



**Government of  
Jammu & Kashmir**

**Economic  
SURVEY  
2016**

**DIRECTORATE OF ECONOMICS & STATISTICS**

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# A

# An Overview

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## **Introduction**

The Economic Survey 2016 is being presented at a time when the state of J&K, particularly the valley of Kashmir has gone through prolonged civil strife and unrest lasting more than 5 months.

*Economic Survey 2016* takes stock of the developments having taken place during last financial year 2015-16 and current financial year 2016-17 up to December, 2016 in J&K economy.

The Survey takes stock of the performance in major developmental programmes launched in 2015-16 and 2016-17, and highlights the policy initiatives of the government. It also details the drawbacks and disadvantages of the enduring unrest caused due to conflict which has put the state in general and the valley of Kashmir in particular to tremendous economic and welfare hardships. Accordingly, in this edition of the Economic Survey, the **economics of uncertainty and unrest** in the state is discussed along with chapters on Demonetization and Ease of Doing Business.

In a new feature, the prospectus of the economy in the next financial year 2017-18 has also been given.

An attempt has been made to identify the causes of stagnation and retrogression of J&K State in the recent past vis-a-vis other neighbouring states of the country. An attempt has also been made to showcase the economic scenario of the state in a transparent mode. Thus, the state has acknowledged the shortcomings on the front of Ease of Doing Business in the state faced by prospective investors and entrepreneurs. Besides, an attempt has also been made to identify the obstacles which push back the economy from the normal track and causes disturbances in the rate of economic growth.

With detailed statistical data covering all aspects of the economyô macro as well as sectoralô the report provides an overview of the following issues:

- **Economic Outlook**
- **Sectoral Review**
- **Policy Update**
- **Development Scenario**
- **Issues & Initiatives**

This document would be useful for policymakers, economists, policy analysts, business practitioners, government agencies, students, researchers, the media, and all those interested in the development of J&K economy. The current issue of Economic Survey 2016 would also provide a window to the policy makers, decision making authorities and others at the helm of affairs to take factual economic scenario into account while making decisions regarding development of the state with open eyes and generally after taking into account the disadvantageous position of J&K State due to prevailing unrest and uncertainty faced by the state.

There are certain objectives for J&K Government that are echoed through current issue of Economic Survey. First, J&K state has to revive growth, and that growth has to provide more decent jobs for the large number of labour force, even while reducing poverty. Second, J&K needs to shift from consumption state to production state. There is an urgent need for optimum utilization of savings especially government savings and household savings, while increasing corporate and infrastructure investment. Third, J&K needs macroeconomic stabilization ó to bring down inflation, the fiscal deficit and the current account deficit.

## **Economics of Uncertainty and conflict**

This chapter focuses on the economics of civil strife and unrest in Jammu and Kashmir. While the causes of it are complex and highly debated, the costs and consequences require a basic formulation and a deeper analysis. In this chapter, an attempt has been made to examine how the issue of social unrest and civil strife impacts the economy of the state. Apart from loss estimation, it will seek to answer who bears the costs, how are the costs manifested, and how it affects the physical, social and institutional capital of the region.

Much has been written on the "Kashmir Issue" and the conflict in political terms. Virtually nothing has been written on how people are coping with what has now come to become an enduring conflict in the words of T.E. Paul. It is never been the focus of any research as to how it is actually the people of the State, who are made to suffer in absence of a sustainable peace, survive through turbulent times.

The turmoil of 2016 resulted in unending clashes between people and security forces, caused killing and injuring of civilians, burning of Government property, and tremendous loss of Industrial production and services coupled with the halt in Economic activities in the backdrop of long spells of curfews and hartals for a period of more than 5 months from 8th July, 2016 to November, 2016. The Tourism sub sector and industrial/business activity which is backbone of Kashmir economy came to grinding halt during the period.

With regular cycles of unrest since 2008 disrupting the social life and hitting the economy hard, the biggest challenge for the state government is two fold:

a) to prevent re-occurrence of such events

b) to calibrate the economic and social policy to what in the short run is the 'new normal'. The planning process has to factor in the possibility of such events happening in the short run. Economic policy has to factor in the 'uncertainty impact.

After a decade and half long militancy and a five-year relative period of peace 2002 onwards, the prolonged cycles of unrest since 2008 have become a new normal in the social, political and economic life of Jammu and Kashmir resulting into highly adverse impact on economic growth and infrastructural development.

Since June 2008, there have been four cycles of unrest -Amarnath land row, Shopian 'rape and murder' case, 2010's summer turmoil and the latest unrest following killing of Hizb militant Burhan Wani - adversely hampering the delivery of public service and drastically slowing down the developmental expenditure.

It is imperative that public expenditure policy provides for unforeseen contingencies that may arise. Public finance, on its part, must have a plan to meet the liabilities arising

because of these uncertainties.

Be it bandhs, hartals, curfews and civil strife, the impact on business and trade and the consequent effect on the process of income generation needs to be taken into account.

As it is, the prolonged cycles of unrest and short bouts of heightened militancy over the last twenty five years have affected the development scenario in the state. It not only has virtually acted a barrier to private investment, but created hurdles in creating basic infrastructure for delivery of public services.

The economic cost of the conflict cannot be confined to a particular sector of industry or investment prospects. It has affected the important sources of livelihood of local people such as tourism, horticulture, handicrafts and industries.

### **Understanding the politics of the conflict is vital**

Without getting into the historical roots and basis of the conflict, the recent three episodes have shown how fragile the peace is and how easily not only business but the whole life is disrupted in the valley. Quite unfortunately, this has now been occurring with alarming regularity. The Economic development of J&K State, therefore, is the first casualty due to lack of enduring peace.

### **Conflict creates macroeconomic instability and Crisis volatility**

Macroeconomic instability is a situation of economic malaise where the economy does not seem to have settled in a steady position.

Macroeconomic instability can take the form of volatility of key macroeconomic variables and of unsustainability in their behavior. In addition to volatility, unsustainable performance in the macroeconomic variables like low and unstable growth rate, high inflation, large unemployment, unsustainable and current account deficits are also the attributes of macroeconomic instability. Macroeconomic volatility refers to fluctuation in macro variables and to the uncertainty associated to them. J&K economy is not experiencing normal volatility but crisis volatility. Crisis volatility refers to extreme shocks exceeding certain cut off points. The continued lockdown/ curfew in the state due to unrest is the instance of Crisis volatility.

The major costs of macroeconomic instability are significant in terms of i) Welfare loss ii) Increase in inequality and poverty and iii) Decline in long term growth

Macroeconomic instability induces increase in Pre-cautionary savings for future, which ultimately reduces investment. In Kashmir valley people save more for future shocks that are caused due to conflict economy. During the unrest of 2016, we could see that the people of the valley could sustain only when they had kept good savings apart on which

they sustained during 5 month long inactivity.

### Cost of Conflict to the State of J&K in general terms

J&K State is a hilly state. Its net area (in Indian part) is 1,01,387 sq kms. Its population (2011 census) is 1.25 crore souls. The forest cover of J&K State is 20% of its total geographical area (comparable). The density is 124 people per sq km.

Its GSDP (at constant prices 2011-12) for 2015-16 is Rs. 91806 Crore and the per capita income (NSDP 2015-16) is Rs 57858. The growth rate is 7.79% over 2014-15. The composition of GSDP (2015-16) is as under:-

<b>Table 1: Composition of GSDP 2015-16</b>	<b>(Rs in Crore)</b>	
Primary sector (Agriculture)	13893	15.89%
Secondary Sector ( Industries)	23710	27.11%
Tertiary Sector (Services	49848	57.00%

Now, let us compare the economic progress of J&K State with sister state Himachal Pradesh which is not a conflict area state. Its Total Geographical Area is 55673 sq kms with population of 68,64,602 souls as per 2011 census. The density is 123 people per Sq km. Its forest cover is 20% of geographical area.

<b>Table 2</b>	
Total Geographical Area of Himachal Pradesh	55673 sq kms
Total Population	6864602 (2011 census)
Forest cover	20%
Density	123 people per Sq km.

GSDP of state of Himachal Pradesh for the year 2015-16 at constant /Base 2011-12 is Rs 95,929 crore. Per capita income (NSDP 2015-16) is Rs 1,11,977. The growth rate is 7.72 % over the previous year.

### Composition of GSDP of state of Himachal Pradesh:-

<b>Table 3</b>	
Primary sector (Agriculture)	15.44%
Secondary Sector ( Industries)	39.70%
Tertiary Sector (Services	44.86%

### Conclusions from the comparison:-

J&K State is trailing behind in the following indicators:-

1. GSDP (Constant ) less by Rs. 4123 crore (2015-16)
2. NSDP (Constant) less by Rs. 2263 crore (2015-16)
3. Per capita NSDP (Constant 2015-16) less by Rs 54119



1. With just 55% of the geographical area and 55% population compared to J&K State, the GSDP of Himachal Pradesh at constant prices is 4.30% more than J&K State. Per capita income (NSDP 2015-16) is 48% more than that of per capita income of J&K State. Growth rate of Himachal Pradesh is 7.72% while growth rate of J&K state is 7.79% at constant 2011-12 prices for the year 2015-16. But growth rate of Himachal Pradesh is consistently growing at same pace. The following table explains the same: -

**Growth trend (Constant 2011-12) of J&K state and state of Himachal Pradesh for the last 4 years**

S. No	Year	Growth Rate	
		J&K	Himachal Pradesh
1	2012-13	2.80	6.41
2	2013-14	7.33	7.09
3	2014-15	-0.96	7.46
4	2015-16	7.79	7.72

2. J&K state with population and geographical area almost double than area and population of state of Himachal Pradesh, is trailing behind the state of Himachal Pradesh by Rs 54119 in respect of per capita income (2015-16 NSDP). The main reason of backwardness of J&K State is that it is a "conflict area".
3. Had J&K State been a "conflict free" state, its economic progress vis-à-vis state of Himachal Pradesh should have been at least double the economic progress of state of Himachal Pradesh.

**J&K Economy with and without conflict in comparison to the state of Himachal Pradesh**

**Assumption I:**

By extending area of Himachal Pradesh state and population to the level of J&k state at current progress, the progress of J&K state would be:-

GSDP (constant) 2015-16 would have been	Rs 173015 crore viz-a-viz Himachal Pradesh State
Per capita income (constant NSDP 2015-16)	Rs 115094 viz-a-viz Himachal Pradesh State

Conversely had Himachal Pradesh been a conflict area, its economic progress would be as under:-

**Assumption II:**

GSDP (constant) 2015-16	Rs 50902 crore
Per capita income (Constant NSDP 2015-16)	Rs 62808

*GSDP of Himachal Pradesh state and J&K state has been computed on the area of J&K State at 1.01 lakh Sq Kms and Himachal Pradesh 0.56 lakh Sq Kms. Per capita income has been computed on the basis of population of 2011 census.*

**Presumptions /Inputs**

S. No	Indicator	Units	State	
			Himachal Pradesh	J&K
1	Geographical area	Lakh Sq Kms	0.56	1.01
2	Population (Census 2011)	in lakh	68.65	125.41
3	Forest Cover	%	20%	20%
4	Topography	–	Himalayan (Mountains)	Himalayan (Mountains)
5	Net Area Sown	lakh hect.	5.45	7.41
6	GSDP (Constant 2015-16)	Rs. in crore	95929	91806
7	Tourists Visited (2015)	Lakh Nos.	175.31	92.03
a	Domestic Tourists	Lakh Nos	171.25	81.30
b	Foreigners	Lakh Nos	4.06	0.29
8	Hydel Potential	Mw	20,000 (Revised 27436)	20,000
8a	Harnessed capacity/ Hydel Projects under operation	Mw	6370.00 (Revised 10264)	3220.96
9	Medium/Large Industries (2014-15)	Nos.	503	86

**Inferences**

- GSDP of J&K State is less than that of state of Himachal Pradesh by Rs 4123 crore despite of the fact that area & population of State of Himachal Pradesh is less than J&K almost by 45%.
- The tourist inflow to J&K State for the year 2015 stood at 92.03 lakh tourists whereas during 2014 it stood at 95.25 lakh. The tourist inflow to Jammu region, Kashmir region and Ladakh stood at 77.77 lakh & 78.03 lakh for Jammu, 12.81

lakh & 15.41 lakh for Kashmir and 1.46 lakh & 1.81 lakh for Ladakh respectively during the said years.

While the magnitude of pilgrim tourists during 2015 and 2014 to Jammu province was 77.77 lakh & 78.03 lakh, the magnitude of pilgrim tourists to Kashmir valley was 3.53 lakh & 3.73 lakh. In view of the fact that pilgrim tourists do not add much value to the economy of the region therefore, the increase in number of pilgrim tourists to Jammu or Kashmir does not make substantial impact on economy of the region excepting that it increases some economic activities in the local vicinity of pilgrimage places. Generally, pilgrim tourists do not undertake luxury tours and therefore, they spend very less. Pilgrim tours are specifically of very short duration which last for 2 to 3 days where as luxury tourists stay for more than 7 days. It is the luxury tourist which adds to the economy, as luxury tourists stay in hotels enjoy eating in restaurants, use shikaras, taxies, Ponies, cable car etc, Besides, luxury tourists purchase gift items for themselves and for their relatives. Thus, the luxury tourist adds value to the economy. On the contrary, tourist inflow to the state of Himachal Pradesh for the said years i.e. 2015 & 2014 stood at 175.31 lakh and 163.14 lakh tourists respectively. Therefore, tourist inflow to J&K state is less by 83.28 lakh tourists in 2015 & 67.89 lakh tourists in 2014 than the state of Himachal Pradesh despite the fact that J&K state particularly Kashmir valley has tremendous scenic beauty/tourist spots than that of state of Himachal Pradesh. Thus, the tourism sector needs to be given highest attention to boost tourist inflow for economic development of the State.

- Hydel power potential of both J&K and Himachal Pradesh states is estimated at 20,000 MW each. The State of Himachal Pradesh has harnessed capacity/projects to the extent of 6370 MW (32% of estimated potential) while as J&K State has exploited 3263.46 MW (16% of estimated potential) only.
- Large & Medium Scale Industries in J&K state are only 86 with employment of 19314 persons as against 503 Large & Medium Scale Industries with employment of 60908 persons in state of Himachal Pradesh.
- Net area sown of J&K State is only 7% of total area (comparable area) while as the net area sown of the state of Himachal Pradesh is 12% of its total cadastral surveyed area of 4543 thousand hectares.

## **Unrest and Civil Strife in Valley in 2016: Costs**

- **Loss of life and property, and complete shutdown of business during unrest:**

In 2016, like the earlier cycles, the civil strife caused tremendous miseries, loss of life, complete halt of economic activities in the valley coupled with loss of property worth crores of rupees.

The scrapping of internet services, mobile and terrestrial phone services for long spells during the turmoil made communication in the state very difficult. Hartals, bandhs, stone pelting, curfews, and restrictions immobilized the whole life in all the 10 Districts of the valley.

The medical services also got badly affected and disrupted. Chronic patients suffering from cancer, heart disease and patients requiring dialysis, and other patients requiring continued treatment and check up had to suffer a lot during the unrest, resulting in death of some of the patients due to lack of timely medical treatment.

The general estimates of the losses caused due to the unrest are estimated at more than Rs. 16,000 crore over a period of 5 months from 8<sup>th</sup> July 2016 to 30<sup>th</sup> November, 2016.

The cost of security related expenditure is over & above the losses caused due to unrest of 2016 in J&K State.

- **Loss to Human Resource Capital**

The importance of Education for the well being of the individuals and nations need no explanation. The exposure to violence and armed conflict reduces the quantity of education attained by children of conflict areas. The main contributories to the lessening of attainment of quantity of education are i) destruction of schools infrastructure, ii) fear of sending children to school, iii) incorporation of youth into armed groups, iv) negative economic shocks to households and v) forced displacement.

In the year 2016, the schooling could be conducted only for a period of 4 months in Kashmir valley.

The 10<sup>th</sup> class and 12<sup>th</sup> class exams held in November, 2016 covered only 40 % to 50 % of the total curriculum.

Similarly, classes from Ist to 9<sup>th</sup> had to be given mass promotion.

All these fire fighting measures would definitely tell upon the learning capabilities, quality and quantity of education attained by the students of the valley, which will impair their future learning and competitive abilities compared & contrasted to students of other areas of the state/ country and the world. This will affect the human capital resource of

the valley.

Besides, those children/ students who got injured or blinded due to conflict or were forced to dropout whether temporarily or permanently again constitute the loss to human capital resource of the valley.

- **Other Macro Economics Costs**

Conflict has reduced Per capita GDP growth in J&K State. It has reduced FDI inflows, exports, trade flows. It has reduced domestic investment and savings. It has redirected public expenditure to security related expenditure. It has reduced tourist inflow and tourism receipts and reduced demand for transportation.

### **Impact on Economy of J&K State**

Right from 8<sup>th</sup> July evening, the valley got entrapped in the politics of hartals, stone throwing, curfews and chronic law & order problem. The entire valley including rural areas and urban areas remained shut down for a long time due to continuous hartals, and stone throwing incidents followed by curfews.

Roughly, the hartals engulfed the whole valley for more than 5 months upto now. The continuous hartals, stone throwing and curfews have resulted in loss of tourist season (July, 2016 to October, 2016), loss of working season, about 116 days out of total working season of 180 days (May to October) in 2016. Thus, about 64% of the tourist and working season has been lost.

The loss caused to economy of the state due to hartals/curfews in the valley is estimated to about more than Rs. 16000.00 crore.

The impact of hartals/curfews on Industry and development sectors of the state economy in the valley is summed up quantitatively in brief which is as under:

### **Education sector**

#### **Primary, Middle & High/Higher Secondary**

There are 14352 number of schools (primary, middle & high/higher secondary) including 2787 private schools in Kashmir valley as on 31.03.2016. The total enrollment in these schools as on 31.03.2016 is 1377183 including 598734 in private schools. The academic session in Kashmir valley starts in March and ends in October in a year. The exams are in general conducted in November. Due to closure of schools, the academic session got badly hit to the extent that it caused irreversible loss of study and tuitions to the students. The exams conducted by J&K Board of Secondary Education for 10<sup>th</sup> & 12<sup>th</sup> standard students covered only 50% of the total syllabus. However, an option has been given to the students to appear in March (for 100% syllabus coverage) also.

The loss of 50% content of the syllabus will surely have to be covered by the student community itself so that they are able to compete in ensuing entrance exams held at the country level. Around 95 % students have appeared in the 12<sup>th</sup> exam and 99 % students have appeared in the 10<sup>th</sup> class in the valley. Decision was taken by the Govt. for waving of Term-2 examination from Class 1st to 8th

The total strength of the enrolled students in 10<sup>th</sup> & 12<sup>th</sup> classes in the valley schools is of the order of 56277 & 31964 respectively during Academic session 2016.

31 school buildings were gutted (17 fully +14 partially) during the turmoil period. 15 school buildings were saved by the chowkidars/ employees of Education Department/ local community.

### **Higher Education**

After declaration of results in December, 2015/January, 2016, the classes in higher education institutes like colleges, had started in March, 2016. The class work could be conducted upto 8<sup>th</sup> July only & from 9<sup>th</sup> July, the colleges have also been closed, resulting in loss of study of 130 days & more. This has resulted in the delay in the coverage of 1<sup>st</sup> semester syllabus & also is resulting in the delayed conduct of 1<sup>st</sup> semester exams. The hartals have also badly affected coverage of other semester studies which were got also delayed due to it.

Similarly, in the universities located in the valley, the class work at Master Level remained badly affected. The 1<sup>st</sup> semester studies got half way left and the entrance exams schedule also got delayed / affected. The classes work in the Medical colleges, NIT was also affected badly resulting in stress to student community and to their parents.

During the current academic session 2016-17, 84811 is the total enrollment registered in all Government Degree Colleges of the Kashmir division against enrollment of 72000 during the year 2015-16. The loss of studies of 130 days & more is irreparable and will have to be compensated through conduct of evening classes and additional classes on holidays to make the students have the knowledge in order to enable them to compete with student community at the country level.

The level of expenditure during the 1st two quarters of 2015-16 was of the order of Rs 26.79 crore while as expenditure during 1st two quarters of the financial year 2016-17 is of the order of Rs 48.43 crore.

Rs 8.98 Crore have been utilized on development of infrastructure of the University of Jammu, University of Kashmir, Islamic University, Baba Ghulam Shah Badshah University and Shri Mata Vaishno Devi University.

### **Technical Education**

The prevailing turmoil and strikes in Kashmir valley have obvious implications on the implementation of Technical education programmes in the valley. Some of these implications are outlined hereunder:

- The impact of strikes has been deep and profound on the educational atmosphere in the valley. The academic calendar got altered and was adjusted in order to meet up with the current situation. Technical education Institutions/Students in the valley were not able to complete their academic/practical work fully within the prescribed period.
- Skill based courses require no disruption in the process in order to guarantee easy transmission of skills. The normal skill imparting process as well as new skill development initiatives got hampered due to strike, resulting in truncation of initiatives. This may consequently affect the formation of generation's next workforce.
- The infrastructure development is a key to progress and economic development of every sector. A good number of working days have been lost due to the prevailing strike resulting in non-creation of adequate infrastructural facilities in various institutions and slow execution of new projects/works in the valley.
- For proficiency and efficiency, the up-gradation of available facilities and equipment used in the teaching and learning in the Technical/Craft institutes, is a must. But, due to incessant strike, action in this regard got hindered.
- Closure of financial institutions also lead to recording of low financial progress under various programmes during the strike period.

### **Tourism**

Tourist season in the Kashmir valley starts from April and lasts up to Oct, thus making season of 7 months. During 2015-16, the number of tourist who had visited the valley stood at 6,23,932 including 2,20,490 Amarnath yatris. The tourist season had started during 2016 in April and was in full swing up to end of 7th July, 2016. The remaining about 4 months (24 days of July, August, September and October) remained completely tense and registered closure of all activities due to turmoil resulting in almost zero arrival of tourists in the valley.

The disappearance of tourists in the valley during 04 peak months resulted in loss of business to hoteliers, restaurants, houseboats, handicrafts, poniwallas, transporters, shikara walla and so on.

The revenue loss during 2nd quarter of 2016-17 is of the order of Rs 751.97 lakh (80%) compared to revenue realization of Rs 936.89 lakh in Q2 of 2015-16.

S.No	Name of the Dev. Authority/Agency	Revenue realized during (Rs. In lakh)			
		2015-16		2016-17	
		Q1	Q2	Q1	Q2
1	Cable Car Corporation, J&K	1885.95	879.63	3162.00	167.27
2	Lolab Bangus Drangyari	0.32	0.62	0.55	0.24
3	Pahalgam	5.11	0.81	3.69	0.00
4	Youmarg	1.10	0.36	6.05	0.00
5	Sonamarg	11.89	27.78	33.21	11.22
6	Gulmarg	2.48	18.62	22.22	5.69
7	Mansbal	0.10	2.76	11.46	0.00
8	Doodhpathri	4.02	5.48	5.49	0.00
9	Aharbal	1.92	0.83	0.69	0.50
	Total	1912.89	936.89	3245.36	184.92

### Industry

The industries in the valley came to halt due to turmoil. The industrial units in industrial estate Lachipora, Khonmoh, Baghi Ali Mardan khan, Rangret, Anantag, Aischan, Chittipora, Baramulla, Bijbehara, Kupwara, HMT etc came to halt which resulted in the idle payment of wages to the skilled labour for more than 4 months and loss of production in Kashmir valley.

The estimated loss suffered by Industry during hartals/curfews (130 days) is of the order of Rs 13291.00 crore comprising of Rs 6548.00 crore of private sector and Rs 6713.00 crore of Govt sector. The estimated turnover and revenue loss in Rs 13291.00 crore is of the order of Rs 11555.00 crore (Private sector=Rs 5720.00 crore & Govt sector=Rs 5835.00 crore) and Rs 1736.00 crore (Private sector=Rs 858.00 crore & Govt sector=Rs 878.00 crore) respectively.

In addition to above, some Jammu based SSI Units have also suffered production losses due to turmoil in the valley as reported by Industry department. The turnover loss has been reported as Rs 1800.00 crore and revenue loss as Rs 275.00 crore.

### Infrastructure Sector

A number of schemes are under implementation under Roads & Bridges sector across the state for achieving the desired goals. However, due to law & order problems in Kashmir valley from July, 2016 onwards, the developmental programmes did suffer in the valley.



During first two quarters of 2015-16, a road length of 1685 kms were blacktopped under various programmes in the State whereas the achievement made during the current financial year for first two quarters, is 1410 kms.

It is estimated that had the situation been fully favourable, the department could have undertaken many more macadamization works in Kashmir valley. In addition to this, there is shortfall of about 300 kms of achievement in the Kashmir valley with respect to Water Bound Macadam (WBM) works of all grades during the current financial year (Q1 & Q2).

The level of expenditure recorded at the State level was of the order of Rs 348.47 Crore during first two quarter of 2016-17 as against Rs 346.81 Crore recorded during corresponding period of 2015-16. The financial achievements made by the department reveals that the expenditure level has reduced considerably in Kashmir Division from Rs. 178.97 Crore during 2015-16 (Q1 & Q2) to Rs. 74.39 Crore during 2016-17 (Q1 & Q2).

In addition to this, the bridges as well as the buildings sector received setback in the valley though the pace of the works is picking up now. The progress of the projects being executed by National Highway Authority of India in valley especially 4 lanning of Srinagar-Banihal stretch and Z- morh tunnel, also got suffered due to disturbances.

### **Construction activities**

All the major and minor construction projects which were going on, came to halt due to turmoil of 2016. The 1<sup>st</sup> impact of the turmoil was on labour. Almost 90% skilled and unskilled labour from Bihar/ UP/West Bengal etc which migrates to Kashmir Valley during April, 2016 could stay upto June, 2016 only and, thereafter, left the valley and went to other parts of India from 8<sup>th</sup> July onwards.

The return of migratory skilled/ unskilled labour in the valley due to turmoil resulted in the stoppage of almost all construction activities. Even the outsourced construction agencies who were constructing a few major projects like flyover, bridges, some major power & road projects etc have come to a grinding halt. This is sure to result in delay in the completion of these project and will escalate the cost of these projects. The following major projects have drastically come to halt due to the turmoil of 2016:-

- i. Flyover from Jehangir Chowk to Rambagh.
- ii. Kishen Ganga Hydel project

### **Labour And Employment**

The shops and commercial establishments remained closed during the hartals / curfews that had worst impact on the employees of these shops due to nonpayment of their wages. A loss of Rs 168.00 crore on account of wages to the employees has been worked out as

per minimum wage schedule. Likewise Rs 276.00 crore has also been worked out as loss to the self employed wage earners in construction and building works. There are 93572 employees in shops and commercial establishments while as 153388 are self employed in construction and other works under the 'Building and other Construction Workers' (BOC) act as on Oct, 2016.

Due to hartals /curfews in Kashmir valley, most of the funds meant for implementation of the Self Employment Schemes could not reach to the deserving beneficiaries, besides no awareness camps/counseling programmes could be organized.

### **Power**

As per the information supplied by Power Development Department, the losses suffered by the M&RE wing of the department, due to prevailing situation in the valley, is of the order of Rs 1.07 crore which is mainly on account of damages caused to transformers, installed at various locations in the districts of the Kashmir valley.

Under T&D sector, the physical achievements for the first six months of financial year 2016-17 are of the order of 28.15% as against 37.19% during the said period of 2015-16 while as financial achievements are only 33.21% during (first six months) the year 2016-17 as against 40.65% during the said period of the year 2015-16. The less progress in physical and financial achievements during first six month of 2016-17 is due to unrest in the valley

### **Transport Sector**

Transport sector is the worst hit sector in the valley during 04 month of turmoil in 2016. There are 4500 passenger buses, 3853 taxis, 24223 trucks, 186477 private cars, 210236 two wheelers. The brunt of the stone pelters fell on all types of vehicles which included 2 wheelers, 3 wheelers, 4 wheelers, 6 wheelers and above. Even the railways closed the service from Banihal to Baramulla during the turmoil which has partly been restored from 18/11/2016. A sizeable number of vehicles were damaged by stone throwers during the turmoil. The halt in the transport meant halt in mobility. The alternative to public transport was private light transport which could only ply with risk of receiving stone caused damages to their vehicles. Some private vehicles were also burnt by the protesters.

Non earning of the transporters due to turmoil resulted in nonpayment of bank loans. The consecutive default in repayment of loans for 3 months and more to the banks means increase in NPA to the bank.

The transportation halt has caused halt in the mobility of the common people in their daily movement. The hartals and curfews totally made the vehicles immobile.

The mechanical workshops, petrol pumps, service stations, etc also got affected due to the

halting of public transport. The people connected to this sector were also affected badly.

Hartal has worst impact on JKSRTC working/earning due to continued strikes in Kashmir valley. The corporation lost at least Rs 5.25 crore of revenue as compared to last year achievement during the same period. However, due to all these odds, JKSRTC continued its passenger services from Srinagar to Jammu and trucks for carrying food grains in every nook and corner of Kashmir valley. Their 182 vehicles have been damaged by the miscreants which include 76 trucks.

### Animal/Sheep Husbandry

The routine activities carried out by the Department especially with regard to the genetic improvement, vaccinations, dosing, etc was affected significantly. The below mentioned table clearly depicts the impact of the Hartal.

