



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

Accounts at a Glance 2023-24

Government of Union Territory of
Jammu and Kashmir



**Accounts at a Glance
for the year 2023-24**

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

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

Preface

I am happy to present the fourth issue of our annual publication, the 'Accounts at a Glance' relating to Government of Union Territory of Jammu and Kashmir for the year 2023-24, 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.

We look forward to suggestions.



(J.P.N. Singh)

Jammu
Date: 09 May 2025

Principal Accountant General (A&E)
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

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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 122 Treasuries (including 20 District Treasuries) and one Virtual Treasury, 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 & Kashmir and certification by the Comptroller and Auditor General of India.

“Accounts at a Glance” provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts and information is presented through brief explanations, statements, and graphs. These figures have been adopted from the Finance and Appropriation Accounts of Government of Union Territory of Jammu and Kashmir. In case of difference, if any, the figures depicted in the Finance and Appropriation Accounts may be treated as correct.

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 Union Territory of Jammu and Kashmir is ₹ 25.00 crore during 2023-24

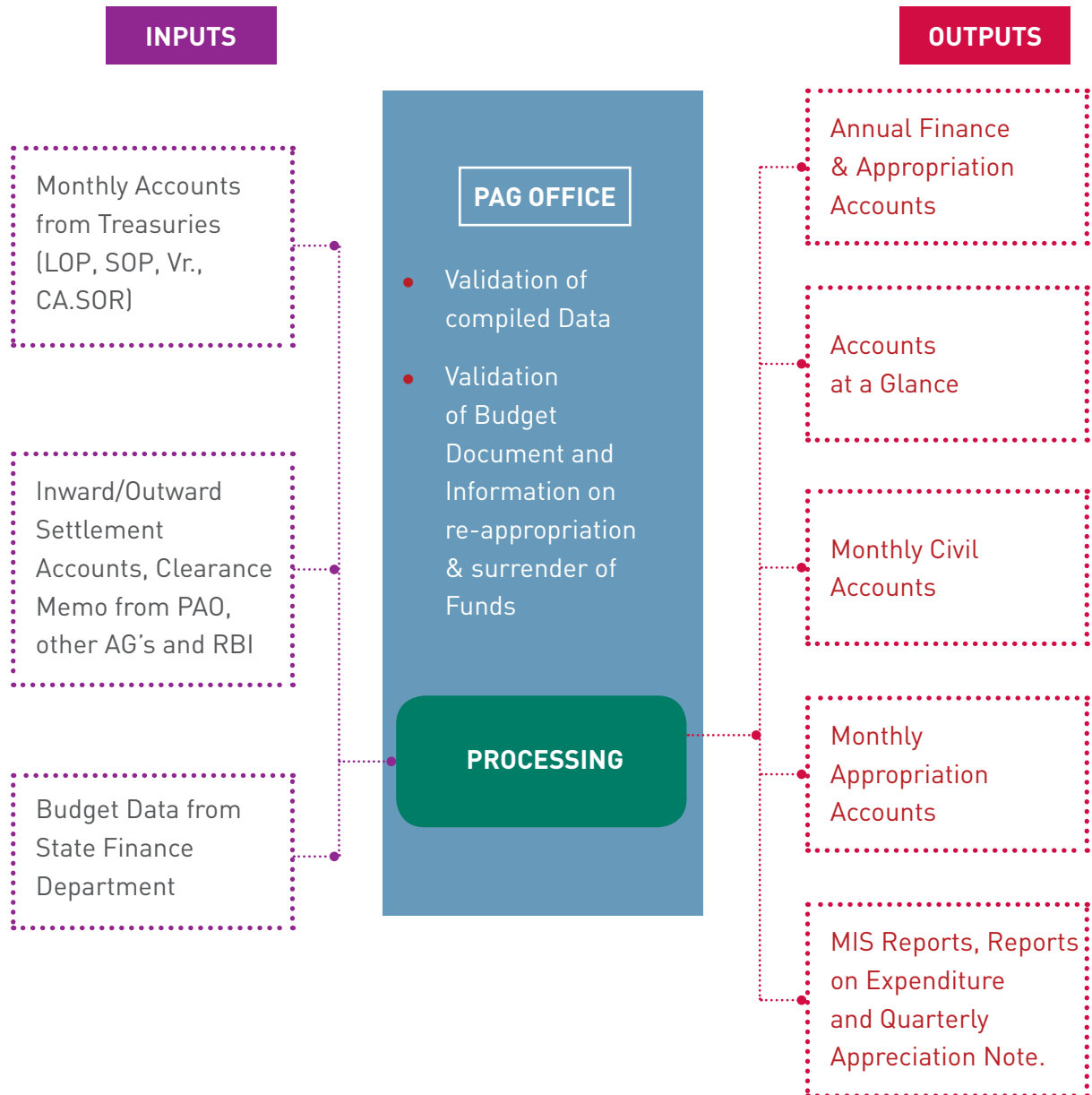
Part 2 **CONTINGENCY FUND**

● **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 money 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 report 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 Finance 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 2023-24 and resulting Surplus/Deficit in the Finance Accounts are as follows:

Receipts and Disbursement in the year 2023-24

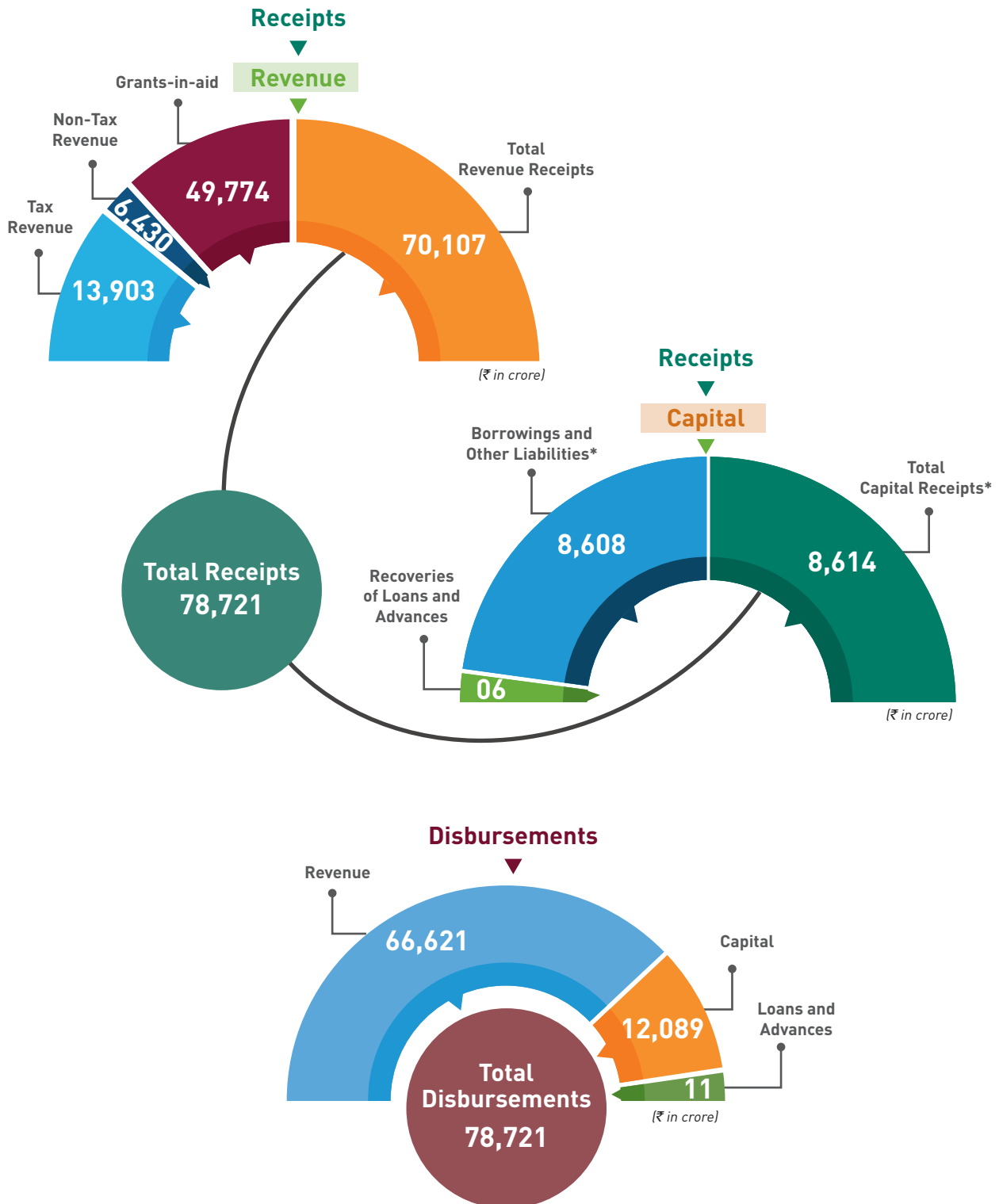
(₹ in crore)

Receipts 78,721	Revenue 70,107	Tax Revenue	13,903
		(a) Own Tax Revenue	13903
		(b) Share of net proceeds of Taxes	-
		Non-Tax Revenue	6,430
		Grants-in-Aid	49,774
	Capital 8,614	Recoveries of Loans and Advances	06
Borrowings and Other Liabilities*		8,608[§]	
Other Receipts		-	
Disbursements 78,721	Revenue		66,621
	Capital		12,089
	Loans and Advances		11
	Transfer to Contingency Fund		-
	Revenue Surplus		3486
	Fiscal Deficit		8608
	Primary Surplus		1,317

* 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 loan of ₹ 5,945.29 crore released by Government of India as back to back loans in lieu of GST compensation.

Receipts and Disbursements in the year 2023-24



* 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.

1.3.2 Appropriation Accounts

Under section 43 of Re-organisation act 2019, 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 of 36 Demand for Grants reflecting *Charged* Appropriation and voted Grants. The purpose of the Appropriation Accounts is to indicate the extent of actual expenditure compiled against the appropriation authorised by the Legislature through the Appropriation Act of each year.

1.3.3 Efficiency on Budget Preparation

At the end of the year, the gross expenditure (₹ 1,26,055 crore) of the Government of Union Territory of Jammu and Kashmir against the gross budget (₹ 1,57,212 crore) approved by the Parliament, showed a net saving of ₹ 31,157 crore (19.81 per cent of estimates). Against a recovery budget estimates of ₹ 52 crore, ₹ 541 crore was recovered as reduction of expenditure resulting in excess of recoveries of ₹ 489 crore over the budget estimates. Certain grants like those relating to Public Health Engineering Department, Health and Medical Education Department, Home Department *etc.* showed substantial savings over authorisation. The gross expenditure includes ₹ 6,038.60 crore drawn on Abstract Contingent (AC) Bills, of which the entire amount is outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

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 (RBI) to make good the deficiency in the minimum cash balance [1.14 crore] 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 ₹ 22,705 crore during 2023-24, there was also an outstanding balance on account of Ways and Means Advances to the extent of (-) ₹ 576 crore as on 01.04.2023, out of which Government repaid ₹ 22,821 crore during the year. Thus, leaving a balance of (-) ₹ 692 crore outstanding as on 31st March 2024. The minus balance is due to non-apportionment of balance as on 30 October 2019 (pre re-organisation). There was outstanding balance of ₹ 692 crore as on 30 October 2019 (pre re-organisation) 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 2023-24, Overdraft of ₹ 13,539 crore was also raised, which was repaid during the same period. Thus, leaving *Nil* outstanding as on 31 March 2024.

