



Government of
Jammu & Kashmir

حکومت جموں و کشمیر

**BUDGET
AT A GLANCE**

2015-16

BUDGET DIVISION

تخمینہ جات۔
ایک نظر میں

۲۰۱۶-۲۰۱۵

بجٹ ڈویژن

March, 2015

مارچ ۲۰۱۵

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MAIN BUDGET : 2015-16

TABLE 1 BUDGET : AN OVERVIEW

(₹ in crore)					
	Items	2013-14 (Actuals)	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
A.	Revenue Receipts	27128	39221	34541	37814
B.	Revenue Expenditure	27058	32948	31503	35227
	Revenue Surplus (A-B)	70	6273	3038	2587
C.	Capital Receipts	5653	4322	4901	4323
D.	Capital Expenditure	5723	10595	11588	11246
	Capital A/C Deficit(C-D)	-70	-6273	-6687	-6923
E.	Total Expenditure	32781	43543	43091	46473
F.	Total Receipts	32781	43543	39442	42137
	Unfunded/Additional resources required	0	0	3649	*4336
	Budget Deficit	0	0	3649	0

* To be financed through repositioning of 14th FC Grants.

Note:

All entries have been adjusted for transfers from and to Public Account.

Explanatory Notes:

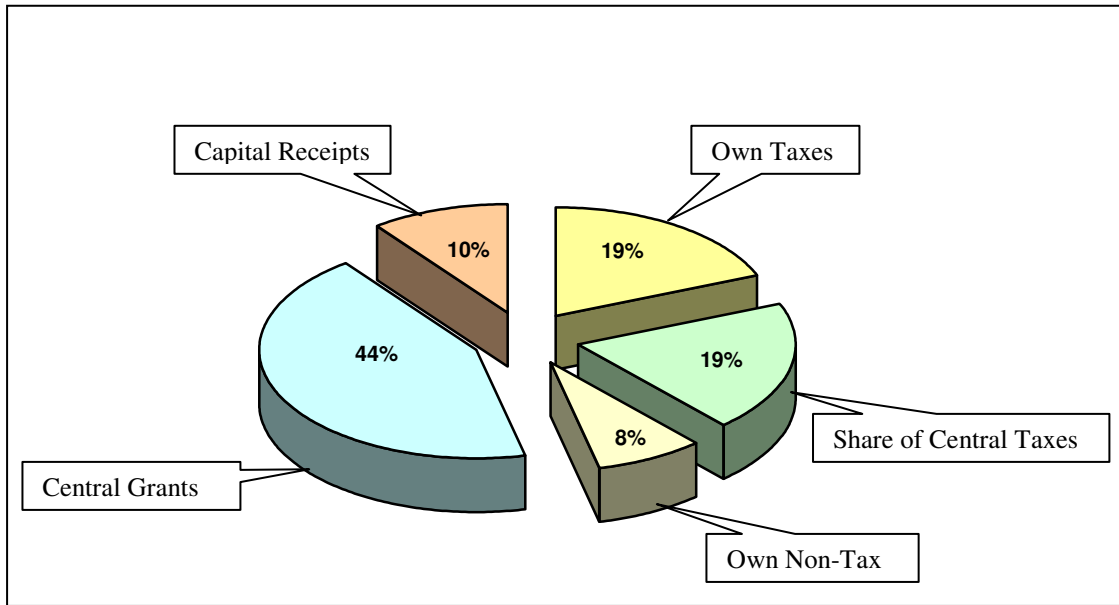
1. **Revenue Receipts** are all those receipts, which do not incur repayment liability. These include, the State's own revenues (Tax and Non-Tax), share in central taxes, grants from the Central Government for the financing of the State Plan as well as non-plan grants. These also include interest and dividend on investments made by the Government.
2. **Revenue Expenditure** covers all the routine administrative expenditure of the State, incurred salaries and wages, maintenance and repairs overheads like payment of rent, taxes, user charges of services, insurance premia and interest. It also includes expenditure on goods for sale like that in Stationery Depots, Govt. Presses, Agriculture Production Department, Health institutions and CA&PD.
3. **Capital Receipts** include loans raised by the State from the market, borrowings from RBI and other institutions, loans from the Centre, receipts from special securities issued to NSSF and the State's recovery of its own loans and proceeds from disinvestment of Government's stake in Public Sector Undertakings, all form part of Capital Receipts.
4. **Capital Expenditure** (CAPEX) relate to the creation of assets. This corresponds to the State's own investment outlay on the acquisition of permanent assets like land, buildings, power projects, Irrigation and water supply schemes, establishment of Industrial Estates, all extensions and

structural alteration of existing assets, construction of roads, railways, airports, plant / machinery, Inter-State Bus Terminals etc. Disbursements, which comprised of repayment of State public debt and loans and advances made by the State to the various entities, are also taken as Capital Expenditure.

