

## FORM F-1

### MARCO ECONOMIC FRAMEWORK STATEMENT

#### 1. Overview of the State Economy

The state economy is poised to perform better, and all efforts have to be put in to attain a higher trajectory of growth, which should be both sustainable and inclusive. For this the state has set a target of 8% average annual growth in the State Domestic Product (SDP) for 11<sup>th</sup> Plan period in real terms and a double digit growth is expected by 2020. Redressing regional imbalances and ensuring equitable development of all regions and sub regions is a vital objective of the development process in the State. On fiscal prudence, the higher levels of public spending are needed in many sectors but they must be achieved through improvements in revenue mobilization and greater efficiency in expenditure. The revenue from own resources in the state is very low of the total revenue receipts. Comparing the revenue flow of the state vis-avis Revenue Expenditure for last 5 years, although the state was having Revenue Surplus due to Central Devolutions being revised in the ratio of 90% grant and 10% loan, the fiscal deficit has increased from Rs.1052 crore for 2002-03 to Rs.2749 crore in 2008-09. The deterioration of fiscal deficit from 6.6% of GSDP in the year 2006-07, to 7.9% of GSDP in 2008-09 is unsustainable which requires immediate corrective measures. Multi-pronged strategy in terms of mobilization of additional resources, greater tax and non-tax collections, cost of recovery of user charges, expenditure compression particularly establishment related is required to be put in place.

#### 2. GSDP Growth:

The target of growth in GSDP during Tenth Five Year Plan period was 6.10%. As against this, the estimated growth rate per annum, compounded annually, works out to 5.59%. While the growth rate has been looking up over the years, it has lagged behind the national level. An average growth rate of 8% has been aimed at during the Eleventh Five Year Plan (EFYP) period. Towards this end, the actual growth rate for the first year of EFYP i.e. 2007-08 has been 6.28%. The growth rate in the terminal year of EFYP i.e. 2011-12 is projected at 8.5%. As per rough estimates, the growth during 2008-09 will be falling short at 6.12% as against the average target of 8% set for the EFYP period. The growth target for EFYP is, thus, unlikely to be met.

#### 3. Finances of the State

The operationalisation of the Fiscal Responsibility and Budget Management Act (FRBM) by the Centre in 2004-05 ushered in an era of rule-based management of public finances. The introduction of Value Added Tax (VAT) in the state in 2005-06 considerably enhanced the tax base as it did in other States. The revenue of the state is further envisaged to be augmented by the recommendations of the Thirteen Finance Commission. First of all, the share of all the states in the net tax revenue of the Centre has been raised from 30.5 percent to 32 percent. The share of J&K has been increased from 1.297% to 1.551% of the divisible taxes. The Commission has recommended grant-in-aid of revenues for state for non-plan revenue deficit, elementary education, environment related issues, improving outcomes, maintenance of roads and

bridges, local bodies, disaster relief, GST implementation and state specific grants under Article 275 of the Constitution.

The Commission has assessed the finances of the Union and States and specified a combined debt target of 68% of Gross Domestic Product (GDP) to be met by 2014-15. For Centre, it has recommended RD to be eliminated and Fiscal Deficit to be brought down to 3% of GDP by 2013-14. For our state the Commission has taken the base fiscal deficit at 7.8 percent in 2007-08 of GSDP and recognized that J&K State requires customized fiscal correction path requiring reforms. The Commission has taken into account that the fiscal deficit of 7.8 percent in 2007-08 included Rs.606 crore interest payment on NSSF loans of past years due in the previous year resulting in overstatement of fiscal deficit of the state in 2007-08 by this amount. Correcting this one-time expenditure, the fiscal deficit adjustment path of J&K State has been considered to be started from 5.9 percent to reach 3 percent in 2014-15, with following equal proportional adjustments each year;

	(percent of GSDP)				
Base	2010-11	2011-12	2012-13	2013-14	2014-15
5.9	5.3	4.7	4.2	3.6	3.0

