

PREFACE

Jammu and Kashmir FRBM Act, 2006 has been passed by the erstwhile State Government on August 9, 2006 as per the recommendations of 12th Finance Commission.

Three major objectives of the FRBM Act:

- To make the Government responsible to “ensure inter-generational equity in fiscal management” implying that borrowings are nothing but deferred taxation and the government’s living beyond their means leave a burden of debt on future generations.
- To make the Government responsible for ensuring “long term macroeconomic stability” because reckless borrowings by government crowds out private investment or fuels inflation or leads to balance of payment crises eventually leading to macro- economic instability.
- To make the Government responsible for removing “fiscal impediments to the effective conduct of monetary policy” because unsustainable increase in deficit constrains the RBI’s ability to control money supply as the RBI also happens to be the debt manager of the government.

The three planks of strategy in-built in the FRBM Act:

- Limits on government borrowing under a time bound programme to altogether eliminate revenue deficit and bring down fiscal deficit to prudent limits.
- Bringing a medium-term perspective in Budget planning through the introduction of certain statements to accompany the budget document.
- Improving transparency in the fiscal operations of the government in order to avoid any window dressing in meeting the deficit targets as well as improving fiscal discipline.

The following statements are to be laid before the Parliament along with the Annual Financial Statement in pursuance of the Fiscal Responsibility and Budget Management Act, 2006:

MACRO ECONOMIC FRAMEWORK

STATEMENT. MEDIUM TERM FISCAL

POLICY STATEMENT. FISCAL POLICY

STRATEGY STATEMENT.

FORM I
MACRO ECONOMIC FRAMEWORK STATEMENT

Overview of State Economy

Gross State Domestic Product (GSDP)

GSDP of ₹ 2,01,054 crore was approved as per Budget Estimates for the current financial year (2021-22). However, for calculations of Net Borrowing Ceiling (NBC), Ministry of Finance, Government of India revised the GSDP to ₹ 1,89,503 crore for the Current Financial Year by providing 7.5% growth rate over Ministry of Statistics & Programme Implementation –MoSPI’s GSDP figure for UT of J&K for the Financial Year 2020-21 i.e. ₹1,76,282 crore which was declared on 15.03.2021. The GSDP for the year 2019-20 of Jammu and Kashmir was estimated (at constant 2011-12 prices) at ₹ 1,79,866 crore. Thus, the financial year 2020-21 registered a decrease of 2 per cent in GSDP growth over the year 2019-20.

These figures of GSDP form the basis for the purpose of fixing the market borrowing ceiling viz-a-viz fiscal parameters in accordance with FRBM Act.

Overview of Finances of Jammu & Kashmir

Own Resources:

TAX PERFORMANCE

The tax performance of the Jammu & Kashmir is provided as under: -

(Rs in crore)

S. No.	Source of Revenue	1988-89	1998-99 (10 year growth)	2008-09 (10 year growth)	2015-16 (07 year growth)	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Tax Revenue	138	437	2683	7326	7819	9536	9826	9467	8877
2.	Non-Tax Revenue	100	283	837	3913	4072	4362	4188	4260	4076

NON-TAX PERFORMANCE

The position with regard to non-tax receipts is as under: -

(Rs in crore)

Year	Target	Achievement
2008-09	1127	837
2009-10	1294	955
2010-11	1475	1093
2011-12	1851	2002
2012-13	2765	2160
2013-14	3321	2870
2014-15	3561	1978
2015-16	3455	3913
2016-17	4024	4072
2017-18	5389	4362
2018-19	5727	4188
2019-20	3432	4260
2020-21(Pre-Actuals)	6193	4076

F-1 (Contd.)

