



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

Accounts at a Glance 2024-25

Government of
Union Territory of Jammu and Kashmir



**Accounts at a Glance
for the year 2024-25**

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

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

Preface

I am happy to present the fifth issue of our annual publication, the 'Accounts at a Glance' relating to Government of Union Territory of Jammu and Kashmir for the year 2024-25, 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 Legislature 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.



Jammu

(J.P.N. Singh)

Date:

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 Entitlement), Jammu and Kashmir collates, classifies and compiles the accounts data rendered by multiple agencies and prepares the accounts of 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 advice 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) prepares the Finance Accounts and Appropriation Accounts annually, which are placed before the Union Territory Legislature after audit by the 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 crore during 2024-25.

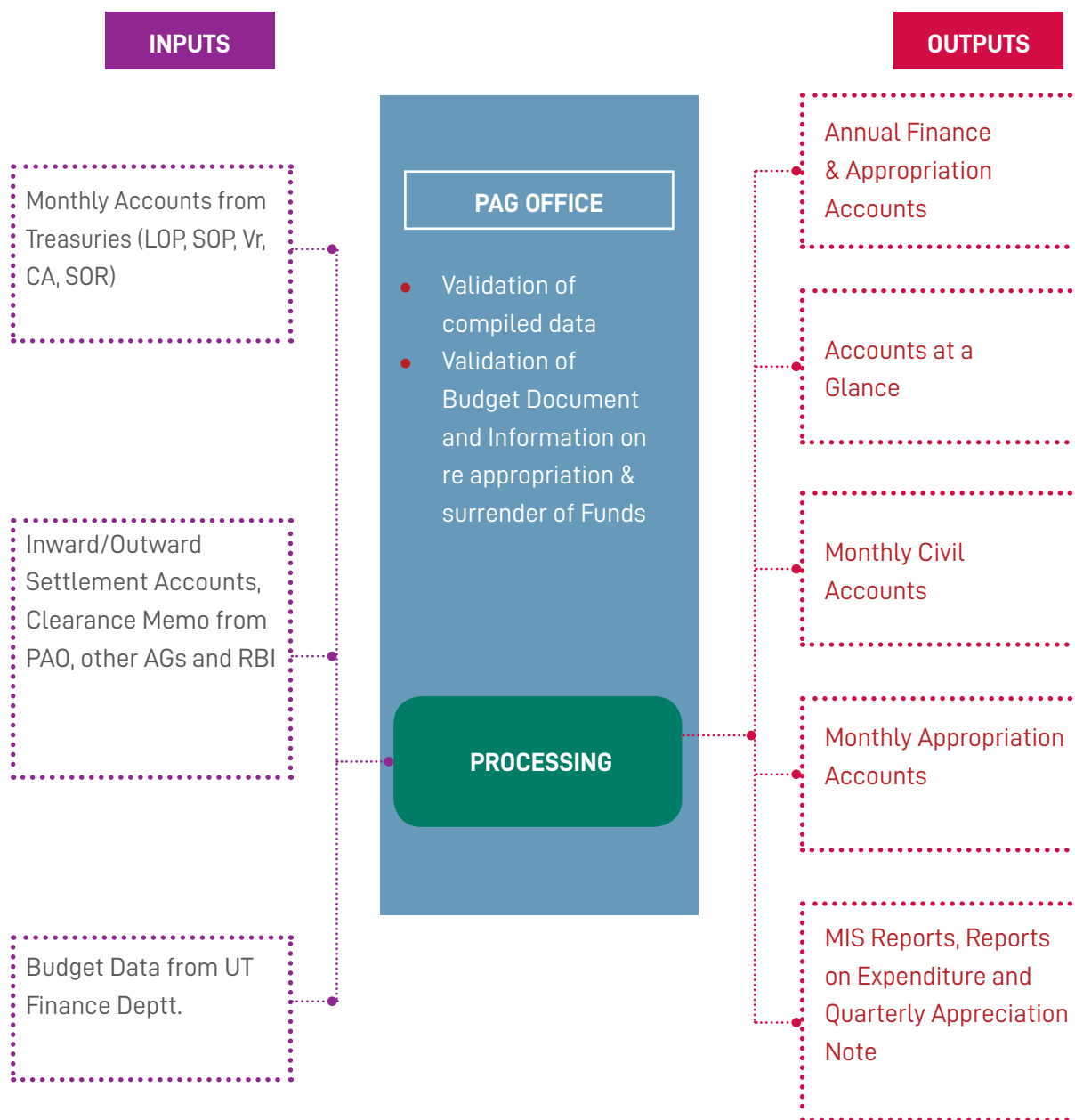
● Part 2 CONTINGENCY FUND

● 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 monies 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 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 circle of account.

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 2024-25 and resulting Surplus/Deficit in the Finance Accounts are as follows:

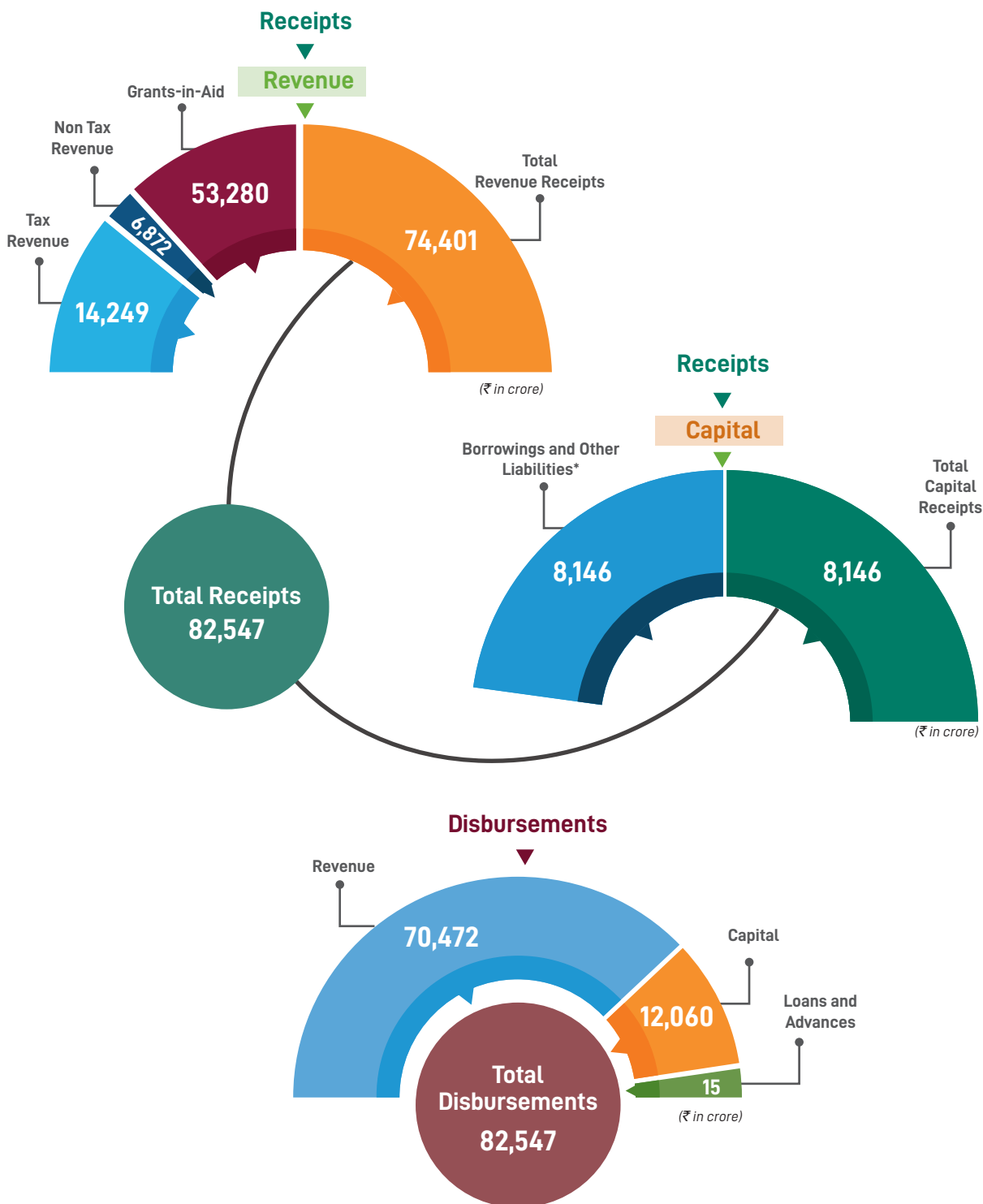
Receipts and Disbursements in the year 2024-25

(₹ in crore)

Receipts 82,547	Revenue 74,401	Tax Revenue	14,249
		(a) Own Tax Revenue	14,249
		(b) Share of net proceeds of Taxes	-
		Non-Tax Revenue	6,872
		Grants-in-Aid	53,280
	Capital 8,146	Recoveries of Loans and Advances	-
		Borrowings and Other Liabilities*	8,146
Other Receipts			
Disbursements 82,547	Revenue		70,472
	Capital		12,060
	Loans and Advances		15
	Transfer to Contingency Fund		-
	Revenue Surplus		3,929
	Fiscal Deficit		8,146
	Primary Surplus		2,729

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

Receipts and Disbursements in the year 2024-25



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

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 (₹1,15,749 crore) of Government of Union Territory of Jammu and Kashmir against the gross budget (₹1,57,768 crore) approved by the Parliament, showed a net saving of ₹42,019 crore (26.63 per cent of estimates). Against a nil recovery budget estimate, ₹1,290 crore was recovered as reduction of expenditure resulting in excess of recoveries of ₹1,290 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 ₹649 crore drawn on Abstract Contingent (AC) Bills, of which the significant 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 ₹ 20,092 crore¹ during 2024-25, there was also an outstanding balance on account of Ways and Means Advances to the extent of (-)₹ 692 crore as on 01.04.2024, out of which Government repaid ₹ 19,502 crore² during the year. Thus, leaving a balance of (-)₹ 120 crore outstanding as on 31 March 2025. 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 2024-25, Overdraft of ₹ 5,648 crore was also raised, which was repaid during the same period. Thus, leaving Nil outstanding as on 31 March 2025.

