

Government of Jammu & Kashmir

# **Economic Survey**

## **2014-15**

### **Volume-I**

**Directorate of Economics & Statistics, J&K**

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# General Review

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The Jammu and Kashmir state is a border State which shares international border with Pakistan & China. The Line of Control on Pakistan side divides the state which turns one part as 'J&K' and the other part as 'POK'. The state is located mostly in the Himalayan mountain range. It shares border with states of Himachal Pradesh and Punjab. The State has mostly a rugged terrain due to which several parts of it remain partly connected. The state has three distinct parts namely 1) Jammu 2) Kashmir and 3) Ladakh. The temperature in the three parts differ drastically. Kashmir is connected by road with Jammu which passes through Pir panchal mountainous range. The road remains closed during rainy season and snowfall during winter. Lack of all weather permanent connectivity has put the valley to a disadvantageous position as remoteness from railhead in Jammu, makes cost of road and air transportation dearer which is the main bottleneck in the spread of industrialization in most of the districts of the state. The drastic drop in the temperature during winter in the areas of Ladakh and Kashmir valley almost halts economic activities in these parts. Jammu has a sub-tropical climate zone and its climate coincides with the climate of Delhi. The state has a cultivable area of 8.58 lacs hectares. The economy of the state is predominantly agricultural. The state of J&K offers a challenge to planners as well as administrators in tackling the manifold problems associated with the economic backwardness of the state.

Inclusivity and equity of the growth process along with its sustainability has to be the most defining paradigm of the developmental efforts. While imperatives of high level of growth are well understood, distributive aspect of the growth is also important. In the context of the obtaining circumstances in the state, the challenge of ensuring participatory and balanced regional development becomes extremely critical.

## **Geographic and Socio-Economic Profile of J&K**

Jammu and Kashmir, situated between 32° 17' N and 36° 58' N latitudes and 73° 26'E and 80° 30' E longitudes, constitutes the northern most extremity of India. The Total area of Jammu and Kashmir is 222236 sq. Km of which 78114 sq. Km is under illegal occupation of Pakistan and 37555 sq. Km under China. In addition 5180 sq. Km area of J&K was illegally ceded to China by Pakistan. J&K is the 6<sup>th</sup> largest state of India occupying 6.76% of the country's geographical area. The state has abundant water resources in view of its blessed riverine geography. The state is surrounded by mountains except in the South-West side. A major portion of the state's terrain is hilly and its height from sea level varies from 3000 feet to 22740 feet. The state has road, and air links with rest of the country through South making it accessible from the South only. The rail link is upto Udhampur only.

## **Population**

The state occupies 19<sup>th</sup> rank in population, with 125.41 lakh souls as per 2011 census. The state has three distinct regions, viz. the Kashmir, Jammu and Ladakh comprising of 22 districts. Each region has a specific resource base. The state is further divided among 82 Tehsils, 86 towns and 6551 villages as per census, 2011. Administratively, the districts are divided into blocks for development purposes. There are 320 community development blocks in the state.

## **Population Density**

As per 2011 census, the population density in the state is 124 persons per sq. km of area as against density of 382 persons per sq. Km in India. The state ranks 8<sup>th</sup> among states/ UTs of the country in thin density of population. In fact the most marked characteristic feature of the State, is low density of population. The low densities in many districts of the State are attributable to the nature of their terrain.

## **Sex Ratio**

Sex ratio of 889 females per thousand males, places J&K at 29<sup>th</sup> rank in the country. Sex ratio of the country is 943 females per thousand males as per 2011 census. The low sex ratio of females to males is alarming and requires attention of all the sections of the society to give heed to "Beti Bachao" slogan pioneered by the Hon'ble Prime Minister.

## **Literacy**

As per Census 2011, literacy rate of the state is 68.74% with 78.26% male literates and 58.01% female literates. These figures show signs of improvement in the literacy when compared with the literate population of 2001 census. The overall literacy rate improved by 13.22 percentage points. In comparison to male literacy, female literacy has improved at a faster rate i.e. against 11.66 percentage points in male literacy female literacy increased by 15.01 percentage points. At all- India census-2011 determined 74.04% population as literates with 82.14% (male literate population) and 65.46% (female literate population). With the improvement in the literate population of the state, the gender gap has also reduced to 20.25% in 2011 as against 23.60% in 2001. It is pertinent to mention that literacy rate is derived after excluding the children in the age group of 0-6 years, which are by the definition of census treated as illiterate.

## **Urbanization**

The percentage of urban population to total population was 27.37 percent in 2011 compared to 24.81 percent in 2001 in the state. Among all districts, Srinagar ranks first with 98.6 percent urban population followed by Jammu district with 50 percent urban population. Ramban district with 4.16 percent of urban population followed by Shopian with 6.15 percent are the least urbanized districts. As per Census 2011, there are 86 statutory towns in the State. The State is an important tourist hub both for national and international travelers with several holy pilgrim centres, rivers, and hills.

## **Climate**

The climate of the state varies from sub tropical in Jammu plains to semi-arctic cold in Ladakh with Kashmir and Jammu mountainous tracks having temperate climatic conditions. The average annual rainfall also varies from region to region with 92.6 mm in Leh, 650.5 mm in Srinagar and 1115.9 mm in Jammu. A large part of the state forms part of the Himalayan Mountains. The state is geologically constituted of rocks varying from the oldest period of the earth's history to the youngest present day river and lake deposits.

## **Macro Economic Aggregates**

Gross State Domestic Product at constant (2004-05) prices for the year 2014-15 is estimated at Rs. 45126.30 crores (Advance Estimates) as against Rs. 45847.15 crores for the year 2013-14 (1<sup>st</sup> Revised Estimates) registering a negative growth of -1.57% over the previous year. During 2012-13 and 2013-14, GSDP grew at 5.34% (2<sup>nd</sup> Revised Estimates) and 5.63% (1<sup>st</sup> Revised Estimates) respectively.

The State economy is expected to register growth of 0.40% (advanced estimates) at current prices during 2014-15 as compared to 13.85% in 2013-14 (1<sup>st</sup> Revised estimates) and 12.81% in 2012-13 (2<sup>nd</sup> Revised Estimates). At Constant (2004-05) Prices growth in GSDP of J&K State is expected to register a negative growth of -1.57% during the year 2014-15 as compared to 5.63% during 2013-14. The lesser growth rate during 2014-15 is mainly attributed to floods of September, 2014, which has shattered the economy of the state affecting particularly Kashmir valley.

At constant (2004-05) prices, the growth in Agriculture sector (Agriculture & Livestock only) is likely to decelerate to -16.23% (advanced estimates) in the year 2014-15 as compared to 6.25% in the year 2013-14 (1<sup>st</sup> Revised estimates) while as the Agriculture & the allied sectors which includes Agriculture & Live Stock, Fisheries, and Forestry & Logging sectors, is likely to decelerate to -14.9% as compared to positive growth of 5.14% in the year 2013-14(1<sup>st</sup> Revised Estimates).

At constant(2004-05) prices, Forestry & Logging sector is likely to decelerate to (-) 8.00% as compared to -0.15% during 2013-14 while as Fishing is expected to decelerate at -9.96% as compared to 0.15% during 2013-14.

At Constant (2004-05) Prices, the industry is likely to grow at 1.47% during the year 2014-15(A.E) as compared to 7.08% in the year 2013-14(1R).

Among the sub sectors, Manufacturing expects a growth rate of 0.23%, Construction 2.99% while as Electricity, Gas & Water Supply 5.95% during 2014-5(A.E). The corresponding figures for these subsectors for the year 2013-14 (1<sup>st</sup> Revised Estimates) were 6.8%, 4.81% and 13.84% respectively.

At constant (2004-05) prices, Service sector, which is the major contributor to the State economy, is likely to grow at 1.96% (advance estimates) as compared to 5.17% during the current year 2014-15 as compared to 5.17% during 2013-14.

The Sectoral composition of the State income has undergone considerable changes over a period of time. Over the last five decades, the share of Primary sector has

declined steadily from 28.16% in 2004-05 to 17.83% in 2014-15(AE)and the share of Secondary sector has declined from 28.13% in 2004-05 to 25.53% in 2014-15 (advance estimates), while as the share of Services sector has substantially increased from 43.71% in 2004-05 to 56.64% (A.E) in 2014-15.

### State Finances

Fiscal deficit for 2013-14 has been calculated at 5.2%.

The state has continued to maintain revenue surplus, though its quantum decreased in 2013-14 by Rs. 1030 crore from the surplus of Rs 1100 crore in 2012-13.

The state's own revenue has increased by 7.54 % from Rs 5833 crore in 2012-13 to Rs. 6273 crore in 2013-14.

The central devolutions including States share in Central Taxes and Duties taken together constituted on an average 73.10 per cent of the total revenue receipts of the state during the period 2002-2013 and 66.30 % in 2013-14. These resources transferred by the Central Government financed on an average 65.2 per cent of the total expenditure during the period 2002-13, indicating a marginal decline of 6.80 % in the State's dependence on transfer of central resources.

### NITI Aayog

The replacement of Planning Commission of India by NITI Aayog and the acceptance of the 14th Finance Commission recommendations by Government of India will have long term ramifications for the planning process in the State. The State Government is expected to be in a better position to decide its developmental priorities. Towards this end, the State Government will endeavour to move away from the artificial differentiation on the basis of plan and non-plan activities.

Under the new frame work, State Govt. will be preparing a Revenue Expenditure Budget and Capital Expenditure Budget. While the Finance Department will be responsible for the Revenue Expenditure Budget, the State Planning & Development Department will have the responsibility of the Capital Expenditure Budget and its monitoring. Under the restructured system of devolutions, State Govt. has proposed a Capital Expenditure Budget of Rs.9682 crore for the year 2015-16. The Revenue Expenditure Budget will also take over the Revenue liabilities of Plan in the year 2015-16. The broad break-up of the proposed Capital Expenditure Budget 2015-16 is as under:

<b>Table No 1</b>			<b>(Rs. in crore)</b>
<b>Item of Expenditure</b>	<b>State Sector</b>	<b>District sector</b>	<b>Total</b>
Central Component	4111.12	1888.88	<b>6000.00</b>
State Share for CSS	235.59	340.60	<b>576.19</b>
State Specific Requirements	2098.99	307.66	<b>2406.65</b>
Negotiated Loan	331.42	368.58	<b>700.00</b>
<b>Total</b>	<b>6777.12</b>	<b>2905.72</b>	<b>9682.84</b>

## **6<sup>th</sup> Economic Census**

As per the Quick Manual Results of Sixth EC 2013 there are 507372 establishments located in J&K engaged in different economic activities other than crop production, plantation, public administration, defence and compulsory social security. Out of which 304207 establishments constituting 59.96% are in rural J&K and remaining 40.04% with 203165 establishments in urban areas. Sixth EC categorized the establishments in 3 groups i.e,(i) establishments outside household with fixed structure ii) Establishments outside household without fixed structure and iii) Establishments inside household. Establishments with fixed structure account for 87.27% comprising of 69.90% establishments outside household with fixed structure and 17.37% inside household. Establishments outside household without fixed structure amount to 12.73% at the state level. In rural areas 64.67% establishments are operating outside household with fixed structure, 22.93% establishments are located inside house-hold and 12.40% establishments are operating outside household without fixed structure. The corresponding figures in percentage terms in urban areas are 77.73%, 9.04% and 13.23% respectively.

As per provisional results the number of handicraft/handloom establishments in J&K is 60397 with 46054 (76.25 %) rural and 14343 (23.75%) urban establishments. These establishments constitute 11.9% of total number of establishments in the state. The %age of handicraft/ handloom establishments is 15.14 %( rural) and 7.06% (urban) with respect to total number of establishments in the respective areas.

### **Banking**

A well structured and efficient network of financial institutions helps to boost the economic growth. These financial institutions provide credit to all sections of the society and for infrastructure projects at reasonable rates.

As on 30-09-2014, 1893 branches of scheduled commercial banks, co-operative banks and state financial corporation (SFC) were in operation in J&K. The number of branches has risen by 15.57% over 31-03-2013.

With the increase in the branch network over the years, there has been notable improvement in the banking services. Dependence per bank branch reduced substantially both geographically as well as demographically. On an average 1 bank branch is available per 7 thousand people as on 30-09-2014 where as that for India, it is 10 thousand persons as on 31-03-2013. More importantly, the coverage of area per bank is declining year by year. During the year 2014-15 (September, 2014) one branch was available per 53.56 Sq. kms. This indicator is 30.26 sq. km for India during the reference period 31-03-2013.

The credit is a catalyst that lubricates the process to accelerate the development of the economy. Apart from farm and non-farm sectors, industrialization, business and service segments require adequate credit supply. As on 30-09-2014 gross bank credit stood at Rs 34398.97 crore as compared to Rs 23542.32 crore for 2012-13 showing robust growth of 46.12% over previous year 2012-13.

As against Rs. 64479.70 crore ending 2012-13, deposits of financial institutions as on 30-09-2014 stood at Rs.72767.21 crore, posting an increase of 12.85% over previous year (2012-13).

Credit-deposit ratio is an impressive indicator utilized for measuring the business performance of banks. Higher growth in advances i.e., 46.12% and lower growth in deposits (12.85%) improved the CDR from 36.51% as on March, 2013 to 47.27% ending September, 2014.

### **Agriculture**

Agriculture as we know plays a very prominent role for development of economy of J&K State. Around 70% of the population in the State get livelihood directly or indirectly from Agriculture and allied Sectors. The State comprises of three regions namely Jammu, Kashmir and Ladakh having distinct geographical outlook and agro climatic zones. Each zone having its own characteristics that largely determines the cropping pattern and productivity of crops. Paddy is the main crop of Kashmir, followed by maize, oilseeds, pulses, vegetables, fodder and wheat. In Jammu region, wheat is the predominant crop followed by maize, paddy, pulses, oilseeds, fodder, vegetables and other crops while in Ladakh, barley is the major cereal crop followed by wheat. State also has the honour of being amongst the world's few places where quality saffron is cultivated. Pampore Tehsil of District Pulwama, which is situated at a distance of 17 kilometres from Srinagar, is famous for its high grade saffron in the world. Saffron is also grown, though on a limited scale in Kishtwar district of Jammu region. Saffron crop is being introduced in temperate areas of other districts as well and significant success has been reported from some areas of Doda and Udhampur districts. Due to the implementation of Saffron Mission interventions it has been possible for the state to rejuvenate the old less productive Saffron zones and it has been experienced that the new corm suggested has benefited the farmers by way of increased production leading to increase in their earnings and has created an effect of attraction for undertaking the farm business management for development of saffron.

For enhancing agricultural productivity on sustainable basis, improving Seed Replacement Rate (SRR) is an important component. Department of Agriculture has registered a 33% SRR of rice in Kashmir valley and 26.32% in Jammu Division. SRR in respect of maize was observed at 24% in Kashmir and 32.10% in Jammu Division. SRR in respect of Fodder is anticipated at 32% and 35% during Rabi Season in Kashmir and Jammu respectively.

An estimation made by the Directorate of Agriculture Jammu, food grain requirement for the State works out to 25 lac MT per annum as against the tentative production of about 20.65 Lac MT during 2013-14.. Therefore the State faces a deficiency of 4.35 Lac MT of food grains which is provided by the CAPD through the rationing system. During the year 2014-15 food production got reduced to 17.42 lac MT due to devastating floods in the State.



Comparison of Crop Yield of J&K State with the largest producing Indian States and some other Countries for the year 2012 shows the agricultural backwardness of the state as under:-

S. No	Crop	Yield of J&K State (Qtls/ha)	Highest Yield States in India	Yield (Qtls/ha)	World Highest Yield Countries	Yield (Qtls/ha)
1	Paddy/Rice	20.85	Punjab	39.52	China	66.61
2	Wheat	14.04	Punjab	50.17	UK	73.60
3	Maize	16.48	Tamil Nadu	53.72	USA	88.58
4	Oilseeds	8.24	Gujarat	17.23	UK	35.88

### **Horticulture**

J&K State is well known for its horticultural produce both in India and abroad. The state offers good scope for cultivation of horticultural crops, covering a variety of temperate fruits like apple, pear, peach, plum, apricot, almond, cherry and sub tropical fruits like mango, guava, citrus litchi, phalsa and Berete. Besides, medicinal and aromatic plants, floriculture, mushroom, plantation crops and vegetables are cultivated in the state. Apart from this, well known spices like saffron and black Zeera are also cultivated in some pockets of the state. As a result, there is a perceptible change in the concept of horticulture development in the state. There are around 7 lakh families comprising of about 33 lakh people which are directly or indirectly associated with horticulture. Horticulture development is one of the thrust areas in agriculture and a number of programmes have been implemented in the past, resulting in the generation of higher incomes in the rural areas, thereby improving the quality of life in villages. Looking to the specie-wise details of area figures under fruit for the year 2013-14, it is observed that largest area of 45.34% (161364 hectares) is occupied by apple out of total area of 355921 hectares under fruit. Walnut is the next major fruit occupying 26.86% in the overall area under fruit.

### **Livestock**

Integrated Sample Survey (2011-12) revealed that total livestock population of Jammu region had demonstrated an increase of 8.40% over the year 2009-10 and reached to 78.908 lakhs from 72.79 lakhs. Kashmir region also witnessed an increase of 4.63% as livestock population had reached to 74.994 lakhs from 71.67 lakhs. However, in Ladakh region livestock population slipped by 1.44% from 6.60 lakhs to 6.505 lakhs during the same period.

## **Fisheries**

Fisheries sector occupies a very important place in the socio-economic development of the state. It has been recognized as a powerful income and employment source of cheap and nutritious food, besides being a source of livelihood for a large section of economically backward population of the country. The total fishermen population in the State as per livestock census 2003 was around 31,000. It is presently estimated at 93000. The 27781 Km. length of rivers/streams facilitate farming of more than 40 million tonnes of fish. As against this, the State has only 0.07 lakh hectares under reservoir area. There is a big gap between the demand and supply of fish. Fish is a valuable element of diet of the local people throughout the year. There is also a demand for fish from the defense personnel and tourists. There are 1248 lakes including water bodies and water is spread into 0.40 lac hectares of area which gives an indication of the potential for fisheries in the State.

## **Irrigation**

Irrigation is the artificial application of water to the land or soil. Irrigation is an essential input of agriculture and is practiced in all parts of the world where rainfall does not provide enough ground moisture. In areas of irregular rainfall, irrigation is used during dry spells to ensure harvests and to increase crop yields. Irrigation has greatly expanded the amount of arable land and the production of food throughout the world. India has made impressive gains in the last 30 years, increasing its irrigated land by more than 50 percent.

The net area sown in the state during 2013-14 was 741 thousand hectares whereas the gross area sown (total area sown under different crops) was 1160 thousand hectares. The mode of irrigating the crops mainly used is the canals. About 89 per cent of the net area irrigated is irrigated through canals while tanks, tube wells and other means are also used.

## **Floriculture**

Floriculture has a vast scope and potential in the valley, which is evident from the fact that during the year 1996, an area of 80 Ha was under flower cultivation in J&K, which has currently expanded to the level of 350 Ha, with an annual turnover of about Rs.1350 lacs. Further, more than 1500 youth are directly engaged under commercial floriculture sector in Kashmir Division. Moreover, an area of about 9.297 Hac. has been covered under protected cultivation, in private sector by raising Tubular Structure Poly Houses; High Tech Poly Houses, Shade Net Houses, etc. Development of commercial floriculture has been assigned a top priority by the Government, under Technology Mission and RKVY, as it holds a tremendous potential for employment generation.

## **Forests**

Jammu and Kashmir has a total forest cover of 20230 Sq km (20.23 lakh hectares) accounting for 19.95% of the total Geographical area of 101387 Sq km on this side of line of control. All India figures indicate a percentage of 24.47% geographical area under forests. Out of the total forest area of 20230 Sq km, the area under reserved

forests is 2551 Sq km, protected forest is 17463 Sq km and the rest 36 Sq km is unclassified. Out of the total forest area, 12066 Sq km are in Jammu Region, followed by Kashmir Region with 8128 Sq km and Ladakh Region with only 36 Sq km. Kashmir Region has 40.17%, Jammu Region has 59.64%, while Ladakh Region has 0.17% area under forest cover. Forests cover 48 percent of the total geographical area of the State (excluding Ladakh region) which is above the national average of 24.47 percent. It is, however, less than the norm of National Forest Policy, 1988, which provides forest cover of one third of total geographical area (20% for plains and 66% for hilly areas). The specie-wise area under forests has remained stagnated during last few years. An area of 1075 Sq km is under Deodar constituting 5.31% of the total forest area. 1825 Sq km are under Chir having 9.02% share, 1969 Sq km are under Kail which accounts for 9.74%, 3401 Sq km are under Fir, representing 16.81%. Largest area of 10075 Sq km falls under other categories having a share of 49.8%. Thus, 18345 Sq km are under coniferous (Soft wood). Non coniferous (hard wood) covers 1885 Sq km claiming 9.32% of total forest area. An area of 1962 Sq km is covered by Rakh and wild life reserves.

### **Industry**

The Industries Sector is now playing its due role in the economic development of the State and in generating employment opportunities for the unemployed youth.. Industries sector contributes 25.87% to GSDP of State at constant 2004-05 prices as per Advance estimates for the year 2014-15(A). The State has 53 existing industrial estates spread over an area of 31335Kanals of land as per position ending November, 2014.

The J&K State under the “Make in India” programme is looking forward to attract domestic investors to invest in the State. “Ease of Doing Business” has rightly been recognized as the most important factor in achieving the goal of “Make in India”. The State Government has initiated the process for playing its role as the interface of enterprises

The existing State Industrial Policy is expiring on 31st March, 2015 and the new Policy is going to come into effect from 1st April 2015. Committee constituted for drafting the New Industrial Policy has been properly sensitized to deliberate on the issue of easing out the procedures for the entrepreneurs/ industrialists to invest in the State. The Government is simultaneously working on drafting Trade Policy and Manufacturing and Export strategies of the State.

### **Handicrafts**

Handicraft activities occupy an important position in the economic structure of J&K State. Being environment friendly, these activities are best suited to the state as they are more labour intensive and less capital intensive in nature, therefore having scope for employment generation at a large scale. The Kashmir handicraft products have earned worldwide fame for their attractive designs, functional utility and high quality craftsmanship. In absence of other manufacturing industries in the state, handicrafts remained a key economic activity from time immemorial. The artistic imagination and craftsmanship of the Artisans reflected through a wide range of

products, has delighted the connoisseurs world over for centuries. Crafts like Shawls, Crewel, Namdha, Chain Stitch, Wood Carving, Papier Machie, Costume Jewellery, Kani Shawls and the Carpets hold a significant share in the overall production and export of the State. Silken carpets in particular constitute a specialty having no parallel in quality and design at national level and, therefore, occupy an important position in the international market. The handicraft sector of the state has great contribution towards foreign exchange earnings to the state and country in particular. Around 8500 persons are trained annually through 553 training centres in the state.

The department also promotes sale of handicraft goods by organizing expos/exhibition/craft bazaars within and outside the state. It also organizes exhibition at international level annually. During the year 2014-15, the department has organized 5 craft bazaars/exhibitions within & outside the state by the end of Nov., 2014.

Another important area of activity is skill development. Around 8500 persons are trained annually through 553 training centres in the state. During the year 2014-15 (ending Nov., 2014), 2925 persons have been trained in various crafts like sozni, staple, crewel, papier machie, phool kari, Zari, chain stitching etc.

### **Handlooms**

There are approximately 0.38 lakh weavers in the State who are engaged in this industry under organized and un-organized sectors. Moreover, the handloom goods have great demand in the national and international markets. There are 3741 handloom units in the State employing same number of persons producing Loies, Puttos, Tweed, Blankets, Raffal, Pashmina and Dusoti Khad.

The Department has 523 registered Handloom Industrial Co-operative Societies in the State with a membership of 15275 weavers. There are approximately 38,000 Handlooms in the State. During 2013-14, 10.26 million meters of handloom fabrics valuing Rs.232.95 Crore were produced in the cooperative sector. The production and value of handloom fabrics for the current financial year viz 2014-15 (ending 11/2014) is of the order of 9.98 million meters and Rs.226.61 Crore respectively.

The Department runs 100 training centers to impart training in various trades which include readymade garments, handloom weaving, Pashmina spinning and weaving, and Kani shawl weaving. Out of 100 training centers, 84 centers are exclusively imparting training in readymade garments and handloom weaving. Around 1000 trainees are annually imparted technical skill in these centers. During the year 2014-15, 1044 trainees have been enrolled for training in different trades.

### **Sericulture**

Sericulture continues to be a subsidiary occupation for about 30,000 rural families in the State. Most of these families belong to economically backward sections of the society. Annually about 1022 MT of cocoons are produced generating an income of about Rs. 2026.00 Lac for these silkworm rearers coupled with the annual employment generation to the tune of 3.5 Lac mandays (3.0 Lac on-farm and 0.50 Lac

off-farm). The Department has 173 mulberry nurseries spread over an area of 963 Acrs, and 374 mulberry blocks over an area 2215 acres across the State. The nurseries are utilized for production of saplings/cuttings for further distribution amongst farmers to augment area under mulberry and mulberry blocks which serve as leaf reservoirs for the landless and marginal farmers. Annually about 20.00 Lac plants are produced from these nurseries against the potential of 30.00 Lac plants. The Department has well established seed organization and presently about 60% local annual seed demand is met out from the sector.

### **Tourism**

The tourism tag has placed always the State of J&K in the limelight at the national as well as international levels. Our tourism products are well known. All our efforts are being made to increase the tourist inflow in the state as with more the arrival of tourists, more economic activity gets generated which has multiplier effect on the income levels of the large chunk of population dependent on this sector.<sup>20</sup> Destinations covered for exploitation of tourism potential in the last few years by creation of Development Authorities as against the earlier focus on five of them only. The off beat destination in state like Gurez, Bani-Basholi, Lolab-Bungus, Kokernag-Sinthantop, Verinag-Doda, Bhaderwah-Achabal, Poonch-Rajouri, Marigan Hills in Kishtwar, Zaskar etc which are being developed through area specific Tourism Development Authorities will be further developed and promoted so that the tourist footfalls are equitably distributed.

### **Health**

The Life Expectancy of males and females at national level stands at 63.95 & 67.08 years, respectively. As far as, the J&K State is concerned, the life expectancy of males & females stands at 66.5 and 69.3 years, respectively; which is more than the national average. The crude birth rate of the J&K State is 17.8 which is well below the national average of 21.8. The crude death rate (CDR) of the J&K State is 5.5 which is quite low as compared to national average of 7.1, as per census 2011. The population growth in this decade was 23.71 percent while in previous decade it was 29.04 percent. The population of Jammu and Kashmir forms 1.04 percent of India in 2011. In 2001, the figure was 0.99 percent. This difference indicates a much higher rate of growth in comparison to average All India growth rate.

There are 5532 Govt. health institutions at primary, secondary and tertiary levels including newly sanctioned 826 sub centres, 371 NTPHCs and 87 ISM Dispensaries. The doctor patient ratio in our State is 1:2104 as against the recommendations of World Health Organization (WHO) of 1:1000, which is grossly insufficient.

For the first time in the Medical History of the state the epidemic called Swine Flu has made an intrusion, mostly affecting the old aged persons, children, pregnant women and in general the people with weak immunity. To combat such situations and to curtail it from spreading further, the State govt immediately released Rs. 30.00 lacs for augmentation of medicines, vaccines and purchase of ventilators.

## **Education**

Education is the most important lever for social, economic and political transformation. A well-educated and skilled population not only drives economic and social development but also ensures personal growth. The spread of education in society is at the foundation of success in today's globalised world, where the real wealth of a country or state is not in its tangible natural resources but in knowledge. The importance of education as the foundation and building block for achieving national objectives and for building a more inclusive, equitable and sustainable society is well recognized. There is also a constitutional obligation to make available free and compulsory education to all children in the age group of 06-14 years. The number of educational institutions in public sector reached to 24265 and those in private sector to 5292 in the State. The total enrollment has also increased to 27.41 lakh out of which the enrollment in primary classes is 10.97 lakh, in middle 7.06 lakh, in High / Higher secondary schools, 9.38 lakh. During the decade 2001-2011, literacy rate increased from 55.50% to 68.74% in the State as against 64.84% to 74.04% at the national level. The dropout rate in the state has declined to 11% in 2012-13. The access to Higher Education is measured in terms of Gross Enrolment ratio. The Gross Enrolment ratio for the state of J&K was 10.36% in 2007-08 which has increased to 18.2% (provisional) in 2011-12 which is higher than the national GER of 15%. Over the years, J&K has achieved many milestones in higher education. The number of colleges providing education in 1950-51 was just 07 out of which 01 college was for female students. Upto 1999-2000, the number of colleges increased to 33 including 07 women colleges. By the year 2013-14, the number of colleges has increased to 95 including 12 women degree colleges. Two Central Universities, one each at Jammu and Srinagar, are functional in the State. Five universities, i.e. two State universities, two Govt. aided universities and one Private University with intake capacity of 11,400 students, are also functioning in the State. In addition, 15 offsite campuses of Universities of Kashmir & Jammu have been approved, out of which 9 campuses have been established, mostly in far-flung areas.

The Sarva Shiksha Abhiyan (SSA) aims at universal access and retention, bridging of gender and social gaps in enrollment levels and enhancement of learning levels of all children. The SSA has programmes like National Programme for Education of Girls at Elementary Level (NPEGEL) and the residential school scheme, Kasturba Gandhi Balika Vidyalaya (KGBV), that have focus on girls' education. During 2014-15, 5032 children for nomadic seasonal centres approved by MHRD, 40 primary school approved for upgradation and 4076 girls enrolled in KGBVs during the current financial year.

## **Housing**

Housing, a basic need for human, plays an important role in accommodating high urban growth. However, several structural issues such as high gestation period, limited and expensive capital, spiraling land and construction cost and low affordability by EWS lower income group households are bottlenecks restricting desired growth in housing stock. As per census 2011, there are 21.19 lac households in the State of J&K and total number of residential houses is around 20.15, which

clearly indicates that there is not much shortage of housing in the State as of now. The census reveals only 6.5% of urban household reside in the rented accommodation.

### **Water Supply & Sanitation**

The water sector is facing daunting challenges due to urbanization, industrialization and huge demand for Agriculture sector. The potential for augmentation of supply is limited, water tables are falling and water quality issues have increased. Our rivers and ground waters are continuously polluted by untreated effluents and sewerage. The climate change poses fresh challenges.

The status of rural habitations of J&K is given as under:-

<b>Table No 3: Status of rural habitations of J&amp;K</b>		
<b>Status</b>	<b>J&amp;K State (1-4-2014)</b>	<b>%age</b>
100% covered	8049	51%
between 75% and 100%	1057	6%
between 50% and 75%	4570	29%
between 25% and 50%	1615	10%
between 0% and 25%	497	3%
<b>Total</b>	<b>15778</b>	<b>100</b>

To address the drinking water problem in the state, a number of schemes are being also implemented under State Plan/District Plan, LIC/NABARD loan assistance and Economic Reconstruction Agency. Availability of safe drinking water not only reduces the risk of death due to water borne diseases, but safe drinking water along with proper sanitation also helps in maintaining and determining the quality of life.

Sanitation in the rural areas offers a formidable challenge to the health and well being of the rural population and the most challenging factor in the rural sanitation comes from the habit of open area defecation by the rural population. This results in increasing the pollution levels of water bodies and therefore, also pollutes potable water. This result in gastroenteritis related diseases and adds especially to infant mortality. Similarly, lack of proper disposal of domestic refuses also adds to the health challenges which the rural population faces. In order to overcome these challenges, the department is implementing an important scheme known as Total Sanitation Campaign (TSC) now renamed as Nirmal Bharat Abhiyan (NBA).

Now, again the GoI has approved the restructuring of Nirmal Bharat Abhiyan (NBA) and has replaced it by a new programme called Swachh Bharat Abhiyan Mission (Gramin) on 2<sup>nd</sup> Oct, 2014 with the following two sub-Missions:-

- i. Swachh Bharat Abhiyan Mission (Gramin)
- ii. Swachh Bharat Mission (Urban)

### **Women Empowerment & Child Development**

The ICDS Scheme was started in J&K State in the year1975. Currently ICDS is the only programme that reaches out to lakhs of women and children living in remote villages. It is and will continue to be the flagship programme with a holistic package of six basic services for children up to six years of age and for pregnant and nursing

mothers. These services are: health check-up, immunization, referral services, supplementary feeding, pre school education and health and nutrition education through one platform i.e. Anganwari Centre. At present, J&K State has 141 ICDS Projects (including one migrant project) and 29599 AWCs have been sanctioned by Government of India out of which 28594 are presently functional. About 1000000 beneficiaries which comprise children of 6 months to 6 years of age, Pregnant and lactating mothers, are being given supplementary nutrition. About 1500 inmates which include orphans/destitute children/women and widows are being provided free boarding and lodging in 24 Bal-Ashrams and 12 Nari-Niketans spread all over the State.

### **Power**

Electricity is an essential source of commercial energy. It is vital for sustained economic growth. An increase in demand for power implies growth of the economy leading to modernization, industrialization and improvement in basic amenities culminating into a better quality of life of people. The estimated hydro power potential of the state is 20,000 Megawatts (MW), of which about 16475 MW have been identified. This comprises 11283 MW in Chenab basin, 3084 MW in Jhelum basin 500 MW in Ravi Basin & 1608 MW in Indus basin. Out of the identified potential, only 2813.46MW i.e. 17 % (of identified potential) has been exploited so far, consisting of 761.96 MW in State Sector from 21 power projects, 2009 MW in Central Sector from 7 projects and 42.5 MW in private sector from 4 projects. Effective and efficient Transmission and Distribution is as vital as the generation of power. The need of power in the State is growing, so does the generation. In order to transfer the Power from point of generation to point of consumption effectively, the Transmission and Distribution infrastructure needs development. The Transmission and Distribution losses in the State are very high of the order of 55 percent. The main reasons for such high losses are technical as well as commercial. The high technical losses are due to existing outdated distribution network. To minimize losses, the system needs up-gradation and improvements. Commercial losses include theft, unaccounted and uncontrolled consumption of power beyond agreement load, unregistered consumers, lesser contract demand etc. Due to various measures taken by PDD, the losses have shown a downward trend. The losses during 2013-14 have reduced by 3% as compared to 2012-13.

### **Connectivity**

A well- developed network of roads is necessary not only for the economic development of the State but for its social, political and cultural development. It is required to exploit the rich natural wealth of the State, to develop indigenous industries, to explore new markets for its products and to promote tourism. To this effect the State government has been focusing on construction of new roads, maintenance and upgradation of already existing roads, construction of bridges and culverts and connecting villages with a network of roads. Road length maintained by PW(R&B) Department has enhanced from 18368 kms in 2007-08 to 31921 kms during 2013-14 (ending March, 2014). Under PMGSY scheme, 1676 habitans were



connected through road which included 1393 habitations with population of 250+ and 283 habitations with population of <250.

Work on 25 km Udhampur to Katra section has also been completed and was opened on 4<sup>th</sup> July, 2014 by Hon'ble Prime Minister Shri Narendra Modi. This 25 km section too is an example of engineering marvels as pier of the bridge on Jhajar khad, is the tallest in the Indian Railways and is even taller than Qutab Minar. This section involves about 10.9 km of tunneling, 9 important/major bridges, 29 minor bridges and 10 ROB/RUBs in addition to about 38.86 lakh cum of earthwork. The tallest bridge in this section is 85 metres high and longest tunnel is 3.15 km long.

### **Communication**

The overall Teledensity in India increased from 76.36 at the end of August 2014 to 76.75 at the end of September 2014. The overall Teledensity for J&K state is 69.98. Rural Teledensity is 45.6 and urban Teledensity is 132.73 for J&K state.

The total post offices in J&K are 1699 out of which 03 are seasonal post offices which function for only two months during Amarnath yatra period. Out of these 1699 post offices, 09 are head offices, 256 are sub post offices and the remaining 1434 post offices are Extra Departmental Branch Office (EDBO's). On an average, 01 post office serves 7382 people as on 31-03-2014 in the state as per census 2011.

### **Poverty**

Poverty is one of the main issues and indicates a condition in which a person fails to maintain a living standard adequate for a comfortable lifestyle. Mere growth of economy cannot bring social justice and balanced development unless it is coupled with poverty alleviation and employment generating opportunities for deprived and marginalized sections of the society. The survey conducted by the State during 2007-08 put the BPL population at 21.63 percent. A host of poverty alleviation programmes are in operation in the State mostly with central assistance.

### **Unemployment**

Unemployment is a social issue of serious concern. The survey on employment - unemployment carried out by NSSO provides estimates on various characteristics pertaining to employment and unemployment at the National as well as State level. The latest NSS Survey- 68<sup>th</sup> round conducted during July, 2011 - June, 2012 throughout the country constitutes an important source of information on unemployment. Unemployment rate as per Usual Principal Status (UPS) in J&K has come down from 5.3% to 4.9% during the period July, 2009 to June, 2012 i.e. (66<sup>th</sup> & 68<sup>th</sup> Round of NSS respectively) which is still higher than the unemployment rate of 2.7% at all India level.

### **Prices**

Consumer Price Index for Industrial Workers (CPI-IW) is the most well known index used, inter alia, for measuring inflationary trends for policy formulations in the country. The average inflation rate at All India level from April to December 2014-15 [CPI-IW] was 6.2% while at the J&K level it was registered at 7.9%.

## **Damage caused due to Floods of September, 2014**

Untimely heavy rains from 1<sup>st</sup> to 6<sup>th</sup> September, 2014 caused devastating floods and landslides in J&K state affecting badly some parts of Jammu Province and most of the parts of Kashmir Valley. The river embankments caved in and eroded habitations, hospitals, schools, Govt. offices and many other buildings and infrastructure..

More than 700 villages remained submerged. Srinagar city got submerged due to flood water. About 300 persons lost their lives in floods. 6.48 lakh hectares of agricultural/ horticultural land got affected. About 3 lakh houses got fully or partially damaged.

Govt. of J&K assessed the damages at Rs 43959.56 crore and with prior approval of State Cabinet submitted the proposal to Govt. of India for providing special financial assistance. Financial assistance for the package is awaited from Govt. of India and the people of the state eagerly look forward for financial help from Govt. of India.

## **Natural Disasters**

Two Haunting threats to J&K state that need serious attention from all stake holders are 1. Earthquake and 2. Floods.

Owing to its peculiar topography, rugged terrain, extreme weather conditions and underdeveloped economy, the state has suffered a lot on account of natural disasters leading to loss of human lives and public and private property.

## **Earthquake**

Most parts of the Kashmir valley (11% of the area of the State) covering districts of Srinagar, Ganderbal, Baramulla, Kupwara, Bandipora, Budgam, Anantnag, Pulwama, Doda, Ramban, Kishtwar fall under seismic zone V where about 50% of the population of the state lives. On the other hand whole of Ladakh region, and Jammu Division (90% of total area of the state) fall under seismic Zone IV. The lives and properties in these zones is at high risk and therefore safety measures for public and private infrastructure are required to be taken in a sustained manner by all the stakeholders.

## **Floods**

Low lying areas of Kashmir valley, especially Awantipora, Srinagar, Sonawari are prone to devastating floods anytime while parts of Jammu province which get high discharge during rains which causes devastation. Upper catchments of all the tributaries of Jhelum, Chenab, Indus and Tawi are prone to flash floods. The historical city of Srinagar which got submerged due to floods of September, 2014 will require special focus for constriction of flood protection infrastructure, dredging of rivers and development of one more flood spill channel to off load the main river from flood waters. The insulation of the city and towns from floods will be number one priority for the Government in the coming years.

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## Chapter 2

# Macro Economic Framework

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### National Scenario

With the expected growth rate of Indian economy in 2015-16 at 8 per cent and inflation to remain between 5-5.5 % the macroeconomic indicators place India on a cyclical upturn. After lower growth, high inflation and an increasing current account deficit and increasing pressure from international market the Indian economy started moving towards macroeconomic stability. This optimism has come to fore with mild inflation , manageable current account balance with almost stable rupee and increasing Foreign exchange reserve. The economy has started moving towards pro growth and pro investment thereby taking India's growth trajectory on higher path. The government in office has been on the path of economic growth. The last few months have seen some major policy reforms in the subsidy regime, the modified direct benefit transfer scheme has been launched , the gas pricing policy has been approved (direct transfer of cooking gas subsidy), increasing FDI cap in defense and insurance and framing ordinance on coal. India can become an investment attractive destination.

In view of the positive indications emanating from the government's commitment to policy reforms the prospects of growth in 2015-16 appear bright. The industrial sector is gradually capturing momentum, all major segments of service sector are growing at a robust pace. The growth in domestic consumption has picked up. Investment is expected to strengthen on the back of the reforms and facilitation measures undertaken by the government, buoyant foreign capital flows and improving business optimism in the economy.

The growth agenda of India is revival of manufacturing with MAKE IN INDIA slogan of the government. The policy action of the government has combined the needs of short term economic management with focus on controlling inflation and external sector imbalances with a medium to long term transformation and development , manifested in significant reforms aimed at rationally administering pricing policies in petroleum and natural gas , encouraging infrastructure development and removing the undue restrictions in economy by way ensuring adequate availability of key inputs like coal and power , and initiating land acquisition with rehabilitation requirements therein. The government is helping both Indian and foreign companies to making electronic equipments and durable makers to establish manufacturing units in India. Since India homes two -third young population and to create jobs for them India has to be manufacturing hub. India is seen as the next best alternative as manufacturing gets costlier in China. Few studies highlight that about a 100 million jobs will move outside China over next few years especially in labour - intensive area including electronics. This goes in favour of India when we are ready to avail the opportunity. Even some companies have

already moved parts off manufacturing out of China to India. They are Godrej, Micromax, Bosch, ITC and Havells. Manufacturing in rural India has also seen some favour. It is expected that setting up of Micro Units Development Refinance Agency Bank (MUDRA) with a corpus of Rs. 20,000 Crores and a credit guarantee corpus of Rs.3,000 crore will play a key role in boosting manufacturing in rural India. The money raised from the fund will help to improve rural infrastructure.

In order to develop the economy on sound grounds the government has taken initiative to create institutional and regulatory framework. The setting up of a national Investment and Infrastructure Fund (NIIF), tax free infra bonds and reforming the regulatory architecture around infrastructure has been an opportunity for big investments. The major boost given to infra development by the government is an investment of over Rs. 70,000 crore for the coming fiscal year along with the allocation of Rs. 22, 000 crore for housing and urban development. This will surely take care of the flagship mission of the government 'Housing for All by 2022' by building 6 crore houses. This investment and enhancement in the fiscal federalism by increasing the share of states to 42% in capital tax revenues will also help the government to move towards increasing savings potential of the economy from about 30% to 35%.

As per budget estimates, Gross fiscal deficit has been reduced from 4.5% in 2013-14 to 4.1% of GDP during the current year 2014-15. The inflation-rate CPI(IW) average recorded from April to December, 2014 at all India level was 6.2%.

The IMF and the World Bank have forecasted that India will register a growth of 6.4 % in 2015, due to renewed confidence in the market brought about by a series of economic reforms pursued by the present government. Only India is anticipated to witness better growth momentum among the BRIC bloc where as other member countries are expected to see stable growth momentum. Furthermore, the new make in India initiative is expected to be a vital component in India's quest for achieving wholesome economic development.

### **Gross State Domestic Product (GSDP) for 2014-15**

Gross State Domestic Product at constant (2004-05) prices for the year 2014-15 is estimated at Rs. 45126.30 crores (Advance Estimates) as against Rs. 45847.15 crores for the year 2013-14 (1<sup>st</sup> Revised Estimates) registering a negative growth of -1.57% over the previous year. During 2012-13 and 2013-14, GSDP grew at 5.34% (2<sup>nd</sup> Revised Estimates) and 5.63% (1<sup>st</sup> Revised Estimates) respectively.

S. No	Year	At Current Prices		At Constant (2004-05) Prices	
		GSDP (Rs. in Crores)	Growth Rate (%)	GSDP (Rs. in crores)	Growth Rate (%)
1	2004-05	27304.62	-	27304.62	-
2	2005-06	29919.85	9.58	28882.83	5.78
3	2006-07	33230.11	11.06	30601.58	5.95
4	2007-08	37098.63	11.64	32560.98	6.40
5	2008-09	42314.84	14.06	34664.22	6.46

6	2009-10	48384.51	14.34	36224.89	4.50
7	2010-11	58072.57	20.02	38269.96	5.65
8	2011-12(P)	68185.13	17.41	41203.05	7.66
9.	2012-13(2R)	76916.46	12.81	43401.97	5.34
10.	2013-14 (1R)	87569.91	13.85	45847.15	5.63
11.	2014-15 (A.E)	87921.38	0.40	45126.30	-1.57
<i>1R : 1st Revised Estimates; 2R: 2nd Revised Estimates A.E : Advance Estimates P:provisional</i>					

The State economy is expected to register growth of 0.40% (advanced estimates) at current prices during 2014-15 as compared to 13.85% in 2013-14 (1<sup>st</sup> Revised estimates) and 12.81% in 2012-13 (2<sup>nd</sup> Revised Estimates). At Constant (2004-05) Prices growth in GSDP of J&K State is expected to register a negative growth of -1.57% during the year 2014-15 as compared to 5.63% during 2013-14. The lesser growth rate during 2014-15 is mainly attributed to floods of September, 2014.

The Table showing the growth of the economy of J&K State viz-a- viz National level at constant (2004-05) and current prices over the years.

<b>Table No 2: Comparative growth of GDP and GSDP (Percent) over the years</b>				
<b>Year</b>	<b>GSDP</b>		<b>GDP</b>	
	<b>At Constant (2004-05) Prices</b>	<b>At Current Prices</b>	<b>At Constant (2004-05) Prices</b>	<b>At Current Prices</b>
2005-06	5.78	9.58	9.48	14.10
2006-07	5.95	11.06	9.57	16.60
2007-08	6.4	11.64	9.32	15.91
2008-09	6.46	14.06	6.72	15.75
2009-10	4.5	14.34	8.59	15.18
2010-11	5.65	20.02	9.32	18.66
2011-12(P)	7.66	17.41	6.21	15.77
2012-13(2R)	5.34	12.81	5.1**	11.88
2013-14 (IR)	5.63	13.85	6.9**	11.54
2014-15(A.E)	-1.57	0.40	7.4**	
<i>as per Press Note dated 9<sup>th</sup> February, 2015; **: at 2011-12 prices as GoI has shifted Base year from 2004-05 to 2011-12</i>				
<i>1R:1st Revised Estimates; 2R: 2nd Revised Estimates, A.E: Advance Estimates</i>				

As per Advance estimates, GSDP for the year 2014-15, the Gross State Domestic Product(GSDP) of J&K State at Constant (2004-05) prices is estimated at Rs. 4512630 lakhs as against Rs. 4584715 lakhs in the year 2013-14 (1<sup>st</sup> Revised), thereby registering a negative growth of -1.57%.

In terms of GSDP at current prices, J&K State( Rs 87570 crore) ranks 5<sup>th</sup> among the neighbouring states namely Himachal Pradesh ( Rs 82585 crore), Punjab ( Rs 317054 crore), Uttarakhand (Rs 122433 crore), Haryana ( Rs 383911 crore) and Chattisgarh ( Rs 185060 crore) for the year 2013-14.

S.No	Name of State	GSDP 2013-14 (Rs in Crore)		% Growth over previous year	
		At Current Prices	At Constant (2004-05) Prices	At Current Prices	At Constant (2004-05) Prices
1	J&K	87570	45847	13.85	5.63
2	Himachal	82585	47255	12.04	6.24
3	Punjab	317054	173221	11.18	5.25
4	Uttrakhand	122433	67927	13.5	5.65
5	Haryana	383911	198858	13.1	6.49
6	Chattisgarh	185060	94560	13.21	6.26
	All India(GDP)	10472807	5741791	11.54	6.9

### **Sectoral Growth Rate of GSDP at constant (2004-05) prices**

#### **Agriculture & allied**

At constant (2004-05) prices, the growth in Agriculture sector (Agriculture & Livestock only) is likely to decelerate to -16.23% (advanced estimates) in the year 2014-15 as compared to 6.25% in the year 2013-14 (1<sup>st</sup> Revised estimates) while as the Agriculture & the allied sectors which includes Agriculture & Live Stock, Fisheries, and Forestry & Logging sectors, is likely to decelerate to -14.9% as compared to 5.14% in the year 2013-14(1<sup>st</sup> Revised Estimates).

At constant(2004-05) prices, Forestry & Logging sector is likely to decelerate to (-) 8.00% in 2014-15(A) as compared to -0.15% during 2013-14 while as Fishing is expected to decelerate at -9.96% as compared to 0.15% during 2013-14.

The following table shows the estimated annual growth rate of Agriculture and allied sectors at constant (2004-05) prices for the years from 2005-06 to 2014-15:-

Sector	Estimated Growth Rate									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 (R)	2012-13 (2R)	2013-14 (1R)	2014-15 (A)
Agriculture & livestock	0.53	1.65	1.40	4.42	-0.3	10.66	2.52	2.53	6.25	-16.23
Forestry and Logging	-1.08	-1.48	-2.70	-0.11	-1.42	-2.33	1.26	4.52	-0.15	-8.00
Fishing	0.57	0.27	0.30	13.67	0.36	2.19	1.00	0.49	0.15	-9.96
Total sector	0.24	1.06	0.65	3.83	-0.47	8.36	2.31	-1.44	5.14	-14.9

*1R: 1st Revised Estimates 2R: 2nd Revised Estimates and A.E: Advance Estimates.*

## Industry

At Constant (2004-05) Prices, the industry is likely to grow at 1.47% during the year 2014-15(A.E) as compared to 7.08% in the year 2013-14(1R).

Among the sub sectors, Manufacturing expects a growth rate of 0.23%, Construction 2.99% while as Electricity, Gas & Water Supply 5.95% during 2014-5(A.E). The corresponding figures for these subsectors for the year 2013-14 (1<sup>st</sup> Revised Estimates) were 6.8%, 4.81% and 13.84% respectively.

The following table shows the growth of industry sector at constant price (2004- 05):-

Sector	Growth Rate									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 (P)	2012-13 (2R)	2013-14 (1R)	2014-15(A)
Mining & quarrying	45.46	41.04	12.97	29.83	-7.45	6.41	6.99	220.09	2.10	-4 7.51
Manufacturing	11.19	14.60	8.69	10.30	10.36	2.82	5.85	6.08	6.80	0.23
Construction	8.23	8.38	6.53	-4.58	-0.70	-6.61	1.92	1.84	4.81	2.99
Electricity, gas, Water	-13.74	7.10	5.18	2.42	12.73	0.55	1.27	18.02	13.84	5.95
<b>Total:</b>	<b>4.63</b>	<b>9.77</b>	<b>6.88</b>	<b>0.41</b>	<b>4.37</b>	<b>-2.58</b>	<b>3.03</b>	<b>7.98</b>	<b>7.08</b>	<b>1.47</b>

1R: 1st Revised Estimates 2R: 2<sup>nd</sup> Revised Estimates and A.E: Advance Estimates P-Provisional

## Service sector

At constant (2004-05) prices, Service sector, the major contributor to the State economy, is likely to grow by 1.96% (advance estimates) as compared to 5.17% during the current year 2014-15 as compared to 5.17% during 2013-14.

The below table shows the trend of the sector at constant (2004-05) price:-

Sector	Growth Rate									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 (P)	2012-13 (2R)	2013-14 (1R)	2014-15 (A)
Transport , Storage & Communication	20.03	17.38	13.65	-1.25	15.76	-2.81	7.84	5.10	3.19	2.09
Trade, hotels and Restaurants	7.69	8.76	11.55	11.73	-2.12	8.06	8.37	8.58	4.78	-3.81
Banking & Insurance	14.84	1.25	20.38	25.14	7.6	10.59	14.13	9.37	8.37	1.50
Real estate, Ownership of Dwelling, legal & business services	-0.30	2.67	1.23	2.22	12.57	8.18	3.95	4.02	4.30	-1.36

Service										
Public Administration	18.16	6.77	9.36	21.17	-4.93	11.44	21.65	7.97	4.75	6.63
Other Services	3.81	3.99	6.06	5.09	23.79	11.43	8.67	5.32	5.62	0.96
<b>Total : Service Sector</b>	<b>10.08</b>	<b>6.47</b>	<b>9.29</b>	<b>11.55</b>	<b>6.94</b>	<b>8.92</b>	<b>12.28</b>	<b>6.88</b>	<b>5.17</b>	<b>1.96</b>
1R: 1st Revised Estimates 2R: 2nd Revised Estimates and A.E: Advance Estimates P-Provisional										

### Sectoral changes in J&K Economy

The sectoral structure of GSDP at Constant (2004-05) prices and its analysis indicate that in 2014-15 (advance estimates), the estimated percentage contribution of Agriculture & allied, Industry and Service sectors are likely to be 17.49%, 25.87% and 56.64% respectively as against 20.22%, 25.10% and 54.68% estimated for 2013-14(1R). However, in 2004-05, the corresponding shares were 28.06%, 28.23% and 43.71% respectively.

The Sectoral composition of the State income has undergone considerable changes over a period of time. Over the last five decades, the share of Primary sector has declined steadily from 28.16% in 2004-05 to 17.83% in 2014-15(AE) and the share of Secondary sector has declined from 28.13% in 2004-05 to 25.53% in 2014-15 (advance estimates), while as the share of Services sector has substantially increased from 43.71% in 2004-05 to 56.64% (A.E) in 2014-15.

Sectoral Percentage contribution to GSDP at constant (2004-05) prices:-

S. No.	Sector	PERCENTAGE DISTRIBUTION FOR THE YEAR										
		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 (P)	2012-13 (2R)	2013-14 (1R)	2014-15 (A)
1	Agriculture including Live Stock	22.34	21.23	20.37	19.41	19.04	18.17	19.03	18.12	16.77	16.86	14.35
2	Forestry & Logging	5.16	4.83	4.49	4.10	3.85	3.63	3.36	3.16	3.13	2.96	2.77
3	Fishing	0.56	0.53	0.50	0.47	0.50	0.48	0.47	0.44	0.42	0.40	0.36
A	<b>Agriculture &amp; Allied (1+2+3)</b>	28.06	26.59	25.36	23.99	23.40	22.28	22.85	21.72	20.32	20.22	17.49
4	Mining & Quarrying	0.10	0.14	0.19	0.20	0.25	0.22	0.22	0.22	0.67	0.64	0.34
a	<b>Sub-total Primary (A+4)</b>	28.16	26.73	25.55	24.19	23.64	22.50	23.07	21.94	20.99	20.87	17.83
5	<b>Manufacturing (5.1+5.2)</b>	6.13	6.44	6.96	7.11	7.37	7.78	7.58	7.45	7.50	7.58	7.72
5.1	Manufacturing (Registered)	2.31	2.66	3.00	3.01	3.18	3.60	3.43	3.47	3.67	3.85	3.96
5.2	Manufacturing (Un-registered)	3.81	3.78	3.97	4.10	4.19	4.18	4.14	3.98	3.83	3.73	3.77
6	Construction	16.38	16.76	17.14	17.16	15.38	14.62	12.92	12.23	11.83	11.73	12.28



7	Electricity, Gas and Water Supply	5.62	4.58	4.63	4.58	4.41	4.75	4.53	4.26	4.77	5.14	5.53
<b>b</b>	<b>Sub-total Secondary (5+6+7)</b>	28.13	27.78	28.74	28.86	27.16	27.15	25.02	23.93	24.09	24.46	25.53
<b>B</b>	<b>Industry (b+4)</b>	28.23	27.92	28.93	29.06	27.41	27.37	25.24	24.15	24.76	25.10	25.87
8	Transport, Storage & Communication	4.01	4.55	5.04	5.38	4.99	5.53	5.09	5.09	5.08	4.97	5.15
9	Trade, Hotels & Restaurants	6.99	7.12	7.31	7.66	8.04	7.53	7.70	7.75	7.99	7.93	7.75
10	Banking & Insurance	3.60	3.91	3.74	4.23	4.97	5.12	5.36	5.68	5.90	6.05	6.24
11	Real estates, Ownership of Dwelling, Legal & Business Services	6.21	5.85	5.67	5.39	5.18	5.58	5.71	5.52	5.45	5.38	5.39
12	Public Administration	11.68	13.05	13.15	13.51	15.38	13.99	14.76	16.68	17.10	16.95	18.36
13	Other Services	11.22	11.01	10.80	10.77	10.63	12.59	13.28	13.40	13.40	13.40	13.74
<b>c</b>	<b>Sub-total Tertiary (Services Sector) (8 to13)</b>	43.71	45.49	45.71	46.95	49.20	50.35	51.91	54.13	54.92	54.68	56.64
	<b>Total GSDP (a+b+c)</b>	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

### Per Capita Income

The per capita income of Jammu & Kashmir at current prices is worked out at Rs 58888.00 in 2014-15(A) as against Rs 59279.00 in 2013-14(1R), thereby registering a negative growth of -0.66%. At constant (2004-05) prices, it has fallen to Rs. 30612.00 in 2014-15 (A) from Rs. 31448.00 (1R) in 2013-14 and thus registering a negative growth of -2.66%. The following table gives per capita income at current prices and constant (2004-05) prices in respect of J&K State.

**Table No 8: Per Capita of J&K State at Current & Constant (2004-05) prices from 2004-05 to 2014-15**

YEAR	At CURRENT PRICES		At CONSTANT PRICES	
	Per Capita NSDP (at Factor Cost) J&K	Annual Growth Rate	Per Capita NSDP (at Factor Cost) J&K	Annual Growth Rate
2004-05	21734	-	21734	-
2005-06	23240	6.93	22406	3.09
2006-07	25059	7.83	23375	4.32
2007-08	27448	9.53	24470	4.68
2008-09	30212	10.07	25641	4.78
2009-10	33650	11.38	26518	3.42

2010-11	40089	19.13	27666	4.33
2011-12	46734	16.58	28790	4.06
2012-13(2R)	52386	12.09	30035	4.32
2013-14(1R)	59279	13.16	31448	4.7
2014-15(AE)	58888	-0.66	30612	-2.66
*: 2004-05 series Estimates				
AE: Advance Estimates				

While comparing per capita GSDP with some neighbouring states at current and constant (2004-05) prices, J&K stands at 6<sup>th</sup> and 5<sup>th</sup> positions respectively.

S.No	Name of State	Per Capita GSDP 2013-14 (Rs)		% Growth over previous year	
		At Current Prices	At Constant Prices	At Current Prices	At Constant Prices
1	J&K	72396	37903	12.49	4.38
2	Himachal	117280	67106	10.92	5.18
3	Punja	104476	57080	9.16	3.33
4	Uttrakhand	118798	65910	11.97	4.23
5	Haryana	144818	75012	11.34	4.84
6	Chattisgarh	698334	35683	11.08	4.26
	All India(GDP)	83766	45933	10.11	3.38

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## Chapter 3

# 14th Finance Commission Recommendations Accepted By Government Of India

As per constitution of India, 'Cooperative Federalism' is the bedrock of financial governance in the country. Union and states pooled their resources for achieving common national goals. As per the recommendation of 14<sup>th</sup> Finance Commission, union government decided to devolve the much higher share of 42% of union's net tax receipts to the States. In comparison to 2014-15, there will be a significant enhancement of 10%, over the 32% during the award period of 13<sup>th</sup> Finance Commission. As against a total devolution of Rs 3.48 lakh Crores approximately in 2014-15, total devolution to the States in 2015-16 will be Rs. 5.26 lakh Crores approximately, with annual increase of Rs. 1.78 lakh Crores approximately. The higher tax devolution is targeted by Government of India to allow States greater autonomy in financing and designing of schemes as per their needs and requirements.

The Central Government has visualised that states will use extra fiscal space available to them to create productive capital assets and that "Team India" in NITI will provide the required guidance and monitoring in this regard.

### Sharing of Union Taxes

The share of states in the net proceeds of union taxes has been fixed at 42%. The 14<sup>th</sup> Finance Commission has also recommended on the inter-se distribution of the states' share amongst the states. The details of the formula for inter-se distribution and corresponding share of each state recommended by the commission is given in chapter 8 of the report. The inter-se distribution is tabulated here under:

Table No 1: Criteria and Weights	
Criteria	Weight (per cent)
Population	17.5
Demographic Change	10
Income Distance	50
Area	15
Forest Cover	7.5
Total	100.00

### Grants -in-aid of Revenues of States under Article 275 of the Constitution

The commission has recommended the grants-in-aid of Revenues to states for revenue deficit, local bodies and disaster management under Article 275 of the constitution.

The Government of India has accepted the recommendations regarding tax devolution to states.

## Revenue Deficit Grant

The commission has assessed the revenues and expenditure of the states for the period 2015-20 and has projected the deficit for each state after taking into account the amount of share in central taxes for that state. The commission has recommended a grant of Rs. 1,94,821 Crore to meet this deficit of 11 states. The amount of grant recommended for each state year-wise is indicated in the chapter-11 of the report. The main features of the recommendations are tabulated hereunder:

<b>Table No 2: Pre Devolution Revenue Deficit</b>					<b>(Rs Crore)</b>
<b>State</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Andhra Pradesh	31646	33823	37817		47240
Arunachal Pradesh	4609	5169	5786	6467	7215
Assam	21435	23396	25451	27734	30999
Bihar	50072	56081	60783	68630	99473
Chattisgarh	8708	9817	10994	12238	13542
Goa	798	656	711	740	770
Gujarat	-11795	-15081	-19156	-24101	-30100
Haryana	2354	-998	-4950	-7253	-10176
Himachal Pradesh	12150	13010	13832	14593	15264
<b>Jammu &amp; Kashmir</b>	<b>18640</b>	<b>20860</b>	<b>23366</b>	<b>26194</b>	<b>29385</b>
Jharkhand	14680	16489	18215	20266	25010
Karnataka	3800	4100	4347	4389	4125
Kerala	19151	20095	20877	21414	21584
Madhya Pradesh	19445	21790	24330	27073	30024
Maharashtra	5865	8174	10729	13531	16591
Manipur	5645	6227	6865	7564	8328
Meghalaya	4346	4837	5375	5964	6606
Mizoram	4809	5375	6005	6706	7485
Nagaland	6092	6785	7552	8401	9338
Odisha	21007	23059	25073	29497	30425
Punjab	7604	7476	7233	6824	6223
Rajasthan	10747	6401	76	-3764	-5610
Sikkim	1863	1862	1782	1594	1232
Tamil Naidu	16313	16298	15862	14913	13321
Telangana	-818	-2184	-3930	-6138	-8902
Tripura	4815	5388	6027	6739	7531
Uttar Pradesh	81921	92541	103185	115631	144057
Uttrakhand	5838	4896	3441	1865	700
West Bengal	50983	52394	53269	53566	57878
<b>Total State(Deficit)</b>	<b>435337</b>	<b>466999</b>	<b>498984</b>	<b>542252</b>	<b>634347</b>
<b>Toatl States(Surplus)</b>	<b>-12613</b>	<b>-18263</b>	<b>-28036</b>	<b>-41255</b>	<b>-54788</b>

The Government of India has accepted the above referred recommendations in principle.

## **Local Bodies**

The commission has recommended that local bodies should be required to spend the grants only on the basic services within the functions assigned to them under relevant legislations. It has been recommended that distribution of grants to states for local bodies using 2011 population data with weight of 90% and area with weight of 10%. The grants to states will be divided into two parts, a grant to duly constituted Gram Panchayats and a grant to duly constituted municipalities on the basis of urban and rural population. The Commission has worked out a total grant of Rs. 287436 crore for the period 2015-20. Inter-se share of each state including weights assigned for each state in respect of local bodies grant is indicated in chapter 9 of the report. The commission has recommended grants in two parts- a basic grant and a performance grant for duly constituted Gram Panchayats (Rural Local Bodies) and Municipalities (Urban Local Bodies). The ratio of basic to performance grant is 90:10 with respect to Gram Panchayat and 80:20 with respect to Municipalities. The Government of India has accepted the above recommendations of 14<sup>th</sup> Finance Commission.

## **Disaster Relief**

The commission has reviewed the existing arrangement of financing relief expenditure in light of the Disaster Management Act, 2005 and likely implementation of Goods and Services Tax (GST) and has recommended an amount of Rs. 61219 crore as aggregate corpus of State Disaster Relief fund (SDRF) for all States for the award period and that states contribute 10% (Rs. 6122 crore) to SDRF during the award period with the remaining 90% (Rs. 55097 crore) coming from the union Government. The Commission has recommended that upto 10 percent of the funds available under the SDRF can be used by a State for occurrences which state considers to be 'disaster' within its local context and which are not in the notified list of disasters of the Ministry of Home Affairs. The amount of grant recommended for each state year-wise is indicated in chapter 10 of the report.

The Government of India has accepted the above recommendations with the modification that the percentage share of the States will continue to be as before, and that the flows will also be of the same order (linked to the extent of cess), as in the existing system; and that, once GST is in place, the recommendation of FFC on disaster relief would be fully implemented.

## **Other Recommendations**

In addition to the above, the commission has made recommendation that deal with issues including Goods and Services Tax, Fiscal Environment and Fiscal Consolidation Roadmap, Pricing of Public Utilities, Public enterprises and Public Expenditure management.

The Government of India has stated that these recommendations will be examined by them in due course in consultation with various stakeholders.

## **NITI Aayog**

1. Hon'ble Prime Minister has declared that Centre Government is working to strengthen Indian Federal polity aimed to promote 'Cooperative Federalism'. He has laid stress that real and functional federal governance is the only vehicle to achieve this objective.
2. Largest ever hike in share of states from central divisible pool from 32% during 13<sup>th</sup> Finance Commission period to 42% during 14<sup>th</sup> Finance Commission period accepted by Government of India.
3. To give states liberty in chalking out programmes and schemes without any central interference Government of India replaces Planning Commission with NITI Aayog.
4. There is shift from scheme and grant based support from the central Government to a devolution based support. The Government of India thus accepted devolution of 42% of divisible resources.
5. As per the 14<sup>th</sup> Finance Commission, all state plan revenue expenditure has to be met from the resources being devolved to states.
6. Government of India has decided to continue with some support to top most areas of national priority such as poverty elimination, MGNREGA, education, health, rural development, agriculture and some other areas.
7. After accepting 14<sup>th</sup> Finance Commission recommendations, centre moves away from centralized planning process to allow states the required freedom to plan the course of states development.
8. Centre's acceptance of 10% hike in devolution of divisible resources during 2015-2020 in pursuance to recommendations of 14<sup>th</sup> Finance commission, is intended to meet the requirement on account of plan and revenue deficit.
9. States asked to have a fresh look at some of the erstwhile schemes and programs supported by centre.
10. States have been given liberty to continue or change the schemes and programmes as per their discretion and requirement.
11. NITI Aayog which is a think tank is intended to support the states in developing a strategy and its execution through ideas , knowledge and technology.

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# Public Finance

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## Fiscal Policy And Budgetary Management

### I. Macro Situation

#### (a) Union Budget

The Union Budget for the year 2015-16 has been presented. Its main highlights are:

Indian economy is about to take-off on a fast growth trajectory. GDP growth in 2015-16, is projected between 8 to 8.5%.

Challenge of maintaining fiscal deficit at 4.1% in 2014-15 of GDP has been met, despite lower nominal GDP growth due to lower inflation and consequent sub-dued tax buoyancy.

The deadline for controlling fiscal deficit to 3% of GDP has been extended by a year on grounds that the pre-set timeline could affect India's growth prospects. The government is targeting to narrow the fiscal deficit to 3.9% of GDP next fiscal and reduce it gradually to 3% by 2017-18.

The expected Revenue Deficit is 2.8 per cent of GDP, Current account deficit below 1.3 per cent of GDP, Gross market borrowing at Rs 6 trillion and consumer inflation close to 5 per cent by March 2015, opening room for more monetary policy easing.

It proposes a 10-fold scaling up of direct benefit transfers (DBT) during the next financial year as a key expenditure control measure. The move is expected to lead to accurate targeting of beneficiaries, de-duplication, reduction of fraud and elimination of waste and leakage in public programmes and schemes.

It proposes to continue support to programmes with important national priorities such as agriculture, education, health, MGNREGA, rural infrastructure including roads.

It proposes to target Rs 410 billion from stake sales in companies and to introduce gold monetization scheme to allow depositors to earn interest.

GST to be in place by April 2016

Some of the challenges outlined are:

- (i) Poor agriculture income,
- (ii) Increasing investment in infrastructure,
- (iii) Decline in manufacturing and resource crunch in view of higher devolution in taxes to states and
- (iv) Maintaining fiscal discipline.

While the process of recovery has started, it is felt that there is need to continue with the reforms process to ensure the sustainable growth path so as to accelerate to double-digit levels in the coming years on the back of reforms, falling crude prices and likely cut in interest rates.

**(b) Fourteenth Finance Commission (FFC) Recommendations:**

The Union Government also accepted the recommendations of the 14th Finance Commission which raised the States' share in the net proceeds of union tax revenues from 32 per cent to 42 per cent. Other features are:

The higher tax devolution will allow states greater autonomy in financing and designing of schemes as per their needs and requirements.

A grant-in-aid for 11 revenue deficit states, which include Jammu and Kashmir.

The Finance Commission also provided for grants to be in two parts - a *basic grant* and a *performance grant* - for duly constituted gram panchayats and municipalities. In the case of former it will be in the ratio of 90:10 and in case of latter on a 80:20 basis, to be released each year in June and October enabling them to plan and execute the works better.

The Commission suggested a fiscal deficit target of 3.6% for 2015-16 and 3 % in subsequent year. However, the pace of cutting Fiscal Deficit has been slowed by the Union Government pushing the target of reducing deficit to 3% of GDP by year 2017-18.

On revenue expenditure, the Commission estimates it would decline from 10.8% to 9.6% of GDP between 2015-16 to 2019-20 primarily due to reduction in the subsidy expenditure from 1.70% in 2015-16 to 1% in 2019-20.

Fiscal deficit of all states will be anchored to an annual limit of 3 per cent of GSDP and a maximum limit of 3.5 per cent in any given year. The flexibility in availing the additional limit will be available only if there is no revenue deficit in the year in which borrowing limits are to be fixed and the immediately preceding year.

The State Governments to amend their FRBM Acts to provide for the statutory flexible limits on fiscal deficit as well as to provide a statutory ceiling on the sanction of new capital works to an appropriate multiple of the annual budget provision.

Commission expect that an improvement in the macroeconomic conditions and revival of growth as well as tax reforms should enhance the total tax revenues of the Union Government, enabling it to eliminate the revenue deficit completely much earlier than 2019-20.

It suggested that 100% compensation be paid to the states in the first, second and third years, 75% compensation in the fourth year and 50 % compensation in the fifth and final year after GST roll out.

Some schemes have been completely wound up; while others remain fully funded.

The urban local bodies shall rationalise their service charges in a way to at least recover the operation and maintenance costs from the beneficiaries.



All States to consider full volumetric measurement of the use of irrigation water. Any investment that may be required to meet this goal should be borne by the States, as the future cumulative benefits, both in environmental and economic terms, will far exceed the initial and further consider setting up a statutory Water Regulatory Authority, so that the pricing of water for domestic, irrigation and other uses can be determined independently and in a judicious manner.

That States (urban and rural bodies) should progressively move towards 100 per cent metering of individual drinking water connections to households, commercial establishments as well as institutions and this should be accomplished by March 2017 and the cost of this should be borne by the consumers.

The level of disinvestment should be derived from the level of investment that the government decides to hold over the medium to long term in each enterprise, based on principles of prioritization advised, while the process of disinvestment should take into account the market conditions and budgetary requirements, on a year to year basis.

## **II. State Economic Situation**

### ***(a) Economic Growth***

As per advance estimates, the Gross State Domestic Product (GSDP) for the fiscal 2014-15 at current prices is estimated at Rs 87921 Crore, which would mean no growth over the previous year.

In real terms the growth rate for the year 2014-15 is likely to be (-)1.57% (calculated at 45126 (AE) in view of the economic slowdown and floods that stuck the state and devastated agriculture, horticulture and business sectors, homes and hearths and livelihoods of a big segment of the population.

At constant (2004-05) prices, Per Capita Gross Income of the State after a steady rise in earlier years is expected to fall by 1.54 per cent in 2014-15 in comparison to 2013-14. During the Eleventh Five year Plan period, the rate of growth in per capita income of the state has averaged at 5.7 per cent in comparison to the average All India growth rate of 6.3 per cent.

### ***(b) Fiscal Situation***

Fiscal position of the State had seen a steady deterioration in the finances of the State Government, for host of reasons including rising cost of salary and pension bills, burgeoning hidden subsidies including power deficit, rising interest liabilities and loan repayments.

The strategy to come out of the situation shall require to be multipronged in terms of mobilization of additional resources, improvement in tax and non-tax collections, cost recovery of user charges, expenditure compression, particularly establishment related and increase in efficiency levels. The weakness of the J&K State Finances, emanates not so much from lower revenues as from its higher expenditure.

**(c) Fiscal Deficit**

Fiscal deficit for 2013-14 has been calculated at 5.2%. The position with regard to Fiscal Deficit (FD) over the years, which is the total borrowing of the state government is tabulated as under.

<b>Financial Year</b>	<b>Amount</b>	<b>FD as % of GSDP at current prices</b>
2006-07	1930	6.6
2007-08	2666	8.4
2008-09	2748	6.9
2009-10	3989	9.2
2010-11	2367	4.3
2011-12	3694 (2833)	4.57
2012-13	4216 (2975)	5.5* (3.91)**
2013-14	4554	5.2*

*\* As per CAG's data ; \*\* After adjustments*

**(d) Fourteenth Finance Commission**

The 14th Finance Commission Award for the State announced recently, is shown in the following matrix.

	<b>13<sup>th</sup> FC Award</b>	<b>14<sup>th</sup> FC Award</b>
NPRD Grant	<b>15936.30</b> (Comparable figures inclusive of NCA, SPA, SCA having been subsumed in NPRD = 54446)	<b>59666.00</b>
SDRF	<b>877.60</b>	<b>1268.00</b>
Local Bodies Grant	<b>1122.60</b>	<b>4769.37</b>
i) Rural Local Bodies	918.412	3463.73
ii) Urban Local Bodies	204.188	1305.64
Upgradation/State Specific Grants	<b>2437.88</b>	<b>0.00</b>
Share in Central Taxes	<b>20182.70</b>	<b>60400.00</b>
	<b>40557.80</b> (Comparable figures 79067)	<b>126103.37</b>

The Finance Commission Award given becomes an assured resource of the State Government for the five year period (2015-2020) and provide a stable ground for implementation of the State's policies and programmes.

Earlier the Thirteenth Finance Commission TFC (2010-15) had awarded an amount of Rs 40557.08 crore including a Revenue Deficit Grant of Rs 15936 Crore, and Rs 20183 Crore as Share in Central Taxes due to the state government. There is approximate shortfall of Rs 1193 Crore in devolution of Central Taxes over the TFC Award period. Another major shortfall of approximately Rs 600 Crore would be in the Local Bodies Award. This has been caused mainly due to the elected Urban

Local Bodies not being in place during the last three years of award period and the duly elected Rural Local Bodies not being in place in the first one and a half year of the Award period.

However, the state was able to avail the benefit of rescheduling of loan repayment and revision of interest rate under Debt Consolidation and Relief Facility. A rebate of approximately Rs 116 Crore was provided in 2008-09, which would be available till the discharge of the loan in 2020, on the diminishing balance.

**(e) Expenditure**

The total expenditure, its annual growth, its ratio to the State GSDP and to revenue receipts besides relative share of Capital & Revenue Expenditure are indicated hereunder.

<b>Table No 3</b>			
<b>Particulars</b>		<b>2012-13</b>	<b>2013-14</b>
Total Expenditure (TE)	(Rs in crore)	30434	31686
Rate of growth ( <i>per cent</i> )		6.25	4.11
TE/GSDP ratio ( <i>per cent</i> )		39.99	36.29
RR/TE ratio ( <i>per cent</i> )		86.14	85.62
Buoyancy of Total Expenditure with reference to GSDP (ratio)			
RR (ratio)		1.08	
Revenue Expenditure in crore		25117	27058
Capital Expenditure	(Rs in crore)	5224	4507
Loans & Advances		93	121

The total expenditure of the State was Rs 31686 crore in 2013-14. Capital expenditure has been of the order of Rs 4507 crore in 2013-14. Revenue expenditure was Rs 27058 crore during the same period. While the revenue expenditure increased during 2013-14 by Rs 1941 crore, the capital expenditure witnessed a decrease by Rs 717 crore over the previous year.

The total expenditure of Rs 31686 crore during 2013-14 comprises of Rs 6011 crore Plan and Rs 25675 crore non-Plan expenditure. The Plan expenditure decreased by 7.92 per cent. While, the non-Plan expenditure recorded, an increase of 7.40 per cent in 2013-14 over 2012-13 figures.

There was a tax collection of Rs. 6273 crore during 2013-14 registering an increase of 7.56 % over previous financial year. The main contribution (73%) was from Tax on Sales. Contribution of State Excise has declined, Which is attributed to charging of some nominal or absolutely no excise duty due to state industrial policy. The expenditure on payment of interest increased marginally to Rs 3,001 crore in 2013-14.

The state's own revenue has increased by 7.54 % from Rs 5833 crore in 2012-13 to Rs. 6273 crore in 2013-14.

The central devolutions including States share in Central Taxes and Duties taken together constituted on an average 73.10 per cent of the total revenue receipts of the state during the period 2002-2013 and 66.30 % in 2013-14.

The share of operation and maintenance expenditure within the sectors had also remained constant.

The state has continued to maintain revenue surplus, though its quantum decreased in 2013-14 by Rs. 1030 crore from the surplus of Rs. 1100 crore in 2012-13.

### III. AREAS OF CONCERN

#### (a) Challenge thrown by devastation of floods

The recent floods in the State brought havoc destroyed homes and hearths and affected livelihood of large number of people. The biggest challenge would therefore be reconstruction of destroyed infrastructure, to re-establish livelihoods, trade and business. The experiences in regard to un-preparedness shall also need to be fully pooled so that systems are planned to be in place and prepared for meeting such eventuality in future. This has assumed extra importance due to erratic weather patterns on account of global warming and states vulnerability to earth quakes.

It has been reported that government offices also suffered huge damages to its furniture, fixture, computers and other office items etc. The loss has been shown to be of the order Rs 1100 Crore. Meeting this in near term is also going to pose a major challenge.

Devolutions received on account of SDRF funds over a period of time from Central Government is ploughed to fund day to day expenses of the State. An amount of Rs 1946 Crore has been received till date since inception on account of SDRF out of which Rs 1057 Crore stands authorized post September, 2014 floods alone leaving total balance of Rs 204 Crore in the books as on date.

The whole amount has been kept in the public account with the result no money exists when it is required most. The releases from SDRF has put pressure on liquidity situation with the result treasuries are running dry after recent floods and people devoured of their legitimate claims in the aftermath of floods. At least some portion of funds shall need to be earmarked for investment in safe instruments so that the money is urgently available and help the needy when needed most.

#### (b) Power Sector Reforms

Power purchase by the state has shown striking increase over a period of time due to increase in demand. Power purchases vis-à-vis revenue realized is shown in the table below.

				<b>Rs in crore</b>	
<b>Financial Year</b>	<b>Power purchase Costs</b>	<b>Target</b>	<b>Actuals</b>	<b>Deficit</b>	
2011-12	3000	1486	1007	1993	
2012-13	3870	2387	1589	2281	
2013-14	3738	2841	1533	2205	

The gap between expenditure on power purchase and receipts shall have to be narrowed and losses brought down. Some rationalization on account of power

purchases shall have to be necessarily put in place so that limited resources are not squandered.

Full metering of power consumption would be needed to ensure judicious use of electricity. Some innovative solutions shall require to be conceived to address this issue and consequently save huge revenue loss to the state. Need of the hour would be, thus, to provide required supply to the consumers but at the same time ensure full recovery from them.

Development of Power sector holds key to the fiscal autonomy of J&K and as such requires top most priority to address the issues of the sector in their full spectrum.

**(c) Growing Salaries and Other Expenditure**

The committed expenditure on account of interest, salaries, wages and pensions has shown an upward trend. The ever growing revenue expenditure is of grave concern and special efforts shall be needed to identify expenditure compression avenues, new sources of revenue realization and augmentation of Tax Collection System.

**(d) Reining of fiscal deficit.**

As per the road map for fiscal consolidation incorporated in the FRBM Act of the State it is seen that targets set could not be met primarily due to number of reasons. Growing salary and other expenditures, implementation of 6<sup>th</sup> Pay Commission recommendations, coupled with the ever increasing power revenue deficit being the major causes. Reining in of fiscal deficit is of prime importance in view of condition imposed by 14<sup>th</sup> FC reward to ensure resource mobilization.

**(e) Return on Investment.**

During last five six decades the government has invested huge amounts in various PSEs. But, the returns from all except J&K Bank are nil. These PSE's still continue on the budgetary support of the government. While hope and recovery is in view in some of the cases the picture by and large looks gloomy in most of them.

**State Finances**

**Summary of Financial Transactions of 2013-14**

The summarised fiscal transactions on account of receipts and disbursements for the financial year 2013-14 vis-à-vis 2012-13 are shown in table below.

<b>Table No 5: Summary of Fiscal Transactions during 2012-2013 &amp; 2013-14</b>							
<b>(Rs. in crore)</b>							
<b>Receipts</b>			<b>Disbursements</b>				
<b>Section - A Revenue</b>							
<b>Segment</b>	<b>2012-13</b>	<b>2013-14</b>	<b>Segment</b>	<b>2012-13</b>	<b>2013-14</b>		
					<b>Non-Plan</b>	<b>Plan</b>	<b>Total</b>
Revenue receipts	26217	<b>27128</b>	Revenue Expenditure	25117	25219	1839	<b>27058</b>
State's Own	5833	<b>6273</b>	General	10626	11374	29	<b>11403</b>

Tax revenue			Services				
State's Own Non-Tax Revenue	2160	<b>2870</b>	Social Services	6908	6319	1577	<b>7896</b>
Share of Union Taxes/Duties	3871	<b>4142</b>	Economic Services	7583	7526	233	<b>7759</b>
Grants from Government of India	14354	<b>13843</b>					

**Section - B Capital**

			Capital Outlay	5224	335	4172	<b>4507</b>
Recoveries of Loans and Advances	2.00	<b>4</b>	Loans and Advances disbursed	93	121	-	<b>121</b>
Public Debt receipts *	3287	<b>3153</b>	Repayment of Public Debt *	1343	1298	-	<b>1298</b>
Contingency Fund	-		Contingency Fund	-	-	-	<b>0</b>
Public Account receipts **	19124	<b>17840</b>	Public Account disbursements **	17723	14169	-	<b>14169</b>
Opening Cash Balance	961	<b>91</b>	Closing Cash Balance	91	1063	-	<b>1063</b>
<b>Total</b>	<b>49591</b>	<b>48216</b>		<b>49591</b>			<b>48216</b>

\* Excludes net transactions under ways and means advances and overdraft, \*\* These exclude transactions of investment of cash balances and departmental cash chests. The net effect of these transactions is included in the opening and closing cash balances in the row next below.

