



Accounts at a Glance 2020-21



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

**GOVERNMENT OF UNION TERRITORY OF
JAMMU & KASHMIR**



Accounts at a Glance for the year 2020-21

**Principal Accountant General,
(Jammu and Kashmir,
Accounts and Entitlement)**

**GOVERNMENT OF UNION TERRITORY OF
JAMMU and KASHMIR**

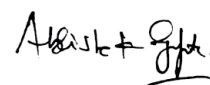
Preface

I am happy to present the first issue of our annual publication, the 'Accounts at a Glance' relating to Government of Union Territory of Jammu and Kashmir for the year 2020-21, which provides an overview of Government activities, as reflected in the Finance Accounts and Appropriation Accounts.

The Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and Public Account of the Government of Union Territory. The Appropriation Accounts record the grant wise expenditure against provisions approved by the Parliament and depict explanations for variations between the actual expenditure and the funds allocated.

Finance and Appropriation Accounts are prepared annually by my office under the direction of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and Section 71 of the Jammu and Kashmir Re-organisation Act, 2019 for being laid before the Union Territory Legislature. However, the Legislature of Union Territory of Jammu and Kashmir, has not been constituted so far. Therefore, in accordance with the decision (22 June 1994) of the Government of India, Ministry of Finance, Department of Economic Affairs the Annual Accounts are placed in the Parliament.

We look forward to suggestions.



(Dr. Abhishek Gupta)

Jammu

Principal Accountant General (A&E)

Date: 12 April 2022

Jammu and Kashmir

Our Vision, Mission and Core Values

VISION

(The vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become.)

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognised for independent, creditable, balanced and timely reporting on public finance and governance.

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders; the Legislature, the Executive and the Public- those public funds are being used efficiently and for the intended purpose.

MISSION

(The mission enunciates our current role and describes what we are doing today.)

CORE VALUES

(Our core values are the guiding beacons for all that we do and give as the benchmark for assessing our performance.)

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

Table of Contents

		Page No.
Chapter I	Overview	
1.1	Introduction.....	1
1.2	Structure of Government Accounts.....	2
1.3	Finance Accounts and Appropriation Accounts	4
1.4	Sources and Application of Funds.....	6
1.5	Financial highlight of year 2020-21	9
1.6	Fiscal Responsibility and Budget Management (FRBM)/ MTFP Act. 2006.....	10
Chapter II	Receipts	
2.1	Introduction.....	14
2.2	Revenue Receipts.....	14
2.3	Tax Revenue	16
2.4	Grants-in-Aid	17
2.5	Public Debt	18
Chapter III	Expenditure	
3.1	Introduction.....	19
3.2	Revenue Expenditure	20
3.3	Capital Expenditure	22
3.4	Plan and Non Plan Expenditure.....	23
Chapter IV	Appropriation Accounts	
4.1	Summary of Appropriation Accounts 2020-21	24
4.2	Trend of Savings/ Excess	24
4.3	Significant Savings	25
Chapter V	Assets and Liabilities	
5.1	Assets	26

5.2	Debt and Liabilities	28
5.3	Guarantees	29
Chapter VI	Other Items	
6.1	Loans and Advances made by the Government	31
6.2	Financial Assistance to Local Bodies and Others.....	31
6.3	Cash Balance.....	33
6.4	Reconciliation of Accounts.....	33
6.5	Submission of Accounts by Accounts rendering units.....	33
6.6	Opening of New Sub Heads/Detailed Heads of Accounts without advice.....	34
6.7	Goods and Services Tax (GST).....	34
6.8	Unadjusted Abstract Contingent (AC) Bills.....	34
6.9	Booking under Minor Head 800-Other Expenditure and 800-Other Receipts	35
6.10	Impact on Revenue Deficit and Fiscal Deficit	35
6.11	Liabilities towards Retirement benefits	36
6.12	Grants/Loans given to PSUs where accounts are not finalised.	36
6.13	Status of Outstanding Utilisation Certificates	36
6.14	Expenditure on Ecology and Environment.....	37
6.15	Compensatory Afforestation Fund	37
6.16	Transfer of Funds to various Implementing agencies	37
6.17	Incomplete projects aged five years and more.....	38
6.18	Unspent amount lying in the Bank Accounts of Drawing and Disbursing Officers (DDOs)	38
6.19	Interest on General Provident Fund	38
6.20	Contingency Fund.....	39
6.21	Allocation of Balances as a result of Re-organisation	39
6.22	New Pension Scheme	39
6.23	Building and other Construction Workers Welfare Cess.....	40
6.24	Other Cess	40
6.25	Restructuring of Centrally Sponsored Schemes (CSS)/ Additional Central Assistance (ACA) excluding Block Grants....	40
6.26	Status of Suspense Balances.....	41
6.27	Compliance with Accounting Standards	41

Chapter I

Overview

1.1 Introduction

The Principal Accountant General (Accounts and Entitlements), Jammu and Kashmir collate, classifies, compiles the accounts data rendered by multiple agencies and prepares the accounts of the Government of Union Territory of Jammu and Kashmir. This compilation is based on initial accounts rendered by 121 Treasuries including 20 District Treasuries, Inter State transactions and advices of the Reserve Bank of India. Following such compilation, every month a Monthly Civil Account (MCA) is presented by the Principal Accountant General (A&E) to the Government of Union Territory of Jammu and Kashmir. The Principal Accountant General (A&E) also prepares the Finance Accounts and Appropriation Accounts annually, which are placed before the Union Territory Legislature after audit by the Principal Accountant General (Audit), Jammu and Kashmir and certification by the Comptroller and Auditor General of India. However, the Legislature of the Union Territory of Jammu and Kashmir, has not been constituted so far (March 2022) and is under President's Rule for more than one year. Therefore, in accordance with the decision (22 June 1994) of the Government of India, Ministry of Finance, Department of Economic Affairs, the Annual Accounts of Union Territory of Jammu and Kashmir for the year 2020-21 are placed in the Parliament.

1.2 Structure of Government Accounts

1.2.1 Government Accounts are maintained in the following three parts:

Structure of Government Accounts

● **Part 1** **CONSOLIDATED FUND**

All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) form the Consolidated Fund.

All expenditure and disbursement of the Government, including release of loans and repayment of loans taken (and interest thereon), are met from this fund.

The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorisation by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund.

The corpus of this fund for the Government of Jammu and Kashmir is Nil during 31 October 2019 to 31 March 2020.

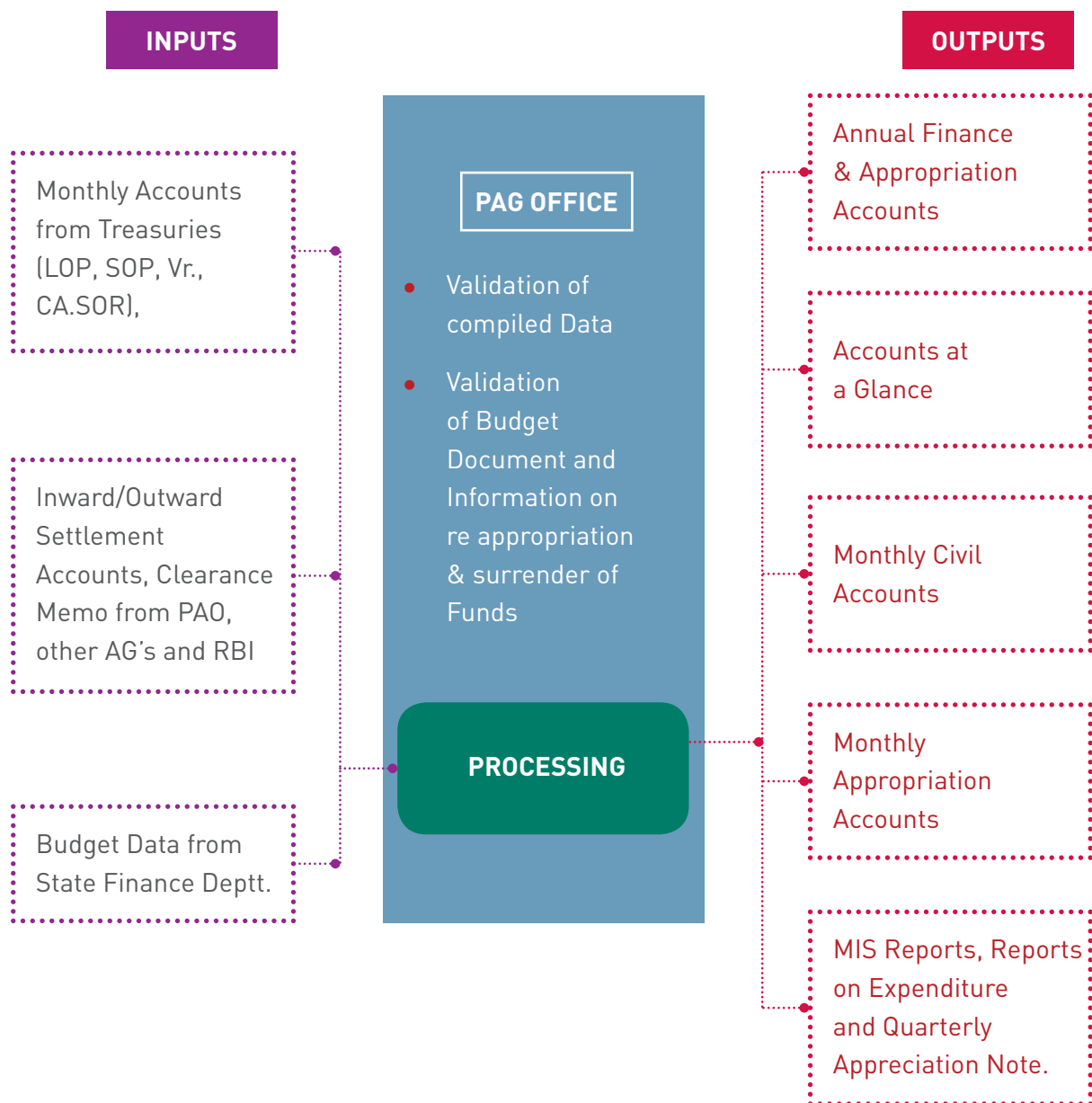
● **Part 2** **CONTINGENCY FUND**

● **Part 3** **PUBLIC ACCOUNT**

All the transactions relating to Debt (Other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' shall be recorded. The transactions under Debt, Deposit and Advances in this part are such in respect of which Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid, together with the repayments of the former (Debt and Deposits) and the recoveries of the latter (Advances). The transactions relating to 'Remittances' and 'Suspense' in this Part shall embrace all merely adjusting heads under which shall appear such transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles. The initial debits or credits to these heads will be cleared eventually by corresponding receipts or payments either within the same circle of account or in another account circle.

1.2.2 Compilation of Accounts:

Flow Diagram for Accounts Compilation



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government of Union Territory of Jammu and Kashmir for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the Accounts. Finance Accounts are prepared in two volumes to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarised statements of overall Receipts and Disbursements (Revenue Expenditure, Capital Expenditure, Loans and Advances and Public Debt), Investments, Guarantees, Grants-in-aid and 'Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains detailed statements (Part-I) and appendices (Part-II).