**Macroeconomic Framework Statement
Economic Performance at a Glance**

Table 1

Trends in Select Macroeconomic and Fiscal Indicators

		Absolute Value		Percentage Changes	
		April-Reporting Period <i>(Rs in crore)</i>		April-Reporting Period	
		2020-21 (Pre-Actuals)	2021-22 (RE)	2020-21 (Pre-Actuals)	2021-22 (RE)
1	2	3	4	5	6
	Real Sector				
1	GSDP at factor cost	176282	189503	-1.99	7.50
2	Agriculture Production (at current price)				
3	Industrial Production (at current price)				
4	Tertiary Sector Production (at current price)				
	Government Finances				
1	Revenue Receipts (2+3)	52495	84923	-0.23	72.61
2	Tax Revenue (2.1+2.2)	8877	15480	-45.44	74.38
2.1	Own Tax Revenue	8877	15480	-6.23	74.38
2.2	State's Share in Central Taxes				
3	Non-Tax Revenue (3.1+3.2)	43618	73632	19.99	68.81
3.1	State's Own Non-Tax Revenue	4076	7942	-4.32	94.85
3.2	Central Transfers	39542	61501	23.22	60.97
4	Capital Receipts (5+6+7)*	14923	17522	20.24	-20.71
5	Recovery from Loans and Advances	2	5	-50.00	150.00
6	Other Receipts/Non-Debt Creating	-812	1061	NA	230.67
7	Borrowings and Other Liabilities	15733	16456	26.81	-31.56
8	Total Receipts (1+4)	67418	102445	3.67	51.95
9	Total Expenditure	67418	102445	3.67	51.95

10	Revenue Account of which	52634	67237	-0.62	27.74
11	(a)Interest Payments	6428	6790	8.47	5.63
	(b)Subsidies/	128		-81.71	NA
	(c)Wages and Salaries/Others	23852	30155	-23.50	26.43
	(d)Pension Payments	9078	9821	29.70	8.18
12	Capital Account (CAPEX)	14784	35208	22.54	138.15
	Of which				
	Loans and	62	115	14.81	85.48
	Advances	4252	4226	105.71	-0.61
	Repayments				
13	Plan Expenditure**				
14	Revenue Account				
15	Capital Account				
16	Total Expenditure (10+12) Including Loans and Advances	67418	102445	3.67	51.95
17	Revenue Expenditure (10+14)	52634	67237	-0.62	27.74
18	Capital Expenditure (12+15)	14784	35208	22.54	138.15
19	Revenue Surplus	-139	17686		
20	Fiscal Deficit	10668	16456	-0.10	0.93
21	Primary Surplus/Deficit (+/-)	4240	9666	-10.79	56.13

Notes i. Borrowings under UDAY not to be reckoned for calculation of Fiscal Indicators.

ii. GSDP figures as adopted by Ministry of Finance, GoI, for Fiscal Indicators.

iii. Capital receipts and disbursement are net of WMA/OD from RBI.

iv. Average amount of WMA from RBI Rs.232 crore.

v. Average amount of OD from RBI Rs.149 crore.

vi. No. of days of OD=79 days.

vii. Number of occasions of OD/month = 9/month.

(Information as on ending December 31st, 2021)

FORM F-2
(See Rule 3 & 4)
Medium Term Fiscal Policy Statement

A. Fiscal Indicators – Rolling Targets

	Previous Year (Y-2) Pre-Actuals 2020-21	Current Year (Y-1) (BE) 2021-22 Target	Current Year (Y-1) (RE) 2021-22	Ensuing Year (Y) (BE) 2022-23	Targets for next two Years	
					2023-24	2024-25
1. Revenue Surplus/ Deficit as percentage of Total Revenue Receipts (TRR)						
2. Fiscal Deficit as Percentage of GSDP						
3. Total Outstanding Liabilities as Percentage of GSDP						

Note; - Comparable figures not available

FORM D – 1			
(See Rule 7)			
SELECT FISCAL INDICATORS			
			<i>(In per cent)</i>
S. No	ITEM	2019-20 (Pre-Actuals)	2020-21 (RE)
1	Gross Fiscal Deficit as % age of GSDP		
2	Revenue Surplus as %age of Gross Fiscal Deficit		
3	Revenue Surplus as % age of GSDP		
4	Revenue Surplus as % age of TRR		
5	Total Liabilities - GSDP Ratio (%)		
6	Total Liabilities - Total Revenue Receipts (%)		
7	Total Liabilities - State's Own Revenue Receipts (%)		
8	State's Own Revenue Receipts to Revenue Expenditure (%)		
9	Capital Outlay as Percentage of Gross Fiscal Deficit		
10	Interest Payments as %age of Revenue Receipts		
11	Salary Expenditure as %age of Revenue Receipts		
12	Pension Expenditure as %age of Revenue Receipts		
13	Non-Developmental Expenditure as Percentage of Aggregate Disbursements		
14	Gross Transfers from Centre as percentage of Aggregate Disbursements		
15	Non-Tax Revenue as percentage of TRR		