<b>Parameter (Unit Lakh)</b>	<b>Ending October 2015</b>	<b>Ending October 2016</b>	<b>Percentage Change</b>
Artificial Insemination	3.25	2.52	-22.46
Cases Treated	5.86	5.03	-14.16
Animals Dosed	12.03	10.42	-13.38
Vaccinations (Cattle)	10.59	7.05	-33.43
Vaccinations (Poultry)	164.13	123.43	-24.80
Vaccines produced by Department	20.15	13.40	-33.50

- The Maximum brunt of the unrest was witnessed at marketing of the animals especially at Qurbani Idd, when against availability and estimated consumption of 2.50 lakh animals, only 80,000 could be sold by the farmers/rearers and that too on the lower rates due to sluggish demand.
- Under normal conditions when a local grown rams generally 40kg body weight, could have fetched about Rs. 9500/-, was sold for around Rs. 7500/- only, incurring a total loss of about approximately 16 crore to the farmers.
- In addition the department lost about 658 quintal of Hay at sheep Breeding Farm Zawoora, Shopian as the hay shed was set ablaze by unruly mob on 29 July, 2016.
- Moreover, the establishment of sheep units under Mini Sheep Farm Scheme approved under State Sector could not be carried out during the period as the process of selection of beneficiaries/Bank screening etc was not possible.
- Similarly, construction and ongoing civil works mostly undertaken through R&B, Department, were also hampered.

- Fisheries Sector is no exception to this, The revenue realization under Fisheries Sector ending September, 2016 was just 192.85 lakh as against is Rs.241.66 lakh during the same quarter in the last financial year.
- The sport fisheries particularly Trout Angling has suffered significantly and against a total of about 1500 Anglers, only 600 Angling permits were issued resulting in huge loss of license fee.
- Due to civil unrest, important assets of the department such as one hut each at Kokernag, Akad, Buniyar & Shopian were gutted.

The Animal and Sheep Husbandry Department has recorded level of expenditure of Rs 315.43 lakh during 2016-17 (Q1 & Q2) as against Rs 243.24 lakh during the same period of the year 2015-16.

The expenditure of Animal and Sheep husbandry Kashmir during 2016-17 (Q1 & Q2) is of the order of Rs 33.10 lakh as against Rs 44.87 lakh during the year 2015-16 (Q1&Q2). The level of less level of expenditure could be attributed to the turmoil in the valley.

The production (estimated) of milk, mutton and wool has gone down by 2.96%, 2.51% and 3.55% respectively during the first two quarters (Q1 & Q2) of the financial year 2016-17 as compare to corresponding production figures of these items during the year 2015-16 (Q1 & Q2).

### **Food Civil Supplies and Consumer Affairs**

The hartals have little impact on the working of Food Civil Supplies and Consumer Affairs (FCS& CA) Department. However, 4908 KLs quantity of Kerosene Oil could not be lifted and distributed among beneficiaries due to turmoil situation in the valley.

The comparative analysis of FCS & CA department reveals that only Rs 7.50 lakh (4%) has been expended during Q1 & Q2 of the year 2016-17 as against Rs 36.00 lakh (21%) during the same period of the year 2015-16.

### **Health Sector**

The workload of Tertiary Care Hospitals district hospitals, Sub-district hospitals, Public Health Centres hospitals and above medical care institutions has increased manifold due to law and order situation in the valley. 211 Ambulances have been damaged during the prevailing situation in the valley as on 18.11.2016.

During first two quarters (Q1&Q2) of the financial year 2016-17, the expenditure level of the sector is of the order of Rs 152.97 crore as against Rs 153.61 crore during the same period of the financial year 2015-16(Q1&Q2).

Drug & Food Control organization has nil expenditure during Q1 & Q2 of the year 2016-17 as compared to 63% during Q1 & Q2 of the year 2015-16.

### **Banking Sector**

The state of Jammu and Kashmir has 24 PSU Banks, 9 private sector banks, 2 regional rural banks, 10 state and central co-operative banks and a state owned financial corporation. There are a total of 1998 branches in entire state as on 31st March 2016. Besides banking branches, there are around 1456 banking correspondents spread across the state.

Kashmir Valley has been facing continued turmoil/ disturbances since 9th July, 2016, which has adversely affected economic pursuits of all the business establishments in the State. Business activities of all shops, commercial vehicle operators, Hotel Industry, industrial units and other business establishments has come to halt resulting in huge losses to the economy of the state. The trade, tourism, industry and transport have been severely hit.

The impact has resulted in the borrower's inability to conduct their business in normal manner, operate their business accounts in smooth manner and repay interest and installments of Term Loans in time from July, 2016 onwards. Consequently, huge credit portfolio of the banks operating in the State is under stress and may slip to NPA.

The impact of continued turmoil/ disturbances on the credit dispensation by banking sector in the State is concerned, it is to submit that total credit disbursed by banks under Annual Credit Plan 2016-17 as at the end of first half of CFY stood at Rs.5,631.13 Crore (20.37% of the ACP target) as compared to credit disbursement of Rs.8,080.21 Crore (34.23% of ACP target) as at the end of first half of FY 2015-16, which indicates decrease of Rs.2,449.08 Crore (30% decrease in disbursement of credit).

Owing to lack of adequate credit disbursements during the H1 the Credit Deposit Ratio of the State has declined by 1.47% (from 49.11% as on 31.3.2016 to 47.64% as on 30th September, 2016).

Gross NPAs of the banking sector in the State has increased from 5.39% as on 31st March, 2016 to 7.08% as on 30th September, 2016.

### **Forest Sector**

The forest sector has also suffered loss due to Hartals/Curfews in valley as transportation of timber from forest to various sale depots was not possible due to restrictions on movement of vehicular traffic. Several buildings/ check posts of the department at various places have been burnt by the miscreants viz. Check Post at Sumbal Kenura, Akura, Kirkadal, Bijbehara and Khanabal. In addition to these, 02 Forest Depots at Harnag and

Shalteng suffered damage due to fire incident during the turmoil.

The State Forest Corporation (SFC) has been severely affected due to hartals/curfews in the valley. The transportation of timber by SFC due to restrictions on the movement of vehicles from Forest to Sale Depot got badly affected. From 01.04.2015 to 31.10.2015 last year, 11.30 lakh Cft of timber was transported from the Forest to the Sale Depot in Kashmir valley whereas during current year (2016-17) SFC could transport only 3.80 lakh Cft.

Auctions/Sale of timber from July, 2016 onwards could not be conducted by the corporation. During 2015-16, from 01.04.2015 to 31.10.2015, SFC auctioned/sold 11.04 lakh Cft timber in Kashmir valley whereas during the same period from 01.04.2016 to 31.10.2016, SFC could sell only 3.71 lakh Cft. A comparative analysis of the revenue generation made by the corporation reveals that revenue generation level has declined considerably in Kashmir Division from Rs. 57.40 crore during 2015-16 (01.04.2015 to 31.10.2015) to Rs. 23.89 Crore during the same period of 2016-17. As a result, salaries to the employees of SFC are pending for 2 months which works out to Rs. 17.00 crore

During 2015-16 (Q1 & Q2), 1.34 lakh plants were planted on 242 hectares against which 1.19 lakh plants were planted on 209 hectares during 2016-17 (Q1 & Q2).

Under Compensatory Afforestation Fund Management and Planning Authority (CAMPA), 6.05 lakh plants were planted on 2264 hectares during first two quarters (Q1 & Q2) of the financial year 2015-16 as against plantation of 4.35 lakh plants on 1009 hectares during the 2016-17(Q1 & Q2).

Under Social Forestry wing, 1.19 lakh plants were planted on 115.03 hectares during first two quarters (Q1 & Q2) of the financial year 2015-16 as against plantation of 1.37 lakh plants on 137.6 hectares during the 2016-17(Q1 & Q2) and under CAMPA, 1.65 lakh plants were planted on 243 hectares during first two quarters (Q1 & Q2) of the financial year 2015-16 as compared to only 0.24 lakh plants planted on 83 hectares during the 2016-17(Q1 & Q2).

Under Soil Conservation, 0.76 lakh plants were planted on 1.09 hectares during first two quarters (Q1 & Q2) of the financial year 2015-16 as against plantation of .90 lakh plants on 0.63 hectares during the 2016-17(Q1 & Q2)

The forest department as a whole has recorded level of expenditure Rs 8.28 crore during the first two quarters of the year 2015-16 as against Rs 8.04 crore during the same period of the FY 2016-17 which indicated that expenditure level has been less by 3% during the first two quarters of FY 2016-17 as compared to Q1 & Q2 of the year 2016-17.

## Cooperatives

The business in respect of retail sale of consumer goods/fertilizers, as reported by the cooperative department, has been affected due to turmoil in the valley as comparative analysis of physical achievements has gone down during first and 2nd quarter of the year 2016-17 as compared to first and 2nd quarter of the year 2015-16. The level of sale of goods for the first quarter of the year 2015-16 was Rs 13.36 crore and 2nd quarter was Rs 44.51 crore. The corresponding figures for the first and 2nd quarters of the year 2016-17 are Rs 13.15 crore and 36.56 crore respectively while as sale of fertilizer has gone down from Rs 21.80 crore in the first quarter of the year 2015-16 to Rs 15.60 crore in the first quarter of the year 2016-17 and in 2nd quarter of the year 2015-16, the sale was Rs 53.17 crore as against Rs 32.48 crore in 2nd quarter of the year 2016-17.

## Housing & Urban Development Sector

The level of expenditure in respect of various sub sectors/schemes of Housing & Urban Development Department has been recorded at Rs 356.52 lakh in Q1 & Rs 372.77 lakh in Q2 of the year 2016-17 as compared to Rs. 647.40 lakh in Q1 & Rs 3358.27 lakh in Q2 of the Financial year 2015-16. The comparative analysis reveals that a decline has been recorded in the expenditure level by 45% in Q1 and 89% in Q2 during the year 2016-17.

**Table 8: Financial Status**

S. No	Sector	2015-16			2016-17			% Decrease/ Increase	
		Funds Received	Exp. Q1	Exp. Q2	Funds Received (ending sep. 2016)	Exp. Q1	Exp. Q2	Q1	Q2
1	Urban Development	7180.68	360	1795.13	2325	116.22	65	-67.72	-96.38
2	Dal Development	2350	117	540	1125	67.5	37.22	-42.31	-93.11
3	Sewerage	475	23.75	95	168.5	57	11.85	140.00	-87.53
4	Drainage	2185.91	110	458.85	787.5	62.96	99	-42.76	-78.42
5	Housing	445	22.25	97.9	112.5	23	37	3.37	-62.21
6	AMRUT	100	0	0	3077	0	25.3	-	-
7	Swachh Bharat Mission	457	0	166.5	2030	0	40	-	-75.98

8	National Urban Livelihood Mission	1100	14.4	204.89	709	29.84	57.4	107.22	-71.98
9	Smart City	0	0	0	0	0	0	-	-
10	Housing for All	0	0	0	0	0	0	-	-
	<b>Total</b>	<b>14293.59</b>	<b>647.4</b>	<b>3358.27</b>	<b>10334.5</b>	<b>356.52</b>	<b>372.77</b>	<b>-44.93</b>	<b>-88.90</b>

### PHE (I&FC)

Under PHE Sector, the expenditure for the first two quarters (Q1 & Q2) of the year 2016-17 has been recorded at Rs 11488.61 lakh (9.53%) including CSS Rs 8035.40 lakh (69.94%) and Loan Rs 359.47 Lakh (3.13%) as against Rs 9490.96 lakh (12.41%) including CSS Rs 7126.62 lakh(75.09%) and Loan Rs 636.58 Lakh (6.71%) during the first two quarters (Q1 & Q2) of the year 2015-16. The outlay for these quarters were Rs 120523.12 lakh and Rs 76455.78 lakh for the years 2016-17 and 2015-16 respectively.

Against the target of coverage of 375 habitations during the 2016-17, only 13 habitations have been reported to have been covered ending 2nd quarter of 2016-17. While as the coverage of schools was 32 against the target of 339 schools for the year 2016-17. The population to be benefitted during 2016-17 was targeted at 2.00 lakh souls against which only 15 thousand achievements has been recorded upto 2nd quarter. Nil achievement in respect of number of hand pumps installed has been reported by the department against the target of 672 Nos.

Under major and medium irrigation sector, a target of 3428 hectares was set for the year 2016-17 against which only a potential of 195 hectares has been created upto 2nd quarter of the year 2016-17 while as under minor irrigation sector, 9505 hectares of potential has been created against a target of 25842 hectares.



## Outlook 2017-18

Gross State Domestic Product (GSDP) at constant prices for the year 2011-12 (base year) is estimated at Rs. 77945 crore. The GSDP for the financial year 2015-16 (advance estimates) is of the order of Rs. 91806 crore registering a growth rate of 7.79% over the GSDP of 2014-15 which was Rs 85168 crore. During 2013-14 and 2014-15 the growth rates were registered at 7.33% and (-0.96) % respectively.

The state economy is expected to register growth of 7.65% (projected) during the financial year 2016-17 at constant prices of 2011-12 as compared to growth rate of 7.79% achieved during 2015-16. The projected growth for the year 2017-18 is estimated at 7.79%.

The share of product taxes in total Gross State Value Added (GSVA) at basic price for the year 2014-15 and 2015-16 is 7.89% and 7.69% respectively. The share of product subsidies in total Gross State Value Added (GSVA) at basic price for the year 2014-15 and 2015-16 is 2.80% and 2.71% respectively. The projected trend in share of product taxes and product subsidies for financial years 2016-17 and 2017-18 is given below:-

S. No	Sector	Base year 2011-12	2012-13 (P)	2013-14 (2R)	2014-15 (1R)	2015-16 (A)	2016-17 (Proj)	2017-18 (Proj)
1	<b>Total GSVA at basic prices</b>	<b>74450</b>	<b>76366</b>	<b>81783</b>	<b>81041</b>	<b>87451</b>	<b>94053</b>	<b>101175</b>
2	Product Taxes (+)	5515	6113	6363	6398	6728	7266	7923
3	Product Subsidies (-)	2020	2355	2149	2271	2373	2494	2568
4	<b>GSDP(GSVA + Taxes-Subsidies)</b>	<b>77945</b>	<b>80124</b>	<b>85997</b>	<b>85168</b>	<b>91806</b>	<b>98826</b>	<b>106530</b>
5	Share of Product Taxes in GSVA (%)	7.41	8.00	7.78	7.89	7.69	7.73	7.43
6	Share of Product subsidies in GSVA (%)	2.71	3.08	2.63	2.80	2.71	2.65	2.41

### Per capita income

The per capita income during 2015-16 at constant 2011-12 prices stood at Rs.57858 registering a growth of Rs. 3569 over the per capita income of Rs. 54289 registered in financial year 2014-15. The per capita income during 2015-16 at current prices stood at Rs. 74580 while per capita income during 2014-15 had stood at Rs. 65598 at current Prices. The projected per capita income at current and constant 2011-12 prices for the year 2017-18 have been estimated at Rs. 95361.00 and Rs. 65950.00 respectively

Year	Constant 2011-12 Prices	Current Prices
2011-12	51382	51382
2012-13	51762	56201
2013-14	55496	63202
2014-15	54289	65598
2015-16	57858	74580
2016-17(proj)	61639	84485
2017-18 (proj)	65950	95361

S. No	Sector	Base year 2011-12	2012-13 (P)	2013-14 (2R)	2014-15 (1R)	2015-16 (A)	2016-17 (Proj)	2017-18 (Proj)
1	Agriculture & Allied	13087	12271	13237	11428	13893	15226	16381
		-	(-6.24)	(7.87)	(-13.66)	(21.57)	(9.59)	(7.58)
2	Industry	20561	21142	23191	23615	23710	25147	26719
		-	(2.83)	(9.69)	(1.83)	(0.40)	(6.06)	(6.25)
3	Services	40802	42953	45355	45998	49848	53679	58075
		-	(5.27)	(5.59)	(1.42)	(8.37)	(7.69)	(8.19)
	<b>Total (GSVA)</b>	<b>74450</b>	<b>76366</b>	<b>81783</b>	<b>81041</b>	<b>87451</b>	<b>94053</b>	<b>101175</b>
		-	(2.57)	(7.09)	(-0.91)	(7.91)	(7.55)	(7.57)

*Note: Figures in brackets indicate growth rate (%) over the previous year*

S. No	Sector	Base year 2011-12	2012-13 (P)	2013-14 (2R)	2014-15 (1R)	2015-16 (A)	2016-17 (Proj)	2017-18 (Proj)
1	Agriculture & Allied	13087	15597	18034	18565	21594	25652	30101
		-	(19.18)	(15.62)	(2.94)	(16.32)	(18.79)	(17.34)
2	Industry	20561	21008	22574	24346	26698	29298	32809
		-	(2.17)	(7.45)	(7.85)	(9.66)	(9.74)	(11.98)
3	Services	40802	45885	51951	54870	62332	71049	81680
		-	(12.46)	(13.22)	(5.62)	(13.60)	(14.06)	(14.96)
	<b>Total (GSVA)</b>	<b>74450</b>	<b>82490</b>	<b>92559</b>	<b>97781</b>	<b>110624</b>	<b>125999</b>	<b>144590</b>
		-	(10.80)	(12.21)	(5.64)	(13.13)	(13.90)	(14.75)

*Note: Figures in brackets indicate growth rate (%) over the previous year*

## Agriculture & Allied Sector

At constant 2011-12 prices, agriculture & allied sector is likely to grow at 9.59% in the year 2016-17(projected est.) as compared to negative growth rate (-) 6.24% in 2012-13, 7.87% in 2013-14, (-) 13.66% in 2014-15 and 21.57% in 2015-16. The increase in growth rate of agriculture & allied sector is due to progress & better harvesting in 2015-16 compared to flood affected year of 2014-15 which damaged crops in Kashmir valley.

Among sub sectors crops expects a growth rate of 14.76% while as livestock 2.38%, forestry and logging 2.14% and fishing and aquaculture 0.89% in the year 2016-17. The corresponding figures for these sub sectors for the year 2015-16 (advance est.) were 42.20%, 0.69% 0.42% and 3.05% respectively.

The projected growth rate for the sector for the year 2017-18 is estimated at 7.58%.

S. No	Sector	2011-12 (P)	2012-13 (P)	2013-14 (2R)	2014-15 (1R)	2015-16 (A)	2016-17 (Proj)	2017-18 (Proj)
a	Crops	7989	7124	8046	5740	8162	9367	10392
		-	(-10.83)	(12.94)	(-28.66)	(42.20)	(14.76)	(10.94)
b	Livestock	3431	3415	3441	3915	3942	4036	4117
		-	(-0.47)	(0.76)	(13.78)	(0.69)	(2.38)	(2.01)
c	Forestry and logging	1344	1408	1427	1445	1451	1482	1526
		-	(-4.76)	(1.35)	(1.26)	(0.42)	(2.14)	(2.97)
d	Fishing and aquaculture	323	324	323	328	338	341	346
		-	(-0.31)	(-0.31)	(1.55)	(3.05)	(0.89)	(1.47)
<b>Agriculture, forestry and fishing</b>		<b>13087</b>	<b>12271</b>	<b>13237</b>	<b>11428</b>	<b>13893</b>	<b>15226</b>	<b>16381</b>
		-	<b>(-6.24)</b>	<b>(7.87)</b>	<b>(-13.66)</b>	<b>(21.57)</b>	<b>(9.59)</b>	<b>(7.58)</b>

*Note: Figures in brackets indicate growth rate (%) over the previous year*

## Industry

Industry is likely to grow at 6.06% during the year 2016-17 (projected est) as compared to 2.83% in 2012-13, 9.69% in 2013-14, 1.83% in 2014-15 and 0.40% in the year 2015-16 (A).

Among the sub sectors, mining & quarrying sector expects a growth rate of 19.81%, while as manufacturing 3.92%, construction 2.59% & electricity, gas & water supply 9.75% during 2016-17 (projected est). The corresponding figures for these sub sectors for the year 2015-16 (advanced est.) were 14.59%,(-) 1.57%, 2.00% and (-)0.15% respectively.

The projected growth rate for the sector for the year 2017-18 is estimated at 6.25%.

The following table shows the growth of industry sector by sub sector-wise at constant price (2011- 12):-

S. No.	Sector	2012-13 (P)	2013-14 (2R)	2014-15 (1R)	2015-16 (A)	2016-17 (Proj)	2017-18 (Proj)
1	Mining and quarrying	23.21	52.77	21.62	14.59	19.81	33.61
2	Manufacturing	-6.71	11.35	1.97	-1.57	3.92	4.07
3	Electricity, gas, water supply & other utility services	19.00	7.52	2.74	-0.15	9.75	9.88
4	Construction	-1.59	7.37	-1.26	2.00	2.59	2.66
	<b>Total Industry Sector</b>	<b>2.83</b>	<b>9.69</b>	<b>1.83</b>	<b>0.40</b>	<b>6.06</b>	<b>6.25</b>

### Services sector

Services sector, the major contributor to the state economy, is likely to grow by 7.69% during the current year 2016-17 (projected est) as compared to 5.27% in 2012-13, 5.59% in 2013-14, 1.42% in 2014-15 and 8.37% during the previous year 2015-16 (advance est)

Among the sub sectors, òtrade, repair, hotels and restaurantsö expects a growth rate of 12.36%, òtransport, storage, communication & servicesö related to broadcasting 12.85%, òfinancial servicesö 11.31%, òreal estate, ownership of dwelling & professional servicesö 4.08%, òpublic administration and defenceö 3.24% and òother servicesö 7.00% during 2016-17 (projected est). The corresponding figures for these sub sectors for the year 2015-16 (advanced est.) were 12.39%, 19.26%, 5.50%, 4.97%, 3.24% and 7.68% respectively.

The projected growth rate for the sector for the year 2017-18 is estimated at 8.19%.

The following table shows the growth trend of the sector at constant (2011-12) prices:-

S. No	Sector	2012-13 (P)	2013-14 (2R)	2014-15 (1R)	2015-16 (A)	2016-17 (Proj)	2017-18 (Proj)
1	Trade, repair, hotels and restaurants	12.67	9.99	-9.23	12.39	12.36	13.00
2	Transport, storage, communication & services related to broadcasting	8.49	10.63	20.54	19.26	12.85	14.09
3	Financial services	13.57	14.85	7.51	5.50	11.31	12.00
4	Real estate, ownership of dwelling & professional services	3.61	3.65	-3.02	4.97	4.08	3.00
5	Public administration and defence	0.79	-0.46	-1.54	3.24	3.24	4.06

6	Other services	2.63	6.33	7.00	7.68	7.00	7.06
	<b>Total</b>	<b>5.27</b>	<b>5.59</b>	<b>1.42</b>	<b>8.37</b>	<b>7.69</b>	<b>8.19</b>

### Sectoral contribution in J&K economy

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 17.58% in 2011-12 to 15.89% in 2015-16 (advance estimates) and the share of secondary sector has declined from 27.62% in 2011-12 to 27.11% in 2015-16 (advance estimates), while as the share of services sector has increased from 54.80% in 2011-12 to 57.00% (advance estimates) in 2015-16.

### Sectoral percentage contribution to GSDP at constant (2011-12) prices:-

S. No	Sector	2011-12 (P)	2012-13 (P)	2013-14 (2R)	2014-15 (1R)	2015-16 (A)	2016-17 (proj)	2017-18 (proj)
1	<b>Agriculture, forestry and fishing</b>	<b>17.58</b>	<b>16.07</b>	<b>16.19</b>	<b>14.10</b>	<b>15.89</b>	<b>16.19</b>	<b>16.19</b>
1.1	Crops	10.73	9.33	9.84	7.08	9.33	9.96	10.27
1.2	Livestock	4.61	4.47	4.21	4.83	4.51	4.29	4.07
1.3	Forestry and logging	1.81	1.84	1.74	1.78	1.66	1.58	1.51
1.4	Fishing and aquaculture	0.43	0.42	0.40	0.40	0.39	0.36	0.34
2	Mining and quarrying	0.44	0.53	0.76	0.93	0.99	1.10	1.20
3	Manufacturing	10.71	9.74	10.13	10.42	9.51	9.19	8.89
4	Electricity, gas, water supply & other utility services	8.06	9.35	9.38	9.73	9.00	9.19	9.38
5	Construction	8.41	8.06	8.08	8.06	7.61	7.26	6.93
	<b>Industry</b>	<b>27.62</b>	<b>27.69</b>	<b>28.36</b>	<b>29.14</b>	<b>27.11</b>	<b>26.74</b>	<b>26.41</b>
6	Trade, repair, hotels and restaurants	8.96	9.84	10.11	9.26	9.65	10.08	10.59
7	Transport, storage, communication & services related to broadcasting	6.34	6.71	6.93	8.43	9.31	9.77	10.36
8	Financial services	3.04	3.36	3.61	3.91	3.82	3.96	4.12
9	Real estate, ownership of dwelling & professional services	12.56	12.69	12.28	12.02	11.69	11.31	10.83
10	Public administration and defence	15.14	14.88	13.83	13.74	13.15	12.62	12.21

11	Other services	8.76	8.77	8.71	9.40	9.38	9.33	9.29
	<b>Services</b>	<b>54.80</b>	<b>56.25</b>	<b>55.46</b>	<b>56.76</b>	<b>57.00</b>	<b>57.07</b>	<b>57.40</b>
	<b>Total GSVA at basic prices</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Table 17: Comparative growth – J&K state vis-à-vis country**

Year	GSDP		GDP	
	Constant 2011-12 prices	Current prices	Constant 2011-12 prices	Current prices
2012-13	2.80	11.02	5.62	11.88
2013-14	7.33	12.55	6.64	11.54
2014-15	-0.96	5.42	7.24	10.78
2015-16	7.79	13.07	7.60	8.71

**Table 18: GSDP OF J&K State vis-à-vis other neighbouring states**

State	GSDP (2015-16)-(Rs in crore)		Growth GDP/GSDP (2015-16)	
	Constant 2011-12 prices	Current prices	Constant 2011-12 prices	Current prices
J&K	91806	116102	7.79	13.07
Himachal	95929	110511	7.72	9.30
Punjab	331940	408815	5.96	11.09
Uttarakhand	154626	185753	7.65	12.63
Haryana	396643	492657	8.20	11.50
*Chatisgarh	193294	236318	6.78	14.28
All India (GDP)	11350962	13567192	7.60	8.71

\* figures pertain to 2014-15

**Table 19: Per capita income (NSDP) of J&K state vis-à-vis other neighbouring states**

State	2014-15 (Fig. in rupees)		2015-16 (Fig. in rupees)		Growth (2015-16) over previous year	
	Constant 2011-12 prices	Current prices	Constant 2011-12 prices	Current prices	Constant 2011-12 prices	Current prices
J&K	54289	65598	57858	74580	6.57	13.69
Himachal Pradesh	105269	124500	111977	130067	6.37	4.47
Punjab	96638	114561	101498	126063	5.03	10.04
Uttarakhand	116557	134784	128286	154818	10.06	14.86
Haryana	124092	150260	132251	165204	6.57	9.95
All India	72889	86879	77431	93231	6.23	7.31



# B Sectoral Review

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- **Administrative**
  - **Social**
    - **Infrastructure**
      - **Development**
        - **Financial**

## **Administrative**

### **General Administration Department**

The business of the Government of Jammu and Kashmir is transacted in accordance with the Jammu and Kashmir Business Rules. The Council of Ministers headed by the Honøble Chief Minister is the highest executive authority of the State under the Constitution. Each Minister is Incharge of one or more Administrative Departments. At the Secretariat level, the business of the Government is transacted through various Departments, each one or more Department headed by an Administrative Secretary.

The **General Administration Department** by virtue of its duties is the nerve center of the administration. The Department functions under the supervision and guidance of the Honøble Chief Minister, who is also Minister Incharge of the General Administration Department and also under the guidance of the Chief Secretary. The Department is headed by an Administrative Secretary, who happens to be of the rank of Secretary and above. At present, the Department is headed by Commissioner/Secretary.

In terms of Rule 4 (i) of the Business Rules, following subjects are assigned to the General Administration Department.

- (i) All India Services;
- (ii) Coordination of working of different Departments of Government;
- (iii) Cabinet work;
- (iv) Services Selection Board;



- (v) Personnel administration;
- (vi) Public Service Commission;
- (vii) Secretariat administration;
- (viii) Vigilance Organization; &
- (ix) IMPA.

The Department plays a lead role in formulation of policies for smooth functioning of the Departments. It monitors and coordinates their working. For better appreciation of the cases involving policy decisions relating to various Departments, the matters are placed before the Apex Committee called Establishment-cum-Selection Committee for advice/guidance. The Committee is headed by the Chief Secretary with senior most officers as its Members. The cases after thorough examination at different levels are submitted for orders of the Competent Authority as provided under rules. However, depending upon the delegation of powers, the cases are submitted to the Commissioner/Secretary, the Chief Secretary, the Honøble Chief Minister or the Cabinet, as the case may be. The cases listed in Schedule í .. of the J&K Government Business Rules are submitted to H.E. the Governor by the Honøble Chief Minister.

The Administrative Secretary of the Department is assisted by a team of officers of the rank of Special Secretary/Additional Secretary/Deputy Secretary and Under Secretaries.

Down-below the Under Secretary there is an established non-gazetted administrative hierarchy headed by the Section Officer. The procedures for dealing with the cases and the functions of the non-gazetted staff have been defined in Secretariat Manual. As per the Secretariat Manual, the Section Officer is empowered to dispose of certain issued at his own level or seek information from the concerned offices which he feels would be relevant for decision making.

With a view to dealing with the different issues pertaining to the General Administration Department, different Sections have been set up. The brief description is as under :-

#### **1. Services Section**

The Section is headed by an officer of the rank of Special Secretary/Additional Secretary. The issues relating to IAS/KAS are being dealt with by the Section. These include the personnel matters like appointments, promotions, trainings, settlement of service benefits etc. Further, the Section regulates the appointment of officers to various feeding Services to the KAS. The Administrative Secretary of the General Administration Department or his representative not below the rank of Additional Secretary represents the Chief Secretary in the Departmental Promotion Committees in the

Public Service Commission. The valuable assistance is provided to the DPC/PSC in finalizing the promotions in accordance with the rules.