Receipts and Disbursements of the Government of Union Territory of Jammu and Kashmir for the year 2020-21 and resulting Surplus/Deficit in the Finance Accounts are as follows:

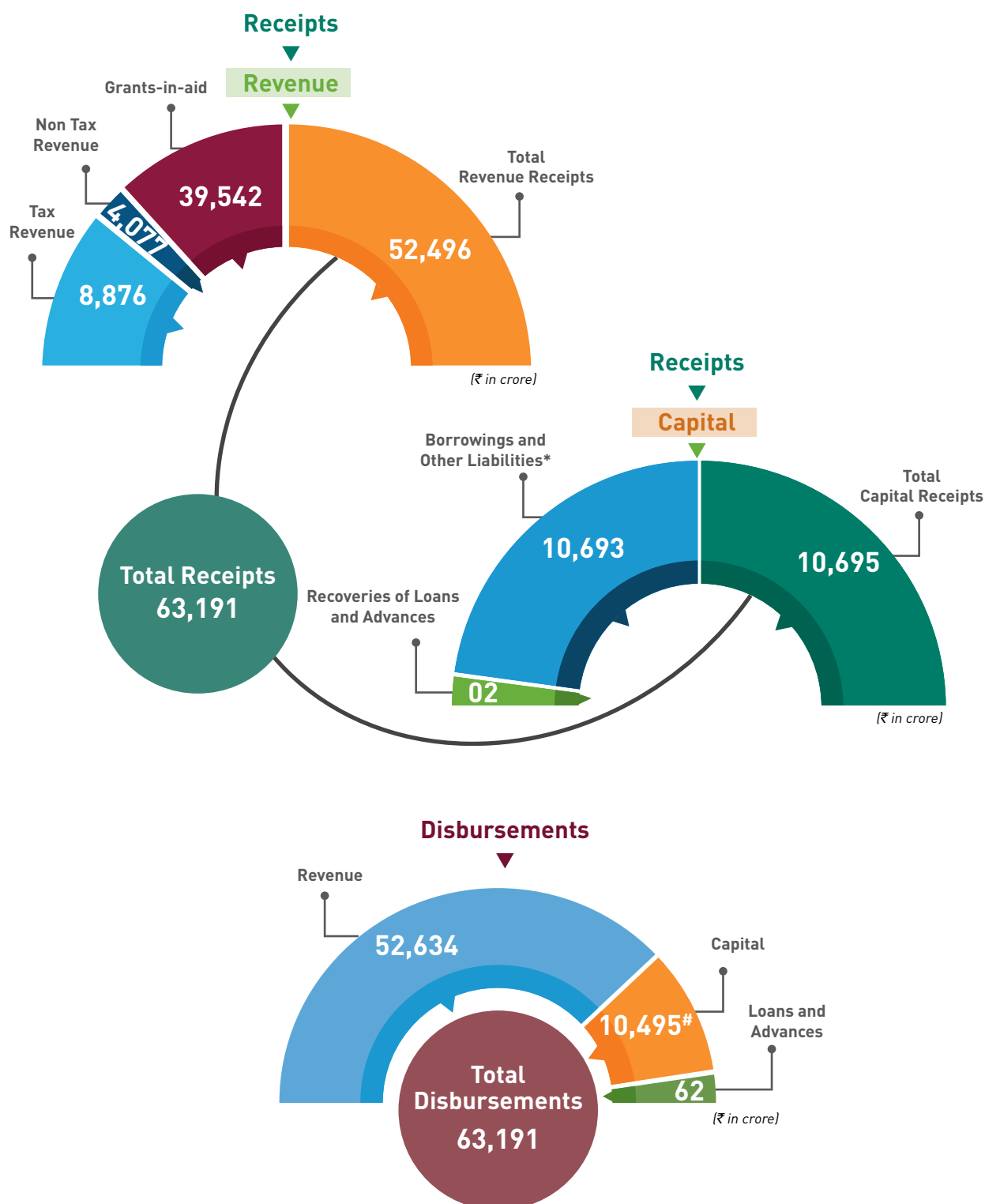
Receipts and Disbursement in the year 2020-21

(₹ in crore)

Receipts 63,191	Revenue	Tax Revenue	8,877
		(a) Own Tax Revenue	8,877
		(b) Share of net proceeds of Taxes	-
		Non Tax Revenue	4,077
		Grants-in-aid	39,542
	Capital	Recoveries of Loans and Advances	02
		Borrowings and Other Liabilities*	10,693
		Other Receipts	-
Disbursements 63,191	Revenue		52,634
	Capital		10,470
	Loans and Advances		62
	Transfer to Contingency Fund		25
	Revenue Deficit		138
	Fiscal Deficit		10,693
	Primary Deficit		4,321

* Borrowings and other Liabilities: Net (Receipts – Disbursement) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursement) of Public Account + Net of Opening and Closing Cash Balance

Receipts and Disbursement in year 2020-21



* Borrowings and other Liabilities: Net (Receipts – Disbursement) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursement) of Public Account + Net of Opening and Closing Cash Balance.

[#] Includes ₹ 25.00 crore amount transferred to Contingency Fund (corpus) by debit to Consolidated Fund.

1.3.2 Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government of Union Territory except with authorisation of the Legislature. Barring certain expenditure specified in the Constitution as “Charged” on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “Voted.” The Budget of the Government of Union Territory of Jammu and Kashmir comprises 36 Demand for Grants reflecting *Charged* Appropriation and voted Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure compiled with the appropriation authorised by the Legislature through the Appropriation Act of each year.

1.3.3 Efficiency on Budget Preparation

During the year 2020-21, the actual gross expenditure of the Government of the Union Territory of Jammu and Kashmir against the budget approved by the Parliament showed saving of ₹ 36,809 crore (28 *per cent*) and under estimation of ₹ 98 crore (76 *per cent*) on reduction of expenditure. Certain grants like those relating to Planning, Power Development, Law, Food, Civil Supplies and Consumer Affairs, Irrigation and Flood Control, Labour, Stationery and Printing, Tourism, Tribal Affairs, etc. showed substantial savings during the period.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

Ways and Means Advances are taken from the Reserve Bank of India to make good the deficiency in the minimum cash balance which the Government of Union Territory is required to maintain with the Reserve Bank of India. The total Ways and Means Advances given to Government of Union Territory of Jammu and Kashmir was ₹ 24,007 crore during 2020-21, there was also outstanding balance on account of Ways and Means Advances to the extent of ₹ 188 crore, out of which Government repaid ₹ 23,479 crore. Thus, leaving a balance of ₹ 716 crore outstanding as on 31 March 2021. There was also outstanding balance of ₹ 692 crore as on 30 October 2019 which is yet to be apportioned between successor Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the Reserve Bank of India while the limit of minimum Cash Balance falls below i.e. ₹ 1.14 crore, even after taking Ways and Means Advances which is required to be maintained with the Reserve Bank of India. During 2020-21, in addition to ₹ 107 crore outstanding Overdraft as on 31 March 2020, Overdraft of ₹ 6,793 crore was also raised, out of which ₹ 5,831 crore was repaid during the same period. Thus, leaving a balance of ₹ 1,069 crore outstanding as on 31 March 2021.

1.4.3 Fund Flow Statement

During the year 2020-21, the Union Territory had a Revenue Deficit of ₹ 138 crore and a Fiscal Deficit of ₹ 10,693 crore. The Fiscal Deficit constituted 6.07 per cent of GSDP {₹ 1,76,282 crore as available from Ministry of Statistics and Programme Implementation, Government of India (26 April 2021)}. This Fiscal Deficit was met from (i) Internal debt (Market borrowings, Loans from financial Institutions ₹ 7,005 crore, (ii) Loans and Advances from the Central Government ₹ 2,164 crore, (iii) Small Savings, Provident Fund etc. ₹ 1,144 crore (iv) Deposits and Advances ₹ 582 crore, (v) Contingency Fund ₹ 25 crore, (vi) Sinking Funds and Reserve Funds ₹ 584 crore, (vii) Suspense and Miscellaneous (-) ₹ 82 crore, (viii) Remittances (-) ₹ 764 crore and (ix) Decrease in Cash Balance ₹ 35 crore. Around 74.86 Per cent of the Revenue Receipts (₹ 52,496 crore) of the Government of Union Territory was spent on Committed Expenditure like salaries (₹ 23,850 crore), pension payments (₹ 9,078 crore) and interest payments (₹ 6,372 crore).

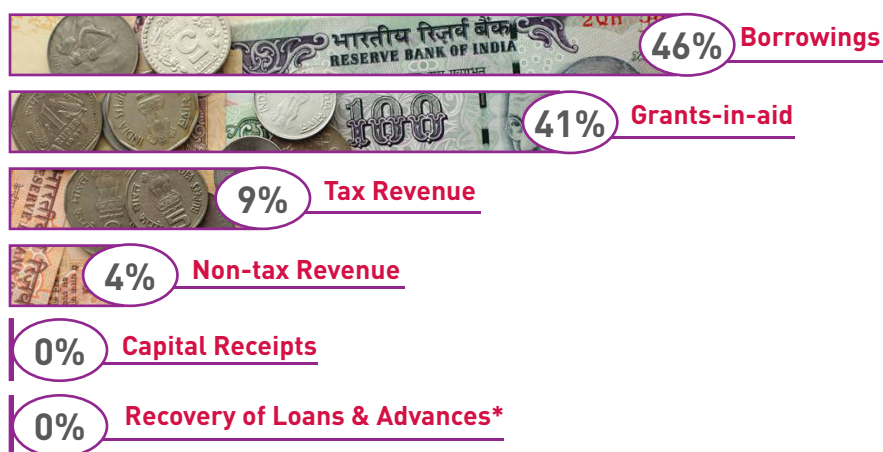
Sources and Application of Funds

	(₹ in crore)
SOURCES	
Opening Cash Balance as on 1 April 2020	1,482
Revenue Receipts	52,496
Capital Receipts	-
Recovery of Loans and Advances	02
Public Debt	42,733
Small Savings, Provident Funds etc.	5,968
Reserves Fund & Sinking Funds	791
Deposits Received	3,427
Civil Advances Repaid	-
Suspense Account*	12,655
Remittances	1,992
TOTAL	1,21,546
APPLICATION	
Revenue Expenditure	52,634
Capital Expenditure	10,470*
Loans Given	62
Repayment of Public Debt	33,563
Small Savings, Provident Funds etc.	4,824
Reserves Fund & Sinking Funds	207
Deposits Repaid	2,845
Civil Advances Given	-
Suspense Account*	12,737
Remittances	2,756
Closing Cash Balance as on 31 March 2020	1,448
TOTAL	1,21,546

* Does not include ₹ 25.00 crore amount transferred to Contingency Fund (corpus) by debit to Consolidated Fund.

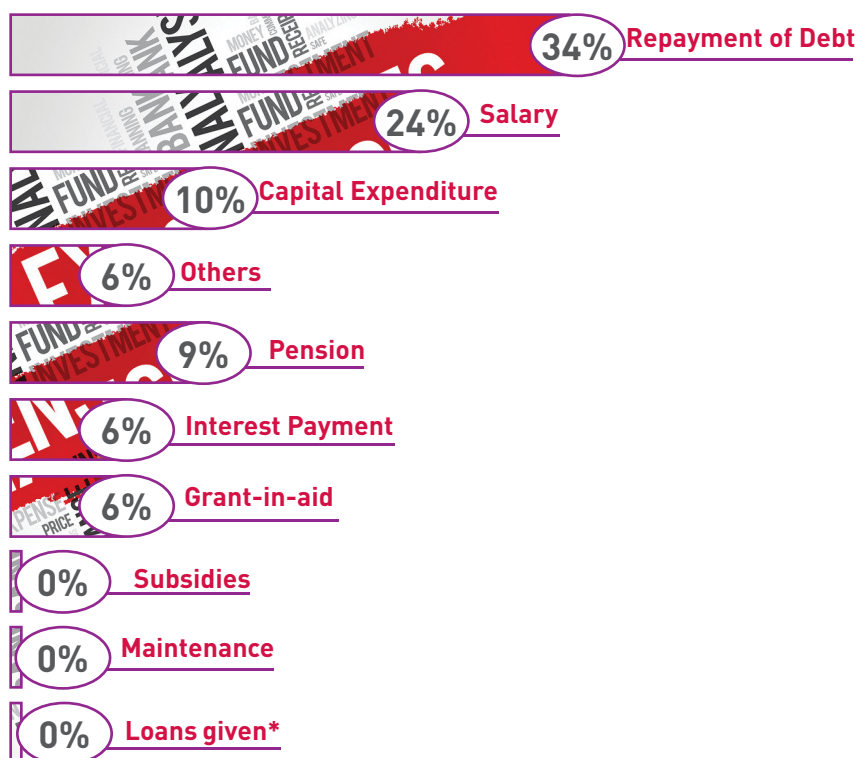
The Suspense account includes ₹ 11,904 crore invested in treasury bills and disbursement of departmental balances and permanent cash imprest which is shown on the "Application" side and ₹ 11,904 crore worth of treasury bills sold through the RBI (a process known as "re-discounting") and receipts in departmental balance and permanent imprest which is shown on the "Sources" side.

1.4.4 Where the Rupee came from



* Negligible ₹ 2 crore only.

1.4.5 Where the Rupee went



* Negligible (Subsidies ₹ 0.17 crore, Maintenance ₹ 340 crore and Loans given ₹ 69 crore only).

