of Capital expenditure in the UT over the last five years i.e. 2020-25 is given in **Chart 1.22**.

Chart 1.22: Capital expenditure in the Union Territory



Source: Finance Accounts of respective years

Capital expenditure has reduced from ₹12,089 crore in 2023-24 to ₹12,060 crore in 2024-25. Further, percentage of Capital expenditure as percentage of

GSDP has reduced from 5.12 *per cent* in 2023-24 to 4.60 *per cent* in 2024-25, indicating a relative slowdown in capital formation by the Government. However, percentage of Capital expenditure to Public debt receipt has increased from 22.60 *per cent* in 2023-24 to 30.35 *per cent* in 2024-25, mainly due to reduction in Public debt receipts.

The Government has been making budgetary provisions for Capital works of State Public Sector Undertakings (SPSUs) under its own Capital Head of Accounts. An expenditure of ₹554.24⁴ crore was booked under this head towards works executed for SPSUs. However, since the assets created belong to the SPSUs and not the Government, such expenditure from the Government's Capital Head is in violation of the note below Rule 30(1) of Government Accounting Rules (GAR), 1990. This practice has also led to an over-estimation in the Government's Capital expenditure without corresponding addition of Government-owned Capital assets, thereby distorting the true depiction of Capital formation in Government accounts.

On being pointed out it was replied (January 2026) that the expenditure on account of SPSUs is being incurred as Government support to these SPSUs to become self-reliant. The Capital expenditure on these SPSUs shall be considered by the Government as equity at appropriate time.

The reply is not tenable, as the expenditure could be considered as capital only when it is converted as equity.

A. Sector-wise Capital Expenditure

Sector-wise composition of Capital expenditure is given in **Table 1.18 and Chart 1.23**. Detailed Sector-wise expenditure is given in *Appendix 1.2*.

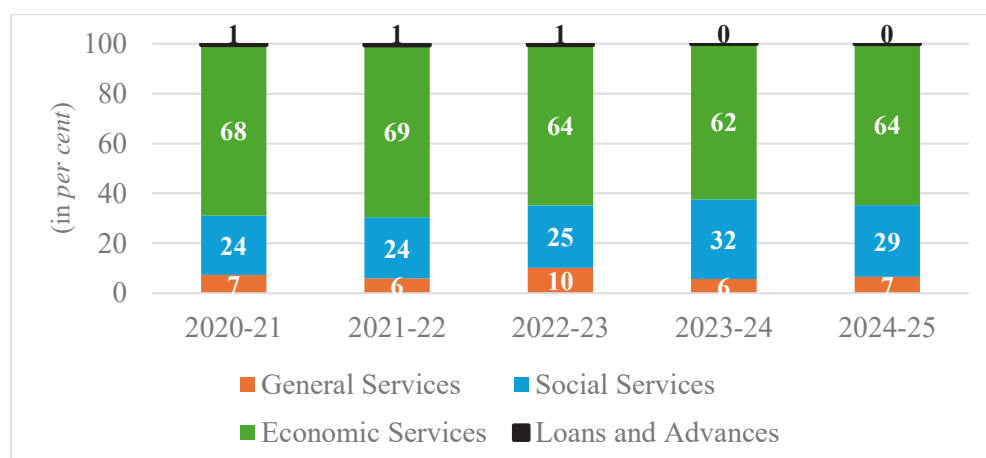
Table 1.18: Sector-wise Capital expenditure

Parameters	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	776.24	659.03	1,098.38	683.93	795.59
Social Services	2,492.57	2,722.61	2,713.42	3,860.94	3,465.91
Economic Services	7,201.57	7,665.40	6,961.98	7,543.98	7,798.56
Loans & Advances	61.64	73.77	59.53	11.49	15.09

Source: Finance Accounts

⁴ JKDISCOMs: ₹539.22 crore, JKTDC: ₹2.56 crore and JKHPMC ₹12.46 crore

Chart 1.23: Relative share of various sectors in Capital expenditure



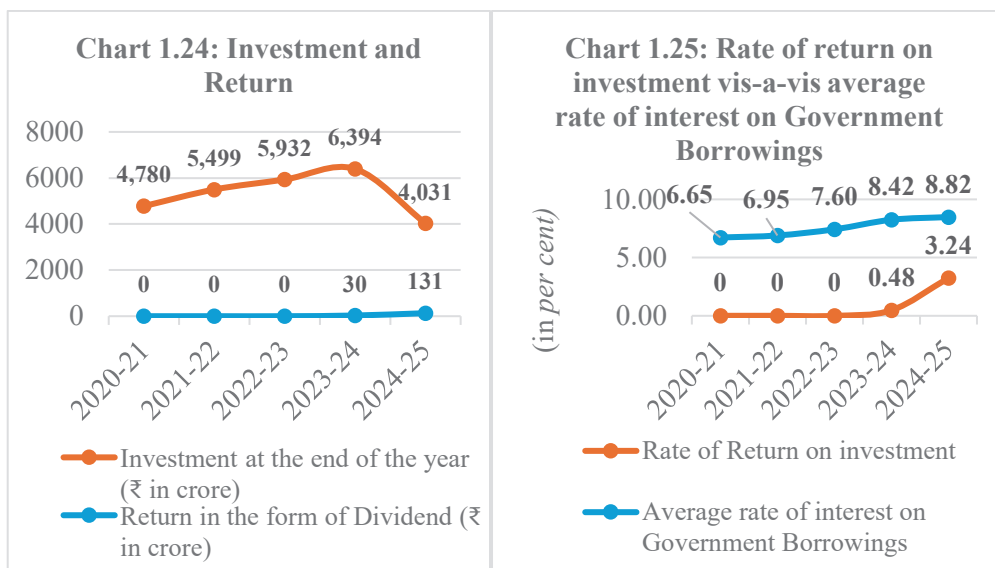
Source: Finance Accounts

Economic services had the major share in Capital expenditure followed by social services throughout 2020-25. Expenditure on Economic and Social Sector is considered as development expenditure, the combined share of Capital expenditure on Economic and Social services remained at 93 per cent in FY 2024-25.

B. Quality of investments in the companies, corporations and other bodies

As of 31st March 2025, the UT Government's investment in companies, corporations and other bodies stood at ₹605.10 crore, comprising Government Companies (₹72.26 crore), Co-operative Societies (₹ 236.50 crore), Statutory Corporations (₹193.91 crore) and Rural Banks (₹102.43 crore). There is also investment of ₹3,426.75 crore made by erstwhile State of Jammu and Kashmir which is yet to be apportioned between UT of Jammu and Kashmir and UT of Ladakh.

Trends of investment at the end of the year in companies, corporations, and co-operative banks and societies, and return on these investment is depicted in **Chart 1.24**. Rate of return on investment made *vis-à-vis* average rate of interest on government borrowing is depicted in **Chart 1.25**.



During 2024-25, the return on investment was ₹130.78 crore (3.24 per cent). The return was only between zero per cent and 3.24 per cent during 2020-25 while the rate of interest paid by the UT Government on its borrowings was between 6.65 per cent and 8.82 per cent during the same period. Over the past five years, the difference in cost of Government borrowings and return on investments in PSUs was to the tune of ₹1,883.60 crore, reflecting the low financial returns on invested capital.

An amount of ₹4,031.25 crore was invested in 52 SPSUs up to FY 2024-25 (including investment made by erstwhile State of Jammu and Kashmir). Out of 52 PSUs, only one PSUs gave return of ₹130.78 crore during the F.Y 2024-25 which was only 3.24 per cent of total investment including investment of erstwhile State. However, Government borrowed funds at an average rate of interest of 8.82 per cent during 2024-25, indicating that investments in PSUs have not been generating commensurate returns, thereby imposing an implicit cost on Government finances.

Lack of Dividend Policy and Its Impact

A well-defined dividend policy mandating a minimum return from profit-making enterprises, enables the Government to optimise its returns from investments in SPSEs and enhances monitoring of the SPSEs financial performance. It was observed that the UT of Jammu and Kashmir has not formulated or enforced a dividend policy for its Public Sector Undertakings (PSUs). During last two years, only Jammu and Kashmir Bank has given dividend to Government. No other company has given dividend to the Government. This has resulted in persistently nil/low returns ranging zero to

3.24 per cent during the last five years on the government's substantial equity investments, undermining the potential for non-tax revenue generation.

In reply, the Department stated (January 2026) that targets shall be given to PSUs to earn profit and dividend policy will also be framed.

C. Loans and Advances by UT Government

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 1.19** presents the position of outstanding loans and advances as on 31st March 2025 and interest receipts *vis-à-vis* interest payments by the UT Government on its borrowings during the last five years.

Table 1.19: Quantum of loans disbursed and recovered during 2020-25

Particulars	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
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)	231.91 (1,740.44)
Amount advanced during the year	61.64	73.77	59.53	11.49	15.09
Amount recovered during the year	1.93	1.03	1.33	6.04	0.44
Closing Balance of the loans outstanding*	95.51 (1,740.44)	168.25 (1,740.44)	226.46 (1,740.44)	231.91 (1,740.44)	246.56 (1,740.44)
Net addition	59.71	72.74	58.2	5.45	14.65
Interest received	Nil	0.13	0.47	2.21	0.7
Interest rate on Loans and Advances given by the Government	Nil	0.08	0.21	0.95	0.28
Average rate of interest on Government Borrowings** (per cent)	6.65	6.95	7.60 ⁵	8.42 ⁶	8.82 ⁷

⁵ 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).

⁶ 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).

⁷ Interest paid ₹10,854.38 crore on public borrowings during 2024-25 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: ₹1,18,792.68 crore + CB: ₹1,27,216.38 crore)/2 = ₹1,23,004.53 crore).

Difference between the rate of interest received and interest paid (per cent)	(-) 6.65	(-) 6.87	(-) 7.39	(-) 7.47	(-)8.54
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Source: Finance Accounts

*Figures in brackets are the balances of Outstanding loans of the erstwhile State of Jammu and Kashmir as on 30th 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 (2020-25: ₹4,253.08 crore)

During the year 2024-25, the Government of UT of Jammu and Kashmir disbursed loans and advances of ₹15.09 crore and recovered loans and advances amounting to ₹0.44 crore. Recoveries of Loans and Advances are not forthcoming from loss-making public-sector undertakings, resulting in progressive accumulation of outstanding loans and locking up of Government funds in non-performing assets.

The Government of UT of Jammu and Kashmir had total outstanding loans and advances of ₹231.91 crore ending 31st March 2024 which increased to ₹246.56 crore at the end of 31st March 2025. 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 30th October 2019 and are yet to be divided between the UT of Jammu and Kashmir and UT of Ladakh.

The quantum of loans and advances disbursed by the Government has not yielded commensurate returns during the period 2020-25. The low recovery of loans and advances disbursed underscores the need for the Government to strengthen monitoring mechanisms and enforce effective recovery measures to ensure better realisation of loans and accrued interest.

In reply, the department stated (January 2026) that Government has substantially decreased the amount of loans disbursed during last four years and the funds are released to PSUs as loans for more accountability.

1.3 Contingency Fund

The Contingency Fund of the Government of UT of J&K is intended to provide advances for meeting unforeseen expenditure, pending its authorisation by the UT Legislature. The fund is recouped once the Legislature approves the additional expenditure. The corpus of the Contingency Fund of UT is ₹25 crore.

1.4 Public Account

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 Jammu and Kashmir Re-organisation Act, 2019 and are not subject to vote by the UT Legislature. The balance after

disbursements during the year is the fund available with the Government for use for various purposes.

1.4.1 Net Public Account Balances

The component-wise net balances in Public Account of the UT is given in **Table 1.20**.

Table 1.20: Component-wise net balances in Public Account

		(₹ in crore)				
Sector	Sub Sector	2020-21	2021-22	2022-23	2023-24	2024-25
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)	-2,094.81 (-25,735.23)
	(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)	-2,349.38 (-1,260.62)
Reserve Funds	(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)	-247.24 (-1,533.95)
	(a) Deposits bearing Interest	-474.74 (-53.67)	-495.52 (-53.67)	-501.79 (-53.67)	-692.41 (-53.67)	-538.49 (-53.67)
Deposits and Advances	(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)	-2,183.34 (-6,800.82)
	(c) Advances	0 (12.69)	0 (12.69)	0 (12.69)	0 (12.69)	0 (12.69)
	(b) Suspense	-121.14 (344.15)	-249.38 (344.15)	-538.23 (344.15)	-508.02 (344.15)	-70.82 (344.15)
Suspense and Miscellaneous	(c) Other Accounts	-0.0002 (389.01)	0.0004 (389.01)	-0.0004 (389.01)	150.95 (389.01)	0.0003 (389.01)
	(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)	689.12 (-2,856.74)
Remittances	(b) Inter-Governmental Adjustment Account	-1.93 (9.26)	9.25 (9.26)	-1.45 (9.26)	8.29 (9.26)	-0.86 (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)	-6,795.81 (-37,485.92)

Source: Finance Accounts

Note: +ive denotes debit balance and -ive 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 ₹6,795.81 crore ending 31st March 2025. There was also a credit balance of ₹37,485.92 crore ending 30th October 2019 under Public Account of the erstwhile State of Jammu and Kashmir, which is yet to be bifurcated between the UT of Jammu and Kashmir and UT of Ladakh.

1.4.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State/UT Government. These funds are met with contributions or grants from the Consolidated Fund or from outside agencies. It comprises interest bearing reserve funds and reserve funds not bearing interest.

There were two interest bearing funds and five Reserve Funds not bearing interest as on 31st March 2025. The fund balances lying in these Reserve Funds as on 31st March 2025 are given in **Table 1.21**.

Table 1.21: Detail of Major Reserve Funds

(₹ in crore)

Name of Reserve fund	Opening Balance	Receipts during the year	Interest receipts	Repayments during the year	Balance as on 31 st March 2025
Reserve Funds bearing Interest					
State Disaster Response Fund	814.50	442.57	0	29.11	1,227.96
State Compensatory Afforestation Fund	804.56	478.58	0	161.72	1,121.42
Reserve Funds not bearing Interest					
Sinking Fund	232.05	73.62	0	0	305.67
Other Development and Welfare Funds	-108.73	0.01	0	0.14	-108.86
General Insurance Fund-Janta Insurance	37.22	0.06	0	0	37.28
Guarantee Redemption Fund	7.00	54.20	0	0	61.20
Other Funds	20.51	10.81	0	5.05	26.27
Grand Total	1,807.11	1,059.84	0	196.02	2,670.93

Source: Finance Accounts

Note: Balances ending 30th 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.

A. Reserve Funds bearing Interest

State Disaster Response Fund (SDRF)

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 State 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, the Government of UT of Jammu and Kashmir continued with the State Disaster Response Fund. During the year 2024-25, the Government of UT of Jammu and Kashmir received ₹279.00 crore on account of 'Grants

towards contribution to UT Disaster Response Fund' as released by the Ministry of Home Affairs, Government of India. The UT Government share during the year was ₹31.00 crore. The Government transferred ₹310.00 crore (Central share ₹279.00 crore, UT share ₹31.00 crore), to the Fund under Major Head 8121-122 SDRF. Further, an amount of ₹132.57 crore was also credited to the Fund on account of interest.

An amount of ₹29.11 crore was set off under Major Head 2245 as expenditure met from the Fund and no amount was invested from the Fund. The closing balance in the Fund as on 31st March 2025 was ₹1,227.96 crore.

Besides, there is a balance of ₹1,271.48 crore as on 30th October 2019 (pre-reorganisation) which is yet to be apportioned between the UT of Jammu and Kashmir and UT of Ladakh.

State Compensatory Afforestation Fund

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

On re-organisation of erstwhile State of Jammu and Kashmir into two new Union Territories, the successor UT of Jammu and Kashmir continued with the State Compensatory Afforestation Fund. During the year 2024-25, the Government of UT of Jammu and Kashmir received ₹0.24 crore (₹1.20 crore in previous year) from the user agencies. No amount was remitted to the National Fund during 2024-25. The Government of UT of Jammu and Kashmir received ₹150.98 crore (₹39.99 crore in previous year) from National Compensatory Afforestation Deposit.

The Government incurred an expenditure of ₹161.72 crore from the Fund and no amount was invested during the year.

The balance in the State Compensatory Afforestation Fund (MH-8121-129) as on 31st March 2025 was ₹1,121.42 crore. There is also balance of ₹142.27 crore in State Compensatory Afforestation Deposit under classification 8336-103 as on 31st March 2025 pending transfer to State Compensatory Afforestation Fund/National Fund.

(B) Reserve Funds not bearing Interest:

Consolidated Sinking Fund

The Government of UT of Jammu and Kashmir set up the Consolidated Sinking Fund in 2023-24 for amortization of loans. According to the guidelines of the Fund, UT may contribute a minimum of 0.5 *per cent* of their outstanding liabilities (Internal debt + Public Account) at the end of the previous year to the Consolidated Sinking Fund. During the year 2024-25, Government contributed ₹72.51 crore to the fund against the required contribution of ₹185.48 crore. The total accumulation of the Fund was ₹305.67 crore as on 31st March 2025 (₹232.05 crore as on 31st March 2024).

There was also a balance of ₹355.87 crore in the Fund as on 30th October 2019 (pre re-organisation) yet to be apportioned between the UT of Jammu and Kashmir and UT of Ladakh.

Guarantee Redemption Fund

The UT Government constituted Guarantee Redemption Fund to be administered by the RBI. The notification issued by the UT Government, effective from 2023-24, stipulates that the UT Government shall initially contribute a minimum of one *per cent* and thereafter at the rate of 0.5 *per cent* of outstanding guarantees at the end of the previous year to achieve a minimum level of three *per cent* in next five years. The fund shall be gradually increased to a desirable level of five *per cent*. During the year, Government contributed ₹53.00 crore. The total accumulation of the Fund was ₹61.20 crore as on 31st March 2025 (₹7.00 crore as on 31st March 2024).

Against the outstanding guarantees of ₹24,484.97 crore at the end of 2023-24, an amount of ₹122.43 crore was required to be invested in 2024-25, in addition to ₹248.68 crore due for 2023-24. Thus, the GRF should have accumulated to ₹371.11 crore by the end of 2024-25. However, as of March 2025, there is a shortfall of ₹309.91 crore.

There was also a balance of ₹20.42 crore in the Fund as on 30th October 2019 (pre re-organisation) yet to be apportioned between the UT of Jammu and Kashmir and UT of Ladakh.

1.4.3 Cash Balances

As per the agreement with Reserve Bank of India (RBI), State/UT Governments must maintain a minimum daily cash balance with the Bank. If the balance falls below this minimum, the shortfall is met through instruments like Ways and Means Advances (WMA)/Special Ways and Means Advances

(SWMA)/ Special Drawing Facility (SDF)/ Overdrafts (OD), with the WMA limit revised periodically by RBI.

The Government of UT of Jammu and Kashmir maintained minimum cash balance of ₹1.14 crore on 193 days without resorting to Normal Ways and Means Advances and Overdraft, availed Normal Ways and Means Advances on 132 days and on 40 days it had to avail Overdraft from RBI. The balance at the end of 31st March 2025 was (-) ₹101.67 crore under Normal Ways and Means Advances. There was also a balance of ₹692.11 crore under Normal Ways and Means Advances as on 30th October 2019 which is yet to be apportioned between the successor Union Territories viz. UT of Jammu & Kashmir and UT of Ladakh.

The Government invests surplus cash balances, including those from earmarked reserve funds in GoI securities and Treasury Bills. Earnings from these investments are credited under ‘0049-Interest Receipts’.

It is undesirable for the Government to raise market loans while holding large unutilized cash balances, as it leads to idle funds rather than productive use. Cash balance and investment details for 2023-24 and 2024-25 are provided in **Table 1.22**.

Table 1.22: Cash Balances and their investment

(₹ in crore)

	Opening balance as on 1 st April 2024	Closing balance as on 31 st March 2025
A. General Cash Balances		
Cash in treasuries	0	0
Deposits with Reserve Bank of India	1,444.87	1,445.79
Deposits with J&K Bank and other Banks	0	0
Remittances in transit – Local	0	0
Investments held in Cash Balance investment account	150.95	0
Total (A)	1,595.82	1,445.79
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	0	0
Permanent advances for contingent expenditure with department officers	0	0
Investment in earmarked funds	0	74.31
Total (B)	0	74.31
Total (A + B)	1,595.82	1,520.10
Interest realized	0	1.3

Source: Finance Accounts

The Cash balance as on 31st March 2025 as per the records of the office of the Principal Accountant General (A&E) was ₹1,445.79 crore (Debit) and that

reported by the Reserve Bank of India (RBI)⁸ was ₹1,445.81 crore (Credit). There was a net difference of ₹0.02 crore (Credit), mainly due to pending reconciliation by Government of UT of Jammu and Kashmir with RBI/Agency Bank. The difference is under reconciliation.

Besides, there was also a net difference of ₹83.32 crore (Debit) between RBI and Principal Accountant General(A&E) figure as on 30th October 2019 which is yet to be reconciled and apportioned between UT of Jammu and Kashmir and UT of Ladakh.

The general cash balance of ₹1,520.10 crore at the close of the year was not even equal to the balance of ₹2,670.93 crore shown in earmarked reserve funds, which means that reserve funds were used for other than intended purposes.

Details of Cash Balance Investment Account during the last five years is given in **Table 1.23**.

Table 1.23: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+)/ Decrease (-)	Interest earned
2020-21	0 (383.92)	0 (383.92)	-	0.11
2021-22	0 (383.92)	0.0001 (383.92)	0.0001	0
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
2024-25	150.95 (383.92)	0 (383.92)	-150.95	1.3

Source: Finance Accounts

The figures in brackets indicate balances of the erstwhile State of Jammu and Kashmir yet to be apportioned between the two newly created UTs.

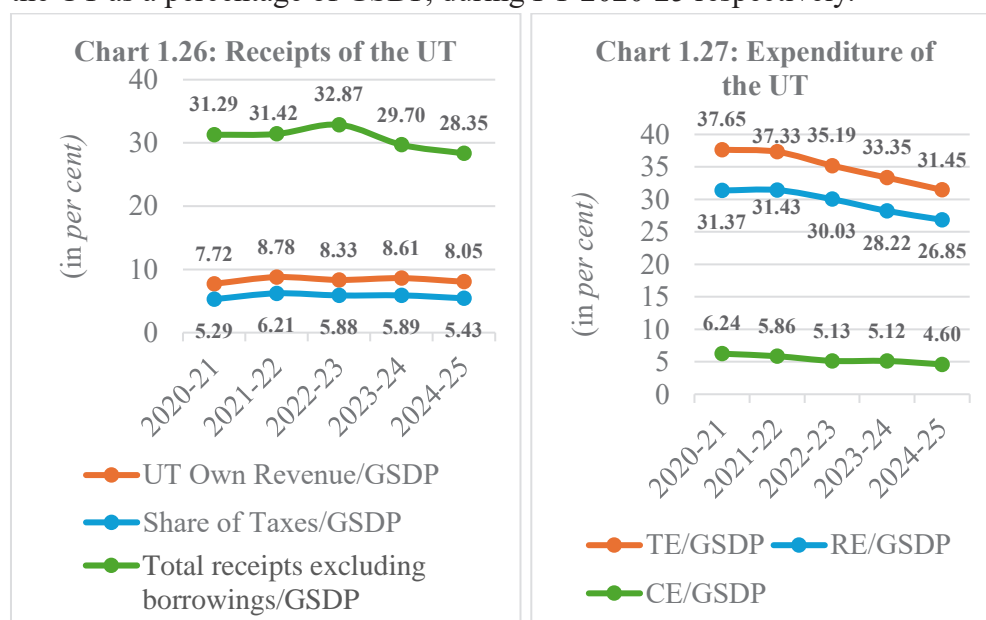
No amount was held in cash balance investment account at the close of the year 2024-25. Government earned an interest of ₹1.30 core on its cash balance investments during 2024-25.

1.5 Fiscal Sustainability

Fiscal Sustainability is the ability of a government to manage its revenue and expenditure in a manner that ensures it can meet its current and future obligations such as public services, infrastructure, and debt repayments without excessive borrowing or accumulating unsustainable debt. It implies

⁸ Worked out by Principal Accountant General (A&E) by excluding transactions pertaining to the UT of Ladakh for the period 31st October 2019 to 31st March 2020, during which a single account was maintained by RBI in respect of both UTs (UT of J&K and UT of Ladakh)

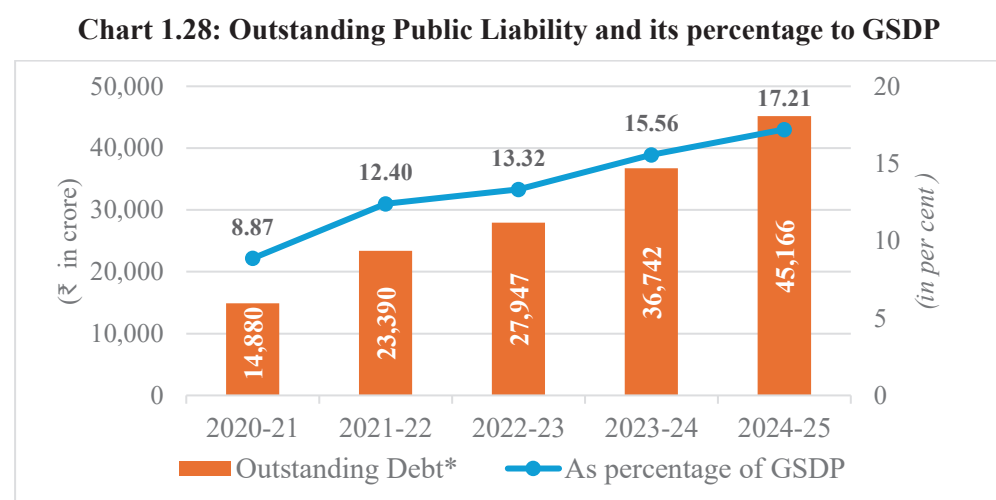
maintaining a stable balance between revenue generation and expenditure over the long term. **Chart 1.26** and **Chart 1.27** shows receipts and expenditure of the UT as a percentage of GSDP, during FY 2020-25 respectively.



The consistent decline in the TE, RE and CE relation to GSDP during 2021-22 to 2024-25 indicates that the government's ability to generate revenue and its overall spending are failing to keep pace with the growth of its economy.

1.5.1 Public Liability Management

Outstanding liability of the UT along with its percentage to GSDP for the years 2020-21 to 2024-25 is depicted in **Chart 1.28**.



Source: Finance Accounts

*Excludes back-to-back loans of ₹4,253.08 crore (₹2,099.80 crore and ₹3,845.49 crore received from the GoI during 2020-21 and 2021-22 respectively and its adjustment of ₹1692.21 crore in 2024-25), in lieu of GST Compensation shortfall. Outstanding liability of erstwhile State of Jammu and Kashmir amounting ₹82,050.51 crore yet to be apportioned between two UT has been excluded.

1.5.1.1 Liability Profile: Components

Total liabilities of the Government typically constitute Internal Debt of the 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 component-wise liability trends of the UT for the period of five years beginning from 2020-21 are presented in **Table 1.24**.