To facilitate implementation of the above roadmap the Commission has recommended enactment/amendment of the State's FRL through incorporation of above targets, which have been provisioned as a condition for release of all state-specific grants and relief in interest payment, of approximately 100 crore, on NSSF loans

#### **4. Overview of State Government Finances:**

Fiscal position of Jammu & Kashmir has seen a steady deterioration in the Finances of the state through the 1990s due to number of reasons including rising cost of salary and pension bills, burgeoning hidden subsidies including power deficit, rising interest liabilities and loan repayments. The deterioration has been much sharper since 1995-96 onwards, due to deficit on account of Non-tax Revenue and steep increase in Salary bill occasioned by the Fifth Pay Commission recommendations. With the implementation of Sixth Pay Commission, the position has further deteriorated.

##### *Total Receipts and Expenditure for the year 2009-10.*

The total budget size of the State for 2009-10 (RE) is Rs. 22885 crore to which Own Revenues of the State, including Share of Central Taxes, contribute Rs.6249 crore i.e. 27.31% against which 'Central Transfers' contribution is Rs. 13432 crore i.e. 58.69%. The rest 14% comes from borrowings and capital receipts.

On expenditure side, an amount of Rs. 15672 crore goes to finance non-plan expenditure mainly on interest, salaries, pension, power purchase, repayment of loans and the balance Rs.7213 crore represents expenditure under plan including Prime Minister's Reconstruction Plan.

### *Own Resources*

Our Own Revenues including share of Central Taxes (Tax + Non-tax + share of Central Taxes) to GSDP (at current prices) ratio is 16.32%. This has shown a slight improvement over the years. Relatively higher rate of growth of tax receipts is likely to be sustained in future also because of proposed introduction of unified Goods and Services Tax (GST) across the nation to be enforced from 2011-12.

The present Tax Revenues (Tax + Non-Tax) to GSDP (at current prices) ratio stands at 11.41%. As the state economy is planned to grow at an annual rate of 8% over the Eleventh Five Year Plan Period (EFPP), it will be our endeavour to increase "Own Revenues to GSDP" ratio by 1% over the existing level of 11.25%. This is expected to register higher growth with the introduction of GST from financial year 2011-12.

### *Power Receipts*

Against total Non Tax Revenue estimates (RE) of Rs.1294, power revenue target of Rs.1002 crores forms 77% of the estimated Non Tax Revenues. As per Finance Accounts 2008-09, power revenue realization was only Rs.630 crore as against the target of Rs.922 crore.

The following table of power revenue targets and achievements corporate it;

*(in Rs. crore)*

<b>FY</b>	<b>Targets</b>	<b>Actuals</b>	<b>Power purchase</b>	<b>Deficit (4-3)</b>	<b>Deficit %</b>
1	2	3	4	5	6
2002-03	440	607	882	275	31.12
2003-04	455	368	1135	767	67.58
2004-05	483	383	1318	935	70.94
2005-06	461	384	1674	1290	77.06
2006-07	405	479	1355	876	64.65
2007-08	780	601	1750	1149	65.68
2008-09	922	630	2034	1405	69.13
2009-10 (RE)	1002	538 (ending Feb. 2010)	1997	-	-

### *Tax Performance*

Aided by the fact that we have very successfully managed our transition to the new VAT regime, our tax performance as a result of diversification of state economy and a higher GSDP growth has become a possibility. This, coupled with continued improvement on security front, is sure to provide an environment conducive for fast paced expansion of 'Services' and 'Industry' sectors with revival of Tourism and investments likely to flow largely in food-processing industry.

As a result of robust growth in VAT collections, State's Own Tax Revenue which was at a level of Rs. 2683 crore for the FY 2008-09, has been estimated at Rs.3075 for the year 2009-10 (RE) and at Rs.3505 for 2010-11 (BE).

*Non-Tax Performance*

State's Own Revenue (Tax + Non-tax) to GSDP (at current prices) ratio is 11.41%. As far as tax revenues are concerned, our growth has been appreciable, however, on the non-tax revenue side our performance has not been satisfactory particularly in sectors like PDD, PHE, Irrigation, Forest, both on account of collections as well as applicable rates. This needs to be brought at par with the national standards and there is a need to draw a road map by the respective departments for next five years in this regard to improve the situation else utility services become unsustainable..