1.4.3 Fund flow statement

During the year 2024-25, the Government of Union Territory of Jammu and Kashmir had a Revenue Surplus of ₹ 3,929 crore and a Fiscal Deficit of ₹ 8,146 crore. The Fiscal Deficit constituted 3.10 per cent of GSDP {₹ 2,62,458 crore}. This Fiscal Deficit was met from the following:

- Internal debt of ₹ 7,943 crore (Market borrowings, Loans from financial Institutions etc.).
- Loans and Advances from the Central Government (-)₹ 121 crore.
- Small Savings, Provident Fund etc. (-)₹ 71 crore.
- Reserve Funds of ₹ 789 crore.
- Deposits and Advances amounting to (-)₹ 116 crore.
- Suspense and Miscellaneous amounting to (-)₹ 286 crore.
- Remittances of (+) ₹ 09 crore.
- Cash Balance of (-)₹ 01 crore

1 Includes Special drawing facility amounting to ₹ 93 crore.

2 Includes Special drawing facility amounting to ₹ 74 crore.

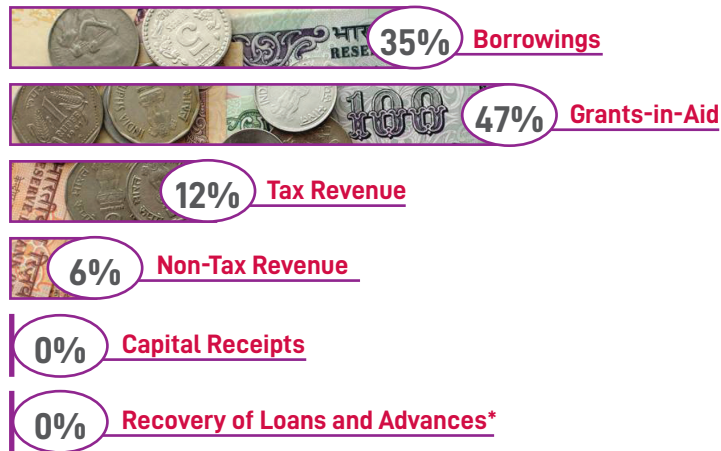
Around 65.56 per cent of the Revenue Receipts (₹ 74,401 crore) of the Government of Union Territory was spent on Committed Expenditure like salaries (₹ 23,100 crore), pension payments (₹ 14,805 crore) and interest payments (₹ 10,875 crore).

Sources and Application of Funds

	(₹ in crore)	
SOURCES	Opening Cash Balance as on 01-04-2024	1,445
	Revenue Receipts	74,401
	Capital Receipts	-
	Recovery of Loans and Advances	-
	Public Debt	39,733
	Small Savings, Provident Funds etc.	5,835
	Reserves Funds	1,060
	Deposits Received	4,492
	Civil Advances Repaid	-
	Suspense Account*	41,890
	Remittances	-
	TOTAL	1,68,856
APPLICATION	Revenue Expenditure	70,472
	Capital Expenditure	12,060
	Loans Given	15
	Repayment of Public Debt	31,911
	Small Savings, Provident Funds etc.	5,906
	Reserves Funds	270
	Deposits Repaid	4,608
	Civil Advances Given	-
	Suspense Account*	42,177
	Remittances	(-)09
	Closing Cash Balance as on 31 March 2025	1,446
	TOTAL	1,68,856

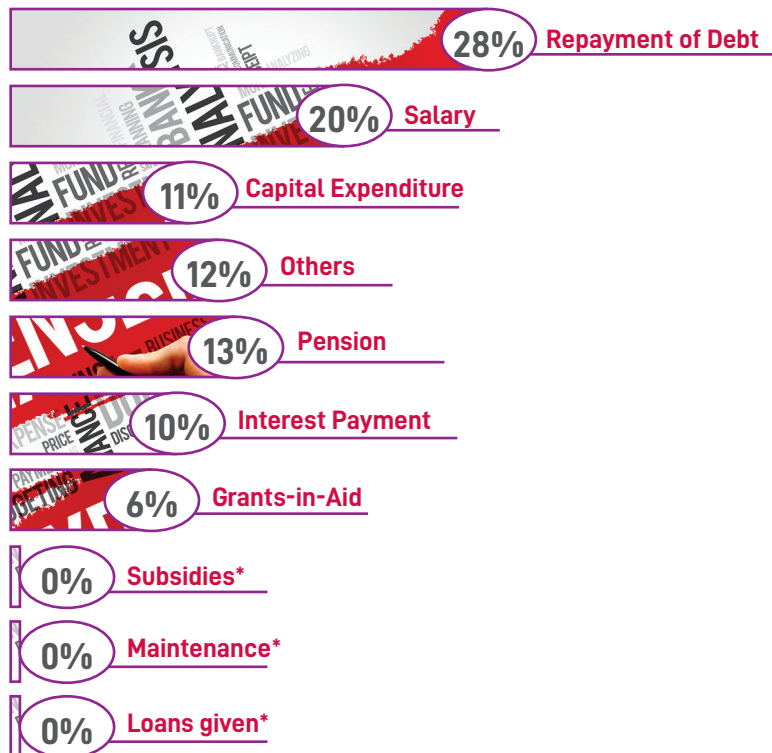
* The Suspense Account includes ₹33,764 crore invested in treasury bills and disbursement of departmental balances and permanent cash imprest which is shown on the "Application" side and ₹33,764 crore worth of treasury bills sold through the RBI (a process known as "re-discounting") and receipts in departmental 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 ₹ 70 crore, Maintenance ₹ 400 crore and Loans given ₹ 15 crore only).

1.5 Financial highlight for the year 2024-25

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 ₹ 673 crore directly to the various Departments of the Government of Union Territory of Jammu and Kashmir during 2024-25 against ₹ 794 crore released during 2023-24.

Apart from the above, various Autonomous Bodies, Central Government Organisations, Societies etc., also received ₹ 4,228 crore directly from the Central Government.

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

The following table provides the details of actual financial results vis-a-vis budget estimates for the year 2024-25.

Sl. No.	Description	Budget Estimates 2024-25	Actual	Per centage of Actuals to B.E	Percentage of Actuals to GSDP*
1.	Tax Revenue (including Central Share)	20,860	14,249	68	5
2.	Non-Tax Revenue	9,726	6,872	71	3
3.	Grants-in-Aid & Contributions	67,133	53,280	79	20
4.	'Revenue Receipts (1+2+3)	98,719	74,401	75	28
5.	Recovery of Loans & Advances	06	-	-	-
6.	Other Receipts	-	-	-	-
7.	Borrowings and Other Liabilities [§]	7,955	8,146	102	3
8.	Receipts (5+6+7)	7,961	8,146	102	3
9.	Total Receipts (4+8)	1,06,680	82,547	77	31
10.	Revenue Expenditure	81,486	70,472	86	27
11.	Expenditure on Interest Payments (out of Revenue Expenditure)	10,272	10,875	106	04
12.	Capital Expenditure	25,165	12,060	48	5
13.	Loans and Advances Disbursed	29	15	52	**
14.	Transfer to Contingency Fund	-	-	-	-
15.	Total Expenditure (10+12+13)	1,06,680	82,547	77	31
16.	Revenue Surplus (+)/ Deficit (-) (4-10)	(+) 17,233	(+)3,929	23	01
17.	Fiscal Deficit (4+5+6-15)	7,955	8,146	102	03

¹ Includes ₹ 1,000 crore on account of additional resource mobilisation/CRISP/Asset monetisation. However, component wise details were not given in Budget documents.

* Source: Ministry of Statistics and Program Implementation (₹ 2,62,458 crore)

** Negligible.

[§] 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 and Total Expenditure (excluding borrowings). 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

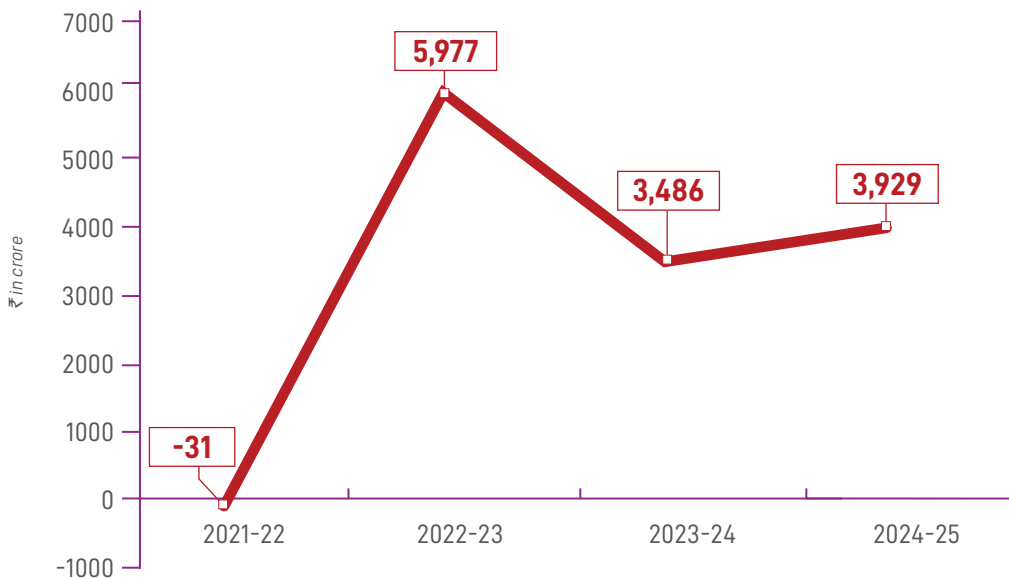
In terms of Jammu and Kashmir FRBM Act, 2006 passed by the erstwhile State of Jammu and Kashmir in August 2009, the successor Government of Union Territory of Jammu and Kashmir presented the Medium-Term Fiscal Policy and Strategy Statement along with the Union Territory Budget for 2024-25 in Parliament (July 2024). No fiscal indicators-rolling targets were specified for the year 2024-25. However, the fiscal parameters of the Government of Union Territory of Jammu and Kashmir, as per the Accounts for the year 2024-25 are as under:

Sl. No.	Parameter	Achievements during the year as per the accounts and GSDP*
1	Revenue Surplus	The Revenue Surplus of ₹ 3,929 crore as per accounts is 01.50 <i>per cent</i> of GSDP for 2024-25 and 05 <i>per cent</i> of Revenue Receipts of ₹ 74,401 crore.
2	Fiscal Deficit	The Fiscal Deficit of ₹ 8,146 crore as per accounts is 03 <i>per cent</i> of GSDP for 2024-25.
3	Outstanding Public Debt and other Liabilities	The outstanding Public Debt and other Liabilities (₹ 45,166 crore [#]) for the period from 31 October 2019 to 31 March 2025 (excluding Public Debt and other Liabilities of ₹ 82,050.51 crore outstanding ending 30 October 2019 yet to be apportioned between successor Union Territories) is 17 <i>per cent</i> of GSDP.

