



GOVERNMENT OF JAMMU AND KASHMIR

BUDGET AT A GLANCE

2014-15

FEBRUARY, 2014

BUDGET DIVISION

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MAIN BUDGET : 2014-15

TABLE 1: BUDGET AT A GLANCE

(₹ in crore)					
	Items	2012-13 (Actuals)	2013-14 (BE)	2013-14 (RE)	2014-15 (BE)
A.	Revenue Receipts	26217	33970	31227	39221
B.	Revenue Expenditure	25117	28690	27617	32948
	Revenue Surplus (A-B)	1100	5280	3610	6273
C.	Capital Receipts	5560	4098	5062	4322
D.	Capital Expenditure	6660	9378	8672	10595
	Capital A/C Deficit(C-D)	-1100	- 5280	-3610	-6273
E.	Total Expenditure	31777	38068	36289	43543*
F.	Total Receipts	31777	38068	36289	43543
	Budget Deficit (E-F)	0	0	0	0

* Includes expenditure on account of CSS now merged into Plan.

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

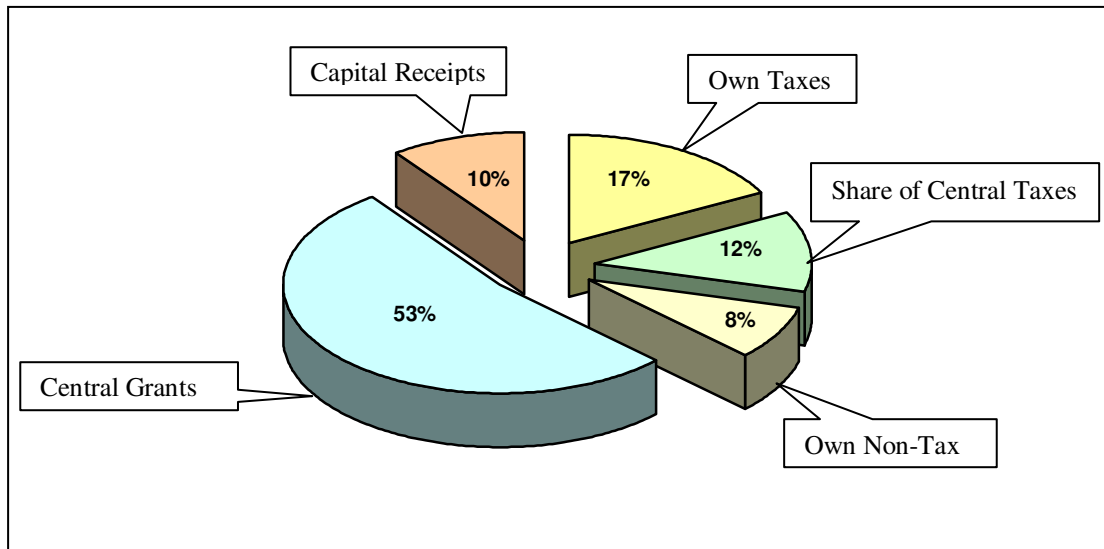
supply schemes, establishment of Industrial Estates, all extensions and structural alteration of existing assets, construction of roads, railways, airports, plant / machinery, Inter-State Bus Terminals etc. Disbursements, which comprised of repayment of State public debt and loans and advances made by 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.

GRAPH-I

RUPEE : AS IT COMES IN

(2014-15)



GRAPH - II

RUPEE : AS IT GOES OUT

(2014-15)