1.5 Financial highlight of the year 2020-21

All assistance for Centrally Sponsored Schemes (CSS) needs to be transferred through Consolidated Fund of the Government of Union Territory as per Government of India's decision and not directly to the implementing agencies. However, as per Public Financial Management System (PFMS) portal of Controller General of Accounts (CGA), various Ministries/Departments of the Central Government released Funds to the tune of ₹ 917.68 crore directly to the various Departments of the Government of Union Territory of Jammu and Kashmir during 2020-21.

Apart from the above, various Autonomous Bodies, Central Government Organisations, Societies etc. also received ₹ 1,843.51 crore directly from the Central Government.

Details are at Appendix-VI in Volume-II.

The following table provides the details of actual financial results vis-à-vis budget estimates for the year 2020-21.

(₹ in crore)

S. No.	Description	Budget Estimate 2020-21	Actuals	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP*
1.	Tax Revenue (including Central Share)	34,441	8,877	26	05
2.	Non-Tax Revenue	4,065	4,077	100	02
3.	Grants-in-Aid & Contributions	52,594	39,542	75	22
4.	<i>Revenue Receipts (1+2+3)</i>	91,110	52,496	58	29
5.	Recovery of Loans & Advances	89	02	02	**
6.	Other Receipts	-	-	-	-
7.	Borrowings and Other Liabilities	10,240	10,693	^	06
8.	<i>Capital Receipts (5+6+7)</i>	10,329	10,695	^	06
9.	<i>Total Receipts (4+8)</i>	1,01,429	63,191	62	35
10.	Revenue Expenditure	62,665	52,634	84	29
11.	Expenditure on Interest Payments (out of revenue expenditure)	6,891	6,372	92	03
12.	Capital Expenditure	38,656	10,470	27	06
13.	<i>Loans and Advances Disbursed</i>	108	62	57	**
14.	Transfer to Contingency Fund	-	25	NA	**
15.	<i>Total Expenditure (10+12+13)</i>	1,01,429	63,191	62	35
16.	<i>Revenue Surplus (+)/Deficit(-) (4-11)</i>	(+28,445)	(-)138	^	**
17.	<i>Fiscal Deficit (4+5+6-10)</i>	10,329	10,693	^	06

* ₹ 1,76,282 crore as available on web-site of Ministry of Statistics and Programme Implementation, GoI (26.04.2021).

** Negligible.

NA: Not applicable

^ More than 100 per cent.

What do the deficits and surpluses indicate?



DEFICIT

Refers to gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence of Financial Management.

Refers to gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.

REVENUE DEFICIT/ SURPLUS



FISCAL DEFICIT/ SURPLUS

Refers to gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowing. Ideally, the Borrowings should be invested in capital projects.

1.6 Fiscal Responsibility and Budget Management (FRBM)/ Medium Term Fiscal Plan (MTFP) Act, 2006

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The Jammu and Kashmir Fiscal Responsibility and Budget Management (FRBM)/ MTFP Act, 2006 requires the 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.

The Jammu and Kashmir FRBM/MTFP rules specified only the annual target for (a) Revenue Deficit as percentage of total Revenue Receipts (b) Fiscal Deficit as percentage to GSDP and (c) total outstanding liabilities as percentage to GSDP.

1.6.1 FRBM/MTFP targets vis-à-vis achievements

In terms of Jammu and Kashmir FRBM Act, 2006 passed by the erstwhile State of Jammu and Kashmir in August 2009, the successor Government of Union Territory of Jammu and Kashmir presented the Medium-Term Fiscal Policy and Strategy Statement along with the Union Territory Budget for 2021-22 in Parliament (March 2021). No fiscal indicators-rolling targets were specified for the year 2020-21. However, the fiscal parameters of the Government of Union Territory of Jammu and Kashmir, as per the Accounts for 2020-21 were as under:

Sl. No.	Parameter	Achievements during the year as per the accounts and GSDP*
1.	Revenue Deficit	The Revenue Deficit of ₹ 138.27 crore as per accounts was 0.08 per cent of GSDP for 2020-21.
2.	Fiscal Deficit	The Fiscal Deficit of ₹ 10,693.36 crore as per accounts was 6.07 per cent of GSDP for 2020-21.
3.	Outstanding Public Debt# and other Liabilities	The outstanding Public Debt# and other Liabilities (₹ 14,880.47# crore) for the period from 31 October 2019 to 31 March 2021(excluding Public Debt and other Liabilities of ₹ 83,536.64 crore outstanding as on 30 October 2019 yet to be apportioned between successor Union Territories) was 9.63 per cent of GSDP.

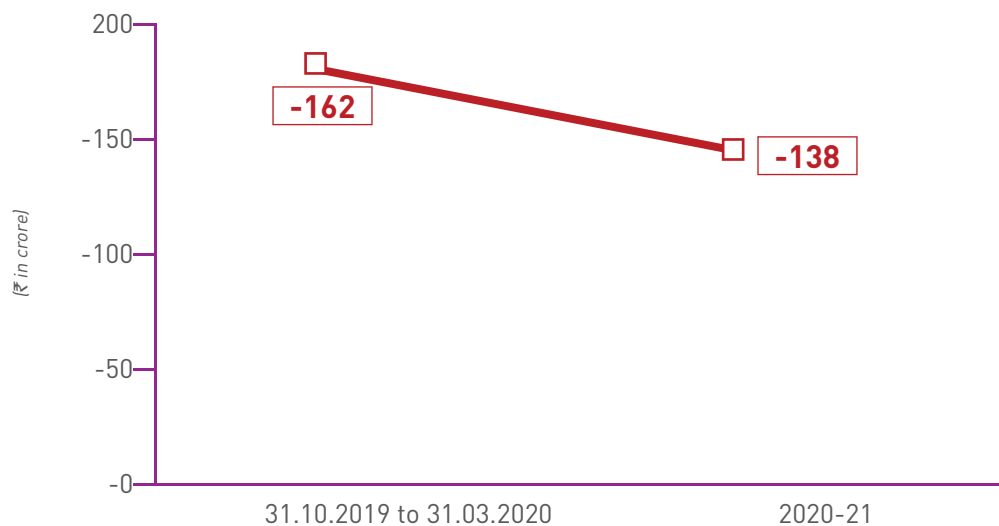
The Debt does not include ₹ 2,099.80 crore, which was passed on as back to back loans by Gol in lieu of shortfall in GST compensation, vide Gol's letter No. F.No. 40(1) PF-S/2021-22 dated 10 December 2021.

Outstanding debt includes all debts (excluding ₹ 2,099.80 crore passed on in lieu of shortfall in GST compensation) and other liabilities.

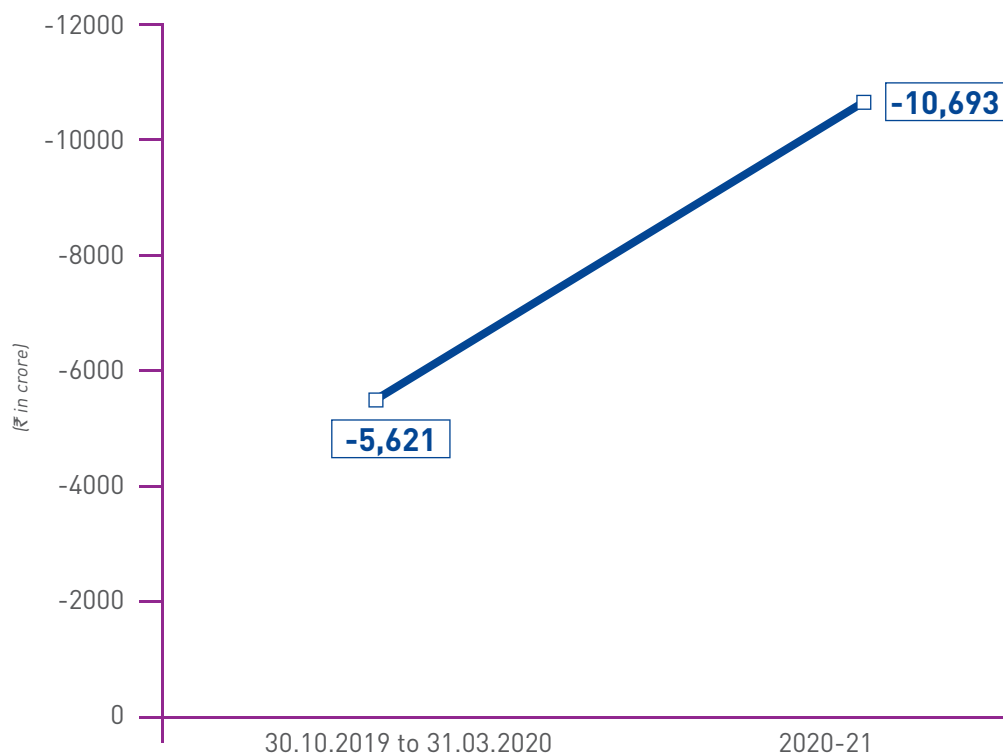
Due to understatement of Revenue Expenditure of ₹ 251 crore classified as Capital Expenditure, short contribution to Defined contribution Pension Fund and non-payment of interest on State Compensatory Afforestation Fund/Deposit, there was actually a Revenue Deficit of ₹ 390 crore during 2020-21 instead of ₹ 138 crore as shown in the accounts. Due to understatement of Revenue Expenditure by ₹ 61 crore as short contribution of Union Territory share and interest the Fiscal Deficit was also understated to that extent.

1.6.2 Trend of Revenue Surplus/ Deficit and Fiscal Deficit

Trend of Revenue Surplus/Deficit

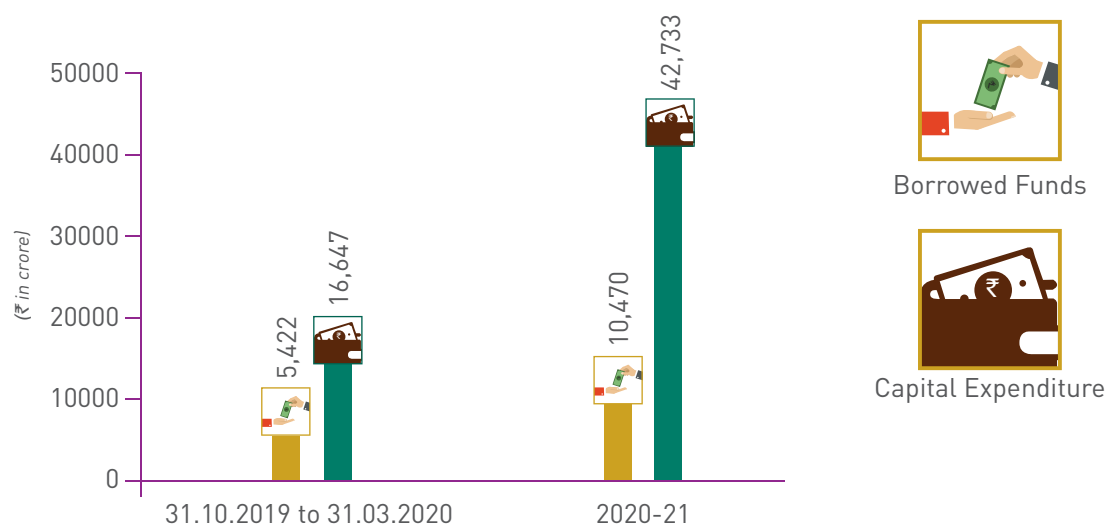


Trend of Fiscal Deficit



1.6.3 Proportion of borrowed funds spent on Capital

Borrowed funds and Capital Expenditure



Prudent Financial Management requires that money should be borrowed only for creation of capital assets and to use Revenue Receipts for repayment of principal and interest thereon. However, 75 per cent of the public debt (₹ 32,263 crore) was utilised on repayment of the principal and payment of interest on public debt of previous years. The Government of Union Territory spent 25 per cent of the borrowings of the current year (₹ 42,733 crore) on Capital Expenditure (₹ 10,470 crore). This amount includes misclassified Revenue Expenditure of ₹ 190 crore. Considering this amount, the percentage of borrowings spent on Capital Expenditure further drops to 24 per cent.

Chapter II

Receipts

2.1 Introduction

Receipts of the Government of Union Territory are classified as Revenue Receipts and Capital Receipts. Total Receipts during 2020-21 were ₹ 52,496 crore.

2.2 Revenue Receipts

The Revenue Receipts of the Government comprises of three components viz. Tax Revenue, Non-Tax Revenue and Grants-in-Aid received from the Union Government.

● TAX REVENUE

Comprises taxes collected and retained by the State and State's share of Union Taxes under Article 280(3) of the Constitution.