Table 1.24: Component-wise liability trends

(₹ in crore)					
Components of fiscal liability	2020-21	2021-22	2022-23	2023-24	2024-25
Outstanding Total Liability*	14,880.48	23,390.12	27,946.64	36,742.17	45,165.86
Public Debt	10,567.85	19,192.54	23,240.11	29,930.91	37,752.61
<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>38,228.41</i>
<i>Loans from GoI**</i>	<i>5.64</i>	<i>-113.54</i>	<i>-233.55</i>	<i>-354.61</i>	<i>-475.8</i>
Public Account Liabilities	4,312.63	4,197.58	4,706.53	6,811.26	7,413.25
<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>2,094.81</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>2,349.38</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>247.23</i>
<i>Deposits bearing interest</i>	<i>474.73</i>	<i>495.52</i>	<i>501.79</i>	<i>692.41</i>	<i>538.49</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>	<i>2,183.34</i>
Rate of growth of outstanding total liabilities (<i>per cent</i>)	NA	57.19	19.48	31.47	22.93
Off Budget Borrowing	-NA	12,444.60	23,911.53	23,742.42	23,197.08
Gross State Domestic Product (GSDP)	1,67,793	1,88,561	2,09,816	2,36,059	2,62,458
Outstanding Total Liability/GSDP (<i>per cent</i>)	8.87	12.40	13.32	15.56	17.21
Borrowings and other liabilities (as per Statement 6 of Finance Accounts)					
<i>Total Receipts**</i>	50,819.38	60,938.99	49,242.28	64,532.54	51,119.51
<i>Total Repayments (including ways and means advances)</i>	41,439.26	52,429.36	44,685.76	55,736.99	42,695.82
<i>Net Funds available (including ways and means advances)</i>	9,380.12	8,509.63	4,556.52	8,795.55	8,423.69
<i>Repayments/ Receipts (per cent)</i>	81.54	86.04	90.75	86.37	83.52

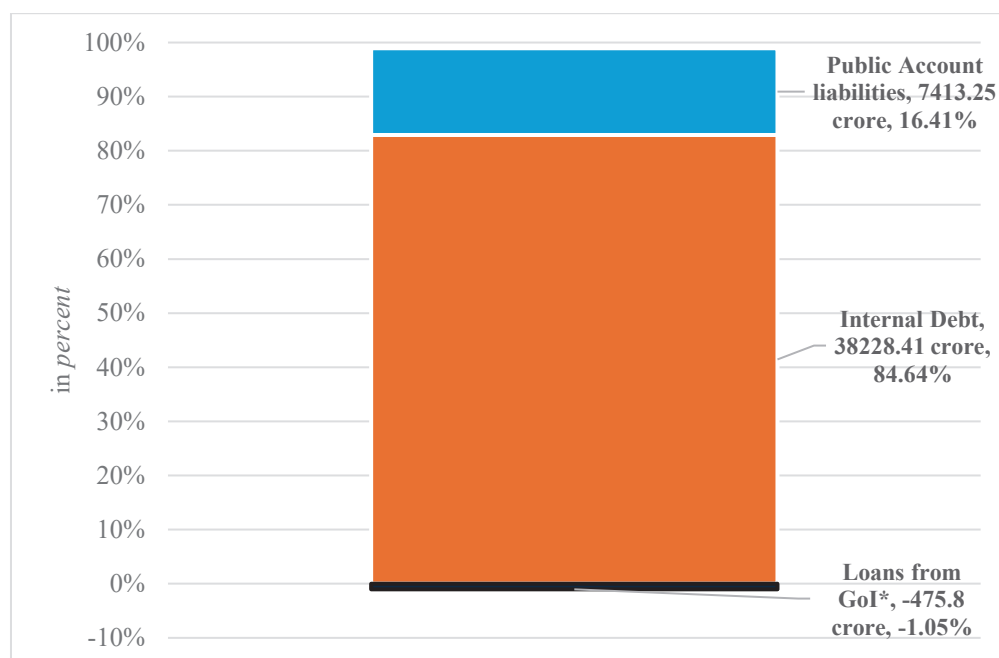
Source: Finance Accounts

* 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).

** Excludes back-to-back loans of ₹4,253.08 crore (₹2,099.80 crore and ₹3,845.49 crore received from the GoI during 2020-21 and 2021-22 respectively and its adjustment of ₹1692.21 crore in 2024-25), in lieu of GST Compensation shortfall.

Break-up of outstanding total liabilities at the end of 2024-25 is shown in **Chart 1.29**.

Chart 1.29: Break-up of outstanding total liabilities at the end of 2024-25



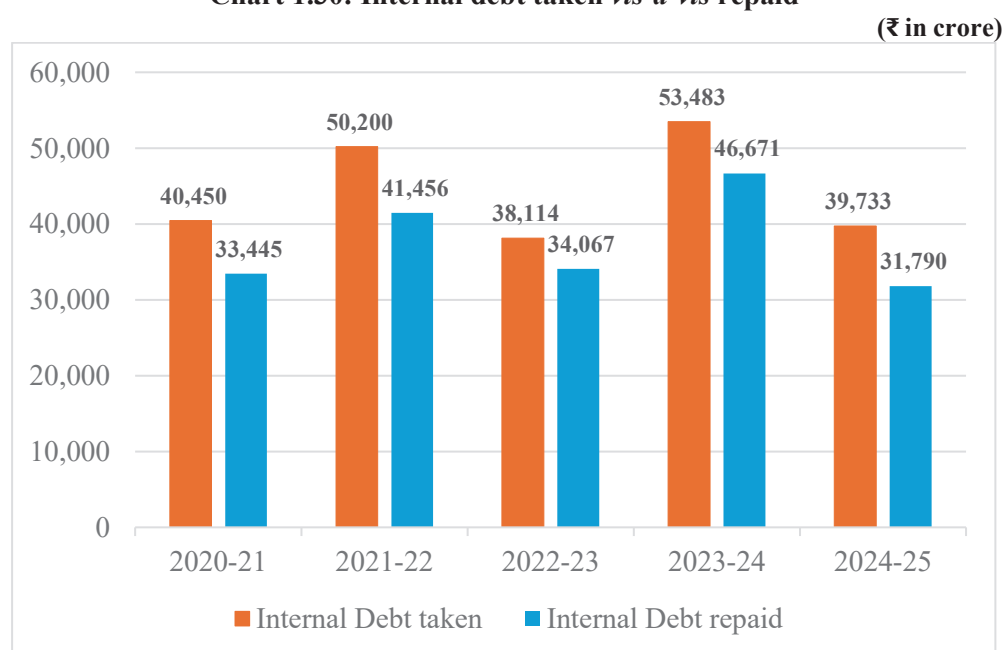
Source: Finance Accounts

*Excludes back-to-back loans of ₹4,253.08 crore (₹2,099.80 crore and ₹3,845.49 crore received from the GoI during 2020-21 and 2021-22 respectively and its adjustment of ₹1692.21 crore in 2024-25), in lieu of GST Compensation shortfall.

Excludes Outstanding Liability of erstwhile State of Jammu and Kashmir amounting ₹82,050.51 crore yet to be apportioned between two newly created UTs.

Chart 1.30: Depicts the quantum of internal debt taken vis-à-vis repaid during the period of five years i.e. 2020-25.

Chart 1.30: Internal debt taken vis-à-vis repaid



Source: Finance Accounts

The internal debt of the UT Government had been on the rise as it increased by ₹27,666.20 crore (261.94 per cent) from ₹10,562.21 crore in 2020-21 to ₹38,228.41 crore in 2024-25.

During 2024-25, the repayment of borrowings constituted over 80 per cent of the total borrowing receipts, leaving only ₹7,943 crore (20 per cent) of the total borrowings available for meeting expenditure and development activities. Although there was a significant reduction of about 25 per cent in the borrowings raised by the UT Government during 2024-25 as compared to the previous year, the rate of growth of outstanding liabilities remained high at 22.93 per cent, which was substantially higher than the growth rate of GSDP. The trend indicates a rising debt burden and underscores the need for the Government to strengthen fiscal discipline and adopt prudent debt management measures to contain the growth of outstanding liabilities.

1.5.1.2 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 1.25** and **Chart 1.31** depicts the utilisation and trends of borrowed funds during 2020-25 respectively.

Table 1.25: Utilisation of borrowed funds

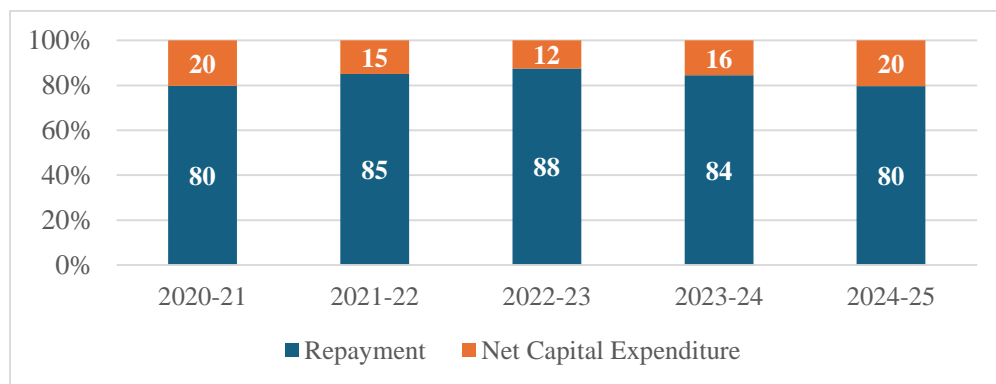
		(₹ in crore)				
Sl. No.	Year	2020-21	2021-22	2022-23	2023-24	2024-25
1.	Total borrowings ⁹	42,097.29	48,880.23	38,922.93	55,396.60	40,058.04
2.	Repayment of earlier borrowings (Principal)	33,563.32	41,575.17	34,066.90	46,791.96	31,911.45
3.	Net Capital expenditure ¹⁰	8533.97	7,305.06	4,856.03	8,604.64	8,146.59
4.	Net loans and advances	NA	NA	NA	NA	NA
5.	Portion of Revenue expenditure met out of net available borrowings	NA	NA	NA	NA	NA

Source: Finance Accounts

⁹ 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; 2024-25: ₹39,733.16 crore) and Net of Public Accounts receipts (2020-21: ₹1,464.16 crore; 2021-22: ₹(-)1,319.63 crore; 2022-23: ₹808.46 crore; 2023-24: ₹1,913.84 crore; 2024-25: ₹324.88 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 and adjustment of ₹1692.21 crore in 2024-25.

¹⁰ 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; 2024-25: ₹12,060.06 crore

Chart 1.31: Trends of utilisation of borrowed funds



Source: Finance Accounts

Chart 1.31 shows that the repayment of borrowings (principal) to current borrowings of the UT ranged between 80 per cent to 88 per cent of the total expenditure during the period 2020-21 to 2024-25. Thus, the major portion of borrowed funds were used for repayment of borrowings instead of Capital creation/ development activities. Net Capital expenditure ranged between 12 per cent to 20 per cent during the period 2020-2025.

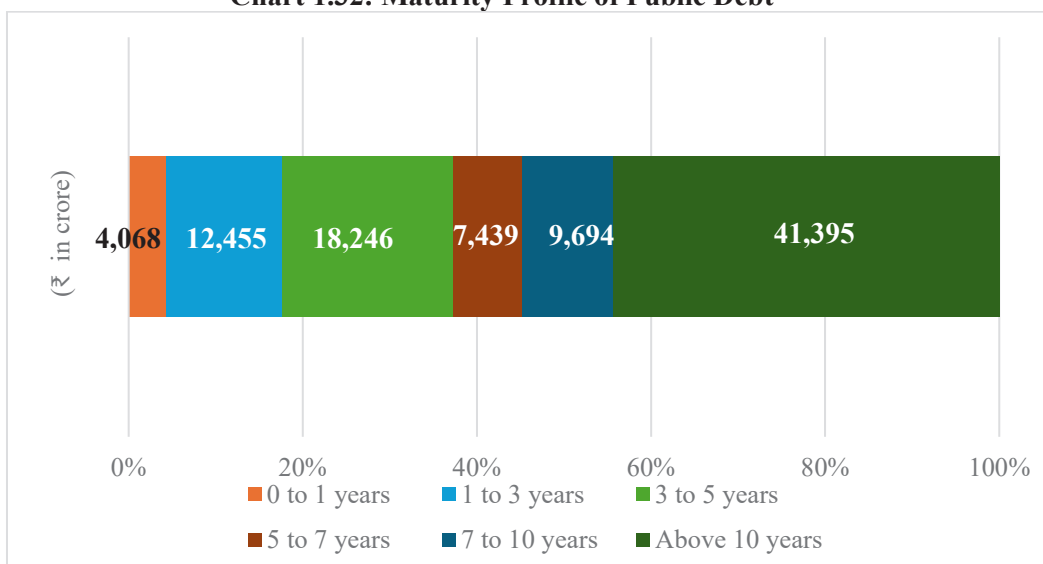
The UT Government increased its spending to 20 per cent of the borrowed funds on Capital expenditure during 2024-25 as against 16 per cent spent during 2023-24, reflecting a positive shift towards productive utilisation of borrowings.

In reply, it was stated(January 2026) that the issue of utilisation of borrowed funds needs to be worked out on the basis of debt raised only and Ways and means advances may be excluded, as it is used to meet short term debt to meet cash requirements of the Government.

1.5.1.3 Debt Profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Debt maturity profile of the UT is depicted in **Chart 1.32**.

Chart 1.32: Maturity Profile of Public Debt



Source: Finance Accounts

* Excludes back-to-back loans of ₹4,253.08 crore (₹2,099.80 crore and ₹3,845.49 crore received from the GoI during 2020-21 and 2021-22 respectively and its adjustment of ₹1692.21 crore in 2024-25), in lieu of GST Compensation shortfall.

Public debt amounting to ₹42,208 crore i.e. 45 per cent of public debt is becoming due for repayment in 0-7 years. High concentration of liabilities maturing within the short to medium term indicates debt bunching, increasing refinancing and liquidity pressure on the Government.

1.5.1.4 Financing Pattern of Fiscal Deficit

Table 1.26 depicts financing pattern of the Fiscal Deficit during 2020-25.

Table 1.26: Components of Fiscal Deficit and its financing pattern

Particulars		2020-21	2021-22	2022-23	2023-24	2024-25
Fiscal Deficit		-10,693.36	-11,150.61	-4,855.37	-8,608.08	-8,145.68
1	Revenue Deficit/Surplus	-138.27	-30.83	5,976.61	3,486.22	3,929.03
2	Net Capital expenditure	-10,470.38	-11,047.04	-10,773.78	-12,088.85	-12,060.06
3	Net Loans and Advances	-59.71	-72.74	-58.20	-5.45	-14.65
4	Appropriation to Contingency Fund	-25	0	0	0	0
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	7,508.66	4,088.00	4,893.62	13,726.42	11,770.00
2	Loans from GoI*	2,164.35	3,726.31	-120	-121.06	-121.19

Particulars		2020-21	2021-22	2022-23	2023-24	2024-25
3	Special Securities issued to NSSF	-348.65	4,651.36	-848.64	-848.64	-848.64
4	Loans from Financial Institutions	-154.75	4.52	122.59	-6,065.93	-2,978.46
5	Small Savings, PF, etc.	1,144.17	-594.55	-573.70	1,148.28	-71.17
6	Deposits and Advances	581.96	330.52	707.05	445.08	-116.34
7	Suspense and Miscellaneous	-82.34	128.23	288.86	-181.16	-286.24
8	Remittances	-763.81	-1,332.81	10.64	-9.73	9.14
9	Reserve Funds	584.18	148.99	375.61	511.38	789.50
10	Contingency Fund	25	0	0	0	0
11	Overall Deficit	10,658.77	11,150.57	4,856.03	8,604.64	8,146.60
12	Increase (-) /Decrease (+) in cash balance	34.59	0.04	-0.66	3.44	-0.92
13	Gross Fiscal Deficit	10,693.36	11,150.61	4,855.37	8,608.08	8,145.68

Source: Finance Accounts

* Excludes back-to-back loans of ₹4,253.08 crore (₹2,099.80 crore and ₹3,845.49 crore received from the GoI during 2020-21 and 2021-22 respectively and its adjustment of ₹1692.21 crore in 2024-25), in lieu of GST Compensation shortfall

1.5.2 Deficit Indicators after considering views of Audit

As per Finance Accounts of the UT of J&K, there was Revenue Surplus of ₹3,929.03 crore during 2024-25 (1.50 per cent of GSDP), Fiscal Deficit was ₹8,145.68 crore (3.10 per cent of GSDP) whereas primary deficit was ₹2,728.34 crore (1.04 per cent of GSDP).

However, during 2024-25, Audit found cases of misclassification by the UT Government, ₹82 crore of Revenue nature of expenditure was classified as Capital expenditure. This has resulted in overstatement of Revenue Surplus to such extent. Besides, an amount of ₹554.24 crore¹¹ had been expended for creation of assets of entities (SPSUs) other than the Government of UT of J&K. In accordance with note below Rule 30(1) of GAR 1990, this amount is to be classified as Revenue Expenditure, instead of Capital Expenditure thus leading to overstatement of Revenue Surplus.

¹¹ Power Corporations/Companies- ₹539.22 crore, JKTDC- ₹2.55 crore and JKHPMC- ₹12.46 crore.

In reply, it was stated (January 2026) that the expenditure on account of SPSUs is being incurred as Government support to these SPSUs to become self-reliant. The Capital expenditure on these SPSUs shall be considered by the Government as equity at appropriate time.

The reply is not tenable, as the expenditure could be considered as capital only when it is converted as equity.

Further, classifying the repayment of Off-Budget Borrowings (₹3,451.84 crore) under MH-6003 -Internal Debt instead of treating as a debit to relevant head as assistance has also led to understatement of the Revenue Surplus and Fiscal deficit.

After considering the above transactions, the Revenue deficit and Fiscal Deficit during 2024-25 comes out to be ₹164.38 crore (0.06 per cent of GSDP) and ₹11,597.52 crore (4.42 per cent of GSDP) respectively.

1.5.3 Fiscal Balance: Achievement of Deficit and Total Debt Targets

As per the Jammu and Kashmir FRBM Act of 2006 and its amendments, UT aims to:

- Eliminate Revenue Deficit and maintain the Fiscal Deficit within the ceiling of three per cent of GSDP, with an additional 0.5 per cent permitted on fulfilling reform milestones.
- Limit the 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.
- Government is required to frame Medium-Term Fiscal Policy Statement (MTFP) and is required to have three-year rolling targets for prescribed fiscal indicators.
- Use of Capital receipts for creation and or maintenance of assets.

According to the FRBM Act, 2006, the Medium-Term Fiscal Policy (MTFP) Statement must be presented in the prescribed format to outline the Government's fiscal management objectives and establish three-year rolling targets for the specified fiscal indicators. However, in the MTFP Statements laid with the Budget under the FRBM Act, the fields for the three-year rolling targets were left blank. Actual achievement and post audit fiscal parameters are detailed in **Table 1.27** and trend analysis of deficits post audit is depicted in **Chart 1.33**.

Table 1.27: Fiscal Parameters

Fiscal Parameters		2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Deficit (-) / surplus (+) (₹ in crore)	Actuals	-138.27	-30.83	5,976.61	3,486.22	3,929.03
	Post Audit	-328.08	-189.59	5,757.48	-3,202.03	-164.37
Ratio of RD/GSDP	Actuals	-0.08	-0.02	2.85	1.48	1.50
	Post Audit	-0.20	-0.10	2.74	-1.36	-0.06
Fiscal Deficit (-) / surplus (+)	Actuals	-10,693.36	-11,150.61	-4,855.37	-8,608.08	-8,145.68
	Post Audit	-10,693.36	-11,150.61	-4,855.37	-15,101.3	-11,597.5
Ratio of FD/GSDP	Actuals	-6.37	-5.91	-2.31	-3.65	-3.10
	Post Audit	-6.37	-5.91	-2.31	-6.40	-4.42
Primary Deficit (-) / surplus (+)	Actuals	-4,320.9	-3,790.3	3,638.45	1,316.88	2,728.84
	Post Audit	-4,320.9	-3,790.3	3,638.45	1,316.88	2,728.84
Ratio of PD/GSDP	Actuals	-2.58	-2.01	1.73	0.56	1.03
	Post Audit	-2.58	-2.01	1.73	-2.19	-0.28
Ratio of total outstanding liability* to GSDP (in per cent)		8.87	12.4	13.32	15.56	17.21
Interest payment as percentage of Revenue Receipts		12.14	12.42	12.31	14.16	14.62

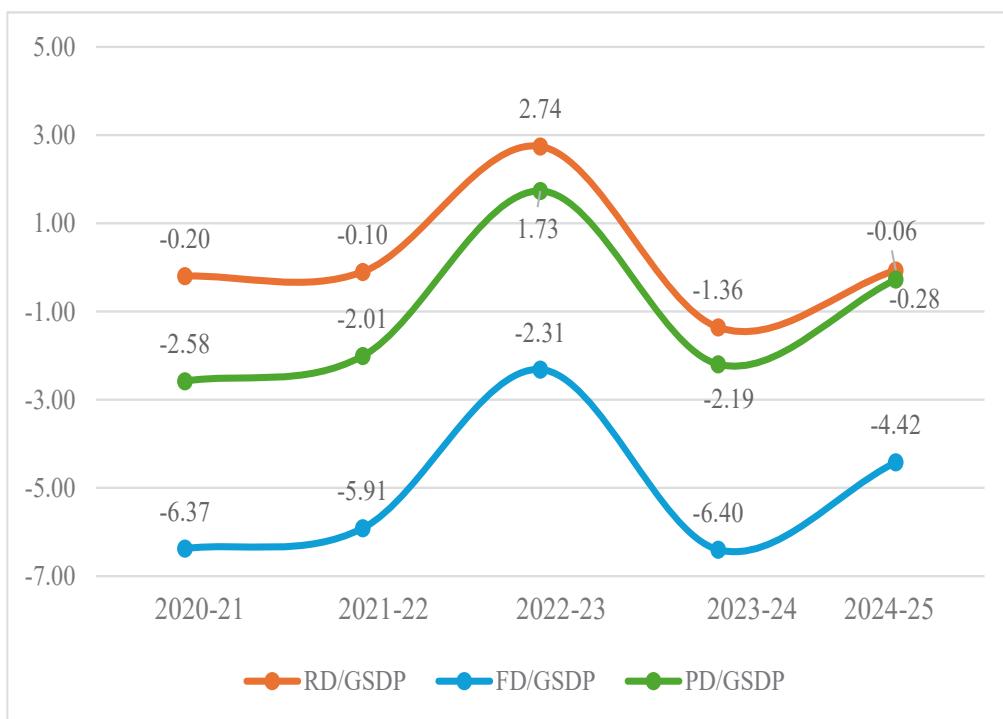
* Outstanding total liability includes Public debt, Small savings, Provident funds etc, Reserve funds and Deposits (outstanding liability of erstwhile State of Jammu and Kashmir has not been included).

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 ₹3,929.03 crore for FY 2024-25.

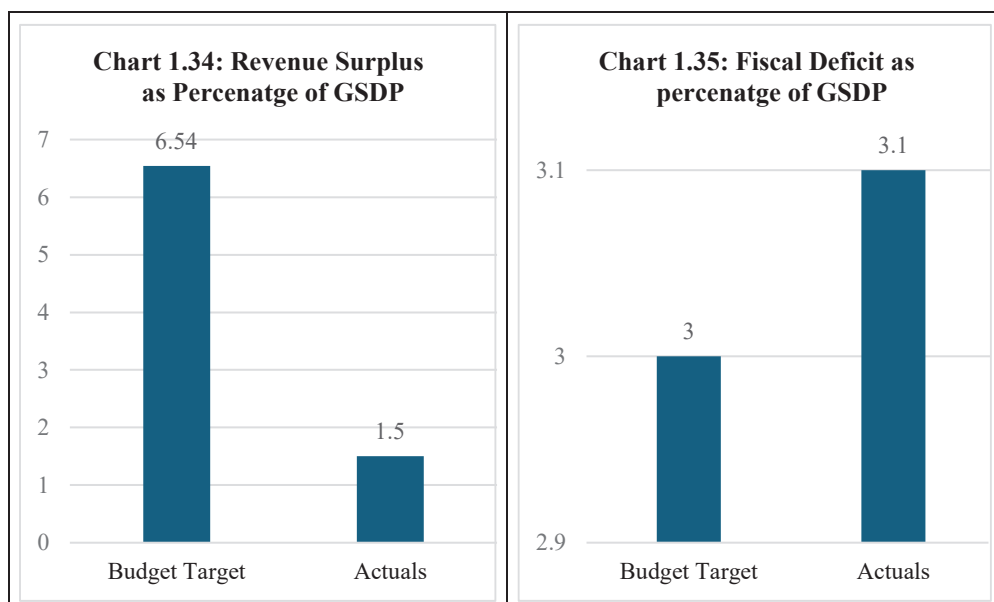
Fiscal Deficit represents total borrowings of the Government i.e. its total resource gap. During 2024-25, the Fiscal Deficit decreased from ₹8,608.08 crore to ₹8,145.68 crore. However, ratio of total outstanding liabilities to GSDP increased from 15.56 per cent 2023-24 to 17.21 per cent in 2024-25.

Primary Deficit indicates the excess of Primary expenditure (total expenditure net of interest payments) over non-debt receipts. There was a primary surplus of ₹2,728.84 crore in 2024-25.

Chart 1.33: Trend analysis of Deficits Post Audit



The targets as projected in the U.T budget *vis-à-vis* achievements in respect of major fiscal aggregates with reference to GSDP during 2024-25 are given in **Chart 1.34** and **Chart 1.35**



Source: Finance Accounts and budget documents

During the year 2024-25, the Government was unable to contain the revenue surplus-GSDP and fiscal deficit-GSDP ratios within the levels projected in the budget estimates.

In reply, it was stated (January 2026) that the rolling targets will be established and afterwards will be reflected in the MTFP statements.

1.5.4 Debt Sustainability Analysis

Debt sustainability refers to the ability of the UT to service its debt obligation now and in future. Analysis of variations in debt sustainability indicators is given in **Table 1.28**.

Table 1.28: Trends in Debt Sustainability Indicators

(₹ in crore)

Sl. No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
1	Overall Liabilities or Overall Debt*	98,417.12	1,06,926.76	1,09,997.15	1,18,792.68	1,27,216.38
2	Rate of Growth of Overall Debt (per cent)	10.15	8.65	2.87	8.00	7.09
3	GSDP (in nominal terms)	1,67,793	1,88,561	2,09,816	2,36,059	2,62,458
4	Nominal GSDP growth (per cent)	2.25	12.38	11.27	12.51	11.18
5	Overall Debt/GSDP (per cent)	58.65	56.71	52.43	50.32	48.47
6	Repayment to Gross Borrowings (per cent)	81.54	85.54	90.75	86.37	83.52
7	Net borrowings available as a percentage of Gross Borrowings	18.46	14.46	9.25	13.63	16.48
8	Interest payments on Overall Debt	6,372.46	7,360.31	8,493.82	9,924.96	10,874.51
9	Effective rate of interest on Overall Debt ¹² (per cent)	7.52	7.90	8.63	9.55	9.68
10	Interest payment to Revenue Receipts (per cent)	12.14	12.42	12.31	14.16	14.62
11	Revenue Deficit/Surplus	-138.27	-30.83	5,976.61	3,486.23	3,929.03
12	Primary Revenue Balance (PRB)	6,234.19	7,329.48	14,470.43	13,411.18	14,803.54
13	Primary Balance (PB)	-4,320.90	-3,790.29	3,638.45	1,316.88	2,728.83
14	PB/GSDP (per cent)	-2.58	-2.01	1.73	0.56	1.04
15	Difference between RoI ¹³ and effective rate of interest on Overall Debt	-7.52	-7.80	-8.39	-8.59	-9.39

¹² Effective rate of interest on Overall Debt has been calculated adjusting the Reserve Funds, Deposits not bearing interest. Effective Rate of Interest = Interest Payment/Average of Opening and Closing Stock of Debt (excluding non- interest bearing liabilities) * 100

¹³ Return on Investment (RoI) as measured by effective rate of interest receipts.
RoI = Interest Receipts/Average of Opening & Closing Stock of Loans and Advances Disbursed *100

Sl. No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
16	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	318	303	282	276	172
17	Debt Stabilisation (Quantum spread ¹⁴ + Primary balance)	-9,024.52	570.32	6,276.50	4,511.35	4,474.09
18	Domar gap					
a	GSDP (in constant terms)	1,12,400	1,15,402	1,22,640	1,33,421	1,43,649
b	Real Growth (in constant terms)	-1.33	2.67	6.27	8.79	7.67
c	Inflation based on CPI (<i>per cent</i>)	5.79	7.20	6.32	4.15	4.48
d	Effective Rate of interest	7.52	7.90	8.63	9.55	9.68
e	Real effective rate of interest (Effective rate of interest-Inflation)	1.73	0.70	2.31	5.40	5.20
f	Growth Interest Differential (Real growth-Real effective rate of interest)	-3.07	1.98	3.97	3.39	2.46
g	Primary Balance (PB)	-4,320.90	-3,790.29	3,638.45	1,316.88	2,728.83

Source: Finance Accounts

* Outstanding Public Debt is the sum of outstanding balances under the Heads 6003 'Internal Debt' and 6004- 'Loans and Advances from the Central Government'. Excludes back-to-back loans of ₹4,253.08 crore (₹2,099.80 crore and ₹3,845.49 crore received from the GoI during 2020-21 and 2021-22 respectively and its adjustment of ₹1692.21 crore in 2024-25), in lieu of GST Compensation shortfall, which are not to be repaid by the UT Government from its resources.