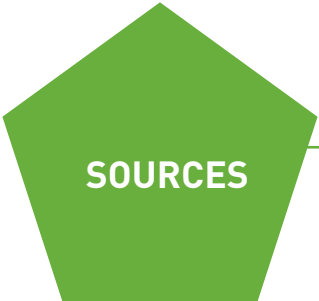
1.4.3 Fund Flow Statement

During the year 2023-24, the Government of Union Territory of Jammu and Kashmir had a Revenue Surplus of ₹ 3,486 crore and a Fiscal Deficit of ₹ 8,608 crore. The Fiscal Deficit constituted 04 per cent of GSDP (₹ 2,41,133 crore). This Fiscal Deficit was met from the following:

- Internal debt of ₹ 6,812 crore (Market borrowings, Loans from financial Institutions etc.).
- Loans and Advances from the Central Government (-) ₹ 121 crore.
- Small Savings, Provident Fund etc ₹ 1,148 crore.
- Reserve Funds of ₹ 511 crore.
- Deposits and advances amounting to ₹ 446 crore.
- Suspense and Miscellaneous amounting to (-) ₹ 181 crore.
- Remittances of (-) ₹ 10 crore.
- Cash balance of ₹ 03 crore

Around 70.75 per cent of the Revenue Receipts (₹ 70,107 crore) of the Government of Union Territory was spent on Committed Expenditure like salaries (₹ 29,381 crore), pension payments (₹ 10,298 crore) and interest payments (₹ 9,925 crore).

Sources and Application of Funds



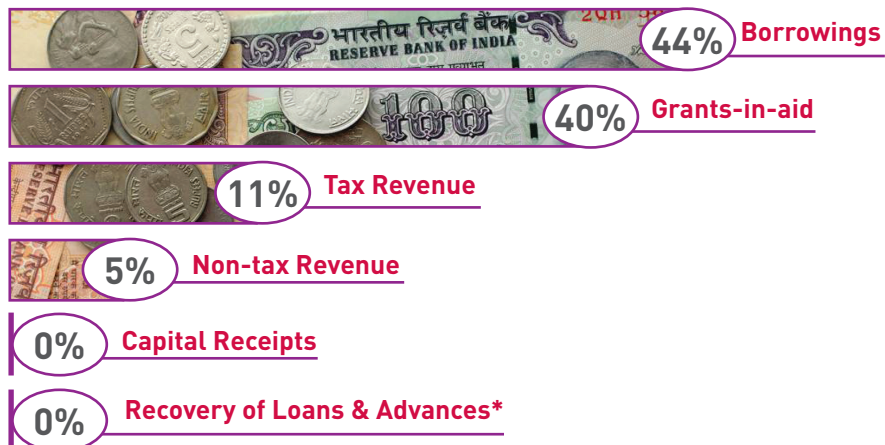
	(₹ in crore)
Opening Cash Balance as on 01 April 2023	1,448
Revenue Receipts	70,107
Capital Receipts	-
Recovery of Loans and Advances	06
Public Debt	53,483
Small Savings, Provident Funds etc.	6,178
Reserves Fund & Sinking Funds	537
Deposits Received	4335
Civil Advances Repaid	-
Suspense Account*	24,219
Remittances	-
TOTAL	1,60,313

APPLICATION

Revenue Expenditure	66,621
Capital Expenditure	12,089
Loans Given	11
Repayment of Public Debt	46,792
Small Savings, Provident Funds etc.	5,030
Reserves Fund & Sinking Funds	26
Deposits Repaid	3,889
Civil Advances Given	-
Suspense Account*	24,400
Remittances	10
Closing Cash Balance as on 31 March 2024	1,445
TOTAL	1,60,313

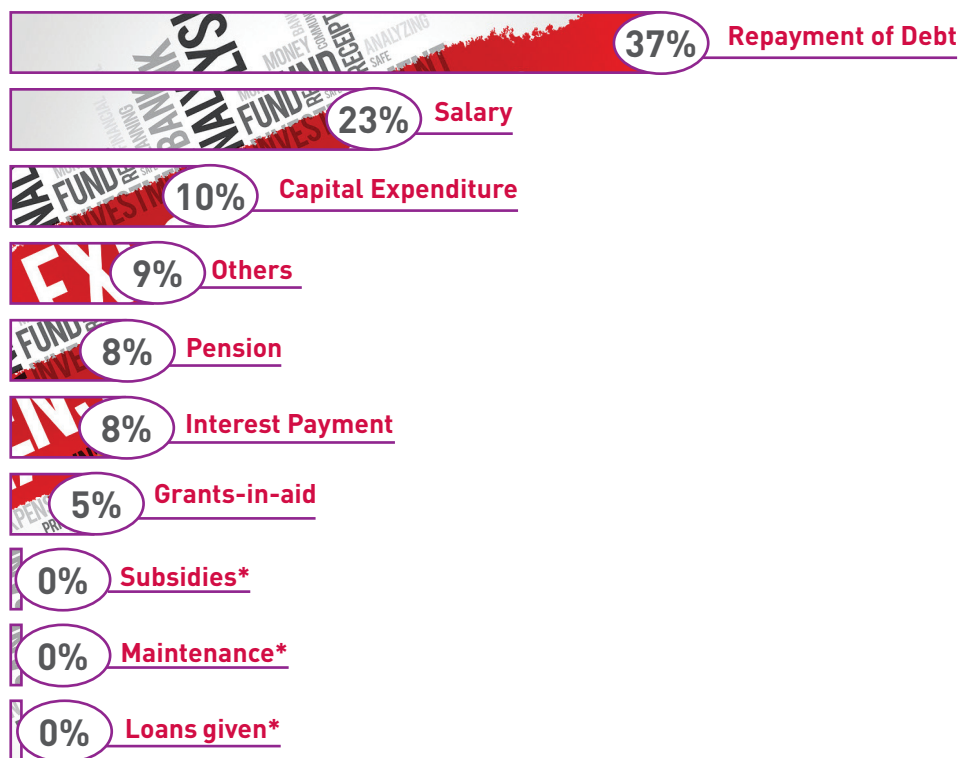
* The Suspense account includes ₹ 19,871 crore invested in treasury bills and disbursement of departmental balances and permanent cash imprest which is shown on the "Application" side and ₹ 19,720 crore worth of treasury bills sold through the RBI (a process known as "re-discounting") and receipts in departmental balance and permanent imprest which is shown on the "Sources" side.

1.4.4 Where the Rupee (₹) came from



* Negligible ₹ 6 crore only.

1.4.5 Where the Rupee (₹) went



* Negligible (Subsidies ₹ 47 crore, Maintenance ₹ 316 crore and Loans given ₹ 11 crore only).

1.5 Financial highlight for the year 2023-24

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 ₹ 793.86 crore directly to the various Departments of the Government of Union Territory of Jammu and Kashmir during 2023-24 against ₹ 786.95 crore released during 2022-23.

Details are at Appendix-VI of the Finance Accounts in Volume-II.

Apart from the above, various Autonomous Bodies, Central Government Organisations, Societies etc., also received ₹ 5,999.32 crore directly from the Central Government.

The following table provides the details of actual financial results vis-a-vis budget estimates for the year 2023-24.

(₹ in crore)

Sl. No.	Description	Budget Estimates 2023-24	Actual	Percentage of Actual to B.E.	Percentage of Actual to GSDP*
1.	Tax Revenue (including Central Share)	20,349	13,903	68	06
2.	Non-Tax Revenue	13,593	6,430	47	03
3.	Grants-in-aid & Contributions	64,319	49,774	77	21
4.	<i>Revenue Receipts (1+2+3)</i>	98,261	70,107	71	29
5.	Recovery of Loans & Advances	05	06	^	**
6.	Other Receipts	-	-	-	-
7.	Borrowings and Other Liabilities [§]	4,335	8,608	^	04
8.	<i>Capital Receipts (5+6+7)</i>	4,338	8,614	^	04
9.	<i>Total Receipts (4+8)</i>	102,599	78,721	77	33
10.	Revenue Expenditure	77,009	66,621	87	28
11.	Expenditure on Interest Payments (out of Revenue Expenditure)	9,635	9,925	^	04
12.	Capital Expenditure	33,241	12,089	36	05
13.	<i>Loans and Advances Disbursed</i>	99	11	11	**
14.	Transfer to Contingency Fund	-	-	-	-
15.	<i>Total Expenditure (10+12+13)</i>	1,10,349	78,721	71	33
16.	<i>Revenue Surplus (+)/Deficit (-) (4-10)</i>	(+)21,252	(+)3,486	16	01
17.	<i>Fiscal Deficit (4+5+6-15)</i>	12,083	8,608	71	04

* ₹ 2,41,133 crore as available on website of Ministry of Statistics and Programme Implementation, GoI.

** Negligible.

^ More than 100 per cent.

§ Net of Public Account (Receipt-Payment) + Net of Public Debt (Receipt-Payment)

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)/ Medium Term Fiscal Plan (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 Surplus/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-a-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 2023-24 in Parliament (March 2023). No fiscal indicators-rolling targets were specified for the year 2023-24. However, the fiscal parameters of the Government of Union Territory of Jammu and Kashmir, as per the Accounts for 2023-24 were as under:

Sl. No.	Parameter	Achievements during the year as per the accounts and GSDP*
1.	Revenue Surplus	The Revenue Surplus of ₹ 3,486 crore as per accounts was 01 per cent of GSDP for 2023-24 and 05 per cent of Revenue Receipts of ₹ 70,107 crore.
2.	Fiscal Deficit	The Fiscal Deficit of ₹ 8,608 crore as per accounts was 04 per cent of GSDP for 2023-24.
3.	Outstanding Public Debt# and other Liabilities	The outstanding Public Debt# and other Liabilities (₹ 36,742# crore) for the period from 31 October 2019 to 31 March 2024 (excluding Public Debt and other Liabilities of ₹ 82,050.50 crore outstanding ending 30 October 2019 yet to be apportioned between successor Union Territories) was 15 per cent of GSDP.

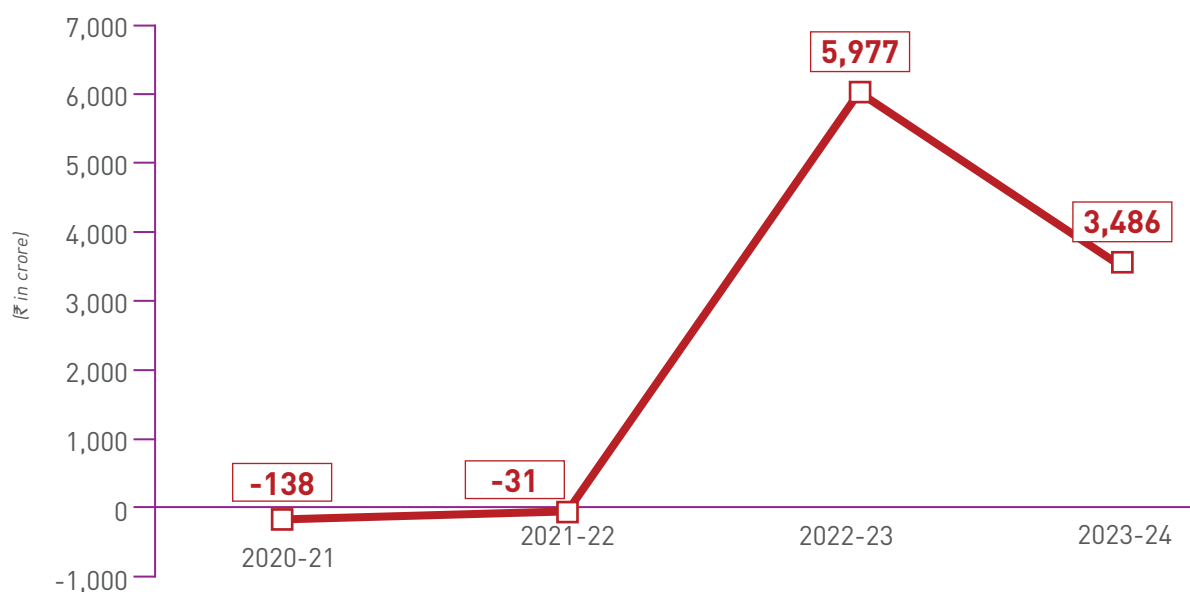
* ₹ 2,41,133 crore as available on website of Ministry of Statistics and Programme Implementation, Gol.

The Debt does not include ₹ 5,945.29 crore, (₹ 2,099.80 crore of 2020-21 and ₹ 3,845.49 crore of 2021-22) which was passed on as back to back loans by Gol in lieu of shortfall in GST compensation.