The Section also deals with the services like Under Secretaries, Administrative Officers, Private Secretaries of Secretariat/HODs.

There is also a Common Pool of Officers. Appointment to the Common Pool is made from amongst the Heads of the Departments other than IAS, IPS, IFS and KAS. This Common Pool is also managed by the Services Section.

The issues pertaining to the Services as broadly defined above are placed before the Establishment-cum-Selection Committee for advice in case it is so required.

## **2. Vigilance Section**

The General Administration Department is the Administrative Department of the Vigilance Organization also. The Vigilance Section in the GAD deals with the cases where vigilance organization has taken action against any officer(s)/official(s) under prevention of corruption Act. The role of this section is to obtain approval of the competent authority for accord of sanction to the prosecution against an official involved in corruption case. The vigilance section also gives clearances from corruption angle for promotion of the officers.

Besides the Services and Vigilance Sections, there is a **General Administration Branch** which deals with the following subjects:

- a. Cabinet/Coordination
- b. Administration
- c. Establishment
- d. Planning & Statistics.
- e. Monitoring
- f. Legal Section

This Branch is headed by an officer of the rank of Additional Secretary/Special Secretary.

## **3. Cabinet Section/Co-ordination Section**

In terms of Rule 8 of the Jammu and Kashmir Government Business Rules, all the cases referred to in the Second Schedule shall be brought before the Cabinet.

Similarly, in terms of Rule 31 (2) of the Jammu and Kashmir Government Business Rules, the classes of the cases listed in the third schedule shall be submitted to the Chief Minister through Chief Secretary before the issue of the orders by the Administrative Departments.

The Administrative Departments submit the cases contained in the second schedule and the third schedule of the Jammu and Kashmir Business Rules to the General Administration Department for orders of the Cabinet/Chief Minister, as the case may be. These cases are examined in the Cabinet/Coordination Section of the General Administration Department and subsequently processed for orders of the Competent Authority.

#### **4. Administration Section**

General Administration Department receives communications from different Departments of the State Government and the Government of India on varied issues. These include the opinion cases from different Departments, policy formulation like Recruitment etc. conferment of awards, visit of VVIPs, contractual appointments, inter-departmental transfers, foreign visits, inter-departmental deputations and the cases of freedom fighters etc. Cabinet formation, amendments in Business Rules and other issues of general nature not specifically otherwise defined are also being dealt with by GAD. The Administration Section of the GAD deals with the above issues. It also attends to day to day administrative matters of urgent nature. This Section has, rather, a supervisory role over all the Departments functioning in the Secretariat and outside the Secretariat.

The representative of the GAD not below the rank of Under Secretary also attends various meetings of various Standing Committees where valuable assistance is provided to the Departments on the rules and procedures.

#### **5. Legal Section**

There is a full-fledged Legal Section in the General Administration Department which deals with the legal issues like providing of opinion/advice on legal matters pertaining to the GAD and also on the issues referred to by various Departments. The Section attends to the litigation in the cases where either GAD is directly involved or where the Chief Secretary has been arrayed as a respondent. The Section also provides advice on the policy formulation of the Government which become subject matter of litigation before any Competent Court of the Country.

#### **6. Establishment Section**

This section deals with the non-Gazetted cadre management of the employees of different Departments of the secretariat. The section also deals with the issues of providing necessary staff to different Honorable Ministers.

#### **7. Monitoring Section**

This Section deals with the cases of the compassionate appointments of Militancy related violence, monitors the functioning of SSB/PSC. This section also deals with the

implementation of reservation policy in the State.

## **8. Planning and Statistics Section**

This section deals with the collection of data which may be required for framing policies by the Government. During the Legislative Session the Section plays a coordinating role in collecting information from different Departments for preparing replies to the Questions raised by Honøble Members.

## **Home Department**

The Home Department is the Administrative Department of Police, Prisons, Fire & Emergency Services, Sainik Welfare and Defence Labour Procurement Departments. The Department functions under the supervision and guidance of the Honøble Chief Minister (Minister in-charge, Home Department)

The Home Department is the Administrative Department of Police, Prisons, Fire & Emergency Services, Sainik Welfare and Defence Labour Procurement Departments. The Department functions under the supervision and guidance of the Honøble Chief Minister (Minister in-charge, Home Department) and the Administrative Secretary of Home Department.

Departments under the administrative control of Home Department:-

1. J&K Police Department and its sub-departments Criminal Investigation Department, Home Guards/Civil Defence, Traffic, Crime Branch, Forensic Science Laboratory, Railway Police, Prosecution and J&K Police Housing Corporation;
2. Fire & Emergency Services Department;
3. Prisons Department;
4. Defence Labour Procurement Department; &
5. Sainik Welfare Department;

## **Subjects assigned to Home Department**

The Home Department deals with the following subjects:-

- Service matters pertaining to IPS.
- Cadre management of J&K Police Gazetted Service, Gazetted Services of Prisons, Fire & Emergency Services, Sainik Welfare and Defence Labour Procurement Services.
- Policy Matters pertaining to these Departments.
- Internal Security, crime, law and order.

- Prosecutions and detention under PSA and other laws.
- Civil Military Liaison.
- Liaison with the Ministry of Home Affairs, Government of India.
- Issuing of 'No Objection' for grant of visa, extension of visa and grant of 'No Objection to Return to India' (NORI).
- Ex- gratia relief, rehabilitation and compassionate appointments under SRO-43 pertaining to the departments under its administrative control.
- Issues relating to requisition and acquisition of land.

### ***Issues and Initiatives***

#### ➤ **Cost of Investigation**

The Police Stations are the primary interface with the citizens in a situation of crimes or other difficulties. However, never ever have these Police Stations been provided any specific financial resources to meet the expenditure like petrol, stationary etc. for investigation of crimes. This has often resulted in the perception of police station and its personnel being corrupt. In this context, Rs. 1.00 lac each to begin with in favour of all 193 Police Stations of the State were allocated as "Cost of Investigation". Having the legitimate financial resource will certainly uplift the image of police stations in the minds of common masses.

#### ➤ **Living conditions of Police Jawans**

Police Jawans live in bad conditions due to the fact that while their number have increased but the commensurate infrastructure has not been built. The most serious aspect is the absence of adequate number of toilets in Police Lines and Police Stations. To ensure adequate number of washrooms for Jawans, a sum of Rs. 2 crore for the purpose were provided. The more money will be provided based on the progress made in this regard.

#### ➤ **High Technology Security**

The Jammu and Kashmir police have over a period of time turned itself into an important force in fighting militancy and crime. Modernisation of Police Force has been undertaken in the recent times to enhance the capacity of the Police Force. To give a boost to these efforts, an allocation of Rs.500 crores will be spent on High Security Capacity Building over a period of three years. The money will be spent on technical upgradation including extensive installation of CCTV cameras.

## **Law Department**

The Law and Parliamentary Affairs Department performs multifarious functions which are related to legal, administrative and the dispensation of administration of justice in the State.

The main functions of the department are:

### **i) Legal Affairs**

Files relating to legal opinion received from different Government Departments, Corporations and other Public Sector Undertakings are examined and legal opinion / advice tendered. Recommendations of various committees, commissions are also examined and agreement/ deeds executed by the State Government with different organizations/ bodies / companies etc. are drafted.

### **ii) Legislative Affairs**

All proposal for drafting any Bill, Ordinance and vetting of rules, notifications, regulations are handled by this branch. It monitors passage of every Bill and Ordinance including introduction, printing, proof reading, obtaining assent of the Governor.

### **iii) Parliamentary Affairs**

Being the Administrative Department of the State Legislature, this department deals with all matters relating to the State legislature including summoning and prorogation of the sessions and grant of housing / car advances in favour of Members of State legislature. The Salaries, Allowances, pensions and other privileges of the member of the State Legislature / Ex-Legislators are also within the administrative domain of this department.

### **iv) Judicial Affairs / Litigation**

Being the administrative department of State Judiciary, all matters relating to High court and Subordinate Judiciary are being dealt by Law Department. The matters relating to State Legal Services Authority, holding of Lok Adalats, providing of legal aid is also being monitored by this department. It also exclusively deals with all court cases involving interest of the State Government right from the lowest court to the Apex Court. Engagement of Lawyers, Standing Counsels, Public Prosecutors and Notaries, examination of the proposals to file appeals, revisions including appeal against acquittal and Special Leave Petitions are the main functions of the Branch.

### **Functioning of Law Department**

The Law Department performs the following functions of legal and administrative nature:-

- a. To examine various issues received from different Departments of the Government/Corporations and to tender legal advice to the concerned Departments.

- b. to examine legislative proposals and to draft the same which include Bills, Ordinances, Notifications, rules and Regulations etc.
- c. To draft agreements/deeds to be executed by the State Government with different Organizations / Bodies / Companies etc.
- d. To administer affairs of the two Houses of the State legislature including summoning and prorogation of the sessions and grant housing/car advances in favour of the Honøble members of the State legislature. The salaries, allowances, pension and other privileges of the Members of the State Legislature/Ex-Legislators are also within the administrative domain of this Department, which are being reviewed from time to time.
- e. To make all necessary arrangements for conduct of cases in different courts in which the State or any of its Departments/functionaries is a party.
- f. Standing Counsels for various Departments are also appointed by this Department so that timely advice/legal assistance is provided to the Departments for proper conduct of cases.
- g. examination of the cases for filing of appeals, reviews and revisions and SLPs before the competent courts.
- h. To appoint Notaries in different Courts and to confer powers of executive magistrates on various officers of the State Administration on the recommendations of Divisional Commissioners/ District Magistrates.

The Law Department is the Administrative Department for the:-

- High Court and Subordinate Judiciary.
- Advocate Generalø Organization.
- State Legislature.
- State Legal Services Authority
- State Human Rights Commission.
- State Accountability Commission.
- Motor Accidents Claims Tribunals.
- Industrial/Labour Tribunal.
- Directorates of Litigation Jammu / Srinagar
- Directorate of Urdu Coordination Cell.

## **Finance Department**

The Finance Department by virtue of its duties is the nerve center of the administration of its subordinate offices / directorates. The Department functions under the supervision and guidance of the Hon'ble Minister for Finance, and the Administrative Secretary of Finance Department, who at present is of the rank of Commissioner Secretary to Government.

### **As per Jammu & Kashmir Business Rules**

- The Finance Department shall be consulted before the issue of orders upon all proposals which affect the finances of the State.
- The views of the Finance Department shall be brought to the permanent record of the department to which the case belongs and shall form part of the case.
- The Finance Department may by general or special order prescribe cases in which its assent may be presumed to have been given.
- (1)The Finance Minister may call for any papers in case in which any of the matters referred to in rule 10 or rule 34 is involved and the department to whom the request is addressed shall supply the papers.
- (2)On receipt of papers called for under sub-rule (1), the Finance Minister may request that the papers with his note on them shall be submitted to the Cabinet.
- (3)The Finance Department may make rules to govern financial procedure in general in all departments and to regulate the business of the Finance Department and the dealings of other departments with the Finance Department.

With a view to deal with the different issues pertaining to the Finance Department, different Subordinate offices / Directorates within and outside the Secretariat have been set up. These are:

### **Subordinate offices / directorates within the Secretariat**

- Director General Budget
- Director Finance (Ex-officio Spl. Secretary to Government)
- Director Code

### **Subordinate offices / Directorates outside the Secretariat (field offices)**

- Excise Department
- Commercial Taxes Department
- Directorate General of Accounts & Treasuries.



- Directorate General of J&K Fund Organization.
- Directorate General of Audit & Inspections.

The powers and the duties of various functionaries of the Finance Department are:

**Minister for Finance**

- a) Powers are exercised in accordance with the provision of Jammu and Kashmir Government Business Rules.
- b) Represents the department in State Legislature, State Cabinet and any appropriate national/ international forum.

**Administrative Secretary**

- a) Overall head of the department
- b) Executive authority for implementation/enforcement of all the policies, mandate & functions of the department as envisioned by the government.
- c) Directs the formulation of policies related to planning, administration and financial matters in order to achieve the desired objectives of the sector.
- d) Review of the developmental & administrative activities of the line departments.

The Administrative Secretary of the Department is assisted by a team of officers of the rank of Special Secretary/Additional Secretary/Deputy Secretary and Under Secretaries.

The list of rules, regulations, instructions, manual and records is hosted on the website of the Finance Department ([www.jakfinance.nic.in](http://www.jakfinance.nic.in)) & on [www.jkgad.nic.in](http://www.jkgad.nic.in).

The Finance Department administers and monitors the functioning of the following organizations/ agencies/ societies/ boards:

**Director Finance**

The functions of the Director Finance (also called Resources wing) include:

1. To monitor the flow of resources for plan implementation in the State.
2. The flow of resources takes places from different agencies/sources

**Director Code**

The Directorate of codes attends the following matters:

1. Prepares and Updates Financial Rules, Service Rules and other Manuals related to State administration including for Treasury administration.
2. Deals with Opinion cases relating to various issues of personnel administration and

financial administration.

3. Interpretation of various Rules and Regulations.

### **Director General Budget**

Functions of the Directorate of Budget include:

1. Financial Management of the State
2. Budget formulation and execution
3. Public Expenditure policy and allocation
4. Monitoring of own Tax and Non-Tax Revenue
5. Classification of Accounts
6. Contingency Fund of the State
7. All issues relating to Government expenditure
8. **ARM**
  - a. Localized exemption withdrawals
  - b. Liquor regulation and duty restructuring.
9. Overdraft II for Power Purchase
10. Stamps and Registration.
11. Amnesty for non-tax.

The function of the department is to administer and regulate various acts for taxation purposes in the state.

### **Directorate General of Accounts & Treasuries**

The functions of the Directorate of Accounts and Treasuries include:

- Organization training including practical training of the Accountants, administration and placement of State Accounts Service.
- Inspection of Departments to ensure regular and proper maintenance of accounts.
- Laying down of account procedure, providing guidance and day to day improvement.
- Inspection of Treasuries and departmental stores.
- Exercising vigilance to expedite pension cases and ensure reconciliation of departmental figures of expenditure with that booked in the audit Department.
- Periodical review of compliances with audit reports.

### **Organizational Set Up**

- The Sadder Treasuries, Additional Treasuries and District Treasuries are headed by the Senior Scale Officers.
- Additional Treasury Officers of the Junior Scale rank are also posted in District Treasuries and treasuries of Jammu and Srinagar cities.
- Muffassil treasuries/ sub- treasuries are headed by the officers of the rank of Junior Scale Accounts Officers/ Assistant Accounts Officers at Divisional level.
- The control of the treasuries is exercised by Deputy Director, Accounts & Treasuries of the Division under the overall control of Director Accounts & Treasuries.

### **Cash Management**

- Treasuries are charged with the responsibility of payment control for better management of the resources and to keep watch over progress of expenditure against released allotments to DDOs by controlling officers.
- The control is exercised through Budget Control Registers.
- Cash remittance to the treasuries is arranged from the Civil Secretariat treasury almost on daily basis.
- Aggressive enforcement of proper cash management has resulted in discernible improvement in overall functioning of the treasuries. Statements of liabilities of all the treasuries are prepared on daily basis at the close of the day by two Deputy Directors of two divisions and consolidated at the level of Director Accounts & Treasuries.
- The amounts are released on different object heads of expenditure with the approval of Financial Commissioner, Finance keeping in view of the resource position of the State.
- Payments are made strictly on first come first go basis against different object heads of expenditure.
- In the event of mis-match between the available resources and requirements, the payments are prioritized on first come first go basis.

### **Directorate General of Audit & Inspections**

With a view to enforce financial discipline and accountability in the Government departments of the State, Directorate of Audit and inspections was created in the year 1996 Director. Towards achieving the aforesaid objective this Directorate has been undertaking

the following assignments:

- Conducting of Special /Detailed /Snap audit and inspections of the Government offices/ Departments/ Corporations, Autonomous/Statutory bodies and other Government aided institutions.
- Yearly closing of cash books of the Drawing & Disbursing Officers (DDOs) mostly chest holders as on 31st March every year and obtaining of requisite information as per the devised memo for thorough scrutiny at his level.
- Verification of complaints received in the Directorate from various quarters alleging embezzlements, misappropriations and other grave financial irregularities.
- Verification of liability claims of various offices as are being referred by the concerned Administrative Departments/Finance Department.
- Other assignments / enquiries as are assigned to the Finance Department.

On the last day of March every year (closing of financial year) the Directorate is sending Audit and inspection parties to various offices especially to chest holder viz Engineering and Forest Divisions for closing of their cash books to avoid issuance of pre dated treasury and bank cheques after close of financial year in view of the general complaints.

#### **Public Sector Undertakings (PSUs)**

- The PSU Section in the Finance Department does not have overall control on PSUs being under the Administrative Control of various departments viz. I&C, Agriculture, Forest, Transport and Tourism etc.
- State Finance Corporation (SFC) is under the Adm. Control of Finance Department.
- Monitors the working of PSUs in respect of general matters like finalization of accounts with AG etc.
- Total number of PSUs - 19.
- Profit Making PSUs - 07.
- Sick Unit - 12.

#### **Directorate General of J&K Fund Organization.**

The Directorate of J&K Funds Organization came into existence way back in 1980 for maintaining the individual ledge accounts of the General Provident fund subscribers.

## **Planning Development & Monitoring Department**

The Planning Development & Monitoring Department is interdisciplinary in nature and acts as a nodal agency to look after the implementation of planning process in the state. The main objective of the Planning Department is to redress all inter-regional and inter-district imbalances in developmental process and ensure equitable share of all regions/districts in speedy implementation of various developmental programs. The decentralized planning introduced in the state as a part of 'Single Line Administration' ultimately aims at providing an opportunity to the people of the state to decide their destiny for economic development. The department is entrusted with very important assignments which mostly comprise of the formulation of annual plans, five year plans, midterm appraisals, project appraisals, conduct of evaluation studies, preparation of monitoring reports on monthly, quarterly and yearly basis, conduct of district developmental board meetings and maintaining active liaison with the Government of India, especially with the Planning Commission.

The Department functions under the supervision and guidance of the Honorable Chief Minister (Minister in-charge, Planning Development & Monitoring Department)

### **Officers of the Planning Development & Monitoring Department**

- a) Minister of State
- b) Administrative Secretary

The Administrative Secretary of the Department is assisted by a team of officers of the rank of Special Secretary/Additional Secretary/Deputy Secretary and Under Secretaries.

### **Subordinate officer within the Secretariat**

- Director Project Formulation
- Director Area Planning.
- Director Project Monitoring & Evaluation

### **Subordinate offices/Directorates**

- Directorate Economics & Statistics, J&K

In terms of Government Order No:- 207-PD of 2016. Dated:-29-04 ó 2016, the divisions of Planning Development & Monitoring Department and its functions are as under:-

- (i) Development Strategy
- (ii) Project Formulation
- (iii) Area Planning

- (iv) Project Monitoring & Evaluation
- (v) Coordination

**Mandate and functions**

- i). Workout a comprehensive long term development strategy: . and take steps to address development challenges and concerns in the medium term and short term requirements.
- ii). Finalize a comprehensive Public Expenditure Policy.
- iii) Documentation of best practices: knowledge sharing and dissemination.
- iv) Finalizing capital budget allocations based on discussions with the line departments: allocation/release of funds relating to the Capital Expenditure Budget; mid course review of expenditure.
- v) Implementation of announcements /commitments of the Hon'ble Chief Minister.
- vi) Finalization of allocations in respect of annual District Capex budget; allocation/release of funds relating to the Capital Expenditure Budget.
- vii) Conduct of the meetings of the District Development Boards (DDBs) .
- viii) Implementation of decisions taken by District Development Boards.
- ix) Formulation of DPRs of projects of more than Rs.10 crore.
- x) Empanelment of consultants for preparation of DPRs in respect of projects relating to various sectors.
- xi) Standardisation of type designs and building specifications (by way of specifying norms and working out templates).
- xii) Dealing with cost escalations.
- xiii) Road map for meeting liabilities.
- xiv) Programme Evaluation.
- xv) Direct project monitoring (mega projects) on a regular basis.
- xvi) Oversight and monitoring of projects (above Rs.10 crore)
- xvii) Provision of feed back to line departments.
- xviii) Ensuring mid course correction wherever required.
- xix) Nodal point (support) to Chief Secretary on all issues relating to prestigious projects relating to Railways, development of Highways, IT networks, gas pipelines etc.

- xx) Back stopping support on PRAGATI.
- xxi) Coordination for time bound completion of Centrally Sponsored Schemes (CSS) and mega Flagship programmes.
- xxii) Capacity building efforts - comprehensive plan and strategies for upgradation of available human resource.
- xxiii) Initiatives for institution building and revival.

The Department is keeping an account of all the Centrally Sponsored Schemes especially of the ones where the funding pattern is shared between the State and the Central Government. The Planning Development & Monitoring Department also endeavours to ensure that the State matching share for all the Centrally Sponsored Schemes is provided in full. The Planning Development & Monitoring Department has its Planning Cells in all the developmental departments which look after the implementation and monitoring of the plans of the concerned departments. Besides, it has a good network of Planning Officers who are posted in the districts as Chief Planning Officers and District Statistical & Evaluation officers. They are responsible for the entire planning process at the district level. All this makes the planning process very vibrant and enables the Government to have a reliable database right from the grass root level to the State headquarters, thereby rendering the process of plan formulation, monitoring and its evaluation effective and successful. Moreover, there is a Plan Information and Monitoring Division and a Project Appraisal Division in the Planning Department which also conduct field inspections, appraisals, and evaluation etc. Planning Development & Monitoring Department scrutinizes the schemes, programmes and record its concurrence for accord of Administrative Approvals. Concurrence of Planning Development & Monitoring Department is also indispensable for creation of plan posts.

The Planning Development & Monitoring Department through its Directorate of Economics and Statistics is publishing a series of publications which provide a sound database for the planners, research scholars and the Government. Besides detailed evaluation studies of the works/ programmes executed are conducted by the Directorate and also by its regional and district offices.

## **Social**

### **Health**

Health Sector performance in the State exhibits sustained improvement over the years. Infant Mortality Rate 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 34 in 2014. Total Fertility Rate (TFR) measures the number of children born to a woman during her entire re-productive period, has also come down to 1.7 from 2.3 (2014). The Leprosy and Polio are near elimination. As a result of various interventions taken up under NHM, mother and child health indicators in the State except few, have improved and are relatively better than the national average.

The Bed Capacity of different hospital under GMC Srinagar /Jammu and its associate hospitals in the state, is 12965 comprising of 6967 in Kashmir and 5998 in Jammu regions.

The existing bed capacity of primary and secondary care health institutions is 7882 and that of tertiary care institutions is 5083.

### **Human Resource Development**

There are 4433 Govt. Health institutions at primary, secondary and tertiary levels with 6674 doctors in-position. The doctor patient ratio in our State is 1:1880 as against the recommendations of World Health Organization (WHO) of 1:1000. The doctor patient ratio at the National level is 1:2000.

Besides, 826 sub-centers, 371 New Type Primary Health Centers (NTPHCs) and 87 ISM dispensaries have been sanctioned recently.

Further, 1443 Specialists, **MBBS/AYUSH doctors and 5494 paramedics** have been hired on contract basis under National Health Mission (NHM) respectively.

To ensure the availability of doctors in remote and difficult areas, additional incentives are provided to the doctors serving under NHM @ Rs. 20000/-, Rs.15000/- and Rs. 10000/- per month for category A (inaccessible), B (very difficult) and C (difficult) areas respectively.

### **Patient Load**

The result of continuous efforts made for bringing improvement in the health care delivery is evident from the year wise data on patient load given below:



<b>Table No 1: Year wise Patients load</b>						
<b>S. No</b>	<b>Particulars</b>	<b>Unit</b>	<b>2012-13 (March 2013)</b>	<b>2013-14 (March 2014)</b>	<b>2014-15 (March, 2015)</b>	<b>2015-16 (March, 2016)</b>
1	OPD*	lakh	226.16	259.94	263.54	281.53
2	IPD	lakh	9.93	12.45	10.90	11.34
3	Major Surgeries	lakh	1.18	1.47	1.17	1.32
4	Minor Surgeries	lakh	4.06	4.93	5.48	6.02
5	Institutional Deliveries	%	86.91	83.77	85.10	82.99

*\*OPD patients includes old and new cases, ante-natal check-up, Immunization etc. during a year.*

### **Investment in health sector**

The per capita spending under Plan, Non-plan and Centrally Sponsored Schemes (NHM) is Rs. 1585/-. The total annual financial resources available with the department were Rs. 2060.93 crore during the year (2015-16) as compared to Rs 2154.50 crore in 2014-15.

### **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, is an essential part of the health care services, as it saves life by providing the care immediately.

Our State has 900 ambulances deployed across the State in different health institutions. Most of these ambulances are just for patient transport not even fitted with basic life support (BLS) equipments like; oxygen, suction machine, emergency drugs. These ambulances were earlier being operated without any net-working. The drivers of the ambulances shift the patients without any training on basic life support and in most of the ambulances, doctors/para-medics are not available. A need was felt to network all ambulances of the Govt. institutions through control room so as to monitor and supervise the movement of the ambulances. Accordingly, the department has established two Control Rooms at Jammu and Srinagar with vehicle tracking mechanism system (VTMS) fitted with GPS system mounted on the ambulances connected through the network. Till date, 400 ambulances have been connected through VTMS and are being operated through these control rooms, while as the remaining ambulances are also being covered shortly.

Besides, department is planning to procure 136 Basic Life Support Ambulances (BLSA) under National Highways Accident Relief Service Scheme (NHARSS), for which Rs. 13.46 crore as 1<sup>st</sup> installment has been released by the Ministry of Road Transport & Highways, Govt. of India. These ambulances shall be deployed in the hospitals along the national highways to tackle the eventualities arising due to the frequent road accidents.

## **National Health Mission (Flagship Scheme)**

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 Scheme, MOH&FW, GOI has released Rs. 1689.04 crore and an amount of Rs. 282.25 crore has been provided as State Share to the State Health Society ending March, 2016. Out of total availability of Rs. 1971.29 Crore, an amount of Rs. 1874.01 crore stand utilized ending March, 2016.

## **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 21 District Hospitals, new born stabilization units (NBSUs) in 76 First Referral Units (FRUs) and new born baby corners (NBCCs) in 281 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. 41.43 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 (Ante Natal Care) 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 institutional deliveries recorded during the year 2015-16 was 89.90%. 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 Mortality and Improve Maternal Health

### **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 1.68 lakh in 2015-16.

### **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. During the year 2015-16, 1.60 lakh pregnant women were benefitted under the scheme.

### **Rashtriya Bal Swasthya Karyakaram (RBSK)**

Rasthriya 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 the children (0-18 years) through early detection and free treatment of four diseases viz, Birth Defects, Disease, Deficiencies, Development Delays including Disability.

The Programme aims to cover all the 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 consisting of 2 doctors (AYUSH)(one male & one female), one ANM & one pharmacist and 16 District Early Intervention Centres (DEIC). 234 Mobile Health Teams have been constituted in 117 medical blocks.

During the year 2015-16, 19.84 lakh children were screened under the programme.

### Family Planning

The total fertility rate of the State has come down from 2.2 in 2008 to 1.7 in 2014 as against the national average of 2.3 (2014). 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 2015-16, 451 male sterilization and 12454 female sterilization were conducted.

### Immunization Programme

Immunization of children is one of the important interventions to reduce child mortality and morbidity. Immunization programme launched in the year 1978 is continuing till date to protect the children against seven killer diseases i.e. Tuberculosis, Tetanus, Pertusis, Diphtheria, Poliomyelitis, measles and Hepatitis B.

<i>Immunization achievement during the year 2015-16</i>		
<i>S. No</i>	<i>Item</i>	<i>Physical Achievements</i>
<i>1</i>	<i>DPT 3rd</i>	<i>1900</i>
<i>2</i>	<i>Measles (1st + 2nd)</i>	<i>381767</i>
<i>3</i>	<i>BCG</i>	<i>194150</i>
<i>4</i>	<i>TT (PW) 2nd Booster</i>	<i>179501</i>

### 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. 2.31 lakh pregnant women and 1.94 lakh children were registered under the scheme in the year 2015-16.

### 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 for performing some mandatory activities. The other incentives shall also be continued subject to their performance. So far, 11753 ASHAs have been engaged under National Health Mission.

S. no	State	Estimated Population (2015-16) (Mid Year projected Population based on 2011 census)	Live Births		Mortality Details		Maternal Deaths (Age 15-49 years)	
			Total Reported Live Births		Total reported Infant Deaths		Total Reported Maternal Deaths	
			2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
1	All India	1281923734	20765868	21013822	139934	147095	11386	12815
2	J&K	13238042	193748	190210	361	682	44	49
3	Himachal Pradesh	7146543	94525	92461	1070	1127	38	54
4	Punjab	29078483	405801	390616	1553	1545	293	289
5	Haryana	27223997	513367	495982	4499	8827	127	447
6	Uttarakhand	10731458	156845	147811	546	358	84	54
7	Chhattisgarh	27111103	500557	483669	4757	5005	561	447
8	Delhi	19129936	262900	268115	3479	3227	350	313

Source:- Ministry of Health and Family Welfare(Health Management Information System)

*Prime Minister has announced a scheme to provide financial aid of Rs 6,000 to pregnant women who undergo institutional delivery for hospital admission. The sum is also meant to help with their child's vaccination, as well as nutritional food. The scheme will be floated across 650 districts of the country. The money will be directly transferred to the bank accounts of pregnant women. The scheme is aimed at encouraging institutional deliveries in order to reduce maternal as well as infant mortality.*

#### **Achievements 2014-15 & 2015-16**

- The Department made J&K Medical Supplies Corporation functional and it has started executing its mandate of making procurements (drugs, medicines, equipments etc). This is also in line with the Central Government's guidelines of having a Central Procurement Agency in the Department.*
- The Department has put in place a Free Drugs Policy for the State whereby lists of free drugs, which shall be available at different levels of Health Care Institutions, have been notified. This has been aimed to reduce the out of pocket expenditure for the patients*

visiting peripheral Government Health Institutions.