Net debt available to the UT Government is calculated as excess of Public debt receipts over Public debt repayment.

i) Despite the declining trend, the average debt burden, measured by the total liabilities-GSDP ratio remained over 48 *per cent*. It decreased from 58.65 *per cent* in 2020-21 to 48.47 *per cent* in 2024-25. 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 and 2024-25. Similarly, primary balance which remained negative in 2020-21 and 2021-22 improved substantially and thereby turning positive during 2022-23 to 2024-25. Primary balance improved in 2024-25 as compared to 2023-24.

ii) The improvement in the debt burden in 2021-22 compared to 2020-21 was primarily due to robust nominal growth in 2021-22, driven by a low base. Both the GID and the primary balance, which remained favourable despite the declining trend observed during 2022 to 2025, supported by nominal growth that outpaced debt growth, leading to a steady decline in the debt burden during 2022-2025.

iii) Ratio of interest payments to Revenue receipts is also an indicator of debt sustainability. Ratio of interest payments to Revenue receipts, which

¹⁴ Quantum Spread = Interest Spread (GSDP growth rate- Interest rate) x Debt (excluding non- interest bearing liabilities).

increased from 12.14 *per cent* in 2020-21 to 14.62 *per cent* in 2024-25, could impact debt sustainability over medium and long term.

iv) Return on investment (RoI), measured by the difference between interest rates on loans and advances disbursed, and the average cost of borrowing remains negative, posing a risk to debt sustainability. Therefore, the interest rate on loans and advances disbursed needs to be aligned with the cost of borrowing.

v) The number of instances of resorting to financial accommodation provided by the RBI to avail WMA/Overdrafts ranged from 172 to 318 days during 2020-25, indicating weak liquidity management. However, this has steadily improved, from 318 days in 2020-21 to 172 days in 2024-25.

vi) Unlike nominal growth, the nominal effective interest rate was primarily influenced by inflation. Average CPI inflation exceeded the RBI's two to six *per cent* tolerance band in 2021-22 and 2022-23. According to the Domar criterion, the average real growth remained higher than the average real interest rate, as evident from the average GID that remained favourable during 2021-2025. This indicates that the real growth helped the exchequer to recover the cost of borrowing during this period.

vii) The net debt available as a percentage of Gross Borrowings increased from 9.25 *per cent* in 2022-23 to 13.63 *per cent* and 16.48 *per cent* in 2023-24 and 2024-25 respectively.

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 two Union Territories *viz.* UT of Jammu & Kashmir and UT of Ladakh.

1.5.5 Status of Guarantees – Contingent Liabilities

Guarantees are contingent liabilities on the Consolidated Fund in case of borrower defaults. The UT extends guarantees for loans raised by entities like statutory corporations, boards, local bodies, and co-operative institutions. J&K FRBM Act, 2006, limits the amount of annual incremental risk weighted guarantee to 75 *per cent* of the Total Revenue Receipt in the year proceeding the current year or 7.5 *per cent* of the GSDP of the year preceding the current year, whichever is low. Details of the guarantees and status of outstanding guarantees to total receipts for the last five years are given in **Table 1.29**.

Table 1.29: Guarantees given by the UT Government

(₹ in crore)					
Guarantees	2020-21	2021-22	2022-23	2023-24	2024-25
Ceiling applicable to the outstanding amount of guarantees (including interest)					
(i) 75 per cent of Revenue receipts of previous year	NA	39,371.61	44,428.88	51,731.96	52,580.77
(ii) 7.5 per cent of GSDP of previous year	12,307.73	12,584.48	14,142.08	15,736.20	17,704.43
(iii) Least of the above two	12,307.73	12,584.48	14,142.08	15,736.20	17,704.43
Outstanding amount of guarantees at the beginning of the year	1,324.54	1,486.07	12,328.80	24,867.94	24,485.47
Outstanding amount of guarantees at the end of year	1,486.07	12,328.80	24,867.94	24,485.47	23,622.36

Source: Finance Accounts and Annual Financial Statements

The position of outstanding risk weighted guarantee was not disclosed in statements laid with Budget 2024-25 under FRBM Act 2006. The outstanding guarantees for ₹23,622.36 crore as on 31st March 2025 were in respect of Power Sector (₹22,316.16 crore); State Finance Companies/Corporations (₹15.45 crore); Cooperatives (-₹32.00 crore¹⁵); and Others (₹1,322.75 crore).

Out of the outstanding guarantees for ₹23,622.36 crore during the current year, the UT Government had given guarantees amounting to ₹56.82¹⁶ crore to three PSUs whose net worth had become negative. This means that the actual liability lies with the UT Government to repay their loans. There is also outstanding guarantee including interest to the tune of ₹454.30 crore given by the erstwhile State of Jammu and Kashmir which is yet to be apportioned between UT of Jammu and Kashmir and UT of Ladakh.

1.5.6 Pathways to Fiscal Stability

Deficits can be improved by enhancing revenues and rationalizing expenditures. This includes strengthening tax compliance, widening the tax base, revising user charges, and monetizing idle government assets. On the spending side, better targeting of subsidies, controlling salary and pension growth, and ensuring proper classification of expenditure are key factors. Prioritizing productive Capital investment and improving debt management through transparent and efficient borrowing can further ease fiscal pressure.

¹⁵ Minus figures due to non-apportionment of Assets and Liabilities as a result of reorganisation.

¹⁶ (i) Jammu and Kashmir Schedule Casts, Schedule Tribes and backward classes Development Corporation Ltd ₹37.05 crore. (ii) Jammu and Kashmir Cements ₹4.33 crore ; (iii) Jammu & Kashmir Ladakh Financial Corporation: ₹15.44 crore;

These measures collectively create fiscal space and help reduce revenue, fiscal, and primary deficits in a sustainable manner. These have been discussed in succeeding paragraphs.

1.5.6.1 Improving Revenues of the UT

Untapped revenue potential that, if harnessed effectively, could significantly enhance fiscal space and reduce dependence on debt. Inefficiencies in assessment, undervaluation, and limited enforcement mechanisms of key tax streams such as State GST, Stamp Duty, and Excise will lead to subdued revenue growth. Under-realized non-tax revenues, with low user charges, poor cost recovery, and suboptimal returns on public assets and investments also impede the fiscal space. Timely realization of pending arrears (tax and non-tax) is another step towards enhancing the fiscal space.

A. Arrears of Revenue

As on 31st March 2025, the arrears of revenue in respect of principal heads of revenue were ₹ 4,067 crore, of which ₹ 827.58 crore were outstanding for more than five years, as depicted in **Table 1.30**.

Table 1.30: Arrears of revenue

(₹ in crore)

S. No.	Head of revenue	Amount outstanding as on 31 st March 2025	Amount outstanding for more than five years as on 31 st March 2025
1	Goods and Services Tax	2,140.70	0
2	Taxes/VAT on Sales, Trade, etc.	1,865.05	782.65
3	Motor Spirit Tax	0.09	0.09
4	Entertainment Tax	0.21	0.21
5	Toll Tax	28.24	28
6	State Excise	32.71	16.63
Total		4,067.00	827.58

Source: Departmental Information

B. Arrears in assessment

The information on number of assessment cases pending at the beginning of the year, cases becoming due for assessment, cases disposed off during the year and number of cases pending for finalisation at the end of the year, as furnished by the Department of Excise and Department of Taxation in respect of Sales Tax/VAT is depicted in **Table 1.31**.

Table 1.31: Arrears of assessment

Sl. No.	Head of Revenue	Cases pending at the beginning of 2024-25	New cases due for assessment during 2024-25	Total cases due for assessment	Cases disposed of during 2024-25	Balance at the end of the year	Percentage of disposal
1	Taxes/VAT on Sales, Trade, etc.	8,037	18,532	26,569	19,079	7,490	71.81
2	GST	287	171	458	292	166	63.76
3	Tax on work contracts	0	1,654	1,654	1,332	322	80.53
	Total	8,324	20,357	28,681	20,703	7,978	72.18

Source: Departmental Information.

During the period 2024-25, the total percentage of disposal of cases of arrears in assessment was 72.18 per cent and 7,978 cases were still pending for disposal at the close of the year.

C. Details of evasion of tax detected by the Department, refund cases, etc.

The 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.

The details of cases of evasion of tax detected by the Excise and Taxation, cases finalised and the demand for additional tax raised; during the year 2024-25, as reported by the departments concerned, are depicted in **Table 1.32**.

Table 1.32: Evasion of tax detected

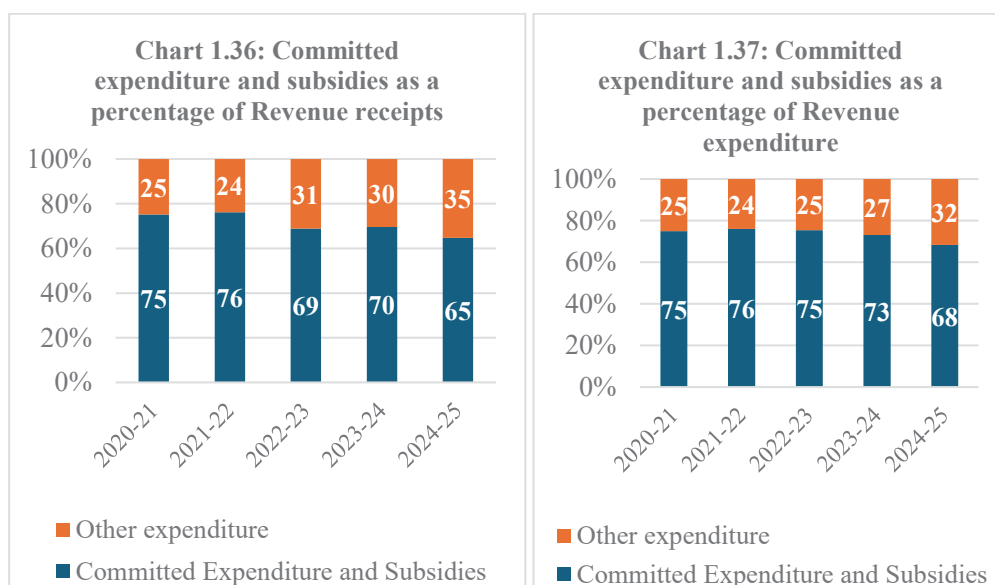
Sl. No.	Head of revenue	Cases pending as on 31 st March 2024	Cases detected during 2024-25	Total	No. of cases in which assessment / investigation completed and additional demand with penalty, etc. raised		No. of cases pending for finalisation as on 31 st March 2025
					No. of cases	Amount of demand (₹ in crore)	
1	State Excise	0	1	1	1	0.19	0
2	Goods and Services Tax	183	830	1,013	705	273.74	308
3	Sales Tax/VAT	36	0	36	31	0.03	5
	Total	219	831	1,050	737	273.96	313

Source: Departmental information

1.5.6.2 Issues on expenditure side

A. Fiscal stress from Committed expenditure and subsidies

Chart 1.36 and Chart 1.37 depict Committed expenditure and subsidies together as a percentage of Revenue Receipts and Revenue Expenditure during the FY 2020-25 respectively.



In 2024-25, the UT's committed expenditure of ₹48,129.14 crore comprising salaries (₹23,099.56 crore), pensions (₹14,155.07 crore), and interest payments (₹10,874.51 crore), accounted for approximately 64.69 *per cent* of the Revenue Receipts. In addition, subsidies amounted to ₹69.58 crore, bringing the total rigid expenditure to ₹48,198.72 crore, which was nearly 65 *per cent* of the UT's revenue receipts. The high and inflexible nature of such expenditure significantly compresses fiscal space, limiting the UT's ability to allocate resources towards Capital investment and developmental priorities. This structural imbalance increases the risk of persistent revenue and primary deficits, constrains long-term fiscal sustainability, and reduces Government's capacity to respond to emergent socio-economic challenges.

There is an urgent need for expenditure reform through prudent management of salary and pension commitments, to enhance fiscal flexibility and ensure a sustainable fiscal path.

B. Capital blocked in incomplete projects

An assessment of Capital blocked in incomplete Capital projects would also indicate the quality of Capital expenditure. Blocking funds in incomplete projects/ works impinges negatively on the quality of expenditure and deprives the Government of the intended benefits of the projects for

prolonged periods. Further, funds borrowed for implementation of these projects during the respective years would lead to an extra burden, in terms of servicing of debt and interest liabilities. Details of the incomplete projects costing ₹one crore and above are shown in **Table 1.33** (based on information provided by the UT Government for *Appendix-IX* of the Finance Accounts for the year 2024-25).

Table 1.33: Capital blocked in incomplete projects

(₹ in crore)

Age profile of incomplete projects as on				Department-wise profile of incomplete projects		
31 st March 2025				till 31 st March 2025		
Year	No. of incomplete projects	Estimated cost	Expenditure incurred	Department	No. of incomplete projects	Estimated Cost (Expenditure incurred)
2008-09	1	1.80	1.32	Irrigation and Flood Control, Jammu	19	68.12 (41.70)
2012-13	2	52.48	29.89	PHE, Peerpanjal (Jammu)	47	153.72 (49.19)
2014-15	1	2.08	0.92	Public Health Engineering, Jammu	101	369.91 (187.67)
2016-17	7	23.91	22.38			
2017-18	1	1.92	0.54			
2018-19	25	65.54	35.26			
2019-20	1	2.95	1.39			
2020-21	18	81.54	35.26			
2021-22	33	147.50	75.56			
2022-23	44	130.17	51.19			
2023-24	33	80.84	24.79			
2024-25	1	1.02	0.06			
Total	167	591.75	278.56	Total	167	591.75 (278.56)

Out of the estimated cost of ₹591.75 crore for 167 ongoing projects, ₹278.56 crore was spent till 2024-25. Therefore, due to non-completion of these 167 projects, Capital expenditure of ₹278.56 crore remained blocked.

Information regarding incomplete works above one crore has been furnished for only two departments Irrigation & Flood Control Department and Public Health Engineering Department. Due to incomplete information in *Appendix-IX* (Commitments of the Government-List of Incomplete Capital Works) of the Finance Accounts for the year 2024-25 (provided by the UT Government), Audit could not ascertain the actual progressive expenditure,

physical progress of work, position of pending payment (future liability) and revised cost, if any, as on 31st March 2025.

C. Un-discharged liabilities on Fiscal Space

Undischarged/deferred liabilities, if not addressed timely, will reduce the available fiscal space for future developmental and infrastructure spending. Besides creating lack of transparency and credibility, this impairs the UT's ability to raise resources in a sustainable manner, thereby impacting overall fiscal health and long-term sustainability.

UT Government had accumulated several un-discharged liabilities over the years, which have significant implications for fiscal sustainability. These include:

- Non-transfer of statutory funds/cess such as Guarantee Redemption Fund (GRF) ₹309.91 crore (including ₹69.43 crore during 2024-25), and Consolidated Sinking Fund (CSF) amounting to ₹112.97 crore.
- Un-discharged interest liabilities totalling ₹45.32 crore.
- Off-budget borrowings and other liabilities not captured in the debt stock amounting to ₹23,197.08 crore.
- Short/non-transfer of UT Government's contribution to the National Pension System (NPS) amounting to ₹396.22 crore.
- Pending refund cases amounting to ₹69.60 crore.

The cumulative value of these un-discharged liabilities amounted to ₹24,131.10 crore, which is equivalent to 9.19 *per cent* of the GSDP and 296.24 *per cent* of the Fiscal Deficit for the year 2024-25.

Audit recommends that the Government disclose and address all un-discharged liabilities transparently and make provisions for timely discharge of these obligations to avoid future fiscal stress.

1.6 Conclusions

The per capita GSDP of UT of J&K remained consistently lesser than the national average during FY 2020-25. During the same period, GSDP to GDP ratio declined from 0.85 *per cent* in 2020-21 to 0.79 *per cent* in 2024-25. Revenue expenditure increased from ₹52,634 crore to ₹70,472 crore of which Committed expenditure on interest payments, salaries and pensions constituted 68-76 *per cent*. Fiscal deficit declined by 24 *per cent* during the period 2020-25. However, the capital expenditure remained low during this period.

During 2024-25, UT Government spent ₹12,060 crore (14.61 *per cent* of the total expenditure) on Capital account. Capital expenditure was 20.34 *per cent*

of the total borrowings indicating the borrowed funds were being used mainly for meeting existing liabilities instead of asset creation.

The total liabilities of the UT Government increased by 204 *per cent* during the period 2020-25. Besides, liability of erstwhile State of Jammu and Kashmir amount to ₹82,050.51 crore is yet to be apportioned between two newly created UTs. Un-discharged liabilities of the UT Government stood at 296.24 *per cent* of the Fiscal Deficit for the year 2024-25.

Returns on public investments were low, as against ₹ 4,031 crore invested in PSUs, dividend of only ₹131 crore (3.25 *per cent*) was received during the year 2024-25.

1.7 Recommendations

The Government may:

- 1. Strengthen revenue mobilization by improving tax compliance, enforcing a clear non-tax revenue policy, especially for dividends, mining, and interest receipts, and revising user charges and fees periodically.*
- 2. Rationalize Revenue expenditure and Committed liabilities, better targeting of subsidies, and controlling interest payments to create fiscal space for developmental spending.*
- 3. Enhance Capital expenditure quality and prioritization by increasing allocations to infrastructure sectors, avoiding misclassification of expenditures, and ensuring Capital outlay keeps pace with economic growth.*
- 4. Improve return on public investments by enforcing a dividend policy for profit-making PSUs, disinvesting from non-performing entities, and enhancing monitoring of loans and advances to ensure financial discipline and accountability.*
- 5. Ensure fiscal transparency and better fund management and route all monies through designated government accounts.*

Chapter-II
Budgetary Management

Chapter-II: Budgetary Management

This chapter reviews J&K's budgetary process, revealing significant gaps between budget estimates and actual expenditure, with issues like excess spending, persistent savings, and last-minute fund surrenders. It highlights weaknesses in financial planning, control, and compliance, stressing the need for realistic budgeting, timely fund utilisation, and modern practices like gender and green budgeting.

2.1 Budget Process

In compliance with Section 41 of the Jammu and Kashmir Re-organisation Act 2019, in respect of every financial year, a statement of the estimated receipts and expenditure of the UT of Jammu and Kashmir for that year, called “the Annual Financial Statement (Budget)” is to be laid before the UT Legislature. The estimates of the expenditure show ‘*charged*’ and ‘voted’ items¹ of expenditure separately and distinguish expenditure on revenue accounts from other expenditures. Legislative authorization is necessary before incurring any expenditure by the UT Government.

As per the Jammu & Kashmir Budget Manual, the Finance Department is responsible for preparing the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called ‘Demand for Grants’. The UT budget majorly comprises the following documents:

- | | |
|------------------------------|--------------------------|
| ✓ Annual Financial Statement | ✓ Budget Speech |
| ✓ Demand for Grants | ✓ Key Features of Budget |
| ✓ FRBM Statements | ✓ Others ² |

2.2 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for optimum utilization of resources, strengthen scheme implementation and monitoring capacity and achievement of fiscal targets. Persistent savings/excesses indicate need for improvement in the underlying budgetary processes.

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 UT and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

² Including Budget at glance and supplementary demands for grants of the previous year etc.

Details of total appropriation obtained from legislature, actual expenditure and savings are summarized in **Table 2.1**.

Table 2.1: Actual expenditure vis-à-vis budget provision during the financial year 2024-25

(₹ in crore)								
	Nature of expenditure	Original Grant/ App.	Supplementary Grant/ App.	Total	Actual expenditure	Saving/ Excess(-)	Surrender during 2024-25	
							Amount	per cent
Voted	I. Revenue	71,088.75	4,404.37	75,493.12	60,563.39	14,929.73	6,867.59	9.1
	II. Capital	25,165.08	1,836.94	27,002.02	14,054.68	12,947.34	12,634.13	46.79
	III. Loans & Advances	29.00	-	29.00	15.09	13.91	Nil	Nil
	Total	96,282.83	6,241.32	102,524.14	74,633.16	27,890.98	19,501.72	19.02
Charged	IV. Revenue	10,396.75	1.02	10,397.77	10,986.39	(-)588.62	13.90	0.13
	VI. Capital	-	-	-	-	-	Nil	Nil
	VII. Public Debt-Repayment	44,846.20	-	44,846.20	30,129.52	14,716.68	Nil	Nil
	Total	55,242.95	1.02	55,243.97	41,115.91	14,128.06	13.90	0.03
Appropriation to Contingency Fund (if any)		Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Grand Total	1,51,525.78	6,242.33	1,57,768.11	1,15,749.07	42,019.04	19,515.62	12.37

Source: Appropriation Accounts 2024-25

During 2024-25, despite providing supplementary grant of ₹1,836.94 crore under Capital (Voted) section and ₹4,404.37 crore under Revenue (Voted) section, there were savings of ₹12,947.34 crore (47.95 per cent) under Capital (Voted) and ₹14,929.73 crore (19.78 per cent) under Revenue (Voted) section. This indicates that the supplementary grant was made without adequate assessment of actual requirements, reflecting deficiencies in financial management and budgetary control.

The UT Government budgeted and accounted an expenditure of ₹72.51 crore under Revenue (Voted) instead of Revenue (Charged), in Grant No. 08-Finance Department under Major Head '2048-Appropriation for reduction or avoidance of Debt'. Similarly, in the Capital (Voted) section, Government also budgeted through Supplementary Grant (₹1,711.78 crore) and accounted an expenditure of ₹1,781.92 crore instead of Capital (Charged) under Major Head 6003-'Internal debt'.

Trends in the original budget, revised estimate, and actual expenditure for the period 2020-21 to 2024-25 are given in **Table 2.2**.

Table 2.2: Original Budget, Revised Estimate and Actual Expenditure during FYs 2020-21 to 2024-25

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Original budget	1,23,127.98	1,30,832.24	1,42,150.1	1,48,500.00	1,51,525.78
Supplementary budget	10,467.74	8,962.95	7,431.93 ³	8,712.90	6,242.33
Total budget (TB)	1,33,595.72	1,39,795.19	1,49,582.03	1,57,212.90	1,57,768.11
Revised estimate (RE)	1,25,576.94	1,39,795.19	1,32,788.90	1,41,333.15	1,38,380.67
Actual expenditure (AE)	96,786.29	1,11,983.49	1,07,948.46	1,26,054.97	1,15,749.07
Savings	36,809.44	27,811.70	41,633.57	31,157.93	42,019.04
Percentage of supplementary to the original provision	8.50	6.85	5.23	5.87	4.12
Percentage of overall saving/excess to the overall provision	27.55	19.89	27.83	19.82	26.63
TB-RE	8,018.78	0.00	16,793.13	15,879.75	19,387.44
RE-AE	28,790.65	27,811.70	24,840.44	15,278.18	22,631.59
(TB-RE) as % of TB	6.00	0.00	11.23	10.10	12.29
(RE-AE) as % of TB	21.55	19.89	16.61	9.72	14.34

Source: Annual Financial Statement and Appropriation Accounts

Table 2.2 shows that supplementary provision of ₹6,242.34 crore during 2024-25 constituted 4.12 *per cent* of the original provision as against 5.87 *per cent* in the previous year, indicating a marginal improvement in estimation of budgetary requirements. The difference between TB and RE as a percentage of Total budget has significantly increased from six *per cent* in 2020-21 to 12.29 *per cent* in 2024-25 reflecting deficiencies in budget preparation and financial planning.

Further, the difference between RE and AE as a percentage of Total budget has increased from 9.72 *per cent* in 2023-24 to 14.34 *per cent* in 2024-25 which indicates lapses in preparation of Revised estimates and weak monitoring of expenditure trends.

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

Chart 2.1: Trend showing BE, RE, TB and Actuals

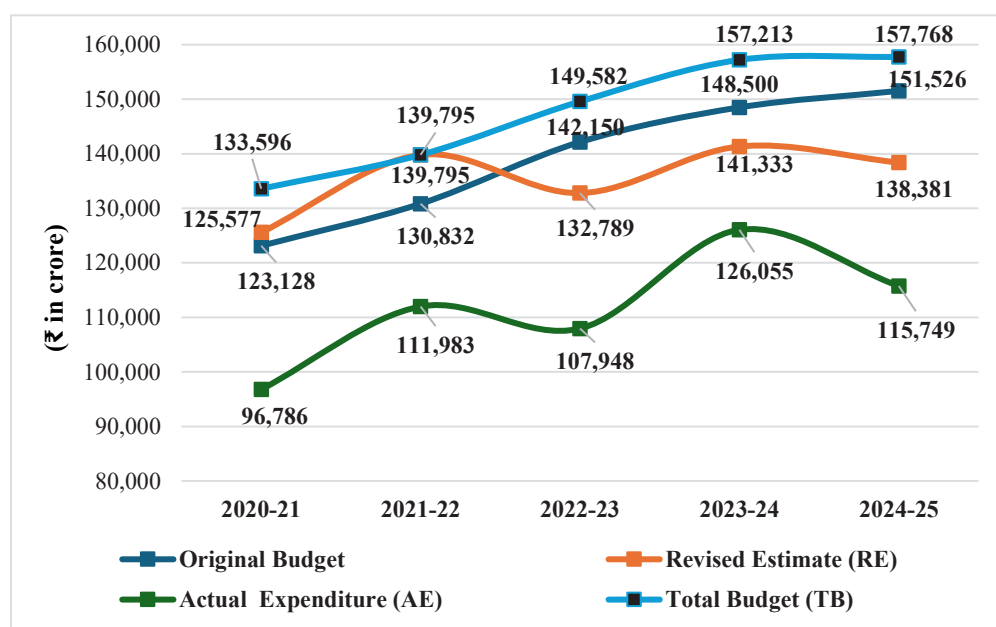


Chart 2.1 depicts the trend of the Original Budget (OB), Revised Estimates (RE), Actual Expenditure (AE), and Total Budget (TB) during the period from 2020-21 to 2024-25. The Total Budget and Original Budget show a steady increase over the years, reflecting a progressive rise in budgetary allocations. Variations between the Original Budget and Revised Estimates are relatively moderate; however, a substantial and persistent gap is observed between budget provisions and Actual Expenditure.

During 2020-21 and 2021-22, the Revised Estimates exceeded the Original Budget, indicating additional expenditure requirements during the financial year. From 2022-23 onwards, the Revised Estimates remained below the Original Budget, suggesting overestimation at the initial budgeting stage or curtailment of expenditure during the year.