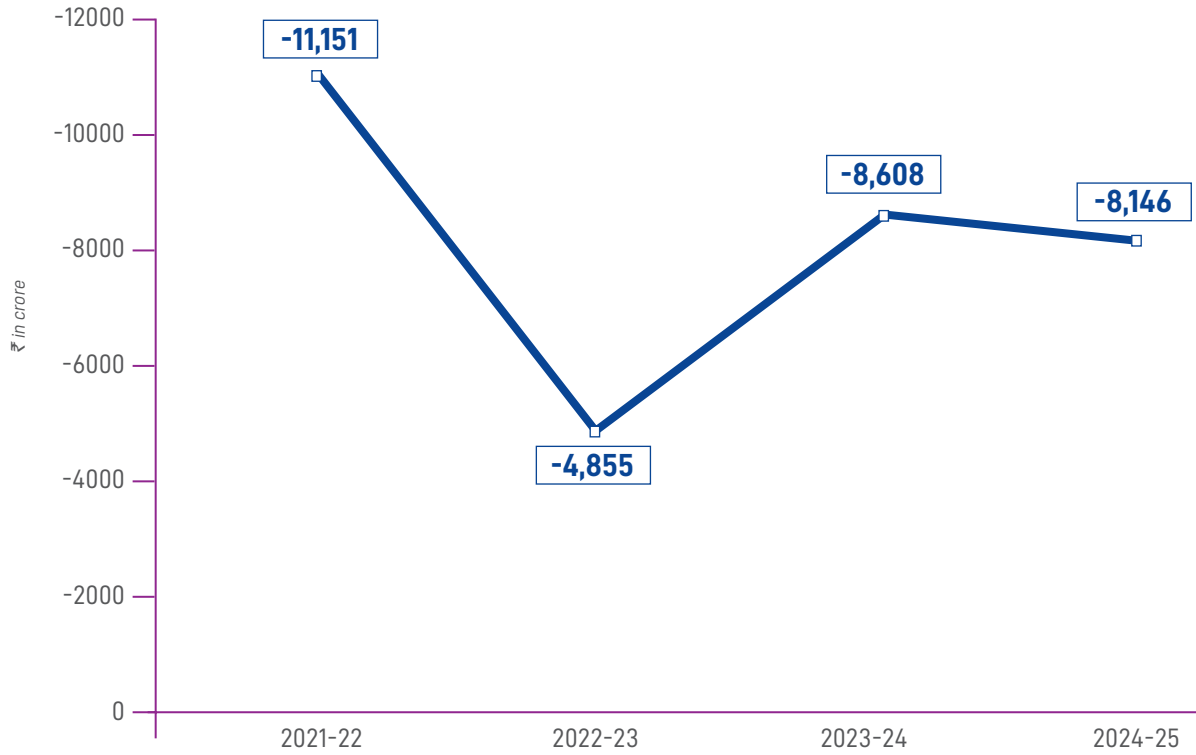
* Source: Ministry of Statistics and Program Implementation (₹ 2,62,458 crore)

[#]The Debt does not include ₹ 4,253.08 crore, (₹ 963.80 crore of 2020-21 and ₹ 3,289.28 crore of 2021-22) which was passed on as back-to-back loans by Gol in lieu of shortfall in GST compensation.

Trend of Revenue Surplus/ Deficit

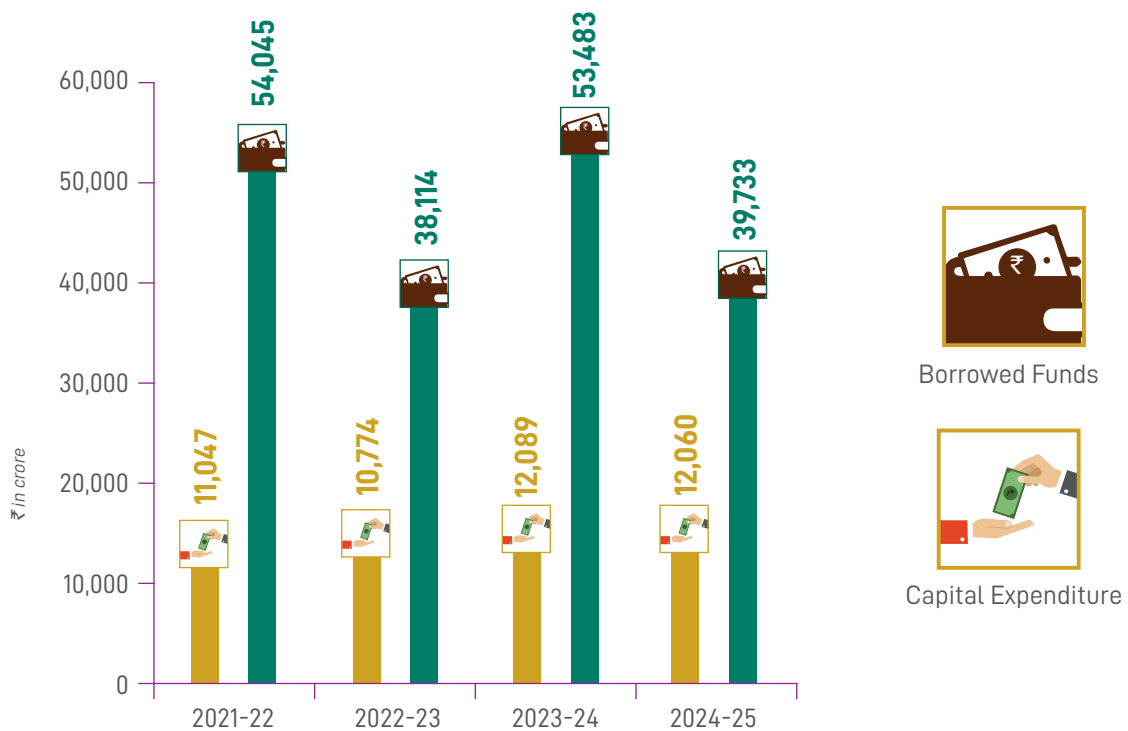



Trend of Fiscal Deficit



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, 70 *per cent* of the public debt (₹ 27,673 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 30 per cent of the borrowings of the current year (₹ 39,733 crore) on Capital Expenditure (₹ 12,060 crore). This amount includes misclassified Revenue Expenditure of ₹ 73 crore as Capital Expenditure. Excluding this amount, borrowings spent on Capital Expenditure further drops to the extent of misclassified amount.

Chapter II

Receipts

2.1 Introduction

Receipts of Government of Union Territory of Jammu and Kashmir are classified as Revenue Receipts and Capital Receipts. Total Receipts during 2024-25 were ₹ 74,401 crore.

2.2 Revenue Receipts

Revenue Receipts of the Government comprise three components vis., Tax Revenue, Non-Tax Revenue and Grants-in-Aid received from the Union Government.

● TAX REVENUE

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

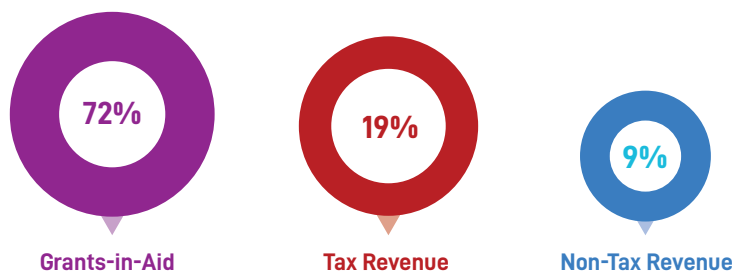
Includes interest receipts, dividends, profits, royalties *etc.*

● NON-TAX REVENUE

● GRANTS-IN-AID

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

Revenue Receipts



2.2.1 Revenue Receipts Components 2024-25

(₹ in crore)

Component	Actuals
A. Tax Revenue*	14,249
Goods and Services Tax (GST)	8,586
Taxes on Income & Expenditure	-
Taxes on Property & Capital Transactions	765
Taxes on Commodities & Services	4,898
B. Non-Tax Revenue	6,872
Interest Receipts, Dividends and Profits	151
General Services	132
Social Services	251
Economic Services	6,338
C. Grants-in-Aid & Contributions	53,280
Total-Revenue Receipts	74,401

* No Share of net proceeds assigned to State was received by the Government of Union Territory during 2024-25.

2.2.2 Trend of Revenue Receipts

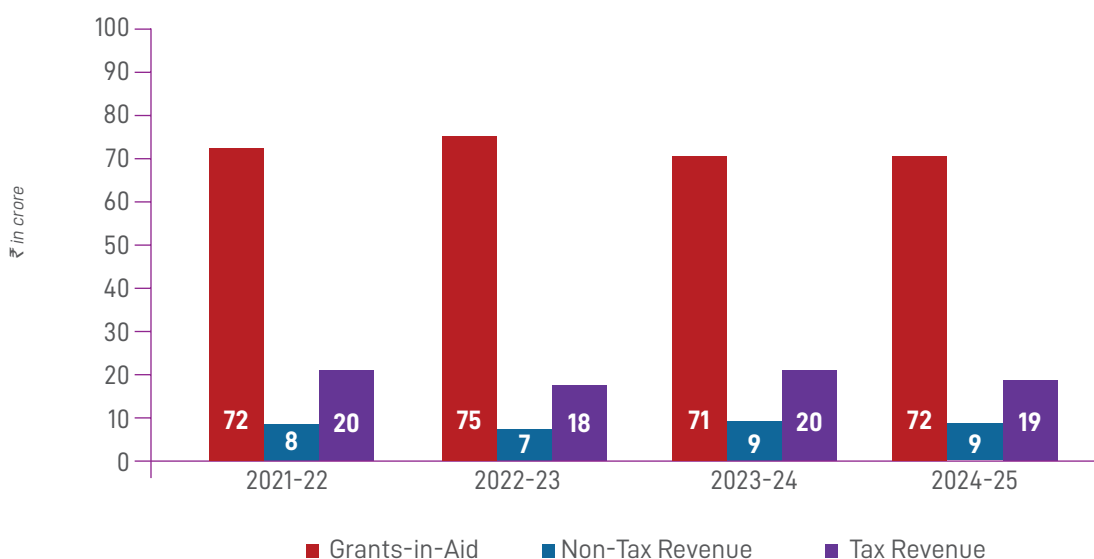
(₹ in crore)

Component	2021-22	2022-23	2023-24	2024-25
Tax Revenue	11,707 (06)	12,335 (05)	13,903 (06)	14,249 (05)
Non-Tax Revenue	4,840 (02)	5,148 (02)	6,430 (03)	6,872 (03)
Grants-in-Aid	42,691 (22)	51,493 (23)	49,774 (21)	53,280 (20)
Total-Revenue Receipts	59,238 (30)	68,976 (31)	70,107 (29)	74,401 (28)
GSDP* at current price	1,96,696	2,24,797	2,41,133	2,62,458

Note: Figures in parentheses represent per centage to GSDP.