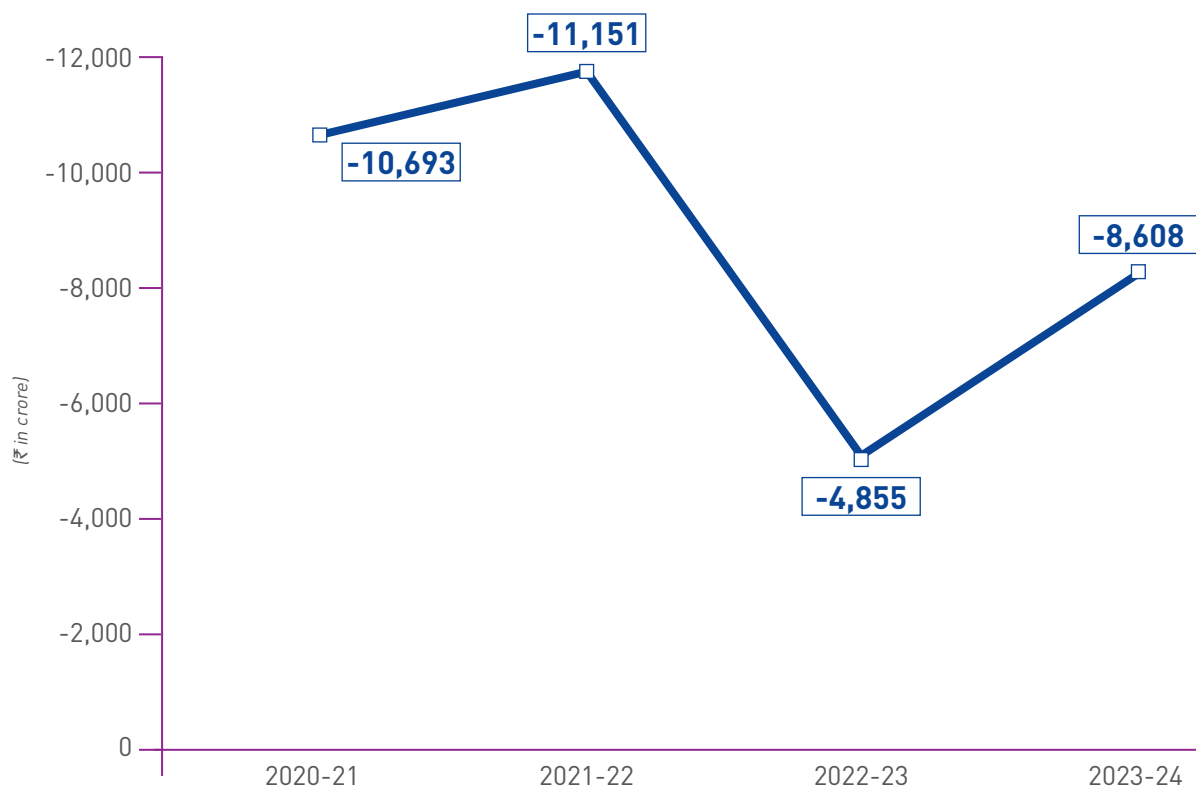
Outstanding debt includes all debts (excluding ₹ 5,945.29 crore passed on in lieu of shortfall in GST compensation) and other liabilities.

1.6.2 Trend of Revenue Surplus/ Deficit and Fiscal Deficit

Trend of Revenue Surplus/Deficit

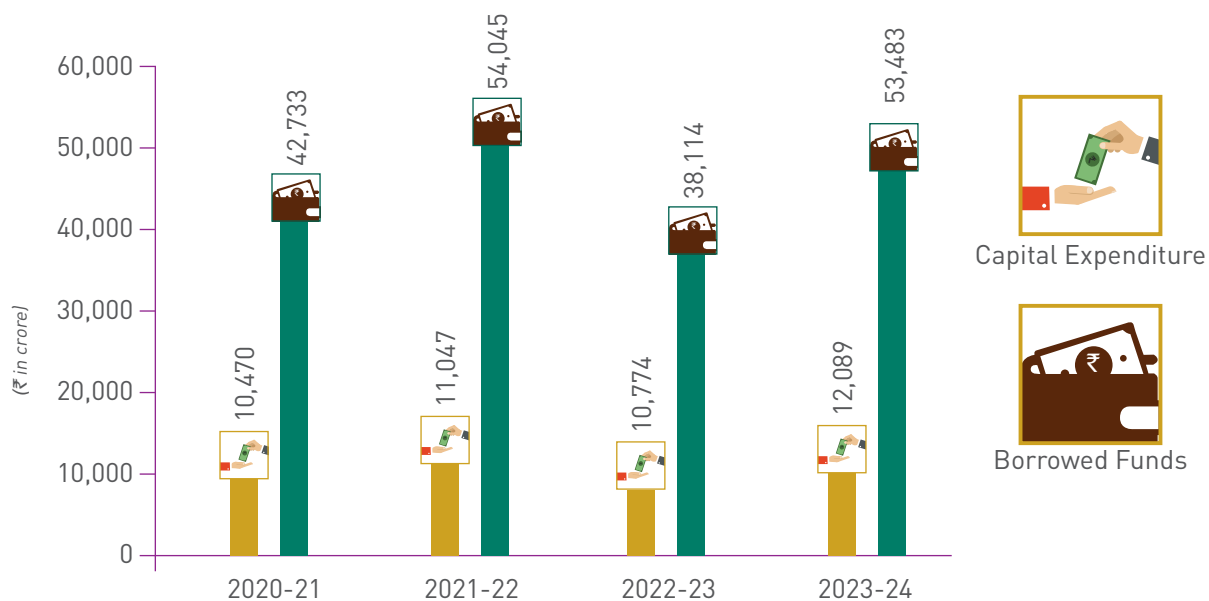



Trend of Fiscal Deficit



1.6.3 Proportion of borrowed funds spent on Capital Expenditure

Borrowed funds and Capital Expenditure





Prudent Financial Management requires that money should be borrowed only for the creation of capital assets and to use Revenue Receipts for repayment of principal and repayment of interest thereon. However, 77 *per cent* of the public debt (₹ 41,394 crore) was utilised on repayment of the principal and repayment of interest on public debt of previous years. The Government of Union Territory of Jammu and Kashmir spent 23 *per cent* of the borrowings of the current year (₹ 53,483 crore) on Capital Expenditure (₹ 12,089 crore). This amount includes misclassified Revenue Expenditure of ₹ 195 crore as Capital Expenditure. Excluding this amount, the percentage of borrowings spent on Capital Expenditure further drops to 22 *per cent*.

Chapter II

Receipts

2.1 Introduction

Receipts of the Government of Union Territory of Jammu and Kashmir are classified as Revenue Receipts and Capital Receipts. Total Receipts during 2023-24 were ₹ 70,107 crore.

2.2 Revenue Receipts

The Revenue Receipts of the Government comprise 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.

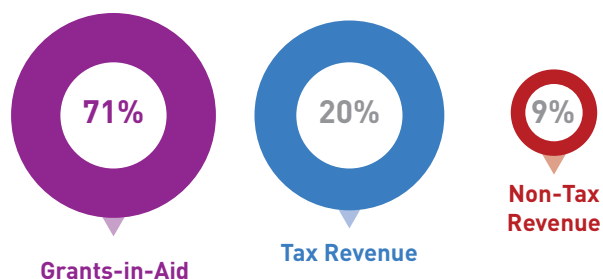
Includes interest receipts, dividends, profits, royalties *etc.*

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 2023-24

(₹ in crore)

Components	Actuals
A. Tax Revenue*	13,903
Goods and Services Tax (GST)	8,064
Taxes on Income & Expenditure	-
Taxes on Property & Capital Transactions	801
Taxes on Commodities & Services	5,038
B. Non-Tax Revenue	6,430
Interest Receipts, Dividends and Profits	59
General Services	239
Social Services	259
Economic Services	5,873
C. Grants-in-aid & Contributions	49,774
Total-Revenue Receipts	70,107

* No Share of net proceeds assigned to State was received by the Government of Union Territory during 2023-24.

2.2.2 Trend of Revenue Receipts

(₹ in crore)

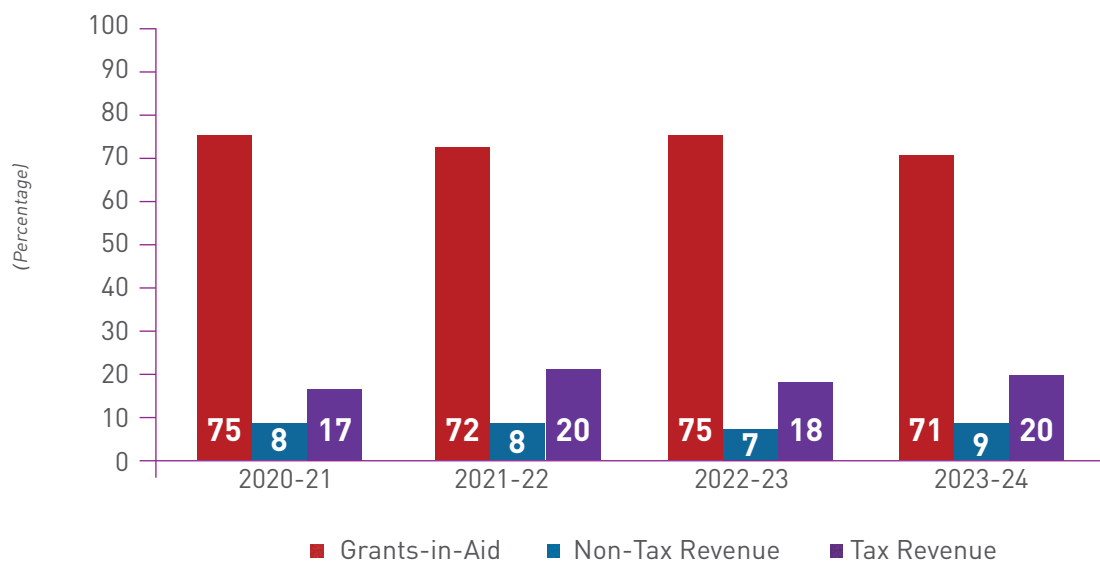
Components	2020-21	2021-22	2022-23	2023-24
Tax Revenue	8,877 (05)	11,707 (06)	12,335 (05)	13,903 (06)
Non-Tax Revenue	4,077 (02)	4,840 (02)	5,148 (02)	6,430 (03)
Grants-in-aid	39,542 (23)	42,691 (22)	51,493 (23)	49,774 (21)
Total-Revenue Receipts	52,496 (30)	59,238 (30)	68,976 (31)	70,107 (29)
GSDP* at current price	1,76,282	1,96,696	2,24,797	2,41,133

Note: Figures in parentheses represent percentage to GSDP.

Source:

* GSDP ₹ 1,76,282 crore for 2020-21, ₹ 1,96,696 crore for 2021-22, ₹ 2,24,797 crore for 2022-23 and ₹ 2,41,133 crore for 2023-24, as available on website of Ministry of Statistics and Programme Implementation, Gol.