Actual Expenditure remained consistently lower than both the Original Budget and Revised Estimates throughout the period, despite some year-to-year fluctuations. This indicates recurring savings and under-utilisation of funds. The widening gap between budget estimates and actual expenditure points to deficiencies in budget forecasting and expenditure management, highlighting the need for more realistic budget formulation and strengthened financial control mechanisms.

2.2.1 Component/Services wise analysis of budgetary provisions and expenditure

Component wise analysis of the Budget and Expenditure for the FY 2024-25 is summarized in **Table 2.3**.

Table 2.3: Component Wise Budget and Expenditure for the year 2024-25

Component	Total Budget (₹ in crore)	Total Expenditure (₹ in crore)	Percentage of Total Budget ⁴	Percentage of Total Expenditure ⁵	Percentage of expenditure against the total Budget (6=3/2*100)
(1)	(2)	(3)	(4)	(5)	(6=3/2*100)
Committed Expenditure	53,742.00	48,129.14	34.06	41.58	89.56
UT Schemes	42,461.07	35,446.43	26.91	30.62	83.48
Central Share for CSS	9,674.81	5,894.36	6.13	5.09	60.92
UT Share for CSS	3,663.10	1,027.60	2.32	0.89	28.05
EAP - Externally Aided Projects	NA	NA	NA	NA	NA

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

High spending on Committed Expenditure leaves the Government with lesser flexibility for the development sector. As seen in Table 2.3 committed expenditure accounted for 41.58 *per cent* and 34.06 *per cent* of total expenditure and total budget of the UT Government respectively, thus exhausting the major portion of the UT's resources.

2.3 Budget marksmanship

Expenditure Composition Outturn

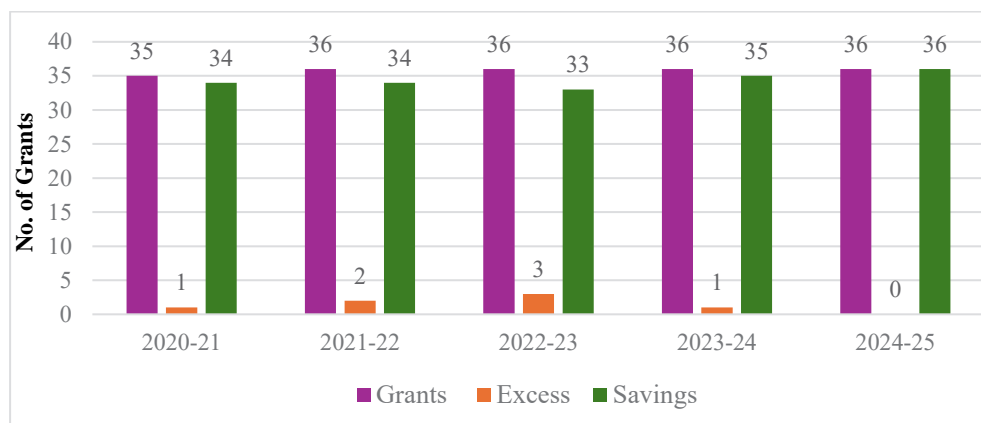
Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

⁴ ₹1,57,768.11 crore

⁵ ₹1,15,749.07 crore

A year-wise analysis of grants, excesses, and savings provides valuable insights into the efficiency of budget execution and financial management by the UT. It has been depicted in **Chart 2.2**.

Chart 2.2: Year-wise Grants, Excesses, and Savings



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.

During the period 2020-21 to 2024-25, savings were observed across 33 to 36 grants, whereas excesses were seen in 1 to 3 grants during the same period. Consistent excesses were seen in Grant No.8 during 2020-21 to 2023-24, whereas excess in Grant No.16 was found in 2021-22 and 2022-23 and excess in Grant No. 19 was observed in 2022-23.

The expenditure composition outturn for the FY 2024-25 is given in **Table 2.4**.

Table 2.4: Expenditure composition overall deviation FY 2024-25

Section	Overall Deviation (per cent)	Range of Deviation (per cent)	Number of Grants
Revenue (voted)	(-)12.00	0 to ± 25	31
	(-)35.66	± 25 to ± 50	4
	(-)88.92	± 50 to ± 100	1
Revenue (Charged)	(-)4.38	0 to ± 25	3
	NA	± 25 to ± 50	0
	(-)88.06	± 50 to ± 100	1
	NA	≥ 100	0
Capital (Voted)	(-) 19.89	0 to ± 25	4
	(-) 39.46	± 25 to ± 50	13
	(-) 69.49	± 50 to ± 100	19

Capital (Charged)	NA	0 to ± 25	0
	(-) 32.82	± 25 to ± 50	1
	NA	± 50 to ± 100	0

In case of 27 Grants, savings of ₹100 crore and above were noticed, with the percentage savings ranging between 10.83 *per cent* to 86.44 *per cent*. The savings in these cases were ₹41,655.47 crore. The above savings include huge savings of ₹100 crore and above by the departments under Capital section in 24 Grants amounting to ₹27,351.44 crore. Savings under the Capital section ranged between 22.17 *per cent* and 93.97 *per cent* during 2024-25. The savings under the Capital section indicate that the Government could not utilise the funds earmarked for developmental activities/creation of assets, reflecting deficiencies in project implementation, financial planning, and monitoring of capital expenditure.

2.4 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 Section 43 and 44 of the Jammu and Kashmir Reorganisation Act, 2019. These Accounts depict actual expenditure as against the original budget provision, supplementary grants, surrenders and re-appropriations distinctly on gross basis.

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 Section 41 of Jammu and Kashmir Reorganisation Act, 2019 is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

2.5 Budgetary and accounting process

2.5.1 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.

It was, however, observed that an expenditure of ₹373.51 crore (*Appendix 2.1*), was incurred in 10 cases (more than ₹ two crore in each case) under various components of two grants during the year 2024-25 without

having any provision in the original budget estimates/ supplementary demands and without issuing any re-appropriation orders to this effect.

2.5.2 Excess Expenditure and its 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. Although no time limit for regularisation of expenditure has been prescribed under the Section, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

A. Excess expenditure during current year

There was an excess disbursement of ₹602.85 crore over the authorisation made by the UT Legislature under one Appropriation during 2024-25 as indicated in **Table 2.5**.

Table 2.5: Excess expenditure during 2024-25 requiring regularisation

(₹ in crore)		
Grant No./ Appropriation	Grant/Appropriation details	Amount of excess expenditure required to be regularised
8	Finance Department (Revenue Charged)	602.85
Total		602.85

Source: Appropriation Accounts

Further, it was observed that provisioning through re-appropriation and incurring expenditure of ₹29.31 crore (**Appendix 2.2**) under heads for which no allocation exists in either the original or supplementary estimates constitutes a violation of the provisions contained in Para 14.2.2 of the Jammu and Kashmir Budget Manual and is inconsistent with the requirements of Section 44 of the Jammu and Kashmir Reorganisation Act, 2019.

No excess expenditure was incurred in the selected Grants (**13- Animal and Sheep Husbandry** and **32- Horticulture Department**) as a whole under each section. However, excess expenditure was incurred in five schemes (₹0.17 crore) under Grant No. 32. (**Appendix 2.17**)

In reply, it was stated (January 2026) that the excess payment is mainly due to direct debit on account of interest payments, as interest payment is charged expenditure and is payable at any time when the claim is raised by the lender agency.

B. Regularisation of excess expenditure of previous financial years

Excess disbursements pertaining to previous years pending regularization from UT Legislature are shown in **Table 2.6** below.

Table 2.6: Excess expenditure relating to previous years requiring regularisation

			(₹ in crore)
Year	Grant No./ Appropriation	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts
2019-20 (30 October 2019 to 31 March 2020)	8	Finance Department (Revenue Charged)	725.62
		Finance Department (Capital Charged)	3,096.11
	16	Public Works Department (Revenue Voted)	24.22
	27	Higher Education Department (Capital Voted)	29.66
2020-21	8	Finance Department (Capital Charged)	7,094.29
2021-22	8	Finance Department (Revenue Voted)	1,523.27
		Finance Department (Revenue Charged)	266.64
		Finance Department (Capital Charged)	154.97
	16	Public Works Department (Revenue Voted)	104.38
2022-23	8	Finance Department (Revenue Charged)	1,069.14
		Finance Department (Capital Charged)	1,346.04
	16	Public Works Department (Revenue Voted)	281.64
	19	Housing And Urban Development Department (Revenue Voted)	133.35
2023-24	8	Finance Department (Revenue Charged)	289.78
		Finance Department (Capital Charged)	3,468.66
	36	36-Co-operative Department (Revenue Voted)	2.40
		Total	19,610.17

Source: Appropriation Accounts

To strengthen the legislative oversight over the expenditure from Consolidated Fund of UT, these excess expenditures need to be regularized at the earliest and measures to contain recurrence of such excess may be taken by the UT Government.

C. 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 (1st April 2019 to 30th October 2019) pertaining to the erstwhile State of Jammu and Kashmir, as detailed in *Appendix 2.3*, 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.

2.5.2.1 Persistent excesses expenditure in certain Grants.

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.

Audit scrutiny revealed that in two cases under one grant, there was persistent excess expenditure of more than ₹10 crore in each case during the last five years as detailed in **Table 2.7**. The expenditure under both cases were incurred without any budgetary provision during 2020-25.

Table 2.7: Persistent excess expenditure during FYs 2020-21 to 2024-25

(₹ in crore)

Sl. No..	Description of Grant/Appropriation	2020-21	2021-22	2022-23	2023-24	2024-25
1.	Grant No.-08-Finance 2049-Interest Payments 04-Interest on loan and advances from Central Government 109-Interest on State Plan Loans consolidated in term of recommendation of the 12 th FC 99-General 1920-Other Consolidated Loans	0.00	0.00	0.00	0.00	0.00
	Grant	40.06	33.39	26.71	20.03	13.35
	Expenditure	40.06	33.39	26.71	20.03	13.35
	Excess	40.06	33.39	26.71	20.03	13.35
2.	Grant No.-08-Finance 6004- Loans and Advances from the Central Government 02- Loans for State / Union Territory Plan Schemes 105- State Plan Loans consolidated in terms of recommendations of 12th F.C. 1979-2004 99- General 1920- Other Consolidated Loans	0.00	0.00	0.00	0.00	0.00
	Grant	89.03	89.03	89.03	29.71	89.03
	Expenditure	89.03	89.03	89.03	29.71	89.03
	Excess	89.03	89.03	89.03	29.71	89.03

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 6004-Loans and Advances from the Central Government in Capital (*Charged*). 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.

2.5.3 Supplementary Grants rendered non-essential

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 to cater to the requirements in excess of the original provisions.

It was noticed that the total supplementary provisions of ₹526.86 crore (*Appendix 2.4*) were made in nine instances (more than ₹ two crore in each case), the expenditure did not come up to original provisions during the year 2024-25. Similarly, supplementary provisions of ₹5,714.45 crore in six cases (more than ₹ two crore in each case) proved non-essential (*Appendix 2.5*) as full amount of supplementary provisions could not be utilized.

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

In the selected **Grant No.32-Horticulture Department**, it was observed that supplementary provision of ₹3.01 crore (Revenue Voted) during the year 2024-25 proved unnecessary as the expenditure of ₹194.01 crore did not come up even to the level of original provision of ₹217.96 crore.

2.5.4 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation to another unit where additional funds are needed. During 2024-25, re-appropriation orders under 32 Grants amounting to ₹976.66 crore were issued. This included post facto sanctions of ₹515.73 crore under 29 Grants issued on 20.06.2025.

In 4 schemes under the selected two grants, reduction of provision exceeding ₹ two crore through re-appropriation orders effected by various departments proved injudicious as there was excess expenditure under these cases as detailed below:

S.No	Number/ Name of Grant and Head of Accounts	Original Grant	Supple- mentary Grant	Re- appropri- ation	Total	Expendi- ture	Savings (-)/ Excess (+)
1	Grant No.12-Agriculture Department						
	2401-001-0099-0039	288.11	10.62	27.34	271.40	271.40	0.0002
	2401-001-0099-6062	8.00	0.00	4.77	3.23	3.41	0.18
	2406-02-112-0099-1136	72.22	2.02	2.26	71.98	71.98	0.0011
2	Grant No.32-Horticulture Department						
	4401-119-0011-6062	213.89	0.00	141.38	72.51	72.51	0.0031

Further, in 47 schemes in 22 grants (*Appendix 2.6*), reduction of provision exceeding ₹two crore through re-appropriation orders effected by various departments proved injudicious as there was excess expenditure under these cases. In four schemes under three grants, (*Appendix 2.6*) supplementary provision also proved unnecessary because expenditure did not come up to the level of original/supplementary budget provision.

2.5.5 Unspent amount and surrendered appropriation and/or Large Savings/Surrenders

Budget proposals should strive to optimize all foreseeable expenditure to appropriate spending levels to balance the quality of expenditure and reduce underutilization of budgeted funds. Timely surrenders by the spending units are an important mechanism for optimal reallocation within the approved budget.

The analysis of grants and appropriations showed that in five cases (under two grants) during the year 2024-25, the savings (excluding surrenders) exceeded ₹ 100 crore in each case (*Appendix 2.7*). It was further noticed that in one grant, no expenditure vis-à-vis total grant amounting to ₹four crore as given in **Table 2.8** was incurred during the year 2024-25.

Table 2.8: Entire grant remaining unutilised during the financial year 2024-25

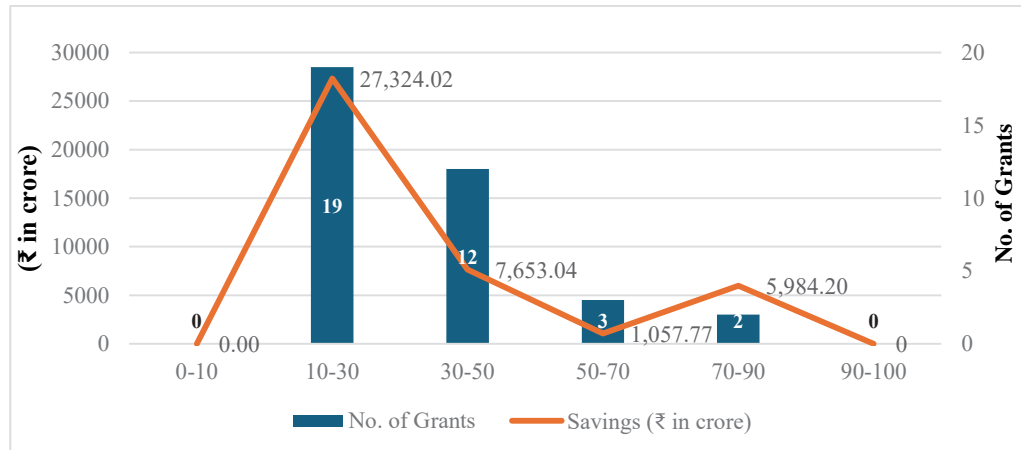
(₹ in crore)		
Sl. No.	Number and Name of grant	Amount
1	09-Parliamentary Affairs Department (Capital – Voted)	4.00
Total		4.00

Source: Appropriation Accounts 2024-25

Further, it was also observed that in 31 cases under 24 grants, there was persistent saving exceeding ₹100 crore in each case (*Appendix 2.8*) during 2022-23 to 2024-25.

Detail of grants grouped by the percentage of utilisation along with total savings during 2024-25 has been shown in *Appendix 2.9* and *Chart 2.3*.

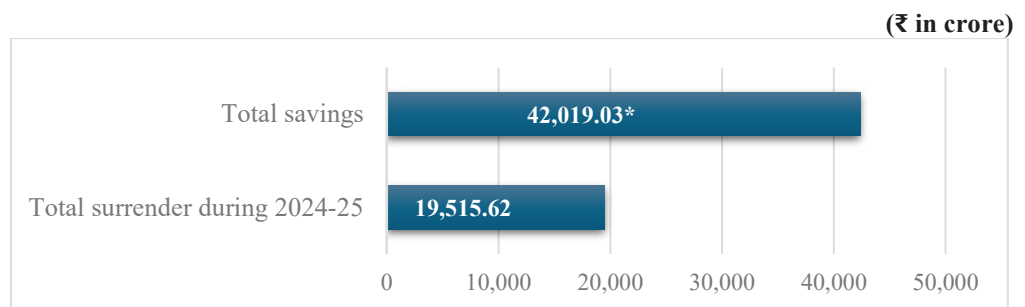
Chart 2.3: The distribution of the number of Grants/Appropriations grouped by the percentage of Savings along with total savings



Source: Appropriation Accounts 2024-25

It was noticed that savings under 19 voted and three charged sections amounting to ₹23,776.65 crore (*Appendix 2.10*) were not surrendered at all.

Chart 2.4: Savings and surrenders for the year 2024-25



Source: Appropriation Accounts 2024-25

*Savings (₹42,621.88 crore)- Excess Expenditure (₹602.85 crore)

Analysis of Chart 2.4 revealed that only 46.44 per cent of the savings were surrendered. Further, surrenders in respect of 18 voted and one charged section amounting to ₹670.40 crore, exceeded the amount of savings (*Appendix 2.11*). This included surrender of ₹216.08 crore under Capital voted section of Grant No.14(Revenue Department) with Budget provision of ₹43 crore.

On being pointed out it was replied (January 2026) that the practice of issuing surrender orders was started this year and the possibility of error cannot be ruled out.

Non- Surrender of Savings

(₹ in crores)

Grant No.	Year	Savings / percentage (%)		Surrendered	
		Revenue (V)	Capital (V)	Revenue (V)	Capital (V)
13	2022-23	87.30 (13%)	133.05 (55%)	0	0
	2023-24	57.00 (9%)	349.23 (73%)	0	0
	2024-25	62.60 (8.6%)	184.40 (37.67%)	62.59 (99.98%)	184.40 (100%)
32	2022-23	48.12 (25%)	338.20 (75%)	0	0
	2023-24	11.40 (7%)	417.53 (73%)	0	0
	2024-25	26.96 (12%)	209.03 (49%)	26.93 (99.89%)	209.03 (100%)

Source: Appropriation Accounts for respective years

In the selected Grants, above table shows that no savings were anticipated and surrendered during the years 2022-23 & 2023-24 despite having large savings. However, both departments have surrendered almost all the savings during 2024-25.

Entire provision (100 per cent) remained unutilized/surrendered against Budget Estimates.

During audit of selected grants, it was observed that entire budget provision remained unutilized in the capital section against Budget estimates (100 per cent) during the year 2024-25 indicating non-implementation of the important schemes as detailed below:

(₹ in crore)

S No	Name of the Work/ Work-code	Release
Grant No. 13 – Animal/ Sheep Husbandry Department		
1	Construction of Sheep Extension Centre at Rathsun Beerwah Budgam	0.016
2	Construction of District Veterinary Hospital at DSHO Budgam	0.032
3	Land Compensation for Construction of Veterinary Dispensary at Ransoo Reasi (Non-Snow Bound)	0.005
4	Fencing of Land at Lam Rajouri	0.44
5	Construction of Veterinary Dispensary Bagdhar Lup Code 2242	0.03

S No	Name of the Work/ Work-code	Release
6	Purchase of Ambulances	0.28
7	Construction of Boundary Wall For Subunit Veterinary Hospital at Banihal Ramban	0.01
8	Construction of Quarantine Shed at Balol Nallah Bari Brahmana	0.11
9	Purchase And Tractor and Accessories Like Trolley etc.	0.12
	Total	1.043
Grant No. 32 – Horticulture Department		
10	Establishment of Basmati cluster	6.00
11	Establishment of vegetable cluster	6.00
12	Establishment of walnut cluster	6.00
13	Establishment of milk cluster	6.00
14	Establishment of meat and poultry cluster	6.00
15	Establishment of cherry cluster	3.00
16	Establishment of trout cluster	1.50
	Total	34.50

(Source: Empowerment Portal- <https://janbhagidari.jk.gov.in/JK BEAMS>)

In reply, the Horticulture Department stated that tendering process could not be completed as no implementing agency was finalized during the year. The reply is not tenable as intended project/activities could not be implemented, and the allocated funds remained unutilized. This indicates inadequate planning and weak execution of procurement processes, leading to non-achievement of the intended objectives.

Besides, Persistent savings under one Major head in three Detailed Heads under Grant No. 32 was observed during the period from 2022-23 to 2024-25. This indicated non-achievement of the projected financial outlays in the respective years and needs to be clarified.

(₹ in crore)

S.No.	Head of Account	2022-23	2023-24	2024-25
1.	2401-119-0099-0244-054 Furniture and Furnishings	0.39	0.25	0.10
2.	2401-119-0099-0244-003 LTC	1.03	0.80	0.06
3.	2401-119-0099-2088-046 Purchase of vehicle	0.25	0.35	0.22

2.5.6 Misclassification between Revenue Expenditure and Capital Expenditure

As per rule 30 of Government Accounting Rules, 1990, expenditure that only results in the creation of concrete, material, and permanent assets should be classified in capital expenditure.

During the financial year 2024-25, the UT Government had booked ₹12,060.06 crore as Capital Expenditure. Audit examined related expenditure vouchers and noticed that ₹636.24 crore (*Appendix 2.12*) of expenditure of Revenue nature had been booked under Capital Expenditure. Out of this amount, ₹82.00 crore was expenditure towards Subsidy, Grants-in-Aid and Assistance to local bodies, etc. An amount of ₹554.24 crore⁶ had been expended for creation of assets of entities (SPSUs) other than the Government of UT of J&K. In accordance with note below Rule 30(1) of GAR 1990, this amount is to be classified as Revenue Expenditure, instead of Capital Expenditure.

In reply, it was stated (January 2026) that the expenditure on account of SPSUs is being incurred as Government support to these SPSUs to become self-reliant. The Capital expenditure on these SPSUs shall be considered by the Government as equity at appropriate time.

The reply is not tenable, as the expenditure could be considered as capital only when it is converted as equity.

Thus, there was a misclassification of ₹636.24 crore, which resulted in overstatement of Revenue Surplus to that extent. The resulting Capital Expenditure, after Audit, for FY 2024-25, was ₹11,423.82 crore.

During audit of vouchers of selected **Grant 13 -Animal/ Sheep Husbandry Department** it was observed that expenditure to the tune of ₹6.80 crore has been incurred by the department on account of payment of various types of **subsidies** to beneficiaries under Holistic Agriculture Development Programme (HADP) scheme by booking to capital head of account 13-4403-00-101-0011-6062-115(works) instead of revenue head.

Similarly, in **Grant No- 32-Horticulture Department** it was observed that an expenditure of ₹1.92 crore was incurred by the department on account of payment of various types of **subsidies** to the beneficiaries under HADP and CAPEX schemes instead of revenue head.

Further, during 2024-25 a provision of ₹21.75 crore had been kept under 32-4401-119-0011-0281 (HPMC)-115 Works, out of which an expenditure of ₹12.46 crore had been incurred by HPMC for creation of its assets. HPMC being a Government Company, assets created by it cannot be claimed as assets of the Government hence the provision for such works should have been kept under Revenue instead of capital.

2.5.7 Major policy pronouncements in budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the Government are wholly or partially not executed due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction, non-release of budget, etc. It was observed that under eight new schemes, there was outlay of ₹69.12 crore, but no expenditure was incurred resulting in non-implementation of schemes as shown in *Appendix 2.13*.

Further, under 123 schemes, there was approved outlay of ₹5,285.41 crore which was fully surrendered/re-appropriated/ un-utilized as shown in *Appendix 2.14*.

2.5.8 Non-adherence to the Quarterly Expenditure Limit

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.

Table 2.9: Rush of Expenditure during FY 2024-25

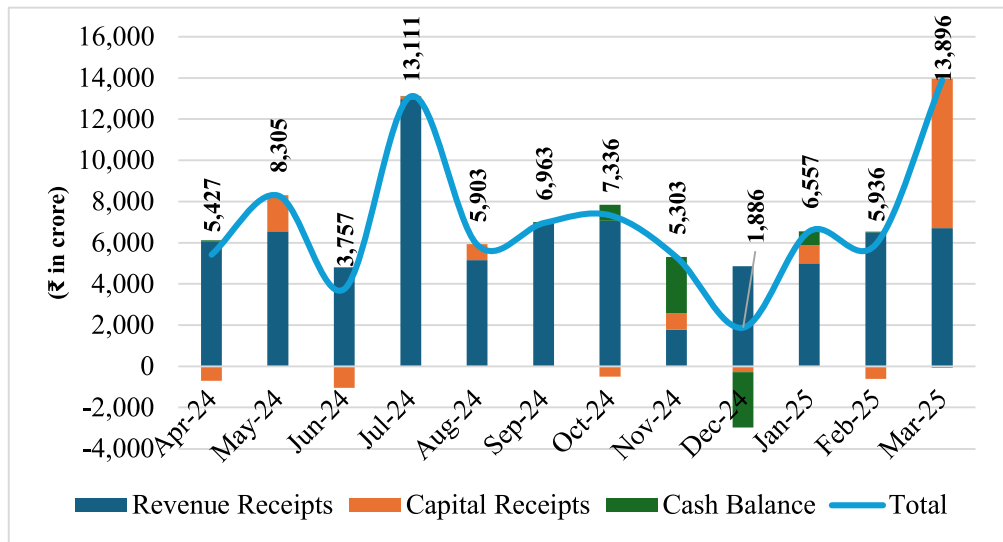
	Amount (₹ in crore)	Percentage of Total Expenditure in the year
Last Quarter of the year (Jan to Mar-2025)	55,807.01	48.76
Last month of the year (Mar-25)	17,571.70	15.35

Source: Office of the Pr. Accountant General (A&E), J&K (amount excluding recoveries)

During 2024-25, 48.76 per cent of the total expenditure was incurred in last quarter of the year and 15.35 per cent in the last month of the year.

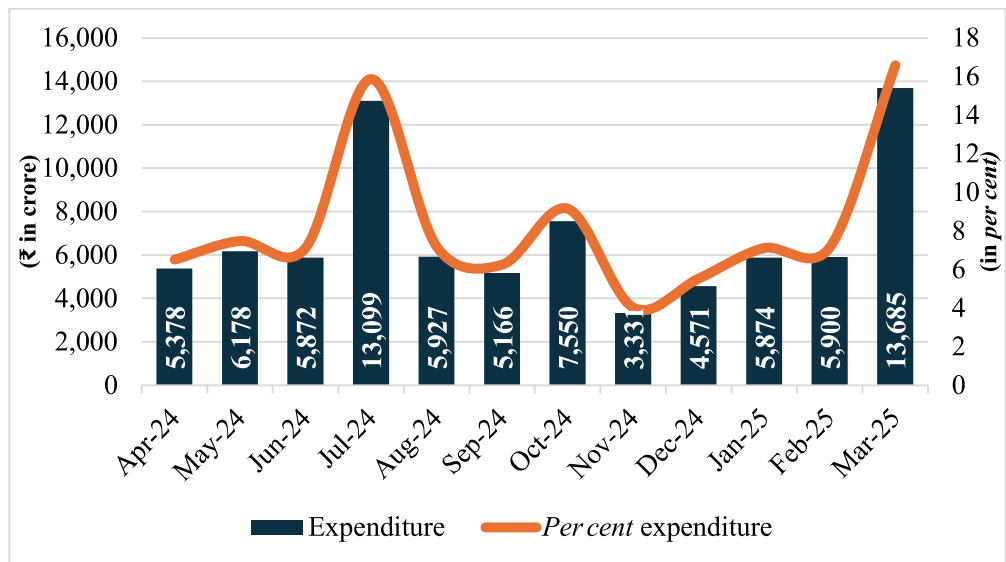
Trend of total Monthly receipts (Revenue Receipts, Capital Receipts and cash balance) and expenditure during financial year 2024-25 is shown in **Chart 2.5** and **Chart 2.6**.

