

सत्यमेव जयते

# Accounts at a Glance

## 2015-16



Government of Jammu and Kashmir

# Accounts at a Glance

2015-16

Government of Jammu & Kashmir

# *P*REFACE

I am happy to present 'ACCOUNTS AT A GLANCE' of the Government of Jammu and Kashmir for the year 2015-16. The purpose of this publication is to make available the voluminous and complex information on State Finances to the reader in a distilled and comprehensive form.

The Annual Accounts of the State consist of (a) Finance Accounts and (b) Appropriation Accounts. The Finance Accounts depict the Receipts and Disbursements of the Government during the year and the Assets and Liabilities of the Government as on 31<sup>st</sup> March 2016. The Appropriation Accounts record the grant-wise expenditure against the budget approved by State Legislature and offer explanations for variations between the actual expenditure and the budget. The Annual Finance and the Appropriation Accounts are placed before the State Legislature after certification by the Comptroller and Auditor General of India.



(K. Subramaniam)  
Accountant General (A&E)  
Jammu and Kashmir

Dated:-

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## HIGHLIGHTS OF ACCOUNTS

### INCOME

	Amount	% of Total Receipts	% of GSDP
	( ₹ in crore)		
<b>Revenue Receipts</b>	<b>35,780</b>	<b>82</b>	<b>39</b>
¶ Tax Revenue	15,139	35	16
¶ Non-Tax Revenue	3,913	9	4
¶ Grants from Government of India	16,728	38	18
• <i>Non-Plan Grants</i>	11,136		
• <i>Grants for State Plan Schemes</i>	4,365		
• <i>Grants for Central Plan Schemes</i>	1,227		
<b>Capital Receipts</b>	<b>8,065</b>	<b>18</b>	<b>9</b>
¶ <i>Recovery of Loans and Advances</i>	4		*
¶ <i>Borrowings and other liabilities</i>	8,061		
<b>Total Receipts</b>	<b>43,845</b>	<b>-</b>	<b>48</b>

## EXPENDITURE

	Amount	Percentage of Total Expenditure	Percentage of GSDP
	( ₹ in crore)		
<b>Revenue Expenditure</b>	<b>36,420</b>	<b>83</b>	<b>40</b>
¶ Salaries	14,909	34	16
¶ Subsidies	4	*	*
¶ Grants-In-Aid	1,384	3	2
¶ Interest Payment and Servicing of Debt	3,757	8	4
¶ Pension	3,781	9	4
¶ Other Expenditure	12,585	29	14
<b>Capital Expenditure</b>	<b>7,425</b>	<b>17</b>	<b>8</b>
¶ Education	554	1	1
¶ Health and Family Welfare	241	1	*
¶ Water supply, Sanitation, Housing & Urban Development	698	2	1
¶ Social Welfare and Nutrition	1,062	2	1
¶ Agriculture and allied services	676	1	1
¶ Rural Development	812	2	1
¶ Irrigation and Flood Control	373	1	*
¶ Energy	299	1	*
¶ Other Expenditure	2,710	6	3
<b>Total Expenditure</b>	<b>43,845</b>	-	-

\* Negligible

## ASSETS AND LIABILITIES

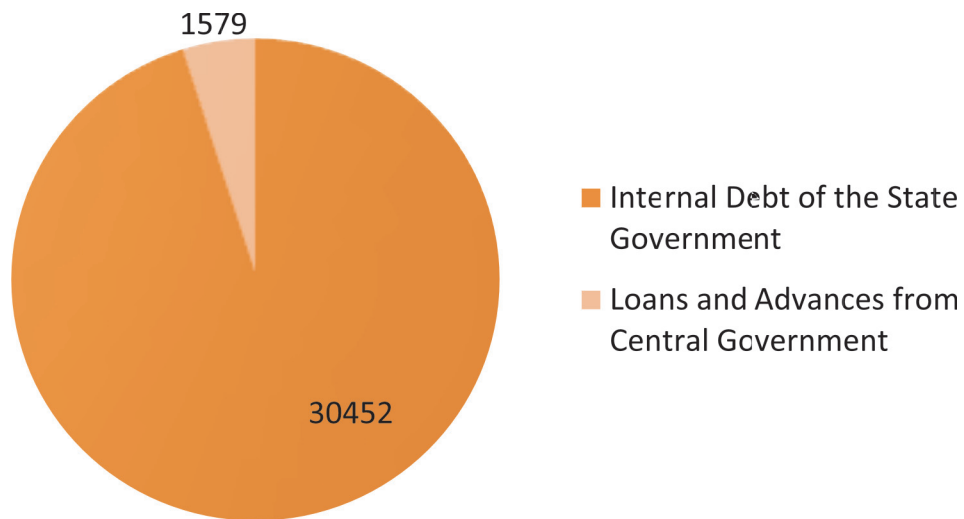
(₹ in crore)