As is evident the aggregate cash balance of the state (including un-invested cash with RBI, invested cash and cash in departmental cash chests increased during 2013-14 by Rs. 972 crore from opening balance of Rs. 91 crore to a closing balance of Rs. 1063 crore. High level of closing Cash Balance in 2013-14 was on account of last minute deposition of Water Usage Charges.

**Trends in Key Fiscal Aggregates:**

The trends in budget estimates, Revised Estimates and actual financial outcomes of some key fiscal aggregates from 2011-12 to 2013-14 are as under:-

S. No	Fiscal Aggregate	2011-12			2012-13			2013-14		
		Budget	Revised	Actual	Budget	Revised	Actual	Budget	Revised	Actual
1	Revenue Receipts (a)+(b)+(c)+(d)	26701	25513	24783	29948	29499	26217	<b>33970</b>	<b>31227</b>	<b>27128</b>
(a)	State's	4183	4791	4745	5419	5975	5833	6700	6820	6273

	Own Tax revenue									
(b)	State's own Non Tax Revenue	1620	1851	2002	2118	2819	2160	3033	3400	2870
(c)	State's share in Union Taxes	3328	3691	3495	4245	4085	3870	4485	4514	4142
(d)	Grants from Centre	17570	15180	14541	18166	16620	14354	19752	16493	13843
<b>2</b>	Non-Debt Capital Receipts	358	356	168	224	131	2	40	85	4
<b>3</b>	Fiscal Deficit	2979	3979	3694	2364	3364	4216	4058	4977	4554
<b>4</b>	<b>Total Receipts (1+2+3)</b>	<b>30038</b>	<b>29848</b>	<b>28645</b>	<b>33853</b>	<b>34311</b>	<b>30435</b>	<b>38068</b>	<b>36289</b>	<b>31686</b>
<b>5</b>	Revenue Expenditure 5(i) +5(ii)	22752	22854	22680	24990	25237	25117	<b>28690</b>	<b>27617</b>	<b>27058</b>
(i)	Plan	1178	1081	1248	1442	1242	1557	1594	1594	1839
(ii)	Non-Plan	21574	21773	21432	23548	23995	23560	27096	26023	25219
<b>6</b>	Capital Expenditure 6(i) + 6(ii)	7286	6994	5965	8863	9074	5317	<b>8147</b>	<b>7441</b>	<b>4628</b>
(i)	Plan	7020	6617	5474	7028	7228	4971	7476	6776	4172
(ii)	Non-Plan (excluding Debt Repayment , including Loans and Advances)	266	377	491	518	529	346	671	665	456
<b>7</b>	<b>Total Expenditure</b>	<b>30038</b>	<b>29848</b>	<b>28645</b>	<b>33853</b>	<b>34311</b>	<b>30434</b>	<b>38068</b>	<b>36289</b>	<b>31686</b>
(i)	Plan	8198	7698	6722	8470	8470	6528	9070	8370	6011
(ii)	Non-Plan	21840	22150	21933	25383	25841	23906	28998	27919	25675
	Pre-Devolution Non-Plan Revenue Deficit (PDNPRD)	15771	15131	14685	16011	15201	15568	17363	15803	16076

	GSDP (New Series with Base Year 2004-05)	62365	62365	62365	70160	76115	76115	87319	87319	87319
	Fiscal Deficit as per cent of GSDP	4.78	6.38	4.54	3.1	*4.4	**3.91	4.6	5.7	5.2
	Revenue Surplus	3949	2659	2103	4958	4262	1100	5280	3610	70
	PDNPRD/ GSDP (Percent)	25.28	24.26	23.5	22.8	19.97	20.45	19.88	18.10	18.41

The foregoing Table-6 reveals that;

- The state has continued to maintain revenue surplus, though its quantum decreased in 2013-14 by Rs. 1030 crore from the surplus of Rs 1100 crore in 2012-13.
- The state's own revenue has increased by 7.54 % from Rs 5833 crore in 2012-13 to Rs. 6273 crore in 2013-14.
- The central devolutions including States share in Central Taxes and Duties taken together constituted on an average 73.10 per cent of the total revenue receipts of the state during the period 2002-2013 and 66.30 % in 2013-14. These resources transferred by the Central Government financed on an average 65.2 per cent of the total expenditure during the period 2002-13, indicating a marginal decline of 6.80 % in the State's dependence on transfer of central resources.
- The above data does not include funds directly transferred to the implementing agencies by the Central Government for execution of Central Sector Schemes. These schemes are not reflected in the Finance Account and Annual Financial Statement of the State. Information about some major schemes is given below.

Name of Programme/scheme	Name of the Implementing Agency in the State	Total Funds released by GoI during	
		2012-13	2013-14
PMGSY	State Rural Roads Agency	266.32	523.24
National Rural Health Mission (NRHM)	State Health Department and other agencies	139.23	354.89
Sarva Shiksha Abhiyan	Ujala Society	508.06	891.44
MGNREGA	Assistant Commissioners Development DRDA	762.76	603.16
National Rural Drinking Water Programme	State Water and Sanitation Mission	474.5	412.66
Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	Ujjala Society	109.36	135.78



<b>TOTAL</b>	<b>2260.23</b>	<b>2921.17</b>
<i>* Source : CPMS of CGA's website</i>		

### Revenue receipts

The increase in revenue receipts which consist of own tax and non tax revenue, central tax transfers and grant-in-aid from Government of India over the years is shown in the following table:-

<b>Table No 8 : Revenue receipts-basic indicators</b>		<b>(Rs. in crore)</b>					
<b>S. No</b>	<b>Revenue Receipt</b>	<b>2008-09 (A)</b>	<b>2009-10 (A)</b>	<b>2010-11 (A)</b>	<b>2011-12 (A)</b>	<b>2012-13 (A)</b>	<b>2013-14 (A)</b>
1	Own Taxes	2683 (18.76)	3027 (17.21)	3483 (15.67)	4745 (19.15)	5833 (22.24)	6273 (23.12)
2	Non-tax Revenue	837 (5.85)	955 (5.43)	1093 (4.92)	2002 (8.08)	2160 (8.23)	2870 (10.58)
3	Central Tax Transfers	1826 (12.77)	1915 (10.89)	3067 (13.79)	3495 (14.10)	3870 (14.76)	4142 (15.27)
4	Grant in Aid	8956 (62.62)	11691 (66.47)	14592 (65.62)	14541 (58.67)	14354 (54.75)	13843 (51.03)
5	Total (1 to 4)	14302 (100)	17588 (100)	22235 (100)	24783 (100)	26217 (100)	27128 (100)
6	Growth ( % )	7.70	22.98	26.42	11.45	5.78	(3.47)
<i>(A)= Actual</i>							
<i>Figures in brackets indicate percentage share</i>							

### Grants-in-Aid vis-a-vis other Receipts:

The above table reveals that the revenue receipts have grown by 3.47 % during 2013-14 as compared to 5.78 % registered during 2012-13. This decline is due to decrease in 'Grant-in-Aid' from Rs 14354 crore in 2012-13 to Rs 13843 crore during 2013-14. Share of Grant-in-Aid in Total Revenue Receipt (TRR) has come down from 54.75 % to 51.03 % during 2013-14. Share of own taxes for all the years is above 15% while as share of non-tax revenue has also shown better results compared to all the years from 2008-09 to 2012-13. During 2012-13 its share has grown to 8.23 % and further to 10.58 % in the year 2013-14. For the years 2012-13 and 2013-14, 30.49 % and 33.70 % of revenue receipts have come from State's own resources comprising of tax and non tax revenue. The share of central taxes transfer and grant-in-aid from Government of India has together contributed remaining 69.51 % for 2012-13 and 66.30 % for 2013-14 of the total revenue receipts.

### Central Tax Transfer

Central tax transfers has witnessed a marginal increase of 0.51 % from 14.76 % in 2012-13 to 15.27 % during 2013-14.

### Tax Revenue

Contribution of various components of Tax revenue during the period 2009-10 to 2013-14 is shown in Table - 9.

Table No 9 : Components of Tax Revenue		(Rs. in crore)				
S. No	Source of Tax Revenue	2009-10 (A)	2010-11 (A)	2011-12 (A)	2012-13 (A)	2013-14 (A)
1	Taxes on sales, trade etc./VAT*	2146 (70.90)	2425 (69.62)	3414 (71.95)	4174 (71.57)	4579 (73.00)
2	State excise	294 (9.71)	337 (9.68)	385 (8.11)	421 (7.22)	440 (7.01)
3	Taxes on vehicles	83 (2.74)	115 (3.30)	105 (2.21)	118 (2.02)	134 (2.14)
4	Stamps and registration	70 (2.31)	79 (2.27)	171 (3.6)	240 (4.11)	261 (4.16)
5	Land revenue	15 (0.50)	42 (1.21)	33 (0.70)	96 (1.64)	16 (0.26)
6	Other taxes**	419 (13.84)	485 (13.92)	637 (13.42)	783 (13.42)	843 (13.44)
7	Total	3027 (100)	3483 (100)	4745 (100)	5832 (100)	6273 (100)
Increase over respective previous Year ( % )		12.82	15.06	36.23	22.90	7.56
* Includes also service tax, ** Includes taxes on goods and passengers, taxes and duties on electricity and other taxes and duties on commodities and services, (A)= Actual, Figures in brackets indicate percentage share.						

There was a tax collection of Rs. 6273 crore during 2013-14 registering an increase of 7.56 % over previous financial year. The main contribution (73%) was from Tax on Sales. Contribution of State Excise has however, declined. Decline in Excise duty is due to State Industrial Policy under which some nominal or absolutely no excise duty is being levied and collected which results in great loss of revenue to the State. Buoyancy in Taxes is mainly due to introduction of VAT system in the State.

Receipts from other taxes, which include 'taxes on goods and passengers' and 'Other duties on commodities and services' (mainly as Electricity Duty), had a share of 13.44 % as against 13.84 % in 2009-10. This segment has remained somewhat static over the years. Land Revenue has the lowest share, due to it being under suspension in the State presently and the collection is only on account of outstanding arrears of the past.

### Non - tax revenue

The non-tax revenue stood at Rs. 2870 crore during 2013-14 as compared to Rs. 2160 crore for 2012-13 registering an increase of 32.87 % over 2012-13. Non tax revenue constituted 10.58 % of total revenue receipts for 2013-14 as against 8.24 % of 2012-13. Break-up of Non-tax revenue collected during the period along with percentage increase/decrease over 2011-12 is given in Table-10 below.

Table No 10 : Trends of Non-Tax Revenue							(Rs. in crore)
Head of Revenue	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Percentage increase (+)/decrease (-) in 2012-13 over 2012-12
Power	629.98	723.64	822.09	1006.93	1589	1533	(-)3.52
Interest receipts, dividends and profits	56.51	67.04	67.04	101.22	104	142	(+)36.54
Forest and wild life	31.61	47.47	47.47	55.20	59	68	(+)15.25
Public works	16.89	23.58	23.58	25.94	27	24	(-)11.11
Medical and public health	9.92	9.49	9.40	14.55	18	16	(-)11.11
Water supply and sanitation	14.65	13.16	15.97	20.57	32	38	(+)18.75
Police	10.35	12.84	10.99	24.91	28	57	(+)103.57
Non-ferrous mining and metallurgical industries	14.86	25.34	34.51	41.18	54	53	(-)1.85
Crop husbandry	5.00	5.23	4.53	11.73	8	8	0.00
Animal husbandry	4.70	5.13	5.41	6.41	7	7	0.00
Others	42.69	44.07	52.11	693.00	235	924	(+)293.19
Grand Total:	837.16	955.03	1093.11	2001.64	2160	2870	(+)32.87

The shortfall in receipts from Power Development Department which constitute the most significant component of Non-Tax Revenue vis-a-vis purchase costs as indicated below has long been deteriorating the performance of non-tax revenue collection. The gap between receipt from consumers and expenditure on power purchases as shown in Table-11 had been the highest in 2012-13 as compared to earlier years. The gap stood at Rs 2205 crore during 2013-14.

Table No 11 : Deficit in Power Component				(Rs in crore)
Financial Year	Power purchase Costs	Target	Actuals	Deficit
2003-04	1135	455	368	767
2004-05	1318	483	383	935
2005-06	1674	461	384	1290
2006-07	1355	405	479	876
2007-08	1750	780	601	1149
2008-09	2034	922	630	1404
2009-10	1997	1065	702	1295

2010-11	2310	1209	822	1488
2011-12	3000	1486	1007	1993
2012-13	3870	2387	1589	2281
2013-14	3738	2841	1533	2205

### Outstanding Revenue Arrears

The outstanding arrears ending 31<sup>st</sup> March, 2014, in respect of the principal heads of revenue were Rs. 1419.71 crore of which Rs. 697.41 crore were outstanding for more than five years as per break-up given in Table-12.

S. No	Heads of revenue	Amount outstanding (Rs. in crore)		Remarks
		As on 31 March 2014	For more than five years	
1	Taxes on sales/VAT, Trades etc.	1260.93	746.76	
2	State excise	19.01	4.46	
3	Motor spirit tax	0.10	0	-
4	Passenger tax	34.07	26.87	-
5	Entertainment Tax	0.21	0.21	-
6	Toll Tax	28.69	27.03	Inclusive of interest equivalent to 2% fine
	<b>Total</b>			

### Loss due to Evasion of Taxes, write off/waivers.

The details of cases of evasion of tax detected, cases finalized and demands raised are mentioned in Table - 13 below.

Department	Number of cases					Pending as on 31 March 2014
	Pending as on 31 March 2013	Detected during 2013-14	Total	in which assessments /investigation completed and additional demand including penalty etc. raised during 2013-14		
				Cases	(in Rs. lakh)	
Commercial Tax Department	1272	3519	4791	4334	6897.27	457
Passenger Tax	-	2131	2131	2131	3.91	0.00
State Excise	-	402	402	402	30.41	-

### Refund

The position of refund cases pertaining to last three years are shown in Table - 14.

Table No 14 : Refunds of sales tax claims						(Rs. in crore)	
Particulars	2011-12		2012-13		2013-14		
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	
Claims outstanding at the beginning of the year	2	0.21	6	2.71	6	2.71	
Claims received during the year	4	2.50	1	3.67	3	11.39	
Refunds made during the year	0	0	1	3.67	2	0.93	
Balance outstanding	6	2.71	6	2.71	7	13.17	

### Grants-in-aid

The details of Grants-in-aid received from central government since 2008-09 is indicated in Table - 15.

Table No 15: Grants-in-aid from Government of India								(in Rs. crore)	
S. No	Particulars	Magnitude							
		2008-09 (A)	2009-10 (A)	2010-11 (A)	2011-12 (A)	2012-13 (A)	2013-14 (A)		
1	Grants for State Plan Schemes	4735 (52.87)	7748 (66.27)	7945 (54.45)	9255 (63.65)	9547 (66.51)	9008 (65.07)		
2	Non - Plan Grants	3460 (38.63)	3404 (29.12)	5967* (40.89)	4551 (31.29)	4080 (28.42)	4009 (28.96)		
3	Grants for Central, Centrally Sponsored Schemes/Projects and Special Plan Schemes	761 (8.50)	539 (4.61)	680 (4.66)	734 (5.04)	727 (5.64)	826 (5.97)		
4	Total	8956 (100)	11691 (100)	14592 (100)	14540 (100)	14354 (100)	13843 (100)		
5	Percentage increase/decrease over previous year.	10.05	30.54	24.81	-0.35	-1.27	-3.56		

(A)= Actual, Figures in brackets indicate percentage share, \* include Rs. 1000.00 crore grant to wipe out overdraft.

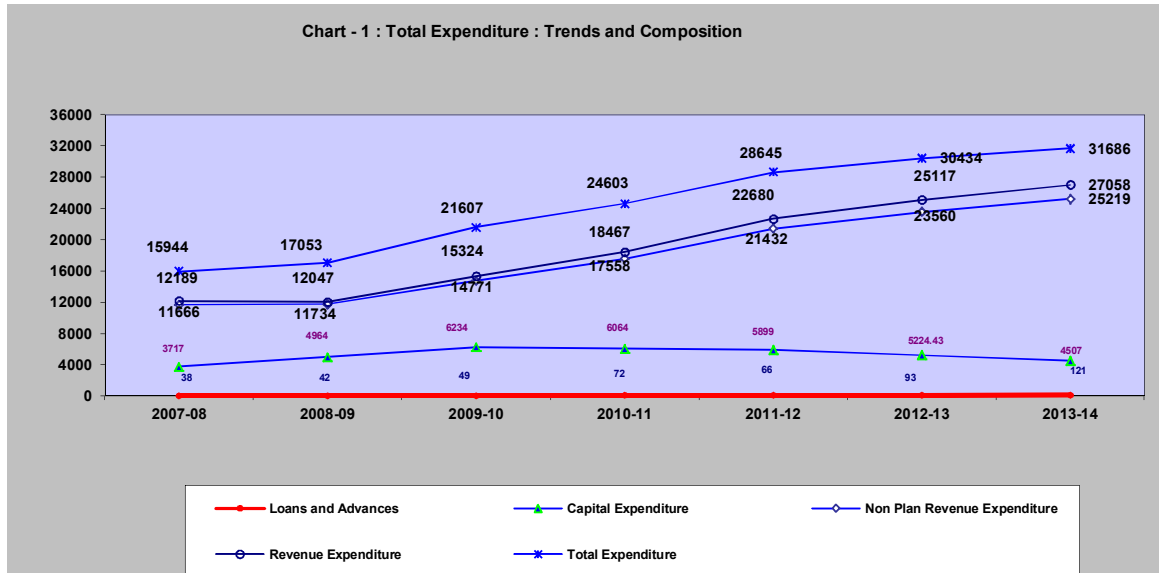
As per the recommendations of 13<sup>th</sup> FC award, the non-plan grants have to taper down with each passing year and State have to mobilize additional resources to bridge the gap. During 2013-14 the Non-Plan Grants declined by 1.74 % to Rs. 4009 crore from Rs. 4080 crore in 2012-13. States own tax revenue however registered an increase of 7.56 % during 2013-14. However, Plan Grants have also decreased during 2013-14 by 5.65 % to Rs. 9008 crore from Rs. 9547 crore in 2012-13.

Grants for Centrally Sponsored Schemes/ Projects and Special Plan Schemes have not been adequately provided and have ranged between 4.61 - 5.97 % of total Grants from 2009-10 and 2013-14. However, it is a disturbing negative growth in

Central receipts from 2011-12 onwards as shown above in table 11 which is worrisome.

### Growth and Composition of Expenditure

Chart - 1 depicts the trends in total expenditure both in terms of economic classification and expenditure by activities.



The total expenditure of the State increased by 85.81 % from Rs. 17011 crore in 2008-09 to Rs. 31686 crore in 2013-14. The revenue expenditure components has increased by 124.60 % and capital expenditure component has decreases by 9.21% during the same period.

The total expenditure, its annual growth, its ratio to the State GSDP and to revenue receipts besides relative share of Capital & Revenue Expenditure are indicated in the Table-16.

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Total Expenditure (TE) (Rs. in crore)	17053	21607	24603	28645	30434	31686
Rate of growth ( <i>per cent</i> )	6.96	26.70	13.87	16.42	6.25	4.11
TE/GSDP ratio ( <i>per cent</i> )	43.47	49.97	51.57	45.93	39.99	36.29
RR/TE ratio ( <i>per cent</i> )	83.87	81.40	90.37	86.52	86.14	85.62
Buoyancy of Total Expenditure with reference to GSDP (ratio)	0.36	1.94	0.98	1.18	0.28	0.28
RR (ratio)	1.18	1.15	1.20	1.09	1.04	1.003
Revenue Expenditure in crore	12047	15324	18467	22680	25117	27058
Capital Expenditure	4964	6234	6064	5899	5224	4507

(Rs. in crore)						
Loans & Advances	42	49	72	66	93	121

Capital expenditure decreased by Rs.1557 crore from Rs 6064 crore in 2010-11 to Rs 4507 crore in 2013-14. Revenue expenditure increased from Rs 18467 crore to Rs 27058 crore by Rs. 8591 crore during the same period. While the revenue expenditure increased during 2013-14 also by Rs. 1941 crore, the capital expenditure witnessed a decrease by Rs. 717 crore during the same year over the previous year.

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
General Services	5431	6684	8235	10119	11262	11403
Social Services	4287	5884	6756	7861	8507	7896
Economic Services	7293	8990	9540	10599	10572	7759
Loans and Advances	42	49	72	66	93	121

The total expenditure of Rs. 31686 crore during 2013-14 comprises of Rs. 6011 crore Plan and Rs. 25675 crore non-Plan expenditure. The Plan expenditure decreased by Rs. 517 crore (7.92 per cent) from Rs. 6528 crore in 2012-13 to Rs. 6011 crore in 2013-14. However, the non-Plan expenditure recorded, an increase of Rs. 1769 crore (7.40 per cent) in 2013-14 from Rs. 23906 crore in 2012-13. The share of salary/wages/pension in the total expenditure during 2007-08 stood at 35.33 per cent, which had increased to 47.96 per cent during 2013-14. The sector wise expenditure reveals 38.03 percent of expenditure on General Services, 28.80 percent on Social Services and 32.78 percent on Economic Service.

The expenditure on payment of interest increased marginally from Rs. 2,707 crore in 2012-13 to Rs. 3,001 crore in 2013-14. The average rate of interest on Government borrowings during 2007-12 was 8.15 per cent, which reduced to 7.07 per cent in 2013-14.

Revenue expenditure incurred to maintain the current level of services and payment for the past obligations has had a predominant share in the total expenditure as is discernible from Table - 18.

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Total expenditure	17011	21558	24531	28579	30341	31565
Revenue Expenditure (RE) (Rs. in crore)	12047	15324	18467	22680	25117	27058
Non-Plan Revenue Expenditure (NPRE)	11734	14771	17558	21432	23560	25219
Plan Revenue Expenditure (PRE)	313	553	909	1248	1557	1839
Rate of Growth of	-1.16	27.20	20.51	22.82	10.74	7.73

RE (per cent)						
NPRE (per cent)	0.58	25.88	18.87	22.06	9.93	7.04
PRE (pre cent)	-40.15	76.68	64.38	37.29	24.76	18.11
<b>Ratio ( per cent)</b>						
RE as percentage of TE	70.64	70.92	75.06	79.17	82.53	85.39
NPRE/GSDP (per cent)	29.91	34.16	36.80	34.37	30.95	28.88
NPRE as percentage of TE	68.81	68.36	71.37	61.29	77.41	79.59
NPRE RR	82.04	83.98	78.97	86.48	89.87	92.96
NPRE as percentage of RE	97.40	96.39	95.07	94.49	93.80	93.20
Buoyancy ratio of Revenue Expenditure with						
GSDP	-0.11	2.06	1.98	1.63	0.70	0.61
Revenue Receipts	-0.15	1.18	0.78	1.99	1.86	2.22
<i>(Figures in parenthesis represent percentage of revenue receipts.)</i>						
<i>* Total expenditure without loans and advances</i>						

The revenue expenditure of the State have registered 124.60 per cent increase from Rs. 12047 crore in 2008-09 to Rs. 27058 crore in 2013-14. The non-plan revenue expenditure increased by about 114.92 per cent from Rs. 11734 crore to Rs. 25219 crore during the same period. The share of non-plan revenue expenditure (NPRE) in the total revenue expenditure decreased slightly from 93.80 per cent in 2012-13 to 93.20 per cent in 2013-14.

### Committed Expenditure

The committed part of revenue expenditure on account of interest payments, salaries and wages and pensions for the period 2008-14 is given below in the table.

Components of Committed Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Salaries & Wages of which	4820 (33.70)	6365 (36.18)	7772 (34.96)	10113 (40.81)	10600 (40.43)	11605 (42.78)
Salaries Non-Plan Head	4682	6095	7467	9665	10036	10845
Salaries Plan Head	138	233	305	448	564	760
Interest Payments	1578 (11.03)	2139 (14)	2283 (10.26)	2383 (9.61)	2707 (10.33)	3001 (11.06)
Pensions	1269.40 (8.89)	1568 (8.91)	2242 (10.08)	3296 (13.29)	3463 (13.21)	3592 (13.24)

*(Figures in parenthesis represent percentage of revenue receipts)*

Expenditure on salary and wages increased by 9.48 per cent compared to an increase of 3.47 per cent in the revenue receipts over the last one year period.



### Financial Assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants and loans to autonomous bodies by various departments of the State Government during the 2013-14 relative to the previous years is presented in Table-20.

<b>Name of the Department</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Education and sports	113.93	521.66	171.84	213.46	209.81	538.22
Housing and Urban Development	170.82	217.01	253.98	289.28	303.11	192.45
Agriculture	80.60	138.63	203.47	151.61	216.42	13.8
Art and Culture	9.43	-	-	-	-	-
General Administration	4.20	11.14	6.13	8.50	9.14	19.46
Industries	7.40	25.53	11.66	21.41	75.23	23.52
Tourism	15.06	7.17	150.40	5.52	1.76	8.86
Administration of Justice	3.30	3.32	3.67	4.48	4.80	0.05
Health and Family Welfare	-	0.47	0.36	0.34	0.23	14.06
Others	146.02	442.27	644.76	1100	1263.78	0.77
<b>Total</b>	<b>550.40</b>	<b>1431.20</b>	<b>1446.27</b>	<b>1795.16</b>	<b>2084.28</b>	<b>811.19</b>
Assistance as a percentage of Revenue expenditure	4.57	9.34	7.83	7.91	8.30	3.00

The assistance extended to local bodies and other institutions decreased by 61.08 per cent from Rs 2084.28 crore during 2012-13 of Rs. 811.19 crore in 2013-14. Financial Assistance of Rs 306.45 crore was provided to 82 ULBs (2 Municipal Corporation, 6 Municipal Councils, 74 Municipal Committees) during 2013-14, financial assistance of Rs 71.76 Crore was also provided to 4128 PRIs against an amount of Rs 2140.48 Crore received from GOI under 13th FC Award . The main part of grants-in-aid is utilized by the autonomous organizations for the payment of salary to their employees in addition to other recurring and non-recurring expenditures.

### Quality of Expenditure

The combined development expenditure under both Capital and Revenue heads varied between 61.59 and 69 per cent during 2008-14 period. In absolute terms it increased from Rs. 19079 crore in 2012-13 to Rs. 19514 crore in 2013-14 registering an increase of Rs. 435 crore (2.28 per cent). The trends in development expenditure as relative to the aggregate expenditure of the State during the financial year 2013-14 vis-a-vis budgeted and the previous years is given in Table-21.

<b>Components of Development Expenditure</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Development Revenue Expenditure	6775 (40)	8879 (41)	10690 (43)	12955 (45)	14491 (47.60)	15655 (49.41)
Development Capital Expenditure	4805 (28)	5995 (28)	5606 (23)	5505 (19)	4588 (15.10)	3859 (12.18)
Loans/Advances for Development	42	49	72	66	93	121

*Note: The Loans and Advances given by the State Government for development activities constitute a relatively small fraction of its expenditure portfolio (0.30% of total expenditure in 2012-13). Figures in parentheses indicate percentage to aggregate expenditure.*

The ratio of capital expenditure to total expenditure in Social and Economic Services Sectors during 2012-13 showed a decrease over the previous year. In the revenue expenditure, salary and wages component share remained constant at 51.92 % to that of previous year. Further, the share of operation and maintenance expenditure within the sectors had also remained by & large constant. Table-22 below reflects this trend.

<b>Social /Economic Infrastructure</b>	<b>2012-13</b>			<b>2013-14</b>		
	<b>Ratio of CE to TE</b>	<b>In RE, the share of</b>		<b>Ratio of CE to TE</b>	<b>In RE, the share of</b>	
		<b>S&amp;W</b>	<b>O&amp;M</b>		<b>S&amp;W</b>	<b>O&amp;M</b>
<b>Social Sector (SS)</b>						
General Education	13.90	85.34	-	12.20	82.72	0.01
Health and Family Welfare	18.67	87.45	0.56	13.08	85.19	0.78
Ws, Sanitation & HUD	34.45	51.56	3.35	21.99	55.68	3.36
Others	23.65	14.67	-	1.30	13.17	-
Total (SS)	16.35	74.56	-	13.47	67.24	-
<b>Economic sector</b>						
Agriculture and Allied Activities	29.11	85.36	0.15	22.29	79.78	0.18
Irrigation and Flood Control	53.35	13.65	6.46	44.49	77.29	6.95
Power and Energy	11.71	13.67	0.84	8.13	10.89	0.92
Transport	87.92	72.40	30.43	71.74	0.71	43.01
Others	57.61	31.66	-	10.82	42.45	-
Total (ES)	39.74	36.83	-	39.74	36.83	-
Total (SS+ES)	27.34	51.92	-	27.34	51.92	-

*TE : Total Expenditure on respective Services; CE: Capital Expenditure; RE: Revenue Expenditure; S&W : Salaries and Wages; O&M Operation and Maintenance*

## Returns on Investments

The State government had invested Rs. 533.27 crore upto March 31<sup>st</sup>, 2014 out of which Rs 220.16 crore were invested in Statutory Corporations, Rs 263.33 crore in Government Companies, Rs 0.34 crore in Joint Stock Companies, Rs 37.83 crore in Cooperative Societies and Rs 11.61 crore in others. Return on these investments is shown below in the Table - 23. Out of a total of Rs. 128.88 crore returns on investment in 2013-14 mainly came from the Jammu and Kashmir Bank Limited and from the Jammu and Kashmir Projects Constructions Corporation. The average rate of interest on Government borrowings during 2008-13 was 7.34 per cent, which reduced to 7.07 per cent in 2013-14.

<b>Investment/Return/Cost of Borrowings</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Investment at the end of the year (Rs. in crore)	364.61	422.82	470.78	484.95	498.25	533.27
Return (Rs. in crore)	40.85	44.16	56.71	68.16	87.35	128.88
Return ( per cent)	11.20	10.44	12.05	14.05	17.53	24.17
Average rate of interest on Government borrowing (per cent)	6.91	8.07	7.61	7.06	7.07	7.07
Difference between interest rate and return (per cent)	4.29	2.37	4.44	6.99	10.46	17.10

## Loans and advances by State Government

Apart from investments in co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations. Table-20 presents the position of loans and advances advanced/outstanding as on March 31<sup>st</sup>, 2014, interest receipts vis-a-vis interest payments during the last five years.

<b>Quantum of Loans/Interest Receipts/Cost of Borrowings</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Opening Balance	1018.92	1066.42	1136.55	1033.69	1292.55
Amount advanced during the year	49.12	71.63	65.61	93.40	121.42
Amount repaid during the year	1.62	1.50	168.47	1.53	4.13
Closing Balance	1066.42	1136.55	1033.69	1125.56	1409.84
Of which Outstanding balance for which terms and conditions have been settled					
Net addition	47.50	70.13	(-)-102.86	-	117.29

Interest Receipts	5.07	3.00	4.74	1.31	1.64
Interest receipts as per cent to outstanding Loans and advances	0.47	0.26	0.46	0.12	0.12
Interest payments as per cent to outstanding fiscal liabilities of the State Government.	8.07	7.61	7.06	6.72	6.72
Difference between interest payments and interest receipts (per cent)	7.60	7.35	6.60	6.60	6.6

During 2013-14, the State Government advanced loans and advances of Rs. 121.42 crore under Economic Services (Rs. 93.06 crore) and Government servants (Rs. 0.33 crore). The recipients under Economic Services were the PSUs under Industries and Commerce Department/ Agriculture & Production Department (Rs. 53.06 crore) and the J&K State Road Transport Corporation (Rs. 40.00 crore)

Total loans and advances outstanding as on March 31<sup>st</sup>, 2014 stood at Rs. 1409.84 crore, which included Rs. 900.80 crore on account of Economic Services, Rs. 113.69 crore on Social Services and Rs. 19.20 crore outstanding against the Government servants ending 31<sup>st</sup> March, 2012. Within Economic Services, major part of the loan was outstanding against J&K State Horticulture Produce Marketing and Processing Corporation Limited (Rs. 12.67 crore), Industries and Minerals Limited (Rs. 498.39) and J&K State Road Transport Corporation (Rs. 386.83 crore).

#### **Cash Balances and their investment**

The cash balance increased by Rs. 972 crore during 2013-14, from Rs. 91 crore at end 2012-13 to Rs. 1063 crore at end 2013-14. This balance was in Government account held with Reserve Bank of India (RBI).

#### **Status of Guarantees – Contingent liabilities**

Guarantees are contingent liabilities of the State Government against its consolidated fund. These are invoked by lenders when any or all of the borrowers in whose favour these have been granted defaults in debt servicing and repayment. The outstanding amount has substantially increased again in 2013-14 over the year. The relevant information for last five years is given in Table-25 below:-

<b>Guarantees</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Max amount guaranteed (Rs. in crore)	4748	4750	4750	2650	4656
Outstanding amount of guarantees (Rs. in crore)	3037	2708	2098	611	2714
Percentage of maximum amount guaranteed to total revenue receipts	26.99	21.36	19.16	10.10	17.16

Pursuant to the recommendations of the twelfth Finance Commission, the State Government created a Guarantee Redemption Fund (GRF) in 2006. The balance in

this fund ending March 31<sup>st</sup>, 2014 was Rs 6.20 crore. As per these recommendations the State has to charge fee for such guarantees and deposit the same in GRF to meet any eventuality on account of default. The stock of guaranteed liabilities has been steadily falling in last 3 years. The outstanding amount of guarantees was about 10.00 per cent of revenue receipts of the State.

### **Fiscal Sustainability**

Table-26 below gives time series data on various deficits and liabilities over the period 2008-14. The data indicate that the state has continued to maintain revenue surplus during the whole period but it has sharply declined in 2013-14. As a percentage of GSDP, the stock of accumulated fiscal liabilities has declined from 55 % at the end of 2011-12 to 52.9 % at the end of 2012-13 and further to 51.9 % at the end of 2013-14. At end of 2013-14, the accumulated liabilities were 1.65 times of the governments revenue receipts during 2013-14 and 4.89 times own tax and non tax revenues during 2013-14.

<b>Table No 26: Fiscal indicators</b>						
<b>Fiscal Sustainability</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Fiscal Liabilities	24287	28735	31272	36267	40265	44673
Revenue surplus	2255	2264	3767	2103	1100	70
Fiscal Deficit	2746	3989	2367	2833	2975	4554
State's own deficit	13531	17505	20025	21730	22348	22543

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# Banking

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A well structured and efficient network of financial institutions helps to boost the economic growth. These financial institutions provide credit to all sections of the society and for infrastructure projects at reasonable rates. After liberalization the international financial institutions transformed the conservative financial sector into dynamic ones.

The financial market encompasses a number of financial entities like banking institutions, Joint stock companies, insurance companies, mutual funds, venture capital funds, pension funds etc that perform a significant role in providing finances. These institutions supplement the role of banking sector in meeting the increasing financial needs of the corporate sector and delivering credit to the un-organized sector. But the financial sector of J&K is dominated by banks. Banks are meeting the financial requirements particularly of the un-organized sector and the self employed in the micro and small business sectors. Infrastructure development which is regarded as a crucial source of economic competitiveness, has heavy dependence on bank financing. Many ambitious flagship infrastructure development projects for achieving the long cherished objectives of equitable and inclusive growth, are routed through banks. The insurance sector though well capitalised, is significantly exposed to banking system. By mobilizing resources ,banks enable optimal use of financial resources. To meet the objective of financial inclusion, banks are deepening and broadening their network apart from diversifying domain of their activities and jurisdiction. The institutional structure of banking in J&K consists of several institutions, namely, commercial banks, regional rural banks and co-operative banks. The aim of these credit agencies is to dispense adequate credit at cheaper rates.

As on 30-09-2014, 1893 branches of scheduled commercial banks, co-operative banks and state financial corporation (SFC) were in operation in J&K. The number of branches has risen by 15.57% over 31-03-2013. The share of scheduled commercial banks is 85.47% with 23.72% of public sector banks, 43.32% of private sector banks and 18.43% of regional rural banks. 13.79% share is held by central/state co-operative banks and only 0.74% is the share of state financial corporation (SFC). Highest growth rate in the branch network of 24.05% has been recorded by private sector banks over 2012-13. These growth rate figures for other agency banks were 16.02% regarding public sector banks, 8.05% in case of regional rural banks and 3.16% growth in case of central/state cooperative banks. Agency wise banking profile of J&K is abstracted in table No.1 and district wise breakup forms table No.1 of the statistical supplement.

Bank Group	No. of bank branches as on			
	March 2013	Sept 2014	% age share	Growth in %
A(i) Public sector banks	387	449	23.72	16.02
(ii). Private sector banks	661	820	43.32	24.05
(iii)Regional rural banks	323	349	18.43	8.05
A. Total Scheduled commercial banks	1371	1618	85.47	18.02
B. Central/state co-operative banks	253	261	13.79	3.16
C. Other Financial Institutions (SFC)	14	14	0.74	-
<b>Total A+B+C</b>	<b>1638</b>	<b>1893</b>	<b>100.00</b>	<b>15.57</b>

With the increase in the branch network over the years, there has been notable improvement in the banking services. Dependence per bank branch reduced substantially both geographically as well as demographically .On an average 1 bank branch is available per 7 thousand people as on 30-09-2014where as that for India, it is 10 thousand persons as on 31-03-2013. More importantly, the coverage of area per bank is declining year by year. During the year 2014-15 (September, 2014) one branch was available per 53.56sq. kms. This indicator is 30.26 sq. km for India during the reference period 31-03-2013. Following table provides overview of banking infrastructure with some business indicators over the years at state level.

Year as on march	Bank branches	Average per branch		Deposits (crore Rs)	Credits (crore Rs)	Credits per hundred deposits
		Area (sq. km.)	Population (000)			
2006	856	118.44	14	19281	8658	44.90
2007	867	116.94	14	21956	10377	47.26
2008	914	110.93	13	25148	12090	48.08
2009	973	106.05	13	29355	13587	46.29
2010	1002	101.18	13	34233	16050	46.88
2011	1302	77.87	10	45695	16252	35.57
2012	1449	69.97	9	55144	18949	34.36
2013	1638*	61.90	8	64480 (16.93)	23542 (24.24)	36.51
Sept 2014	1893*	53.56	7	72767 (12.85)	343989 (46.12)	42.27

*Note: Figures in parenthesis indicates growth in percent \* include 14 branches of SFC*

### **Gross Bank credit**

The credit is a catalyst that lubricates the process to accelerate the development of the economy. Apart from farm and non-farm sectors, industrialization, business and service segments require adequate credit supply. As on 30-09-2014 gross bank credit stood at Rs 34398.97 crore as compared to Rs 23542.32 crore for 2012-13showing robust growth of 46.12% over previous year 2012-13. The share of private sector

banks in the credit disbursement as on 30-09-2014 was tremendous and accounted for 66.48% followed by 24.41% of public sector banks. While 95.14% share of total disbursement of credit is claimed by scheduled commercial banks only 3.19% is shared by central/state cooperative banks and 1.67% share of state financial corporation. In terms of growth in the credit expansion for 2014-15(9/2014), public sector banks and private sector banks have been faring better with rapid increase of 70.37% and 38.55% respectively followed by cooperative banks with 29.72% growth and 24.84% increase is observed in the credit of regional rural banks. Credit disbursement of SFC has increased to Rs 573.78 crore as on 30-9-2014 from Rs 15.23 crore as on 31-03-2013 Per capita credits of the state as on 30-09-2014 were Rs.25572, the corresponding figure for all India was Rs.44000 (2012-13)

### **Aggregate deposits**

As against Rs. 64479.70 crore ending 2012-13, deposits of financial institutions as on 30-09-2014 stood at Rs.72767.21 crore, posting an increase of 12.85% over previous year (2012-13).In aggregate deposits, the share of private sector banks is again tremendous i.e. 64.71 %, the next highest share of 26.85% is claimed by public sector banks. Overall share of scheduled commercial banks in deposits is 95.95 % and only 4.05 % contribution belongs to central and state cooperative banks. Growth rate in aggregate deposits ending 9/2014 over the financial year 2012-13 in respect of all agencies was over 10% except in case of central/state co-operative banks. As against 12.85 % growth rate in deposits ending 9/14, the corresponding growth rate figures across bank groups were 20.31 % regarding public sector banks,12.12 % and 10.44% in case of regional rural banks and private sector banks respectively. At all India, aggregate deposits of scheduled commercial banks increased to Rs.7051332 crores on march 2013 posting percentage increase of 14.21% over the deposits for the period ending march 2012. Per capita deposits in the state were Rs.54095(9/2014)as against Rs. 56000at all India (2012-13).

### **Credit -deposit ratio**

Credit-deposit ratio is an impressive indicator utilized for measuring the business performance of banks. Higher growth in advances i.e., 46.12% and lower growth in deposits (12.85%) improved the CDR from 36.51% as on march 2013 to 47.27% ending September, 2014.This indicates increase in CDR by 10.76%.Across the bank groups, substantial improvement in CDR was noticed in all groups. Significant increase of 12.63% was there in the CDR of public sector banks. CDR of private sector banks only is above state level average. At all India, CDR of SCBs was 78.09% each for 2011-12 and 2012-13. Following table No 3 provides information about deposits, advances, and CDR and growth rate with bank group-wise details, numerically for J&K:-



Table No 3: Agency wise deposits and advances of scheduled commercial banks (Rs in crore)								
Agency	2014-15 ( as on Sept., 2014)			2012-13			% age variation	
	Deposits	Advances	CD R	Deposits	Advances	CD R	Deposits	Advances
i)Public Sector banks	19538.86 (26.85)	8397.35 (24.41)	42.98	16240.02 (25.19)	4928.99 (20.94)	30.35	20.31	70.37
ii)Private sector banks	47087.52 (64.71)	22867.96 (66.48)	48.56	42638.05 (66.12)	16504.91 (70.11)	38.71	10.44	38.55
iii)Regional rural banks	3190.13 (4.38)	1463.58 (4.25)	45.88	2845.40 (4.41)	1172.38 (4.98)	41.20	12.12	24.84
SCBs total ( i-iii)	69816.51 (95.95)	32728.89 (95.14)	46.88	61723.47 (95.72)	22606.28 (96.03)	36.63	13.11	44.78
Centre/ State Cooperative Banks	2950.70 (4.05)	1096.29 (3.19)	37.15	2756.23 (4.28)	920.81 (3.91)	33.41	7.06	29.72
(SFC)	-	573.78 (1.67)		-	15.23 (0.06)	-	-	3667.43
Total All	72767.21 (100.00)	34398.97 (100.00)	47.27	64479.70 (100.00)	23542.32 (100.00)	36.51	12.85	46.12

Note: - Figures in brackets indicate % age share in total

#### Bank group-wise outstanding credit at all India:-

In the total outstanding credit of Rs.5506496 crore as on 31.03.2013 at all-India more than 1/2 was of nationalized banks including IDBI followed by 22.67 % of SBI and its associates. The credits and deposits increased at equal proportion of 14.21% as on 31.03.2013 over the corresponding period of previous year, resulting constant CDR at 78.09 % for both the years. CDR of foreign banks has recorded significant increase of 11.59% and stood at 96.65%, CDR of regional rural banks improved by 2.52% in 2012-13 when compared with previous year. All other bank groups have registered mild fall in the CDR during the reference period. Following table provides bank group wise details of Deposits, Credits and CDR of SCBs for the country.

Table No 4 : Deposits and advances of SCBs -India (Rs. in crore)						
Bankgroup	Deposits		Advances		CDR(%)	
	Mar-12	Mar-13	Mar-12	Mar-13	Mar-12	Mar-13
Foreign banks	272949	280081	232173	270702	85.06	96.65
Nationalised bank/IDBI	3270747	3693933	2506067	2805770	76.62	75.96
New private sector banks	804826	960603	649791	772363	80.74	80.4
Old Private sector banks	297563	357230	232488	272701	78.13	76.34

SBI and its Associates	1345053	1553024	1084442	1248270	80.62	80.38
Registered rural banks	183009	206461	116567	136690	63.69	66.21
Total	6174147	7051332 (14.21%)	4821528	5506496 (14.21%)	78.09	78.09
<i>Note: Figures in brackets indicate growth.</i>						

### District Profile

As already mentioned, providing access to banking facility by all citizens is one of the main objectives of sustainable and inclusive development agenda. Banks are, therefore, deepening and expanding their network at district levels especially in the wake of steady reforms since 1991. The availability of information regarding district-wise banking infrastructure assumes tremendous importance for policy formulation, planning and decision making. It is, therefore, essential to highlight the progress achieved in the banking infrastructure across various districts of the state. During the year 2014-15(Sept 2104), banks have made a net addition of 255 branches in their networking, when compared with the position as on 31-03-2013

Although banks have added branches in all the districts, the highest number of 57 branches have been added in Jammu district followed by 22 branches each in Anantnag and Budgam districts, the additional branches added in these three major districts account for 39.61% and the remaining 60.39% in the other 18 districts. It is pertinent to mention that no any branch has been added by banks in district Kargil.

The district profile of banking network as on 30-09-2014 including 14 SFC branches indicates that first three major districts are Jammu, Srinagar and Baramulla, possessing 21.39% 10.67% and 8.03 % share respectively of the banking infrastructure of the State. Kargil with 1.16%, is the bottom level district. The other lower level districts in these financial institutions are Kishtwar (1.37%) and Ramban (1.64%) and Shopian(1.69%).

The banking facility indicates that there is a huge volatility in the availability of service across various districts. Applying the indicator, average population per branch indicates that Poonch and Bandipora are historically backward districts, having one bank branch per 13 and 12 thousand people respectively, followed by Kupwara and Ramban with ratio of 11 and 10 thousand people respectively. As per this indicator Jammu is the front line district where 1 branch is available per 4000 people. As against state average of 7 thousand, 7 other districts availing the facility below state average are Leh, Samba, Kathua, Srinagar, Reasi and Baramulla.

In the distribution of aggregate deposits of Rs72767.21 crore as on Sept 2014, lead is performed by Jammu district with Rs23086.24.06 crore accounting for 31.73%, the share of Srinagar district stood at 25.42% with Rs18495.70 crore. Individual share of the remaining 20 districts is less than 5% ranging between 4.37% the third higher district Kathua and 0.60% lowest in case of Shopian district. The other 6 lower level districts in terms of percentage share in deposits are Bandipora/Ramban(0.95%) each, Kulgam (0.98%), Ganderbal (1.00%) Kargil(1.01%) and Kishtwar (1.09%). In

terms of growth in deposits as on Sept 2014 over March 2013, Baramulla emerges as leading district by recording 42.66% growth, followed by Srinagar with 30.95%. Samba, Budgam and Kathua are the 3rd, 4th and 5th topper districts achieving 29.59%, 25.12% and 24.96% growth in deposits respectively in descending order. Relatively negative growth of -2.38%, -1.83% and -0.06% was observed in respect of 3 districts namely Ramban, Ganderbal and Kupwara respectively. The next 2 districts showing low growth performance in deposits are Jammu (2.14%) and Kargil (2.82%). Similarly in the bank credit off take share of Srinagar district stood at 24.18% followed by Jammu district 21.71%, the remaining more than ½ (54.11%) credit is shared jointly by 20 districts. In the distribution of bank credit, Kishtwar district is placed at the bottom claiming only 0.55 % share. The other 6 districts receiving less credit are Ramban, (0.57%), Kargil (0.69%), Poonch (0.94%), Doda (0.96%), Reasi (1.14%) and Leh (1.16%). The share of lower level 7 districts put together is only 6.01%. Budgam emerges to be leading district in recording rapid increase of 84.12% in bank credit followed by Kargil with 83.08 %. In fact over 50% rate of growth in credit off take also has been recorded regarding other seven districts namely Kupwara (63.89%) Kulgam (62.04%) Shopian (59.39%). Pulwama (58.63%), Anantnag (57.49%), Baramulla (56.33%), and leh (51.38%) when arranged in descending order. Below State level growth of 46.12% in credit off take was noticed regarding 11 districts. However, below 20% growth was recorded in Jammu district only i.e 18.39% as on Sept 2014 over March 2013.

### **Credit deposit ratio**

With 59.39% growth in credits against 18.59% growth in deposits, credit- deposit ratio in case of Shopian district was as high as 168.95% followed distantly by Pulwama district showing 86.11% as on Sept, 2014. Other 4 districts which recorded more than 70% CDR as on Sept, 2014 were Kulgam with 85.99%, Baramulla (81.03%), Budgam (75.59%) and Kupwara (71.86%). Lowest credit-deposit ratio has been recorded regarding Poonch, Kishtwar, Leh, Rajouri and Reasi districts when arranged in ascending order with 20.87%, 23.96%, 24.09%, 25.05% and 25.87% respectively as on Sept 2014. Except three districts all other 19 districts have made improvement in CDR as on Sept 2014 when compared with CDR as on March 2013. Praise worth improvement has been made by Shopian district in CDR by 82.66% during the reference period.

### **Priority Sector lending**

A key component of equality of credit in India has been so called priority sector leading (PSL). All banks are required to meet a 40% target on PSL. The law states that all domestic, commercial banks, public or private have to lend 40% of their adjusted net bank credit (ANBC) or credit equivalent amount of their off balance sheet exposure which ever is higher to the priority sectors. Further public sector banks have clearly defined rules they have to follow in the subcategories-agriculture, micro and small enterprises education, housing export credit and others. The most important amongst them is that 45% of all priority sector lending must be made to agriculture.

### Annual credit plan 2014-15.

The size of annual credit plan for the year 2014-15 has been fixed at Rs 19993.88 crore spread over 8.83 lakh beneficiaries. Out of this amount Rs 12464.10 crore constituting 62.34 percents is targeted for Priority Sector and remaining 37.66% for non-priority sector. So far as bank group was breakup of ACP is concerned private sector banks emerge as front line group contributing maximum amount of credit claiming 62.66% followed by public sector banks sharing 24.23% credit plan and regional rural banks is the 3<sup>rd</sup> bank group on this account with 8.96% share. All schedule commercial banks have a collective share of 95.85% in the ACP for 2014-15. 4.15% credit is being dispersed by central and state co-operative banks including 0.02% share of SFC. Agency wise annual credit plan for the year 2014-15 is abstracted hereunder in figures.

Agency	Priority Sector		Non- Priority Sector		Total		
	No.	Amount	No.	Amount	No.	Amount	Share in amount (%)
Public sector banks.	161788	2836.21	56965	2007.84	218753	4844.05	24.23
Private sector banks.	345241	7422.99	133384	5105.38	478625	12528.38	62.66
Regional rural banks.	102754	1530.79	10857	260.31	113611	1791.10	8.96
Commercial banks	609783	11789.99	201206	7373.53	810989	19163.53	95.85
Central/State Co-operative banks.	64855	670.01	7466	155.99	72321	826.00	4.13
SFC.	135	4.10	13	0.26	148	4.36	0.02
Total.	674773	12464.10	208685	7529.78	883458	19993.88	100.00
% age share		62.34		37.66			

### District wise breakup of ACP 2014-15

District wise breakup of ACP 2014-15 viz-a-viz share of amount targeted for total Priority sector lending is given in table No-2 in the statistical Supplement. Analysis of annual credit plan across districts of the state indicates that highest share of 28.26 percent is scheduled to be dispersed in Jammu district followed by Srinagar with 20.00 percent. The 3<sup>rd</sup> district at a long distance is Baramulla having 7.47% share. It is also important to note that less than 1% credit is targeted to be dispersed in each 3 districts namely Kargil (0.75%), Kishtwar (0.82%) Ramban (0.85%). The Share of remaining 11 districts ranges between 2 % to 5 % and less than 2 % credit is scheduled to be supplied in 5 Districts Viz Doda (1.14%) Bandipora (1.33%), Poonch (1.43%), Leh (1.52%) and Reasi (1.63%).

District wise breakup of total priority sector lending indicates that highest share of 24.43% is being dispersed in Jammu district followed by Srinagar district sharing 15.86%, Baramulla is again 3<sup>rd</sup> major district with 8.87%. At the other end of the spectrum less than 1% share is stipulated to be supplied each in 4 districts namely kargil/ Ramban (0.85%) and leh/Kishtwar (0.94%)

Looking into the share of Priority sector within the ACP of the district for the year 2014-15, district Pulwama occupies rank is where 90.05% share of credit plan is scheduled for this sector. The 2<sup>nd</sup> major district on this indicator is Kulgam with 87.40%, Bandipura (83.11%) and Shopian (83.03%) are the next two districts respectively. Contrarily district Leh targeting only 38.51% of ACP for this sector is the bottom level district and the next bottom level district is Srinagar (49.47%).

### **Sectoral breakup of Annual credit plan (2014-15)**

Sectoral details of annual credit plan 2014-15 are summarized below:-

#### **Priority Sector**

##### **a) Agriculture and allied activities**

Credit to agriculture is essential for invigorating agricultural sector. The flow of institutional credit to agriculture and allied activities has increased after the implementation of bank nationalization and financial liberalization policies in India. The commercial banks contribute to the majority share of institutional credit to agriculture. In the annual credit plan for 2014-15, an amount of Rs 4004.55 crore is targeted for agriculture and allied activities constituting 20.03% of the total plan size. The commercial banks are to contribute the maximum share i.e. 92.23% out of the total amount stipulated under this sector and remaining share of 7.77%, by the central and state co-operative banks. Within the amount stipulated for agricultural sector 54.62% constitutes Crop Loan. The Share of Crop loan in the overall credit plan for 2014-15 amounts to 10.94%.

##### **b) Micro and small enterprises**

An amount of Rs. 4195.14 crore is the share of micro and small enterprise constituting 20.98 percent of the ACP for 2014-15. Out of this amount, maximum share is to be contributed by Private sector banks with 53.88%, followed by 30.79% share of public sector banks, 10.72% by regional rural banks and the remaining 4.61% amount by co-operative banks and SFC jointly

##### **c) Education**

Under this sector Rs 541.78 crore is the credit flow in the ACP for 2014-15 constituting only 2.71% benefitting 0.14 thousand beneficiaries Share of commercial banks is maximum viz 93.79% and the remaining 6.21% by central /state co-operative banks.

##### **d) Housing**

Housing sector claims 12.26% of the annual credit plan for 2014-15 with an amount of Rs2450.83 crore. Out of this amount, 71.72% credits is targeted to be provided by private sector banks and the rest 28.28% to be supplied by other agencies jointly.

## e) Others

Sectors categorized as others constitute 6.36% of the annual credit plan for 2014-15 with an amount of 1271.80 crore. Out of this targeted amount, maximum share of 62.67% is being contributed by the private sector banks. The rest amount of 37.33% by other agency including 0.01% of SFC.

Bank group wise priority sector lending is given in table No. 6. A careful analysis of the ACP for 2014-15 indicates that more than 55% of the total amount is stipulated for priority sector. Priority sector lending ranges between 85.47% of regional rural banks the highest and 58.55% of public sector banks the lowest as against the directions of 40% target on this sector.

<b>Table No 6: Priority Sector Lending 2014-15</b>						
<b>Total Credit Plan/Priority Sector Plan</b>	<b>Public Sector</b>	<b>Private Sector</b>	<b>Regional Rural banks</b>	<b>Central/ State Cooperative bank</b>	<b>SFC</b>	<b>Total</b>
<b>ACP 2014-15</b>	4844.05	12528.38	1791.1	826.00	4.36	19993.88
<b>Priority Sectors</b>						
<b>Agriculture</b>	630.89	2325.25	737.45	310.96	-	4004.55
Crop loan	307.08	1336.18	398.25	145.85	-	2187.36
<b>MSE</b>	1291.7	2260.31	449.79	189.35	4.00	4195.14
<b>Education</b>	158.87	282.59	66.70	33.63	-	541.78
<b>Housing</b>	467.26	1757.77	145.37	80.44	-	2450.83
<b>Others</b>	287.49	797.08	131.49	55.64	0.10	1271.80
<b>Total</b>	2836.21	7422.99	1530.79	670.01	4.10	12464.10
<b>% age of PSL</b>	58.55	59.25	85.47	81.12	94.04	62.34

Non-Priority Sector:- In the Credit supply of non-priority sector amounting 37.66% of the total annual-credit plan for 2014-15, The share of private sector banks is maximum i.e 67.80% followed by public sector banks with 26.67% and 3.46% of regional rural banks besides 2.07% of Central/ State co-operative banks/including share of SFC.

## Financial Inclusion

The Pradhan Mantri Jan Dhan Yojana (PMJDY) has become the biggest financial inclusion initiative in the world. The main features of the scheme include Rs 5000 overdraft facility for Aadhar-linked accounts. RuPay Debt Card with inbuilt Rs 1 lakh accident insurance cover.. Account holders under the scheme are to get life insurance cover of Rs. 30000 an additional benefit announced by the Prime Minister when the scheme was lunched. The PMJDY is a game changer for the economy as it has provided the platform for Direct Benefit Transfer (DBT) which in turn will help in plugging leakages in subsidies and thereby provide savings to the exchequer.

Banks perceive financial inclusion as a business opportunity rather than a compulsion and use it as a means to expand the source base of the States financial system, protect low income groups from being exploited by money lenders and to improve the effectiveness of the system to reduce the scope of un-organized sector.

### **National Bank for Agriculture and Rural Development (NABARD)**

National Bank for Agriculture and Rural Development (NABARD) is an apex institution accredited with all the matters concerning policy, planning and operations in the field of credit for agriculture and allied activities in rural areas. It is an apex refinancing agency for the institutions providing investment and production credit for promoting the various developmental activities in the rural areas. It coordinates the rural financing activities of all the institutions engaged in the developmental work at the field level and maintains liaison with Government of India , State Governments, Reserve Bank of India (RBI) and other national level institutions concerned with policy formulation . From time to time it has come up with various financial schemes for promoting agriculture sector and to increase the income of farmers. The RBI and NABARD have taken several initiatives for simplification of systems and procedures. Following are some initiatives of NABARD.

#### **Financial Inclusion**

Government of India (GoI) & Reserve Bank of India have entrusted the role for implementation of FI programme especially for monitoring , supporting and guiding the RRBs to NABARD. GoI has set up two funds viz. Financial Inclusion Fund (FIF) and Financial Inclusion Technology Fund (FITF) consisting of Rs. 500 crore each with NABARD for supporting financial inclusion programme in the country . Steps taken by NABARD for financial inclusion in Jammu & Kashmir are as under:-

#### **Creation of Public awareness through mass media**

NABARD has put Jingles / advertisement on 92.7 Big FM and Prashar Bharti , Radio Kashmir, Cable TVs about the various banking facilities available to the people such as opening of no frill accounts, KCC, SHGs , insurance, Payment and remittance etc.

#### **Awareness creation through village level meetings/ Functions**

NABARD has sanctioned number of programmes to Jammu & Kashmir Grameen Bank and Ellaqual Dehati Bank for organizing village level awareness programmes programmes for creating awareness among rural masses about the bank schemes and facilities available for them. The details of programme sanctioned to JKGB & EDB are as under:-

Mobile Van : One Mobile Van each along with the laptop and other peripherals involving grant assistance of Rs. 4.00 Lakh sanctioned to Ellaquai Dehati Bank and J&K Grameen Bank. The mobile van will visit the unbanked areas and provide information of banking facilities at the doorsteps of the rural people.

### **Core Banking Solutions (CBS) in RRBs and Co-operative Banks**

Ellaquai Dehati Bank (EDB) sanctioned one CBS project during 2010-11 with the grant assistance of Rs.3.29 crore . EDB has successfully implemented the project and became the first RRB in the state to have 100% branches on CBS platform.

Similarly , a project of Rs. 9.33 crore was sanctioned to Jammu & Kashmir Grammen Bank (JKGB) for implementing CBS and it has implemented 100% CBS in the bank.

**Financial Literacy Centers (FLCs) :-** Financial Literacy has been accorded top priority under PMGDY. For dissemination of information and spreading financial literacy, grant assistance has been sanctioned for setting up of 5 FLCs as per the following details :

<b>Name of the Bank</b>	<b>No. of FLCs Sanctioned</b>	<b>NABARD support (Rs in Lakh)</b>
J&K Grameen Bank	2	10.00
EllaquaiDehati Bank	2	10.00
J & K State Co-operative Bank	1	05.00

### **RuPay KCC / Debit cards**

RuPay is a new card payment scheme launched by the National Payments Corporation of India (NPCI) , to offer a domestic, open – loop, multilateral system which will allow all Indian banks and financial institutions in India to participate in electronic payments. The benefits of RuPay debit card are the flexibility of the product platform, high levels of acceptance and the strength of the RuPay brand – all of which will contribute to an increased product experience.

### **NABARD Support to RRBs and Cooperatives**

NABARD has sanctioned two projects to JKGB one for issuing of 30,000 RuPayKCC with financial support of Rs. 7.05 Lakh and another for issuing 50,000 RuPayDebit Cards with financial support of Rs. 11.75 lakh. Similarly , a project for issuing RuPay card of EDB is also under consideration.

### **Pradhan Mantri Jan DhanYojana -An Ambition Plan**

Pradhan Mantri Jan DhanYojana (PMJDY) a “ National Mission” envisages universal access to banking facilities with at least one basic banking account for every household, access to credit , insurance and pension facility . The plan also envisages channeling all Government benefits ( from Centre / State/ Local Body) to the beneficiaries accounts and pushing the Direct Benefits Transfer(DBT) scheme of the union Govt. This mega scheme was aimed at eradicating financial untouchability by providing bank accounts for the poor.

Salient features of PMJDY are as under:

- All households across the country are to be covered under the scheme.



- Mapping of all the villages into Sub Service Area (SSA). Coverage of SSA through combination of banking outlets i.e branch banking and branch less banking .
- Issuance of RuPay Debit Card with inbuilt Rs 1 Lakh personal accident insurance cover and a life cover of Rs 30,000.
- All bank accounts to have an overdraft facility of Rs 5,000 and linked with Aadhar card
- Direct Benefit Transfer under various government schemes through bank accounts of the beneficiaries.
- Mobile banking on low end phones.
- Monitoring of the implementation of the yojana at Central , State and District Level.

Six Pillars of PMJDY are as under:

1. Universal access to banking facilities .
2. Providing Basic Banking Accounts
3. Financial Literacy and Credit counseling (FLCC).
4. Credit Guarantee Fund.
5. Micro Insurance and
6. Un-organized Sector Pension schemes like swavlamban

Status in J&K State as on 31 December, 2014 :

- The state has been divided into 2178 SSA and allocated to the CBs and RRBs
- Survey completed in 2171 SSA (99.7 %).
- In the 2171 SSAs , 10.47 lakh households surveyed and 9.69 lakh households covered .
- Banks have opened 7.39 lakh accounts under PMJDY,( 5.78 lakh accounts in rural areas and 1.61 lakh accounts in Urban areas)
- 1.89 lakh RuPay debit cards have been issued.

### **Rural Infrastructure Development Fund (RIDF)**

The Government of India had setup RIDF to provide loans at low costs to state Governments and State owned corporations to complete ongoing infrastructure projects in rural areas. Since inception of RIDF, NABARD has sanctioned 4722 projects with loans amounting to Rs. 4394.16 crore under RIDF-I to XIX in Jammu and Kashmir. The State Govt. has availed loan of Rs. 3664.64 crore up to 31 March, 2014 for the projects pertaining to irrigation, roads and bridges, watershed development, flood protection work, on farm development, education, health, terminal and rural market yards, seed farms, etc. In percentage terms loans availed is 83.40% of loans sanctioned.

### **Potential linked credit Planning**

Potential linked credit Plans (PLCPs) are prepared by NABARD annually for each district of the state keeping in view various factors like sector wise available natural resources, physical infrastructure, state plans of the Govt., infrastructural gaps and

human resources. Credit potential for J&K envisaged in the districts by NABARD on the basis of PLPs for the year 2014-15 with prospective plan for 2015-16 is given in the Statistical supplement.

District-wise analysis of potential linked credit plan for the year 2014-15 revealed that highest share of 20.67 % is being disbursed in Ramban district followed by 16.33% in Leh which is in turn followed by Kathua (10.87%),Ganderbal(6.53%) and Shopian(5.57%).Contrarily, Udhampur(0.84%), Reasi (0.86%), Budgam (1.08%) Bandipora (1.13%), Poonch(1.14%) and Kupwara (1.15%) are the lowest districts in the credit dispersion when arranged in ascending order.The prospective credit plan for 2015-16 indicates altogether a different position. Here, it is Jammu, Srinagar, Baramulla, Samba and Anantnag districts where highest percentage share of 20.62%, 16.41%, 10.57%, 6.29% and 5.42% credit is respectively being provided and lowest share of 0.85%, 0.87%, 0.98%, 1.19% and 1.26% credit shall be dispersed during 2015-16 in the district Kishtwar, Kargil, Ramban, Leh, Doda/Poonch districts respectively. The main highlight from the comparative study of the PLCP for 2014-15 and 2015-16 is that the credit plan has recorded increase of 10.55% in 2015-16. Secondly, against the share of 20.67% in respect of Ramban for 2014-15, it is only 0.98% for 2015-16.Similar is the case regarding Leh and many other districts. Table no.16(a) is the statistical supplement providing details numerically.

#### **Achievements viz-a-viz Targets of ACP 2014-15**

An amount of Rs 12464.04 Crore was targeted as credit to be dispersed during 2014-15. Out of this amount 32.13% was for agriculture consisting of 17.55% crop loan and 14.58% term loan While 33.66% credit was for Micro Small Enterprises (MSE), the highest share of 34.21% has been targeted for OPS. The achievements of the Credit Planning during that year 2014-15 ending September 2014 indicate that 28.27% have been made by the banks. Studying the bank group wise progress, highest 31.24% achievements have been recorded by commercial banks followed by 16.92% of co-operative banks 13.55% of RRBs, other financial institutions have dispersed 5.12% credit and only 1.68% by SCARDB. So far as sector wise achievements of ACP 2014-15 are concerned 30.29% is recorded in respect of crop loan, followed by MSE(29.19%) and lowest regarding term loan (22.60%) Total agriculture sector recorded only 26.80% achievements . Following table no:- depicts the information in figures regarding Agency wise and Sector wise targets Viz-a- viz achievements of ACP 2014-15

<b>Sector</b>	<b>Targets/ Achievements</b>	<b>CBs</b>	<b>RRBs</b>	<b>Coops</b>	<b>SCARDB</b>	<b>others</b>	<b>Total</b>
Crop Ploan	Target	1643.25	398.25	144.86	0.98	0.00	2187.34
	Achievement	533.32	101.23	27.78	0.00	0.00	662.53
	Ach%	32.47	25.42	19.18	0.00	0.00	30.29
Term Loan	Target	1312.88	339.19	162.17	2.93	0.00	1817.17
	Achievement	390.91	14.87	4.69	0.22	0.00	410.69
	Ach%	29.78	4.39	2.89	7.40	0.00	22.60

Total Agri	Target	2956.13	737.44	307.03	3.91	0.00	4004.51
	Achievement	924.43	116.10	32.47	0.22	0.00	1073.22
	Ach%	31.27	15.74	10.58	5.62	0.00	26.80
MSE	Target	3552.01	449.78	183.94	5.40	4.00	4195.13
	Achievement	1085	83.55	56.10	0.00	0.02	1224.67
	Ach%	30.55	18.58	30.50	0.00	0.53	29.19
OPS	Target	3751.05	343.55	165.52	4.18	0.10	4264.40
	Achievement	1195.09	7.79	22.47	0.00	0.19	1225.54
	Ach%	31.86	2.27	13.58	0.00	190.50	28.75
Total	Target	10259.19	1530.77	656.49	13.49	4.10	12464.04
	Achievement	3204.52	207.44	111.04	0.22	0.21	3523.50
	Ach%	31.24	13.55	16.92	1.68	5.12	28.27

### Details of NABARD Initiatives undertaken for development of farm as well as non-farm sectors during 2014-15

#### NABARD support under Production Credit

Production credit/Crop loan is also called short term loans for “Seasonal Agricultural Operations” and covers such activities which are undertaken in the process of raising various crops and are seasonally recurring in nature. Thus, the credit required to meet the current expenditure for raising the crops on land till the crops are harvested is construed as production or short term credit for seasonal agricultural operations. Refinance is provided by NABARD for production proposes at concessional rate of interest to Regional Rural Banks (RRBs) by way of sanction of credit limits in J&K state. Refinance to the tune of Rs.94.00 crore was extended to the Regional Rural Banks against the total crop loan of Rs 259.55 crore disbursed by them during 2013-14 in J&K state. Cooperative banks are not eligible for refinance under production credit due to poor financial position/lack of State Govt. Guarantee.

The details of the GLC under crop loan by Cooperative Banks and RRBs during 2013-14 is given below in table No. 9.

Year	Regional Rural Banks		Co-operative Banks	Total	
	Croploan Disbursement	Refinance by NABARD	Croploan Disbursement	Croploan Disbursement	Refinance by NABARD
2011-12	94.91	40.00	24.12	119.03	40.00
2012-13	130.62	60.00	37.86	168.48(41.54)	60.00
2013-14	259.55	94.00	42.83	302.38(79.48)	94.00

*Note:- Figures in brackets indicate %age growth over previous year.*

Crop loan disbursement recorded growth of 79.48% during 2013-14 as compared to 41.54% in 2012-13 over previous years respectively. Refinance of croploan of RRB for 2013-14 constitutes 31.09% of total disbursement.

## **Animal Husbandry**

Animal Husbandry is an important part of the agriculture sector and rural economy in the state. Dairy development is the major sector which is still unorganized to a largest extent. Extensive financing for Cross Breed and native breeds of cattle needs to be attempted for increasing the milk production. Simultaneously, development of milk routes, milk collection centers, milk processing, etc through strengthened cooperative and private sectors. The activity has huge potential across the state. Apart from this the state has good breed of sheep/ goat which can be financed through bank credit.

## **Area Development Schemes**

NABARD has always emphasized on promotion of Area Development Schemes keeping in view the potential of various Farm and Non -farm sector activities in districts. Five districts have been initially identified for operationalisation of Area Development Schemes on Dairy. All the districts will be covered over a period of time. The J&K Grameen Bank has taken initiatives to own the Area Development Schemes in one of the district viz. Jammu and has launched its Area Development Scheme of Dairy in R.S Pura block whereas NABARD, J&K RO Jammu has launched ADS in another four districts viz. Kathua, Samba, Rajouri and Doda, where apart from J&K Grameen Bank, other financial/banking institutions of the area have also been roped in for implementation of the above programme.

## **Plantation and Horticulture Sector**

Jammu & Kashmir is the leading producer of apple and walnut in the country. The state is a major exporter of walnut & its international market share is about 7%. It offers good scope for cultivation of all types of temperate fruits such as apple, pear, peach, plum, apricot, almond, walnut, cherry etc, the sub-tropical fruits like mango, guava, citrus, litchi, Ber, Loquat, all types of vegetables and flowers like gladiolus, rose, chrysanthemum, carnation, lillies, tulips, gerbera etc. In addition, well known spices like saffron and black jeera are also being cultivated in some pockets. In view of annual rainfall from 1000 to 1500 mm except in case of Ladakh region where it is as low as 100 to 200 mm, the agro-climatic conditions coupled with geographical location, nature of terrain and soil condition make the state suitable for the production of variety of horticultural crops.

## **Modified KCC Scheme and its coverage**

The Kissan credit Card has emerged as a highly innovative credit delivery mechanism to meet the production credit requirements of the farmers in a timely and hassle free manner. Modified KCC Scheme aims to provide adequate and timely credit support from the banking system under a single window to the farmers for their cultivation and other needs as indicated below:-

- a) To meet the short term credit requirements for cultivation of crops.
- b) Post-harvest expenses,
- c) Produce Marketing loan,

- d) Consumption requirements of farmer household,
- e) Working capital for maintenance of farm assets and activities to agriculture like dairy animals, inland fishery etc.
- f) Investment credit requirement for agriculture and allied activities like pumpsets, sprayers, dairy animals etc

Investment credit disbursed through banks leads to capital formation under agriculture and allied sector. It induces technological up-gradation resulting in increased production, productivity and incremental income to the farmers and entrepreneurs. NABARD provides long term refinance facility for a period of 3 to 15 years for the investment credit sector.

### Progress of KCC scheme

As on 31-3-2014 the number of KCCs issued stood at 653286 as against 803586 KCC sanctioned. In percentage terms 81.30% KCC were issued of the sanctioned number. Similarly as against Rs. 522426.36 lakh sanctioned Rs 463047.29 lakh was disbursed measuring 88.63% of sanctioned amount. In the number of KCCs issued 73.75% were issued by commercial banks followed by 15.30% share of RRBs and 10.95% share belongs co-operative banks. In the amount of credit advanced under KCC scheme share of commercial banks is again highest i.e, 81.44% followed by 14.91% share of RRBs and 3.65% share of co-operative banks.

Sr. No.	Name of the Bank	Total number of KCC Sanctioned (Cumulative)	Amount	Total number of KCC issued (Cumulative)	Amount
01	Commercial Banks	537668	401696.70	481776 (73.75)	377105.35 (81.44)
02	Cooperative banks	83871	19807.95	71548 (10.95)	16906.76 (3.65)
03	RRB	182047	100921.71	99962 (15.30)	69035.18 (14.91)
04	<b>Total</b>	<b>803586</b>	<b>522426.36</b>	<b>653286 (100.00)</b>	<b>463047.29 (100.00)</b>

*Note:- Figures in brackets indicate percentage share.*

### Details of financial inclusion and Micro- finance

Banks in the first phase covered all 795 unbanked villages with population of over 2000 allotted by the SLBC . 401026 households were covered and 441157 savings accounts were opened in these villages as on 30<sup>th</sup> September, 2014. In the second phase SLBC identified 5582 unbanked villages with population less than 2000 and allotted among banks . These villages include 1393 unbaked villages already incorporated under financial inclusion plan –II for providing banking services under “Extension of Swabhimaan” and beyond programme of GOI , Ministry of Finance for coverage upto March, 2015 and beyond. 831 Villages out of targeted

1504 villages for 2014-15 were covered by banks upto September, 2014. In percentage terms 55.25% villages were covered during this period.

### **Role of NABARD in Expansion of SHGs in J&K.**

#### **Micro Small Enterprises - Micro Credit (SHGs/JLGs)**

The informal Credit delivery system in the country has taken major strides during the last two decades. NABARD initiated the concept of linking Self Help Groups (SHGs) with banks under SHG- Bank Linkage programme launched in 1992-93. The Programme has come a long way and emerged as the world's largest micro- finance programme in terms of outreach. It enabled more than 97 million poor households access to a variety of sustainable financial services from the banking system through 74.30 lakh savings – linked Self Help Groups with savings of Rs. 9897.42 crore as on 31 March 2014. The success of the programme in extending financial services to the poor has won international admiration.

#### **Initiatives of NABARD for promotion and credit linkages of SHGs with Banks.**

- Providing policy inputs in co-ordination with RBI
- Co-ordination with Banks
- 100% refinance facility with concessional rate of interest
- Training programmes ,exposure visits for bank, Govt and NGO officials
- Micro enterprise development programme for matured SHG members
- Grant assistance to SHG promoting institutions like banks, NGOs, IRVs, PACS , farmers clubs.

#### **Status of SHGs Bank Linage Programme in J&K**

Status of SHGs Bank Linage Programme as on 30.09.2014 in J&K is given in table No 6 here under. A comparative study indicates that total self help groups formed as on 31.03.2014 has increased to 10808 recording sharp growth of 25.21% over the corresponding figures as on 31.09.2013. As on 30.09.2014 the number reached to 12066 posting an increase of 11.64% over the relative figures as on 31.03.2014. Similarly saving linked SHGs as on 30.09.2014 recorded 13.57% and credit linked SHGs recoded 9.71% growth over the corresponding figures as on 31.03.2014. Total loans disbursed by banks increased from Rs 45.14 crore as on 31.03.2013 to Rs 51.11 crores as on 31.03.2014 measuring growth of 13.23% over previous year. The relative figures as on 30.09.2014 were Rs. 54.87 Crore which has grown by 7.36% over 31.03.2014.

<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2014</b>	<b>30.09.2014</b>
Total SHG formed	8632	10808 (25.21)	12066 (11.64)
Saving Linked SHGs	7108	9207 (29.53)	10456 (13.57)
Credit linked SHGs	6595	7222 (9.51)	7923 (9.71)
Loans disbursed (Rs in Crore)	45.14	51.11 (13.23)	54.87 (7.36)
<i>Note: Figures in brackets indicate percentage increase over previous year/period.</i>			

## Promotion of women SHGs in backward and left Wing Extremism affected districts

Govt. of India under NABARD assistance launched a scheme for promotion of WSHGs. The scheme is under implementation in 150 selected districts across 28 states through anchor NGOs. In J&K three districts namely Doda, Poonch, and Kupwara were selected for implementation of WSHGs in backward and left wing extremism affected districts. Under this scheme a total of 2000 WSHGs were sanctioned by NABARD of which 1000 were to be formed in Doda and 500 WSHGs each in Poonch and Kupwara districts at a total sanctioned grant assistance of Rs. 200.00 lakhs which means that at an assistance of Rs. 1 lakh per SHG. As on 31.12.2014 a total of 1315 WSHGs were formed constituting 65.75 percent of total sanctioned number. District Poonch recorded highest achievements of 82.40 percent followed by 67.00 percent in Doda and only 46.60 percent in Kupwara district Numerical details are given here under in table No 12.

District	Anchor NGO	No. of WSHGs			Grant Assistance Sanctioned (Rs in Lakh)
		Sanctioned	formed	%age	
Doda	Rural Artisan Welfare Society Jammu	1000	670	67.00	100.00
Poonch	Jamola Nehru Youth Club Rajouri	500	412	82.40	50.00
Kupwara	Help Foundation Srinagar.	500	233	46.60	50.00
	<b>Total</b>	<b>2000</b>	<b>1315</b>	<b>65.75</b>	<b>200.00</b>

### Self Help Groups sanctioned to NGO's, Banks, IRVS

A major initiative of the NABARD has been sanctioning of 39 projects to various agencies in the state for formation and credit linkages of 6250 SHGS with an assistance of Rs 2.98 crore.

For promotion of Self Help Groups, NABARD provides support to partner agencies for undertaking various activities such as:

#### a) Capacity Building

Training establishments of participating banks are provided training inputs on SHG with a view to internalize the training requirements at their level. Besides this NABARD helps in capacity building of NGOs/banks/State Govt. Officials by organising training workshops/seminars etc. apart from faculty support.

## **b) Micro Enterprise Development Programme (MEDP)**

A multi-dimensional Programme has been taken by the NABARD for promotion and credit linkage of SHGs. The following are the ingredients which are targeted to SHPI for the holistic promotion and credit linkage of SHGs.

### **Grant Assistance to SHPI for Promotion and Credit linkage of SHGs with banks :-**

1. NGOs /SHG Federation working as SHPI – Rs. 10000/- . Per SHG
2. RRBs, DCCBs and UCBs functioning as SHPI – Rs. 5600/- per SHG.
3. Farmers’ Clubs, Village Watershed Development Committee and Village Wadi Development Committee working as SHPI – Rs. 3000/- per SHG.
4. For e- book keeping – Rs. 600/- per SHG
5. Additional incentive @ 5% of per SHG promotional grant sanctioned to SHPIs on opening of individual Saving Bank A/Cs of at least 50% of SHG members.
6. Another 5% additional incentive will be available on linkage of 50% members of SHG with micro insurance and/or pension scheme.

### **Other Initiatives of NABARD**

#### *Interest subvention to women SHGs*

With a view to ensuring credit at a reasonable /reduced cost of 7% per annum to women SHGs, Govt. of India introduced scheme Interest subvention to women SHGs under NRLM for short-term loan up to Rs. 3 lakh. On prompt repayment of bank loan there is a provision of additional subvention of 3%, reducing the cost to 4%. Earlier the scheme was implemented in 150 districts of the country only. However, the scheme has been extended to all WSHGs promoted by NRLM or any other central /state govt. line department or NGO under women Self Help Group Programme having NRLM affiliation are eligible for availing the benefits of the scheme.

#### *Project on Livelihood mapping in Doda district*

With the review of identifying major / critical livelihood activities or sub-sector activities to impact livelihood opportunities on large scale with specific reference to women SHG members in Doda district, NABARD entrusted a study to “The Institute of Livelihood Research and Training (ILRT) Hyderabad” to conduct Livelihood mapping in Doda district. The study is under process.

#### *E-portal launching and digitization of SHGs*

Hon’ble Union Finance Minister Shri Arun Jaitley launched to NABARD supported e-commerce portals- ekrattindia and shilpicrafts, for marketing of handicrafts and artisan producers of Self Help Groups (SHGs). Shri Jaitley also unveiled the roadmap for digitization of Self Help Groups (SHGs) across the country.

#### *Scheme for joint liability group (JLG) financing*

The Finance Minister Shri Arun Jaitley while addressing the Board of Directors of NABARD in January, 2015 advised NABARD to continue to provide leadership in areas such as financial inclusion, farm credit to the small and marginal farmers



besides those farmers [ tenants/lessees etc ] who do not have clear title deeds to the farms they till .