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

*(In Rs. crore)*

<b>Year</b>	<b>Target (RE)</b>	<b>Actual</b>
2003-04	737	633
2004-05	785	641
2005-06	727	536
2006-07	604	633
2007-08	985	808
2008-09	1127	837

In view of unsatisfactory situation on non-tax performance, some tightening measures are proposed to be taken for improving Non-Tax revenues. Expecting overall improvement in collection of user charges during the year 2009-10 and further carrying forward the initiatives already taken during 2008-09 to maximize revenues, the estimates for the current financial year are projected at Rs. 1294 crore.

**5. Prospects:**

The growth prospects for the year 2010-11 have been outlined in various paras of the Budget Speech.

**F – 1 (Contd.)**  
**Macroeconomic Framework Statement**  
**Economic Performance at a Glance**

**Table 1**  
**Trends in Select Macroeconomic and Fiscal Indicators**

		Absolute value (Rs in crore)		Percentage Changes	
		April – Reporting Period		April - Reporting Period	
		2008-09 (Actuals)	2009-10 (RE)	2008-09 (Actuals)	2009-10 (RE)
1	2	3	4	5	6
	<b>Real Sector</b>				
1	GSDP at factor cost				
	(a) at current price	34805.18	38297.58	9.47	10.03
	(b) at 1999-00 price	24471.31	26153.37	6.12	6.87
2	Agriculture Production	8962.27	9422.52	4.92	5.14
3	Industrial Production	10563.55	12084.70	14.73	14.40
4	Tertiary Sector Production	15279.36	16790.06	8.80	9.89
	<b>Government Finances</b>				
1	<b>Revenue Receipts (2+3)</b>	<b>14302</b>	<b>19681</b>	<b>7.73</b>	<b>37.61</b>
2	<b>Tax Revenue (2.1+2.2)</b>	<b>4509</b>	<b>4955</b>	<b>4.08</b>	<b>9.89</b>
2.1	Own Tax Revenue	2683	3075	4.85	14.61
2.2	State's Share in Central Taxes	1827	1880	2.93	2.90
3	<b>Non Tax Revenue (3.1+3.2)</b>	<b>9792</b>	<b>14726</b>	<b>9.49</b>	<b>50.38</b>
3.1	State's Own Non Tax Revenue	837	1294	3.59	54.60
3.2	Central Transfers	8955	13432	10.07	49.99
4	<b>Capital Receipts (5+6+7)</b>	<b>3455</b>	<b>3204</b>	<b>-2.37</b>	<b>-7.26</b>
5	Recovery from Loans and Advances	4	2	1.00	-50.00
6	Other Receipts/Non Debt Creating	241	374	-25.00	55.18
7	Borrowings and Other Liabilities	3210	2828	0.03	-11.90
8	<b>Total Receipts (1+4)</b>	<b>17757</b>	<b>22885</b>	<b>5.60</b>	<b>28.87</b>
9	Non-Plan Expenditure	12751	15672	-3.32	22.90
10	Revenue Account of which	11735	14631	0.58	24.68
11	(a) Interest Payments	1578	2023	-35.26	28.20
	(b) Subsidies				
	(c) Wages and Salaries /Others	8888	11113	11.10	25.04
	(d) Pension Payments	1269	1495	6.37	17.80

12	Capital Account	974	973	19.95	-0.10
	Loans and Advances	42	68	10.53	61.90
13	Plan Expenditure	5006	7213	20.22	44.08
14	Revenue Account	313	694	-40.15	121.72
15	Capital Account	4693	6519	28.89	-25.01
16	Total Expenditure (9+13)	17757	22885	2.22	28.88
17	Revenue Expenditure (10+14)	12047	15325	-1.16	27.21
18	Capital Expenditure (12+15)	5710	7560	23.62	32.39
19	Revenue Surplus	2255	4356	107.26	93.17
20	Fiscal Deficit	2748	2090	16.77	-23.94
21	Primary Surplus/Deficit (+/-)	-1170	-67	-875.86	94.23

Memo;

Average amount of WMA from RBI .....NA

Average amount of OD from RBI ...NA

No of days of OD = Throughout the year with J&K Bank

Number of occasions of OD = Throughout the year with J&K Bank

\*Date will relate to the period upto which information for the current year is available.