- The State Government has identified sites for setting up of AIIMS for Kashmir and Jammu Divisions and got inspections done by the Central Government's teams.
- Land for establishing five new Medical Colleges at Anantnag, Baramulla, Doda, Rajouri and Kathua have been identified. The land in respect of three medical colleges stands transferred in favour of H&ME Department, while as, for remaining two colleges, the process of acquiring private land is in the final stage of progress.
- The Ministry of Health & Family Welfare, Government of India has approved establishment of new medical colleges based on existing District Hospitals at Anantnag, Baramulla and Rajouri (for 100 MBBS seats each).
- The Department has switched over from the manual system of licensing and registration of food business operators to on-line mechanism. This shall reduce the manual interface and bring transparency in the system.
- The State Government has secured funding for one of the State Cancer Institutes being set-up at SKIMS Soura and is likely to receive funding for the other Centre at GMC Jammu. Both the Centres have been got sanctioned for a central funding of Rs. 120 crore each.
- The Department has set up Sick New Born Care Units (SNCUs) in 21 District Hospitals and New Born Stabilization Units (NBSUs) in 76 First Referral Units (FRUs). In addition, New Born Baby Corners (NBCCs) in 281 PHCs have been set up. These interventions have been carried out with the view to reducing infant mortality.
- Maternal Health Schemes like Janani Suraksha Yojna (JSY) and Janani Shishu Suraksha Karyakram (JSSK) are being executed successfully with the main focus on promotion of institutional deliveries and reducing the Maternal Mortality Rate (MMR). Incentives are now being transferred on line through Direct Benefit Transfer (DBT) mode.
- The State has implemented the 'Kayakalp' initiative launched by the Ministry of Health & Family Welfare, GoI for ensuring cleanliness at public health institutions. District Hospital Leh has been placed at the first position in this initiative and felicitated by the MoH&FW. District Hospital Udampur was given Commendation award by State award committee during the financial year 2015-16.
- In order to encourage the ASHA workers, 25% of total seats sanctioned for various courses in AMT and ANMT schools of the State have been kept reserved for ASHA workers who have completed five years' service and also possess the requisite qualification.
- Home deliveries in hilly Districts like Doda, Poonch, Rajouri, Ramban, Kishtwar, Leh, Kargil etc. are still high due to difficult terrain and inclement weather conditions. With a view to facilitate pregnant women, **Birth Waiting Rooms** have been constructed in selected

*PHCs of these areas so that pregnant women can come and stay in these Birth waiting rooms, one week before the expected date of delivery. Birth waiting rooms have been constructed so far in 6 PHCs viz. PHC Sawjiyan (Poonch), PHC Dachhan (Kishtwar), PHC Khawas (Rajouri), PHC Malanoo (Doda), PHC Basantgarh (Udhampur) & PHC Shargole (Kargil).*

- *In order to generate real time evidence based budgeting, Gap Assessment Exercise was done in respect of health facilities at different levels. Evidence based budgeting is an innovative activity initiated by National Health Mission, J&K with technical support from Norway India Partnership Initiative (NIPI)-Public Health Foundation of India (PHFI). Gaps revealed through this exercise were projected in the PIP 2015-16 and was approved by the MoH&FW as well.*
- *305 children who needed surgical interventions were referred to tertiary care institutions within/ outside State viz AIIMS, PGIMER Chandigarh etc. for free treatment under NHM.*
- *The State Government has successfully implemented in the shortest possible time the mechanism to rebuild damaged infrastructure of Tertiary Health Care Institutions in and around Srinagar. Around 280 high end equipments received through NDMA at a cost of around Rs. 125 Crore have been installed in Government Medical College, Srinagar, its Associated Hospitals and other institutions in Kashmir Division.*
- *SDH Dooru and SDH Basholi have been selected for upgradation as ‘**Model Hospitals**’ on pilot basis. This has been aimed with a view to strengthen the healthcare services in peripheral areas and can be extended to other districts of the State once successfully implemented. An amount of Rs. 2.50 Crore each has been released for the purpose.*
- *Registration/licensing of Food Business Operators being made online.*
- *The “**Free Drug Policy**”, under which a list of drugs will be provided free of cost to the patients in the health centres of the State has been approved.*

## Education

The spread of education in society is 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 28.49 lakh out of which the enrollment in primary classes is 11.41 lakh, in middle 7.40 lakh, in High / Higher secondary schools 9.68 lakh.

### Towards Universal Literacy

With the planned interventions and sustained efforts, considerable progress has been made in the state in the field of literacy. At the time of independence, the literacy rate of the state was only five per cent. Census 1961 put the

<i>Literacy Rate of J&amp;K State</i>	
<i>Census Year</i>	<i>Literacy Rate</i>
<i>1961</i>	<i>11.03</i>
<i>1971</i>	<i>18.58</i>
<i>1981</i>	<i>26.67</i>
<i>1991</i>	<i>45*</i>
<i>2001</i>	<i>55.52</i>
<i>2011</i>	<i>67.16</i>
<i>*Projection figure as no census was carried out during the period</i>	

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 55.52% to 67.16% in the State as against 64.84% to 74.04% at the national level.

### Gender Gap in Literacy

Gender differential exists both in the rural and the 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. However, due to introduction of various programmes like i) National Programme for Education of Girls at Elementary level (NPEGEL), ii) Establishment of Kasturba Gandhi Balika Vidyalas (KGBVs), iii) Free Text-Books/ Scholarships, iv) Community mobilization, v) Establishment of Women ITIs, vi) Women wings in the existing ITIs, vii) reservation of half of the seats for females in the Medical Colleges and viii) Focus on adult female illiterates under Saakshar Bharat Mission (SBM)



etc. the increasing gap in literacy has put a halt for the first time during 2001-11 when the gender gap got reduced to 20.32%. 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.

The developmental activities of the department are carried over under State Plan / Capex Budget, Centrally Sponsored / Flagship Schemes viz SSA/RMSA/MDM/ SBM. The sharing pattern of the schemes was 75:25 between centre and state upto 2014-15 in case of RMSA, MDM & SBM and 65:35 in case of SSA. It was revised to 90:10 between centre and state for all schemes in November, 2015 for 2015-16 and onwards as a special dispensation granted by the GOI, for Himalayan States which include J&K. The expenditure level stood at Rs 38.61 crore which includes Rs 9.00 crore in the shape of hundi as reported by the School Education Department for the year 2015-16.

As regards physical achievements with respect to completion of works during last three years under State Plan is given hereunder:

S. No	Division	Works completed during 2013-14	Works completed during 2014-15	Works completed in 2015-16
1	Jammu	17	21	34
2	Kashmir	22	28	29
	<b>Total State</b>	<b>39</b>	<b>49</b>	<b>63</b>

### **Sarva Shiksha Abhiyan (SSA)**

The Sarva Shiksha Abhiyan (SSA) is 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 the 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. Upto 2015-16, 19262 Out of School Children (OoSC) have been main-streamed into nearby schools. Rest 39799 of the children proposed to be mainstreamed in different interventions like NRBC level I, II, III, RBC-KGBV, CWSN & residential facility.

For Nomadic population in Seasonal Centers, the progress made during 2014-15 was upto the mark, 28518 children belonging to nomadic group were covered with schooling facility in 1216 Seasonal Centers established during 2015-16. However, during the year 2016-17, 34130 nomadic children are proposed to be covered in 1317 seasonal centers. Ninety seven

residential schools under KGBV for girl students have been opened in economically and educationally backward areas which have an enrollment of 4232.

### **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 5.66% and at Upper Primary level to 4.18%.

### **Quality Education**

The School Education Department has given special focus in providing quality education by taking up following interventions during 2015-16 in addition to what are available in normal programme / SSA and RMSA. The special interventions focused for quality education are discussed hereunder:

#### **CM's Model School Scheme:**

Chief Minister's Model School scheme has been launched in September, 2015 with the objective to provide quality education and set bench marks in the education sector. Development of 144 no. of Model Schools in Ist phase has been notified. These schools are being equipped with infrastructure, soft interventions, trained & motivated faculty and environment conducive to overall personality development of the children. An amount of Rs 6.90 crores has been utilized under Capex Budget 2015-16 for minor Improvement works in the Model Schools. In a short time, 17 HSSs were provided with smart Classroom facilities.

#### **E-learning , ICT/CAL centers through NIELIT, Trainings:**

e-learning is being introduced in a big way in the State. In 2015-16, 440 HSS/HS/MS were taken up for providing facility of Smart Classroom with Computer Lab through NIELIT under RMSA/SSA.

#### **Cluster concept-principal is the academic monitor**

Principals of Higher Sec. Schools have been designated as academic monitor of all schools that act as feeding schools for the Higher Sec. Schools through the cluster approach. A marked difference is sought to be made in quality of academic performance.

#### **Evening /Remedial classes, Super – 50 classes and tuition in schools**

The department started evening classes and remedial classes in schools during 2015-16 particularly for weak students and result whereof speculated in Board Examinations as pass and merit percentage in Govt. Schools substantially improved. A concept is also

introduced as super 50 free winter tutorials during winter vacations for Classes 9th to 12th established in each district in winter zone of the State in the first instance where the students will receive free coaching. The department has also offered infrastructure of education department to the unemployed qualified youth in running coaching centre during winter vacations.

### **Rationalization / consolidation**

Rationalization and consolidation exercise has been under taken in the State to provide quality education to the children, right from Primary Stage. The process commenced on noticing 146 schools had zero enrolments and a large number of Schools had enrollment below 15 and also a large number of Schools have been functioning in rented buildings with in- sufficient accommodation. More than 3500 Schools in the State have been brought under rationalization. This has resulted in availability of surplus teachers numbering about 5500 who have been deployed to other institutions with higher enrollment as also to the schools with Secondary Sections to meet the teaching faculty requirement

### **New Education Policy (at National Level)**

The State has held state wide consultation, right from village level upwards and given valuable suggestions in formulation of the New Education Policy by Ministry of HRD. One of the principal suggestions is to focus on quality rather than access, which has been very well received.

### **SSA/RAA quality intervention**

To improve Early Literacy in Early Grades with focus on **Padhe Bharat Badhe Bharat 80** Master trainers have been trained during 2015-16. The aim of the programme is to promote interest and curiosity in mathematics among class I, II and III children.

Initiatives are being taken to Build scientific temper and develop critical reasoning by focusing on Science and Mathematics at the upper primary level through programmes like Rashtriya Avishkar Abhiyan. Two sets of free uniform have been provided to 1002064 children @ Rs 400/- per child during 2015-16. Free supply of Text books to 695198 children (including BPL, SC, ST, Boys, Girls etc) in Primary & Upper primary school (through BOSE) has been made. 3168 untrained under-graduate teachers have been enrolled for D.E.Ed (Diploma in Elementary Education) through National Institute of Open Schooling (NIOS). 220 computers Aided Learning (CAL) Centers with Smart classroom facilities have been established. To enhance quality education, In-service teacher training was provided to 4757 teachers. MoU with IGNOU for B.Ed. of 5000 untrained graduate teachers is expected to be signed shortly.

## **Initiatives for Girl Education**

### **Swachh Bharat- Swachh Vidyalaya (Construction of girl toilets):**

During 2015-16, all the schools have been provided toilet facilities under Swachh Bharat Swachh Vidyalaya Programme and special focus was given to provide girl toilet in each school in a missionary mode. There was a requirement of 15987 number of toilets in the schools which includes 4699 dys-functional toilets. All the 15987 toilets have been made functional before 15 August, 2015. During 2016-17, separate girls toilets in left over schools shall be constructed. The State's performance has found recognition at the National level with Anantnag district being awarded on the Civil Services day 2016 by the Honorable Prime Minister.

### **Kasturba Gandhi Balika Vidyalaya (KGBV)-residential school for girls of underprivileged classes**

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 as well as monthly incentive of Rs 100 to each girl child. So far 97 KGBVs have been established in Educationally Backward Blocks having an enrollment of 4232 out of which 65 KGBVs are residential.

### **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. 3088 girls students were provided incentive during 2015-16 and coverage of 4000 girl students has been targeted for 2016-17.

### **Rashtriya Madhyamik Shiksha Abhiyan (RMSA)**

The HRD Ministry, GOI devised a secondary education scheme called Rashtriya Madhyamik Shiksha Abhiyan (RMSA) during 11th FYP at a total cost of Rs. 20,120 crore.

Rashtriya Madhyamik Shiksha Abhiyan (RMSA) is aimed at expanding and improving the standards of secondary education ô classes IX 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 Abhiyan (RMSA) is the most recent initiative of Government of India to achieve the goal of universalization of secondary education (USE). The scheme is under implementation in the State since 2009-10.

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.

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.

- b) To remove gender, socio-economic and disability barriers.

- c) To ensure universal access of secondary education by 2017 (GER of 100%) and Universal retention by 2020.

The year wise allocation/ expenditure incurred during last three years under RMSA is given hereunder:

Year	Approved outlay			Opening Balance	Receipts			Expenditure
	Centre Share	State share	Total		GOI	State	Total	
2013-14	16342.73	5447.58	21790.31	16004.85	13578.18	689.00	30272.03	19570.13
2014-15	36325.58	9078.32	45403.9	11629.193	2675.83	3051.47	17356.49	12716.28
2015-16	46238.37	5255.75	51494.12	5257.29	16005.06	16110.86	37373.21	36339.01

**Major Physical Achievements since inception upto 2015-16 as well as during 2015-16 and proposed targets for 2016-17 under RMSA.**

S.No	Item	Physical unit	Achievement during 2015-16	Commulative achievements ending March 2016 since inception	Targets 2016-17
1	Upgradation of MS to HS	Noø	-	636	-
2	Establishment of Smart classroom with computer labs under ICT	Noø	220	220	407

3	Teacher Training	Noø	6881	-	2263
4	Annual Grant to schools	Noø	2342	All HS/HSS are covered	2434
5	Vocational Education in Schools to be started from 2016-17	Noø	220	220	440
6	<b>Civil Works</b>				
i	Construction of Additional building for upgraded schools	Noø	-	234	326
ii	Strengthening of accommodation in existing High / Higher Secondary schools	Noø	-	65	89
iii	Construction of Girls Hostel in EBB blocks	Noø	Work entrusted to PWD, R&B	-	68

It is pertinent to mention here that the initiative was lacking in implementation of approved targets under intervention of ICT, Construction of Girls Hostel, Vocational Education in Secondary/ Senior Secondary Schools, D.E.Ed training for undergraduate untrained teachers and B.Ed training for Graduate teachers upto 2014-15. The Department took effective steps for implementation of all the interventions of RMSA in integrated manner during 2015-16 for achievement of objectives of the programme particularly in checking dropout at secondary / senior secondary level apart from attracting enrollment and providing quality education. Department has made an endeavor to continue its efforts to implement all interventions to the extent that not to speak of achieving targets approved by the GOI but to get additional allocations by performing best at the level of secondary and senior secondary.

### **Mid-Day-Meal Scheme (MDMS)**

National Programme of Nutritional Support to Education (NP-NSPE) known as Mid-Day-Meal Scheme (MDMS) was launched in J&K State in September, 2004 with an objective to give a boost to the universalization of primary education by increasing enrollment, retention and attendance of children in schools apart from improving their nutritional levels. This was extended to upper primary class (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. At primary level 450 grams of calories and 12 grams of proteins and at Upper Primary level 700 grams of calories and 20 grams of proteins are availed by the Children. During 2015-16, 1042550 no. of children availed MDM in 23136 no. of schools and 30648 no. of cook cum helper were engaged under MDM Scheme. 11815 Kitchen-cum-stores have been sanctioned during 2006-07 to 2015-16, out of which 7118 Kitchen-Cum-Stores has been constructed and 22843 Kitchen devices sanctioned by GOI, MHRD during 2006-07 to 2015-16, out of 20266 kitchen devices has been procured.

### **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, have now been 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.

### **Achievements**

- Programme is under implementation in 20 low literacy districts of the State except Jammu and Samba with a target of 14.54 lakh non/neo-literates and project cost of Rs 61.77 crores.
- Funds available 2015-16 (USB only)                      Rs 3.85 crore
- Utilization 2015-16 (USB only)                          Rs 3.73 crore

### **Physical Achievements**

- No of certified learners upto March, 2015                =1.10 lakh
- No. of non literates appeared in basic literacy learner assessment tests during 2015-16 = 2.65 lakh

### **Higher Education**

The Higher Education is one of the most important sectors of development of human resources in social sector. The Department of Higher Education is charged with the responsibility to provide access, equity and quality education above 10+2 level in the State by extending facilities for the opening of the Colleges and Universities. Over the years, the J&K has achieved many milestones in higher education. The number of colleges providing education in 1950-51 was just 07 including 01 Women College. Upto 1999-2000, the number of colleges increased to 33 including 07 women colleges. By the year 2015-16, the number of colleges has increased to 95 including 12 women colleges. Moreover, there are 02 State Universities and 05 Government-Aided Universities functional in the State. 15 Off-sites Campuses of the two State Universities have also been sanctioned out of which

09 campuses have already been made functional. During the last financial year 2015-16, the department has registered following achievements:

### **Rashtriya Uchcharat Shiksha Abhiyan (RUSA)**

Ministry of Human Resource Development has introduced RUSA Scheme during the year 2014-15 and the same has been approved for J&K on 90:10 funding pattern between the Center and the State Governments. The following activities are being undertaken under the scheme:

#### **Establishment of two Cluster Universities at Srinagar and Jammu**

The MHRD, GoI has approved establishment of two Cluster Universities in the State one each at Jammu and Srinagar. An amount of Rs 110.00 Crore (@ Rs 55.00 crore per Cluster University) is the total approved outlay for creation of infrastructure for both the universities. An amount of Rs 15.228 crore has already been released/ utilized ending March, 2016 for creation of infrastructure for these universities. Construction work of both the universities has been initiated and is going on at a good pace.

#### **Infrastructure grant to two State Universities under RUSA**

An amount of Rs 40.00 Crore (@ Rs 20 Crore per university) has been approved for up-gradation of infrastructure of the two State Universities viz University of Jammu and the University of Kashmir. Against which, an amount of Rs 8.50 crore has been released ending March, 2016 to both the universities. Up-gradation works are underway in both the universities.

#### **Establishment of two Engineering College in the State**

MHRD, GoI has approved two new professional colleges to be established as College of Engineering & Technology, (CET) Kathua and College of Engineering and Technology, (CET) Safapora (Ganderbal) under RUSA, against the total approved cost of Rs 26.00 crores per college to be shared between the Central and the State Governments on 90:10 basis. However, all the recurring expenses for running these two colleges is to be funded solely by the State Government. The 1st installment of funds amounting to Rs. 11.70 crore has been released to the executing agency, JKPC for creation of infrastructure for these colleges. The construction work of both the colleges is likely to be started shortly.

#### **Development of existing Colleges to the level of Model Colleges**

Under RUSA, Project Approval Board has approved up-gradation of three existing colleges viz Govt. Degree College, Ganderbal, Govt. Degree Colleges, Shopian and Govt. Degree College, Samba to the level of model Degree Colleges. An amount of Rs 12.00 crore (@Rs 4.00 crore per college) is the total allocation to be shared by the Central and



State Government on 90:10 basis. The Detailed Project Reports have been prepared and got vetted by the Development Commissioner, Works. Administrative approval has also been accorded for these works. 1<sup>st</sup> installment of central assistance amounting to Rs 1.35 crore stand released by the MHRD.

#### **Setting up of Indian Institute of Management (IIM), Jammu**

MHRD, GoI has approved establishment of IIM in the State at Jammu. Forest land measuring 200 acres has been identified at Nagrota-Jammu for creation of infrastructure. Out Campus of IIM-Jammu has been approved to be established in Kashmir and MoHRD has requested State Govt. for providing 200 acres of land near to Srinagar airport. MoU is likely to be signed shortly between Higher Education Department and IIM, Lucknow (In-charge IIM, Jammu). Rs 1000 crore has been approved under Prime Minister's Development Package for establishment of this institution.

#### **Setting up of Indian Institute of Technology (IIT) Jammu.**

MHRD, GoI has approved establishment of IIT in the State at Nagrota Jammu. 159 hectares of forest land has been allowed for establishment of institution against compensation of Rs 20.04 crore. MoU is expected to be signed shortly between Higher Education Department and MHRD through IIT, Delhi (In-charge IIT, Jammu). Rs 1000 crore has been approved under Prime Minister's Development Package (PMDP) for establishment of the institution.

#### **Education through ICT**

Under National Mission on Education through ICT, broad band connectivity is being installed in all the colleges to connect them to National knowledge network.

#### **Assessment and Accreditation of colleges**

The institutions of higher education are regularly being evaluated by the National Assessment and Accreditation Council to establish quality in term of performance related to education outcomes. Presently 9 Government Degree Colleges of the state have been accredited with A Grade and 4 colleges with B Grade by the NAAC. Further 44 colleges have submitted letter of intent (LOI) for NAAC accreditation.

#### **Capex Budget 2014-15 & 2015-16**

Against the Revised Capex Budget Outlay of Rs 182.46 crores approved for the financial year 2014-15, an amount of Rs 148.77 crore was utilized during the same year. Moreover, an amount of Rs 136.38 crore was the Revised Capex Budget for the financial year 2015-16 against which, an amount of Rs 135.82 crore has been utilized during the same period.

### Development of New degree colleges

The building of 29 new degree colleges are under construction in the Higher Education Department. Efforts have been made to speed up the pace of works in all these colleges. Out of colleges, the construction work of GDC Chari-sharif and GDC Sumbal stand completed during the current financial year 2015-16.

### Setting up of Indian institute of Mass Communication (IIMC), Jammu

MHRD, GoI has approved establishment of Regional Branch of Indian Institute of Mass Communication IIMC at Jammu. Higher Education Department has been nominated as Nodal Department for providing administrative/ logistic support to the institution. Land measuring 122 Kanals (State 51K, Forest 37K-18M and JDA 35K) has been demarcated and possession has been handed over to the IIMC authorities against compensation of Rs 124.46 lakh.

### Autonomous Status to Colleges

Two Colleges have been accorded autonomous status by UGC viz. Government College for Women, Parade, Jammu and Islamia College of Science & Commerce, Srinagar.

### Heritage status to Colleges

Two Colleges have been accorded heritage status by the University Grants Commission viz G.G.M. Science College, Jammu and S.P. College, Srinagar.

### Status of Community Colleges

Govt. College for Women, Parade, Jammu has been accorded the status of community College by the University Grants Commission.

### Introduction of new/ additional subjects in Govt. Degree Colleges of the State

The Department has decided to introduce the following subjects in Govt. Degree Colleges as shown against each:

S. No.	Name of the College	Subject/Stream
1.	Govt. Degree College for Boys, Anantnag.	P.G. Course in Mathematics and English
2.	Govt. Degree College, Dooru	Commerce Stream
3.	Govt. Degree College, Ramnagar	History
4.	Govt. Degree College, Kishtwar.	History
5.	Govt. Degree College, Kargil.	Sociology
6.	Govt. Degree College, Nowshera	Sciences, Math

### **Setting up of facilitation centres for registration of students under Prime Minister's Special Scholarship Scheme**

The Department has set up 37 facilitation Centers in the Colleges (19 in Kashmir Division and 18 in Jammu Division) for facilitation of the students of the State (pursuing studies outside the State) for registration under Prime Minister's Special Scholarship Scheme.

### **Release of Funds for Scholarships**

The Department has released an amount of Rs. 3 lakh (Rs. 1.5 lakh under National merit Scholarship and Rs.1.5 lakh under Non-Hindi Speaking Scholarship Scheme) through DBT Scheme in favour of the 52 eligible students pursuing studies in the Government Degree Colleges/ Universities in the state.

### **Setting up of Centre Excellence in Reconfigurable Computing and System on Chip, Design for Electronics Research**

It has been decided to set up Centre of Excellence in Reconfigurable computing and system on Chip, Design for electronics research at Shri Mata Vaishno Devi University Katra, Baba Ghulam Shah Badshah University Rajouri, Electronics and Physics Department University of Jammu, Islamic University of Science and Technology, Awantipora, Kashmir for which provision of 80 crore is proposed in the Finance Department Bill 2016-17.

### **Introduction of Semester System, Choice based Credit System (CBCS)**

Semester System has been introduced in the Govt. Degree Colleges of both the Division. CBCS has been introduced at the post Graduate level in the State universities and preparation to introduce the system in Govt. Degree Colleges from 2016 is underway.

### **Vocationalization**

Under RUSA, an amount of Rs 7.47 crore has been approved for introduction of vocational courses in 20 degree colleges of the State. The identification of courses to be taken up has been done. The implementation of the component is being taken up by partnering with National Skill Development Corporation (NSDC), memorandum of understanding (MOU) in this regard is expected to be signed shortly.

### **Education through ICT**

Under National Mission on Education through ICT, broadband connectivity has been installed in many colleges to connect them to National Knowledge Network.

### Fiscal autonomy to Universities

A significant decision aimed at granting financial autonomy to the state's Universities to ensure efficient utilization of resources has been taken. The Universities shall decide about the amount of tuition fees, besides they retain all internally generated resources through paid courses, collection of fees and forms, etc. The Universities have freedom to generate and retain funding from sources other than the government and to allocate them independently. While the management of financial issues would be left in the hands of the University or its various bodies, the Government in Finance Department shall focus on establishing broad guidelines and policy issues. The Universities shall have to review and put in place a robust accountability mechanism.

### 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 7: Details of Polytechnics colleges</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 8: Details of ITIs</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
<b>Total intake capacity</b>	<b>19452</b>

### **Establishment of Skill Development Mission**

Skill Development Mission has been constituted under the Chairmanship of Honøble Chief Minister to achieve the objectives and managing the skill based enterprises in the state. The Mission will provide broad based policy guidelines to be implemented in the state through Technical Education Department which will co-ordinate with other concerned deptts, institutions and autonomous bodies etc.

### **Polytechnic Sector**

1. Out of 18 Newly established Polytechnics, 04 Polytechnics at Budgam, Kulgam, Anantnag and Kathua, shifted to own buildings, construction work for rest of the buildings is going on.
2. Intake capacity enhanced by 3308 seats.
3. 4713 persons have been trained under various schemes viz. Continuing Education, Community Development through Polytechnics.
4. 350 physically disabled persons have been imparted training in various long and short-term courses.
5. A number of 1080 students have completed their Diploma courses in various Polytechnics of the State during 2015.
6. Apprenticeship training programme arranged for almost 70% pass out diploma students.
7. Process of introduction of modern courses in place of obsolete ones initiated.

### **ITI Sector**

#### **1. Establishment of Regional Vocational Training Institute (RVTI)**

The RVTI for Women is being set up by the Ministry of Skill Development and Entrepreneurship, GOI at Jammu. The land measuring 50 Kanals has been identified at village Arazi Tehsil & District Samba for establishment of permanent campus of the institute.

#### **2. Establishment of Skill Development Centre by CIPET at Srinagar**

The Skill Development Centre is being established through the CIPET by the Ministry of Chemicals & Fertilizers, GOI. It has been decided that the site identified by the Department of Technical Education for the extension of ITI Srinagar in Zainakote Srinagar shall be utilized for the purpose. A piece of land measuring 15 Kanals out of the land acquired by the department shall be provided for the purpose. The total cost of the project will be shared between state and centre on 50:50 basis.

### **3. Heritage Craft Courses**

Heritage Craft courses viz. Wood Carving Skills, Shawl Weaving Embroidery, Paper Machie, Carpet Weaving, Basohli Shawl Weaving, Basohli Paining, Traditional Phulkari Arts have been introduced in 13 Polytechnics and ITIs of the State for the first time.

### **4. Training in short-term courses**

Training in Short term courses in convergence with the other departments have been conducted in the various ITIs of the State.

### **5. Up-gradation of Govt. ITIs through Public Private Partnership.**

- 34 ITIs have been covered under the Scheme.
- Revenue to the tune of Rs. 1.48 crores has been generated under the Scheme.
- 24 workshop blocks stand completed at ITI Udampur, Samba, Kathua, Budgam, Pulwama. Ganderbal, Reasi, Bandipora, Kulgam, Chari-sharief, Sopore, Poonch, Sunderbani, Mendhar, Leh, Tral, Shopian, Pattan, Handwara, Bhadu/Billawar, Bhaderwah, Lalpora, Rohama and Kargil and the remaining 10 workshops are in the process of completion.
- Out of 98 trade units proposed for upgradation, 85 trade units have been upgraded and out of 128 trade units proposed for introduction, 95 trade units have been introduced in the respective ITIs.
- The intake capacity has increased by 2699 seats by introduction of new trade units under the scheme with the result the intake capacity has been increased by 2699 seats
- NHPC and JKPDC have been involved as major industry partners for management of 11 ITIs so that the training is provided as per their requirements leading to the major absorptions of ITI Graduates in their upcoming power projects in the State.

### **6. Vocational Training Improvement Project (VTIP)**

- ITI Srinagar and ITI Jammu developed as CoEs in Automobile Sector.
- ITI Anantnag has been developed as CoE in Electrical Sector.
- 28 New trade units have been introduced and 69 trade units upgraded under the scheme which lead to increase of 757 seats in the ITI Sector under the scheme.

### **7. Prime Ministers Reconstruction Plan Phase-II**

5 ITIs have been established under the Scheme at Hajin, Gurez, Banihal, Nowshera and Bani. A number of 25 trade units have been introduced under the scheme which increased a seating capacity of 600 trainees in the ITI Sector.

## **8. Skill Development Initiative Scheme**

Around 317 VTPs stand registered under Skill Development Initiative Scheme and a number of 30,560 persons have been trained in the MES courses under the scheme.