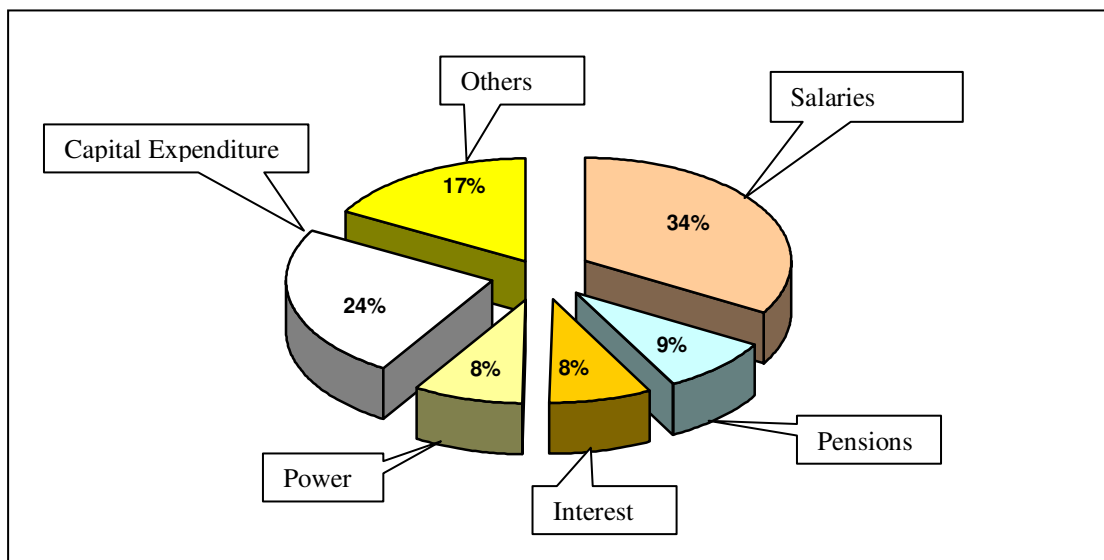


TABLE 2: BUDGET BASIC DETAILS

(₹ in crore)

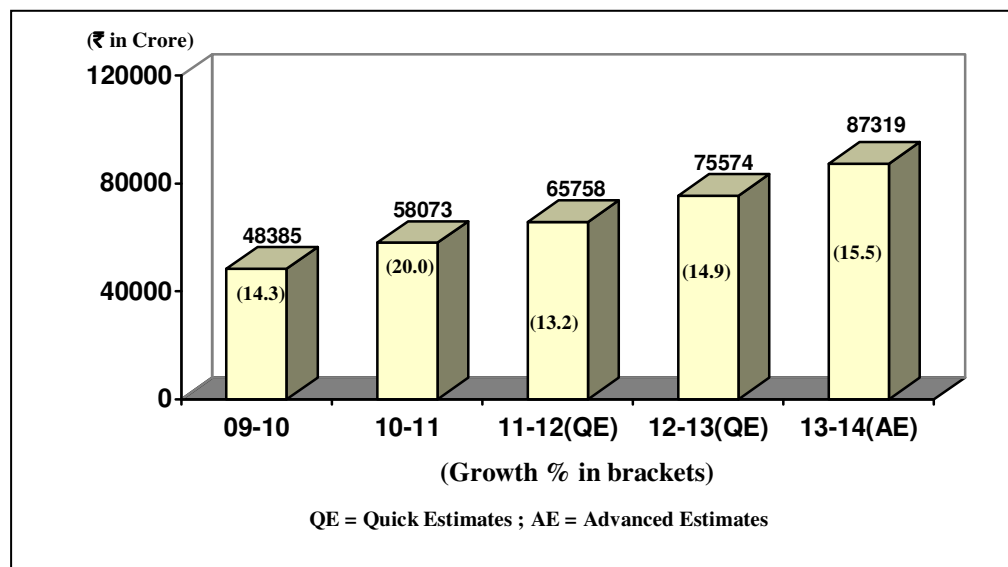
Items	2012-13 (Actuals)	2013-14 (BE)	2013-14 (RE)	2014-15 (BE)
Revenue Receipts (i+ii+iii+iv)	26217	33970	31227	39221
i. Own Tax Revenue	5833	6700	6820	7496
ii. Non-Tax Revenue	2160	3033	3400	3561
iii. Share of Central Taxes	3870	4485	4514	5191
iv. Resources from Centre	14354	19752	16493	22973*
Revenue Expenditure	25117	28690	27617	32948
i. Plan	1104	1564	1564	3395
ii. Non-Plan	23560	27096	26023	29553
<i>of which: Interest payments</i>	<i>2707</i>	<i>3300</i>	<i>3300</i>	<i>3470</i>
iii. CSS	453	30	30	0
Capital Receipts	5560	4098	5062	4322
i. Provident Fund (Net)	1689	1287	1287	1415
ii. Borrowings and other liabilities	3869	2771	3690	2839
iii. Non-debt creating	2	40	85	68
Capital Expenditure	6660	9378	8672	10595
i. Plan	4760	7036	6336	8505
ii. Non-Plan	1689	1902	1896	2090
<i>of which : Repayments</i>	<i>1343</i>	<i>1231</i>	<i>1231</i>	<i>1297</i>
iii. CSS	211	440	440	0
Total Expenditure	31777	38068	36289	43543
i. Plan Expenditure	5864	8600	7900	11900
ii. Non-Plan expenditure	25249	28998	27919	31643
iii. CSS	664	470	470	0
Total Receipts	31777	38068	36289	43543
i. Plan Revenue Receipts	10274	15650	11683	19193
ii. Non-Plan Revenue Receipts	15943	18320	19544	20028
iii. Capital Receipts	5560	4098	5062	4322
Non-Plan Revenue Gap	-7617	-8776	-6479	-9525
Revenue Surplus	1100	5280	3610	6273
Budget Deficit	0	0	0	0