5. **Budget Deficit**, is the difference between total expenditure and total receipts and has to be zero in the absence of monetization. State Governments have no access to the monetization route and as such Budget Deficit in their case ought to be zero.
6. **Fiscal Deficit** is the difference between aggregate disbursements net of debt repayments and recovery of loans, revenue receipts and non-debt capital receipts.
7. **Primary Deficit** is Fiscal Deficit net of 'Interest Payments and Debt Servicing' under Non-Plan.
8. **Revenue Deficit** is the difference between Revenue expenditure (Plan / Non-Plan) and Revenue Receipts (Tax / Non-Tax).
9. **Budget Surplus / Fiscal Surplus / Revenue Surplus / Primary Surplus** are the terms just opposite of such 'Deficit' terms.
10. **Balance from Current Revenues (BCR)** is the difference between Revenue Receipts and the sum total of all Plan grants and Non-Plan Revenue Expenditure.
11. **Aggregate Receipts** include (i) Revenue Receipts (ii) Capital Receipts and (iii) Receipts under Public Account, while converse shall apply for Aggregate Disbursements.
12. **Miscellaneous Capital Receipts (MCR)** are treated as Non Debt Capital Receipts.
13. **Non-Plan Expenditure** consists of salary, interest payments, subsidies and grants. It can be divided into revenue spending and capital spending.
14. **Plan Expenditure** consists of revenue and capital spending in the plan. Under the former the salary and maintenance expenditure, is included while latter includes expenditure on creation of capital assets.
15. **Central Plan Assistance** refers to the Central Government's budgetary support to the Plan.
16. **Subsidies** are financial aid provided by the Government to individuals or a group of individuals to become competitive. The grant of subsidies could also be aimed at improving skills of those who benefit from the subsidies.
17. **Amortization** refers to liquidating (a debt) by repayment in installments.

RUPEE : AS IT COMES

(2015-16)



RUPEE : AS IT GOES

(2015-16)