A Joint Liability Group ( JLG) is an informal group comprising of 4- 10 individuals coming together for the purpose of availing bank loan on individual basis or through group against mutual guarantee

*Objectives of the scheme*

- To augment flow of credit to farmers, especially small, marginal, tenant farmers, oral lessees, share croppers / individuals taking up farm or non-farm activities.
- To serve as collateral substitute for loans to be provided to the target group.
- To build mutual trust and confidence between bank and target group
- To minimize the risks in the loan portfolio for the banks through group approach, cluster approach, peer education and credit discipline.
- To provide food security to vulnerable section by enhanced agriculture production, productivity and livelihood promotion through JLG mechanism

*Joint Farming Groups of Bhoomi Heen Kisan*

The Govt. of India, in Union Budget 2014-15 has announced financing of Rs 5 lakh per Joint Farming Groups of “Bhoomi Heen Kissan” by the banks through JLG mode of financing. SLBC had allocated bank wise and district wise targets for financing of 1000 JLGs in the State during 2014-15. Banks need to undertake financing of these groups on a “Mission Mode” and closely monitoring district wise/ branch wise progress. In this regard RBI and NABARD have issued guidelines for financing of JLGs.

NABARD Support for formation and linkages of JLGs/ JFGs :

NABARD provides grant support of Rs. 2000/ per JLG to the promoting agency for formation and credit linkages of JLGs with banks. NABARD, J&K Regional Office have sanctioned grant assistance for 16 JLG projects involving formation of 1210 JLGs to NGOs / banks involving grant assistance of Rs. 24.20 lakh in different districts

Following Strategy is adopted for Promotion and Financing of JLGs

1. Focus on a cluster basis to upscale the JLGs to Producers Organisations.
2. Collaboration with SHG promoting Institutions (SHPIs) for JLG promotion/credit linkage.
3. Capacity building of JLGs/ NGOs/other JLGPIs/ Banks.
4. Close monitoring through SLBC/NABARD/RBI.
5. Creating awareness among farmers/banks/NGOs.

*Increasing the Credit flow to oral lessees / Tenant farmers*

To facilitate the Banks to identify and finance the tenant farmers, the following suggestions have been made by the ‘IBA Sub-Committee on Flow of Credit to Agriculture’:

- 1) Identify the pockets predominated with the tenant cultivation in all its forms i.e., including sharecroppers and oral lessees.
- 2) Building up data on tenant farmers at districts level
- 3) The District Consultative Committee (DCC) forum to facilitate the process of identification and preparation / review of the list of Tenant Farmers in the districts
- 4) Accepting easier means for establishing tenancy for financing tenant farmers like
  - Certificate by village accountant / revenue authorities / Gram Pradhan.
  - Certificate by Agriculture Department.
  - Any list provided by Agriculture / Revenue or any other Government Department.
  - Certificate from active Self Help Groups / NGOs of repute which have been in active existence for at least three year where ever they have been rated satisfactory.

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## Chapter 6

# Sixth Economic Census

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Economic Census is the complete count of all establishments /units located within the geographical boundaries of the country. All units (establishments) engaged in production and /or distribution of goods and services other than for the sole purpose of own consumption are counted.

### Objectives

- To provide economic data at lower geographical levels like tehsils/villages in case of rural areas and towns/ wards in case of urban areas that meet the development needs for decentralized planning required under 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments.
- To provide a modern and comprehensive frame to be utilized in all specialized economic surveys based on sample techniques.
- To provide a broad database to be used in carrying out studies and surveys needed for economic development programmes.
- To study the size of the employed by gender and by economic activity.
- To provide updated Directory of Establishments employing 8 or more workers for local level planning purposes and also for using as a “List frame “ for conduct of survey of such establishments in the non manufacturing/services sector.

### Quick Manual Results of Sixth Economic Census at a glance

#### Establishments

As per the Quick Manual Results of Sixth EC there are 507372 establishments located in J&K engaged in different economic activities other than crop production, plantation, public administration, defence and compulsory social security. Out of which 304207 establishments constituting 59.96% are in rural J&K and remaining 40.04% with 203165 establishments in urban areas. Sixth EC categorized the establishments in 3 groups i.e, establishments outside household with fixed structure ii) Establishments outside household without fixed structure and iii) Establishments inside household. Establishments with fixed structure account for 87.27% comprising of 69.90% establishments outside household with fixed structure and 17.37% inside household. Establishments outside household without fixed structure amount to 12.73% at the state level.

In rural areas 64.67% establishments are operating outside household with fixed structure, 22.93% establishments are located inside house-hold and 12.40% establishments are operating outside household without fixed structure. The corresponding figures in percentage terms in urban areas are 77.73%, 9.04% and

13.23% respectively. Following table No 1: provides information in figures with rural-urban breakup.

Type of establishment	Rural		Urban		Combined
	Number	%age	Number	%age	No.
Outside HH with fixed structure	196728 (64.67)	55.47	157925 (77.73)	44.53	354653 (69.90)
Outside HH without fixed structure	37716 (12.40)	58.40	26867 (13.23)	41.60	64583 (12.73)
Inside HH	69763 (22.93)	79.15	18373 (9.04)	20.85	88136 (17.37)
Total	304207 (100.00)	59.96	203165 (100.00)	40.04	507372 100.00

*Note: 1. HH: household ,2.Figures in brackets show the percentage of establishments to all establishments in the respective areas.*

#### **Handicraft/Handloom establishments:**

As per provisional results the number of handicraft/handloom establishments in J&K is 60397 with 46054 (76.25 %) rural and 14343 (23.75%) urban establishments. These establishments constitute 11.90% of total number of establishments in the state. The %age of handicraft/ handloom establishments is 15.14%(rural) and 7.06% (urban) with respect to total number of establishments in the respective areas. Collection of information on handicraft/handloom establishments is a new initiative of Sixth EC. Table No. 2 given below illustrates distribution of handicraft/handloom establishments numerically for easy comprehension:

Establishments	Rural		Urban		Combined	
	No.	%age	No.	%age	No.	%age
Total No. of Establishments	304207	59.96	203165	40.04	507372	100.00
No. of Handicraft/handloom establishments	46054 (15.14)	76.25	14343 (7.06)	23.75	60397 (11.90)	100.00

*Note: Figures in brackets show the percentage of establishments to total No. of establishments in the respective areas.*

#### **Employment**

The provisional results of Sixth EC reported a number of 1084295 persons working in the establishments. The number of workers found in rural establishments during the census is 595132 sharing 54.89% while as 489163 persons (45.11%) are reported working in the establishments located in urban areas. The total number of hired workers is of the order of 594090 and remaining 490205 not hired workers. The

percentage of hired and not-hired workers amount to 54.79% and 45.21% respectively in the State. Out of the total 594090 hired workers 52.45% (311579) are found working in rural establishments whereas the rest 47.55% (282511) are seen in urban establishments. Similarly in the not-hired category of workers the rural-urban divide is 283553 (57.84%) in rural and the remaining 206652 (42.16%) are in urban areas. The male-female distribution of total of 1084295 workers reveals that the share of males is 81.34% with a number of 881925 workers leaving 18.66% share occupied by female workers in the state. Statistically speaking, the share of male workers in the total hired and not hired workers is 76.41% and 87.31% respectively, the rest 23.59% in the hired workers category and 12.69% in not hired workers category belong to women.

Out of 595132 persons engaged in rural establishments, 52.35% share is occupied by hired workers while as 47.65% share is held by not-hired group. Moreover, 77.92% rural workers in establishments are males leaving 22.08% share for females. Distribution of employment in urban establishments shows that 57.75% are hired workers and 42.25% are not hired workers. Share of male workers in urban areas is 85.49% as against only 14.51% share of female workers. Following table reveals the position in figures:

<b>Table No 3: Workers in establishments by type, sex and sector.</b>					
<b>Type of worker</b>	<b>Rural</b>		<b>Urban</b>		<b>Combined</b>
<b>i) Hired</b>	Number	%age	Number	%age	Number
a) Male	226115	49.81	227832	50.19	453947
b) Female	85464	60.98	54679	39.02	140143
<b>Total</b>	311579 (52.35)	52.45	282511 (57.75)	47.55	594090 (54.79)
<b>ii) Not Hired</b>					
a) Male	237627	55.52	190351	44.48	427978
b) Female	45926	73.80	16301	26.20	62227
<b>Total</b>	283553 (47.65)	57.84	206652 (42.25)	42.16	490205 (45.21)
a) Total Male	463742 (77.92)	52.58	418183 (85.49)	47.42	881925 (81.34)
b) Total Female	131390 (22.08)	64.93	70980 (14.51)	35.07	202370 (18.66)
<b>Grand Total</b>	595132 (100.00)	54.89	489163 (100.00)	45.11	1084295 (100.00)
<i>Note: i. Figures are provisional. ii. Figures in brackets show the percentage of employment to total employment in the respective areas.</i>					

## **Inter district comparison of establishments and employment**

### **Establishments**

District-wise distribution of establishments by their type has been given in table 23(a) in the Statistical supplement. In the total number of establishments, district

Srinagar performs lead with highest contribution of 13.83% (70174 establishments) in the state. It is followed by district Jammu (13.44 %) and Budgam ranks 3<sup>rd</sup> with 9.51% share in the descending order. Five districts, namely Srinagar, Jammu, Budgam, Baramulla and Anantnag account for maximum number of establishments claiming 54.31% share in the state. Contrarily Ramban with contribution of 0.88% establishments is the lowest district. The other four lower districts in the distribution of establishments are Kargil (0.93%), Kishtwar (1.63%),Leh(1.67%) and Shopian (1.90%). The share of these lower 5 districts put together is 7.01% i.e, approximately half of Srinagar or Jammu district.

### **Employment**

Provisional results of Sixth EC recorded total number of 1084295 persons working in 507372 establishments in the state. Considering the districtwise distribution of workers, Jammu is rated as the first topper district sharing 15.44% of total, very closely followed by Srinagar with 14.85% contribution. Budgam and Baramulla are the 3<sup>rd</sup> and 4<sup>th</sup> districts in a row of 22 districts claiming 8.56% and 8.04% workers respectively. Five districts namely, Jammu, Srinagar, Budgam, Baramulla and Anantnag have the combined share of 54.38% of total employment at the State level. This is consistent with the total number of establishments in these districts. District Kargil (1.04%), Ramban (1.05%),Kishtwar (1.30%), Shopian (1.57%),Doda (1.79%),and Leh (1.83%) i.e, each district with less than 2% individual share are the bottom level districts. Table No. 11(a) in the Statistical supplement provides district wise information regarding persons employed numerically.

### **Key Indicators**

Entrepreneurial activities are considered as a huge source of employment. From the provisional census results certain key indicators have been drawn. An attempt has been made to examine a few key indicators in close contrast with Fifth EC. These key indicators encompass a comprehensive analysis of the development parameters linked with economic progress.

Total number of establishments increased from 317367 (Fifth EC) to 507372 (Sixth EC) recording 59.87% increase during the period of 2005 to 2013 which is approx. 7.50 % increase per annum during these 8 years.

Establishments per lakh of population as per provisional results of Sixth EC are 4045.60 as compared to 2849.59 establishments as per Fifth Economic Census. This indicates that establishments per lakh of population have rapidly increased by 41.97%.Number of establishments per Sq. Km increased from 3.13 as per Fifth EC to 5.01 revealed by Sixth EC. This is 60.06% increase between the two economic censuses.

Number of males per establishment is 1.74 as per Sixth EC against the corresponding figure of 1.79 as per Fifth EC. Similarly number of females per establishment is 0.40 (Sixth EC) as compared to 0.26 recorded by Fifth EC. When the indicator of number of persons employed in the establishments per lakh of population is adopted, the figure comes to 8646 workers as per Sixth EC as against only 5784 workers (Fifth

EC). The number of workers per lakh of population records a growth of 49.48% during the Sixth EC over Fifth EC.

One of the remarkable finding drawn from Sixth EC is that the number of female workers whether hired or not hired increased sharply. Participation of women in economic activities records increase during Sixth EC over Fifth EC. When measured in percentage terms this increase is very sharp i.e, 145.86%. Further, the ratio of men per establishment is showing a declining trend which is (-) 2.79% as per Sixth EC in comparison with fifth EC. Following table No 4 provides information on key indicators viz-a-viz comparison with Fifth EC:

<b>Table No 4: Key Indicators drawn from provisional results of Sixth EC in comparison with Fifth EC</b>			
<b>Item</b>	<b>Magnitude</b>		
	<b>Fifth EC</b>	<b>Sixth EC</b>	<b>%age variation</b>
<b>No. of Establishments</b>	317367	507372	59.87
a) No. of establishments per lakh of population	2849.59	4045.60*	41.97
b) No. of establishments per square Km	3.13	5.01	60.06
<b>Total No. of employment</b>	<b>651611</b>	<b>1084295</b>	<b>66.40</b>
a) No. of males employed	569299	881925	54.91
b) No. of females employed	82312	202370	145.86
c) No. of males employed per establishment	1.79	1.74	-2.79
d) No. of females employed per establishment	0.26	0.40	53.85
e) No. of persons employed per establishment	2.05	2.14	4.39
f) No. of workers per lakh of population	5784	8646*	49.48
<i>*Indicates position on 2011 census population</i>			

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## Chapter 7

# Agriculture & Allied Sectors

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Agriculture plays a very prominent role for development of economy of J&K State. Around 70% of the population in the State gets livelihood directly or indirectly from the Agriculture and allied Sectors.

### **Growth in Agriculture in J&K**

Around 70% of the population of the State resides in the rural areas and directly or indirectly depend upon this sector for their livelihood and employability. Despite of its importance for ensuring inclusive growth and providing Food Security, the contribution of Agriculture towards Gross State Domestic Product (GSDP) seems constant which is indication of development of the economy, as agricultural land over the years has shrunken due to developments in other sectors like housing colonies, establishment of new universities and colleges, four lanning of National Highway, development of railway tracks conversion of agricultural land under horticultural activities etc which should have given a set back to the agricultural sector.

### **Potentials**

- Organic Basmati Rice, Rajmash, off-season vegetables, potatoes, aromatic & medicinal plants,
- Virus free potato seeds for all seasons,
- Development of commercial floriculture, Production of virus free quality seeds for flowers and vegetables, aromatic & medicinal plants,
- Mushrooms round the year, honey and honey by-products, fodder intensification, etc,
- Wide range of flora available to boost bee keeping,
- Boost to Quality Saffron Production,
- Jetropha (Biofuel) cultivation on waste lands and rainfed areas of Jammu region under NWDPRRA.

### **Limitations/Drawbacks in Agriculture**

- Hilly Terrain,
- Small and fragmented land holdings,
- Fragile Soil in hilly areas susceptible to soil erosion,
- Limits to mechanized farming and transportation of products,
- Extreme limits to irrigation of cultivated land,
- Single Cropping season in temperate / high altitude areas,
- Inadequate and unorganized marketing infrastructure,
- Distant markets for export outside the State.



## Seed Management and Seed Replacement Rate (SRR)

To sustain continuous growth in productivity, seed management plays a vital role. Looking at the present situation in the state, the figures are not satisfactory. The national average of seed replacement rate has been above 25 percent while the J&K State is pursuing its efforts to consistently achieve the desired level of Seed Replacement Rate (SRR) in case of High Yielding Varieties of major crops. The limitation of availability of breeder and foundation seeds is also a contributory factor. The desirable SRR level 25 percent for self pollinated crops, 35% for cross pollinated crops and 100 percent for hybrids at the national level have now been revised to 50% for cross pollinated crops and 33% for self pollinated crops. The state agriculture universities are pursuing research to evolve short duration high yielding varieties including hybrids, with special emphasis on rainfed areas. There are variations in the seed replacement rates from crop to crop and department is endeavoring to achieve a standard degree of seed replacement rates variety wise to boost the production in the coming years and various initiatives taken are underway.

For enhancing agricultural productivity on sustainable basis, improving Seed Replacement Rate (SRR) is an important component. Department of Agriculture has registered a 33% SRR of rice in Kashmir valley and 26.32% in Jammu Division. SRR in respect of maize was observed at 24% in Kashmir and 32.10% in Jammu Division. SRR in respect of Fodder is anticipated at 32% and 35% during Rabi Season in Kashmir and Jammu respectively.

## Cropping pattern and yield of food products.

S.no	Kind of Crop	Area (000 Ha)		Production (000 Qtls )		Yield (Qt/ha)	
		2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
1	Rice	271.49	265.88	5567.38	4548	20.51	17.11
2	Maize	298.68	308.62	5305.3	2735	17.76	8.86
3	Wheat	292.07	290.99	6018.81	5819.5	20.61	20.00
4	Barley	12.52	12.63	71.02	71.6	5.67	5.67
5	Pulses	25.79	26.57	138.38	84.1	5.37	3.17
6	Oilseeds	65.73	65.95	588.36	583.8	8.95	8.85
	<b>Total</b>	<b>966.28</b>	<b>970.64</b>	<b>17689.25</b>	<b>13842</b>	<b>18.22</b>	<b>14.26</b>

## Necessity to increase agriculture production and productivity

As per the population census of 2011, Jammu and Kashmir has a total population of 1.254 crore with decadal growth rate of 23.71% at the State level (rural 19.77% & urban 35.66%). To meet the ever increasing demand for food grains Agriculture Department, Agriculture Universities and other stake holders need to make concerted efforts to accept the challenge by adopting various interventions/new techniques of productions and addressing the problems of rain fed areas etc by way of making huge investments to increase food production to bridge the gaps. An

estimation made by the Directorate of Agriculture Jammu, food grain requirement for the State works out to 25 lac MT per annum as against the tentative production of about 20.65 Lac MT during 2013-14.. Therefore the State faces a deficiency of 4.35 Lac MT of food grains which is provided by the CAPD through the rationing system. During the year 2014-15 food production got reduced to 17.42 lac MT due to devastating floods in the State.

Agriculture Production Department implements various developmental projects through the following sectors of development:-

1. Directorates of Agriculture Kashmir/Jammu.
2. Directorates of Command Area Development Kashmir/Jammu.
3. Directorate of sericulture J&K.
4. State Agricultural Universities Kashmir/Jammu.
5. Agro Industries Development Corporation.
6. Line Departments in convergence with various Centrally Sponsored Schemes (Floriculture, Fisheries, Animal/Sheep, Cooperatives etc.)

An amount of Rs. 276.48 crores comprising of Rs. 27.51 crores as revenue component & Rs. 248.97 Crores as capital component has been earmarked during 2014-15 for implementation of RKVY. Various Projects under Agriculture, Sericulture, CAD and AGROS have an outlay of Rs. 43.84 crores under projectisation part, Rs. 14.64 crores loan component & Rs. 186.54 crores as ACA for Command Area Development and RKVY projects out of the total outlay during 2014-15. RKVY outlay has been made part of the State Annual Plan which represents ACA during the said period.

### **Centrally Sponsored Schemes.**

In addition to State Plan Department of Agriculture implements following Centrally Sponsored Schemes:-

1. National Food Security Mission.
2. National Mission on Agricultural Extension & Technology.
3. National Mission on Oil seeds & oil Palm.
4. National Mission for Sustainable Agriculture.
5. Catalytic Development Programme (Sericulture).
6. Command Area Development & Water Management Programmes.
7. Weather based crop insurance scheme.
8. National Bamboo Mission

A word about each.

#### **1. National Food Security Mission**

National food Security Mission is under implementation in J&K to increase the disease free Food production of rice , wheat, pulses & course cereals (Maize), to increase the farmers income by making the farm business management more profitable and to generate employability.

An amount of Rs 26.01 crores was approved during 2013-14 out of which Rs.14.17 crores was utilized.

During 2014-15 Action Plan has been approved at an amount of Rs. 26.05 crore. An amount of Rs. 6.95 crore has been received as first installment from the Central Government, against which Rs.18.80 crore has been expended by ending December 2014, which includes Rs. 11.85 crore as unspent balance of last year

## 2. RKVY

Rashtriya Krishi Vikas Yojana (RKVY) provides incentives to the farmers which aims at achieving & sustaining inclusive growth during 12<sup>th</sup> plan period by ensuring holistic development of agriculture & allied sectors, to achieve the goal of reducing the yield gaps in important crops, through focused interventions & good productive practices, to maximize returns to the farmers in Agriculture & allied sectors and brings quantifiable changes in the production & productivity of various components of Agriculture & allied sectors by addressing them in a holistic manner.

Central Assistance is being utilized for the implementation of various normal Programmes through Agriculture , Horticulture, Floriculture, Animal & Sheep Husbandry, Fisheries, Cooperatives Department & State Agricultural Universities. Other components of RKVY are:-

- (i) National Vegetable Initiative for Urban Clusters
- (ii) Saffron Mission
- (iii) National Mission On Protein Supplements

The financial targets & achievements registered during 2013-14 & 2014-15 are as under:-

<b>Scheme</b>	<b>Approved allocation 2013-14</b>	<b>Funds received from GOI</b>	<b>Funds utilized ending March 2014</b>	<b>Unspent balance</b>	<b>Funds revalidated and authorized</b>
RKVY (Normal)	2704.00	2704.00	2169.32	534.68	534.68
Vegetable Cluster	700.00	448.00	436.89	11.11	11.11
Saffron Mission	10000.00	5000.00	4255.07	744.93	744.93
NMPS	1667.00	700.00	682.57	17.43	17.43
<b>Total</b>	<b>15071.00</b>	<b>8852.00</b>	<b>7543.85</b>	<b>1308.15</b>	<b>1308.15</b>

During 2014-15 against an approved outlay of Rs.150.50 crore, an amount of Rs. 75.25 crore was received and expenditure actually incurred arrived at an amount of Rs. 39.39 crore (including unspent amount of 2013-14) ending January 2015.

Major focus was laid on Saffron Mission for which Rs. 10000.00 lacs has been approved as per the project which was estimated to cost Rs 400.11 crore against which on annual plan basis Rs 20.63 Crore has been utilized ending January 2015

and the target period for the finalization of the project is 2017. Funding under RKVY and its components has been released to the implementing agencies and programmes have been launched, but in view of floods and technical difficulties full amount is not expected to be utilized by the end of March, 2015, especially under Saffron Mission.

### **3. National Mission for Oilseed and Oil Palm (NMOOP)**

The scheme has various interventions for enhancing production and productivity of oilseeds. An amount of Rs. 151.38 lacs is approved and Rs. 69.00 lac have been received from Government of India under MM-I, against which Rs. 26.52 lacs has been utilized by ending December 2014.

Under Mini Mission-III of NMOOP, an amount of Rs.26.61 lac is approved during 2014-15. Department proposes to achieve the main target of purchasing 1.5 qtls of breeder seeds, production of 151 qtls of foundation seeds, production of 200 qtls of certified seeds and distribution of 600 qtls of certified seeds during 2014-15. The scheme envisages training programme through block demonstrations on 616 hectares of land, 40 integrated pest management demonstrations (IPM), distribution of 37 improved manual farm implements, 37 power operated implements etc during 2014-15.

Mini Mission-III of NMOOP 98 hectares of area is proposed to be expanded for wild apricot and 15 hectares under olive cultivation. MM-III also provides training to farmers/extension workers/officers/input dealers for transfer of technology.

### **4. National Mission on Agricultural Extension and Technology (NMAET)**

The main objective of this scheme is to extend Agricultural education for transfer of technology, introduction of improved seeds, limited and specific use of pesticides & introduction of modern farm business machinery. The scheme envisages implementation of the core components for ensuring easy availability of inputs (i.e seeds, pesticides & machinery) at reasonable prices. Agricultural Extension & Technology have to go hand in hand and that is the genesis of the National Mission on Agricultural Extension & Technology. So, that delivery of appropriate technology & improved Agronomic Practices are enabled.

The CSS'' NMAET'' has been restructured & is comprising following sub-schemes:-

1. Sub-Mission on Agricultural Mechanization.
2. Sub-Mission on Agricultural Extension.
3. Sub-Mission on Seed & Planting Material.
4. Sub-Mission on Plant Protection.

An amount of Rs . 3663.14 lacs has been approved for the implementation of Sub-Mission on Agricultural Mechanization (Rs. 182.88 lacs), Sub-Mission on Agricultural Extension (Rs. 2612.31 lacs) and Sub-Mission on Seed & Planting Material (Rs. 867.95 lacs) during 2014-15. An amount of Rs. 534.71 Lacs has been received by the Department for the implementation of various programmes in a mission mode manner. An amount of Rs. 601.85 lacs (including Rs. 34 lacs as State

Share) has been released against which an amount of Rs. 452.24 lacs has been utilized ending December, 2014. In addition to above Government of India provided transport subsidy to the tune of Rs. 22.10 lacs which has been fully utilized during 2014-15.

### **Physical Targets**

Four demonstrations of agricultural mechanization, 06 demonstrations and training and distribution of post harvest technology management for transfer of primary processing technology , value addition, low coast scientific storage, 24 tractors, 20 power tillers, 118 tractor driven equipments for SC/ST small and marginal farmers 125 such equipments general category , 168 manual Knap sack/foot sprayers etc are proposed to be provided for farm mechanization during 2014-15. Sub mission on Agricultural extension is being implemented under the guidance of SKUAST for skill development training to transfer the technology. Similarly seed and planting material is being provided to the farmers to enhance the farm productivity in potential areas. Department has a plan of distributing seed during Kharief and Rabi to the extent of 27850 qtls of groundnut, pulses, wheat oats, barseem, mustard, maize, paddy.

### **5. National Mission for Sustainable Agriculture (NMSA)**

National Mission for Sustainable Agriculture proposes to achieve various objectives to make agriculture more productive, sustainable remunerative and climate resilient by promoting location specific Integrated/Composite Farming Systems, to conserve natural resources through appropriate soil & moisture conservation measures, to adopt comprehensive soil health management practices based on soil fertility maps, soil test based application of macro & micro nutrients, judicious use of fertilizers etc, to optimize utilization of water resources through efficient water management to expand coverage for achieving 'more crop per drop, to develop capacity of farmers & stakeholders, in conjunction with other on-going Missions

The CSS" NMSA" after restructuring is to be implemented under the following heads of development:-

1. Rainfed Area Development Programme (RADP).
2. Climate Change & Sustainable Agriculture Monitoring, Modeling & Networking.
3. Soil Health Mission (SHM).
4. On farm Water Management (OFWM).

An amount of Rs. 628.07 lac has been approved for Rainfed Area Development against which an amount of Rs. 250 lacs has been released.

For the Climate Change Intervention two pilot projects for Gurez (Bandipore) and Bhuddal (Rajouri) Blocks have been submitted for an amount of Rs. 10 .00 crore each. These blocks have the high potential for inclusive development, but the yield is low and the areas are in the far flung and remote parts of J&K. after consulting with the Rural Development Department for identification of desired blocks,

An amount of Rs. 689.50 lacs has been approved for the establishment of Soil testing labs. 06 Static labs and 06 Mobile soil Testing labs with 60 portable soil testing kits, strengthening of fertilizer quality control lab and setting up of bio-fertilizer and organic fertilizer testing and quality control labs have been sanctioned, programmes of which have been launched during 2014-15.

For On Farm water Management , an amount of Rs. 284.00 lacs is approved against which Rs. 164.56 lacs has been authorized for utilization during 2014-15, in addition to this a State Share of Rs. 200 lac was provided by the Finance department representing State Share during 2014-15 for which the programmes stand launched on ground for minor irrigation purposes.

### **Catalytic Development Programme (Sericulture)**

Under CDP an amount of Rs 15.00 crore is approved and the department has received an amount of Rs. 14.38 crores as central assistance during 2014-15 and the notable achievements registered under this sector through State and central funding are as under:-

1. During the current year 2014-15 the cocoon production has been achieved upto 773 MT due to the impact of implementation of Centrally Sponsored Scheme on incentive basis.
2. By way of sale of cocoons the income generation to farmers during the current financial year 2014-15 is Rs. 1220.00 lac. During the current year, ending October, the cocoon growers got remunerative prices and the farmers in some markets fetched record high price of Rs. 900 to Rs. 1000 per kg of dry cocoons compared to average price of Rs. 397 last year showing an increase of 250%.
3. The State Government has enhanced the support price for seed cocoons produced by the farmers for production of quality silkworm seed in the department to Rs. 200/Kg from Rs. 150/Kg.
4. The support price of commercial cocoons has been increased by the Government from Rs. 210/Kg to Rs. 300/Kg (dry) for the sericulture farmers of the State during the current year.
5. J&K State is a mono crop region and sericulture activity is a subsidiary occupations. The Department is striving hard to introduce multiple cropping in the State for sustainable sericulture in the State. Results are quite encouraging and during the current year the Department introduced multiple cropping throughout the State and the third cocoon crop (autumn crop) is under progress.
6. The Department has envisaged an ambitious vision programme in the form of a document for the next twenty years to cover about five lac farmers in the activity of sericulture to take the cocoon production to newer heights of 25000MT.

### **Command Area Development & Water Management Programmes**

As per the estimates of the F.C. Revenue area irrigated and un irrigated during khariief 2013, is reported at 7.25 lac hectares. An area of 3.07 lac hectares is irrigated

and 4.18 lac hectares is un irrigated. To bring more area under the irrigation category Command Area development is implementing various programmes through AIBP funding shared between the Centre and the State on 50:50 basis.

An amount of Rs. 31.00 crore is approved as the ACA for Command Area Development and Water management projects in the State. The scheme being shared between centre and the State on 50:50 pattern of cost basis. As against a requirement of equivalent amount Department has an outlay of Rs. 20.29 crores annually, leaving a gap of Rs. 10.71 crores as the State Share and **this short fall in the State share under the sector limits access to the entire Additional Central Assistance (ACA)**, during 2014-15. There are two projects under implementation in the Command Area Jammu and fifteen projects in Command Area Kashmir. The Department provides field channels, soil conservation water management activities for the irrigation purposes as otherwise the potential created by the irrigation department is not utilized optimally.

#### **Weather based crop insurance scheme.**

State Government has launched the Weather based Crop Insurance Scheme, during the current year, on pilot basis covering Saffron in Kashmir Valley and Basmati Rice in Jammu Division. Weather at required places were set up by the SKUAST and insurance companies. Metrology Department has to come forward in this direction for guidance of the Department so that the farmers are benefitted.

#### **National Bamboo Mission**

As a part of National Mission on Integrated development of horticulture , Agriculture Production Department formulated an action plan for an amount of Rs. 203.31 lac during 2014-15. An amount of Rs. 77.41 lac has been received from Government of India for the implementation of Bamboo Mission programmes in an integrated form involving Forest Department and Agriculture Department including SKUAST J/K. one **hi-tech nursery** involving Rs. 40 lac is expected to come up in SKUAST-K and other small nurseries in the Forest and Agriculture Department for the promotion of bamboo cultivation in the potential areas which will diversify the production lines of the farmers for increasing their farm incomes.

#### **Major Challenges and Priorities**

The main challenges are shrinking land base, depletion of water resources, adverse impact of climate change, shortage of Farm Labour as dignity of labour vanishing, Increasing costs of inputs, uncertainties of weather, soil erosion, and volatility in national and international markets.

#### **Key Drivers of Growth**

- i. Availability and dissemination of result oriented technologies which depend on quality of research and extent of skill development.
- ii. Adequate investment on Agriculture and strengthen of infrastructure, improve functioning of markets besides optimum utilization of scare economic resources.
- iii. Governance in terms of institutions that make better delivery of services like

- credit, quality inputs, like seeds, fertilizers, farm machinery etc. For addressing food security and sustainability extension of green revolution to low productivity areas, besides focusing on water stress zones is emphasized during 12<sup>th</sup> Five Year Plan period.
- iv. Modernization and computerization of land in a time bound manner.
  - v. Leveraging the refined private investment as well as Policies for making markets more efficient and competitive.
  - vi. **Agriculture Research and Education:** For providing dent to the poverty and reducing hunger, the Agriculture Research play a crucial role and shall be addressed in a big way.
  - vii. **Providing of quality seed:** The ratio of quality seed to total seed use by the farmers is still much below the norm and there is considerable scope to raise crop productivity by raising this ratio during 12th Five Year Plan period.
  - viii. The importance of PPP in Agriculture in extension will also explored besides introducing small size of machine for Agriculture operation in view of small size of holding in the State.

## Horticulture

J&K State is well known for its horticultural produce both in India and abroad. The state offers good scope for cultivation of horticultural crops, covering a variety of temperate fruits like apple, pear, peach, plum, apricot, almond, cherry and sub tropical fruits like mango, guava, citrus litchi, phalsa and Berete. Besides, medicinal and aromatic plants, floriculture, mushroom, plantation crops and vegetables are cultivated in the state. Apart from this, well known spices like saffron and black Zeera are also cultivated in some pockets of the state.

As a result, there is a perceptible change in the concept of horticulture development in the state. There are around 7 lakh families comprising of about 33 lakh people which are directly or indirectly associated with horticulture. Horticulture development is one of the thrust areas in agriculture and a number of programmes have been implemented in the past, resulting in the generation of higher incomes in the rural areas, thereby improving the quality of life in villages.

The growth of horticulture sector can be attributed to various initiatives taken by the GoI and State Govt; towards market interventions viz. establishment of fruit mandies, technological support, awareness options, publicity inputs, research extension etc.

Apple is the most important fruit. As per the horticulture census 1999-2000, about 55% of the area is covered under apple. It is also important in terms of production and provide the maximum marketable surplus. About 30% of A grade, 40% of B grade and 30% of C grade of prefalls and culled apples account for substantial quantum of around 50 thousand tonnes which needs to be exploited as raw material for processing industry. However during the current year seasonal variations coupled with floods of September 2014 resulted in loss to the horticultural industry. However, the increased production yielded some good results and our export worth Rs. 4500.00 crore is expected during 2014-15 as against Rs. 5000.00 crore during 2013-



14.

Food processing industry offers tremendous opportunity for commercial exploitation of horticulture of the State but commercial processing is around 1% only due to lack of post harvesting and processing facilities as well as unscientific packaging. Therefore, opportunities are open for exploiting the potential under processing, with individual, joint venture and Government efforts.

Area under Fruits in J&K State has increased from 2.95 lakh hectares in 2007-08 to 3.60 lakh hectares in 2014-15 (estimated). The production was expected to increase from 17.13 lakh MTs in 2009-10 to 22.76 lakh MTs in 2014-15 which is now unlikely to be achieved due to unexpected rains and floods of September, 2014.

#### **Species wise Area under Horticulture**

Looking to the specie-wise details of area figures under fruit for the year 2013-14, it is observed that largest area of 45.34% (161364 hectares) is occupied by apple out of total area of 355921 hectares under fruit. Walnut is the next major fruit occupying 26.86% in the overall area under fruit.

#### **Production**

In Jammu and Kashmir State especially in Kashmir Division, horticulture plays a significant role in contributing to the development of the economy of the state. As per estimates, over 6 lac families are actively involved in horticulture sector. This sector is one of the most important employment generating sectors in the state. Year after year, there is a significant increase in area and production under horticulture crops. It is believed that production is registered without proper crop-cut estimation therefore the fluctuations in production figures need reconciliation.

The overall production of fruit for the year 2014-15 was estimated at 13.54 Lac MTs, as there has been some loss to the Horticulture crop due to low temperature caused due to unexpected rains followed by flood in some areas of the State.

#### **Export of fruit**

Export of fruit from outside State, has occupied a prominent place in trade of the State but it is showing fluctuating trend over the years. The total quantity exported for the year 2013-14 was 10.10 lakh MTs against 6.8 lakh MTs exported for the current financial year 2014-15 (ending November, 2014).

Although, the production under horticulture sector is increasing year by year but it further needs to be given focused attention to register significant growth in the export of horticulture produce outside the State. The reason for low growth in export of fruits outside the State is introduction of Market Intervention Scheme (MIS) under which "C" grade apples are procured at a support price of Rs.6 per kg. for processing into juice concentrates in the locally established juice processing units. Secondly, India is also importing fruits from foreign countries as free trade policy which is in force at the country level.

#### **Foreign Exchange Earnings**

The Government is making all efforts to promote exports from Jammu and Kashmir

State. State's fruit especially dry fruits is also exported to other countries and in turn earns substantial foreign exchange. Foreign exchange earned on account of export of dry fruit viz; Almond and Walnut (in shell and kernel) during the year 2013-14 was Rs 365.25 crore.

### **Import of Fruits and Vegetables**

#### **Fruit**

Besides, producing fruit in good quantity, the state also imports fruit to supplement the growing demand on this account. The import of fruits has decreased from 2.35LMTs (2013-14) to 1.86 LMTs (2014-15) ending November, 2014.

#### **Vegetables**

Vegetables play a vital role to supply adequate quantity of nutrition in human diet. The per capita availability is less than the prescribed requirement of 200 gms per person per day. To address the excess demand the vegetables are imported from outside J&K. 1.99 lakh metric tones of vegetables have been imported ending Nov., 2014.

### **Diversification towards High Value Agriculture**

During the last several years, diversification of Agriculture in State towards high value commodities, i.e. fruits, vegetables and livestock products is taking place at a faster pace and is reflected in the high share of High Value Commodities (HVCs) in agricultural production in a number of districts.

Sustained economic and income growth, urbanization and globalization are fuelling rapid growth in demand for high value commodities in the State. High Value Horticulture has a comparative advantage in production and labour absorption over staple food items and thus is reckoned as an important activity for small orchard holders. Equally important, the consumption of High Value Commodities (HVCs) is on rise. In 1999, an urban consumer spent over 56% of the Food budget on high value commodities as compared to 49% in 1983. In Rural areas too, the share of high value commodities had increased from 36% to 46% during this period. The share of milk, which is the most important high value food in rural as well as urban areas has also increased, but not as fast as that of fruits and vegetables. Finally, evidence shows that by 2025, demand for fruits, vegetables, milk, egg, meat and fish would almost be doubled than that was in 2000.

### **Developmental Initiatives**

Horticulture Mission for North Eastern and Himalayan States was one of the initiatives upto last financial year which had four Mini Missions but the Government of India has now restructured the scheme and integrated approach has been adopted for the development of horticulture. The new scheme known as Mission for Integrated Development of Horticulture (MIDH) has been launched during 2014-15 this is 100% Centrally Sponsored Scheme and the financial progress achieved at State level over the years.

<b>Table No 3 :Financial Performance under CSS (Rs in lakhs)</b>			
<b>Year</b>	<b>Approved Outlay</b>	<b>Funds released</b>	<b>Actual Expenditure</b>
2012-13	3500	1825	1470
2013-14	3000	2900.16	2133.5
2014-15 <i>(ending Jan, 2015)</i>	6000	1500	1416.76

During 2014-15, an allocation of Rs 6000.00 lakh was earmarked for the scheme against which Rs 1500.00 lakh have been released and expenditure ending Jan. 2015 has actually arrived at an amount of Rs. 1416.76 lakhs, and it is expected that full allocated amount will be utilized during the reference year. Tangible results are expected during 2014-15 under the various sectors of development implementing various interventions of beneficiary oriented schemes to raise the standards of livelihood parameters.

### **Post Harvest Management (PHM)**

The horticulture crops like fruit, vegetables and flowers are perishable in nature and require special attention in their harvesting, handling, packaging, storage and processing operations. It is viewed by experts that 10% losses occur at field level, 5% during transportation, 2% during packaging, 9% at storage and 4% at processing, aggregating to 30%. Keeping in view wastages at various stages, the department is concentrating on development of post harvest infrastructure like cold storage, pack houses and intensive training programme on PHM of horticulture crops.

### **Plant Protection Machinery**

Plant Protection Machinery is an essential component of all the programmes and plays a significant role in improving the productivity & quality of fruit. Fruit crop has a high return per hectare compared to the conventional food grain crops. The State Government is implementing various schemes to promote horticulture. To encourage the fruit growers and to promote trade, toll tax on export of fruit was abolished from 2002-03. Sprayers and pumps are provided to fruit growers on subsidized rates. The scheme envisages providing of plant protection machinery to the farmers/orchardists on subsidized costs.

### **Development of vegetables**

The prices of the vegetables in Jammu region are high in summer due to non-availability of local vegetables where as in Kashmir region the prices of vegetables are higher in winter season. The shortage of vegetables is experienced in urban clusters and the ministry has approved an initiative for development of vegetables and on annual plan basis adequate funding is provided for vegetable development in urban clusters during 2014-15, department had an unspent balance of Rs. 11.11 lacs which was revalidated/utilized and an amount of Rs. 600.00 lac was approved for this initiative and Government of India has released 50% of this outlay and expenditure actually incurred arrived at an amount of Rs. 197.50 lacs (ending January 2015).

## **Fruit and Vegetable Mandies**

Development of fruit and vegetable mandies scheme was started in Jammu and Kashmir State in the year 1997-98. For developing 36 fruit and vegetable markets, in a phased manner, at a revised cost of Rs. 205.00 crores, with a view to overcome the marketing challenges for the horticulture produce viz. vegetables and fruit, which have increased manifold over the years. In the first phase, fruit markets at Kulgam, Shopian, Handwara, Charar-i-sharief, Pulwama, Batingoo, Akhnoor-I, Udhampur and Kathua were constructed and made functional. The growers have been able to sell their produce in these markets to get better returns at their door steps, which is the prime objective of the scheme. The fruit and vegetable markets at Baramulla, Kupwara and Rajouri are under construction and near completion. In the second phase, seven\* satellite markets at, Poonch, Doda, Batote, Bishnah (Samba), Zazna (Ganderbal), Akhnoor-II and Pachhar-Pulwama are under process of development. In the third phase, one terminal market at Jablipora Bijbehara will be constructed for which foundation stone has been laid by Hon'ble Chief Minister on 28/07/2013 and three satellite markets viz Leh, Kargil and Aglar Shopian will be taken for execution during current year, so as to build a complete network of markets to facilitate producers to make them sell their produce to ultimate consumers.

At present three main fruit and vegetable markets are operating with one each at Sopore, Parimpora (Srinagar) and Narwal (Jammu). These markets are being developed into main centres for collection and sales of fruit and vegetable in bulk. Terminal Market, Sopore covers the maximum Horticulture (Apple) producing areas of the State, spread over area of 372 Kanals of land, Besides, additional land measuring 90 kanals of land have been transferred to this department is under construction at an estimated cost of Rs.33.98 crore, against which an amount of Rs.17.09 crore have been spent as on 30-11-2014. The Department has launched a campaign aimed at implementing the Agricultural Produce Marketing (Regulation) Rules (APMR) Act in every fruit and vegetable market area in consonance with the provisions of the Act. The Act stands **partially** enforced in the markets of Parimpora, Sopore, Narwal, Shopian, Kulgam, Charar-i-sharief, Baramulla, Batingoo, Pulwama, Udhampur and Handwara.

## **Fruit Growers Co-operative Marketing Societies**

The fruit growers of the State are small and marginal farmers having small holdings. The Government has set up Horticulture, Planning and Marketing Organization which helps the small fruit growers and organizes them into co-operative fold, in order to save them from the exploitation by fruit commission agents and money lenders. These societies promote direct dispatch of fruit to the markets within the country and help to regulate the supplies within limits to lessen the chances of glut controversy in the market(s). These societies also help the growers in grading and packing the fruit to save excessive damage to the product.

To provide more efficient delivery of extension services, work related to procurement and distribution of machinery, green houses etc. to the orchardists, has been taken from the Directorate of Horticulture and assigned to JK HPMC. The

growers have widest varieties of machinery and equipments, as per their choice from the range of machinery/equipments, approved by the Union Ministry of Agriculture, Govt. Of India.

### **Major Markets in the Country accessed**

1)Azadpur Delhi, 2)Chandigarh, 3)Amritsar, 4) Jaipur, 5)Patna ,6) Kolkatta ,  
7) Lucknow ,8) Kanpur, 9) Agra, 10) Varanasi, 11) Mumbai , 12) Pune,  
13) Bangalore 14) Indore 15) Hyderabad 16) Chennai

### **Focus**

- (a) Marketing of Produce - Augmenting existing markets and access to new markets;
- (b) Use of IT in marketing;
  - Establishing marketing net-work within the state;
  - Improvement in grading;
  - Use of modern packaging;
  - Post Harvest Management and Infrastructure Development;
  - Establishment of Cold Chains;
  - Grading & packing houses;
  - Specialized Transportation.

### **Initiatives**

- Organizing Buyer-Seller Meets.
- Arrangement of Air-cooled Railway coaches for transportation of soft fruits.
- Introduction of Card Board cartons for packaging of apples
- Introduction of computerized Data dissemination facility and put-up dynamic web-site for promotion of Horticulture Marketing
- Exhibitions in all metros of the Country and other major market promotion events like Agro Tech, IITF
- Implementation of APMR Act.
- Market Intervention Scheme.
- CA Stores facility at Kolkatta
- Establishment of one additional terminal market Jablipora in South Kashmir.
- 21 F&V Satellite Markets under establishment in the State, out of which 8 Markets already made functional in Kashmir Division and 3 in Jammu Division.
- Establishing a Network of:-
  - 10 Satellite Markets established at Kulgam, Shopian, Pulwama, Anantnag, Chari-Sharief, Baramulla, Handwara, Kupwara, Batingoo and Udhampur major Fruit Producing areas of the State.
  - 3 Terminal Markets established at Sopore, Parimpora & Narwal.

- 9 Apni Mandi at Pacchar (Pulwama), Nunmai (Kulgam), Mari(Reasi), Mandi Poonch, Tapyal, Raya Bagala, Dyala Chak(Chadwal), Pouria(Reasi) and Gharian (Udhampur). Besides two additional Apni Mandies identified viz Tamotor Modh Kud, Khan Sahib Budgam.
- Kissan Ghar at Jammu, Delhi and Salt Lake Kolkatta.
- Multi Commodity Cold Store Kolkatta.
- The work for establishment of 10 Fruit & Vegetable Markets at Bishnah, Batote, Akhnoor-ii,Rajouri, Poonch, Doda, Zazna (Ganderbal), Aglar (Shopian), Leh and Kargil are in progress.

### **Employment opportunities in the Horticulture Sector**

One hectare of land planted with fruit trees provides additional employment for one thousand man-days, thereby generating employment for over 6 crore man-days by planting fruit trees on 65000 hectares. Some hands assist the farmers in marketing their produces; others help in providing the seeds, the plant materials and insecticides and chemicals to the farmers so as to ensure that the plants are protected from diseases and pests; others assist in the picking/harvesting of fruit. The cultivation of fruits is labour intensive and requires a significantly higher labour force, starting from the stage of planting the trees, to the point of its marketing. The manpower requirement in the cultivation and marketing of apples as well as field crops is met by employing paid workers and even the support of family members.

### **Future Strategies**

#### **Walnut Cultivation in Jammu &Kashmir**

Walnut is a major dry fruit crop grown in J&K State. The Production of this crop has touched 245.38 thousand M.Tonnes in J&K. Latest techniques of walnut budding/grafting have been introduced which have helped in reducing gestation period of this crop. With assistance of APEDA, a Hi-Tech Green House has been set up at Zakura which is being used for raising budded/grafted walnuts. Besides this, one more Hi-Tech green House has been set up at Siot, Rajouri. Walnut cultivation plays a significant role in the economic profile of the farmers living in Hilly and Backward areas, where economic condition of the people is extremely fragile.

#### **Provision of Cold Storage in Valley**

Lack of cold storage in Valley forces growers to sell produce at cheap rates. The main reason of mismatch in supply and demand is the lack of cold and controlled atmospheric storages in the valley. Government is trying to provide cold storage facilities to growers. Apple from valley has rich taste, aroma and contains high nutrient contents compared to those produced by other States. Department has encouraged the private partners to come forward and incentivizing the initiatives under private sector. According to the figures available, 400,000 tonnes of apple are ruined by the scab every year. Other diseases like alternaria, red might and powdery mildew also spoil the crop. Cold storage facilities are to be created in all the districts of the State where the fruit could be stored for a longer period for which private partners are coming forward and during 2014-15 an investment of Rs. 800.00 lacs

was earmarked against which Joint Investigation Team cleared 05 projects and a subsidy/incentive of Rs. 102.00 lacs was released.

## **Livestock**

This sector is emerging as an important growth leverage to state economy and its share to Gross State Domestic Products is also increasing. The economy of Jammu and Kashmir is still agriculture dependent and is the main occupation of majority of the rural people who earn their livelihood from it. Census figures 2011 signify that about 73 % of the population lives in rural areas and are associated with agriculture and allied sectors including livestock rearing as main occupation.

As per Integrated Sample Survey (2011-12), livestock population of Jammu region had demonstrated an increase of 8.40% over the year 2009-10 and reached to 78.908 lakhs from 72.79 lakhs. Kashmir region also witnessed an increase of 4.63% as livestock population had reached to 74.994 lakhs from 71.67 lakhs. However, in Ladakh region livestock population slipped by 1.44% from 6.60 lakhs to 6.505 lakhs during the same period.

Recently the **19<sup>th</sup> Livestock Census** has been completed and the statistics of the census has been published by the Ministry of Agriculture, Department of Animal Husbandry, Dairying and Fisheries, GOI, on State Level only, and it is expected that the figures on the District level will be published soon. The salient features of the 19<sup>th</sup> Livestock Census in respect of the J&K State are as under:-

### **Highlights/results of 19<sup>th</sup> Livestock census**

- The total Livestock and Poultry population of J & K State is 17474551 (9200842---Livestock +8273709---Poultry).
- Total Bovines in the J & K State is 3591865(3445154---Rural +146711---Urban).
- The J & K state is in the 5<sup>th</sup> position with regard to Sheep population in the country. The percentage share of total Sheep Population-2012 of J & K is 5.21 against the total population of 650.69 lac in the country (612.88 lac--Indigenous +37.81 lac – Exotic)
- The J & K State is in the 1<sup>st</sup> place in respect of the Yak population in the country with the percentage share of 71.03 against total population of 0.77 lac in the country.
- The J & K State is in the 2<sup>nd</sup> place with regard to Horses/Ponies and Mules in the country. The percentage share of total of Horses/Ponies of the J & K is 23.13 and 18.59 against the total population of 6.25 lac and 1.96 lac respectively in the country.
- The J & K state is in the 6<sup>th</sup> place with regard to Donkeys in the country. The percentage share of J & K in respect of Donkey is 5.41 against the total population of 3.19 lac in the country.
- The J & K State is in the 17<sup>th</sup> place with regard to Poultry in the country with the percentage share 1.13 against total population of 7292.10 lac in the country.

## **Highlights/results of Integrated Sample Survey**

### **1. Population profile**

- Estimated livestock Population of the state, as per the latest available integrated sample survey (2011-12), is 160.407 lakh comprising 31.569 lakh cattle, 39.204 lakh sheep, 7.889 lakh Buffalo, 18.136 lakh goat, 58.311 lakh fowl and 5.298 lakh duck.
- 49.19% that is 78.908 lakh of the total livestock population is dispersed in Jammu Division consisting of 16.023 lakh Cattle, out of which 5.237 lakh cattle are cross-bred and the remaining 10.786 lakh are of local breed. Similarly other livestock population in this region is 20.812 lakh sheep (14.505 lakh cross + 6.307 lakh local), 7.675 lakh buffaloes, 12.054 lakh goats, 22.315 lakh fowls and 0.029 lakh ducks.
- Kashmir region shares 47.42% (74.994 lakh) of the total livestock population with 14.582 lakh cattle (11.046 lakh cross + 3.536 lakh local), 16.261 lakh sheep (13.439 lakhs cross +2.882 lakhs local), 0.214 lakhs buffaloes, 3.172 lakhs goats, 35.496 lakhs fowls, 5.269 lakhs ducks.
- The contribution of Ladakh region depicts that livestock population of these two districts includes 0.964 lakh cattle, 2.131 lakhs sheep, 2.910 lakhs goats and 0.500 lakhs fowls.
- The livestock population per hundred persons has increased from 131 to 134 during the period from 2009-10 to 2011-12.

### **2. Milk Production**

- Average milk yield per day per animal during 2011-12 was 5.643 Kgs. for Cross-cows, 2.594 Kgs. for Local-cows, and 4.895 Kgs. for Buffaloes and 0.605 Kg for Goats.
- During the year 2010-11, the total estimated milk production for the State was 1609.247 thousand MTs. During the year 2011-12, the total estimated milk production for the State was 1614.57 thousand MTs constituting of 982.05 Th MTs (60.83%) of Cross-cow Milk, 237.19 Th MTs (14.69%) of Local-cow Milk, 293.70 Th MTs (18.19%) of Buffalo Milk and 101.62 Th MTs (62.94%) of Goat Milk.
- Average per capita availability of milk in our state was 370.10 gms per day which is higher than the national average of 356 gm per person per day in the year 2010-11.

### **3. Wool Production**

- Average wool yield per annum is 26.218 Kgs for cross-breed sheep and 17.495 Kgs for local-breed sheep.
- During the year 2011-12 the total wool production estimated for the State was 75.295 lakh Kgs which consisted of 61.586 lakh Kgs (81.79%) from Cross-breed Sheep and 13.709 lakh Kgs (18.20%) of Local-breed Sheep. During the year 2010-11, the total wool production estimated for the state was 73.819 lakh Kgs .



- Total availability of wool per person per annum is 629.978 gms for the state as a whole which included 515.278 gms from Cross-breed Sheep and 114.700 gms from Local-breed Sheep.

#### **4. Laying Birds and Egg Production**

- Total Number of Laying Birds (Hens +Ducks) of the State was 36.866 lakhs out of which 84.30% (31.079 lakhs) are of Desi category while as 15.70% (5.787 lakhs) are of improved stock as per ISS estimates for the year 2011-12.
- Estimated total egg production of the State for the year 2011-12 was 6519.758 lakhs out of which 6122.661 lakhs(93.91%) were laid by Hens and 397.097 lakhs (6.09%)by Ducks and estimated total egg production of the State for the year 2010-11 was 6209.333 lakhs.
- Total eggs availability per person was worked out to be 55 (number) per year for the State as a whole as per the ISS report 2011-12 against 53 (No.) for 2010-11.

#### **5. Meat Production**

- As per the Integrated Sample Survey Report (ISS), 2011-12, total estimated meat production of State was worked out to be 322.781 lakh Kgs consisting of 80.79% of (260.762 lakh Kgs) Red Meat and 19.21% (62.019 lakh Kgs) of White Meat. As per the latest Integrated Sample Survey Report (ISS), 2010-11, total estimated meat production of State was worked out to be 308.986 lakh Kgs.
- As per estimated results of ISS survey 2011-12, the meat availability was worked out to be 2.701 Kgs per person per year against 2.650 kgs for 2010-11.
- Meat production registered a growth from 308.986 lakh Kgs to 322.781 lakh Kgs in the year 2011-12 over the previous year resulting into 4.47% growth.

The department works in multi dimensions by, inter-alia, performing the following activities.

##### **A. Animal care facilities**

- ❖ Animal diseases will continue to be a major constraint in livestock productivity and agriculture development, if not taken care of. To maintain and improve its growth towards the economy of the state, health cover facilities are indispensable. To improve the quality of animal health services, the department has established a network of 3849 veterinary institutions.
- ❖ During 2010-11, 2011-12, 2012-13 & 2013-14 the department availed loan of Rs. 2189.33 lacs till date from NABARD under RIDF, for construction of 79 veterinary institutions (hospitals/dispensaries) against which around 30 buildings have been completed so far and the emphasis of the department is on completion of remaining buildings during current year 2014-15. During the current financial year (2014-15), the department is in the process of availing loan of around Rs. 7.00 crore from NABARD for taking up the construction of new 18 buildings (hospitals/dispensaries) under RIDF-XX which will improve the work culture and quality of veterinary services at the grass root level.

- ❖ Government of India sanctioned **229 buildings** (70 hospital and 159 veterinary dispensaries) at a cost of **Rs. 28.87 crore** under the scheme “**Establishment and Strengthening of Veterinary Hospitals and Dispensaries**” (ESVHD) with central share of **Rs. 21.65 crore** (75%) in the last financial year 2012-13. Out of which, **133 buildings** have been taken-up so far, for construction against the released amount of **Rs. 12.49 crore** out of which **74 buildings** have been completed so far and the remaining buildings are expected to be completed during the current financial year.
- ❖ 71 Mobile Veterinary centers (Animal Husbandry Jammu 26, Animal Husbandry Kashmir 26, Sheep Husbandry Jammu 09 and Sheep Husbandry Kashmir 10) have been sanctioned alongwith creation of 214 posts of various Non- gazetted and Class IV categories. The mobile ambulatory vehicles shall be fitted with GPS, so as to rationalize and monitor the services to be delivered by the mobile centers. The Department is exploring the possibility from where the funds can be arranged to effect the said purchase
- ❖ With an aim to timely reporting of disease outbreak for its effective monitoring, surveillance and ultimate eradication, a Centrally Sponsored Scheme “**National Animal Disease Reporting System**” (NADRS) has been taken up for implementation. The scheme envisages linking of blocks of districts, with divisions and state with central monitoring unit for prompt reporting/ feedback. So far **158 nodes** have been established out of which broad band connectivity has been provided to **60 nodes**. The scheme was launched in the month of January, 2013 and the state will be important constituent of the National Informatics System reporting disease profile and developmental activities as well. The investment in this activity is being supplemented with the assistance under Centrally Sponsored Scheme “ASCAD” State/District Plan and Non Plan.

### C. Livestock Production

- ❖ In livestock production, there is a gap between demand and supply. The quantity of output from the hybrid and new breeds of cows, is much more than the local one and as such the state government is taking steps to increase the quantum of such livestock to meet the domestic demand for the livestock products. The main livestock products are milk, meat, eggs and wool.

### D. Dairy Development

- ❖ The average per capita availability of milk has also increased from 112 grams in 1968-69 to 230 grams per day in 2005-06 and about 356 grams per day in 2010-11.
- ❖ The State’s milk production in 2002 was 12.40 lakhs metric tons, which increased to 16.14 lakhs metric tons in 2011-12. The per capita milk consumption is 378 grams per day, which is well above the national average of 356 grams per day for 2010-11.

Ministry of Agriculture, Department of Animal Husbandry, Dairying and Fisheries, GoI, has approved a project proposal for an amount of Rs. 6,46,68,500/- (Rupees Six Crore Forty Six Lakh Sixty Eight Thousand Five Hundred only) (including Rs.

602.7385 lakh as Central Share and Rs. 43.9465 lakh as Organization Share), for National Programme for Dairy Development a component of Centrally Sponsored Scheme “ **National Programme for Bovine Breeding and Dairy Development**” and will be implemented in the State during the current financial year 2014-15 by way of upgrading the old machinery of JKMPCL, Milk Plant Cheshamashahi in order to further enhance the capacity from 20 TLPD to 50 TLPD, the plant will procure milk from all the districts of Kashmir Division and marketing activities will be carried out in Srinagar and adjoining districts, the plant shall be capable of receiving and processing Liquid Milk with Cream Processing, White Butter and then subsequent Ghee Manufacturing facilities and the plant shall also be designed to make and pack Curd in pouch and cups. The project envisages to increase the village level dairy cooperative society network from current level of 165 to 300 by the end of project and to upgrade all these societies with latest Fat/SNF testing facilities. The project will be implemented by Jammu & Kashmir Milk Producers’ Cooperative Ltd. Against approved a project proposal of Rs. 6,46,68,500/- an amount of Rs. 365.27 lacs as Central Share has been released by the Concerned Ministry, GoI, as 1<sup>st</sup> installment.

The GoI, under the **CSS National Livestock Mission (NLM)** has conveyed the indicative ceiling of Rs 13.71 Crs against the total projected outlay of Rs 19.42 Crs having Central share of Rs 16.22 and State share of Rs 3.20 Crs.

- ❖ In order to give boost to Milk Production, reduce dependence on imports, a Centrally Sponsored Scheme “National Mission on Protein supplements” a sub-scheme of CSS- RKVY is under implementation. Activities like strengthening of dairy farms, Genetic up gradation of cattle through induction of genetic variability in female germ plasm and establishment of goat units is the prime activities under this mission.
- ❖ During the current financial year under the Centrally Sponsored Scheme “National Mission on Protein supplements” an amount of Rs 370.00 lacs(1<sup>st</sup> installment) were made available by the Agriculture Production Department out of the approved action plan of Rs. **740.00 lacs** for the current financial year.
- ❖ Besides above Agriculture Production department has also provided an amount of Rs. 120.00 lacs as 1<sup>st</sup> installment against approved allocation of Rs. 240.00 lacs under the Centrally Sponsored Scheme : Rashtriya Krishi Vikas Yojana” (RKVY).
- ❖ Dairy Entrepreneurship Development Scheme (DEDS)”, a central sector scheme came into operation w.e.f 1<sup>st</sup> of Sept-2010. This modified scheme has some attractive features such as providing back ended capital subsidy of 25% for General Category and 33.33% for backward categories (especially SC) a unit of two to ten animals with a unit cost of Rs. 3.00 to Rs.5.00 lakhs. The scheme is being implemented by NABARD through Cooperative, Rural and Commercial Banks. 4198 units (816 units in 2010-11, 3417 in 2011-12 , 806 in 2012-13 & 680 in 2013-14) have been sanctioned by NABARD.

## **E. Genetic Improvement**

- ❖ Increase in Livestock can be achieved through optimum use of bulls of high genetic value. It is, therefore, necessary to develop indigenous breeds and introduction of germ plasm of good milch breeds for enhancement of milk production. 1287 frozen semen centers are functioning where Artificial Insemination of local non descriptive cows and buffaloes is carried on. Artificial Insemination, a viable and dependable procedure for upgradation of cattle throughout the world, is being put in use in the State.
- ❖ The Frozen Semen Station, Ranbirbagh has become the 2<sup>nd</sup> ISO-9001/2008 certified Semen Laboratory in North India, having the privilege of being 1<sup>st</sup> laboratory in the entire country to have CODEX-HACCP-2003 certification in addition to ISO issued by British Standards Institution Group and quality management System ISO-9001 with BSI registration No. CDX-580193 and Sperm Station at Hakkal Jammu has been graded “C” by the Central Monitoring Unit (CMU) of Department of Animal Husbandry, Dairying and Fisheries, Government of India. Steps are being taken to upgrade both the frozen Semen Stations.
- ❖ The Department is engaged in genetic transformation of local non descript cattle population through a cross breeding / upgradation programme with exotic dairy breeds viz:, the Jersey and Holstein Friesian. The genetic upgradation activity of cattle is being carried out by Veterinary Institutions which include Artificial Insemination Centers using Frozen Semen Technology. It is proposed to concentrate on grassroots level on the development of infrastructural facilities at Frozen Semen Centers, by way of undertaking much needed repairs at Veterinary Centers, providing of necessary equipments and proper up-keep of liquid nitrogen (LN2) plants. One LN2 Plant having a capacity of 21 Ltrs per hour for Kashmir Division with a total estimated cost of Rs. 260.00 lakhs has been established during 2011-12 and is functioning. These LN2 plants will help in preservation and carriage of services to far flung areas and give boost to increase in cross bred population which is presently 48%. These programmes are being implemented under “National Project for Cattle and Buffalo Breeding (NPCBB)”, a Central Sector Scheme.

## **Poultry Development**

- ❖ Poultry production has assumed importance as a major agro-based industry which provides:
  - ✓ part-time / whole-time source of earning to the unemployed youth and
  - ✓ highly nutritious animal protein in the form of quality poultry meat and eggs.
- ❖ The main objective in this sub-sector is to increase poultry meat and egg production by:-
  - ✓ encouraging private enterprises with the requisite technical guidance and

- ✓ Providing fast and specific diagnosis of poultry diseases in order to reduce risk of loss to farmers.
- ❖ The last decade has witnessed tremendous growth in the poultry sector. The poultry farming has come in a big way in Jammu, Kathua , Udhampur, Pulwama and Budgam districts, with large number of educated unemployed youth taking up poultry farming as sustainable means of earning their livelihood.
- ❖ As per the official estimates, the achievements made in the poultry development during last three years are as under:

S. No	Particulars	Unit	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (ending Dec., 2013)
1	Production of day old chicks.	Lac Nos	3.29	4.9	6.18	6.35	6.21	6.21	5.545
2	Breeding birds sold	Lac Nos	1.24	1.5	1.61	1.92	1.66	1.67	1.117

- ❖ In order to increase poultry meat and egg production, poultry birds are provided to the rural farmers for backyard rearing. The day old chicks, technical support and health cover to the birds, is provided by the Department. These additional small activities supplement the total income of the farmers. During last year, 6.21lakhs nos. of DOCs were produced and this year the department has produced 5.545 lakhs nos. of DOCs, ending Dec.2014.
- ❖ In pursuance of the Budget announcement 2009, Re. 1/- concession on toll tax for import of DOC, has resulted in import of 300 lakhs nos. DOCs during 2009-10, 353 lakhs in 2010-11, 507 lacs in 2011-12, 513 lacs in 2012-13, 560 lacs in 2013-14 and 450 lac Nos upto ending December, 2015. This has increased a number of private commercial farms and employment of the employed youth of the State.
- ❖ For establishment of mega hatcheries which are essential to narrow the gap between in-house DOCs production and DOCs imported, the department is actively providing basic technical inputs, by way of DPR preparation, consultancy etc, for prospective entrepreneurs, desirous to launch mega hatcheries.
- ❖ The department has very limited role in commercial poultry rearing wherein high technology birds are reared for commercial purpose and the unit holders are registered with department only for the purpose of health care and providing of vaccines on subsidized rates. **4535 units** are registered with the Department of Animal Husbandry Jammu / Kashmir (**Jammu 1489, Kashmir 3046**). The department has established Poultry Marketing Mandi at Satwari. The Mandi has been strengthened to cope up with the volume of trade. Poultry Park at Lesipora (Pulwama) has been established comprising of 32 units, having a rearing capacity of 1.80 lac birds per cycle i.e. 14.40 lac birds per year.
- ❖ Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture, sanctioned Rural Backyard Poultry Development scheme in the State

of Jammu and Kashmir with a cost of Rs. 778.00 lakhs for 36000 BPL families in a phased manner. Out of this, the Government of India released Rs. 570.45 lakhs for 26450 BPL families in the first phase. The amount is being utilized for providing 45 birds to the poorest of the poor families of the state free of cost and in addition, Rs.750/- will be provided per beneficiary family for cages/ night shelters etc. The said scheme has now been merged/subsumed under the Centrally Sponsored Scheme “ National Livestock Mission”

#### **F. Feed and Fodder Development**

- ❖ High yielding and nutritious fodder is essential for scientific and economic management of livestock, especially cross bred. The Animal Husbandry Department endeavours to popularize and propagate high yielding fodder crops amongst the farmers on available arable and non-arable land, as it is essential to feed animals as per the established norms with the objective of increasing milk and mutton production. The said scheme has now been merged/subsumed under the Centrally Sponsored Scheme “ National Livestock Mission

#### **G. Conservation of Threatened Breeds**

- ❖ In line with the national policy, the State continued its efforts to preserve the indigenous breeds, which are on the verge of extinction by propagating proper germ plasm and desired infrastructure under the Centrally Sponsored Schemes. Conservation of threatened breeds has two conservation programmes such as Double Humped Camel and Zanskari Horse, which have already been taken up. During 2010-11, the Department has created corpus fund of Rs. 200.00 lakhs (Rs. 100 lakhs each for Leh and Kargil District) under Annual Plan, in order to sustain the livestock in the farms.

#### **H. Livestock Insurance Scheme**

- ❖ In J&K State, Centrally Sponsored Scheme, “Livestock Insurance” has been introduced in the year 2006-07 and is presently operational in six districts including the districts covered during pilot run basis and those covered from 2008-09 onwards. Under the scheme 25311 animals have been insured till date.
- ❖ With the collaboration of Shri Amarnath-Ji Shrine Board, 7035, 7455, 12828 , 12343 , 13274 and 13500 animals (ponies / horses) have been registered for accidental insurance cover during Shri Amarnath-Ji Yatra for the years 2009, 2010, 2011 , 2012 , 2013 & 2014 respectively.

#### **Sheep and Goat rearing**

- ❖ The agro-climatic conditions in the state are conducive for wool and mutton production. This is a primary occupation of migratory tribes. The contribution of livestock to the state economy is quite significant and the sheep and goat population constitutes about 56% of the total livestock. The local Kashmiri wool which was primarily used for manufacturing of Namdas and coarse blankets obtained from cross breed sheep; find its way into the market for making of fine quality tweeds, pullovers and blankets etc.

## I. Establishment of Sheep Units in the Private Sector.

- ❖ In view of budgetary announcements and the employment package (SKEWPY) announced on 5<sup>th</sup> December, 2009, the Department has launched Mini Sheep Farm Scheme, (50 ewes + 2 rams), for the educated unemployed youth, having a back ended capital investment subsidy component of Rs. 0.60 lakhs for each unit. **322 Mini-sheep** farms have been established since the launch of the scheme i.e., in 2010-11 to ending **December 2014**.
- ❖ Besides, **466** units of sheep and goat 25 ewes /10 does, 38 does + 2 bucks and backyard sheep farming have been established under RKVY on participatory mode to boost up Chevron and goat milk production. from 2009-10 to ending December 2014.
- ❖ Since 2010-11 to Ending December 2013, 376 units have been established / sanctioned under Central Sector Scheme of Integrated Development of Small Ruminants and Rabbits (IDSRR). Under the scheme back ended capital subsidy is provided for the micro enterprises, proposed to be set up under the scheme on the Micro mode for establishment of a unit size of 25 ewes + 1 ram. The back ended capital subsidy component is 33.33% for all categories. The scheme is being implemented by the NABARD through Cooperative Rural, Commercial Banks etc.

## J. Import

Year	Milk (Qtls)	Eggs (Nos)	Day old chicks (Nos)
2011-12	878600	5796.00 lakhs	507.00 lakhs
2012-13	721600	5969.00 Lakhs	513.00 Lakhs
2013-14	766100	6610.00Lakh	560.00 Lakh
2014-15 (ending Dec. 2013)	664300	5286.00 Lakh	450.00Lakh

Year	Sheep	Goat
2011-12	12,50,717	43,103
2012-13	10,76,694	20,370
2013-14	13,24,058	46,697
2014-15 (ending Dec. 2014)	11,20,961	13,230

Animal Husbandry Kashmir	60000 Sq ft
Animal Husbandry Jammu	92981 Sq ft

## Environment & Forests

The sustainability of economic development is directly linked with protection of environment as well as Forests. The intangible benefits of forest in supporting human life and vegetation are far more superior to its tangible benefits. In J&K, the three major sectors viz. Tourism, Electricity and Horticulture/Agriculture have their genesis in forests. Forest also play an important role in moderating the climate, maintaining the soil mantle, improving soil fertility, minimizing soil erosion, purifying the air, preservation of wild life and in regulating the flow of water in rivers and streams. Forests are also main source of timber, fuel, fodder, medicines and other non timber minor products.

Jammu and Kashmir has numerous chains of coniferous forests. With the increase in population of both human as well as livestock, the forests are under great pressure due to open grazing, heavy exploitation and excessive biotic dependence.

### Forest Cover Distribution

Jammu and Kashmir has a total forest cover of 20230 Sq km (20.23 lakh hectares) accounting for 19.95% of the total Geographical area of 101387 Sq km on this side of line of control. All India figures indicate a percentage of 24.47% geographical area under forests. Out of the total forest area of 20230 Sq km, the area under reserved forests is 2551 Sq km, protected forest is 17463 Sq km and the rest 36 Sq km is unclassified.

Out of the total forest area, 12066 Sq km are in Jammu Region, followed by Kashmir Region with 8128 Sq km and Ladakh Region with only 36 Sq km. Kashmir Region has 40.17%, Jammu Region has 59.64%, while Ladakh Region has 0.17% area under forest cover. The position of the total Geographical area under forest is as under:-

S. No.	Region	Total Geographical Area	Forest Area	Percentage of total geographical area
1	Kashmir	15948	8128	50.97
2	Jammu	26293	12066	45.89
3	Ladakh	59146	36	0.11
	Total	101387*	20230	19.95

*\*indicates geographical area on this side of actual line of control. These area figures exclude 120849 Sq km under illegal occupation of China and Pakistan*  
*Source: Digest of Statistics*

Forests cover 48 percent of the total geographical area of the State (excluding Ladakh region) which is above the national average of 24.47 percent. It is, however, less than the norm of National Forest Policy, 1988, which provides forest cover of one third of total geographical area (20% for plains and 66% for hilly areas).



### **Species wise Forest Cover**

The specie-wise area under forests has remained stagnated during last few years. An area of 1075 Sq km is under Deodar constituting 5.31% of the total forest area. 1825 Sq km are under Chir having 9.02% share, 1969 Sq km are under Kail which accounts for 9.74%, 3401 Sq km are under Fir, representing 16.81%. Largest area of 10075 Sq km falls under other categories having a share of 49.8%. Thus, 18345 Sq km are under coniferous (Soft wood). Non coniferous (hard wood) covers 1885 Sq km claiming 9.32% of total forest area. An area of 1962 Sq km is covered by Rakh and wild life reserves.

### **Out Turn of Forest produce**

To maintain ecological balance, the felling of trees is done on a limited scale. The out turn of timber which was 102.48 thousand cubic meters in 2000-01, has declined to 64.87 thousand cubic meters in 2014-15 (ending 01/2015).

The extraction of Minor Forest Produce (MFPs) (Except three species viz. 1. Pyrethrum, 2. Althea (Sazat), 3. Digitallis (Foxglove)) was banned by Government in the year 2004. Ban was subsequently lifted in 2013, however the extraction of MFPs is still to be started.

### **Export of Forest Produce**

The export of timber has increased from 25.10 thousand cubic meters in 2000-01 to 30.70 thousand cubic meters in 2007-08 showing a net increase of 22.31%. During 1990-91, the state was exporting timber to the extent of 53.39 thousand cubic meters. The movement of trees or timber (sawn or otherwise) from the state, for the present, stand suspended by virtue of Hon'ble Supreme Court order dated 12.12.1996.

### **Extraction and Sale of Oleo Resin**

To improve the health of the Chir Forests under resin tapping, policy decision has been taken by the Government to reduce 20% of the resin blazes annually from the year 2003-04 onwards. 1805.00 MT of Resin has been extracted during the year 2014-15 (ending 01/2015) as against of 1027.62 MT in the previous year.

The Forest department activities involve raising economic plantations and quick growing species under various schemes of centre and state governments.

Schemes under State/District/Centrally Sponsored Programmes are:

- i) Rehabilitation of Degraded Forests
- ii) Research Education and Training
- iii) Working Plan and Research
- iv) Consolidation and Demarcation
- v) Development of Minor Forest Produce including Medicinal Plants
- vi) Eco Task Force
- vii) Infrastructure including Guttled Buildings

- viii) Urban Forestry
- ix) Pasture and Fodder Development
- x) Stabilization of slip Areas on National Highway
- xi) CM's Participatory Afforestation Scheme
- xii) Forest Protection
- xiii) Monitoring and Evaluation
- xiv) Participatory Grazing Land Development Programme
- xv) Integrated Forest Protection Scheme

### **Main achievements of Forest Department for 2012-13 and 2013-14**

During the year 2013-14, 34.10 lakh plants have been planted covering an area of 5501 hectares. During the current financial year 2014-15, 2.70 lakh plants have been planted so far ending Nov. 2014 covering thereby an area of 549 hectares under State plant and CSS.

### **Management of Plantations**

It has been envisaged to transform the Social Forestry Department from a hundred percent spending department to a revenue yielding department as well. Besides, the department has been entrusted with the assignment of removal of cotton producing female Poplar trees in order to curb the ill-effects of cotton produced by such trees. The total revenue generated by the department during the year 2014-15 (ending Nov., 2014) was Rs. 12.291 lakhs as against Rs. 289.887 lakhs during the year 2013-14.

Since 2005-06 the Social Forestry Department has planted 209.925 Lakh plants planted covering an area of 15797.24 hectares up-to date. Besides this 54.409 Lakh plants have been distributed to farmers for planting in their own proprietary land. It also helps to provide employment to unemployed and under employed people, particularly the landless agricultural labourers and other traditionally weaker sections of rural community.

### **Compensatory Afforestation Management and Planning (CAMPA)**

In order to manage the Compensatory Afforestation, the State has constituted State CAMPA under SRO-354 providing for three tier regulation of activities. The area treated with financial outlay since inception of CAMPA for different years is as under:-

<b>Table No 8</b>			
<b>Year</b>	<b>Area treated (HA)</b>	<b>Expenditure (Rs. in Crore)</b>	<b>Nursery Plant raised (in lakh Nos)</b>
2010-11	2885	18.75	45.44
2011-12	5115	36.93	55.36
2012-13	5153	38.04	41.06
2013-14	7612	59.02	61.82
2014-15 (ending 11/2014)	3147	18.75	11.90

### **Liberalization of timber import**

To supplement the supply of timber to consumers in the State, import of timber is being encouraged by rationalizing the norms for registration of timber sale depots. The restrictions imposed on movement of timber through transit permission, has been removed in case of imported timber. Timber imported during 2013-14 was 41.42 lakh Cfts as against 33.20 lakh Cfts imported for the current financial year 2014-15 ending November, 2014.

### **Supply of timber through Forest Department:-**

Timber supplied to general public and for other purpose from forest sale depot as well as from Forests during 2013-14 was 26.120 lakh Cfts as against of 18.00 lakh Cfts supplied for the year 2014-15 ending January, 2015.

### **Revenue Receipt**

The details of Revenue receipts from 2010-11 to 2014-15 (ending November, 2014) is given as under:-

<b>Table No 12</b>						<b>(Rs. in Lakh)</b>
<b>S.No.</b>	<b>Unit of appropriation</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15 (ending 11/2014)</b>
1	Sale of Timber	2938.08	3574.48	3840.19	3834.34	2625.36
2	Sale of Firewood	228.30	277.67	297.64	313.52	195.61
3	Sale of Resin	1025.65	799.77	302.73	40.35	139.21
4	MFP	28.43	26.48	42.64	770.19	0.53
5	Grass Grazing	8.27	7.55	7.70	7.95	5.50
6	Others	191.47	243.10	306.25	540.98	150.28
7	Royalty	0.06	0	0	0	0
	<b>Total</b>	<b>4423.26</b>	<b>4929.05</b>	<b>4797.15</b>	<b>5507.33</b>	<b>3116.49</b>

### **Forest Policy**

The Jammu & Kashmir State Forest Policy 2011 received the approval of the cabinet in January 2011. The State Forest Policy lays stress of conservation of forest resources for ecosystem goods and services, meeting needs of people for forest produce, and poverty alleviation through developmental activities. All the approaches for protection and management of forests are fully defined and documented in the forest Policy which is one of the most forward looking policies in the country developed and enunciated through rigorous consultation with stakeholders.

### **Soil Conservation**

The job of the soil conservation department is a highly technical and research oriented especially when we are coming across with rapid deforestation, disturbance of soil due to heavy infrastructure on way and frequent floods, avalanches and misuse/overuse of agricultural land along with encroachments of wasteland. Similarly because of large number of bigger projects like Hydro Electric Projects, Railways and four lane road, etc., the problem of erosion is increasing day by day. It

is telling upon the productivity of the soil, blockade of roads, siltation of reservoirs and inundation of agriculture land. Recognizing the magnitude of this problem in the state, Department of Soil Conservation is taking care of this aspect and devising ways and means to mitigate the sufferings caused due to the soil erosion.

### **Soil & Water Conservation activities**

The department is taking up following measures to conserve soil and water and to protect the life/ properties of the common people:-

1. Fencing to check biotic interference.
2. Construction of drains for treatment of water logged areas/ for safe disposal of runoff from upper catchments.
3. Nallah/ Gully Control works for checking of soil erosion.
4. Land stabilization measures for control of landslides.
5. Construction of Water harvesting structures for conservation of water.
6. Sisal propagation in highly degraded Kandi belt of Jammu region for stabilization of land slips and fiber production.
7. Construction of snow slide structures in Ladakh region for protecting Agriculture lands.

The department has ventured into water conservation by construction of small dams for conserving rainfed areas in collaboration with Central Ground Water Board, Ministry of Water Resources. Three schemes are under implementation whereas nine schemes are in pipeline besides, eleven areas identified for such works are under formulation.

### **Wildlife Protection**

The State Government has taken a series of measures for conservation of Forests and the Wildlife therein. The State Government has notified more than 15912 sq km under the Protected Area Network which is about 15.59% of total geographical area of the State as compared to the national average of 4.8%. The State has 5 National Parks, 14 Wildlife Sanctuaries and 37 Conservation Reserves. In order to save wildlife from hunters and poachers great emphasis is given towards anti-poaching activities including engagement of informers to handle the organized wildlife crime.

A few research activities taken up by the department in collaboration with institution viz Wildlife Institute of India, (WII) Dehradun, SKUAST Kashmir, and other NGO's viz WII New Delhi, WWF-India, Wildlife SOS. The department has successfully carried out radio collaring of Hangul, Leopard, Black bears, deployment of satellite transmitters on black necked crane and bar headed geese in collaboration with these organizations. Further, capacity building and training of the field staff has been taken up for better management of wildlife. Awareness with regard to importance of wildlife/protected areas is being generated through involvement of locals.

## Fisheries

Fisheries sector occupies a very important place in the socio-economic development of the state. It has been recognized as a powerful income and employment source of cheap and nutritious food, besides being a source of livelihood for a large section of economically backward population of the country.

The state Government attaches tremendous importance to the fisheries sub sector in the backdrop of employment opportunities offered by it. Efforts are afoot, both at central and at state level to strengthen the existing infrastructure and extension of successful cultural practices.

### Fishery Resource and Infrastructure

The total fishermen population in the State as per livestock census 2003 was around 31,000. It is presently estimated at 93000. The 27781 Km. length of rivers/streams facilitate farming of more than 40 million tonnes of fish. As against this, the State has only 0.07 lakh hectares under reservoir area. There is a big gap between the demand and supply of fish. Fish is a valuable element of diet of the local people throughout the year. There is also a demand for fish from the defense personnel and tourists. There are 1248 lakes including water bodies and water is spread into 0.40 lac hectares of area which gives an indication of the potential for fisheries in the State.

Fish farming has been successfully introduced in the private sector and under various state and Centrally Sponsored Schemes viz. the Prime Minister's Package, Rashtriya Krishi Vikas Yojana (RKVY), National Mission for Protein Supplement (NMPS), a total of 1237 fish ponds/trout units have been established to provide employment opportunities to the educated unemployed youths.