## **9. Introduction of Tourism related Trades.**

Hospitality/Tourism Courses have been proposed to be established at ITI Jammu, Kishtwar, Udhampur, Srinagar, Anantnag and Baramulla with three trades/courses each with the financial assistance of Ministry of Tourism, GOI. The civil structure at all the places has been completed. An intake of 468 seats will increase in the ITI Sector under the scheme.

## **10. Establishment of ITIs under State Plan**

One ITI at Khuri Batapora in district Kulgam has been established with 8 trade units which increased an intake of 188 seats in the ITI Sector.

## **11. Introduction of Lateral Entry System**

The lateral Entry System which is in vogue in the Country, has been introduced in the Department for the first time.

## **12. Rationalization/Diversification**

Process of Rationalization/Diversification of the Trades as per the timely requirement of the market have been initiated considering the better employment opportunities for the youth.

## **13. Placement Details**

- 30 recently pass out students of K. G. Polytechnic have got placement in various establishments.
- 960 ITI Graduates have been placed in both Government and Private Sector under Public Private Partnership Scheme.
- More than 2000 pass out candidates have been placed by reputed companies under VTIP Scheme.
- A number of 3831 candidates have been placed and provided wage employment under the SDI Scheme.
- 337 placement letters have been awarded to the passed out trainees in the private sector by the Honøble Chief Minister during Mega Job Fest held on 09-09-2015 also under SDI Scheme.

## **Physical Education Sector**

### **Youth Service & Sports**

- The department has broadened the canvass of activities from 17 discipline/activities to 44 disciplines/activities during the current financial year and department is participating in 44 events at National level.
- The department hosted 61<sup>st</sup> National School Games, Football under age group of 19 years boys at Srinagar during the year 2015-16
- The Department had privilege to host 61st National School Games Cricket under the age group of 17 years Girls w.e.f 28th November, 2015 at Jammu,
- The Department hosted National Level Women's competition Girls in the discipline of Badminton, Table Tennis and Athletics under Rajiv Gandhi Khel Abhayan (RGKA).
- The department has taken initiatives of introducing the water and winter sports in the annual calendar of 2015-16 and held the activities at State level.
- More than 2 lakh students participated in the different activities during the current year 2015-16.

### **Infrastructure**

That the department plans to undertake the Construction of Block Level Sports Complexes (BLEC) under RKGGA in 143 Blocks in a phased manner in 05 years at the cost of Rs. 1.60 crore (Rs. 80.00 lakh for outdoor & Rs. 80.00 lakh for Indoor Complex) at least on 08 acres at Block Level, at 80:20 funding pattern (Central/State share).

### **State Sports Council**

1. A State Sports Policy has been formulated and shall be notified to boost the sports environment in the State and prepare the youth for National and International sports.
2. Development of Sports Infrastructure in the J&K State under Special Package for an amount of Rs.200.00 Crore envisages;
  - construction of Multipurpose Indoor Halls at 12 places viz Raj Pora, (Pulwama) Tral (Pulwama) Koimoh,(Kulgam) Handwara (Kupwara) Pattan (Baramulla) Anantnag (Anantnag) Soibugh (Budgam), Leh (Leh) Kargil (Kargil) Samba (Samba) Kotranka (Rajouri) and Billwar (Kathua) for construction of Indoor Halls. The estimated cost of each indoor hall is Rs.4.00 Crore.
  - Up-gradation of Existing Stadia at Poonch & Rajouri @ Rs. 2.00 Crore per Stadium.
  - Up-gradation of Bakshi Stadium at Srinagar and M.A.M Stadium at Jammu with International specifications
  - Development of Hockey Track field at Polo Ground



➤ Srinagar and M.A.M Stadium Jammu.

**A) Sports Activities**

1. Coaching facilities in different sports disciplines to the student & non-student youth have been provided to 60,000 budding youth upto ending Nov. 2015 at various District headquarters namely Srinagar, Budgam, Pulwama, Anantnag, Baramulla, Jammu, Udhampur, Kathua, Poonch & Rajouri.
2. Residential coaching camps in Boxing, Handball, Fencing, Football, Hockey, Ball Badminton Athletic, Volleyball, Carrom, Badminton, Cycling, Judo, Kabaddi, Sports Climbing, Table Tennis, Thang-Ta, Wushu, Baseball & Rugby were held in capital cities in preparation of State teams for participation in Zonal/National level Competitions upto ending Nov. 2015.
3. State teams in various sports disciplines represented J&K in National/Zonal level Competitions & earned 38 Gold 38 Silver & 26 Bronze medals upto ending Nov. 2015.
4. 7 State Subjects of J&K represented Country in International Competitions upto ending Nov. 2015 in the disciplines of Roller Skating, Powerlifting, Baseball, Thang-Ta & Fencing.
5. District & State level Competitions were organized by recognized State Sports Associations which registered about 55,000 participation of youth.
6. 41<sup>st</sup> boys & 32<sup>nd</sup> girls Sub-Junior National Chess Championship held at Jammu during 2015-16.
  - i) 5<sup>th</sup> Sub-Junior Boys National Hockey Championship held at Jammu during 2015-16.
  - ii) The J&K State bagged Gold Medal in Cricket U-17 yrs girls hosted by J&K State. The J&K State bagged 01 Gold, 02 Bronze Medals and overall (3<sup>rd</sup> place) Championship Trophy in Speed Ball held at Chhattisgarh.
  - iii) The J&K State also bagged Bronze Medal in Football U-14 yrs boys held at Chhattisgarh.

**B) Achievements in creation of Sports Infrastructure in the State**

Constructions of pavilions at following outdoor Stadia have been taken óup and are nearing completions.

- 1) Turf for football at T.R.C Srinagar has been laid.
- 2) Swimming Pool at M. A Stadium, Jammu has recently been renovated and construction of Swimming Pool at Gindun, Rajbagh, Srinagar has been taken óup for construction.
- 3) Construction of 11 Pavilions at different outdoor stadia have been takenup during 2015-16 and are near completion.

## Women Empowerment & Child Development

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. The various initiatives taken by State/Central Government 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.

### 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 is very unfavorable to the women of the State. The sex-ratio as per census 2011 is 889 which is a matter of great concern and needs to be addressed on priority.

	2001 Census	2011
<i>India</i>	933	940
<i>J&amp;K</i>	892	889

### 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 11.64% in the last decade i.e. from 55.52% in 2001 Census to 67.16% in the 2011 Census. While female literacy has increased from 43% in 2001 Census to 56.43% 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 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 third 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 undergoing 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:

- A. State Women Development Corporation &
- B. Social Welfare Department.

#### **A. State Women Development Corporation**

The State Women Development Corporation, J&K is implementing schemes for social and economic upliftment of the women living below the poverty line.

The following schemes are in operation through SWDC:-

##### **i. Empowering Skilled Young Women Scheme**

Under this scheme, loan is available for skilled/qualified young women irrespective of caste, creed, religion and income. Rs. 0.10 lakh for Municipal areas and Rs. 1.25 lakh for Municipal Corporation areas may be added to the maximum limits for loan.

In all above loan schemes loan can be utilized for Jute Accessories, Toy making, Flower making, Tie and Dye, DTP, Software Development, Horticulture, Agriculture, Aquaculture, Cut flower, Aromatic plants, Food products or any other viable project.

<i>Terms and Conditions</i>				
<i>Maximum Loan</i>	<i>WDC Share</i>	<i>Beneficiary's Share</i>	<i>Interest Rate</i>	<i>Repayment Period</i>
<i>Rs. 50,000 to Rs. 3.00 lakh</i>	<i>90%</i>	<i>10%</i>	<i>6%</i>	<i>5 Years</i>

## **ii. Schemes financed by National Minorities Development and Finance Corporation (NMDFC)**

J&K Women Development Corporation is raising loan from NMDFC and releasing the term loans to female beneficiaries for starting income generating units.

765 beneficiaries have been covered with an expenditure of Rs. 1275.25 lakh during 2014-15. 650 beneficiaries have been covered with an expenditure of Rs. 1039.37 lakh during 2015-16.

National Minorities Development and Finance Corporation (NMDFC) also sanctions loan for education of women belonging to minority communities at nominal rate of interest.

## **iii. Schemes financed by National Backward Classes Finance and Development Corporation (NBCFDC)**

Under this scheme, loans are advanced to females of backward classes for setting up of their income generating units financed by NBCFDC.

An amount of Rs. 200.00 lakhs has been spent with coverage of 114 beneficiaries during 2014-15. An amount of Rs. 200.00 lakhs has been spent with coverage of 121 beneficiaries during 2015-16.

## **iv. Schemes Financed by National Handicapped Finance & Development Corporation (NHFDC)**

J&K State Women Development Corporation sanctions loan with refinance support of NHFDC in favour of eligible females at nominal rate of interest for setting up their own income generating units.

During the year 2014-15, 36 women beneficiaries have been benefitted with an expenditure of Rs.85.05 lakh. During the year 2015-16, 67 women beneficiaries have been benefitted with an expenditure of Rs.174.19 lakh.

#### **v. Schemes for Skill Development financed by NMFDC & NBCFDC**

J&K State Women Development Corporation seeks loan from NMFDC & NBCFDC for setting up training centers for skill development of artisans/women beneficiaries. Thereafter, women are brought under micro credit net to display & sell their products in exhibition-cum-melas which are organized by the State Women Development Corporation, both inside and outside the State.

During the year 2014-15, 700 beneficiaries have been benefitted with an expenditure of Rs. 95.40 lakh. During the year 2015-16, 466 beneficiaries have been benefitted with an expenditure of Rs. 55.98 lakh.

#### **B. Social Welfare Department**

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**

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.

A comprehensive scheme 'Ujjawala' has been launched recently for prevention of

- *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.*

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 to provide 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 lakh 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 which have been sanctioned by Government of India out of which 29077 are presently functional.

### **Supplementary Nutrition**

About ten lakh beneficiaries which comprise children of 6 months to 6 years of age, Pregnant and lactating mothers, are being given supplementary nutrition.

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:-

<b>Table 9: Entitlement per beneficiary</b>		
<b>Category</b>	<b>Existing</b>	<b>Revised (per beneficiary per day)</b>
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

In addition, the department is establishing two composite Old Age Home, one each at Jammu and Srinagar. The land acquisition process for these Old Age Home is under process and Rs. 10.00 lakh each has been provided in the current year budget for the purpose.

## **Highlights**

- 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 two live births.
- 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.
- 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.
- Women Helpline(WHL) under the scheme 'Sakhi' of GOI launched to support women affected by violence, who are victims of physical, sexual, emotional, psychological, trafficking, honour related crimes, acid attacks or witch-hunting and economic abuse.
- The rate of cash incentive has been enhanced from Rs. 4000/- to Rs. 6000/- under Indira 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 the girls to enhance their level of literacy and to reduce the burden on the parents to sustain 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 and Rural Development Department.*

- 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 and Development of Backward Classes & Other Weaker Sections**

### **The Jammu and Kashmir SC, ST and BC Development Corporation Ltd**

The Corporation take up wide range of activities for socio-economic and educational upliftment of the target group people i.e. Scheduled Castes, Scheduled Tribes, Backward Classes, Safai Karamcharis, Handicapped (male members) and Notified National Minorities Viz; Muslims, Sikhs, Buddhists, Christians, Parsis and Jains ( male members). For this, the Corporation may operate establishment/ enterprises of any description or advance loans at its own or in collaboration with any organization, to the members of these classes to start any profession, trade or industry, in farm, non-farm & service sectors.

### **Main Financing Schemes of the Corporation**

Presently, the Corporation is providing Loan Assistance on Concessional Rates of Interest to the Target Group persons for establishment of income generating units under the following main schemes:

- A. Bank Tie-up scheme;
- B. Direct Financing Scheme (in collaboration with National Level Corporations of the Government of India) ;
- C. Educational Loan Scheme ;
- D. Skill Development Training Programme; &
- E. Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS) ( the scheme was Time Bound and completed in 2014-15).



### A. Bank Tie-up Scheme:-

This scheme is meant for SC, ST & BC Category beneficiaries who are living below the poverty line (BPL) and interested in establishment of small income generating units up to Rs.1.00 lakh in collaboration with Banks. This is a regular scheme of the Corporation for whole of the financial year. The Corporation provides subsidy to the extent of 50% of the unit cost subject to a maximum of Rs.10, 000/- per unit for SC, ST beneficiaries and 33.33% subject to maximum of Rs.3,000/- in case of Backward Classes(BC) beneficiaries having sanctioned loans by the Bank under the scheme. The Grants for subsidy are being released by the State Govt. out of Special Central Assistance (SCA) to Schedule Caste Sub- Plan (SCSP) for SCs and SCA to Tribal Sub Plan (TSP) for STs and from State Plan for BC category beneficiaries.

Under Bank Tie-up Scheme, 1500 units, 1000 units and 2080 units were targeted for years 2013-14, 2014-15 and 2015-16 respectively, against which 1836, 1145 & 2338 cases were sponsored to banks during said years, out of which 472, 574 & 283 units were established with subsidy component of Rs. 33.00 Lakh, Rs 44.98 Lakh & Rs 8.48 Lakh and bank loan inputs of Rs.216.35 Lakh, Rs 12.80 Lakh & Rs. 180.00 Lakh respectively during these years respectively.

### B. Direct Financing Schemes

The Corporation provides loans to the Target Group People in collaboration with the National Level Finance & Development Corporations viz. NSFDC, NSTFDC, NMDFC, NBCFDC, NSKFDC, and NHFDC on concessional rates of interest. These National Level Corporations provide funds in the shape of redeemable loan against State Govt. Guarantee cover to J&K SCs, STs and BCs Development Corporation for implementing the scheme of loaning in the J&K State for upliftment of Target Group Beneficiaries.

The Apex Corporation-wise details of maximum loan component & interest rates are as under:-

<b>Scheme/s</b>	<b>National Level Corporation</b>	<b>Maximum Quantum of Loan (for Individual Beneficiary and in Group)</b>	<b>Rate of Interest ( depends upon quantum of loan)</b>
Direct Financing in Collaboration with National Corporations of the Govt. of India	NSFDC for SCs	From Rs. 0.50 to Rs. 30.00	4% to 10%
	NSTFDC for STs	From Rs. 0.50 to Rs. 25.00	4% to 8%
	NBCFDC for BCs	From Rs. 0.30 to Rs. 10.00	6%
	NMDFC for Minorities	From Rs. 0.50 to Rs. 30.00	6-8%
	NSKFDC for Safai Karamcharis	From Rs. 0.50 to Rs. 15.00	4% to 6%
	NHFDC for Handicapped	From Rs. 0.50 to Rs. 25.00	5% to 8%
<i>Source J&amp;K SCs, STs &amp; BCs Dev. Corpn: Ltd</i>			

Under Direct Financing Scheme, the physical achievement of 529 nos, 425 nos & 462 nos were achieved during years 2013-14, 2014-15 and 2015-16 respectively against a target of 650 for these years. The financial achievement of Rs 806.85 lakh, Rs 640.01 lakh and Rs 621.61 lakh was achieved during the years 2013-14, 2014-15 and 2015-16 respectively against the target of Rs 800.00 lakh for these years.

Financing Programmes under Direct Financing Schemes:

**(i) Term Loan Scheme**

Under the Scheme, Projects costing upto Rs. 30.00 Lakh for SCs, upto Rs. 25.00 Lakh each for STs and Handicapped, upto Rs. 15.00 Lakh Safai Karamcharies, upto Rs. 10.00 Lakh for BCs and upto Rs.30.00 Lakh National Minorities Categories are considered. The National Level Corporation provide Loan Assistance to the extent of 85-90% of the Project Cost, 5-10% is to be contributed by the J&K SC / ST & BC Corporation and 5% by the beneficiaries.

**(ii) Micro Credit Finance Scheme (MCF)**

Under the Scheme, the Corporation provides Loan Assistance at concessional rate of interest i.e. @ 5% p.a. to the Target Group Beneficiaries who are living below double the Poverty Line and repayment period under the scheme is 36 months.

**(iii) Mahila Samridi Yojana (MSY) & Adiwasi Mahila Sashaktikaram Yojana (AMSY)**

Under the Scheme, the Corporation provides Loans to the Target Group Women Beneficiaries at concessional rate of interest i.e. @ 4% p.a. who are living below Double the Poverty Line (DPL) and repayment period under the scheme is 36 to 54 months.

**(iv) Mahila Kissan Yojana (MKY)**

The Scheme is available for Scheduled Caste Women, for need-based income generating units under Agriculture and Allied Activities to Agriculture Sector, the maximum quantum of loan is Rs. 50,000/-, at the interest rate of 5% p.a. and repayment period under the scheme is 54 months.

**(v) Mahila Adikrikta Yojana Scheme (MAY)**

The Scheme is available for Women Safai Karamcharies / Scavengers, for need-based income generating units. The maximum quantum of loan is Rs. 75,000 at the rate of interest of 5% p.a. and repayment period under the scheme is 54 months.

### C. Educational Loan Scheme

The Scheme is meant to facilitate job oriented education amongst the weaker sections of the Target Group viz. Scheduled Castes, Scheduled Tribes, Backward Classes, Notified National Minorities, Safai Karamcharies/Scavengers and Handicapped (Persons with Disabilities). The scheme is for pursuing professional and Technical courses.

<b>Apex Corporation</b>	<b>Max. Quantum of Loan</b>	<b>Rate of Interest p.a.</b>
NSFDC (for SC's) NHFDC (for Disabled Persons) NSKFDC (for Safai Karm.) NBCFDC (for BC's)	Upto Rs. 10.00 Lakh for studies in India and Rs. 20.00 Lakh for studies in abroad	4% in case of male & 3.50% in case women benef.
NSTFDC (for ST's)	Upto Rs.5.00 Lakh for studies only in India	6%
NMDFC (for Notified National Minorities)	Upto Rs. 10.00 Lakh for studies in India and Rs. 20.00 Lakh for studies in abroad	3 %

*Source: J&K SCs, STs & BCs Dev. Corpn. Ltd*

### D. Skill Development Programme

The corporation has been undertaking various skill development programmes by imparting training to the candidates of the target groups so as to develop their skills and knowledge for capacity building. Under the programme this corporation arranges need based vocational training/ skill development programme with financial support from National Level Corporations.

From the year 2015-16, the pattern of imparting Training to the candidates of target groups for their skill development has changed. Now, the Apex Corporations from the year 2015-16, directly provide funds to various Training Institutes under intimation to this corporation for training of candidates needing training for upgrading their skills.

### E. Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)

This scheme was "Time Bound Scheme" and has been completed in 2014-15. All identified 117 persons under Manual Scavengers category, have been rehabilitated in dignified alternate trades by March, 2010.

<b>No. of Persons Identified</b>	<b>No. of Persons availed Training</b>	<b>Training Expenditure</b>	<b>No. of Persons opted to set up their Income Generating Units at their own resources</b>	<b>No. of Persons opted to avail Loan with Bank Assistance</b>	<b>Subsidy Disbursed</b>	<b>Bank Loan Disbursed</b>
117	117*	12.27 lakh	32	83	1037500	1037500

*\* After availing training, one person has expired and another one has got the Government Job*  
 Source: J&K SCs, STs & BCs Dev. Corpn: Ltd;

## **Marketing Linkages**

Besides other development activities, the corporation is promoting facilities for its beneficiaries by providing opportunities to participate in the country's leading fairs like India International Trade Fair, Dilli Haat, Surajkund Craft Mela as well as in exhibitions/fairs, organized in other States on important occasions and festivals etc. These events not only give much needed marketing exposure to these artisans/beneficiaries but also provide them an opportunity to market their products at fair prices.

## **Issues and Initiatives**

- **Enhancement of pension to widow, old aged and physically challenged pensioners** : Pension under Integrated Social Security Scheme (ISSS) and for physically challenged persons have been increased to Rs. 1000 in both categories of pensioners.
- **ICPS Integrated Child Protection Scheme – Implementation of J&K Juvenile Justice Act** : State has already enacted a land mark legislation viz., Jammu and Kashmir, Juvenile Justice (care and protection) Act and rules thereto, notified vide SRO-76 of 2014 titled Jammu and Kashmir, Juvenile Justice (Care & Protection) Rules, 2014 in conformity with the Central Act, to protect and safeguard the interests of child. In order to reach out to all children, notably those in difficult circumstances, Ministry of Women and Child Development, Government of India has authored an exhaustive scheme called the "Integrated Child Protection Scheme (ICPS)". It is a National Flagship Programme implemented across the country which, brings together multiple vertical schemes under one comprehensive child protection programme and integrates interventions for protecting children and preventing them from harm.
- **Creation of more Anganwari Centres** : To broaden coverage of more villages under ICDS flagship programme State Government has authorized further 3361 Anganwadi Centers as per Government of India guidelines to combat Child and Women related issues.
- **Ladli Beti**: According to the census of 2011, J&K has exhibited a rapid decline in the female sex ratio in some districts. Among a host of interventions required to reverse the trend, financial security of the girl child is of paramount importance as it creates a positive disposition towards the girl child. Accordingly, Government launched "Ladli Beti" Scheme in 6 identified districts in the two provinces. These districts are Kathua, Jammu, Samba, Budgam, Pulwama and Anantnag. The scheme stands subsequently extended to 2 more districts viz., Srinagar and Kishtwar. All these districts have lower female sex ratio. Ladli Beti scheme will provide much-needed economic security to the girl child born in a poor family. Under this scheme,

Rs.1000 per month on behalf of every new born girl child for the next 14 years will be contributed by the Government and on reaching 21 years she would receive around Rs. 6.5 lakhs.

- **Aasra Scheme** : The scheme 'Aasra' aims at providing social security to low-income groups, in the event of death or disability of lone breadwinner. Under this scheme, the State Government contemplates to pay or reimburse premium for the national schemes which include 'Prime Minister Suraksha Bima Yojna' and 'Prime Minister Jeevan Jyoti Bima Yojna' aimed at extending insurance cover to all the widows and destitute women of the State and all breadwinners of families whose annual income is less than Rs. 75000. Around 14 lakh households belonging to poorer strata of the society shall be covered under this scheme. The scheme stands launched with effect from 20-08-2015. An amount of Rs. 50.00 crore was earmarked for the initiative.
- **Marriage Assistance for Poor Girls** : Social assistance scheme titled 'State Marriage Assistance Scheme for Poor Girls' (SMAS) launched recently and meant for those unmarried identified girls of the State living below poverty line, who may not find themselves in a position to marry due to financial constraints. The norms for availing benefit under the scheme are that the prospective beneficiary girl should be above 18 years of age, should be an identified poor girl. The eligible girl covered within the ambit of the scheme will receive one-time financial assistance of Rs. 25000 and cost of 5 gm of gold from the competent authority as provided in the scheme.
- **Hunnar** : 'Hunnar' is a skill development scheme for poor girls of the State living below poverty line, who may not find themselves in a position to earn dignified livelihood. The scheme will bring all schemes launched by different departments under one umbrella which have training and skill development component. The norms for availing benefit under the scheme are that the prospective beneficiary girl should be above 18 years of age, should not be a school going girl and should be an identified poor girl. The scheme constituents include skill development, micro enterprises, cooperative societies for the production, manufacturing of goods and marketing of products. Such skill development and training schemes will lead to financing and productive use of human resources especially deprived women folk in terms of earning of livelihood and a step towards women empowerment and gender equality.

## Infrastructure

### Roads and Buildings

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. 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 and acts as executing agencies.

#### Road Length

Road length maintained by PW(R&B) Department has enhanced from 18368 kms in 2007-08 to 34412 kms during 2015-16 (ending March 2016). The province wise details of the road length (2013-14) are given as under:-

S.No	Division	R&B	PMGSY	Total
1	Kashmir	13489	2237	15726
2	Jammu	10363	3894	14257
3	Leh	2976	149	3125
4	Kargil	1083	221	1304
	<b>Total</b>	<b>27911</b>	<b>6501</b>	<b>34412</b>

#### Plan Allocations

The plan allocation for the Financial year 2014-15 and 2015-16 under R&B sector alongwith expenditure is given as under:-

S. No	Year		Approved outlay	Revised outlay / funds released	Expendt
1	2014-15	Revenue	471.35	474.50	333.50
		Capital (Proj)	32512.50	42467.24	42288.64
		Loan	3427.35	1041.49	1041.49
		ACA	13187.00	0.00	0.00
		<b>Total</b>	<b>49598.20</b>	<b>43983.23</b>	<b>43663.63</b>
2	2015-16	Revenue	0.00	0.00	0.00
		Capital (Proj) / State Share	32012.50	70278.33	69857.36
		Loan	3427.35	2576.90	2576.90
		ACA / Central Share	98187.00	*33196.00	30234.60
		<b>Total</b>	<b>133626.85</b>	<b>106051.23</b>	<b>102668.86</b>
<i>*Includes Rs 288 crore released by GoI under PMGSY</i>					

Sector-wise details of releases and expenditure for the year 2014-15 and 2015-16 are given as under:-

S. No	Sector	2014-15		2015-16	
		Funds released	Expdt	Funds released	Expdt
1	Design Directorate	59.25	59.25	100.00	98.85
2	R&B Jammu	15041.49	15032.49	18660.03	18660.03
3	R&B Kashmir	15535.00	15505.12	17876.06	17601.06
4	MED Jammu	417.07	339.45	337.50	284.97
5	MED Kashmir	982.18	979.64	975.00	975.00
6	Spl Programme Bridges	10760.49	10760.49	6700.00	6660.00
7	NFB Jammu	225.00	225.00	355.00	355.00
8	NFB Kashmir	225.00	225.00	1122.64	1122.64
9	PMRP Roads	114.15	101.14	1100.00	1099.91
10	PMGSY Roads	623.60	436.08	31800.00	28786.40
11	Cities & Towns	0.00	0.00	22092.00	22092.00
12	Tourist Destination	0.00	0.00	4933.00	4933.00
	<b>Total</b>	<b>43983.23</b>	<b>43663.66</b>	<b>106051.23</b>	<b>102668.86</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. 150 schemes stand sanctioned since the inception of the Programme in 2000-01, out of which 69 schemes have been completed ending March 2016.

S. No	Year	No. of schemes sanctioned	Estimated Cost
1	2011-12	0	0.00
2	2012-13	5	46.41
3	2013-14	8	110.67
4	2014-15	17	347.41
5	2015-16	25	785.56
	<b>Total</b>	<b>150</b>	<b>2111.75</b>

During 2014-15, 17 new projects were sanctioned by Govt of India at an estimated cost of Rs. 347.41 Crore. Similarly during 2015-16, 25 new road/ bridge projects estimated to cost Rs. 785.56 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 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. 3307.37 Crore has been released by GOI ending March, 2016 against which Rs 3235.57 Crore stands utilized. The details are as under:-

S. No	Achievement	Schemes (nos)	Habitations covered (nos)	Road length (in Kms)	Expdt (Rs in Crore)
1	Sanctioned upto Phase IX	2038	2184	10506	5486.14
2	Cumm. Achievement ending 3/2014	962	1569	5187	2554.45
3	Achievements during 2014-15	177	132	935	422.73
4	Achievements during 2015-16	164	85	488	258.39
5	Cumm. Achievement ending 3/2016	1303	1786	6610	3235.57

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

S. No	Population Size	1000+	500+	250+	Total
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 3/ 2016	466	698	304	<b>1468</b>



**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 NABARD RIDF XII to XX, 1262 projects have been sanctioned at an estimated cost of Rs 3216.37 crore out of which 517 schemes have been completed ending March 2016. The RIDF wise details are given as under:

S.No	RIDF	No. of schemes sanctioned	Estt Cost (Crore Rs)	No. of schemes completed
1	XII	191	481.64	156
2	XIII	224	433.45	152
3	XIV	184	329.33	68
4	XV	219	553.40	78
5	XVI	288	860.37	52
6	XVII	2	6.70	1
7	XVIII	90	265.74	10
8	XIX	2	7.54	0
9	XX	62	278.20	0
	<b>Total</b>	<b>1262</b>	<b>3216.37</b>	<b>517</b>

*\* Note: 1262 schemes include 46 schemes de-sectioned / proposed for de- sanction*

**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 Crore on the basis of M/S RITES. Subsequently the cost was raised to Rs. 255.00 Crore 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 in fag end of year 2007 and finalized. Accordingly, the AAA for Rs. 639.85 Crore 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 3/2015	638.57
3	Allocation 2015-16	1.28

4	Expdt during 2015-16	1.28
5	Cumm expdt ending March 2016	639.85

### 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	6002
12	B/Wall	Mtr	7660	7942

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, Cities & Town, and Tourist Destination. During 2015-16, a road length of 2485 kms has been blacktopped. Similarly, water bound macadam (WBM all grades) was laid on 2165 kms during the said year.

### Special Bridges Programme

Construction of bridges is an important component of road connectivity. Presently 542 bridges are under construction in the State at the total estimated cost of Rs. 1256.91 Crore. During 2015-16, an amount of Rs. 67.00 Crore was released under this programme which was spent in full. 56 bridges were completed during the said year which included 19 in Jammu province and 11 in Kashmir province.

### Cities & Town / Tourist Destination Programme

The Action Plan for 'Improvement / upgradation of Cities & Towns roads' has been approved at Rs. 234.00 Crore during 2015-16. The plan envisages macadamization of roads in a big way with higher specifications having a defect liability period of three year during which the responsibility for proper maintenance of the road rests with the contractor. Against the projected target of 2392 kms, the department has macadamized 1810 kms of the road length. An amount of Rs. 220.92 Crore has already been released during 2015-16. It is noteworthy to mention that the action plan for macadamization of roads in Jammu and Srinagar at an estimated cost of Rs. 200.00 Crore stand submitted to Planning & Development Department for consideration under TAMIER during 2015-16.