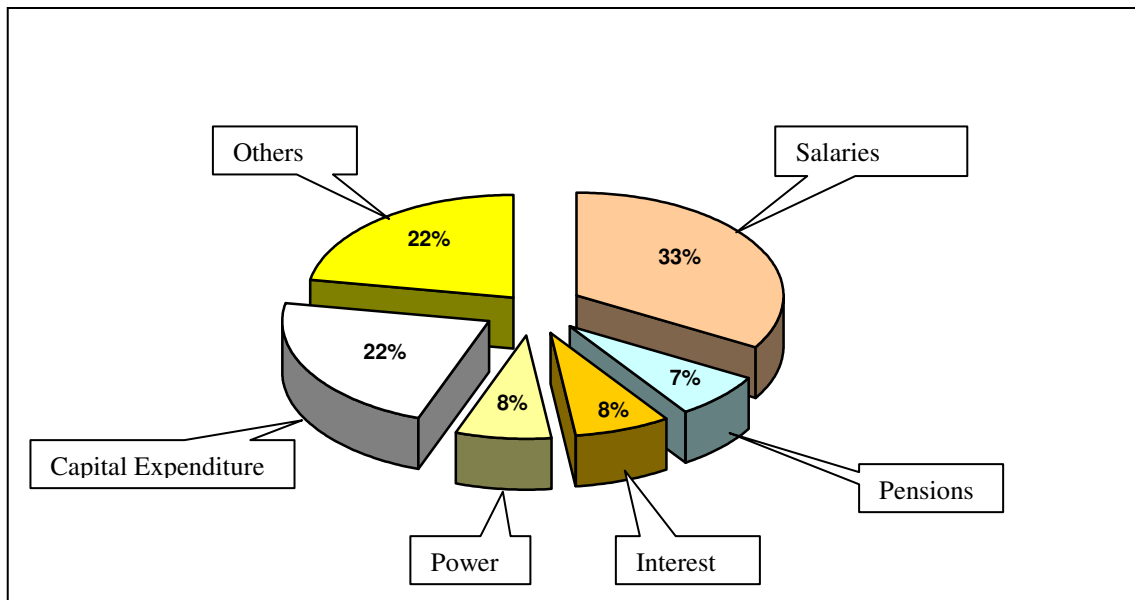


TABLE 2 BUDGET : BASIC DETAILS

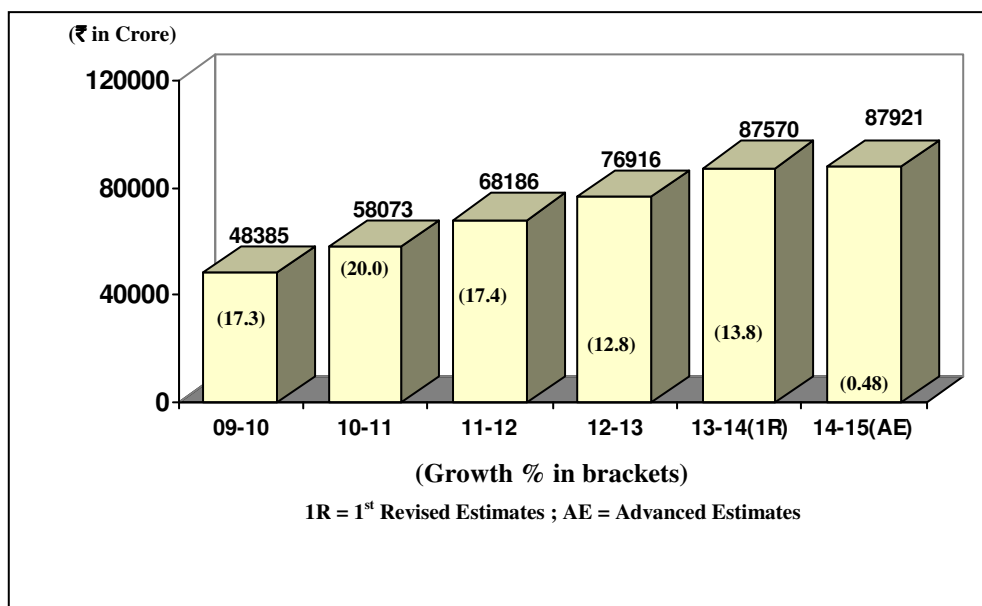
(₹ in crore)

Items	2013-14 (Actuals)	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
Revenue Receipts (i+ii+iii+iv)	27128	39221	34541	37814
i. Own Tax Revenue	6273	7496	6438	8006
ii. Non-Tax Revenue	2870	3561	3154	3509
iii. Share of Central Taxes	4142	5191	4477	8088
iv. Resources from Centre	13843	22973	20472	18211
Revenue Expenditure	27058	32948	31503	35227
i. Plan	1494	3395	3137	33770
ii. Non-Plan	25219	29553	28366	
<i>of which: Interest payments</i>	<i>3001</i>	<i>3470</i>	<i>3420</i>	<i>3795</i>
iii. CSS	345	0	0	1457
Capital Receipts	5653	4322	4901	4323
i. Provident Fund (Net)	1990	1415	1415	1415
ii. Borrowings and other liabilities	2950	2839	2793	2841
iii. Non-debt creating	713	68	693	67
Capital Expenditure	5723	10595	11588	11246
i. Plan	3736	8505	9522	4996
ii. Non-Plan	1551	2090	2066	
<i>of which : Repayments</i>	<i>1095</i>	<i>1297</i>	<i>1296</i>	<i>1473</i>
iii. CSS	436	0	0	4777
Total Expenditure	32781	43543	43091	46473
i. Plan Expenditure	5230	11900	12659	40473
ii. Non-Plan expenditure	26770	31643	30432	
iii. CSS	781	0	0	6000
Total Receipts	32781	43543	39442	42137
i. Plan Revenue Receipts	9834	19193	16596	*37814
ii. Non-Plan Revenue Receipts	17294	20028	17945	
iii. Capital Receipts	5653	4322	4901	4323
Non-Plan Revenue Gap	-7925	-9525	-10421	0
Revenue Surplus	70	6273	3038	2587
Unfunded/Additional Resources Required	0	0	3649	#4336
Budget Deficit	0	0	3649	0