Note; - Comparable figures not available

FORM D-2

(See Rule 7)

A. Components of Jammu & Kashmir Government Liabilities						
<i>(Rs in crore)</i>						
Category	Raised during the Fiscal Year		Repayment/ Redemption during the Fiscal Year		Outstanding Amount (End March)	
	2019-20 (Actuals)	2020-21 (Pre-Actuals)	2019-20 (Actuals)	2020-21 (Pre-Actuals)	2019-20 (Actuals)	2020-21 (Pre-Actuals)
Market Borrowings	7869	9328	1109	3308	34291	40311
Loans from Centre	4	183	117	118	1237	1302
Special Securities issued to the NSSF	0	0	349	349	3370	3021
Borrowings from Financial Institutions/ Banks	389	322	492	477	3574	3419
WMA from RBI (Net)	455	1489	0	0	692	2181
Small Savings, Provident Funds, etc. (Net)	1961	1145	0	0	27162	28307
Reserve Funds / Deposits (Net)	1321	1166	0	0	9709	10875
Other Liabilities	0	0	0	0	0	0
UDAY Power Bonds*	0	0	0	0	3538	3538
Total	11999	13633	2067	4252	83573	92954

**Borrowings under UDAY Power Bonds not to be reckoned for calculation of fiscal indicators.*

FORM D -2

(See Rule 7)

B. Weighted Average Interest Rates on Jammu & Kashmir Liabilities*(In per cent)*

Category	Raised during the Fiscal Year		Outstanding Amount (End March)	
	2019-20 (Actuals)	2020-21 (Pre-Actuals)	2019-20 (Actuals)	2020-21 (Pre-Actuals)
Market Borrowings	7.54	6.91	8.87	9.26
Loans from Centre	9.00	9.00	5.65	5.74
Special Securities issued to the NSSF	0.00	0.00	9.81	9.19
Borrowings from Financial Institutions/ Banks	3.90	2.75	7.40	6.41
WMA/OD from RBI/ OD from JK Bank (<i>ending March 2012</i>)	4.00 to 6.00	4.00	4.00 to 6.00	4.00
Small Savings, Provident Funds, etc.	7.9 to 8.00	7.1	7.9 to 8.00	7.03
Reserve Funds / Deposits	4.00 to 6.00	4.0	4.00 to 8.00	4.00
Other Liabilities/UDAY	0.00	0.00	7.99	8.03
Total (Weighted Average Interest Rate)			7.09	7.69

Total liabilities 2020-21 (Opening balance) = ₹ 83573 crore

Interest paid during 2020-21=₹ 6428 crore

Weighted Average Interest rate=7.69%

Form D-3
See Rule - 7
Consolidated Sinking Fund

(Rs in crore)

Outstanding at the beginning of the previous year 2020-21)	Additions during the previous year (2020-21)	Withdrawals during the previous Year (2020-21)	Outstanding at the end of previous year/beginning of the current year	(4)/stock of SLR borrowings (%)	Additions during the current Year (2021-22)	Withdrawal during the current year (2021-22)	Outstanding at the end of the current year/beginning of annual year (2022-23)	(8) / stock of SLR borrowing (%)
1	2	3	4	5	6	7	8	9
355.87	55.63	0.00	411.50	1.02	45.00	0.00	456.50	1.00

FORM D-4

**Guarantees given by the Government
Statement of Sector-wise Guarantees**

(Rs in lakh)