Trend of components of Revenue Receipts



2.3 Tax Revenue

(₹ in crore)

Components	2020-21	2021-22	2022-23	2023-24
Goods and Services Tax (GST)	4,839	6,394	7,212	8,064
Taxes on Income and Expenditure	-	-	-	-
Taxes on Property and Capital Transactions	386	625	688	801
Taxes on Commodities and Services	3,652	4,688	4,435	5,038
Total Tax Revenue	8,877	11,077	12,335	13,903

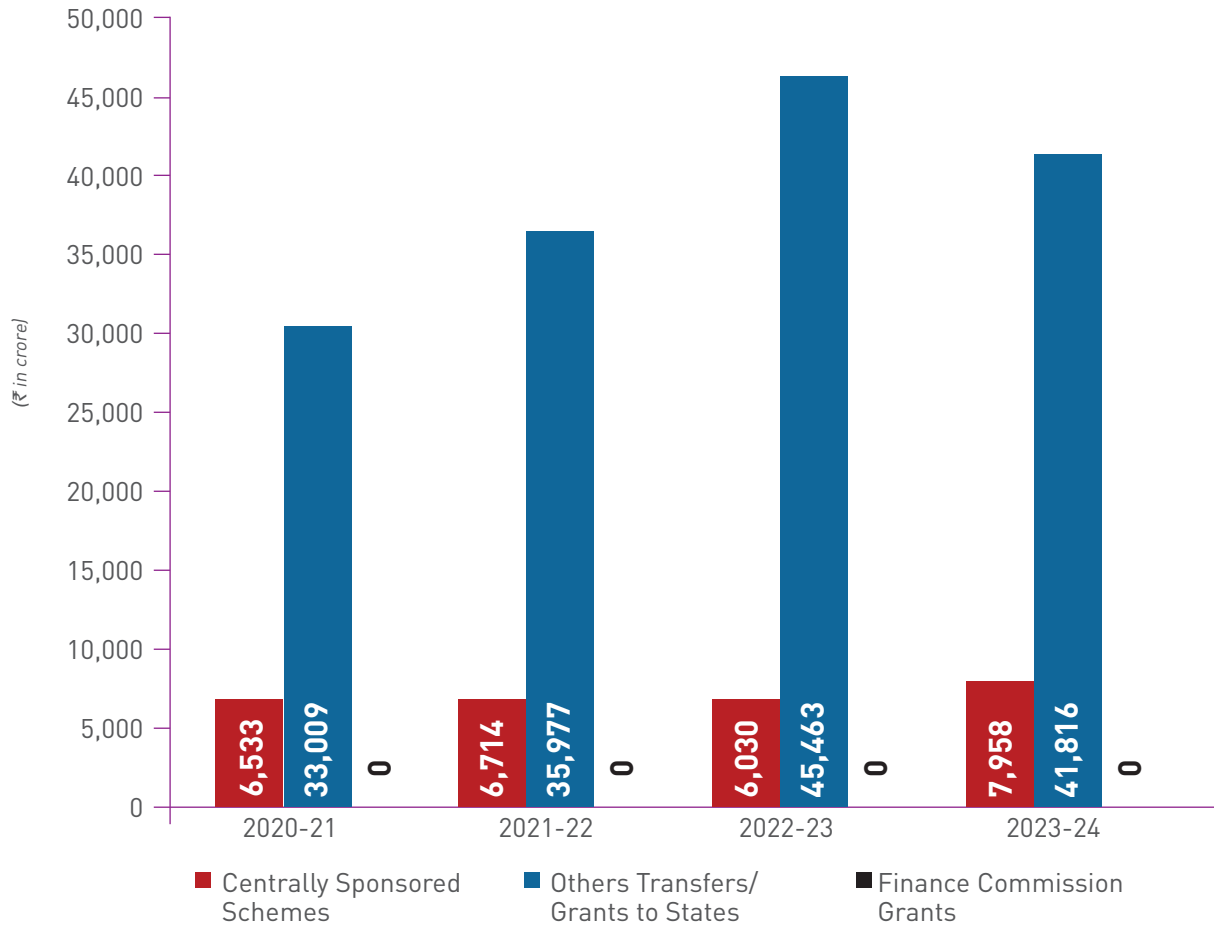
2.3.1 Trend in UTs own Tax collection

(₹ in crore)

Taxes	2020-21	2021-22	2022-23	2023-24
UT Goods and Services Tax	4,839	6,394	7,212	8064
Land Revenue	61	113	131	124
Stamps and Registration	326	512	557	678
State Excise	1,347	1,783	1,794	2490
Sales Tax	1,496	1,906	1,554	1631
Taxes on Goods and Passengers	01	06	24	11
Taxes on Vehicles	488	616	723	904
Other Taxes	319	377	340	01
Total Tax Revenue	8,877	11,707	12,335	13,903

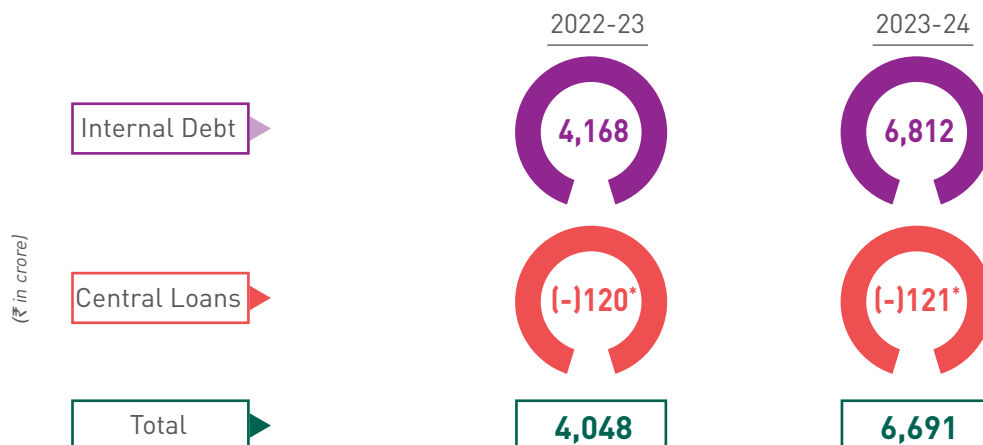
2.4 Grants-in-Aid

Grants-in-aid (GIA) to the Union Territory represent assistance from the Government of India and entails grants for Centrally Sponsored Schemes and Other Transfers/ Grants to Union Territory. Total receipts during 2023-24 under Grants-in-aid were ₹ 49,774 crore as shown below:



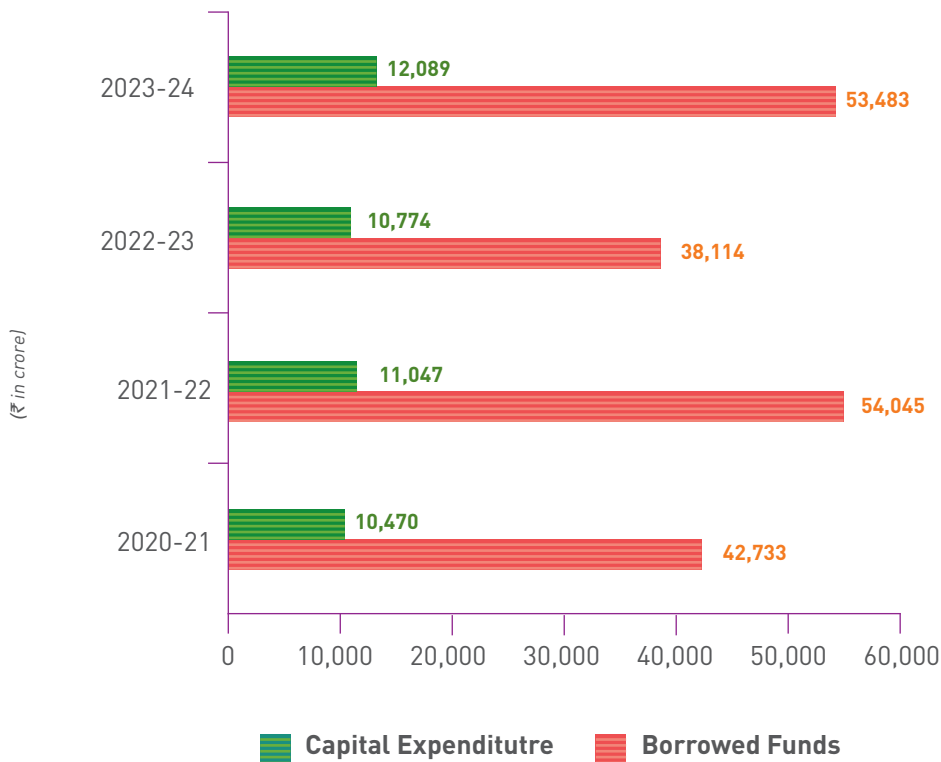
2.5 Public Debt

Trend of position of net Public Debt



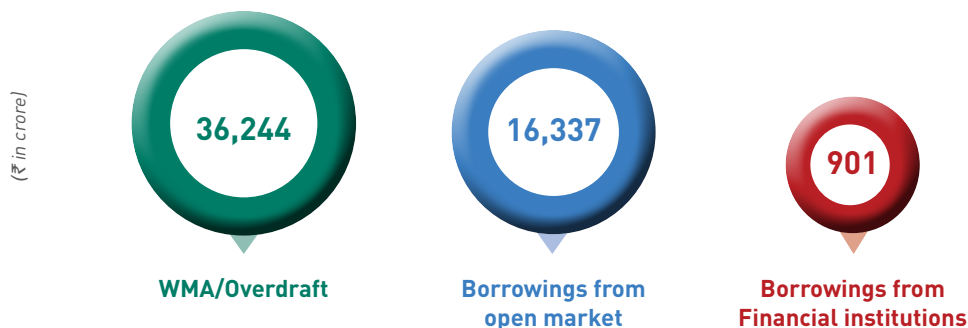
* Minus figure is due to more payments than receipts.

Borrowed Funds viz-à-viz Capital Expenditure



During 2023-24, 28 loans totalling ₹ 16,337 crore were raised from the open market at interest rates varying from 7.36 per cent to 7.74 per cent and the same are redeemable upto the year 2053-54. Further, the Government of Union Territory raised loan of ₹ 901 crore from the Financial Institutions, and ₹ 36,244 crore as Ways and Means Advances/Overdraft from the Reserve Bank of India. The details are illustrated below:

Borrowings of the UT during 2023-24



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 the 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 saving of Revenue Expenditure against Budget Provisions of the Government of Union Territory of Jammu and Kashmir during the period 2022-23 and 2023-24 is given below:

(₹ in crore)

Components	2022-23	2023-24
Budget Provision	71,615	80,373
Actual	62,999	*66,621
Gap Saving (-) / Excess (+)	(-)8,616	(-)13,752
Percentage of variation of Actuals against Budget Provision	(-)12	(-)17

*includes an amount of ₹ 504 crore on account of recoveries effected during the year.

Around 74.46 per cent of the total Revenue Expenditure was incurred on "Committed" expenses viz., on Salaries (₹ 29,381 crore), Pension (₹ 10,298 crore) and Interest Payments (₹ 9,925 crore) which is the committed liabilities of the Government of Union Territory of Jammu and Kashmir.

The position of committed expenditure and expenditure other than committed (Revenue Expenditure) during 2022-23 and 2023-24 is given below:

(₹ in crore)

Components	2022-23	2023-24
Total Revenue Expenditure	62,999	66,621
Committed Revenue Expenditure*	47,533	49,604
Percentage of Committed Revenue Expenditure to total Revenue Expenditure	75	74
Expenditure other than committed (Revenue Expenditure)	15,466	17,017