To facilitate comparison, date of previous year corresponds to the same period of current year. Accordingly, reporting may vary for different items.

\*The average amount of WMA / OD is calculated by summing up the outstanding amount of WMA as on each day (including holidays) and dividing by the total number of days during April – Reporting period.

**FORM F – 2**  
**(See rule 3 and 4)**  
**Medium Term Fiscal Policy Statement**  
**A. Fiscal Indicators - Rolling Targets**

	Previous Year Actuals 2008-09	Current Year 2009-10 (BE)	Current Year 2009-10 (RE)	Ensuing Year (Y) 2010-11 (BE)	Targets for next two Years	
					2011-12	2012-13
<b>1. Revenue Surplus/ Deficit as percentage of Total Revenue (TRR)</b>	15.76	23.18	22.13	22.56	26.54	27.74
<b>2. Fiscal Deficit as Percentage of GSDP</b>	7.89	5.4	5.5	4.2 (MFR) 5.3 (13 FC)	4.1 (MFR) 4.7 (13FC)	4.2 (13FC)
<b>3. Total Outstanding Liabilities as Percentage of GSDP</b>	49.52	49.80	49.51	49.07	47.72	46.43

**B. Assumption underlying the Fiscal Indicators.**

1. Revenue receipts:
  - (a) Tax revenue-Sectoral and GSDP Growth Rates
  - (b) Non-Tax Revenue-Policy Stance.
  - (c) Devolution to Local Bodies.
  - (d) Share of Own Tax Revenue to Total Revenue.
  - (e) Share of Own Non-Tax Revenue to Total Non-Tax Revenue.
  
2. Capital Receipts-Debt Stock, Repayment, Fresh loans and Policy Stance:
  - (a) Loan and Advances from the Centre.
  - (b) Special Securities issued to NSSF.
  - (c) Recovery of Loans and Advances.
  - (d) Borrowings from Financial Institutions.
  - (e) Other Receipts (net\_- Small Saving, Provident Funds, etc.
  - (f) Outstanding Liabilities-Internal Debt and Other Liabilities.
  
3. Total Expenditure-Policy Stance:
  - (a) **Revenue Account:**
    - (i) Interest payments-
      - (a) on borrowings during the year (aggregate and category-wise);
      - (b) on outstanding liabilities (aggregate and category-wise)
    - (ii) Major subsidies.
    - (iii) Salaries.
    - (iv) Pension
    - (v) Others.

**(b) Capital Account:**

- (i) Loans and Advances.
- (ii) Capital Outlays.

4. GSDP Growth:

**C. Assessment of sustainability relating to-**

- (i) The balance between receipts and expenditure in general and revenue receipts and revenue expenditure in particular. The Medium Term Fiscal Policy Statement may specify the Tax-GSDP ratio, own Tax GSDP ratio and State's share in Central Taxes-GSDP ratio, from the current year and subsequent two years with an assessment of the changes required for achieving it. It may discuss the non-tax revenue and the policies concerning the same. Expenditure on revenue account, both plan and non-plan, may also be discussed with particular emphasis on the measures proposed to meet the overall objectives. It may discuss policies to curtail expenditure on salaries, pension, subsidies and interest payments. An assessment of the capital receipts shall be made, including the borrowings and other liabilities, as per the policies spelt out. The statement shall also give projections for GSDP and discuss it on the basis of assumption underlying the indicators in achieving the sustainability objective.
- (ii) The use of capital receipts including market borrowings for generating productive assets. The Medium Term Fiscal Policy Statement may specify the proposed use of capital receipts for generating productive assets in different categories. It may also spell out proposed changes among these categories and, discuss them in terms of the overall policy of the government.
- (iii) The estimated yearly pension liabilities worked out on actuarial basis for the next ten years. In case it is not possible to calculate the pension liabilities on actuarial basis during the period of first three years after the coming into force of this Act, the State Government may, during that period, estimate the pension liabilities by making forecasts on the basis of trend growth rates i.e. average rate of growth of actual; pension payment during the last three years for which data are available.