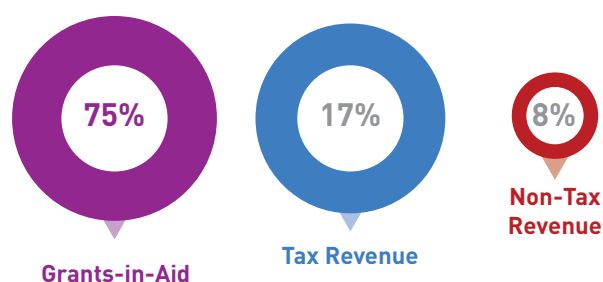
Includes interest receipts, dividends, profits, royalties etc.

● NON-TAX REVENUE

● GRANTS-IN-AID

Essentially, a form of Central Assistance to the State Government from the Union Government includes "External Grant Assistance" received from foreign sources and channelised through the Union Government. In turn, the State Government also give Grants-in-aid to institutions like Municipalities, Local Bodies, NGO's etc.

Revenue Receipts



2.2.1 Revenue Receipts Components (2020-21)

(₹ in crore)

Components	Actuals
A. Tax Revenue*	8,877
Goods and Services Tax (GST)	4,839
Taxes on Income & Expenditure	-
Taxes on Property & Capital Transactions	386
Taxes on Commodities & Services	3,652
B. Non-Tax Revenue	4,077
Interest Receipts, Dividends and Profits	18
General Services	96
Social Services	177
Economic Services	3,786
C. Grants-in-aid & Contributions	39,542
Total-Revenue Receipts	52,496

* No Share of net proceeds assigned to State was received by the Government of Union Territory during 2020-21.

2.2.2 Trend of Revenue Receipts

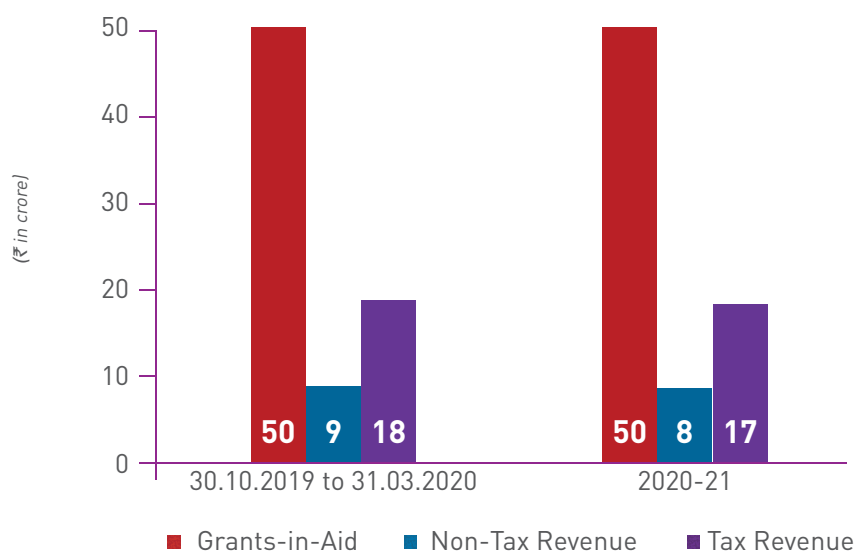
(₹ in crore)

Component	31.10.2019 to 31.03.2020	2020-21
Tax Revenue	4,056	8,877
Non-Tax Revenue	2,063	4,077
Grant-in-aid	16,432	39,542
Total-Revenue Receipts	22,557	52,496
GSDP at current price*	Not applicable	1,76,282

Source:

* GSDP for the period from 31 October 2019 to 31 March 2020 was not made available by the Union Territory Government. ₹ 1,76,282 crore for 2020-21 as available on web-site of Ministry of Statistics and Programme Implementation, GoI (26.04.2021).

Trend of components of Revenue Receipts



2.3 Tax Revenue

(₹ in crore)

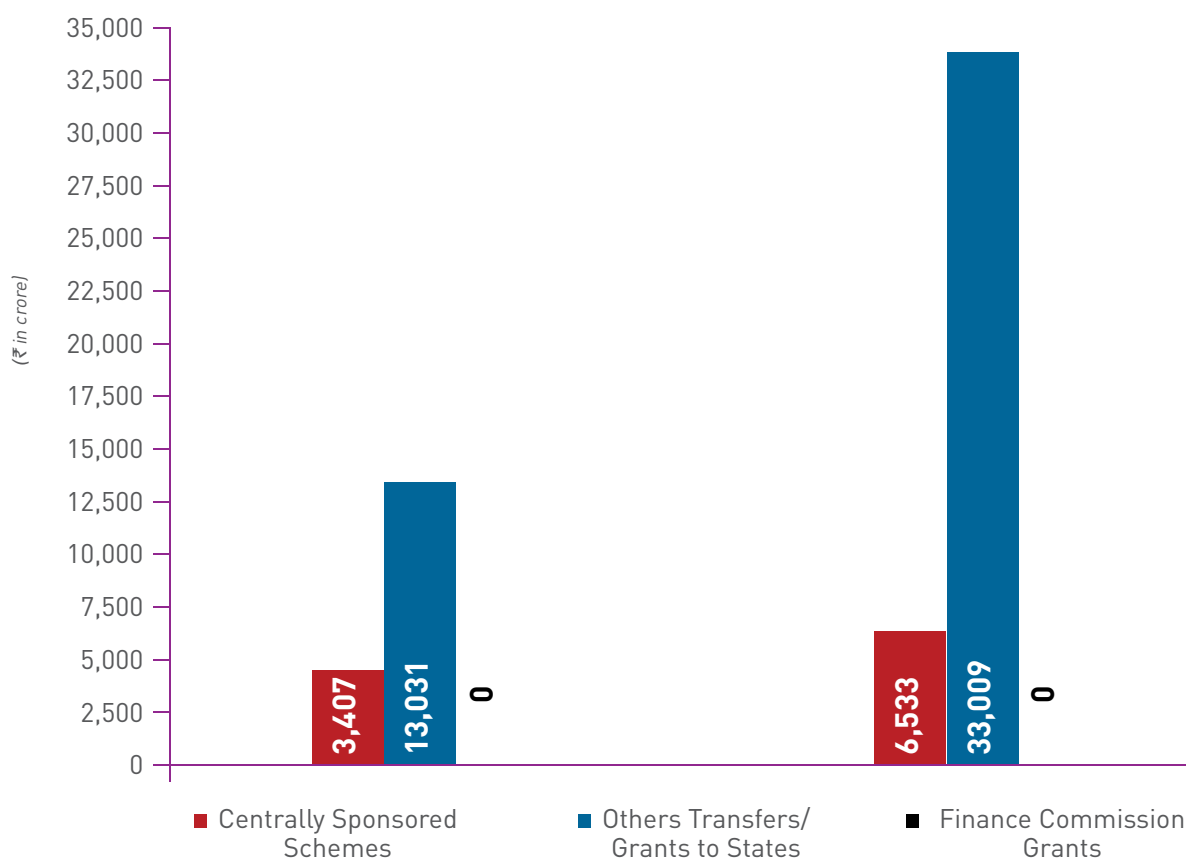
Component	31.10.2019 to 31.03.2020	2020-21
Goods and Services Tax (GST)	2,115	4,839
Taxes on Income and Expenditure	-	-
Taxes on Property and Capital Transactions	166	386
Taxes on Commodities and Services	1,775	3,652
Total Tax Revenue	4,056	8,877

2.4 Grants-in-Aid

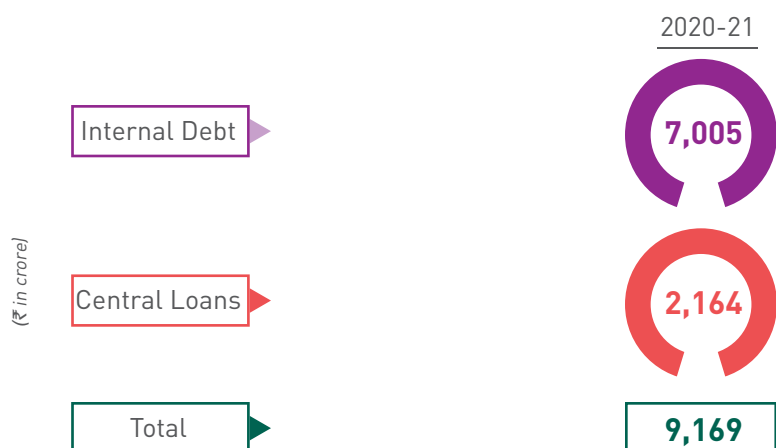
(₹ in crore)

Taxes	31.10.2019 to 31.03.2020	2020-21
UT Goods and Services Tax	2,115	4,839
Land Revenue	48	61
Stamps and Registration	118	326
State Excise	588	1,347
Sales Tax	782	1,496
Taxes on Goods and Passengers	158	01
Taxes on Vehicles	246	488
Other Taxes	01	319
Total Tax Revenue	4,056	8,877

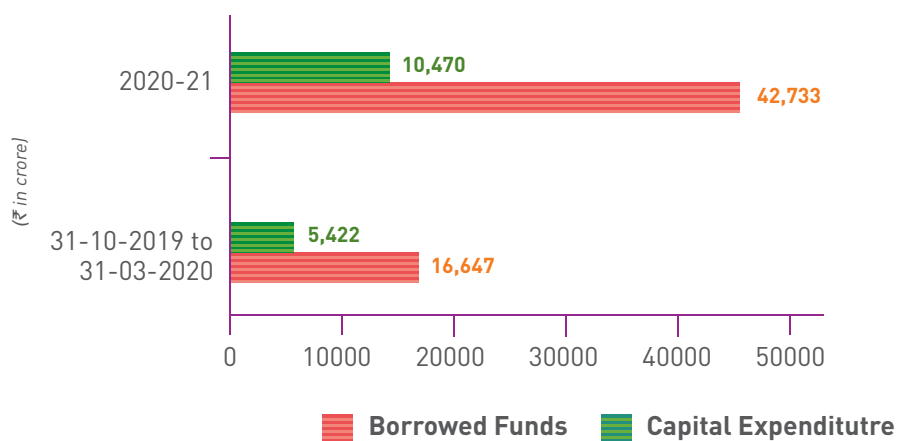
Grants-in-aid (GIA) to Union Territory, represent assistance from Government of India and comprise grants for Centrally Sponsored Schemes and Other Transfers/ Grants to Union Territory approved by the NITI Aayog. Total receipts during 2020-21 under Grants-in- aid were ₹ 39,542 crore as shown below:



2.5 Public Debt



Borrowed Funds viz-à-viz Capital Expenditure



During 2020-21, 15 loans totalling ₹ 9,328 crore was raised from the open market at interest rates varying from 6.46 per cent to 7.24 per cent and the same are redeemable during the year 2029-30. In addition, the Government of Union Territory raised loan of ₹ 322 crore from the Financial Institutions and ₹ 30,800 crore as Ways and Means Advances/Overdraft from the Reserve Bank of India. Loans to the extent of ₹ 2,283 crore (including ₹ 2,100 crore back to back loans passed on in lieu of GST compensation shortfall) was also raised from the Central Government during the period.

Chapter III

Expenditure

3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue Expenditure is used to meet the day-to-day expenditure of Government. Capital Expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities.

In Government Accounts, the expenditure is classified at top level into three Sectors: General Services, Social Services and Economic Services. The significant areas of expenditure covered under these sectors are mentioned in the table given below:

GENERAL SERVICES

Includes Justice, Interest Payments, Police, Jail, PWD, Pension etc

Includes Education, Health & Family Welfare, Water Supply, Welfare of SC, ST, OBC, Social Security, Nutrition and Relief on account of Natural Calamities etc.

SOCIAL SERVICES

ECONOMIC SERVICES

Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

The excess of Revenue Expenditure against Budget Provisions during the period 2020-21 is given below:

(₹ in crore)

Component	2020-21
Budget Provision	64,130
Actual	52,634
Gap Saving (-) / Excess (+)	(-)11,496
Percentage of variation of Actuals against BE	(-)18

Around 74.67 per cent of the total Revenue Expenditure was incurred on “Committed” expenses viz. on Salaries (₹ 23,850 crore), Pension (₹ 9,078 crore) and Interest Payments (₹ 6,372 crore) which is the committed liabilities of the Government of Union Territory.