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

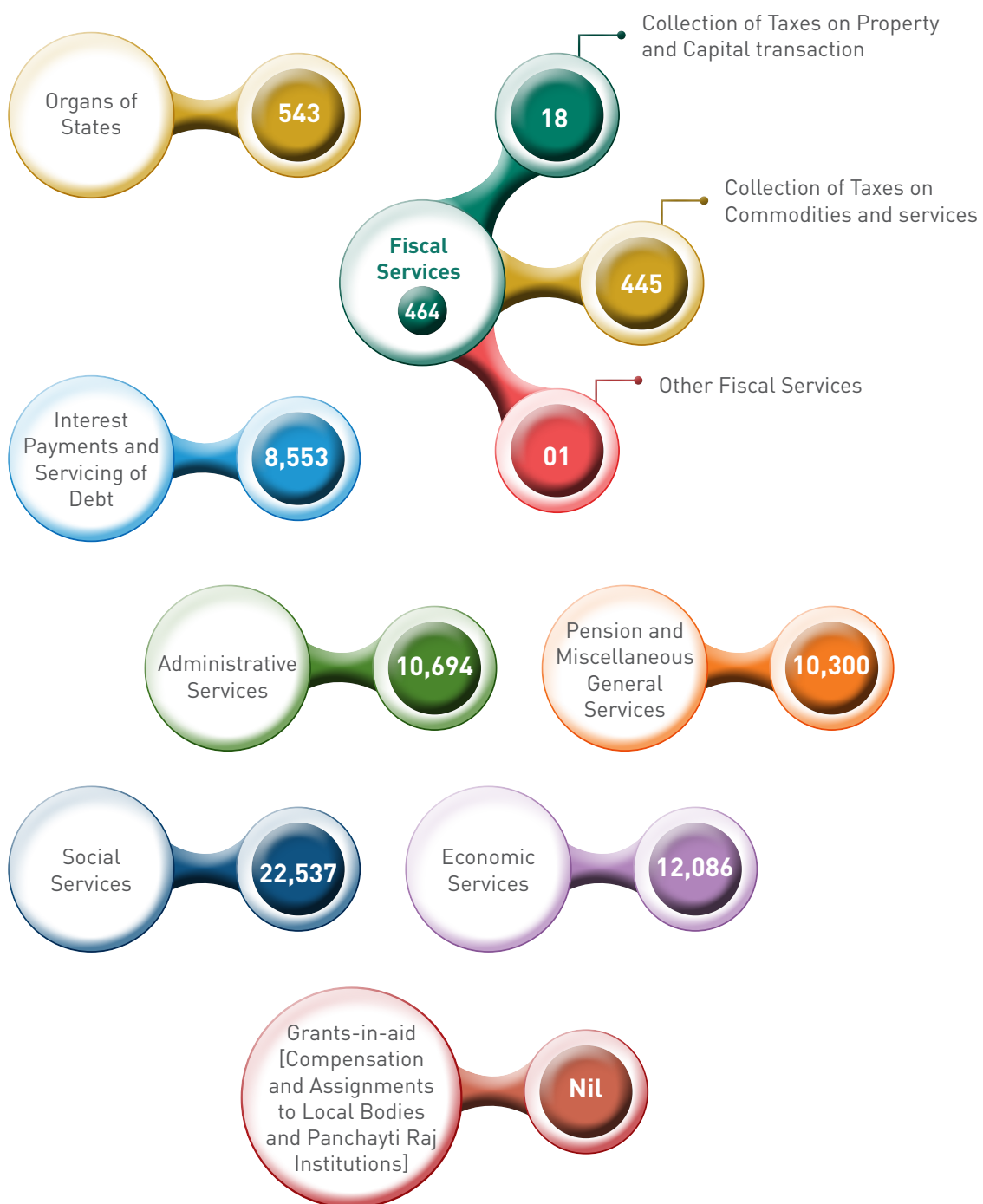
The committed Revenue Expenditure has increased by 4.36 percent during 2023-24. The total Revenue Expenditure increased by 5.75 percent in 2023-24.

3.2.1 Sectoral distribution of Revenue Expenditure during 2023-24

Components	Amount (₹ in crore)	Percentage
A. Fiscal Services	464	0.70
Collection of Taxes on Property and Capital transactions	18	0.03
Collection of Taxes on Commodities and Services	445	0.67
Other Fiscal Services	01	#
B. Organs of State	543	0.81
C. Interest Payments and Servicing of Debt	9,997	15
D. Administrative Services	10,694	16
E. Pensions and Miscellaneous General Services	10,300	15
F. Social Services	22,537	34
G. Economic Services	12,086	18
H. Grants-in-aid Contributions	-	-
Total Expenditure (Revenue Account)	66,621	100

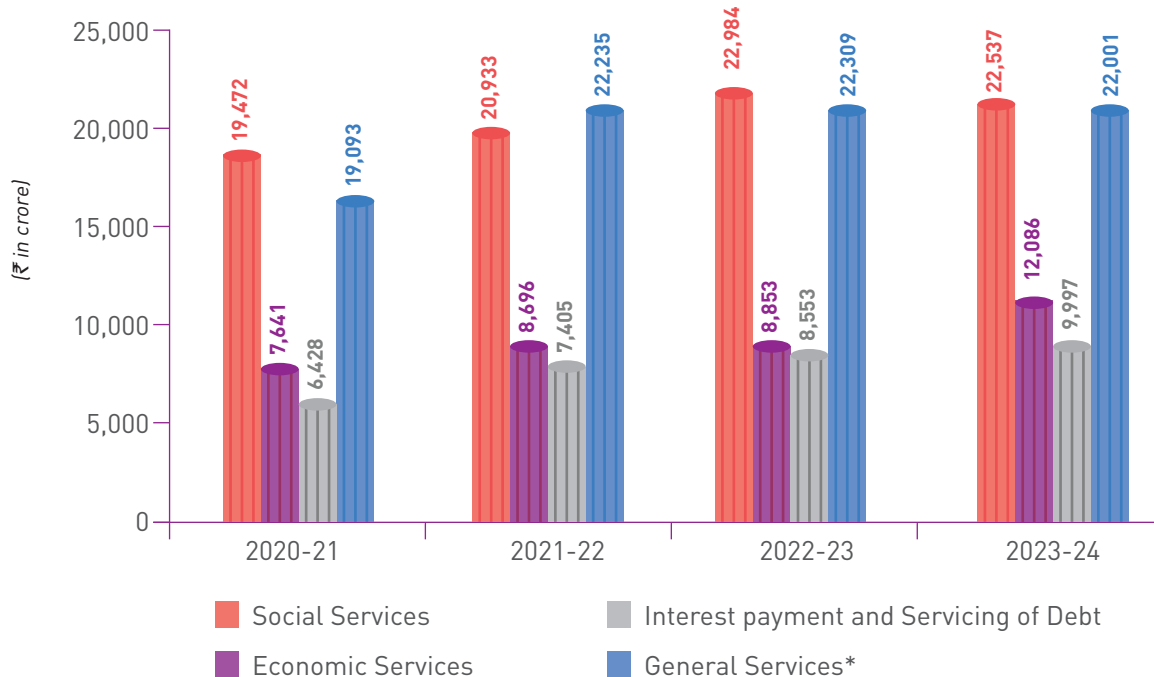
Negligible.

(₹ in crore)



3.2.2 Major components of Revenue Expenditure

Trend of Major components of Revenue Expenditure 2020-21, 2021-22, 2022-23 and 2023-24



*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 the year 2023-24 amounting to ₹ 12,089 crore was even fell short by ₹ 21,152 crore with respect to the Budget Estimates of ₹ 33,241 crore (excluding Grant of ₹ 99 crore for Loans and Advances). Apart from Capital disbursement of ₹ 12,089 crore during 2023-24, Loans and Advances to the tune of ₹ 11 crore was also disbursed which formed part of Capital Expenditure. The Loans and Advances also showed saving against Original Grant (₹ 99 crore) by ₹ 88 crore during the said period.

(₹ in crore)					
Sl. No.	Components	2020-21	2021-22	2022-23	2023-24
1	Budget (B.E.)	34,408	39,708	41,226	33,241
2	Actual Expenditure	10,495	11,047	10,774	12,089
3	Percentage of Actual Expenditure to B.E.	31	28	26	36
4	Yearly growth in Capital Expenditure [#]	#	05	(-)02	(+)12
5	GSDP*	1,76,282	1,96,696	2,24,797	2,41,133
6	Yearly growth in GSDP [#]	#	12	14	07

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

Source:

* GSDP ₹ 1,76,282 crore for 2020-21, ₹ 1,96,696 crore for 2021-22, ₹ 2,24,797 crore for 2022-23 and ₹ 2,41,133 crore for 2023-24, as available on website of Ministry of Statistics and Programme Implementation, Gol.

3.3.1 Sectoral distribution of Capital Expenditure

The Capital Expenditure during 2023-24, includes expenditure of ₹ 1,476 crore viz., on Power Projects (₹ 713 crore), Minor Irrigation (₹ 53 crore), Flood Control Projects (₹ 57 crore), Medium Irrigation (₹ 24 crore) and Water Supply and Sanitation (₹ 629 crore). The Government also invested ₹ 69 crore in various Corporations/Companies/Societies. The investment mainly was in Jammu and Kashmir Gramin Bank. However, the PSUs has shown investment of ₹ 468 crore resulting in difference of ₹ 399 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 2020-21 to 2023-24 is illustrated below:

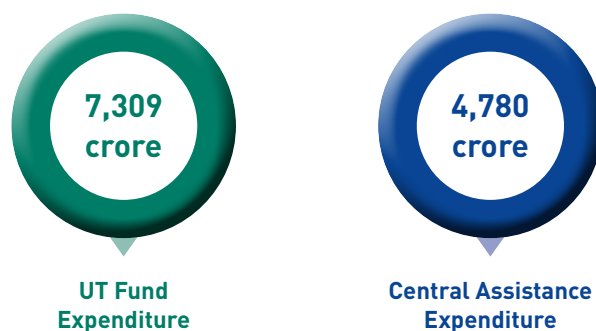
(₹ in crore)

S.No.	Sector		2020-21	2021-22	2022-23	2023-24
(A)	General Services	Capital	776	659	1,098	684
		Revenue	25,521	29,640	31,162	31,998
(B)	Social Services	Capital	2,492	2,723	2,714	3,861
		Revenue	19,472	20,933	22,984	22,537
(C)	Economic Services	Capital	7,202	7,665	6,962	7,544
		Revenue	7,641	8,696	8,853	12,086
(D)	Grants-in-aid and Contribution	Capital	-	-	-	-
		Revenue	-	-	-	-

3.4 Plan and Non-Plan Expenditure

The Government of India has discontinued the bifurcation of expenditure as Plan and Non-Plan from 2017-18. Accordingly, the UT Government has also modified the nature of expenditure in their budget as Union Territory Fund Expenditure and Central Assistance Fund expenditure.

Distribution of Expenditure (Capital)



Chapter IV

Appropriation Accounts

4.1 Summary of Appropriation Accounts for the year 2023-24

(₹ in crore)

S. No.	Nature of Expenditure	Original Grant	Supplementary Grant	Total	Actual Expenditure*	Savings(-) / Excess(+)	Surrenders
1.	Revenue	77,009	3,364	80,373	67,125	(-)13,248	-
2.	Capital	33,413	04	33,417	12,127	(-)21,290	-
3.	Public Debt	37,978	5,345	43,323	46,792	(+)3,469	-
4.	Loans and Advances	99	-	99	11	(-)88	-
	Total	1,48,499	8,713	1,57,212	1,26,055	(-)31,157	-

* Does not include an amount of ₹ 541 crore on account of recoveries effected during the year. (Revenue section ₹ 503 crore, Capital section ₹ 38 crore).

4.2 Trend of Saving/Excess

(₹ in crore)

Savings (-) / Excess (+)					
Year	Revenue	Capital	Public Debt	Loans & Advances	Total
2020-21	(-)11,563	(-)32,295	(+)7,094	(-)46	(-)36,810
2021-22	(-)7,968	(-)19,799	(-)01	(-)44	(-)27,812
2022-23	(-)15,198	(-)27,780	(+)1,346	(-)50	(-)41,682
2023-24	(-)13,248	(-)21,290	(+)3,469	(-)88	(-)31,157

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	2020-21	2021-22	2022-23	2023-24
03	Planning	945 (62)	1,239 (68)	575 (51)	618 (67)
06	Power Development	13,999 (80)	3,564 (45)	5,277 (60)	2,111 (23)
10	Law	506 (55)	367 (48)	477 (53)	538 (48)
15	Food, Civil Supplies and Consumer Affairs	466 (64)	305 (52)	430 (63)	259 (41)
18	Social Welfare	820 (33)	1,131 (36)	1,015 (32)	1,528 (42)
20	Tourism	637 (77)	211 (45)	190 (37)	222 (44)
22	Irrigation	1,757 (71)	756 (52)	1,372 (62)	1,304 (64)
23	Public Health Engineering	...	2,063 (52)	8,033 (80)	5,357 (70)
25	Labour, Stationery and Printing	...	64 (42)	92 (52)	99 (55)
28	Rural Development	...	3,196 (64)	2,422 (44)	1,587 (32)
30	Tribal Affairs	...	239 (58)	422 (74)	455 (80)
31	Culture	...	287 (86)	335 (83)	183 (68)
34	Youth Services and Technical Education	...	298 (35)	243 (43)	256 (28)

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.

Information on Government investments of the Finance Accounts is based on the information received from investee entity concerned through the Principal Accountant General (Audit), but has not been confirmed by the concerned departments (including Finance) of the Government of Union Territory of Jammu and Kashmir.