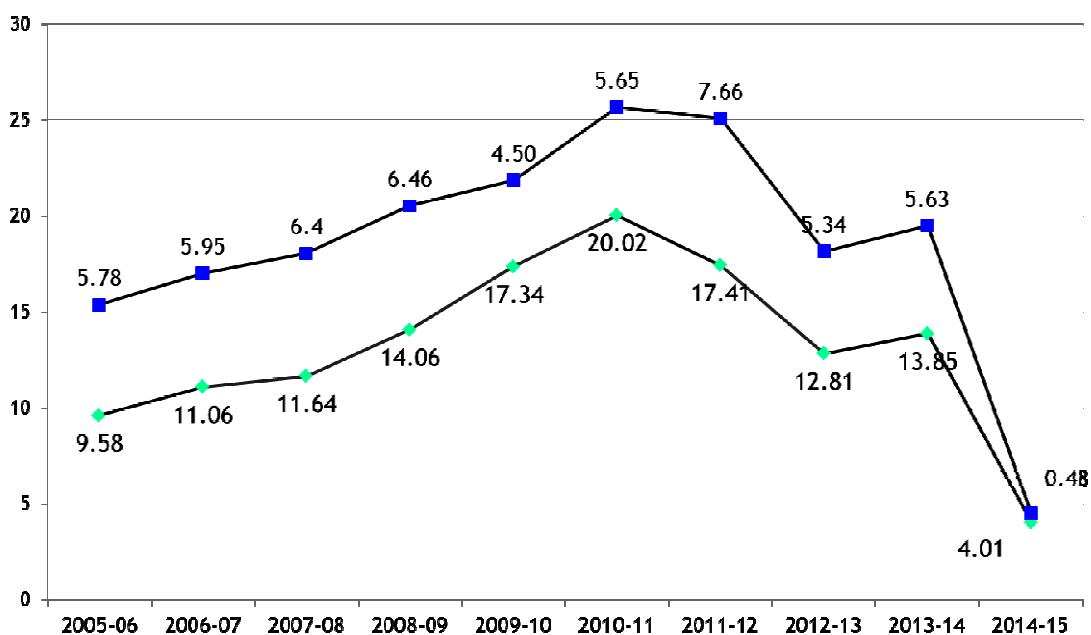
* All receipts and expenditure shall be grouped under Revenue and Capital A/c from April, 1st 2015.# To be financed through prepositioning of 14th FC Grants.

ECONOMIC GROWTH

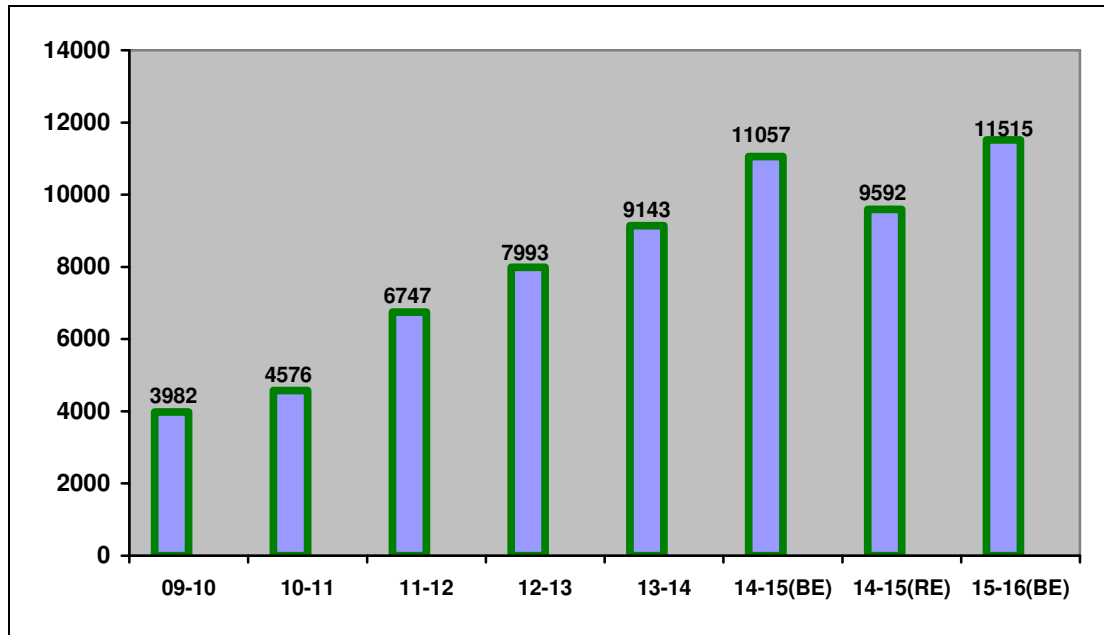
GSDP estimates (revised) at current prices



STATE INCOME : REAL AND NOMINAL GROWTH



GROWTH IN OWN REVENUES (TAX + NON-TAX)