The position of committed and uncommitted Revenue Expenditure during 2020-21 is given below:

(₹ in crore)

Component	2020-21
Total Revenue Expenditure	52,634
Committed Revenue Expenditure*	39,300
Percentage of Committed Revenue Expenditure to total Revenue Expenditure	75
Uncommitted Revenue Expenditure	13,334

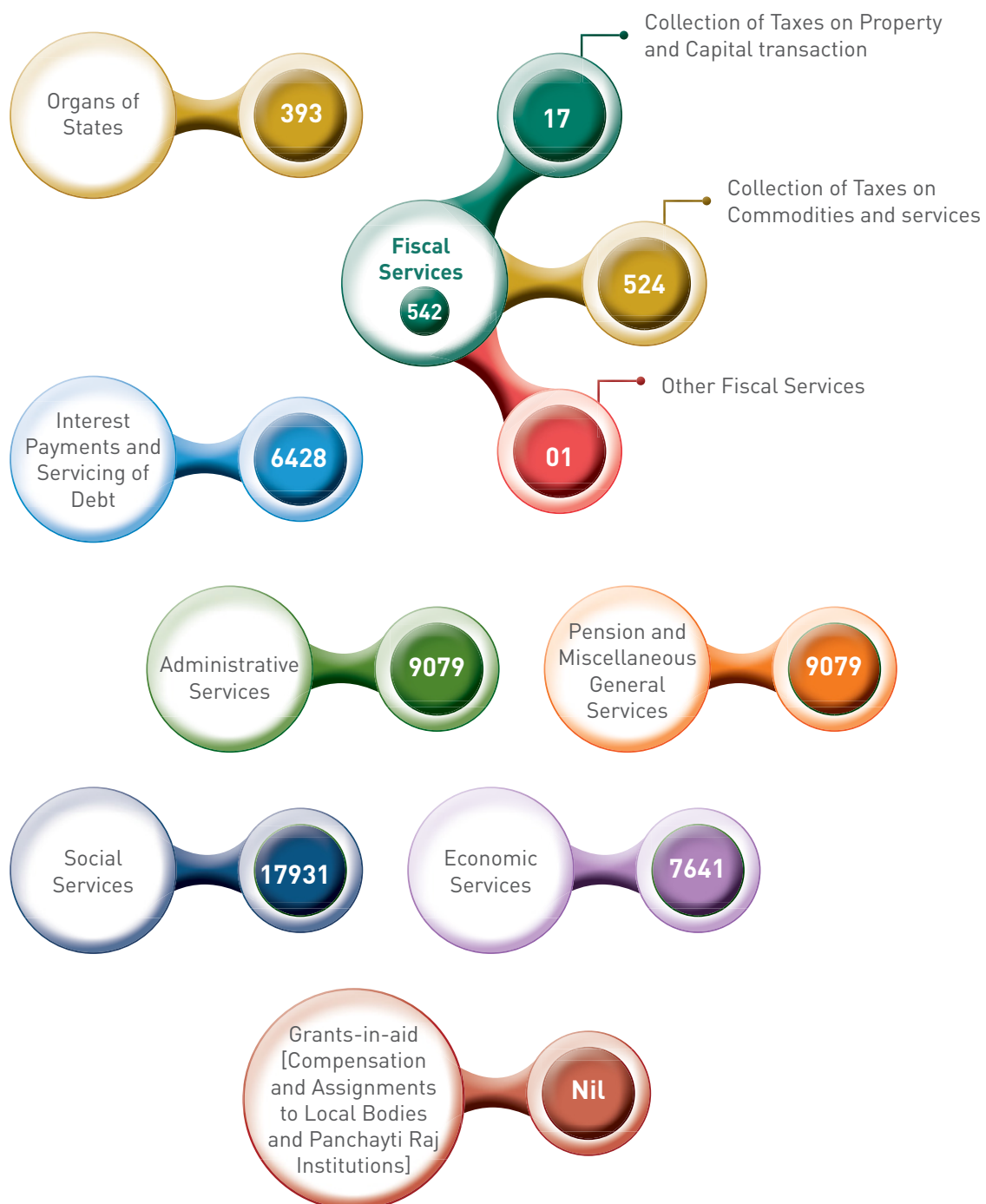
*Committed Revenue Expenditure includes expenditure on Salary, Pension and Interest Payments.

3.2.1 Sectoral distribution of Revenue Expenditure during 2020-21

Component	Amount (₹ in crore)	Percentage
A. Fiscal Services	542	01
Collection of Taxes on Property and Capital transactions	17	#
Collection of Taxes on Commodities and Services	524	01
Other Fiscal Services	01	#
B. Organs of State	393	01
C. Interest Payments and Servicing of Debt	6,428	12
D. Administrative Services	9,079	17
E. Pensions and Miscellaneous General Services	9,079	17
F. Social Services	19,472	37
G. Economic Services	7,641	15
H. Grants-in-aid Contributions	-	-
Total Expenditure (Revenue Account)	52,634	100

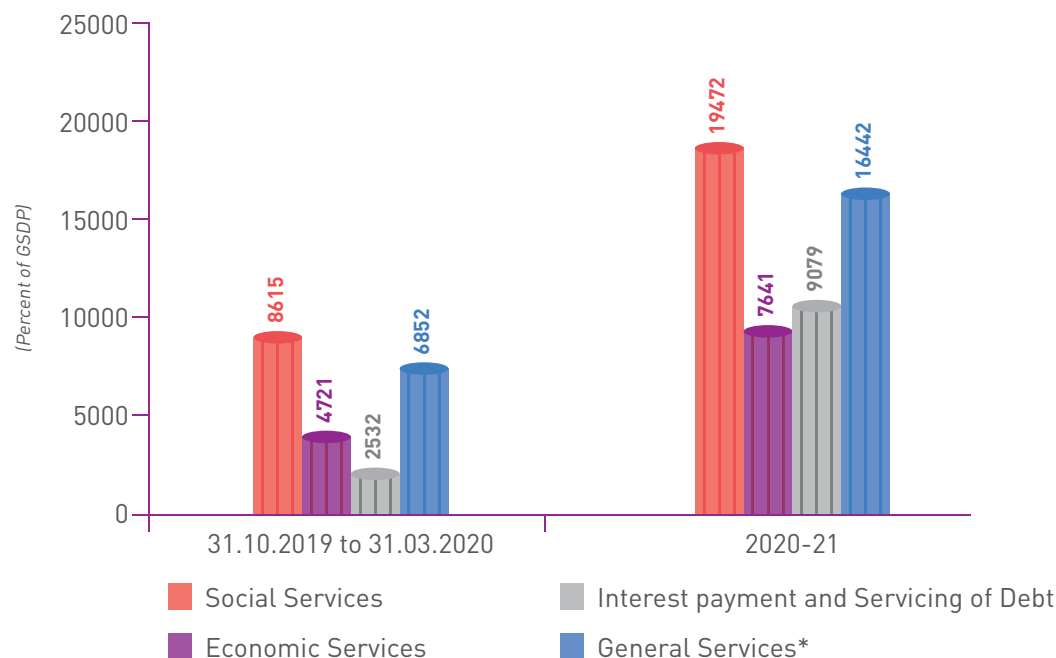
Negligible.

(₹ in crore)



3.2.2 Major components of Revenue Expenditure

Trend of Major components of Revenue Expenditure 31.10.2019 to 31.03.2020 and 2020-21



*General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt) & MH 2049 (Interest Payments)

3.3 Capital Expenditure

Capital Expenditure is essential if the growth process is to be sustained. Capital disbursements during 31 October 2019 to 31 March 2020 amounting for ₹ 5,422 crore only was less than the Original Grant of ₹ 14,798 crore (excluding Grant of ₹ 87 crore for Loans and Advances) fell short by ₹ 9,376 crore. Apart from Capital disbursement of ₹ 5,422 crore during 31 October 2019 to 31 March 2020, Loans and Advances to the tune of ₹ 38 crore was also disbursed which formed part of Capital Expenditure. The Loans and Advances also showed saving against Original Grant (₹ 87 crore) by ₹ 49 crore during the said period.

(₹ in crore)

S.No.	Components	31.10.2019 to 31.03.2020	2020-21
1	Budget (B.E)	14,798	34,408
2	Actual Expenditure	5,422	10,495
3	Percentage of Actual Expenditure to B.E	36	
4	Yearly growth in Capital Expenditure [#]	#	
5	GSDP*	*	
6	Yearly growth in GSDP	-	

[#] Not applicable due to five months Accounts for the year 2019-20 (period 31.10.2019 to 31.03.2020) only.

* GSDP ₹ 1,76,282 crore as available on web-site of Ministry of Statistics and Programme Implementation, Gol.

3.3.1 Sectoral distribution of Capital Expenditure.

The Capital Expenditure during 2020-21, includes expenditure of ₹ 1,032 crore viz. on Power Projects (₹ 590 crore), Minor Irrigation (₹ 37 crore), Flood Control Projects (₹ 83 crore), Major and Medium Irrigation (₹ 11 crore) and Water Supply and Sanitation (₹ 311 crore). The Government also invested ₹ 99 crore in various Corporations/Companies/Societies. The investment main was in Jammu and Kashmir Road Transport Corporation. However, the PSUs has shown investment of ₹ 83 crore resulting in difference of ₹ 16 crore between the two set of figures.

3.3.2. Sectoral distribution of Capital and Revenue Expenditure.

The comparative sectoral distribution of Capital and Revenue Expenditure for the period from 31 October 2019 to 31 March 2020 and 2020-21 is illustrated below:

(₹ in crore)

S.No.	Sector		31.10.2019 to 31.03.2020	2020-21
(A)	General Services	Capital	733	775
		Revenue	9,384	25,521
(B)	Social Services	Capital	1,493	2,493
		Revenue	8,615	19,472
(C)	Economic Service	Capital	3,196	7,202
		Revenue	4,721	7,641
(D)	Grants-in-aid and Contribution	Capital	-	-
		Revenue	-	-

3.4 Plan and Non-Plan Expenditure

From 1 April 2016, the State Government switched over to civil system of accounting in respect of expenditure of Revenue nature and from 1 April 2017 in respect of expenditure of Capital nature incurred by Works and Forest Divisions of Jammu and Kashmir.

Chapter IV

Appropriation Accounts

4.1 Summary of Appropriation Accounts for 2020-21

(₹ in crore)

S. No.	Nature of expenditure	Original grant	Supplementary grant	Provision		Actual Expenditure		Savings(-) / Excesses(+)	
				Gross	Net	Gross	Net	Gross	Net
1.	Revenue	62,664	1,548	64,212	64,130	52,649	52,634	(-)11,563	(-)11,496
2.	Capital	34,408	8,399	42,807	42,758	10,512	10,495	(-)32,295	(-)32,263
3.	Public Debt	25,948	521	26,469	26,469	33,563	35,563	(+)7,094	(+)7,094
4.	Loans and Advances	108	-	108	108	62	62	(-)46	(-)46
5.	Total	122607	10989	133596	133465	96786	96,754	(-)36810	(-)36711

*Negligible

4.2 Trend of Saving/Excess

(₹ in crore)

Savings (-) / Excess (+)					
Year	Revenue	Capital	Public Debt	Loans & Advances	Total
31.10.2019 to 31.03.2020	(-)8,675	(-)8,341	(+)3,096	(-)49	(-)13,969
2020-21	(-)11,563	(-)32,295	(+)7,094	(-)46	(-)36,810

4.3 Significant Saving

Substantial saving under a grant indicates either non-implementation or slow implementation of certain schemes/ Programmes.

Some grants with significant net saving are given below:

(₹ in crore)

Grant	Nomenclature	31.10.2019 to 31.03.2020	2020-21
03	Planning	639 (65)	945 (62)
06	Power Development	4,557 (63)	13,999 (80)
10	Law	301 (45)	506 (55)
15	Food, Civil Supplies and Consumer Affairs	206 (45)	466 (64)
18	Social Welfare	738 (46)	820 (33)
20	Tourism	215 (55)	637 (77)
21	Forest	209 (35)	1,118 (49)
22	Irrigation	474 (56)	1,757 (71)

Note: Figures in parentheses represent net saving in per cent.