* GSDP ₹ 1,76,282 crore for 2020-21, ₹ 1,96,696 crore for 2021-22, ₹ 2,24,797 crore for 2022-23 and ₹ 2,62,458 crore for 2024-25 as available on website of Ministry of Statistics and Program Implementation, GoI.

Trend of components of Revenue Receipts



2.3 Tax Revenue

(₹ in crore)

Component	2021-22	2022-23	2023-24	2024-25
Goods and Services Tax (GST)	6,394	7,212	8,064	8,586
Taxes on Income and Expenditure	-	-	-	-
Taxes on Property and Capital Transactions	625	688	801	765
Taxes on Commodities and Services	4,688	4,435	5,038	4,898
Total Tax Revenue	11,077	12,335	13,903	14,249

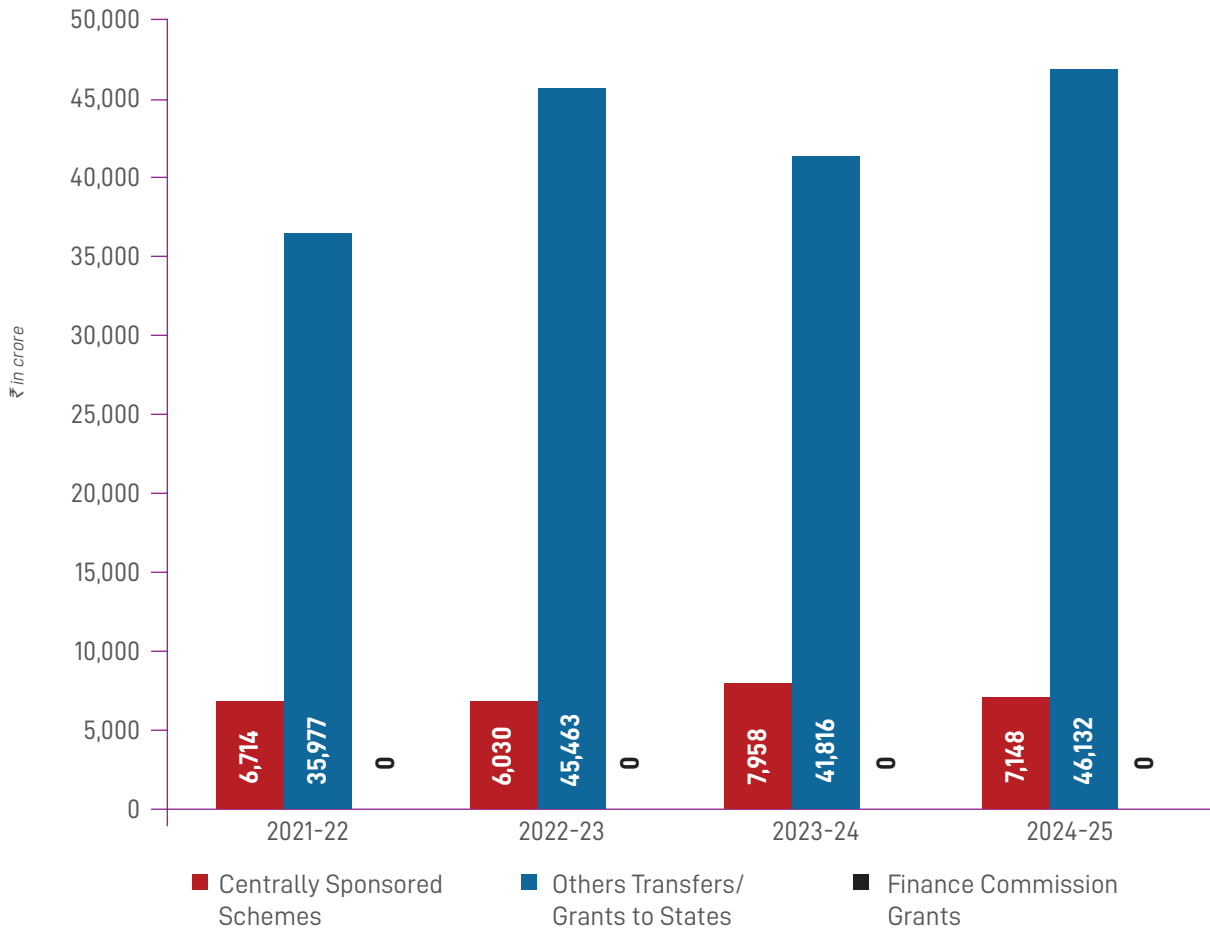
2.3.1 Trend in UTs own Tax collection

(₹ in crore)

Taxes	2021-22	2022-23	2023-24	2024-25
UT Goods and Services Tax	6,394	7,212	8,064	8,586
Land Revenue	113	131	124	77
Stamps and Registration	512	557	678	688
State Excise	1,783	1,794	2,490	2,272
Sales Tax	1,906	1,554	1,631	1,688
Taxes on Goods and Passengers	06	24	11	08
Taxes on Vehicles	616	723	904	929
Other Taxes	377	340	01	01
Total Tax Revenue	11,707	12,335	13,903	14,249

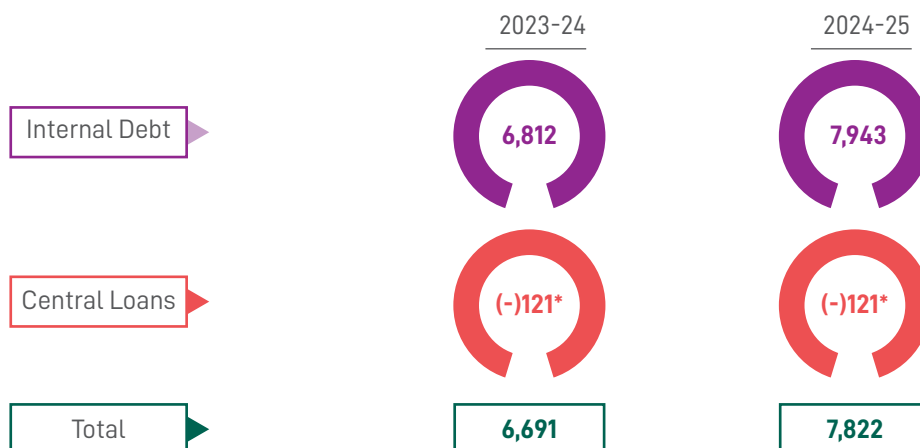
2.4 Grants-in-Aid

Grants-in-Aid (GIA) to the Union Territory represents assistance from the Government of India and entails Grants for Centrally Sponsored Schemes and Other Transfers/ Grants to Union Territory. Total receipts during 2024-25 under Grants-in-Aid were ₹ 53,280 crore as shown below:



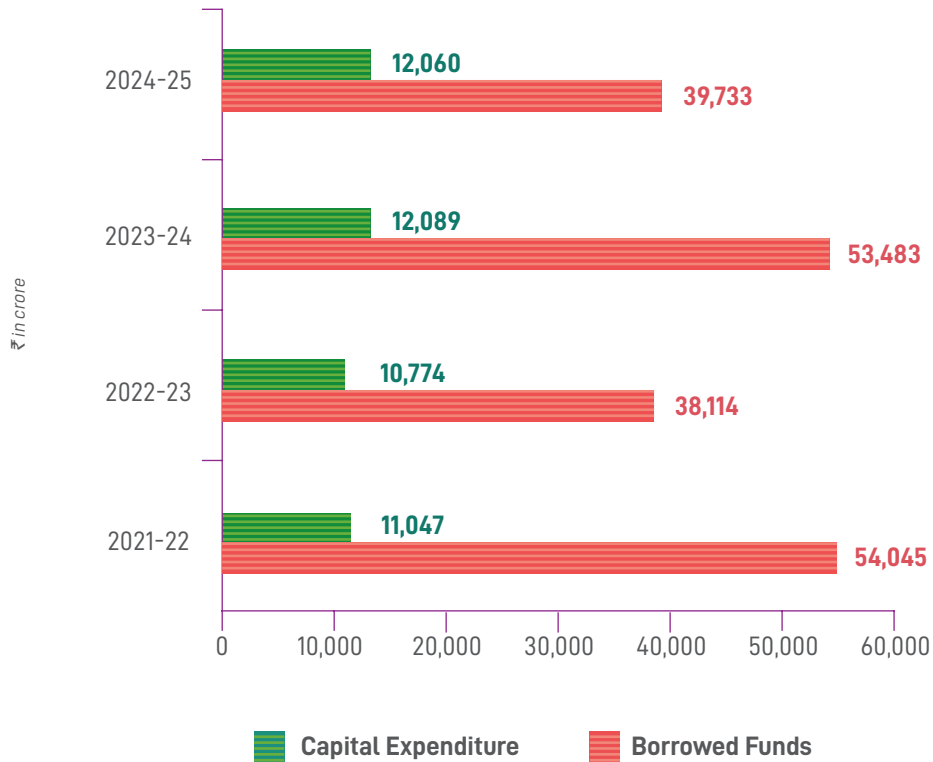
2.5 Public Debt

Trend of position of net Public Debt



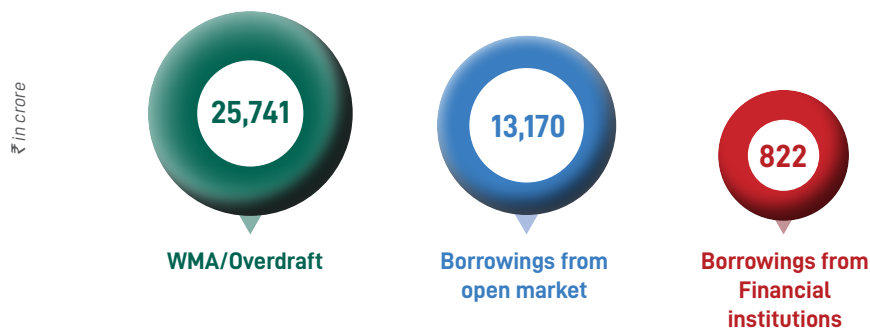
* Minus figure is due to more payments than receipts.