**Form F-3**  
**(See Rules 3 & 5)**

**A. Fiscal Policy Overview:**

Refer Budget Speech for 2010-11.

**B. Fiscal Policy for ensuing year:**

Over the past decade and a half, there has been alarming increase in Government expenditure on non-contributory pensions. In percentage terms, the outgo on pension had witnessed about twenty-seven fold increase over the period 1991-92 to 2008-09.

In view of the financial constraints to which it would have been exposed in times to come both on account of rising cost of pensions in the wake of successive Pay Commissions, and the demographic transition into increasing number of aged persons, the Hon'ble Finance Minister in his Budget Speech on 10-08-09 had announced to introduce NPF for fresh entrants from 1<sup>st</sup> January 2010 on the pattern of Central Government.

In terms of the Budget Speech commitment a structural and functional framework with the approval of Cabinet has been put in place to implement the reforms in pension on long terms basis. For this the state government has entered into agreement with PFRDA and other Central NPS intermediaries for effective implementation of NPS.

**C. Strategic priorities for ensuing year:**

Refer Budget Speech for 2010-11.

**D. Rationale for Policy changes:**

- (1) Rationale for policy changes in respect of taxes has also been discussed in the Budget Speech for 2010-11
- (2) Rationale for major policy changes in respect of budgeted expenditure are also discussed in various paragraphs of Budget Speech for 2010-11.
- (3) Need for changes in charges for public utilities has also been spelt out in the Budget Speech for 2010-11.

**E. Policy Evaluation:**

*Fiscal Deficit*

J&K State, being a Special Category state, receives all central transfers under a 90 (Grant) : 10 (Loan) dispensation and, therefore, our state continues to be a Revenue Surplus state. However, with regard to Fiscal Deficit (FD), there is no improvement. The position with regard to Fiscal Deficit (FD), which is the total borrowing of the State Government, is as follows:-

<b>FY</b>	<b>Amount (in Rs. crore)</b>	<b>FD as %age of GSDP (at current prices)</b>
2006-07	1930	6.6
2007-08	2666	8.4
2008-09(A)	2387	6.9
2009-10	2090	5.5

A: Advance Estimates

In order to address the situation of economic slowdown with which states were faced as a consequence of general global recession, Centre had allowed states to access the market for additional borrowings to maintain the pace of public spending, adversely hit by shortfall in revenue collections owing to slowdown. To achieve the objective of maintaining high demand, a relaxation of 1% for the states has been allowed in Fiscal Deficit correction. But we are far from achieving this goal as the Fiscal Deficit for the current year as %age of GSDP is estimated at 5.5% as against the target of 4%. However, Thirteenth Finance Commission has recommended Fiscal Correction Path for the State with base year Fiscal Deficit as percentage of GSDP at 5.9%.

The current level of fiscal deficit continues to be un-sustainable, but corrective action in this regard has to be taken in a committed manner in light of Thirteenth Finance Commission recommendations. The strategy will need to be multi-pronged in terms of mobilization of additional resources, improvement in tax and non-tax collections, cost recovery of user charges, full funding of Plan, expenditure compression, particularly establishment related and increase in the efficiency levels.

#### *Fiscal Responsibility and Budget Management.*

Fiscal Responsibility and Budget Management (FRBM) legislation has since been enacted. Necessary rules have been framed and notified. As per FRBM Act, 2006 passed by the State Legislature, Fiscal Deficit (FD) was to be brought down to 3% by the end of March, 2009 to bring it conformity with the fiscal deficit limit and dateline set by the Centre for states for availing the benefit of 'Debt Relief', 'Debt Waiver' and Debt Consolidation. However even the Centre has not been able to bring it down to this fiscal deficit limit. Recently, Central Govt. has re-fixed the Fiscal Deficit target as 4% of GSDP for the year 2009-10 and had recommended for the State Government's to accordingly re-fix their Fiscal Deficit targets to avail the benefits of Debt Consolidation. Accordingly, an Amendment Bill had been presented in the State Legislature and has been passed for enactment by the Lower House.