CAPITAL RECEIPTS V/S CAPITAL EXPENDITURE

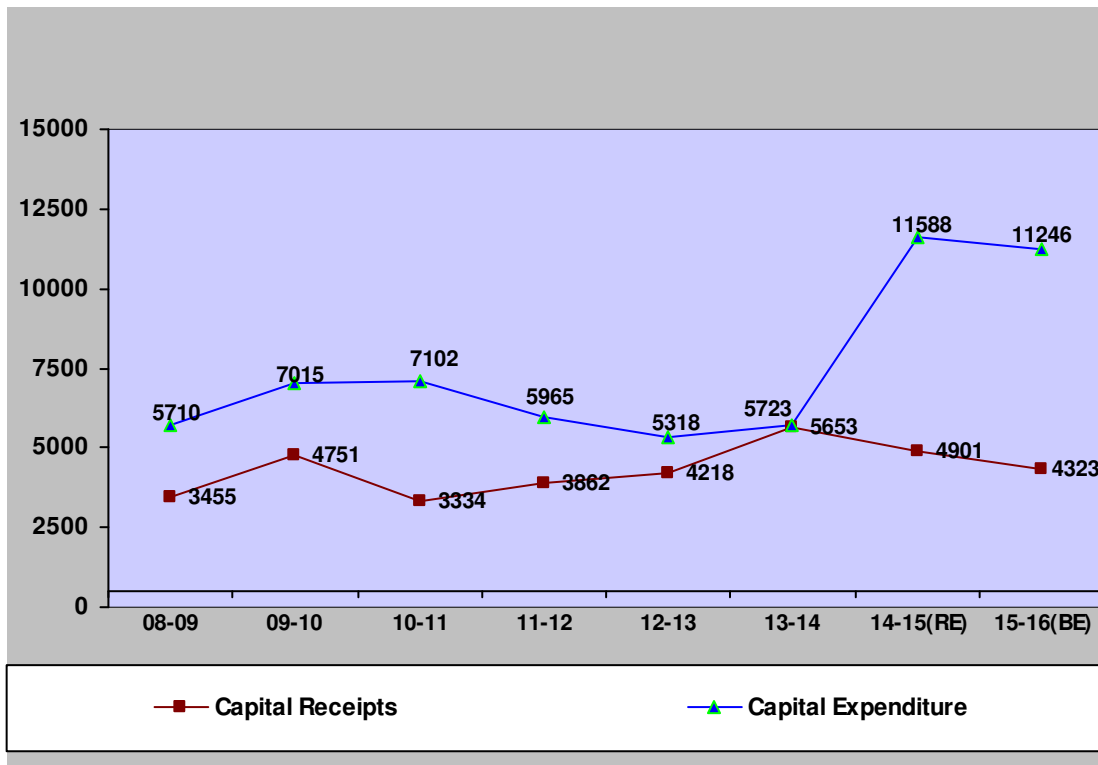


TABLE 3: REVENUE RECEIPTS

(₹ in crore)

Items	2013-14 (Actuals)	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
Revenue Receipts (I+II)	27128	39221	34541	37814
I. Resources from centre	17985	28164	24949	26299
i. Share of Central Taxes	4142	5191	4477	8088
ii.Total Grants from Centre (a+b)	13843	22973	20472	*18211
a. Non-Plan Grants, of which	4009	3780	3876	
i. Others	3502	2715	2715	
ii. SRE and Cost Sharing	507	1065	1161	
b. Plan Grants including CSS	9834	19193	16596	
II. State's Own Revenues (1+2)	9143	11057	9592	11515
1. State's Own Tax Revenues	6273	7496	6438	8006
a. Sales Tax	4579	5344	4530	5744
b. Excise Duty	440	462	462	485
c. Others	1254	1690	1446	1777
2. Non-Tax Revenues, of which	2870	3561	3154	3509
<i>Interest Receipts</i>	<i>30</i>	<i>23</i>	<i>23</i>	<i>23</i>

* As recommended by Fourteenth Finance Commission, this subsumes all SPA, SCA, ACA, NCA and Plan Assistance being provided so far by the centre.

TABLE 4: REVENUE RECEIPTS AND EXPENDITURE: COMPOSITION

(₹ in crore)

	Items	2013-14 (Actuals)	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
A.	Revenue Expenditure	27058	32948	31503	35227
	1. Plan Revenue Expenditure	1839	3395	3137	*35227
	a. State Plan	1494	3395	3137	
	b. Centrally Sponsored Schemes	345	0	0	
	2.Non-Plan Revenue Expenditure, of which :	25219	29553	28366	
	<i>Interest payments</i>	<i>3001</i>	<i>3470</i>	<i>3420</i>	
B.	Primary Non-Plan Revenue Expenditure, of which:	22218	26083	24946	**31432
	i. Salaries		14282	12565	#16523
	ii. Migrant salaries	10739	183	185	185
	iii. Pensions	3592	3980	3730	3620
	iv. Others	7887	7638	8466	11104
C.	Plan Revenue Receipts	9834	19193	16596	0
D.	Non-Plan Revenue Receipts	17294	20028	17945	0

* All receipts and expenditure shall be grouped under Revenue and Capital A/c from April, 1st 2015.