Borrowed Funds vis-à-vis Capital Expenditure



During 2024-25, 26 loans totaling ₹ 13,170 crore were raised from the open market at interest rates varying from 7.09 *per cent* to 7.43 *per cent* and the same are redeemable upto the year 2054-55. Further, the Government of Union Territory raised loan of ₹ 822 crore from the Financial Institution (NABARD), and ₹ 25,741 crore as Ways and Means Advances/Overdraft from the Reserve Bank of India. The details are illustrated below:

Borrowings of the UT during 2024-25



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 Government of Union Territory of Jammu and Kashmir during the period 2023-24 and 2024-25 is given below:

(₹ in crore)

Component	2023-24	2024-25
Budget Provision	80,373	85,891
Actual	66,621	70,472*
Gap Saving (-) / Excess (+)	(-13,752)	(-15,419)
Percentage of variation of Actuals against Budget Provision	(-17)	(-18)

*Includes an amount of ₹ 1,078 crore on account of recoveries effected during the year.

Around 69.22 per cent of the Total Revenue Expenditure was incurred on "Committed" expenditure vis., on Salaries (₹ 23,100 crore), Pension (₹ 14,805 crore) and Interest Payments (₹ 10,875 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 2023-24 and 2024-25 is given below:

(₹ in crore)

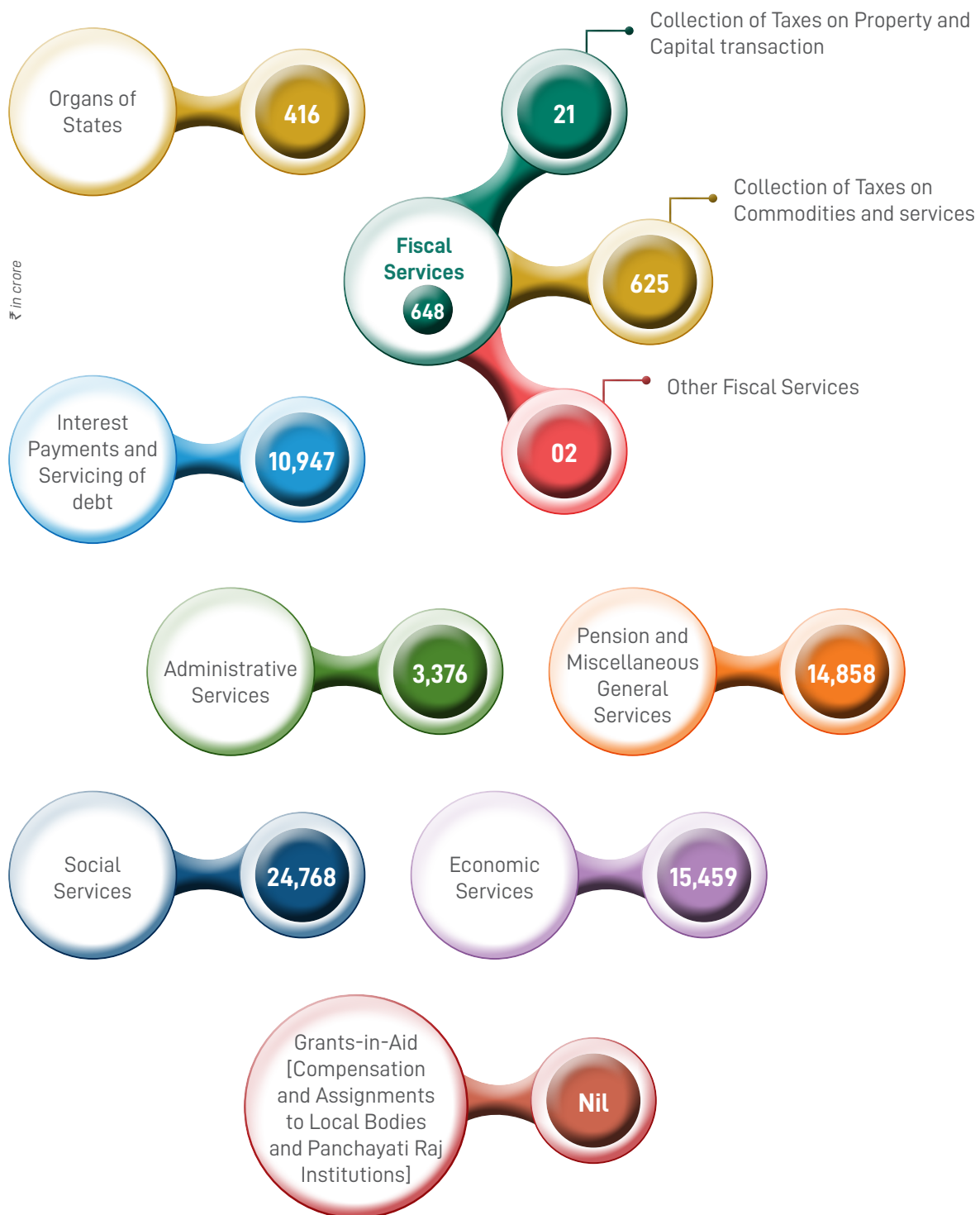
Component	2023-24	2024-25
Total Revenue Expenditure	66,621	70,472
Committed Revenue Expenditure*	49,604	48,780*
Percentage of Committed Revenue Expenditure to Total Revenue Expenditure	74	69
Expenditure other than committed (Revenue Expenditure)	17,017	21,692

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

The Committed Revenue Expenditure has decreased by 1.66 per cent during 2024-25. The Total Revenue Expenditure increased by 5.78 per cent in 2024-25.

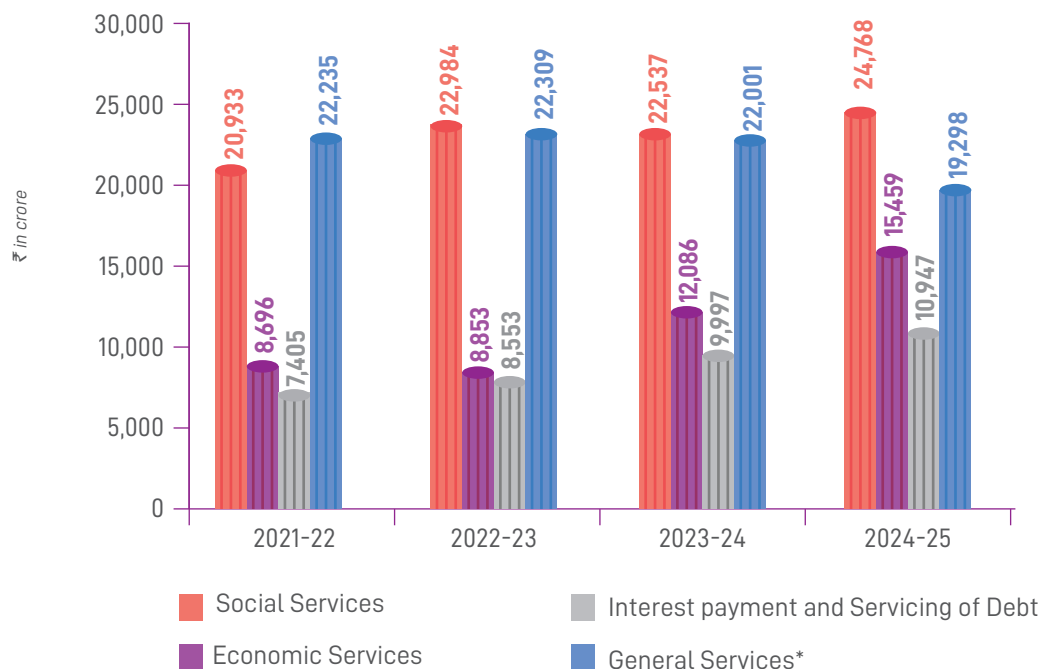
3.2.1 Sectoral distribution of Revenue Expenditure during 2024-25

Components	Amount (₹ in crore)	Percentage
A. Fiscal Services	648	0.92
Collection of Taxes on Property and Capital Transactions	21	0.03
Collection of Taxes on Commodities and Services	625	0.89
Other Fiscal Services	02	-
B. Organs of State	416	0.59
C. Interest Payments and Servicing of Debt	10,947	15.53
D. Administrative Services	3,376	4.79
E. Pensions and Miscellaneous General Services	14,858	21.08
F. Social Services	24,768	35.14
G. Economic Services	15,459	21.94
H. Grants-in-Aid Contributions	-	-
Total Expenditure (Revenue Account)	70,472	-



3.2.2 Major components of Revenue Expenditure

Trend of major components of Revenue Expenditure



*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 Expenditure during the year 2024-25 amounting to ₹ 12,060 crore, fell short by ₹ 13,105 crore with respect to the Budget Estimates of ₹ 25,165 crore (excluding Grant of ₹ 29 crore for Loans and Advances). Apart from Capital expenditure of ₹ 12,060 crore during 2024-25, Loans and Advances to the tune of ₹ 15 crore was also disbursed which formed part of Capital Expenditure. The Loans and Advances also showed saving against Original Grant (₹ 29 crore) by ₹ 14 crore during the said period.

(₹ in crore)

Sl. No.	Components	2021-22	2022-23	2023-24	2024-25
1	Budget Estimates (B.E)	39,708	41,226	33,241	25,165
2	Actual Expenditure	11,047	10,774	12,089	12,060
3	Percentage of Actual Expenditure to B.E.	28	26	36	48
4	Yearly growth/decline in Capital Expenditure	05	(-)02	(+)12	(-)0.24
5	GSDP*	1,96,696	2,24,797	2,41,133	2,62,458
6	Yearly growth in GSDP#	12	14	07	09

*GSDP ₹ 1,96,696 crore, ₹ 2,24,797 crore, ₹ 2,41,133 crore and ₹ 2,62,458 crore for 2021-22, 2022-23, 2023-24 and 2024-25 respectively.