ASSETS		LIABILITIES	
<b>Cash</b>	<b>526.90</b>	<b>Borrowings</b>	<b>32,030.71</b>
<b>Amount Receivable</b>	<b>352.81</b>	¶ Internal Debt	30,451.64
• from Min/ Dept of GOI	257.83	¶ Loans and Advances from GOI	1,579.07
• from States and Agencies	94.98	• Non-Plan Loans	96.29
<b>Remittance awaited</b>	<b>2,596.60</b>	• Loans for State Plan Schemes	1,435.75
<b>Loans and Advances by State Government</b>	<b>1,583.64</b>	• Other Loans	47.03
• Advances to Employees	17.12	<b>Contingency fund</b>	<b>0.95</b>
• Loans and Advances to State Agencies	1,566.52	<b>Small Savings, Provident Fund, etc.</b>	<b>17,516.85</b>
<b>Long Term Investment</b>	<b>547.83</b>	<b>Deposits</b>	<b>4,252.28</b>
<b>Fixed Assets</b> (Land, Buildings, Road, Bridges, Projects etc.)	<b>70,878.91</b>	<b>Reserve Funds</b>	<b>1,544.26</b>
		<b>Amounts Payable</b>	<b>186.70</b>
		¶ to Min/Dept of GOI	117.60
		¶ to other States/Agencies	69.10
		<b>Remittances</b>	<b>7,005.39</b>
		<b>Excess of receipts over expenditure</b>	<b>13,949.55</b>
<b>Total</b>	<b>76,486.69</b>	<b>Total</b>	<b>76,486.69</b>

## DEBT

### Components of debt

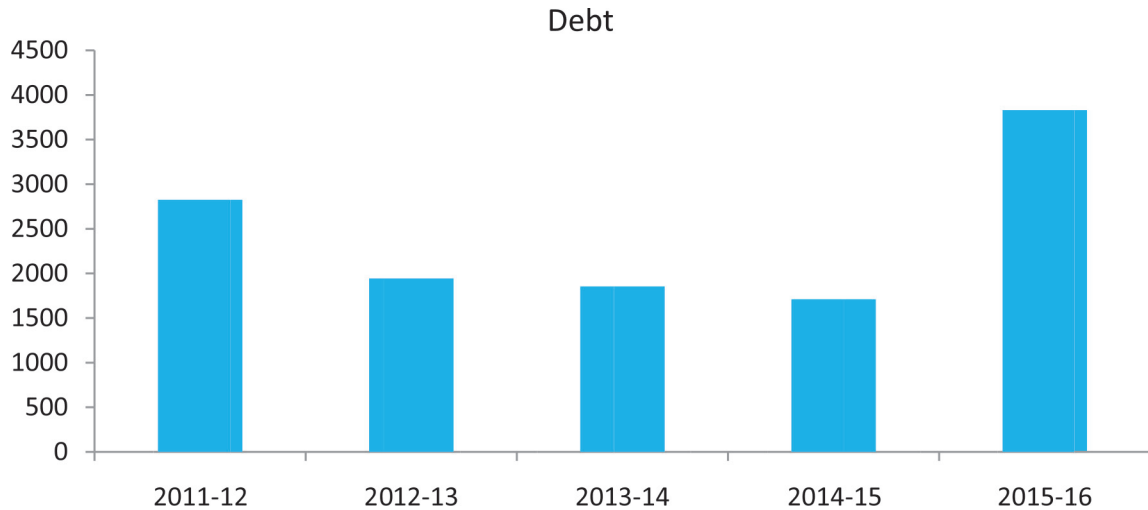
₹ in crore	
Internal Debt of the State Government	30,452
Loans and Advances from the Central Government	1,579



### Trend of debt

(₹ in crore)		
Year	Public Debt	Percent to GSDP
2011-12	22,692	36
2012-13	24,635	32
2013-14	26,490	30
2014-15	28,201	32
2015-16	32,031	35





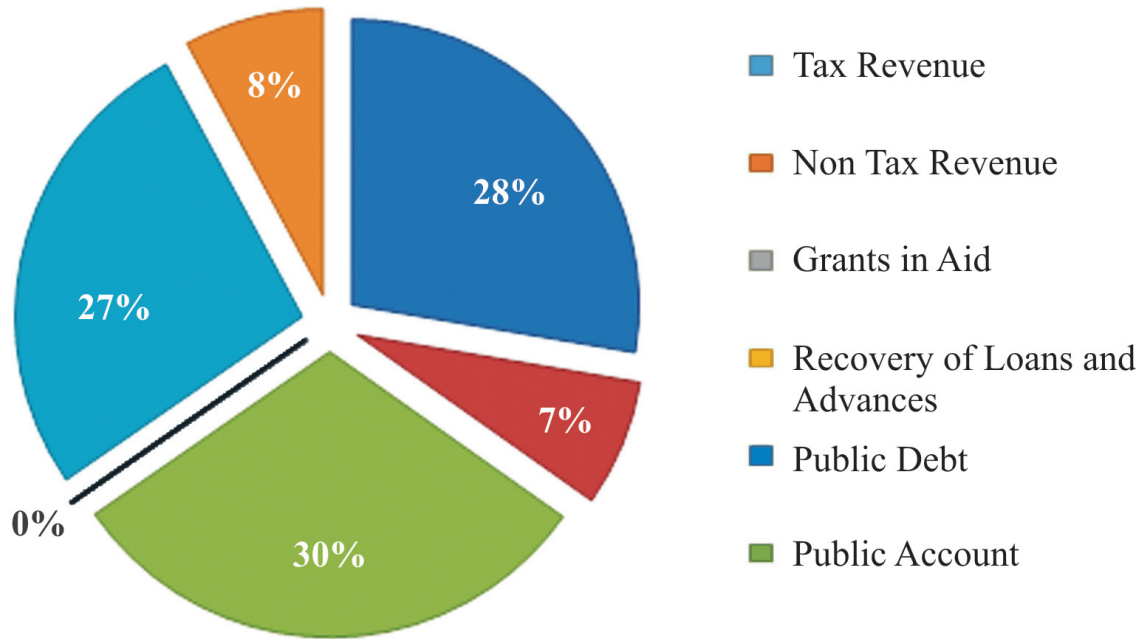
### Utilization of borrowed money

Prudent Financial Management requires that money should be borrowed only for creation of assets or capital expenditure and not for day to day running of the government. However, 95 per cent of the public debt was utilized on repayment of the principal and interest on public debt of previous years and to meet periodic shortfalls of revenue against expenditure in the current year etc. The State Government spent 40 per cent of the borrowings and other liabilities of the current year on capital expenditure (₹ 7,425 crore). Out of which nearly 25% was used for creation of Capital assets and the rest of the money was used for day to day running of the government.