The State Govt is giving priority to tourism sector to attract more tourists in the State which shall have multiplier effect on the State's economy. Towards this end, the department has undertaken 'Improvement / upgradation of Roads leading to Tourist Destinations' during 2015-16 as better connectivity facilities to tourist destination will encourage the overwhelming flow of tourists to the State. The programme is approved at Rs. 96.04 Crore. Till date 175 kms of the road length have been macadamized under the said programme against the projected target of 286 kms.

S.No	Programme	Province	App Plan 2015-16	Funds released 2015-16
1	Cities & Towns	Jmu	10642.00	10642.00
		Kmr	12758.00	11450.00
		<b>Total</b>	<b>23400.00</b>	<b>22092.00</b>
2	Tourist Destination	Jmu	3234.00	1517.17
		Kmr	6370.00	3415.83
		<b>Total</b>	<b>9604.00</b>	<b>4933.00</b>

### Special Task Force Jammu

Under STF Jammu, 8 projects stands sanctioned at an estimated cost of Rs. 77.10 Cr. Ending March 2015, funds amounting to Rs. 67.78 Cr stand already released/utilized. Four projects have been completed. The work-wise details are given as under:-

S. No	Name of the scheme	Estt cost	Cumm expdt 3/2015	Balance cost	Funds released 2015-16
1	Ramnagar Dudu Basantgarh Latti road	35.00	29.00	6.00	5.84
2	Widening of Patnitop Sanasar road	4.00	4.00	0.00	0.00
3	Alternate bridge near Abdullah Bridge Rajouri	22.00	22.00	0.00	0.00
4	Patti Mahal Dachan road	10.00	10.00	0.00	0.00

5	Approach road to New Degree college Ramban	1.60	1.60	0.00	0.00
6	Approach road and bridge to Railway Station Banihal	2.50	0.00	0.00	0.00
7	Chamalwas to Gangro Road (approved in lieu of approach road to Banihal)	1.00	0.60	0.40	0.40
8	Batoo to Gagoni (approved in lieu of approach road to Banihal)	1.00	0.58	0.42	0.42
	<b>Total</b>	<b>77.10</b>	<b>67.78</b>	<b>6.82</b>	<b>6.66</b>

### 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 2015-16 are given as under:-

S. No	Year	Road length covered under Snow clearance (Kms)			Revenue realized by MED (Rs in lakh)		
		Jammu	Kashmir	Total	Jammu	Kashmir	Total
1	2014-15	559	6742	7301	480.42	366.39	846.81
2	2015-16	45	6368	6413	427.67	422.53	850.20

### Inter State Connectivity

- Inter State Connectivity is an important sub component of CRF funding.
- Construction of 1210 mtr span double lane RCC **bridge over Ravi River village Keerian – Gandial (Kathua)** has been sanctioned by GOI and taken up in hand at an estimated cost of Rs. 158.84 Crore under the scheme.
- One major road project viz; Improvement / upgradation of **Bhaderwah Chamba road** (Km 8th to Km 50th) stands already sanctioned at Rs. 73.33 Crore. Till date GOI has released Rs 70.32 Cr and the road project is being completed shortly

### 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 58.50% and in case of Qazigund ó Banihal tunnel, the progress is 51.00%. In respect of the Chenani Nashri tunnel, progress has improved to 85.80%. In respect of Udhampur Sidhra, it has improved to 96.50%. The two stretches, Udhampur ó Ramban and Ramban ó Banihal have been recently started.

### Declaration Of New National Highways

Ministry of Road Transport & Highways, Govt of India has recently declared the following new National Highways in J&K State.

<b>Table 25: Details of new National highways</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 Punch 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 ó 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.

### Issues & Initiatives

- Over a period of time it has been realized that the transaction corruption has plagued the whole government system particularly in the area of procurement of material and stores through central purchasing units. To come out of this mess and to reduce this type of corruption the government has already stopped procurement of stores in Public Works (R&B) Department during financial year 2015-16 and proposes to extend the same to all other major stores procurement departments during next financial year.
- Another major initiative undertaken is taking of projects in Public Private Partnership (PPP) mode. The sectors identified for PPP mode are Roads, Tourism, Housing, Urban Development, Sports, Technical Education, Health, Horticulture, Industries & Mining sectors. The underling factor which has necessitated switching over to PPP mode is that entrepreneurship and resources available with the private sector is pooled effectively with the public sector to maximize the infrastructure development in the State so that its benefits flow to the public at large in a shortest possible time.

## **Power**

Power holds a key to any developmental effort. It is an essential component 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 the people.

The state of Jammu and Kashmir is bestowed 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 3263.46 MW i.e. 20% (of identified potential) has been exploited until now which comprises 1211.96 MW in State Sector, 2009 MW in Central Sector and 42.5 MW in private sector.

Various reforms are underway at the level of the State Government and the Centre Government for making the power sector more efficient and more competitive. While there is some progress but the power shortage continues to haunt the State and is a major constraint of the development of the industry. The biggest problem is on the distribution front as Aggregate Technical & Commercial (AT&C) losses of the State are on the higher side. The main reasons for such high losses are technical as well as commercial. To minimize losses, the system needs up-gradation and improvements especially in existing outdated distribution network. However, with the efforts of the government the AT&C losses which were estimated at 61.30% in 2014-15 were reduced to 58.82% in 2015-16. This has been posing a major challenge to the fiscal health of the State.

### **Generation Scenario**

#### **State Sector Projects**

During past five decades considerable work has been done in Power Sector. The installed capacity in the State, Thermal as well as Hydel, is 1419.96 MW (208 MW Thermal + 1211.96 MW Hydel). The prestigious Baglihar Hydro Electric Project, stage I was commissioned during 2008-09 and Stage-II was commissioned in 2015-16.

#### **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.

### 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 Dulhusti. 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.

### Status of 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.

#### Availability, Requirement and Gaps in Transmission & Distribution System (MVA)

S. No.	Voltage level	Availability of Grid capacity ending 2012-13	Availability of Grid capacity ending 2015-16	Infrastructure required by 2016-17 Peak demand by end 2016-17	Gap to be met during 12 <sup>th</sup> FYP
1	220/ 132 KV level	3570.0	4050.0	5160.00	1110
2	132/ 66-33 KV Level	3973.0	4503.0	6192.00	1689
3	66-33/ 11 KV level	4703.85	5188.50	7431.00	2242.5
4	11-6.6/	5388	6249.95	8917.00	2667.05

	0.4 KV level				
	<b>Total</b>	<b>17634.85</b>	19991.45	<b>27700.00</b>	7708.55

4050.00 MVA transformation capacity was available at 220 kV level and 4503.00 MVA at 132 kV level by the end of year 2015-16. 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 1110 MVA 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 1689.00 MVA and at 66-33/11kV level will be 7431 MVA leaving a gap of 2242.50 MVA and at 11-6.6/0.4kV will be 8917 MVA leaving a gap of 2667.05 MVA 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. Power Grid 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 400 kV level has increased to 3465 MVA while as the available transformation capacity at 220/132kV level and 132/33kV level is 4050 MVA and 4503 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 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.

The progress of the transmission line as on date (05/2016) is as under:

a) Jallandhar-Samba Section	:	134 Kms
Total locations (in J&K)	:	79 nos.

Foundation completed, tower erected and conductor stringing completed. Although this section of the transmission line is complete but the incompleteness of the line bays at Samba and Jallandhar Grid Station being constructed by M/s PGCIL, are incomplete and hence cannot be energized.

b) Samba-Amargarh Section	:	275 Kms
Total locations	:	780 nos.
Foundations completed	:	170 nos.
Towers erected	:	170 nos.
Stringing work under progress.		

c) 400/220 kV GIS Sub Station :

Land identified at village Nowlari Tehsil Pattan & village Lalpora Tehsil Kunzar, PNC conducted, money deposited with Collector Land Acquisition, survey / assessment of fruit bearing trees by Horticulture department is being pursued, preliminary works started at site with the consent of land owners.

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.

The objectives of the policy are :

- Access to Electricity - Available for all households in next five years;
- Availability of Power-Demand to be fully met by 2017. Energy and peaking shortages to be overcome and adequate spinning reserve to be available;
- Supply of Reliable and Quality Power of specified standards in an efficient manner and at reasonable rates;
- Per capita availability of electricity to be increased to over 1200 units by 2017;
- Minimum lifeline consumption of 2 unit/household/day as a merit good by year 2017;
- Financial Turnaround and Commercial Viability of Electricity Sector;
- Protection of consumer interests;
- Disaster Management;
- Safety; and
- Maintenance.

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.dcpjkd.in](http://www.dcpjkd.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.

#### **Prime Minister's Re-construction Plan (PMRP) (T&D)**

73 projects under T&D (PMRP) were taken up during financial year 2004-05, including 4 optic fibre projects being executed through PGCIL on turnkey basis. 52 projects have been completed. Rs. 69.91 crore were sanctioned in favour of Dev. Commissioner (Power) during F.Y.2015-16 and the Ministry of Power, Government of India has been requested for release of Rs. 195.00 crore, for completion of all on-going projects on 16.12.2015, which involve cost escalation, ROW issues, land acquisition and change BOQ, and can be completed subject to availability of funds. An Inquiry Committee has been constituted vide Government Order No:217-PDD of 2015, dated: 28.10.2015 and Government Order No:

39-PDD of 2016, dated: 04.03.2016, which is likely to furnish its report shortly for completion and closure of PMRP (T&D) projects accordingly.

- PMRP aims to strengthen T&D System, to add and augment transmission capacity in T&D at 220 KV and 132 KV level.
- Project sanctioned in 2004 at cost of Rs.707.00 crore, first revision in the year 2007 to Rs.1351.00 crore.
- 1<sup>st</sup> Project cost (Revised) =Rs.1351.00 crore
- 2<sup>nd</sup> Project cost (Revised) =Rs.1545.56 crore
- Funds authorized during F.Y. 2015-16 =Rs.69.91 crore
- Expenditure during F.Y. 2015-16 ending March =Rs.9.8954 crore
- Cum. Exp. ending March, 2016 =Rs.1149.9354 crore
- Case taken up with GOI for additional funds on 16.12.2015 =Rs.195.00 crore
- Physical performance of PMRP ending March, 2016:

<b>Table 27: Physical performance of Prime Minister's Re-construction Plan (T&amp;D)</b>						
Region	Departmentally taken up	Turnkey assigned	Total approved projects	No. of projects completed		
				Departmentally	Turnkey	Total
<b>Grid stations</b>						
Kashmir	6	7	13	6	6	11 (Plus half GS for Alusteng)
Jammu	6	9	15	6	6	12
PLCC	-	4	4	--	--	-
<b>Sub Total</b>	<b>12</b>	<b>20</b>	<b>32</b>	<b>12</b>	<b>12</b>	<b>24</b>
<b>Transmission Lines</b>						
Kashmir	5	9	14	3	4	7
Jammu	18	6	24	13	5	18
<b>Bays</b>						
Kashmir	1	-	1	1	-	1
Jammu	2	-	2	2	-	2
<b>Sub Total</b>	<b>26</b>	<b>15</b>	<b>41</b>	<b>19</b>	<b>9</b>	<b>28</b>
<b>Total :-</b>	<b>38</b>	<b>35</b>	<b>73</b>	<b>31</b>	<b>21</b>	<b>52</b>

## DISTRIBUTION

To improve the distribution network, various schemes / projects are under implementation and are being implemented shortly in the State. The tendering process for the new projects has been floated and are being floated.

**Re-structured Accelerated Power Dev. & Reforms Programme (R-APDRP) – Under implementation**

The Re-structured Accelerated Power 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 details of the towns are :

**Jammu:** Akhnoor, Bhaderwah, Doda, Jammu, Kathua, Kishtwar, Poonch, Rajouri, Ranbir-Singhpura, Samba, and Udhampur.

**Kashmir:** Anantnag, Budgam, Bandipore, Baramulla, Bijbehara, Duru-Verinag, Ganderbal, Handwara, Kargil, Kulgam, Kupwara, Leh, Pattan, Pulwama, Shopian, Sopore, Srinagar, Sumbal and Tral.

The Re-structured Accelerated Power Dev. Reforms Programme scheme has been implemented under PART-A & PART-B. The new Integrated Power Development Scheme (IPDS) is under formulation.

**A) PART-A includes:**

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 lakh 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) PART-B includes:**

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.

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

\* 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).

\*\* 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

### 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

### PART-B of R-APDRP

For execution of PART-B of the programme in 2 cities and 28 towns, nine clusters have been created. Four in Jammu Division and Five in Kashmir Division:

S. No.	Name of the town under R-APDRP (PART-B)	Project cost (Rs in Crore)	Contract Awarded cost
<b>A</b>	<b>Jammu Division</b>		
1	<b>Cluster-I</b> (Jammu City(left Tawi River)	260.47	262.94
2	<b>Cluster-II</b> (Jammu city (Right bank of Tawi River)	349.85	333.27
3	<b>Cluster-IV</b> (Poonch, Rajouri, Akhnoor, Udhampur, Doda, Bhandarwah, Kishtwar).	79.59	83.53
4	<b>Cluster-III</b> (Towns of Kathua, Samba and R.S.Pura).	85.73	85.73
	<b>Total (A)</b>	<b>775.64</b>	<b>765.47</b>
<b>B</b>	<b>Kashmir Division</b>		
1	<b>Cluster-I</b> (Srinagar City (left river).	340.89	353.99
2	<b>Cluster-II</b> (Srinagar City (right river) also including towns of Ganderbal & Tral).	372.33	355.51
3	<b>Cluster-III</b> (Towns falling in south Kashmir including towns of Bijbehara, Anantnag, Dooru-Veerinag, Kulgam and Shopian).	57.51	0.00
4	<b>Cluster-IV</b> (Towns falling in north Kashmir including towns of Baramulla, Sopore, Handwara, Kupwara,	101.63	0.00

	Bandipora, Sumbal and Pattan)		
5	<b>Cluster-V</b> (Ladakh including towns of Leh and Kargil)	17.20	0.00
	<b>Total (B)</b>	<b>889.56</b>	<b>709.50</b>
	<b>G. Total (A+B)</b>	<b>1665.20</b>	<b>1474.97</b>

### **Improvement of HT / LT Network**

The HT/LT improvement scheme under Normal Plan / Capex Budget was launched during F.Y 2013-14, 2014-15, 2015-16 and is on-going during 2016-17. An amount of Rs.100.00 lakh per district have been earmarked for HT/LT improvement on yearly basis. This constitutes major source of funding besides convergence with MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) for meeting requirement in respect of labour component for optimal use. Further, Honøble MLAs, MLCs and Member Parliament also contribute from CDF / MPLAD Fund, if so desires.

The objective and scope of the work includes replacement of rotten wooden poles, un-serviceable / unauthorized conductors at 11 KV, replacement of damaged guys and earthing of distribution sub-stations. The most vulnerable lines / areas, which pose risk to life and property are being taken on priority.

### **Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) / RGGVY – II – Under implementation**

The Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) scheme for coverage of un-electrified identified villages have been launched with the aim of rural electrification of un-electrified villages by subsuming RGGVY in DDUGJY. The DDUGJY sanctioned for an amount of Rs. 616.61 crore has been approved for 21 districts of J&K State, for creation of infrastructure in power distribution system for strengthening and electrification of households in rural areas.

Besides, RGGVY Phase-II has been sanctioned for an amount of Rs. 10128.24 lakh for 3 districts namely Ramban, Kishtwar and Doda (Rs. 4070.11 lakh of District Kishtwar, Rs. 4037.38 lakh of District Doda and Rs.2020.75 lakh of District Ramban).

The DDUGJY scheme aims to:

- Separation of agriculture and non-agriculture feeders for judicious rostering to agricultural & non-agricultural consumers in rural areas;
- Strengthening and augmentation of sub-transmission & distribution (ST&D) infrastructure in rural areas;
- Erection of HT lines for new feeders / re-alignment of existing lines;
- Installation of new DTs and augmentation of existing DTs;

- Re-location of DTs and re-grouping of consumers (Agricultural and Non-Agricultural);
- Creation of new Receiving stations at 66 KV / 33 KV / 11 KV lines;
- Augmentation of existing Receiving stations;
- Installation of capacitors;
- Renovation and Modernization of existing Receiving stations / sub-stations and lines;
- Installation of High Voltage Distribution System (HVDS);
- Installation of Aerial Bunched Cable in theft prone areas; and
- Micro-grid and off-grid distribution network.

The DDUGJY scheme shall be completed within a period of 24 months from the date of issue of Letter of Award (LoA) by the utility.

#### **Integrated Power Development Scheme (IPDS) – Under implementation**

The Integrated Power Development Scheme (IPDS) shall cater to urban areas not covered under R-APDRP to strengthen sub-transmission & distribution network, including provisioning of solar panels on Govt. buildings including Net-metering, metering of feeders /distribution transformers / consumers and IT enablement of distribution sector. The Power Finance Corporation has been designated as Nodal Agency and project has been sanctioned for 86 towns (12 circles) with a cost of Rs. 444.50 crore as per details :

<b>S.No</b>	<b>Circle</b>	<b>DPR cost recommended (by DRC) (Rs. In Lakh)</b>	<b>Apprised / Sanctioned DPR cost (by PFC) (Rs. In Lakh)</b>
1	Srinagar	8540.40	8228.58
2	Ganderbal	1629.29	1629.29
3	Sopore	2838.91	2838.91
4	Pulwama	2289.14	2289.14
5	Bijbehara	4928.01	4928.01
6	Budgam	2307.26	2307.26
7	Leh	2001.95	2001.95
8	Jammu	5500.95	5222.88
9	Kathua	4501.16	4501.17
10	Rajouri	3499.89	3499.89
11	Batote	5001.91	5001.91
12	Kishtwar	2000.56	2000.56
	<b>Total</b>	<b>45039.43</b>	<b>44449.55</b>

The scheme aims at:

- Strengthening of sub-transmission and distribution network in Semi-urban areas;
- Sub Transmission & Distribution infrastructure (New / augmentation of sub-station, 66, 33, 22 & 11 KV lines, LT lines etc);
- Metering of consumer, feeder metering & DT metering including Smart meters;
- IT enablement of distribution sector and distribution network strengthening;
- Completion of optical fibre missing links to connect all 33 KV or 66 KV grid sub-stations under the establishment of National Optical Fiber Network (NOFN).
- Establishment of National power data hub; and
- Training and capacity building.

#### **24x7 POWER FOR ALL (PFA) – Under implementation**

The 24x7 initiative aims at ensuring uninterrupted supply of quality power to existing consumers by the end of 12<sup>th</sup> plan and providing access to electricity to all unconnected consumers in a time bound manner by FY 2019-20. The State has concurred to be a part of 24x7 PFA vision document. The programme shall be implemented with a joint effort of Government of India and State in the coming years.

#### **Prime Minister's Reconstruction and Rehabilitation Programme (PMRRP) – 2015 :**

An Action Plan of Rs. 10493.20 crore has been formulated under Prime Ministers Reconstruction and Rehabilitation Plan (PMRRP) ó 2015 and furnished on 29.04.2016 for augmentation of transmission, distribution network. Formal approval and release of funds for Generation, Transmission & Distribution system is yet to be received.

Under PMRRP-2015, special focus has been on capital cities, four industrial towns, Advance Technology interventions, creation of Smart Grids and underground cabling of pilgrimage and tourist destinations at Gulmarg, Pahalgam, Katra, Rangret, Bari Brahamana and Leh.

#### **Power Scenario in J&K**

The energy demand has gradually increased during 11<sup>th</sup> Plan period at annual rate varying from 5 to 6%. The demand has increased by around 2 to 3% only for the year 2013-14 and 2014-15 over 2012-13 and 2013-14 respectively and has increased by around 2% in the year 2015-16. 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 14226.05 MUs in 2015-16, which necessitated banking of power during summer with other state utilities and using of the same during winter.



S. No	Year	Actual Demand	Restricted Demand	Net Power Generated (PDD+PDC)	Purchased (CPSU & Others)	Free Power	Total (G+P)	Sold Billed Energy	Billed energy as Percentage of Total (G+P)	Units Realised
1	2	3	4	5	6	7	8	9	10	11
1	2011-12	17323.00	11091.26	2562.49	7483.681	1045.089	11091.26	4267.00	38.47	3634.98
2	2012-13	17669.46	12120.025	2519.940	9600.085	1056.104	12120.025	5162.94	42.64	4355.41
3	2013-14	17800.00	12666.59	2337.237	10329.353	1089.212	13755.802	5754.354	45.43	5412.20
4	2014-15	18000.00	13701.31	2470.00	11231.31	1330.63	13701.00	6135.89	44.78	4923.05
5	2015-16	18200.00	14226.05	2519.720	11706.33	1391.698	14226.05	6580.65	46.26	5464.41

To meet the gap, the department enters into banking arrangements with NVVN, Punjab, Haryana, Chhattisgarh and also arranges Power from Power Trading Corporation (PTC), NTPC Vidhyut Vyapar 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 180.69 MU in the year 2014-15 to 621.870 during 2015-16. During the year 2015-16 the department supplied 3.6% more energy as compared to previous year.

#### **Demand and Availability Scenario (ENERGY)**

Year	2011-12	2012-13	2013-14	2014-15	2015-16
Energy Requirement	17323	17669.46	18022.38	18000	18200
Restricted Energy Availability	11091.26	12120.03	12666.59	13701	14226.05
Energy Deficit	6207.59	5549.435	5356.38	4299	3973.95
Energy Deficit (%)	35.83%	31.40%	29.72	23.88	21.83

#### **Demand and Availability Scenario Peak (POWER)**

Year	2011-12	2012-13	2013-14	2014-15	2015-16
Peak Demand	2500	2550	2600	2650	2740
Peak Met	1788.9	1817	1991	2043	2158
Peak Deficit	711.1	733	609	607	582
Peak Deficit (%)	28.44%	28.75%	23.42	22.90	21.24

#### **Availability of Power**

S. No	Source	2011-12	2012-13	2013-14	2014-15	2015-16
1	From own generation	2562.49	2519.94	2337.237	2470.76	2519.7

2	Free Power	1045.089	1056.104	1089.212	1330.63	1391.7
3	Total (1+2)	<b>3687.58</b>	<b>3576.04</b>	<b>3426.45</b>	<b>3801.39</b>	<b>3911.4</b>
4	CPSUs (NTPC & NHPC)	5882.657	6196.153	6378.255	7016.34	7511.59
5	Other sources (SJVN, THDC, TALA, NPCIL)	1380.859	2025.689	2227.462	2431.63	2439.4
6	Under U.I (un scheduled interchanges)	106.053	-35.682	79.926	121	-258.2
7	Short term trading	143.633	173.975	131.701	150	0
8	Banking	-109.521	183.846	422.797	180.69	621.87
9	<b>Total 4 to 8</b>	<b>7403.68</b>	<b>7764.15</b>	<b>9240.14</b>	<b>11230.6</b>	<b>10314.7</b>
10	<b>Grand Total (3+9)</b>	<b>11091.3</b>	<b>12120</b>	<b>12666.6</b>	<b>13701.3</b>	<b>14226.1</b>
11	Own gen. as %age of total availability	23.1	20.028	18.45	18.03	17.71

### Trading and Banking arrangements

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, Chhattisgarh and Haryana where the power is banked during summers and received back during winters. In addition the state receives 657 MW of power from the unallocated quota as well during peak requirement. For the year 2015-16, 621.87 MU have been banked by the department.

Restricted Peak Demand	2011-12	2012-13	2013-14	2014-15	2015-16
Summer with curtailment of 8 Hrs	1560 MW	1712.00 MW	1819 MW	1938 MW	1990 MW
Winter with curtailment of 10 Hrs	1789 MW	1817.00 MW	1991 MW	2043 MW	2140 MW
Unrestricted energy requirement	17323 MU	17669.46 MU	17800 MU	18000 MU	18200 MU
Restricted Energy Requirement	11091.26 MU	12120.02 MU	12666 MU	13701.00 MU	14226.05 MU

### Seasonal Peak Power Demand / Availability for the year 2014-15 & 2015-16

S. No	Particular	Year 2014-15		Year 2015-16	
		Summer	Winter	Summer	Winter
I.	Unrestricted Demand	2600	2650	2650	2740
II.	Restricted Demand	1938	2043	1990	2158

III.	Power Availability				
	(i) Self Generated	250-425	100-350	350-425	100-475
	(ii) CPSUs	900-1200	1100-1650	900-1200	1150-1650
	Total (i+ii)	1150-1625	1200-2000	1250-1725	1250-2125
IV.	Deficit	-313 to -788	-43 to -843	-265 to -740	-15 to -890

### Revenue due / realized

Revenue realization from the consumers on account of tariff has always been a matter of concern. Though there is gradual increase in the recovery of tariff since 2002-03 yet has not bridged the gap between the targets and actual revenue realized, which is evident from the table placed below.

S. No.	Year	Target	Pure Revenue	Percentage Achievement	Misc. Rev.	Elect. Duty	Total Rev.	Percentage
1	2011-12	1549.82	1014.16	65.44	2.29	183.71	1200.16	77.44
2	2012-13	2011.47	1415.63	70.40	3.66	277.88	1693.51	84.20
3	2013-14	2200.00	1431.53	65.06	5.77	276.96	1714.26	77.92
4	2014-15	2390.00	1457.32	60.98	2.09	278.94	1736.27	72.65
5	2015-16	3357.55	1670.75	49.76	3.82	263.31	1937.34	57.70

### Power Purchase

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	2	3	4	5	6	7
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	3989.207	482.457	4471.964	665.57	5137.53
4	2014-15	4661.16	491.97	5153.13	776.56	5929.69
5	2015-16	4803.64	489.98	5293.628	715.16	6008.78

### Power Losses

The Transmission and Distribution losses in the State are very high. The main reasons for such losses are technical as well as commercial. The high technical losses are due to existing outdated system. To minimize such losses, the system needs improvement and up-gradation. Commercial losses include theft, unaccounted and uncontrolled consumption of power beyond agreement load, unregistered consumers etc. The year-wise trend of T&D losses, revenue billed, amount realized, A&T losses, metered registered consumers, meters

installed against registered consumers and category-wise consumers are indicated in Tables.

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	6912.00	54.57	5754.00
4	2014-15	18000.00	13701.00	7565.12	55.22	6135.88
5	2015-16	18200.00	14226.05	7645.41	53.74	6580.65

**Revenue billed, amount realized and AT & C losses**

S. No	Item	2011-12	2012-13	2013-14	2014-15	2015-16
1	Energy Input (MU)	11091.26	12120.025	12666.59	13701.00	14226.05
2	Energy Billed (MU)	4267.00	5162.94	5754.00	6135.89	6580.65
3	T&D Losses (MU)	6824.26	6957.147	6912.00	7565.12	7645.41
4	%age T&D Losses	61.61	57.40	54.57	55.22	53.74
5	Amount Billed (Rs. In crore)	1428.68	1682.50	1757.17	1813.74	2012.04
6	Amount Realised (Rs. In crore)	1014.16	1419.29	1667.404	1457.32	1674.57
7	Collection Efficiency (%age)	70.99	84.36	94.05	80.35	83.23
8	Energy realized (MU)	3029.14	4355.41	5412.20	4923.05	5464.41
9	AT&C Losses (MU)	8062.12	7764.615	7254.39	7799.95	7809.22
10	%age AT&C Losses	72.68	64.06	57.27	61.30	58.83

**Metered / Registered Connections**

S. No.	Year	Cumulative Households connected	Cumulative Number of connections
1	2011-12	1130951	1332036
2	2012.13	1274885	1490696
3	2013-14	1346021	1572815
4	2014-15	1390856	1625422
5	2015-16	1483599	1707520

**Meters installed**

S. No.	Year	Jammu	Kashmir	Ladakh	Total
1	2011-12	303157	285537*		588694

2	2012-13	374834	324542*		699376
3	2013-14	424353	325955*		750308
4	2014-15	511773	363214	19052	894039
5	2015-16	541453	364081	19152	924686

\*Including Ladakh.