3.3.1 Sectoral distribution of Capital Expenditure

The Capital Expenditure during 2024-25 includes expenditure of ₹ 1,414 crore vis., on Power Projects (₹ 781 crore), Minor Irrigation (₹ 65 crore), Flood Control Projects (₹ 67 crore), Medium Irrigation (₹ 35 crore) and Water Supply and Sanitation (₹ 466 crore). The Government also invested ₹ 60 crore in various Corporations/Companies/Societies. The investment was mainly in Co-operatives. However, the PSUs have not reported any investment resulting in difference of ₹ 60 crore between the two sets 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 2021-22 to 2024-25 is illustrated below:

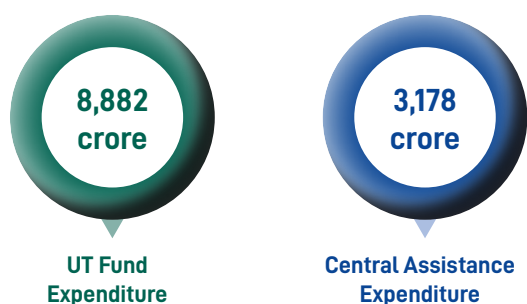
(₹ in crore)

Sl. No.	Sector		2021-22	2022-23	2023-24	2024-25
(A)	General Services	Capital	659	1,098	684	796
		Revenue	29,640	31,162	31,998	30,245
(B)	Social Services	Capital	2,723	2,714	3,861	3,466
		Revenue	20,933	22,984	22,537	24,768
(C)	Economic Services	Capital	7,665	6,962	7,544	7,798
		Revenue	8,696	8,853	12,086	15,459
(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, UT Government has also modified the nature of expenditure in its 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 2024-25

The position of the Budget allocations under Revenue, Capital, Public Debt and Loans and Advances and actual expenditure there against during the financial year 2024-25 is shown in the following table:

(₹ in crore)

Sl. No	Nature of Expenditure	Original Grant	Supplementary Grant	Total	*Actual Expenditure	Saving (-)/ Excess (+)	Surrenders
1.	Revenue	81,486	4,405	85,891	71,550	(-)14,341	6,881
2.	Capital	25,165	125	25,290	12,273	(-)13,017	12,634
3.	Public Debt	44,846	1,712	46,558	31,911	(-)14,647	-
4.	Loans and Advances	29		29	15	(-)14	-
	Total	1,51,526	6,242	1,57,768	1,15,749	(-)42,019	19,515

*Does not include the recoveries of ₹ 1,290 crore effected during the year. (Revenue section ₹ 1,077 crore, Capital section ₹ 213 crore.

4.2 Trend of Saving/Excess

(₹ in crore)

Year	Savings(-) Excess (+)				
	Revenue	Capital	Public Debt	Loan & Advances	Total
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
2024-25	(-)14,341	(-)13,017	(-)14,647	(-)14	(-)42,019

4.3 Significant Saving

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

Some Grants with significant savings are given below:

(₹ in crore)

Grant	Nomenclature	2021-22	2022-23	2023-24	2024-25
03	Planning	1,239 (68)	575 (51)	618 (67)	293 (43)
06	Power Development	3,564 (45)	5,277 (60)	2,111 (23)	2,644 (21)
10	Law	367 (48)	477 (53)	538 (48)	308 (23)
15	Food, Civil Supplies and Consumer Affairs	305 (52)	430 (63)	259 (41)	220 (32)
18	Social Welfare, Public Health	1,131 (36)	1,015 (32)	1,528 (42)	1,165 (32)
20	Tourism	211 (45)	190 (37)	222 (44)	271 (44)
22	Irrigation	756 (52)	1,372 (62)	1,304 (64)	829 (52)
23	Public Health Engineering	2,063 (52)	8,033 (80)	5,357 (70)	1,310 (37)
25	Labour, Stationery and Printing	64 (42)	92 (52)	99 (55)	118 (59)
28	Rural Development	3,196 (64)	2,422 (44)	1,587 (32)	1,806 (39)
30	Tribal Affairs	239 (58)	422 (74)	455 (80)	293 (70)
31	Culture	287 (86)	335 (83)	183 (68)	111 (56)
34	Youth Services and Technical Education	298 (35)	243 (43)	256 (28)	187 (22)

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

During 2024-25, Government of Union Territory of Jammu and Kashmir booked an amount of ₹ 59.75 crore as investment. Against the booked amount, the PSUs concerned have not shown any investment resulting in difference of ₹ 59.75 crore between two sets of figures.

Government of Union Territory of Jammu and Kashmir had investment of ₹ 605.10 crore as on 31 March 2025 (31 October 2019 to 31 March 2025) and dividend amounting to ₹ 130.78 crore was received during 2024-25. Details of investment of Government of Union Territory of Jammu and Kashmir as intimated by PSUs through Accountant General (Audit) as on 31 March 2025 are given as follows:

(₹ in crore)

Category	Number of entities	Investment at the end of the year 2024-25
Statutory Corporation	2	193.91
Rural Banks	2	102.43
Government Companies	38	72.26
Other Joint Stock Companies and Partnership	2	-
Co-operative Banks & Societies	8	236.50
Total	52	605.10

The total investment (revised figures) made by the erstwhile State in 50 entities at the end of 30 October 2019 (pre re-organisation) was ₹ 3,426.15 crore based on information/data provided to 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. The investment shown in the Accounts requires reconciliation by the entities with Government before apportionment between successor Union Territories.

The Cash Balance as on 31 March 2025 as per the record of Principal Accountant General was ₹ 1,445.79 crore (Debit) and that reported by the Reserve Bank of India (RBI) was ₹ 1,445.81 crore (Credit) [RBI balance for pre reorganisation period including UT of Ladakh for the period 31.10.2019 to 31.03.2020 is ₹ 1,444.75 crore (Debit) resulting in Net Cash Balance of ₹ 1.06 crore (Credit) as on 31.03.2025]. There was a net difference of ₹ 0.02 crore (Credit), mainly due to pending reconciliation between Treasury / RBI / Agency Bank and AG Office.

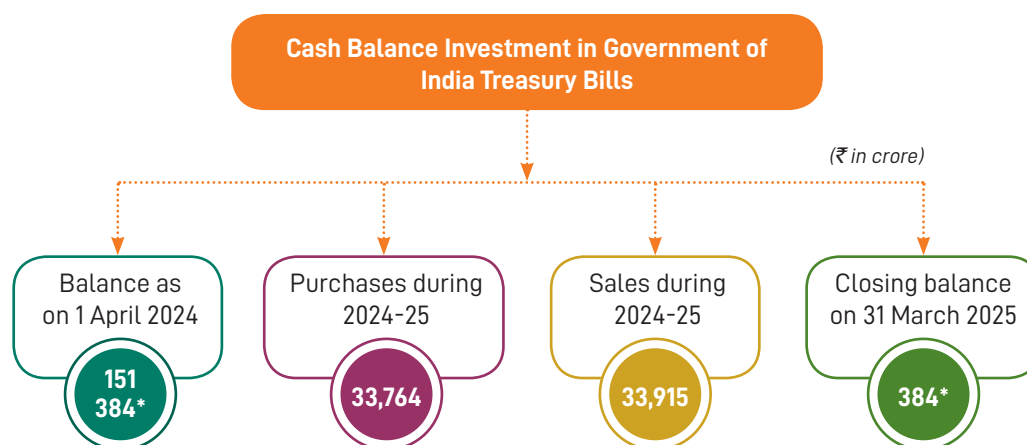
There was also a net difference of ₹ 83.32 crore (Debit) between RBI and Principal Accountant General figures as on 30 October 2019 (pre re-organisation) which is yet to be apportioned between Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

In addition, Government of Union Territory invested an amount of ₹ 33,764 crore on 63 occasions in 14 days Treasury Bills and rediscounted Treasury Bills worth ₹ 33,914 crore on 109 occasions during 2024-25. The position of investment during the year 2024-25 is depicted in the table given below:

(₹ in crore)

Cash Balance Investment in Government of India Treasury Bills			
Balance as on 1 April 2024	Purchase during (Investment) 2024-25	Sales during (Re-discounting) 2024-25	Closing Balance on 31 March 2025
151	33,764	33,915	-
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 Government of Union Territory to borrow on the security of the Consolidated Fund of Union Territory within such limits, if any, as may be fixed from time to time by Union Territory Legislature.

Details of Public Debt and Other Liabilities of Government of Union Territory for the period from 31 October 2019 to 31 March 2025 (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*
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
2024-25	37,753	14.38	7,413	2.82	45,166	17.21

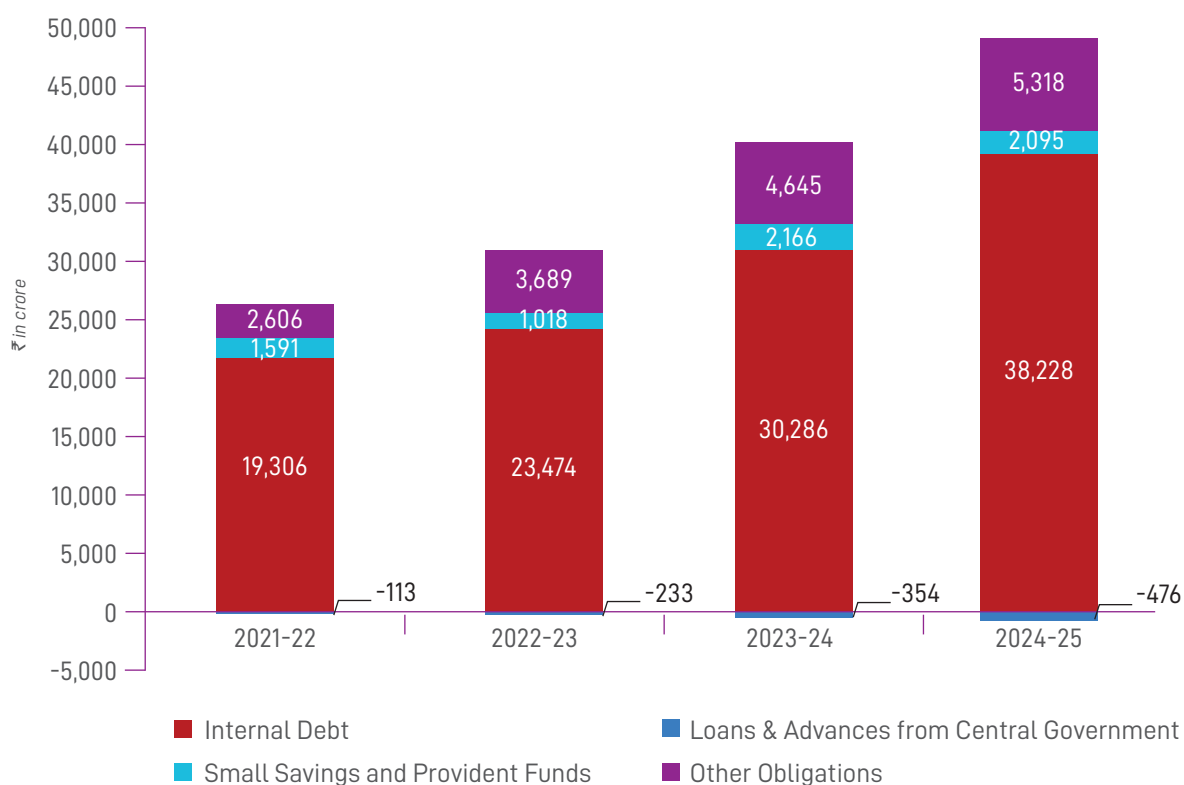
* GSDP ₹ 1,96,696 crore for 2021-22, ₹ 2,24,797 crore for 2022-23, ₹ 2,41,133 crore for 2023-24 and ₹ 2,62,458 crore for the year 2024-25 as available on website of Ministry of Statistics and Programme Implementation, GoI.