** Estimated Primary Revenue Expenditure.

This is net of salary born on Revenue Component of Plan upto 2014-15.

TABLE 5: CAPITAL RECEIPTS

(₹ in crore)

Items	2013-14 (Actuals)	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
Capital Receipts	5653	4322	4901	4323
1. Plan loans	15	0	0	0
2. Negotiated loans	539	700	700	700
3. NSSF Loan	316	125	125	0
4. Other Borrowings	2080	2014	1968	2141
5. Non-debt creating	713	68	693	67
6. Provident Fund (Net)	1990	1415	1415	1415

TABLE 6: CAPITAL EXPENDITURE

(₹ in crore)

	Items	2013-14 (Actuals)	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
	Capital Expenditure	5723	10595	11588	11246
A.	Plan Capital Expenditure	3736	8505	9522	4730
B.	Non-Plan Capital Expenditure	1551	2090	2066	
	i. Repayment of debt	1095	1297	1296	1473
	ii. Others	456	793	770	266
C.	CSS	436	-	-	4777
D.	Deficit on Capital Account	70	6273	6687	6923

TABLE 7: OVERALL FISCAL BALANCING

(₹ in crore)				
S.No.	Items	2013-14 (Actuals)	2014-15 (BE)	2014-15 (RE)
1	Plan Revenue Receipts	9834	19193	16596
2	Plan Revenue Expenditure including CSS	1839	3395	3137
3	Surplus on Plan Account	7995	15798	13459
4	Non-Plan Revenue Gap	-7925	-9525	-10421
5	Revenue Surplus Available for Capital Expenditure	70	6273	3038
6	Plan Capital Expenditure including CSS	4172	8505	9522
7	Non-Plan Capital Expenditure	1551	2090	2066
8	Total Capital Expenditure (6+7)	5723	10595	11588
9	Borrowing Requirement (8-5)	5653	4322	8550
10	Gross Capital Receipts	5623	4322	4901
11	Non-Plan Revenue Gap	7925	9525	10421
12	Total Plan Expenditure including CSS	6011	11900	12659
13	Total Non-Plan Capital Expenditure	1551	2090	2066
14	Total Resource Requirement	15487	23515	25146
15	Total Resource Availability	15487	23515	21497
16	Unfunded /Additional resources required	0	0	3649

TABLE 8 : SCHEME OF FINANCING ANNUAL PLAN 2014-15

S No.	Items		
	State Government		
1	State Government's Own Funds		-10024.54
	a	BCR	-9523.01
	b	MCR (excluding deductions for repayment of loans)	-722.47
	c	Plan Grants from GoI (13th FC)	220.94
2	Borrowings (Net)		2839.00
3	Central Assistance		18485.54
	(i)	NCA	2811.18
	(ii)	SPA	1564.00
	(iii)	SCA	10110.36
	(iv)	CSS	4000.00
4.	State Government Resources		11300.00

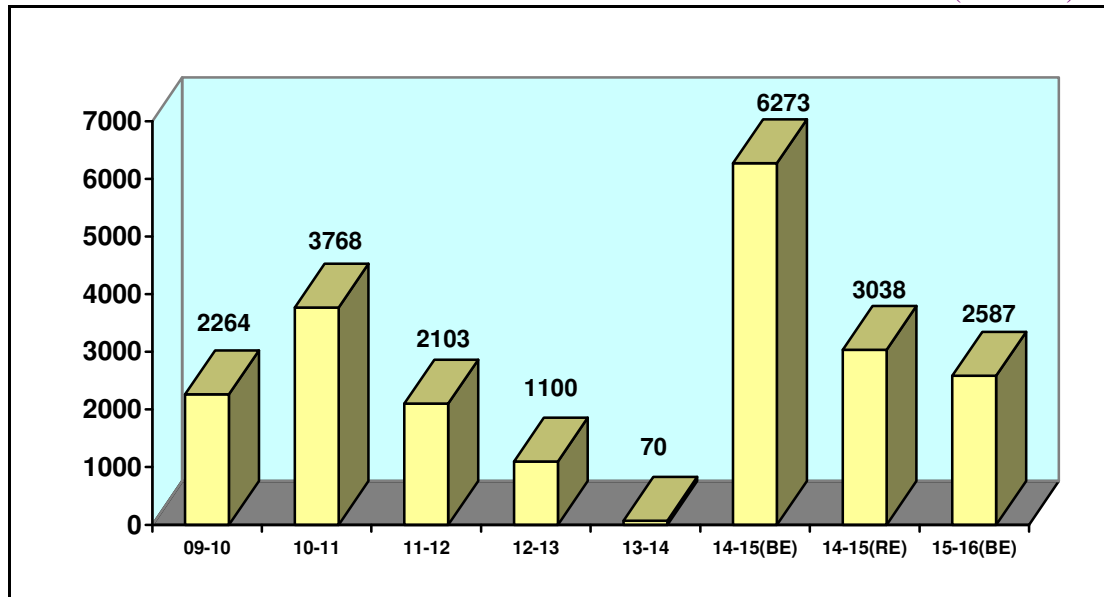
TABLE 9 : STATUTORY FLOW FROM CENTRE (2015-16)