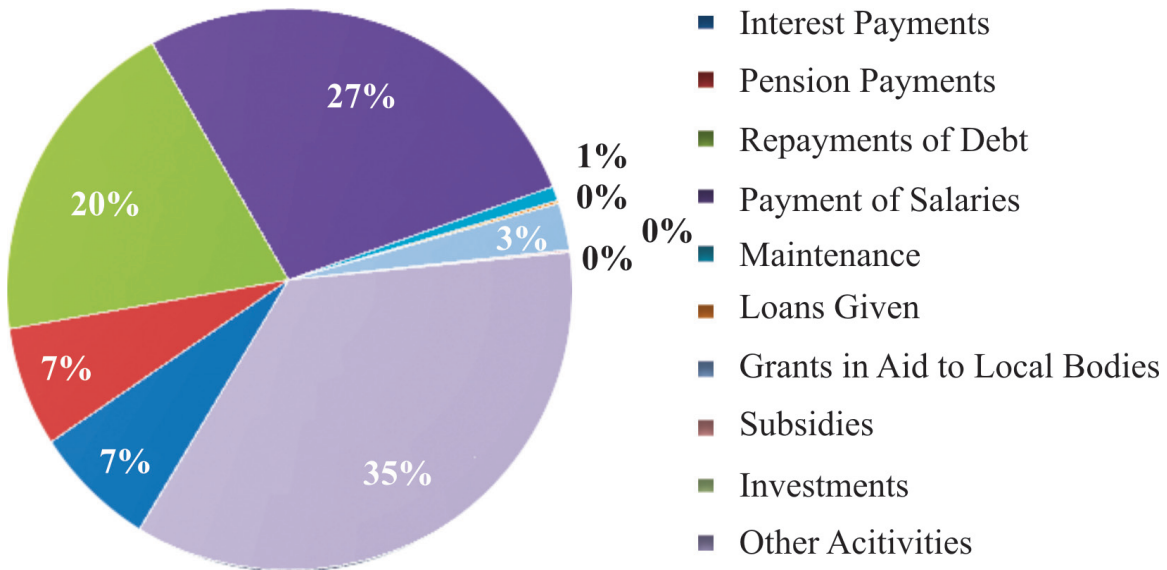


## SOURCE AND USE OF MONEY

*Where the ₹ came from*



*Where the ₹ Went*



## DEFICIT

### Revenue Deficit

Gap between Revenue Receipts and Revenue Expenditure

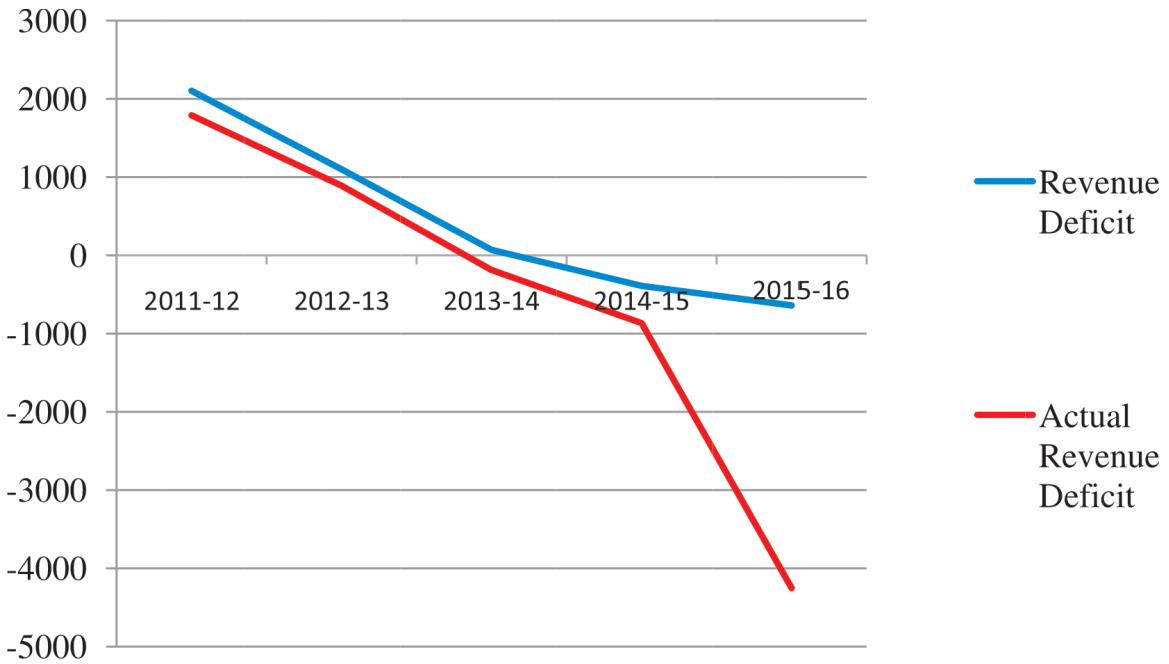
### Fiscal Deficit

Gap between Total Receipts and Total Expenditure

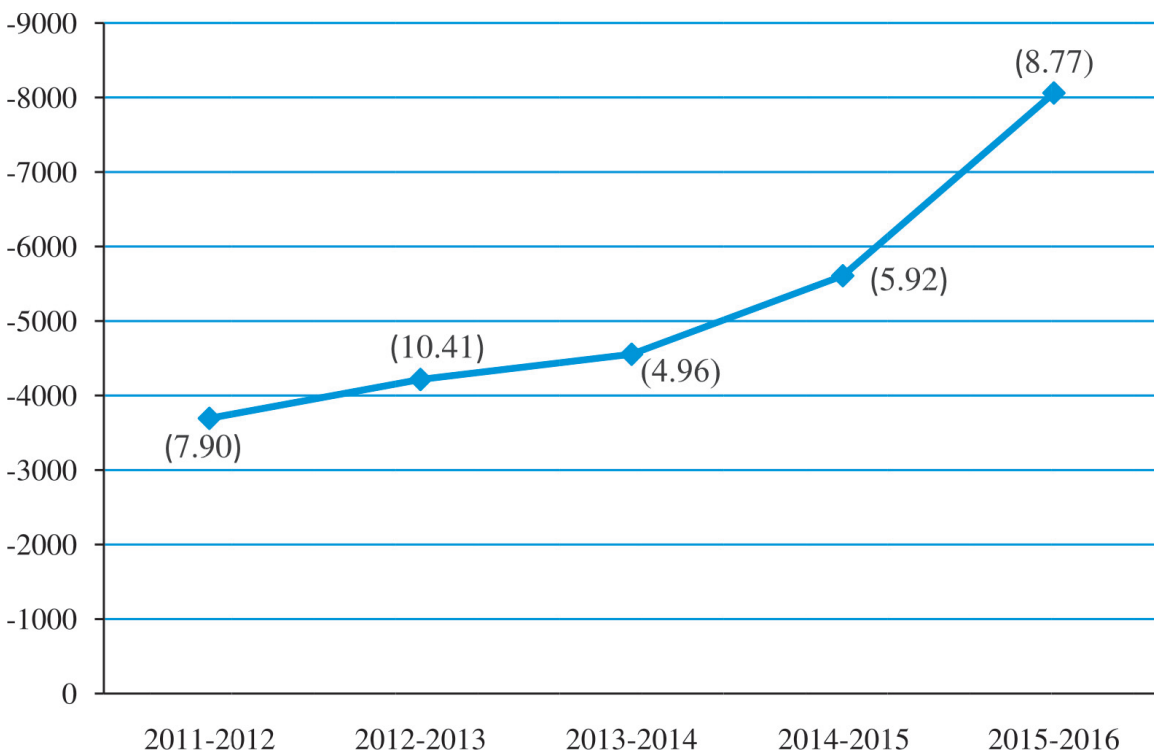
**Revenue Deficit:** Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts. The Revenue Deficit shown in the accounts was ₹ 639.80 crore. However, the actual deficit was ₹ 4,253.42 crore. This was because of understatement of Revenue Expenditure of ₹ 3,613.42 crore which includes ₹ 3,011.91 crore Revenue expenditure booked under Capital Expenditure.

**Fiscal Deficit:** The State Government had a Fiscal Deficit of ₹ 8,061 which constitutes 18 per cent of the total expenditure. This deficit was met from Public Debt (₹ 3,830 crore), increase in Public Account (₹ 4,312 crore). Therefore 50 *per cent* of the deficit was met from Small Savings, Provident Fund, Pension and insurance fund etc, public money held by the State.

### Trend of Revenue Deficit



### Trend of Fiscal Deficit (as percentage)



## Achievements of FRBM Targets

The Jammu and Kashmir Fiscal Responsibility and Budget Management (FRBM) Act, 2006 requires the State Government to ensure prudence in fiscal management by limiting its fiscal deficit and keeping its debt management at sustainable level. It also assumes greater transparency in fiscal operations.

### Targets and Achievements of 2015-16

Financial Parameter	Target	Achievement
Revenue Surplus	6.14 <i>per cent</i> of total Revenue Receipts.	Revenue Deficit was 1.79 <i>per cent</i> as shown in the accounts, but actual deficit was 11.89 <i>per cent</i> .
Fiscal Deficit	3.0 percent of GSDP*	8.77 <i>per cent</i> of GSDP.
Outstanding Liabilities	51.42 <i>per cent</i> of GSDP*	60.26 <i>per cent</i> of GSDP.
Risk of outstanding Guarantees	Guarantees given by the state during the year should not exceed 75 <i>per cent</i> of total Revenue Receipts of preceding year  or  7.5 <i>per cent</i> of GSDP of the preceding year, whichever is lower. This is in terms of risk weights of the guarantees.	The State Government has not yet assessed the risk of various guarantees.