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

Does not include ₹ 4,253 crore (₹ 964 crore of 2020-21 and ₹ 3,289 crore of 2021-22) passed on by GoI, as back-to-back loans in lieu of GST compensation shortfall.

During the year 2024-25, Public Debt and Other Liabilities showed a net increase of ₹ 8,424 crore (excluding debt of ₹ 4,253 crore passed on as back-to-back loans by Government of India (GoI) in lieu of shortfall in Goods and Services Tax (GST) compensation.

Trend in Government Liabilities



As on 30 October 2019 (pre-reorganisation), there was also outstanding balance of ₹ 82,051 crore which is yet to be apportioned between successor Union Territory of Jammu & Kashmir and Union Territory of Ladakh. However, the servicing of these balances is being done by Union Territory of Jammu and Kashmir.

5.3 Guarantees

Besides directly raising loans, 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 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
2021-22	13,449	12,329	-
2022-23	34,833	24,867	0.50
2023-24	34,808	24,485	0.50
2024-25	34,453	23,610	12

Note: Details are available in 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
2021-22	13,449	12,329	-
2022-23	34,833	24,867	0.50
2023-24	34,808	24,485	0.50
2024-25	34,453	23,610	12

The outstanding Guarantee (₹ 453 crore principal and ₹ 02 crore interest) ending 30 October 2019 is yet to be apportioned between successor UTs i.e., Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

Chapter VI

Other Issues

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 07 and 18 of the Finance Accounts is based on information received through the accounts rendered to Principal Accountant General (A&E). The closing balances depicted in Statements 07 and 18 as on 31 March 2025 have not been reconciled with the Loanee Entities/ Government of Union Territory.

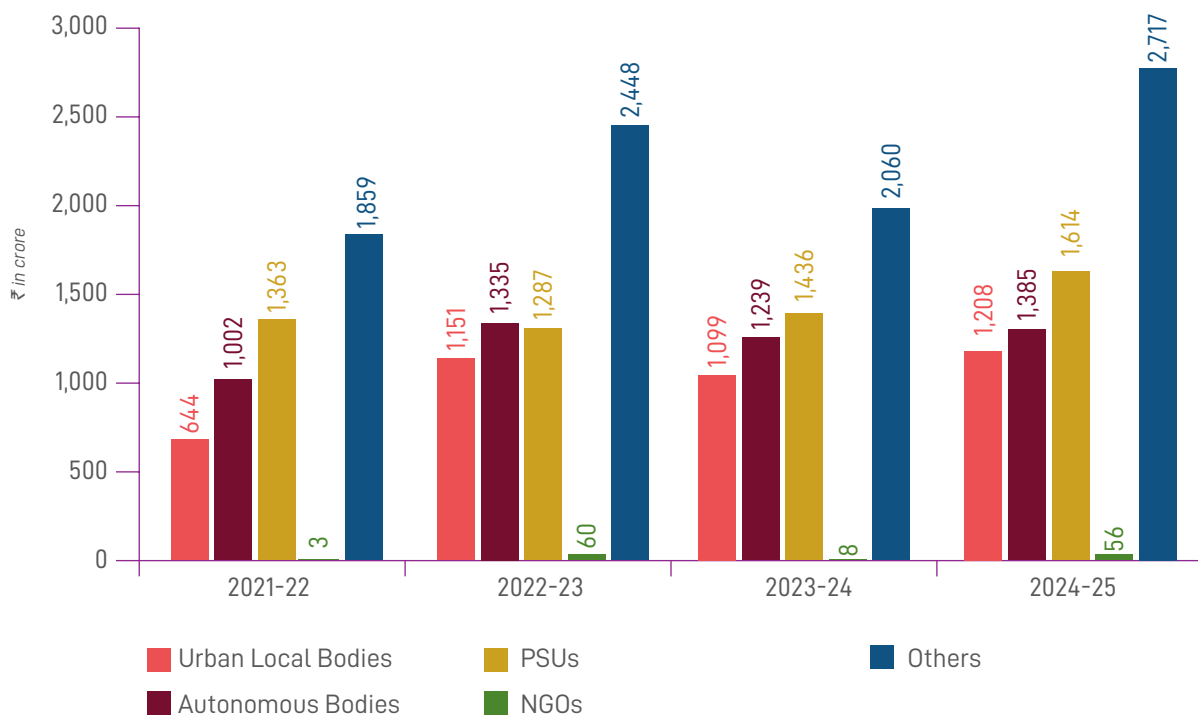
The statements, however, do not contain details of recoveries in arrears and accrued interest thereon as the said information is awaited from the Government of Union Territory (July 2025). During 2024-25, loans amounting to ₹ 15.09 crore (including nil to Government Servants) were given by Union Territory Government to various entities and ₹ 0.44 crore was received as repayment of loans (₹ 0.30 crore from Government Servants and ₹ 0.14 crore from other entities leaving net outstanding loans of ₹ 247 crore, as on 31 March 2025 (period 31 October 2019 to 31 March 2025). There was also outstanding balance of ₹ 1,740 crore relating to erstwhile State of Jammu & Kashmir yet to be apportioned between the Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

Information regarding recoveries in arrears (both Principal and Interest) is required to be furnished by the departments concerned every year to Principal Accountant General (A&E). During 2024-25, no such information was received.

6.2 Financial Assistance to Local Bodies and Others

During the year 2024-25, Grants-in-Aid released by Government of Union Territory of Jammu and Kashmir was ₹ 6,980 crore. Grants to Urban Local Bodies including Municipal Corporations during 2024-25 were ₹ 1,208 crore which accounted for 17.31 *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 2024	As on 31 March 2025
Cash	1,596	1,520
	(-)42	(-)42
(i) Cash in Treasuries and Local Remittances	-	-
	07	07
(ii) Departmental Balances	-	-
	05	05
(iii) Permanent Imprest	-	-
	*	*
(iv) Cash Balance Investment	151	-
	384	384
(v) Deposits with RBI and Other Banks	1,445	1,446
	(-)449	(-)449
(vi) Investment from Earmarked Fund Balances	-	74
	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.

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 Government of Union Territory of Jammu and Kashmir, there is a provision for freezing of monthly accounts after submission to Principal 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 Principal Accountant General (A&E). This exercise is to be conducted by the respective Chief Controlling Officers/Controlling Officers. During 2024-25, Revenue Receipts of ₹ 70,676.71 crore (94.99 *per cent* of the Total Receipts of ₹ 74,401.16 crore), Revenue Expenditure amounting to ₹ 56,526.66 crore (80.21 *per cent* of Total Revenue Expenditure of ₹ 70,472.13 crore) and Capital Expenditure amounting to ₹ 7,164.36 (59.41 *per cent* of Total Capital Expenditure of ₹ 12,060.06 crore) were reconciled by the Government of Union Territory of Jammu and Kashmir. Loans and Advances given by the Government amounting to ₹ 15.09 crore (100 *per cent* of Total Loans and Advances of ₹ 15.09 crore given by the Government) were reconciled.

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 advice of the Reserve Bank of India. From April 2016, 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 2024-25. No accounts remained excluded at the end of 31 March 2025. In Union Territory of Jammu and Kashmir, the primary compilation is done by Principal Accountant General (Accounts and Entitlement) Office.

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

During 2024-25, 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 2024-25, the Union Territory GST collection was ₹ 8,585.93 crore compared to ₹ 8,064.14 crore in 2023-24, registering an increase of ₹ 521.79 crore (6.47 *per cent*). During 2024-25, no adjustment of Advance Apportionment of IGST has been received. The Government of Union Territory of

Jammu and Kashmir did not receive any non-debt compensation on account of loss of revenue arising out of implementation of GST, in its Revenue Receipt during 2024-25.

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.

Further, Proforma adjustment of ₹ 1,692.21 crore on account of repayment of back-to-back loans in lieu of GST compensation recovered from GST Compensation Fund (Public Account of India) was carried out in 2024-25 Accounts of the Government of UT of J&K leaving a closing balance of ₹ 4,253.08 crore as on 31 March 2025.

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 envisages 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 para 7.10 of Financial Code Vol-I, of erstwhile State of Jammu and Kashmir, 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.

For the post-reorganisation period, the details of unadjusted AC bills are as follows:

- (a) A total of 1,320 number of AC bills amounting to ₹10,891.18 crore drawn up to 31.01.2025 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 94 AC bills amounting to ₹648.85 crore drawn during the year 2024-25, 24 AC bills amounting to ₹73.01 crore (11.25 per cent) were drawn in March 2025. DCC bills in respect of a total of 1,320 AC bills amounting to ₹10,891.18 crore due for adjustment as on 31 March 2025 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 2023-24 (31.10.2019 to 31.01.2024)	1,190	9,905.98
2024-25 (01.02.2024 to 31.01.2025)	130	985.20
Total	1,320	10,891.18

(*) The year mentioned above relates to "due year" i.e. after 2 months of actual drawal and adjustment upto 31 March 2025 accounts.

For the pre-reorganisation period, the details of unadjusted AC bills are as follows:

- (a) Further, out of 1,814 AC bills amounting to ₹ 5,537.45 crore outstanding as on 31 March 2024, drawn upto 30 October 2019 (pre re-organisation) by the erstwhile State of Jammu and Kashmir, DCC bills in respect of 1,748 AC bills amounting to ₹ 4,716.03 crore were

awaited as on 31 March 2025. The bifurcation of these outstanding AC bills is yet to be done between successor Union Territories vis., 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 2024-25, ₹ 1,941.43 crore under 30 Major Heads of Accounts, constituting 2.35 *per cent* of the Total Revenue and Capital Expenditure (₹ 82,532.19 crore) was classified under the Minor Head 800-Other Expenditure in the accounts.

Similarly, ₹ 5,291.15 crore (including Revenue Receipts of ₹ 4,908.03 crore representing Sale of Power and Misc. Power Receipts under Major Head-0801) under 38 Major Heads of Account, constituting 7.11 *per cent* of the Total Revenue Receipts (₹ 74,401.16 crore) was classified under Minor Head 800-Other Receipts in the accounts.