* This figure is tentative as the Scheme of Financing AP 2014-15 is yet to be approved by the Planning Commission of India.

GRAPH-III

ECONOMIC GROWTH

GSDP estimates (revised) at current prices



GRAPH-IV

GROWTH IN OWN TAXES

(TAX + NON-TAX + SHARE OF CENTRAL TAXES)

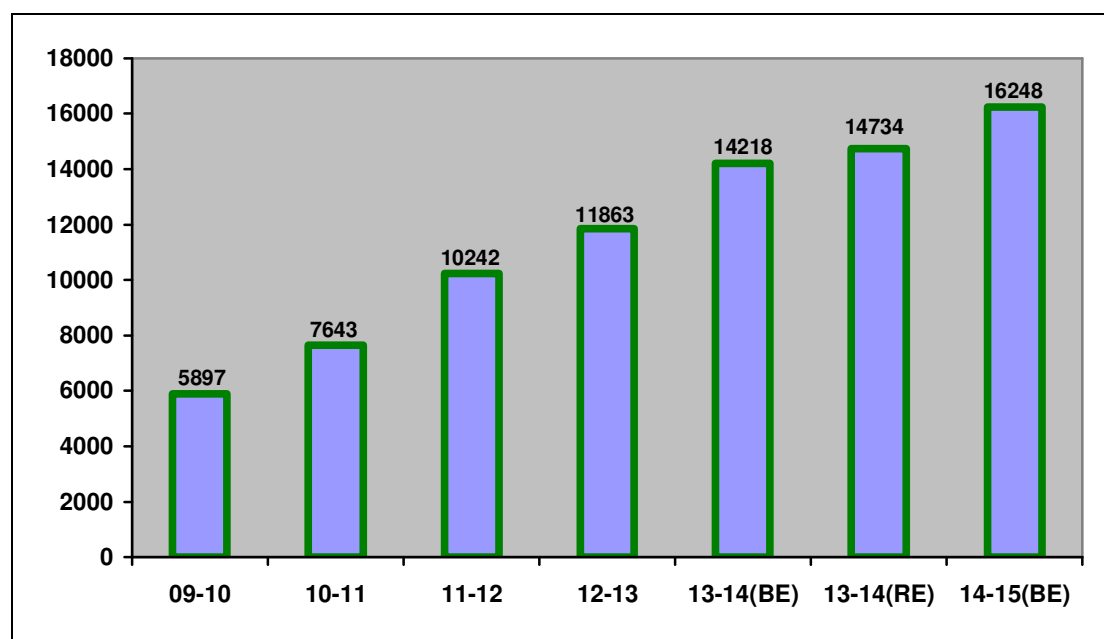


TABLE 3: REVENUE RECEIPTS

(₹ in crore)