## ANALYSIS OF RECEIPTS

### Revenue Receipts

#### Grants-in-Aid from GOI

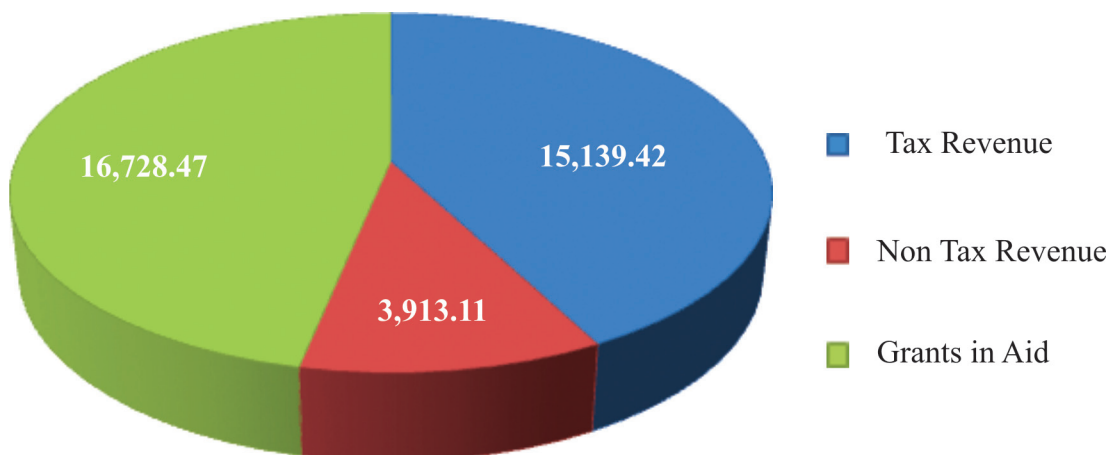
- Central Assistance to the State Government. Includes “External Assistance” received from foreign sources channelized through the Union Government.

#### Tax Revenue

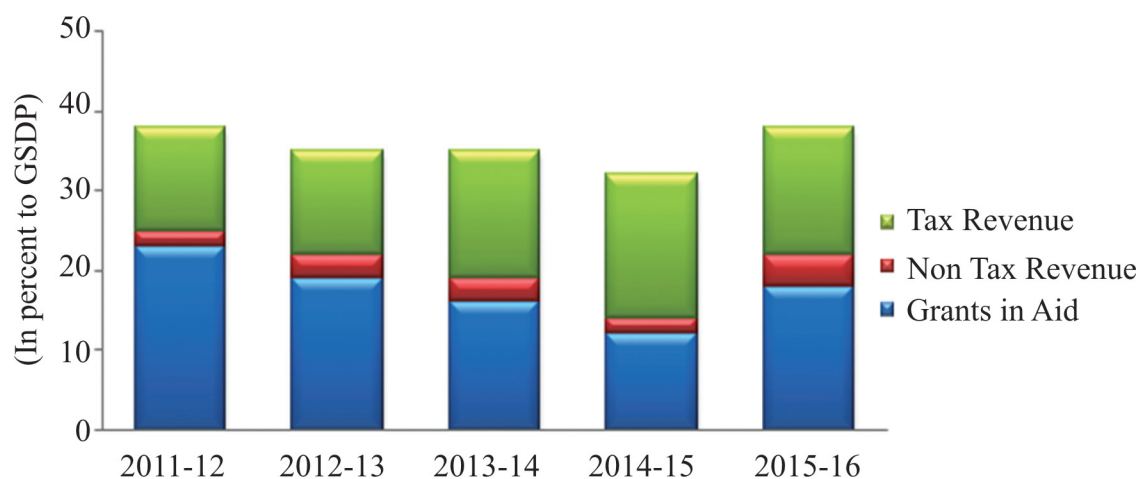
- Taxes collected and retained by the State
- State’s share of Union taxes received from the Government of India under Article 280(3) of the Constitution.

#### Non-Tax Revenue

- Includes interest receipts, dividends, profits etc.



### Trend analysis of Revenue Receipts as percentage of GSDP



	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
	(₹ in crore)				
<b>Tax Revenue</b>	8,240 (13)	9,703 (13)	10,415 (12)	10,812 (12)	15,139 (17)
<b>Non-Tax Revenue</b>	2,002 (3)	2,160 (3)	2,870 (3)	1,978 (2)	3,913 (4)
<b>Grant-in-aid</b>	14,541 (23)	14,354 (19)	13,843 (16)	16,149 (18)	16,728 (18)
<b>Total-Revenue Receipts</b>	24,783 (40)	26,217 (34)	27,128 (31)	28,939 (33)	35,780 (39)
<b>GSDP</b>	62,365	76,115	87,319	87,921	91,850

Note: - Figures in parentheses represent percentage to GSDP

While the GSDP increased by 4 per cent between 2014-2015 and 2015-2016, growth in revenue collection was at 24 per cent. There was increase of 40 per cent in Tax Revenues collection during 2015-16 as compared to year 2014-15 and Non-Tax Revenue increased by 98 per cent. Significant collection under Tax revenue during 2015-16 was under Sales Tax (₹ 5,277 crore), State Excise (₹ 533 crore), Goods and passengers (₹ 666 crore) and on Taxes and Duties on Electricity (₹ 429 crore). Significant collections under Non-Tax revenue was under Major and Medium Irrigation (₹ 1,915 crore) and Power (₹ 1,477 crore).