During 2023-24, the Government of Union Territory of Jammu and Kashmir booked an amount of ₹ 68.62 crore as investment. Against the booked amount, the PSUs concerned has shown an investment of ₹ 468.42 crore resulting in difference of ₹ 399.80 crore between two set of figures.

The equity of ₹ 4.58 crore of Jammu and Kashmir Bank Ltd, pursuant to the Government of Jammu and Kashmir order SO 339 dated 30.10.2020 relating to apportionment of Assets, Liabilities and posts of the erstwhile State of Jammu and Kashmir between the UT of J&K and UT of Ladakh, was transferred to the Government of UT of Ladakh. Accordingly, the balance of the erstwhile State of Jammu and Kashmir has been reduced to that extent in *Statement 8 and 19* of Finance Accounts. The total investment (revised figures) made by the erstwhile State of Jammu and Kashmir in 52 entities at the end of pre re-organisation period was ₹ 4,615.58 crore based on information/data provided by the investee entities.

Government of Union Territory of Jammu and Kashmir had investment of ₹ 1,780.01 crore as on 31 March 2024 (31 October 2019 to 31 March 2024) and dividend amounting to ₹ 30.41 crore was received during 2023-24. Details of Government of Union Territory of Jammu and Kashmir investment as intimated by PSUs through Principal Accountant General (Audit) as on 31 March 2024 are given as follows:

(₹ in crore)

Category	Number of entities	Investment at the end of the year 2023-24
Statutory Corporation	2	193.91
Rural Banks	2	102.43
Government Companies	40	1,243.82
Other Joint Stock Companies and Partnership	2	-
Co-operative Banks & Societies	8	239.85
Total	54	1780.01

The total investment (revised figures) made by the erstwhile State in 52 entities at the end of 30 October 2019 (pre re-organisation) was ₹ 4,614.00 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 (July 2024). The investment shown in the Accounts require reconciliation by the Entities with the Government before apportionment between successor Union Territories.

The Cash balance as on 31 March 2024 (31 October 2019 to 31 March 2024) of Union Territory of Jammu and Kashmir (post re-organisation) as per record of Principal Accountant General (A&E) was ₹ 1,444.87 crore (Debit) and that of the RBI (as worked out by Principal Accountant General (A&E)) was ₹ 1,445.69 crore (Credit). There was a net difference of ₹ 0.82 crore (Credit), due to non-reconciliation between the Government of Union Territory and Agency Bank.

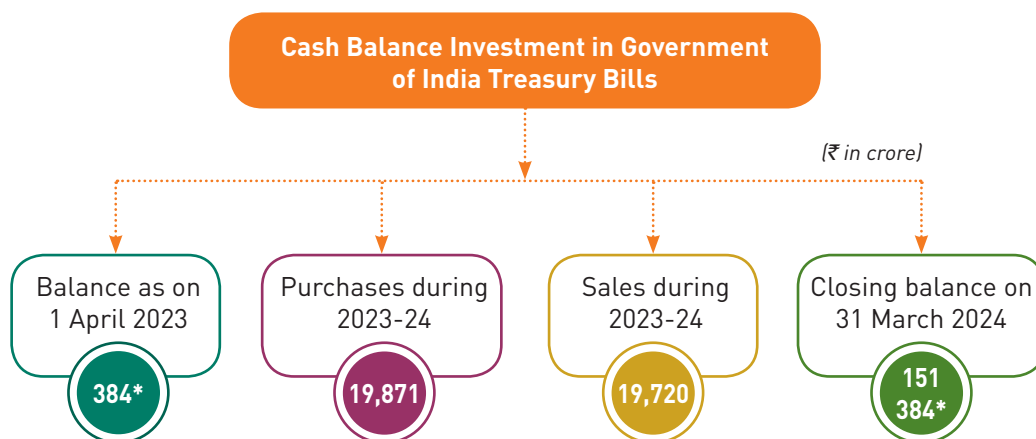
There was also a net difference of ₹ 83.32 crore (Debit) between RBI and Principal Accountant General figures as on 30 October 2019 (pre re-organisation) which is yet to be apportioned between Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

In addition, the Government of Union Territory had invested an amount of ₹ 19,871 crore on 36 occasions in 14 days Treasury Bills and rediscounted Treasury Bills worth ₹ 19,720 crore on 52 occasions during 2023-24. The position of investment during the year 2023-24 is depicted in the table given below:

(₹ in crore)

Cash Balance Investment in Government of India Treasury Bills			
Balance as on 1 April 2023	Purchase during 2023-24	Sales during 2023-24	Closing Balance on 31 March 2024
-	19,871	19,720	151
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.



* 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.

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 2024 (post re-organisation) are given below:

(₹ in crore)

(Figures are progressive balances)

Year	Public Debt [#]	Per cent of GSDP*	Public Account**	Per cent of GSDP*	Total Liabilities	Per cent of GSDP*
2020-21	10,568	6.00	4,313	2.44	14,881	8.44
2021-22	19,193	9.76	4,197	2.13	23,390	11.89
2022-23	23,240	10.34	4,707	2.09	27,947	12.43
2023-24	29,931	12.41	6,811	2.82	36,742	15.23

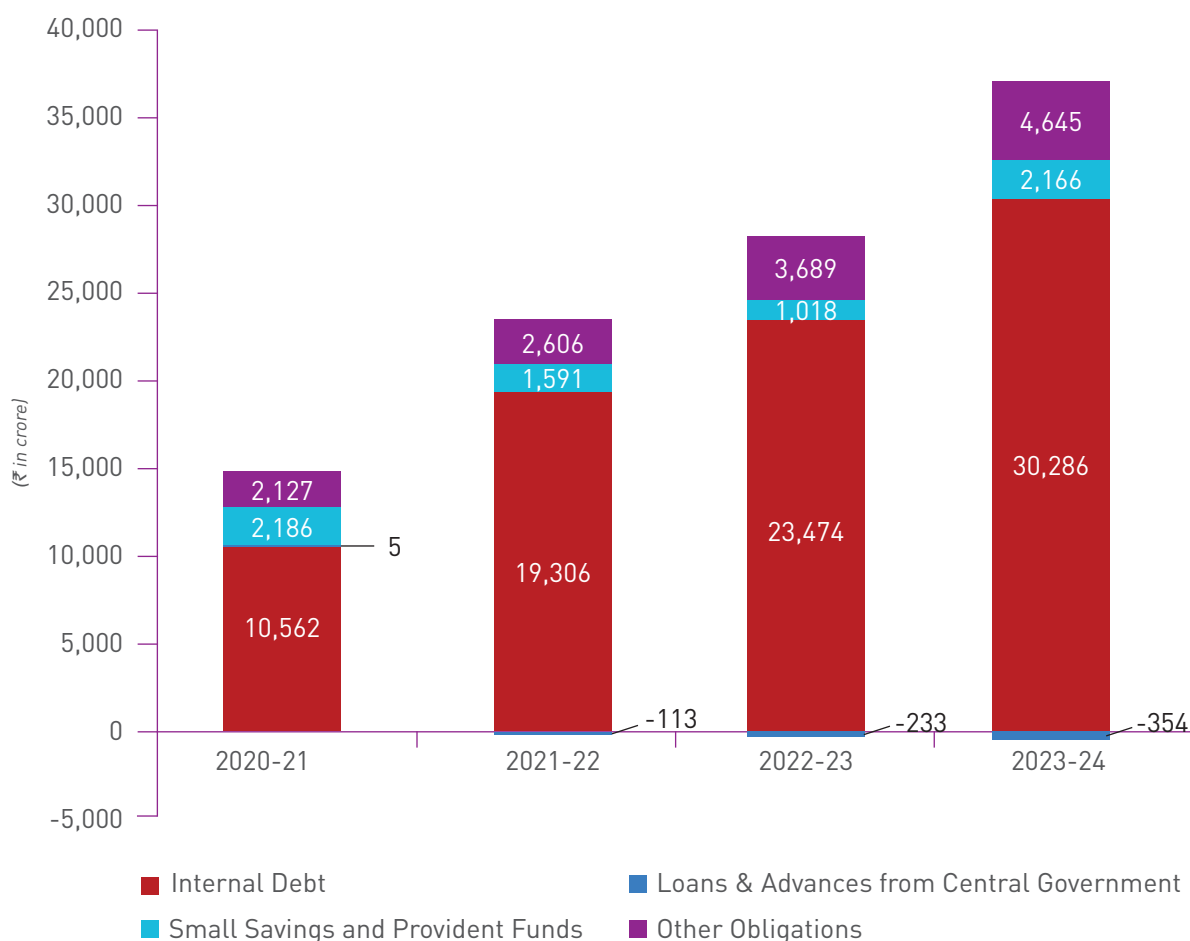
* GSDP ₹ 1,76,282 crore for 2020-21, ₹ 1,96,696 crore for 2021-22 and ₹ 2,24,797 crore for 2022-23 as available on website of Ministry of Statistics and Programme Implementation, Gol and ₹ 2,41,133 crore for the year 2023-24.

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

[#] Does not include ₹ 5,945 crore (₹ 2,100 crore of 2020-21 and ₹ 3,845 crore of 2021-22) passed on by Gol, as back to back loans in lieu of GST compensation shortfall.

During the year 2023-24, Public Debt and Other Liabilities showed a net increase of ₹ 8,795 crore (excluding debt of ₹ 5,945 crore passed on as back to back loans by Government of India (Gol) in lieu of shortfall in Goods and Services Tax (GST) compensation.

Trend in Government Liabilities



As on 30 October 2019 (pre-organisation), there was also outstanding balance of ₹ 82,050 crore which is yet to be apportioned between the successor Union Territory of Jammu & Kashmir and the Union Territory of Ladakh. However, the said balance is retained in Union Territory of Jammu and Kashmir.

5.3 Guarantees

Besides directly raising loans, the Government of Union Territory also guarantees 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 of Jammu and Kashmir for the re-payment of loans (payment of principal and interest thereon) raised by Statutory Corporations, Government Companies, Cooperative Society, etc., based on the information received by PSUs through Principal Accountant General (Audit), Jammu and Kashmir, is given below:

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of the year	
		Principal	Interest
2020-21	12,564	1,486	-
2021-22	13,449	12,329	-
2022-23	34,833	24,867	0.50
2023-24	34,808	24,485	0.50

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
2020-21	12,564	1,486	-
2021-22	13,449	12,329	-
2022-23	34,833	24,867	0.50
2023-24	34,808	24,485	0.50

The outstanding Guarantee of ₹ 453 crore principal and ₹ 02 crore interest ending 30 October 2019 is yet to be apportioned between newly formed Union Territories from 31 October 2019 (appointed day) as a result of Re-organisation of Jammu and Kashmir State viz., Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

Chapter VI

Other Items

6.1 Loans and Advances given 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. The information on all other loans and advances depicted in Statements 7 and 18 of the Finance Accounts 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 2024 have not been reconciled with the Loanee Entities/ Government of Union Territory.