6.11 Impact on Revenue Surplus and Fiscal Deficit

The impact on Revenue Surplus and Fiscal Deficit of the Government of Union Territory of Jammu and Kashmir during the year 2024-25 is tabulated below:

At the end of the year	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	73.28	No Impact	No Impact	No Impact
Non-payment of interest on State Compensatory Afforestation Fund	28.63	No Impact	No Impact	28.63
Non-payment of interest on State Compensatory Afforestation Deposit	16.69	No Impact	No Impact	16.69
Total (Net) Impact	118.60		45.32	

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 2024-25, ₹ 8,454.16 crore pertaining to 1,769 outstanding UCs were due for the period up to 30 September 2023. Of these, ₹ 4,349.08 crore pertaining to 374 UCs was cleared. The position of outstanding UCs as on 31.03.2025 is given below:

Year(*)	No. of UC's Outstanding	Amount (₹ in crore)
Upto 2023-24 (31.10.2019 to 30.09.2022)	1,119	2,612.57
2024-25 (01.10.2022 to 30.09.2023)	276	1,492.51
Total	1,395	4,105.08

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

- b) During the year 2024-25, 586 bills to the tune of ₹ 3,408.74 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 up to 30 October 2019 yet to be apportioned between the UT of Jammu and Kashmir and UT of Ladakh as on 31 March 2025, is given below:

Year(*)	No. of UC's Outstanding	Amount (₹ in crore)
Upto 2019-20	1,208	2,701.94
2020-21	473	732.48
2021-22 (01.10.2020 to 30.10.2020)	Nil	Nil
Total	1,681	3,434.42

(*) 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 2024-25, the Government of Union Territory of Jammu and Kashmir incurred expenditure of ₹ 1,202.01 crore under Major Heads 2402, 2406, 3435, 4406 and 5425 against the budget allocation (BE) of ₹ 1,707.12 crore. During the previous 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.

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 2024-25 are given below:

Funds/Deposits	Balance on 1 April 2024	Basis for calculation of interest	Interest due	Interest paid	Interest short paid
State Compensatory Afforestation Fund-MH-8121	804.56	As per circular issued by the Ministry of Environment, Forest & Climate Change (@ 3.35 per cent p.a)	28.63	Nil	28.63
State Compensatory Afforestation Deposit MH-8336	499.13		16.69	Nil	16.69
Total			45.32	Nil	45.32

Non-payment/short payment of the interest amounting to ₹ 45.32 crore has resulted in understatement of Revenue Expenditure by ₹ 45.32 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 2025 was conveyed as ₹ 1,898.19 crore (GPF ₹ 1,807.99 crore, SLI ₹ 90.20 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 2024-25 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 2024-25, the Government of Union Territory of Jammu and Kashmir incurred an amount of ₹ 29.11 crore (₹ 22.76 crore in previous year) on relief measures relating to unforeseen/extraordinary events under Major Head-2245, the entire amount of ₹ 29.11 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 Expenditure on Centrally Sponsored Schemes (CSSs)

During the year, the total expenditure booked under Centrally Sponsored Schemes, as on 31 March 2025, is ₹ 6,921.96 crore (Revenue Expenditure ₹ 3,040.17 crore and Capital Expenditure ₹ 3,881.79 crore), which includes expenditure out of Central Assistance (₹ 5,894.36 crore) and Union Territory share (₹ 1,027.60 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 Government did not disclose the off-budget liabilities in their budget documents/annual financial statements for the year 2024-25. However, the off-budget liabilities in FRBM disclosure statements forming part of budget documents of 2024-25, was disclosed as ₹ 23,912 crore as on 31 March 2023. Further, Government of Union Territory of Jammu and Kashmir informed that Off-Budget borrowing of ₹ 23,142.92 crore [₹ 1,172.28 crore by Jammu and Kashmir Infrastructure Development Finance Corporation (JKIDFC) and ₹ 21,970.64 crore by Jammu and Kashmir Power Corporation Limited (JKPCL)] was outstanding as on 31 March 2025 (post re organisation period). Out of this, an amount of ₹ 2,882.54 crore has been raised during the year 2024-25.

The Government of UT of Jammu and Kashmir also has an off-budget borrowing liability of ₹ 54.16 crore pertaining to Jammu and Kashmir Cements Limited, which is payable to Jammu and Kashmir Bank as the loan was taken over by the Government.

During the year 2024-25, Government of Union Territory of Jammu and Kashmir repaid principal on account of Off- Budget borrowings amounting to ₹ 3,451.84 crore from Major Head-6003, resulting in adverse balance under MH 6003.

6.18 Transfer of Funds to Single Nodal Agency (SNA)

Ministry of Finance (MoF), Government of India vide letter No. 1(13)PFMS/FCD/2020 dated 23.03.2021 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 scheduled Commercial Bank, authorised to conduct Government business by the Government.

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 April 2023.

As intimated by the Union Territory Government, during the year the Government received ₹ 7,206.16 crore being Central share in its Treasury Account. As on 31 March 2025, the UT Government transferred Central share of ₹ 5,894.36 crore and UT share of ₹ 1,027.60 crore to SNAs. Out of total transfer of ₹ 6,921.96 crore, ₹ 239.02 crore was transferred through AC Bills, ₹5,606.77 crore through GIA bills, ₹ 1,076.17 crore through Fully Vouched Contingent Bills. Detailed vouchers and supporting documents of actual expenditure were not received by PAG office from the SNAs.

However, as per the SNA 01 report of PFMS, the UT Government received ₹ 5,406.99 crore being Central share during the year in its Treasury Account. As on 31 March 2025, the UT Government transferred Central share of ₹ 5,514.55 crore and UT share of ₹ 909.52 crore to SNAs. As on 31 March 2025, ₹ 1,650.01 crore was lying unspent in the bank accounts of SNAs.

The figures intimated by the UT Government and those appearing under the SNA-01 report are at variance and the matter has been taken up with the UT Government for reconciliation.

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 2025. 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 January 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 2024-25, total contribution to the NPS was ₹ 2,296.73 crore (Employees' contribution ₹ 843.08 crore and Government's contribution ₹ 1,180.31 crore. In addition to this an amount of ₹ 273.34 crore was remitted in cash directly to MH-8342). The detailed information on Government contribution is available in Statement No. 15 of the Finance Accounts under Major Head-2071. The Government transferred ₹ 2,296.73 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, ₹ 396.22 crore remained in the Public Account and was not transferred to the NSDL. The Cash Balance of the Government was overstated to that extent.

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 2024-25, 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 ₹ 132.57 crore was also credited to the Fund on account of interest.

An amount of ₹ 29.11 crore was set off under Major Head 2245 as expenditure met from the Fund and no amount was invested from the Fund. The closing balance as on 31 March 2025 was ₹ 1,227.96 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 2024-25, the Government of Union Territory of Jammu and Kashmir received ₹ 0.24 crore (₹ 1.20 crore in previous year) from the user agencies. No amount was remitted to the National Fund during 2024-25. The Government of Union Territory of Jammu and Kashmir received ₹ 150.99 crore (₹ 39.99 crore amount in previous year) from National Compensatory Afforestation Deposit.

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

The balance in the State Compensatory Afforestation Fund (MH-8121-129) as on 31 March 2025 was ₹ 1,121.42 crore. There is also balance of ₹ 142.27 crore in State Compensatory Afforestation Deposit under classification MH-8336-103 as on 31 March 2025 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), ₹ 4,900.97 crore was directly received by the implementing agencies including beneficiaries (NGOs, Central Govt. Organisations, Statutory Organisations, Urban/Rural Bodies, Beneficiaries, etc.) in the Union Territory during 2024-25.

The direct transfer of funds to the implementing agencies has decreased by 27.85 *per cent* as compared to 2023-24 (from ₹ 6,793.19 crore in 2023-24 to ₹ 4,900.97 crore in 2024-25). Details of direct transfer to Government Departments of Union Territory of Jammu and Kashmir are given in Appendix-VI of the Finance Accounts.

6.24 Consolidated Sinking Fund

The Government of Union Territory of Jammu and Kashmir set up the Consolidated Sinking Fund in 2023-24 for amortisation of loans. According to the guidelines of the Fund, Union Territory may contribute a minimum of 0.5 *per cent* of their outstanding liabilities (Internal debt + Public Account) at the end of the previous year to the Consolidated Sinking Fund. During the year 2024-25, Government contributed ₹ 72.51 crore to the Fund against the desirable contribution

of ₹ 185.48 crore. The total accumulation of the Fund was ₹ 305.67 crore as on 31 March 2025 (₹ 232.05 crore as on 31 March 2024).

There was also a balance of ₹ 355.87 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.

6.25 Guarantee Redemption Fund

The Government of Union Territory of Jammu and Kashmir constituted Guarantee Redemption Fund to be administered by the RBI. The notification issued by the UT Government, effective from 2023-24, stipulates that the UT Government shall initially contribute a minimum of one *per cent* and thereafter at the rate of 0.5 *per cent* of outstanding guarantees at the end of the previous year to achieve a minimum level of three *per cent* in next five years. The Fund shall be gradually increased to a desirable level of five *per cent*. During the year, Government contributed ₹ 53 crore against required contribution of ₹ 122.43 crore. The total accumulation of the Fund was ₹ 61.20 crore as on 31 March 2025 (₹ 07 crore as on 31 March 2024).

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 ₹ 617.44 crore (Net debit) under three Major Heads (8658, 8782 and 8793), as on 31 March 2025 [₹ 189.39 crore (Net debit) as on 31 March 2024] 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 the Union Territory Government during 2024-25.

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 of the erstwhile state of Jammu and Kashmir are to be apportioned between

the successor Union Territory of Jammu and 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, all balances as on 30 October 2019 are yet to be apportioned between the successor Union Territories vis., Union Territory of Jammu & Kashmir and Union Territory of Ladakh resulting in adverse balances under some Heads of Accounts. However, pending apportionment the UT Government has transferred an amount of ₹ 1,486.13 crore (MH-8009, 8011 & 8443) to UT of Ladakh in 2022-23 for clearance of liabilities. Details of un-apportioned items are given in Appendix-XIII of Volume II of the Finance Accounts. The loan servicing of liabilities along with interest on outstanding balances as on 30.10.2019 (pre-organization) which are yet to be apportioned are presently being serviced by the Government of Union Territory of Jammu and Kashmir.

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

During the year 2024-25, the Government of Union Territory of Jammu and Kashmir received grants of ₹ 128.67 crore towards CRIF and entire amount was transferred to the Fund under Public Account as on 31 March 2025. The UT Government incurred an expenditure of ₹ 161.16 crore under MH-4059-01-001 Direction and Administration, and the entire amount was met from the Fund. As on 31 March 2025, the closing balance in the Fund was ₹ 636.12 crore.

There was also a balance of ₹ 573.33 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.

6.30 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 2025 under Major Head 8121-130-State Disaster Mitigation Fund.

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