Chart 2.5: Trend analysis of receipts (Month wise)



Source: Monthly Key Indicators, Office of the Pr. Accountant General (A&E), J&K

Chart 2.6: Trend analysis of expenditure (Month wise)



Source: Monthly Key Indicators, Office of the Pr. Accountant General (A&E), J&K

The monthly expenditure (Revenue Expenditure and Capital Expenditure) trend depicted in the chart indicates a pronounced skewness towards the last quarter of the financial year, particularly in March.

Further, entire expenditure of ₹18.84 crore in 15 sub-heads was incurred in the month of March 2025 alone (*Appendix 2.15*).

Maintaining a steady pace of expenditure is a crucial component of sound public financial management as it prevents fiscal imbalances and temporary cash crunches. In order to check rush of expenditure at the close of the financial year, UT Government (Aug 2024) has prescribed that expenditure should not exceed 30 per cent in last quarter and 15 per cent during last month of the financial year. The quarterly details of expenditures incurred across all Grants

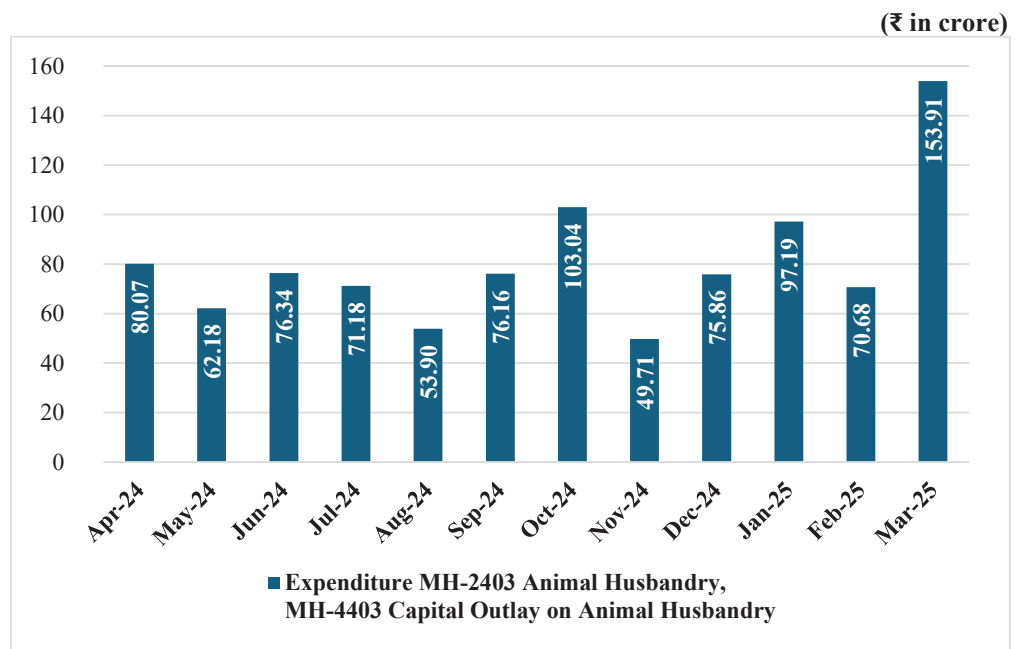
are shown in the **Appendix 2.16**. 23 out of 36 Departments incurred more than 30 *per cent* of their expenditure in last quarter and 20 departments incurred more than 15 *per cent* of their expenditure in March 2025.

This pattern indicates non-adherence to the prescribed financial discipline and reflects deficiencies in expenditure planning and monitoring, thereby defeating the objective of achieving an even flow of expenditure during the year.

Selected Grant-wise rush of expenditure analysis

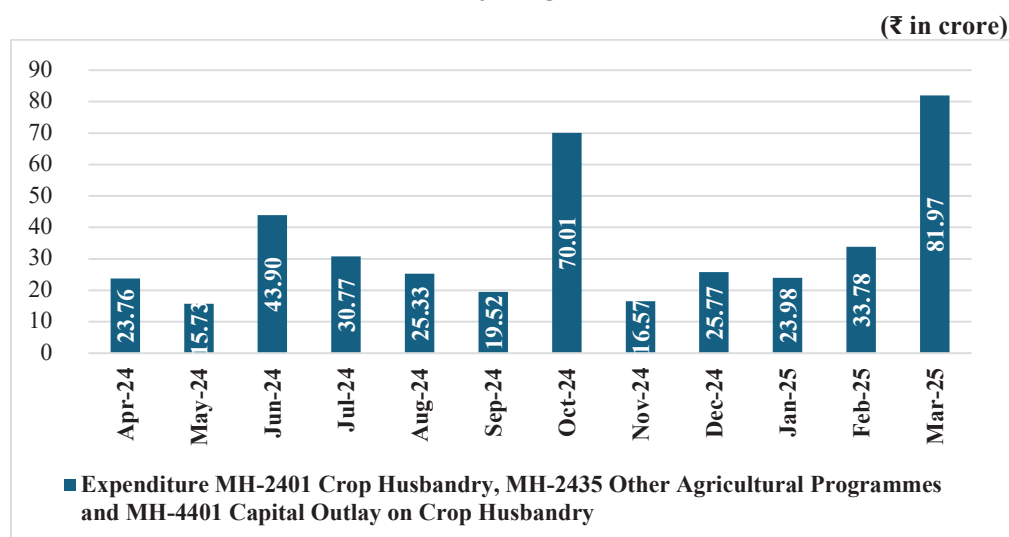
In selected grants, position regarding rush of expenditure was same as the overall position of the UT. Department of Animal/Sheep Husbandry has incurred 33.16 *per cent* of its expenditure during last quarter and 15.87 *per cent* during the month of March 2025. Horticulture Department has incurred 33.98 *per cent* of its expenditure during last quarter and 19.94 *per cent* during the month of March 2025.

Chart 2.7: Month wise expenditure under Animal/Sheep Husbandry Department during 2024-25



Source: VLC data, Office of the Pr. Accountant General (A&E), J&K

Chart 2.8: Month wise expenditure under Horticulture Department during 2024-25



Source: VLC data, Office of the Pr. Accountant General (A&E), J&K

2.6 Single Nodal Agency

Ministry of Finance, Government of India, mandated (March 2021) release of funds under each Centrally Sponsored Scheme (CSS) through a Single Nodal Agency (SNA) for each CSS and monitoring their utilisation. Each SNA must have a dedicated bank account in an authorised Scheduled Commercial Bank. The UT Government is required to transfer the Central Share received to the concerned SNA's account, along with the corresponding UT share.

Audit analysed the Voucher Level Computerisation (VLC) data and SNA PFMS report and found that there was discrepancy in data of Central and UT share transfer to SNA accounts, as shown in **Table 2.10**.

Table 2.10: Discrepancies in Central and UT share transfer

(₹ in crore)

Source of Data	Central share received	Central share transferred	UT share transferred	Less amount released by UT (-ve denotes excess)
VLC	7,206.16	5,894.36	1,027.60	1,311.80
SNA PFMS Report	5,406.99	5,514.56	909.52	-107.57
Difference Amount	1,799.17	379.80	118.08	1,419.37

Source: Notes to Finance Accounts

Reconciliation needs to be conducted to clear variation between two figures.

2.7 Other issues noticed in Detailed Review of selected grants

Grant No-13 Animal and Sheep Husbandry- Excess releases of Funds by the Administrative Department

It was observed that excess release of funds by the Administrative Department to the DDO's against the releases received from the Finance department (9 per cent) under Capital Section.

(₹ in crore)

Year	BE for the FY 2024-25	Funds Released by Finance	Releases by Administrative Secretary	Received by DDO's	Excess per cent
2024-25	406.58	281.28	306.81	306.81	9

Source- BEAMS Data

Reasons for excess release of funds by the Administrative Department to subordinate offices against the releases received from the Finance department is still awaited from the department.

2.8 Conclusion

The review of budgetary management of the Union Territory during 2024–25 revealed significant deficiencies in financial planning, execution, and control. The overall budget utilization was substantially below the sanctioned provisions, while instances of expenditure without budgetary authorization and excess spending requiring regularization reflected weak legislative and administrative oversight. Injudicious re-appropriations and persistent, large-scale savings across several grants indicated unrealistic budget estimates and inefficiencies in project implementation, particularly in the Capital section. Instances of misclassification of expenditure further distorted the financial position, while supplementary provisions that remained unutilized pointed to poor forecasting and weak fund management practices. The occurrence of a rush of expenditure in March 2025 demonstrated inadequate expenditure control, and the high proportion of committed expenditure constrained fiscal flexibility.

Overall, these shortcomings highlight the need for stronger financial discipline, realistic budgeting, and improved monitoring mechanisms to ensure more effective, transparent and accountable utilization of public resources.

2.9 Good Practices

The UT Government, as part of its efforts to strengthen budgetary practices, has initiated the practice of surrendering anticipated savings in advance, enabling the effective reallocation and utilization of unspent funds.

2.10 Recommendations

- 1. The Government should strengthen budget planning and monitoring by making 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 critically review the persistent savings and misclassification of expenditure.*
- 4. Government may consider strengthening of financial monitoring to avoid rush of expenditure at the fag end of the year.*

Chapter-III
Financial Reporting Practices

Chapter-III: Financial Reporting Practices

This chapter provides broad based perspective of quality of the UT Government Accounts rendered by various authorities of the UT Government and status of compliance with prescribed financial rules, procedures and directives.

Compliance with financial rules, procedures and directives as well as the completeness, timeliness and quality of reporting on the status of such compliance enhances relevance and reliability of the information presented in the financial reports.

Issues related to completeness of accounts

3.1 Off budget borrowings through UT owned PSUs/Authorities

Article 293(3) of the Constitution of India mandates consent of Government of India for a State Government's borrowing if it has any outstanding loans or guarantees from the Government of India.

Bypassing the above stipulated net borrowing ceiling by routing loans outside budget through various State Government Public Sector Undertaking (SPSUs)/Corporations/ other Bodies despite the UT being responsible for repayment of such loans poses significant risk to fiscal health and transparency in the Government finances.

The Jammu and Kashmir Fiscal Responsibility and Budget Management (FRBM) Act, 2006 outlined that the Government shall take suitable measures to ensure greater transparency in its fiscal operations in public interest by disclosing the actual liabilities arising out of Off Budget Borrowings by PSUs, Special Purpose Vehicles and other equivalent instruments where liability for repayment is on the Government allocations. Further, the Jammu and Kashmir Fiscal Responsibility and Budget Management Rules, 2008 provided that the 'Medium Term Fiscal Restructuring Policy (MTFRP) Statement' laid before the Legislature along with Budget documents shall contain the three- year rolling targets with respect to Revenue Deficit, Fiscal Deficit and total outstanding liabilities¹ of the Government.

For the year 2024-25, debt stock was targeted as three *per cent* of GSDP under Budget. Besides, the GoI had fixed borrowing ceiling of ₹9,765.58 crore (3.72 *per cent* of GSDP) for the UT during 2024-25.

¹ As defined in the J&K FRBM Act 2006, liabilities under the Consolidated Fund of the State and the Public Account of the State and includes borrowings by the Public Sector Undertakings and the special purpose vehicles and other equivalent instruments including guarantees where the principal and /or interest are to be serviced out of the budget.

Government does not provide details of off budget borrowings in its budget. Further, as per information furnished by the UT Government, the outstanding off budget borrowing is detailed in **Table 3.1**.

Table 3.1: Details of off-budget borrowings as on 31 March 2025 as disclosed by the UT Government

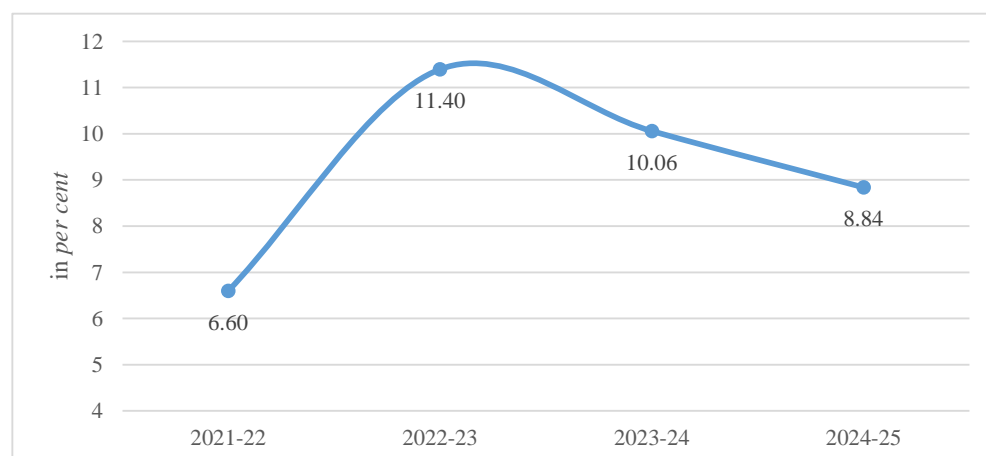
				(₹ in crore)
Entities borrowed on behalf of Government	Loan Sanctioned	Loan disbursed	Purpose of loan	Outstanding loan as on 31 March 2025
JKPCL	11,024.47	10,321.83	Liquidity Infusion Scheme (LIS)	8,746.91
JKPCL	14,164.26	13,214	Late Payment Surcharge (LPS)	13,214
JKIDFC	2,500	2,500	For funding projects which were pending over a decade for want of financial support	1,172.28
Total				23,133.19

Source: Budget Documents/information provided by the UT Finance Department
JKPCL- Jammu and Kashmir Power Corporation Ltd, JKIDFC- Jammu Kashmir Infrastructure Development Finance Corporation.

There are off-budget borrowings amounting to ₹23,133.19 crore outstanding against SPSUs JKPCL, JKIDFC as depicted in Table 3.1. Apart from above off-budget borrowing there are off-budget borrowings on account of Rajiv Gandhi Grameen Vidyutikaran Yojana RGGVY (₹5.51 crore) and Deen Dayal Upadhyaya Gram Jyoti Yojana DDUGJY (₹4.23 crore) outstanding ending March 2025. Besides, Government of Jammu and Kashmir has also decided to take over the borrowing of Jammu and Kashmir Cement Ltd which was ₹43.53 crore ending March 2024 and has increased to ₹54.16 crore ending March 2025.

Total outstanding off-budget borrowings amounts to ₹23,197.09 crore ending March 2025. Percentage off-budget borrowing to GSDP during 2020-25 is depicted in **Chart 3.1**.

Chart 3.1: Outstanding Off-Budget Borrowings as a percentage of GSDP during 2020-25



The outstanding off-Budget Borrowings of ₹23,197.09² crore as on 31st March 2025 were not accounted for in the overall outstanding debt/liabilities of the UT. However, the repayment of off-Budget Borrowings of ₹3,451.84 crore has been made from the Internal debt of the Government, resulting not only in the adverse balances under certain debt heads but also an understatement of the overall outstanding debt/liabilities of the UT by ₹26,648.93³ crore at the end of the year 2024-25.

In reply, it was stated (January 2026) that the above off-budget borrowings of SPSUs are being repaid out of budget as the condition of SPSUs is far from self-reliant. In case of allotment of funds to SPSUs for repayment of borrowing, the possibility of mis-utilisation of funds by the cash starved SPSUs cannot be ruled out.

3.2 Undischarged liabilities of the Government

Undischarged liabilities, such as non-transfer of collected cess to designated bodies or short remittances to the National Pension System (NPS), etc. can have significant long-term fiscal and governance implications. These unpaid obligations accumulate over time, creating hidden liabilities that distort the true financial position of the UT. Further, delays in cess transfer hinder the intended development or welfare outcomes, defeating the purpose for which such levies were imposed. Similarly, short transfers to NPS not only violate statutory commitments but also compromise the financial security of employees. Over the years, such practices can erode trust, trigger legal liabilities and increase future expenditure obligations, thereby constraining fiscal space and weakening fiscal sustainability. Such cases are discussed in succeeding paragraphs.

3.2.1 Undischarged Interest liability

The Government has a liability to provide and pay interest on the amounts in the Interest-bearing Deposits/Reserve Funds.

Audit observed that ₹45.32 crore was required to be paid as interest on the balance of ₹1,303.69 crore lying under interest bearing Deposits/Reserve Funds as on 1st April 2024 as shown in **Table 3.2**.

² JKPCL: ₹8,746.91 crore (LIS), ₹13,214(LPS); JKIDFC:1,172.28; RGGVY: ₹5.51 crore; DDUGJY: ₹ 4.23 crore; J&K Cement Ltd: ₹54.16 crore

³ Repayments of off-budget borrowings made from Internal debt: ₹3,451.84 crore and off-budget borrowings not included in the Debt: ₹23,197.09 crore.

Table 3.2: Details of interest liability not discharged in respect of Interest-bearing Deposits/Reserve Funds

(₹ in crore)

Sl. No.	Name/Head of the interest-bearing deposit	Opening Balance as on 1 April 2024	Basis for calculation of interest*	Amount of interest not provisioned
1.	State Compensatory Afforestation Fund-MH-8121	804.56	As per circulars issued by the Ministry of Environment, Forest & Climate Change (@3.35 per cent p.a.)	28.63
2.	State Compensatory Afforestation Deposit-MH-8336	499.13		16.69
Total		1,303.69		45.32

Source: Finance Accounts 2024-25

* Interest due has been computed on the basis of the progressive balance at the end of each month.

3.2.2 Short contribution in National Pension System

Government employees recruited on or after 01st January 2010 are covered under the National Pension System (NPS), which is a Defined Contribution Pension Scheme (DCPS). In terms of the scheme, the employee has to contribute 10 per cent of his / her monthly pay and the Union Territory Government have to make a contribution at the rate of 14 per cent. The entire amount has to be transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank.

During the year 2024-25, total contribution to the NPS was ₹2,296.73 crore (Employees' contribution ₹843.08 crore and Government's contribution ₹1,180.31 crore). In addition to this, an amount of ₹273.34 crore was remitted in cash directly to MH-8342. The Government transferred ₹2,296.73 crore to the Public Account under Major Head 8342-117 Defined Contribution Pension Scheme- Out of the total amount transferred / deposited in the Public Account in the financial year, ₹396.22 crore remained in the Public Account and was not transferred to the NSDL. The cash balance of the Government was overstated by this amount.

Between 2011-25, total receipts under DCPS were ₹12,691.89 crore (employee: ₹5,882.01 crore, employer: ₹6,809.88 crore), while only ₹12,242 crore was transferred to the pension fund, resulting in a cumulative short transfer of ₹449.89⁴ crore. The details of the receipts from employees' share, Government's contribution and investment in pension funds are given in *Appendix 3.1*. Delays in contributions and fund transfers are adversely affecting returns to employees and creating a deferred liability.

Besides, balance of ₹53.67 crore on account of short transfer to NSDL of the erstwhile State of J&K is still lying in the public account.

⁴ Includes ₹53.67 crore of the erstwhile State of J&K.

3.2.3 State Mineral Exploration Trust/State Mineral Development Fund

The Ministry of Mines, Government of India, vide its letter dated 19th November 2024, advised all State Governments to establish a State Mineral Exploration Trust (SMET)/ State Mineral Development Fund (SMDF) on the lines of the National Mineral Exploration Trust (NMET), as mandated under clause (g) of sub-section (A) of Section 15 of the Mines and Minerals (Development and Regulation) Act, 1957 to give impetus to exploration, research and innovation activities for minor minerals.

Accordingly, the Government of UT of Jammu and Kashmir is yet to establish SMET under the Public Account/Bank Account for financing exploration activities related to minor minerals.

3.2.4 Pendency of refund cases

Promptness in disposal of refund cases is an important indicator of performance of the Department concerned.

The details of refund cases of taxes of UT during the year 2024-25, as reported by the departments concerned is shown in **Table 3.3**.

Table 3.3: Details of refund cases

Sl. No.	Particulars	GST		Sales Tax/VAT		State Excise	
		No. of cases	Amount (₹ in crore)	No. of cases	Amount (₹ in crore)	No. of cases	Amount (₹ in crore)
1.	Claims outstanding at the beginning of the year	656	40.05	6	3.36	95	3.86
2.	Claims received during the year	844	73.75	25	2.76	28	2.88
3.	Refunds made during the year	495	35.16	28	2.95	25	2.53
4.	Refunds rejected during the year	150	16.38	0	0	2	0.05
5.	Balance outstanding at the end of year	855	62.26	3	3.17	96	4.17

Source: Departmental information

Settlement of refund cases under GST and State Excise progressed at a slower pace than the receipt of new claims, leading to an increase in outstanding refund claims at the end of the year.

3.3 Funds outside Government Accounts

3.3.1 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.

As per Section 3(1) of the Building and Other Construction Workers Welfare Cess Act, 1996, and in line with Government of India rules/resolution, labour cess was to be collected at the rate of one *per cent* of the cost of construction incurred by employers/builders, excluding the cost of land and any compensation payable under the Workmen Compensation Act, 1923. All Departments, Boards, Autonomous Bodies, and Local Authorities were directed to collect this cess on all construction activities, including from individuals with approved residential building plans costing ₹10 lakh or more, and deposit the same with Jammu and Kashmir Building and Other Construction Workers' Welfare Board. During 2024-25, opening balance with the Board on account of labour cess was ₹778.84 crore. The receipts during the year were ₹435.76 crore and disbursements were ₹171.17 crore. The closing balance of labour cess as on 31st March 2025 was ₹1,043.43 crore⁵. The Cess is kept outside the Government Accounts in the Government of Union Territory of Jammu and Kashmir.

3.3.2 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

⁵ Figures are provisional as accounts/balance sheet of the Board is yet to be finalised (July 2025).

the State Government. The 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 11th 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 Committee⁶. 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)⁷, 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 ₹62.81 crore⁸ under DMF Fund by all Trusts upto the end of 2024-25, an expenditure of ₹10.29 crore had been incurred during 2024-25. A balance of ₹52.52 crore under DMF Fund was lying in bank accounts of 20⁹ District Mineral Foundation Trusts as on 31st March 2025. This amount remained out of Government Account. However, as per Government of India, Ministry of Mines order dated 12th 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.

3.3.3 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

⁶ 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.

⁷ S.O 69 dated 08th February 2023

⁸ Includes Opening balance of ₹36.18 crore, receipts including interest ₹26.63 crore

⁹ Jammu, Kathua, Samba, Reasi, Udhampur, Ramban, Doda, Kishtwar, Rajouri, Poonch, Srinagar, Anantnag, Kulgam, Ganderbal, Pulwama, Bandipura, Baramulla, Shopian, Budgam and Kupwara.

and Management) Act, 2010 amended on 25th October 2012 and 27th 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/UT and purchase of power. As on 31st March 2025, an amount of ₹0.21 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 amount lying in the savings account on account of water usage charges and interest thereupon needs to be credited to Government account.

3.3.4 Social Responsibility Corpus fund

In terms of Government Order 50-F of 2016 dated 23rd 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 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 ₹16.20 crore in the bank account as on 01st April 2024. An amount of ₹2.54 crore was received during 2024-25 on account of contribution of license holders (₹1.69 crore), Government (₹0.36 crore) and interest (₹0.49 crore) from the bank. After incurring expenditure of ₹0.87 crore, there was a closing balance of ₹17.87 crore in the account as on 31st March 2025. The amount lying in the savings bank account was outside the Government account and thus remained outside the Legislative oversight.

Issues related to transparency

3.4 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.

During the year 2024-25, UCs amounting to ₹3,223.07 crore became due for submission (grant-in-aid bills drawn up to 09/2023) to the UT Government. In addition to that, UCs amounting to ₹5,231.09 crore were outstanding at the beginning of the year. During the year, outstanding UCs amounting to ₹4,349.08 crore were cleared, leaving outstanding 1,395 number of UCs amounting to ₹ 4,105.08 crore as on 31st March 2025. Further, 1,681 number of UCs amounting to ₹ 3,434.42 crore pertaining to erstwhile State of J&K were outstanding as on 31st March 2025 as given in **Table 3.4**.

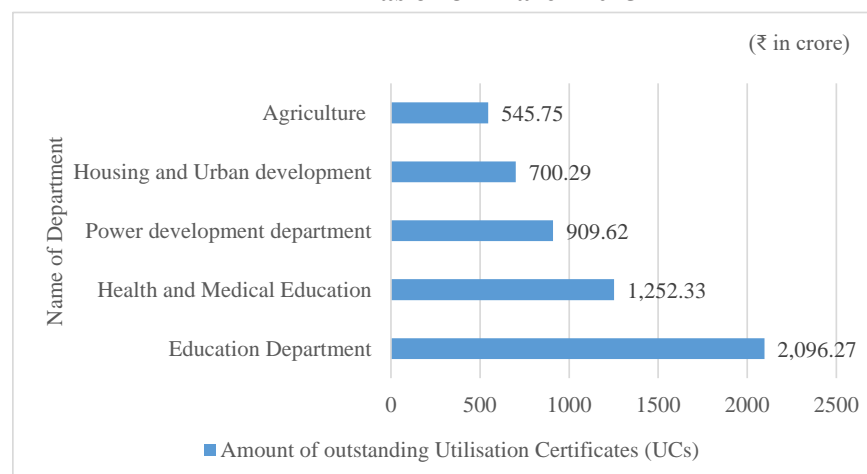
Table 3.4: Age-wise pendency of Utilisation Certificates

UC due year*	Number of pending UCs	Amount (₹ in crore)
Prior to 2019-20	17	6.10
2019-20	22	1.71
2020-21	297	11.72
2021-22	1,681	3,575.28
2022-23	449	1,376.66
2023-24	334	1,075.50
2024-25	276	1,492.52
Total	3,076	7,539.49

Source: Finance Accounts 2024-25 and Office of the Accountant General (A&E), J&K.

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

Chart 3.2: Outstanding UCs in respect of five major Departments as on 31 March 2025



Source: Office of the Accountant General (A&E)

Since non-submission of UCs is fraught with the risk of misutilisation, it is imperative that the Government should monitor this aspect closely and hold the persons concerned accountable for submission of UCs in a timely manner.

3.5 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 details of AC bills, pending adjustment, as on 31st March 2025 is given in **Table 3.5**.

Table 3.5: Age-wise pending adjustment of AC bills

(₹ in crore)		
Due Year	No. of AC bills	Amount
Up to 2018-19	1,636	3,315.93
2019-20	140	1,441.49
2020-21	188	2,661.21
2021-22	522	3,302.85
2022-23	201	1,737.49
2023-24	251	2,163.04
2024-25	130	985.2
Total	3,068	15,607.21

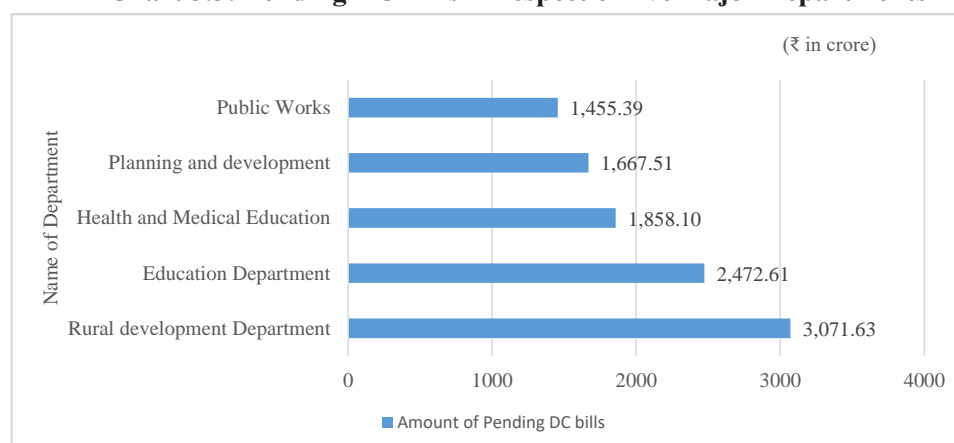
Source: Finance Accounts 2024-24 and Office of the Accountant General (A&E) Jammu and Kashmir

As against 3,451 AC bills amounting to ₹25,127.97 crore outstanding as on 31st March 2024, there were 3,068 AC bills amounting to ₹15,607.21 crore outstanding as on 31st March 2025.