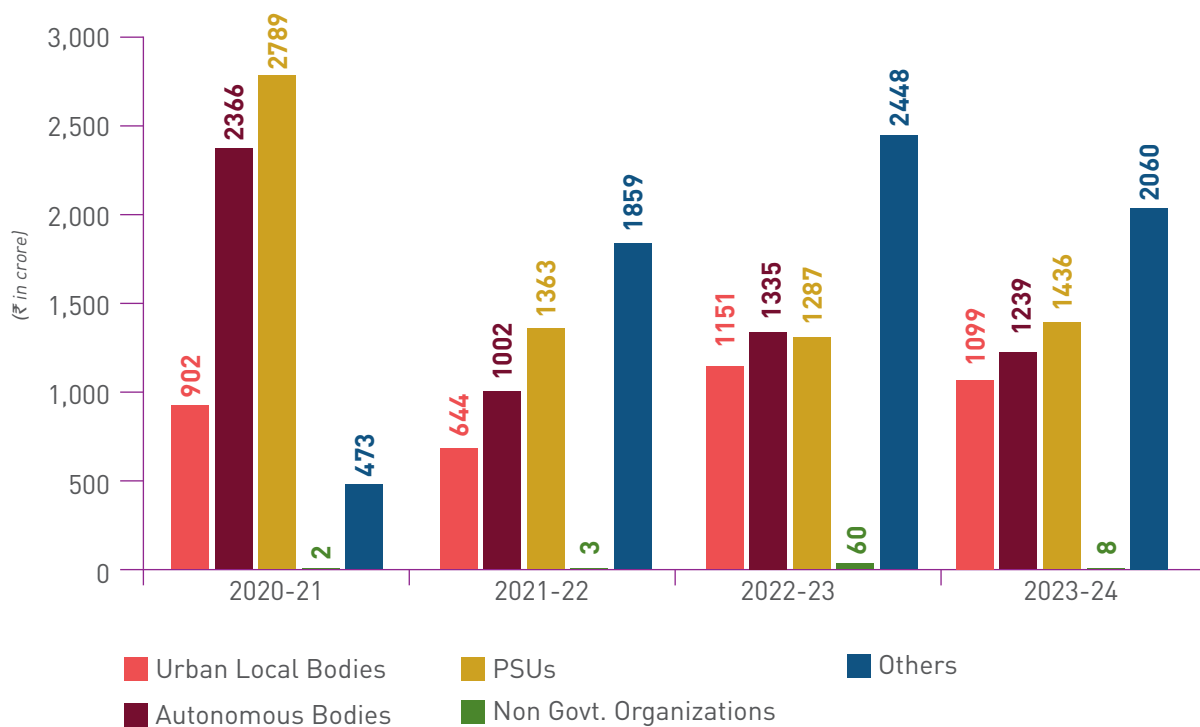
The statements, however, do not contain details of recoveries in arrears and accrued interest thereon as the said information is awaited from the Government of Union Territory (July 2024). During 2023-24, loans amounting to ₹ 11.49 crore (including *nil* to Government Servants) were given by the Government of Union Territory Government to various entities and ₹ 6.04 crore was received as repayment of loans (₹ 0.66 crore from Government Servants and ₹ 5.38 crore from other entities leaving net outstanding loans of ₹ 231.91 crore, as on 31 March 2024 (period 31 October 2019 to 31 March 2024). In addition to ₹ 231.91 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 (A&E). During 2023-2024, no such information was received.

6.2 Financial Assistance to Local Bodies and Others

During the year 2023-24, Grants-in-aid released by the Government of Union Territory of Jammu and Kashmir was ₹ 5,842 crore. Grants to Urban Local Bodies including Municipal Corporations during 2023-24 was ₹ 1,099 crore which accounted for 18.81 *per cent* of the total grants given during the period.

Financial Assistance to Local Bodies and Others



6.3 Cash Balance

(₹ in crore)

Component	As on 31 March 2023	As on 31 March 2024
Cash Balance	1,448	1,596
	(-)42	(-)42
Cash in Treasuries and Local Remittances	-	-
	7	7
Departmental Balances	-	-
	05	05
Permanent Imprest	-	-
	*	*
Deposits with RBI and Other Banks	1,448	1,445
	(-)449	(-)449
Cash Balance Investment	-	151
	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 Non-freezing of accounts by Treasuries after closing monthly accounts

Non-freezing of accounts by treasuries after closing monthly accounts may give scope for data manipulation after submission of monthly accounts to Principal Accountant General (A&E) office and may lead to mismatch of figures/data between Principal Accountant General office and Government of Union Territory. In the Government of Union Territory of Jammu and Kashmir, there is a provision for freezing of monthly accounts after submission to the Accountant General Office.

6.5 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 the respective Chief Controlling Officers/Controlling Officers. During 2023-24, receipts of ₹ 65,453.58 crore constituting 93.36 *per cent* of the total receipts of ₹ 70,107.69 crore excluding public debt and expenditure amounting to ₹ 64,107.16 crore (81.44 *per cent* of total expenditure of ₹ 78,710.32 crore excluding public debt) were reconciled by the Government of Union Territory of Jammu and Kashmir.

6.6 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 122 Treasuries (including 20 District Treasuries and one Virtual Treasury) 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 2023-24. No accounts remained excluded at the end of 31 March 2024. In the Union Territory of Jammu and Kashmir the primary compilation is done by the Principal Accountant General (Accounts and Entitlement) office.

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

During 2023-24, 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.

6.8 Goods and Services Tax (GST)

Goods and Services Tax (GST) was introduced with effect from 1 July 2017. During the year 2023-24, the Union Territory GST collection was ₹ 8,064.14 crore compared to ₹ 7,211.98 crore in 2022-23, registering an increase of ₹ 852.16 crore (11.82 *per cent*). This includes Advance Apportionment of IGST amounting to (-) ₹ 99.90 crore. The Government of Union Territory of Jammu and Kashmir received, compensation of ₹ *Nil* crore as Revenue Receipts on account of loss of revenue arising out of implementation of GST during 2023-24.

No share of net proceeds was assigned under Central Goods and Services to the Government of Union Territory of Jammu and Kashmir consequent to re-organisation of the State as a Union Territory.

The Government of Union Territory of Jammu and Kashmir had received back-to-back loan of ₹ 5,945.29 crore (₹ 2,099.80 crore during 2020-21 and ₹ 3,845.49 crore during 2021-22) for the period ended 31 March 2024 from the Central Government in lieu of GST compensation.

During the year 2023-24, no adjustment entries relating to the previous years(s) was carried out by the Government due to difference between the Reserve Bank of India's (RBI) figures and figures booked in the Finance Accounts.

6.9 Unadjusted Abstract Contingent (AC) Bills

The Government of Union Territory of Jammu and Kashmir has not revised codal provisions for drawal of Abstract Contingent (AC) bills and settlement thereof. However, Financial Code Volume-I (para 7.18) of erstwhile State of Jammu and Kashmir envisage 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.

- (a) A total of 1,637 number of AC bills amounting to ₹ 19,590.52 crore drawn up to 31.01.2024 were due for DCC bills (as per para 7.10 of Financial Code Vol-I of erstwhile State of Jammu and Kashmir).
- (b) Out of 360 AC bills amounting to ₹ 6,038.60 crore drawn during the year 2023-24, 56 AC bills amounting to ₹ 392.61 crore (6.50 per cent) were drawn in March 2024. DCC bills in respect of a total of 1,637 AC bills amounting to ₹ 19,590.52 crore due for adjustment as on 31 March 2024 were not received. Details of unadjusted AC bills due for adjustments are given below:

Year (*)	Number of unadjusted AC bills	Amount (₹ in crore)
Up to 2022-23 (31.10.2019 to 31.01.2023)	1,191	13,570.90
2023-24 (01.02.2023 to 31.01.2024)	446	6,019.62
Total	1,637	19,590.52

(*) The year mentioned above relates to "Due year" i.e., after 2 months of actual drawal and adjustment upto 31 March 2024 Account.

- (c) Further, out of 1877 AC bills amounting to ₹ 5,583.15 crore outstanding as on 31 March 2023, drawn upto 30 October 2019 (pre re-organisation) by the erstwhile State of Jammu and Kashmir, DCC bills in respect of 1,814 AC bills amounting to ₹ 5,537.45 crore were awaited as on 31 March 2024. The bifurcation of these outstanding AC bills is yet to be done between successor Union Territories viz., Union Territory of Jammu and Kashmir and Union Territory of Ladakh.

6.10 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 2023-24, ₹ 2,300.40 crore under 30 Major Heads of Accounts, constituting 2.92 per cent of the total Revenue and Capital Expenditure (₹ 78,710.32 crore) was classified under the Minor Head 800-Other Expenditure in the accounts.

Similarly, ₹ 6,655.49 crore (including Revenue Receipts of ₹ 4,208.61 crore representing Sale of Power and Misc. Power Receipts under Major Head-0801) under 37 Major Heads of Account, constituting 9.49 per cent of the total Revenue Receipts (₹ 70,107.69 crore) was classified under Minor Head 800-Other Receipts in the accounts.

6.11 Impact on Revenue Surplus and Fiscal Deficit

The impact on the Revenue Surplus and Fiscal Deficit of the Government of Union Territory of Jammu and Kashmir during the year 2023-24 is tabulated below:

Item (Illustrative)	Impact on Revenue Surplus		Impact on Fiscal Deficit	
	Overstatement (₹ in crore)	Understatement (₹ in crore)	Overstatement (₹ in crore)	Understatement (₹ in crore)
Misclassification between Revenue and Capital	195.01	32.69	No Impact	No Impact
Non-payment of interest on State Compensatory Afforestation Fund	25.84	No Impact	No Impact	25.84
Non-payment of interest on State Compensatory Afforestation Deposit	16.69	No Impact	No Impact	16.69
Total (Net) Impact	204.85		42.53	

6.12 Status of Outstanding Utilisation Certificates

The Government of Union Territory of Jammu and Kashmir has not framed revised rules relating to drawal of Grants-in-aid and submission of Utilisation Certificates (UCs) thereof. However, in terms of 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 object, whichever is earlier. To the extent of non-submission of UCs, there is a risk that the amount shown in Finance Accounts may not have reached the beneficiaries.

- (a) During the year 2023-24, ₹ 10,720.76 crore pertaining to 1,912 outstanding UCs were due for the period up to 30 September 2022. Of these, ₹ 5,489.67 crore pertaining to 516 UCs was cleared. The position of outstanding UCs as on 31.03.2024 is given below:

Year (*)	No. of UC's Outstanding	Amount (₹ in crore)
Upto 2022-23 (31.10.2019 to 30.09.2021)	954	2,635.43
2023-24 (01.10.2021 to 30.09.2022)	442	2,595.66
Total	1,396	5,231.09

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

- (b) During the year 2023-24, 164 bills to the tune of ₹ 1,299.49 crore pertaining to the period relating to erstwhile State of Jammu and Kashmir for the pre re-organisation period were cleared. The position of outstanding UCs relating to erstwhile State of Jammu and Kashmir drawn upto 30 October 2019 yet to be apportioned between the UT of Jammu and Kashmir and UT of Ladakh as on 31 March 2024, is given below:

Year (*)	No. of UC's Outstanding	Amount (₹ in crore)
Upto 2019-20	1,628	5,569.21
2020-21	639	1,273.95
2021-22 (01.10.2019 to 30.10.2019)	Nil	Nil
Total	2,267	6,843.16

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

6.13 Expenditure on Ecology and Environment

The expenditure incurred by the Government of Union Territory of Jammu and Kashmir towards ecology and environment is depicted in the Finance Accounts upto the level of Minor Head under various functional Heads of Accounts. During the year 2023-24, the Government of Union Territory of Jammu and Kashmir incurred expenditure of ₹ 1,290.37 crore under Major heads 2402, 2406, 3435 and 5425 against the budget allocation (BE) of ₹ 1,683.75 crore. During the previous year 2022-23, the Government of Union Territory of Jammu and Kashmir incurred expenditure of ₹ 1,368.03 crore under Major heads 2402, 2406, 3435 and 5425 against the budget allocation (BE) of ₹ 1,830.19 crore

6.14 Interest Adjustment

- (a) Government is liable to pay/adjust interest in respect of balances under category J-Reserve Funds (a. Reserve Funds bearing interest) and K-Deposits and Advances (a. Deposits bearing interest), and for this purpose, specific Sub-Major Heads are provided in the List of Major and Minor Heads of Account.

Details of these Funds/Deposits and interest paid by the Government during the year 2023-24 are given below:

(₹ in crore)

Funds/Deposits	Balance on 1 April 2023	Basis for calculation of interest	Interest due	Interest paid	Interest short paid
State Compensatory Afforestation Fund	764.57	As per circular issued by the Ministry of Environment, Forest & Climate Change (at 3.35 per cent p.a)	25.84	Nil	25.84
State Compensatory Afforestation Deposit	497.93		16.69	Nil	16.69
Total			42.53	Nil	42.53

Non-payment/short payment of the interest amounting to ₹ 42.53 crore has resulted in understatement of Revenue Expenditure by ₹ 42.53 crore.