Sector (No. of Guarantees within bracket)	Maximum amount guaranteed	Outstanding at the beginning of the year 2021-22	Additions during the year 2021-22	Deletions (other than invoked during the year) 2021-22	Invoked during the year 2020-21		Outstanding at the end of the year 2021-22	Guarantee Commission or Fee		Other material details
					Discharged	Not Discharged		Receivable	Received	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Power (5)	470020	1572520		-	-	-	1572520	-	-	-
Co-operative (5)	19121 (Plus Interest)	22778	-	-	-	-	22778	-	-	-
Road & Transport (1)	-	-	-	-	-	-	-	-	-	-
State Financial Corporation (1)	700 (Plus Interest)	979	-	-	-	-	979	-	-	-
I & C Deptt. (J&K Cements) (2)	1887	1887	-	-	-	-	1887	-	-	-
I & C Deptt. (EDI)	7200	23300	-	-	-	-	23300	-	-	-
Social Welfare Deptt (WDC) (17)	6021	6021	-	-	-	-	6021	-	-	-
Social Welfare Deptt (SC/ST/BC Corp.) (17)	7115	7115	-	-	-	-	7115	-	-	-
Housing & Urban Development (7)	-	-	-	-	-	-	-	-	-	-
Women's Dev. Cor.		3000					3000			
Total (46)		1637600					1637600			

Note: Figures in brackets indicate the no. of guarantees.

Form D-5
(See Rule 7)
Outstanding Risk – weighted Guarantees

(Rs in crore)

Default Probability	Risk weights (per cent)	Amount outstanding as in the previous year and the current year		Risk Weighted outstanding guarantee in the previous year and the current year	
		Previous Year	Current Year	Previous Year	Current Year
Direct Liabilities		-	-	-	-
High risk		-	-	-	-
Medium risk					
Low risk		-	-	-	-
Very Low Risk		-	-	-	-
Total Outstanding	-	-	-	-	-
Note: The risk weights have been pre-specified for the various risk categories					

FORM D-6

Guarantee Redemption Fund

(Rs in crore)

Outstanding invoked guarantee at the end of previous year	Outstanding amount in GRF at the end of previous year (2020-21)	Amount Guarantees Likely to be invoked during the current year (2021-22)	Addition to GRF during the current year (2021-22)	Withdrawal from the GRF during the current year (2021-22)	Outstanding Amount in GRF at the end of current year (2021-22)
1	2	3	4	5	6
Nil	21.42	Nil	1.00	0.00	22.42

FORM D -7

(See Rule 7)

STATEMENT OF ASSETS

	Assets at the beginning of the reporting year i.e. 2020-21	Assets acquired during the reporting year i.e. 2020-21		Cumulative total of assets at the end of the reporting year i.e. 2020-21
		On Account of adjustment after reconciliation by the concerned Adm. Deptt.*	Assets acquired during 2020-21	
	Book Value (Rs in crore)	Book Value (Rs in crore)	Book Value (Rs in crore)	Book Value (Rs in crore)
Provisional to be compared with Finance Account				
Financial Assets				
Loans and advances	1740.43		59.71	1800.14
Loans to Local Bodies	14.65		0.00	14.65
Loans to companies	1130.88		61.64	1192.52
Loans to others	594.90		(-)1.93	592.97
Equity investment	3428.03		1189.13	4617.16
Shares				
Bonus shares				
Investments in GoI dated securities/Treasury Bills				
Investment in 14-day intermediate Treasury Bills				
Other financial Investments (please specify)				
Total	5168.46		1248.84	6417.30
Physical Assets:				
Land	241565	-72341	5501	174724
Building - official/ Residential	64083	1899	327	66309
Roads	37411	41	1988	39440
Bridges	3514	-1	92	3605

Irrigation Projects	6157	37	282	6476
Power Projects	123	-25	110	208
Other capital projects	23257	-0.0	984	24241
Machinery and Equipment	8264	160	378	8802
Office Equipment	1203	95	64	1362
Vehicles	1977	131	52	2160
Miscellaneous	1051	-1	6	1056
Total	388604	-70003	9782	328383

NOTE:-* Figures subject to further Reconciliation.