The outstanding AC bills as on 31st March 2025 included 1,748 AC bills amounting to ₹4,716.03 crore drawn prior to 30th October 2019 by the Government of erstwhile State of Jammu and Kashmir and 1,320 AC bills amounting to ₹10,891.18 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.

It was observed that out of 94 AC bills drawn during 2024-25, 24 AC bills amounting to ₹73.01 crore (11.25 per cent) were drawn in March 2025, out of which no AC bills were adjusted up to 31st March 2025.

Chart 3.3: Pending DC Bills in respect of five major Departments

Source: Office of the Accountant General (A&E)

Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills. Further, to the extent of non-receipt of DC bills, the expenditure incurred cannot be asserted as correct or final.

3.6 Operation 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 2024-25, ₹1,941.43 crore under 30 Major Heads of account, constituting 2.35 per cent of the total Revenue and Capital expenditure (₹82,532.19 crore) was classified under the Minor Head-800-Other Expenditure in the accounts. Of these, ₹49.15 crore under 5 Major Heads was budgeted/ classified under Minor Head-800-Other Expenditure despite availability of appropriate Minor Heads thereunder, as detailed in **Table 3.6**.

Table 3.6: Expenditure misclassified under Minor Head 800-Other Expenditure during 2024-25

(₹ in crore)			
Details of head under booking was wrongly classified	Amount	Nature of expenditure	Correct classification
8-4059-80-800-0011-2341-2-V	5.81	Construction/Upgradation of office buildings	8-4059-01-051-0011-2341-2-V
8-4059-80-800-0011-2341-2-V	0.54	Construction/upgradation of Staff quarters/ residential buildings	8-4059-60-051-0011-2341-2-V
29-5055-00-800-0011-1378-2-V	3.33	Construction of buildings	29-5055-00-050-0011-1378-2-V

Details of head under booking was wrongly classified	Amount	Nature of expenditure	Correct classification
21-4406-01-800-0011-0200-2-V	3.26	Construction of buildings	21-4406-01-070-0011-0200-2-V
21-4406-01-800-0011-0213-2-V-	14.16	Establishment/Upgradation of Jammu Zoo	21-4406-02-111-0011-0213-2-V-
30-4225-02-800-0011-896	12.28	Construction of e- class room, class rooms , hostels etc	30-4225-02-277-0011
20-5452-80-800-0011	9.77	Construction /Renovation of rooms, huts, shelter sheds etc.	20-5452-01-102-0011
Total	49.15		

Source: J&K Govt. Janbhaghidari/EMPOWERMENT Portal.

Similarly, ₹5,291.15 crore (including revenue receipts of ₹4,908.30 crore representing Sale of Power and Misc. Power Receipt) under 38 Major Heads of Account, constituting 7.11 per cent of the total Revenue Receipts (₹74,401.16 crore) was classified under 800-Other Receipts in the accounts. Of these, ₹0.97 crore under two Major Heads were classified under Minor Head-800-Other Receipts despite availability of appropriate Minor Heads thereunder as detailed in Table 3.7.

Table 3.7: Receipts misclassified under Minor Head 800-Other Receipts during 2024-25

(₹ in crore)			
Details of head under booking was wrongly classified	Amount	Nature of receipts	Correct classification
1452-00-800	0.43	Rent	1452-00-105
0029-00-800	0.54	Land compensation	0029-105
Total	0.97		

Source: Finance Accounts and VLC data maintained by the AG (A&E).

There is no Minor head available under Major Head 0801 for crediting Receipt on account of sale of power and after unbundling of Power Development Department and creation of DISCOMs/TRANSCOMs, the receipt on account of sale power should be collected by the DISCOMs. Matter regarding posting of expenditure and receipt was discussed with the Government and it was assured that the receipts will be booked under relevant available head. Incorrect classification results in accounts not showing correct position of receipts under the relevant minor head.

Issues related to measurement

3.7 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 balance for the last three years have been shown in **Table 3.8**.

Table 3.8: Balances under Suspense and Remittance Heads

		(₹ in crore)					
Minor Head		2022-23		2023-24		2024-25	
		(Dr)	(Cr)	(Dr)	(Cr)	(Dr)	(Cr)
8658- Suspense Account-							
101	PAO Suspense	152.48	0.24	192.34	0.35	352.39	29.80
	Net Debit(Dr)/Net Credit(Cr)	152.24 (Dr)		191.99 (Dr)		322.59 (Dr)	
102	Suspense Account (Civil)	7.64	194.61	46.96	202.91	22.00	199.04
	Net Debit(Dr)/Net Credit(Cr)	186.97 (Cr)		155.95 (Cr)		177.03 (Cr)	
109	RBI Suspense (Hqrs)	0.08	0.18	0.19	0.1	0.27	0.14
	Net Debit(Dr)/Net Credit(Cr)	0.10 (Cr)		0.09 (Dr)		0.13 (Dr)	
110	RBI Suspense (Central Accounts)	0.92	0.1	0.93	0.3	1.98	0.86
	Net Debit(Dr)/Net Credit(Cr)	0.82 (Dr)		0.63 (Dr)		1.12 (Dr)	
112	Tax Deducted at Source (TDS) Suspense	-	500.13	-	541.5	0.00	213.55
	Net Debit(Dr)/Net Credit(Cr)	500.13 (Cr)		541.50 (Cr)		213.55 (Cr)	
123	All India Service officers Group Insurance Scheme	0.87	-	0.93	-	0.92	0
	Net Debit(Dr)/Net Credit(Cr)	0.87 (Dr)		0.93 (Dr)		0.92 (Dr)	
139	Tax Deducted at Source Suspense	-	4.96	-	4.03	0	4.99
	Net Debit(Dr)/Net Credit(Cr)	4.96 (Cr)		4.03 (Cr)		4.99(Cr)	
8782- Cash Remittance and Adjustments between officers rendering accounts to same Accountant General / Accounts Officers							
110	Misc Remittances	689.12	-	689.12	-	689.12	0.00
	Net Debit (Dr)/Net Credit(Cr)	689.12 (Dr)		689.12 (Dr)		689.12 (Dr)	
8793	Inter State Suspense Account	0.02	1.47	8.76	0.48	0.19	1.05
	Net Debit(Dr)/Net Credit(Cr)	1.45 (Cr)		8.28 (Dr)		0.85 (Cr)	

Source: Finance Accounts of respective years

There was also a net credit balance of ₹2,508.81 crore {₹344.14 crore (Debit) under Suspense and ₹2,852.95 crore (Credit) under Remittances} at the end of 30th 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.

3.8 Reconciliation of Departmental figures

To exercise effective budgetary control over revenue/expenditure and to ensure accuracy in accounts, State/UT Financial Rules stipulate that Chief Controlling Officers (CCOs)/Controlling Officers (COs) are required to reconcile every month, the receipts and expenditure recorded in their books with the figures of the Accountant General (A&E).

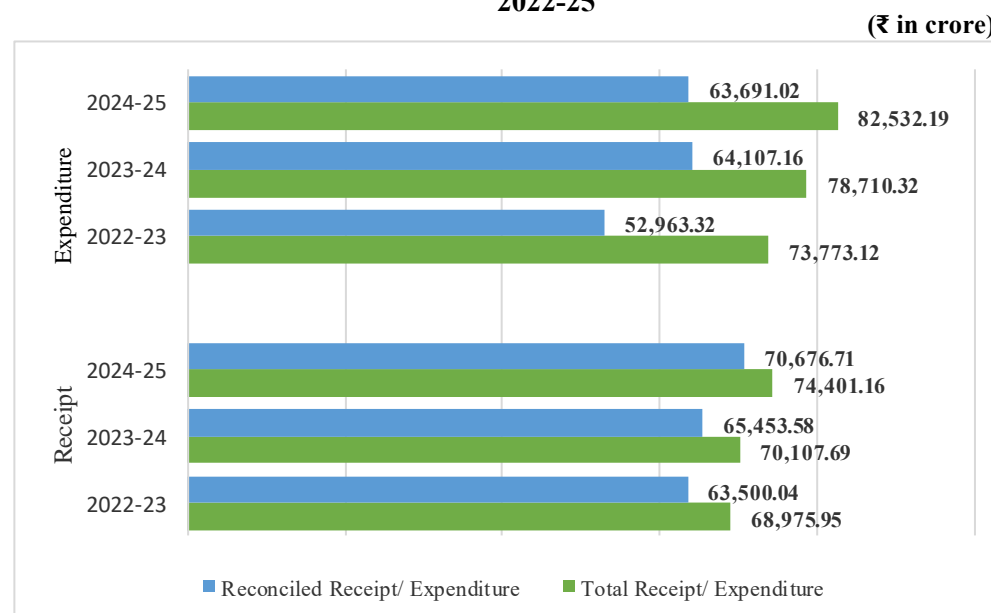
The status of reconciliation of figures by the Controlling Officers is given in Table 3.9 and Chart 3.4.

Table 3.9: Status of Reconciliation of Receipts and Expenditure by Controlling Officers

Year	Total No. of Controlling Officers	No. of Controlling Officers reconciled their receipts/ expenditure		
		Fully reconciled	Partially reconciled	Not reconciled
Receipts				
2022-23	371	68	71	232
2023-24	373	86	131	156
2024-25	389	81	68	240
Expenditure				
2022-23	371	233	101	37
2023-24	373	251	84	38
2024-25	389	296	50	43

Source: Information maintained by office of the Pr. Accountant General (A&E) J&K

Chart 3.4: Status of Reconciliation of Receipts and Expenditure during the year 2022-25



Source: Information maintained by Pr. Accountant General (A&E) J&K

Government has improved its reconciliation of receipts consistently during last three years and has improved reconciliation of receipts from 92 per cent in 2022-23 to about 95 per cent in 2024-25. However, there was decline in reconciliation of expenditure which has declined from 81 per cent in 2023-24 to 77 per cent in 2024-25. The shortfall in expenditure reconciliation indicates

deficiencies in financial reporting and internal control mechanisms. Timely and complete reconciliation of both receipts and expenditure with the figures booked in the accounts is essential to ensure accuracy, reliability, and transparency of Government accounts. The Government needs to take necessary corrective action to achieve 100 *per cent* reconciliation in respect of all receipts and expenditure.

3.9 Reconciliation of Cash Balances

As per accounts of the Principal Accountant General (A&E), Jammu and Kashmir, the Cash Balance of the UT Government as on 31st March 2025 was ₹1,445.79 crore (Debit) while the same was reported as ₹1,445.81 crore (Credit) by the Reserve Bank of India. As such, there was an unreconciled difference of ₹0.02crore (Credit), which was under reconciliation between the Principal Accountant General (A&E), Jammu and Kashmir and the UT Government.

There was also a net difference of ₹83.32 crore (debit) between RBI and Principal Accountant General(A&E) 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

3.10 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe the form of accounts of the Union and of the States. On the advice of the CAG, the President of India has so far notified four Indian Government Accounting Standards (IGAS). Compliance with these Accounting Standards by the UT Government as well as deficiencies therein during 2024-25 is detailed in **Table 3.10**.

Table 3.10: Compliance to Accounting Standards

Sl.	Accounting Standards	Essence of IGAS	Compliance by UT Government	Deficiency
1.	IGAS-1:	Guarantees Given by the Government – Disclosure requirements	Complied (Statements 9 and 20 of Finance Accounts)	NA
2.	IGAS-2:	Accounting and Classification of Grants-in-aid	Not complied (Statement 10 and Appendix-III of Finance Accounts)	(i) Certain Grants-in-Aid to be classified under Revenue Section have been classified under Capital Section.

Sl.	Accounting Standards	Essence of IGAS	Compliance by UT Government	Deficiency
				(ii) Information has not been furnished in respect of Grants-in-Aid given in kind by the UT Government.
3.	IGAS-3:	Loans and Advances made by Government	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.
4	IGAS-4:	Prior period adjustments	Complied (Statement 13 of Finance Accounts)	NA

Source: Finance Accounts

3.11 Submission of accounts of Autonomous Bodies

Annual financial statements of Autonomous Bodies are to be certified by Comptroller and Auditor General of India under sections 19(2), 19(3) or 20(1) of the DPC Act, 1971. As on 31st March 2025, 28 accounts in respect of 8 Autonomous Bodies (ABs) were pending as detailed in **Table 3.11**.

Table 3.11: Arrears of accounts of Autonomous Bodies as on 31 March 2025

Sl. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending
1	Compensatory Afforestation Management and Planning Authority (CAMPA)	2019-20 to 2023-24 ¹⁰	5
2	Sher-e-Kashmir University of Agricultural Sciences and Technology (SKUAST), Srinagar Kashmir	2023-24 ¹¹	1
3	Sher-e-Kashmir University of Agricultural Sciences and Technology (SKUAST), Jammu	2023-24 ¹²	1
4	JK Employee Provident Funds Organisation (EPFO)	2015-16 to 2019-20 ¹³	5

¹⁰ Annual Accounts have been received for the period from 1st January 2010 to 2018-19. However, the SARs are under finalisation.

¹¹ Separate Audit Report (SAR) finalised up to 2021-22. SAR for year 2022-23 is under finalisation.

¹² SARs finalised up to 2019-20. Annual Accounts for 2020-21 to 2022-23 have been received. However, the same could not be certified as the orders from Govt. for entrustment of audit were awaited.

¹³ Accounts w.e.f. 2015-16 to 30th October 2019 are awaited as J&K Employees Provident Fund Organization had ceased to operate since the enactment of J&K Re-organisation Act, 2019 i.e. from 31st October 2019 whereunder J&K Employees Provident Funds and Miscellaneous Provisions Act, 1961 was repealed

Sl. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending
5	Jammu & Kashmir Housing Board	2023-24 ¹⁴	1
6	Khadi and Village Industries Board (KVIB)	2020-21 to 2023-24	4
7	J&K Building and Other Construction Workers Welfare Board (BOCWVB)	2019-20 to 2023-24	5
8	J&K State Legal Services Authority (SLSA)	2018-19 to 2023-24	6
Total			28

Source: Departmental data/information

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.

Other Issues

3.12 Booking of Significant amount under MH-4801 and crediting of receipt of power under MH-0801 despite unbundling of Power Sector

The function of supply of electricity to consumers was handled departmentally up to 2020. In 2020 vide S.O 109 dated 20th March 2020, the work of distribution of power was transferred to two DISCOMs i.e. Jammu Power Distribution Company Ltd and Kashmir Power Distribution Company Ltd. However, expenditure on purchase of power is still being made from Government accounts and receipts on account of power are also being credited to Government accounts. DISCOMs are neither incurring expenditure on purchase of power and nor collecting revenue on account of sale of power to consumers. Government is keeping provision in budget and incurring expenditure on works of DISCOMs by debit to Major Head 4801. During 2024-25 an expenditure of ₹539.22 crore was incurred by debit to Major head 4801 for works of DISCOMs. It shows that DISCOMs are operational merely on paper. Role of distribution of power is still managed and controlled by the Government. The position of expenditure incurred on purchase of power and receipt on account power during 2024-25 is as under:

¹⁴ SARs finalised up to 2016-17. Annual Accounts for 2017-18 to 2022-23 have been received. However, the same could not be certified as the orders from Govt. for entrustment of audit were awaited.

(₹ in crore)

Year	Purchase of power MH 2801	Receipt on account of power 0801
2024-25	8,015.55	4,908.31

In addition to above expenditure, Jammu and Kashmir Power Corporation Ltd has raised off-budget loans which are being repaid from the Government Budget. The amount of ₹21,960.91 crore on account of such loans is outstanding ending March 2025.

In reply, it was stated (January 2026) that since DISCOMS are still not in a position to generate adequate revenue to meet their expenditure obligations this arrangement is still continuing.

3.13 Follow up action on State/UT Finances Audit Reports

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 20th June 2018 and as such the Report on State Finances/ State Finances Audit Report for the years 2016-17, 2017-18, 2018-19, 1st April 2019 to 30th October 2019 and UT Finances Audit Report for the period 31st October 2019 to 31st March 2020, 2020-21 and 2021-22 have been tabled in the Parliament along with the other Audit Reports. UT Finances Audit Report for the year 2022-23 and 2023-24 has been forwarded to the Government for laying in Legislative Assembly of UT of Jammu and Kashmir. Action Taken Notes on these Reports were not furnished by the State/UT Governments. State/ UT Finances Audit Report have not been discussed in the Public Accounts Committee.

3.14 Conclusion

Off-Budget Borrowings of ₹23,197.08 crore as on 31st March 2025 have not been accounted for in the overall outstanding debt/liabilities of the UT. However, the repayment of Off-Budget Borrowings of ₹3,451.84 crore from the Internal debt of the Government has resulted in adverse balances under certain debt heads. The proceeds of Labour cess has been kept outside the

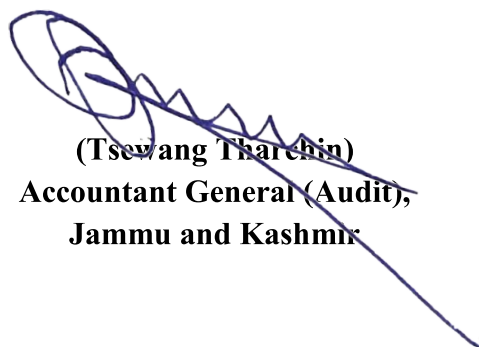
Government Accounts thus keeping it outside the legislative oversight. Utilisation Certificates amounting to ₹7,539.49 crore (3,076 UCs) were outstanding without any assurance that the intended objectives of providing these funds have been achieved indicating lack of internal control of administrative departments. Adjustments for Abstract Contingent Bills were not submitted.

There were instances of non-submission/ delay in submission of accounts by the PSEs/ABs 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 were booked under Minor head-800 'Other Expenditure' and Minor Head- 800 'Other Receipts'.

3.15 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 Government should ensure that companies, corporations and autonomous bodies submit their annual accounts in a time-bound manner.*


Jammu/ Srinagar
Date: 12 March 2026



(Tsewang Tharchin)
Accountant General (Audit),
Jammu and Kashmir

Countersigned

New Delhi
Date: 16 March 2026



(K. Sanjay Murthy)
Comptroller and Auditor General of
India

APPENDICES

APPENDIX – 1.1
(Refer Paragraphs 1.1.3)
Time Series data on the Union Territory Government Finances

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Part A. Receipts					
1. Revenue Receipts	52,495.48	59,238.50	68,975.95	70,107.69	74,401.16
(i) Tax Revenue (own)	8,876.99	11,707.28	12,335.47	13,903.22	14,249.38
State Goods and Services Tax (SGST)	4,839.35	6,394.31	7,211.98	8,064.14	8,585.93
Taxes on Agricultural Income	0	0	0	0	0
Taxes on Sales Trade etc	1,495.61	1,906.31	1,554.32	1,631.19	1,688.52
State Excise	1,347.42	1,782.79	1,793.74	2,490.25	2,271.92
Taxes on Vehicles	488.38	616.24	723.42	904.26	929.32
Stamps and Registration fees	325.54	512.02	556.66	677.55	688.14
Land Revenue	60.57	113.28	131.6	123.79	77.36
Taxes on Goods and Passengers	0.9	5.73	23.75	11.33	7.56
Other Taxes	319.22	376.6	340	0.71	0.65
(ii) Non-Tax Revenue	4,076.38	4,840.45	5,147.55	6,430.33	6,871.98
(iii) State's share of Union taxes and duties	0	0	0	0	0
(iv) Grants in aid from Government of India	39,542.11	42,690.77	51,492.93	49,774.14	53,279.80
2. Miscellaneous Capital Receipts	0	0	0	0	0
3. Recoveries of Loans and Advances	1.93	1.03	1.33	6.04	0.44
4. Total Revenue and Non debt capital receipts (1+2+3)	52,497.41	59,239.53	68,977.28	70,113.73	74,401.60
5. Public Debt Receipts	42,732.93	54,045.36	38,114.47	53,482.76	39,733.16
Internal Debt (No Ways and Means Advances and Overdrafts)	9,649.96	14,096.83	9,153.75	17,238.55	13,992.4
Net transactions under Ways and Means Advances and	-1,784.54	499.54	1,075.61	116.04	590.44
Loans and Advances from Government of India	22,82.69	3,845.49	0.00	0.00	0.00
6. Total Receipts in the Consolidated Fund (4+5)	95,230.34	1,13,284.89	1,07,091.75	1,23,596.49	1,14,134.76
7. Contingency Fund Receipts	25	0	0	0	0
8. Public Account Receipts	1,464.16	-1,319.63	808.46	1,913.84	324.88
9. Total Receipts of the State (6+7+8)	96,719.50	1,11,965.26	1,07,900.21	1,25,510.33	1,14,459.64
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	52,633.75	59,269.33	62,999.34	66,621.47	70,472.13
Programme	0.00	0.00	0.00	0.00	0.00
Administrative	0.00	0.00	0.00	0.00	0.00
General Services (including interest payments)	25,521.16	29,639.86	31,162.12	31,998.20	30,245.59
Social Services	19,471.70	20,933.14	22,984.37	22,537.18	24,767.85

	2020-21	2021-22	2022-23	2023-24	2024-25
Economic Services	7,640.89	8,696.33	8,852.85	12,086.09	15,458.69
Grants-in-Aid and Contributions	0.0	0.0	0.0	0.0	0.0
11. Capital Expenditure	10,470.38	11,047.04	10,773.78	12,088.85	12,060.06
Program	0.00	0.00	0.00	0.00	0.00
Administrative	0.00	0.00	0.00	0.00	0.00
General Services	776.24	659.03	1,098.38	683.92	795.59
Social Services	2,492.57	2,722.61	2,713.42	3,860.94	3,465.91
Economic Services	7,201.57	7,665.40	6,961.98	7,543.99	7,798.56
Grants-in-Aid and Contributions	0.00	0.00	0.00	0.00	0.00
12. Disbursement of Loans and Advances	61.64	73.77	59.53	11.49	15.09
13. Appropriation to the Contingency Fund	25.00	0.00	0.00	0.00	0.00
14. Total Expenditure (10+11+12+13)	63,190.77	70,390.14	73,832.65	78,721.81	82,547.28
15. Repayments of Public Debt	2,467.86	4,686.69	5,106.18	10,547.75	7,351.58
Internal Debt (excluding Ways and Means Advances and Overdrafts)	4,134.06	4,067.96	3,910.56	10,310.65	6,639.95
Net transactions under Ways and Means Advances and Overdraft	-1,784.54	499.54	1,075.61	116.04	590.44
Loans and Advances from Government of India	118.34	119.19	120.01	121.06	121.19
16. Appropriation to Contingency Fund	25.00	0.00	0.00	0.00	0.00
17. Total disbursement out of Consolidated Fund (13+14+15)	65,683.63	75,076.83	78,938.83	89,269.56	89,898.86
18. Contingency Fund disbursements	0.00	0.00	0.00	0.00	0.00
19. Public Account disbursements	23,369.66	28,543.10	34,656.38	33,355.03	52,951.91
20. Total disbursement by the State (16+17+18)	65,708.63	75,076.83	78,938.83	89,269.56	89,898.86
Part C. Deficits					
21. Revenue Deficit (-)/Revenue Surplus (+) (1-10)	-138.27	-30.83	5,976.61	3,486.22	3,929.03
22. Fiscal Deficit (-)/Fiscal Surplus (+) (4-14)	-10,693.36	-11,150.60	-4,855.37	-8,608.08	-8,145.68
23. Primary Deficit (-)/Primary Surplus(+) (22+24)	-4,320.90	-3,790.29	3,638.45	1,316.88	2,728.84
Part D. Other data					
24. Interest Payments (included in revenue expenditure)	6,372.46	7,360.31	8,493.82	9,924.96	10,874.51
25. Financial Assistance to local bodies etc.	6,531.86	4,870.85	6,280.51	5,841.75	6,980.31
26. Ways and Means Advances/Overdraft availed (days)	318	303	282	276	172
Ways and Means Advances availed (days)	260.00	125.00	147.00	166.00	132.00

	2020-21	2021-22	2022-23	2023-24	2024-25
Overdraft availed (days)	58.00	178.00	135.00	110.00	40.00
27. Interest on Ways and Means Advances/ Overdraft	40.13	61.64	47.34	56.05	25.99
28. Gross State Domestic Product (GSDP)	1,67,793	1,88,561	2,09,816	2,36,059	2,62,458
29. Outstanding Fiscal liabilities (year-end)	1,00,516.91	1,12,872.04	1,15,942.43	1,24,737.96	1,31,469.46
30. Outstanding guarantees (year-end) (including interest)	1,486.07	12,328.80	24,867.44	24,485.47	23,622.36
31. Maximum amount guaranteed (year-end)	12,564.18	13,449.49	34,832.87	34,807.95	34,453.20
Part E: Fiscal Health Indicators (in per cent)					
I Resource Mobilisation					
Own Tax Revenue/GSDP	5.29	6.21	5.88	5.89	5.43
Own Non-Tax Revenue/GSDP	2.43	2.57	2.45	2.72	2.62
Own Revenue/ GSDP	7.72	8.78	8.33	8.61	8.05
Own Revenue/ Total Expenditure	20.50	23.51	23.68	25.83	25.59
II Expenditure Management					
Total Expenditure/GSDP	37.66	37.33	35.19	33.35	31.45
Total Expenditure/Revenue Receipts	120.37	118.82	107.04	112.29	110.95
Revenue Expenditure/Total Expenditure	83.29	84.20	85.33	84.63	85.37
Expenditure on Social and Economic Services/Total Expenditure	58.25	56.85	56.23	58.47	62.38
Capital Expenditure/Total Expenditure	16.57	15.69	14.59	15.36	14.61
Capital Expenditure/ GSDP	6.24	5.86	5.13	5.12	4.60
III Management of Fiscal Imbalances					
Revenue Surplus/GSDP	-0.08	-0.02	2.85	1.48	1.50
Fiscal Deficit (Surplus)/GSDP	-6.37	-5.91	-2.31	-3.65	-3.10
Primary Deficit (Surplus) /GSDP	-2.58	-2.01	1.73	0.56	1.04
IV Debt Sustainability					
Outstanding Liabilities*/GSDP	8.87 (58.65)	12.40 (56.71)	13.32 (52.43)	15.56 (50.32)	17.21 (48.47)
Interest Payments/Revenue Receipts	12.14	12.42	12.31	14.16	14.62

Source: Finance Accounts 2024-25

* Excludes back-to-back loans of ₹4,253.08 crore (₹2,099.80 crore and ₹3,845.49 crore received from the GoI during 2020-21 and 2021-22 respectively and its adjustment of ₹1,692.21 crore in 2024-25), in lieu of GST Compensation shortfall.