Items	2012-13 (Actuals)	2013-14 (BE)	2013-14 (RE)	2014-15 (BE)
Revenue Receipts (I+II)	26217	33970	31227	39221
I. Resources from centre	18224	24237	21007	28164
i. Share of Central Taxes	3870	4485	4514	5191
ii. Total Grants from Centre (a+b)	14354	19752	16493	22973*
a. Non-Plan Grants, of which	4080	4102	4810	3780
i. Others	3706	3430	3772	2715
ii. SRE and Cost Sharing	374	672	1038	1065
b. Plan Grants including CSS	10274	15650	11683	19193
II. State's Own Revenues (1+2)	7993	9733	10220	11057
1. State's Own Tax Revenues	5833	6700	6820	7496
a. Sales Tax	4174	4799	4799	5344
b. Excise Duty	421	423	442	462
c. Others	1238	1478	1579	1690
2. Non-Tax Revenues, of which	2160	3033	3400	3561
<i>Interest Receipts</i>	<i>16</i>	<i>21</i>	<i>21</i>	<i>23</i>

* This figure is tentative as the Scheme of Financing AP 2014-15 is yet to be approved by the Planning Commission of India.

TABLE 4: REVENUE RECEIPTS AND EXPENDITURE: COMPOSITION

(₹ in crore)

Items	2012-13 (Actuals)	2013-14 (BE)	2013-14 (RE)	2014-15 (BE)
A. Revenue Expenditure	25117	28690	27617	32948
1. Plan Revenue Expenditure	1558	1594	1594	3395
a. State Plan	1104	1564	1564	3395
b. Centrally Sponsored Schemes	453	30	30	0
2. Non-Plan Revenue Expenditure, of which :	23560	27096	26023	29553
<i>Interest payments</i>	<i>2707</i>	<i>3300</i>	<i>3300</i>	<i>3470</i>
B. Primary Non-Plan Revenue Expenditure, of which:	20853	23796	22723	26083
i. Salaries	10137	13226	11928	14282
ii. Migrant salaries	-	176	189	183
iii. Pensions	3463	3600	3673	3980
iv. Others	7253	6794	6933	7638
C. Plan Revenue Receipts	10274	15650	11683	19193
D. Non-Plan Revenue Receipts	15943	18320	19544	20028

TABLE 5: CAPITAL RECEIPTS

(₹ in crore)

Items	2012-13 (Actuals)	2013-14 (BE)	2013-14 (RE)	2014-15 (BE)
Capital Receipts	5560	4098	5062	4322
1. Plan loans	14	0	0	0
2. Negotiated loans	675	700	700	700
3. NSSF Loan	246	125	125	125
4. Other Borrowings	2934	1946	2865	2014
5. Non-debt creating	2	40	85	68
6. Provident Fund (Net)	1689	1287	1287	1415