Form D – 8
(See rule 7)

TAX REVENUES RAISED BUT NOT REALISED
(Principal taxes)
(as at the end of the reporting year)

Major Head	Description	Amount under disputes (Rs in crore)					Amount not under disputes (Rs in crore)					Grand Total			
		Over 1 year but less than 2 years	Over 2 years but less than 5 years	Over 5 years but less than 10 years	Over 10 years	Total	Over 1 year but less than 2 years	Over 2 years but less than 5 years	Over 5 years but less than 10 years	Over 10 years	Total				
	Taxes on income & expenditure					0					0				0
	Agricultural income tax					0					0				0
	Taxes on Professions, Trades, callings & Employment					0					0				0
	Taxes on property & capital Services					0					0				0
	Land Revenue					0	1.27	1.29	1.43	2.25	6.24				6.24
	Stamps and Registration fees	1.91	1.34	2.39	37.73	43.37	0.15	0.59	0.2	0.24	1.18				44.55

FORM D-9

(See Rule 7)

STATEMENT OF MISCELLANEOUS LIABILITIES: OUTSTANDINGS
(Rs in crore)

	Outstanding Amount*
Major Works and Contracts	671.86
Committed Liabilities in respect of land acquisition charges	2691.62
Claims in respect of unpaid bills on works and supplies	4284.89
*The outstanding amount pertains to the end March position for the year before the current year.	

FORM D - 10**Statement of number of Employees and Related Salary Expenditure***
(See Rule 7)**Part - I**
Employees in Government Departments

Demand No & Description	Number of Employees in the current Year (2021-22)		Salary Expenditure (Rs in crore)				
	NP	SP/ CSS Total	Actuals Previous Year (2020-21)	BE Current Year (2021-22)	RE current Year (2021-22) BE Next Year (2022-23)		
All Demands	440824	8061	448885	23852	30131	30155	32495

Note:- *Based on the data provided by the Administrative Departments.

(See Rule 7)

Part-II

Employees in Public Sector

Name of Public Sector Unit	Name of the Controlling Administrative Department.	No. of employees in the current year (2021-22)	(₹ in crores)				
			Actual (2020-21)	BE (2021-22)	RE (2021-22)	BE (2022-23)	
JKHPMC	Horticulture	47	10.23	9.41	11.21	12.85	
JK AIDCL	Agriculture Production	60	4.3	4.75	4.75	5.25	
J&K Women Development Corporation	Social Welfare	40	3.19	3.14	3.19	3.27	
J&KSC/ST Backward Class Dev. Corp		105	9.04	11.14	11.14	10.51	
Sub-Total (Social Welfare) :-		145	12.23	14.28	14.33	13.78	
J & K KVIB	Industries & Commerce	364	23.59	37.76	40.62	40.37	
J & K SIDCO		314	35.91	31.6	33.34	33.34	
J & K SICOP		250	32	31	32.25	33.02	
J & K Handloom Dev. Corporation		163	12.55	11.2	10.61	9.42	
J & K Cements Ltd.		0	5	25	25	25	
J & K Handicrafts (S & E) Corporation		123	7.48	9.12	9.12	6.6	
J & K Industries Ltd.		296	24.46	26.9	28.16	30.98	
J & K Minerals Ltd.		0	0	0.73	1.01	1.35	
Sub-Total (Industries & Commerce) :-		1524	140.99	175.15	182.52	182.49	
J&K Police Housing Corporation		Home	46	5.79	6.33	6.33	6.92
JK TDC Corp.	Tourism	590	35.73	40.02	38.82	41.22	
JK State Cable Corp.		119	10.25	11.05	11.05	11.9	
Sub-Total (Tourism) :-		709	45.98	51.07	49.87	53.12	
Kashmir Power Distribution Corporation Ltd.	Power Development	11511	410.01	524.69	516.41	568.05	
Jammu Power Distribution Corporation Ltd.		7019	327.21	403.78	377.28	427.67	