APPENDIX – 1.2
(Refer paragraph 1.1.4, 1.2.3.1 A, 1.2.3.2 A)
Abstract of receipts and disbursements for the year 2024-25 and 2023-24
(₹ in crore)

Receipts	2024-25	2023-24	Disbursements	2024-25	2023-24
Section A: Revenue					
I.Revenue Receipts	74,401.16	70,107.69	I. Revenue Expenditure-	70,472.13	66,621.47
Tax Revenue	14,249.38	13,903.22	General Services	30,245.59	31,998.20
--			Social Services-	24,767.85	22,537.17
Non-Tax Revenue	6,871.98	6,430.33	Education, Sports, Art and Culture	12,904.40	12,059.55
--			Health and Family Welfare	5,720.30	4,914.87
UT's Share of Union Taxes	0	0	Water Supply, Sanitation, Housing and Urban Development	3,149.86	2,950.08
--			Information and Broadcasting	94.10	95.85
Non-Plan Grants	0	0	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	89.68	49.3
Grants for UT Plan Schemes	0	0	Labour and Labour Welfare	54.64	53.16
--			Social Welfare and Nutrition	2,693.44	2,357.93
Grants for Central and Centrally Sponsored Plan Schemes	-	-	Others	61.44	56.44
--			Economic Services-	15,458.69	12,086.09
Grants for Centrally Sponsored Scheme	7,147.46	7,958.26	Agriculture and Allied Activities	3,428.98	3,335.88
--			Rural Development	696.86	597.53
Finance Commission Grants		0	Special Areas Programmes	0	0
--			Irrigation and Flood Control	624.98	617.19
Other Transfer/Grants to UTs	46,132.34	41,815.88	Energy	9,388.60	6,290.92
--			Industry and Minerals	470.24	382.58
--			Transport	392.76	452.14

Receipts	2024-25	2023-24	Disbursements	2024-25	2023-24
--			Science, Technology and Environment	53.52	50.63
--			General Economic Services	402.75	359.22
--			Grants-in-aid and Contributions-	0	0
II. Revenue deficit carried over to	0	0	II. Revenue Surplus carried over	3,929.03	3,486.22
Section B : Capital					
III. Opening Cash balance including Permanent Advances and Cash Balance Investment	1,444.87	1,448.31	III. Opening Overdraft from Reserve Bank of India	0	0
IV. Miscellaneous Capital Receipts		0	IV. Capital Outlay-	12,060.06	12,088.85
--			General Services-	795.59	683.92
--			Social Services-	3,465.91	3,860.94
--			Education, Sports, Art and Culture	991.07	779.95
--			Health and Family Welfare	516.83	643.59
--			Water Supply, Sanitation, Housing and Urban Development	1,441.05	2,012.72
--			Information and Broadcasting	0.72	0.48
--			Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	55.70	76.98
--			Social Welfare and Nutrition	441.37	332.33
--			Others	19.17	14.89
--			Economic Services-	7,798.56	7,543.99
--			Agriculture and Allied Activities	1,491.14	804.15
--			Rural Development	2,157.40	2,728.05
--			Special Areas Programmes	0	0
--			Irrigation and Flood Control	189.05	153.25
--			Energy	780.82	713.08
--			Industry and Minerals	210.23	121.39
--			Transport	2,261.54	2,429.42
--			Science, Technology and Environment	111.48	35.88
--			General Economic Services	596.90	558.77

Receipts	2024-25	2023-24	Disbursements	2024-25	2023-24
V. Recoveries of Loans and Advances-	0.44	6.04	V. Loans and Advances disbursed-	15.09	11.49
From Power Projects			For Power Projects		
From Government Servants			To Government Servants		
From Others			To Others		
VI. Revenue Surplus brought down	3,929.03	3,486.22	VI. Revenue Deficit brought down	0	0
VII. Public Debt Receipts-	13,992.4	17,238.55	VII. Repayment of Public Debt-	7,351.58	10,547.75
External debt			External debt		
Internal debt other than Ways and Means Advances and Overdrafts	13,992.4	17,238.55	Internal Debt other than Ways and Means Advances and Overdrafts	6,639.94	10,310.65
Net transactions under Ways and Means Advances	0	0	Net transactions under Ways and Means Advances	590.44	116.04
Net transactions under Overdraft	0	0	Net transactions under Overdraft	0	0
Loans and Advances from Central Government	0	0	Repayment of Loans and Advances to Central Government	121.19	121.06
VIII. Appropriation to Contingency Fund	0	0	VIII. Appropriation to Contingency Fund	0	0
IX. Amount transferred to Contingency Fund	0	0	IX. Expenditure from Contingency Fund	0	0
X. Public Account Receipts-	53,276.79	35,268.87	X. Public Account Disbursements-	52,951.91	33,355.03
Small Savings and Provident Funds	5,834.45	6,177.91	Small Savings and Provident Funds	5,905.62	5,029.63
Reserve Funds	1,059.84	537.35	Reserve Funds	270.34	25.97
Suspense and Miscellaneous	41,890.37	24,218.86	Suspense and Miscellaneous	42,176.62	24,400.02
Remittance	0.06	0.24	Remittances	(-)9.08	9.97
Deposits and Advances	4,492.07	4,334.51	Deposits and Advances	4,608.41	3,889.44

Receipts	2024-25	2023-24	Disbursements	2024-25	2023-24
XI. Closing Overdraft from Reserve Bank of India	0	0	XI. Cash Balance at end-	1,445.79	1,444.87
--			Cash in Treasuries and Local Remittances	0	0
--			Deposits with Reserve Bank	1,445.79	1,444.87
--			Departmental Cash Balance including permanent Advances	0	0
--			Cash Balance Investment	0	0
Total	61,783.10	57,447.99	Total	61,783.10	57,447.99

Source: Finance Accounts 2024-25

APPENDIX – 1.3

(Refer paragraph 1.1.5)

Summarised financial position of the Government of UT of J&K as on 31st
March 2025

(₹ in crore)

As on 31 March 2024			As on 31 March 2025
		Liabilities	
30,285.52		Internal Debt -	38,228.41
	35,541.43	Market Loans bearing interest	47,311.43
	0	Market Loans not bearing interest	-
	(-)558.04	Loans from Life Insurance Corporation of India	(-) 660.89
	(-)4,005.76	Loans from other Institutions	(-)8320.46
	(-)692.11	Ways and Means Advances	(-)101.67
	0	Overdrafts from Reserve Bank of India	-
5,590.68		Loans and Advances from Central Government -	3,777.28
	0	Pre 1984-85 Loans	-
	0	Non-Plan Loans	-
	(-)531.20	Loans for UT Plan Schemes	(-)649.94
		Loans for Central Plan Schemes	-
		Loans for Central Sponsored Schemes	-
	6,121.88	Loans for State/UTs with Legislature Schemes	4,427.22
25		Contingency Fund	25
2,165.98		Small Savings, Provident Funds, etc.	2,094.81
2,838.16		Deposits	2,721.83
1,807.12		Reserve Funds Advances	2,670.92
508.02		Suspense and Miscellaneous Balances	70.82
0		Remittance Balances	-
0		Miscellaneous Capital Receipts	-
9,106.89		Cumulative excess of receipts over expenditure	14,728.15
52,327.37		Total	64,317.22

As on 31 March 2024			As on 31 March 2025
		Assets	
49,802.24		Gross Capital Outlay on Fixed Assets -	61,862.3
	334.89	Investments in shares of Companies, Corporations <i>etc.</i>	605.1
	49,467.35	Other Capital Outlay	61,257.2
231.91		Loans and Advances -	246.56
	0	Loans for Power Projects	0
	234.78	Other Loans	249.73
	(-) 2.87	Loans to Government servants and Miscellaneous loans	(-)3.17
0		Advances	
697.4		Remittance Balances	688.26
0		Suspense and Miscellaneous Balances	0
1,595.82		Cash -	1,520.1
	0	Cash in Treasuries and Local Remittances	
	1,444.87	Deposits with Reserve Bank	1,445.79
		Departmental Cash Balance including Permanent Advances	
		Security Deposits	
		Investment of Earmarked Funds	74.31
	150.95	Cash Balance Investments	0
		Deficit on Government Account -	
		(i) Less Revenue Surplus of the current year	
		(ii) Appropriation to Contingency Fund	
		Accumulated deficit at the beginning of the year	
		Contingency Fund	0.00
52,327.37		Total	64,317.22

Source: Finance Accounts of respective years,

** Included under Suspense and Miscellaneous

Note: Closing balance of the Contingency Fund has been taken under liabilities

Explanatory Notes

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in *Appendix 1.1*, indicates the position on cash basis, as opposed to accrual basis in commercial accounting.

APPENDIX – 2.1

(Refer paragraph 2.5.1)

Expenditure without Budget Provision or Re-appropriation (₹ two crore or more in each case)

(₹ in crore)

Sl. No.	Grant Number	Grant Name / Description	Number of Cases	Expenditure Incurred	Remarks
1	08	Finance Department	9	348.16	
2	18	Social Welfare Department	1	25.35	
Total			10	373.51	

Source: Appropriation Accounts 2024-25

APPENDIX – 2.2

(Refer paragraph 2.5.1)

Expenditure through Re-appropriation and without Budget Provision

(₹ in crore)

Sl. No.	Grant Number	Grant Name / Description	Number of Cases	Expenditure Incurred	Remarks
1	01	General Administration Department	5	0.61	
2	03	Planning Department	1	0.49	
3	12	Agriculture Department	1	0.95	
4	16	Public Works Department	1	1.91	
5	17	Health and Medical Education Department	1	20.22	
6	18	Social Welfare Department	3	5.13	
Total			12	29.31	

Source: Appropriation Accounts 2024-25

APPENDIX – 2.3

(Refer paragraph 2.5.2C)

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
1980-81	16	1,5,6,7,8,9,12,13,14,16,18,19,20,21,22,23	227.9
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

Year	No. of Grants/ Appropriation	Grant/Appropriation No.	Excess
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, 16,17,18,20,21,23,25, 26,27,28	12,954.06
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	5,6,8,11,12,15,16,19,20,22,23,24,25,26,27	3,277.38
2009-10	14	1,6,8,11,15,16,18,20,23,24,25,26,27,29	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	1,6,8,11,12,15,16,18,19,20,23,25,26,27	5,638.79
2012-13	12	1,5,8,11,13,16,18,20,23,25,26,27	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 (01.04.2019 to 30.10.2019)	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

Source: Appropriation Accounts

APPENDIX – 2.4

(Refer paragraph 2.5.3)

Cases where supplementary provision (₹ two crore or more in each case)
proved unnecessary

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Provision	Supplementary Provision	Actual Expenditure	Savings out of Original provision
A-Revenue (Voted)					
1.	10-Law Department	999.66	67.68	815.61	184.05
2.	18-Social Welfare Department	3,244.21	255.65	2,383.91	860.30
3.	29- Transport Department	91.14	6.80	89.48	1.66
4.	30-Tribal Affairs Department	124.68	20.58	76.66	48.02
5.	32-Horticulture Department	217.96	3.01	194.01	23.95
6.	33-Disaster Management Relief Rehabilitation and Reconstruction Department	989.56	90.46	940.07	49.49
7.	36-Co-Operative Department	73.69	5.87	67.50	6.19
Total (A)		5,740.90	450.05	4,567.24	1,173.66
B-Capital (Voted)					
8.	02-Home Department	377.51	69.33	212.95	164.56
9.	24-Hospitality and Protocol Department	64.00	7.48	41.45	22.55
Total (B)		441.51	76.81	254.4	187.11
GRAND TOTAL (A+B)		6,182.41	526.86	4,821.64	1,360.77

Source: Appropriation Accounts 2024-25

APPENDIX – 2.5

(Refer paragraph 2.5.3)

Cases where Supplementary Provision (₹ two crore or more) proved excessive

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Provision	Supplementary provision	Total Budget	Actual expenditure	Excessive Supplementary provision (savings)
A. Revenue (Voted)						
1	08-Finance Department	15,056.03	3,775.75	18,831.78	15,750.97	3,080.80
2	12-Agriculture Department	1,263.46	52.96	1,316.41	1,286.12	30.29
3	19-Housing And Urban Development Department	1,254.19	89.35	1,343.54	1,302.93	40.61
4	24-Hospitality Protocol Estates Parks & Gardens	214.94	36.26	251.20	219.60	31.61
Total (A)		17,788.62	3,954.32	21,742.93	18,559.62	3,183.31
B. Capital (Voted)						
5	08-Finance Department	634.79	1,746.78	2,381.58	2,100.13	281.45
6	29-Transport Department	22.00	13.36	35.36	27.67	7.69
Total (B)		656.79	1,760.14	2,416.94	2,127.80	289.14
Grand Total (A+B)		18,445.41	5,714.45	24,159.87	20,687.42	3,472.45

Source: Appropriation Accounts 2024-25

APPENDIX – 2.6

(Refer paragraph 2.5.4)

Unnecessary / Inadequate reappropriation of funds during 2024-25
(₹ two crore or more in each grant)

(₹ in crore)

S.No	Number/ Name of Grant and Head of Accounts	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings (-)/ Excess (+)
Reduction of provision through Re-appropriation orders, which was excess expenditure occurred							
1	Grant No.03-Planning Department						
	5475-800-0011-0557	120.00	0.00	102.74	17.26	57.24	39.98
2	Grant No.06-Power Development Department						
	2801-05-001-0099-1308	647.35	0.00	6.50	640.85	641.86	1.01
	2801-05-001-0099-1309	189.14	0.00	3.95	185.18	186.02	0.83
3	Grant No.07-Education Department						
	2202-01-0099-0254	2,783.62	0.00	104.08	2,679.55	5,679.84	0.30
	2202-01-104-0099-0214	2,969.64	0.00	114.41	2,855.22	2,858.94	3.71
	2202-02-001-0099-0214	2,331.69	0.00	61.23	2,270.45	2,270.57	0.11
	2202-02-001-0099-0274	2,346.16	0.00	93.83	2,252.33	2,253.25	0.92
	2202-02-109-0099-1057	66.35	0.00	4.77	61.58	61.60	0.02
4	Grant No.09-Parliamentary Department						
	2011-02-101-0099-0890	22.05	0.00	14.99	7.05	7.06	0.01
5	Grant No.10-Law Department						
	2014-105-0099-0488	324.60	8.79	39.32	294.07	294.14	0.07
	2014-102-0099-0495	93.60	0.00	11.20	82.40	82.41	0.01
6	Grant No.11-Industry and Commerce Department						
	2851-001-0099-2202	50.59	0.00	26.53	24.06	28.96	4.91
	4851-101-0011-1213	110.00	0.00	69.05	40.95	40.96	0.01
	4851-102-0011-0407	60.00	0.00	16.27	43.73	44.34	0.62
	4851-104-0011-0894	20.00	0.00	11.19	8.81	12.15	3.34
7	Grant No.12-Agriculture Department						
	2401-001-0099-6062	8.00	0.00	4.77	3.23	3.41	0.18
8	Grant No.13-Animal/ Sheep Husbandry Department						
	4403-101-0011-0195	30.60	0.00	11.83	18.78	19.00	0.22

S.No	Number/ Name of Grant and Head of Accounts	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings (-)/ Excess (+)
	4403-101-0011-0844	75.30	0.00	(-)40.68	34.62	34.64	0.02
	4403-101-0011-02062	75.30	0.00	(-)32.43	42.87	43.78	0.91
9	Grant No.14-Revenue Department						
	4059-80-201-0011-1285	37.00	0.00	(-)210.38	(-)173.38	15.68	189.25
10	Grant No.15-Food Civil Supplies and Consumer Affairs Department						
	4408-01-101-0011-2161	78.84	0.00	(-)63.84	15.00	30.00	15.00
	4408-01-101-0011-2162	60.00	0.00	(-)19.84	40.16	49.97	9.81
	4408-01-101-0011-6008	24.72	0.00	(-)14.72	9.99	22.35	12.36
11	Grant No.16-Public Works Department						
	3054-80-001-0099-1027	28.62	0.00	(-)4.15	24.47	24.56	0.09
	3054-80-001-0099-6066	19.21	0.00	(-)4.64	14.57	31.95	17.37
	4059-01-001-0011-6066	58.00	0.00	(-)38.23	19.77	19.86	0.09
	5054-04-337-0011-3342	75.00	0.00	(-)48.07	26.93	27.22	0.29
12	Grant No.17-Health and Medical Education Department						
	2210-01-110-0099-1553	40.21	0.00	(-)5.38	34.83	34.84	0.01
	2210-05-105-0099-1544	146.64	0.00	(-)36.92	109.72	109.73	0.01
	4210-04-101-0011-1537	94.79	0.00	(-)27.46	67.33	67.35	0.03
	4210-04-101-0011-1544	21.00	0.00	(-)8.72	12.28	12.30	0.02
13	Grant No.18-Social Welfare Department						
	2235-02-001-0099-2280	29.84	6.42	(-)7.60	28.66	28.67	0.02
14	Grant No.19-Housing and Urban Development Department						
	2217-80-001-0099-1138	29.45	0.00	(-)2.51	26.93	27.04	0.11
	2217-03-191-0099-1437	400.00	10.00	(-)20.02	389.98	417.61	27.63
	2217-03-191-0099-1438	310.00	60.00	(-)10.02	359.98	375.59	15.61
	2217-03-191-0099-2401	11.55	2.95	(-)2.94	17.44	19.13	1.69
	2217-05-001-0099-2289	11.63	0.00	(-)4.07	7.55	12.13	4.58
15	Grant No.20-Tourism Department						
	3452-80-001-0099-2183	28.32	0.00	(-)7.13	21.20	21.32	0.12

S.No	Number/ Name of Grant and Head of Accounts	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings (-)/ Excess (+)
16	Grant No.21-Forest Department						
	2406-01-001-0099-0349	524.98	0.00	(-)58.41	466.58	466.60	0.03
17	Grant No.23-Public Health Engineering Department						
	4215-01-102-0011-1011	783.16	0.00	(-)571.95	211.21	222.81	11.60
18	Grant No.27-Higher Education Department						
	2202-03-001-0099-2407	103.88	0.00	(-)203.57	99.69	1.58	101.27
	2202-03-103-0099-0534	838.64	0.00	(-)104.18	734.46	737.18	2.72
	2202-03-103-0099-2265	9.88	0.00	(-)10.14	(-)0.26	5.18	5.43
19	Grant No.28-Rural Development Department						
	4515-102-0011-0230	45.00	0.00	(-)26.05	18.95	19.10	0.15
20	Grant No.30-Tribal Affairs Department						
	2225-02-277-0031-1829	40.00	0.00	(-)40.05	(-)0.05	9.95	10.00
21	Grant No.33-Disaster Management Relief Rehabilitation and Reconstruction Department						
	2245-05-101-0099-1076	310.00	0.00	(-)280.89	29.11	310.00	280.89
22	Grant No.34-Youth Services And Technical Education Department						
	2204-001-0099-0244	384.59	0.00	(-)2.93	381.66	381.92	0.26
Augmentation of provision proved injudicious							
23	Grant No.2-Home Department						
	2055-117-0099-0729	26.78	0.00	14.69	41.48	10.49	-30.98
24	Grant No.19-Housing and Urban Development Department						
	2217-03-191-0099-1298	55.00	0.00	11.36	66.36	36.66	-29.70
	2217-05-191-0099-2034	196.00	13.49	2.59	212.08	197.82	-14.27
25	Grant No.30- Tribal Affairs Department						
	2225-023-102-0099-2253	24.92	8.08	3.08	36.08	26.08	-10.00
Grand Total		17,153.62	109.73	2,610.02	15,293.29	18,415.12	688.38

Source: Appropriation Accounts 2024-25.

APPENDIX – 2.7

(Refer paragraph 2.5.5)

Grants having large savings, after surrender (exceeding ₹ 100 crore), during 2024-25

(₹ in crore)

Sl. No.	Number and Name of the Grant	Total Budget Provision	Actual Expenditure	Savings	Surrendered	Savings (after surrender)
A. Revenue (Voted)						
1	2-Home Department	6,137.63	680.09	5,457.54	0	5,457.54
2	8-Finance Department	18,831.78	15,750.97	3,080.81	0	3,080.81
Total (A)		24,969.41	16,431.06	8,538.35	0	8,538.35
B. Capital (Voted)						
3	2-Home Department	446.84	212.95	233.89	0	233.89
4	8-Finance Department	2,381.58	2,100.13	281.45	0	281.45
Total (B)		2,828.42	2,313.08	515.34	0	515.34
C. Capital (Charged)						
5	8-Finance Department	44,846.2	30,129.52	14,716.68	0	14,716.68
Total (C)		44,846.2	30,129.52	14,716.68	0	14,716.68
Grand Total (A+B+C)		72,644.03	48,873.66	23,770.37	0	23,770.37

Source: Appropriation Accounts 2024-25

APPENDIX – 2.8

(Refer paragraph 2.5.5)

Grants having persistent savings (exceeding ₹ 100 crore) during 2022-23 to 2024-25

(₹ in crore)

Sl. No.	Grant No./ Name of the Department	Savings		
		2022-23	2023-24	2024-25
Revenue (Voted)				
1	02-Home Department	1,729.32	2,122.32	5,457.54
2	06-Power Development Department	3,541.78	859.53	1,404.41
3	07-Education Department	1,572.83	1,487.48	1,097.16
4	10-Law Department	370.87	396.07	251.73
5	17-Health and Medical Education Department	1,267.05	1,349.16	937.09
6	18-Social Welfare Department	909.48	1,455.53	1,115.95
7	21-Forest Department	440.42	385.62	218.31
8	28-Rural Development Department	231.47	145.9	232.23
9	33-Disaster Management Relief, Rehabilitation and Reconstruction Department	180.52	113.02	139.96
Capital (Voted)				
10	02-Home Department	975.41	510.47	233.88
11	03-Planning Department	522.62	581.56	264.15
12	06-Power Development Department	1,735.12	1,251.82	1,239.85
13	07-Education Department	481.89	317.29	305.95
14	08-Finance Department	1,093.00	666.78	281.45
15	11-Industry and Commerce Department	412.6	619.97	323.58
16	12-Agriculture Department	1,260.98	1,639.17	368.38
17	13-Animal/ Sheep Husbandry Department	155.29	349.23	184.40
18	15-Food Civil Supplies and Consumer Affairs Department	290.37	212.3	178.33
19	16-Public Works Department	2,456.43	1,415.81	1,334.12

Sl. No.	Grant No./ Name of the Department	Savings		
20	17-Health and Medical Education Department	1,516.80	1,453.94	1,157.69
21	19-Housing and Urban Development Department	2,332.26	1,544.67	1,785.40
22	20-Tourism Department	122.81	158.61	224.56
23	21- Forest Department	135.12	138.84	121.79
24	22-Irrigation and Flood Control Department	1,171.31	1,176.62	779.79
25	23-Public Health Engineering Department	7,842.69	5,220.65	1,247.85
26	27-Higher Education Department	639.78	537.96	105.74
27	28-Rural Development Department	2,191.47	1,441.21	1,574.14
28	30-Tribal Affairs Department	352.44	377.11	224.18
29	31-Culture Department	315.33	154.19	104.24
30	32-Horticulture Department	338.29	417.53	209.03
31	33-Disaster Management Relief, Rehabilitation and Reconstruction Department	467.38	220.08	173.63

Source: Appropriation Accounts

APPENDIX – 2.9

(Refer paragraph 2.5.5)

Grant wise percentage of utilisation of budget and savings, during 2024-25

(₹ in crore)

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range of Utilisation (per cent)
1	2-Home Department	6,584.46	893.04	5,691.42	13.56	Up to 50
2	22-Irrigation And Flood Control Department	1,595.38	766.68	828.71	48.06	
3	25-Labour Stationery and Printing Department	198.78	80.77	118.01	40.63	
4	30-Tribal Affairs Department	417.96	125.19	292.78	29.95	
5	31-Culture Department	199.74	88.69	111.05	44.40	
Total		8,996.32	1,954.37	7,041.97		
6	3-Planning Department	674.22	381.58	292.65	56.59	51 to 75
7	4- Information Department	129.06	94.82	34.24	73.47	
8	9-Parliamentary Affairs Department	59.86	34.73	25.13	58.02	
9	11-Industry and Commerce Department	888.80	515.16	373.65	57.96	
10	15-Food Civil Supplies and Consumer Affairs Department	679.76	459.27	220.49	67.56	
11	16-Public Works Department	5,275.33	3,932.93	1,342.4	74.55	
12	17-Health And Medical Education Department	8,333.45	6,238.68	2,094.77	74.86	
13	18-Social Welfare Department	3,585.69	2,420.23	1,165.46	67.50	
14	19-Housing And Urban Development Department	4,103.81	2,277.80	1,826.01	55.50	

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range of Utilisation (per cent)	
15	20-Tourism Department	609.87	339.10	270.76	55.60		
16	23-Public Health Engineering Department	3,505.39	2,195.02	1,310.36	62.62		
17	26-Fisheries Department	233.18	159.30	73.88	68.32		
18	28-Rural Development Department	4,664.99	2,858.63	1,806.36	61.28		
19	32-Horticulture Department	647.02	411.02	235.99	63.53		
20	35-Science And Technology Department	172.91	120.61	52.30	69.75		
Total		33,563.34	22,438.88	11,124.45			
21	1-General Administration Department	605.78	538.11	67.67	88.83		76 to 90
22	5-Mining Department	82.16	73.68	8.48	89.68		
23	6-Power Development Department	12,820.38	10,176.11	2,644.27	79.37		
24	7-Education Department	12,954.56	11,551.45	1,403.11	89.17		
25	8-Finance Department	76,331.21	58,855.13	17,476.08	77.10		
26	10-Law Department	1,350.94	1,042.73	308.21	77.19		
27	12-Agriculture Department	2,371.81	1,973.14	398.67	83.19		
28	13-Animal/ Sheep Husbandry Department	1,217.48	970.48	247.00	79.71		
29	14-Revenue Department	772.62	650.28	122.34	84.17		
30	21-Forest Department	1,627.53	1,287.42	340.1	79.10		
31	24-Hospitality Protocol Estates Parks & Gardens	322.68	261.05	61.63	80.90		
32	27-Higher Education Department	2,143.42	1,908.76	234.66	89.05		

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range of Utilisation (per cent)
33	29-Transport Department	133.30	117.15	16.15	87.89	
34	33-Disaster Management Relief Rehabilitation and Reconstruction Department	1,519.02	1,205.43	313.59	79.36	
35	34-Youth Services and Technical Education Department	851.03	664.46	186.57	78.08	
36	36-Co-Operative Department	104.56	80.47	24.09	76.96	
Total		115,208.48	91,355.85	23,852.62		

Source: Appropriation Accounts 2024-25

APPENDIX – 2.10

(Refer paragraph 2.5.5)

Savings not Surrendered

(₹ in crore)

Sl. No.	Number and Name of Grant	Type	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Amount not surrendered
1	1- General Administration Department	Revenue Charged	30.57	1.02	31.59	29.36	2.23	0.33
2	2-Home Department	Revenue Voted	6,137.63	0.00	6,137.63	680.09	5,457.54	5,457.54
		Capital Voted	377.51	69.33	446.84	212.95	233.88	233.88
3	3-Planning Department	Capital Voted	543.48	0.00	543.48	279.33	264.15	0.07
4	7-Education Department	Capital Voted	807.47	0.00	807.47	501.53	305.95	0.03
5	8-Finance Department	Revenue Voted	15,056.03	3,775.75	18,831.78	15,750.97	3,080.80	3,080.80
		Capital Voted	634.79	1,746.78	2,381.58	2,100.13	281.45	281.45
		Capital Charged	44,846.20	0.00	44,846.20	30,129.52	14,716.68	14,716.68
6	9-Parliamentary Affairs Department	Revenue Charged	0.92	0.00	0.92	0.11	0.81	0.01
7	10- Law Department	Revenue Voted	999.66	67.68	1,067.34	815.61	251.73	0.01
8	12-Agriculture Department	Capital Voted	1,055.40	0.00	1,055.40	687.02	368.38	0.32
9	15-Food Civil Supplies and Consumer Affairs Department	Capital Voted	445.25	0.00	445.25	266.92	178.33	0.04
10	16-Public Works Department	Capital Voted	4,061.75	0.00	4,061.75	2,727.62	1,334.13	0.56
11	19-Housing And Urban Development Department	Revenue Voted	1,254.19	89.35	1,343.54	1,302.93	40.61	3.05
12	22-Irrigation And Flood Control Department	Revenue Voted	647.45	0.00	647.45	598.54	48.92	0.01
		Capital Voted	947.93	0.00	947.93	168.14	779.79	0.01
13	23-Public Health Engineering Department	Revenue Voted	1,791.35	0.00	1,791.35	1,728.83	62.51	0.43
14	27-Higher Education Department	Revenue Voted	1,666.42	0.00	1,666.42	1,537.50	128.92	1.35
15	28-Rural Development Department	Revenue Voted	933.45	0.00	933.45	701.22	232.23	0.03
		Capital Voted	3,731.54	0.00	3,731.54	2,157.40	1,574.14	0.02
16	32-Horticulture Department	Revenue Voted	217.96	3.01	220.97	194.01	26.96	0.02
17	34- Youth Services And Technical Education Department	Capital Voted	215.30	0.00	215.30	104.24	111.07	0.01
Grand Total			86,402.25	5,752.92	92,155.18	62,673.97	29,481.21	23,776.65