(₹ in crore)

(A)	Entitled Grants	19698	
	i. Share of Central Taxes	8088	
	ii. Revenue Deficit Grants	9892	
	iii. SDRF/NDRF	229	
	iv. SRE	794	
	v. Cost sharing schemes	196	
	vii. FC Grants, of which	499	
	<i>a. PRIs</i>	374	
	<i>b. ULBs</i>	125	
(B)	Other Grants	6601	
	i. PM's Reconstruction Plan (PMRP)	600	
	ii. J&K Disaster Recovery Project	1	
	iii. CSS	6000	
	Total (A+B)	26299	

REVENUE SURPLUS AVAILABLE FOR CAPITAL EXPENDITURE

(₹ in crore)



NON PLAN REVENUE BALANCE

(₹ in crore)

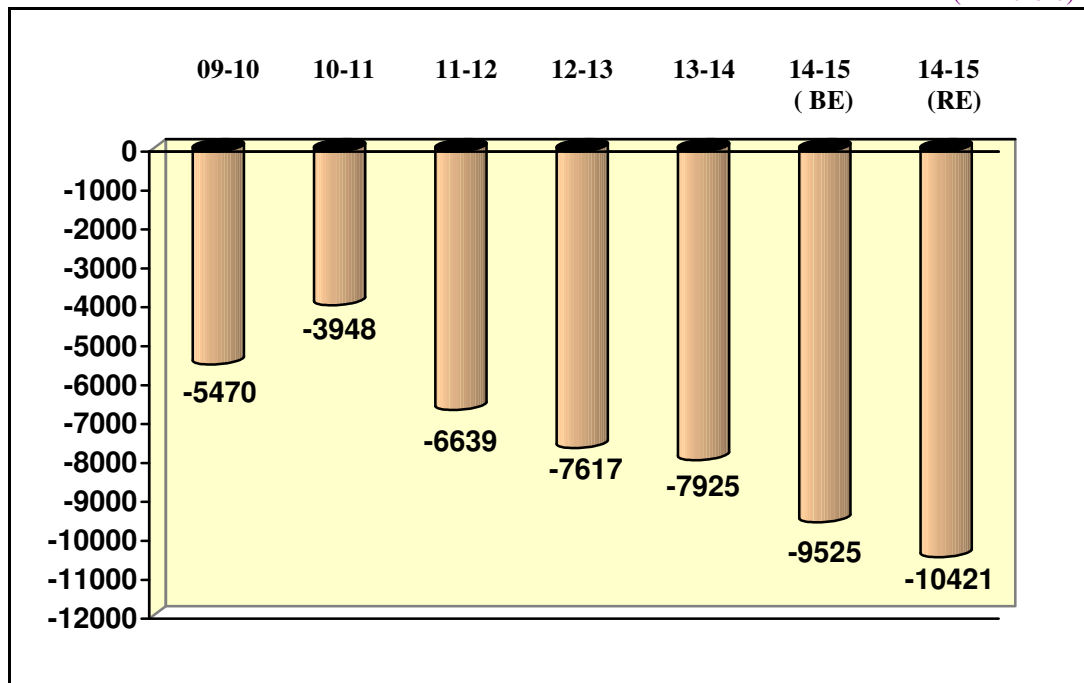


TABLE 10: LIABILITY POSITION OF THE STATE IN THE PAST 9 YEARS

(₹ in crore)