The Central Government Fiscal Deficit for 2009-10 (RE) itself has slipped to 6.7% of GDP due to economic slowdown. Cutting the fiscal deficit and bringing it down to a level of 4% by the end of March, 2010 seems impossible, more particularly after implementation of 6<sup>th</sup> Central Pay Commission for State government employees and pensioners. State Government, however, proposes to take following measures in its sincere effort to contain the Fiscal Deficit to the extent possible:-

- a. strengthen the revenue generation and thereafter build up adequate revenue surplus at a sustainable level to utilize such surplus for discharging the liabilities in excess of the assets as also for funding capital expenditure;
- b. pursue policies to raise non-tax revenue with due regard to cost recovery and equity;
- c. lay down norms for prioritization of capital expenditure;
- d. tailor expenditure policies that would provide impetus for economic growth, poverty reduction and improvement in human welfare/standard of life; and
- e. contain revenue expenditure by prioritizing fresh recruitment, being limited to social sectors like Health, Education and some other selected economic sectors. Such posts which are redundant or non-productive would have to be abolished gradually to contain the ever growing salary bills. Further, such initiatives would be taken whereby good investment proposals get attracted towards our State and this should throw open ample job opportunities for local youth in private sector.

**FORM D – 1**  
**[See rule 7]**  
**SELECT FISCAL INDICATORS**

*(Rs in crore)*

S. No	ITEM	2008-09 (Actuals)	2009-10 (RE)
1	<b>Gross Fiscal Deficit as % age of GSDP</b>	7.89	5.46
2	<b>Revenue Surplus as %age of Gross Fiscal Deficit</b>	82.06	208.42
3	<b>Revenue Surplus as % age of GSDP</b>	6.48	11.37
4	<b>Revenue Surplus as % age of TRR</b>	15.77	22.13
5	<b>Total Liabilities - GSDP Ratio (%)</b>	49.52	49.80
6	<b>Total Liabilities - Total Revenue Receipts (%)</b>	82.98	103.19
7	<b>Total Liabilities - State's Own Revenue Receipts (%)</b>	20.42	22.91
8	<b>State's Own Revenue Receipts to Revenue Expenditure (%)</b>	29.99	28.50
9	<b>Capital Outlay as Percentage of Gross Fiscal Deficit</b>	179.11	321.27
10	<b>Interest Payments as %age of Revenue Receipts</b>	11.03	10.27
11	<b>Salary Expenditure as %age of Revenue Receipts</b>	46.96	33.68
12	<b>Pension Expenditure as %age of Revenue Receipts</b>	8.87	7.60
13	<b>Non Developmental Expenditure as Percentage of Aggregate Disbursements</b>	28.80	28.03
14	<b>Gross Transfers from Centre as percentage of Aggregate Disbursements</b>	50.43	58.69
15	<b>Non Tax Revenue as percentage of TRR</b>	5.85	6.57

**Form D – 2**

**[See rule 7]**

**A. Components of State Government Liabilities**

*(Rs crore)*

Category	Raised during the Fiscal Year		Repayment/ Redemption during the Fiscal Year		Outstanding Amount (End March)	
	2008-09 (Actuals)	2009-10 (RE)	2008-09 (Actuals)	2009-10 (RE)	2008-09 (Actuals)	2009-10 (RE)
Market Borrowings	1844	769	127	127	7200	7842
Loans from Centre	19	50	146	41	3136	3145
Special Securities issued to the NSSF	43	453	-	131	1977	2299
Borrowings from Financial Institutions/ Banks	806	700	430	465	968	1203
WMA/OD from RBI (JK Bank) (Net)	235	-	-	-	2290	2290
Small Savings, Provident Funds, etc. (Net)	439	674	-	-	4753	5427
Reserve Funds / Deposits	2147		1930		3054	
Other Liabilities						
<b>Total</b>						