### Energy Consumption, Amount Due And Amount Realized

**Table 43: Category-wise energy consumption, amount due and amount realized**  
(Unit: Energy-MUs, Amount- Rs. in crore)

S. No	Consumer Category	2012-13			2013-14			2014-15		
		Energy consumption	Amount due	Amount realised	Energy consumption	Amount due	Amount realised	Energy consumed	Amount due	Amount realised
1	Domestic	2469.39	391.67	325.55	2429.74	432.47	405.97	2574.04	510.34	400.24
2	Commercial	321.97	115.86	144.39	644.924	219.52	177.71	676.97	213.94	195.39
3	Industrial	955.02	344.22	299.93	1169.69	388.72	341.12	1264.16	396.61	352.31
4	Govt.									
	i. Irrigation/ Agr.	296.74	43.13	56.08	280.728	46.00	45.04	281.49	75.48	46.95
	ii. Public lighting	37.67	18.84	0.19	39.078	19.06	0.17	47.60	18.94	0.134
	iii. PHE	481.46	297.94	135.73	512.984	263.87	115.85	530.37	231.66	127.60
	iv. State Central Depot	443.52	390.37	409.25	533.34	315.70	524.94	610.96	307.36	279.96
	v. General Purpose Bulk	157.17	80.47	44.51	143.871	71.84	51.57	150.21	60.40	52.63
	<b>Grand Total</b>	<b>5163.02</b>	<b>1682.5</b>	<b>1415.63</b>	<b>5754.355</b>	<b>1757.17</b>	<b>1662.38</b>	<b>6135.78</b>	<b>1813.73</b>	<b>1455.22</b>

### Per Capita consumption of Energy

The per capita consumption of energy in J&K has shown steady growth and is presently around 1010.72 units, which is nearly at par with national average for the year 2014-15. The year-wise details are indicated below:

S. No	Year	Per Capita Consumption (KWhr)
1	2011-12	868.39
2	2012-13	927.86
3	2013-14	952.34
4	2014-15	1010.72
5	2015-16(E)	1064.62

## Demand and Supply Management of Power

As is evident from the above tables, the state's peak demand for power has grown by 8% from 2011-12 to 2015-16 and peak deficit has decreased from 28% to 23% during 2012-13 to 2015-16. It needs to place on record that the losses in the Power sector in the State is on account of difference in the cost of purchase of power and sale price realized from different consumers, besides inefficiency of revenue realization on part of the department besides hidden subsidy. Revenue realization is directly correlated with the tariff rates fixed by the State Electricity Regulatory Commission (SERC) on year to year basis. Consumer category-wise tariff with average cost of supply and average gap is indicated below:

Consumer Categories	Approved Average CoS at approved loss level Rs/kWh	Approved Average Tariff Rs/ kWh	Gap Rs / kWh	Gap %
Domestic	7.25	2.34	4.91	68%
Non-Domestic/Commercial	7.25	3.84	3.41	47 %
State/Central Govt. Dept.	7.25	6.27	0.98	14 %
Agriculture	7.25	3.40	3.85	53%
Public Street Lighting	7.25	5.04	2.21	30 %
LT Public Water Works	7.25	3.97	3.28	45 %
HT Public Water Works	7.25	5.15	2.10	29 %
LT Industrial Supply	7.25	3.35	3.90	54 %
HT Industrial Supply	7.25	4.0	3.25	45 %
HT-PIU Industrial Supply	7.25	4.65	2.60	36 %
General Purpose/ Bulk Supply	7.25	5.28	1.97	27 %
Average	7.25	3.56	3.69	51 %

### Issues and Initiatives

- The ever increasing power purchase cost and consequent mounting liability is serious cause of concern for the economy of the state. It is imperative that in addition to various other reforms in the power sector and efforts underway to clear liability on account of power sector, energy conservation measures be undertaken on a meaningful scale. All CFL and other bulbs used by the households, industries etc. as well as street lights in the urban areas need to be replaced by LED bulbs to save power. This replacement will be completed within a period of two years and to achieve this, a provision of Rs. 75.00 crores was made in the budget for 2016-17.
- A MoU is being signed with Bureau of Energy Efficiency (BEE), Govt. of India to assist the department in carrying out DSM and conservation activities. Government shall procure Rs. 4.11 lac LEDs (bulbs of 7 Watt) for distribution amongst various categories of consumers to promote use of LED lights for judicious use of electricity. Underground cabling shall be done at tourist destinations and LED lights installed at important heritage places of pilgrimage for providing 24x7 power supply.

- Government has been buying and distributing power in the State since long. All the expenditures on account of Power Purchase are being met by the State Government. All the revenue generated goes to the State Exchequer. But there remains a huge gap between the actual power purchase bill and revenue realization. It has been found that a part of revenue deficit is owing to latent subsidy being given by the government by way of sale of power to different categories of consumers at subsidized rates below the prudent cost of supply due on such sales. In order to clean the accounts and segregate the subsidy part it has been decided that the subsidy being given to various categories of consumers shall be quantified by Power Development Department and projected to the Finance Department for its authorization through budgetary route to account for the same in its revenue receipts. The department shall in turn focus on reduction of losses happening on account of T & D losses and try to bring it to set national norms. Thereafter the department shall have to necessarily set definite milestones for achieving the targets and reduce other technical losses.
- Another major issue in the power sector is that of carrying forward of liabilities on account of power purchases which has resulted in very high interest rate not favorable to the state exchequer. PDD had conveyed that Rs. 7000 crore liabilities had been created over years due to extra purchase of power. While under Uday scheme bonds worth Rs. 2140 crore has been raised and cleared.
- In order to clearly reflect the subsidy factor of industries and other departments and AT&C loss in the PDD trading account, it has become imperative to show these components in an explicit manner in Power Budget so that the bench marks could then be set and mile stones fixed over a period of time for their reduction. Accordingly, the subsidy of power implicit in the purchase and its supply shall require to be accurately worked out in the power trading of Power Development Department demand grant in near future.
- Reforms in the sector aimed at reducing AT & C losses has already started in the state by launching of schemes in the capital cities. These reform process though bound to take its time, need to be extended to major town and rural areas in times.
- In respect of the power purchase mechanism it has become absolutely essential to run the power procurement on professional lines. Expertise in trading of power has of late emerged as an important area and is bound to definitely save substantially amounts once put in place. In this regard power development department has been advised to go for hiring of a professional power trading consultant for the purpose of power trading and banking.
- As Management of Power Purchase from different sources is a serious business and has to be dealt with very professionally. The government wants to create State Power Trading Corporation to streamline this area of concern

## Public Health Engineering

### Water Supply

Due to urbanization, industrialization and huge demand for Agriculture sector, the state is facing daunting challenges on account of water supply.

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 in rural drinking water. The scheme stands renamed as National Rural Drinking Water Programme (NRDWP) since 2009.

*Main water supply activities under Bharat Nirman Programme*

- 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*

For providing drinking water facilities to urban areas, another scheme, namely Accelerated Urban Water Supply Programme (AUWSP) was launched by Govt; of India, which was later on covered under Flagship Programmes like JnNURM (Jawahar Lal Nehru Urban Renewal Mission) and UIDSSMT (Urban Infrastructure Development Schemes for Small and Medium Towns). These programmes have now been discontinued by the GOI with a new programme Atal Mission for Rejuvenation and Urban Transformation (AMRUT).

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. India is committed to provide safe drinking water facilities and sanitation to all.

#### **National Rural Drinking Water Programme (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 components of the NRDWP are:-**

- Ø Coverage of uncovered/ partially covered habitations;
- Ø Water Quality;
- Ø Coverage of Rural Schools



- Ø Sustainability of sources and systems;
- Ø Operation & Maintenance of schemes;
- Ø Support Activities;

As per Survey 2003, there were 12015 rural habitations in J&K State. Over the years 3783 more habitations have emerged which aggregates no. of habitations to 15798 ending March, 2016.

The criteria for coverage of a habitation has been enhanced from 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:-

Status	J&K State (1-4-2015)	%age to total
100% covered	8535	54%
between 75% and 100%	1051	7%
between 50% and 75%	4279	27%
between 25% and 50%	1490	9%
between 0% and 25%	442	3%
<b>Total</b>	<b>15798</b>	<b>100</b>

From the year 2009-10 onwards, a central assistance of Rs.2947.69 crores has been received up to ending March, 2016 under NRDWP. Besides, there was an unspent balance of Rs. 138.99 crores under ARWSP. Against this, Rs. 3070.65 crores have been spent ending 3/2016.

#### **Annual Action Plan 2015-16 under NRDWP**

An amount of Rs. 199.40 crores as central assistance under NRDWP was approved by the MoDW&S, GOI for J&K State for the year 2015-16. Besides, there was an unspent balance of Rs 51.57 crores available with the Department. However, against outlay of Rs. 199.40 crores, an amount of Rs. 192.12 crores only was released by the

#### **Notable Achievements during 2015-16**

- 233 Partially covered habitations covered.
- 368 rural schools covered with drinking water.
- 6 sub-divisional water quality labs established.
- 1426 Hand Pumps have been installed.
- 62 piped water supply schemes completed.
- 20 sustainability structures have been constructed.
- Population of 1.21 lakh has been provided Piped drinking water facility.

Ministry, thereby effectively making total availability of Rs. 243.69 against which an amount of Rs. 227.66 crores stand utilized ending March, 2016. The action plan envisaged coverage of 355 partially covered habitations besides 4 Quality affected habitations, coverage of 408 rural schools, 1,00,000 lab tests, establishment of 9 sub-divisional labs,

construction of 2 Provincial level Labs at Srinagar and Jammu etc.

### Other programmes under PHE Sector

Four (4) major projects namely, Alternate Water Supply to save Surinsar lake costing Rs. 723.59 lakh, alternate Water Supply to save Mansar lake costing Rs. 384.41 lakh, Water Supply Scheme to Pilgrim Town Katra from Dhansar Nallah costing Rs. 4700.00 lakh & Naigarh Water Supply scheme costing Rs. 4351.00 lakh were got sanctioned by Special Task Force, Jammu.

S. No	District	Name of the Project	Estimated Cost/ STF Approved Cost	Comm. Expdt. 3/2016	Balance cost as on 1/4/2016	Remarks
1	Jammu	Alternate WSS to save Surinsar Lake	723.59	723.59	0.00	The project has been got revised
2	Udhampur	Alternate WSS to save Mansar Lake (WSS Channi Mansar)	384.41	384.41	0.00	Completed
3	Reasi	WSS for Pilgrim Town Katra from Dhansar Nallah	4700.00	4700.00	0.00	Completed during 2015-16
4	Kishtwar	Naigarh Water Supply Scheme Kishtwar	4351.00	2425.89	1925.11	Targeted for Dec., 2017

### 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, were taken up in hand with the financial assistance of Rs. 148.37 crore and Rs. 121.00 crore respectively. WSS Sukhnag has been commissioned during the year 2015-16 and 10 MGD of additional water added to the Srinagar City. WSS Tangnar is nearing completion and an expenditure of Rs.126.14 crores has been made ending 3/2016. After completion of WSS Tangnar, additional 10 MGD of water will be added to Srinagar city. However, these projects being integrated projects, are being funded through Housing & Urban Dev. Department.

## Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)

UIDSSMT is a component of the JNNURM, which inter alia, 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 & Sundarbani Towns have been completed under UIDSSMT at a sanctioned cost of Rs. 33.53 crore, Rs. 45.89 crore & Rs. 9.31 crore, respectively. These projects are also being dealt by Housing & Urban Dev. Deptt.

The status of other ongoing projects under UIDSSMT is given as under:-

S.No	Name of the Project	Year of Start	Approved Cost	Cumm. Expdt. Up to ending 03/2016	Balance Cost	Physical Status
1	Imp. & Aug. of W/S to Samba Town	2007-08	1882.3	1801.62	80.68	80%
2	Imp. & Aug. of W/S to Udhampur Town	2007-08	2882.18	2779.31	102.87	85%
3	Imp. & Aug. of W/S to Kathua Town	2006-07	2136.6	2136.6	0	95%
4	Imp. & Aug. of W/S to DodaTown	2006-07	2633.6	2485.84	147.76	90%
5	Imp. & Aug. of W/S to Baderwah Town	2007-08	1177.98	1014.32	163.66	90%

### 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 accorded sanction to the notification of (Greater Srinagar). This in accordance with Master Plan 2000-2001 Srinagar Metropolitan area was 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. These zones are given as under:-

- Zone-I Rangil/Alustang/Pokhribal
- Zone-II Nishat
- Zone-III Doodh ganga
- 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 47.50 MGD of water including institutional requirement, floating population etc, we are drawing 45.50 MGD of potable water from the various sources thus having a shortfall of 2.00 MGD of water at present. The instant shortfall is to be met through construction of 19 Tube Wells, which are being drilled by ERA. 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.

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). According to this new project, raw water shall be lifted from River Chenab to a filtration plant at Gurah-pattan 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 /silt 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.

Firstly, the clear water from Water Treatment Plant Gurah Pattan 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.

## 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 cultivators cannot take chance with it. The farmers always require 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. So, keeping this in 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 2015-16, was Rs. 29750.87 lakh (State Sector) against which an expenditure of Rs. 11913.01 lakh (including USB) was incurred during the year 2015-16. The percentage of expenditure has been less as full allocations under AIBP/ NABARD have not been released by the respective funding agencies

An outlay of Rs. 29750.87 lakh has been earmarked for the current financial year i.e 2016-17.

### Major/Medium Irrigation Sector

The Main projects undertaken include Tral LIS, Construction of Perkachik Khous Canal, Rest./ mod. of main Ravi canal and its distr. System (RTIC), Modernization of Ranbir Canal (Rev) and Lar Khul Shopian (NABARD).

The Govt. of India has launched a new programme namely, Pradhan Mantri Krishi Sinchai Yojana (PMKSY) wherein all the programmes i.e, Accelerated Irrigation Benefit Programme (AIBP), Repair Renovation &

*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, 5 major/medium irrigation schemes are under implementation in the state out of which, 4 are funded under AIBP & 1 state sector scheme funded under loan raised from NABARD. The total estimated cost of these schemes is Rs. 232.05 crore, against which a cumulative expenditure of Rs. 192.08 crore was incurred ending March, 2016.*

Restoration (RRR) of Water Bodies, Command Area Development & Water Management Programme (CADWM) and Ground Water Programme will be implemented under PMKSY.

<b>Programme</b>	<b>No of Schemes Ongoing</b>	<b>Estimated Cost</b>	<b>Funds allocation during 2015-16</b>	<b>Expenditure during 2015-16 incl. Unspent Balance</b>	<b>Cumulative Expenditure upto 03/ 2016</b>
AIBP	4	203.02	37.12	5.24	164.58
NABARD	1	29.03	2.50	2.50	27.50
<b>Total</b>	<b>5</b>	<b>232.05</b>	<b>39.62</b>	<b>7.74</b>	<b>192.08</b>

### Minor Irrigation (AIBP)

533 Minor Irrigation schemes costing Rs. 1435.29 crore were taken up under AIBP out of which 219 schemes were completed up to ending 3/2016. An expenditure of 462.18 crore has been incurred ending 3/2016. Against the ultimate irrigation potential of 151246 hecets, 73957 hecets have been created ending 3/2016.

<b>Programme</b>	<b>No of Schemes taken up</b>	<b>Estd. Cost</b>	<b>Cumm. Exp. End. 3/2015</b>	<b>Exp. Incurred during 2015-16</b>	<b>No. of Schemes completed ending 03/2016</b>
AIBP	533	1435.29	396.34	65.84	219

### Flood Management Programme

Under Centrally Sponsored Scheme of Flood Management Programme, 31 projects costing Rs. 1018.63 crore were approved and sanctioned by the Ministry of Water Resources, Govt. of India against which funds to the tune of Rs. 236.08 crore have been utilized ending March, 2016.

To meet future flood challenges, two projects namely "Flood Threat to River Jhelum" costing Rs. 2083 crore and "Flood Protection to River Chenab" costing Rs. 2314 crore stand submitted to the Govt. of India for sanction under Flood Management Programme (FMP). One project, namely "Priority Works- Comprehensive Plan for Flood Management Works on Jhelum - Phase-I", costing Rs. 399.29 crore has been approved by the Ministry of Water Resources. An amount of Rs. 1458.00 crore has been earmarked in the PM's Relief Package For "Flood Threat to River Jhelum" which includes "Priority Works- Comprehensive Plan for Flood Management Works on Jhelum - Phase-I".

Besides, a private partner M/s Reach Dredging Ltd. Kolkata has also been engaged for dredging of River Jehlum and has been allotted dredging of river Jehlum in Srinagar & Baramulla Reaches and the Flood Spill Channel.

Some spots in River Jhelum and interior Channels of the city including the Flood Spill Channel are being dredged and the material thus dredged out is being used for raising the embankments. 943093 cusecs of material has been dredged out through open bids and by departmental dredgers from river Jhelum in Srinagar reach and Flood Spill Channel, ending March, 2016. During the year 2015-16, a revenue of Rs 3.52 Cr has been realized ending March, 2016 on account of sale of dredged out material.

Flood Management programme for River Tawi costing Rs. 290.00 Crore has been submitted to Central Water Commission, GoI for sanction and funding. The project envisages treating critical spots from Manwal to Indo-Pak border with crate revetment and earthen embankment. The project after completion will benefit 57 villages and will protect 357.2 hectares of land.

### **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 and push ahead the reforms in the water sector. Under the Act, revised 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. 3455.52 crore have been realized ending 3/2016 on account of water usage charges on hydroelectric projects in the state.

## **Transport and Communication**

Transport, whether passenger carrier or goods carrier, is important rather fundamental requirement for economic development of the state. Accessibility of essential commodities in far flung areas depends on connectivity through road transport. Transport has been playing significant role in this regard and all the three constituents of Transport Department i.e. Motor Vehicle Department, State Motor Garages and J&K State Road Transport Corporation.

### **Motor Vehicles Department**

Road Transport plays a vital role in the economic development of the J&K State. The Department is entrusted with the job of enforcing the provisions of Motor Vehicles Act, CMVR 1989 and rules framed there under by the State Govt. in coordination with Traffic Police Department.

## Main Achievements During The Year 2015-16

### Revenue Realization

The Department also plays an important role in revenue realization for the State Government. The Motor Vehicles Department realized revenue of Rs. 156.97 Crore against a target of Rs. 183.00 Crore during the financial year 2015-16, thereby registering an increase of Rs. 22.59 crore (16.81%) over the previous year. Revenue realized by the department from the year 2014-15 & 2015-16 are given as under:-

S No	Year	Revised targets (in crore)	Achievements (in crore)	Increase or decrease in achievements over the last year (in crore)	%age over the last year
1	2014-15	159.55	134.38	0.64	0.47
2	2015-16	183.00	156.97	22.59	16.81

### Registration of Vehicles

During the financial year 2015-16, department has registered 1,31,617 vehicles registering a growth of 18.36% over the previous year. The number of vehicles registered during 2014-15 & 2015-16 are given as under:-

S No	Year	Commercial	Non-Commercial	Total	%age increase over the last year
1	2014-15	17127	94067	1,11,194	-0.97
2	2015-16	15767	115850	1,31,617	18.36

### Route Permits

The Department has issued 5,274 fresh route permits and 51,956 route permits have been renewed aggregating to 57,230 thereby registering an increase of 15.47% over the previous year. The number of Route Permits issued during 2014-15 & 2015-16 are given as under:-

S No	Year	Fresh	Renewal	Total	%age increase over the last year
1	2014-15	5644	43920	49564	0.05
2	2015-16	5274	51956	57230	15.47

### Driving Licenses

The Department has issued fresh Driving licenses to 69,148 applicants whereas 78,338 licenses have been renewed. 12.08% increase has been registered in the driving licenses during the financial year 2015-16. The number of Driving licenses issued during 2014-15 & 2015-16 are given as under:-



S No	Year	Fresh	Renewal	Total	%age increase over the last year
1	2014-15	66586	65001	131587	1.27
2	2015-16	69148	78338	147486	12.08

### **Fitness of Vehicles**

The Department has issued fresh Fitness Certificates to 16,784 vehicles and 84,609 Fitness Certificate have been renewed. 5.55% increase has been registered in fitness cases during the financial year 2015-16. The number of Fitness Certificates issued during 2014-15 & 2015-16 are given as under:-

S No	Year	Fresh	Renewal	Total	%age increase over the last year
1	2014-15	11194	84863	96057	9.54
2	2015-16	16784	84609	101393	5.55

### **Public and Private Transport**

Public and private transport has increased manifolds over the years. As against 5,23,543 vehicles (both public and private) registered in 2006, the number of vehicles registered has reached to 1375888 during the year 2016 (ending March) registering an increase of 162.8%. Year wise detail of Public and private transport in J&K State from March, 2014 is given as under:

S No	Type of vehicles	March-2014	March-2015	March- 2016
1	Buses/ Mini-buses	28776	29760	30486
2	Truck	54779	55183	55883
3	Taxies	39060	40660	42275
4	Pvt. Car/ Wagons	301449	338475	385386
5	Motorcycle/ Scooter	588207	644458	712256
6	Jeep	12615	13362	14356
7	Auto Rickshaws/ Tempo	51041	55587	57851
8	Tractors	23800	24000	24446
9	Trailers	763	781	802
10	Others	32587	42005	52147
	<b>Total</b>	<b>1133077</b>	<b>1244271</b>	<b>1375888</b>

### **Initiatives Taken By The Department During Financial Year 2015-16**

#### **State Road Safety Policy**

State Road Safety Policy was framed and is under process for implementation in J&K State.

### **Establishment of ICC in Jammu & Kashmir**

The State land measuring about 9 acres for establishment of Inspection and Certification Center in Jammu stands identified at village Bara, Samba and process of identification of land in adjoining areas of Srinagar, is underway.

### **Enforcement of provisions of Motor Vehicle Act**

The Department is taking the task of the enforcement of provision of Motor Vehicles Act in a mission mode manner and violations are being heavily penalized.

### **Affixation of High Security Registration Plates**

The Motor Vehicles Department has implemented and affixed High Security Registration Number Plates on motor vehicles by engaging the consortium namely M/S Real Mazon Pvt. Ltd which is an international firm. As many as 4,88,419 vehicles have been affixed with HSRP comprising of 2,00,592 vehicles in Kashmir Division, 2,59,027 vehicles in Jammu Division.

### **Stoppage of overload of goods carriage**

Honorable Supreme Court of India has also issued strict guidelines to stop the menace of over load goods carriage vehicles. In this background strict instructions were issued to the field functionaries for curbing this menace. Additional flying squads and additional check post at Zig Qazigund were created to curb this menace. Offenders are penalized heavily and in some cases permits and driving licenses are also suspended.

### **Road Safety**

Road Safety awareness is a continuous process throughout the year. 1023 General awareness programmes and 792 awareness programmes in different schools and colleges across the State were conducted during the year 2015-16. 58645 drivers have been covered under medical checkup programme during 2015-16.

### **State Motor Garages Department**

The State Motor Garages Department is entrusted with the responsibility of providing light transport to the Council of Honorable Ministers, State Government functionaries, State Guests including visits of VVIPs, other dignitaries, Parliamentary delegations and for Conferences being held in the State from time to time. It also provides transport facilities to various agencies connected with the maintenance of law and order, security and other exigencies.

The Department is also entrusted with the job of executing repairs of not only its own fleet but also of other Departmental vehicles. The Government has also transferred about 45 Bullet proof cars attached with the Council of Honorable Ministers and other protected Government serving officers to the State Motor Garages Department for the purpose of

their maintenance. Besides, the Department is also maintaining 109 vehicles attached with SSG J&K. The Department has two full fledged Regional workshops at Jammu and Srinagar besides District Workshops at Anantnag, Baramulla, Pulwama, Kupwara, Doda, Kathua, Rajouri and Udhampur where all sorts of repairs are undertaken on modern and scientific lines.

**Physical/Financial progress of CAPEX/CSS/Flagship programmes with reference to financial years 2014-15 and 2015-16 (ending March 2016)**

**Financial**

Year-wise allocation and Expenditure incurred during the year 2014-15 and 2015-16 under Plan is as under:

S.No	Year	Capex Budget		% of Exp.
		Allocation	Expdt.	
1	2014-15	400.00	224.94	56.24%
2	2015-16	930.00	929.67	99.96%

**Physical**

S. No	Sector/Item	2014-15	2015-16 (ending March 2016)
1	Purchase/Replacement of Vehicles	20 vehicles	82 vehicles
2	Const. of District Depots	<b>Udhampur:-</b> 95% work of complex completed	<b>Udhampur:-</b> The construction work of District Garages Depot Udhampur has been completed recently and the possession of the said complex has been taken over by the Department from the concerned executing agency.
3	Maintenance/Repairs of Existing Complexes	<b>Jammu:-</b> Work completed for Repair/Renovation of Toilet Block and fabrication of benches. <b>Srinagar:-</b> Work completed for Development of park by way of earth filling and grassing with Doob Grass in front of TCU and Adm Block. <b>Baramulla:-</b> Repairs/renovation work completed. <b>Rajouri</b> Repairs/renovation work completed.	<b>Jammu:-</b> The work for upgradation of the complex is in progress. <b>Srinagar:-</b> The work for upgradation of the complex is in progress. <b>Reasi:-</b> The work for construction of boundary wall is in progress.

		<b>Kathua:-</b> Repairs/renovation work completed.	
4	Machinery & Equipments	Various tools and equipments have been purchased by the Department	Various machinery and equipments have been purchased by the Department

### Road Transport Corporation

For the last 67 Years, JKSRTC is serving the people of the State, as also the other Government Departments. The Corporation has also been performing its duties for transportation of Armed Forces, Border Roads Organization etc; besides providing uninterrupted services during Hartals, Curfews and crisis like situations. The JKSRTC has done a tremendous job by providing transportation to general public and essential commodities to every nook and corner of the State during 2014 floods in the valley.

S.No	Particulars	Buses	Trucks	Total
1	Fleet Held	518	320	838
2	Fleet upto 10 years	272	101	373
3	Old age fleet	246	219	465
4	%Age of old age fleet	47%	68%	55%

### Achievements

During the year 2015-16, the JKSRTC has provided transportation to the public in general and to the pilgrimage on the special occasions like Shri Amarnath Ji Yatra, Haj, various National /religious Festivals in J&K in particular and carried 46.41 lakh passengers / pilgrims / visitors in its Buses plying on inter / intra District and Interstate routes within and outside State.

The Corporation in its continued efforts has achieved revenue of Rs. 97.78 Cr during 2014-15 and Rs. 100.00 Cr. during 2015-16.

The Corporation has also performed transportation of 50.21 Lakh quintals of food grains of CA&PD and other key construction material to every nook and corner of the State of J&K during the year 2015-16.

Government shall also rescind the SRO regarding transportation of food grains through J&K SRTC only to remove the anomalies in the system.

Besides providing transportation to the general public within and outside state, the Corporation has also introduced following new bus services via Mughal Road for the convenience of general public, especially for hilly districts of Rajouri and Poonch:-

1. Srinagar- Rajouri, Sharda sharief via Mughal Road.

2. Srinagar- Poonch
3. Srinagar- Kalakote
4. Jammu- Rajouri-Bhudal via Singri
5. Jammu- Shivkhori via Reasi
6. Jammu- Rajouri óKotranka

The Corporation has for the first time in the History started Women Special Bus Services on various Routes in recognition of the respect for the women in the society besides restoring the other City Services after decades for convenience of the public. The bus services restored for the convenience of general public both in Jammu as well as Srinagar City are as under:

#### **Jammu Division**

<b>Table 60: Routes of Jammu Division</b>	
<b>S.No</b>	<b>Name of the Route</b>
1	Railway Station to Bantlab and back
2	General Bustand Jammu- Akhnoor and back
3	General Bustand Jammu- R.S. Pura and back
4	Indra Chowk Jammu ó Jagti Camp and back.
5	Panjthriti-Trikuta Nagar
6	General Bustand Jammu to Samba
7	General Bustand -Bari Brahmana

#### **Kashmir Division**

<b>Table 61: Routes of Kashmir Division</b>	
<b>S.No</b>	<b>Name of the Route</b>
1	Lalchowk - Ganderbal and vice versa
2	Lalchowk ó SKIMS Soura via Ali Jan Road and via Nowhata.
3	Lalchowk ó Pampore and vice versa.
4	TRC ó International Airport and vice versa.
5	Lalchowk ó Khrew / Blahama and vice versa
6	Lalchowk ó Ganderbal / Manigam via Safakadal Soura.
7	Lalchowk ó Harwan via Dalgate.
8	Lalchowk Hazratbal via Lal Bazar and via Rainawari.
9	Lalchowk ó Budgam via Rambag.
10	Lalchowk ó Railway via Panthachowk.

The Corporation has also started late night bus services in Srinagar City especially from Railway station Nowgam to Batmaloo-Lalchowk and Railway Station to SKIMS via L.D. Hospital, Zero bridge, TRC etc.

### **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.

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 following sections of the railway project have been opened for public:

1. Jammu-Udhampur =53 kms
2. Qazigund-Baramulla (Anantnag to Rajwansher) = 66 kms
3. Rajwansher to Baramulla =35 kms
4. Quazigund to Anantnag = 18 kms

The section from Udhampur to Katra (25 kms) was opened on 4<sup>th</sup> July, 2014 by the Honøble Prime Minister. 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 272 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>
Length	25 km	129 km	119 km
Important/Major/ Minor Bridges	38	62	811
Tunnel length	10.90 km	103.00 km	-
No. of Stations	3	11	15

### **Socio-economic impact of the project:**

- i. After completion, this project will provide an all weather and reliable connectivity to the far flung areas of J&K State with rest of the country by the railway link.

- ii. Construction of Access Roads ó Total about 262 kms of approach roads to work sites are to be 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 ó Direct employment to the local people (about 7000) and indirect employment to thousands for day to day requirement of the project personnel.
- iv. Permanent job in Railways to one of the family members, whose more than 75% of land has been acquired. Job given to 343 persons so far.

### **Civil Aviation**

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.

### **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**

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. 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 1058.92 million at the end of March, 2016. According to the latest report by Telecom Regulatory Authority (TRAI) teledensity has reached to 83.86. The total number of urban subscribers as on March, 2016, stand at 609.69 million and rural subscribers at 449.17 million. Wireless telephone connections have contributed to this growth as the number of wireless connections rose to 1033.63 million at the end of March, 2016 whereas number of wireless connections for J&K was 9.81 million. The wireline subscribers during the same period in J&K was 0.13 million (rural=0.02 & urban=0.11) as compared to 25.29 million (rural=4.32 and urban=20.90) at all India level.

The following table reveals that the total number of landline connections issued by the public sector undertaking BSNL by the end of March, 2016, which was 157046 including

25824 WLL connections in the state. The number of wireline telephones is decreasing continuously. During the year 2015-16, the wireline telephones have recorded decrease of 47343 connections with a number of 18116 landline and 29227 WLL connections registering a fall of (-)121.65% over the previous year. In the wireline telephone connections, including WLL, major share of 46.25% is held by Service Switching Authority (SSA) Jammu followed by 35.23% of SSA, Srinagar.

SSA Leh has registered highest fall of (ó) 39.13% as on 31-03-2016 over the corresponding period of previous year.

The decline in landline phones is mainly due to the wide penetration of mobile phones. 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 31-03-2016 is 1275103. SSA Srinagar has the highest number of mobile connections (520756) followed by SSA Jammu (376423).

### **Tele density**

The overall Teledensity in India increased from 76.36 at the end of August 2014 to 83.36 at the end of March, 2016. The overall Teledensity for J&K state is 79.97. Rural Teledensity is 57.79 and urban Teledensity is 137.33 for J&K state. Wireless Teledensity in India has 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.