## Components of Revenue Receipt

(₹ in crore)

<b>Tax Revenue</b>	<b>15,139</b>
¶ States own Tax Revenue	7,326
(Land revenue, Stamps and registration Fees, Excise, Taxes on Sale, Trade etc, Vehicles, Goods and passengers, Taxes on electricity, Commodities and services)	
¶ States share of Taxes collected by union	
• Share of Direct Taxes	5,052
• Share of Indirect Taxes	2,761
<b>Non-Tax Revenue</b>	<b>3,913</b>
¶ Interest Receipts, Dividends Profits	151
¶ General Services	103
¶ Social Services	95
¶ Economic Services	3,564
<b>Grant-in-aid &amp; Contributions</b>	<b>16,728</b>
<b>Total-Revenue Receipts</b>	<b>35,780</b>



## *Efficiency of Tax Collection*

### *Taxes on Property and Capital Transactions*

*(Land Revenue, Stamps and Registration Fees, Wealth)*

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Collection	210	338	281	268	277
Expenditure on Collection	77	88	102	95	176
Efficiency of Tax Collection	63	74	64	65	36

### *Taxes on Commodities and Services*

*(Customs, Excise duties, Sales tax, VAT, Taxes on Goods and Passengers, electricity duty)*

(₹ in crore)

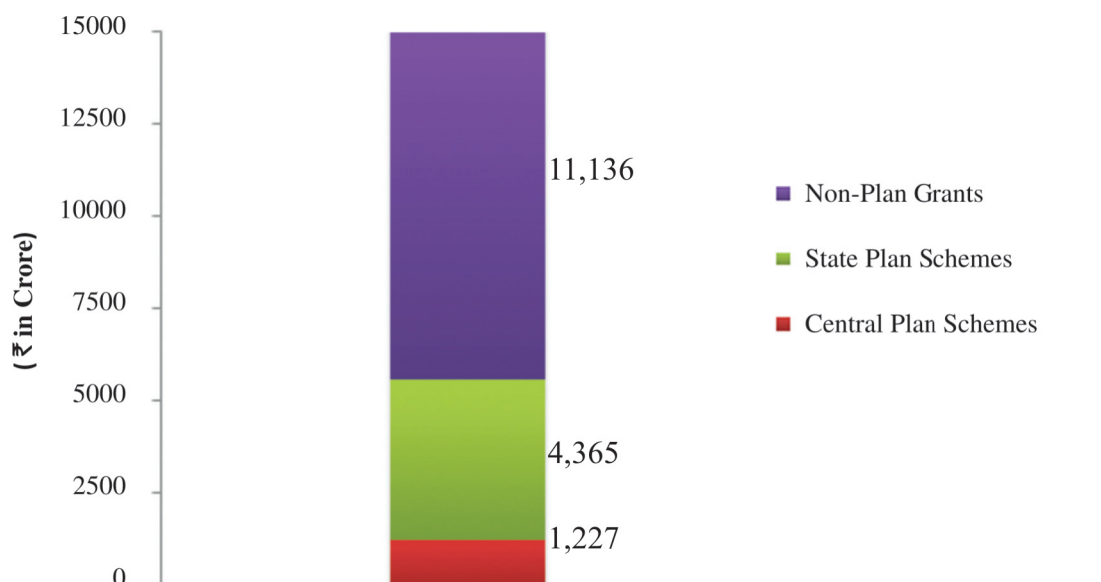
	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Collection	5,675	6,762	7,374	7,400	9,810
Expenditure on Collection	54	117	70	69	88
Efficiency of Tax Collection	99	98	99	99	99

Taxes on commodities and services formed a major chunk of tax revenue. Though the Tax collection efficiency in respect of Taxes on Commodities and Services was high, the collection efficiency of taxes on property and capital transactions needs to be improved.

## Grants in Aid Received

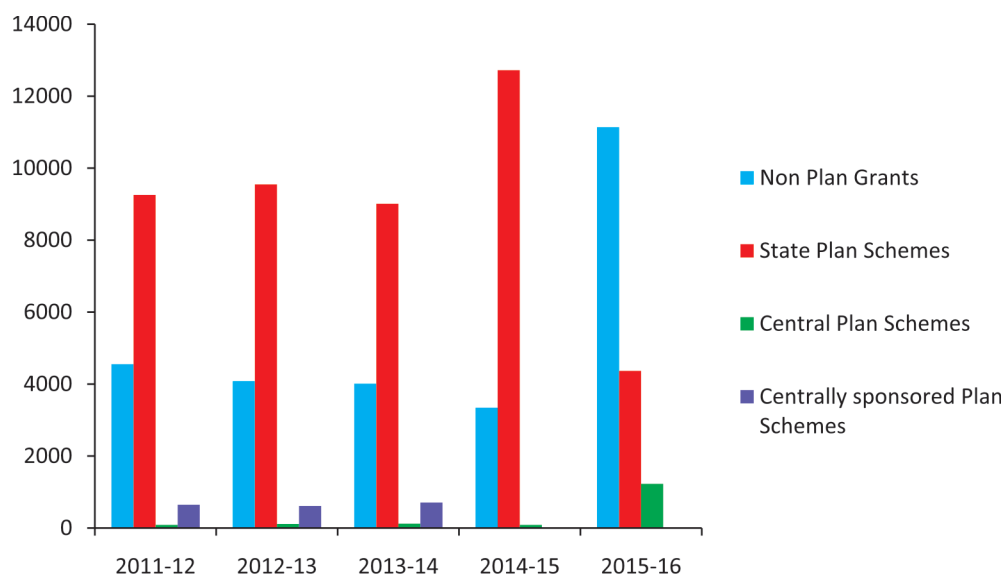
Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-Plan Grants recommended by the Finance Commission. Total receipts during 2015-16 under Grants-in-Aid were ₹ 16,728 crore as indicated in the graphics below:

### Components of Grants-In-Aid



The share of Grants for state Plan Schemes in total Grants-in-Aid decreased from ₹ 12,720 crore in 2014-15 to ₹ 4,365 in 2015-16 while the share of Central plan schemes increased from ₹ 84 crore in 2014-15 to ₹ 1,227 crore in 2015-16.