The achievements during 12<sup>th</sup> five year plan (ending November 2014) are briefly summarized as under: -

Table No 10: Achievements during 12 <sup>th</sup> five year plan (ending November 2014)				
S. No	Activity/ Scheme	Achievement		Units
		2013-14	2014-15 (end. Nov. 2014)	
1	Fish Production	20.00	12.80	000 Tonnes
2	Trout Production	262	198	Tonnes
3	Carp Fish Production/others	19738	12602	Tonnes
4	Fish Farms completed (Cum)	19	19	Nos.
5	Trout rearing units/ Hatcheries Completed (Cum)	44 (6	44 (6 hatcheries)	Nos.

		hatcheries)		
6	Population of Fishermen	91984	93000	Nos.
7	Angler's Lodges (Cum)	20	20	Nos.
8	Farm Huts (Cum)	27	27	Nos.
9	Private Trout Units Established (Cum)	347	347	Nos.
10	Private Carp units established (Cum)	890	890	Nos.
11	Trout beats identified (Cum)	150	150	Nos.
12	Houses for Fishermen under Welfare Scheme (Cum)	2985	2985	Nos.

The expenditure during the year 2014-15 upto November, 2014 is about Rs. 2.1293 crores.

### **Production of Fish**

The fish catch which was 18.46 thousand tonnes in 2000-01, had reached 20.00 thousand tonnes in 2013-14. The production of famous Kashmir trout touched 262.00 tonnes during 2013-14. Achievement during 2014-15 ending November, 2014 is to the tune of 12800 tonnes including trout production of 198 tonnes.

The number of fishing license holders stood at 11000 by the end of November, 2014 against 15000 during 2013-14.

### **Extension Programme**

The Department has established two Regional Fish Farmers Development Agencies one each at Jammu and Srinagar where both progressive and prospective fish farmers are provided technical knowhow regarding fish farming and also live demonstrations. The district level extension units have to monitor the development of fish rearing in these private units besides providing them necessary technical knowhow and help in marketing of fish.

### **Main Achievements**

#### **1. Cold Water Fisheries**

Under this programme the department has already established a Mother Trout Unit at Kokernag and 44 subsidiary units throughout the State including Leh and Kargil. Some trout units were commissioned in Tchanser (Kulgam), Kalaroos (Kupwara), Zainapora (Shopian), Basantwudar (Budgam), Bheja (Bhaderwah), Karnah (Kupwara), Guzerbal (Bandipora), Kulchoor (Anantnag) and Mammer (Ganderbal) in recent past. Presently some new Trout Units are being established at Suresyar (Budgam), Wanpora (Anantnag), Dhobiwan Tral (Pulwama), Pahalgam (Anantnag), Damsna (Kargil) and Kijai Paddar (Kishtwar) under the Centrally Sponsored Schemes-Development of Inland/Cold Water Fisheries-Pilot Project and at Achabal (Anantnag), Beerwah (Budgam), Wanpora Panzath (Anantnag), Ariwal (Reasi) and

Phalni (Rajouri) with the financial assistance of National Fisheries Development Board (NFDB). The trout seed production has increased to 90.00 lakhs ova during 2013-14 and the fish production to 20.00 thousand tonnes. During the current financial year 2014-15 a target of 20.05 thousand tonnes has been visualized and around 12.80 thousand tonnes has been achieved ending November, 2014.

Trout fish has been made available to the common man. Trout fish worth Rs. 200.00 lakhs was sold at different rearing units/ sale centers during 2013-14. The Fisheries Department is propagating trout culture in the private sector and upto the end of 2013-14, a total of 347 units were established in private sector. For overcoming the main constraint of feed, a trout feed mill has been established at the National Fish Seed Farm, Manasbal. Its total project costs about Rs. 15.00 crores including procurement of feed mill machinery from Holland, construction of feed mill building, store facility, other allied works as well as a revolving fund. The funding for the said project has been received from NFDB, State plan and RKVY.

The Department produces quality fish seed of these fish species for stocking in natural waters, rearing and distribution to the private fish farmers. The fish seed production has increased to 400.00 lakh spawns during 2013-14 while fish production has increased to 20.00 thousand tonnes.

About 15000 professional fishermen of the State derive their livelihood from natural water resources of the State on nominal average license fee of Rs. 400 or 500 per annum.

## **2. Private Fish Farming**

During the 12<sup>th</sup> Five Year Plan, the department incorporated the scheme of private fish farming in the State Plan and Centrally Sponsored Scheme for employment generation. The scheme has been successful and till the end of 2013-14 a total of 890 carp and 347 trout units were established under Plan and RKVY. For the current year, the department has a target of 35 trout units and 92 units of carp under NMPS (RKVY) scheme.

## **3. Sport Fisheries**

The department rejuvenated sport fisheries which received a major set back during turmoil in the State as most of the streams were badly affected by poaching. New trout streams were established and opened in districts of Kupwara, Pulwama, Baramulla, Anantnag and Budgam. In 2013-14 a total of 1878 Nos. of Trout permits were issued for angling (1796 to Indian Citizens and 82 to foreigners), during the current financial year 2014-15, 1344 Nos. of permits(1261 to Indian Citizens and 83 to foreigners) have been issued till Nov., 2014. During the year 2008-09, the department

established a recreational park at Sonamarg to facilitate natural trout fishing, especially for the tourists. One such park is already functioning at Gulmarg.

#### **4. Mahseer Fisheries**

Mahseer Fish is a famous sport fish (compatible with trout fish). Due to construction of dams and barrages across the rivers, this kind of sport fisheries received major setback. However, the department took up its rehabilitation and a Mahseer fish seed farm at Anji (Reasi) was established where quality fish seed of this species is produced and stocked in the potential water bodies to promote the Mahseer sport fisheries in the State. The proposals for development of Mahseer sport fisheries in areas of Tawi river (Jammu), Ujh stream, Ravi river (Kathua), Tawi river (Udhampur), Poonch river (Poonch), Rajouri Wali Tawi (Rajouri), Salal reservoir, Nallah Rud, Ans, Chenab, Pouni Nallah (Reasi) did not mature to the expected level due to constraint of resources. However, the seed produced at Anji is being regularly stocked in Mahseer streams for up-gradation of the live stock. The projects for Mahseer development are also under consideration through NHPC funding. A Mahseer fish farm is undertaken at Billawar in district Kathua for the replenishment of the endangered Mahseer fish.

#### **5. Reservoir Fisheries**

The department has established reservoir fisheries in Salal reservoir and Ranjit Sagar reservoir. The Ranjit Sagar reservoir has been opened for fishing to the professional fishermen of the area. During the calender year 2013-14, an amount of Rs. 26.00 lacs was realized on account of auction fee. The department envisages establishing such fisheries in Baghliar and other reservoirs which may come up in near future. However, under the Centrally Sponsored Scheme National Mission for Protein Supplements (NMPS), a new activity has been sanctioned in which cage/pen culture units are to be established in water bodies like reservoirs and lakes with the financial assistance from Government of India. The department has identified and established cage units in Ranjit Sagar Reservoir, Dal Lake and Wullar Lake during 2013-14 and more units of Cages/ Pens are proposed for the year 2014-15.

#### **6. Recreational Fisheries**

The department has promoted recreational fisheries in the State to provide not only amusement to the public but also create awareness among them regarding the conservation and preservation of biodiversity. An underground Aquarium-cum Awareness Centre at Bagh-i-Bahu, Jammu at an estimated cost of Rs. 10.00 crores, was established and its first phase was opened for public in July, 2007. This centre has been a source of great attraction for the public as it houses unique and vast varieties of fresh water and marine fish species in caves. The revenue earned from



visitors tickets/entry fee during the current year upto November, 2014 is Rs. 56.37 lacs.

#### **7. Revenue receipts**

The total revenue of Rs. 513.11 lacs has been realized during 2013-14 from all sources. During the current year, an amount of Rs 252.57 lacs has been realized upto ending November, 2014.

#### **8. Centrally Sponsored Schemes for welfare of fishermen**

Two Centrally Sponsored Schemes for welfare of fishermen are in operation in the State for the last more than 10 years. In one scheme, free insurance cover is provided to the fishermen. Rs. 1.00 lac is paid to the beneficiary in case of death and Rs. 0.50 lac for permanent disability while fishing. So far 220 claims have been settled and an amount of Rs. 72.20 lacs distributed among the beneficiaries. Under the second scheme, the department provides low cost houses to the houseless fishermen. For this, the Centre and State Government provide necessary funds on 50:50 basis. So far 2985 houses have been constructed. During the year 2014-15, construction of 133 houses has been targeted under the scheme out of which 25 houses are for schedule castes and 108 for the general category. The financial assistance to be provided under the scheme is Rs. 0.75 lacs per beneficiary.

#### **9. Marketing Facilities**

##### *Wholesale Fish Market*

Under NFDB scheme two wholesale fish markets are under construction, one at Narwal Jammu in Jammu province at an estimated cost of 3.02 crore. Another wholesale fish market is also proposed for Srinagar in Kashmir province for which land has been identified and DPR is under preparation.

##### *Retail Fish Sale Outlets.*

As fish is highly perishable commodity and requires cold chain facility for its marketing. The department has purchased two refrigerated vans for transportation of the harvested fish stock upto the consumers in hygienic condition, keeping intact its nutritional values. Under Centrally Sponsored Scheme "National Mission for Protein Supplement" during the year 2012-13, two units were constructed one at Basholi (Kathua) and another at Bandipora. During 2013-14 two units were constructed one at Muradpur (Rajouri) and another at Kokernag (Anantnag) in Kashmir at the unit cost of Rs. 20.00 lakh/ Unit. During the year 2014-15 Fish sale outlet at District Budgam & Fish sale outlet at Ashajipora Anantnag are proposed.

## Cooperatives

In view of the potential of the cooperative movement as an effective agency for socio-economic transformation of the society, the cooperative institutions have been termed as the institutions of economic emancipation while Panchayats as the institutions for political independence. Despite the peculiar topography of the State, difficult terrain and hostile climatic conditions, the cooperative movement has played a yeomen's role in the service of their members in particular and the people in general. By enacting the J&K Self Reliant Cooperative Act of 1999, the State of J&K became one of the pioneer States to enact liberalize piece of legislation on cooperatives based on the recommendations of Choudhary Braham Prakash. The J&K Self Reliant Cooperative Act of 1999 marks quantum leap towards a reformed, liberalized and self-reliant cooperative system based within the parameters of the latest cooperative principles enunciated by the International Cooperative Alliance.

Thus at present there are two legislative frameworks in the State of Jammu and Kashmir pertaining to the cooperative movement. One is the J&K Cooperative Societies Act, 1989 and the other is the J&K Self Reliant Cooperative Act, 1999. The Cooperative institutions registered under the J&K Cooperative Societies Act, 1989 are called Cooperative Societies whereas those registered under the J&K Self Reliant Cooperative Act, 1999 are called cooperatives. The former set up of Government patronized cooperative societies has to be gradually converted into the latter system of self reliant cooperatives and the legislation of 1989 has to eventually fade out. The transition may take some time in completion. Meanwhile, the present State Government has initiated pragmatic steps to revive the cooperative movement, besides, diversifying the business portfolio of the cooperative institutions.

### **Cooperative Banking Structure:**

The Agriculture Credit Cooperative Structure at present has three tiers with the J&K State Cooperative Bank at the apex level, three Central Cooperative Banks at middle level and Primary Agricultural Credit Cooperatives at the basic level. The apex bank (the J&K State Cooperative Bank is also functioning as middle level agriculture credit bank for districts of Budgam, Srinagar, Ganderbal, Leh and Kargil. The other three middle level banks are the Central Cooperative Bank Baramulla, the Central Cooperative Bank Anantnag and the Central Cooperative Bank Jammu. At basic level there are 764 PACS scattered throughout the State. The PACS are multi-functional and besides agricultural credit business, these societies also have a role to play in retail consumer business and marketing. The cooperative banks also do the non-agricultural banking business through attractive packages to enhance their viability. Apart from Agricultural banking structure, the State has urban Cooperative Banking Structure comprising of four Urban Cooperative Banks, Jammu Citizens Cooperative Bank, Sopore Mercantile Cooperative Bank, Udampur Devika

Urban Cooperative Bank and Anantnag Urban Cooperative Bank. These banks have a lot of potential to meet credit requirement of masses in urban areas. For meeting long term credit requirement in agricultural and rural sector, there is a State level bank called the J&K State Agriculture and Rural Development Bank (SCARDB) with 45 branches scattered throughout the State.

The Cooperative banks as on 31/03/2014 have made business of Rs. **396686.61** lacs of which deposits account for 74.32% with an amount of Rs. **294834.84 lacs**, loan outstanding accounts for 25.67% with an amount of Rs. **101850.80 lacs**, total number of bank branches under the fold of cooperative are 252 as on 31-3-2014, employing 1623 persons.

The PACS have suffered a lot as the agriculture credit providers, at the basic level, never redeemed them of the loans raised. Many of them became defunct. In recent years, these institutions have been re-organized to make them viable and capable of catering to the credit needs of the farmers. For their financial support, during the current financial year 2014-15 an amount of Rs. 48.31 lac and Rs. 63.00 lacs have been earmarked in the state plan of the department under head Managerial Subsidy and Special Assistance respectively. The financial assistance is performance oriented. The Deputy Registrar at the district level identifies the bonafide and genuine cooperative for the financial assistance on the basis of objective criterion which is applied transparently. This is showing encouraging results.

### **Cooperative Marketing Societies**

There are 111 Cooperative Marketing Societies in the State, (including 08 District Consumer Stores) which undertake procurement of agriculture produce to enable the agriculturists to get the minimum administered prices for their produce. They also supply fertilizer / pesticides and consumer goods to farmers, either directly or through primary level societies.

### **Annual Plan 2014-15**

During the Annual Plan 2013-14 an expenditure of Rs. 705.84 lacs was incurred against the approved outlay of Rs. 757.65 lacs. This includes Rs. 28.25 lacs as additionality provided by Planning and Development Department. For the Annual Plan 2014-15, an outlay of Rs. 729.40 lacs has been approved by the Planning and Development Department comprising of capital component only. Against this ceiling, an expenditure of Rs. 102.00 lacs stands incurred ending November, 2014. The Plan resources are utilized mainly on the following activities / schemes of which brief write-up is given hereunder: -

#### **1. Assistance Managerial Subsidy.**

Under this scheme, the management cost of Cooperative Marketing Societies / Primary Agriculture Cooperative Societies is being subsidized with the twin

objective of boosting the morale of the employees of Cooperative Institutions and to improve the quality of working. During the Annual Plan 2013-14, an amount of Rs. 29.00 lacs was utilized by covering 447 Cooperative Marketing Societies, PACS and District Consumer Stores etc.

For the current year (2014-15) an outlay of Rs.48.31 lacs has been approved under the scheme which is anticipated to be utilized upto ending March, 2015 with the coverage of around 300 cooperative societies.

## **2. Special Assistance for re-organized PACS & Special Assistance for CMS DCS / Super Bazars**

In order to augment the working capital of the performing and functional PACS/CMS/ Super Bazars etc , financial support in the shape of Special Assistance is being provided annually. During 2013-14, an amount of Rs. 59.62 lacs was utilized for the purpose with coverage of 456 PACS.

During year 2014-15, an amount of Rs. 63.00 lacs has been approved for the purpose with a target of 300 Primary Credit Cooperative Societies. An amount is expected to be utilized in full by the end of March, 2015 with a coverage of targeted Primary Credit Cooperative Societies.

## **3. Grant in aid to J&K Cooperative Union**

The J&K Cooperative Union owns two training centers one each at Jammu and Srinagar where Training is imparted to Cooperative and Departmental personnel with regard to educational activities / credit deposit / mobilization / women development programmes / farm guidance activities, general awareness programs, leadership / youth development programmes, village base programmes etc. It is a sole agency to bring awareness among the masses. The union has to pay wages to the staff and the deputationists and to meet other establishment expenses viz. Rent of Offices, O.E, T.A. out of the scheme "Grant -in Aid". During the last financial years 2013-14, the Cooperative Union has received an amount of Rs. 76.00 lacs as grant-in-aid which has been utilized in full. For the year 2014-15, an amount of Rs. 76.00 lacs has been approved with a target of 100 persons to be trained besides other activities. The 50% of funds which comes to Rs 25.00 lacs stands released/utilized and the balance amount shall be released as and when received from Adm. Deptt. during the current financial year 2014-15 .

## **4. Repayment of NCDC loans**

The Cooperative Department has arranged ways and means advance of Rs.2483.83 lac from the NCDC, New Delhi for implementing the Poultry Development Scheme and ICD Projects. The amount is required to be utilized under the said schemes for claiming 25% subsidy from NCDC and the balance amount of ways and means advance is required to be repaid to NCDC alongwith interest. In a continuous process of repayment, an amount of Rs. 1327.74 lacs has been repaid upto 31-03-2014. In the Annual Plan 2014-15, an amount of Rs. 250.00 lacs has been approved for payment of regular / outstanding installments, normal / penal interest of NCDC loan of ICDP Projects and Poultry Projects against which an amount of Rs. 75.00 Lac

has been remitted back to NCDC and the balance amount shall be remitted by the end of March 2015 subject to the availability of advance drawal sanction from the Administrative Department / Finance Department as and when the funds are received.

### **Central Sector/ Centrally Sponsored Schemes**

#### **a) Integrated Cooperative Development Projects (ICDP)**

Integrated Cooperative Development Projects for Districts Anantnag and Kathua sanctioned by NCDC involving project cost of Rs.1936.66 lacs are under implementation in the two districts. The projects aim at superior economic development of the districts and employment generation through cooperatives. Both the Projects have taken off, though the pace of implementation in Kathua District is very slow. So far NCDC has released an amount of Rs.738.11 lacs in favour of the State Government comprising of Rs.519.07 lacs for Anantnag district and Rs. 219.04 lacs for ICDP Kathua after re-appropriation.

Out of Rs.738.11 lacs released by NCDC, an amount of Rs.462.48 lacs stand released in favour of General Manager, Anantnag and Rs.143.34 lacs in favour of General Manager, ICDP Kathua upto November, 2014.

Against the above releases, the General Manager ICDP Anantnag has incurred an expenditure of Rs.454.06 which include Rs.52.75 lacs as establishment cost and Rs.401.31 lacs as loan component covering 77 Cooperative Societies and efforts are being made to cover up more societies under the Project.

Similarly, the General Manager ICDP Kathua has incurred an expenditure of Rs.140.09 lacs which comprise of Rs.36.63 lacs as Revenue Component and Rs.103.46 lacs as Capital Component. The efforts are being made to utilize the Capital Component before the expiry of the validity of the project.

Action Plan 2014-15, has been proposed for Rs.447.38 Lacs whereunder Anantnag Rs.270.00 lacs and Kathua Rs.177.30 Lacs with the request to provide additionality of Rs.309.89 Lacs against which Rs.154.95 Lacs has been received from the NCDC /Administrative Department which shall be utilized during the current financial year 2014-15.

#### **b) Development of Commercial Poultry in the State with the support of NCDC**

Vide Cabinet decision No.85/7 dated 30-05-2005, the State Government has adopted a Central Sector Scheme namely "Development of Commercial Poultry in the State with the support of NCDC". The main objectives of the scheme are (1) to promote the economy of the State by attaining self sufficiency in Poultry requirement through Cooperative Sector (2) generation of employment opportunities (3) to improve the

nutritional standards of the people by providing Poultry of standard quality and (4) to augment the role of the cooperative Sector in economic development of the State.

The funding pattern for the Cooperative Poultry Units to be set up with the financial support of NCDC as envisaged under the scheme from State Government to Poultry unit is given below:-

a.	Loan Component	50%
b.	Share Capital	20%
c.	Subsidy	25%
d.	Owner's Contribution	5%

The loan is repayable over a period of 8 years with a moratorium of 1 year on principal only (not on interest) and attracts a simple interest at the rates applicable from time to time.

The State Government till date has received a ways and means advance of Rs.674.49 lacs from NCDC for further release in favour of 35 Poultry Units sanctioned by NCDC in phase I. So far, an amount of Rs.578.20 lacs has been released in favour of 28 Poultry Units out of which Rs.16.67 Lacs was released in the year 2013-14 and 2014-15 upto November, 2014. With these release, 21 projects have been fully funded and completed with an agreement of capacity of 1.30 lacs birds per cycle. One poultry cooperative society has surrendered the project and has refunded the loan amount of Rs.4.04 resulting to total release of **Rs.578.20** till date. The construction of six projects is in progress. The seven projects who have failed to produce the requisite documents have been got de-sanctioned from NCDC.

Similarly, in phase-II the NCDC has sanctioned 48 poultry projects at a block cost of Rs.1929.16 lacs. This comprises of Rs.1832.52 lacs as NCDC share of financing and 5% owner's contribution amounting to Rs.96.64 lacs. The first installment of ways and means advance amounting to Rs.916.26 lacs have been received from NCDC in the year 2012-13 which comprises of Rs.675.11 lacs as loan and Rs.241.15 lacs as subsidy to State for further release in favour of the promoter Poultry Cooperative Societies. The concerned Deputy Registrars have been instructed to get completed the legal documents required to secure the loan by the beneficiaries cooperative societies. Twenty one (21) Poultry cooperative Societies have completed the legal documents as such the funds amounting to Rs.473.88 Lacs stands released in their favour upto November 2014 of which Rs. 338.50 lac stand released upto ending March 2014 whereas Five (5) poultry Cooperative Societies are in the pipeline for completion of the legal formalities. The list of sanctioned poultry projects alongwith release is enclosed.

**c) Rashtriya Krishi Vikas Yojana (RKVY)**

The Rashtriya Krishi Vikas Yojana is a 100% Centrally Sponsored Scheme. The Nodal Agency for implementation of the scheme in J&K is "Agriculture Production Department". The Cooperative Sector is also a constituent under the scheme. During 2009-10, an amount of Rs.55.00 lacs was disbursed to 62 Cooperative Societies as working capital. The main objective of the scheme was to enhance the capacity of the Cooperative Societies to rendered agriculture related services to the farming community. During the financial year (2010-11), an outlay of Rs.118.48 lacs was approved under RKVY which was utilized on two godowns of 1000 MTS capacity each under construction at Chakar Assar in District Doda and at Sopore in District Baramulla with the administrative cost of Rs.107.90 lacs and Rs.117.70 lacs respectively. These godowns shall be used for creating a buffer stock of fertilizers for ensuring the access to the farmers for purchase of fertilizers easily at the time of need and scarcity. During the year 2011-12, an outlay of Rs.116.90 lacs was approved / released in favour of Cooperative Department for completion of the ongoing work of the above said godowns against which the expenditure incurred is of Rs.107.12 lacs with this the said godowns have been completed within the approved cost. During the year 2012-13, two more works under the scheme namely construction of 1000 MTS capacity fertilizers godown at Sunderbani (Rajouri) at an estimated cost of Rs.126.00 lacs and construction of Kissan Ghar at Wahipora, Tangmarg at an estimated cost of Rs.110.18 lacs were taken up against which the expenditure incurred was Rs.68.53 lacs comprises of Rs.30.00 lacs for Kissan Ghar Wahipora Tangmarg Baramulla and Rs.38.53 Lacs for fertilizer Godown for Sunderbani Rajouri.

During the last financial year, 2013-14 against the approved action plan of Rs.20.00 lacs, for both these works each work @ Rs.10.00 lacs were released and booked as expenditure. With this, total expenditure ending March 2014 for both these works is Rs.88.53 Lacs comprises of Rs.40.00 Lacs for construction of Kissan Ghar at Wahipora, Tangmarg and Rs.48.53 Lacs for fertilizers godown at Sunderbani (Rajouri) in the shape of procurement of material and construction of foundation work upto plinth level in respect of Sunderbani Rajouri. The work is stopped due to court stay and the matter is perused vigorously by the department. During the current financial year Rs. 20.00 lac has been sanctioned for the ongoing works and same stands released in favour of Kissan Ghar at Wahipora, Tangmarg of which Rs.10.00 lac have been utilized and UC is being submitted to the higher authorities.

**Focus**

Focus attention shall be given for strengthening of Co-operative movement for ensuring social & financial inclusion particularly of rural masses and marginalized

sections of the society. Thrust will also be given for bringing maximum number of people under the ambit of Cooperative system by strengthening infrastructure, financial position etc of the Cooperative Societies, ensuring good governance for rapid, sustainable and inclusive growth during the 12<sup>th</sup> Five year Plan.

## **Irrigation**

Irrigation plays an important role in the agriculture sector of J&K economy. Our state does not receive rain throughout the year. In Jammu region, temperature conditions favour cultivation of crops throughout the year but due to non availability of water in the region, the plant growth is limited. Rainy season provides sufficient water from July to September. In winter also, this region receives several showers of rain. The remaining months of the year, are by and large dry.

In Kashmir valley, it rains mostly in winter when temperature is too low for plant growth. When the temperature begins to rise in May and onwards, the rainfall decreases and except some showers of rain in July-August, most of the growing season remains dry. Since ages, the farm economy has been dependant on a single crop and the cultivator cannot take chances with it. The farmer always requires sufficient water supply for his field, therefore, he depends mostly upon canals for irrigation. Much snow fed streams, running down the slopes of the mountains, makes it very easy for him to construct small canals or pools. In this view, 60% of the land in the valley is irrigated.

The outlay for the irrigation/Flood Control sector including Ravi-Tawi Irrigation scheme) during the year 2013-14 was Rs. 66404.98 lacs (which comprises Rs. 265.20 lacs as Revenue Component and Rs. 66139.78 lacs as Cap. Component) against which an expenditure of Rs. 57765.11 lacs (including USB) was incurred during the year 2013-14.

An outlay of Rs. 41344.53 lacs (Rs. 265.20 lacs as Rev. Component and Rs. 41079.23 lacs as Cap component) has been earmarked for the current financial year i.e 2014-15 against which an amount of Rs. 5587.02 lacs has been incurred up to ending Jan. 2015.

The net area sown in the state during 2013-14 was 741 thousand hectares whereas the gross area sown (total area sown under different crops) was 1160 thousand hectares. The mode of irrigating the crops mainly used is the canals. About 89 per cent of the net area irrigated is irrigated through canals while tanks, tube wells and other means are also used.

A slight decrease was witnessed, during the year 2013-14, in the net area irrigated, as it decreased from 325.08 thousand hectares in 2012-13 to 323.26 thousand hectares. However, when net area irrigated for the year 2013-14 is compared with the figures for 1974-75, one observes an increase of only 30 thousand hectares in the irrigation potential utilized over a period of more than three decades.

The inter district position shows that the net as well as gross sown area in Leh and Kargil are cent percent irrigated. Among the districts with large Gross Area Irrigated, Ganderbal has 77.15 percent, Anantnag has 73.11 percent, and Shopian has



72.78 percent. Districts with very low percentage of gross area irrigated are Reasi (6.52%), Ramban (6.16%).

### **Crops Irrigated**

The crops which are provided irrigation are rice, wheat, maize, oil seeds and fruits & vegetables. Among these crops, rice, which needs to be kept covered with shallow water, claimed maximum percentage of area under irrigation. In fact, around 87% of the area irrigated was under rice in 2013-14. 29% area under wheat and 8% under maize was also irrigated during the same year.

### **Major/Medium Irrigation Sector**

The irrigation projects are classified into three categories viz major, medium and minor irrigation projects. A Project which have a Cultivable Command Area (CCA) of more than 10,000 hectare is termed as major project. A project which has a CCA of less than 10,000 hectare but more than 2,000 hectare are termed as medium projects and those which have a CCA of 2,000 hectare or less are known as minor projects. Minor irrigation projects have both surface and ground water as their sources, while major and medium projects mostly exploit surface water resources.

In our state, irrigation potential is created under funding through Accelerated Irrigation Benefit Programme (AIBP), Border Area Development Programme (BADP) and State Sector/District Sector schemes (including NABARD loan assistance). Presently, 9 major/medium irrigation schemes are under implementation in the state out of which, 5 are funded under AIBP, 3 in the state sector and remaining 1 scheme under loan raised from NABARD. The total estimated cost of these schemes is Rs. 513.01 crore, against which a cumulative expenditure of Rs. 330.74 crore was incurred ending March, 2014.

<b>Programme</b>	<b>No of Schemes taken up</b>	<b>Estimated Cost</b>	<b>Funds allocation during 2013-14</b>	<b>Expenditure during 2013-14 incl. USB</b>	<b>Cumulative Expenditure upto 03/ 2014</b>
AIBP	5	469.06	87.2	27.32	304.3
NABARD	1	30.15	4.5	4.5	21.25
State Sector	3	13.8	1.8	1.8	5.19
<b>Total</b>	<b>9</b>	<b>513.01</b>	<b>93.5</b>	<b>33.62</b>	<b>330.74</b>

The Main projects undertaken include modernization of Ranbir Canal, Rest./mod. of main Ravi canal and its distr. System (RTIC), Kandi Canal Baderwah, Tral LIS, and Perkachik Khaus Canal.

Major/Medium Irrigation project namely, Rajpora LIS, Pulwama, were completed during 2012-13.

Besides proposals of 3 new Projects under MMI sector namely, Lar Canal Budgam, Zaingeer Canal Phase-II, Grimtoo Canal costing Rs. 220.32 crores, have been

submitted to GOI, Ministry of Water Resources (MOWR) for which investment clearance has been obtained from Planning Commission of India, but central assistance for them are yet to be released.

### Minor Irrigation

775 Minor Irrigation schemes costing Rs. 1663.72 crore were taken up under AIBP out of which 478 schemes ( 465 under AIBP & 13 under NABARD) were completed up to ending 3/2014. Besides 130 new MI schemes at an estimated to cost Rs. 69.04 crore, have been submitted to GOI, MOWR for sanction.

Programme	No of Schemes taken up	Estd. Cost	Cumm. Exp. End. 3/2014 CA/Loan	Exp. Incurred during 2014-15 (up to ending 11/2014)	No. of Schemes completed ending 03/2014
AIBP	751	1583.42	985.08	36.53	465
NABARD	24	80.30	21.44	0.00	13
<b>Total</b>	<b>775</b>	<b>1663.72</b>	<b>1006.52</b>	<b>36.53</b>	<b>478</b>

### Water Rates

The prevailing water rates for flow irrigation in few States as compared to J&K are as under:

State (year)	Paddy	Wheat	Sugarcane
Jammu & Kashmir (1.4.2003)	74.13	31.07	74.13
Gujarat (1.1.2007)	160	160.00	300.00
Rajasthan (1999)	49.4-197	64.22-148.20	103.74-287.52
Madhya Pradesh (1.11.2005)	85.00-155.00	125.00	960.00

*Source: Pricing of Water in Public System in India. Published by Central water Commission.*

### Flood Management Programme:

Under Centrally Sponsored Scheme of Flood Management Programme 28 projects costing Rs. 370.60 crores were approved and sanctioned by the Ministry of Water Resources, Govt. of India and funds to the tune of Rs. 322.68 crores were released by Govt. of India till March, 2013. Besides, 129 new projects were prepared and submitted to Ministry of Water Resources, Govt. of India for obtaining their sanction and funding out of which 17 new projects costing Rs. 194.96 crores have been sanctioned during the year 2013-14. A brief profile of ongoing Flood Management Projects is given as under:-

Projects Sanctioned by GOI	45 Nos.
Estimated Cost	565.56
Funds released by Govt. of India up to ending 3/2014	360.95 crores
Funds Released by State Govt. as Matching State Share up to 03/2014	25.40 crores

Cumulative expenditure incurred upto 3/2014 (CA+SS)	371.85 crores (funds released by GoI at very fag end of financial year)
Allocation 2014-15	70.25 crores

### **Ground Water Atlas**

The Ground water Atlas of a region provides a summary of the most important information available for each principal aquifer, a rock unit that will yield usable quantities of water to the wells in that region. It compiles data pertaining to the ground water resources and also describes the location, extent and geologic and hydrologic characteristic of all the important aquifers in that region. In all the states/UTs of the country, the preparation of Ground Water Atlas has been taken up with 14 states already having prepared, printed and released the Atlas. The preparation of Atlas in 12 states/ UTs is under progress but no such project has been taken up in J&K state.

### **Rawi Tawi Irrigation Complex (RTIC)**

The Rawi Tawi Irrigation Complex is a conglomerate of two canals namely the Ravi Canal and the Tawi Lift Canal. The Ravi canal was envisaged for construction in early 1970s to draw J&K state's share of 1150 cusecs water of river Ravi through gravity to irrigate the arid Kandi lands of Kathua and Jammu districts. In the beginning, the canal was to take off from the right bank of Thein Dam (now called Ranjit Sagar Dam), but because of a subsequent agreement reached between the states of Punjab and J&K, it had to take off from the right bank of Shahpur Kandi Barrage. This Barrage, which was to be constructed by Punjab government, still has not been taken up in full swing despite the lapse of around 30 years after signing of the said agreement.

Out of the projected length of 81 kms of the main canal, the work on which was taken up in 1975-76, 79 kms length of the canal has been completed and also, out of 20 distributaries, 17 have also been completed with part construction of minors and sub minors and Kuhls (field channels). Due to absence of Shahpur Kandi Barrage, the state has not been able to get the full share of water from river Ravi. In order to utilize the constructed portion of Ravi canal system, the RTIC has set up two lift stations, one at Basantpur (1993) for lifting 500 cusecs of water directly from river Ravi and the other at Lakhanpur (1984) for lifting 200 cusecs through the Kashmir/Kathua canal. This is an expensive venture. With this arrangement, the RTIC has created an annual irrigation potential of 40,000 hectares out of the project potential of 53,900 hectares and utilization of the created potential is of the order of 11,000 hectares. The full potential of the canal has not been achieved due to certain contributing factors, the prominent among them being very old pumping machinery, low and interrupted power supplies, bad condition of the canal and its distribution system, and poor maintenance of the canal due to inadequate yearly funding over the years.

The work on Tawi Lift Canal, the other component of RTIC, was started in 1970 to irrigate annually an area of 12,880 hectares of Kandi lands of parts of Jammu district

along the National Highway, was completed in 1977. The utilization has been of the order of 6,000 hectares. This 28 km long lined canal is fed by lifting 300 cusecs of Tawi water through 6 pumping units of 60 cusecs capacity each (one unit being standby). The canal has a distribution network of 172 km length. The reasons for low utilization of the potential of this system are similar to those for Ravi canal.

In view of the PTAA 2004 and the fact that the Punjab Govt. has deprived the State of J&K the allocated share of Ravi water, causing huge losses, the State Govt. has decided to go ahead with an alternative proposal for extension of main Ravi Canal from Basantpur to up-stream of Ranjit Sagar Dam (Reservoir) near Village Satwain – A Multipurpose Hydro Irrigation Power Project in District Kathua costing Rs. 410.00 crores which includes Rs. 275.14 crore civil cost. Pursuant to the State Cabinet Decision No: 177/24/2013 dated : 16-08-2013, Administrative Approval for construction of this project has been accorded on 26-8-2013. The intake structure of the said scheme has been put to e-tendering in the first instance which amounts to Rs. 7.30 crores. EIA/Bio-diversity assessment study and mitigation of plan is being prepared from a independent agency for complete three seasons. The process for acquisition of land about 176K-18 Marla is in process.

### **Reforms in Water Sector**

A comprehensive legislation namely the J&K Water Resource Regularization & Management Act, 2010 has been enacted. Under the Act the Water Resources Regulatory Authority has been set up to ensure judicious and optimum utilization of water resources of the state i.e. surface/ground water as per Water Policy as well as push ahead the reforms in the water sector. Under the Act, revise water tariff rates have been got approved by the cabinet for various uses of water thereby effectively kick-starting the much awaited water reforms process. Rs. 2422 crores have been realized so far on account of water usage charges on hydroelectric projects in the state.

## **Floriculture**

Floriculture sector has been identified as a focus segment and accorded a top priority. Income of farmers from flower cultivation has seen a phenomenal jump due to ever growing demand for flowers in domestic and international markets this sector is generating employment. The Government has taken several measures to promote this activity.

### **1. Ornamental Floriculture**

Department is involved in maintenance and development of Gardens and Parks in the valley to boost tourism at the prime tourist destinations; like Mughal Gardens (Nishat, Shalimar, Cheshmashahi, Pari Mahal, Verinag, Achabal and Jarokabagh), Botanical Garden, Kokernag, Pahalgam, Manasbal, Tulip Garden, Nehru Memorial Botanical Garden, Children Park, 98 city parks and VIP Quarters. Besides, department is involved in production of flower seedlings and other ornamental plants, from its nursery known as Plant Introduction Section located at Cheshmashahi. In addition, maintenance and development of various

Zanana/Children Parks is also an ongoing responsibility. Renovation, restoration and preservation of heritage gardens are some other major initiatives of the department.

## 2. Commercial Floriculture

In the recent years, the Department has laid a major thrust on commercial floriculture, through the medium Centrally Sponsored Schemes-Technology Mission, RKVY for Integrated Development of Floriculture and sufficient progress has been registered by involving farmers of different categories, particularly unemployed youth. People are showing a positive response to different schemes, but still there is a challenge with regard to the "Post Harvest Management and Marketing". Post Harvest Management and Marketing is a vital component of Commercial Floriculture, which is managed optimally, resource limitation. Symmetrically, Floriculture is playing its role of creating and maintaining various parks and gardens, these assets create a favorable environment for tourism and recreational activities. With the inexorable adoption of floriculture as a commercial activity, not only at the national but at international level as well, department has developed links in popularizing commercial floriculture in the valley. Floriculture has a vast scope and potential in the valley, which is evident from the fact that during the year 1996, an area of 80 Ha was under flower cultivation in J&K, which has currently expanded to the level of 350 Ha, with an annual turnover of about Rs.1350 lacs. Further, more than 1500 youth are directly engaged under commercial floriculture sector in Kashmir Division. Moreover, an area of about 9.297 Hac. has been covered under protected cultivation, in private sector by raising Tubular Structure Poly Houses; High Tech Poly Houses, Shade Net Houses, etc. A flower mandi has also been established and inaugurated by Hon'ble Minister for Health, Horticulture and Floriculture on 15<sup>th</sup> October, 2012 at Rajbagh, Srinagar, with an objective to provide facilities, like marketing, cold storage facilities for preservations of cut flowers for the flower growers on no-profit no-loss basis

In order to facilitate flower production, department has introduced contract farming for establishing flower-seed villages. Seeds of different flowers like, Cosmos, Zinnia and Salvia have been provided to the growers of the valley, in the buy-back scheme.

### Details Of Outlays And Expenditure (Plan Schemes) & Revenue Realized W.E.F 2009-10 Of Floriculture Department, Kashmir

S.No	Year	Allocation (Rs. in lacs)	Expenditure (Rs. in lacs)	Revenue Realized (Rs. in lacs)
1	2009-10	1576.00	1512.95	258.60
2	2010-11	1200.00	1153.00	199.38
3	2011-12	1250.00	1063.13	369.57
4	2012-13	1250.00	0991.67	406.26
5	2013-14	1051.57	1047.376	549.36
6	2014-15 (Ending Nov., 2014)	956.10	317.892	446.95

The Department has taken a number of initiatives to provide liberal financial and technical assistance, besides providing post-harvest facilities for the benefit of the growers. With the financial assistance available under various schemes, sizeable progress has been registered by involving farmers of different categories, particularly the un-employed youth in the cultivation of various kinds and varieties of cut flowers like Carnation, Lillium, Gladiolus, Marigold, and also in seed production both under open field and green house conditions.

### **Floriculture scenario in Jammu region**

In winter season the plain areas of Jammu Division is in full blossom of varied flower crops while as in summer season in temperate areas of other districts of the region. In winter season maximum cultivation is possible in plain areas of Jammu Division and the climatic conditions are also conducive for cultivation of flower crops. In summer season, the multiplication of flower bulbs can be taken on large scale in temperate areas of Jammu Division.

The Floriculture industry has an immense potential for employment generation the present floriculture industry is dynamic, fast growing industry, which has achieved a significant growth rate during the last few years. Jammu region is also striving hard for paving its way to emerge as an important production base for floriculture products.

The Department is implementing various plan schemes which are primarily focused for the development and popularization of ornamental and recreational floriculture with a view to catch the attention of the tourists and also generate direct and indirect employment opportunities in the State. Development of new parks, beautification of existing parks/ gardens, restoration, preservation and maintenance of heritage gardens are the major activities under plan sector.

### **The details of the Physical/financial notable achievements made by the department during the year 2014-15 ending Feb-2015.**

1. An amount of Rs. 40.57 lacs has been expended ending Feb-2015, both under Centrally Sponsored Schemes RKVY and MIDH. An area of 129.77 hectares of land has been covered under different varieties of flower crops.
2. 403 nos. of progressive growers including women have been awarded about the significance of cultivation of flower crops by way of organizing of training programmes/awareness camps at different levels i.e District level, state level and outside the state. An amount of Rs. 5.65 lacs has been expended on these training programmes during the year 2014-15 under MIDH.
3. The department of Floriculture is striving hard to percolate the benefits of Centrally Sponsored Schemes to the real progressive growers of the Division, and it is expected that good impact of the Centrally Sponsored Schemes will be visualized in near future.

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# Industries

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## Industry

The Industries Sector is now playing its due role in the economic development of the State and in generating employment opportunities for the unemployed youth. Previously it used to be only the Handicrafts, Handlooms and Cottage Industry providing livelihood to a large population at different stages of production, sale and export.

### OBJECTIVES

1. To create infrastructural support for facilitating the growth of industry and commerce in the State.
2. Mobilize new investment and support the MSME sector.
3. Facilitation and promotion of new Industrial units.
4. Skill development and up-gradation for the Handloom, Handicrafts Sector, carpet, Craft development and Entrepreneurs Development Programmes.
5. Marketing support & Sales promotion.
6. Exploration & sustainable Mining of Minerals.
7. Rehabilitation of Sick Units and action against defaulting units.
8. Promotion of Cottage / Traditional Industries.

### FUNCTIONS

1. To disseminate information about various industry related schemes of both GoI / State Govt. and area of operations to entrepreneurs.
2. To identify new areas/sectors in the State where Industrial infrastructure could be created.
3. To develop new Industrial Estates and maintaining & upgrade existing industrial estates.
4. To hold periodical meetings for Single Window Clearance for Micro/Small, Medium/large units for grant of provisional registration, allotment of land, power sanction, clearance from PCB in a time bound manner.
5. To rehabilitate potentially sick units.
6. To facilitate providing of State / Centre Govt. incentives/subsidies to the eligible units as per the package of incentives.
7. To improve working conditions of the artisans for enhancing their production capacity by taking advantage of various development/welfare schemes launched by State/Centre Governments create skilled manpower in the

industry by revamping the existing training programme, introduce new designs in-tune with the preferences of the buyers, work for preserving and protecting the exquisite handicrafts by obtaining certificate/registration from appropriate bodies and facilitate financial support /hand holding's to the artisans.

8. To carry detailed Geological Investigations/ Drilling / Mining, for assessment and exploitation of mineral deposits to setup of mineral based Industries.

This programme of the State Government is administered by Department of Industries and Commerce through- five (5) Directorates of Industries, Handicrafts, Handlooms and Geology & Mining,- Four (4) Corporations viz SIDCO, SICOP, Handloom Dev. Corp. and Handicrafts (Sales & Exports) Corp.- Public Sector Undertakings of JK Industries Ltd., JK Minerals Ltd., JK Cements Ltd.- Training & Research Institutes like CDI, IICT, EDI and KVIB.

## I. INDUSTRIES

A glance at investment made by the entrepreneurs in industries sector over the years.

Table No 1		(Rs in Crore)	
Period	Up to 2008-09	2009-10 to 2013-14	2014-15 (ending Nov. 2014)
Investment	2827.09	4654.27	134.54

### Abstract Position:

Small Scale Units	:	29102
Large & medium Units	:	83
Total Investment	:	7615.90 Crores
Total Employment	:	152651

### INCENTIVE REGIME

A comprehensive State Industrial Policy came into being in 2004 which facilitated provision of Incentives to attract private sector investment for the industry in a big way. The incentives are aimed at overcoming the constraints of remoteness, poor connectivity, high transportation cost and erratic power supply faced by the Industry. It focuses on private sector industrialization in backward blocks of the State and modernization of the existing units.

Prior to State incentives the Central Government in 2002 announced its Package of Incentives which has been extended for further five years up to 15 July 2017 on its expiry of ten years period in July 2012. Therefore two sets of incentives are available to the entrepreneurs- one from the Centre Government and the other from the State Government.

### These incentives are as follows

#### State Fiscal Incentives

- 100 percent subsidy on purchase of new Diesel Generator sets.



- 100 percent subsidy on project report preparation and quality testing equipment.
- 75 percent subsidy on Research and Development.
- 3 percent interest subsidy on working capital.
- 5 percent rebate on interest on term loan for technocrats.
- Special incentive for brand promotion and modernization.
- Land and Power at concessional rates.

#### **Tax Incentives**

- Toll tax exemption on import of raw material and export of finished products.
- CST exemption
- VAT remission.
- Stamp duty exemption.

#### **Central Package Fiscal Incentives**

- 15 percent subsidy on capital investment on plant and machinery.
- 3 percent interest subsidy on working capital.
- 100 percent insurance cover to Industrial units.

#### **Tax Incentives**

- 100 percent excise refund.
- Total income tax exemption.

#### **Make in India**

The J&K State under the “Make in India” programme is looking forward to attract domestic investors to invest in the State. “Ease of Doing Business” has rightly been recognized as the most important factor in achieving the goal of “Make in India”. The State Government has initiated the process for playing its role as the interface of enterprises

The existing State Industrial Policy is expiring on 31st March, 2015 and the new Policy is going to come into effect from 1st April 2015. Committee constituted for drafting the New Industrial Policy has been properly sensitized to deliberate on the issue of easing out the procedures for the entrepreneurs/ industrialists to invest in the State. The Government is simultaneously working on drafting Trade Policy and Manufacturing and Export strategies of the State.

In order to initiate concrete action on the recommendations of the Department of Industrial Policy and Promotion DIPP, GoI, the State Government has constituted two high level committees viz Monitoring Committee under the chairmanship of Financial Commissioner, Industries & Commerce Department and Apex Committee under the chairmanship of Chief Secretary.

## Industrial Infrastructure

Infrastructure development serves as an engine for industrial development and calls for continuous attention of the Government. Development of Industrial Estates / Infrastructure is the major function of the Industries and Commerce Department. The State has 53 existing industrial estates spread over an area of 31335 Kanals of land as per position ending November, 2014. Profile of these Industrial Estates is as under:-

Managing agency	Industrial Estates (No.)	Area (Kanals)	Units Established / Under Establishment (No.)
Directorates of Industries & Commerce	32	2517	1175
J&K SIDCO	12	24201	2307
J&K SICOP	9	4617	1209
<b>Total</b>	<b>53</b>	<b>31335</b>	<b>4691</b>

To promote industrialization in the remote and backward areas of the State, the Industries and Commerce Department is developing Industrial Estates in the rural and industrially backward areas which are at various stages of development/implementation.

The New Industrial Estates under development / acquisition at present in rural areas are:-

### New Industrial Estates under Development

S.No.	Name of the Industrial Estate	Total Land(kanals)
1	Tajoor Majalta Udhampur	278
2	Kulgam (Expansion)	50
3	Vessu Anantnag	250
4	Ashmuji Kulgam	62
5	Malwan Kulgam	59
6	Mehmudabad Dooru	107
7	Redbough, Kupwara	85
8	Changrthang, Kargil	98

### New Industrial Estates under Land Acquisition

S.No.	Name of the Industrial Estate	Total Land(Kanals)
1	I.G.C Samba Phase-III	2763
2	Beoli Doda	39
3	Nimbla Reasi	1165
4	Pochhal, Kishtwar	218
5	Dambra Bllawar	514
6	Surankote Poonch	144

7	Lamberi Nowshera	122
8	Hiranagar	858
9	Aglar, Shopian	288
10	Barsoo, Ganderbal	67
11	Khrew, Khunmoh	417
12	Govt. Match Factory Baramulla	88
13	Larkipora Hafizabad Arwani Anantnag	1000
14	Wuyan Khrew (Pulwama)	580
15	Takia Razak Shah, Tral	177
16	Turkawangam -Shopian	501
17	Soibugh, Budgam	50
18	Qaisermullah Chadoora	50
19	Kunanposhpora, Kupwara	85
20	Khunmoh ( adjacent to Phase-III)	1039
21	Johama, Baramulla	200

The existing infrastructure is in dilapidated condition in a number of Industrial Estates established earlier and there is need for their up-gradation. Up-gradation of following Industrial Estates has been taken up through central assistance under Cluster Development Programme of Ministry of MSME and through State Plan on the recommendations of the Special Task Force for Jammu Division:

a)-MSE-CDP Projects

<b>Table No 5</b>		<b>(Rs. in Lacs)</b>		
<b>S. No</b>	<b>Name of Industrial Estate</b>	<b>Project Cost</b>	<b>State share</b>	<b>Central share</b>
1	Industrial Estate, Bari-Brahmana, Samba	1107.69	613.59	494.10
2	Industrial Estate, Gangyal, Jammu	983.92	492.72	491.20
3	Industrial Estate, Khunmoh, Phase-I & II	1154.85	681.07	473.78
4	Electronics Complex, Rangreth	1186.23	386.23	800.00

b) – Recommendations of Projects under Special Task Force for Jammu Division:-

<b>Table No 6</b>		<b>(Rs. in Lacs)</b>	
<b>S.No</b>	<b>Name of Industrial Estate</b>	<b>Project Cost</b>	<b>Funds Released (ending 11/2014)</b>
01	Industrial Estate, Digana, Jammu (DIC J)	358.40	25.50
02	Industrial Estate, Jammu Cantt. (DIC J)	61.72	33.38
03	Industrial Estate, Akhnoor (DIC J)	58.17	28.00
04	Industrial Estate, Samba, (DIC J)	49.48	22.50
05	Industrial Estate, Kathua (DIC J)	133.90	50.00
06	IID Battal-Ballian Phase-II Udhampur (SICOP)	708.50	132.50
07	Industrial Estate, Birpur, Jammu (SICOP)	127.00	60.00
08	Industrial Estate, Kathua (SICOP)	148.80	32.50
09	IGC Samba, Phase-I (SIDCO)	773.60	288.31

## Industrial Sickness

Although the number of Small Scale Industrial units in the State has gone up. There are cases of sickness of units with some of them having become non-functional and others simply untraceable due to a number of reasons like financial crunch, law and order problem, marketing problem, non-availability of raw material and migration. The comparisons of functional units thrown out by industrial census 2001-02 and 2006-07 are indicated in the table below:-

Particulars	Census 2001-02	Census 2006-07 (quick estimates)
Total Units Surveyed	37334	20359
Functional Units	14625	14534
Closed/ untraceable Units	22709	5825

*Source: Third Census of Small Scale Industries (2001-02)*

## Rehabilitation of Sick SSI units

For rehabilitation of sick units, the State Govt. has accepted to provide soft loan to the extent of 30% of total requirement to potentially viable Sick units for their revival under Rehabilitation Policy. The number of such units has been identified to be 158. Out of these units, 71 units have been approved by SLRC involving an amount of Rs.1517.91 lakh. Out of these, 24 cases have been sanctioned involving a soft loan of Rs.369.38 lakh by the State Level Rehabilitation Committee.

## Prime Minister's Employment Generation Programme (PMEGP)

The Government of India, Ministry of MSME, New Delhi are funding a Credit Linked Subsidy Scheme called "Prime Minister's Employment Generation Programme (PMEGP)" for generation of employment opportunities through establishment of Micro units in Rural as well as in Urban areas. This scheme is being implemented by three agencies viz KVIB of State and KVIB of Center in Rural areas and DICs in both Urban and Rural Areas. The targets and achievement made by KVIB & DICs during 2011-12, 2012-13 & 2013-14 and 2014-15 (ending Nov.,2014) is detailed as under:-

Year	Target						Achievement					
	DIC			KVIB			DIC			KVIB		
	No. of projects	Margin Money involved	Emp. Gen.	No. of projects	Margin Money involved	Emp. Gen.	Cases sanctioned	Margin Money involved	Emp. Gen.	Cases sanctioned	Margin Money involved	Emp. Gen.
2011-12	390	-	3900	409	572.29	4090	967	1448	4396	1224	1736.8	10251
2012-13	290	1053.5	2320	304	700.4	2432	922	1929.5	5396	738	1251.2	867

2013-14	1126	1347.5	9012	1184	1414.9	9472	481	909.47	3004	1173	1875.7	7621
2014-15 (ending Nov.2014)	1127	1347.5	9016	1184	1414.9	9472	187	330.32	793	484	810.91	3219

## Handicrafts

Handicraft activities occupy an important position in the economic structure of J&K State. Being environment friendly, these activities are best suited to the state as they are more labour intensive and less capital intensive in nature, thus having scope for employment generation at a large scale. The Kashmir handicraft products have earned worldwide fame for their attractive designs, functional utility and high quality craftsmanship. In absence of other manufacturing industries in the state, handicrafts remained a key economic activity from time immemorial. The artistic imagination and craftsmanship of the Artisans reflected through a wide range of products, has delighted the connoisseurs world over for centuries. Crafts like Shawls, Crewel, Namdha, Chain Stitch, Wood Carving, Papier Machie, Costume Jewellery, Kani Shawls and the Carpets hold a significant share in the overall production and export of the State. Silken carpets in particular constitute a specialty having no parallel in quality and design at national level and, therefore, occupy an important position in the international market. The handicraft sector of the state has great contribution towards foreign exchange earnings of the country.

As on 31.03.2014 there were 3005 handicrafts societies registered with a membership of 15084. The department provides Managerial subsidy on tapering basis @100% first year, 66%, 2<sup>nd</sup> year; and 33%, 3<sup>rd</sup> year to the pass out trainees which is paid for formation of cooperative societies. During the year 2014-15, 82 societies have been formed with a membership of 902 by the end of November, 2014.

The department also promotes sale of handicraft goods by organizing expos/exhibition/craft bazaars within and outside the state. It also organizes exhibition at international level annually. During the year 2014-15, the department has organized 5 craft bazaars/exhibitions within & outside the state by the end of Nov., 2014.

Another important area of activity is skill development. Around 8500 persons are trained annually through 553 training centres in the state. During the year 2014-15 (ending Nov., 2014), 2925 persons have been trained in various crafts like sozni, staple, crewel, papier machie, phool kari, Zari, chain stitching etc.

Year	Carpet	Woolen Shawls	Papier Machie	Other items	Total
<b>Production</b>					
2011-12	624.70	702.20	102.70	385.73	1815.33
2012-13	643.00	656.30	145.00	398.91	1843.21
2013-14	684.05	631.20	141.24	559.33	2017.82
<b>Export</b>					
2011-12	567.13	607.03	98.24	370.97	1643.37

2012-13	455.86	620.02	104.11	358.29	1538.28
2013-14	551.90	579.72	39.96	524.07	1695.65

### **Self employment to individual artisans**

This scheme aims at providing easy and soft credit facilities to the artisans, weavers, members of cooperative societies and craftsmen engaged in different activities to start their independent venture. The scheme envisages financial assistance in the form of loan from various banks and financial institutions. The department provides interest subsidy @10% on the loan. The department has covered 19490 artisans under this scheme with interest subsidy of Rs. 573.51 lacs disbursed during 2013-14. During current financial year 2014-15, 4947 cases have been disbursed by the end of Nov., 2014 under Credit Plan/ACC. The department has enforced quality Control Act 1978 to maintain quality of Kashmiri handicrafts.

### **Handlooms**

The J&K State is famous for the weaving of specialized fabrics like Pashmina shawls, Raffal shawls, Kani shawls, Silk sarees, Kishtwari blankets, Lois, Chashme Bul Bul blankets in hilly areas of the State besides Cotton Check bed sheets and long cloth in Jammu and Kathua Districts. The handloom sector, besides being environment friendly, has enormous employment potential as it is highly labour intensive with low capital investment. .

To give boost to this Industry, the State Govt. is laying focus on product design and diversification, providing adequate credit facilities, enhancing weavers productivity through up-gradation of skills, use of efficient looms, providing market access through incentives and wide publicity.

There are 3741 handloom units in the State employing same number of persons producing Loies, Puttos, Tweed, Blankets, Raffal, Pashmina and Dusoti Khad. Integrated Handloom Development Scheme (IHDS) is a centrally sponsored scheme which is being implemented by the Department to facilitate development of cohesive, self-managing and competitive handloom units. Under the said scheme, 12 Handloom Clusters and 17 Group approach projects have been taken up at the projected cost of Rs 832.19 lakh.

### **Handloom Co-operative Societies**

The Department has 523 registered Handloom Industrial Co-operative Societies in the State with a membership of 15275 weavers. There are approximately 38,000 Handlooms in the State. During 2013-14, 10.26 million meters of handloom fabrics valuing Rs.232.95 Crore were produced in the cooperative sector. The production and value of handloom fabrics for the current financial year viz 2014-15 (ending 11/2014) is of the order of 9.98 million meters and Rs.226.61 Crore respectively. Loan facility is also being provided to these cooperative societies for purchase of sewing machines.

### **Marketing Support**

The Department is encouraging the co-operatives societies to participate in the national level, special handloom expos and State level fairs all over the country by reimbursing the stall rent charges. The handloom cloth has to compete with the power loom cloth. In order to make the handloom cloth competitive in the market, the department reimburses 10% special rebate to the societies as an incentive on the sale of handloom cloth/products made at the national level expos and fairs organized by the Development Commissioner Handlooms, New Delhi.

### **Training Centers**

The Department runs 100 training centers to impart training in various trades which include readymade garments, handloom weaving, Pashmina spinning and weaving, and Kani shawl weaving. Out of 100 training centers, 84 centers are exclusively imparting training in readymade garments and handloom weaving. Around 1000 trainees are annually imparted technical skill in these centers. During the year 2014-15, 1044 trainees have been enrolled for training in different trades. Candidates are also being sponsored for undergoing diploma courses in handloom technology. Under National handloom Development Programme (previously Integrated Handloom Development Scheme), comprehensive training is also provided to handloom weavers and workers in technical managerial, cooperative marketing skill to enable them to produce high value and diversified quality products keeping in view the trend of the domestic and international markets.

### **Welfare of weavers**

Two schemes viz. Health Insurance Scheme and Mahatma Gandhi Bunker Bima Yojana are being implemented for the welfare of weavers in the State. During 2014-15 (ending 11/2014) 16265 weavers have been covered under Health Insurance scheme and 188 weavers provided Insurance cover under Mahatma Gandhi Bunker Bima Yojana In addition to this, 296 girl students of handloom weavers have been given scholarship to the extent of Rs 1.62 lakh during 2013-14 and 63 girl students during current financial year 2014-15 ending 11/2014 under Education Scheme.

### **Weavers Credit Card Scheme**

Weavers Credit Card Scheme of GoI is being implemented by the Department with an aim to provide adequate and timely credit upto Rs. 2.00 lakh from banking Institutions to the weavers to meet their credit requirement. The Department has sponsored 1476 number of cases of individual weavers upto ending 11/2014 against a target of 1500 Weaver Credit Cards for the year 2014-15. 269 number of WCCs have been issued upto ending 11/2014.

### **Over-view of Achievements**

An overview of the achievements made under Handloom Sector during 2013-14 & 2014-15 (ending Nov. 2014) is given as under.

<b>Table No 10: Achievements made under Handloom Sector during 2013-14 &amp; 2014-15 (ending Nov. 2014)</b>				
<b>S. No</b>	<b>Particulars</b>	<b>Unit</b>	<b>2013-14 Achievement</b>	<b>2014-15 Achievement</b>

				(ending 11/2014)
1	Cooperative Sector (a) Production of Fabrics (b) Value	M/Mtrs Rs in Crore	10.26 232.95	9.98 226.61
2	Trainees Trained / Enrollment	Nos.	1042	1044
3	Organization of Cooperative Societies	Nos.	12	02
4	Membership	Nos.	138	55
5	Modernization of Looms	Nos.	185	44
6	Mahatma Gandhi Bunker Bima Yojana	Nos.	655	188
7	Health Insurance Scheme	Nos.	16265	16265
8	Education Scheme.	Nos.	296	63

## Khadi & Village Industries

The J&K KVIB is playing a vital role in generating employment in rural areas by providing financial and technical assistance to unemployed youth and down trodden artisans of the state for setting up micro and small units in industrial and service sectors under various schemes, launched by Khadi & village Industries Commission, Ministry of Micro, Small and Medium Enterprises, Government of India. The main objective of J&K Khadi and Village Industries Board, is to create employment opportunities in rural areas by promoting various Khadi and Village Industrial activities and to impart training to the rural artisans in various crafts.

Ministry of Micro Small & Medium Enterprises (MSME) has launched a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) by merging the two schemes namely, Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of Micro Enterprises in rural areas.

The achievements made by the J&K Khadi & Village industries Board in implementation of said programme since its launch, are as under:-

### Prime Ministers Employment Generation Programme (PMEGP)

Year	No. of Cases sanctioned	
	Target	Achievement
2011-12	409	1224
2012-13	304	738
2013-14	1184	1173
2014-15 (Ending 11/2014)	1184	484



Table No 12: Financial Achievement		
Year	Margin Money released (Rs. In lacs)	
	Target	Achievement
2011-12	572.29	1736.79
2012-13	700.40	1251.23
2013-14	1414.91	1875.73
2014-15 (Ending 11/2014)	1414.91	810.91

### Khadi Industry

Performance of J&K Khadi and Village Industries Board for the last five years:-

Table No 13						
Year	TARGET			ACHIEVEMENT		
	Production (Rs in lacs)	Sale (Rs in lacs)	Employment	Production (Rs in lacs)	Sale (Rs in lacs)	Employment
2011-12	452	490	2575	478.69	549.66	2280
2012-13	540	567.65	1585	752.53	602.53	2404
2013-14	540	568.00	1278	624.74	630.81	2454
2014-15 (ending 11/2014)	540*	567.00*	1404*	314.79**	113.84**	1427**

\* proposed \*\* up to 2<sup>nd</sup> quarter

### Geology & Mining

The State of J&K is endowed with tremendous mineral resources covering an area of 13334 Sq. Kms., out of which 60% are reported to be commercially viable for mining of various minerals. The Department of Geology and Mining, Jammu & Kashmir was established in 1960 to identify/ locate minerals like Limestone, Gypsum, Marble, Lignite, Granite, Bauxite, Coal, Magnesite, Slates, Sapphire, Dolomite, Borax, Graphite, Quartzite etc. in a big way, the quality and quantity of which are estimated for establishment of mineral based industries. A number of cement based industries as well as units for manufacture of plaster of Paris, Marble and Granite cutting units have been established in the state.

#### Main Functions

- ó Exploration of Minerals.
- ó Exploration ground water for Irrigation and drinking purposes, Geo-Technical studies in respect land sliding/sinking areas.
- ó Geo-Technical study for major engineering projects.
- ó Implementation of MM (D&R) Act. 1957 (Central Act.) and J&K Minor Mineral Concession Rules 1962.
- ó Revenue Collection on Mineral Extraction.

6 Grant of Mining leases / Prospecting Licenses / Awarding of Royalty Contracts and short term quarry Permits.

Estimated available mineral reserves are shown in the table below:

<b>Table No 14: Estimated available mineral reserves</b>			
<b>Minerals</b>	<b>Reserves</b>	<b>Occurrence</b>	<b>Uses</b>
Lime Stone	6125 Million tonnes	All Districts of J&K except Jammu	Manufacture of cement, calcium carbide, iron and steel industries
Gypsum	160 Million tonnes	Baramulla, Doda and Kishtwar	Manufacturing of cement, fertilizer, filler in paper & paint & Rubber Industries.
Marble	500 Million Cubic metres	Kupwara, Leh, Kargil and Kishtwar	Decorative dimension & building stone.
Granite	3000 million cubic metres	Leh, Kargil, Doda and Kathua	Decorative dimension & ornamental stone.
Bauxite	8.60 Million tonnes.	Udhampur, Reasi and Rajouri	Manufacturing of Aluminum
Coal	9.50 Million tonnes	Kalakote, Moghla (Rajouri), Kotla Brehyal (Udhampur)	As fuel.
Magnesite	7.00 Million tonnes.	Udhampur & Reasi.	Refractory bricks for furnaces
Slates	9.6 million cubic mtrs.	Doda, Ramban, Baramulla, Kathua & Poonch	Building & Pavement Stones.
Sapphire	2 Kmts ineralized zone	Padder Kishtwar	Precious stone
Quartzite	500 million tones.	Anantnag, Kupwara, Kishtwar, Kathua and Poonch	Manufacturing of Cement, Glass and steel.
Dolomite	12.37 Million tonnes	Udhampur, Reasi & Rajouri districts	Refractory material
Borax	143 tonnes (Annual Crop)	Pogo valley, Leh.	Borosil Glass, Enamels Ceramics Glazing, Smelting of Copper, costing of brass and bronze refining of Gold, Silver etc.
China clay	2.8 Million tonnes	District Udhampur	Ceramics, Pottery, Paper textiles, Rubber and paints.
Bentonite Clay	0.122 Million tonnes	Jammu, Samba and Udhampur	Drilling mud, refining of oils and fats.
Quartz & Silica sand	16.00 Million tonnes	Rivers and Stream beds of Jammu Plains	Abrasive glass, Ferro silicon, ceramics and pottery, foundry & molding
Lignite	10 million Tonnes	Nichama Kupwar	Fuel, thermal power besides Fertilizers

### **Major Achievements of the department.**

The department deals in implementation of Mines & Mineral (Development & Regulation) Act 1957 and rules made there under, governing the grant of Mineral Concessions. It also deals in administration of Minerals and collection of royalty/fee on this account which is an important source of income to the State Government.

The details of Royalty on Minerals (revenue) collected for the last 8 years, are given as under:-

<b>S. No</b>	<b>Year</b>	<b>Revenue collected (Rs. In Crore)</b>
1	2010-11	34.19
2	2011-12	40.79
3	2012-13	52.76
4	2013-14	27.05
5	2014-15(ending 11/2014)	30.07

### **Sericulture**

Sericulture continues to be a subsidiary occupation for about 30,000 rural families in the State. Most of these families belong to economically backward sections of the society. Annually about 1022 MT of cocoons are produced generating an income of about Rs. 2026.00 Lac for these silkworm rearers coupled with the annual employment generation to the tune of 3.5 Lac mandays (3.0 Lac on-farm and 0.50 Lac off-farm). The Department has 173 mulberry nurseries spread over an area of 963 Acre, and 374 mulberry blocks over an area 2215 acres across the State. The nurseries are utilized for production of saplings/cuttings for further distribution amongst farmers to augment area under mulberry and mulberry blocks which serve as leaf reservoirs for the landless and marginal farmers. Annually about 20.00 Lac plants are produced from these nurseries against the potential of 30.00 Lac plants. The Department has well established seed organization and presently about 60% local annual seed demand is met out from the sector.

### **Role Of J&K State In Bivoltine Sericulture**

J&K is the only State of the Country which is at the same altitude in which leading bivoltine sericulture countries of the world lie. It is having climatic edge over the other sericulture states of the country in production of bivoltine silk. Even the sericulture experts of the Japan have recognized the superiority of natural climatic condition in the state favorable for the development of sericulture and for production of high grade raw silk of international standard, The bivoltine sericulture development has been one of the priority sectors of Indian silk Industry and its production is yet to meet the targets. Although India is the second largest producer of silk in the world, but against current domestic demand of 25000 MT of silk considering all varieties, India produces about 17000 MT of raw silk, while rest is being imported from other countries mostly from Republic of China. The production of quality bivoltine silk is still a challenge. The Jammu and Kashmir is the only State in India having enormous potential to produce Bivoltine silk of

international grade which can help to reduce the import of Biovolitne Silk in the Country.

Sericulture being one of the traditional agro based cottage industries of the State producing high quality Bivoltine Silk comparable to international quality helps in improving economic conditions of the rural masses and providing employment opportunities in pre and post cocoon activities.

#### **Notable Achievements Registered**

1. During the current financial year 2014-15 (ending Nov., 2014), the cocoon production has been achieved upto 773 MT due to the implementation of Centrally sponsored Schemes on incentive basis.
2. The State Government has enhanced the support price for seed cocoons produced by the farmers for production of quality silkworm seed in the department to Rs. 200/kg from Rs. 150/kg.
3. The support price of commercial cocoons has been increased by the Government from Rs. 210/kg to Rs. 300/kg (dry) for the sericulture farmers of the state during the current year.
4. J&K State is a mono crop region for sericulture activity occupation. The Department is striving hard to introduce multiple cropping in the State for sustainable sericulture in the State. Results are quite encouraging and during the current year the department introduces multiple cropping throughout the State and the third cocoon crop (autumn crop) is under progress.
5. The Department has envisaged an ambitious vision programme in the form of a document for the next twenty years to cover about five lac farmers in the activity of sericulture to take the cocoon production to newer heights of 25000 MT.

#### **Science & Technology**

Jammu and Kashmir Energy Development Agency (JAKEDA) is a State Nodal Agency working under the administrative control of the Science and Technology, J&K Government for the promotion and implementation of projects aimed at meeting the energy requirements in general and un-electrified areas of the state in particular by harnessing new and renewable sources of energy such as :-

1. Solar Energy
2. Wind Energy
3. Small Hydro Power (upto 10 MW)
4. Bio-Energy (Biomass/Bio-wastes/ Agricultural/ Rural/ Urban/ Industrial)
5. New Energy Sources (Hydrogen, Geothermal, Tidal etc.)

JAKEDA gets funds from the Ministry of New and Renewable Energy (MNRE), Government of India as well as from the State Government for the implementation of various projects in the state. The activities of JAKEDA are essentially aimed at

meeting the energy requirement of people (especially those without access to electricity who are living in remote areas) on a sustainable basis.

#### **Achievements made by JAKEDA ending March, 2014**

1. Solar Power Plants of varying capacities aggregating to 1500KW have been installed in different locations/institutions of the state.
2. The department is setting up mini/micro hydro projects upto 2MW capacities in the state. Accordingly, 28 DPR's have been prepared /Finalized having 1-2 MW capacity ending March, 2014 under IPP mode.
3. The construction works of "Energy Bhawan" at Bemina ,Srinagar is under progress .
4. Supplies for 6000 no. of solar cookers have been received ending March, 2014.

#### **Achievements ending Dec. 2014.**

5. Solar Power plants of varying capacities aggregating to 700KW have been installed at different location /institution of the state.
6. The construction work of "Energy Bhawan" at Bemina , Srinagar is being completed shortly.
7. The department is setting up mini/micro hydro power projects upto 2MW capacities in the state .Accordingly 5DPR's have been prepared /Finalized having 1-2 MW capacity ending Dec. 2014 under IPP mode.

#### **New initiatives conceptualized for the year 2014-15**

- Setting up of Industrial Biotechnology Parks at Srinagar and Jammu.
- Setting up of Sub Regional Science Center at Srinagar.
- Setting up of Patent Information Center at Srinagar.

### **Information Technology**

Information Technology Sector, identified as one of the thrust areas, is growing in the state at healthy pace. Information Technology has proved to be a very effective tool in the development of a society and become the driving force in the growth of economies across the globe. Recognizing the IT and e Governance sector as major tool for fostering state's economy, various initiatives have been/are being taken up by the State Government to strengthen this sector.

**The major achievements of the I.T Department for the year 2014-15 are the following:**

1. **State Data Centre (SDC):** In J&K the SDC was commissioned on March, 2013 under National e-Governance Plan (NeGP). SDC is acting like a central repository for the departmental applications and databases. It is envisaged to be a mediator between secured Govt. Intranet, State Wide Area Network (SWAN) and Common Service Centre (CSC) network in open public domain. The State Govt. had allotted the project to M/s Trimax Private Ltd. Mumbai & currently the project is in maintenance phase. Several applications of various departments have already been hosted in this Data Center.

- 2. Mobile-Governance:-**The department of IT introduced m-Governance in 2013. The project is State funded and was initially implemented for BADP (Border Area Development Programme) for the monitoring and implementation of ongoing works/ schemes. The internet (GPRS) based application is given the name JKPULSE. This application is useful for real time inspection of the ongoing development works of the departments even remotely placed across the state. Under BADP the application has been successfully launched and rolled out in all 11 border area districts of the state.

Looking into its success, the JKPULSE application has been extended to all the development works of PHE, PDD and PWD departments after desired customizations. Many other departments like Tourism, Rural development, etc have shown interest in the application and the department has sent proposals towards implementation plan.

- 3. State Services Delivery Gateway (SSDG):** The State Services Delivery Gateway (SSDG) is a core component in e-Governance infrastructure under NeGP of Government of India. SSDG will act as standards based messaging gateway to provide interoperability platform and the exchange of data in the departments would happen through state portal. It is supposed to handle a large number of transactions and also keep a track and time stamping of all these transactions of State Government. The IT Department has signed a MoU with the C-DAC, a Govt. of India Enterprise, to implement this project. The development of State portal is complete and portal has been hosted in the State Data Center. So far six Government to Citizen(G2C) services have been developed and software launched in the first Phase which includes two services each from Health and Medical Education, Social welfare and Employment Exchange departments.
- 4. Establishment of IT Parks:** The Department has established IT-Park at Ompura, Budgam to further IT activities in the State. Till date four local companies have been allotted land there. The overall site plan preparation is under process.
- 5. e-District** is a citizen service framework that enables government organizations to interact with citizen, receive electronic application forms, process the applications through workflow stages and deliver digitally signed outcome back to citizen, without the citizen ever having to visit government office. e-District is based on India's National e-Governance Plan (NEGP) initiative and is compliant with standards defined therein. The e-District portal involves integrated and seamless delivery of citizen services by district administration through automation of workflow, back end digitization, integration and process redesigning across participating sections/departments for providing services in the most efficient manner to the citizens. The project aims at providing support to the basic administrative unit i.e. "District Administration" to enable content development of G2C services, which would optimally leverage and utilize the three infrastructure pillars, the State Wide Area Network (SWAN) for connectivity, State Data Centre (SDC) for secure and fail safe data storage, and Common Service Centre's (CSCs) as the primary front-ends for service delivery, to deliver services to the citizens at their doorstep. The Detailed Project Report

(DPR) of J&K e-District has been approved by the Department of Electronics & information Technology, Govt. Of India (DeitY). Till now District e-Governance Societies (DeGS) have been formed in all 22 Districts of the State for coordination in the implementation of the project at District Level.

**6. State Wide Area Network (SWAN):**

The SWAN is a Core infrastructure project of NEGP Government of India to implement e-Governance infrastructure across the state. The department of IT has floated the RFP of the same and is in final stages; once the project is sanctioned from Government the implementation would get initiated.

**7. e-Public Distribution System:** The IT department through its implementation agency JaKeGA has implemented the digitization of the Ration cards in early 2013. With the coordination from CAPD Department, the data entry of the records is almost complete and till date more than 97% data has been digitized. The IT department has submitted the Approach Paper for the phased implementation of the end to end computerization of the PDS.

**8. Computerized Personal Information System (CPIS):** The project aims at the prudent utilization of State's human resources for primary development needs, rationalizing the staffing pattern and re-deploy staff for efficient and effective service delivery. The work for collection and finalizing the employee's data in service as well as pensioners is in full swing. In first phase all pensioners' data has been digitized. Till date approximately 85% data digitization has been complete.

**9. Visitor Management/Human Resource Management System (VMS/HRMS):** Jammu and Kashmir IT department has implemented VMS and HRMS both in the premises of Civil Secretariat, Jammu as well as at Srinagar in order to monitor and regulate movement of visitors at Civil Secretariat. This project has been funded by Government of India.

**10. Automation of Prisons (e-Prison):** With the automation of the prisons department, the delay in processing the information can be reduced. Also it will automate processes and functions of the prisons department, thus providing efficient, convenient and transparent services.

**11. Automation of Assembly (e-Assembly):** e- Assembly shall automate the process flow involved and thus provide the question answers or bills in electronic form to the Hon'ble members of both the houses, which can be easily accessed on internet using Laptops, android based Tablets etc which would be provided to the Hon'ble members of both the houses. It shall help in drastically reducing the cost involved in printing of the stationery and also keep the entire information safe in electronic form. It shall also increase transparency in functioning of both the houses as citizens shall easily access the bills or question answers introduced in both the houses. The project funded by Government of India and is tendered by the IT department.

**12. Automation of Jammu Development Authority (JDA):** This project shall automate the process flow involved in JDA and thus provide Web based online solution to Jammu Development Authority which will also include Public Interface Module which will ensure that the allottee can also view financial details of his property from even his remote location in the region. The project is funded by Government of India and is tendered by the IT department.

## Tourism

The Department of Tourism in Jammu & Kashmir is a promotional and regulatory organization. In 1988, the State Government specified the duties and functions of the Directorate of J&K Tourism as well as J&K Tourism Development Corporation.

The Department carries out the task of overall planning, promotion, publicity and marketing regulation of travel trade in terms of J&K registration of Tourist Trade Act, 1978/82.

### 1. Importance of Tourism in the State's Economy

- Great potential for employment generation, even for people without specialized skills.
- Potential Employment Opportunities for skilled persons.
- Provides direct employment to various service providers i.e. Guides, Ponywallas, Sledgewallas, Travel Agents; Jobs in Hotels/Houseboats .
- Provides impetus to allied sectors like Handicrafts, Handlooms and Transport.
- Indirect and income augmentation activities for the people in vicinity of established resorts i.e. Gulmarg, Pahalgam, Sonamarg during peak tourist seasons.
- Capacity to provide Jobs in the unorganized sector.
- Showcasing State's unique and rich cultural and heritage assets.

### 2. Tourist Arrivals

- The year 2013 maintained the tempo of boom of tourist inflow, seen in Kashmir valley, Jammu and Ladakh regions.
- The tourist arrivals during the last 6 years are given hereunder:-

Year	Kashmir Valley		Jammu	Ladakh	Total State
	Amar nathji	Domestic / Foreign	(Mata Vaishno Devi Ji)	Domestic/ Foreign	
2012	621000	1308765	10394000	178750	12502515
2013	353969	1171130	9287871	137650	10950620
2014	372909	1167618	7803193	181301	9525021
2015	Nil	34474	359453***	1495 *	395422

\*upto 15<sup>th</sup> Feb, 2015; \*\*\* upto Jan, 2015



### 3. Strategy for Tourism Sector as envisaged in Tourism Policy

- Circuit Tourism
- Season based tourism
- Development of tourism infrastructure.
- Development/promotion of off-beat destinations
- Improved accessibility to the tourist destinations
- Diversification/ innovation in the tourism products
- Marketing and promotional tools
- Human Resource Development and Capacity enhancement
- Inter-linkage among various department.
- Sustainable tourism and carrying capacity
- Public Private Partnership
- Research and survey wing
- Incentive and taxes
- Safety and security and disaster/crisis management
- Targets and timelines.

#### State Plan

Year	Allocation	Expenditure
2011-12	117	142.78
2012-13	116.77	129.19
2013-14	91.32	34.89
2014-15	90.08	54.51*
*end Jan 2015		

#### Year wise Central Financial Assistance (CFA)

Year of sanction	No. of project Sanctioned	Sanctioned Cost	CFA Received during the year
2011-12	26	16856.60	4696.74
2012-13	24	11403.44	4278.58
2013-14	13	7448.54	8836.83
2014-15	Nil	Nil	3516.91

#### Rural Tourism Scheme

- Projects sanctioned 44 No.
- Cost of the sanctioned Projects 27.81
- Funds released 23.53
- Exp upto Jan., 2015 17.88
- Projects completed 26 No

- Projects in pipeline for sanction 9 No

S. No	Name of the Project	Status
1	Trans-Himalayan Cultural Centre Leh	Sanctioned at a cost of Rs. 22.43 crore and Rs. 11.21 crore released/expended. The work is in progress.
2	Dev. of Mega tourist circuit from Naagar Nagar to Watlab.	Sanctioned at a cost Rs. 38.15 crore and released Rs. 18.22 crore and expended. The work is in progress.
3	Conservation/ Restoration of Mubarak Mandi Heritage Complex, Jammu	Sanctioned at a cost Rs. 16.92 crore and released/expended Rs. 3.38 crore as Ist installment. Project assigned to Archeological Survey of India.

### **13<sup>th</sup> Finance commission Award (2011-2015)**

#### **Conservation of Mubarak Mandi Heritage Complex at a cost of Rs 50.00 crore**

<b>Components</b>	<b>Cost (Rs. in crore)</b>
a. Restoration & conservation of Raja Amar Singh Palace	22.06
b. Restoration & conservation of Dogra Art Museum, Badi Deori, Royal Court & Gadvai Khana	19.61
c. Restoration & conservation of Mahal of Raja Ram Singh's Queens	10.40
<b>Total: -</b>	<b>52.07</b>

Ist installment of Rs. 8.51 crore released/ utilized to the implementing agency for the project by Ministry of Finance/Culture, GOI. The Utilization Certificate has been submitted to Ministry of Finance, GOI for release of next installment.

#### **Incentive Scheme**

*Incentive Rules were modified and made applicable from Ist April, 2012. The Incentives available to Private Sector now have:*

- Areas extended for eligibility of incentives;
- Incentives in the shape of Capital Subsidy for Taxi Operators for Purchase of New Vehicle as well as replacement/up gradation brought upto a Ceiling of Rs. 7.00 lac;
- Increase in capital investment subsidy upto Rs. 1.00 crore for setting up of prestigious tourism units costing more than Rs 25.00 crore.
- Investment subsidy for modernization of travel agencies brought to 50% of project cost with an upper ceiling of Rs 4.00 lac.
- Ceiling of Subsidy for DG sets increased to Rs 4.00 lac.

- Ceiling of subsidy for adventure equipment increased up to Rs 7.00 lac

#### ***Opening up of New Destinations having high Tourism Potential***

- 20 Destinations covered for exploitation of tourism potential in the last few years by creation of Development Authorities as against the earlier focus on five of them only;
- The off beat destination in state like Gurez, Bani-Basholi, Lolab-Bungus, Kokernag-Sinthantop, Verinag-Doda, Bhaderwah-Achabal, Poonch-Rajouri, Marigan Hills in Kishtwar, Zanaskar etc which are being developed through area specific Tourism Development Authorities will be further developed and promoted so that the tourist footfalls in equitably distributed.

#### ***Focused and Regulated Development of Major Tourist Destinations***

- Following 20 Development Authorities created:  
Gulmarg, Pahalgam, Sonamarg, Yousmarg, Dodpathri, Verinag, Kokernag, Leh, Kargil, Patnitop, Lakhanpur-Sarthal, Aharbal, Manasbal, Zanaskar, Rajouri, Poonch, Bhaderwah, Kishtwar, Surinsar-Mansar and Lolab-Bungus-Drungyari.
- Master Plans prepared for Bhaderwah, Kokernag, Yousmarg, and Sonamarg Dev. Authorities.
- Master Plans under preparation for the other destination are at various of stages of preparation.
- BOCA functioning for regulating development/ building construction.
- Long awaited Tourism Policy has been drafted and has been circulated among the stake holders and the departments for seeking their views and comments, before its adoption.