- (b) Besides above, the Government is liable to pay interest on "I-Small Savings and Provident Fund etc." The interest on General Provident Fund (GPF) and State/UT Life Insurance (SLI) accounts of the Government employees for the period ended 31 March 2024 was conveyed as ₹ 1,886.83 crore (GPF ₹ 1,803.68 crore, SLI ₹ 83.15 crore) on provisional/tentative basis by the Government of Union Territory of Jammu and Kashmir which is responsible for maintenance of GPF and SLI accounts of its employees. The Revenue Expenditure for the year 2023-24 will differ to the extent of the difference between the actual and tentative/provisional figures

6.15 Expenditure relating to unforeseen/extraordinary events

During the year 2023-24, the Government of Union Territory of Jammu and Kashmir incurred an amount of ₹ 22.76 crore (₹ 71.70 crore in previous year) on relief measures relating to unforeseen / extraordinary events under Major Head-2245, the entire amount of ₹ 22.76 crore, was from Revenue Expenditure.

The Government received ₹ 279.00 crore from the Central Government for this purpose, being central assistance, etc., which has been accounted for under Major Head 1601.

6.16 Restructuring of Centrally Sponsored Schemes (CSSs)

During the year, the total expenditure booked under Centrally Sponsored Schemes, as on 31 March 2024, is ₹ 7,436.18 crore (Revenue Expenditure ₹ 2,115.17 crore and Capital Expenditure ₹ 5,321.01 crore), which includes expenditure out of Central Assistance (₹ 6,370.04 crore) and Union Territory share (₹ 1,066.14 crore).

6.17 Off-Budget Liabilities of Union Territory Government, Implicit Subsidies and fiscal burden due to policy implications

Off-Budget Borrowing is a liability of the Government in as much as the principal and the interest thereon invariably are serviced through the Government Budget, either as assistance or grant to the Union Territory entity.

The Union Territory Government did not disclose the off-budget liabilities in their budget documents/annual financial statements.

The Government of Union Territory of Jammu and Kashmir informed that Off-Budget borrowing of ₹ 23,698.89 crore [₹ 2,151.46 crore by Jammu and Kashmir Infrastructure Development Finance Corporation (JKIDFC) and ₹ 21,547.43 crore by Jammu and Kashmir Power Corporation Limited (JKPCL)] was outstanding as on 31 March 2024 (post re-organisation period). Out of this, an amount of ₹ 6,357.88 crore has been raised during the year 2023-24.

Further, the Government had taken over a loan of ₹ 43.53 crore pertaining to Jammu and Kashmir Cements Limited but the same was also not disclosed as Off-Budget Borrowings in the Budget documents.

During the year 2023-24, Government of Union Territory Jammu and Kashmir, instead of making a provision as assistance or grant to the entities, made repayment of principal on account of Off- Budget borrowings amounting to ₹ 6,493.25 and booked under Major Head-6003, resulting in adverse balance in the Government Accounts. This was taken up with the UT Government but the reply is awaited.

6.18 Transfer of Funds to Single Nodal Agency (SNA)

Ministry of Finance, Government of India¹ had notified procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilisation of the funds released through Single Nodal Agency (SNA). For each CSS, SNA is set up with own Bank Account in a scheduled Commercial Bank, authorised to conduct Government business by the Government of Union Territory. As per the procedure, the Government of Union Territory is to transfer the Central share received in its account to the concerned SNA's account along with Union Territory share.

As per MoF, Gol's letter dated 16 February, 2023, the Union Territory Government shall transfer the Central share as well as the commensurate UT share to the SNA account within 30 days of receipt of Central share. Any delay beyond 30 days in transfer of Central share to the SNA account, interest on the number of days at the rate of 7% per annum has to be paid by the UT Government with effect from 01-04-2023.

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

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

¹ Letter No. 1(13)PFMS/FCD/2020 dated 23 March 2021

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

6.19 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. The balance under the Fund was ₹ 25.00 crore at the end of 31 March 2024. 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.

6.20 New Pension Scheme

Union Territory Government employees recruited on or after 01/01/2010 are covered under the National Pension System (NPS), which is a Defined Contribution Pension Scheme. In terms of the scheme, the employee has to contribute 10 *per cent* of his / her monthly pay and the Union Territory Government has 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 2023-24, total contribution to the NPS was ₹ 2,061.32 crore (Employees' contribution ₹ 819.12 crore and Government's contribution ₹ 1,146.76 crore). In addition to this an amount of ₹ 95.44 crore was remitted in cash directly to MH-8342. The detailed information on Government contribution is available in Statement No. 15 of the Finance Accounts under Major Head-2071. The Government transferred ₹ 2,061.32 crore to the Public Account under Major Head 8342-117 Defined Contribution Pension Scheme.

Of the total amount transferred / deposited in the Public Account in the financial year, ₹ 193.28 crore remained in the Public Account and was not transferred to the NSDL. The cash balance of the Government was overstated by this amount.

6.21 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 Union Territory of Jammu and Kashmir continued with the State Disaster Response Fund. During the year 2023-24, the Government of Union Territory of Jammu and Kashmir received ₹ 279.00 crore on account of 'Grants towards contribution to Union Territory Disaster Response Fund' as released by the Ministry of Home Affairs, Government of India. The Union Territory Government share during the year is ₹ 31.00 crore. The Government transferred ₹ 310.00 crore (Central share ₹ 279.00 crore, Union Territory share ₹ 31.00 crore, to the Fund under

Major Head 8121-122 SDRF. Further, an amount of ₹ 107.81 crore was also credited to the Fund on account of interest.

An amount of ₹ 22.76 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 as on 31 March 2024 was ₹ 814.50 crore in the Fund.

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

6.22 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 for amounts received from user agencies for undertaking Compensatory Afforestation.

On re-organisation of State of Jammu and Kashmir into two new Union Territories, the successor Union Territory of Jammu and Kashmir continued with the State Compensatory Afforestation Fund. During the year 2023-24, the Government of Union Territory of Jammu and Kashmir received ₹ 1.20 crore (₹ 14.12 crore in previous year) from the user agencies. No amount was remitted to the National Fund either during 2023-24 or during 2022-23. The Government of Union Territory of Jammu and Kashmir received ₹ 39.99 crore (nil amount in previous year) from National Compensatory Afforestation Deposit.

The Government neither incurred any expenditure from the Fund nor invested any amount from the Fund during the year.

The balance in the State Compensatory Afforestation Fund (MH-8121-129) as on 31 March 2024 was ₹ 804.56 crore. There is also balance of ₹ 499.13 crore in State Compensatory Afforestation Deposit under classification 8336-103 as on 31 March 2024 pending transfer to State Compensatory Afforestation Fund/National Fund.

6.23 Transfer of Fund to various Implementing Agencies

As per the Public Financial Management System (PFMS) portal of the Controller General of Accounts (CGA), ₹ 6,793.19 crore was directly received by the implementing agencies including beneficiaries (NGOs, Central Govt. organizations, Statutory organizations, Urban/Rural Bodies, Beneficiaries, etc.) in the Union Territory during 2023-24.

The direct transfer of fund to the implementing agencies has increased by 60.32 per cent as compared to 2022-23 (from ₹ 4,237.34 crore in 2022-23 to ₹ 6,793.19 crore in 2023-24). Details of direct transfer to Government Departments of Union Territory of Jammu and Kashmir are in *Appendix-VI* of the Finance Accounts.

6.24 Consolidated Sinking Fund

No Consolidated Sinking Fund was separately created in Union Territory of Jammu and Kashmir after re-organisation of the erstwhile State of Jammu and Kashmir. The Government of erstwhile State of Jammu and Kashmir set up the Consolidated Sinking Fund for amortisation of loans in

January 2012. According to the guidelines of the Fund, Government may contribute a minimum of 10 *per cent* of 0.5 *per cent* of the outstanding liabilities as at the end of 2010-11 every year beginning with the financial year 2011-12 upto 2021-22 to make it equal to 0.5 *per cent* of outstanding liabilities of 2010-11. In addition, contribution in respect of incremental liabilities as from year to year thereafter was to be made at 0.5 *per cent* of such incremental liabilities to reach the level deemed sufficient to meet the objective of the Scheme. The Government continued with the existing Fund and in the year 2023-24, Government of Union Territory of Jammu and Kashmir contributed ₹ 72.51 crore.

The amount required to be contributed to the Fund could not be worked out as the available balance under the Fund amounting to ₹ 355.87 crore and the liabilities as on 30 October 2019 (pre re-organisation) is yet to be apportioned between the Union Territory of Jammu and Kashmir and Union Territory of Ladakh. The total accumulation of the Fund (for the post re-organisation period) was ₹ 232.05 crore as on 31 March 2024 (₹ 159.54 crore as on 31 March 2023).

6.25 Guarantee Redemption Fund

The RBI guidelines of 2013 on the Guarantee Redemption Fund (GRF) indicate contribution of minimum one *per cent* of outstanding Guarantees at the beginning of the year and thereafter, a minimum of 0.5 *per cent* every year to achieve a corpus of minimum three to five *per cent* of the outstanding Guarantees of the previous year. The Government of Union Territory of Jammu and Kashmir has not framed Guarantee Redemption Fund Act as on 31 March 2024. Further, the Guarantee Redemption Fund Scheme of erstwhile State of Jammu and Kashmir did not have any target for contribution to the Fund. During the year, Government contributed ₹ 2.00 crore to the Fund. The total accumulation of the Fund was ₹ 7.00 crore as on 31 March 2024 (₹ 5.00 crore as on 31 March 2023) for the post re organisation period.

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

6.26 Status of Suspense Balances

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balance under these Heads, is worked out by aggregating the outstanding debit and credit balances separately under various heads was ₹ 189.39 crore (Net debit) under three Major Heads (8658, 8782 and 8793), as on 31 March 2024 [₹ 149.44 crore (Net debit) as on 31 March 2023] for the post re-organisation period.

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] as on 30 October 2019 (pre re-organisation) relating to erstwhile State of Jammu and Kashmir under Suspense and Remittance Heads which is yet to be apportioned between the successor Union Territory of Jammu and Kashmir and Union Territory of 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).

6.27 Other Cess/fee/surcharge

No other Cesses are levied by Union Territory Government during 2023-24.

6.28 Allocation of Balances as a result of Re-organisation

The Jammu and Kashmir Re-organisation Act, 2019 (Section 84 and 85) and notification of the Government of Union Territory of Jammu and Kashmir dated 30 October 2020 followed by Government Order No. 14-F of 2021 dated 14 January 2021 provides for the manner in which Assets and Liabilities 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 Government Order in this regard was issued by the Government of Union Territory of Jammu and Kashmir dated 14 January 2021, 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. Details of un-apportioned items are given in *Appendix-XIII* of Volume-II of the Finance Accounts.

6.29 Central Road and Infrastructure Fund (CRIF)

The erstwhile Central Road Fund (CRF) has been renamed as the Central Road and Infrastructure Fund (CRIF) vide Government of India's Gazette notification dated 31 March 2018. The CRIF will be used for development and maintenance of National Highways, Railway projects, improvement of safety on Railways, State and Rural roads and other infrastructure etc.

In terms of the extant accounting procedure, the grants received by the Government of Union Territory from the Central are to be initially booked as Revenue Receipts under Major Head 1601. Thereafter, the amount so received is to be transferred by the Government of Union Territory to the Public Account under Major Head 8449-103 Subventions from Central Road and Infrastructure Fund through functional Major Head(s).

During the year 2023-24, the Government of Jammu and Kashmir received grants of ₹ 206.67 crore towards CRIF and entire amount was transferred to Major Head 8449-103. During the year 2023-24, an expenditure of ₹ 214.11 crore incurred under Major Head 5054 was met from CRIF. As on 31st March 2024, ₹ 668.62 crore was balance in the Fund.

6.30 State Disaster Mitigation Fund (SDMF)

The State Disaster Mitigation Fund (SDMF) is to be constituted under section 48 (1) (c) of the Disaster Management Act, 2005. This Fund is exclusively for the purpose of mitigation projects in respect of disaster covered under State Disaster Response Fund (SDRF)/National Disaster Response Fund (NDRF) guidelines and the State Specific local disaster notified by the State Government from time to time.

The Government of Union Territory of Jammu and Kashmir has not created the SDMF as on 31 March 2024 under Major Head 8121-130-State Disaster Mitigation Fund.

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