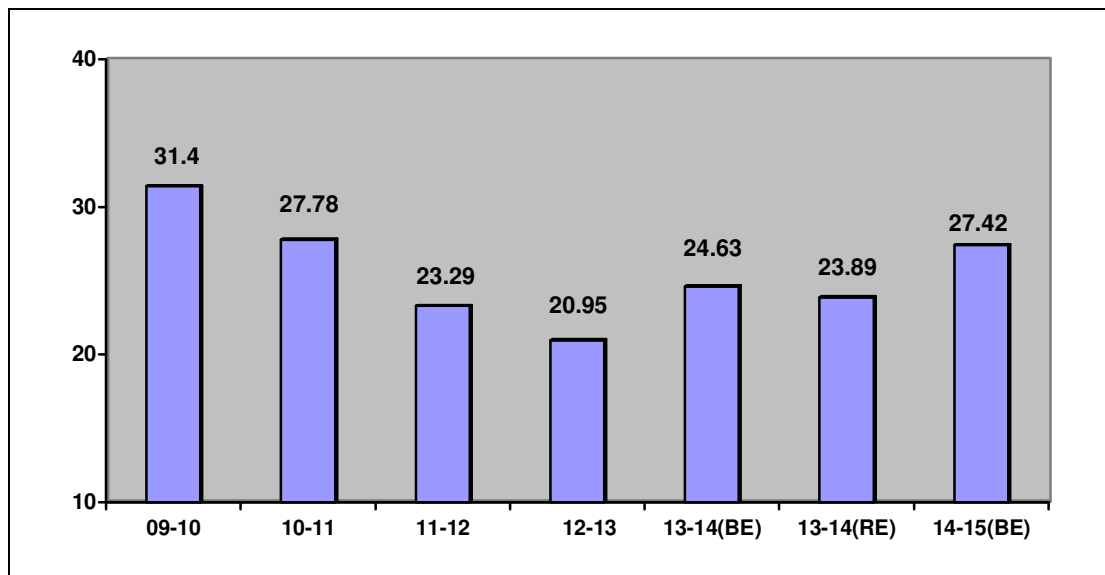
TABLE 6: CAPITAL EXPENDITURE

(₹ in crore)

	Items	2012-13 (Actuals)	2013-14 (BE)	2013-14 (RE)	2014-15 (BE)
	Capital Expenditure	6660	9378	8672	10595
A.	Plan Capital Expenditure	4760	7036	6336	8505
B.	Non-Plan Capital Expenditure	1689	1902	1896	2090
	i. Repayment of debt	1343	1231	1231	1297
	ii. Others	346	671	665	793
C.	CSS	211	440	440	-
D.	Surplus/Deficit on Capital Account	-1100	-5280	-3610	-6273

GRAPH-V

CAPITAL EXPENDITURE (CAPEX) AS % OF TOTAL EXPENDITURE (TE)
(Reducing share of CAPEX in TE)



GRAPH-VI

NPRE v/s Revenue Receipts (surging NPRE)