#### **DEV. OF INFRASTRUCTURE RECENTLY**

- Reconstruction of TRC Srinagar as Tourist City Centre, taken up for execution at a cost of Rs. 9.76 crore is at advance stage of completion
- Construction of TRC at Kokernag at a cost of Rs. 109.60 lac has been completed with main component such as 8 rooms, Hall etc,
- Dev of Bagh-i-Gulistan park at Jogigund Achabal, Kokernag has been completed at a cost of Rs. 380.00 lac having components such as Huts ( 4 nos) fencing of garden, landscaping etc.
- Dev. Of Shrine Complex at Bab Reshi Tangmarg (Phase I) Gulmarg has been completed at Rs. 121.63 lac with main components like Tourist Reception Centre , Toilet Block, Parking Wayside facilities etc.
- Integrated Dev. of Bosian Bungus-Lolab -Drungyari Reshwari Gurez by Directorate of Tourism Kashmir has been completed at a cost of Rs. 486.90 lac with the components like 2 rooms Guest house ( 5 Nos), Aarmagah/Shelter Sheds, Tourist information Centre, Dev of Camping sites (3 Nos) etc.
- Dev. of Resort area at Gulmarg has been completed at a cost of Rs. 398.26 lac

with main components like 2 Bed Room huts ( 13 Nos), Toilet Blocks ( 10 Nos) etc.

- Societies for Jammu Tawi Golf Course and Lidder Valley golf Course has been set up.
- Rs. 4.50 crore for SPS Museums Srinagar has been got released by Ministry of Culture GOI against the agreed allocation of Rs. 6.00 crore.
- CFA of Rs. 0.65 crore has been released for Abhinav Theatre and Tagore Hall from Ministry of Culture, GOI.
- CFA of about Rs. 35.00 crore has been released by MOT, GOI under PIDDC Scheme for creation tourist related infrastructure
- SRO 21 has been issued in supersession of SRO 88 dated 25th March 2008 has been issued by Government to exempt payment of entry tax leviable under the said Act, goods imported for construction, expansion and modernization of Hotels
- SRO 22 has been issued to exempt payment of entry tax leviable under the said act on furniture, office equipment/good imported into the State by Hotelier(s) as replacement for furniture/office equipment/goods destroyed during unprecedented floods of September 2014.

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## Chapter 9

# Social Infrastructure

### Health

Health is a state of complete physical, mental and social well-being, and not merely the absence of disease or infirmity. The economic development of a country is directly related with the improvement in the living standard of people in general and health services in particular.

The Department is committed to safeguard and promote health care for the people by focusing on infrastructure development, availability of manpower and medical equipments.

### Human Resources

The doctor patient ratio in our State is 1:2104 as against the recommendations of World Health Organization (WHO) of 1:1000, which is grossly in-sufficient. Against the sanctioned strength of 6609 doctors in Govt. health institutions, 5839 posts have been filled up. In addition to this, 1432 MBBS/AYUSH doctors have also been hired on contractual basis under National Health Mission.

Similarly, against the sanctioned strength of 20664 posts of paramedical staff, 17504 are in position and 4374 paramedics engaged on contractual basis under NHM.

With the establishment/ up-gradation of new health institutions, 458 posts of Medical Officers have been created for the purpose. These posts are in the process of being referred to recruiting agency for making selection.

### Health Institutions

There are 5532 Govt. Health institutions at primary, secondary and tertiary levels including newly sanctioned 826 sub centres, 371 NTPHCs and 87 ISM Dispensaries,

### Patient Load

It is evident from the year to year analysis of figures regarding the patient load that the general masses have once again shown inclination towards the public health services. Following table reflects the workload during the last three years:

S. No	Particulars	Unit	2012-13 (March 2013)	2013-14 (March 2014)	2014-15 (ending Jan.2015)
1	OPD*	lacs	226.16	259.94	216.26
2	IPD	lacs	9.93	12.45	7.18

3	Major Surgeries	lacs	1.18	1.47	0.91
4	Minor Surgeries	lacs	4.06	4.93	4.42
5	Institutional Deliveries	%age	86.91%	83.77%	85.20%
6.	Immunization {DP, Measles(1st+2 <sup>nd</sup> ), BCGW) 2 <sup>nd</sup> Booster}	lacs	1.69	7.05	5.49 ( ending feb,2015)
<i>*OPD includes old &amp; new cases, ante-natal check-up, Immunization etc. during a year</i>					

### Swine Flu

For the first time in the Medical History of the State the epidemic called Swine flu has made an intrusion, mostly affecting the old- aged persons, children, pregnant women and in general the people with weak immunity. In order to combat such situation and to curtail it from spreading further, the State Health machinery despite limited resources established the isolation wards comprising of 04 and 02 beds at each District and Sub-District Hospitals, respectively. In addition to this, an isolation ward comprising of 25 beds was also established at Chopra Nursing Home, GMC, Jammu. Further, to narrow down the suspected Swine-Flu cases, the sample collection center was established at Chopra Nursing Home within the premises of Government Medical College, Jammu. For the convenience of general public, two laboratories namely SRL, at Gandhi Nagar and LAL Path at Rehari were authorized to collect the samples on behalf of Government. The samples hence collected at these places were sent to NCDC-Sham Nath Marg, New Delhi for further analysis.

To prevent the outbreak of this disease, the State cabinet took a decision on 02/03/2015, in which approval to the establishment of two H1N1 diagnostic laboratories was accorded, one each at Chest Disease Hospital, Srinagar and Govt. Medical College hospital, Jammu. Accordingly, State Planning department released the funds to the tune of Rs. 5.16 Crore and Rs.6.30 Crore in favour of Principal, Govt. Medical College, Srinagar/Jammu, respectively. These diagnostic laboratories shall be made functional shortly.

The details of samples collected, patients screened and available stock of drugs & equipments, as on 11/03/2015, is given as under:

<b>Table No 2: Details regarding samples</b>			
<b>Samples Collected</b>	<b>Samples Tested</b>	<b>Samples found Positive</b>	<b>Report pending</b>
1180	1061	435	119

<b>Table No 3: Details of patient</b>			
<b>Patients Screened in OPD</b>	<b>Patients Admitted</b>	<b>Patients Discharged</b>	<b>Deaths Occurred</b>
21576	149	100	21

## Health Indicators

The health system in the State has dramatically changed from what it was a decade ago. Infant Mortality Rate which indicates the death of children before the age of one year per thousand live births is sensitive indicator of the health and nutritional status of population. Reducing Infant Mortality Rate (IMR) is the major objective of National Health Mission (NHM). The State has achieved a significant improvement in the IMR over the period. The IMR has fallen from 52 in 2006 to 37 in 2014. The Fertility Rate (TFR) measures the number of children born to a women during her entire re-productive period has also come down to 1.9 from 2.3. The Leprosy and Polio are near elimination. As a result of various interventions taken up under NRHM, mother and child health indicators in the State except few have improved and are relatively better than the national average. The trend analysis of these indicators is shown below:-

Year	Infant Mortality Rate (IMR)		Neonatal Mortality Rate (NMR)		Early Neonatal Mortality Rate (ENMR)		Total Fertility Rate (TFR)	
	J&K	National Average	J&K	National Average	J&K	National Average	J&K	National Average
2011	41	44	32	31	26	24	1.9	2.4
2012	39	42	30	29	23	24	1.9	2.4
2013	39	42	32	31	26	24	1.9	2.4
2014	37	40	29	28	24	22	1.9	2.3
Source: SRS bulletin September, 2014								

Indicators	National Average	J&K State
Maternal Mortality Ratio(MMR)	212*	70*
Birth Rate	21.4*	17.5*
Death Rate	7.0*	5.3*
Child Sex Ratio (0-6 years) Census 2011	914	856
Life Expectancy (In years) Census 2011	Male	63.95
	Female	67.08
*SRS 2013		

## Investment in health sector

The per capita spending under Plan, Non-plan and Centrally Sponsored Schemes (NHM) is Rs. 1810/-. The total annual financial resources available with the department are Rs. 2263.07 Crore.

## Infrastructure Development

Presently, there are 86 health projects under execution in the department with break-up as under:-

				Rs. in Crore
S. No.	Category	No. of projects	Est. cost	Balance cost
1	District Hospitals	14	466.74	198.14
2	Sub District Hospitals	46	554.72	303.21
3	Primary Health Centres	26	55.08	15.14
	<b>Total</b>	<b>86</b>	<b>1076.54</b>	<b>516.49</b>

## Ambulance Services

Admittedly a patient, who receives basic care from trained professional and is transported to the nearest health care facility within 15-20 minutes in an emergency has the better chances of survival. The terms like “**The golden hour**” and the “**Platinum 10 Minutes**” imply the importance of the Emergency Medical Services (EMS) all over the world, an essential part of the health care services, as it saves life by providing the care immediately.

Our State has 956 ambulances deployed across the State in different health institutions.

## National Health Mission

National Rural Health Mission (NRHM) was started in the year 2005 in the State. The basic objective of NRHM is to bring architectural corrections in the existing health care delivery system with main focus on maternal and child health care. The prime objective of National Health Mission is to reduce the Maternal Mortality Ratio (MMR), Infant Mortality Rate (IMR) and the Total Fertility Rate (TFR). The gains of the flagship programme of National Rural Health Mission (NRHM) have now been extended to the poor and vulnerable urban population with the launch of National Urban Health Mission (NUHM) to promote universal access to a continuum of health services. NRHM has now been renamed as National Health Mission (NHM) with two sub-missions, viz; National Rural Health Mission (NRHM) and National Urban Health Mission (NUHM), which will cover the villages as well as towns.

The funding pattern under National Health Mission was in the ratio of 85:15 between the Centre and the State upto the financial year 2011-12 excluding the first two years when NRHM was funded 100% by the GOI. However, from the financial year 2012-13, the funding is being received on 90:10 basis.

Since the inception of NRHM, the Ministry of Health and Family Welfare, GOI has released **Rs. 1371.05** Crore against which an amount of **Rs. 206.25** Crore has been provided as State Share till date. Out of the total availability of **Rs. 1577.30** Crore (Rs. 1371.05 Crore + Rs. 206.25 Crore), 85.26% stands utilized so far.



## **Major interventions under National Health Mission**

### **Child Health**

In order to improve the Infant Mortality Rate, Sick New Born Care Units (SNCUs) have been set up in 15 District Hospitals, New Born Stabilization Units (NBSUs) in 76 First Referral Units (FRUs) and New Born Baby Corners (NBCCs) in 279 PHCs. This is a major intervention in promotion of child health particularly by providing essential and emergency new born care facilities. Efforts have also been made to strengthen the Neonatal Intensive Care Units (NICUs) in Lal Ded Hospital, GB Pant Hospital in Srinagar and SMGS Hospital in Jammu. These units have been provided support in terms of equipments, drugs etc. Home based neonatal care (HBNC) has also been initiated to tackle the problems of infant mortality rate. State Trainers, District Resource Persons (DRPs) and ASHAs have been trained in HBNC. The 13<sup>th</sup> Finance Commission Award has supplemented a budget provision of Rs. 27.22 Crore for reducing the Infant Mortality Rate as a major initiative in this direction.

### **Maternal Health**

National Health Mission has proved successful in implementation of various schemes with focus on improvement of maternal health indicators. The State has achieved 3+ANC at 87%, institutional deliveries have improved from 55% in the year 2007-08 to 85.11% in 2013-14 which is better than the National Average figure of 72.9%. The birth rate of the State has also come down by 1.0 from 18.6 (per 1,000) in 2009 to 17.5 in 2014 as against National average of 21.4. Maternal Health Schemes like; Janani Suraksha Yojna (JSY) and Janani Shishu Suraksha Karyakram (JSSK) mainly focus on promotion of institutional deliveries. Mothers and Children together constitute 57.5% of total population and they are the major consumers of the health services. They are also a vulnerable/special risk group.

The **Millennium Development Goal (MDG)** place health at the heart of development and represent commitment by the governments throughout the world to contribute effectively towards the achievement of these goals. The MDG requires to:

- Reduce Child Motility; and
- Improve Maternal Health

### **Facility Operationalization (FRUs, PHCs 24x7)**

The performance of health facilities designated as FRUs, PHCs 24x7 and others is gauged through the benchmarks laid down by the Ministry of Health & Family Welfare, Govt. of India. The health institutions which are conducting deliveries as per the following bench marks are considered as delivery points:

- District Hospital conducting 50 or more deliveries per month;
- FRU conducting more than 20 deliveries per month;
- PHC 24x7 conducting more than 10 deliveries per month; and
- Sub-Centre conducting more than 3 deliveries a month.

The status of health institutions functioning as delivery points as per the GOI benchmarks as on date is as follows:

<b>S. No.</b>	<b>Category of health institutions</b>	<b>No.</b>	<b>Functional delivery points</b>
1.	District Hospital	22	23
2.	First Referral Unit (FRU)	76	53
3.	CHCs (Non-FRU)	8	3
4.	PHC 24x7	199	44
5.	Normal PHC	199	5
6.	Sub Centre	2720	33

### **Janani Suraksha Yojna (JSY)**

The JSY is being implemented in all government hospitals including SMGS, Lal Ded and SKIMS hospitals to enable increased no. of institutional deliveries and reduce maternal, infant mortality and in particular neo-natal mortality by promoting institutional delivery among the needy and poor pregnant women of rural and urban areas. The number of women beneficiaries has increased from 91,887 in the year 2009-10 to 1,43,129 in 2013-14.

### **Janani Shishu Suraksha Karyakaram (JSSK)**

With the launch of the Janani Suraksha Yojana (JSY), the number of institutional deliveries has increased significantly. There are 20 to 25% pregnant women who still hesitate to access health facilities, however, to encourage women to stay for 48 hrs at the facility after delivery and to make zero out of pocket expenditure for pregnant women and sick neonates, Janani Shishu Suraksha Karyakaram (JSSK) was started in the State in the year 2011-12 with a view to encourage all pregnant women to deliver in Public Health Facilities and fulfill the commitment of achieving cent percent institutional deliveries. During the financial year 2013-14, the scope of the scheme was extended to cover the infants as well as complications during ante-natal and post-natal period.

### **J&K Health Referral Transport Service No. 102**

The primary objective of the Scheme is to provide transportation services to pregnant women and sick neonates under JSSK. For this purpose two call centers have been set up, one each at Jammu and Srinagar which regulate / manage the ambulances centrally, these call centers have been provided with toll free telephone lines ( 102 ). Under this scheme, the main focus has been given to the Maternal and Child Health related emergencies, thereby, augmenting institutional deliveries and reducing MMR and IMR. 102 ambulance services are supported with Vehicle Tracking Management System (VTMS). Out of the existing fleet of ambulances operating at District Hospital, Sub District Hospital/ Community Health Centre/ Primary Health Centers in the state, about 400 ambulances have been engaged for the purpose.

## **Rashtriya Bal Swasthya Karyakaram (RBSK)**

Rashtriya Bal Swasthya Karyakaram (RBSK) a “Child Health Screening and Early Intervention Services – Programme” under National Health Mission initiated by the Ministry of Health & Family Welfare, GOI was approved for the entire State in October, 2013. The objective of this initiative is to improve the overall quality of life of children (0-18 years) through early detection and free treatment of four diseases:

- Birth Defects
- Disease
- Deficiencies
- Development Delays including Disability

The Programme aims to cover all children in the age group of 0-18 years in rural and urban slums, and children enrolled in AWCs and government aided schools. Manpower has been hired for 234 Mobile Health Teams and 22 District Early Intervention Centres (DEIC).

## **Family Planning**

The total fertility rate of the State has come down from 2.2 in 2008 to 1.9 as against the national average of 2.3. The State has already achieved the replacement of fertility. However, the family planning activities are to be continued to sustain the level of fertility. The main objective of the family welfare programme is to provide beneficiaries the need based, clientele centered with ultimate aim of population stabilization and immunization. During the year 2013-14, 638 male sterilization and 15560 female sterilization were conducted.

## **Immunization Programme**

Immunization of children is one of the important interventions to reduce child mortality and morbidity. Immunization programme was launched in the year 1978 and is continuing till date to protect the children against seven killer diseases i.e. Tuberculosis, Tetanus, Pertussis, Diphtheria, Poliomyelitis, measles and Hepatitis B.

## **Mother & Child Tracking System (MCTS)**

This scheme was initiated in the year 2011-12, to keep track of services being provided to pregnant women and children, like; ante-natal, post- natal checkups and immunization. Under this scheme, a unique identification number is provided to the pregnant women/ child for tracking the services due to them. The districts with poor internet connectivity are being provided VSAT facility, viz. Leh, Poonch, Kargil, Rajouri. 1,55,720 pregnant women and 1,12,268 children were registered under the scheme till date.

## **Training of doctors/paramedics**

This is an area of high priority under NHM. A comprehensive training programme is being chalked out every year to provide training for skilled birth attendance, life saving skills in anesthesia, training of medical officers in neo-natal care, etc.

## **Child Sex Ratio**

In view of the deteriorating situation of child sex ratio, various initiatives have been taken under NHM. Implementation of the PNMT Act has been given priority. The existing committees under the PC-PNMT have been re-constituted. At the same time, IEC activities seeking prevention of misuse of modern technology in sex selection have been taken up.

## **Mainstreaming of AYUSH**

The department has provided one ISM doctor at each PHC. This is meant to provide an option to the patient of choosing either the allopathic system or the traditional Indian system of medicine. The drugs are also being provided for all PHCs, selected CHCs and District Hospitals (where AYUSH units have been set up by the Directorate of ISM).

## **Engagement of ASHA (Accredited Social Health Activist)**

The ASHA has now become a vital link between community and the health system over the period of time. She is being involved in all maternal and child health care services. The Ministry has approved an assured incentive of Rs.1000/- per month in lieu of performing some mandatory activities. The other incentives shall also be continued subject to their performance. During the current financial year 11,686 ASHAs were engaged (up to Feb, 2015).

## **Major Achievements of the years 2013-14 and 2014-15.**

- The State Health Department was conferred with the following awards during last two years.
  1. First prize in Population Stabilization.
  2. 2nd prize in OPD in health institutions.
  3. 3rd prize for increase in patient care and surgeries.
  4. AYUSH appreciation for valuable services.
  5. State Award on Best Practices and Innovations.
- Establishment of Five new Medical Colleges (03 in Jammu and 02 in Kashmir) have been approved to be set up.
- Two State Cancer Institute's (one each at Jammu and Srinagar) have been approved to be set up.
- 03 Tertiary Cancer Care Institutes for District of Kishtwar, Udhampur and Kupwara have been approved to be established.
- Super Specialty Hospital Jammu at a cost of Rs. 120.00 crore was completed and commissioned. The IPD services in 05 disciplines and OPD in 08 disciplines started.
- Super Specialty Hospital Srinagar at a cost of Rs. 120.00 Crore is nearing completion. Target date of completion ending March 2015.

- National Urban Health Mission (NUHM) launched in the State. In Phase-I, it will cover 07 towns namely; Srinagar, Anantnag, Baramulla, Sopore, Jammu, Udhampur and Kathua.
- Rashtriya Swasthya Bima Yojna (RSBY) was successfully launched in two districts on pilot basis and extended to ten more districts of the State. Under this Scheme, the health insurance is given to the BPL families with cashless hospitalization up to Rs. 30,000/= per family per annum.

For providing specialized treatment in Tertiary Care, the high end hospital equipments have been procured, like; CT Scan, Linear Accelerator, Lithotripsy, Eximer Laser, MRI machine, etc.

- The Medical Mobile Units (MMU's) are provided with an objective to take health care services to the door steps in rural and far-flung areas especially in under-served population of the State. Under this scheme, 11 districts namely; Kupwara, Anantnag, Bramulla, Leh, Udhampur, Rajouri, Doda, Poonch, Ramban, Reasi and Kisthwar have been taken up in the first phase. During the year 2014-15, 50441 patients were treated and 48665 patients investigated. Keeping in view the success of this programme, there is a need to extend the scheme to left-out districts.
- 13 ventilators in intensive care units, 06 Bubble CPAP Ventilators and 20 Baby Care Warmers have been installed in G.B Panth/Children Hospital, Srinagar in order to cater the critical areas.
- To overcome the shortage of paramedics in the Public Health Facilities, the intake capacity in existing ANMT Schools and AMT Schools of GMC Jammu/Srinagar has been enhanced from 968 to 2358 and 510 to 1020 seats, respectively.
- To overcome the shortage of doctors in the government run institutions, the intake capacity in MBBS seats has been increased from 100 to 150 in Govt. Medical College Jammu /Srinagar and from 50 to 100 in SKIMS, Medical College, Bemina Srinagar (i.e 250 to 400 seats in total).
- 18 insulated vans provided under Teeka Express programme to vaccinate children at their door steps, especially in remote and low performing districts.
- 15 Special New Born Care Units (SNCUs) operationalized in District Hospitals for providing specialized care to the sick neonates.
- Up-gradation of 371 sub-centres to the level of New Type Primary Health Centres (NTPHCs) has been sanctioned.
- 87 new ISM dispensaries have been sanctioned.
- 826 new sub-centres have been sanctioned under NHM during the current financial year.

## **Education**

A well-educated and skilled population not only drives economic and social

development but also ensures personal growth. The spread of education in society is at the foundation of success in today's globalised world, where the real wealth of a country or state is not in its tangible natural resources but in knowledge.

As a consequence of sustained investment in education sector, there has been an exponential growth of the institutional network. The number of educational institutions in public sector reached to 24265 and those in private sector to 5292 in the State. The total enrollment has also increased to 27.41 lakh out of which the enrollment in primary classes is 10.97 lakh, in middle 7.06 lakh, in High / Higher secondary schools 9.38 lakh.

### **Towards Universal Literacy**

With the planned interventions and sustained efforts, considerable progress has been made in the state in the field of literacy. As already stated that at the time of independence the literacy rate of the state was only five per cent. Census 1961 put the literacy rate of the state at 11.03% which increased to 18.58% during 1971 census. In 1981, the literacy rate was recorded at 26.67% and the projection for 1991 was made at 45% as no census was carried out during later period. During the decade 2001-2011, literacy rate increased from 55.50% to 68.74% in the State as against 64.84% to 74.04% at the national level.

### **Gender Gap in Literacy**

Gender differential exists both in rural and urban areas, but it is high in rural areas. This can be attributed to a number of factors like Social dogmas, engagement of girl child in agricultural and other domestic activities etc. At the national level, the gender gap in literacy has decreased drastically from 25.06% in 1961 to 21.59% in 2001 and further to 16.68% in 2011. Contrary to this, the gender gap in literacy increased in the state from 12.71% in 1961 to 23.60% in 2001. Accordingly, the Govt, both at national and state level made all out efforts to reduce the gender gap in literacy. A number of steps for accomplishment of the goal of bridging gender gap in literacy were taken-up and these include National Programme for Education of Girls at Elementary level (NPEGEL), Establishment of Kasturba Gandhi Balika Vidyalas (KGBVs), Free Text-Books/ Scholarships, Community mobilization, Establishment of Women ITIs and Women wings in the existing ITIs, reservation of half of the seats for females in the Medical Colleges, Focus on adult female illiterates under Saakshar Bharat Mission (SBM) etc. As a result of these measures, the state has been able to break this impasse and put a halt to the ever increasing trajectory of gender gap for the first time during the decade 2001-2011 when the gender gap got reduced to 20.25%. This was possible only due to higher rate of increase in the female literacy viz; by 15.01% as against 11.66% recorded for males during 2001-11.

S. No	Census year	Males		Females		Gender gap in literacy
		Male literacy rate	Increase in literacy %age over the preceding census year	Female literacy rate	Increase in literacy %age over the preceding census year	
1	1961	16.97	-	4.26	-	12.71
2	1971	26.75	9.78	9.28	5.02	17.47
3	1981	36.29	9.54	15.88	6.60	20.41
4	2001	66.60	30.31	43.00	27.12	23.60
5	2011 (Provisional)	78.26	11.66	58.01	15.01	20.25

### **Dropout rate**

Ever since the launch of Sarva Shiksha Abhiyan (SSA), Mid Day Meal Scheme (MDMS) and initiation of host of steps like provision of free text-books, scholarships, various educational facilities at an easy reach etc, the state has been able to reduce the drop-out rate. The dropout rate at Primary level has declined to 6.24% and at Upper Primary level declined to 5.24%. It is hoped that the dropout rate will certainly come down further and that too quite steeply in near future.

### **Sarva Shiksha Abhiyan**

The Sarva Shiksha Abhiyan (SSA) is primarily a flagship programme aimed at achieving universalization of elementary education, enrollment of all Out of School Children (OoSC) in Schools by 2012, retention of all OoSC in Upper Primary stage by 2012, thrust on quality education and bridging gender and social category gaps in enrollment, retention and learning besides development of school infrastructure. To achieve the goals of above mentioned interventions, a survey named "TALAASH" to identify OoSC was conducted throughout the state in 2012-13. After collection, compilation and analysis, of data, so collected the OoSC population found is 59061. In the year 2013-14, 9242 OoSC have been main-streamed into nearby schools. Rest of the children proposed to be mainstreamed were 49819 in different interventions like NRBC level I, II, III, RBC-KGBV, CWSN & residential facility.

For Nomadic population in Seasonal Centers, the progress made during 2013-14 was upto mark, 30183 children belonging to nomadic group were covered under 1228 Seasonal Centers. However for the year 2014-15 the proposed children for nomadic in 1290 Seasonal Centers were 32271, but unfortunately MHRD approved for only 5032. The issue has been taken up with the MHRD. As per information received from the Districts, there are 29350 habitations in the State. 10894 Primary Schools have been sanctioned by the MHRD till date. Ninety nine residential schools under KGBV for girl students have been opened in economically and educationally backward areas.

A pilot programme named "Learning enhancement through active Pedagogy (LEAP)" has been launched in all the upper primary schools of the State. Under this programme, learning corners in Science, Mathematics, Social science and languages

were established upto 2014-15 in 9673 UPS of the State. In these learning corners, students with the help of their teachers prepare teaching learning materials (TLM) and displays in learning corners which are used during class room transaction, thus enhancing the creative side of the children which is generally ignored. Two sets of free uniform is provided to 1087678 children @ Rs 400/- per child during 2013-14. 8245 Upper Primary Schools have been provided Mathematics & Science Kit during the year. For the year 2013-14, free supply of Text books to 753330 children (including BPL, SC, ST, Boys, Girls etc) in Primary & Upper primary school (through BOSE) has been made.

In the year 2013-14 to enhance quality education, In-service teacher training was provided to 7124 teachers and to strengthen BRCs & CRCs, training was provided to 2000 BRCs & CRCs.

### **Initiatives for Girl Education**

For accomplishment of the goal of bridging gender gap in literacy, National Programme for Education of Girls at Elementary Level (NPEGEL) is a focused intervention aimed at enhancing girl education. This intervention provides for development of "Model School" in every cluster with more emphasis on girl enrollment especially dropouts and never enrolled once. It provides need based incentive like stationery, books, sports equipment's etc for girls in the identified schools. So for 593 Model Schools have been established under this intervention.

Kasturba Gandhi Balika Vidyalaya (KGBV) is yet another initiative for enhancing girl education. It is a scheme for setting up residential schools at upper primary level for adolescent girls belongs to SC, ST, and OBC community. Under this intervention, the enrolled girl students are provided with free boarding and lodging facility including the day to day expenses. So far 99 KGBVs have been established.

### **Beti Anmol**

The State Government rolled out "Beti Anmol" scheme during 2011-12 with a view to arrest post matric dropout rate of girl students belonging to Below Poverty Line (BPL) and enhancing their employment prospects. Under the scheme, an amount of Rs. 5000/- is to be given as incentive to the girl students of Educationally Backward Blocks, who pass their matriculation examination and get themselves enrolled in the 11th class. The incentive is given in the shape of a bank deposit the amount of which is en-cashable only after the students pass their 12th class examination. Beti Anmol scheme is presently catering to the girl students hailing from 97 educationally backward blocks of the state. The ultimate objective of this new initiative is to encourage the education of the girl students in the State. The Scheme is operative from academic session 2011-12 both for winter and summer zones. 5955 girls students were provided incentive during 2012-13 and 5335 girls students were provided incentive during 2013-14, ending March, 2014.

### **Rashtriya Madhyamik Shiksha Abhiyaan (RMSA)**

The HRD Ministry, GOI devised a secondary education scheme called Rashtriya Madhyamik Shiksha Abhiyaan (RMSA) during 11th FYP at a total cost of Rs. 20,120



crore.

Rashtriya Madhyamik Shiksha Abhiyaan (RMSA) is aimed at expanding and improving the standards of secondary education – classes XI to X. The RMSA would also take secondary education to every corner of the country by ensuring a secondary school (up to class X) within a radius of 5km for every neighborhood.

Rashtriya Madhyamik Shiksha Abhiyaan (RMSA) is the most recent initiative of Government of India to achieve the goal of universalization of secondary education (USE).

The vision/Objectives of RMSA are;

- a) The vision for secondary education is to make good quality education available, accessible and affordable to all young persons in the age group of 14-18 years.
- b) To provide secondary school within a reasonable distance of any habitation, which should be 5 Kms. for secondary schools and 7-10 Kms. for higher secondary schools.
- c) To remove gender, socio-economic and disability barriers.
- d) To ensure universal access of secondary education by 2017 (GER of 100%) and Universal retention by 2020.
- e) Major achievements registered under RMSA during 2013-14 are indicated in the statistical supplement.

### **Mid-Day-Meal Scheme (MDMS)**

In keeping with the constitutional provisions to raise the level of nutrition of children and enable them to develop in a healthy manner, the Government of India launched the scheme “National Programme of Nutritional Support to Education (NP-NSPE)”, commonly known as Mid-Day-Meal Scheme (MDMS) during the year 1995. MDMS was expected to enhance enrolment, retention, attendance of children in schools apart from improving their nutritional levels. This was extended to upper primary (classes VI to VIII) children at the national level in 3479 EBBs in 2007 and then universalized at the elementary level in the year 2008. MDMS is primarily managed and implemented by School Management/Village Education Committees.

During 2011-12, 2012-13, 2013-14 and 2014-15, 41.92 lakh students have been covered under MDM Scheme. 2258 Kitchen-cum-stores were constructed during 2011 to 2013 and funds for construction of 6000 more such Kitchen-cum-stores have been released during the year 2012-13. Besides, 29437 number of Cook cum helpers engaged till date against 33268 of PAB approval.

### **Saakshar Bharat Mission Programme**

A new initiative for Adult Literacy has been taken at the national level and 20 districts of J&K, having less than 50% Literacy Rate as per Census 2001, were approved under Saakshar Bharat Mission Programme. This is another major flagship scheme and focuses on the female adult literacy in the age group of 15

years and above across the state excepting erstwhile Jammu/Samba District.

### **Improving Quality of Education**

The state has adopted the norm of 1 km distance for the purpose of establishment of a primary school to serve requirement of the community to the desired extent. As a result, the state has been able to provide primary school within the easy reach of students. Similarly, with regard to the up-gradation of schools, the policy framework has been liberalized. The state is now performing better in the field of education as compared to many other states of the country, despite many constraints. Besides, focus on Teacher Education by incurring the budgetary provisions under SSA/RMSA and State Sector, exposure visits of teachers to other states has been the latest initiative in getting the teachers acquainted about the strides made by other states in quality education.

### **Higher Education**

Higher education is critical for developing a modern economy. It equips young people with skills relevant for the labour market and the opportunity for social mobility. It prepares all to be responsible citizens who value a democratic and pluralistic society. Thus, the nation creates an intellectual repository of human capital to meet the country's needs and shapes its future. The Department of Higher Education is charged with the responsibility to monitor and regulate the dissemination of Higher Education above 10+2 level in the state by extending education facilities by opening of Colleges and Universities.

Over the years, J&K has achieved many milestones in higher education. The number of colleges providing education in 1950-51 was just 07 out of which 01 college was for female students. Upto 1999-2000, the number of colleges increased to 33 including 07 women colleges. By the year 2013-14, the number of colleges has increased to 95 including 12 women degree colleges. Two Central Universities, one each at Jammu and Srinagar, are functional in the State. Five universities, i.e. two State universities, two Govt. aided universities and one Private University with intake capacity of 11,400 students, are also functioning in the State. In addition, 15 offsite campuses of Universities of Kashmir & Jammu have been approved, out of which 9 campuses have been established, mostly in far-flung areas.

Access to Higher education is measured in terms of the General Enrollment Index popularly known as General Enrollment Ratio (GER) and College Population Index. With increase in the number of higher educational institutions, the general enrollment in the colleges also increased from 2669 in 1950-51 to 1.89 lac in 2013-14. The Gross Enrollment Ratio of the State is 16.9%, which is below the national average (19.4%). The female GER(16.8%) is better than national average(12.7%). The Govt. of India, MHRD has set GER target of 22% at the national level to be achieved by 2020. The State is also aiming at achieving this GER target of 22% by the end of 2020. However, it requires a matching expansion in capacity of educational institutions viz-a-viz the strategy centered on enhancing the intake capacity of educational institutions.

To reduce the disparities based on gender, caste and region and to provide equal

opportunities of higher education to the age group of 18-23 is a major challenge to be overcome. The GER in urban areas is higher compared to rural and backward areas and same is the case with male/ female disparities in the enrolment rate. The GoI has identified 374 districts as educationally backward in the Country out of which 11 districts are in the J&K State. All these districts are being covered with one college each with 50% State contribution.

### **Establishment of New Degree Colleges**

36 Degree Colleges were established from the year 2005-08 which included 24 Degree Colleges under PMRP Phase-I & II , 04 degree colleges with 100% assistance from the UGC and 08 Degree Colleges under the State Plan. In addition to this, 23 Degree Colleges were sanctioned/ made functional during 2010-11 & 2011-12 which includes 11 Model Degree Colleges in Educationally Backward Districts. A total of 45 Degree Colleges out of total of 95 Degree Colleges stand established in the State during the 11th Five Year Plan which signifies the importance attached to higher education by the State. It is imperative to mention that 1129 posts of Assistant Professors have been created for various Government Degree Colleges of the State.

To promote fundamental research in frontier disciplines of the mathematical and physical sciences, J&K Institute of Mathematical Sciences (JK-IMS) has been established/ made functional in the State at Srinagar with a sub-office at Jammu.

Colleges mostly in rural areas have been provided transport facilities by purchase of 50 buses during the last four financial years. Under Annual Plan, an amount of Rs 108.75 crore stand approved for creation/ up-gradation of infrastructure in various Government Degree Colleges of the State including the two State universities and three State aided universities.

With the untiring efforts of the State Higher Education Department, the Project Approval Board-GoI, under the centrally sponsored scheme Rashtriya Uchchar Shiksha Abhiyan (RUSA), has approved establishment of the two Cluster Universities in the State one each at Srinagar and Jammu, establishment of two professional colleges at Safapora (Ganderbal) and Kathua; up-gradation of 3 existing degree colleges viz GDC, Ganderbal, GDC, Shopian, and GDC, Samba to the level of Model Degree Colleges, introduction of vocational courses in 20 degree colleges; up-gradation of infrastructure of the two State universities; and up-gradation of infrastructure of 22 existing degree colleges. An amount of Rs 118.1446 crore have been approved for release during the current financial year 2014-15 including 10% state share.

### **NAAC Accreditation & ICT initiatives**

Two Women Degree Colleges one each at Parade, Jammu and Gandhi Nagar, Jammu have been assigned "A" Grade Accreditation by NAAC after inspection from the Peer Team. 53 Degree Colleges were covered under ICT Mission and provided Broadband facilities through BSNL in the first phase. EDUSAT facilities under auspices of ISRO have also been provided in two hubs, one each at Govt. Women Degree College, Gandhi Nagar and Govt. Women Degree College, M.A. Road, Srinagar and these Colleges are connected to nearly 53 Govt. Degree Colleges

through Satellite inter active terminals for transmitting quality study material to them.

### Universities

Two Central Universities were established during the year 2011 and were made functional during the same year. The details of students enrolled and the faculty available in the universities is given hereunder:

Central University of Kashmir:

<b>Table No 9</b>			
<b>S. No</b>	<b>Year</b>	<b>Faculty</b>	<b>Students enrolled</b>
1	2013	75	121
2	2014	83	150

Central University of Jammu:

<b>Table No 10</b>			
<b>S. No</b>	<b>Year</b>	<b>Faculty</b>	<b>Students enrolled</b>
1	2013	67	273
2	2014	72	304

An amount of Rs 117.00 Crore has been sanctioned for infrastructure development of seven campuses of the University of Jammu by the UGC at Bhaderwah, Udhampur, Reasi, Kathua, Ramnagar, Poonch and Kishtwar. Rs. 85.00 Crore were sanctioned by the UGC for infrastructure development of five off-site campuses of Kashmir University at South Campus Anantnag, North Campus Delina Baramulla, Kargil Campus Leh campus and Kupwara Campus.

New job oriented courses stand introduced by the University of Kashmir in Food Technology, Bio-Resources, Physical Education, Pharmaceutical Science, Geo-Informatics, Tourism Administration and Instrumentation Technology. Out of three private Universities, Mata Vaishno Devi University and BGSB University have obtained the status 12(b) of UGC and is as such qualified for UGC grants. The Islamic University of Science & Technology is in the process of getting covered under 12 (b) of the UGC.

There are two Government Aided Colleges functional in the State viz Gandhi Memorial College, Srinagar and Islamia College of Science & Commerce.

### Technical Education

**Technical Education Department** comprises of Polytechnic Sector, offering 3-year diploma after 10+ in various Engineering & Non-Engineering Courses approved by AICTE, New Delhi.

### Polytechnics at a Glance

<b>Table No 11</b>	
<b>Total Polytechnics (including 3 women Polytechnics)</b>	<b>32</b>
Government Polytechnics (06 old+ New 18)	24
Private Polytechnics	08

<b>Total Intake Capacity</b>	<b>6015</b>
Government	3445
Private	2570
Women exclusive	540
<b>Total Number of courses offered</b>	<b>23</b>

**ITI Sector**, offering 2year/1 year/6 months craftsman training in different Engineering & Non-Engineering trades approved by NCVT, New Delhi and SCVT, J&K.

#### **ITIs at a Glance**

<b>Table No 12</b>	
<b>Total No. of Industrial Training Institutes</b>	<b>88</b>
Government ITIs	54
Private ITIs	34
Women ITIs	11
Women Wings in ITIs	17
Designated Trades	70
Trade Units	882
Total intake capacity	<b>19452</b>

#### **Skill Development Mission (SDM)**

**Sanction** of Skill Development Policy for 12<sup>th</sup> Five Year Plan with sector-wise/year-wise targets along with key elements of the state policy besides broad parameters for business plan stands **accorded** after obtaining approval from the **State Cabinet vide Decision** No. 176/07/2012 dated; 27-09-2012 notified vide Govt. Order No. 160-Tech.Edu of 2012 dated 03-10-2012.

The J&K Skill Development **business plan** approved by the State Govt. for the 12<sup>th</sup> Five year Plan envisages year wise target for various sectors. Around **9.12 lac** target are to be achieved by various Departments viz. Technical Education, Industries & Commerce, Horticulture, Tourism, Information & Technology, Health, Animal & Sheep Husbandry, UDDAN and Himayat of which **2.78 lac** is meant for Technical Education Department during 12<sup>th</sup> five year plan. For Technical Education Department, **84,566** targets (**39753 & 44813**) has been fixed for 2012-13 and 2013-14 of which **24626** has been achieved in 2012-13 and **31091**, achieved during 2013-14.

#### **“Training of 8000 Youth of the State of J&K” (SDY-JK)**

- The target of 16000 candidates has been achieved in full in which 4000 youth have been trained within the State and 12000 youth trained outside the State through identified VTPs including Govt. ITI's and Polytechnics.
- Total Project outlay **Rs.23.08 Cr.** Funds released by GoI **Rs 12.64 Cr.** of which **Rs.12.489 Cr.** has been incurred till date. GoI has been requested to release an amount of **Rs.10.44 Cr.** to clear the liability to the VTPs & Assessing Bodies.

## POLYTECHNIC SECTOR

### Establishment of 18 New Polytechnics

- **18 New** Polytechnics established in the uncovered districts viz, Anantnag, Kulgam, Shopian, Pulwama, Budgam, Ganderbal, Bandipora, Baramulla, Kupwara, Kishtwar, Doda, Ramban, Reasi, Udhampur, Samba, Kathua, Rajouri & Poonch under Centrally Sponsored Scheme “**Submission of Polytechnics-under Coordinated Skilled Development Initiative**”.
- An amount of **Rs 12.30 crore** each (**Rs 8.00 crore** has been approved for Civil Works & **Rs 4.30 crore** for Equipment, Books, Furniture, LRs etc).

### Solar Power Plants

- Ministry of Renewable Energy, GOI sanctioned **03 solar power plants of 100 KW each** for Government Polytechnic, Bikram Chowk, Jammu, Kashmir Government Polytechnic, Srinagar and Government Women Polytechnic, Srinagar at the cost of **Rs.8.06 crores**. The Solar Power Plants have been installed and commissioned.

## ITI SECTOR

### Prime Minister’s Reconstruction Plan Phase -I

- Establishment of 09 Women ITIs & 12 Women Wings in existing ITIs have been taken up under PMRP Phase-I.
- **Rs.3318.57 lacs** released for establishment of 09 Women ITIs & 12 Women Wings in existing ITIs of which **Rs.2975.10 lacs** has been utilized till date.23

### Prime Minister’s Reconstruction Plan Phase -II

- Establishment of **05 New ITIs** one each at Hajan, Gurez, Nowshera, Bani & Banihal taken up under PMRP Phase-II.
- Funds amounting to **Rs. 1206.94 lacs** released to the executing agencies for construction of 5 ITIs.

### Vocational Training Improvement Project (VTIP)

- The objective of the scheme is to upgrade the selected existing ITIs into “Centers of Excellence (CoE)” for producing multi skilled workforce of world standard.

### PUBLIC RIVATE PARTNERSHIP (PPP) Scheme

34 No. of ITIs Covered Under the Scheme from 2007-08 to 20011-12 are detailed as under:

Phase-I	Udhampur	Samba	Kathua	Budgam	Pulwama	Ganderbal	
Phase-II	Reasi	Bandipora	Kulgam	Chari-e-Sharief	Sopore		
Phase-III	Poonch	Sunderbani	Mendhar	Leh			

Phase-IV	Tral	Shopian	Pattan	Uri	Handwara	Ramban	Bhaddu Billawar
Phase-V	Bhaderwah	Kangan	Pampore	Rohama	Lalpora	Kargil	
	Dharmari	Gool	Bhaleasa	Basholi	Kalakote	Surankote	

- Total Project Cost = Rs. 85.00 Cr
- Funds Released = Rs. 85.00 Cr
- Seed Money = Rs. 24.30 Cr
- Expenditure up-to 09/2014 = Rs. 26.35 Cr
- Total Expenditure (Seed Money + Expenditure) = Rs. 50.65 Cr
- Revenue/Interest Earned = Rs. 14.70 Cr

### Solar power plants

- The Ministry of New & renewable Energy, Govt. of India sanctioned installation of Solar Power Plants of aggregate Capacity of **1313.76 kwp** in 19 Govt. ITIs at a total cost of **Rs .32.18 Cr.** (with Central Assistance of **Rs.28.96 Cr.** and **Rs. 3.21 Cr.** as State Share).

### Introduction of Hospitality related courses

- The Ministry of Tourism, HRD sanctioned the scheme for introduction in ITIs at Srinagar, Jammu, Anantnag, Baramulla, Kishtwar & Udhampur
- Technical Guidance for the implementation of the Project by Institute of Hotel Management (IHM), Srinagar.
- An amount of **Rs.80.00 lakh per ITI** has been released by MoT, GOI for 4 project ITIs viz. ITI Srinagar, Jammu, Baramulla & Udhampur. **Rs.90.00 lacs** for ITI Kishtwar & **Rs.100.00 lacs** for ITI Anantnag (Total **Rs.510.00 lacs**). The Utilization certificate of each ITI has been submitted to the Gov. of India.

### Youth Services & Sports

The main thrust of the Youth Service and Sports Sector during the last few years has been to encourage Physical activities like mass Physical display in various schools, promoting adventure sports, organizing youth and cultural festival, organizing national and domestic level competitions, development of playfields.

### Construction of New Campus for college of Physical Education Gadoora, Ganderbal

- 300 Kanals of land acquired for construction of New buildings of Govt. Physical Education College at Gadoora, Ganderbal with the estimated cost of **Rs 30.39 crore** of which **Rs. 15.75 crores** have been advanced to Jammu & Kashmir Project Construction Corporation. **Rs 15.75 crore** have been spent on construction of **Administrative Block, 200 bedded Boys Hostel and 50 bedded Girls Hostel.** This will provide an opportunity to the educated youth for obtaining Bachelor and Master degree in Physical Education for which the educated youth had

otherwise to go outside the State. The construction of Administrative Block, Boys Hostel building, Girls hostel building and toilet block is under progress.

### **Construction of Rifle Range/ Open Playfield at Nagrota" Jammu**

- Construction of Rifle Range/Open Play field at Nagrota, Jammu has been allotted to JKPCC Ltd at an estimated cost of **Rs 6.49 crore. Rs.2.10 crores** has been advanced to the executing agency till date. Indoor Shooting Hall **completed in all respect including toilet block**, Outdoor Shooting range: **Two numbers Machine Houses (Lower & upper) completed in all respect, shooters path & waiting area completed**. Pavilion cum spectator stand: **sitting steps for 800 spectators (approximately) completed over 5 Nos Rooms for caretakers, stores & Retiring rooms for players with attached toilets completed**. Cremation and waiting sheds have been shifted including its dismantling, re-fabrication, **Erection & Roofing including civil works of foundations and platform completed in all respects.**

### **Sports Council**

The **following mega projects have been taken-up** by the J&K State Sports Council in the State for promotion of sports/games in the State by providing modern type of infrastructure facilities:-

- **Laying of artificial turf for Football at TRC, Srinagar.**

The laying of synthetic turf for football at TRC ground, Srinagar has been completed at the cost of Rs. 450.00 lacs. The project has been commissioned in Sept, 2014.

- **Sher-i-Kashmir Indoor Sports Complex, Srinagar.**

The Sher-i-Kashmir Indoor Sports Complex, Srinagar was badly damaged due to occupation of the stadium by security forces during militancy period. To make the Indoor Complex properly functional & update the same on modern lines, renovation of the Complex has been taken-up at the cost of Rs. 5.00 crores and civil works have been completed. Central heating system/ electrification/change room shall be taken-up shortly.

- **Sports Stadium, Anantnag.**

The Sports Stadium at district head-quarters was also been taken-up for development. The existing structure has been dismantled and a new pavilion block comprising of two games halls, change rooms & toilets have been completed at a cost of Rs. 14.00 lacs.

- **Synthetic Basketball Court at Sher-i-Kashmir Indoor Sports Complex, Srinagar.**

The Synthetic Basketball Court at Sher-i-Kashmir Indoor Sports Complex, Srinagar constructed a couple of years back, was incomplete & non-functional. The court has been developed on modern lines by way of providing modular interlocking synthetic flooring at the cost of Rs. 25.00 lacs & court is under use at present.



- **Construction of pavilion block at Sports Stadium, Tulbul, Sopore.**

The Sports Stadium at Tulbul has been taken-up for development by way of providing double storied pavilion block at the cost of Rs. 238.00 lacs. The block comprises of four Indoor games halls besides change room & toilet block. The work is in progress.

- **Construction of Indoor Stadium at M. A. Stadium, Jammu.**

There is no proper Indoor Stadium facility for Indoor games at Jammu. The Indoor activities at M. A. Stadium, Jammu are being run in a hall vacated by Agro Industries. To overcome the problem a new Indoor Sports Stadium at M. A. Stadium in Jammu has been taken-up at cost of Rs. 7.00 crores under Govt. of India Scheme (USIS). The work is in progress.

- **Construction of pavilion at Kabaddi Court, Jammu.**

The pavilion work of Kabaddi Court at M. A. Stadium, Jammu has been completed at the cost of Rs. 30.00 lacs.

- **Renovation of Swimming Pool, Jammu.**

The Swimming Pool at M. A. Stadium, Jammu has remained non-functional for last couple of years due to defects as a result of which the activity has suffered a lot. To over-come this problem renovation of Swimming Pool was allotted at the cost of Rs. 177.89 lacs and has recently been completed.

- **Skating Rink, Jammu.**

The existing Skating Rink at M. A. Stadium, Jammu was not of standard specifications. Accordingly a new skating rink has been reconstructed at the cost of Rs. 66.00 lacs.

- **Construction of Indoor halls.**

The Construction of Indoor halls at Bana Singh Stadium, R.S. Pura, Jammu. Sports Stadium, Udhampur, Sports Stadium, Akhnoor, Jammu Sungri & Dharmari have been taken-up at the cost of Rs. 6.00 crore (Rs. 1.00 crore each).

- **Construction of pavilion at K.K. Hakhu Hockey Stadium, Jammu.**

The turf for hockey was laid at K. K. Hakhu Stadium, Jammu in 1996 but the stadium was without pavilion facility. The construction of pavilion at the stadium has also been taken-up at the cost of Rs. 130.62 lacs. The work is in progress.

- **Construction of Indoor Stadium at Baramulla.**

An Indoor Sports Complex under Govt. of India Scheme (NSDF) has been taken-up for construction at Baramulla at the cost of Rs. 18.00 crores. The work is in progress at the cost of Rs. 6.00 crores.

- **Sports Stadium Handwara.**

The construction of Sports Stadium at Handwara at the allotted land of 72 kanals has been completed.

- **Multi Sports Complex, Gindun, Rajbagh, Srinagar.**

The Multi Sports Complex Gindun, Rajbagh, Srinagar has been taken over by the J&K State Sports Council & Coaching in the field of Basketball and Lawn Tennis is being imported to the Youth of the area in the centre. Besides an Olympic sized Swimming Pool has been taken-up at the cost of Rs. 4.00 crores.

- **Indoor Mini Stadium at Polo ground Srinagar.**

Construction of small hall at Pologround, Srinagar has been taken-up at the cost of Rs. 1.00 crore. The work is in progress.

### **Sports Activities**

- Coaching facilities in different sports disciplines to student & non-student youth have been provided to 60,000 budding youth upto ending Dec. 2014 at various District headquarters namely Srinagar, Budgam, Pulwama, Anantnag, Baramulla, Jammu, Udhampur, Kathua, Poonch & Rajouri.
- Residential coaching camps in Boxing, Handball, Fencing, Football, Hockey, Kho-Kho, Ball Badminton Athletic, Volleyball, Carrom, Badminton, Cycle Polo, Cycling, Gymnastic, Judo, Kabaddi, Sports Climbing, Table Tennis, Thang-Ta, Wrestling, Wushu, Baseball, Rugby & Yoga were held in capital cities in preparation of State teams for participation in Zonal/National level Competitions upto ending Dec. 2014.
- Special coaching camps for Rural Youth were organized at Bhaderwah, Poonch & Srinagar in the disciplines of Gymnastic, Boxing, Basketball, Athletic, Fencing, Kabaddi, Yoga, Volleyball, Hockey, Football & Weightlifting.
- State teams in various sports disciplines represented J&K in National/Zonal level Competitions & earned 23 Gold 26 Silver & 30 Bronze medals upto ending Dec. 2014.
- State Subjects of J&K represented Country in International Competitions upto ending December, 2014 in the discipline of Chess, Gymnastic, Roller Skating, Power lifting & Yoga.
- District & State level Competitions were organized by recognized State Sports Associations, which registered about 55,000 participation of youth.
- Sportspersons having National level sports participations/achievements got seats in various professional courses under Sports Quota.
- Outstanding sportspersons got employment under sports quota for the calendar year 2011.
- Sub-Junior National Wrestling Championship held at Srinagar from 29<sup>th</sup> June to 2<sup>nd</sup> July 2014. was hosted in J&K by the recognized State Sports Association of

Sports Council.

## **Housing & Urban Development**

Quality and affordable housing is the key element of a strong and secure economy. A comprehensive housing plan is very important for well being of society. Housing is the basic need of every individual. Housing also measures the economic and social well being of the people. The Jammu and Kashmir State is implementing the National Housing Policy of "Shelter for All" to address the issues relating to the development of housing infrastructure. The State Government has realized the need to provide financial assistance, carry out legal and regulatory reforms in order to create a conducive environment for house construction and shelter to houseless.

### **Objectives**

#### **Housing Sector:**

- i. Implementation of the various centrally sponsored and Plan Schemes for creation of more housing stocks, up-gradation of existing infrastructure facilities; and
- ii. Development of low cost building techniques.

#### **Urban Development:**

- i. Creation of basic urban infrastructure relating to sanitation, sewerage & drainage, urban transport and urban governance.
- ii. Implementation of urban sector reforms, implementation of different schemes under JnNURM and capacity building of key stake holders including elected representatives for efficient urban management.
- iii. Implementation of J&K Employment of Manual Scavengers and Construction of Dry latrines (Prohibition) Act, 2010.

#### **Poverty Alleviation**

- i. Providing livelihood opportunities by effective implementation of SJSRY/NULM.

#### **Dal Development**

- f) Conservation/Management of Dal & Rehabilitation of Dal Dwellers.
- g) Preparation of Urban Housing & Habitat Policy, Adoption of National Policy on Urban Street Vendors, 2009 by the State.
- h) Sharing information with the public through RTI and website ([www.jkhudd.nic.in](http://www.jkhudd.nic.in))

#### **Housing Stock**

Census 2011 has recorded **3,603,632** census houses in J&K as against **330,835,767** houses for the Country.

Housing availability is an important indicator, normally applied for measuring the performance of housing sector. This can be worked out by adopting the norm that

for one household there should be one house to live in. On the basis of this assumption, there seems a deficit of one lakhs houses for J&K and the corresponding figure for the country is 48 lakhs houses.

### **Type of Census Houses**

Census 2011 has revealed that 55% households live in permanent houses, 32.15% in semi permanent houses and 12.85% in temporary houses. The relative position in India was 51.80%, 30.04% and 18.16% respectively.

### **SWACHH BHARAT MISSION**

With the launch of Swachh Bharat Mission on 2nd October, 2014 in the country, the State of J&K has also committed itself to the mission with the objective of achieving the complete cleanliness by 2019. The J&K State has two capital cities Srinagar and Jammu and 78 Statutory towns (6 Municipal Councils and 72 Municipal Committees) having urban population ranging from 10000 to one lac.

Every Structure, tent, shelter, etc is a house irrespective of its use. It may be used for residential or non-residential purpose or both or even may be vacant.

The urban population constitutes 27.38% of the total population of the State. With the launching of Swachh Bharat Mission in the Country the J&K State while committing itself to the mission launched various cleanliness drives. .

The Swachh Bharat Mission has four components which are as under:-

1. Household Toilets -Incentive of Rs.4000/- per Toilet
2. Community Toilets 40% of viability gap funding
3. Public Toilets - 100% own private investment
4. Solid Waste Management- 20% Viability Gap Funding

As per the census 2011 there are 20.15 lac households of which 10.31 lac households are having latrines within premises which constitutes 50% of toilets in HHs. In urban areas out of 5.17 lac HHs, only 4.52 lac HHs have latrines within the premises and rest are using public latrines or defecating in open.

The department has already started the process for the identification of the prospective beneficiaries who can be brought under the ambit of Swachh Bharat Mission by way of providing incentive of Rs.4000 for construction of sanitary latrines within the premises. The incentive being quite meager, the matter stands taken up with Union Ministry for enhancement of incentive. Spaces for construction of Community toilets are being identified so that such facility is provided for the households who cannot built Household within the premises due to shortage of space.

Given the fact that State of Jammu & Kashmir is important tourist destination both for national & international tourists, therefore the cleanliness is not only important from the sanitation point of view but it will have positive impact with regard to attraction of tourists which inter-alia will contribute the economy of the State. The ULBs have been

directed for formulation of City Sanitation Plans, so that the planned approach is made to address the Sanitation problem and achieve complete cleanness by the targeted date.

For the Management of Municipal Waste, Municipal Solid Waste Rules 2000 are in force in the State of J&K. Though the collection and disposal of solid waste in the State of J&K has been going on for quite long time but the need and importance of scientific disposal of municipal solid waste has been lately felt and the State has embarked upto the path of creating infrastructure for scientific management of solid waste in all urban centers within the 5 year period, for which a cluster approach has been adopted. As of now the State is successfully running 4 Solid Waste Management Projects which include landfill site in capital city of Srinagar and 3 compost plants in 3 smaller towns. For remaining towns and other tourist destinations project formulation has been started and shall be forwarded to GOI for funding under Swachh Bharat Mission.

As per the urban population recorded in census 2011, it is estimated that total sewage generation in the State is about 350 MLD of which the present capacity treats only 64 MLD and the rest goes into the water bodies. Sewerage Treatment Plants of 114 MLD capacity are under execution which are expected to be completed in the current year. Initially the creation of infrastructure for sewerage treatment was restricted to only two capital cities of Srinagar and Jammu but with the launch of Swachh Bharat Mission the coverage has been widened and smaller towns are being now provided with solid treatment plants so that no hazardous liquid waste remains untreated.

The Srinagar and Jammu city generates about 400 MTs of Solid Waste each and corresponding the intrinsic economic value of the waste, the Deptt. has prepared Detailed Project Reports for an amount of Rs.91.00 crore for Srinagar city and Rs. 60.00 Crore for Jammu city to drive the economic value from the Municipal Solid Waste. While the project for Srinagar city stands sanctioned, the sanction for Jammu project is awaited from Ministry of Urban Development, GoI.

## **HOUSING FOR ALL**

Housing, a basic need for human, plays an important role in accommodating high urban growth. However, several structural issues such as high gestation period, limited and expensive capital, spiraling land and construction cost and low affordability by EWS lower income group households are bottlenecks restricting desired growth in housing stock.

As per census 2011, there are 21.19 lac households in the State of J&K and total number of residential houses is around 20.15, which clearly indicates that there is not much shortage of housing in the State as of now. The census reveals only 6.5% of urban household reside in the rented accommodation. But the people continue to migrate from rural to urban areas primarily for better living & employment, the need of good quality housing together with cost efficient physical and social infrastructure cannot be undermined. It is estimated that by year 2022 there will be need of additional 3 lac house in urban areas of the State. The housing is not only addressing social infrastructural needs of citizen but it also contributes to the economy as it has backward and forward linkage to 250 ancillary industries that contributes around 10% to the GDP of the country.

The J&K State has its Housing Policy which provides for affordable houses to all with special provision for weaker section, women and other vulnerable sections of the society. The Govt. has already taken initiative to revise its housing policy to make it attune with present housing scenario in the Country and the policy framework adopted at National level to address the housing issue.

Being the hilly State, as the Land is scarce. The State has embarked upon the path of population group housing with vertical expansion approach to optimize the utilization of land resources through Private public as well as Public-Private partnership mode. Due to special character of State the investment through Private mode is fraught with many hurdles, therefore the GOI has to create a special window to the J&K State to fund the capital intensive housing projects through budgetary support as well as financing of the land parcels by either foreign investors or through institutional lending to achieve the mission goal.

As the two capital cities of Srinagar and Jammu have remained hub of economic activities, the concentration of population in these cities have exponentially increased, which has lead to development of slums in these cities besides other important towns. To redevelop these slums the State has already formulated Slum Free City Action Plan for six cities/towns which have higher concentration of slums or slum like living conditions. With the re-development of slum the State has target of achieving status of slum free State along with Housing for all by the year 2022, in line with objective of the country. The State will synergise its efforts to make the Housing for all mission and smart cities mission concurrent and compliment to one another.

### **Smart Cities**

Smart cities mission which has become a buzz world widely being talked in electronic and print media has also caught the attention of citizen of J& k state. The state of Jammu and Kashmir has distinction of being the only state in the country having two capitals, as such both these cities fulfill the basic contours laid down for selection of 100 smart cities. Both these cities together not only accommodate more than 50% of total urban population of state but also absorbs huge floating population which visits the state for tourism and pilgrimage. Whereas Srinagar has distinction of being important tourist destination, Jammu city which is also called city of temples has the distinction of important pilgrimage, destination and industrial hub. Besides these two cities, the state also contemplate to recommend inclusion of Anantnag & Katra Town in the smart city mission as both these towns are gateway to the two important religious destinations namely, Amarnath Shrine and Mata Vaishno Devi Shrine. These towns are expanding at faster trajectory and it is the appropriate time to place the faster growing towns in smarter cities frame work.

During the last flagship programme JNNURM, the State has taken leap forward in the urban reforms be it double accounting system, transfer of 18 mandatory functions to ULBs, reduction of stamp duty, formation of Property Tax Board and preparation of City Development and Master Plan. Comprehensive Plans are being formulated for the proper sanitation, water supply, Solid Waste Management of

these cities/towns and in fact the process has been already put into motion and certain areas have been provided with such facilities.

The State has increased the spatial area of the identified cities and towns to widen the scope of smart cities to ensure core areas and development of green areas.

However huge investment will be needed and current financial resources of the state do not permit the level of investment needed for building smart cities, the GoI needs to supplement the efforts of State with budgetary support through MoUD GoI and other line Ministries such as Health, Education, Transport, IT, Communication, Housing etc. participation of private sector also needs to be simplified through regulatory and reforms mechanisms.

The state shall strives to meet the goal of improvement in quality of life by way of financial growth through economic development, reduce risk through management plan, improve ecological balance through environmentally sustainable plan & empower people through citizen reference frame work. The state will adopt two pronged strategy , one to redevelop the existing core areas by filling the gaps and other to identify the parcels of land near the identified cities which can be built into smart cities ab-initio. The states shall upgrade itself in order to meet the challenges thrown wide upon by the smart cities. Initiative from building man-power capacity, good governance, full advantage of ICT, use of GIS and seeking assistance of qualified urban planners having associated knowledge of Urban Environmental Management & urban risk reduction. The Master Plans of these identified cities/towns are already under revision to continue it with Smart Cities concept.

#### **Valmiki Ambedkar Awas Yojna (VAMBAY)/BSUP**

Three colonies in Srinagar at Noorbagh, Bemina, Sumerbugh and two colonies one at Rajinder Nagar and the other at Nagrota, have been established in Jammu city for economically weaker sections. The scheme VAMBAY alongwith NSDP stand subsumed under Basic Service to Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) of Jawahar Lal Nehru Urban Renewal Mission (JNNURM).

#### **Urban Local Bodies/Municipal Corporations**

The function of the Municipal Corporation, Councils and Committees have been restored and process of transfer of functions along with financial & human resources from various State Govt. Departments to the Urban Local Bodies have already been started. The State Finance Commission's recommendations about providing of 10% of 4 taxes as devolution to Urban Local Bodies and Municipal Corporation, was implemented from the year 2004-05. This has given substantial incremental increase in the resources of these Local Bodies.

#### **Jawaharlal Nehru National Urban Renewal Mission (JNNURM)**

The Government of India launched, on 3rd of December, 2005, a 7-year urban reforms linked infrastructure development & housing programme, in a mission mode, called as Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

This enables the mission cities to take sustainable improvements in their civic services level through the additional central assistance. The objectives of the mission, inter-alia, include planned development of identified cities, including semi-urban areas, outgrowths and urban corridors and improved provision of basic services to the urban poor. The mission embraces following two sub-missions:

- ✓ Sub-mission i Urban Infrastructure and Governance (UIG)
- ✓ Sub-mission ii Basic Services to Urban Poor (BSUP)

While the funding pattern for sub-mission – i (UIG) is 90:10 between the centre and the State Government, the sub-mission – ii (BSUP) is implemented on the basis of 80:10:10 i.e. the share of Central Government is 80%, the share of State Government is 10% and the share of local bodies is 10%.

The mission cities have prepared Detailed Project Reports for undertaking projects under identified areas. Funds for the identified cities are released to the designated State Nodal Agency, which in turn would leverage to the extent feasible additional resources from the financial institutions. It is in this context that a State Level Nodal Agency (SLNA) has been created under the name and style Jammu & Kashmir State Urban Infrastructure Development Agency (J&KSUIDA).

Programme	No. of Projects	Sanctioned Cost	Funds Released by						Cummul. Exp. (ending December 2014)
			G.o.I				State	Total	
			1st Inst	2nd Inst	3rd Inst	4th Inst			
UIG	07	713.34	142.63	70.42	88.29	58.38	59.77	419.49	318.60
URBAN TRANSPORT	1	26.4	5.94	13.04	0.00	0.00	2.64	21.62	21.62
UIDSSMT	51	641.77	288.80	159.46	0.00	0.00	38.96	487.22	375.39
BSUP	5	162.39	33.61	15.27	3.19	0.31	7.21	59.59	46.80
IHSDP	47	141.37	53.82	53.32	0.00	0.00	20.85	127.99	92.43
<b>TOTAL</b>	<b>111</b>	<b>1685.27</b>	<b>524.80</b>	<b>311.51</b>	<b>91.48</b>	<b>58.69</b>	<b>129.44</b>	<b>1115.92</b>	<b>854.84</b>

#### **Sub Mission – i Urban Infrastructure and Governance (UIG)**

Urban Infrastructure and Governance (UIG) is one of the central projects launched under the flagship programme JNNURM. The project is meant for improving the civic service in Mission cities Srinagar and Jammu. Urban renewal, water supply (including desalination plants) and sanitation, sewerage, solid waste management, urban transport, development of heritage areas, preservation of water bodies etc. are the admissible components under the sub-mission-i of Urban Infrastructure and Governance (UIG). Under this sub-mission, 07 projects costing Rs. 713.34 Crores have been sanctioned. An amount of Rs. 359.72 Crores stand released by Government of India against which Rs. 329.40 Crores has been spent by the end of December, 2014 including Rs. 59.77 crores as matching state share.



The projects sanctioned by GoI are three sewerage projects for Division A of Greater Jammu and Zone - III of Greater Srinagar, and Left out Areas at a total project cost of Rs. 129.23 Crores, Rs. 132.92 Crores and Rs. 20.32 Crores respectively. The central assistance for these projects is Rs. 254.22 Crores and Rs. 28.25 Crores is the state share. In addition, water supply scheme Tangnar and Water supply scheme Sukhnag have been sanctioned under UIG in order to augment water supply in Srinagar city, costing Rs. 148.37 Crores and Rs. 121.00 Crores, respectively.

### Urban Transport

Urban transport is the key element of UIG sub-mission. To provide better transport facilities both in the Srinagar and Jammu cities, a scheme costing Rs. 26.40 Crores, has been sanctioned by the G.o.I and Rs. 18.98 Crores has been released for purchase of 150 buses (75 buses each for Srinagar city and Jammu city). The scheme is implemented through State Transport Department and the amount of Rs. 18.98 Crores stands released to the implementing agency. Financial and Physical detail of Urban Transport is given as under:-

<b>Name of the project</b>	<b>Sanctioned cost</b>	<b>ACA released</b>	<b>State Share released</b>	<b>Total releases</b>	<b>Expd. as on date</b>	<b>Physical Status</b>
Purchase of buses under Urban Transport (JnNURM)	26.40	18.98	2.64	21.62	21.62	100%

### Sub Mission - ii Basic Services to Urban Poor (BSUP)

BSUP is another sub-mission of JNNURM, launched to assist the mission cities in taking up housing and infrastructural facilities for the urban poor. The funding pattern of BSUP is 80:10:10 between the Government of India, State Government and the beneficiary. Under BSUP, 5 projects (3 in Jammu and 2 in Srinagar city) have been sanctioned for construction of 6677 housing units with allied infrastructure for slum dwellers at a sanctioned cost of Rs. 162.39 Crores. An amount of Rs. 59.60 Crores (Rs. 52.37 Crores as CS + Rs. 7.23 as SS) has been released up to December 2014 against which Rs.46.80 Crores stands incurred up ending December 2014.

### Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)

The other component of JNNURM for remaining small and medium towns, called as UIDSSMT was also launched in 2005-06 for a period of 7 years. The objective of this component is to provide assistance/grants for urban infrastructure development activities to the towns/cities which have not been covered under JNNURM. The erstwhile scheme of AUWSP and IDSMT have been subsumed in this component i.e. UIDSSMT.

The funding pattern of UIDSSMT is 90:10 between the Centre and State

Governments. Under UIDSSMT, 51 projects costing Rs. 641.77 Crores have been sanctioned and central funding of Rs. 448.23 Crores has been released by the G.o.I and Rs.38.97 by the State government against which an expenditure of Rs. 375.39 Crores stands incurred till December, 2014.

### **Integrated Housing and Slum Development Programme (IHSDP)**

Integrated Housing and Slum Development Programme (IHSDP) is another main component of JNNURM. This programme was launched simultaneously with BSUP for taking up housing and slum up-gradation programmes in non BSUP cities. The funding pattern of IHSDP is 70:15:15 between the Government of India, State Government and the beneficiary. Under IHSDP, 48 projects amounting to Rs. 141.40 have been sanctioned by the MoHUPA, GoI. Against this, Rs 108.37 crore (ACA) and State Share of Rs 20.62 crore have been released to the project Executive Agencies. An Expenditure of Rs 88.17 crore has been incurred up to ending December 2014.

### **Dal -Nigeen Lake Conservation Project**

Under the National Lakes of conservation Programme (NLCP), the Ministry of Environment AND Forests Govt. of India, has sanctioned a project during 2005-2006. The Project has been sanctioned at the Cost of Rs. 298.76 Crores and is fully funded by Govt of India against which Rs.252.67 lacs stands incurred till date. Besides this, the Rehabilitation and Resettlement of the people living within the lake area is the essential component of the overall Project. For this, the State Govt. has transferred land measuring 7565 Kanals at Rakh -I Arth to Lakes and Water Ways Development Authority (LAWDA) for rehabilitation of these Dal dwellers on account of compensation, besides utilizing the land available with LAWDA at Chandpora for the purpose. The issue for inclusion of this part under the Conservation & Management plan as Phase-II of the PMRP was under consideration of the Planning Commission of India and Ministry of Forest & Environment, G.o.I. The Planning Commission G.o.I has recently approved the project under the PMRP namely Rehabilitation and resettlement of Slum Dwellers Dal and Nagin lakes, Srinagar costing Rs. 356.00 Crores and first installment of Rs. 83.18 Crores, has been released for its utilization during the current financial year 2012-13 against which Rs.11.05 Crores stands incurred as on date.

### **Financial Outlays and Achievements**

- Conservation and Management Plan for Dal Lake sanctioned at a cost of Rs. 298.76 Crores against which an amount Rs. 252.67crores has been incurred till date.
- Rehabilitation and re-settlement cost alongwith cost of laying of secondary and lateral sewers to be borne by the State from the State resources and partly as sanctioned project for Rakh-i-Arth under BSUP of JNNURM.

### **Urban Poverty**

As per the survey (2008) conducted by the Directorate of Economics & Statistics, J&K, the BPL population for urban areas, has been estimated at 7.96% which worked out to 2.21 lakhs persons

Among various poverty alleviation schemes, the SJSRY administrated by Housing & Urban Development Department, has also proved useful in the effort of reducing poverty in urban areas to some extent, which is briefly discussed hereunder:-

### **National Urban Livelihood Mission**

Ministry of Housing & Poverty Alleviation, Govt. of India has launched **National Urban Livelihood Mission from September, 2013 replacing the Swaran Jayanti Shahri Rozgar Yojna**. The scheme is aimed at reducing the urban poverty by way of Self Employment and Skill Up gradation. The scheme will be implemented in Mission mode and has additional features over the erstwhile SJSRY.

The major components of the mission are:-

1. Social Mobilization and Institution Development (SM&ID)
2. Employment Through Skills Training and Placement (EST&P)
3. Capacity Building and Training (CB&T)
4. Self-Employment Programme (SEP)
5. Support to Urban Street Vendors. (SUSV)
6. Scheme of Shelter for urban Homeless (SUH)

Ministry of Housing & Poverty Alleviation, Government of India has conveyed the Action Plan for the current financial year 2014-15 involving financial involvement of Rs.14.49 Crores with physical targets under various components of scheme such as :

<b>Table No 16</b>		
<b>Component</b>	<b>Details</b>	<b>Target</b>
Social Mobilization	No of Self Help Groups (SHGs)	630
	No of SHG's for Revolving fund (RF)	480
	No of city Livelihood Centers	22
Employment through Skill Training and Placement (EST & P)	No of members to be trained	6190
Self Employment Programme (SEP)	Members in individual and Group enterprises	3095
Shelter for Urban Homeless (SUH)	No of shelters to be constructed	5
Support for Urban Street Vendors (SUSV)	No of cities to be covered for street vendor survey	3
	No of cities street vending plans to be prepared	2

### **Financial Progress of the Department**

The Housing and Urban Development Department administers following six sectors under State Annual Plan. The sector-wise allocation and expenditure during 2012-13, 2013-14 and 2014-15 is reflected hereunder:-

<b>Table No 17: Sector-wise allocation &amp; expenditure during 2012-13, 2013-14 and 2014-15 (Rs. in crores)</b>							
<b>Name of the Sector</b>	<b>Proposed 12<sup>th</sup> Five Year Plan</b>	<b>Outlay 2012-13</b>	<b>Expd. During 2012-13</b>	<b>Outlay 2013-14</b>	<b>Expd. During 2013-14</b>	<b>Out lay 2014-15</b>	<b>Exp. 2014-15 (up to end. Dec, 2014)</b>
Urban Development	110.55		323.64		131.46	371.25	13.79
Housing	472.67		7.11		2.25	2.25	1.00
Poverty Alleviation	58.70	10.50	10.50	8.50	7.00	8.50	1.51
Dal Development	345.00	30.00	30.00	22.50	22.50	22.50	11.25
Sewerage	26.86		4.00		7.57	3.37	0.94
Drainage	134.30		31.21		25.48	15.75	5.32
<b>Total</b>	<b>1148.08</b>		<b>406.46</b>		<b>867.51</b>	<b>423.62</b>	<b>33.81</b>

- This includes 300 crores ACA under JnNURM, but no funds were released as the JnNURM was closed on National level during 2014.

### **Rajiv Rinn Yojna (RRY)**

After expiring the tenure of ISHUP on 30<sup>th</sup> of September, 2013, Government of India renamed the scheme under nomenclature of Rajiv Rinn Yojna (RRY) with fresh guidelines which supersedes the earlier guidelines issued under ISHUP. The guidelines provides a provision to create an enabling and a supportive environment for expanding credit flow for Housing sector kept under JnNURM and RAY for Economically Weaker Section/Low Income Group. The guidelines reads that Ministry of HUPA has designed a revised interest scheme as additional instrument for addressing the housing needs of EWC/LIG segments to enable them to buy or construct a new house or for carrying out additional one room/kitchen/toilet/bathroom to the existing house. The 5% subsidy on disbursed loan amount up to Rs.5.00 lacs will be extended to EWS/LIG having Rs.1.00 lac and Rs.2.00 lacs respectively though the loan amount is admissible up to Rs.8.00 lacs. The criteria for applicants / eligibility / terms & conditions of loan disbursement have been broadly elaborated in guidelines placed on Ministry website. The selection of Steering committees/role of Central-State governments / urban local Bodies /Central Nodal agencies and Banks/housing finance institutions/Monitoring is also available on website of the Ministry of HUPA.

### **Rajiv Awas Yojna(RAY)**

Rajiv Awas Yojna envisages a 'Slum-free India' with inclusive and equitable cities in which every citizen has access to basic civic and social services and decent shelter. It aims to achieve this vision by encouraging States/Union Territories to tackle the problem of slums in a definitive manner, by a multi-pronged approach focusing on:

- ✓ bringing all existing slums, notified or non-notified within the formal system and enabling them to avail of the same level of basic amenities as the rest of the town;

Redressing the failures of the formal system that lie behind the creation of slums; and tackling the shortages of urban land and housing that keep shelter out of reach of the urban poor and force them to resort to extra-legal solutions in a bid to retain their sources of livelihood and employment.

Jammu and Kashmir is a special category state which qualifies for 90:10 financial assistance under RAY i.e. 90% the Project cost will be funded by GOI and rest 10% will be state Share.

Six district of the J&K State including the twin capital cities of Srinagar and Jammu, have been brought under the centrally sponsored Rajiv Awas Yojna (RAY) Scheme aimed at rehabilitating slum dwellers in the first Phase. "The Centre has sanctioned the implementing of the scheme (RAY) in six districts - Jammu, Kathua, Udhampur in Jammu Province and Srinagar, Baramulla and Anantnag in Kashmir Province- in the first Phase to make these cities slum free". The Scheme will be extending to all the towns the state and preference shall be accorded to the towns having concentration of slums or the towns which are of tourism and religious importance.

The Government of J&K State has constituted State Level Empower/Steering Committee for selection of projects and their priorities for inclusion in the RAY and for their submission to the Central Sanctioning Committee. The Government has also constituted a Executive Committee who will process for execution and implementation of the same.

## **Water Supply**

The water sector is facing daunting challenges due to urbanization, industrialization and huge demand for Agriculture sector. The potential for augmentation of supply is limited, water tables are falling and water quality issues have increased. Our rivers and ground waters are continuously polluted by untreated effluents and sewerage. The climate change poses fresh challenges.

One programme out of 6 programmes which fell within the ambit of "Bharat Nirman" was Accelerated Rural Water Supply Programme (ARWSP), launched by Govt of India in 2005-06 for building infrastructure and basic amenities for rural drinking water. The scheme stands renamed as "National Rural Drinking Water Programme" (NRDWP).

For providing drinking water facilities to urban areas, another scheme, namely Accelerated Urban Water Supply Programme (AUWSP) was launched by Govt; of India, which is now being taken care of under Flagship Programmes like JnNURM (Jawahar Lal Nehru Urban Renewal Mission) and UIDSSMT (Urban Infrastructure Development Schemes for Small and Medium Towns).

To address the drinking water problem in the state, a number of schemes are being also implemented under State Plan/District Plan, LIC/NABARD loan assistance and Economic Reconstruction Agency. India is committed to provide safe drinking water facilities and sanitation to all.

Main water supply activities under Bharat Nirman Programme are:

- i. Uncovered habitations to be provided with potable water,
- ii. Slipped back habitations to be provided with potable water,
- iii. Quality affected habitations to be addressed with potable Rural Water Supply.
- iv. Sustainability of sources and system

### **Accelerated Rural Water Supply Programme (ARWSP/NRDWP)**

From 2009-10 onwards, the ARWSP has been replaced by “**National Rural Drinking Water Supply Programme (NRDWP)**” to achieve the objective of provision of safe drinking water supply to all rural habitations.

The main objectives of NRDWP are:-

- The focus on the coverage of uncovered population/ habitations as the problems of Water Quality & Sustainability of Sources/ System are not so acute in the state as is the case in most of the other States.
- The emphasis is to ensure drinking water security both in terms of adequacy and quality of water to all people on a sustainable basis by adopting holistic approach through conjunctive use of surface, ground and rain water harvesting besides recharging of sources and mobilizing the system, as envisaged in the modified guidelines of NRDWP.
- To cover the uncovered, partially covered habitations/population besides giving priority to the Scheduled Castes/Scheduled Tribes, Minority dominated habitations and other marginalized sections of the society. The completion of the ongoing schemes which are in the advanced stages, is another priority area.

**The main components of the NRDWP are:-**

- Coverage of uncovered/ partially covered areas;
- Water Quality;
- Coverage of Rural Schools
- Sustainability of sources and systems;
- Operation & Maintenance of schemes;
- Support Activities (includes other activities like HRD/ IEC/ MIS/ R&D/ WQMSP etc).

As per Survey 2003, there were 12015 rural habitations in the J&K State. Besides there are 3763 habitations which have emerged over the years making the total No. of habitations to 15778 ending 2014.

The criteria for coverage of a habitations has been enhanced from present 40 LPCD to 55 LPCD. All new schemes are being designed with minimum supply level of 55 LPCD.

The status of rural habitations of J&K is given as under:-

<b>Table No 18: Status of rural habitations of J&amp;K</b>		
<b>Status</b>	<b>J&amp;K State (1-4-2014)</b>	<b>%age</b>
100% covered	8049	51%
between 75% and 100%	1057	6%
between 50% and 75%	4570	29%
between 25% and 50%	1615	10%
between 0% and 25%	497	3%
<b>Total</b>	<b>15778</b>	<b>100</b>

A central assistance of Rs 3341.66 crore has been received up to ending March, 2014 against which Rs 3283.05 crores has been spent. It is pertinent to mention that sharing pattern of ARWSP from 2000-01 to 2008-09, was on 50: 50 basis and from the year 2009-10 onwards, funding is on 90:10 basis between the centre and the state governments.

#### **NRDWP**

An amount of Rs. 477.91 crores as central assistance under NRDWP has been approved by the MoDW&S, GOI for J&K State for the year 2014-15. Besides, there was an unspent balance of Rs. 52.72 crores available with the Deptt. thereby making total availability of Rs. 530.63 crores. The action plan envisages coverage of 903 partially covered habitations which includes 10 Quality affected habitations, coverage of 1771 rural schools, training of 17000 persons for monitoring of water quality using FTK's, 81500 lab tests, establishment of 34 sub-divisional labs, construction of 2 Provincial level Labs at Srinagar and Jammu etc. An amount of Rs. 447 crores has been received so far against which an amount of Rs. 204 crores stand utilized ending Jan., 2015.

#### **Notable Achievements during 2014-15 (end. Jan. 2015):**

- 1650 Hand Pumps have been installed in the State during 2014-15 up to 01/2015.
- 711 rural schools have been provided drinking water facility during the year so far.
- To check quality of drinking water, 10 new Division/ sub-division level Water Quality testing laboratories have been commissioned in the State during the current financial year.
- 70709 water sample tests were conducted during the year ending 01/2015.
- Population of 1.75 lac has been provided Piped drinking water facility during the current financial year 2014-5 ending 01/2015.

#### **Other programmes under PHE Sector:**

Four (4) major projects namely Alternate Water Supply to save Surinsar lake costing Rs. 723.59 lacs, alternate Water Supply to save Mansar lake costing Rs. 384.41 lacs , Water Supply Scheme to Pilgrim Town Katra from Dhansar Nallah costing Rs.