**Form D – 2****[See rule 7]****B. Weighted Average Interest Rates on State Government Liabilities***(In percent)*

Category	Raised during the Fiscal Year		Outstanding Amount (End March)	
	2007-08 (Actuals)	2008-09 (Pre - Actuals)	2007-08 (Actuals)	2008-09 (Pre - Actuals)
Market Borrowings	8.57	8.42	7.93	8.19
Loans from Centre	11.25	9.00	10.25	*7.77
Special Securities issued to the NSSF	9.50	9.50	9.83	9.81
Borrowings from Financial Institutions/ Banks	7.26	7.58	7.98	7.77
WMA/OD from RBI (JK Bank)	10.22	13.03	10.22	13.03
Small Savings, Provident Funds , etc.	8.00	8.00	8.00	8.00
Reserve Funds / Deposits	-	-		
Other Liabilities	-	-		
<b>Total</b>				

\*Note;- The loans released upto 31.03.2004 and outstanding as on 01-04-2008 have been rescheduled by Central Monitoring Committee on Debt Consolidation and relief Facility (DCRF) at a uniform interest rate of 7.5% thus a benefit of Rs 115.61 crore to be adjusted during the current financial year.

**Form D-3****(See Rule 7)****Consolidated Sinking Fund***( Amount in Rs. Crore )*

Outstanding at the beginning of the previous year	Additions during the previous year	Withdrawal during the previous year	Outstanding at the previous year / beginning of current year	(4)/stock of SLR borrowings (%)	Additions during the current year	Withdrawal during the current year	Outstanding at the end of the current year / beginning of annual year	(8)/stock of SLR borrowings (%)
1	2	3	4	5	6	7	8	9
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**FORM D – 4**  
**Guarantees given by the Government**

Category (No. of guarantees within brackets)	Maximum Amount guaranteed (Rs.in crore)	Outstanding at the beginning of the year 1/4/2008 (Rs. crore)	Additions during the year 2008-09 (Rs. crore)	Reductions during the year (other than invoked during the year) (Rs. crore)	Invoked during the year (Rs. crore)		Outstanding at the end of the year (Rs. crore)	Guarantee commission or fees (Rs. crore)		Remarks
					Dis-charged	Not discharged		Receiv-able	Received	
1	2	3	4	5	6	7	8	9	10	11
The Jammu and Kashmir Scheduled Casts Scheduled Tribe & Backward Classes Development Corporation		20.33	5.00-							
The Jammu & Kashmir Power Dev. Corporation		2306.00	603.00							
Jammu and Kashmir Handicrafts Raw Material Supplies Organisation Limited		0.40								
Jammu and Kashmir State Women's Dev. Corporation		13.79	2.00							
Jammu and Kashmir State Handloom Dev. Corporation		1.80								
The Jammu Central Co-operative Bank Limited		76.00		4.00			72.00			

**Form D-5  
(See Rule 7)**

**Outstanding Risk – weighted Guarantees**

( Rs. In crore )					
Default Probability	Risk weights (percent)	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	100				
High Risk	75				
Medium Risk	50	These details are being compiled.			
Low Risk	25				
Very Low Risk	5				
Total Outstanding					
Note: The risk weights have been pre-specified for the various risk categories					

**FORM D – 6  
Guarantee Redemption Fund**

**(Amount in Rs. crores)**

Outstanding invoked guarantee at the end of previous year	Outstanding Amount in GRF at the end of previous year (2007-08)	Amount Guarantees Likely to be invoked during the current year (2008-09)	Addition to GRF during the current year (2008-09)	With drawal from the GRF during the current year (2008-09)	Outstanding Amount in GRF at the end of current year
1	2	3	4	5	6
	2.20	Nil	1.00	Nil	3.20