Year	Internal Debt	Loans & Advances from Central Govt.	Total Public Debt	Insurance and Pension Funds	Provi- dent Funds	Other Obliga- tions*	Total Liabili- ties	GSDP at current prices (base year 2004-05)	% of total liability to GSDP
2005-06	7502	3508	11010	220	3307	2253	16790	29920	56
2006-07	8766	3384	12150	233	3720	2488	18591	33230	56
2007-08	10964	3262	14226	249	4046	2834	21355	37099	58
2008-09	13336	3135	16471	268	4485	3051	24275	42315	57
2009-10	15449	3144	18593	333	5113	4685	28724	48385	59.36
2010-11	*16535	2032	18567	358	6291	4756	29972	56976	52.6
2011-12	20789	1903	22692	384	8335	4845	36256	65979	54.95
2012-13	22796	1839	24635	454	9954	5205	40248	75574	53.25
2013-14	24715	1775	26490	505	11893	5758	44646	87319	51.13

* Excluding one-off debt of ₹ 1300 crore for reduction of overdraft.

STATE BUDGET: VARIOUS COMPONENTS

The State Budget comprises of three parts:

1. Consolidated Fund
2. Public Account
3. Contingency Fund

The Consolidated Fund is the source for all the “usual” budgetary transactions whether of capital, revenue or loan nature. State Tax and Non-Tax revenues are entered into the Consolidated Fund and any expenditure which are to be met from the Consolidated Fund must be voted by the State Legislature. Expenditures of ‘Charged’ nature are also met out of the Consolidated Fund.

The Consolidated Fund itself comprises of two parts:

- a) the revenue account ; and
- b) the capital account.

The revenue account comprises expenditures incurred in connection with the routine administration of the State, such as salaries, wages, maintenance and repairs, telephone expenses, day to day office running expenses and other overheads. Expenditures relating to the creation of assets which includes most (but not all) of Plan expenditure is covered in the Capital account.

Revenue receipts are all those incomes which do not incur repayment liability. These include, in addition to the State’s own revenues, grants from the Central Government for the financing of State Plans, as well as non-plan grants.

Capital receipts include internal debt, loans from the Center and the State’s recovery of its own loans advanced to State Corporations, Co-operative Societies, etc., and are entered in the capital account. On the outlay side of the capital account, there are expenditures corresponding to the State’s own investment outlay and disbursements, which comprise of repayment of State public debt and the loans and advances made by the State to the various entities. Thus, both the capital and debt portions of the Consolidated Fund are under the Capital budget.

The Public Account includes those funds which do not belong to the State but which the State holds in trust for other entities. This would include such items as accumulations of the employees’ provident fund, reserve and depreciation funds, deposits from Municipal Corporations, pension fund etc. It could rightly be characterized as the fund for which the State acts as “banker”.

The Contingency Fund, as its name implies, is a fund for emergency use. It is included in the Budget to cover generally the decretal amounts and other

unforeseen emergent expenditures. Expenditure from the Contingency Fund can be made with Cabinet consensus alone and hence have the advantage that the budgetary procedure - involving legislative approval - is circumvented; albeit the seal of Legislature subsequently to the expenditure thus incurred is a must. The monetary ceiling of Contingency Fund in most states is raised every few years through the budgetary process.

STATE REVENUE RECEIPTS:

State revenue receipts are those receipts for which the State has no re-payment liability and which are used to finance items of revenue expenditure. They consist of State tax revenues, non- tax revenues and grants from the Central Government.

Share in Central Taxes represents the automatic revenue sharing, known as devolution, which all States receive. The States receive percent of the net tax revenues of the Centre. The proportion, in which these taxes are to be shared between the Centre and the States and amongst the States, is determined by the Finance Commission, a statutory body.

State Expenditures:

Expenditures are classified under two headings:

- a) revenue expenditures ; and
- b) capital expenditures.

Any expenditure for the normal running of the Government, which does not lead to the creation of assets, is called revenue spending. This spending must be financed from revenue receipts, i.e. revenue that the Government earns. The Government earns revenue in the form of taxes (corporate, income), duties (excise, custom etc.), receipts, fee and interest and dividends (if the Government makes investments).

Capital expenditure on the other hand refers to the money spent on creating assets (roads, highways, and dams), buying land or building, purchasing machinery and equipment. Loans from the Centre to various institutions or Government-run companies are clubbed here, too. Also included are any investments made by the Government in shares or other such instruments. This spending is financed from capital receipts, the money that the Government gets from loans. The loans can be from the public (market loans), from the Reserve Bank of India (the country's Central Bank) or from financial institutions.

Finance Bill:

Finance Bill consists the Government's proposals for the imposition of new taxes, modification of the existing tax structure or continuance of the existing tax structure beyond the period approved by the legislature.

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