4700.00 lacs & Naigarh Water Supply scheme costing Rs. 4351.00 lacs were got sanctioned by Special Task Force Jammu.

### **Urban Water Supply**

#### **Development of Urban Infrastructure and Governance (DUIG)**

The increased pressure of urban population puts pressure to increase the urban infrastructure, especially the civic services. Development of Urban Infrastructure and Governance (DUIG), a central project launched under the flagship programme JNNURM during 2005-06, among other things, envisages to improve the infrastructure in the water supply sector in capital cities viz Srinagar and Jammu. Under this mission, water supply projects, Tangnar and Sukhnag, are being executed with the financial assistance of Rs. 148.37 crore and Rs. 121.00 crore respectively. However, these projects being integrated projects and are being implemented through Housing & Urban Dev. Deptt.

#### **Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)**

UIDSSMT is a component of the JNNURM, which interalia, aims to provide urban infrastructure in the sector of water supply in the small and medium towns other than mission cities of Srinagar and Jammu in a planned manner. The funding pattern of UIDSSMT is in the ratio of 90:10 between GoI and the Government of J&K. 104 projects under UIDSSMT at a cost of Rs. 968.47 crore were sanctioned. Out of these 104 projects, 23 projects costing Rs. 317.89 crore are water supply projects and 81 projects costing Rs. 650.58 crore were sanctioned for other urban infrastructure development.

Water supply schemes for Sopore, Anantnag & Udthampur towns have been sanctioned under UIDSSMT at a sanctioned cost of Rs. 33.00 crore, Rs. 36.89 crore & Rs. 28.82 crore, respectively. These projects are also being dealt by Housing & Urban Dev. Deptt.

#### **Water Supply to the Greater Cities.**

##### **Srinagar City**

Srinagar City has been undergoing rapid growth both in terms of area and resident population. In 1961, the Srinagar municipal area covered only around 20 Sq Kms whereas by 1971, it had expanded to around 83 Sq Kms which had reached to 178 Sq Kms by the year 2001. Due to continuing trend in urbanization and population increase, the Govt. of J&K vide Cabinet decision No.11/01 dated:-16-10-2003 accorded sanction of the notification of (Greater Srinagar). This in accordance with Master Plan 2000-2001 Srinagar Metropolitan area approved by the Govt. of Jammu and Kashmir on the recommendation of the Cabinet |Sub-committee. This has brought several new areas and villages within the ambit of Srinagar Municipal Corporation. The total area of Greater Srinagar as per the master plan 2000-2021 is 416 Sq Kms. The Greater Srinagar has been divided into 05 zones based upon the topographic consideration and location of water systems. The zones are given as under:-



- Zone-I Rangil/ Alustang/Pokhribal
- Zone-II Nishat
- Zone-III Doodhganag
- Zone-IV Sukhnag
- Zone-V Tangnar.

### **Jammu City**

The existing water supply to the city is inadequate to meet the demand of fast growing city. The problem is further compounded by migrant population and phenomenal increase in flow of pilgrims and tourists. Against the requirement of 45.50 MGD of water including 10% institutional requirement, we are drawing 43:00 MGD of potable water from the various sources thus having a shortfall of 2.50 MGD of water at present. Keeping in view the shortage of water and to meet the growing need for future, the need for the new project of water supply scheme has been necessitated for Greater Jammu.

According to a new proposal, raw water shall be lifted from River Chenab to a filtration plant at Gurrattan village. Desilting/sedimentation has been proposed at intake site i.e about 500 mtrs D/stream of old Bridge of Akhnoor Road over River Chenab so that all the sand /slit particles shall get settled and easily deposited back in River Chenab. Special attention shall be given to the safety of the proposed structure at this site to avoid the threat of high floods in river Chenab. Accordingly, a project namely "Augmentation of Water Supply to Jammu City from River Chenab" costing Rs. 886.00 crores stands formulated for providing additional drinking water of 240 MLD to Jammu City and has been submitted to Ministry of Urban Development, GOI for obtaining funding from Japan International Co-operation Agency (JICA).

Firstly, the clear water from Water Treatment Plant Gurrattan shall be carried to CPS Muthi by the gravity mains. From CPS Muthi, the water shall be supplied to: Roopnagar Stage-III, Chinor, Roopnagar Stage-II, Bantalab and New Plot on the right bank of Tawi. Also from CPS Muthi the clear water shall be lifted to CPS Gandhi Nagar, GSR at Narwal and Channi Himmat.

Main component of water supply Master plan will be as follows.

- § Water intake pumping stations and Raw Water Rising main pumping station to water treatment plant at Gurrattan village. Water treatment plant and clear water sump at Gurrattan village (GL 330.50m);
- § Gravity main from the clear water sump of water treatment plant at Gurrattan to Balancing reservoir at CPS Muthi (GL 312.00m) and to balancing reservoir and CPS to be constructed at the left bank of Tawi river, near Belicharana (GL.300.00m);
- § Pumping main from balancing reservoir at CPS Muthi to storage reservoir at Roop Nagar Stage-III and other areas in the right side of Tawi River.

## Sanitation

Individual Health and hygiene is largely dependent on adequate availability of drinking water and proper sanitation. There is, therefore, a direct relationship between water, sanitation and health. Consumption of unsafe drinking water, improper disposal of human excreta, improper environmental sanitation and lack of personal and food hygiene have been major causes of many diseases in developing countries. High Infant Mortality Rate is also largely attributed to poor sanitation. It was in this context that the Central Rural Sanitation Programme (CRSP) was launched by the concerned Ministry of Govt. of India, in 1986 primarily with the objective of improving the quality of life of the rural people besides providing privacy and dignity to women.

### **Total Sanitation Campaign(TSC) renamed as Nirmal Bharat Abhiyan(NBA) and now Swachh Bharat Abhiyan:**

Sanitation in the rural areas offers a formidable challenge to the health and well being of the rural population and the most challenging factor in the rural sanitation comes from the habit of open area defecation by the rural population. This results in increasing the pollution levels of water bodies and therefore, also pollutes potable water. This result in gastroenteritis related diseases and adds especially to infant mortality. Similarly, lack of proper disposal of domestic refuses also adds to the health challenges which the rural population faces. In order to overcome these challenges, the department is implementing an important scheme known as Total Sanitation Campaign (TSC) now renamed as Nirmal Bharat Abhiyan (NBA).

The Government of India has renamed the TSC scheme as Nirmal Bharat Abhiyan with an aim to eradicate the open air defecation completely in the rural areas by converting all bucket latrines into sanitary latrines during the period of five years.

The funding pattern of the Individual House Hold Latrine (IHHL) is as under:-

Government Share (NBA)	=Rs. 5100.00
MGNREGA Contribution	=Rs. 5400.00
Total Govt. Share	=Rs. 10500.00
Beneficiary Share	=Rs. 900.00
Total	=Rs. 11400.00

Now, again the GoI has approved the restructuring of Nirmal Bharat Abhiyan (NBA) and has replaced it by a new programme called Swachh Bharat Abhiyan Mission (Gramin) on 2<sup>nd</sup> Oct, 2014 with the following two sub-Missions:-

- iii. Swachh Bharat Abhiyan Mission (Gramin)
- iv. Swachh Bharat Mission (Urban)

The budgetary provisions for the two sub-Missions are provided separately; by the Ministry of Drinking Water & Sanitation (for Gramin) & Ministry of Urban

Development GoI (for Urban). As per the guidelines of the Mission (Gramin) the following funding/financial arrangement has been adopted:-

- i. The unit cost of the Individual House Hold Latrine (IHHL) is enhanced from Rs. 10,000 to Rs. 12,000 so as to provide for water availability, including for storing, hand-washing and cleaning of toilets.
- ii. Central Share for IHHLs to be Rs. 9,000 (75%) from Swachh Bharat Mission (Gramin). The State Share to be Rs. 3,000 (25%). For North Eastern States Jammu & Kashmir and Special category States, the central share will be Rs. 10,800 and the State share Rs. 1,200 (90%:10%).
- iii. The part funding for IHHL from MGNREGA for payment of incentive for the Construction of IHHL has been discontinued. The entire amount of Central Share for IHHL is being provided from Swachh Bharat Abhiyan Mission (Gramin)

The details are as under:-

**(A)- State Share**

Scheme/Sector	Approved outlay 2013-14	Expenditure ending March, 2014	Proposed outlay 2014-15	Exp. Nov, 2014
NBA(TSC) (Dist. Sector)	455.07	448.42	-	100.82
(State Sector)	1305.00	1201.12	1305.00	265.67
Total (State Share)	1760.07	1649.54	1305.00	366.49

**(B)- Central Share**

Scheme / Sector	Approved outlay 2013-14	USB on 1-04-2014	Funds received from GoI (2013-14)	Total Availability	Expenditure ending March, 2014	Approved outlay 2014-15	Funds received GoI
NBA (TSC) (Central Share)	3917.92	*1683.44	3424.03	*5107.47	3537.16	3705.23	3705.23

*\*USB Rs. 1683.44 lacs includes Rs. 650.00 lacs released by the Ministry during 2013-14 and authorized to the implementing Agency for utilization during 2014-15.*

**The following activities are taken up under TSC/NBA**

**1. Construction of Individual Household Latrines (IHHL)**

A duly completed household sanitary latrine shall comprise of a Basic Low Cost Unit with a super structure. The programme is aimed to cover all the rural families.

Incentive as provided under the scheme are extended to Below Poverty Line families (BPL)/Above Poverty Line (APL) households restricted to SCs/STs, small and marginal farmers, landless labourers with homestead, Physically handicapped & Women headed households.

### **Physical Achievements**

During the year 2013-14 against the target of construction of 239315 IHHLs 90042 units have been completed. During the current financial year 2014-15 (ending Nov., 2014) against the target of 300000 units 21617 units have been achieved.

#### **1. Community Sanitary Complex (CSC)**

Under this component number of toilet seats, Bathing cubicles, washing platforms. Wash basin etc. can be setup in a place in the village acceptable to women/men/landless families in the village. The maximum unit cost for the Community Sanitary Complex is Rs. 2.00 lakhs, comprising of Central share 60%, State share 30% and Beneficiary share 10%.

### **Physical Achievements**

During the year 2013-14 against the target of construction of 138 Community Sanitary Complexes (CSCs) 92 units was completed. During the current financial year 2014-15 (ending Nov., 2014) against the target of 427 units 35 units have been achieved.

#### **2. School Toilets**

Under this component, toilets in all type of Government schools i.e. Primary, Upper Primary, Secondary and Higher Secondary are provided. The funding for school sanitation for TSC project is provided by the Central Government and State Government in a ratio of 70:30 respectively. The maximum unit cost for a school toilet is Rs. 38500/-

### **Physical Achievements**

During the year 2013-14 against the target of construction of 3313 school toilets 454 units were completed. However, during the current financial year 2014-15 (ending Nov., 2014) against the target of 800 units 41 school toilets have been constructed.

#### **3. Anganwadi Toilets**

In order to change the behaviour of the children from early stage in life as well of the mothers attending the Anganwadies, it is essential that Anganwadies are used as a platform for it. For this purpose each Anganwadi is provided with baby friendly toilets. The unit cost per toilet comprising of 70% Central share and 30% State share, is Rs.10000/.

### **Physical Achievements**

During the year 2013-14 against the target of construction of 222 Anganwadi Toilet units 52 units were completed. However, during the current financial year 2014-15 (ending Nov., 2014) against the target of 302 units only 2 Anganwadi Toilet units have been constructed only.

## **Women Empowerment & Child Development**

The principle of gender equality is enshrined in the Indian Constitution in its Preamble, Fundamental Rights, Fundamental Duties and Directive Principles. The Constitution not only grants equality to women but also empowers the State to adopt measures of positive discrimination in favour of women.

Within the framework of a democratic polity, our laws, development policies, plans and programmes have aimed at women's development in different spheres. From the Fifth Five Year Plan (1974-78) onwards, there has been a marked shift in the approach to address women's issues from welfare to development. The National Commission for Women was set up by an Act of Parliament in 1990 to safeguard the rights and legal entitlements of women. The 73<sup>rd</sup> and 74<sup>th</sup> amendments (1993) to the Constitution of India have provided for reservation of seats in the local bodies of panchayats and municipalities for women laying a strong foundation for their participation in decision making at the local level. Focus is being given to draw up women oriented/women-friendly personnel policies to encourage women to participate effectively in the developmental process. Separate women plans are formulated to give emphasis on women related schemes/ programmes.

### **National Policy for Empowerment of Women**

The National Policy for Empowerment of Women has set certain clear-cut goals and objectives. The objectives of the policy include:-

- Creating an environment through positive economic and social policies for full development of women to enable them to realize their full potential.
- The de-jure and de-facto enjoyment of all human rights and fundamental freedom by women on equal basis with men in all spheres-political, economic, social, cultural and civil.
- Equal access to participation and decision making by women in social, political and economic life of the nation.
- Equal access of women to health care, quality education at all levels, career and vocational guidance, employment, equal remuneration, occupational health and safety, social security and public office etc.
- Strengthening legal systems aimed at elimination of all forms of discrimination against women.
- Changing societal attitudes and community practice by active participation and involvement of both men and women.
- Mainstreaming a gender perspective in the development process.
- Building and strengthening partnerships with civil society, particularly women's organization.

The approaches for empowerment of rural women can be broadly classified into following heads:

- Educational Empowerment,
- Social Empowerment,

- Economic Empowerment, and
- Technological Empowerment.

### **Present Status of Women in J&K - A Brief Overview**

Women constitute around 47% of the total population of the State. The Women and Child Development Department in the Ministry of Social Justice and Empowerment has also enjoined upon the states to monitor closely the flow of benefits of various schemes for the empowerment of women on regular basis. These initiatives have helped in improving the status of women in various spheres to a great extent, but the imbalance still exists which needs to be addressed over the years.

The Government's priority would be to consolidate the existing initiatives and interventions relating to women, build upon the achievements and also move beyond to respond to new challenges.

The population growth in this decade was 23.71 percent while in previous decade it was 29.04 percent. In 2001, the figure was 0.99 percent. This difference indicates a much higher rate of growth in comparison to average All India growth rate. Demographic imbalance between men and women, however, continues to exist and has further deteriorated.

### **Sex Ratio**

Sex ratio (females per thousand of males) is an important indicator of the social conditions particularly with respect to women's status in any society. Low sex ratio shows indulgence of artificial interventions, distorting the biological trend and natural balance in terms of number of females per thousand males. An important concern in the present status of Jammu and Kashmir's demographic transition relates to adverse sex ratio. The sex-ratio as per census 2001 was 892 which was very unfavorable to the women of the State while as sex-ratio as per census 2011 was 883 which is a matter of great concern and needs to be addressed on priority. The following Table sheds light on percentage change in the sex ratio over the period.

	<b>2001 Census</b>	<b>2011 (P)</b>	<b>Percentage change</b>
India	933	940	0.75
J&K	892	883	-1.01

*P: Provisional*

### **Women Education**

Education of the women is very effective tool for women's empowerment not only from the point of view of literacy, but it has inter-linkage with other social parameters viz. population growth, health care, education of children etc.

Jammu and Kashmir's literacy rate has increased by 13% in the last decade i.e. from 55% in 2001 Census to 68% in the 2011 Census. While female literacy has increased from 42.22% in 2001 Census to 58.01% in 2011. Gender differential still exists both in rural and urban areas but it is comparatively higher in rural areas. This can be attributed to a number of factors viz lack of access to schools, parents feeling insecure about sending girl children to schools, their engagement in agricultural and

other domestic activities etc.

### **Nari Niketan**

About 1500 inmates which include orphans/ destitute children/women and widows are being provided free boarding and lodging in 24 Bal-Ashrams and 12 Nari-Niketans spread all over the State.

### **Employment Status of Women**

UN Commission on status of women says that women constitute half of the world population, accomplish about two thirds of the work hours and receive one tenth of the world income. There is need to strengthen self-employment of women, which will generate additional income, leading to their economic independence.

### **Other Welfare and Support Services**

In order to ameliorate the status of women, the government took the following initiatives:-

- Support to training and employment programme (STEP) has been launched to provide updated skills and new knowledge to poor, asset-less women in 10 traditional sectors viz Agriculture, Animal Husbandry, Dairying, Fisheries, Handlooms, Handicrafts, Khadi and Village industries, Sericulture, Social Forestry and Waste land Development, through mobilizing them into cohesive groups.
- To facilitate employment of women and to support the working women living away from their homes/towns, who come in the cities and towns for under going short term training courses, Working Women Hostels with day care centres and crèches have been setup in the State for catering to social needs of the destitute.
- In J&K State, 5 hostels for working women have been sanctioned, out of which, two have been completed (one in Jammu and other in Kashmir). The works on the remaining 3 hostels are in progress.

### **Economic Empowerment of Women**

Considering that the women have suffered badly during the last two decades because of the militancy related events in J&K, their economic empowerment is considered to be the only way to help the women in distress. Government has been implementing various programmes which support women to take up new ventures and start self employment, through following departments/organizations:

State Women Development Corporation.

Social Welfare Department.

### **Social Welfare**

Social Welfare Department is also implementing various schemes for development of women which are enunciated below:-

#### **i. Development of Vocational Skills**

Females in the age group of 15 to 35 years are imparted trainings in various crafts

through Social Welfare Training Centres. At present, 150 Social Welfare Centres which are engaged in imparting training to women folk. The number of inmates in each centre is 25. The duration of the training to inmates is 11 months and stipend @ Rs. 100/- per month is provided to the women folk.

## **ii. Lady Vocational Training Centres**

Apart from this, there are four ladies vocational trainings centres in the State one each at Jammu, Srinagar, Kargil and Leh. In these centres, besides imparting advanced trainings in various crafts, training in stenography is also imparted.

## **Social Empowerment**

Care and protection of women in distress is another focused area. To ensure security, development and well being of women in every sphere of life and implementation of steps against gender discrimination, adequate provisions for advancement of women are kept in the State policies, plans and programmes.

- State Commission for women is a statutory body set up in March, 2000 under State Commission for Women Act-1999. Its mission is to safeguard women as per the constitutional provisions and suggest new legislations and amendments to the existing laws to meet the objectives of gender equality and advancement of women.
- National Commission for Women (NCW) safeguards the interests of women with a mandate to cover all aspects of women's rights. The Protection of Women from Domestic Violence Act, 2005, which came into force on October 26, 2006, seeks to provide immediate relief to women facing situations of violence in their homes.
- A comprehensive scheme "Ujjawala" has been launched recently for prevention of trafficking and rescue, rehabilitation and re-integration of victims of trafficking and commercial sexual exploitation. The scheme has five components- prevention, rescue, rehabilitation, re-integration and repatriation.

## **New Initiatives for Women Self Employment**

- Women Development Corporation provides loans to the beneficiaries at the interest rate of 5% only.
- Women Development Corporation has adopted a market based approach in the field of preparation of Jute Prasad bags, which are being manufactured by the loan beneficiaries of WDC and supplied to Shri Mata Vashino Devi Shrine Board.
- The ICDS Scheme was started in J&K State in the year 1975. Currently ICDS is the only programme that reaches out to lakhs of women and children living in remote villages. It is and will continue to be the flagship programme with a holistic package of six basic services for children up to six years of age and for pregnant and nursing mothers. These services are: health check-up, immunization, referral services, supplementary feeding, pre school education and health and nutrition education through one platform i.e. Anganwari Centre. At present, J&K State has 141 ICDS Projects (including one migrant project) and 29599 AWCs have been sanctioned by Government of India out of which 28594 are presently functional.



## Supplementary Nutrition

About 1000000 beneficiaries which comprise children of 6 months to 6 years of age, Pregnant and lactating mothers, are being given supplementary nutrition. During the year 2013-14 against an allocation of Rs. 36675.93 lakhs, Rs.26573.66 lakhs have been incurred for providing supplementary nutrition, while in the current financial year 2014-15 (ending Nov., 2014) Rs. 26602.50 lakh have been incurred against an allocation of Rs. 33928.97 lakhs.

Under the nomenclature of Non-Nutrition, a number of items figure in the scheme which is essential for providing nutrition by way of cooked food to the beneficiaries. These items include kerosene stoves, pressure cookers, utensils etc. Play way materials for the children, medicine kits, weighing machines are also provided. The entitlement per beneficiary is as under:-

Category	Existing	Revised (per beneficiary per day)
Children(6-72 months)	Rs. 4.00	Rs. 6.00
Severely malnourished children (6-72 months)	Rs. 6.00	Rs. 9.00
Pregnant Women and Nursing mothers	Rs. 5.00	Rs. 7.00

## Initiatives

### Indira Gandhi Matritiva Sahyog Yojana (IGMSY)

- Two districts of the state viz, Anantnag and Kathua have been brought under Indira Gandhi Matritiva Sahyog Yojana (IGMSY) on pilot basis to improve health and nutrition status of pregnant and lactating women & infants. Cash incentive of Rs. 4000/- has been enhanced to Rs. 6000/- to be provided to beneficiaries for first live two births.

### Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (SABLA)

- Five districts of the state viz, Anantnag, Kupwara, Leh, Jammu & Kathua have been brought under SABLA- Rajiv Gandhi Scheme on pilot basis for Empowerment of Adolescent Girls to improve their health & nutrition status, upgrade their skills & enhance their educational status through formal and non formal education.
- Kishori Shakti Yojna (KSY) aims at addressing the needs of self development, nutrition and health status, literacy, numerical skills and vocational skills of adolescent girls in the age group of 11-18 years.
- Presently J&K State has 141 ICDS projects (including one Migrant Project) and 29599 Anganwadi Centres have been sanctioned by Govt. of India out of which 28594 centres are currently functional for providing services upto November, 2014.
- 12 Nari Niketans are functioning in the State having total capacity of 400 inmates to provide free boarding, lodging, healthcare to the destitute.

- Social Welfare Training Centre run by the Social Welfare Department is imparting trainings in various crafts to females in the age group of 15 to 35 years so that they can become self dependent and can become able to earn their livelihood.
- Residential Institutions have also been set up for Blinds, Orphans and destitute women. Free boarding, lodging, medical care and educational facilities are provided at Bal Ashrams.
- The Social Welfare Department has cleared 68920 pending pension cases under Integrated Social Security Scheme (ISSS) during the year 2013-14 and 12670 pension cases under National Social Assistance Programme (NSAP) during the year 2014-15.
- The rate of pension (Central Share) under National Social Assistance Programme (NSAP) has been enhanced during the year 2013-14 as following:-
  - a. Pension of Widows/Disabled persons enhanced from Rs. 200/- to 300/- per month.
  - b. Pension in favour of the persons of 80 years of age and above enhanced from Rs. 200/- to Rs. 500/- per month.
  - c. Rate of assistance (one time) under National Family Benefit Scheme (NFBS) enhanced from 10,000/- to Rs. 20,000/-.
- Memorandum of understanding has been signed on 26th of November, 2013 between the State Govt. and J&K Bank for implementation of Direct Benefit Transfer (DBT)/Electronic Benefit Transfer (EBT) to roll out IGNOAPS in six (06) Districts on pilot basis and subsequently in all the districts of the State. Now the Old Age Pension will directly go into the bank account of beneficiary.
- In six pilot districts the DBT stands rolled out in the month of November 2013 and the pension under IGNOAPS in these district is being disbursed directly in the accounts of beneficiaries in DBT mode.
- The rate of cash incentive has been enhanced from Rs. 4000/- to Rs. 6000/- under Indra Gandhi Matritva Sahyog Yojna (IGMSY) to improve the health and nutrition status of pregnant, lactating women and their young infants.
- State Government is providing Pre-matric scholarship to girls to enhance their level of literacy and to reduce the burden on the parents to sustained education.
- The Govt. has enhanced the Honorarium of Anganwadi Workers and Anganwadi helpers w.e.f 01-04-2012.
- Government has been implementing various programmes which support women to take up new ventures and start self employment through *State Women Development Corporation, Social Welfare Department, Rural Development*.
- National Commission for protection of Child Rights (NCPCR) was set up in March, 2007 for effective implementation of child rights in the country.
- Rajiv Gandhi National Creche Scheme for children of working mothers has been launched to provide its services to the children of age group 0-6 years. It includes supplementary nutrition, emergency medicines and contingencies. At present crèches are functioning under the scheme benefiting children.
- An autonomous organization of Ministry of Women and child Development Adoption Central Resource Agency (CARA) is functioning with the goal to

promote domestic adoption and inter country adoption under the guidelines of Government of India. CARA is also implementing the Shishu Greh Scheme for providing institutional care to children up to the age of 6 years.

## **Welfare & Development of Backward Classes & Other Weaker Sections**

The objective of this sector is to address the problem of SCs, STs and other Backward Classes, particularly those who are economically and educationally backward. These sections of the society are being benefited through the following schemes of the Department:-

### **Pre-Matric Scholarship to SC Students**

Under this scheme scholarship are being provided to the students belonging to the SC category studying from 4th to 10th classes. The scheme has now been extended from class 1st to 12<sup>th</sup> class.

An amount of Rs. 510.44 lakhs has been incurred to benefit 75,440 students belonging to SC Category for the year 2011-12. During the year 2013-14 an amount of Rs. 563.26 lacs has been incurred with coverage of 72611 students while in the current financial year 2014-15 an amount of Rs. 124.52 lacs has been incurred with coverage of 15620 students up to ending November, 2014.

### **Pre-Matric Scholarship to OBC Students**

Under this scheme the scholarship are being provided to the students belonging to the OBC category from 4th to 10th classes and now from 1st to 12th classes. This scheme is shared between the State and Central Government on 50:50 basis.

During the year 2011-12, an outlay of Rs. 420.90 lakhs (excluding central share) was approved to cover 89058 beneficiaries, against which Rs. 240.15 lakhs were incurred covering 48128 students. During the year 2013-14, 26320 students have been covered by incurring an expenditure of Rs. 204.17 lacs while in the current financial year 2014-15, 8612 students have been covered by incurring an expenditure of Rs. 82.35 lacs up to ending November 2014.

### **Post-Matric Scholarship to OBC Students**

Post-Matric Scholarship is provided to those OBC students whose parents/guardians income from all sources do not exceed Rs. 2,50,000/- per annum. This is a Centrally Sponsored Scheme but, the committed liability is borne by the state government.

During the year 2011-12 an amount of Rs.321.36 lacs was incurred with coverage of 4730 students while for the year 2012-13, an amount of Rs. 840.47 lacs was incurred with coverage of 9952 students. During the year 2013-14, an amount of Rs. 1008.85 lacs was incurred with coverage of 8833 students while in the current year 2014-15, an amount of Rs. 217.26 lacs was incurred up to ending November, 2014 with coverage of 1510 students.

### **Post-Matric Scholarship to SC/ST Students**

The scheme is a 100% Centrally Sponsored Scheme (CSS) over and above the committed liability which is to be borne by the state government. Under the scheme, students of SC/ST community are being provided scholarship whose parents or guardians' income from all sources does not exceed Rs.2.50 lakh annually.

During the year 2012-13, Rs. 750.95 lacs was incurred with coverage of 9133 SC students and an amount of Rs. 1141.85 lacs was incurred with coverage of 14930 ST students. For the year 2013-14, Rs. 914.08 lacs was incurred with coverage of 10131 SC students and an amount of Rs. 1168.71 lacs was incurred with coverage of 10786 ST students. During the current financial year 2014-15, Rs. 167.40 lacs were incurred with coverage of 875 SC students and an amount of Rs. 326.58 lacs was incurred with coverage of 2925 ST students upto ending November, 2014.

### **Schedule Caste Boys/Girls Hostels**

In order to provide safeguard against the exploitation and to promote and protect socially, educationally, economically weaker sections, special care has been taken for protecting their educational interests. Hostels for SC Boys/Girls students have been constructed. The construction of SC Boys/Girls Hostels comes under two Centrally Sponsored Schemes shared between the centre and state on 50:50 basis.

The approved outlay for the year 2010-11 was Rs. 72.13 lakhs (excluding central share), which was fully utilized during 2010-11. During the year 2011-12, Rs. 55.20 lakhs (excluding Central Share) was the approved outlay and an expenditure of Rs. 64.18 lacs was reported during the year. During the year 2012-13, an amount of Rs. 43.20 lacs has been incurred under the scheme. During the year 2013-14, an amount of Rs. 11.00 lacs has been incurred under the scheme.

### **Construction of Hostels for ST Boys/Girls Students**

This is also a Centrally Sponsored Scheme shared by the state and centre govt. on 50:50 basis. The Hostels for ST boys at Mohore, Basangarh, Kargil & Kupwara are under construction /being constructed.

The other major schemes being implemented through the Social Welfare Department are mentioned below:-

### **Integrated Social Security Scheme (ISSS - State Sector)**

The "ISSS" scheme was introduced in the year 1994-95. The scheme is financed under Plan and Non-plan budget on 50:50 basis. Under this scheme financial assistance at the rate of Rs. 200/- to old age, women in distress (per women) and Rs. 300/- to Physically Challenged people per beneficiary per month (which has been increased to Rs. 400/- per month/beneficiary w.e.f. 01-01-2009) is monthly paid through bank accounts. During the year 2013-14, against an allocation of Rs. 13731.84 lakh, Rs. 13472.00 lakhs was incurred benefiting 422500 beneficiaries, while in the current financial year 2014-15 (ending Nov., 2014) Rs. 6023.42 lakhs was incurred covering 4.22 lakh beneficiaries.

### **National Social Assistance Programme (NSAP)**

A centrally sponsored scheme provides monthly pension to the old-aged persons, widows and physically disabled belonging to below poverty line (BPL) @ Rs. 400/- per beneficiary per month. In addition, one time lump sum assistance of Rs. 10000/- is provided to the BPL family whose soul bread earner has died. During the year 2013-14, an amount of Rs. 6230.76 Lakhs was incurred with the coverage of 137778 beneficiaries while in the current financial year 2014-15, an amount of Rs. 3852.06 lakhs have been incurred benefiting 150883 beneficiaries at the end of November, 2014.

### **Expansion of Bal-Ashram & Nari Niketan**

The department is providing free boarding and lodging to destitute women, orphans and visually handicapped persons. For this purpose 24 Bal Ashrams and 12 Nari Niketans have been set up by the state government with intake capacity of 1504 inmates. The approved outlay for the year 2011-12 was Rs. 104.75 lakhs, against which an amount of Rs. 69.25 lacs stands utilized. During the year 2012-13, an amount of Rs. 73.65 lakhs were incurred under the scheme. During the year 2013-14 an amount of Rs. 64.90 lakhs, were incurred under the scheme. The approved outlay for the Current financial year i.e. 2014-15 is Rs. 79.90 lakhs, which is expected to be fully utilized up to ending March, 2015.

### **Pre-Matric Scholarship to Physically Handicapped**

Under this scheme, state government is providing monthly Scholarship to the Physically Handicapped Students with an objective to enhance their level of literacy. The enhanced rate of scholarship has come into force from January, 2009 under which students of this category from 1st to 5th class are paid scholarship @ Rs. 450/- (Boys) and Rs. 675/- (girls). From Class 6th to class 8th, boys are paid Rs. 900/- while as girls are paid Rs. 1350/-. For the classes of 9th and 10th, boys are provided scholarship of Rs. 1350/- and girls, Rs. 1800/- while as students of classes 11<sup>th</sup> & 12<sup>th</sup> of this category get scholarship of Rs. 1350/- for boys and Rs. 2700/- for girls.

During the year 2012-13, Rs. 28.27 lakhs was spent by covering 7079 Physically Handicapped Students. During the year 2013-14, Rs. 33.00 lakhs is the approved outlay for coverage of 4000 students. During the year 2013-14, Rs. 31.20 lakhs has been incurred with coverage of 3752 students.

### **Post-Matric Scholarship to Physically Handicapped**

The scheme aims at providing scholarship to the students studying at the Post-Matric level. The income ceiling of the parents/guardian of the students is Rs. 1,00,000/- per annum. During the year 2011-12, an amount of Rs. 39.93 lakhs was earmarked for coverage of 370 students, against which Rs. 35.36 lakhs were spent by covering 305 Physically Handicapped Students upto ending March, 2012. During the year 2012-13, 320 students have been given scholarship for which Rs. 36.50 lakhs have been spent. During the year 2013-14, Rs. 43.46 lakhs have been incurred for coverage of 342 students.

### **Integrated Child Development Scheme (ICDS)**

The ICDS scheme was started in J&K state in the year 1975. Presently, J&K state has 141 ICDS Projects (including one migrant project) and 29599 AWCs have been sanctioned by Government of India out of which 28,594 are currently functional.

### Non-Nutrition

The sharing pattern of the scheme has been changed by the GoI w.e.f. 01-04-2009 from 100% to 90:10%.

### Supplementary Nutrition

About 10 lac beneficiaries which comprise children of 6 months to 6 years of age, Pregnant and lactating mothers are being given supplementary nutrition. During the year 2013-14, an amount of Rs. 26573.66 lakh was incurred while in the current financial year 2014-15, an amount of Rs. 26002.50 lakhs were incurred at the ending of November, 2014.

Under the nomenclature of Non-Nutrition, a number of items figure in the scheme which are essential for providing nutrition by way of cooked food to the beneficiaries. These items include kerosene stoves, pressure cookers, utensils etc. Play way materials for the children, medicine kits, weighing machines are also provided. The entitlement per beneficiary is as under:-

Category	Existing	Revised (per beneficiary per day)
Children(6-72 months)	Rs. 4.00	Rs. 6.00
Severely malnourished children (6-72 months)	Rs. 6.00	Rs. 9.00
Pregnant Women and Nursing mothers	Rs. 5.00	Rs. 7.00

The Apex Corporation-wise details of maximum loan component & interest rates are as under:-

Scheme/s	National Level Corporation	Maximum Quantum of Loan (for Individual Beneficiary and in Group)	Rate of Interest ( depends upon quantum of loan)
Direct Financing in Collaboration with National Corporations of the Govt. of India	NSFDC for SCs	From Rs. 0.30 to Rs. 30.00	4% to 8%
	NSTFDC for STs	From Rs. 0.50 to Rs. 10.00	4% to 8%
	NBCFDC for BCs	From Rs. 0.30 to Rs. 5.00	6%
	NMDFC for Minorities	From Rs. 0.25 to Rs. 5.00	6%
	NSKFDC for Safai Karamcharis	From Rs. 0.30 to Rs. 10.00	4% to 8%
	NHFDC for Handicapped	From Rs. 0.50 to Rs. 25.00	5% to 6%

*Source J&K SCs, STs & BCs Dev. Corpn: Ltd*

<b>Table No 25: Year-wise Target and Achievement under Direct Financing scheme (Rs. in lakhs)</b>				
<b>Year</b>	<b>Targets</b>		<b>Achievements</b>	
	<b>Physical</b>	<b>Finance</b>	<b>Physical</b>	<b>Finance</b>
2011-12	700	950	330	418.83
2012-13	525	650	319	311.99
2013-14	650	800	529	806.85
2014-15 (upto 31.11.2014)	650	800	282	439.91
<i>Source J&amp;K SCs, STs &amp; BCs Dev. Corpn: Ltd</i>				

The areas of activities which are being taken up for financing are mainly under the following broad sectors:

- Transport Sector Activities.
- Agriculture and Allied Activities.
- Small Business / Trade.
- Tiny / Cottage Industry or Service Activity.
- Artisans and Traditional Activities.

**Skill Development Programme:**

The Corporation has been undertaking various Skill Development Programmes by imparting training to the candidates of Target Groups to develop their skills and knowledge with a view to enhance their competence for wage employment / self employment. Under the scheme, the Corporation arranges need-based vocational training / skill development programmes with the financial support from the National Level Corporations.

The Corporation has so far provided training to 3048 youths of the target group, in the field of Computers, Typewriters, Cutting / Tailoring, Mechanical Trades, Sisal Fibre Products / Bamboo Crafts and Handicraft Product, Calico Printing, Amber Charkha Textile designation & Art & Craft, Mobile Repairing, e Plumbing & Sanitation, Composite Electrician etc.

**Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS) (Time Bound Scheme).**

The Govt. of India, Ministry of Social Justice and Empowerment in the year 1992-93, had launched the 'National Scheme for Liberation and Rehabilitation of Scavenger's scheme.

The Union Cabinet accorded the approval for the central sector "Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)" in December, 2006 with the objective to liberate and rehabilitate all the remaining manual scavengers (including their dependents) who are still engaged in obnoxious and inhuman occupation of manually removing the night soil and filth, in a time bound manner. The identification was to be done by the Urban Development Department / Local

Bodies, Rural Development / Rural Sanitation Department etc. The job of rehabilitation was given to the J&K SC / ST / BC Development Corporation.

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# Economic Infrastructure

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## Power

The state of Jammu and Kashmir is endowed with significant hydel potential which, when exploited fully, will provide a strong impetus for the growth of its economy. The estimated hydro power potential of the state is 20,000 Megawatts (MW), of which about 16475 MW have been identified. This comprises 11283 MW in Chenab basin, 3084 MW in Jhelum basin 500 MW in Ravi Basin & 1608 MW in Indus basin. Out of the identified potential, only 2813.46MW i.e. 17 % (of identified potential) has been exploited so far, consisting of 761.96 MW in State Sector from 21 power projects, 2009 MW in Central Sector from 7 projects and 42.5 MW in private sector from 4 projects .

### Potential Harnessed

STATE SECTOR	=	761.96 MW
CENTRAL SECTOR	=	2009.00 MW
PRIVATE SECTOR	=	42.50 MW
<b>TOTAL</b>	<b>=</b>	<b>2813.46 MW</b>

Due to resource constraints, exploitation of the potential economic rejuvenator like hydro power has been very steady. Besides, due to the constraints imposed by the provisions of Indus Water Treaty between India and Pakistan preventing water storage of the water of Jhelum, Chenab and Sind rivers, these projects have been constructed as run of the rivers and as such generation reduces to less than 1/3rd of installed capacity during winter when the discharge in these snow fed rivers dwindle. The State is therefore perpetually energy deficient and has to rely on power purchase from Northern Grid to meet its requirement particularly in winters, when its own generation recedes and demand peaks. In spite of heavy odds, the State has not wavered from its resolve to ensure electrification of all its villages/hamlets.

The Eighteenth All India Power Survey has projected an increase in power demand of Jammu and Kashmir from 1706 MW i.e. 9640 MUs during 2004-05 to 4217 MW i.e. 21887 MUs during 2021-22.

### Power Sector- Strategy, Proposal, Reforms and Concerns

For making the power sector efficient and more competitive, reforms in this sector have been and are underway. While there is some progress, power shortage continues to haunt the State and is a major constraint of the development of the industry and economy. The biggest weakness is on the distribution front. Aggregate

Technical and Commercial (AT&C) losses of our State are about 72 percent. This has posed a major challenge to the fiscal health of the State.

The Eleventh Plan has ensured substantial expansion to move in a comfortable position. Few projects under Central Sector and State Sector have materialized. Capacity of 1946.01 MW has been added from 1996 & 2013-14 in State, Central and Private Sector. Transmission and Distribution network is being strengthened and various measures have been adopted under the reforms. Investment in transmission and distribution infrastructure and restructuring of the APDRP, using technological and managerial tools such as Smart Metering and High Voltage Distribution System (HVDS), tariff monitoring and revision and accountability at each distribution transformer with a goal, are being worked out besides, providing electricity access to all households.

#### **J&K State Electricity Regulatory Commission**

The State Government has set up State Electricity Regulatory Commission. The Jammu and Kashmir Power Development Department has already filed four ARR/Tariff petitions with the SERC and SERC has issued tariff orders for 2008-09, 2009-10, 2010-11 and 2011-12. In the present structure, the Generation & transmission continues to be with State's PDC and PDD respectively. In the case of distribution entity, the State Government is proposing to have two discoms one each at Kashmir & Jammu region, besides setting up of separate Transmission Company & Independent SLDC.

#### **Tripartite MOUs**

The first MOU was signed in August 2006 between MOF/Planning Commission and Government of J&K. It was agreed that Government of India would provide an amount of Rs.1300 crore (Central assistance) to Jammu and Kashmir Power Development Department (JKPDD) to support the reform initiatives subject to achievement of certain benchmarks which were spelt out in the MoU. The benchmarks were achieved and another MoU was signed in February, 2008. The benchmarks under this MoU were also achieved, **except** benchmarks of revenue and metering.

Despite several steps of reforms over the years, the situation has not improved much, due to slow pace of progress in distribution segment. Without effective reforms in this area, the sector will not be financially viable and will be unable to achieve the required level of performance. Though some progress has been made for setting up of State Regulatory Organization, yet the actual improvement in distribution is low.

### **GENERATION**

#### **Present Position of Power Generation**

##### **1. State Sector Projects**

During past five decades considerable work has been done in Power Sector within the limitations imposed by the resources and other constraints. The installed

capacity in the State, thermal as well as Hydel, is 969.96 MW (208 MW Thermal + 761.96 MW Hydel). The prestigious Baglihar Hydro Electric Project, with a capacity of 450 MW was commissioned during 2008-09. During 2008-09, 2009-10, 2010-11 2011-12 & 2012-13 & 2013-14 1630.115 MUs, 3379.489 MUs, 3647.41 MUs, 3786.434 MUs, 3864.434 MUs of energy was generated respectively from the power projects under operation with JKSPDC. The energy generation for the year 2014-15 is estimated to be 3927.714 MUs.

The aggregate capacity of 761.96 MW hydel power in the State Sector is available to the State, which is helping the State to overcome the power scarcity to some extent.

The machines of the old power houses have outlived their lives in most of the stations and require renovation and modernization. The upper Sindh Hydel Project-II with an installed capacity of 105MW (35x3 MW) was being operated for a capacity of 70 MW only due to reduced availability of water as result of damages to Wangath Link Canal. The construction of an alternate tunnel water conductor has been taken up as per the advice of CWC for restoration of the Project to its design capacity of 105 MW. Work is expected to be completed by August, 2015.

## **2. Central Sector Projects**

In the Central sector, during the first year of 11th Five Year Plan i.e. 2007-08, Dulhasti Power Project, Kishtwar with the capacity of 390 MW and 120 MW Sewa II were commissioned which increased the power generation in central sector from 1170 MW to 1680 MW. Further during 2013-14, 45 MW Nimo Bazgo, 44 MW Chutak & 2 units of 240 MW Uri II were commissioned increasing the installed capacity of Central Sector Projects to 2009 MW. This capacity stabilizes the State Power situation as State has entitlement of 12 percent free power from these projects.

## **3. Entitlement from CPSUs**

Besides, the generation of power from the State owned power houses; the State is also entitled to receive the power from Centre Power Sector, as part of power generated by various power houses in the State and outside the State. This is regulated by the Ministry of Power, Government of India and the State has a firm allocation of around 1437 MW including 12% free power from NHPC's power houses of Salal, Uri and Dulhasti. Besides, a share of 617 MW (non-firm share) from unallocated quota which varies from time to time. State as such, has total share of 2054 MW (1437MW firm & 617 MW non-firm)from these stations but the effective availability depends upon the condition of machines, river discharge and the fuel availability.

### **Generation Projects under execution**

#### **State Sector Projects under execution**

The State Govt. is putting sustained efforts to exploit the power for the economic growth of the state. Under this sector Baglihar Hydro Electric Project-I with an installed capacity of 450.00 MW has been made operational during 2008-09, 1.26 MW Sanjak MHP has been commissioned in 2011 and Capacity of Bharderwah MHP has been augmented by 0.5 MW in 2011. Further, capacity of Pahalgam MHP has also

been augmented by 1.5 MW in 2013. 450 MW BHEP-II is expected to start generation in 2015-16.

### Allocation of Coal Block for Setting up of 660 MW Thermal Project

JKSPDC has been allocated coal block (Kudnali Laburi in Odisha ) jointly with NTPC with an allocated geological reserve of 130 & 266 Million Tonnes respectively. Allocation letter to be issued to JV Company and, not to the parties separately.

- Pursuant to the decision of the Board of Directors, JKSPDC engaged M/s SBICAPS as consultants to carry out the viability & sensitivity analysis of various options and accordingly advise on the way forward essentially with regard to location of the end use plant.
- SBICAPS has furnished a report which states that with a coal availability of 3.40 million tonnes per annum (assuming that extractable coal reserves would be 60-70 % of geological reserve of 130 MT for 25 years), the installed capacity works out to 660 MW (supercritical unit).
- Net financial impact by locating the project in J&K vis-a-vis Odisha is estimated to be Rs.700 crore per annum which translates to over Rs.18000 crore over the lifetime of the project.
- JKSPDCL is yet to enter into JV with NTPC for both coal mining.
- Law Department has cleared the draft JV Agreement, which is expected to be signed soon.

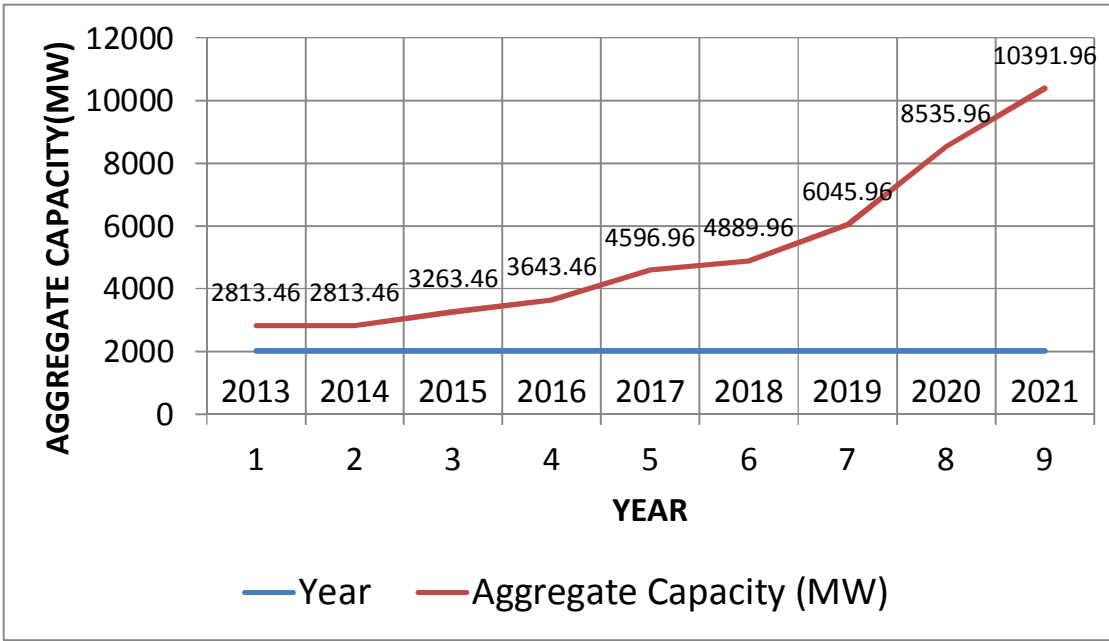
### Projects under Survey & Investigation through Swiss Challenge method

Pursuant to cabinet approval, JKSPDC has awarded 84 MW Shutkari Kulan & 100 MW Parkhachik Panikhar HEPs to M/s SP infra & M/s HCC respectively for development under Swiss Challenge method. While SP Infra has already commenced work, M/s HCC has withdrawn. Alternatives are being worked out.

S. No	Name of Project	Capacity (MW)	2013	2014	2015	2016	2017	2018	2019	2020	2021
1	3rd Unit of Pahalgam	1.5	1.5								
2	BHEP-II	450			450						
3	Hanu HEP	9					9				
4	Dah HEP	9					9				
5	Parnai HEP	37.5					37.5				
6	Lower Kalnai	48					48				
7	New Ganderbal	93						93			
8	Sawalkote HEP	1856									1856
9	Kirthai-I	390							390		
10	Kirthai-II	930								930	
11	Large IPP (850 MW Ratle HEP)	850					850				
12	Small IPP	376	25			45		200	106		

13	TDP Pugh Geothermal	5				5					
14	Joint Venture Projects	2220							660	1560	
15	Central Sector	1679	329			330					
	<b>Total</b>	<b>8954</b>	<b>355.5</b>		<b>450</b>	<b>380</b>	<b>953.5</b>	<b>293</b>	<b>1156</b>	<b>2490</b>	<b>1856</b>

1020 MW in Central Sector, 212 MW Ujh and Thermal Project not included in the projections.



### Road Map - Generation

A road map for capacity addition during 12<sup>th</sup> & 13<sup>th</sup> five year plan has been drawn as follows.

S.No.	Sector	Projects	Capacity
1.	State Sector	15	6263 MW( includes 3 Projects of JVC of 2220 MW)
2.	Central Sector	5	1859( including Burser 1020 MW)
3.	IPP (Big)	1	850
4.	IPP (Small)	36	372.50
	<b>Total</b>	<b>57</b>	<b>9344.50 MW</b>

### POWER TRANSMISSION

#### Present Scenario

The Transmission and Distribution of power is looked after by Power Development Department in the State of J&K. Effective and efficient Transmission and Distribution is as vital as the generation of power. The need of power in the State is growing, so does the generation. In order to transfer the Power from point of generation to point of consumption effectively, the Transmission and Distribution

infrastructure needs development. The infrastructure of Transmission and Distribution serving the State consists of four transformation capacities of different voltage levels i.e. 220/132 KV level, 132/66-33 KV level, 66-33/11 KV level and 11/0.04 KV level.

### 1.1. Availability and Requirement of “Transmission & Distribution System” (MVA)

<b>Table No3</b>					
<b>S. No.</b>	<b>Voltage level</b>	<b>Availability of Grid capacity ending 2012-13</b>	<b>Availability of Grid capacity ending 2013-14</b>	<b>infrastructure required by 2016-17 Peak demand by end 2016-17</b>	<b>Gap to be met during 12<sup>th</sup> FYP</b>
1	220/132 KV level	3570.0	3730.0	5160.00	1430
2	132/66-33 KV Level	3973.0	4163.0	6192.00	2029
3	66-33/11 KV level	4703.85	4891.30	7431.00	2539.7
4	11-6.6/0.4 KV level	5388	5822.64	8917.00	3094.36
	<b>Total</b>	<b>17634.85</b>	<b>18606.94</b>	<b>27700.00</b>	<b>9093.06</b>

3730MVA transformation capacity was available at 220kV level and 4163MVA at 132kV level by the end of year 2013-14. The infrastructure available to meet the transmission of estimated demand at the end of 12<sup>th</sup> plan, is not adequate enough in the State. Hence there is an urgent need to upgrade the Transmission and Distribution infrastructure so that future needs of T&D can be fulfilled effectively. In the wake of thrust on Generation of more and more power in the State by undertaking the fresh projects, the need for such T&D network needs immediate attention. The infrastructure capacity required at 220/132kV level to meet the anticipated peak demand is 5160MVA ending 2016-17, there will be a gap of 1430MVA at the end of 12<sup>th</sup> five year plan which is to be met out in phased manner. Likewise the estimated requirement of transformation capacity at 132/66-33kV level at the end of 12<sup>th</sup> plan will be 6192.00 MVA leaving a gap of 2029MVA and at 66-33/11kV level will be 7431 MVA leaving a gap of 2539.70MVA and at 11-6.6/0.4kV will be 8917 MVA leaving a gap of 3094.36MVA which is to be provided in phased manner during the 12<sup>th</sup> plan.

Around 9000 MW capacity generation is under execution under state sector, central sector, IPP mode and Joint Venture out of which around 2100 MW is scheduled to come up by the end of 12th five year plan. The state has to prepare evacuation

system for this generation during 12<sup>th</sup> plan period which is scheduled to come by the end of 12<sup>th</sup> plan.

### **Transmission Capacity available**

#### **Capacity at 400 / 220 KV Level (MVA): Owned & operated by PGCIL**

1. AT 400kV level, availability at present is as under:
    - a. Wagoora = 1260 MVA
    - b. New Wanpoh = 630MVA
    - c. Kishenpur = 945 MVA
    - d. Samba = 630MVA
- TOTAL = 3465 MVA**

The transmission at 400kV level is looked after by Power Grid Corporation of India Ltd. (PGCIL). Power Grid has commissioned two new 400/220kV Sub Stations at New Wanpoh and Samba. However outgoing lines which will interconnect these sub stations with the state transmission system are not constructed as yet. Powergrid has been approached through various forums at national level to take up the construction work so as to ensure that benefits of these sub stations reach the people.

After Commissioning of New Wanpoh and Samba Grid Substations the available capacity at 400kV level has increased to 3465 MVA while as the available transformation capacity at 220/132kV level and 132/33kV level is 3730 MVA and 4163 MVA respectively. Besides, the reliability of power supply to Kashmir valley is also a major concern since the power supply is through 220kV & 400kV transmission lines which are passing through same corridor which is highly prone to snow and wind storms.

The whole issue was brought to the notice of TCC and NRPC members by J&K PDD and was requested for construction of 400/220kV Substation in valley essentially in North which would also enable evacuation of power from under construction Kishenganga hydel project and Ladakh region. It was also requested by J&K PDD that another 400/220kV Substation may be constructed in Akhnoor-Rajouri-Poonch belt and the two proposed Substations may be fed from an independent 400kV transmission line from Samba which would eventually pass through Moghal Road and provide alternate route for lines to Kashmir geographically different than present route which is through Ramban- Banihal route. The proposed transmission line would complete the 400kV ring in the State and would improve the reliability of system for whole state.

The proposal for construction of transmission line via Mughal Road has been approved by the Standing Committee of Central Electricity Authority on Transmission Planning in Northern Region in the first week of January 2013. The

project has been awarded to M/S Sterlite Grid India Ltd through Tariff based Competitive Bidding for execution in December' 2014.

In compliance to section 3 of J&K Electricity Act, 2010 the J&K Power Development Department prepared a Draft State Electricity Policy that was placed on the website [www.dcpjkpdd.in](http://www.dcpjkpdd.in) for seeking comments/ suggestions from various stake holders. The comments received were incorporated and the final document stands submitted to the Government for notification.

In compliance to subsection 4 of section 3 of J&K Electricity Act 2010 the department has published a draft state Electricity Plan and placed on the website [www.dcpjkpdd.in](http://www.dcpjkpdd.in) for comments/ suggestions of the stake holders. The draft Electricity Plan which contains Transmission Plan for 12<sup>th</sup> & 13<sup>th</sup> five year plan and distribution Plan for the 12<sup>th</sup> five year Plan has been prepared with the following objectives:

- To cater the growing power & energy demand of the state.
- Facilitate evacuation of power from the upcoming generating stations in the State.
- Reliable and quality power supply to the consumers.
- Technical & Commercial losses kept at acceptable levels.
- Power is supplied to the consumers at affordable tariff.

The draft State Electricity Plan has also been sent to the Central Electricity Authority for their suggestions and vetting. The total Plan size for 12<sup>th</sup> five year plan for transmission and distribution sectors is envisaged at Rs.1532.00 crore and Rs.2228.00 crore respectively.

#### **Prime Minister's Re-construction Plan (PMRP)**

73 projects under T&D (PMRP) were taken up during financial year 2004-05. 52 projects have been completed, 7 projects are likely to be completed during 2014-15 (3 Transmission lines and 4 optic fibre projects executed through PGCIL on turnkey basis) and 4 projects are likely to be completed during F.Y. 2015-16 are :

1. 1x20 MVA, 132/33 KV, Grid station, Bhalessa.
2. 1x50 MVA, 132/33 KV, Grid station, Battal Manwal.
3. 320 MVA / 100 MVA, 220/132/33 KV Grid station, Alusteng (Half project i.e. 100 MVA, 132/33 KV, Grid station).
4. Construction of 220 KV, Mirbazar - Wagoora, Transmission Line.

2 projects / transmission lines have been short closed, being technically non feasible and 1 project have been dropped, namely :

#### **Short closed projects:**

1. 132 KV, D/C, Bemina-Rawalpora-Budgam, Transmission line;
2. 220 KV, D/C, Zainakote-Alusteng-Mir Bazar, Transmission line; and



**Dropped project:**

3. Conversion of CSTL, S/C into D/C over Pir-Panchal & Upgradation from Pampore to Wanpooh.

Out of remaining 7 projects, 5 involve cost escalation, ROW issues, land acquisition and change BOQ, and can be completed subject to availability of funds / settlement of WCT issues.

➤ The aim of the scheme is to strengthen T&D System under PMRP, to add and augment transmission capacity in the T&D network of J&K State at 220 KV and 132 KV level.

➤ Project cost = Rs.1351.00 crores

➤ Cum. Exp. ending March 2014 = Rs.1134.05 crores

**# Short closed projects:**

1. 132 KV, D/C, Bemina-Rawalpora-Budgam, Transmission line;
2. 220 KV, D/C, Zainakote-Alusteng-Mir Bazar, Transmission line; and

**# Dropped project:**

Conversion of CSTL, S/C into D/C over Pir-Panchal & Upgradation from Pampore to Wanpooh.

Cost escalation of Rs.171.21 cr has been recommended by the Ministry of Power for which Ministry of Finance, GoI is yet to allocate funds for PMRP.

**DISTRIBUTION****Re-structured Accelerated Power Development & Reforms Programme (R-APDRP)**

The Re-structured Accelerated Dev. Reforms Programme (R-APDRP) scheme has been launched in the State, in 30 identified Towns. 11 towns of Jammu region, including Jammu City and 19 towns of Kashmir region, including Srinagar City.

The Re-structured Accelerated Dev. Reforms Programme scheme have been implemented under PART-A & PART-B. The new Integrated Power Development Scheme (IPDS) is under formulation.

**A) Components of PART-A**

Preparation of Base-line data for the project area covering Consumer Indexing, GIS Mapping, Metering of Distribution Transformers and Feeders, and Automatic Data Logging for all Distribution Transformers and Feeders and SCADA / DMS system (only in the project area having more than 4 lacs population and annual input energy of the order of 35 MU). It would include Asset mapping of the entire distribution network at and below the 11 KV level and will include the Distribution Transformers and Feeders, Low Tension lines, poles and other distribution network equipment. It will also include adoption of IT applications for meter reading, billing & collection;

energy accounting & auditing; MIS; redressal of consumer grievances; establishment of IT enabled consumer service centers.

### B) Components of PART-B

Renovation, Modernization and Strengthening of 11 KV level Sub-stations, Transformers / Transformer Centers, Re-conductoring of lines at 11 KV level and below, Load bifurcation, Feeders Separation, Load Balancing, HVDS (11 KV), Aerial Bunched cabling in densely populated areas prone to hooking, replacement of electromagnetic energy meters with tamper proof electronic meters, installation of capacitor banks and mobile service centers etc. In exceptional cases, where the Sub-transmission system is weak, strengthening at 33 KV or 66 KV levels.

#### Financial implications of R-APDRP in J&K

Table No 4 : Financial implications of R-APDRP in J&K				
S. No.	Name of town	Revised sanctioned cost of PART-A	Cost of PART-B RAPDRP	Total (Rs Crore)
1	Jammu Division	54.55	775.71	830.26
2	Kashmir Division	97.44	889.56	987.00
3	J&K	151.99*	1665.27**	1817.26
<p>* Civil cost component of Rs.10.50 crore and FMS charges of Rs. 28.76 crore (Rs.39.26 crore) to be borne by State Government for PART-A after the 1<sup>st</sup> year of the commissioning of IT Hardware and Software in the State (Rs.151.99 crore + Rs.39.26 crore = Rs.191.25 crore).</p> <p>** 90:10 basis. 90% CSS Rs.1498.743 crore (Rs.698.139 crore of Jammu Division and Rs.800.604 crore of Kashmir Division). 10% State share Rs.166.527 crore</p>				

#### Supervisory Control & Data Acquisition (SCADA)

Eligible Towns : 2 (Rs. 27.69 crore Jammu and Rs.25.20 crore Srinagar, GoI Loan) :  
Rs.52.89 crore

#### Rajiv Gandhi Grameen Vidutikaran Yojana (RGGVY)

RGGVY has been completed in erstwhile 12 districts of the State and is likely to be completed / closed in district Jammu and Leh by March, 2015. 5674 hamlets, 2896 partially electrified villages have been electrified apart from 223 Un-electrified/De-electrified villages.

The Phase-II of RGGVY have been approved for 19 eligible districts, as per guidelines of the scheme with a tentative cost of Rs.724.63 crore.

#### RGGVY Phase-II

##### Objective

- Electrifying all villages and habitations as per new definition;

- Providing access to electricity to all rural households; and
- Providing electricity Connection to Below Poverty Line (BPL) families free of charge

As per the norms of the scheme, a village would be declared as electrified, if :

- Basic infrastructure such as Distribution Transformer and Distribution lines are provided in the inhabited locality as well as the Dalit Basti hamlet where it exists;
- Electricity is provided to public places like Schools, Panchayat Office, Health Centers, Dispensaries, Community centers etc.; and
- The number of households electrified should be at least 10% of the total number of households in the village.

### **Scope**

- Electrification of left out villages which have not been covered under RGGVY-I;
- Electrification of UE/DE/PE (Un Electrified, De Electrified, Partially Electrified) habitations with population of 100 and above associated with the villages which have not been covered under RGGVY
- Access to electricity to all households (including BPL households) in the above villages/habitations;
- Completion of Spill over works of projects sanctioned in 10<sup>th</sup> and 11<sup>th</sup> Plan; and
- Decentralized Distribution cum Generation (DDG) from conventional or renewable or non conventional sources for villages where grid connectivity is neither feasible nor cost effective.

### **DDUGJY (Deen Dayal Upadhyay Grameen Jyoti Yojana)**

The new scheme of DDUGJY is being taken up in the state.

### **Reforms in Power Sector**

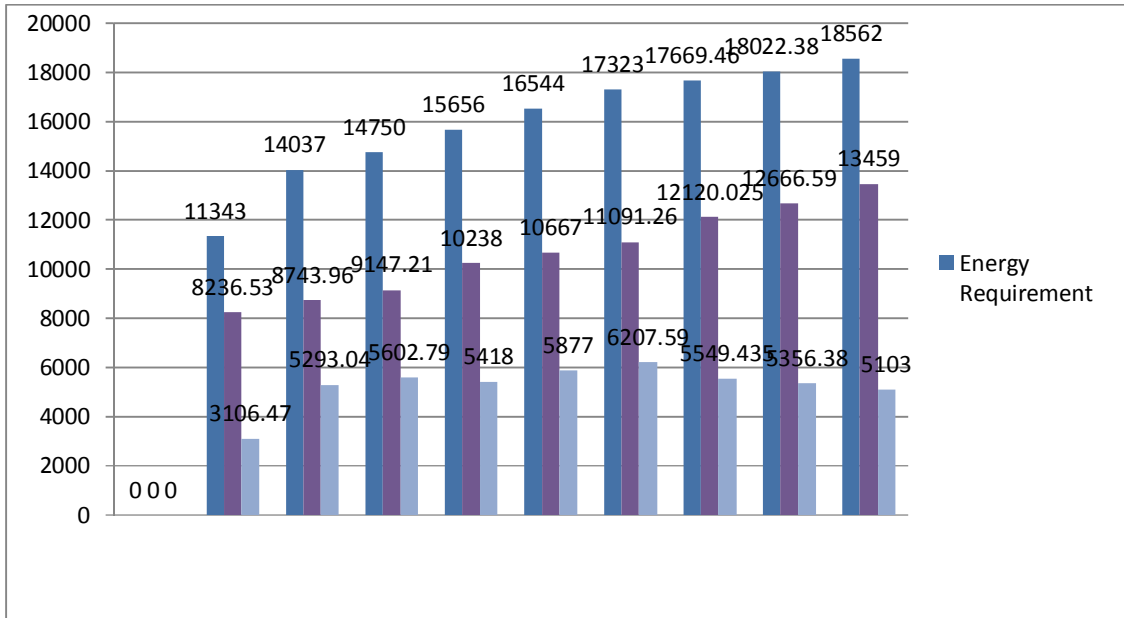
The energy demand has gradually increased during 11<sup>th</sup> Plan period at annual rate varying from 5 to 6%. However the rate of demand has increased by around 2 to 3% only for the year 2013-14 and 2014-15 over 2012-13 and 2013-14 respectively. To bridge the widened gap between demand and supply, the department has enforced the power cuts. These cuts are of the order of 8 hours in summer and 10 hours in winter. Even after the cuts, the restricted demand was around 12666.59 MUs in 2013-14, which necessitated banking of power during summer with other state utilities and using of the same during winter.

To meet the gap, the department enters into banking arrangements with NVVN, Punjab, Haryana, Chatisgarh, and also arranges Power from Power Trading Corporation (PTC), NTPC Vidhyut Viyapar Nigam Ltd. (NVVN), besides, over draws from Northern Grid. Over draws are not an assured source of supply and restrictions are imposed depending upon the overall frequency position of the Grid. So over draws are being avoided to the extent possible. Accordingly the department has encouraged banking of power from 183.846 MU in the year 2012-13 to 422.797

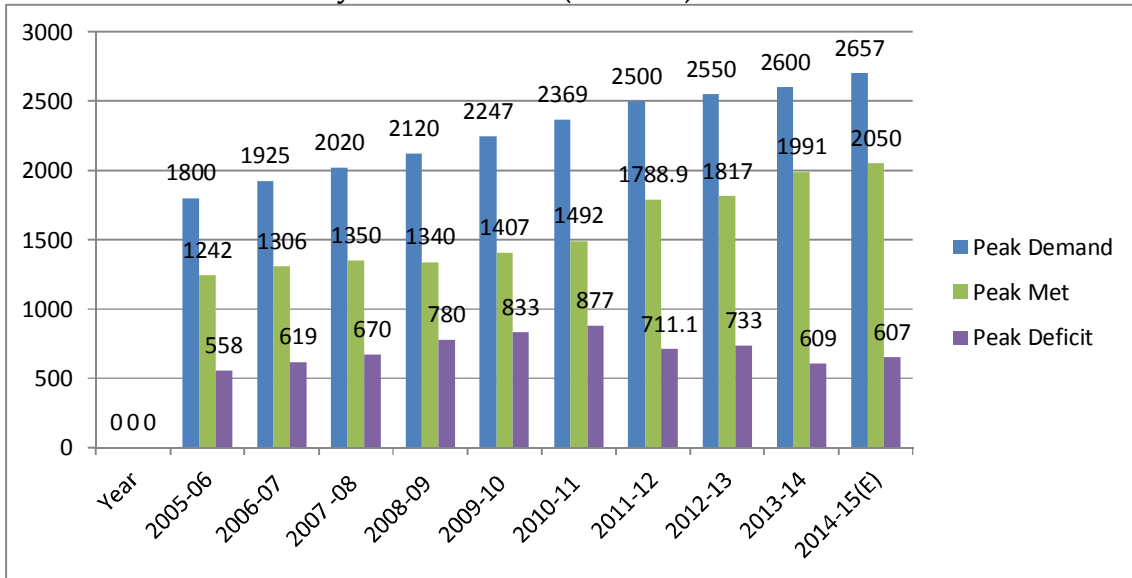
during 2013-14. During the year 2013-14 the department supplied 4.5% more energy as compared to previous year.

Gross self generation from the state owned power plants during 2013-14 was 2337.237 MU all from hydro source. In the year 2014-15, the self generation is expected to be around 2350.00 MU. Gas Turbines installed at Pampore in Kashmir Valley are being pressed only in extreme crisis because of prohibitive cost of generation.

**Demand And Availability Scenario (ENERGY)**



**Demand and Availability Scenario Peak (POWER)**



## Availability of Power

### Total availability of Power from all sources (in MU)

Table No 5 : Total availability of Power from all sources (in MU)							
S. No	Source	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (RE)
1	From own generation	2101.226	2310.815	2562.49	2519.940	2337.237	2350.00
2	Free Power	953.795	1061.252	1045.089	1056.104	1089.212	1294.233
3	Total (1+2)	<b>3055.021</b>	<b>3372.07</b>	<b>3687.579</b>	<b>3576.044</b>	3426.449	3644.233
4	CPSU's (NTPC & NHPC)	5875.145	5769.327	5882.657	6196.153	6378.255	7457.20
5	Other sources (SJVN, THDC, TALA, NPCIL)	1050.046	1448.614	1380.859	2025.689	2227.462	2440.256
6	Under U.I (un scheduled interchanges)	195.825	-25.907	106.053	-35.682	79.926	203.047
7	Short term trading	0.715	0	143.633	173.975	131.701	83.148
8	Banking	193.898	103.127	-109.521	183.846	422.797	-368.884
9	Total 4 to 8	7315.629	7295.161	7403.681	7764.146	9240.141	9440.269
10	<i>Grand Total</i> (3+9)	10370.65	10667.23	11091.26	12120.025	12666.59	13459.00
11	Own gen. as %age of total availability	29.45	21.66	23.10	20.028	18.45	17.46

The total availability of power generated from own sources is meagre and the free power also accounts very little. Both these have contributed just 27.05 percent of the total restricted electricity requirement and the rest 72.95 percent has been purchased from the other sources during the financial year 2013-14. The estimated energy from state owned projects along with the free energy share amounts to 3644.233MU which is around 27.08% of total consumption of 13459MU for the year 2014-15. Remaining 9440.269MU requirement is met from CPSU through long term allocation, banking and short term trading including UI. This purchased portion still does not fulfil the complete requirements, hence there are frequent power cuts ranging from 8 to 10 hours per day. Both purchased as well as self generated power fulfil just around 72.50 percent of total requirement for the current year 2014-15, leaving State's power status in doldrums.

### Banking arrangements and trading

To meet the restricted requirement of energy during winters when there is drastic reduction in river discharge, the state goes for banking arrangements with NVVN, Punjab, Haryana and Chandigarh where the power is banked during summers and received back during winters. In addition the state receives 617MW of power from the unallocated quota as well during peak requirement. For the current year 2014-15 368.884MU are estimated to be banked by the department.

<b>Restricted Peak Demand</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15(E)</b>
a. Summer with curtailment of 8 Hrs	1560 MW	1712.00MW	1819MW	1950MW
b. Winter with curtailment of 10 Hrs	1789 MW	1817.00MW	1991MW	2200MW
c. Unrestricted energy requirement	17323 MU	17669.46MU	18022.38MU	18562MW
d. Restricted Energy Requirement	11091.26MU	12120.02MU	12666MU	13459MU

**Availability (MW):**

<b>Source</b>	<b>2013- 14</b>		<b>2014-15 (E)</b>	
	<b>Summer</b>	<b>Winter</b>	<b>Summer</b>	<b>Winter</b>
a. CPSUs	875-1030MW	1004-1455MW	900-1200MW	1100-1650MW
b. Self Generation	<u>250-425MW</u>	<u>100-350MW</u>	<u>250-425MW</u>	<u>100-350MW</u>
<b>Total</b>	<b><u>1125-1455MW</u></b>	<b><u>1104-1805MW</u></b>	<b><u>1150-1625MW</u></b>	<b><u>1200-2000MW</u></b>

There is scarcity of power both in terms of total energy availability and energy availability during peak hours. Against the unrestricted power demand of 2600 MW the winter availability was maximum of 1991 MW during 2013-14, of which major component over 70% is purchased from Northern Grid. Due to this gap state is forced to avail unallocated quota, banking and purchase from Power Exchange.

**Power scenario in J&K State 2013-14 & 2014-15**

The power scenario during 2013-14 and during 2014-15 is as under:

**Seasonal Peak Power Demand/Availability for the year 2013-14 & 2014-15**

<b>S.No.</b>	<b>Particular</b>	<b>Year 2013-14</b>		<b>Year 2014-15(E)</b>	
		<b>Summer</b>	<b>Winter</b>	<b>Summer</b>	<b>Winter</b>
I.	Unrestricted Demand	2500	2600	2500	2650
II.	Restricted Demand	1819	1991	1950	2200
III.	Power Availability				
	(i) Self Generated	250-425	100-350	250-425	100-350
	(ii) CPSUs	875-1030	1004-1455	900-1200	1100-1650
	Total (i+ii)	1125-1455	1104-1805	1150-1625	1200-2000
IV.	Deficit	-364 to -694	-186 to -887	-325 to -800	-200 to -1000
<i>*Summer = 8 hours curtailment</i> <i>Winter = 10 hours curtailment</i>					

**Energy Management Efficiency**

Management of any Sector determines the health of that sector. An inefficient management leads to chaos and acts as a great hurdle in development of the sector. Only 42.72 percent of the energy through put was realised in the year 2013-14 which is one of the lowest in the country. The transmission and distribution losses are about 54.57 percent while as rest loss is due to collection losses making it an aggregate of 57.27 percent. Collection efficiency has been around 94.05 percent.

However, the scenario is far better as compared to financial year 2012-13. It is a matter of satisfaction that during 2013-14, T&D losses have come down by more than 3% and AT&C losses by around 7% than the previous year, with the intervention of various initiatives taken in the sector, the scenario is likely to improve further.

#### Efficiency of Energy Management

Table No 7		(MU)					
S.No.	Particulars	2012-13		2013-14		2014-15(RE)	
		Unit	%age	Unit	%age	Unit	%age
		A-	Energy Requirement	17669.46		18022.38	
B-	Energy Through Put	12120.025		12666.0		13459.00	
	i. Energy Purchased	9600.085	76.90	9240.141	72.95	9814.767	72.92
	ii. Generated	2519.940	23.10	2337.237	18.45	2350.00	17.46
	Free Energy	1056.104		1089.212		1294.233	
	iii. Total (i+ii)	12120.025		12666.59		13459.00	
C	iv. Energy Billed	5162.94		5754.354		6372.00	
	v. T&D Loss	6957.085		6912.236		7087	
	vi. Percentage		57.40		54.57		52.66
D	Energy Realised	4355.41		5412.20		6138.47	
	Percentage of Energy sold to energy throughput		42.60		45.43		49.26
E	AT&C Loss	7764.615		7254.39		7320.53	
	AT&C Loss (%)		64.06		57.27		54.39
	Collection Efficiency		84.36		94.05		96.32

#### Financial Management

##### Revenue realization

Revenue realization from the consumers on account of tariff has always been a matter of concern. Even though there has been a gradual increase in the recovery of tariff since 2002-03 as is evident from the tabulated information, yet the same has not been able to cope-up with the gap between cost of purchase of power and the revenue realized. The revenue realisation has shown growing trend over 11<sup>th</sup> plan period. During the year 2013-14 an amount of Rs.1437.30 crores was realised (excluding ED) against the total target of Rs.2200.00 crores.

The poor state of revenue realization is mainly due to high power thefts/illegal uses/unregistered consumers, uncontrolled and unaccounted consumption of power, lesser load agreements, low tariff rates and poor collection efficiency. However collection efficiency has shown impressive growth during 2013-14 from 84.36% during 2012-13 to 94.05 during 2013-14.

### Expenditure

It is an evident fact that the State is deficit in production of Power. This situation continued in 2013-14 also. During the year only about 18 percent of the power was produced within State while as rest was purchased, thus creating huge gap between revenue receipts and expenses incurred. The State Power Department's losses are very high. The net operating deficit has been Rs.3469.824 crores in 2013-14.

### Financial and Physical Performance

S. No	Financial Position	2012-13		2013-14		2014-15(RE)	
		Unit	Amount	Unit	Amount	Unit	Amount
<b>A-</b>	<b>Expenditure</b>						
<b>a.</b>	<b>Purchase of Power</b>						
1	From CPSU's & other Central Agencies	9600.085	3510.851	10329.353	3989.207	11109.00	4320.31
2	Purchase from PDC	2519.940	592.233	2337.237	482.457	2350.00	522.50
	Total Purchases (1+2)	12120.025	4103.084	12666.59	4471.664	13459.00	4842.81
<b>b.</b>	Operating maintenance & other Misc. Exp. Including Est. Exp and Fuel		537.70		505.94		556.24
<b>c.</b>	Total Expenses-A		4640.22		4977.604		5399.05
<b>d.</b>	Available for sale after T&D losses	5162.94		5754.354		5980.00	
<b>B-</b>	<b>Income</b>						
<b>a.</b>	Revenue receipts from Power Sales (without E.D)		1415.63		1662.38		1771.41
<b>b.</b>	Other Misc. Revenue		3.66		5.03		6.00
	Total Income B		1419.33		1667.41		1777.41
<b>C-</b>	Operating Deficit (B-A)		-3220.89		-3310.194		-3621.64
<b>D-</b>	Depreciation & interest		149.72		159.63		202.16
	Net Operating		-3370.61		-		-3823.8



	Surplus/deficit after Int.				3469.824		
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### Details of Expenditure

The expenditure incurred on purchase of Power from CPSUs, PDC, and on other expenses viz-a-viz revenue recovery shows the financial health of the department.

### Year-wise Expenditure on purchase of Power and other expenses

S.No	Year	Expdt. on purchase of power from CPSUs	From PDC	Total Expdt. on purchase of power (3+4)	Other Expdt (Est., O&M, Dep., Int.)	Total (5+6)
1	2011-12	3051.022	710.33	3761.52	690.49	4452.01
2	2012-13	3510.851	592.233	4103.084	687.42	4790.504
3	2013-14	<b>3989.207</b>	482.457	4471.964	665.57	5137.53
4	2014-15(E)	4320.31	522.50	4842.81	758.4	5601.21

### Power Losses

Power which is supplied to various categories of consumers passes through various stages before it finally reaches the premises of the consumers. It involves transformation to higher voltage level, wheeling on high voltage line, transformation at various stages. The entire process itself involves energy losses known as Transmission and Distribution losses. The Transmission and Distribution losses in the State are very high of the order of 55 percent. The main reasons for such high losses are technical as well as commercial. The high technical losses due to existing outdated system. To minimize such losses, the system needs up-gradation and improvements. Commercial losses include theft, unaccounted and uncontrolled consumption of power beyond agreement load, unregistered consumers, lesser contract demand etc. Due to various measures taken by PDD, the losses are now showing a downward trend and these reduced by about 3% during 2013-14 as compared to previous year.

S. No.	Year	Demand	Total Energy Available (G+A)	T&D losses	%age of T&D Loss	Balance available for sale
1	2011-12	17323	11091.26	6824.25	61.61	4267.00
2	2012-13	17669.46	12120.025	6957.147	57.40	5162.94
3	2013-14	18022.33	12666.59	6912	54.57	5754.00
4	2014-15 (E)	18562.00	13459.00	7087	52.66	6372.00

The details of gap between revenue billed, amount realised viz-a-viz collection efficiency and AT&C losses are given in the statistical supplement

## Metered / Registered Connections

The number of households in the State during the year 2010-11 was 2015088 based on Census 2011 projections and 1753201 households avail electricity. However, 1572815 consumers are registered with the PDD ending 2013-14.

To increase the revenue and meet out the deficit, all the illegal households consuming power without department's knowledge are being identified, booked and brought under the department's registration network.

S. No.	Year	Jammu	Kashmir	Total
1	2011-12	303157	285537	588694
2	2012-13	374834	324542	699376
3	2013-14	424353	325955	750308

*\* Including Ladakh.*

With a view to continue metering process the department had tendered out procurement of 1 lac meters. The tender is at advanced stage of award. In addition replacement of defective meters in towns awarded under RAPDRP is included in the scope of Turn Key Contractors of these towns.

## Per Capita consumption

Per capita consumption in J&K State has shown steady growth and is presently around 950 units which is nearly at par with national average. Due to extreme climatic conditions in most parts of the state the per capita consumption is low. The issue needs to be addressed by increased generation for which the state has framed ambitious plans to add 9000MW during next decade.

## Number of Villages/Hamlets electrified

The number of Villages/Hamlets electrified has grown considerably in the State. Electrification of villages and hamlets is being generally carried out under RGGVY scheme. However, such electrification is also being carried out under the state plan as well whenever there is urgency. Following villages / hamlets have been electrified under T&D scheme during the year 2013-14.

S.No	Division	No. of villages/ hamlets Electrified
1	Jammu	54
2	Kashmir	-
	Total	54

## Rural Electrification Programme

During the current year of 2014-15, 21no of villages/ hamlets were covered under intensive electrification and five (05) villages were energized under RGGVY scheme. As such 1717 BPL households were provided with electricity supply during the current year ending Nov 2014.

## Transport & Connectivity

Road development in Jammu & Kashmir is important, given the terrain of the State and limited development of alternate means of transportation. A well- developed network of roads is necessary not only for the economic development of the State but for its social, political and cultural development. It is required to exploit the rich natural wealth of the State, to develop indigenous industries, to explore new markets for its products and to promote tourism. To this effect the State government has been focusing on construction of new roads, maintenance and upgradation of already existing roads, construction of bridges and culverts and connecting villages with a network of roads. It remains the endeavour of the Department to construct eco-friendly and cost effective Government buildings. Major thrust is being given to the schemes envisaging road connectivity in-accessible and difficult areas for equitable development of the State. The department also extends technical support to other departments besides acting as executing agency.

### ROAD LENGTH

Road length maintained by PW(R&B) Department has enhanced from 18368 kms in 2007-08 to 31921 kms during 2013-14 (ending March, 2014). The province wise details of the road length (2013-14) are given as under:-

S.No	Division	Road length as on 31-3-2014 (Kms)		
		R&B	PMGSY	Total
1	Kashmir	12546	2143	14689
2	Jammu	9852	2782	12634
3	Leh	2515	124	2639
4	Kargil	1757	202	1959
	<b>Total</b>	<b>26670</b>	<b>5251</b>	<b>31921</b>

A brief resume of main programmes/schemes sanctioned by the State and Central Governments are given as under:-

### CENTRAL ROAD FUND

Central Road Fund is a Central Scheme which is primarily focused for development of State Roads including Roads of Inter State Connectivity and Economic Importance. Although Central Road Fund is a Central Scheme, yet it is part of the State Plan and funding is made by the Govt. of India as ACA to the State Plan. 108 schemes stand sanctioned since the inception of the Programme in 2000-01, out of which 64 schemes have been completed ending Jan, 2015. During 2013-14, 8 new projects were sanctioned by Govt of India at an estimated cost of Rs. 110.67 Crores.

Similarly during 2014-15, eleven new road/ bridge projects estimated to cost Rs. 221.90 Crore have submitted to GoI for approval.

### **FLAGSHIP PROGRAMME - PMGSY**

The Pradhan Mantri Gram Sadak Yojana (PMGSY) is a flagship programme which was launched in Dec., 2000 in the country and also extended to J&K State in the same year. The objective of the PMGSY programme is to provide connectivity by way of all weather roads to the unconnected habitations in rural areas. Under Bharat Nirman Programme, it is envisaged to provide road connectivity to all the unconnected habitations in the country having population of more than 1000 souls as per census 2001 whereas in hilly states and desert areas the target is to provide connectivity with population size of 500 souls and above.