**FORM D – 7**  
[See rule 7]

**STATEMENT OF ASSETS**

	<b>Assets at the beginning of the reporting year i.e 2008-09</b>	<b>Assets acquired during the reporting year i.e 2008-09</b>	<b>Cumulative total of assets at the end of the reporting year i.e., 2008-09</b>
	<b>Book Value (Rs. Cr.)</b>	<b>Book Value (Rs. Cr.)</b>	<b>Book Value (Rs. Cr.)</b>
<b>Financial Assets</b>			
<b>Loans and advances</b>	<b>980.20</b>	<b>38.72</b>	<b>1018.92</b>
Loans to Local Bodies	12.75	-	12.75
Loans to companies	582.59	38.84	621.43
Loans to others	384.86	-0.12	384.74
<b>Equity investment</b>	<b>356.97</b>	<b>7.64</b>	<b>364.61</b>
Shares			
Bonus shares			
Investments in Govt dated securities/Treasury Bills			
Investment in 14-day intermediate Treasury Bills			
Other financial Investments (please specify)			
<b>Total</b>	<b>1337.17</b>	<b>46.36</b>	<b>1383.53</b>
<b>Physical Assets;</b>			
Land	67578.28	760.00	68338.28
Building - official/ Residential	29861.65	2667.43	32529.08
Roads	22773.35	244.88	23018.23
Bridges	1856.56	174.80	2031.36
Irrigation Projects	6028.00	366.77	6394.77
Power Projects*	96.61	3.54	100.15
Other capital projects	319.45	24.94	344.39
Machinery and Equipment	1175.29	78.52	1253.81
Office Equipment	544.99	65.62	610.61
Vehicles	553.33	439.14	993.17
<b>Total</b>	<b>130787.51</b>	<b>4825.64</b>	<b>135613.15</b>

\*Note: The asset details of J&K SPDC yet to be compiled.

**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	
	<b>Taxes on income &amp; expenditure</b>											
	Agricultural income tax	-	-	-	-	-	-	-	-	-	-	-
	Taxes on Professions, Trades, callings & employment	-	-	-	-	-	-	-	-	-	-	-
	<b>Taxes on property &amp; capital Services</b>											
	Land Revenue	-	-	-	-	-	-	-	-	-	-	-
	Stamps and Registration fees	-	-	-	-	-	-	-	-	-	-	-
	Urban immovable property tax	-	-	0.43	-	0.43	-	-	4.85	18.01	22.86	23.29
	Passenger Tax	-	-	0.15	-	0.15	-	0.79	2.21	10.72	13.72	13.87
	<b>Taxes on Commodities &amp; Services</b>											
	Sales Tax	9.52	21.12	43.18	9.65	83.47	101.75	210.61	176.30	162.53	651.19	734.66
	Central Sales Tax	-	-	0.08	-	0.08	-	-	0.31	0.23	0.33	0.41
	Sales Tax on Motor spirit & Lubricants	-	-	-	-	-	-	-	-	-	-	-
	Surcharge on Sales Tax	-	-	-	-	-	-	-	-	-	-	-
	State Excise	-	-	0.04	3.20	3.24	-	-	-	1.50	1.50	4.74
	Taxes on Vehicles	-	-	-	-	-	-	-	-	-	-	-
	Other Taxes	7.04	4.90	-	5.00	16.94	-	-	0.22	2.00	2.22	19.16
	<b>TOTAL</b>	<b>16.56</b>	<b>26.02</b>	<b>43.88</b>	<b>17.85</b>	<b>104.31</b>	<b>101.75</b>	<b>211.4</b>	<b>183.89</b>	<b>194.99</b>	<b>691.82</b>	<b>796.13</b>

**Form D – 9**  
**(See rule 7)**

**STATEMENT OF MISCELLANEOUS LIABILITIES:OUTSTANDINGS**

(Rupees crores)

	Outstanding Amount <sup>\$</sup>
Major Works and Contracts	<b>203.67</b>
Committed Liabilities in respect of land acquisition charges	<b>120.06</b>
Claims in respect of unpaid bills on works and supplies	<b>186.15</b>

\$ The outstanding amount pertains to the end March position for the year before the current year.