JK Power Transmission Corporation Ltd.		2280	149.73	197.57	198.91	216.39
JK Power Corporation Ltd.		186	12.98	10.85	9.45	11.81
JK Power Development Corporation Ltd.		2498	137.63	249.44	165	290
Sub-Total (Power Development) :-		23494	1037.56	1386.33	1267.05	1513.92
J&K Forest Development Corporation	Forest	2065	164.28	230	175	230
J&K RTC	Transport	2107	7910	8846.37	10076.80	7890.71
J&K State Financial Corp.	Finance	130	8.41	9.43	11.5	12.32
J&K Housing Board	Housing & Urban Development	189	15.76	19.04	20.03	25.16
Srinagar Development Authority		329	25.16	33.37	31.27	35.98
Jammu Development Authority		140				
Sub-Total (Housing & Urban) :-		658	40.92	52.41	51.3	61.14
J & K Medical Supplies Corporation	Health & Medical Education	23	2.59	2.86	3	3.36
J&K Project Const. Corp. Ltd.	Public Works (R&B) Deptt.	830	66.31	74.84	78.58	83.29
Grand Total	:-	31838	9449.59	10863.23	11932.2	10069.15

Form D-10
(See Rule 7)
Part-III

A. Details of Aided Institutions Other than Local Bodies

Name of Aided Institution	Name of Adm. Department	No. of Employees	Actuals Previous Year (2020-21)	Budget Estimates (2021-22)	Revised Estimates (2021-22)	Budget Estimates (2022-23)
IMPA	General Administration Department	222	12.83	13.96	18.33	16.55
Cooperative Societies (No.808)						
	Cooperative Deptt	1000	3	7	7	4.5
EDI	Industries & Commerce	164	11.8	15.49	16.92	17.92
MMWI	Social Welfare Deptt	27	2.2	1.27	1.4	1.33
RUSA		43	1.85	3.52	0.47	3.97
KU		2497	265	267	301.62	346.55
JU		1438	201	211	197.16	269.35
IUST		358	28	30.4	40.03	44.03
BGSBU		369	20.61	20.61	30.61	33.67
SMVDU		300	19.7	20.7	22.77	26.19
CUs		59	10.47	12.29	12.29	13.55
SAK		10	1	4.59	2.14	2.14
SAJ		10	0.87	1.52	1	0.99
OPACs		80	0.8	0.8	1.14	1.31
ICSC		142	26.86	26.45	26.45	29.09
GMCNMJ		63	10.56	10.56	10.56	11.62
VBWC		59	8.97	8.97	8.97	11.41
GMCMJ		4	1.55	1.16	1.15	0.82
JKIMS		25	0	0	1.38	1.37

(₹ in Crores)

Total :-		5457	597.24	619.57	657.74	796.06
TDAs (25 No.)	Tourism	592	56.19	86.53	94.58	104.21
ERA/JTFRP	PD & MD					
AAC & L	Culture	172	13.3	27	18.23	21.58
JaKeGA	IT Department	13	2.44	2.44	2.44	2.44
Sports Council	Youth Services & Sports	541	22.66	37.71	32.07	40.42
J&K BOTE	Skill Development	21	0.5	0.75	0.75	0.82
SKUAST	Agriculture Production	2915	387.47	400	374.86	439.36
Total :-		11124	1109.63	1211.72	1224.32	1445.19

Form D-10

(See Rule 7)

Part-III

B. Details of Aided Institutions Local Bodies

Name of Aided Institution	Name of Controlling Administrative Department	No. of Employees	Actual Previous Year (2019-20)	BE 2020-21	RE 2020-21	(₹ in Crores)	
						Budget Estimates (2021-22)	Budget Estimates (2021-22)
Srinagar Municipal Corporation		2871	145.84	181.34	180.62	196.04	
Jammu Municipal Corporation		1445	75.54	114.81	103.55	123.69	
Director Urban Local Bodies Kashmir		2177	139.18	173.4	174.05	204.74	
Director Urban Local Bodies Jammu	Housing & Urban Development	1124	77.1	131.64	112.06	146.26	
LAWDA		226	17.29	32.5	27.8	35.02	
NULM (SUDA/DUDAs)		165	9.46	9.34	10.91	12.22	
KDA (UD)		8	0.38	0.67	0.72	0.95	
Building Centre		12	0.82	0.73	1.18	1.52	
Total :		8028	465.61	644.43	610.89	720.44	