J&K faces major cuts under SPA, Market Borrowings

The Consultative Committee for Health and Social Welfare submitted a note to the Jammu and Kashmir Government on March 8, 2014, suggesting major cuts under the erstwhile Special Purpose Authority (SPA) and the Market Borrowing Programme.

The committee, which is headed by Deputy Chief Minister Haseeb Drabu, recommended that the cuts be made in the budget estimates for the financial year 2014-15.

The committee cited the need for cutting down on non-essential expenditure and improving the financial position of the state government.

The cuts would include reductions in the budget for the SPA and the Market Borrowing Programme, which are both used to finance infrastructure projects.

The committee said that the cuts would help in reducing the fiscal deficit and improving the state's financial position.

In the note, the committee also recommended that the government should focus on generating revenue from non-tax sources and improving tax collection.

The committee also suggested that the government should explore the possibility of issuing special purpose bonds to finance projects.

The J&K government should also consider issuing long-term bonds to finance infrastructure projects, the committee said.

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