Presently, 2038 schemes at an estimated cost of Rs. 5486.14 Crore have been sanctioned under this programme in nine phases. An amount of Rs.2943.37 Crore has been released by GOI ending Jan, 2015 against which Rs.2952.93 Crore stands utilized. So far 1124 schemes have been completed with total road length of 5985 Kms covering 1676 habitations.

The present status of habitations coverage which has been taken up in a phased manner under PMGSY in J&K State is given as under:-

#### **Habitations coverage under PMGSY in J&K State**

<b>Table No 14: Habitations coverage under PMGSY</b>					
<b>S. No</b>	<b>Population Size</b>	<b>1000+</b>	<b>500+</b>	<b>250+</b>	<b>Total</b>
1	Total number of un-connected habitations as on 01-04-2001	618	1034	1086	<b>2738</b>
2	Habitations sanctioned from Phase I to IX	561	845	377	<b>1783</b>
3	Habitation connected through PMGSY ending 1/2015	453	660	280	<b>1393</b>

It is imperative to mention that there were 1425 un-connected habitations in the population range of <250 souls as on 01-04-2001. With the implementation of the schemes duly sanctioned by GoI covering habitations with 250+ population, 283 habitations which were having population of less than 250, got incidentally connected ending January 2015. Thus the total coverage of habitations is 1676 which included 1393 habitations with population of 250+ and 283 habitations with population of <250.

### **NABARD**

NABARD is providing loan assistance to the State Government under Rural Infrastructure Development Fund (RIDF) which was introduced in our State in 1999-2000. Under it, 2005 projects have been sanctioned at an estimated cost of Rs 3855.03

crore out of which 1075 schemes have been completed ending March, 2014 (provisional). An amount of Rs 301.64 crores and Rs.91.96 crores have been incurred during 2013-14 and 2014-15 (ending Jan., 2015) respectively. **Prime Minister's Re-Construction Plan (PMRP)**

Construction of Mughal Road Project was taken up for execution in March 2006 under PMRP and approved by the Central Govt. at a cost of Rs. 159.00 Crores on the basis of M/S RITES. Subsequently the cost was raised to Rs. 255.00 Crores due to escalation that had occurred during 1999-2006. The task of preparation of actual DPR of the road was subsequently taken up by Mughal Road Organization on the fag end of year 2007 and finalized. Accordingly, the AAA for Rs. 639.85 Crores stands accorded vide Govt. order 509-PW(R&B) of 2008 Dated: 17-10-2008. The financial / physical progress of the Mughal Road is given as under:-

#### FINANCIAL

S.No	Particulars	Amount
1	AA Cost	639.85
2	Expenditure upto 3/2014	625.76
3	Allocation 2014-15	14.09
4	Expdt during 2014-15 (ending 1/2015)	9.02
5	Cumm expdt ending Jan, 2015	634.78

#### PHYSICAL

S.No	Item	Unit	Target	Ach
1	F.W (Single lane)	Kms	84.10	84.10
2	F.W (Double lane)	Kms	84.10	84.10
3	GSB (Double lane)	Kms	84.10	84.10
4	WBM (DL) 2 layers	Kms	84.10	84.10
5	BM (50 mm thick)	Kms	84.10	84.10
6	OGPC (20 mm thick)	Kms	84.10	84.10
7	Major Bridges	Nos	7	7
8	Culverts	Nos	371	371
9	Bridges	Nos	13	13
10	Service Bridges	Nos	6	6
11	R/Wall	Mtr	6000	5689
12	B/Wall	Mtr	7660	7732

Narbal Tangmarg 4 lane road (38 kms) at the cost of Rs. 116.00 Crore and Khanabal Pahalgam road (43 kms) at the cost of Rs. 110.00 Crore stand already completed under PMRP

## ROADS SECTOR

Road surface requires renewal coat after a cycle of 4-5 years to prevent deterioration of pavements. Besides due to fast growing road traffic, widening of existing road network also becomes inevitable. The development of road sector is undertaken under various programmes viz; Projectization Plan, NABARD, CRF, ISC, STF and SADP. During 2013-14, a road length of 1376 kms were blacktopped. Similarly, water bound macadam (WBM all grades) was laid on 2354 kms during the said year. However, 875 kms have been blacktopped and WBM (all grades) was laid on 1033 kms during the current financial year ending January, 2015.

## SPECIAL BRIDGES PROGRAMME

Construction of bridges is an important component of road connectivity. Presently 520 bridges are under construction in the State at the total estimated cost of Rs. 1180.09 Crore. During 2013-14, an amount of Rs. 59.84 Crore was released under this programme which was spent in full. 39 bridges were completed during the said year which included 24 in Jammu province and 15 in Kashmir province. The allocation for the current financial year is Rs. 50.00 Crore against which an amount of Rs. 23.57 Crore stands already spent ending January 2015. 4 bridges have already been completed during the current financial year.

## MECHANICAL ENGINEERING DEPARTMENT

Mechanical Engineering Department Kashmir is mandated to provide road construction and heavy earth-moving machinery and material handling equipments, consultancy services in project designing and execution of varied nature of mechanical works/projects including O&M of HVAC Systems/other mechanical support systems to various Government institutions, providing services in mechanized snow clearance of all black topped roads, besides providing services for relief and rescue operations under disaster management. The details of the road length covered under Snow clearance and Revenue realized from 2009-10 to 2013-14 are given as under:-

S. No	Year	Road length covered under Snow clearance (Kms)			Revenue realized by MED (Rs in lacs)		
		Jammu	Kashmir	Total	Jammu	Kashmir	Total
1	2011-12	105	5400	5505	518.28	460.37	978.65
2	2012-13	108	5680	5788	600.39	436.36	1036.75
3	2013-14	1039	6965	8004	449.00	344.00	793.00

## INTER STATE CONNECTIVITY

Presently Bhaderwah Chamba road is sanctioned under Inter State Connectivity at an estimated cost of Rs.73.33 Crore. Ending March, 2014, the expenditure is of the order of Rs. 58.32 Cr. During the current financial year, the GoI has released Rs. 12.00 Cr to the State for the said scheme and the requisite funds are being released by Finance Department shortly. The project is likely to be completed during next financial year viz; 2015-16.

## FOUR LANNING OF NATIONAL HIGHWAY

The 4-lanning of National Highway 396 kms from Lakhanpur to Srinagar is being executed by National Highway Authority of India at an estimated cost of Rs.592.47 Crore as part of North South Corridor under National Highway Development Project (NHDP) Phase II. 115 kms have been already completed in six packages in Phase I. The Phase II of Srinagar Jammu section is in progress. In respect of Panthachowk Qazigund, the progress is 31.65% and in case of Qazigund - Banihal tunnel, the progress is 28.24%. In respect of the Chenani Nashri tunnel, progress has improved to 67.02%. In respect of Udhampur Sidhra, it has improved to 94.50%.

## DECLARATION OF NEW NATIONAL HIGHWAYS

Ministry of Road Transport & Highways, Govt of India has recently declared the following new National Highways in J&K Sate.

<b>Table No 18</b>		
<b>S.No</b>	<b>NH No</b>	<b>Name of the National Highway</b>
1	NH-301	Kargil-Zanskar road
2	NH-701	Baramulla-Rafiabad-Kupwara-Tangdhara road
3	444	The highway starting from its junction with NH-44 near Srinagar connecting Badgam, Pulwama, Shopian, Kulgam and terminating at its junction with new NH No. 44 near Qazigund in the State of J&K.
4	144A	The highway starting from its junction with NH-44 near Jammu connecting Akhnoor, Nowshera, Rajouri and terminating at Poonch in the State of J&K.
5	144	The highway starting from its junction with NH No. 44 Domail connecting Katra, Reasi and terminating at Pouni in the State of J&K.

Out of the aforementioned roads, Ministry of Road Transport & Highways has entrusted NH - 301, NH -444, NH -144 A and Section of NH -144 to State PWD for upgradation and maintenance. In addition to this, old National Highway -1B viz; Batote Kishtwar has also been entrusted to State PWD.

## Transport Department

Transport Department consists of three constituents viz Motor Vehicles Department, State Motor Garages and J&K State Road Transport Corporation. Transport problem in J&K State is an acute problem because of its topography and climatic conditions. The National Highway 1A remain effected due to the blockage in the hilly prone area having hinter land. Government is making Efforts to provide adequate infrastructural facilities to the enforcing agencies and also to provide better transport facilities to the general public.

## **Motor Vehicles Department**

### **1. Revenue Realization:-**

The Motor Vehicles Department in the year 2013-14 has realized revenue of 133.74 crores against a target of 151.60 crores, and in the current financial year 2014-15, a revenue of Rs. 92.87 crore was realized against a target of 159.00 crore as on ending November-2014. **3.32% growth rate has been recorded in the revenue realization during 2013-14.**

### **Registration of Vehicles**

During the current financial year 2014-15 ending November, 2014, the Motor Vehicles Department has registered 77688 vehicles comprising 11138 commercial and 66550 non-commercial vehicles. **8.08% growth rate has been recorded in the registration of Vehicles during 2013-14.**

### **Public and Private Transport**

Public and private transport has increased manifolds over the years. As against 523543 vehicles (both public and private) registered in 2006 , the number of vehicles has reached to 1210765 during the year 2014 (ending November 2014) registering an increase of 131 %.

## **State Motor Garages Department**

### **a) Overall Scenario of the sector indicating specifically outcomes, besides its critical analysis:-**

The State Motor Garages Department is entrusted with the responsibility of providing light transport to the Council of Ministers, State Government functionaries, State Guests including visits of VVIPs, other dignitaries, Parliamentary delegations visiting J&K and for Conferences being held in the State etc. It also provides transport facilities to various agencies connected with the maintenance of law and order, security, and other exigencies.

## **State Road Transport Corporation**

Major Achievements performed by the Corporation during the year are as under:



1. The Corporation with its continued efforts, has achieved operational revenue of Rs. 99.84 crore (2013-14) as against Rs. 89.96 crore (2012-13).
2. With a view to upgrade infrastructure at the JKSRTC yards at Srinagar and Jammu, the Corporation has taken in hand some works through PWD cost of which is to be met out of internal resources.
3. Due to havoc caused by floods in Kashmir valley, almost 200 vehicles of SRTC got inundated and which were speedily repaired and have been made roadworthy almost in full.
4. The Corporation auctioned 111 condemned vehicles and unserviceable stores stock against the proceeds of Rs. 2.44 Crores.

## **Railways**

With a view to provide an alternative and a reliable transportation system to Jammu & Kashmir, Govt. of India planned a 345 km. long Railway Line joining the Kashmir Valley with the Indian Railways network. The Project has been declared as a **Project of National Importance**.

The Jammu-Udhampur-Katra-Quazigund-Baramulla Railway line is the biggest project in the construction of a mountain railway since independence. From Jammu to Baramulla, length of the new rail line is 345 km. It passes through the young Himalayas, tectonic thrusts and faults. The work on Jammu-Udhampur section ( 53 Km) has been completed and opened to public by Hon'ble Prime Minister in April,2005.

Hon'ble Prime Minister Dr. Manmohan Singh on October 11, 2008 inaugurated the Qazigund-Baramulla Section (Anantnag to Rajwansher (66 km) of the Railway Project envisaged to connect Kashmir Valley with rest of the country. It is worthwhile to mention that the 53 km first section of the rail project between Jammu & Udhampur was completed at a cost of Rs. 552 crore.

The section from Rajwansher to Baramulla (35 km) was inaugurated and dedicated to the nation on 14th February, 2009

The section from Quazigund to Anantnag (18 km) was opened to the public on 28th of October, 2009 and the section from Banihal-Qazigund connecting Bichleri Valley of Banihal with Qazigund in Kashmir Valley was opened to public on 26 June, 2013.

Work on 25 km Udhampur to Katra section has also been completed and was opened on 4<sup>th</sup> July, 2014 by Hon'ble Prime Minister Shri Narendra Modi. This section involves about 10.9 km of tunneling, 9 important/major bridges, 29 minor bridges and 10 ROB/RUBs in addition to about 38.86 lakh cum of earthwork. The tallest bridge in this section is 85 metres high and longest tunnel is 3.15 km long.

The length from Udhampur to Baramulla is 292 km and has been divided into three sections, details as per revised alignment are as under:-

<b>Item</b>	<b>Udhampur-Katra</b>	<b>Katra-Quazigund</b>	<b>Quazigund-Baramulla</b>	<b>Total</b>
Length	25 km	148 km	119 km	292 km
Important/Major/Minor Bridges	38	62	811	165
Tunnel length	10.9 km.	109.54 km	-	120.44 km
No. of Stations	3	12	15	30

### **Socio-economic impact of the project**

- i. The completion of this project will provide an all weather and reliable connectivity to the J&K State through rest of the country by the railway network also provide connectivity by rail to far flung areas of J&K.
- ii. Construction of Access Roads - Total about 262 kms of approach roads to work sites are to be constructed. Out of which, 145 kms already constructed. With completion of approach roads, more than 73 villages will get connected, which will provide road connectivity to about 1,47,000 people, 29 villages already connected.
- iii. Employment generation - Direct employment to the local people (about 7000) and indirect employment to thousands for day to day requirement of the project personnel. This will help to mitigate militancy.
- iv) Permanent job in Railways to one of the family members, whose more than 75% of land has been acquired. Job given to 303 persons so far.

### **Civil Aviation**

Air Travel being the fastest and comfortable mode of transportation with accessibility to cut off areas, Airways connect all the three regions of the State. Out of the three Airports of the State, Srinagar Airport has been upgraded as International Airport, whereas the facilities at Jammu and Leh Airports are also being upgraded. One more Airport at Kargil is served by Djkota service. Some areas have been covered by helipads. Authorities have shown interest in exploring the Airtaxi connectivity between Katra-Bhaderwah for promotion of tourism in the State.

### **Major Projects in Pipeline**

The major Projects in the pipeline are listed below:-

1. Setting up of State Government Aviation complex at Satwari airport in Jammu.

2. Creation of airstrips at Kishtwar, Rajouri and Surankot.
3. Extension of Nehru Helipad and augmentation of technical infrastructure there.

## Communication

Telecommunication services are globally recognized as one of the driving forces for overall economic development in a nation and is one of the fastest growing industries in India. Today, India stands as the second largest telecommunication market in the world. With the government's favorable regulation policies and 4G services hitting the market, rapid growth is expected in the Indian telecommunication sector in the next few years. The introduction of Mobile Number Portability (MNP) has made the Indian Telecom market more competitive in terms of service offering quality. The telecom sector has played a crucial role in attracting FDI in India. Indian telecom sector has witnessed a continuous rising trend in the total number of telephone subscribers from a meager 22.8 million telephone subscribers (wireless + wireline) in 1999, it has grown to 970 million at the end of Dec., 2014, according to the latest report by Telecom Regulatory Authority (TRAI) reaching to teledensity of 77.58. The total number of urban subscribers today stand at 569.56 million and rural subscribers at 388.05 million. Wireless telephone connections have contributed to this growth as the number of wireless connections rose to 935.3 million at the end of October, 2014.

Table 1 reveals that the total number of landline connections issued by the public sector undertaking BSNL by the end of March, 2014, was 249903 including 63248 WLL connections in the state. The number of wireline telephones is decreasing continuously. During the year 2013-14, the wireline telephones have recorded decrease of 16462 connections with a number of 10156 landline and 6306 WLL connections registering a fall of -6.18% over the previous year with -5.16% in landline and -9.06% in WLL connections. In the wireline telephone connections, including WLL, major share of 45.21% is held by Service Switching Authority (SSA) Srinagar followed by 35.21% of SSA, Jammu.

SSA Rajouri has registered highest fall of - 15.29% as on 31-03-2014 over the corresponding period of previous year.

S. No	March 2013			March 2014				Variation (%)	Mobile (As on 31-03-2014)		
	Name of SSA	Landline	WLL	Total	Landline	WLL	Total			% Share	
1	Srinagar	79325	37146	116471	77543	35434	112977	45.21	-3494	-2.99	470071
2	Jammu	76435	20908	97343	70295	17696	87991	35.21	-9352	-9.61	390544

3	Udhampur	20548	5234	25782	19261	4937	24198	9.68	-1584	-6.14	142402
4	Rajouri	6419	4277	10696	5516	3544	9060	3.63	-1636	-15.29	107080
5	Leh	14084	1989	16073	14040	1637	15677	6.27	-396	-2.46	97798
	<b>Total</b>	<b>196811</b>	<b>69554</b>	<b>266365</b>	<b>186655</b>	<b>63248</b>	<b>249903</b>	<b>100</b>	<b>-16462</b>	<b>-6.18</b>	<b>1207895</b>

The decline in landline phones is mainly due to the wide penetration of mobile phones. The emergence of the mobile has benefitted people across all walks of life. Going forward, it is expected to play a significant role in bridging the digital divide between the rich and the poor, between near and far, thus in connecting the nation. The rapid rise of high end mobile phones (smart phones) has enabled the customers to access and utilize numerous software applications as utility or for entertainment.

The total number of mobile phones issued by BSNL in J&K as on 31-03-2014 is 1207895. SSA Srinagar has the highest number of mobile connections (470071) followed by SSA Jammu (390544).

### **Tele density**

Number of telephone connections for every hundred individuals in an area. The overall Teledensity in India increased from 76.36 at the end of August 2014 to 76.75 at the end of September 2014. The overall Teledensity for J&K state is 69.98. Rural Teledensity is 45.6 and urban Teledensity is 132.73 for J&K state. Wireless Teledensity in India have increased to 74.55 at the end of September 2014. The urban wireless teledensity has increased to 142.39 and rural wireless Teledensity to 44.32 in the month of September 2014 as per the report of TRAI.

### **Video Conferencing**

Video conferencing is playing a vital role in changing the working of the government offices, educational institutions and healthcare facilities.

### **Office Automation**

The automation of government offices has resulted in a substantial transformation of the decision making process from the usual typing -oriented methods, to hi-tech word processing, with concomitant benefits in the form of improved staff productivity, better quality documents and faster dissemination of information. The office automation also includes providing electronic mail services to the users, ideal for achieving a fast pace of communication.

As per the data available on 31-03-2014, the number of internet connections in J&K issued by BSNL was 51141 out of which the maximum 50.72% were issued by SSA, Srinagar, followed by SSA, Srinagar. SSA Udhampur, Rajouri and Leh have a collective share of 15% in the total internet connectivity of the state. The number of internet connections per thousand of population is measured 5.07 as on 31-03-2014.

## Post offices

India has the largest postal network in the world with over 154979 post offices (as on 31.03.2010) out of which 1,39,182 (89.81%) are in rural areas. Post offices in urban and rural areas provide a range of basic postal services to the customers including banking and insurance services.

Postal services being an important communication channel are on a fast track to modernization in J&K. The J&K postal circle serve the entire state spread over an area of approx.222236 sq. kms. with a population of 12541302. The total post offices in J&K are 1699 out of which 03 are seasonal post offices which function for only two months during Amarnath yatra period. Out of these1699 post offices, 09 are head offices, 256 are sub post offices and the remaining 1434 post offices are Extra Departmental Branch Office (EDBO's).

On an average, 01 post office serves 7382 people as on 31-03-2014 in the state as per census 2011. Across the districts, there are huge inequalities in the postal services. In the postal infrastructure, collective share of six major districts viz. Jammu (11.47%), Rajouri (7.82%), Kathua (7.71%), Baramulla (7.42%) ,Anantnag(7.35%) and Udhampur (6.59%) is around 48% leaving the another half number of post offices to be shared by 16 remaining districts of the state. Against state's average figure of 7382 people per post office, 12 districts avail the services below state average and 10 districts above state average. Leh and Kargil are the two districts where on an average, one post office is available below three thousand people. On the other end of the spectrum, Srinagar, Shopian, Kupwara , Ganderbal have one post office per 17925, 17748, 11158 and 10257 people respectively. On an average, one post office has to cover 130.80 sq Kms. in the State as on 31.03.2014. As per this indicator, three top districts are Ganderbal, Kulgam and Bandipura where one post office has to cater to less than 10 sq Km viz. 8.93 sq kms, 8.36 sq.kms.and 6.38 sq.kms. respectively. Contrarily, 3 district termed as bottom line are Leh, Kargil and Doda, where one post office has to cover more than 200 sq Kms. and the relative figures are 820.18 sq.kms, 264.80sq. kms. and 202.50 sq.kms. respectively.

Department of posts, J&K circle has mechanized 'Same day delivery of Express Parcels' in Jammu. It has made the delivery of the parcels faster and more convenient enabling real time (online) tracking of parcels. This service by the department of posts is proving a boon for business firms associated with Tourism industry as they dispatch large number of handicrafts, blankets etc. to various places in other states. The service of electronic money order (Emo) is being provided to the customers by the post offices having internet connectivity. Besides this, there are number of schemes provided by the post office saving bank and these include

Savings account schemes, Recurring deposits schemes, Time deposits schemes, Public provident fund schemes, Senior citizen savings schemes etc.

## LoC Trade

J&K being at the terminal end of the country, along with poor connectivity, remoteness and other disadvantages, is one of the sensitive states. Opening of borders and bringing about economic integration with various regions of the state was very essential for stability, peace and prosperity.

The historic decision to start trade across the LoC was the outcome of a high level meeting between the Prime Minister of India and the President of Pakistan in April, 2005. Further discussions were held on the subject during the Technical-level talks between the two countries at New Delhi on May 2-3, 2006 as a part of Confidence Building Measures (CBMs). At that meeting, it was agreed that the Cross LoC trade would be by way of truck services; the list of items for trade would be identified; and the exchange of delegations between the Chambers of Commerce on both sides would be facilitated.

In the meeting of the Inter-Ministerial Committee and the State Administration held at Srinagar on June 16, 2008, it was decided to develop Land Customs Stations (now Trade Facilitation Centres) for Uri-Muzaffarabad Trade Route at Salamabad & for Poonch-Rawalkote Trade Route at Chakkan-da-Bagh. The State Govt. was asked to identify suitable land for the purpose after getting the specifications and requirements of the Customs and other Central Agencies. Accordingly, land was identified and acquired by the State Government at both the places. Temporary infrastructure was put in place at Salamabad and the bare minimum permanent infrastructure was put in place at Chakkan-da-Bagh out of the resources of the State government in consultation with Central Government. The following table depicts the quantity and value of Imports & Exports between the two countries in the year 2011-12, 2012-13, 2013-14 and 2014-15 ending Dec., 2014:-

Year	Export to PaK		Import from PaK	
	Quantity (Qtls)	Value INR Crore	Quantity (Qtls)	Value (in Crores) Pak currency
2011-12	465272.41	320.19	368535.17	531.24
2012-13	768061.86	371.67	790245.70	657.79
2013-14	624607.15	347.59	352946.78	513.62
2014-15	590266.70	371.74	258971.48	583.67
Ending 12/2014				

- No. of trading days increased from 2 to 4 days per week.
- 21 items listed as permissible for trading.

 NOTE: The trade is barter in nature and the value figures are based on valuation figures provided by the traders

**Infrastructure at (Trade Facilitation Centres) TFCs**

- Infrastructure (Phase-I) created at Salamabad, Uri & Chakkan-da-bagh, Poonch at a cost of Rs. 895.72 lacs & Rs. 995.00 lacs respectively under SRE and ASIDE funding.
- DPRs under (Phase-II) at an estimated cost of Rs. 1500.00 lacs for Salamabad, Uri & Rs. 1040.70 lacs for Chakkan-da-Bagh, Poonch prepared for submission to Ministry of Home Affairs.

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# Prices & Food Management

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Price index is a statistical device to measure the relative change in price level with reference to time, geographical location and other characteristics. It is considered as a barometer of economic activities.

The wholesale price index (WPI) which is available on weekly basis, continues to be the most popular measure of headline inflation in India. There are, however, four different consumer price indices, that are specific to different groups of consumers applied for measuring the inflation. The four consumer price indices computed by the designated agencies are Consumer Price Index for Industrial Workers (CPI-IW), Consumer Price Index for Rural Labourers (CPI-RL), Consumer Price Index for Agricultural Labourers (CPI-AL) and Consumer Price Index for Urban Non-Manual Employees (CPI-UNME).

## **Consumer Price Index for Industrial Workers (CPI-IW)**

CPI-IW is the most well known index as it is used for wage indexation in Govt. and in the organised sectors. Apart from this, these index numbers are also utilized for measuring inflationary trend for policy formulations in the country.

Since its inception in 1946, Labour Bureau, Ministry of Labour, Govt. of India has been compiling and maintaining consumer price index for industrial workers. This series is the most representative in character as it is based on working class family income and expenditure surveys and thus reflects the latest consumption pattern of industrial workers. The data is collected for approximately 392 consumption items from 289 markets of the country. The inflation based on CPI-IW is accepted as an appropriate index to determine the impact of price rise on the cost of living of the common man as the same cost is based on retail prices which also include selected services. That is why, the index is used to determine dearness allowances of employees in public and private sectors. The CPI-IW is compiled in terms of general standards and guidelines set by International Labour Organisation (ILO) for its member countries.

At All-India Level CPI-IW is the weighted average of 78 centres. From J&K State, CPI-IW is compiled for Srinagar centre comprising of four markets viz Haba Kadal, Zaina kadal, Maharaja Bazar and Pampore. The current series of consumer price index for industrial workers on base 2001=100 had replaced the previous series of CPI-IW on base 1982=100 w.e.f. January 2006 Index.

## **Annual Average trend in CPI-IW**

The average index at All India level for the year 2013-14 has increased by 21 points from the previous year 2012-13 which recorded the index point at 215. The inflation at the country level was 9.76 % in 2013-14 over the last year's inflation rate of 10.26%. The relative increase in the Consumer Price Index for Industrial Workers at J&K



level during the same period increased by 14 points thereby registering the inflation rate of 7.25% in 2013-14 but the inflation rate at an average of 6 years (2008-09 to 2013-14) in J&K State has been 8.63% as against 10.03% at the All India level. The trend at the country level during the six years has been erratic as it registered the lowest of 8.33% in 2011-12 and the highest of 12.41% in 2009-10. On the other hand, the inflation rate for J&K varies between 8.64% and 8.76% during the same period which indicates that J&K State has been successful in controlling the inflation.

The average inflation rate at All India level from 2008-09 to 2013-14 was 10.03% while at the J&K level it was much below the country level and it stood at 8.63%.

### **Monthly Trends in CPI-IW**

The sequential month on month basis of trend of inflation in J&K and All India level for the years 2011-12, 2012-13, 2013-14 and 2014-15. It is observed that in all the four years, the inflationary trend has been erratic in the State of J&K. In April 2011, it was 9.03% and in February, 2012, it was worked out at 11.58% and the lowest in May, 2011 at 6.69%. In the year 2013-14, the inflation was around 7% from April, 2013 to March, 2014. The average inflation index for the year 2013-14 was lower than 2012-13.

The nine months data on Consumer Price Index for Industrial Workers of the State for the year 2014-15 stood at 7.90%.

At All India level, the inflation in terms of CPI-IW was 10.24% in April 2013-14 which kept on fluctuating in between 10% to 11% till November and thereafter it started declining and reached to 6.70% in March 2014. In 2014-15, the Consumer Price Index for nine months has not registered a considerable change as it varies between 7.07% and 4.11% from April 2014 to December, 2014.

### **Disaggregated Analysis of CPI-IW**

Group wise inflation on Consumer Price Index for Industrial Workers for J&K State and at All India level for the period 2013-14 is given hereunder.

#### **Food Group**

The inflation behaviour under this head has been fluctuating for the year 2013-14 and also for nine months of 2014-15 for J&K. While at the Country level, the inflationary rate has not recorded the considerable change during the period under reference. In J&K, it burgeoned to 14.35% in Jan., 2014 from 3.03% in June, 2013. On the other hand at the Country level, the inflation rate has marginally registered the increase / decrease and recorded the highest of 16.17% November, 2013 and the lowest of 2.56% in November, 2014. Comparing the inflation rate on average basis, it is seen that the average index has been 9.11% for 2013-14 for J&K as against 12.37% at All India level.

#### **Pan, Supari, Tobacco and Intoxicant**

The inflation index for Pan, Supari, Tobacco and Intoxicant for J&K State worked out at 45.21% in April, 2013 and from October, 2013 to February, 2014 it remained stagnant at 13.16%, thereafter it went down to 0.62% and thereafter it attained the

same level upto December, 2014. The average inflation index at All India level in comparison with the State of J&K also witnessed the fluctuating trend between 11.85% and 17.57% during 2013-14. The inflation index at All India level declined to 7.72% in June, 2014.

### **Fuel & Light**

The inflation rate under the head Fuel and Light has registered the considerable change during 2013-14 as it rose to 9.36% in December, 2013 from 8.08% in April, 2013. Thereafter from January, 2014 to May, 2014, it remained in single digit with mild variation at J&K level. At All India level, the inflation rate for fuel and light varied between 7.77% and 6.84% between April, 2013 and December, 2013. The inflation rate thereafter started fluctuating between 6.3% and 3.86% during April, 2014 to October, 2014. The average inflation rate for 2013-14 at J&K level was 8.56% while at the country level, it was 7.69%.

### **Housing**

The inflation for Housing Sector at All India level has been in single digit through out the period from April, 2013 to December, 2013. It recorded between 6.49% in April, 2013 and 5.69% March, 2014 as against the average of 6.61% during 2013-14. The inflation rate for this sector stood at 5.69% in April, 2014 and thereafter started declining and remained stagnant at 5.09% from July, 2014 to December, 2014. On the other hand, inflation rate at J&K level remained unaltered in the first quarter of 2013 and it stood at 5.77%. Similarly during second and third quarter of 2013 it decreased and thereafter remained stagnant at 3.68% The inflation rate in the fourth quarter of 2013 and first quarter of 2014 remained unchanged at 7.87% but it increased considerably thereafter and remained Stagnant at 12.42% till December, 2014

### **Clothing, Bedding & Footwear**

The inflationary trend under this head at J&K level has been changing through out the year 2013-14. The inflation rate was recorded at 15.53% in April, 2013, declined to 5.25% in August, 2013 and thereafter it rose to 13.15% in January, 2014. From September, 2013 to November, 2013, it remained stagnant at 6.25% and thereafter the inflation rate increased to 10.5% in May 2014 and which remained unchanged till November, 2014. The data further provides that at All India level, the inflation rate has been recording the fluctuating trend with mild increase / decrease from April 2013 to December, 2014. It recorded between the highest of 8.59% in April 2013 and the lowest of 4.91% in December, 2014 at the National level.

### **Miscellaneous**

The inflationary trend for this group has been fluctuating at the country level between 5.61% and 9.77% through out the period from April, 2013 to December, 2014. It is seen that there had not been a considerable change in the inflation rate through out the period. On the other hand, at J&K level the inflation rate though in single digit yet it is not consistent as it is erratic. It declined from 5.03% in April, 2013 to 1.07% in January, 2014 and thereafter it swelled to 10.73% in May, 2014 and

again it declined to 5.85% in December, 2014.

### **General**

At the J&K level, the inflation rate under this head has recorded the fluctuating trend through out the period under reference on month to month basis as it registered the highest of 10.31% in January, 2014 and the lowest of 3.17% in May, 2013. The average inflation rate for 2013-14 stood at 7.09%. At the Country level, the similar fluctuating trend can be seen during April, 2013 to September, 2014. It ranged between the highest of 11.47% in November, 2013 and the lowest of 4.11% in November, 2014 and during nine months of 2014 (April to December) it remained in single digit and recorded the highest of 7.23% in July, 2014 and lowest of 4.11% in November, 2014.

### **Consumer Price Index Numbers for Agricultural & Rural Labourers**

Consumer Price Index numbers for Agricultural labourers is also compiled, maintained and disseminated by the Labour Bureau, GOI on monthly basis for the country and for 20 states including J&K. These index numbers measure the extent to which the retail prices of a fixed basket of goods and services consumed by agricultural and rural labourers have changed when compared to the base year. CPI-AL is basically used for revising minimum wages for agricultural labourers in different states.

### **Inflation based on Consumer Price Index - Agricultural Labourers**

Consumer Price Index for Agricultural Labourers from 2001-02 to 2013-14 at J&K level has been erratic as it varies considerably between the lowest of 0.29% in 2003-04 and the highest of 15.67% in 2009-10. The index points at the State level have registered an increase through out the period and the same has also been increasing at the Country level. The percentage change at the National level has been between the lowest of 1.30% and the highest of 14.71%. The decadal percentage change for Agricultural Labourers at J&K level has been between 0.29% and 15.67%. The percentage change of 15.67% has been the highest only in 2009-10 and in all other years of decade it was in single digit except 2012-13 when it was 10.36%. Comparing with All India level, the percentage change during the same decade was in double digit in the years 2008-09 & 2009-10 and in all other years it has been in single digit ranging between 1.30% and 14.71%.

### **Inflation on consumer price index for Rural Labourers (CPI-RL)**

The index for Rural Labourers for 2001-02 was 324 at J&K level which increased to 726 during the period of 13 years i.e. it increased by 402 points. Similarly at the country level it increased by 380 points during the same period upto 2012-13. Comparing the statistical figures, the data reveals that J&K recorded the percentage change as low as 0.89% in the year 2003-04 as against 2.29% in the year 2001-02 at the country level. It was highest at both the levels in 2009-10 and stood at 15.52% and 14.50% respectively.

The lowest percentage change both for agricultural and rural labourers was recorded in the year 2003-04 and the highest figure of percentage change in 2009-10 at the state

level and scaled down to 7.04% in 2011-12 and 6.73% during the same year and again increased to 10.36% and 10.96% in 2012-13. Similarly at the country level, the CPI percentage for both agricultural and rural labourers was recorded as low as 1.3% and 2.29% in 2001-02 and as high as 14.71% and 14.50% in 2009-10 and it goes down to 7.80% and 7.97% in 2011-12 and again jumped to 11.25% and 11.24% in the year 2012-13.

### **Monthly Inflation Trend in CPI-AL**

The month to month inflation rate in terms of CPI-AL for J&K State has registered the rising trend in the first quarter and fluctuating trend in the second and third quarter of the agricultural year. The inflation rate in the fourth quarter (April, 2014 to June, 2014) of the agricultural year has registered the trend with mild variation. At the country level, the inflationary rate for CPI-AL has shown the rising trend from July, 2013 to December, 2013 and thereafter it has shown the decreasing trend. The average inflation rate for 2013-14 stood at 8.63% at the State level.

### **Monthly Inflation based on CPI-RL**

CPI-RL inflation rate for J&K State has recorded the rising trend during the first quarter (September, 2013 to December, 2013) from December onwards, it shows a declining trend and record as 6.11% in March, 2014, however it showed a mild rising in May 2014 at State level and stood at 7.36%. The inflation rate in the third quarter registered the fluctuating trend but the change is not considerable as is the case with fourth quarter of the agricultural year. At All India level, the inflation rate for CPI-RL has shown the rising trend from 12.61% in July, 2013 to 12.48% in October, 2013 and in December, 2013 it declined to 11.17% and thereafter it shows a continuous decreasing trend with a merger increase in April, 2014.

Comparing the Consumer Price Index for Agricultural Labourer and Rural Labourer inflation rate at J&K, it is seen that the inflation trend is rising from July to October and in November it started declining and from March, 2014 to May, 2014 it registered the rising index rate. At All India level, the CPI-AL and RL scaled up from September, 2013 to November, 2013 and thereafter it recorded the marginal fluctuations in the inflation index.

### **Food Inflation based on CPIs**

The inflationary trend on Food items for the year 2013-14 on month on month basis. The CPI-IW food inflation trend has been fluctuating through out the period but it dropped down to single digit of 3.03% in June, 2013 from the highest which was worked out at 14.35% in January, 2014 at J&K level. On the other hand the behaviour of food inflation at National level is also fluctuating along with State level. At All India level, it is between 6.49% in June, 2014 and 16.17% in November, 2013.

The CPI-AL at J&K level was 9.74% in April, 2013 and it scaled upto 10.45% in October, 2013 and thereafter it has been fluctuating between 9.09% and 3.73%. The similar trend has been recorded at All India level as it has witnessed the rise from 12.82% in April, 2013 to 14.73% in November, 2013 and it marginally declined to 7.31% in April, 2014.

Food inflation in terms of CPI-RL at J&K level has been fluctuating through out the period under reference with marginal increase / decrease as it recorded the highest of 11.59% in June, 2013 and the lowest of 2.66% in February, 2014. The food inflation trend in the first quarter of 2014 has been increased from 7.13% to 7.35% at J&K level. On the other hand, the All India level has witnessed almost the same trend through out the period ranging between as high as 14.54% in November, 2013 and as low as 6.98% in February, 2014. The food inflation trend in the first quarter of 2013 has also exhibited the increasing trend.

The average inflationary index for 2013-14 for CPI-IW has been 11.81% at All India level as against 8.98% at State level. Similarly the average index for CPI-AL and CPI-RL at the National level has recorded the higher inflation than the State of J&K.

### **Consumer Price Index Numbers from Urban Non-Manual Labourers (CPI-UNME)**

The Central Statistical Office GOI was compiling CPI-UNME on base 1984-85=100 for All-India and for States. The data used for compilation of CPI-UNME, were collected from 59 urban cities in the country including Srinagar and Jammu Centres from J&K. Because of outdated base year and limited use, these indices were discontinued with effect from April, 2008. The Central Statistical Office (CSO) has, however, taken a new initiative of compilation of CPI (Urban), CPI (Rural) and CPI (Urban + Rural) for all States/UT's and for all India by considering all sections of the urban and rural population. These indices would reflect the true picture of price behaviour of various goods and services consumed by the urban and rural population.

The behaviour of prices in Urban areas at J&K level has witnessed the rising trend from May, 2013 to November, 2013. In December, 2013, it marginally dropped to 135.5 and thereafter it has recorded the rising index at J&K level.

The Consumer Price Index for Rural Centres has registered the increasing price index from April, 2013 to August, 2013 with a marginal decrease in September, 2013 and shows a continuous decreasing trend from February, 2014 onwards and a marginal increase in January, 2014.

The CPI both for both Rural and Urban segments has also registered the increasing trend in price indices through out the period ranging from May, 2013 to November, 2013 as it exhibits the increase from 127.5 to 137.2 at the State level.

### **State Average Daily Retail Prices of Essential Commodities**

The Government monitors the Price situation regularly as the price stability remains high on its agenda. Measures taken to control prices of essential commodities include selective ban on exports and future trading in food grains, zero import duty on selected food items, permitting import. Apart from this, State Governments are empowered to act against hoarders of food grains. The other steps taken by the Govt. are to address supply side bottle necks. To monitor prices of essential commodities a Price Monitoring Cell (PMC) was established in the Consumer Affairs and Public Distribution Department in 1998. The cell monitors and analyses

price data and trends of availability of essential commodities. Prices of 14 essential commodities are monitored. The cell monitors daily retail prices received from 27 state capitals and weekly whole sale/retail prices of 37 centres spread all over the country.

The Directorate of Economics and Statistics, J&K, collects daily retail prices of almost all these commodities through its field functionaries from the capital cities Jammu and Srinagar since July, 2006 and submits these prices to the Price Monitoring Cell (PMC) on daily basis. It is seen that the average price for Onion have declined in 2014 over the price of corresponding period of last year. For all other essential commodities the percentage varies between the lowest of 0.68% and the highest of 20.39%.

### **Food Management**

The simultaneous occurrence of High Food Inflation and large food grain stocks in our granaries is really a matter of concern. The idea of “Food Management” has been introduced with the basic objective of distribution of food to the needy sections of the society at affordable prices. This concept also focuses on the integrated national food policy which aims at maintaining a buffer stock which is created by purchasing supplies in surplus areas to counter the factors of local or seasonal variations in demand and supply, to provide a price support to the farmers on harvesting and also to put a check on unethical activities of hoarders and profiteers as these activities may cause violent fluctuations in the prices of food grains. In a simple form, it can be said that the food management aims not only to tackle the problem of food shortage and to check food prices but also at ensuring equitable distribution of food grains at reasonable prices to low income groups.

Govt. of India has passed National Food Security Bill in Parliament which aims at providing the right to receive food grains at subsidized prices by persons belonging to eligible households under Targeted PDS. The right to food, when it becomes a legal entitlement, will be of great benefit for poor in India. Hence this is a move in the right direction and provides an opportunity to improve our food distribution system. The department is contemplating to Implement National Food Security Act 2013 in the State. The rations as per the provision of the **NFSA 2013** Act will be provided at the rate of Rs. 2 & Rs. 3 for wheat and rice respectively for all eligible households falling under **NFSA 2013**. To arrive at a reasonable criteria for exclusion/inclusion of the households , a basic economic survey of households is under process in the department. As soon as the survey is completed the criteria for **exclusion/inclusion under NFSA 2013 will be notified.**

In J&K, the Public Distribution System (PDS) has all along helped in ensuring uninterrupted supply of foodgrains and sugar on equitable basis at reasonable prices. It, not only gives direct relief to the common masses but also exercises stabilizing influence on the prices of the foodgrains and through them upon the overall price level in the open market. Extensive coverage of consumers, has been achieved through various schemes implemented from time to time, especially for the weaker sections viz the rural and urban poor, floating population of Gujjars and

Bakerwals and other marginalized sections of the society.

The Public Distribution System is operated under the joint responsibility of the Central and the State Government. The Central Government, through FCI, has the responsibility for procurement, storage, transportation and bulk allocation of foodgrains to the States. The State Government has the responsibility of making area wise allocations within the State, identification of BPL/APL families, issuance of categorized ration cards and finally, distribution of food grains to the rationed families in a simple and rational manner.

The Public Distribution System was evolved throughout the country in 1960 to meet the critical food shortages in urban areas. Later on, it was extended to tribal blocks and areas of high incidence of poverty in 1970's and 1980's. In June, 1992, a general entitlement scheme for all consumers without any specific target, was launched in the shape of Revamped Public Distribution System (RPDS).

In June 1997, the Government of India launched the Targeted Public Distribution System (TPDS) with the focus on poor, thereby replacing the Revamped Public Distribution System. In J&K State, the Targeted Public Distribution System is being implemented from 1997 and the food grains are allocated to the state at the scale of 35 kg per family per month.

The Consumer Affair and Public Distribution (CAPD) Department, previously known as Food and Civil Supplies Department, is one of the oldest departments in the State. The department is charged with the prime responsibility of implementing one of the prime social sector programme of providing " Food Security" to one and all in general and to the vulnerable sections of the society in particular by way of providing foodgrains like rice, wheat and Atta and other essential commodities like sugar and kerosene oil at reasonable prices. The department formulates and implements policies concerning procurement, storage, movement and distribution of foodgrains. The department has established a network of 6175 authorized sale centres/Fair Price Shops, spread in the nook and corner of the state. These sale centres cater to the needs of the consumers at a place near their door steps. The efforts of the department are to increase the number of sales outlets by involving unemployed youth to make the distribution process more easy.

The department also looks after the following critical areas:-

- (a) Regulation of supply of LPG and other petroleum items;
- (b) Market control, price checking and quality control;
- (c) Checking weights and Measures;
- (d) Redressal of Consumer Grievances and Protection of Consumer Rights; &
- (e) Consumer Awareness Programmes.

### **Allocation of Foodgrains**

The Government of India allocates foodgrains to the J&K State at the scale of 35 Kg per family per month. The monthly allocations for the APL, BPL and AAY categories for the financial year 2014-15, are being made as per the following pattern:-

Table No 1		(Unit in MTs)					
S. No	Category	Food grains					
		Rice	%age of total	Wheat	%age of total	Total allocation	%age of total
1	Above Poverty Line (APL)	24617	55.4	12693	68.11	37310	59.16
2	Below Poverty Line (BPL)	12627	28.42	4181	22.43	16808	26.65
3	Antyodaya Anna Yojna (AAY)	7187	16.18	1762	9.46	8949	14.19
<b>Total</b>		44431	100	18636	100	63067	100

Against the total monthly allocation of 63067 metric Tonnes, the food grains to the tune of 37310 metric tonnes (i.e 59.16%), has been allocated for APL rationed families by the Government of India, whereas BPL and AAY rationed families have got the share of 26.65% i.e 16808 metric tonnes and 14.19% i.e 8949 metric tonnes of food grains respectively. Table further exhibits that against the total allocation of wheat, the rationed families coming under APL category, have got the major proportion of 68.11% and BPL and AAY ration card holders have occupied the share of 22.43% and 9.46% respectively. Similarly, against the total rice allocation of 44431 MTs, AAY category has the provision of just 16.18% i.e. 7187 MTs against BPL and APL families who obtained the share of 28.42% i.e. 12627 MTs and 55.40% i.e. 24617 MTs respectively.

### Import of foodgrains

The local production of foodgrains in the State does not keep pace with the requirement, as the agriculture sector faces challenges on various fronts. On the supply side, yield of principal crops i.e rice, maize, and wheat, are not significantly improving over the years. More or less stagnant trend in the yield rates of these crops, has been experienced. Moreover, the scope for increasing net area sown, is very limited and the land holding is shrinking due to continuous breakdown of joint family system, growing urbanization and population explosion. The deficit is, therefore, met by imports for meeting commitments under Targeted Public Distribution System, other welfare schemes and emergency relief measures. Import of food grains, thus helps in augmenting supplies, maintaining food security and buffer stock and ensuring price stability. The import of food grains in the State, has registered a regular increasing trend in the last many years ( from 2002-03 to 2009-10), rising from 503 thousand metric Tonnes to 887.6 thousand metric Tonnes, showing an increase of 384.6 thousand metric Tonnes i.e about 76% during the period under reference. On the other hand, during 2010-11, the importation of food grains to the state from FCI, GOI, has declined to 756.80 thousand MTs which is 14.74% less than the previous year. Thereafter, it again rose to 908.22 thousand MTs. i.e. 20.01% more than 2010-11 import of foodgrains. During the year 2013-14 the import of foodgrains, was recorded at 756.80 thousand metric Tonnes which is less by 8.54% than the previous year 2012-13. During the current financial year the import of foodgrains has been recorded at 540.58 thousand metric tonnes ending Nov. 2014.



### **Off-take of foodgrains**

Off take of foodgrains is primarily under the Targeted Public Distribution System (TPDS) and other welfare schemes. Off take of foodgrains under TPDS, has been increasing over the years. For the year 2007-08, it was of the order of 705 thousand metric tonnes of which 471 thousand metric tonnes were Rice. Total off-take of rice and wheat taken together showed an annual increase of above 5 percent during the year 2003-04 to 2005-06. During the year 2008-09, off-take figures were 656.6 thousand metric tonnes registering a decrease of 6.87 % over 2007-08 level. Off take figures of foodgrains for the year, 2009-10 were 845.5 thousand metric tonnes showing an increase of 28.77% over previous year figure. In the year 2011-12 the off-take of foodgrains has further increased to 856.27 thousand metric tonnes from 753.24 thousand metric tonnes of the previous year, thereby registering a increase of 13.68 %. The off-take of foodgrains for the year 2013-14 was 748.83 thousand metric tonnes thereby registering a decline of 4.16 % as compared to the previous year 2012-13. During the current financial year offtake has been registered at 536.03 thousand metric tonnes ending Nov. 2014.

### **Sugar**

During the year 2010-11, the department imported 84.50 thousand metric tonnes of sugar as compared to previous year's import of 80.29 thousand metric tonnes, registering an increase of 5.24% and thereafter, it declined to 79.53 thousand MTs which is 5.88% less than the previous year importation of sugar. On the other hand, the off-take of sugar for the year 2011-12 has recorded 79.28 thousand metric tonnes which is 1.55% more than the previous year figure of 78.07 thousand metric tonnes. During the year 2013-14 the import of sugar has been recorded at 82.71 thousand metric tonnes thereby registering a decline of 2.01% against the previous year 2012-13. Whereas off take of sugar has been recorded at 74.08 thousand metric tonnes which is less by 11.03% as compared to 2012-13. During the current financial year the import of sugar has been recorded at 58.92 thousand metric tonnes ending Nov. 2014 against which the offtake stood at 53.11 thousand metric tonnes.

### **Targeted Public Distribution System (TPDS)**

The Government makes all out efforts to implement the TPDS to the best advantage of the beneficiaries with utmost transparency and efficiency. In order to ensure that the benefit accrues to the targeted population, distribution of food grains is done through ration tickets. In fact, food rationing is an important tool for regulating supplies and serves to achieve multiple objectives. Food rationing has helped to control the price of the essential commodities in the open market and also, to make essential commodities available to the consumers at affordable prices. Food rationing is done in line with the guidelines laid by the Government of India. The distribution of foodgrains is governed by the scale of allocation and its off take.

In Jammu and Kashmir 12.36 lac APL, 4.80 BPL and 2.56 lac Antayodaya Anna Yojana (AAY) ration cards totaling to 19.72 lac, are in circulation as on 31-3-2011. In addition 10220 Annapurna cards are also in operation.

## **Food subsidy**

The two basic objectives of food subsidy, are provision of minimum nutritional support to the poor and ensuring price stability. To fulfill its obligation towards distributive justice, the Government provides huge subsidies on supply of foodgrains. The foodgrains are provided on subsidized rates in accordance with the scales prescribed by the Government, as detailed below:-

### **Above Poverty Line**

12.36 lac APL families are provided 35 kgs of foodgrains (rice and wheat) per month on subsidized rates. Sale rate for APL group per kg of Atta is Rs 8.00, for wheat Rs 7.25 and for rice, it is Rs 10.00 per kg.

### **Below Poverty Line**

This is an important component of the TPDS. Under this category, the families which are poor and belong to vulnerable sections of the society such as landless agriculture labourers, marginal farmers, rural artisans/craftsmen (potters, tanner, weavers, blacksmiths, carpenters), slum dwellers, and persons earning their livelihood on daily basis in the informal sector like potters, coolie, rickshaw, puller, hand card pullers, fruit and flower sellers, rag pickers, cobblers, destitute and other similar categories in both rural and urban areas. Under this welfare scheme, 4.80 lac BPL families are covered and provided 35 kgs of foodgrains per month. The sale price for this welfare scheme, is Rs 6.40 per kg for rice, Rs 4.80 per kg for wheat and Rs 5.35 per kg of Atta.

### **Antayodaya Anna Yojana (AAY)**

To make the TPDS more and more focused and target oriented towards the poor, Government of India has launched a welfare scheme known as Antayodaya Anna Yojana (AAY). As per the guidelines of GOI, the poorest of the poor from amongst the BPL families have to be covered under this category. Besides, households headed by widows or terminally ill persons/disabled persons aged 60 years or more with no assured means of subsistence or societal support, have also been brought under the ambit of AAY.

Department of Consumer Affairs and Public Distribution in J&K, is implementing AAY scheme with effect from April, 2001 in order to ameliorate the plight of the poor/weaker sections of the State. Under this sub-scheme of BPL, 2.56 lac families are provided foodgrains on higher subsidy rates. Each AAY family is provided 35 Kgs of foodgrains per month. The rates governing AAY rationing are Rs. 3.00 per kg for rice and Rs 2.00 per kg for wheat and Atta. However, the BPL and AAY rationees are charged APL rates for any additional quantity of foodgrains over and above the prescribed limit, if required.

### **Annapurna**

Consumer Affairs and Public Distribution Department is also implementing Annapurna Scheme in the State with effect from 1st April, 2001. This welfare schemes covers senior citizens aged 65 years and above, having no source of income,

not covered under National Old Age Pension Scheme and at the risk of hunger under “Anna Purna” are provided 10 Kgs of foodgrains per month free of cost. 10220 persons are covered in the state under Anna Purna scheme. An amount of Rs. 70.00 Lacs was incurred under Annual Plan 2013-14 under the said scheme.

Abstract of sale rates for various items of foodgrains under different rationed categories, is given as under:-

<b>Table No 2</b>				
<b>S. No</b>	<b>Item</b>	<b>Rate per kg (Rs) by ration category</b>		
		<b>APL</b>	<b>BPL</b>	<b>AAV</b>
i.	Rice	10.00	6.40	3.00
ii	Wheat	7.25	4.80	2.00
iii.	Atta(loose)	8.00	5.35	2.00
iv.	Sugar	13.50	13.50	13.50
v.	Atta 10 kg (pack)	85.00	85.00	85.00

In addition to foodgrains, each ration ticket holder is provided sugar & SKO as per following scale.

<b>Table No 3</b>		
1	Sugar	700 grams per head @ Rs. 13.50 per kg
2	SKO	Per ration card during summer & winter seasons is provided 5 litres & 7 litres respectively @ Rs. 15.37 per litre
3	Sale of LPG	@ Rs. 429.00 per cylinder (12 subsidized cylinder per annum), @ Rs. 757.50 per cylinder (non -subsidized ) and commercial @ Rs. 1456.50 per cylinder (non-subsidized , 19 kg )

### **District wise Profile of Rationed Families Registered under TPDS;**

District wise profile of rationed families under different categories, indicate that district Jammu has claimed the major share of 16.71% i.e.329450 ration tickets of all categories taken together, followed by Srinagar district having the share of 9.31% i.e.183520 ration tickets which is followed by Baramulla, Anantnag and Kathua districts which have recorded the proportion of 7.81%, 6.65% & 6.13% respectively of the total ration tickets. All other districts have shown the combined share of 53.39%. Considering the category wise ration tickets issued by the CAPD Department, it has been observed that APL category accounted for 62.67% followed by BPL and AAY categories which have registered the share of 24.36% & 12.97% respectively of the total ration tickets.

Under BPL categories, District Kupwara has registered the maximum share of 9.26 % i.e 0.44 lac families against the total of 4.80 lacs rationed families followed by Jammu having 0.42 lacs rationed families i.e 8.82%, Anantnag 0.35 lakh families i.e. 7.27%, Baramulla 0.34 lakh families i.e. 7.08 % and Rajouri having 0.33 lakh families i.e 6.82%. Similarly under AAY category, district Baramulla has shown the proportion of 10.58 rationed families which is followed by Kupwara, Anantnag, Budgam and Jammu Districts which have registered the share of 10.57%, 7.59%, 7.17% and 6.78% respectively.

## **Measures taken by Govt. of India to streamline the Targeted Public Distribution System:**

The following measures have been taken by the Govt. of India to streamline/strengthen the TPDS:-

1. States should undertake a campaign to review BPL/AAY list to eliminate ghost ration cards.
2. Strict action should be taken against the guilty to ensure leakage free distribution of foodgrains.
3. BPL/AAY lists should be displayed on all FPSs.
4. District-wise and FPS-wise allocation of foodgrains should be put up on websites and other prominent places, for public scrutiny.
5. Wherever possible, doorstep delivery of foodgrains should be ensured by states, instead of letting private transporters/wholesalers to transport goods.
6. Timely availability of foodgrains at FPS level and fixed dates of distribution to ration card holders, should be ensured.
7. All States/UTs were directed to carry out any intensive campaign to review the existing list of BPL and AAY families and ration cards so as to eliminate bogus ration cards.
8. To make TPDS operations transparent and amenable to public scrutiny by use of provisions of RTI Act, 2005, a revised Model Citizens Charter was issued in July, 2007 for adoption and implementation by all State/UT Governments.
9. To ensure greater transparency in functioning of fair price shops, directions were issued to State/UT Governments in March, 2008 to introduce monthly certification by village panchayat/urban local bodies/vigilance committees/women's Self Help Groups for delivery of food grains to fair price shops in time and their distribution to ration card holders during the allocation month.
10. To facilitate public scrutiny of functioning of TPDS, public cum- awareness campaign on TPDS, has been taken up under a plan scheme on strengthening of TPDS.
11. To improve quality of delivery of services under TPDS and to assess applicability of new technologies, pilot scheme on smart card based delivery of TPDS commodities has been approved for Chandigarh and Haryana.
12. Introduction of Global Positioning System (GPS) has been taken up for implementation on pilot basis in Chattisgarh, Tamil Nadu and Delhi for tracking movement of vehicles transporting TPDS commodities. This pilot has been taken up to assess effectiveness of this technology in eliminating leakages/diversion of food grains transportation.
13. In order to maintain supplies and securing availability and distribution of essential commodities, PDS (Control) order 2001 has been notified on August 31,

2001 which mandates the State and UT Governments to carry out all remedial action to ensure smooth functioning of TPDS in the States/UTs.

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# Poverty, Employment & Unemployment

Poverty is one of the core problems of every economy all over the world. Approximately 1.2 billion people - about one fifth of the world population - fell below the extreme poverty line of \$1 a day in the late 1990s. If we use the \$2 line, this number rises to 2.8 billion, more than half of the world's population. Though these consumption measures represent material standards of living- food, clothing, shelter, transportation, fuel, education and so on - they also correlate closely with wider notions of capabilities and well-being.

Beyond the world average, the regional picture is much different. The global poverty is mostly concentrated in south-Asia and sub-Sahara Africa. Of the 1.2 billion world poor (year 2000) about 800 million accounting for around 70% of the world poor were located in these two regions.

Region	Pop (in millions)	Absolute poor	Poverty Ratio (In %)
Africa	630	420	66
South Asia	1430	330	23
East Asia	1880	480	20
Latin America	520	40	8
East Europe	410	10	2
OECD	1130	0	0
World	6.1 (Billion)	1.2 (Billion)	19

Poverty is also most concentrated in South Asia and Africa where more than 40% of population is living on less than 1\$ /day. Of course one, therefore, has to focus on Asia and sub-Saharan Africa while thinking of the problem of global poverty.

The question now is: what has been happening to the international distribution of income over time in increasing or decreasing poverty.

Year	Total population (in billions)	Absolute poor population (in billions)	Poverty Ratio (%)
1970	3.7	1.4	38

1990	5.3	1.4	26
2000	6.1	1.2	19.67
2015	7.2	0.7	10

- As is revealed by the table that in the year 2000 more than 1 billion people, around 20% lived on less than \$ 1 a day.
- In 1970, 38% lived below the poverty line, in a world with lower incomes and less people.
- By 1990 the poverty rate has fallen to 26% but due to population growth the number of poor was the same.
- The UN goal is to halve this proportion by 2015 and the world is on track to meet the goal. The simulation of the future indicates that the poverty reduction goal can be met on a global level.

However, beyond world average, the regional picture is much different.

- Over the years, Africa and Latin America see little growth while income increases in Asia and OECD and decreases in Eastern Europe.
- In 1970 most poor lived in South Asia and East Asia.
- The last 30 years changed the face of the global poverty. Now Africa is the home of a third of all poor.
- In 2015 Africa will account for the majority of world poverty.
- The global goal of halving poverty by 2015 to that of 1990 levels will be met because of fast progress in Asia.
- But on current trends Africa and Latin America will not meet the goal and the trend shows that people in Asia will move out of poverty to a great extent.

Other dimension of basic needs points to the same general pattern. The 2004 Human Development Report shows that out of 831 million people who were undernourished in the year 2000, sub-Saharan Africa, East Asia, and South Asia accounted for 185 million, 212 million, and 312 million respectively. Of the 104 million primary school - age children not in school, these regions included 44, 14, and 32 million respectively. Of the 11 million children under the age of five dying in each year, 5, 1, and 4 million were in these three regions. They also had 273 million, 453 million and 225 million people without access to improved water sources, out of a global total of 1.2 billion. The crude method of using a sample consumption threshold of \$1 or \$2 thus appears to capture many other relevant dimensions of poverty as well.

#### **UNDP's Estimates for India, 1992**

The study made by the United Nations Development Programme (UNDP) on the incidence of poverty in some selected countries revealed that in 1992, total number of people lying below the poverty line in India was around 350 million and thus 40

percent of India's population was lying below the poverty line as compared to that of 9 percent in China, 28 percent in Pakistan, 25 percent in Indonesia, 47 percent in Brazil and 78 percent in Bangladesh. India's progress in fighting poverty has been modest when compared with some of its Asian neighbours. Between 1970 and 1993, for example, the proportion of Indonesia's population living in poverty dropped from 58 to 25 percent, an annual decline of nearly 5 percent. While as a recent World Bank study on policies to reduce poverty in India, acclaims the fact that poverty, during the last two decades, has declined at the rate of 2 percent per annum (World Bank 2000).

### **UNDP Goals**

The Millennium Development Goals, adopted by a United Nations summit of representatives of 189 countries in September 2000, consist of eight objectives to be achieved by 2015, covering Poverty, Hunger, Primary Education, Gender Equality, Child Mortality, and Access to Water and Sanitation. The measure of extreme poverty (proportion below \$1 a day) is sought to be reduced by half of the 1990 levels by the year 2015.

### **National Poverty Scenario**

In Indian context, the poverty emphasizes more on minimum level of living rather than on reasonable level of living. Accordingly, it is broadly agreed that poverty can be termed as a situation where a section of the population fails to reach a certain minimum consumption standard. Poverty line in India is defined with reference to consumer expenditure surveys by the National Sample Survey Organization (NSSO). The poverty line is officially linked with a nutritional base line measured in calories (food-energy method). Consumer expenditure is a monitoring mechanism of consumers behaviour where as nutritional baseline is normative requirement of minimum needs and effective consumption demand.

The Planning Commission (Task Force) in 1979 defined the Poverty Line (BPL) as 'per capita consumption level, which meets the average per capita daily calorie requirement of 2,400 K Calorie in Rural areas and 2,100 K Calorie in Urban areas along with a minimum of non-food expenditure'.

The ratio and number of persons living Below Poverty Line (BPL) at National Level, as estimated by the Planning Commission of India based on Consumer Expenditure Surveys from time to time, are summarized in the Table below:



Table No 3: Estimates of Poverty at All India level								
Year	Poverty Line (Rs.)\$		Poverty Ratio (Per cent)\$			Population BPL (In millions)\$		
	Rural	Urban	Rural	Urban	Combined	Rural	Urban	Combined
1973-74	49.63	56.76	56.44	49.01	54.88	261.3	60.0	321.3
1977-78	56.84	70.33	53.07	45.24	51.32	264.3	64.6	328.9
1983	89.50	115.65	45.65	40.79	44.48	252.0	70.9	322.9
1987-88	115.20	162.16	39.09	38.20	38.86	231.9	75.2	307.1
1993-94	205.84	281.35	37.27	32.36	35.97	244.0	76.3	320.3
1999-00	327.56	454.11	27.09	23.62	26.10	193.2	67.0	260.2
2004-05	356.30	458.00	28.30	25.70	27.50	220.9	80.8	301.7

*\$In terms of Rupee per capita per month. Source: Planning Commission, Govt. of India*  
*\$ Ratio of people Below Poverty Line to population (in percent).*  
*\$\$\$ Absolute number of people Below Poverty Line in millions*

The Poverty Indicator has undulated between 1993-94 to 2004-05 with the head count ratio of 35.97 per cent to 27.50 per cent during the period with the corresponding total BPL Population standing at 301.70 million persons as on 2004-05.

The Head Count Poverty Ratio at All India Level (Poverty figures thrown up by the Planning Commission) has decreased by 49.89 percent (27.38 percentage points) i.e 54.88 percent to 27.50 percent from base year 1973-74 to 2004-05.

Both Rural and Urban Poverty Ratios at the National level have almost halved during last 32 years from 1973-74 to 2004-05. The Rural Poverty Ratios have declined from 56.44 percent to 28.30 percent while as Urban Poverty Ratios have declined from 49.01 to 25.70 percent. This decline in Rural and Urban Poverty Ratios has resulted into corresponding decline in the Combined (Rural + Urban) Ratio to exactly the half of the original ratio of 1973-78. At combined level, the Poverty Ratio has decreased from 54.88 percent to 27.50 percent during the period under reference.

However, Absolute number of poor at Combined (Rural + Urban) level, have decreased by 19.6 million (321.3 to 301.7 million) i.e. 6.10 percent during the period 1973-74 to 2004-05. Rural Absolute Poverty has decreased by 40.4 million (261.3 to 220.9 million) i.e. 15.46 percent while as Urban Absolute number of poor have increased by 20.8 million (60.0 to 80.8 million) i.e. 34.67 percent during the period under reference.

The behaviour of indicators relating to 'Absolute number of poor' indicates that Urban Absolute Poverty has shown phenomenal increase while as Rural Absolute Poverty has been contained to some extent. However, the Rural Poverty Ratios are still more than Urban Poverty Ratios though they have started converging.

### **Inter State Variations**

Some states have been particularly successful in reducing the poverty ratios in the total population. States with poverty ratio of less than 15% or so were: J&K (5.4%), Punjab (8.4%), Himachal Pradesh (10.00%), Goa(13.8%) Haryana (14%) Delhi (14.7%) Kerela (15%) and Andhra Pradesh (15.8%). At the other end of the spectrum are the states with poverty ratio above 30%; Maharashtra (30.7%), Uttar Pradesh (32.8%), Bihar (41.4%), Madhya Pradesh (38.3%) and Orissa (46.4%) ---- which also happen to be among the most populous states of India. The states that were formed recently (Uttrakhand 39.6%, Chhattisgarh 40.9%, Jharkhand 40.3%) also have among them the highest poverty ratio. Five states, namely, UP, Maharashtra, Bihar, West Bengal, and Orissa accounted for 166 million poor (about 55% of the total poor estimated at 302 million). This shows the high concentration of poor in these five states.

### **Poverty Scenario of J&K State**

As per the estimates of the Planning Commission of India, BPL figures for J&K for Rural and Urban areas stand at 3.97 percent and 1.98 percent respectively while as for Rural/ Urban (Combined), it stands at 3.48 percent for the year 1999-00. The corresponding figures have declined from 30.34 percent, 9.18 percent and 25.17 percent respectively for Rural, Urban and Combined (R+U) from the year 1993-94. The estimates have shown a phenomenal decrease during the period under reference. The incidence of poverty in J&K State has shown a decline of 21.69 (R+U) percentage points while as the incidence of poverty at All India level has shown a decline of only 9.87 (R+U) percentage points during the period under reference.

The estimates thrown up by the Planning Commission of India in the year 2004-05 have shown an upward trend and ironically the urban poverty ratios are higher than the rural poverty. The Head Count Ratio figures for the State stand at 4.60, 7.90 and 5.40 percent for Rural, Urban and Combined respectively for the year 2004-05. This phenomenal decrease and subsequent increase in poverty estimates is beyond any sound reasoning where both Head Count Ratio and Absolute poverty have been shown very low.

The Poverty figures thrown up by the Planning Commission on the basis of data collected by the NSSO through its socio-economic surveys in respect of Jammu and Kashmir State was a matter of debate and controversy in the State. The estimates have shown a phenomenal decrease during the period from 1993-94 to 1999-00. With this ethos underneath, the Directorate of Economics and Statistics, J&K, carried an exercise to arrive at the reasonably accurate estimates on BPL Population indicators prevalent in the Jammu and Kashmir State. The maiden survey was designed to lay-open the actual status of ground realities in connection with poor and deprived population. This report encompasses information on BPL population, BPL

Household, their Sex-Ratio, Household size, Literacy Rate, Religious breakup and Social status.

Year	Poverty Line(Rs.)\$		Poverty Ratio (Percent)\$			Population BPL (In millions)\$		
	Rural	Urban	Rural	Urban	Combined	Rural	Urban	Combined
1973-74	46.60	N.A	45.51	21.32	40.83	N.A	N.A	N.A
1977-78	N.A	N.A	42.86	23.71	38.97	N.A	N.A	N.A
1983	91.80	99.62	26.04	17.76	24.24	1.311	0.249	1.560
1987-88	N.A	N.A	25.70	17.47	23.82	N.A	N.A	N.A
1993-94	213.83	253.61	30.34	9.18	25.17	1.905	0.186	2.092
1999-00	367.45	420.20	3.97	1.98	3.48	0.297	0.0049	0.346
2004-05	391.26	475.71	4.60	7.90	5.40	0.366	0.219	0.585

\$ In terms of Rupee per capita per month. Source: Planning Commission of India  
 \$\$ Ratio of people Below Poverty Line to population (in percent)  
 \$\$\$ Absolute number of people Below Poverty Line in millions

As per the report of expert group constituted under the chairman of then steering committee Prof. Suresh Tendulkar, the position of J&K in rural and urban poverty viz-a-viz all India and neighbouring states based on NSSO 61<sup>st</sup> Round (2004-05) is given in the tables below. Overall poverty headcount ratio of J&K was 13.2% which indicates that poverty in J&K is amongst lowest three states. Only Delhi (13.1%) and Nagaland (9%) are lower than J&K in poverty figures. All India figures of poverty ratio based on NSSO Survey of 2004-05 stood at 37.2%. Prevalence of poverty is more in rural areas than in urban areas in all the states except Meghalaya. J&K with rural poverty figures of 14.1% as against 10.4% for urban areas have low incidence of poverty when compared to corresponding figures of most of Indian states and also that of All India level figures.

State	Poverty Line(Rs.)		Poverty Headcount Ratio (%)		
	Rural	Urban	Rural	Urban	Total
Delhi	541.39	642.47	15.6	12.9	13.1
Haryana	529.42	626.18	24.8	22.4	24.1
Himachal Pradesh	520.40	605.74	25.0	4.6	22.9
J&K	522.30	602.89	14.1	10.4	13.2
Punjab	543.51	642.51	22.1	18.7	20.9
All India	446.68	578.8	41.8	25.7	37.2

<b>Table No 6:Poverty estimates and poverty lines for 1993-94</b>					
<b>State</b>	<b>Poverty Line (Rs.)</b>		<b>Poverty Headcount Ratio (%)</b>		
	<b>Rural</b>	<b>Urban</b>	<b>Rural</b>	<b>Urban</b>	<b>Total</b>
Delhi	315.4	320.3	16.2	15.7	15.7
Haryana	294.1	312.1	40.0	24.2	35.9
Himachal Pradesh	272.7	316.0	36.7	13.6	34.6
J&K	289.1	281.1	32.5	6.9	26.3
Punjab	286.9	342.3	20.3	27.2	22.4
All India			50.1	31.8	45.3

### **State Specific Poverty Line**

Poverty Line (BPL) is defined as minimum expenditure needed at Per Capita consumption level, which meets the average Per Capita daily calorie requirement of 2,400 K Calorie in Rural areas and 2,100 K Calorie in Urban areas along with a minimum of non-food expenditure.

A multiple criteria for classification of BPL families was used which included both qualitative and quantitative parameters. For the purposes of this study, an expendable sum of Rs. 600 Per Capita Per Month for Urban areas (Rs. 36,000 per annum for family of five members) and Rs. 500 Per Capita Per Month for Rural areas, (Rs. 30,000 per annum for family of five members) has been fixed as the Poverty cut off point in order to measure the incidence of poverty in the study area. Besides, qualitative parameters like household occupation, housing condition, asset position (land operated/owned, consumer durables owned etc.) were also given due weightage.

### **Poverty Status of J&K State**

As per the survey results, the total BPL Estimated Population Ratio of J&K State has been arrived at 21.63 percent (24.21 lakhs persons) of which 26.14 percent (22.00 lakhs persons) are from Rural areas and 7.96 percent (2.21 lakhs persons) are living in Urban areas. This shows that about one fifth of the State's population falls below the poverty. Out of every five persons, one falls Below Poverty Line. The Relative Sampling Error of the estimates of the BPL Population has been estimated at 2.24 percent at State level.

The poverty has gradually decreased at All India Level from 54.88 percent in 1973-74 to 35.97 percent in 1993-94 to 27.50 percent in 2004-05 as per the estimates thrown out by Planning Commission of India. Similar trend can be observed in the poverty estimates of Jammu and Kashmir when BPL survey results of Jammu and Kashmir are taken into consideration for the year 2007-08 with the earlier estimates thrown out by the Planning commission in favour of Jammu and Kashmir State. The estimates of Jammu and Kashmir stand as 40.83 percent for the year 1973-74, 25.17 percent for the year 1993-94 and 21.63 percent for the year 2007-08. From the period 1973-74 to 1993-94, the poverty has declined by 34.46 percent at All India Level while as at Jammu and Kashmir level, it has decreased by 38.35 percent from the base year 1973-74. Again from 1993-94 to 2004-05, the poverty has shown a decline of 23.55 percent at All India Level while as in case of Jammu and Kashmir it has declined by 14.06 percent upto 2007-08 from the base year 1993-94.

S. No.	Year	Poverty Ratio of J&K State (BPL Head Count Ratio)			BPL Population of J&K State (Absolute Poverty in lakhs No.)		
		Rural	Urban	Combined	Rural	Urban	Combined
1.	1973-74	45.51	21.32	40.83	N.A	N.A	N.A
2.	1977-78	42.86	23.71	38.97	N.A	N.A	N.A
3.	1983	26.04	17.76	24.24	13.11	02.49	15.60
4.	1987-88	25.70	17.47	23.82	N.A	N.A	N.A
5.	1993-94	30.34	9.18	25.17	19.05	01.86	20.92
6.	1999-00*	3.97	1.98	3.48	02.97	00.049	03.46
7.	2004-05*	4.60	7.90	5.40	03.66	02.19	05.85
8	2007-08 (DES)	26.14	7.96	21.63	22.00	02.21	24.21

\* The figures are matter of debate and controversy and are non acceptable to the State Govt. Source: 1. Planning Commission, G O I, Estimates 2. BPL Survey of Directorate of Economics and Statistics, J&K

#### Key findings of the report of NSS 66<sup>th</sup> Round (2009-10) on Consumer Expenditure

State	Average MPCE(MMRP) (Rs.)	
	Rural	Urban
J&K	1343.88	1759.45
Delhi	2068.49	2654.46
Haryana	1509.91	2321.49
Himachal Pradesh	1535.75	2653.88
Punjab	1648.92	2108.79

All India	1053.64	1984.46
*MPCE: Monthly Per Capita Expenditure, MMRP: Modified Mixed Reference Period Source: NSS 66 <sup>th</sup> Round, Planning Commission, GoI.		

As per the consumer expenditure report of 66<sup>th</sup> Round of NSS (2009-10), average monthly per capita expenditure based on Mixed Modified Reference Period (MMRP) in rural areas for J&K stood at Rs. 1344 which is lower than similar figures of all its neighbouring states viz H.P(Rs. 1536), Punjab (Rs. 1649), Haryana (Rs. 1510) , Delhi (Rs. 2068) but the MPCE(MMRP) in rural areas of J&K is higher than similar figures of Rs. 1054 at all india level.

Average MPCE (MMRP) in urban area of J&K is Rs. 1759 which is 31% higher than the similar figures of rural areas. But average MPCE (MMRP) in urban areas of J&K was lower than the corresponding figures of all india (Rs. 1984) and its neighbouring states viz H.P(Rs. 2654), Haryana (Rs. 2321), Delhi (Rs. 2654) and Punjab (Rs. 2109).

<b>Table No 9: Per Capita food, non-food &amp; total expenditure for each decile class of MPCE (MMRP)* for J&amp;K State.</b>						
<b>Decile class of MPCE (MMRP) (%)</b>	<b>Per capita expenditure (Rs.) on</b>					
	<b>Rural</b>			<b>Urban</b>		
	<b>Food</b>	<b>Non-food</b>	<b>Total</b>	<b>Food</b>	<b>Non-food</b>	<b>Total</b>
0-10%	432.07	233	665.07	478.2	249.97	728.17
10-20%	533.64	325.79	859.44	605.87	347.9	953.77
20-30%	579.07	378.46	957.53	644.51	459.61	1104.12
30-40%	627.46	423.55	1051.01	739.41	495.17	1234.58
40-50%	685.24	466.44	1151.67	808.9	569.57	1378.46
50-60%	717.34	542.51	1259.85	850.83	693.21	1544.05
60-70%	806.11	607.35	1413.46	938.86	796.44	1735.3
70-80%	978.14	643.75	1621.89	1042.31	986.25	2028.56
80-90%	1067.56	753.51	1821.07	1218.28	1282.5	2500.78
90-100%	1341.92	1293.84	2635.76	1686.79	2694.39	4381.18
All classes	776.82	567.06	1343.88	901.8	857.65	1759.45
*MPCE: Monthly Per Capita Expenditure, MMRP: Modified Mixed Reference Period Source : NSS 66 <sup>th</sup> Round, Planning Commission, GoI.						

The Survey results indicate that in rural areas food expenditure (Rs. 777) was higher than the non-food expenditure (Rs. 567), by (37%) based on MPCE(MMRP). Further this trend follows amongst all decile classes in rural areas of J&K.

When we take a note of the trend in urban areas of J&K regarding food/non-food expenditure, the position is similar but the gap is narrowed as food expenditure of Rs.

902 was only 5% higher than non-food expenditure of Rs. 858. Further non-food expenditure amongst top two deciles i.e. top 20% population of urban areas was higher than the food expenditure, rest 80% population in urban areas spends more on food items than non-food items.

Decile class of MPCE (MMRP) (%)	Per capita expenditure (Rs.) on					
	Rural			Urban		
	Food	Non-food	Total	Food	Non-food	Total
0-10%	294.03	158.95	452.98	370.11	229.16	599.27
10-20%	375.90	208.50	584.40	490.83	340.13	830.96
20-30%	428.37	246.95	675.35	583.25	428.59	1011.84
30-40%	480.19	280.61	760.79	659.27	536.81	1196.08
40-50%	527.07	321.00	848.07	741.06	656.93	1397.99
50-60%	573.60	370.76	944.35	835.11	798.31	1633.42
60-70%	636.03	426.89	1062.93	939.01	991.94	1930.96
70-80%	704.38	516.21	1220.59	1059.33	1270.54	2329.87
80-90%	827.34	642.98	1470.33	1285.18	1765.52	3050.69
90-100%	1156.68	1360.01	2516.69	1845.08	4018.17	5863.25
All classes	600.36	453.29	1053.64	880.83	1103.63	1984.146

*\*MPCE: Monthly Per Capita Expenditure, MMRP: Modified Mixed Reference Period*  
*Source : NSS 66<sup>th</sup> Round, Planning Commission, Gol*

At all India level, food expenditure in rural areas is Rs. 600 as against Rs. 881 in urban area. Further non food expenditure in rural areas is Rs. 453 as against Rs. 1104 in urban areas.

There is still lot of debate going on regarding measurement of Poverty. Number of expert groups and organisation are working on a new Methodology to measure Poverty. Hon'ble Prime Minister has now constituted a Technical group to suggest a new measure of Poverty due to hot debate and controversy over recent Poverty estimates. Infact he has virtually rejected the current Poverty estimate Methodology due to reason that it was not inclusive. The existing group is headed by Sh. Abhijit Sen, Member Planning Commission of India. The National Sample Survey Organisation (NSSO) on whose consumption expenditure survey Poverty estimates are based, is already working on a new survey. The commission had said that any body earning over Rs. 29 per day in urban areas and Rs. 22 per day in rural areas is not poor. The latest Poverty assessment which used the Suresh Tendulkar Committee Methodology indicated 354 million poor people living in the country. The last Poverty estimate in

2007, the Poverty line was Rs. 12 per person per day for rural areas and Rs. 18 per person per day for urban areas. The Govt. cited faulty primary data collection as the draw back. Soon after public out cry in Sept., 2012, the NSSO started preparing for the new survey for providing inputs to policy makers, planners to address the issue in right perspective.

### **Poverty Alleviation Programmes**

In J&K around 73% population lives in rural areas and the State has initiated a number of Poverty Alleviation Schemes to mitigate rural as well as urban poverty, which are being implemented in the State with financial and technical support of the Centre Government. These Schemes serve the dual purpose of Poverty Alleviation as well as employment generation. The following schemes are under implementation to give dent to rural poverty.

#### **i) Swaran Jayanti Gram Swarozgar Yojana (SGSY)**

SGSY is one of the Centrally Sponsored Programme aimed to bring the poor families above poverty line in three years by providing them income generating assets through a mix of bank credit and Government subsidy.

During 2012-13, financial outlay under SGSY was Rs. 17.58 crore, out of which Rs. 10.70 crore (61%) has been spent by providing employment to 9830 persons and 4418 Self Help Groups have been assisted during the year 2012-13.

However, this scheme is now being closed and merged with NRLM. But the activities of strengthening Self Help Groups and capacity building of Rural Development functionaries shall continue to smoothen the way for NRLM.

#### **National Rural Livelihood Mission (NRLM) sharing pattern (75:25).**

- The Government of India has floated National Rural Livelihood Mission which shall replace the present scheme of SGSY. The State Mission has been constituted. The scheme has also been rolled out in the state as **Umeed**. The aim of this Mission is to create self help groups and federate them to large federations which will have their own capacity of creating capital and providing loans to the needies within the community Four blocks have been selected in the State, two each in Jammu and Kashmir divisions namely, Basohli, Chenani, Khanshab and Wagoora for piloting the scheme.
- 06 more blocks namely, Sumnai (Bandipora), Damhal Hanjipora (Kulgam) Gungna (Doda), Mahore (Reasi), Kargil(kargil) and Kalakote(Rajouri) have been brought under the ambit of UMEED programme of NRLM..



- Under the scheme during the 2013-14, against a target of 1600 self help groups 1014 have been framed while in the current financial year 2014-15 (ending Nov., 2014) against a target of 9000 Self Help Groups, 4112 have been framed.

### **Mahatama Gandhi National Rural Employment Guarantee Act MGNREGA)**

This flagship scheme has been launched in J&K from February, 2006 initially in three districts namely Doda, Poonch and Kupwara(Phase-I). The scheme has been subsequently extended to two more districts viz., Jammu and Anantnag from April, 2007 (Phase-II). At present, this scheme is under implementation in all the districts of the State w.e.f 01.04.2008. The main objective of this scheme is to provide 100 days of guaranteed unskilled wage employment to each rural household opting for it.

During the year 2013-14 an amount of Rs. 709.01 crores was available under MGNREGS, out of which Rs. 766.54 crores (96%) was utilised/spent. 1139252 number of households were issued job cards and 328.73 lakh person/days employment was generated.

During the year 2014-15 (ending November, 2014), against an available funds of Rs.311.77 Crores , an amount of Rs. 260.59 crores (83%) was utilised/spent. 18099 number of households were issued job cards and 71.90 lakh person/days employment was generated.

The scheme is demand driven and envisages coverage of not only BPL families but also Above poverty line (APL) families job card holders volunteer to do manual work on minimum wages notified by the state under Minimum Wages Act. The scheme has now taken off well in the state and creating visible impact, resulting transformation of rural economy of the state. More sensitization among stakeholders are being created to ensure more effective implementation of the scheme.