### Trend of Grants-in-Aid Received



## Capital Receipts

During 2015-16, ₹ 4 crore was received as recovery of Loans and advances and ₹ 8,061 crore was received on account of borrowings and other liabilities.

(₹ in crore)

<b>Trend of Capital receipts</b>					
<b>Nature</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Loans and Advances</b>	<b>168</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>Borrowings and other liabilities</b>	<b>3,694</b>	<b>4,216</b>	<b>4,554</b>	<b>5,608</b>	<b>8,061</b>
<b>Total</b>	<b>3,862</b>	<b>4,217</b>	<b>4,558</b>	<b>5,611</b>	<b>8,065</b>

## EXPENDITURE

### Revenue Expenditure

Revenue Expenditure is used to meet the day-to-day expenditure of Government. Around 63 *Per cent* of the Revenue Receipts (₹ 35,780 crore) of the State Government was spent on committed expenditure like salaries (₹ 14,909 crore), interest payments (₹ 3,757 crore) and pension payments (₹ 3,781 crore).

### Sector Wise Revenue Expenditure

<b>General Services</b>	Include Justice, Police, Jail, PWD, Pension etc
<b>Social Services</b>	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc.
<b>Economic Services</b>	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

(₹ in crore)

	Amount	Percentage
General Services	13,675	38
Social Services	11,331	31
Economic Services	11,414	31
<b>Total Expenditure (Revenue Account)</b>	<b>36,420</b>	<b>100</b>

### Sector wise Trend of Revenue Expenditure



There has been a steady increase in all the three Sectors viz, Social Services, Economic Services and General Services during the last five years.

## Departments with Major Revenue Expenditure

(₹ in crore)

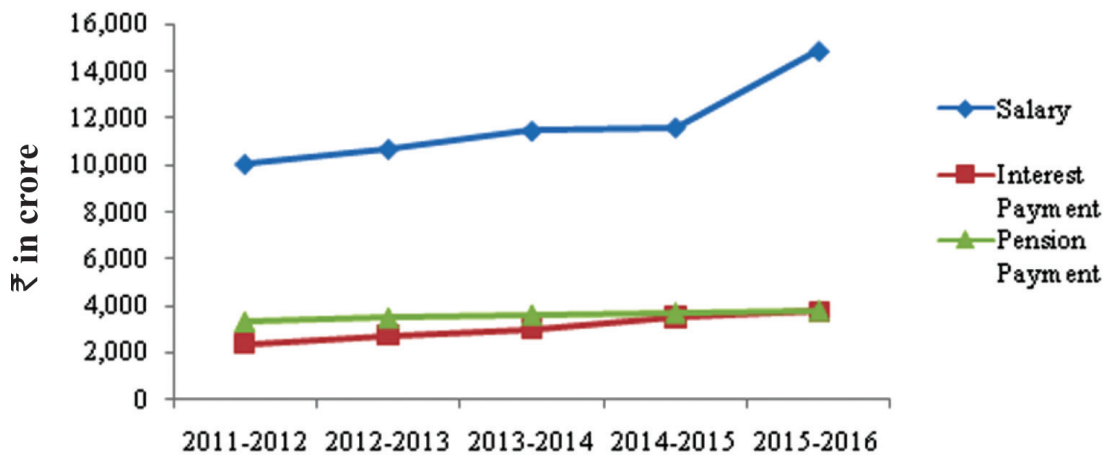
Power	6,835
General Education	5,715
Police	4,427
Pension and other Retirement Benefits	3,781
Interest Payment and Servicing of Debt	3,719
Medical	2,230
Water Supply & sanitation	1,052
Social Security and Welfare	704
Urban Development	612
Forestry and Wildlife	593

## Committed Expenditure

(Salary, Interest Payment, Pension Payment)

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Committed Expenditure	15,732	16,871	18,068	18,843	22,446
Revenue Expenditure	22,680	25,117	27,058	29,329	36,420
Percentage of committed expenditure to Revenue Receipts	64	64	67	65	63
Percentage of committed expenditure to Revenue expenditure	69	67	67	64	62



### Financial assistance to local bodies and others

The State Government gives Grants-In-Aid to Local Bodies, University, Schools, Colleges State owned Corporations and other Autonomous Bodies. Grants in Aid increased from ₹ 1,269 crore in 2014-15 to ₹ 1,523 crore in 2015-16. Grants to Urban Local Bodies during 2015-16 including Municipalities (₹ 257 crore) representing 17 per cent of total grants given during the year 2015-16. Grants-In-Aid given during 2015-16 is as under

(₹ in crore)

Urban Local Bodies	257
Public Sector Undertakings	68
Universities	438
Development Authority's	33
Cooperative Institutions	3
Non-Government Organizations	2
Others	722

## Capital Expenditure

Capital Expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities.