Chapter V

Assets and Liabilities

5.1 Assets

The existing form of accounts do not clearly depict valuation of Government assets like land, buildings etc., except in the year of acquisition/purchase. Similarly, while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Some of the investee entities have now furnished (through Principal Accountant General, Audit) details of investment amounting to ₹ 1,189.12 crore for reflection in the Annual Finance Accounts of the Government of Union Territory of Jammu and Kashmir for the year 2020-21. These investments pertain to the period ended 30 October 2019 relating to undivided State of Jammu and Kashmir and had not been intimated earlier by these entities. As the investment relates to previous years (upto 30 October 2019), these have therefore, been added to the cumulative balances as on 30 October 2019. The total investment (revised figures) made by the erstwhile State in 52 entities at the end of 30 October 2019 (pre re-organisation) was ₹ 4,617.16 crore based on information/data provided to Principal Accountant General (Audit) by the investee entities and not reconciled with Government. Apportionment of these investments is yet to be done between Union Territory of Jammu & Kashmir and Union Territory of Ladakh (August 2021). The investment shown in the Accounts require reconciliation by the Entities with the Government before apportionment between successor Union Territories.

Total investment of Government of Union Territory of Jammu and Kashmir, as share capital in public sector undertakings (PSUs) stood at ₹ 162.39 crore in 53 entities at the end of 31 March 2021 (period 31 October 2019 to 31 March 2021). However, no dividend was received during the period from any entity. During the year 2020-21, against investment of ₹ 99.25 crore booked by the Government of Union Territory, the PSUs has shown ₹ 83.27 crore investment resulting in difference of ₹ 15.98 crore between two set of figures. Though the matter was referred to the Government but the response in this regard was not received from the Government. The details of difference are shown below:

S. No.	Name of the Entity	Amount as per UT Govt.	Amount as per PSU	Differences	Remarks
		(₹ in crore)			
1	J&K SC/ST/BC Dev. Corp. Ltd.	Nil	1.20	(-)1.20	No such amount has been booked Government as investment.
2	J&K Women Dev. Corp. Ltd.	2.21	Nil	(+)2.21	The Corporation has shown the said amount as Grant.
3	J&K SICOP Ltd.	2.00	Nil	(+)2.00	The Corporation has shown the said amount as Grant.
4	J&K SIDCO Ltd.	3.40	Nil	(+)3.40	The Corporation has shown the said amount as Grant.
5	Geology and Mining	0.82	Nil	(+)0.82	The Corporation has not shown the said amount as investment.
6	J&K Minerals Ltd.	1.40	Nil	(+)1.40	The Corporation has not shown the said amount as investment.
7	J&K Horticulture Produce Marketing and processing Corp. Ltd.	Nil	0.80	(-)0.80	No such amount has been booked by Government as Investment.
8	J&K Cooperatives / Agri & Rural Banks	8.15	Nil	8.15	Though, the Government has booked the amount under Minor Head-190-Investment, but the Corp has not shown the said amount as Investment.
	TOTAL	17.98	2.00	(+)15.98	

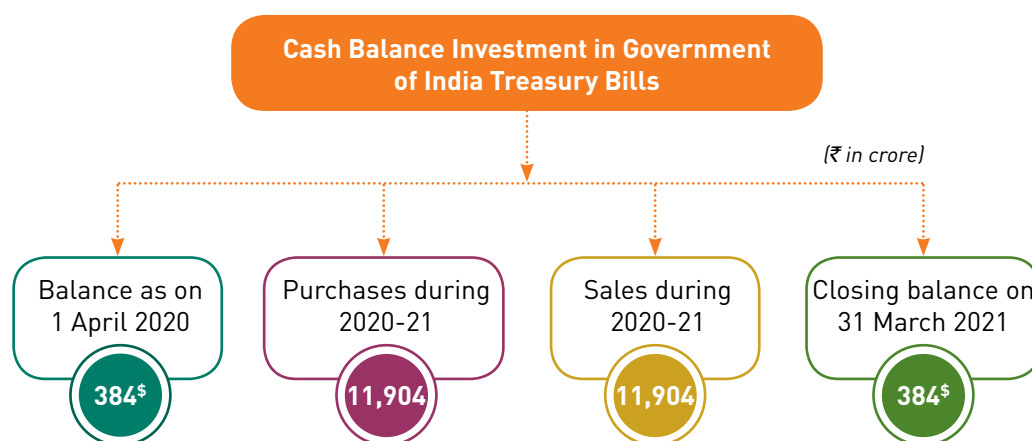
The Cash balance as on 31 March 2021 (31 October 2019 to 31 March 2021) of Union Territory of Jammu and Kashmir (post re-organisation) as per record of Principal Accountant General (A&E) was ₹ 1,447.69 crore (Debit) and that of the RBI {as worked out by Principal Accountant General (A&E)} was ₹ 1,448.27 crore (Credit). There was a net difference of ₹ 0.58 crore (Credit), due to non-reconciliation between the Government of Union Territory and Agency Bank.

There was also a net difference of ₹ 83.32 crore (Credit) between RBI and Principal Accountant General figures as on 30 October 2019 (pre re-organisation) which is yet to be apportioned between Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

In addition, Government of Union Territory had invested an amount of ₹ 11,904 crore on 14 occasions in 14 days Treasury Bills and rediscounted Treasury Bills worth ₹ 11,904 crore on 35 occasions during 2020-21. The position of investment during the year 2020-21 is depicted in the table given below:

Cash Balance Investment in Government of India Treasury Bills			
Balance as on 1 April 2020	Purchase during 2020-21	Sales during 2020-21	Closing Balance on 31 March 2021
-	11,904	11,904	-
384	-	-	384

The amount shown in bold in the table represent the balance to the end of 30 October 2019 (pre re-organisation) under Cash Balance investment in 14 days Treasury Bills which is yet to be apportioned between the successor Union Territory of Jammu & Kashmir and Union Territory of Ladakh.



\$ Represents balance ending 30 October 2019 (pre re-organisation) relating to erstwhile State of Jammu and Kashmir yet to be apportioned between the successor Union Territories of Jammu and Kashmir and Ladakh.

5.2 Debt and Liabilities

Constitution of India empowers the Government of Union Territory to borrow on the security of the Consolidated Fund of the Union Territory within such limits, if any, as may be fixed from time to time by the Union Territory Legislature.

Details of the Public Debt and Other Liabilities of the Government of Union Territory for the period from 31 October 2019 to 31 March 2021 (post re-organisation) are given below: (₹ in crore)

(Figures are progressive balances to the end of year)						
Year	Public Debt	Per cent of GSDP*	Public Account**	Per cent of GSDP*	Total Liabilities	Per cent of GSDP*
31.10.2019 to 31.03.2020	3,498	*	2,002	*	5,500	*
2020-21	10,568 [#]	6.00	4,313	2.44	14,881 [#]	8.44

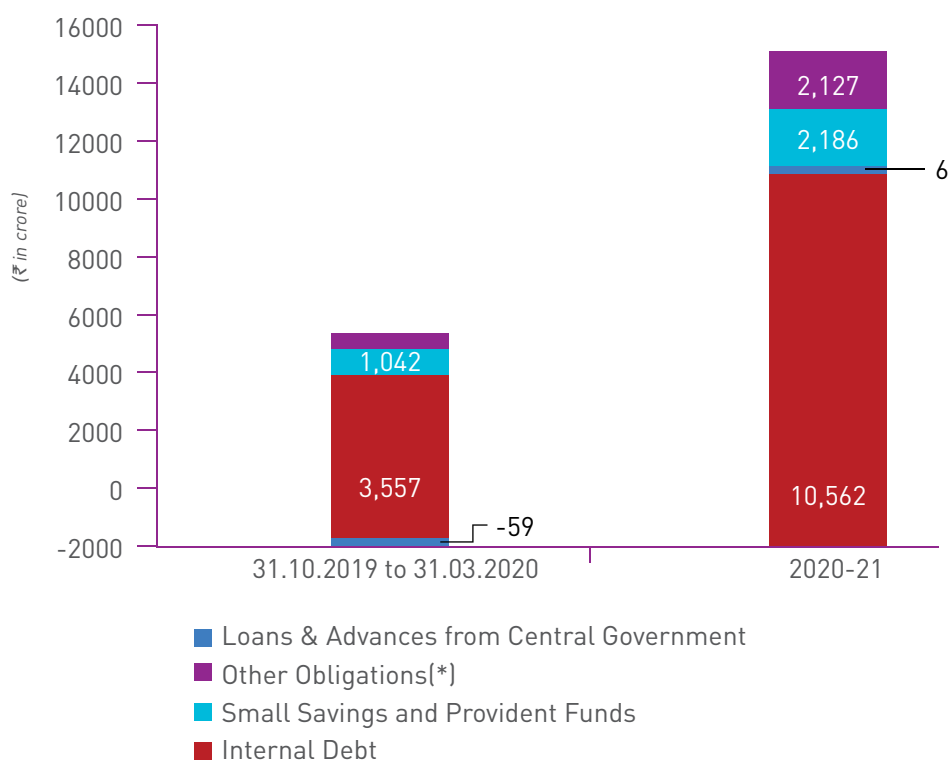
* The GSDP figures for the period from 31.10.2019 to 31.03.2020 not made available by the UT Government. GSDP for 2020-21, ₹ 1,76,282 crore as available on web-site of Ministry of Statistics and Programme Implementation, Gol.

** Excludes Advances, Suspense & Miscellaneous and Remittance balances.

[#] Does not include ₹ 2,100 crore passed on by Gol, during 2020-21, as back to back loans in lieu of GST compensation shortfall.

During the year 2020-21, Public Debt and Other Liabilities showed a net increase of ₹ 9,381 crore (excluding debt of ₹ 2,100 crore passed on as back to back loans by Government of India (GoI) in lieu of shortfall in Goods and Services Tax (GST) compensation vide GoI No. 40(1)PF-S/2020-21 dated 10 December 2021.

Trend in Government Liabilities



As on 30 October 2019 (pre re-organisation), there is also outstanding balance of ₹ 83,537 crore which is yet to be apportioned between the successor Union Territory of Jammu & Kashmir and Union Territory of Ladakh. However, the said balance is retained in Union Territory of Jammu and Kashmir.

5.3 Guarantees

In addition to directly raising loans, Government of Union Territory also guarantee loans raised by Government companies and corporations from market and financial institutions for implementation of various plan schemes and programmes. These guarantees are projected outside the Union Territory Budget. The position of Guarantees given by the Government of Union Territory during 2020-21 (post-reorganisation) for the repayment of loans (payment of principal and interest thereon) raised by Statutory Corporations, Government Companies, Cooperative Society, etc., is given below:

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of the year	
		Principal	Interest
31.10.2019 to 31.03.2020	5,204	1,325	-
2020-21	12,564	1,486	-

Note: Details are available at Statement No. 20 of Finance Accounts. The figures are under reconciliation with the Government of Union Territory.

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed [Principal Only]	Amount outstanding at the end of the year	
		Principal	Interest
01.04.2019 to 30.10.2019	5,204	1,325*	-
2020-21	12,564	1,486*	-

* The outstanding Guarantee does not include ₹ 452 crore principal and ₹ 02 crore interest for the period ended 30 October 2019 (pre re-organisation) relating to erstwhile State of Jammu and Kashmir which is yet to be apportioned between newly formed Union Territories viz. Union Territory of Jammu & Kashmir and Union Territory of Ladakh from 31 October 2019 (appointed day) as a result of Re-organisation of Jammu and Kashmir State.