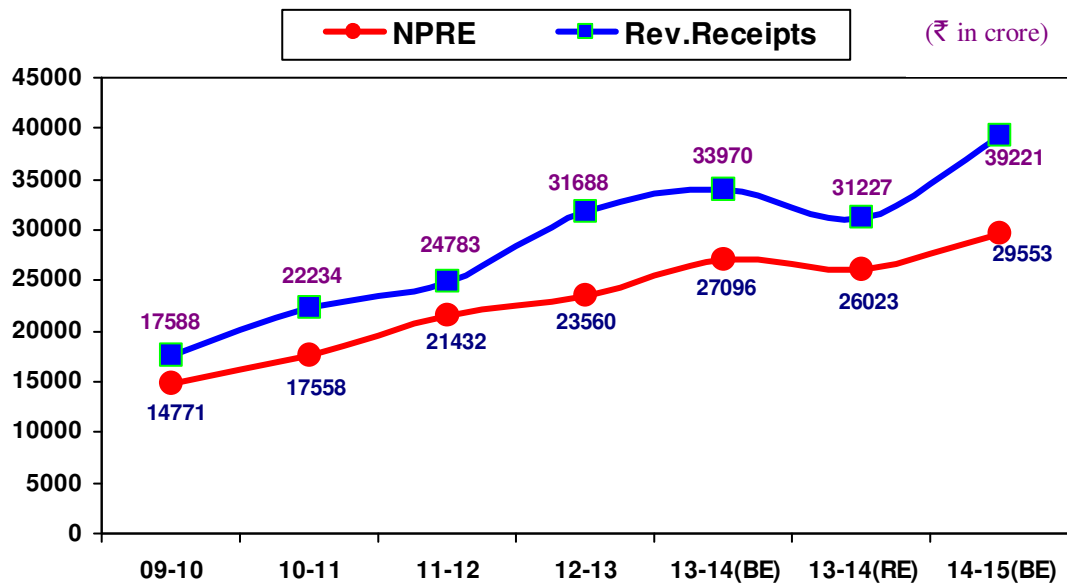


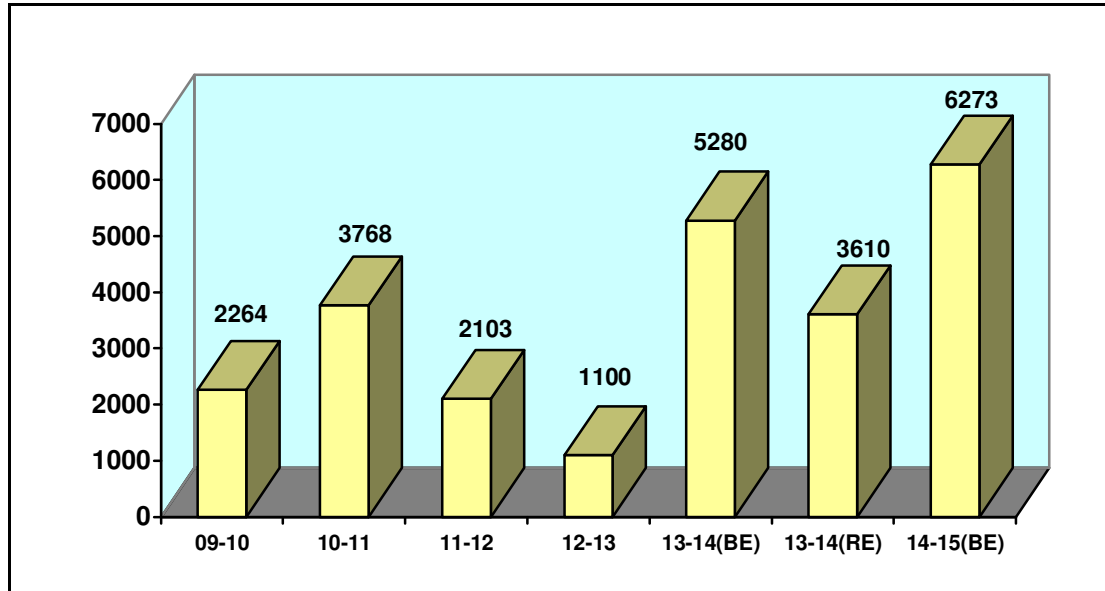
TABLE 7: OVERALL FISCAL BALANCING

(₹ in crore)					
S.No.	Items	2012-13 (Actuals)	2013-14 (BE)	2013-14 (RE)	2014-15 (BE)
1	Plan Revenue Receipts	10274	15650	11683	19193
2	Plan Revenue Expenditure including CSS	1558	1594	1594	3395
3	Surplus on Plan Account	8716	14056	10089	15798
4	Non-Plan Revenue Gap	-7617	-8776	-6479	-9525
5	Revenue Surplus Available for Capital Expenditure	1100	5280	3610	6273
6	Plan Capital Expenditure including CSS	4971	7476	6776	8505
7	Non-Plan Capital Expenditure	1689	1902	1896	2090
8	Total Capital Expenditure (6+7)	6660	9378	8672	10595
9	Borrowing Requirement (8-5)	5560	4098	5062	4322
10	Gross Capital Receipts	5560	4098	5062	4322
11	Non-Plan Revenue Gap	7617	8776	6479	9525
12	Total Plan Expenditure including CSS	6528	9070	8370	11900
13	Total Non-Plan Capital Expenditure	1689	1902	1896	2090
14	Total Resource Requirement (11+12+13)	15834	19748	16745	23515
15	Total Resource Availability (1+9)	15834	19748	16745	23515

GRAPH-VII

REVENUE SURPLUS AVAILABLE FOR CAPEX

(₹ in crore)



GRAPH-VIII

NON PLAN REVENUE BALANCE

(₹ in crore)