### Components of Capital Expenditure

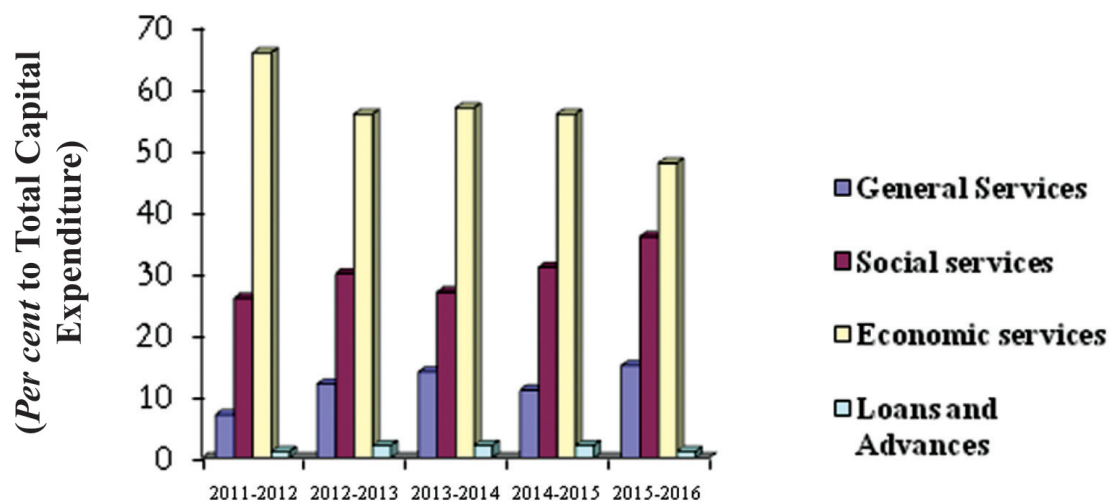
(₹ in crore)

<b>Projects</b>	<b>672</b>
•Power	299
•Minor Irrigation	139
•Flood Control Projects	155
•Major and Medium Irrigation	37
•Command Area Development	42
<b>Roads and Bridges</b>	<b>393</b>
<b>Other Fixed Assets (Land, Buildings, Vehicles, etc.)</b>	<b>5,878</b>
<b>Transport Infrastructure</b>	<b>377</b>
<b>Investment in Share Capital</b>	<b>11</b>

### *Sectoral distribution of capital expenditure over the past Five years*

Sector	2011-12	2012-13	2013-14	2014-15	2015-16
General Services	394	637	648	608	1,111
Social services	1,569	1,598	1,230	1,608	2,674
Economic services	3,936	2,989	2,629	2,918	3,546
Loans and Advances	66	93	121	87	94
	<b>5,965</b>	<b>5,317</b>	<b>4,628</b>	<b>5,221</b>	<b>7,425</b>

### Trend of Sectoral Distribution of Capital Expenditure



## Appropriation Accounts

### Summary of the Appropriation Accounts for 2015-16

(₹ in crore)

Nature of Expenditure	Original Grant	Supplementary Grant	Reappropriation	Total	Actual Expenditure	Saving* (-) Excess* (+)
Revenue	35,587	3,584	-	39,171	36,613	(-)2,558
Capital	10,447	3,575	-	14,022	8,100	(-)5,922
Public Debt	8,589	-	-	8,589	10,815	(+)2,226
Loans and Advances	88	-	-	88	94	(+)6
<b>Total</b>	<b>54,711</b>	<b>7,159</b>	<b>-</b>	<b>61,870</b>	<b>55,622</b>	<b>(-)6,248</b>

\* Savings/Excess = (Budget Estimates minus Actual expenditure i.e Net of recoveries)

### Trend of Saving / Excess during past five years.

(₹ in crore)

Year	Savings (-) Excess (+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2011-12	(-)2,022	(-)1,836	(+)4,474	(-)15	(+)601
2012-13	(-)982	(-)3,876	(+)3,768	(+)23	(-)1,067
2013-14	(-)1,673	(-)3,930	(+)2,916	(-)9	(-)2,696
2014-15	(-)4,337	(-)6,220	(+)187	(-)52	(-)10,422
2015-16	(-)2,558	(-)5,922	(+)2,226	(+)6	(-)6,248



## Rush of Expenditure

The Financial rules stipulate that rush of expenditure particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred under certain selected Heads of Account during March 2016 ranging between 50 *per cent* and 100 *per cent* of the total expenditure during the year indicate a tendency to utilize the budget at the close of financial year. The flow of expenditure during the fourth quarter of 2015-16 under such Heads was as below:

( ₹ in crore )

Description	Total Expenditure	Expenditure During March	Percentage of expenditure during March
Welfare of Schedule Castes, Schedule Tribes and Other Backward Classes	98.07	57.40	58.53
Labour and Employment	58.39	34.55	59.17
Capital outlay on Police	211.27	138.46	65.54
Capital outlay on Welfare of Schedule castes, Schedule tribes and other Backward Classes	36.88	26.53	71.94
Capital outlay on Social Security and Welfare	1025.85	1000.07	97.49
Capital outlay on Major and Medium Irrigation	36.96	21.21	57.39
Capital outlay on minor Irrigation	139.01	97.75	70.32
Capital outlay on Village and Small Industries.	142.87	94.76	66.33

### Analysis of expenditure under Constituency Development Fund:

The flow of expenditure during the four quarters of 2015-16 under the scheme Constituency Development Fund is as under:-

( ₹ in crore )

Name of the Scheme	Expenditure During					Total	Percentage of expenditure during March
	1 <sup>st</sup> qtr	2 <sup>nd</sup> qtr	3 <sup>rd</sup> qtr	4 <sup>th</sup> qtr	March 2016		
Constituency Development Fund	0.27	6.36	12.71	103.05	89.50	122.39	73.13

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