6.1 Loans and Advances made by the Government

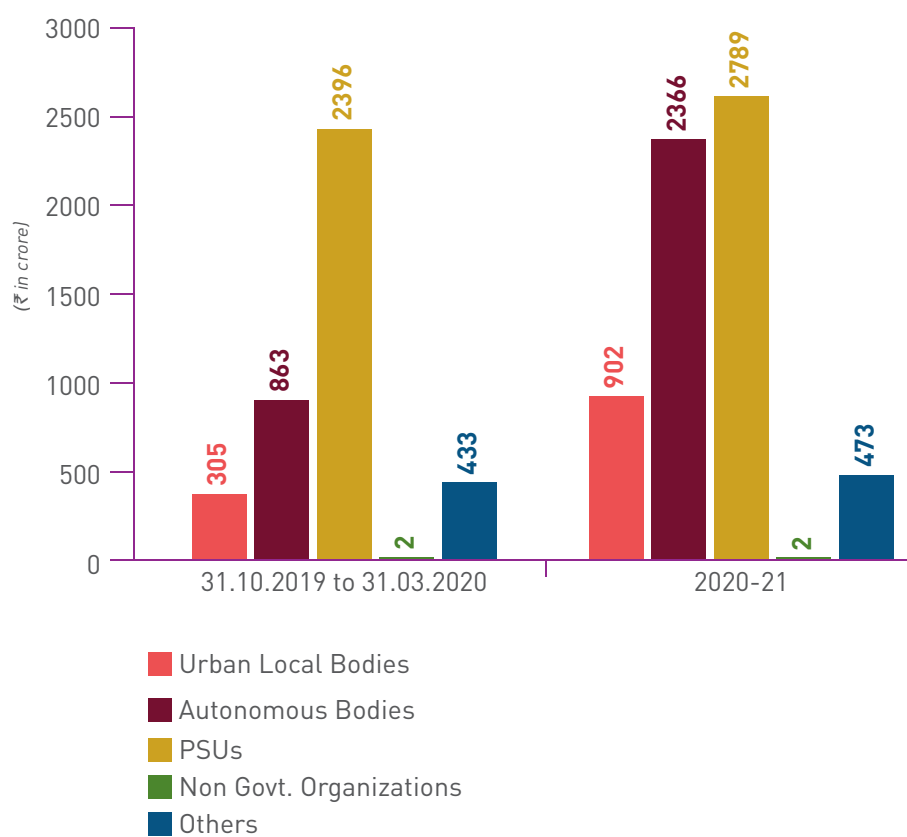
Except in respect of loans and advances made to Government Servants (for which the Principal Accountant General (A&E), J&K maintains detailed Accounts), information on all other loans and advances as depicted in Statements 7 and 18 is based on information received through the accounts rendered to the Principal Accountant General (A&E). The closing balances depicted in Statements 7 and 18 as on 31 March 2021 have not been reconciled with the Loanee Entities/ Government of Union Territory. The statements, however, do not contain details of recoveries in arrears and accrued interest thereon as the said information is awaited from Government of Union Territory (August 2021). During 2020-21, loans amounting to ₹ 61.64 crore (including nil to Government Servants) were given by the Government of Union Territory Government to various entities and ₹ 1.93 crore was received as repayment of loans (₹ 0.47 crore from Government Servants and ₹ 1.46 crore from other entities leaving net outstanding loans of ₹ 95.51 crore, as on 31 March 2021 (period 31 October 2019 to 31 March 2021). In addition to ₹ 95.51 crore, there was outstanding balance of ₹ 1,740.44 crore relating to erstwhile State of Jammu & Kashmir yet to be apportioned between the Union Territory of Jammu & Kashmir and Union Territory of Ladakh under Loans and Advances as on 30 October 2019.

Information regarding recoveries in arrears (both Principal and Interest) is required to be furnished by the departments concerned every year to the Principal Accountant General. During 2020-2021, no such information was received.

6.2 Financial Assistance to Local Bodies and Others

During the year 2020-21, Grants-in-aid released by the Government of Union Territory of Jammu and Kashmir was ₹ 6,532 crore. Grants to Urban Local Bodies including Municipalities during 2020-21 was ₹ 902 crore which represent 13.81 per cent of total grants given during the period.

Financial Assistance to Local Bodies and Others



6.3 Cash Balance

(₹ in crore)

Component	As on 31 March 2020	As on 31 March 2021
Cash Balance	1,482	1,448
	(-)42	(-)42
Cash in Treasuries and Local Remittances		-
	07	07
Departmental Balances		-
	05	05
Permanent Imprest		-
	*	*
Deposits with RBI and Other Banks	1,482	1,448
	(-)449	(-)449
Cash Balance Investment		-
	384	384
Investment from earmarked fund Balances		-
	11	11

* Negligible (₹ 0.12 crore only).

The figures in bold represent balances ending 30 October 2019, yet to be apportioned between UT of Jammu & Kashmir and UT of Ladakh retained in Union Territory of Jammu and Kashmir.

6.4 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of figures available with the department and figures appearing in the accounts compiled by the Principal Accountant General (A&E). This exercise is to be conducted by respective Chief Controlling Officers/Controlling Officers. During 2020-21, receipts amounting to ₹ 48,444.58 crore (92.28 per cent of the total receipts of ₹ 52,495.48 crore excluding public debt) and expenditure amounting to ₹ 40,905.14 crore (64.82 per cent of total expenditure of ₹ 63,104.13 crore excluding public debt) were reconciled by the Government of Union Territory of Jammu and Kashmir.

6.5 Submission of Accounts by Account rendering Units

The accounts of Receipts and Expenditure of the Government of Jammu and Kashmir have compiled based on the initial accounts rendered by 121 Treasuries including 20 District Treasuries and Advices of the Reserve Bank of India. From 1 April 2016, the Government of Jammu and Kashmir switched over to Civil Accounting system, relating to Capital Section and from April 2017 relating to Revenue Section, in respect of Works and Forest Divisions. Accordingly, no monthly account was due from the Works and Forest Divisions during 31 October 2019 to 31 March 2020. No accounts remained excluded at the end of 31 March 2021.

6.6 Opening of New Sub Heads/Detailed Heads of Accounts without advice

During 2020-21, the Government of Union Territory of Jammu and Kashmir has not opened any Sub-Head in the budget, without seeking the advice of the Principal Accountant General (A&E) as required under the provisions of Article 150 of the Constitution of India.

6.7 Goods and Services Tax (GST)

Goods and Services Tax (GST) was introduced with effect from 1 July 2017. During the year 2020-21, the Union Territory GST collection was ₹ 4,839.35 crore compared to ₹ 2,115.75 crore in 2019-20 (31 October 2019 to 31 March 2020 pertaining to Union Territory of Jammu and Kashmir formed under Jammu and Kashmir Re-organisation Act, 2019), registering an increase of ₹ 2,723.60 crore (128.73 per cent); the huge increase is due to only five months accounts for 2019-20. This includes Advance Apportionment of IGST amounting to ₹ 3,311.00 crore. Besides, the Union Territory also received, compensation of ₹ 2,171.22 crore on account of loss of revenue arising out of implementation of GST during 2020-21.

6.8 Unadjusted Abstract Contingent (AC) Bills

Drawing and Disbursing Officers (DDOs) are required to present Detailed Countersigned Contingent (DCC) bills containing vouchers in support of final expenditure against the payments drawn on Abstract Contingent (AC) bills. Delayed submission or prolonged non-submission of supporting DCC bills renders expenditure through AC bills opaque and the expenditure shown in the Finance Accounts cannot be vouched as correct or final.

- (a) Out of 719 AC bills amounting to ₹ 5,187.43 crore drawn during the year 2020-21, 604 AC bills amounting to ₹ 2,379.15 crore (45.86 per cent) were drawn in March 2021. DCC bills in respect of a total of 356 AC bills amounting to ₹ 5,280.71 crore as on 31 March 2021 were not received. Details of unadjusted AC bills as on 31 March 2021 pending submission of DCC bills are given below:

Year (*)	Number of pending DC bills	Amount (₹ in crore)
2019-20 (31.10.2019 to 31.01.2020)	52	340.03
2020-21 (01.02.2020 to 31.01.2021)	304	4,940.68
Total	356	5,280.71

(*) The year mentioned above relates to Bills drawn from 31 October 2019 (post re-organisation) and adjustments not submitted upto 31 March 2021 Accounts. The Government of Union Territory has not revised codal provisions for drawal of AC Bills settlement thereof. The period of two months here is as per Rules relating to erstwhile State of Jammu and Kashmir.

(#) Drawn by 14 Departments.

The major defaulting departments that had not submitted DCC bills are Public Works Department (₹ 1,629.00 crore), Rural Development Department (₹ 936.14 crore), Health and Medical Education Department (₹ 557.04 crore), Education Department (₹ 320.59 crore), Housing and Urban Development Department (₹ 308.93 crore).

- (b) Further, DCC bills in respect of 2,237 AC bills amounting ₹ 6,885.63 crore drawn upto 30 October 2019 (pre re-organisation) by the erstwhile State of Jammu and Kashmir as detailed below, were awaited as on 31 March 2021. The bifurcation of these outstanding DCC bills is yet to be done between successor Union Territories viz., Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

Year (*)	Number of pending DC bills	Amount (₹ in crore)
Upto 2017-18	1,877	2,272.86
2018-19	222	2,365.71
2019-20 (30.10.2019)	138	2,247.06
Total	2,237	6,885.63

(*) The year mentioned above relates to "Due year" i.e., after 2 months of actual drawal and adjustment upto 31 March 2021 Account.

6.9 Booking under Minor Head 800-Other Expenditure and 800-Other Receipts

The Minor Head 800-Other Expenditure/ 800-Other Receipts is to be operated only when the appropriate Minor Head has not been provided in the accounts. Routine operation of Minor Head 800 should be discouraged, since it renders the accounts opaque.

During the year 2020-21, ₹ 4,677.34 crore under 48 Major Heads of Accounts, constituting 7.41 per cent of the total Revenue and Capital Expenditure (₹ 63,104.13 crore) was classified under the Minor Head 800-Other Expenditure in the accounts.

Similarly, ₹ 3,741.00 crore (including Revenue Receipts of ₹ 2,349.74 crore representing Sale of Power and Misc. Power Receipts under Major Head-0801) under 38 Major Heads of Account, constituting 7.13 per cent of the total Revenue Receipts (₹ 52,495.48 crore) was classified under Minor Head 800-Other Receipts in the accounts.

6.10 Impact on Revenue Deficit and Fiscal Deficit

The impact on the Revenue Deficit and Fiscal Deficit of the Government of Union Territory of Jammu and Kashmir during the year 2020-21 is tabulated below:

Item (Illustrative)	Impact on Revenue Deficit		Impact on Fiscal Deficit	
	Overstatement (₹ in crore)	Understatement (₹ in crore)	Overstatement (₹ in crore)	Understatement (₹ in crore)
Misclassification between Revenue and Capital	No Impact	189.81	No Impact	No Impact
Non-payment of interest on State Compensatory Afforestation Fund	No Impact	13.88	No Impact	13.88
Non-payment of interest on State Compensatory Afforestation Deposit	No Impact	10.03	No Impact	10.03
Short contribution to Defined Contribution Pension Fund	No Impact	36.84 (a)	No Impact	36.84 (a)
Total (Net) Impact		250.56 (a)		60.75 (a)

(a) Retrospective enhancement of Government contribution (in May 2021) from 10 per cent to 14 per cent w.e.f. 01.04.2020 has not been reflected in the impact on Revenue and Fiscal Deficit. Please refer para 4 (i).

6.11 Liabilities towards Retirement benefits

The expenditure on “Pension and other Retirement Benefits” for Government of Union Territory employees recruited on or before 31 December 2009 was ₹ 8,577.70 crore (excluding Government contribution towards NPS) during the year.

6.12 Grants/Loans given to PSUs where accounts are not finalised


During 2020-21 Government of Union Territory of Jammu and Kashmir issued Loans to nine PSUs/ Statutory Bodies etc. and Grants to two PSUs/ Statutory Bodies etc. Accounts of all these 11 PSUs/ Statutory Bodies etc. for the year 2020-21 are not finalised till August 2021.

Year (*)	No. of UC's awaited	Amount (₹ in crore)
Upto 2018-19	1,461	5,725.99
2019-20	345	1,248.21
2020-21	1,409	3,102.38
Total	3,215	10,076.58

(* The year mentioned above relates to “Due year” i.e, after 18 months of actual drawal and adjustment upto 31 March 2021 Accounts)

6.13 Status of Outstanding Utilisation Certificate

Utilisation Certificates (UCs) in respect of Grants-in-aid received by the grantee should be furnished by the grantee to the authority that sanctioned it. To the extent of non-submission of UCs, there is no assurance that the amount shown in Finance Accounts had reached the beneficiaries and thus the expenditure cannot be vouched as correct or final. During the year 2020-21, ₹ 4,173.18 crore pertaining to outstanding UCs relating to erstwhile State of Jammu and Kashmir for the period ended 30 September 2019 was cleared. The position of outstanding UCs of erstwhile State of Jammu and Kashmir and drawn upto 30 September 2019 (pre re-organisation) as on 31 March 2021 is given below and the UCs of these Grants were required to be submitted to Principal Accountant General (A&E) within 18 months from the date of drawal in terms of Para 10.19 of the Jammu and Kashmir Financial Code Vol-I of undivided State of Jammu and Kashmir. Outstanding position of UC's is given in table above.