Source: Appropriation Accounts 2024-25

APPENDIX – 2.11

(Refer paragraph 2.5.5)

Cases of Surrenders in excess of Savings

Sl. No.	Number and Name of the Grant	Total Budget Provision	Actual Expenditure	Savings	Surrendered	Excess surrender
Revenue Voted						
1	1- GENERAL ADMINISTRATION DEPARTMENT	502.19	479.39	22.80	24.48	1.68
2	7-EDUCATION DEPARTMENT	12,147.09	11,049.93	1,097.16	1,105.28	8.12
3	9-PARLIAMENTARY AFFAIRS DEPARTMENT	54.94	34.62	20.32	20.33	0.01
4	11-INDUSTRY AND COMMERCE DEPARTMENT	354.18	304.12	50.06	54.92	4.86
5	12-AGRICULTURE DEPARTMENT	1,316.41	1,286.12	30.29	30.45	0.15
6	16-PUBLIC WORKS DEPARTMENT	1,213.59	1,205.31	8.28	136.90	128.62
7	17-HEALTH AND MEDICAL EDUCATION DEPARTMENT	6,658.94	5,721.85	937.09	938.76	1.67
8	18-SOCIAL WELFARE DEPARTMENT	3,499.86	2,383.91	1,115.95	1,141.26	25.31
9	20-TOURISM DEPARTMENT	221.67	175.46	46.20	46.30	0.10
10	21-FOREST DEPARTMENT	1,441.08	1,222.76	218.31	218.42	0.11
11	25-LABOUR STATIONERY AND PRINTING DEPARTMENT	90.69	74.25	16.45	16.79	0.34
12	31-CULTURE DEPARTMENT	68.24	61.43	6.81	6.84	0.03
13	33-DISASTER MANAGEMENT RELIEF REHABILITATION AND RECONSTRUCTION DEPARTMENT	1,080.02	940.07	149.96	449.80	309.85
14	34- YOUTH SERVICES AND TECHNICAL EDUCATION DEPARTMENT	635.72	560.23	75.50	75.76	0.26
	Total	29,284.62	25,499.45	3,795.18	4,266.29	481.11
Revenue Charged						
15	10-LAW DEPARTMENT	93.60	82.41	11.19	11.20	0.01
	Total	93.60	82.41	11.19	11.20	0.01
Capital Voted						
16	11-INDUSTRY AND COMMERCE DEPARTMENT	534.62	211.04	323.58	323.59	0.01
17	14-REVENUE DEPARTMENT	43.00	16.16	26.84	216.08	189.25
18	17-HEALTH AND MEDICAL EDUCATION DEPARTMENT	1,674.51	516.83	1,157.69	1,157.70	0.01
19	25-LABOUR STATIONERY AND PRINTING DEPARTMENT	108.08	6.52	101.56	101.57	0.01
	Total	2,360.22	750.55	1,609.67	1,798.95	189.28
	Grand Total	31,738.44	26,332.41	5,416.04	6,076.43	670.40

APPENDIX – 2.12

(Refer paragraph 2.5.6)

Misclassification of Revenue expenditure as Capital expenditure for 2024-25

Sl. No	No. and Name of the Grant /Department	Misclassified Amount (₹ in crore)	Major head	Audit observation
1	12- Agriculture Department 32- Horticulture Department	66.76	4401	Grants-in-Aid
2	13- Animal/ Sheep Husbandry Department	6.80	4403	Subsidy
3	17- Health And Medical Education Department	6.37	4210	Grants-in-Aid
4	32- Horticulture Department	1.92	4401	Subsidy
5	29-Transport Department	0.15	5055	Subsidy
	Total	82.00		
Booking of Capital Expenditure for creation of assets by entities other than the Government				
1	JK Transcom-Discom	539.22	4801	These are individual companies/corporations under Companies Act and not an entity of UT Government. However, UT Govt. is booking Capital expenditure in its accounts for them rather than showing as Grant/ Assistance.
2	JKTDC	2.56	5452	
3	JKHPMC	12.46	4401	
	Total	554.24		

Source: Finance Accounts and Appropriation 2024-25

APPENDIX – 2.13

(Refer paragraph 2.5.7)

Policy initiatives with no expenditure

(₹ in crore)

Sl. No.	Grant No. and Name of the Department	Head of Account and Name of the New scheme	Budget provision	Expenditure
1	28- Rural Development Department	2501-06-102-0031-2473- Training of 7000 candidates under Himayat	4.92	0
2	20- Tourism Department	5452-80-800-0011-1115- Development of 12 off beat destinations	2.65	0
3	20- Tourism Department	5452-80-800-0011-0650- Construction and installation of 130 Meter 425 feet high National Flag Mast at Patnitop	1.01	0
4	20- Tourism Department	5452-80-800-0011-1115- Off beat destination upgradation of Keran Valley Kupwara	0.32	0
5	20- Tourism Department	5452-80-800-0011-1115- Land Compensation for Development of Keran Valley as Offbeat Destination	0.16	0
6	31- Culture Department	4202-04-104-0011-0272- Development of SPS Museum	4.8	0
7	17- Health and Medical Education Department	4210-04-101-0031-1881- Procurement of Machinery and Equipments for State Cancer Institute SKIMS Srinagar	5.26	0
8	17- Health and Medical Education Department	2210-05-105-0031-0173- Enhancing DNB/PG Seats to 400	50	0
Total			69.12	0

Source: Appropriation Accounts 2024-25

APPENDIX – 2.14

(Refer paragraph 2.5.7)

Policy initiatives with full budget amount surrendered/ re-appropriated/
unutilised

(₹ in crore)

Sl. No.	Grant No. and Name of the Department	Head of Account and Name of the scheme	Budget provision	Expenditure
Schemes with full budget re-appropriated/surrendered				
1	3- Planning Department	5475-800-0031-2346-Minor Irrigation Statistics	1.08	0
2	6- Power Development Department	4801-05-800-011-0250-Survey and Investigation	1.00	0
3		4801-05-800-011-3318-Transmission and Distribution Grant (PMRP)	30.00	0
4	7-Education Department	4202-01-201-0011-1030-Mid Day Meals	1.50	0
5		4202-01-201-0031-1030- Mid Day Meals	13.50	0
6	9- Parliamentary Affairs Department	7610-201-0099-2335-House Building Advance to MLAs/MLCs	4.00	0
7	10-Law Department	2014-105-0099-2459-Dehi Adalat	4.58	0
8	11-Industry and Commerce Department	4851-102-0011-2469- M I I U S	1.12	0
9		4851-800-0011-2196-EDI	2.00	0
10	12- Agriculture Department	4401-001-0031-0244-NEGPA	5.50	0
11		4401-105-0099-0232-District Agriculture Jammu	0.10	0
12		4401-800-0031-2449-Pradhan Mantri Krishi Sichayi Yojna	20.00	0
13	13-Animal/ Sheep Husbandry Department	4403-107-0031-2078-National Project of Pest Eradication	1.00	0
14	14-Revenue Department	2401-800-0031-0216-Agriculture Census	0.10	0
15		2401-800-0031-0748-Timely Reporting Scheme	0.10	0
16		2401-800-0031-1516-Improvement of Crop Statistics	0.05	0
17	15-Food Civil Supplies and Consumer	4235-60-800-0011-1228-Procurement and Supply of Essential Commodities (Sugar) CA&PD, Jammu	1.16	0

18	Affairs Department	4235-60-800-0011-1256-Procurement and Supply of Essential Commodities (Sugar) CA&PD, Kashmir	2.33	0
19		4408-08-101-0011-2160-Rice Kashmir	60.00	0
20	16-Public Works Department	3054-03-103-0099-3343-Maintenance of Old National Highway	10.00	0
21	17-Health And Medical Education Department	2210-01-200-0099-2256-Natinal Rural Health Mission	1.00	0
22		2210-03-110-0031-2504-National Mission of Saffron	5.00	0
23		2210-04-200-0031-0743-PM ABHIM	55.00	0
24		2210-04-200-0099-0743-PM ABHIM	12.66	0
25		2210-05-105-0031-0173-Up-Gradation of GMCs for increasing PG Seats	50.00	0
26		2210-05-105-0031-0177-Up-Gradation of GMCs for increasing MBBS/UG seats	60.00	0
27		2210-05-105-0031-2453-New Medical Colleges	8.78	0
28		2210-06-101-0031-2424-National Mental Health Programme	1.16	0
29		2210-06-104-0031-1538-Drug and Food Control	10.00	0
30		2210-06-104-0099-0736-Nasha Mukht Abhiyan	1.10	0
31		2211-001-0031-2509-Ayushman Bharat (AB-PMJAY)	63.44	0
32		4210-01-110-0031-1539-Indian System of Medicines (ISM)	6.00	0
33		4210-01-200-0011-2256-National Health Mission	1.66	0
34		4210-01-200-0031-2256-National Health Mission	15.00	0
35		4210-02-110-0031-2256-National Rural Health Mission	500.00	0
36		4210-03-105-0011-1654-Training of ANMs/LHVs/AMT Schools	0.60	0
37		4210-03-105-0031-0173-UP-gradation of GMCs for increasing PG	20.00	0
38		4210-03-105-0031-1654-Training of ANM'S/LHV'S/AMT Schools	3.00	0
39	4210-04-101-0031-1530-National AIDS Control Programme	7.00	0	

40		4210-04-107-0011-2481-Strengthening of State Drug Regulatory System	1.10	0
41	18-Social Welfare Department	2070-105-0099-1791-State Commission for Women	1.68	0
42		2225-02-277-0031-1829-Post-Matric Scholarship for SC Students	6.75	0
43		2225-02-277-0031-6026-Pre-Matric Scholarship for SC Students	1.47	0
44		2235-02-101-0099-2284-Welfare of Handicapped, Jammu	0.05	0
45		2235-02-102-0031-1446-YASASVI- Pre-Matric Scholarship for OBC, EBC & DNT Students	0.25	0
46		2235-02-102-0031-1830-Post Matric Minority Scholarship	1.00	0
47		2235-02-102-0031-1832-Merit-cum-Means Minority Scholarship	0.50	0
48		2235-02-102-0031-6025-YASASVI- Post-Matric Scholarship for OBC, EBC & DNT Students	3.28	0
49		2235-02-102-0031-6093-Scheme for care & support to victims under section 4&6 of POSCO Act, 2012	0.50	0
50		2235-02-102-0099-1446-YASASVI- Pre-Matric Scholarship for OBC, EBC & DNT Students	11.02	0
51		2235-02-102-0099-6025-YASASVI- Post-Matric Scholarship for OBC, EBC & DNT Students	6.63	0
52		2235-02-103-0031-6010-Women Help Line (WHL)	1.55	0
53		2235-02-104-0031-0901-National Action Plan for Senior Citizen/AVAY	2.00	0
54		2235-02-106-0099-2392-Establishment of Homes for Beggars	0.05	0
55		2235-02-107-0031-0909-Scheme for Providing Education in Madrassas/ Minorities (SPEMM)	2.10	0
56		2235-02-107-0031-2707-National Creche Scheme/ Palna	8.82	0
57		2235-02-107-0099-0909-Scheme for Providing Education in Madrassas/ Minorities (SPEMM)	0.23	0
58		2235-02-107-0099-2707-National Creche Scheme/ Palna	0.98	0

59		2235-02-200-0031-6023-Pradhan Mantri Jan Vikas Karyakram	350.00	0
60		2235-02-200-0099-6023-Pradhan Mantri Jan Vikas Karyakram	38.89	0
61		2235-03-102-0031-2389-Indira Gandhi National Family Benefit Pension Scheme	1.00	0
62		4235-02-103-0031-6051- One stop Centre (Construction) (Mission Shakti Sambal)	4.00	0
63	19-Housing And Urban Development Department	4217-03-051-0011-1295-City Sustainable/Infrastructure fund	100.00	0
64		4217-03-051-0011-2401-National Urban Livelihood Mission	22.00	0
65		4217-03-800-0031-2428-Swachh Bharat Mission	175.00	0
66	21-Forest Department	4406-01-101-0031-0201-National Action Plan For Fire	3.00	0
67		4406-01-800-0031-2295-Hokersar/Surinsar/Mansar/Pangong	10.00	0
68	22-Irrigation and Flood Control Department	4701-04-001-0031-0435-Irrigation Kashmir	20.00	0
69		4701-04-001-0031-0855-Irrigation Jammu	5.00	0
70		4701-04-612-0031-0840-Irrigation RTIC, Jammu	15.00	0
71		4702-101-0031-1775-Minor Irrigation, Jammu	50.00	0
72		4702-101-0031-1776-Minor Irrigation, Kashmir	50.00	0
73		4711-01-103-0031-1166-Flood Restoration Works	350.00	0
74		4711-01-103-0031-1450-Flood Control, Jammu	30.00	0
75	25- Labour, Stationery and Printing Department	2230-02-001-0031-6022-eSharam Portal- Registration of Un-organised Worker on eSharam Portal	0.50	0
76		2230-02-101-0031-0722-Modern Career Centre	3.38	0
77		4250-203-0031-0722- Modern Career Centre	0.88	0
78	27-Higher Education Department	4202-01-203-0011-2407-Rashtriya Uchitar Shiksha Abhiyan (RUSA)	15.00	0
79	28-Rural Development Department	2501-06-102-0031-2473-Himayat	4.92	0
80		2501-06-102-0031-6006- Rural Self Employment Training Institutes (RSEYIs)	5.00	0
81		4515-103-0011-0871- Integrated Water Shed Development	6.91	0

82		4515-103-0011-6004- Start-up Village Entrepreneurship Program (SVEP)	1.50	0
83	29-Transport Department	5055-190-0011-0944- Investment in J&K Road Transport Corporation	1.00	0
84	30-Tribal Affairs Department	2225-02-277-0031-1444- Pre-Matric Scholarship	9.46	0
85		4225-02-800-0011-2518- SCA to TSP	20.00	0
86		4225-02-800-0031-1814- Tribal Sub Plan	26.60	0
87		4225-02-800-0031-1827- Welfare of Schedule Caste/Tribe, Jammu	4.00	0
88		4225-02-800-0031-2518- SCA to TSP	144.10	0
89	32-Horticulture Department	4401-119-0011-2415-National Horticulture Mission	1.00	0
90		4401-119-0011-6052-National Bamboo Mission	0.10	0
91		4401-119-0031-2415-National Horticulture Mission	10.30	0
92	34-Youth Services and Technical Education Department	2203-112-0031-1551- Engineering /Technical Colleges and Institutes (REC and GCET Jammu)	7.03	0
93		2203-112-0099-6016- India Skill	2.00	0
94		2203-112-0031-6015- SANKALP	1.00	0
95		2203-112-0031-6016- SANKALP	5.00	0
96		2230-03-101-0031-2505- Agriculture Technology Management Agency	10.00	0
97		4202-02-105-0011-0530- Directorate of Technical Education	18.00	0
98		4202-02-105-0011-6000- Strengthening of Infrastructure for Institutional Training (SIIT)	1.50	0
99		402-02-105-0031-0530- Directorate of Technical Education	5.00	0
100		402-02-105-0031-6000- Strengthening of Infrastructure for Institutional Training	3.50	0
101		4250-203-0031-1644- Craftsman Training	2.11	0
102	36-Co-Operative Department	2425-108-0031-6059- Scheme for Computerisation of Agriculture and Rural Development Banks	0.79	0

10 3		2425-108-0099-6059 Scheme for Computerisation of Agriculture and Rural Development Banks	0.16	0	
Schemes where entire provision remain unutilized					
10 4	2-Home Department	2055-001-0031-2151- Strengthening of enforcement capabilities	0.16	0	
10 5		2055-001-0099-2395- Compensation to victims	1.50	0	
10 6		2055-101-0031-2503- Cyber Crime Prevention against Women and Children	0.18	0	
10 7		2055-101-0031-6064- Student Police Cadet Scheme	3.26	0	
10 8		2055-113-0099-0732- Welfare of Police Personnel	1.20	0	
10 9		2055-115-0031-6053- Student Police Cadet Scheme	0.50	0	
11 0		4055-207-0011-0704- Modernization of Police	1.20	0	
11 1		4055-207-0011-0957- Internal Security	1.75	0	
11 2		4055-207-0011-1158- IRP Battalions	8.75	0	
11 3		4059-60-051-0011-3223- Police Housing Colony	12.00	0	
11 4		4070-800-0011-2156- State Disaster response Force	3.00	0	
11 5		4235-02-800-0011-0244- Direction and Administration	4.00	0	
11 6		8-Finance Department	2075-103-0099-0317- Pension in lieu Resumed Jagirs	0.15	0
11 7			2235-60-105-0099-0323- State Contribution for Group Insurance	24.51	0
11 8	2049-01-101-0099-3005- Floatation Charges		1.50	0	
11 9	2049-01-200-0099-2120- Interest on Power Bonds		2,165.57	0	
12 0	2049-04-101-0099-0723- Interest on Loan and Advances from Central Government		27.31	0	
12 1	5475-115-0011-2358- Back to Village		10.00	0	
12 2	5475-800-0011-8086- Bank		100.00	0	
12 3	6003-106-0099-2140- Power Bonds/UDAY		353.76	0	
Total			5,285.41	0	

Source: Appropriation Accounts 2024-25

APPENDIX – 2.15

(Refer paragraph 2.5.8)

Subheads where entire expenditure was incurred in March 2025

(₹ in crore)

Sl. No.	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Types of Budget	Actual Expenditure during March
1	10	Law Department	2014-Administration of Justice	1248-Public Prosecutors	RV	0.06
2	11	Industry and Commerce Department	2851-Village and Small Industries	0407-Micro, Small and Medium Ind. C.S.T. / G.S.T.	RV	0.02
3			4851-Capital Outlay on Village and Small Industries	2346-Jammu Kashmir Industries	CV	0.66
4	12	Agriculture Department	4401-Capital Outlay on Crop Husbandry	6104-J&K Competitive Implementation of the Agriculture & Allied Sectors Project in the UT of J&K (JKCIP)	CV	0.95
5	14	Revenue Department	4059-Capital Outlay on Public Works	0854- Registration Department	RV	0.18
6				1050- Director, Land Records	RV	0.12
7	16	Public Works Department	3054-Roads and Bridges	6067- Chief Engineer R&B South Kashmir	RV	1.91
8			4059-Capital Outlay on Public Works	6067-Chief Engineer R&B South Kashmir	CV	0.01
9	17	Health and Medical Education Department	2210-Medical and Public Health	1538-Drug and Food Control	RV	0.89

Sl. No.	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Types of Budget	Actual Expenditure during March
10	18	Social Welfare Department	2235-Social Security & Welfare	6084-Anganwadi Center Cum Creches	RV	3.23
11				1112- Welfare of Handicapped Kashmir	RV	0.002
12	19	Housing and Urban Development Department	2217-Urban Development	6061- Jammu Smart City	RV	10.00
13	21	Forest Department	2406-Forestry and Wild Life	2905-Catchment Area Treatment Plan	RV	0.07
14	30	Tribal Affairs Department	2225-Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	6103-Administrative Costs To States/Ut's	RV	0.54
15	34	Youth Services and Technical Education Department	2203-Technical Education	2400-Skill Development Mission	RV	0.20
TOTAL						18.842

Source: VLC Data

APPENDIX – 2.16

(Refer paragraph 2.5.8)

Quarter wise expenditure for all major heads during 2024-25

(₹ in crore)

Sl. No.	Grant	Description	Allocation during 2024-25	Expenditure					Total expenditure during 2024-25	Expenditure in 4 th Quarter as percentage of total expenditure	Expenditure in March 2025 as percentage of total expenditure
				1 st qtr.	2 nd qtr	3 rd qtr	4 th qtr	In March			
1	1	General Administration Department	605.78	144.30	136.94	115.97	140.85	46.64	538.06	26.18	8.67
2	2	Home Department	6,584.46	2,391.43	2,158.74	(-) 2,923.01	(-)736.75	304.10	890.42	82.74	34.15
3	3	Planning Department	674.22	86.85	59.62	57.53	177.56	147.94	381.56	46.54	38.77
4	4	Information Department	129.06	19.24	24.28	23.97	27.32	12.66	94.82	28.82	13.35
5	5	Mining Department	82.16	18.88	18.97	17.11	18.70	8.96	73.66	25.38	12.17
6	6	Power Development Department	12,820.38	936.61	1,440.06	3,277.95	4,514.78	1,760.98	10,169.41	44.40	17.32
7	7	Education Department	12,954.56	2,698.98	2,851.73	2,833.21	2,878.15	967.75	11,262.07	25.56	8.59
8	8	Finance Department	76,331.21	16,704.26	18,618.92	(-) 14,922.75	38,408.86	8,181.05	58,809.28	65.31	13.91
9	9	Parliamentary Affairs Department	59.86	8.12	5.79	6.98	13.84	6.05	34.72	39.85	17.43
10	10	Law Department	1,350.94	156.50	303.41	257.90	(-)204.13	159.91	513.67	39.74	31.13
11	11	Industry and Commerce Department	888.80	172.50	103.91	108.40	130.34	60.97	515.15	25.30	11.84
12	12	Agriculture Department	2,371.81	393.03	442.46	459.62	626.32	348.03	1,921.43	32.60	18.11
13	13	Animal/ Sheep Husbandry Department	1,217.48	218.59	201.25	228.61	321.70	153.91	970.15	33.16	15.87

14	14	Revenue Department	772.62	160.13	162.93	160.60	166.53	62.63	650.20	25.61	9.63
15	15	Food Civil Supplies and Consumer Affairs Department	679.76	141.66	82.10	150.16	85.32	19.88	459.24	18.58	4.33
16	16	Public Works Department	5,275.33	629.05	670.36	1,195.14	1,276.11	900.64	3,770.67	33.84	23.89
17	17	Health and Medical Education Department	8,333.45	1,281.47	1,330.97	1,599.21	2,025.47	981.06	6,237.12	32.47	15.73
18	18	Social Welfare Department	3,585.69	527.13	521.13	483.92	887.83	317.34	2,420.01	36.69	13.11
19	19	Housing and Urban Development Department	4,103.81	467.08	694.08	456.07	660.52	329.85	2,277.75	29.00	14.48
20	20	Tourism Department	609.87	101.73	62.07	79.62	95.68	48.12	339.09	28.22	14.19
21	21	Forest Department	1,627.53	282.43	307.97	299.19	235.67	203.24	1,125.26	20.94	18.06
22	22	Irrigation and Flood Control Department	1,595.38	157.48	176.61	167.84	264.54	139.05	766.47	34.51	18.14
23	23	Public Health Engineering Department	3,505.39	459.10	538.92	529.25	660.33	330.71	2,187.60	30.19	15.12
24	24	Hospitality Protocol Estates Parks & Gardens	322.68	50.98	48.46	60.16	101.44	72.26	261.05	38.86	27.68
25	25	Labour Stationery and Printing Department	198.78	19.28	19.99	17.99	23.43	9.83	80.69	29.03	12.18
26	26	Fisheries Department	233.18	39.19	30.69	35.44	53.98	20.14	159.30	33.89	12.64
27	27	Higher Education Department	2,143.42	409.34	427.54	474.17	597.70	296.92	1,908.74	31.31	15.56
28	28	Rural Development Department	4,664.99	679.03	492.16	393.68	1,293.44	939.13	2,858.32	45.25	32.86
29	29	Transport Department	133.30	19.60	25.27	19.66	52.61	24.88	117.15	44.91	21.24

30	30	Tribal Affairs Department	417.96	22.95	23.70	27.04	51.50	43.50	125.18	41.14	34.75
31	31	Culture Department	199.74	23.64	17.20	20.06	27.77	11.71	88.68	31.32	13.21
32	32	Horticulture Department	647.02	83.38	75.62	112.34	139.66	81.97	411.00	33.98	19.94
33	33	Disaster Management Relief Rehabilitation and Reconstruction Department	1,519.02	228.22	188.08	252.16	506.88	430.45	1,175.34	43.13	36.62
34	34	Youth Services and Technical Education Department	851.03	146.98	155.90	168.89	192.62	87.11	664.38	28.99	13.11
35	35	Science and Technology Department	172.91	26.47	13.32	14.31	66.51	51.17	120.61	55.14	42.43
36	36	Co-Operative Department	104.56	20.15	16.84	19.51	23.98	11.16	80.47	29.79	13.87
Total			1,57,768.14	29,925.78	32,448.01	(-)3,722.08	55,807.01	17,571.70	1,14,458.72	48.76	15.35

Source: VLC data

APPENDIX – 2.17

(Refer paragraph 2.5.2A)

Excess expenditure in the selected Grant, during 2024-25

(₹ in crore)

Grant No.32-Horticulture Department

S. No.	Head of account	Budget Allocation	Expenditure Booked	Excess/ (+)
1	2401-119-0099-0244-002- D&A- Travel Expenses	0.13	0.22	0.09
2	2401-119-0099-0244-007- D&A- Office Expenses	0.19	0.22	0.03
3	2401-119-0099-0244-009- D&A- Rent Rates and Taxes	0.38	0.40	0.02
4	2401-119-0099-0244-023- D&A- Maintenance and Repairs	0.04	0.06	0.02
5	2401-119-0099-2088-007- DHJ- Office Expenses	0.17	0.18	0.01
Total		0.91	1.08	0.17

(Source: Appropriation account)

APPENDIX – 3.1
(Refer Paragraphs 3.2.2)
Details of contribution and investment under Defined Contributory Pension Scheme

(₹ in crore)

Years	Receipts				Disbursement (Transferred to NSDL)	Short transfer (-) / Excess transfer (+)
	Opening Balance	Employees' share	Government contribution	Total		
1	2	3	4	5	6	7 (6-5)
2011-12	0	13.12	42.90	56.02	42.41	(-)13.61
2012-13	13.61	31.75	72.82	118.18	100.46	(-)17.72
2013-14	17.72	88.68	103.34	209.74	146.37	(-)63.37
2014-15	63.37	102.20	102.20	267.77	223.24	(-)44.53
2015-16	44.53	192.14	203.65	440.32	440.32	-
2016-17	-	264.59	264.60	529.19	463.63	(-)65.56
2017-18	65.56	311.08	311.08	687.72	628.31	(-)59.41
2018-19	59.41	421.61	423.88	904.90	783.22	(-)121.68
2019-20 (1.4.19 to 31.10.19)	121.68	224.44	291.03	637.15	583.48	(-)53.67
2019-20 (1.11.29 to 31.3.20)	-	240.07	230.31	470.38	453.09	(-)17.29
2020-21	17.29	537.24	500.41	1,054.94	1,055.47	(+)0.53
2021-22	(-)0.53	652.55	934.58	1,586.60	1,574.89	(-)11.71
2022-23	11.71	771.56	1,002.01	1,785.28	1,781.42	(-)3.86
2023-24	3.86	914.56	1,146.76	2,065.18	1,871.90	(-)193.28
2024-25	193.28	1,116.42	1,180.31	2,490.01	2,093.79	(-)396.22
Total		5,882.01	6,809.88	12,961.89*	12,242.00	(-)449.89

Source: Finance Account 2024-25

**Excluding short transfers*

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