### **Indira Awas Yojana (IAY)**

IAY is a centrally Sponsored Scheme where-under funds in the ratio of 75:25 are being allocated by the Centre and State Govt. respectively. The target groups for housing under IAY are households below poverty line living in rural areas, particularly those belonging to SCs/STs and freed bonded labourers. The shelter less families are provided assistance under IAY/Rural Housing Scheme (RHS) for construction of affordable houses with basic amenities. 60% allocation is meant for SC/STs and 40% for other categories. Government of India has also fixed 15% targets for minorities.

## Targets envisaged

- 1) Finance assistance for construction of new houses for the houseless category has been revised from Rs 48,500 to Rs 75000/- per unit in the hilly/ difficult areas w.e.f 01.04.2013.
- 2) Conversion of unserviceable Kacha houses to semi-pacca/pacca houses @ Rs.20000/- per unit. Maximum 25% of the available funds under IAY will be utilized for the purpose.

During 2013-14, 13929 houses were constructed with the financial expenditure of Rs. 61.08 crore while as during 2014-15 (ending December), 4208 houses were constructed with the expenditure of Rs. 25.64 crore.

## Integrated Watershed Development Programme (IWDP)

The goal of the scheme is to treat an area of 15.33 lac Hactts. in the State by incurring Rs. 2300.00 crore upto 14th five year Plan Period. The project has to be implemented as under:-

- 20% as first installment for recurring, training, establishment and entry point activities.
- 50% as 2nd installment for works programme.
- 30% as 3rd installment (25% for works programme and 5% for consolidation)

At present, the project is in initial stage where recurring expenditure on Engagement, Training of staff along with entry point activities are to be carried out. The details are as under:-

### (A)- State Share

Table No11: State Share							(Rs in lacs)			
Scheme	Approved Outlay 2013-14			Expenditure ending March, 2014			Proposed outlay 2014-15			Exp
	Rev.	Cap	Total	Rev.	Cap	Total	Rev	Cap	Total	Nov,14
IWMP	131.7	1695	1820.17	131.17	1695	1820.17	160	1695	1855	71.35 (Rev)
** This includes additionality of Rs. 6.00 lacs.										

## (B)- Central Share

Table No 12 :Central Share					(Rs in lacs)
Scheme	Proposed outlay 2012-17 (12 <sup>th</sup> FYP)	Funds received from GoI (2013-14)	Expenditure ending March, 2014	Approved outlay 2014-15	Funds received during 2014-15 from GoI
IWMP	72900	4231.534	awaited	N A	5142.57

### CD & Panchayat Scheme

This is purely a State Plan aimed at bridging critical gaps in Rural Infrastructure and address emergent needs of the Rural Community where other scheme may not have access. The State Government is keen in holistic Development of villages through planned and integrated development through coordinating efforts of Government PRI's and civil society. The prosperity in rural areas depends upon the economic environment and facilities available in that area The Department had started to develop infrastructure in the villages on the pattern of the Model Villages already developed in the state PMRP. The demand on this account has been put forth by the elected representatives of the people. The main objective of developing a Model Village is to provide infrastructure facilities and the public amenities to create an atmosphere to accelerate the pace of development in such villages. The department is already executing 17 number of Model Villages in the State for which funds are provided out to the scheme. Also, during 2013-14 under convergence mode one Model Villages in each constituency has been taken-up, a portion of funds has to be provided out of this Schemes. The details are under:-

Table No 13				(Rs in lacs)
Division	Approved outlay 2013-14	Expenditure ending March, 2014	Proposed outlay 2014-15	Exp. Nov, 2014
Kashmir	825.00	706.65	825.00	136.94
Jammu	825.00	891.61	825.00	102.21
Total	1650.00	1598.26	1650.00	239.15

### Employment

The projected increase in labour force during the period 2012-13 to 2016-14 for 15 and above age group is now estimated to be around 245 million from 477.9 million in 2011 to 502.4 million by the end of 2016-17

There are two main sources of unemployment data viz National Sample Surveys (NSS) on Employment-Unemployment and District Employment and Counselling Centres

(DECC) in J&K. Beside, some related indicators on Employment-Unemployment situation is also generated through Census results.

### Overview of Employment Scenario in J&K

Unemployment is a social issue of serious concern at the present, both at National as well as State levels. As per Census 2011, the number of workers also registered an increase of 15.15% during the same period. According to 2011 census, the sex wise position of total workers, main workers and marginal workers for J&K vis-a-vis All India is given in the table below:

		<b>Total Workers</b>	<b>Main Workers</b>	<b>Marginal Workers</b>
<b>J&amp;K</b>	<b>Persons</b>	4322713	2644149 (61.77%)	1678564 (38.83%)
	<b>Males</b>	3195090 (73.91%)	2305788 (87.20%)	889302 (52.98%)
	<b>Females</b>	1127623 (26.09%)	338361 (12.80%)	789262 (47.02)
<b>All India</b>	<b>Persons</b>	481743311	362446420	119296891
	<b>Males</b>	331865930	273149359	58716571
	<b>Females</b>	149877381	89297061	60580320

*\* Figures in brackets indicates sex wise/worker wise %age share.*

Work participation rate for J&K was estimated at 34.5% as against the All India figures of 39.8% as per census 2011.

According to 2011 census, the number of total workers in J&K stood at 43.23 lakhs of which the main workers constitute 26.44 lakhs (61.77%) and the number of marginal workers constitutes 16.79 lakhs (38.83%).

Female workers constituted 26.09% of the total work force. The share of female in the Main workers is only 12.80% as against 47.02% in marginal workers category in J&K.

Further classification of workers as per Census during 2011, shows that 28.8% of the total workers are cultivators, 12.7% are agricultural labourers and the remaining 58.5% are workers engaged in other activities including household industries.

Work opportunities, however, have not kept pace with the increasing population. The problem of unemployment gains more importance because of higher incidence of unemployment among the educated section of youth in the State. Almost 70% of the population is directly or indirectly dependent on agriculture and allied activities which continue to be a subsistence sector. However, it may be mentioned that near about 70% of the said marginal workers are associated with the Agricultural and allied sector

contributing very marginally to the total production thus giving rise to the disguised unemployment in Agriculture. To avoid this situation, out of the said 16.79 lakh of marginal workers, half of this working force suffers from disguised unemployment who can contribute positively on being shifted to the other sectors of economy without affecting the total agricultural production and yield productivity in the State. In the absence of desirable industrial growth and limited scope for absorption in the private sector, many have been rendered unemployed and have joined the ranks of job seekers. The District Employment Exchanges renamed recently as District Employment & Counseling Centres spread all over the state maintain qualification-wise data on job seekers.

### **Registration of Unemployed Youth:**

Due to limited job opportunities available for unemployed youth in the State, the number of unemployed youth has been increasing with every passing year. The number of unemployed youth registered in various District Employment & Counseling Centres of the J&K State is 2.32 lacs as on ending September, 2014. The said figure for 2013 was 2.77 lacs.

The figure, quoted above may be higher as the registration with the Employment Department is a voluntary process and not mandatory

At the state level, the number of registered job seekers had decreased from 447562 in 2009 to 307827 in 2013 thereby registering as decline of -31.22%.

The level of registering in ending September, 2014 is 231899. The Statistics of employment exchanges, does not provide accurate picture of unemployment in the State. The data suffers mainly from two defects. On the one hand, all the unemployed persons do not register themselves with these Employment Exchanges and on the other hand, some of the registered persons may not be actually unemployed but only in search of better jobs.

The provisional results of Sixth EC reported a number of 1084295 persons working in the establishments. The number of workers found in rural establishments during the census is 595132 sharing 54.89% while as 489163 persons (45.11%) are reported working in the establishments located in urban areas.

Out of 595132 persons engaged in rural establishments, 52.35% share is occupied by hired workers while as 47.65% share is held by not-hired group. Moreover, 77.92% rural workers in establishments are males leaving 22.08% share for females. Distribution of employment in urban establishments shows that 57.75% are hired workers and 42.25%

are not hired workers. Share of male workers in urban areas is 85.49% as against only 14.51% share of female workers. Following table reveals the position in figures:

Type of worker	Rural		Urban		Combined
	Number	%age	Number	%age	Number
i)Hired					
a) Male	226115	49.8	227832	50.2	453947
b)Female	85464	61	54679	39	140143
Total	311579	52.5	282511	47.6	594090
	-52.35		-57.75		-54.79
ii)Not Hired					
a) Male	237627	55.5	190351	44.5	427978
b) Female	45926	73.8	16301	26.2	62227
Total	283553	57.8	206652	42.2	490205
	-47.65		-42.25		-45.21
a) Total Male	463742	52.6	418183	47.4	881925
	-77.92		-85.49		-81.34
b) Total Female	131390	64.9	70980	35.1	202370
	-22.08		-14.51		-18.66
Grand Total	595132	54.9	489163	45.1	1084295
	-100		-100		-100

*Note: i. Figures are provisionally. Figures in brackets show the percentage of employment to total employment in the respective areas.*

### **Inter district comparison of employment**

Provisional results of Sixth EC recorded total number of 1084295 persons working in 507372 establishments in the state. Considering the district wise distribution of workers, Jammu is rated as the first topper district sharing 15.44% of total, very closely followed by Srinagar with 14.85% contribution. Budgam and Baramulla are the 3<sup>rd</sup> and 4<sup>th</sup> districts in a row of 22 districts claiming 8.56% and 8.04% workers respectively. Five districts namely, Jammu, Srinagar, Budgam, Baramulla and Anantnag have the combined share of 54.38% of total employment at the State level. This is consistent with the total number of establishments in these districts. District Kargil (1.04%), Ramban (1.05%),Kishtwar (1.30%), Shopian (1.57%),Doda (1.79%),and Leh (1.83%) i.e, each district with less than 2% individual share are the bottom level districts.

### **Unemployment Rate**

The term used for measuring unemployment is the 'unemployment rate', defined by

NSSO as the number of persons unemployed per 1000 persons in the labour force (which includes both the employed and the unemployed). For calculation of unemployment rate, person-days as per the Current Daily Status (CDS) approach is followed. This, in effect, gives the unutilized position of labour force. Thus, it is a more refined indicator of employment situation in a population than the 'proportion unemployed', which is merely the number of unemployed per thousand persons in the population as a whole.

The survey on employment - unemployment carried out by NSSO provides estimates on various characteristics pertaining to employment and unemployment at the National as well as State level. The data on Unemployment-employment scenario across the state has also become a regular feature of all the NSSO Survey rounds on some selected parameters.

The latest NSS Survey- 68th round conducted during July, 2011 - June, 2012 throughout the country constitutes an important source of information on unemployment. The unemployment rates revealed by 68th round of NSS for J&K State in comparison to all India figures are given in the following table:-

S. No	Area	J&K(%)			All India (%)		
		Male	Female	Persons	Male	Female	Persons
1	<b>R u r a l</b>						
	UPS	2.7	16.6	3.9	2.1	2.9	2.3
	CWS	3	6.3	3.8	3.3	3.5	3.4
	CDS	5	11.8	6.1	5.5	6.2	5.7
2	<b>Urban</b>						
	UPS	4.7	25.6	7.8	3.2	6.6	3.8
	CWS	4.5	21.8	7.6	3.8	6.7	4.4
	CDS	5.3	24.2	8.4	4.9	8	5.5
3	<b>Combined (Rural + Urban)</b>						
	UPS	3.2	20.2	4.9	2.4	3.7	2.7
	CWS	3.4	8.8	4.7	3.5	4.2	3.7
	CDS	5	14.7	6.7	5.3	6.6	5.6

UPS: Usual Principal Status; CWS: Current Weekly Status; CDS: Current Daily Status;  
\*: Unemployment rate per 100 persons

The unemployment indicators have been worked on the following three basic principles;

a) Usual Principal status (UPS)- Indicator of chronically unemployed. b) Current Weekly Status (CWS)- Indicator of chronic and seasonal unemployment. c) Current Daily Status (CDS)- Indicator of unemployment on a day of the conduct of Survey,

The analysis of data reveals that the Unemployment Rate for Rural+Urban (Combined) under UPS (4.9%) and CWS (4.7%) while-as the indicator for CDS was (6.7%). As against this the All India level indicator was lower than that of State level under all the three approaches as indicated in the above table.

At State level, the unemployment rates for females as per all the three approaches viz UPS, CWS and CDS were on the higher side when compared to corresponding figures for males. Thus the results show that the problem of Unemployment is more prevalent amongst females in the State of J&K

<b>Table No 17: Comparison between Unemployment Rate of J&amp;K State for 66th and 68th Round of NSSO</b>									
<b>NSS</b>	<b>Male</b>			<b>Female</b>			<b>Combined (Male+ Female)</b>		
	<b>Rounds</b>	<b>UPS</b>	<b>CWS</b>	<b>CDS</b>	<b>UPS</b>	<b>CWS</b>	<b>CDS</b>	<b>UPS</b>	<b>CWS</b>
<b>66th</b>									
Rural	3.1	3	3.8	19.3	5.7	10.3	4.9	3.9	5.1
Urban	5	5.2	5.5	14.5	13.1	15	6.5	6.9	7.3
<b>Combined</b>	3.6	3.6	4.2	17.1	7.1	11.1	5.3	4.6	5.6
<b>68th</b>									
Rural	2.7	3	5	16.6	6.3	11.8	3.9	3.8	6.1
Urban	4.7	4.5	5.3	25.6	21.8	24.2	7.8	7.6	8.4
<b>Combined</b>	3.2	3.4	5	20.2	8.8	14.7	4.9	4.7	6.7

Unemployment rate as per Usual Principal Status (UPS) in J&K has come down from 5.3% to 4.9% during the period July 2009 to June 2012 i.e. (66<sup>th</sup> & 68<sup>th</sup> Round of NSS). Unemployment rate in respect of Current Weekly Status approach and Current Daily Status approach has increased during the same period indicated above in the table.

As per the results of Employment-Unemployment Survey of 68<sup>th</sup> Round of NSS conducted from July 2011 to June 2012. The Unemployment Employment situation of J&K in comparison to Northern States viz H.P, Punjab, Haryana, Delhi and at All India level is given in the table below:-



**Table No 18: Unemployment Rate as per Usual Principal Status in J&K State in comparison with the neighboring States/ All India as per 68th Round of NSS**

State	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
J&K	2.7	16.6	3.9	4.7	25.6	7.8	3.2	20.2	4.9
H.P	1.8	1.8	1.8	2.1	11	4.2	1.8	2.2	2
Punjab	2.3	6.1	2.6	2.8	5.1	3.1	2.5	5.6	2.8
Haryana	2.6	4.2	2.8	4	5.6	4.2	3.1	4.8	3.2
Delhi	9.4	0	7.8	3.4	4.8	3.6	3.9	4.3	4
All India	2.1	2.9	2.3	3.2	6.6	3.8	2.4	3.7	2.7

As per the 68<sup>th</sup> Round of NSS July 2011 to June 2012, based on Usual Principal Status (UPS), J&K has the highest Unemployment rate of 4.9% in comparison to its neighbouring States viz. Punjab (2.8%), H.P (2.0%), Delhi (4.7%), Haryana (3.2%). All India figures for Unemployment rate stood at 2.7% only. Unemployment rate for Males in J&K was 3.2% only whereas that of females was 20.2% which is far too high when compared to the unemployment of females in neighbouring States viz Punjab (5.6%), Haryana (4.8%), Delhi (4.3%), H.P (2.2%). The problem of unemployment amongst females is predominant in J&K based on Usual Principal Status has revealed as the gap between Unemployment rate of females in J&K (20.2%) and that of All India level (3.7%) is huge.

Further the unemployment is more prevalent in urban than in rural areas of J&K. Unemployment rate in urban area of J&K based on 68th Round of NSS stood at 7.8% as against 3.9% in rural area. The Unemployment amongst urban male (4.7%) is higher than that of rural males (2.7%) in J&K. Rural female unemployment in J&K stood at 16.6% which is far too high as compared to the neighbouring States viz Punjab (6.1%), H.P (1.8%), Haryana (4.2%) and All India figures of 2.9% only.

***Main findings of 68<sup>th</sup> NSSO round***

The rate of unemployment measured by applying UPS indicator is more pronounced and visible in:-

1. J&K i.e., 4.9% than in India (2.7%).
2. Higher incidence of Unemployment among females than males in J&K as per all the three approaches viz. UPS, CWS and CDS.
3. Higher incidence of Unemployment in Urban than in Rural areas of J&K as per all the three approaches viz. UPS, CWS and CDS.

**Need for Employment Policy**

The State of J&K has certain inherent strengths that can be utilized to improve the income of its people and to provide gainful employment opportunities on sustainable basis, which are:

- i. Strong base of traditional skills not found elsewhere;
- ii. Untapped natural resource;
- iii. A natural environment which has been very profitably utilized by other countries for high income- environment friendly tourism industry.
- iv. In order to sustain growth and employment in its economy, the State Government should articulate an Employment Policy focusing on:
- v. Improving the productivity of, and thereby income of those engaged in industries based on traditional skills,
- vi. Shifting the agricultural work force to high value-added/ high-income agriculture/horticulture;
- vii. Transforming the service industry in the State, driven by tourism, from informal and low income to modern by setting up a world class tourism infrastructure, largely on the basis of private investment and entrepreneurship; and
- viii. Creating a vibrant self-employed-professional workforce, which does not depend on government jobs, or for off-take of its services by government alone.

The policy would need to incorporate the following objectives:

1. To exploit the full growth potential of the sectors and sub-sectors which are important to the state's Economy.
2. To create necessary infrastructure and extension services for diversification of agriculture and setting up new enterprises in manufacturing or services sector.
3. To rehabilitate people who have suffered loss in employment due to the slow-down in the economy.
4. To assist the self-employed workers to upgrade themselves through provision of credit, marketing, technological and training facilities.
5. To utilise the government consumption expenditure to promote off take of commodities produced in J&K.
6. To improve prospects of long term growth by creating physical infrastructure such as transport and communication services.
7. To improve the efficiency of utilization of resources already invested in electricity, irrigation and transport sectors.
8. To carry out reforms in delivery of education, health, civic and other community services.

Government of J&K would also need regularly to update the Employment Policy statement. Manpower Planning would be an important element of this Employment Policy of the state, the Planning Department of the state government if required could

seek assistance of the Planning Commission of India in this task.

### **Approach towards Employment Generation**

The government is taking all possible steps and making all possible efforts in providing gainful employment to the unemployed youth of the state, but it may not be possible for the government to provide government jobs to the educated unemployed the graph of which is increasing at a very faster pace. Under these circumstances possibilities have to be explored for absorbing the youth by way of creating work opportunities in the private sector as well. In this direction the following 8 sectors of economy have been identified for generation of gainful employment opportunities in the state on sustainable basis:-

- Agriculture (including Horticulture, Floriculture , Food Processing and Animal Husbandry),
- Handlooms and Handicrafts,
- Industries (including Small Scale industries and Rural industries)
- Tourism & travels,
- Education & health,
- Large infrastructure projects (Roads & Railways),
- Information Technology & Telecommunication,
- Construction Sector.

While as tourism- both domestic as well as international – may provide possibilities for employment generation in the hotels, catering, entertainment and travel sectors as well as a market for handlooms and handicrafts, there are equal chances of gainful self employment in the other above defined sectors as well.

### **Potential and Scope for Employment Generation in the State**

While preparing any plan for sustainable employment generation, it has to be kept in view that the prospects of any large scale expansion in the public sector jobs are not very bright. Even if steps are taken to fill all the gaps in manpower required to deliver public services in crucial areas such as Health and education, the contribution of government jobs at the margin would not be more than 17% as per the calculations worked out by the Task Force constituted by the Ministry of Home Affairs GoI (Department of J&K Affairs) in the year 2003 for creating one lakh employment and self employment opportunities in the state of J&K. Taken together with the jobs in other formal establishments, the share of regular salaried jobs in the employment generation programme is not expected to be substantial. Therefore, other avenues would have to be explored for providing sustainable employment to the people of the State particularly

through the following two routes:-

- Accelerating the rate of economic growth of the state.
- More effective implementation of employment-oriented schemes and programmes.

Extending support to entrepreneurs to set up small and medium enterprises for self employment would appear to be the most effective and durable way of doing this. A large number of workers in J&K have traditionally been self-employed in activities such as Handlooms and Handicrafts, Tourism, Horticulture, Food Processing etc. The disturbed conditions prevailing in the State have affected them adversely to varying degree. While some of the workers have suffered loss of employment, majority are working at very low levels of income and productivity. Also, in many of the identical areas, especially horticulture and food processing, a large potential for growth lies untapped waiting to be exploited.

Different sectors and sub-sectors of the State's economy would require different kinds of interventions for revival/growth depending upon the nature of the activity, the impediments to growth and the institutions that are in place to encourage or promote growth. Specific interventions through Government schemes and the special employment programmes like PMRY, REGP, SGSY, NREGS and JK Self Employment Scheme would be important for giving better employment orientation to growth of the state economy.

During the last ten years of 9th and 10th plan periods, it has been analysed and assessed that 11000 jobs were created annually within the plan investment under regular salaried employment category in the entire state. Based on this average and taking into account the average retirement of the employees of about 4500 yearly, the total number of around 77500 job opportunities under the category would be provided during the 11th plan period in the government sector. The remaining nearly 7500 jobs shall have to be created in the private sector out of the total number of 85,000. The left over employment opportunities of around 4.15 lakhs shall have to be created under self employment and wage employment categories to the extent of 1.90 lakhs and 2.25 lakhs respectively, based on the calculations worked out by the Central Task Force constituted for J&K state.

The government has been duly engaged in the process of drawing of the best available talent for public services through the PSC and Service Selection Board. During the years 2007, 2008 and 2009 (ending October) 3610 vacancies and 20866 vacancies have been referred to the Public Service Commission and Service Selection Board respectively

against which 2659 recruitments have been made through Public Service Commission while as 16679 posts of different categories have been filled up through Service Selection Board during period under report.

In addition to this 6871 Class IV posts are presently vacant in various government departments out of which 2213 posts have been referred to the Divisional Commissioners/ Deputy Commissioners for recruitment. 1845 Class IV posts were allotted to the Deputy Commissioners for settlement of pending militancy related SRO 43 cases against which 1471 vacancies have been filled by the end of October 2009. Further 7035 posts have also been referred to the Police Recruitment Board for absorption in the Police Department. The available vacancies of the different categories of posts are being filled up by the government expeditiously.

### **Sher-e-Kashmir Employment & Welfare Programme for the Youth (SKEWPY)**

Under SKEWPY, the Government of Jammu and Kashmir has planned to create some 5 lakh job opportunities in the state in the next coming five years.

Following achievements have been made under the scheme upto ending November, 2014:-

<b>Table No 19</b>		<b>(Rs in lakhs)</b>		
<b>S. No</b>	<b>Year</b>	<b>Total number of applications received</b>	<b>Total number of applications disbursed</b>	<b>Amount Disbursed</b>
1	2010-11	27585	24724	939.22
2	2011-12	42336	36176	2482.6
3	2012-13	56178	50268	3284.91
	2013-14	64224	51413	2799.49
4	2014-15 (ending Nov., 2014)	71281	59853	1920.22

### **Jammu and Kashmir State Self Employment Scheme**

As an alternative to wage-paid employment, various self employment schemes have been introduced in the J&K State for providing self employment to the unemployed educated youth. The “**Jammu and Kashmir State Self Employment Scheme**” being implemented by Employment Department provides loan assistance to the educated unemployed youth of the State for establishing their own employment generating units since 1995.

The following achievements have been made under the scheme ending Dec., 2013 are

given below:-

Table No 20				(Rs in lakh)			
S. No	Year	Targets	No. of Cases Sponsored	No. of cases Sanctioned		No. of Cases where loan Disbursed	
				No.	Amt.	No.	Amt.
1	2010-11	4706	6951	3833	11108.1	2704	6961.28
2	2011-12	9300	8642	5096	16031	3615	11395.51
3	2012-13	9213	10151	6479	21890	4561	12922.73
4	2013-14	4410	7510	5183	16500.12	4826	14589.84
5	2013-14 (ending Nov., 2014)	8827	4202	2002	5664.23	1577	4675.00

### Self Help Group Scheme

The State Govt. launched a scheme during the year 2003 for allotting work contracts to Self-Help Groups of unemployed Degree/Diploma engineers. The following guidelines have been laid down for formation of Self-Help Groups:-

1. The number of members of each Self-Help Group should not be less than 5 and not more than 10.
2. The Self Help Groups should be registered with the Registrar of Firms (Director I&C) as firms.
3. Members should necessarily be Diploma Engineer (3 years) or Degree holders.
4. None of the members or the group leader should be employed elsewhere.

The members of the Group should not be listed in more than one Self-Help Group in the same District or some other District.

5. All original documents be verified by Officer in-charge personally.
6. On the fulfilment of these conditions, the group is registered as a Self- Help Group and an Identity Card is issued to the Self Help Groups.

Under the scheme so far 302 groups have been registered with Registrar of Firms involving 1548 engineers besides, 802 number of works were allotted so far costing Rs. 4314.70 lacs.

### J&K Overseas Employment Corporation:

Vide Cabinet decision No. 151/12/2009 dated 29.10.2009, the Government has setup Overseas Employment Corporation with an authorized share capital of 500.0 Lakhs

with the purpose to facilitate the educated and / or Skilled Labour Force of the J&K State to seek employment within and outside the country. The corporation has been registered with the registrar of companies On 29.12.2011 under registration No.B-0862/J&K/Com/1000+/5/18773/2011.

The Corporation established its branch office at New-Delhi to keep liaison with the foreign employers. Corporation has approached **Saudi Medical Recruitment Attache** for empanelment of JKSOECL as an approved recruiting agent. The documentation has been completed and so far two delegations from Ministry of Health, Kingdom of Saudi Arabia (KSA) have visited J&K and have selected **18 Doctors for their absorption in Saudi Arabia.**

### **J&K Entrepreneurship Development Institute (JKEDI)**

The main objective of the Institute is to create awareness and facilitate entrepreneurship in Jammu and Kashmir by imparting entrepreneurship education, skill up-gradation trainings, disseminating knowledge and bringing about behavioural changes towards the concept of entrepreneurship at the social level. The Institute also develops linkages with national and international organizations working in the field of enterprise creation.

Established in 1997, the JKEDI started its regular activities in February 2004 and has already set up three regional centres - one each in Kashmir, Jammu and Ladakh divisions of the State. The Institute has placed its officers in all the 22 districts of the State to facilitate entrepreneurship creation by conducting awareness programmes in collaboration with various district level departments, educational Institutes and grassroots Institutions.

The Institute has taken a gigantic leap in its entrepreneurship training activities as is revealed in the figures below.

<b>Year</b>	<b>EAPS</b>		<b>EDPs</b>		<b>EOPs</b>	
	<b>No. of Programmes</b>	<b>No. of Participants</b>	<b>No. of Programmes</b>	<b>No. of Participants</b>	<b>No. of Programmes</b>	<b>No. of Participants</b>
2011-12	58	4422	105	2941	26	1184
2012-13	191	8359	88	2707	15	600
2013-14	175	11014	102	3167	17	1833
2014-15	224	16137	52	1340	3	131

(ending Nov.14)						
Total	1007	67271	589	19195	219	9224
<i>EDPs: Entrepreneurship Development Programmes, EOPs: Entrepreneurship Orientation Programmes, EAPs: Entrepreneurship Awareness Programmes</i>						

Besides, JKEDI implements a host of government sponsored employment schemes, which inter-alia include Seed Capital Fund Scheme (SCFS) of the Sher-e-Kashmir Employment and Welfare Programme for Youth and the Youth Start-up Loan Scheme. It also implements Education and Term Loan schemes of the National Minorities Development and Finance Corporation (NMDFC), Ministry of Minority Affairs.

### **Skill Development -the challenge**

Skill development play very deceive role for achieving faster inclusive and sustainable growth. Besides it provides adequate employment opportunities to the growing young population both at National and State level.

The demographic window of opportunity available to India would make the country the skill capital of the world.

Hon'ble Prime Minister has rightly indicated that the young population is an asset only if it is educated, skilled and find productive employment.

The rise in the share of the working-age population would lead to increase in demand for decent employment opportunities. However, the realisation of full potential of the demographic dividend depends on generation of adequate decent non-farm employment opportunities and up gradation of skills of existing as well as new entrants to the workforce.

**Prime Minister of India on August, 18, 2010 constituted an Expert Group under the Chairmanship of Dr. C. Rangarajan to formulate a jobs plan for the State of Jammu & Kashmir for enhancing employment opportunity in the State especially for the youth.**

The recommendations made by the expert group for employment generation in the State are summarized as below:-

Creating a large number of jobs will require a two pronged strategy. The first would be to identify sectors with large employment generation potential and suggest interventions to kick start the growth process and the second, a human resource development initiative focused on improving skill sets through improving access to education and focused placement oriented training. Learning from the experience of the rest of India, the Expert Group focused a lot of its attention on the latter.



## **Skill Development And Direct Employment**

India's growth trajectory has used the skills of the educated middle-class to boost services ranging from IT and software to, airlines, banking, hotels and telecommunication. In J&K, the long drawn militancy and the disturbed political environment have eroded the skill base of the youth in the state. Besides, this problem of skill gap is sharper in J&K due to the lack of private sector initiative in industry which is often an important driver for skill acquisition. The Expert Group is recommending two initiatives, the first is Skill, Empowerment and Employment Scheme for J&K (SEE J&K) and the second is a Special Industry Initiative for J&K (SII J&K).

### **Skill, Empowerment And Employment Scheme For J&K**

The Expert Group in consultation with the Ministry of Rural Development (MoRD), GoI has developed a special placement linked, market driven skill training programme for the J&K youth. The scheme will provide placement-linked, market driven skill training to 50,000 to 1,00,000 youth in 3 to 5 years.. The objective of the special scheme is to provide options and opportunity to all youth in J&K regardless of their educational qualification to select training program for salaried or self-employment as per their interest.

### **Special Industry Initiative (SII J&K)**

J&K has a large talent pool of youth who are well educated but are unable to find employment due to lack of soft skills or lack of practical/hands-on training. To engage the youth, one initiative could be to identify 10-20 companies across industry sectors to partner with an educational institution and run special training programs to enhance employability of 8000 youth per annum in J&K over a five year period. This would translate to 40,000 youth in J&K becoming employable in various sectors across India. This could be operationalized through a scheme to be executed in the PPP mode with 50:50 cost-sharing between the government and the private sector.

### **Special Scholarship Scheme Of J&K (SSS J&K)**

- The Expert Group recommends that 5000 scholarships per annum may be awarded for the next 5 years. Out of the total, 4500 scholarships (90%) could be for general degree courses, 250 for engineering (5%) and 250 for medical studies (5%). This will benefit 25,000 students.
- If the capacity of the educational institutions in J&K is to be built up, it is essential to enhance the faculty skill set. One important dimension to this is the interaction of the academicians with the industry to understand their expectations of entry

level student skills. An interesting example of this connect is the Faculty Enhancement Programme (FEP) conducted by the Infosys Development Centres which have trained 4900 faculty members from engineering institutions.

- IGNOU has agreed to launch an interactive platform for registering students in J&K for job placements. They will establish Regional Placement Cells (RPC) in Srinagar and Jammu which will provide a platform for prospective employers to communicate with job seekers of Jammu, Srinagar and Leh through virtual job portal, job fairs, placement drives and walk-ins, provide career specific counselling and guidance, carry out competency mapping of all job aspirants.

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# Strengths, Weaknesses, Opportunities and Threats

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Jammu and Kashmir is strategically and geo-politically a sensitive state. The state Govt. with financial support from Govt. of India envisages inter-alia to improve necessary infrastructure for enhancing the productive capacity of the state to make it self sufficient. Emphasis is laid for poverty alleviation and enhancing employment opportunities to achieve the long cherished objectives of equitable and inclusive growth. Focused attention is given to the building of necessary infrastructure which is regarded as an engine of economic growth and provides a basic framework for economic and social progress. Physical infrastructure strengthens the economy, boosts investment, attracts prospective entrepreneurs, helps alleviation of poverty and reduces un-employment incidence through numerous positive forward/backward linkage effects of primary, secondary and tertiary sectors of the economy. Similarly, social infrastructure like education, health, housing, sanitation etc. improves the quality of life and standard of living apart from paving way to economic infrastructure. A number of ambitious flagship programmes have been launched by adopting synchronized approach which enrich the economy and narrow the rural-urban gap by spreading growth benefits uniformly.

SWOT analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities and Threats involved in any venture. This chapter is earmarked to provide SWOT analysis of the socio-economic fabric of the state. SWOT also encompasses a comprehensive analysis of the development parameters linked with economic performance of the State thereby enabling the policy makers and researchers to reorient themselves to the prevailing conditions. Thus while discussing the problems of the state it is important to look also at its strengths first.

## Strengths

- One of the notable characteristic features of the state is its sparse density of population. As against the national average of 382 persons per sq.km. density of population of the state is 124 persons per sq.km as per 2011 census. On lowdensity, J&K enjoys 8<sup>th</sup>rank amongst the States / UTs of the country.
- Notwithstanding the persistent declining trend in the contribution of agriculture and allied activities to the state economy over the years from 28.06% (2004-05) to 17.49% as per advance estimates for 2014-15, its role can be viewed as a support to food producing activity. Apart from this, agriculture has been the basic requisite for food security. The extensive literature analyzing the relation between agricultural

and non-agricultural growth confirms that farm and non-farm sector in rural areas are complimentary and risks mitigating to each other. The Agriculture sector has strength to absorb shocks compared to industry and service sectors.

- Agriculture has been the mainstay of our economy. More than 70% of our population depends upon agriculture for their livelihood. Even though the contribution of agriculture to GSDP is only 17.49%(as per advance estimates for 2014-15). The importance of agriculture can't be underestimated. It has been a way of life and a tradition. It has forward and backward linkages with other activities particularly the agro based activities. As per census 2011 out of 100 main and marginal workers taken together, 41 are engaged in agricultural activities.
- The State has a tremendous potential for growth in the agro- horticulture and agro forestry sectors. Horticulture is emerging as a fast growing sector of the economy which has a great potential for further development. Almost 45 percent of economic return in agriculture sector accounts for horticulture produce. Around 7 lakh households with 30 lakh people are involved in horticulture trade directly or indirectly. Diverse agro-climatic conditions, varied soil etc. have endowed with promising horticulture and value added products that can be marketed within the country and abroad.
- Production of fruit during the year 2014-15 is estimated at 13.54 lakh metric ton. However the untimely rains followed by devastating floods some quantity of production and also affected the quality of the fruit particularly apple, which resulted in revenue losses.
- Horticulture plays an important role in the foreign exchange earnings. During the year 2013-14, the state exported 8561.03 metric ton dry fruit i.e. almond and walnut both in shell and kernel and earned foreign exchange of Rs. 365.25 crore recording impressive growth of 78% over foreign exchange earnings of last year.
- The state has abundant potential crops like Apple, Almond, Mango, Walnut, Cherry, Apricot, Plum, Kiwi, Litchi, Olive, Citrus, etc. which have high commercial value. High growth in horticulture sector can contribute to generation of gainful and permanent employment to sizeable number of people.
- Potential for bringing additional area under Walnut is enormous. As per preliminary estimates about 0.50 lakh hectares are still available on which walnut cultivation can be undertaken successfully. This will help to create green cover in hilly areas and conserve soil from erosion, besides, providing high value wood for wood carving industry, as well as walnuts for export purposes.
- Production of Walnut is increasing and currently is estimated to touch 245.38 thousand metric ton. Latest techniques of Walnut budding/grafting have been introduced which have helped in reducing gestation period of this crop. A Hi-tech Green House has been setup at Zakura which is being used for raising

budded/grafted walnuts. Besides this, one more Hi-tech Green House has been setup at Siot Rajouri Walnut cultivation plays a significant role in the economic profile of the farmers living in hilly and backward areas, where economic condition of the people is extremely fragile.

- New species/kinds/cultivars are being introduced suiting to the agro climatic conditions of the state to boost horticulture sector.
- Kashmir's Agriculture has an international identity. Saffron, an agriculture produce, is cultivated in Valley (Pulwama and Budgam districts). J&K ranks 1<sup>st</sup> in the country in the qualitative production of saffron. An ambitious National Mission for the rejuvenation of Saffron cultivation has been launched in the state with an investment of Rs. 372.18 crore during 2010-11. The programme is going on and it is expected to yield bulk crops of saffron in coming years.
- J&K is blessed by nature with tremendous biodiversity and extremely congenial climate for growing of various kinds of ornamental crops. Asia's largest Tulip garden is located in the state. Thus floriculture holds promise for improving the economy of the state.
- J&K is an important beekeeping area in India. Vast diversity of natural resources, excellent climate replete with all types of climatic conditions ranging from sub-tropical, temperate make the state suitable for beekeeping.
- The raw silk production is continuously increasing. The state produced 136 M.T raw silk during 2013-14 recording growth rate of 18.26% over previous year's production.
- J&K is the only state of India which is in the same altitude in which leading Bivoltine Sericulture countries of the world lie. The state offers enormous potential to produce Bivolatile silk of international grade which can help to reduce the import of Bivolatile silk.
- The support price of commercial cocoons has been increased by the Govt. from Rs 210 per kg to Rs 300 per Kg (dry) for the sericulture farmers of the State.
- J&K ranks first among northern states/UTs and 4<sup>th</sup> state in India in-terms of silk cocoon and raw silk production.
- 29300 rural families have Sericulture as subsidiary occupation. During the year 2013-14 production of cocoons was 1021 MTs recording impressive growth of 13.32 % over previous year's production. During this reference period income of Rs. 2026 lakhs accrued to the farmers.
- The state has a great scope for allied agriculture activities. With enough of grazing land in hilly areas, live stocks farming is a distinctive advantage. Live stock population is more than 2 percent of the country's total as per 2007 Livestock census. It is another fast growing sector making significant contribution to the economy.

Livestock sector engages a sizeable number of workforce not only in rearing of animals but also in processing, transportation and sale of animal products. As per census 2007, J&K had cattle population of 34.43 lakh.

- Live stock is making deep inroads to the economy. The estimated livestock population of the state as per the latest integrated sample survey data for 2011-12 is 160.407 lakhs.
- The state has splendid swathes of forests harbouring massive varieties of fauna and flora.
- Forests play an important role in maintaining the ecological balance by moderating the climate, maintaining the soil mantle, improving soil fertility, minimizing soil erosion, purifying the air, preservation of wild life and in regulating the flow of water in rivers and streams.
- Forests are also main source of timber, fuel, fodder, medicines and other non timber minor products. Forests also provide grazing facility for our livestock, besides ensuring good agriculture produce.
- Per capita forest area accounts for 0.15 hectares as compared to 0.06 hectares in the country.
- J&K has 27781 km length of rivers/streams facilitating fish farming of more than 40 million tons. Fish production is continuously increasing. During the year 2013-14, 2 lakh quintals fish production was recorded and revenue receipts from fisheries were Rs. 513.11 lakh.
- To give boost to the fish culture, the state is making concerted efforts for development of requisite infrastructure on this account. The infrastructure established interalia contain 2 Regional Fish Farmers Development Agencies under Extension Programme, 890 carp and 347 trout units under Private fish farming, 1 recreation Park for trout fishing, 1 Mahsheer fish seed farm, 2 reservoir fisheries and 2 Aquarium including one underground as on 31.03.2014.
- The state has a rich heritage of handloom and handicrafts. In fact, this sector occupies an important position in the economic structure of the state and has worldwide acclaim for high quality craftsmanship, attractive designs and functional utility. Handicraft goods of the state occupy an important position both in the national and international markets. Carpet industry is making a great contribution towards foreign exchange earnings. Handicraft a labour intensive sector is engaging around 4-5lakh artisans in the state.
- The state is a major exporter of superior quality carpets, woolen shawls, embroiderical clothes and many other valuable crafts. The handicraft sector of the state substantially contributes towards foreign exchange earnings.

- Both production as well as export of handicraft goods have made a substantial performance over the years. Numerically, production of handicraft goods reached to Rs.2017.82 crore during 2013-14 from Rs. 821.53 crore in 2003-04 recording more than 2 ½ fold increase during this period. Similarly export of handicrafts increased from Rs.595.00 crore in 2003-04 to Rs.1695.65 crore in 2013.14 i.e. it has increased by about 3 times during this period. In the export figures, share of woolen shawls was highest (34.19%) followed by carpets (32.55%) during 2013.14
- The department of Industries & Commerce J&K is focusing on key sectors like food processing, pharmaceuticals, biotechnology, textiles, sports goods etc. to accelerate industrial growth in the state.
- As on November 2014, there were 53 Industrial Estates in the state spread over an area of 31335 kanals of land. In addition 11354 Kanals of land are being acquired for expansion/setting up of new Industrial estates in the rural and industrially backward areas.
- 102 units providing employment to 31380 persons stood registered in the large and medium sector. Similarly, in the small scale sector 29102 industrial units were registered as on November, 2014 providing employment to 133728 persons.
- Quick results of Sixth Economic Census 2013 recorded 507372 establishments located in the state providing employment to 10.84 lakh workers. While 59.87% increase was observed in establishments over the establishments of Fifth Economic census, the relative growth in employment was 66.4%.
- The state is also abounding in mineral deposits. During the year 2012-13, the Geology & Mining Deptt. extracted minor minerals valuing Rs.600.85 crore recording more than two fold increase over previous year.
- The Khadi Village Industries Board has recorded sales turnover of Rs.602.53 lakhs in the year 2012-13, recording sharp increase of 9.62% over the previous year's sales of Rs.549.66 lakhs.
- The Crude Death Rate (CDR) per 1000 population stood at 5.3 which is very low as against the national average of 7.0 as per SRS estimates 2013.
- As per SRS 2013 estimates, the Crude Birth Rate (CBR) per 1000 population of the state is 17.5 and well below the national average of 21.4.
- Total Fertility Rate (TFR) per woman is 1.9 in 2013 which is well below the national level rate of 2.3 for the same reference year.
- Life expectancy at birth 2004-13 puts J&K to occupy rank 2<sup>nd</sup> with a ratio of 72.0 after Kerala (74.8) as against 67.5 for India.
- Infant Mortality Rate (IMR) a very sensitive demographic indicator is 37 per 1000 live birth in 2013 in J&K where as at national level it is 40 in the same year.

- In the health care sector J&K has a vast network of 5532 institutions as on 31.12.2014 which include 826 newly sanctioned sub-centres, 371 NTPHs and 87 ISM dispensaries besides 9018 registered clinics/nursing homes (private).
- Average population per health institution during the period 1950-2014 has considerably decreased from 26240 to 2462.
- J&K's Literacy rate has increased by 11.64 percentage points during 2001-2011 i.e, from 55.52% as per 2001 Census to 67.16% as per 2011 Census while female literacy rate has recorded significant increase of 13.43 percentage points i.e it increased from 43.00% in 2001 to 56.43% in 2011.
- Gender gap in literacy shrank from 23.60% in 2001 to 20.32% in 2011.
- Population covered per school (from Primary upto secondary level taken together) in the state during the year 2012-13 was 450 persons as compared to 885 at national level in 2011-12.
- The state succeeded to a great extent in establishing primary school within the radius of 1km, upper primary school within the radius of 3kms, high school within 5kms radius and higher secondary school within the radius of 7-10 kms.
- Teacher-pupil ratio at primary, upper primary and secondary level in the state in 2012-13 was 1:27, 1:10 and 1:12 respectively, the relative indicators at all-India in 2011-12 were 1:41 (primary schools) 1:33 (secondary schools) and 1:33 (higher secondary schools).
- During the year 2014, 11.68 lakh tourists visited Kashmir valley, 1.81 lakh tourists visited Ladakh, 78.03 lakh devotees to Mata Vaishno Devi Ji and 3.73 lakh to Amar Nath Ji Holy Cave.
- Tourism is not only a growth engine but also an export growth engine and employment generator. The sector has a capacity to create large scale employment both direct and indirect, for diverse sections of society from the most specialized to unspecialized work force. J&K has a great promise for development of tourism in view of its inherent potential.
- Availability of good quality and affordable hotel rooms play an important role in boosting the growth of tourism. Presently there are 1568 registered hotels and restaurants in the state apart from 84 tourist bungalows and huts.
- The Govt. is taking all possible steps and making all efforts to develop world class tourism infrastructure at tourist destinations and circuits. Development of national and internationally important destinations and circuits through three Mega Circuits i.e. Buddhist Circuit for Leh ii) Sufi Circuit for Kashmir and iii) Spiritual Circuit for Jammu agreed to by Ministry of Tourism, Govt. of India is a judicious mix of cultural, heritage, spiritual and eco-tourism to give tourists a holistic view about J&K.



- Energy is one of the key drivers of the economy. J&K is richly endowed with vast water resources having hydel power potential. The estimated hydel power potential of the State is 20,000 Megawatts. Several programmes of hydel generation projects are under execution in the state as well as private sector.
- During the year 2014-15, 3749.799 MUs energy is estimated to be generated under state sector Power projects under the operation with State Power Development Corporation.

J&K enjoys 9<sup>th</sup> rank in the Human Development Index amongst the states of India with Human Development Index of 0.529, the corresponding Human Development Index of India is 0.467 as per Indian HDI Report 2011. Progress on Human Development Index is often depicted as a benchmark of a state's progress of key development indicators.

Above all the state has a democratic traditional system, of local self-government with spirit permeating the entire social system. The state is well known for its administrative acumen and innovative ideas.

### **Weaknesses**

Due to its peculiar geographical, economic and socio-cultural features, the economy of the state has a distinctive identity. Despite rich endowments, J&K represents one of the low developed states of the country on number of development indicators. Infrastructural facilities are generally weak and inadequate and many people especially the rural poor do not have the access to minimum infrastructure services. Major causes of weakness are:-

- ❖ J&K economy is a high cost mountain economy having a number of characteristics which pose special development challenges.
- ❖ Geographical isolation and difficult terrain reduce the mobility. High transport cost is the main hurdle to turn to the major markets to compensate for the disadvantage of the small size of its domestic markets.
- ❖ The access to national capital markets/ external capital is very limited for J&K. The unorganized sector enterprises are still in the primitive stage of organization with hardly any exposure.
- ❖ The Per capita Net Income of J&K is miserably very low i.e Rs 59279 for the Year 2013-14 at current prices as compared to Rs 219979 for Delhi, Rs 156951 for Chandigarh and Rs 132089 for Haryana. The difference in percapita income measures Rs 160700 with Delhi, Rs 97672 with Chandigarh and Rs. 72810 with Haryana. J&K with this percapita income occupies 7<sup>th</sup> number in comparison with neighboring northern 7 States /UTs.
- ❖ There is huge volatility between the income of the residents living in rural areas with those living in urban areas. The contribution to GSDP of agriculture sector which is the main stay of Livelihood in rural areas has been falling to a low of around 19%

while as contribution of tertiary sector to GSDP which is largely operated from urban areas has risen sharply to around 56% as per advance estimates for 2014-15.

- ❖ Growth in Industry sector is showing fluctuating trend. After touching the high growth rate figure of 9.77% during 2006-07, it was declined in 2008-09, negative during 2010-11(-2.58%), accelerated to 7.98% during 2012-13, and scaled down to only 1.47% as per advance estimates for 2014-15.
- ❖ J&K is also behind rest of the country on industrial front. The share of Industry to GSDP is stagnant at 24-25%. Studying the trend for last 10 years it revolves between 29% highest in 2007-08 and around 24% in 2011-12. During the period 2007-08 to 2014-15, the share of industry has decelerated by about 4%.
- ❖ Since more than 70% population of J&K's people depend on rural employment for a living. Growth in agriculture and allied activities for 3 years it has shown negative growth viz, -0.47% (2009-10), -1.44% (2012-13) and -5.06% only (2014-15 advance estimates) at constant (2004-05) prices. Slow agricultural growth is therefore, a cause of concern for the policy makers.
- ❖ The share of agriculture and allied activities to GSDP also has shown continuously declining trend for last 4 decades. The share of agriculture and allied activities to GSDP has scaled down from 56.64% in 1970-71 to 32.58% in 2000-01 then to 28.06% in 2004-05 and posted only 17.49% contribution as per advance estimates for 2014-15 at constant (2004-05) prices. Following are some the reasons for less performance of this important sector.
  - ✓ The area under food grains over the years has remained stagnant. The productivity of land as compared to its potential is less. Low NPK consumption is one of the important reasons. It is worth nothing that NPK consumption in 2011-12 per hectare was 96.21 kg compared to 250.19 kg/ha in Punjab and 128.34 kg/ha in India.
  - ✓ One of the important weakness of J&K's agriculture lies in having more or less stagnant yields that are much lower than the neighboring states. Yield rate of food grains for 2012-13 was 1614 kg/ha as compared to 4258 kg/ha for Punjab, 3698 kg/ha for Haryana and 2125 Kg/Ha at all India level. As a results of low yield rate, the farmers are not remunerated adequately.
  - ✓ Irrigation facility revolves between only 42% - 43% of the net area sown. As per average of last 5 years irrigation facility is available to only 43.4% of the net area sown and the remaining 56.6% is a rain fed area.
  - ✓ A major constraint to the development of agriculture in J&K, is the fact that only 50% of the ultimate irrigation potential of the state has been harnessed.

- ✓ J&K state is also deficient in rainfall; development of irrigation potential in the state becomes necessary for reducing dependence on import of food-grains and other agricultural products.
- ✓ Average of 5 years (2009-10 to 2013-14) indicates that double cropping is limited to only 56% and 44% of the net area is sown only once.
- ✓ Commercial crops are the cash crops and help for invigorating agriculture sector. Area under commercial crops is unlikely very less constituting around 12% of gross area sown.
- ✓ One of the major weaknesses in the agricultural sector relates to limited access to natural resources. With the growing population and lack of off-farm employment opportunities, the farmers are compelled to sub-divide their ancestral land properties for their livelihood. This results in uneconomical size of land holdings unsuitable for making efficient use of water for irrigation and advanced technologies for optimizing the production.
- ✓ Low profitability in agriculture is also attributed to lack of planning and management. In the absence of an integrated approach for tackling multidimensional problems, sectoral development activities does not deliver expected results. Apart from integration of various sectors, many of these projects also lack proper planning and resource mobilization.
- ✓ Low Agricultural Productivity:- The major weakness in the agriculture sector is its low productivity. While over 83% of the farmers own less than ½ half hectare of land, most of them do not have the ability to invest critical inputs to optimize the crop yields. In the absence of eco-friendly farming practices and absence of adequate soil and water conservation, these land resources have been heavily denuded resulting in lower crop production. Apart from this small and fragmented land holdings restrict farm mechanization and result in further hardships for the farmers
- ✓ Agriculture sector suffers from some problems of permanent nature. Arable land can't horizontally be increased as a result land-man ratio is continuously decreasing. Present land-man ratio on arable land 2013-14 is 1:06 ha as compared to 1:0.13 hectares in 2010-11 at all India. Any increase in arable area cannot be expected as it would mean reduction in forest coverage which is already less (19.95%) than desirable percentage of 20% in plain areas and 60% in hilly areas as required environmentally.
- ✓ Apart from inadequate infrastructure, diverse regional topographies, difficult terrain, marginality, fragility and vulnerability to natural events cultivable area is miserably low constituting only 8% of the geographical area and around 35% of the reporting area as against the corresponding figure of 52.51% and 54.40% in the country respectively. More importantly, net area constitutes only 7.36% of the

geographical area and 30.84% of the reported area. These indicators for the country are 44.71% and 46.28% respectively.

- ✓ Basic infrastructure like roads and communication regarded as very crucial for sustaining growth of agriculture sector are woefully poor. Besides marketing facilities are also inadequate resulting in low productivity, not benefitting the efforts of the farmers properly. World bank study (1997) estimated that 15% of the agricultural produce is lost between farm gate and the consumer because of poor roads and inappropriate storage facilities alone, adversely influencing the income of the farmers.
- ✓ Agriculture sector is highly vulnerable to natural calamities such as floods, hailstorm, cyclone etc. It is regarded as a gamble on monsoon. The devastating flood in September 2014 not only washed away the agricultural produce but also created multiple problems for the farmers in further process of cultivation.
- ✓ The credit requirements of farmers have great bearing on agricultural productivity. Farmers need credit for short periods of less than 15 months for purpose of cultivation or for meeting domestic expenses. The main agencies for sourcing short term loans are the moneylenders and co-operative societies. Medium terms loans are obtained for the purchase of cattle, small agricultural implements, repairs and construction of wells etc, the period of such loans extends from 15 months to 5 years. The loans are generally provided by money lenders or co-operative societies and commercial banks. In absence of adequate outreach of bank network the farmers fall in the grip of money lenders for meeting their credit needs.
- ✓ **Above all the seed replacement ratio is very low. In J&K still those varieties are used which were developed 30 years ago affecting yield parameters adversely. There is a close relationship between good quality seed and the yield.**
- ✓ An estimation made by the Directorate of Agriculture Jammu, food grain requirement for the State works out to 25 lac MT per annum as against the tentative production of about 20.65 Lac MT during 2013-14.. Therefore the State faces a deficiency of 4.35 Lac MT of food grains which is provided by the CAPD through the rationing system. During the year 2014-15 food production got reduced to 17.42 lac MT due to devastating floods in the State.
- ❖ Horticulture is no doubt contributing substantially to the State GDP but there are certain problems/weaknesses which are proving as hindrances for further growth of this sector. The problem areas are:
  - ✓ Inadequate Post Harvest infrastructure – In absence of adequate post harvest infrastructure substantial amount of wastage is experienced in the horticultural produce particularly regarding fresh fruit which is perishable in nature. At present, post harvest losses are estimated about 20-30%. Experts say that there

are losses to the extent of 10% at field level, 5% at transportation level, 2% during packaging, 9% at storage, 4% at processing level i.e.30% in total. Cold storage facility for apple preservation in the valley are not sufficient. This forces the farmers to sell their produce at cheaper rates.

- ✓ There is inadequacy of agro-processing facility. 30% of apple produced in the state are of low grade which can be processed for value addition rather than direct sale. This requires processing capacity of about 3 lakh tonnes per annum. The current capacity of nearly 70 thousand tones is not adequate. Demands in horticulture products can be sustained by developments in agro processing. In fact, there is rising demand for new products like dried powder, fruit based milk mix, juice pouches etc. and under these circumstances the private corporate sector can play a vital role in developing this aspect.
- ✓ Locational disadvantage is another issue of concern. The main consumption markets of the country are far away from production centers in the state. Lack of modern and efficient infrastructure like fast means of connectivity aggravates the problem of transporting the fruit especially of perishable nature to the main markets of the country.
- ✓ One of major weakness in the fast growing horticulture sector relates to unfavorable climatic conditions. Horticulture produce is much vulnerable to adverse monsoons in sub-tropical region.
- ❖ As a part of food habit, per capita consumption of meat, poultry and milk is higher in J&K than all India, but the state is deficient in meat, poultry, eggs and milk production thus making state to heavily rely on imports from other states.
- ❖ Due to mismatch in demand and supply of mutton, the import of sheep and goat is continuously increasing. During the period 2000 to 2010 the import of sheep & goat has increased by over 26 percent. During 2013-14, a number of 1370755 sheep and goat were imported as such hundreds of crores of rupees are spent on import of meat.
- ❖ Inadequate basic development of infrastructure for tourism.
- ❖ A distinctive feature of population in J&K relates to imbalance of sex ratio, which remains mostly tilted towards men. Census 2011 put the sex ratio for the state as 889 females per thousand males as compared to 943 at national level. The States sex ratio has declined by 3 points when compared with 2001 position.
- ❖ Although, the number of medical institutions has increased considerably over the years from 124 to 5532 (1950-2014) but the dependence of people per medical institution is still very high. The health infrastructure in the state at all levels suffers from shortages that are both qualitative as well as quantitative in nature. The doctor-patient ratio is 1:2114 which is insufficient against the recommended norm of WHO of 1:1000

- ❖ While public health facilities are reasonably well developed in urban areas but there is inadequate development of health infrastructure in rural and remote areas of the State. This puts a lot of pressure on urban areas. The health infrastructure in rural areas needs to be augmented.
- ❖ Literacy is the main foundation for social and economic growth and a key indicator of development. Notwithstanding the fact, that there has been an improvement in the literacy ratio of the state during the last decade, but still it is a matter of great concern that in J&K out of 100 people 33 are still plagued by illiteracy. Thus the problem of literacy is still at large. Similarly, if we look below at district level there have been disparities in attainment of education across the districts. The policy makers should recognize the vicious cycle of illiteracy and inadequacy of education with poverty, one reinforcing the other, both as causes and effects. There is, therefore, need for addressing these barriers.
- ❖ Literacy rate among males in the state as per census 2011 is 76.75% which is below the literacy rate of 80.9% among men at the national level.
- ❖ Literacy rate among females in the state as per census 2011 is 56.43% which is much below the female literacy rate of 64.6% at the national level. Gender gap is more wide in J&K as compared to India.
- ❖ Average area covered per school (Primary, middle, high and Higher Secondary taken together) in the state is 3.52 sqkms in 2011-12 against 2.25 sq. Kms at the national level for 2010-11.
- ❖ Out of the identified 16475 MW power potential, only 2813.46 MWs or 17 percent has been exploited so far, consisting of 761.96 MWs in state Sector from 21 power projects, 2009 MWs from 07 power projects under Central Sector i.e. 690 MWs (Salal Hydro Electric Project), 480 MWs (Uri-I Hydro Electric Project), 390 MWs (Dulhasti) 120 MWs (sewa-II) 45 MW NimoBazgo, 44 MW Chutak and 240 MW [Uri - II (2 units of 120 MW commissioned)], and 42.5 MW from 02 private sector projects.
- ❖ The state is perpetually energy deficient and has to rely on power purchases from Northern Grid to meet its requirements especially during winters when demand peaks and own generation reduces due to drastic reduction in river discharge. As such there remains a huge gap between the requirement and the availability of power. The eighteenth. All India Power Survey has projected an increase in power demand of Jammu and Kashmir from 1706 MWs i.e. 9640 MUs during 2004-05 to 4217 MWs i.e. 21887 MUs during 2021-22.
- ❖ As per estimates of Power Development Department the total availability of power for the year 2014-15 amounts to 13084.50 MUs against the restricted demand of 13459.00 MUs. To meet the restricted demand the state may require additional 374.50 MUs through banking arrangements with NVVN, Punjab, Haryana,

Chhattisgarh and also arranges power from Power Trading Corporations besides overdraws from Northern Grid.

- ❖ Another area of concern has been the transmission and distribution losses which are very high in the state than at the National level. These losses account for 62% for 2011-12, 57% for 2012-13, 55% for 2013-14 and around 53% estimated for 2014-15. The main reasons for such losses are technical as well as commercial. The high technical losses are attributed to existing out dated system. To minimize such losses the system needs upgradation and improvement. Apart from tightening of controls, major structural reforms are called for.
- ❖ Despite years of planned development efforts and flow of huge funds under various centrally sponsored projects to address the basic needs of the people approximately 20-25 % habitations in the state are yet to be connected by roads. Further when the indicator 'road density' is applied, on an average about 61 km. roads per 100 sq. km. of area are available in J&K which is far behind the national average of 154 km. (2011-12). When we look at district level, huge disparities are across the districts measured in terms of 'road density' on PWD roads. To address the basic needs of the people building of road infrastructure especially in rural areas is essential for fostering sustainable inclusive growth.
- ❖ Although the banking sector expanded the branch network significantly over the years. On the business performance key indicator of banks measured in terms of Credit Deposit Ratio (CDR), the position is seemingly tardy regarding J&K in comparison with neighboring States/UTs and India. CDR in respect of J&K is 26.25% as on 30.09.2014 as compared to 73.67% at all India, Chandigarh 135.85% and Punjab 73.01% Below at district level there are huge variations in CDR. In comparison with 36 States / UT, CDR (30.09.2014) rates J&K to be the 33<sup>rd</sup> State in the country. This indicates that banking outreach is not adequate besides out of 100 households as per 2011 census 30 have no banking accounts.
- ❖ Slow technology spread and low level of private sector investment are inter alia other weaknesses.

To sum up the weakness segment it may not be out of place to mention that lack of adequate infrastructure presents backward economic strength of the state. What is more important is that the basic socio-economic infrastructure without which the problem of poverty/unemployment cannot be addressed in any meaningful manner is seemingly at a very low level.

### **Opportunities**

In order to meet the developmental needs on a sustainable basis, it is imperative to use the bestowed natural resources judiciously. With a strong resource position, the earth of J&K offers excellent opportunities for development.

- Exploitation of hydro power potential as 83% of identified potential is yet to be harnessed. Due to power deficiency the domestic and industrial sectors continue to suffer badly from power shortage. Hydro Power development plans are envisaged to be framed to tap the untapped potential optimally. Besides accelerating the economic growth this will go a long way to help in reducing the deficit of power which was 29.45% during 2013-14.
- Transmission and distribution losses in power sector can be reduced by taking of projects on PPP model exploring various ways in a big way. IT intervention in distribution is required for avoiding T&D losses.
- Apart from adventure tourism, religious tourism, heritage tourism, J&K has immense potential for Eco-Tourism. Eco-tourism is entirely a new approach in tourism sector. Several terms relating to eco-tourism such as sustainable tourism, green tourism, rural tourism and community based tourism have emerged over the last 20 years or so. Rural Tourism is currently the focus of attention and is being recognized as an important instrument of growth for rural economy. Planners use Rural Tourism, which also includes eco-tourism and farm tourism to increase economic opportunities for the rural people. In J&K more than 73 percent population lives in rural areas and is solely dependent on agriculture, new opportunities need to be created and Rural Tourism is on the top of the charts on this front. Since tourism has both forward and backward linkages and its importance as a creator of job opportunities is well understood. Tourism as such has emerged as a dynamic industry in India, the challenge is to take full advantage of the situation by ensuring best use of nature's assets.
- Exploration /extraction of mineral wealth of the state like Gypsum, Sapphire, marble on a massive scale is possible.
- Restoration of old trade links and opening of new trade links will certainly help to improve the state economy.
- The skilled manpower available particularly in handicrafts, handlooms, and other export oriented sectors of the economy need to be utilized to reduce unemployment problem in the state.
- Create environment to attract massive investment in Job oriented schemes for addressing unemployment problem.
- Because of geographical peculiarities, though there is not much scope for large scale industries in some areas to grow on local input base, there is a huge scope for development of small and medium scale sector.
- A revolutionary change needs to be brought about in the total farm sector – both agriculture and allied areas, like live stock, dairy farming, forestry and horticulture.



- Fisheries and aquaculture has an edge over other agricultural activities in terms of economic returns and nutritional value. Fisheries development can go a long way in solving the problem of gainful employment to rural population.
- Addressing issues confronting agriculture like Seed Replacement Ratio, inadequate irrigation facilities, marketing of produce etc. Quality seed can increase yield by 25-30%. There is a need to rejuvenate the seed sector by producing more quality seeds by National and State Seed Corporations.
- More than 91 lakh of the State's population lives in rural areas having agriculture as the primary occupation. Boosting agricultural growth is essential for inclusive growth because this sector sustains livelihood of 73% of population. Increasing farm productivity could be instrumental in inducing a sectoral transformation of the rural non-farm economy
- Agriculture productivity has to be increased using new technologies including biotechnology nanotechnology. The technology deficit gap needs to be filled in on fast track basis to match productivity ratios with the rest of country.
- Utilization of resources effectively, is the driving force behind the use of all agricultural technologies, several resource conservation technologies are being utilized including zero and reduced tillage, green manuring, crop rotation etc.
- While nearly all relevant technologies and know how required is available, what is more required is extension of these developed systems to the field. Agriculture Extension combined with adequate infrastructure is the key in agricultural growth. Involvement of the private sector would help absorption of technologies in the fields faster.
- Diversification:- There is an opportunity in the diversification of land. Land being already a limiting factor and no more horizontal expansion is possible. The situation calls for vertical expansion by integration of food crops with allied enterprises like Apiculture, Floriculture, Sericulture, Horticulture and Vegetables etc. The state has enough scope in horticulture and floriculture.
- Food Processing Sector:- This is the sunrise sector. Food processing sector has a huge potential. Provision of efficient supply chains and processing infrastructure can do miracles interms of employment generation and creation of productive assets in rural areas. Mega Food Park (MFPs) a flagship scheme of ministry of food processing facilitates establishment of a strong infrastructure backed by efficient supply chains. MFPs have the potential to revive the agriculture in surrounding areas by increasing returns for farmers besides creating large employment opportunities in rural areas.
- Organic Farming:- It avoids the large scale use of synthetic fertilizers, pesticides, growth regulators and solely depends upon the use of on-farm and off-farm use of

crop residues, animal wastes, green manures and biological pest control to maintain soil productivity. It is an answer to the chemical intensive agriculture that has already led to the degradation of natural resources.

- Optimum utilization of existing irrigation potential and creation of additional irrigation potential will define the future course of growth of our agriculture.
- Since banks have a significant role as a catalyst to accelerate the process of agricultural development in the state, they should be proactive and make financial services available to farmers by establishing branches at strategic locations as also through technology applications. In a time bound programme they can provide Kisan Credit Cards to all farmers and where necessary link with insurance companies to facilitate farmers to access insurance products. They can design simple borrower- friendly lending policy, procedure, documentation and customized and flexible financial products that match needs of farmers. State Govt. should create enabling environment that can improve credit absorption capacity of farmers, accelerate flow of credit and loan recovery simultaneously. Banks, Govt. and print/electronic media can launch massive campaign to create awareness among farmers to avail financial services.
- Role of credit to agriculture could not be viewed just as a support the food producing activity but it should focus on the “need to improve the overall income and wellbeing of the farmers” as agriculture has been the basic requisite for national sovereignty. The extensive literature analyzing the relation between agricultural and non-agricultural growth confirms that farm and non-farm sector in rural areas are complimentary to each other and risks mitigating. The credit policy and programmes need to focus on farm and non-farm sector development to alleviate rural poverty, deprivation and suffering.
- For invigorating the agriculture, policy needs to be evolved to address the problemsempbrased with this sector. Policy should focus on critical areas namely (i) creation of infrastructure to improve farm fuel/energy, transport, communication, storage, processing and marketing facilities (ii)expanding irrigation and reclamation of wastelands (iii) integrating agricultural education, research and extension services and strengthening capacity - building of farmers to bridge the huge gap between the potential yields and actual yields at field level in rain-fed and irrigated farming system (iv) development and use of genetically engineered seeds, micro-irrigation system, green house technology, integrated nutrient and post management technique, computer based modeling to track disease and pest incident (v) expanding farm mechanization programme (vi) promotion of remote sensing technology.

For exploiting the potential of horticulture sector, the following need to be addressed:-

- ✓ Establishment of Cold Storage facilities to improve price stabilization, manipulation of supply to the advantage of the seller and for better sorting, grading and packaging facilities.
  - ✓ To exploit the capacity by producing products which have value demand and ready for attractive markets both in India and Overseas(e.g. bio aromatics, medicinal herbs, organic specialty vegetables etc.). Horticulture department has to act as a catalyst for educating the farmers to change their pattern of production techniques.
  - ✓ There are immense opportunities to use apple pulp etc. for making baby foods, jams, jellies, squash, juices etc. Food processing industrial units can be promoted by encouraging private sector.
  - ✓ There is need to increase the scope of marketing for horticulture produce. Development of wholesale fruit and vegetable markets will provide updated information on the prevailing rates.
  - ✓ Contract farming is another mechanism whereby private corporate sector can establish linkages between farmers and markets. Most states have endorsed contract farming. This can be useful instrument for linking farmers to corporate buyers who can provide information and inputs as per specific crops.
  - ✓ The promotion of organic cultivation of horticulture crops and establishing convergence and synergy among programmes in the field of horticulture research and development are required.
  - ✓ Programmes on demonstration of improved Technologies such as use of improved varieties /hybrids, adoption of INM/IPM practices, high tech farming, precision farming, protected cultivation, post harvest technology and extension support in the field of horticulture need to be launched for improvement in the sector.
- A higher level of purchasing power is supporting higher demand for protein rich food items. This provides opportunity to step up efforts for increasing production of milk and other dairy products, egg, poultry, fish, meat etc. There have been increases in the prices of these items as supply falls short of demand.
  - Extension facilities to far off and backward places, genetic improvement, introduction of hi-tech commercial broiler for enhancing white meat production and Dropper breed of sheep to increase the mutton production, proper health cover can help a lot in the pursuit of this goal. Livestock is a fast growing sector and to boost it further, new initiatives in the pipe line need to be addressed with more vigour and determination.
  - The state has rich forestry resources which can be utilized in a highly profitable way if they can be nursed and maintained properly.

- Balance irrigation potential as per Indus Water Treaty particularly through construction of check dams need to be exploited.
- There is need to increase awareness about new skills & techniques to enhance productivity & quality of food grains through the various schemes implemented through Govt. of India i.e, ATMA, RKVY etc.
- The state Agriculture Universities are pursuing research to evolve short duration high yielding varieties including hybrids with special emphasis on rain fed areas. More focus is required for visible results.
- Computerization of TPDS in state has been initiated by creating websites and consumer helpline at Directorate level (CAPD) in first instance to evolve transparency in the system.
- NABARD funding under RIDF includes around 10% for Agriculture sectors which can be increased to improve the economic scenario of the farming community by giving farmers more liberal financial assistance.
- The state is blessed with plenty of aquatic resources in the form of rivers, ponds, reservoirs and wetlands. For long fish has been an important food item for the inhabitants of the state. In addition to the local population tourist and defence personnel are the source of increasing demand for fish, there is a huge gap between supply and demand. World Health Organization (WHO) pegged 11 kg fish per year as minimum nutritionally required fish protein for human being. The state is not able to meet the requirement and is importing fish. There is thus good scope of fisheries development in the state, keeping in view the natural resources on this account.
- The natural factors are more conducive for handicrafts, village and Small Scale Industries and less to large and heavy industries in the state. Setting-up of small and medium-scale industries in the traditional sectors along-with some new areas like food processing, agro-based units and metallic and nonmetallic products will prove to be the main vehicle for accelerating economic tempo besides providing employment to the educated unemployed youth in the state.
- For creating industrial base in the state, necessary infrastructure needs to be developed. Apart from this, JKEDI should be strengthened for inculcating entrepreneurial behaviour among the youth of the state, besides implementation of Skill Development Mission in a missionary mode.
- Handicraft sector has a tremendous potential for foreign exchange earnings and creating more employment opportunities in the state. It requires promotion of handicraft goods of national/international levels. Holding national, international trade fairs, buyer-seller meets, and interface with the overseas markets will help in this behalf.

- To give boost to this industry requires laying focus on product designs and diversification, providing credit facilities, enhancing weavers' productivity through up gradation of skills and use of efficient looms, Market access to handloom products through marketing incentives and wide publicity.
- Encouraging private investment in setting up of industries in the state, for which relaxation in the form of concession and incentives needs to be given.
- Handicraft Micro Enterprises Scheme which aims at providing easy and soft credit facilities to artisans, weavers and other craftsmen needs to be made more effective.
- Diversification of crafts is proposed to be addressed under compressive cluster development Programmes launched by GOI.
- The state of J&K is endowed with tremendous mineral resources covering an area of 13334 sqkms out of which 60% are reported to be commercially viable for mining of various minerals.
- The Jammu-Srinagar Highway is the only lifeline that connects the state to the rest of the country. The government has taken the initiative of creating an alternate highway via Shopian-Bufliaz popularly known as Mughal road. The tunnels envisaged in the Mughal Road project need to be constructed to made the road all weather road.
- The railway network is a recognized mode of communication, which has started making its presence felt. This was realized through commissioning of Banihal - Baramulla Rail link. The rail connectivity under Udhampur-Banihal section is the final missing link. This connectivity scenario has rendered the State dependent on road connectivity for common mode of commutation.
- Services is a dominant sector in terms of both growth and share to GSDP. In terms of employment it is second to agriculture. The Services sector is the primary source of employment in urban areas. As per report on "employment and unemployment situation in India 2009-10" for every 1000 people employed in urban areas 662 are in Services sector including construction. This indicator at all India is 683. Unlike the un-skilled or semi-skilled nature of jobs in the agriculture sector, this sector provides myriad job opportunities ranging from highly skilled to unskilled in a variety of activities. The present growth tempo needs not only to be maintained but also to be accelerated..
- Effective implementation of BetiBachao -BetiPadhao" campaign. Though 'Save the girl child' programmes are in vogue all over the Country. BetiBachao - BetiPadhao' Abhiyan launched by Prime Minister of India from Panipat district of Haryana on 22<sup>nd</sup> January 2015 will make an improvement in child sex ratio if it is taken in the right earnest.

- “Janani Shishu Suraksha Karyakaram(JSSK)” to increase the number of institutional deliveries. JSSK has been launched in the State in 2011-12. The focus of the scheme is to encourage all pregnant women to deliver in Public Health facilities to achieve 100% institutional deliveries.” Which has been launched in all Govt. hospitals of the state including Associated hospitals of Medical colleges and SKIMS Soura- Srinagar
- To provide referral transport service to the patients “J&K Health Referral Transport Service No - 102” has been launched in the state. The main focus of the scheme is to cater the maternal and child health related emergencies thereby augmenting institutional deliveries and reducing MMR and IMR.
- To monitor the complete ante-natal/post-natal checkups and immunization of children a new system called Mother & Child Tracking System (MCTS) has been started from 2011-12.
- National Health Mission (NHM):- To enable universal access to equitable, affordable and quality health care services NHM came into being in 2013. It subsumes the NRHM and National Urban Health Mission (NUHM) as sub-missions. NHM supports activities aiming at filling up critical gaps in the delivery of health system.
- Information Technology is emerging as an important sector in transforming the socio-economic lives of the people. Thus special emphasis has to be given on information Technology Industry. The Industry could absorb a huge number of educated job seekers. The state has a large number of educated job seekers and provides greater scope for development of Information Technology. Various facilities like e -procurement, video conferencing have been put in place with efficient results.
- Various schemes like JAKEGA, CSC, SWAN, SDC, SSDG, CIC, UID, have been sanctioned to boost working and growth of IT sector.
- Focus on woman education, various programmes are effectively implemented like SSA, National Programme for Education of Girls at Elementary Level (NPEGEL), Kishori Shakti Yojna, etc.
- Vocational training centers are being developed throughout the state to impart skilled training to woman in various crafts and other traditional trades as well.
- To address the problem of Unemployment and mitigating the distress of job seekers, the government introduced “Udaan” scheme which is targeted to enhance the employability of 40,000 youth and simultaneously placing them over a period of 5 years in the private sector undertakings of the country. Against the target of 40,000 youth 36 corporates / private Organizations and 7 public sector Undertakings are to upskill and employ over 61,000 graduates from J&K. As on December 2013, 1070 candidates have completed training and another 2000 are undergoing training with various corporates. Around 550 candidates have been offered jobs “Udaan” is being

implemented in partnership with top private organizations like Tata consultancy services, HCL, Cognizant, Accenture, Religare, Yes Bank, etc and in the public sector undertaking category with Canara Bank, Indian Overseas Bank, ONGC, NTPC and others.

- Ministry of Rural Development, Govt. of India has launched “Himayat” programme a special project for J&K Skill Empowerment and Employment (SEE J&K) for a period of five years with an allocation of Rs. 235.00 crores. Under this special project 1,00,000 youth of the state would be provided placement linked skill training. A target of 19000 youths has been fixed for training during the current financial year 2013-14.
- Swachh Bharat Mission (Gramin) launched on 2<sup>nd</sup> October 2014 which aims at attaining an open defecation free India by 2<sup>nd</sup> October 2019 by providing access to toilet facilities to all rural households and initiating Solid and Liquid Waste Management activities in all Gram Panchayats to promote cleanliness. Under SBM(G) the incentives for individual households has been enhanced from Rs 10,000/- to Rs 12000/- to provide water availability.

Precisely infrastructure development is the key to long-term sustainable growth of the economy. To cope up with the challenges the need is to get a sound infrastructure and making sure that it has been implemented to perfection. Infrastructure has been described as the economic arteries and veins. Roads, ports, railways, airports, power lines, pipes and wires that enable people, goods, commodities water, energy and information to move about efficiently. Infrastructure is regarded as a crucial source of economic competitiveness.

### **Threats**

- Declining Sex ratio:- Sewed sex ratio and discrimination against women are deep entrenched into our social fabric and traditional mind set of subjugation of women. The adverse consequences are declining sex ratio continuously. The sex ratio has declined from 892 in 2001 to 889 in 2011. Male progeny is the main reason for continuously declining trend in child sex ratio (0-6 Years). The child ratio has declined steeply from 941 in 2001 to 862 in 2011 loosing 79 points. In adverse child sex ratio as per 2011 J&K is the 3<sup>rd</sup> State after Haryana and Orissa. In some districts it has woefully declined and is very low viz 779. Surprisingly the child sex ratio in rural areas of some districts is only 774.
- Fragile soil in hilly areas is susceptible to soil erosion.
- State is deficient in food grain production by around 24 %.
- Work participation rate measured on both main & marginal workers is declining continuously. It has scaled down from 44.26% in 1981 to 37.01% in 2001 and further to 34.47% as per 2011 census.

- Being in Seismic zone, state is vulnerable to natural disasters like earthquakes. Natural disasters cause high unpredictability in state Domestic Product.
- Low lying areas of Kashmir valley, especially Awantipora, Srinagar, Sonawari are prone to devastating floods anytime while parts of Jammu province which get high discharge during rains which causes devastation. Upper catchments of all the tributaries of Jehlum, Chinab, Indus and Tawi are prone to flash floods. The historical city of Srinagar which got submerged due to floods of September, 2014 will require special focus for construction of flood protection infrastructure, dredging of rivers and development of one more flood spill channel to off load the main river from flood waters. The insulation of the city and towns from floods will be priority for the Government in the coming years.
- Custom duty on import of Chinese silk reduced thereby lowering income of local silk rearing farmers.
- Preservation of indigenous breeds such as double humped camel and Zanskari horse which are on the verge of extinction is required.
- Private investment is less due to instability and geographical disadvantage.
- Industrial sector is under-developed as such cannot absorb growing population in productive manner.
- Agriculture as is already over-laboured, warrants check and controls.
- The lower growth rate in agriculture & allied sectors in J&K is a major cause of concern from the point of view of inclusiveness and sustainability of development and accelerating growth.
- Declining share of agriculture sector is a major cause of concern. Gaps between demand and production of food grains in the state is on increase.
- The natural water resources of the state are under great stress due to pollution, encroachment and siltation resulting in considerable shrinkage in these resources.
- The arable land is shrinking at a fast rate. The arable land has shrunk from 0.14 hectare per person in 1981 to 0.08 hectare in 2001 and further to 0.06 hectare in 2012. Such small holdings create problems in farm mechanization operations and make farming non-remunerative. Apart from population growth, urbanization process leads to shrinkage in per capita arable land.
- Climate change is also another important threat hanging like a domicile's sword over agriculture. Climate change would also result in the emergence of new insect pests besides reducing the milk yield in cattle and affecting fruit crops such as apple in the state.
- Declining interest in agriculture is the other major threat. A survey by National Sample Survey Office (2005) reveals that 41% of farmers in India want to leave



agriculture if any other option was available. Census 2011 reveals that J&K has 5.66 lakh cultivators for whom farming is their main occupation and this number has scaled down from 9.49 lakh in 2001.

- Youths are not interested in agriculture. This is because agriculture is not economically rewarding and intellectually stimulating.
- The forest wealth has depleted due to pressure of population which continues.
- Illegal removal of forest produce and smuggling of timber is an area of concern.
- Wild life is a measure of ecological balance and without wildlife, eco system cannot sustain. Poaching of wild life and illegal trading of wild life poses great threat to important wildlife species which include Hangul, Snow leopard, Musk Deer, Ibex, Kiang etc.
- Trade imbalance, Imports exceed exports.
- Industrial development has its own limitations due to inherent mobility and communication problems. Thus development of agriculture and allied activities is the sole option in the state for its much needed development for addressing the aspirations and fulfilling the needs of people. However, agriculture alone cannot bear the burden of providing food and gainful employment to all the rural population due to small size of holding, commercialization, diversification, lack of adequate marketing facilities. In the absence of suitable employment opportunities, rural population migrates to urban areas.
- Problems like insurgency, unemployment, poverty and lack of adequate infrastructure are prominent among other threats.

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### **Damage caused due to Floods of September, 2014**

Untimely heavy rains from 1<sup>st</sup> to 6<sup>th</sup> September, 2014 caused devastating floods and landslides in J&K state affecting badly some parts of Jammu Province and most of the parts of Kashmir Valley. The river embankments caved in and eroded habitations, hospitals, schools, Govt. offices and many other buildings and infrastructure..

More than 700 villages remained submerged. Srinagar city got submerged due to flood water. About 300 persons lost their lives in floods. 6.48 lakh hectares of agricultural/horticultural land got affected. About 3 lakh houses got fully or partially damaged.

Govt. of J&K assessed the damages at Rs 43959.56 crore and with prior approval of State Cabinet submitted the proposal to Govt. of India for providing special financial assistance. Financial assistance for the package is awaited from Govt. of India and the people of the state eagerly look forward for financial help from Govt. of India.

### **Natural Diasters**

Two Haunting threats to J&K state that need serious attention from all stake holders are 1. Earthquake and 2. Floods.

Owing to its peculiar topography, rugged terrain, extreme weather conditions and underdeveloped economy, the state has suffered a lot on account of natural disasters leading to loss of human lives and public and private property.

### **Earthquake**

Most parts of the Kashmir valley (11% of the area of the State) covering districts of Srinagar, Ganderbal, Baramulla, Kupwara, Bandipora, Budgam, Anantnag, Pulwama, Doda, Ramban, Kishtwar fall under seismic zone V where about 50% of the population of the state lives. On the other hand whole of Ladakh region, and Jammu Division (90% of total area of the state) fall under seismic Zone IV. The lives and properties in these zones is at high risk and therefore safety measures for public and private infrastructure are required to be taken in a sustained manner by all the stakeholders.

### **Floods**

Low lying areas of Kashmir valley, especially Awantipora, Srinagar, Sonawari are prone to devastating floods anytime while parts of Jammu province which get high discharge during rains which causes devastation. Upper catchments of all the tributaries of Jhelum, Chenab, Indus and Tawi are prone to flash floods. The historical city of Srinagar which got submerged due to floods of September, 2014 will require special focus for constriction of flood protection infrastructure, dredging of rivers and

development of one more flood spill channel to off load the main river from flood waters. The insulation of the city and towns from floods will be number one priority for the Government in the coming years.

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