Major defaulting departments that had not submitted UCs are Education Department (₹ 5,750.73 crore, 57.07 per cent), Health and Medical Education Department (₹ 1,043.34 crore, 10.35 per cent), Agriculture Department (₹ 984.00 crore, 9.77 per cent), and Rural Development Department (₹ 675.81 crore, 6.71 per cent).

6.14 Expenditure on Ecology and Environment

The National Environment Policy, 2006 is intended to mainstream environmental concerns in all developmental activities. The Budget and Expenditure data relating to “Environment”, “Waste Management”, “Prevention and Control of Pollution”, “Environment Research and Education”, “Environmental Protection” etc. are compiled from the vouchers/budget documents etc. rendered by the Government of Union Territory.

The expenditure incurred by the Government of Union Territory towards environment is depicted in the Finance Accounts up to the level of Minor Head under various functional Head of Accounts. During the year 2020-21, the Government of Union Territory of Jammu and Kashmir incurred ₹ 83.81 crore against the budget allocation of ₹ 119.88 crore under Major Heads 2406-“Forestry and Wild Life” and 3435-“Ecology and Environment”. The expenditure incurred during 2020-21 was ₹ 83.81 crore i.e., 0.16 per cent of Revenue Expenditure.

6.15 Compensatory Afforestation Fund

During the year 2020-21, the Government of Union Territory of Jammu and Kashmir received ₹ 180.19 crore from the user agencies and credited the same under Major Head 8336-Civil Deposits. 90 per cent of the said receipt (₹ 180.19 crore) was not transferred to Major Head 8121-General and Other Reserve Fund and balance 10 per cent was also not remitted to the National Fund as required during the year 2020-21. The Government of Union Territory of Jammu and Kashmir also received ₹ 356.20 crore National Compensatory Afforestation Deposit and credited to the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) Fund under Major Head ‘8121-General and Other Reserve Funds’. The total balance in the State Compensatory Afforestation Deposit/ Fund as on 31 March 2021 was ₹ 475.26 crore under Major Head 8336-Civil Deposits and ₹ 764.57 crore under Major Head 8121-General and Other Reserve Funds.

6.16 Transfer of Fund to various Implementing agencies

The Government of Union Territory of Jammu and Kashmir provides funds to Union Territory/ District Level Agencies, Autonomous Bodies and Authorities, Societies, Non-Governmental Organisations etc., as grants for implementation of Central Sector Schemes, Centrally Sponsored Schemes and Union Territory Schemes. During 2020-21, an amount of ₹ 6,531.86 crore was given by the Government of Union Territory of Jammu and Kashmir to various implementing agencies for implementation of Government scheme/ works/ programmes. The aggregate amount of unspent balances in the accounts of the implementing agencies kept outside the Government Accounts (in bank Accounts) is not readily ascertainable. The Government expenditure as reflected in the Accounts to that extent is, therefore, not final.

6.17 Incomplete projects aged five years and more

As per information received from the Government of Union Territory (August 2021), there were 157 incomplete Capital Works under two Departments (viz. Irrigation and Flood Control and Jal Shakti (PHE) Departments), which are aged five years or more, details depicted in **Appendix-IX** of Finance Accounts Volume-II. Out of these 157 incomplete Works, there are six Works aged five years or more with escalation in the cost.

6.18 Unspent amount lying in the Bank Accounts of Drawing and Disbursing Officers (DDOs)

Drawing and Disbursing Officers (DDOs) are required to withdraw money from the Government Account/ Consolidated Fund for making payment on behalf of the Government. Information received from Government of Union Territory (August 2021) revealed that ₹ 25.39 crore was lying in the Savings/ Current Bank Account of nine DDOs of Health and Medical Education Department on account of National Health Mission (NHM) as on 31 March 2021. The information relating to other Departments was awaited from Government of Union Territory of Jammu and Kashmir (August 2021).

The Principal Accountant General (A&E) has requested the Government to close all the Savings/ Current Bank accounts of DDOs and to follow the prescribed procedure of Treasury Rules, Receipt and Payment Rules etc. for drawal of money from Government Accounts. Details of Savings/ Current Bank Accounts being operated by nine DDOs are as follows:-

		(₹ in crore)
Sl. No	Drawing and Disbursing Officers	Amount
1.	Principal, Government Medical College, Jammu	3.23
2.	Chief Accounts Officer, Government Medical College, Kathua	0.68
3.	Chief Accounts Officer, Government Medical College, Rajouri	0.47
4.	Chief Accounts Officer, Government Medical College, Doda	0.57
5.	Director, Health Services, Jammu	0.15
6.	Director, Family Welfare and MCH, Immunisation, J&K	0.30
7.	Principal, Government Medical College, Srinagar	12.45
8.	Chief Accounts Officer, Government Medical College, Baramulla	5.49
9.	Chief Accounts Officer, Government Medical College, Anantnag	2.05
	Total	25.39

6.19 Interest on General Provident Fund (GPF.)

Government is liable to pay interest in respect of balances under Small Savings and Provident Fund etc., However, the Government of Union Territory has been communicating the same on adhoc basis from 1986-87 to 31 March 2021. Consequently, the amount of actual amount of interest liability/expenditure on account of employees' subscription to GPF/ SLI reflected in the Finance Accounts for the period ended 31 March 2021 is overstated/understated to the extent of the differential amount between the actual liability accrued and adhoc amount communicated by the Government of Union Territory of Jammu and Kashmir.

6.20 Contingency Fund

In exercise of the powers conferred by Sub Section (3) of Section 69 of Jammu and Kashmir Re-organisation Act, 2019, the Government of Union Territory made the 'Contingency Fund of Jammu and Kashmir Rules, 2020' (Notification No. S.O-271 dated 27 August 2020) for regulating all matters connected with or ancillary to the custody of, payment of monies into, and the withdrawal of monies from, the Contingency Fund of the Government of Union Territory of Jammu and Kashmir. The Contingency Fund of the Government of Union Territory of Jammu and Kashmir has a corpus of ₹ 25.00 crore transferred from Consolidated Fund of Union Territory of Jammu and Kashmir during 2020-21. There was a balance of ₹ one crore in the Contingency Fund of erstwhile State of Jammu and Kashmir as on 30 October 2019 (pre re-organisation) yet to be apportioned between the two successor Union Territories.

6.21 Allocation of Balances as a result of Re-organisation

The Jammu & Kashmir Re-organisation Act, 2019 (Section 84 and 85) and notification of the Government of Jammu & Kashmir dated 30 October 2020 provides for the manner in which balances are to be apportioned between the successor Union Territory of Jammu & Kashmir and Union Territory of Ladakh with effect from 31 October 2019.

Though, the notification in this regard was issued by the Government of Jammu & Kashmir dated 30 October 2020, but all balances as on 30 October 2019 are yet to be apportioned between the successor Union Territories viz. Union Territory of Jammu & Kashmir and Union Territory of Ladakh resulting in adverse balances under some Heads of Accounts.

6.22 New Pension Scheme

The Government employees recruited on or after 1 January 2010 are covered under the National Pension System (NPS) which is a Defined Contribution Pension Scheme. In terms of the Scheme, the employee contributes 10 per cent of his/her basic pay and dearness allowance, and 10 per cent of basic pay and dearness allowance is contributed by the Government of Union Territory of Jammu and Kashmir; and the entire amount is to be transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank. Government of Union Territory of Jammu and Kashmir has, however, enhanced the rate of Government contribution to 14 per cent in May 2021 (Government of Union Territory of Jammu and Kashmir S.O No. 178 dated 20 May 2021) with retrospective effect from 1 April 2020. The Government of Union Territory of Jammu and Kashmir contributed 10 per cent only matching share during 2020-21.

During the year 2020-21, total contribution to Defined Contribution Pension Scheme was ₹ 1,037.66 crore (Employee's contribution ₹ 537.25 crore and Government of Union Territory contribution ₹ 500.41 crore). The Government of Union Territory transferred ₹ 1,037.66 crore to the Public Account under Major Head 8342-117 Defined Contribution Pension scheme. The Government of Union Territory contribution to NPS was less by ₹ 36.84 crore which resulted in understatement of Revenue Deficit and Fiscal Deficit to that extent.

During the year 2020-21, ₹ 1,055.47 crore was transferred to NSDL/Trustee Bank (with previous outstanding balance of ₹ 17.29 crore) leaving a debit balance of ₹ 0.52 crore under the Fund as

on 31 March 2021. The Debit balance as on 31 March 2021 was due to non-apportionment of available balance under the Fund as on 30 October 2019 between the successor Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

Un-collected, un-matched and un-transferred amounts, with accrued interest, represent outstanding liabilities of the Government of Union Territory under the Scheme.

6.23 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 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 Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules 2006 under the Act and constituted Jammu and Kashmir Building & Other Construction Workers Welfare Board in 2007. The Board is responsible for the operation and maintenance of the amount credited by Government as Labour Cess Deposits.

The Government of Union Territory of Jammu and Kashmir continued with the same Rules. During the year 2020-21, the Labour Board of Government of Union Territory of Jammu and Kashmir collected ₹ 124.41 crore as Labour Cess which is being kept in the Bank Account of the Board.

6.24 Other Cess

During the year 2020-2021, the Government of Union Territory of Jammu and Kashmir booked an amount of ₹ 22.45 crore under Minor Head 103- "Rates and Cesses on Land" below Major Head 0029- "Land Revenue" (other than Labour Cess). No Fund was set up by the Government of Union Territory of Jammu and Kashmir for transfer of cesses collected by the Government of Union Territory of Jammu and Kashmir (August 2021).

6.25 Restructuring of Centrally Sponsored Schemes (CSS)/Additional Central Assistance (ACA) excluding Block Grants

Consequent to the merger of Plan/Non-Plan, the Central Assistance released is now classified as Central Assistance/Share under Centrally Sponsored Schemes.

As against ₹ 6,572.60 crore depicted in the Public Financial Management System (PFMS) portal of Controller General of Accounts (CGA) towards Central Assistance/Share under Centrally Sponsored Schemes of the Government of Union Territory of Jammu and Kashmir in 2020-21, Clearance Memos from RBI, CAS, Nagpur and supporting sanction orders from the respective Ministries were received for ₹ 6,385.75 crore (excluding direct transfer to the beneficiaries through PFMS portal by the Central Ministries/Departments). The same have been appropriately booked in the accounts of the Government of Union Territory of Jammu and Kashmir under Major Head 1601-Grants-in-Aid from the Central Government except ₹ 186.85 crore released on 31 March 2021 and accounted for in April 2021 by the RBI in the accounts of Union Territory of Jammu and Kashmir.

The total expenditure booked under Centrally Sponsored Schemes is ₹ 6,034.70 crore (Revenue Expenditure ₹ 1,740.45 crore and Capital Expenditure ₹ 4,294.25 crore), which includes expenditure out of Central Assistance and Union Territory share for Centrally Sponsored Schemes.

6.26 Status of Suspense Balances

Minor Head	31.10.2019 to 31.03.2020			2020-21		
	Dr.	Cr.	Net (Dr./Cr.)	Dr.	Cr.	Net (Dr./Cr.)
8658-Suspense Account-						
101-PAO Suspense	14.70	0.24	14.46 (Dr)	56.67	0.01	56.66 (Dr)
102-Suspense Account (Civil)	5.51	2.26	3.25 (Dr)	47.97	2.44	45.53 (Dr)
109-RBI Suspense (HQRS)	0.15	0.05	0.10 (Dr)	0.16	0.05	0.11 (Dr)
110-RBI Suspense (Central Accounts)	0.33	0.42	0.09 (Cr)	0.91	0.08	0.83 (Cr)
112-Tax Deducted at Source (TDS Suspense)	-	221.91	221.91 (Cr)	-	221.00	221.00 (Cr)
139-GST-Tax Deducted at Source Suspense	1.32	0.99	0.33 (Dr)	1.02	5.15	4.13 (Dr)

6.27 Compliance with Accounting Standards

Government of India on the recommendations of Government Accounting Standard Advisory Board (GASAB) has notified Indian Government Accounting Standards (IGAS) for accounting, classification and disclosures of Guarantees given by the Government (IGAS-1), Grants-in-aid disbursed by the Government (IGAS-2) and Loans and advances made by the Government (IGAS-3). The Union Territory Government did not provide complete details as per format notified for disclosures and therefore, only the available information has been incorporated in the Annual Finance Accounts {Statement No. 7,9,10 (Vol-I),18,20 and Appendix- III (Vol-II)} for the period from 31 October 2019 to 31 March 2020.



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