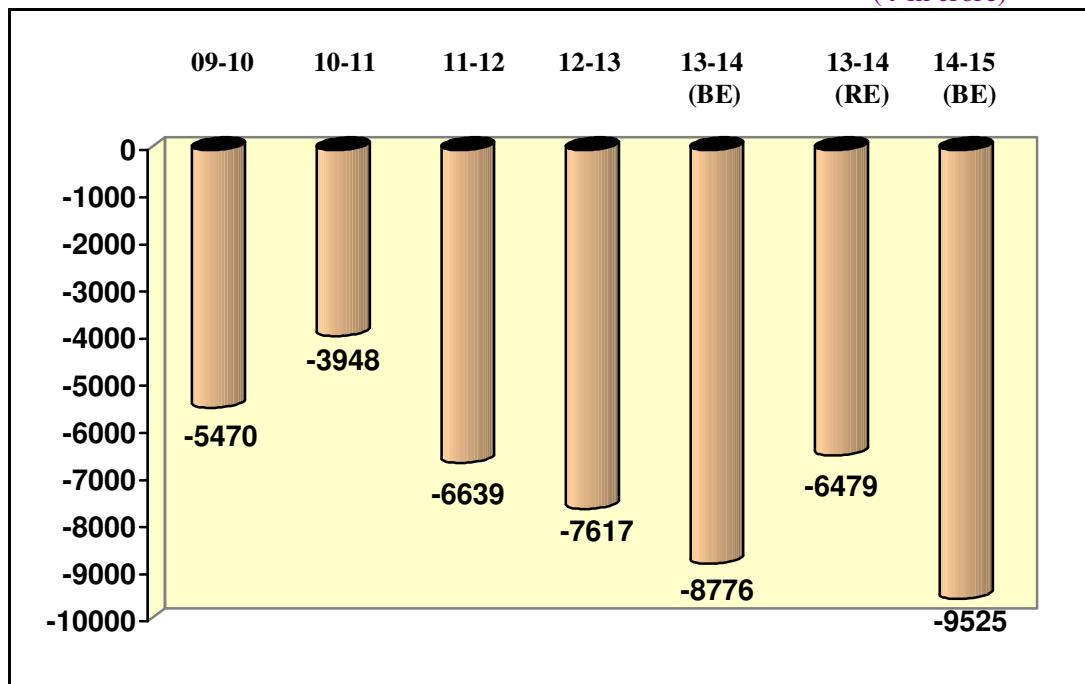


TABLE 8: PLAN ALLOCATION 2014-15: EXPENDITURE BY SERVICES/SECTORS

(₹ in crore)

Sector	Revised Outlay 2013-14	Proposed Outlay 2014-15		
		Revenue	Capital	Total
AGRI & ALLIED ACTIVITIES	389	58	330	388
RURAL DEVELOPMENT	84	67	826	893
SPECIAL AREA PROGRAMMES	2254	762	1576	2338
IRRIGATION & FLOOD CONTROL	336	3	193	196
ENERGY	406	12	395	407
INDUSTRY & MINERALS	99	18	95	113
TRANSPORT	541	7	870	877
COMMUNICATION	0	0	0	0
SCIENCE, TECHN. & ENVRMN	29	3	62	65
GENERAL ECONOMIC SERVICES	863	254	693	947
SOCIAL SERVICES	2045	2197	2239	4436
GENERAL SERVICES	724	13	627	640
Total	7770	3394	7906	11300

TABLE 9: PM's RECONSTRUCTION PLAN : 2014-15

(₹ in crore)

Name of Project	Outlay
COUNTERPART FUND – ADB : II	302.11
REHABILITATION OF DWELLERS OF DAL & NIGEEN LAKES	252.28
TRT (5242) FOR KASHMIRI MIGRANTS	45.61
TOTAL	600.00

TABLE 10: LIABILITY POSITION OF THE STATE IN THE PAST 8 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

* Interest/Non-interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

** 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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