### **Internet facility**

As per the data available on 31-03-2016, the number of internet connections in J&K was 3.62 million (at all India level it was 342.65 million). Out of total internet connections issued by BSNL, maximum 81.58% were issued by SSA, Srinagar, followed by SSA, Jammu with 5.99%. SSA Udhampur (5.78%), Rajouri (0.35) and Leh (6.28%) have a collective share of 18.41% in the total internet connectivity of the state. The number of internet connections per thousand of population is measured 2.60 as on 31-03-2016.



## **Post offices**

India has the largest Postal Network in the world with over 1, 54,882 Post Offices (as on 31.03.2014) of which 1,39,182 (89.86%) are in the rural areas. At the time of independence, there were 23,344 Post Offices, which were primarily in urban areas. Thereafter, the network has registered a seven-fold growth since Independence, with the focus of this expansion primarily in rural areas.

The J&K postal circle serve the entire state spread over an area of approx. 222236 sq. kms with a population of 12541302 souls. As on 31-03-2016, the total post offices in J&K are 1701 out of which 04 are seasonal post offices which function for only two months during Amarnath yatra period. Out of these 1701 post offices, 09 are head offices, 257 are sub post offices and the remaining 1435 post offices are Extra Departmental Branch Office (EDBOs).

On an average, 01 post office serves 7373 people as on 31-03-2016 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 (11.46%), Rajouri (7.87%), Kathua (7.70%), Baramulla (7.40%), Anantnag (7.35%) and Udhampur (6.58%) 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 7373 people per post office, 11 districts avail the services below state average and 11 districts above state average. Leh and Kargil are the two districts where on an average, one post office is available for below three thousand people. On the other end of the spectrum, Srinagar, Shopian, Kupwara, Ganderbal have one post office per 17925, 17748, 11017 and 10257 people respectively.

On an average, one post office has to cover 130.65 sq Kms. in the State as on 31.03.2016. 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 there are 820.18 sq.kms, 264.80sq. kms and 202.55 sq.kms respectively.

Department of posts, J&K circle 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.

## Development

### Agriculture

Agriculture as we know plays a very prominent role for development of economy of J&K State. 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.

#### Seed Management and Seed Replacement Rate (SRR)

To sustain continuous growth in productivity, seed management plays a vital role. The desirable SRR level of 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. 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.

<b>Table 63: Seed Replacement Achievements</b>						
SEASON	Crop	Seed Replacement Rate Achievements in the State				
		2013-14	2014-15	2015-16		
				KMR	JMU	Average
KHARIEF	Paddy	25	29.68	38	27.09	32.55
	Maize	16.22	28.05	25	35.38	30.19
	Pulses	35	20.87	35	5.43	20.22
	Fodder	55	59.98	22	100	61.00
RABI	Wheat	32.19	40.25	43	40.68	41.84
	Pulses	17.53	3.63	NA	2.56	2.56
	Oilseeds	31.7	33.6	45	33.56	39.28
	Fodder	25	32.23	25	32.50	28.75

For enhancing agricultural productivity on sustainable basis, improving Seed Replacement Rate (SRR) is an important component. Agriculture has registered a 38% SRR of rice in Kashmir valley and 27.09% in Jammu Division. SRR in respect of maize was observed at 25% in Kashmir and 35.38% in Jammu Division. SRR in respect of Fodder is anticipated at 25% and 32.55% during Rabi Season in Kashmir and Jammu respectively.

#### Capex Budget 2015-16

Capex Budget 2015-16 was approved at Rs. 326.62 crore which included Rs 284.07 crore for Centrally Sponsored Schemes (Central Share Rs. 256.18 Cr & State Share Rs. 27.89 Cr), Rs 14.64 crore of Negotiated loans (NABARD) and Rs. 27.90 Cr under Regular Scheme

### **Centrally Sponsored Schemes**

Following Centrally Sponsored Schemes are implemented by the department:-

1. Rashtriya Krishi Vikas Yojana (RKVY)
2. National Mission for Sustainable Agriculture (NMSA)
3. National Mission on Agriculture Extension and Technology (NMAET)
4. National Food Security Mission (NFSM)
5. National Mission for Oil Seed and Oil Palm (NMOOP)
6. National e-governance Programme for Agriculture (NeGP) Agriculture Mechanization through Training Testing and Demonstration.
7. Kissan Credit Card (KCC).
8. Integrated Scheme for Development of Sericulture Industry (ISDSI)/ Catalytic Development Programme for Sericulture

### **New initiatives**

9. Pradhan Mantri Fasal Bima Yojana (PMFBY)
10. Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)

### **Rashtriya Krishi Vikas Yojana (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. Rashtriya Krishi Vikas Yojana (RKVY) has two major components:-

- (i) Rashtriya Krishi Vikas Yojana (RKVY) Normal
- (ii) National Mission on Saffron

Rashtriya Krishi Vikas Yojana (RKVY) Normal takes care of gap filling of interventions, vegetable development and protein supplement components.

During last Year (2015-16), the department had an unspent balance of Rs 4646.00 Lakh against which the expenditure is of Rs 4254.29 Lakh as per the following breakup-

S.No	Sub Scheme	Un-spent Funds revalidated for utilization during 2015-16	Expenditure ending March 2016	Unspent Balance as on 01-04-2016
1	Rashtriya Krishi Vikas Yojana (RKVY) (Normal)	210.27	210.25	0.02
2	National Mission on Saffron	3974.57	3629.63	344.94
3	Vegetable initiative for Urban Clusters (VIUC)	358.24	311.49	46.75
4	National Mission on Protein Supplements (NMPS)	102.92	102.92	0.00
	<b>Total</b>	<b>4646.00</b>	<b>4254.29</b>	<b>391.71</b>

In addition to above, last Year (2015-16), there was a provision of Rs.15229.00 lakh for the implementation of the Rashtriya Krishi Vikas Yojana (RKVY) (Rs. 6229.00 lakh RKVY Normal and Rs. 9000.00 Lakh under National Mission on Saffron). Against this an amount of Rs. 3975.69 Lakh was released (Rs. 3736.00 Lakh Central Share and Rs.239.69 lakh as State Share). The expenditure is of the order of Rs. 3113.64 lakh as per the following breakup:-

S.No	Sub Scheme	Funds released during 2015-16			Expenditure during 2015-16			Unspent Balance as on 01-04-2016 (CS)
		CS	SS	Total	CS	SS	Total	
1.	RKVY-Normal	1236.00	239.69	1475.69	1141.84	146.37	1288.21	94.16
2.	National Mission on Saffron	2500.00	0.00	2500.00	1825.43	0.00	1825.43	674.57
	<b>Total</b>	<b>3736.00</b>	<b>239.69</b>	<b>3975.69</b>	<b>2967.27</b>	<b>146.37</b>	<b>3113.64</b>	<b>768.73</b>

- Work on Saffron Park at Dusso Pulwama has been accelerated in collaboration with National Horticulture Board for which Rs. 24.00 crore were provided. The project is nearing completion and is expected to be commissioned by June, 2016.

- Development /Establishment of Model Saffron Village at Samboora Pulwama and Kishtwar are under consideration of the government;
- Sprinkle Irrigation System shall be completed by the Mechanical Engineering Department Kashmir for boosting Saffron production under Saffron Mission by June 2016;

### **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 e.g. National Mission on Agricultural Extension & Technology, National Food Security Mission, National Initiative for Climate Resilient Agriculture (NICRA) etc; in the domain of climate change adaptation and mitigation measures, to pilot models in select blocks for improving productivity of rainfed farming by mainstreaming, rainfed technologies refined through NICRA and by leveraging Employment Guarantee Scheme (MGNREGS), Integrated watershed Management Programme (IWMP), RKVY etc and to establish an effective inter and intra Departmental/Ministerial co-ordination for accomplishing key deliverables of National Mission for Sustainable agriculture under the aegis of National Action Plan on Climate Change (NAPCC).

The CSSö NMSAö 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. Paramparagath Krishi Vikas Yojana (PKVY)

An amount of Rs. 281.18 Lakh was available under Rainfed Area Development during 2015-16 which includes Rs. 158.69 Lakh unspent balance and Rs. 22.50 Lakh as State Share. Against which 124.00 Lakh has been utilized during the year.

For the Climate Change Intervention One block each in District Budgam/ Jammu is being

covered under Climate Change. Proposal on pilot basis to introduce climate resilient varieties of seeds etc to check the adverse effects of climate on production.

An amount of Rs. 761.31 Lakh was available during 2015-16 under Soil Health Management which includes Rs. 736.00 Lakh of unspent balance for establishment of Soil Testing Labs against which expenditure is Rs. 624.29 Lakh. Following achievements have been made during the year under the scheme:-

- ▶ 6 Soil Health Mobile laboratories.
- ▶ 5 new static soil Testing Laboratories.
- ▶ 60 Soil Testing Kits
- ▶ 1 Fertilizer Quality Control laboratory (strengthening)
- ▶ 1 Bio-fertilizer and Organic Fertilizer quality control laboratory
- ▶ 1 fertilizer quality control laboratory.

An amount of Rs. 122.56 Lakh was available under Soil Health Card Scheme which includes Rs. 31.79 Lakh of unspent balance and Rs. 13.61 Lakh as State Share. Against which the expenditure during 2015-16 was Rs. 58.13 Lakh. The achievements made during the year are as under:-

- ▶ 108690 farmers covered during 2015-16
- ▶ 33172 soil samples taken
- ▶ 15541 samples tested
- ▶ 29325 Soil Health Cards generated/printed during the period.

An amount of Rs. 86.37 Lakh was available under Paramparagath Krishi Vikas Yojana which includes Rs. 11.42 Lakh as State Share against which the expenditure was of the order of Rs. 47.47 Lakh the scheme was launched on the ground during 2015-16 for promotion of Organic Farming.

### **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 CSSö NMAETö 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 2577.22 Lakh has been approved for the implementation of NMAET which includes Sub-Mission on Agriculture Mechanization (Rs. 105.46 Lakh), Sub-Mission on Agricultural Extension (Rs. 1356.93 Lakh) and Sub-Mission on Seed & Planting Material (Rs. 1114.83 Lakh) during 2015-16. An amount of Rs. 1704.11 Lakh (including State Share of Rs. 238.29 Lakh) has been received by the Department for the implementation of various programmes in a mission mode manner during the year 2015-16. Besides, there was unspent balance of Rs. 461.18 Lakh. Therefore, the total availability during the year was Rs. 2165.29 Lakh. Against which an amount of Rs. 1771.24 (Including Rs. 216.97 Lakh as State Share) has been utilized during the year. In addition to above Government of India provided transport subsidy to the tune of Rs. 32.15 Lakh which has been fully utilized during 2015-16.

#### **Physical Achievements under the scheme**

Under Agricultural Mechanization, 06 Tractors, 18 Power Tillers, 35 Tractor driven implements, 100 Chaff Cutters, 175 Garden hand tools, 80 Powered knops sack sprays for SC/ST small and marginal farmers. demonstrations and training and distribution of post harvest technology management for transfer of primary processing technology , value addition, low cost scientific storage, 24 tractors, 20 power tillers, 118 tractor driven equipments for SC/ST small and marginal farmers, 275 such equipments for General Category were provided for farm mechanization during 2015-16.

Similarly, seed and planting material is being provided to the farmers to enhance the farm productivity in potential areas. Department has distributed seed during Kharief and Rabi to the extent of 3839 qtls of pulses, wheat oats, barseem, mustard, maize, paddy.

#### **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 3.94 crore was unspent as on 01-04-2015 out of which Rs. 3.52 crore was utilized and Rs 0.48 Cr remain unspent.

During 2015-16 Action Plan has been approved at an amount of Rs. 22.69 crore. An amount of Rs 7.86 crore has been received (Central Share as Rs. 6.48 & State Share 1.38 Cr) against which Rs.7.24 crore has been expended during 2015-16. The total expenditure incurred during 2015-16 is Rs. 10.76 Cr which includes unspent balance of last year

### **Physically achievements**

- 5655 qtls of High Yielding Variety (HYV) seeds distributed
- 2430 ha covered by way of plant protection chemicals and Bio Agents
- 50% subsidy was provided for construction of 29 Go-downs limited to Rs. 1.00 Lakh per No.
- 350 number resource conservation techniques and tools were provided,
- incentive for 351 pump sets was achieved,
- 13 training sessions were conducted,
- A good impact has been created on ground as the activities performed have enhanced the production and created the employment opportunities and thereby increased the income of the farmers.

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

Action Plan of Rs. 175.45 Lakh was approved for the year 2015-16. No Central Share was released during the year. However, there was an unspent amount of Rs. 38.40 Lakh which stands utilized during the year.

Under Mini Mission Ist (MM-I) 26 Hectt was brought under reape seed and mustard block demonstration crop/ variety wise by way of providing 50% of the cost of inputs on rape seed and mustard besides one farmers training programme was also organized.

### **Pradhan Mantri Fasal Bima Yojana**

Pradhan Mantri Fasal Bima Yojana has been approved by the State Administrative Council for adoption/implementation in the State from Kharif 2016 which will cover all food crops (cereals, millets and pulses), oilseed crops and annual Horticulture/commercial crops against non-preventable risks except losses arising out of war and nuclear risks, malicious damage and other preventable risks. The scheme provides uniform premium @ 2% only to be paid by the farmers for all Kharif crops, @ 1.5% for all Rabi crops and in case of annual commercial and horticulture crops the premium is @ 5% only of sum insured.

### **Pradhan Mantri Krishi Sinchaye Yojana (PMKSY)**

Pradhan Mantri Krishi Sinchaye Yojana (PMKSY) has been launched by Ministry of Agriculture & Farmers Welfare by amalgamation of ongoing schemes of Ministry of Water



Resources, River Development & Ganga Rejuvenation , Ministry of Agriculture & Farmers Welfare and Ministry of Rural Development. The scheme is for a period of five years from 2015-2020 to achieve òmore crop per dropö for overall rural prosperity. The funding for the works proposed under comprehensive water security plan is to be obtained through convergence from existing centrally sponsored schemes e.g. MNREGA, PMKSY, IWMP etc. District Irrigation Plans (DIPø) of 20 Districts have been prepared amounting to Rs. 12467.48 Cr to be executed in phased manner and submitted to the Government of India.

### Irrigation Potential in J&K State

Irrigation potential of the J&K State is as under:-

<b>Items</b>	<b>Jammu Division</b>	<b>Kashmir Division</b>	<b>Total</b>
Area irrigated	1.90	2.47	4.37
Area unirrigated	3.47	1.21	4.68
Irrigation potential utilized	1.82	0.76	2.58
Irrigation potential un-utilized	0.08	1.71	1.79
Proposed utilization of potential created during 2016-17	0.07	0.30	0.37

### Sericulture

- **Cocoon production:** There has been a record Cocoon Production of 1032 MT during 2014-15 which was just 738 MT during the year 2008-2009 showing an increase of 39% Despite incessant rains during spring 2015 in Jammu Division and damage to second cocoon crop, state will achieve 944 MT during 2015-16.
- **Cocoon Prices:** Due to improvement in cocoon quality, farmers in some markets fetched record price of Rs. 1000 to 1050 per kg and the average price for òAö grade cocoons was around Rs. 630/kg dry compared to Rs. 192/Kg during 2008-09 registering a significant increase of 228%;
- **Cocoon Productivity:** Per ounce of silkworm seed has increased to 37 Kg during the current year which was 32 Kg during 2008-09. The efforts have been initiated to achieve productivity levels of above 50 kg by the end of XII plan;
- **Renditta (Cocoon quantity required to produce 1Kg of silk yarn)** has come down to 7.5 Kg from 9 Kg during 2008-09 by replacing traditional silkworm races (poor silk yielder) with high yielding double hybrids;
- **Raw Silk Production** increased from 82 MT during the year 2008-09 to 135 MT during 2015-16 showing an increase 65%.
- **Support Price** The support price for seed cocoons was first enhanced to Rs. 200/Kg

from Rs. 100/Kg and has been further enhanced to Rs. 250/Kg the support price for commercial (reeling) cocoons has also been enhanced to Rs. 510/Kg from Rs. 300/Kg (dry) for the Sericulture farmers of the State;

- **Cluster promotion programme:** To improve productivity and profitability cluster based approach has been adopted. Cluster programme at Tral and Bandipora of Kashmir Division at a unit cost of Rs. 497.90 Lakh and Nowshera (Rajouri) and Tikri (Udhampur) of Jammu Division at a unit cost of Rs. 482.61 Lakh were launched in the State to adopt holistic approach for development of Sericulture in these areas. 150 beneficiaries in each cluster have been covered by production and productivity. Six new clusters have been established covering 2600 cocoon growers in 1<sup>st</sup> phase. A comprehensive package has been envisaged with backward and forward linkages in these clusters to improve cocoon productivity, profitability and value addition.
- **Cocoon Dryers:** For facilitating cocoon drying on scientific lines by the farmers for better silk recovery, Department has introduced the concept of Hot Air Dryers in the State for the benefit of farmers and so far 102 such units have come-up in the last four years. A two MT capacity conveyor type Hot Air Dryer is being installed at Srinagar which will help to facilitate to organize green cocoon auction benefitting cocoon growers and the reelers.
- **Cold storage plant for preservation of silkworm seed:** Establishment of cold storage plant at a unit cost of Rs. 106.99 Lakh at kud, for hibernation of silkworm seed has been completed. Due to the complete damage to the old Cold Storage plant at Srinagar, another Cold Storage Plant is proposed for Kashmir Division during the year 2016-17.
- **Construction of Cocoon Auction Market** To provide latest marketing infrastructure in the state for the benefit of farmers, Cocoon Auction Market at Rajouri, (Jammu) Anantnag, (Kashmir) at a unit cost of Rs. 60.00 Lakh have been completed. During the current year three new markets at Kupwara, Reasi and Udhampur are being constructed.

### **Kissan Credit Card**

The present status under KCC is as under:-

▶ Total No. of Farm Operating Families (FOFs)	=11.52 Lakh
▶ No. of FOFs not opted for KCC	= 1.71 Lakh.
▶ Balance	= 9.81 Lakh
▶ Progress upto 31.12.2015	= 9.35 Lakh
▶ Percentage of achievement	= 95
▶ Amount disbursed	=Rs.6958.55 Cr

### **Waiver off 50% KCC Loan as per last year's Budget announcement**

#### Eligibility criteria

- ▶ No. of accounts which were standard (not NPA) as on 31.08.2014.
- ▶ Accounts having sanctioned limit up to Rs. 01.00 Lakh as on 31.08.2014.
- ▶ Balance outstanding less than Rs. 01.00 Lakh as on 31.03.2015.
- ▶ SLBC has conveyed total No. of accounts = 122867.
- ▶ Amount outstanding = Rs. 503.90 crore.
- ▶ 50% claimed by SLBC = Rs. 251.95 crore.

#### **NABARD funding**

- 8 projects have been sanctioned by NABARD under RIDF XIX & XX for Agriculture Sector involving project cost of Rs. 22.52 Cr. Out of which 6 projects are under execution, 1 project is non starter and another project namely up-gradation S.M Farm Dialgam Anantnag has been transferred to Health and Medical Education Department for establishment of Medical College. Till date an amount of Rs. 10.62 Cr has been spent on the above six projects and Rs. 10.94 Cr is required for completion of these projects
- Cold Storage at Lawarance Road New Delhi to be funded under NABARD at a cost of Rs. 16.80 Cr is expected to kick start during 2016-17

#### **State Agriculture Universities**

Two State Agricultural Universities Jammu/ Srinagar are providing research & developmental assistance to the Departments of Agriculture/ Horticulture, Animal/ Sheep, Forestry & allied sectors. The R&D activities are replicated on ground for production growth through extension education discipline of these Universities.

### **Livestock**

Livestock plays a significant role in the rural economy of Jammu and Kashmir. The number of livestock per 1000 of human population in Jammu and Kashmir as per 19th Livestock census 2012 was 736 animals while as at all India level the number was only 409.

As per 19<sup>th</sup> Livestock Census, the total livestock Population of J&K State is 17474551 comprising of 9200842 livestock and 8273709 poultry.

<b>INITIATIVES, STRATEGIES AND THRUST AREAS</b>			
<b>DAIRY DEVELOPMENT</b>	<b>Poultry Development</b>	<b>SMALL RUMINANTS</b>	<b>FEED AND FODDER</b>
<ul style="list-style-type: none"> <li>➤ 75% genetic upgradation of cattle and buffalo by 2020.</li> <li>➤ Management of genetic resources by adopting central herd registration and progeny testing.</li> <li>➤ Artificial insemination coverage to 55% which is at present 31%.</li> <li>➤ Corresponding increase of inputs for genetic upgradation.</li> <li>➤ Establishment of genetic resource pools for making available elite germ plasm to attain desirable level of upgradation in cattle and buffalo</li> <li>➤ Scientific management of field date related to genetic resources available in the state.</li> <li>➤ Covering inaccessible areas of state under frozen semen technology.</li> <li>➤ Corresponding increase of FST inputs.</li> <li>➤ Putting up paravet scheme on fast tract.</li> <li>➤ Introduction of elite semen for improving quality of local cattle.</li> <li>➤ Conduct of AI (Artificial Insemination) through dairy cooperative societies.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Meeting 75% of local requirement of broilers from within the state.</li> <li>➤ Increase egg production through improved variety of backyard poultry, from present 28% to 50% of total egg production of the state.</li> <li>➤ State specific schemes under industrial policy to boost local production of poultry feed.</li> <li>➤ The private sector poultry industry has to be encouraged by shifting it from negative list of industries and bringing the sector under the fold of Micro Small and Medium Enterprises (MSME), facilitating all the incentives as are available to the MSME sector under central and state package.</li> <li>➤ To make backyard poultry sector an effective tool for production of poultry meat in the state.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Development of sheep and goat sector to meet 70% of local mutton demand from present 45%.</li> <li>➤ Stabilize the gains made in fine wool production.</li> <li>➤ Horizontal expansion of elite mutton germ plasm.</li> <li>➤ Establishment of elite mutton type stud rams mother farms. The superior rams produced in these farms can be distributed in niche belts suited for mutton production.</li> <li>➤ Devising pilot projects in a phased manner for introduction of AI in sheep and goat.</li> <li>➤ ETT to expand the elite genes base of the selected breeds.</li> <li>➤ Shift from traditional rearing mode to in house management for round the year availability of quality mutton.</li> <li>➤ Selective breeding of the animals (male/female) having inheritant genetic variations in economic wool traits shall be pooled and used for further replication.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Scientific management of grass-lands.</li> <li>➤ Development of waste lands through silvi pastoral system.</li> <li>➤ Minimize the wastage of non-congenial as well as congenial fodder to narrow down the gap between availability and requirement of fodder, by making these materials suitable for livestock feeding.</li> <li>➤ To make available the nutritious fodder during the scarcity period.</li> <li>➤ Preservation / storage of surplus fodder to meet the nutrition requirement of livestock, during scarcity period and to save livestock from natural disaster.</li> <li>➤ To preserve surplus fodder available during proceeding good years.</li> <li>➤ To stabilize the price of fodder and keep the supply intact in problematic areas.</li> </ul>

## **Dairy Development**

Ministry of Agriculture and Farmers Welfare, Department of Animal Husbandry, Dairying and Fisheries, GoI, has approved a project proposal for an amount of Rs. 6,46,68,500/- against which an amount of Rs 365.27 lakh has been received and utilized under National Programme for Dairy Development a component of Centrally Sponsored Scheme of National Programme for Bovine Breeding and Dairy Development. The scheme is being implemented in the State by way of upgrading the old machinery of JKMPCL, Milk Plant Cheshama shahi and to further enhance the capacity from 20 TLPD to 50 TLPD, the milk will be procured from various 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.

## **Genetic Improvement**

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 grassroot 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 (LN<sub>2</sub>) plants. These programmes are being implemented under the National Programme for Bovine Breeding (NPBB), a component of Central Sector Scheme “**National Programme for Bovine Breeding and Dairy Development**”.

## **Poultry Development**

- ❖ Poultry production has assumed importance as a major agro-based industry which provides:
  - a) part-time / whole-time source of earning to the unemployed youth; and
  - b) 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:-
  - i. encouraging private enterprises with the requisite technical guidance and
  - ii. Providing fast and specific diagnosis of poultry diseases in order to reduce risk of loss to farmers.

- ❖ As per the official estimates, the achievements made in the poultry development during last three years in Backyard Poultry are as under:

<b>Table 67: Achievements in the Poultry Sector</b>					
<b>S. No</b>	<b>Particulars</b>	<b>Unit</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
1	Production of day old chicks in State Government Frams	Lakh Nos	6.21	6.05	4.35
2	Breeding birds sold in State Government Frams	Lakh Nos	1.665	1.245	1.722

### **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 endeavors 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 of National Livestock Mission.

### **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 lakh (Rs. 100 lakh each for Leh and Kargil District) under Annual Plan, in order to sustain the livestock in the farms. The interest accrues on the Corpus fund is being utilized for the maintenance of these breeds.

### **Livestock Insurance**

With the collaboration of Shri Amarnath-Ji Shrine Board, 13500 and 11760 animals (ponies / horses) have been registered in 2014 & 2015 respectively for accidental insurance cover during Shri Amarnath-Ji Yatra.

### **Annual Plan 2014-15 and CAPEX Budget 2015-16**

Under Annual Plan 2014-15 an amount of Rs 5063.62 lakh including Rs 3264.04 lakh as CSS was available for utilization against which an amount of Rs 2750.39 lakh including Rs1330.07 lakh as CSS were utilized.

Under CAPEX Budget 2015-16 an amount of Rs 4161.98 lakh including central share of Rs 1594.53 lakh was available for utilization against which an amount of Rs 3583.76 lakh including Rs1200.10 lakh as CSS were utilized.

In order to give boost to Milk Production, reduce dependence on imports, a Centrally Sponsored Scheme Rashtriya Krishi Vikas Yojna (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 sheep/goat units is the prime activities under the scheme. During the year 2014-15 an amount of Rs 145.82 lakh was utilized against the availability of Rs 150.00 lakh and during the year 2015-16, against approved allocation of Rs 735.09 lakh, an amount of Rs. 357.14 lakh was made available by the Agriculture Production Department (Nodal Department RKVY) out of which Rs 352.63 lakh were utilized. The details of releases and expenditure during 2014-15 and 2015-16 are as under:-

**Release of 2014-15 under the CSS-RKVY**

<b>Table 68: Release of 2014-15 under the CSS-RKVY</b>				
<b>S.No.</b>	<b>Sector</b>	<b>Approved Outlay 2014-15</b>	<b>Funds authorized for utilization during 2014-15</b>	<b>Expenditure ending March.2015</b>
1	Animal Husbandry Jammu	60.00	30.00	29.98
2	Animal Husbandry Kashmir	60.00	30.00	30.00
3	Sheep Husbandry Jammu	60.00	30.00	30.00
4	Sheep Husbandry Kashmir	60.00	30.00	29.91
	Fisheries	60.00	30.00	25.93
<b>Total</b>		<b>300.00</b>	<b>150.00</b>	<b>145.82</b>

<b>Table 69: Release of 2015-16 under the CSS-RKVY (Rs. in lakh)</b>				
<b>S.No</b>	<b>Sector</b>	<b>Approved Outlay 2015-16</b>	<b>Funds released during 2015-16</b>	<b>Expenditure 2015-2016</b>
1	Animal Husbandry Jammu	123.00	62.00	62.00
2	Animal Husbandry Kashmir	123.00	50.70	50.70
3	Sheep Husbandry Jammu	71.43	35.67	35.67
4	Sheep Husbandry Kashmir	71.43	35.67	32.03
<b>Director Fisheries</b>				
	<b>a) Works</b>	246.06	123.00	122.13
	<b>b) Liabilities</b>	100.17	50.10	50.10
<b>Total</b>		<b>735.09</b>	<b>357.14</b>	<b>352.63</b>

**Notable Achievements:-**

- To generate employment in Sheep Sector along with enhancing Mutton Production, to total of 149 units of Sheep/Goat were established under RKVY and State sector during 2015-16.
- As per official estimates, the milk production has increased from 21.74 lakh MTs in 2014-15 to 24.01 lakh MTs during 2015-16
- The department has taken up construction of 112 veterinary institutions buildings since 2010-11 at a cost of Rs 4324.87 lakh under NABARD out of which 42 buildings have been completed by the end of 2015-16
- Under National Programme for Dairy Development a component of Centrally Sponsored Scheme "National Programme for Bovine Breeding & Dairy Development" an amount of Rs 365.27 lakh has been received from GoI, against approved project proposal of Rs 6.468 lakh for upgrading the old machinery of JKMPCL, Milk plan Cheshamashahi in order to further enhance the capacity from 20 TLPD to 50 TLPD.
- 9.374 lakh Artificial Inseminations have been conducted during 2015-16 against the target of 9.622 lakh.
- Mutton production during 2015-16 have been recorded to 321.96 lakh Kgms as compared to 318.89 lakh Kgs in 2014-15.
- Egg Production (Official estimates) during 2015-16 has been recorded to 484.60 Million as compared to 481.348 Million in 2014-15.
- 507.211 lakh Nos. of vaccinations were conducted against various disease to livestock including poultry during 2015-16 as compared to 471.01 in 2014-15.
- The production of poultry meat has been increased from 594.792 lakh Kgs in 2014-15 to 640.95 lakh kgs in 2015-16.
- During 2015-16 , the overall Revenue Collection of the Directorate of Fisheries has been increased to Rs 525.25 lakh from Rs 477.28 lakh in 2014-15.
- The trout production of the State from department and private units during 2015-16 has reached to 300 tonnes as compared to 262 tonnes in 2014-15.
- Sale of trout fish from the departmental units has reached upto 70.00 tonnes during 2015-16, resulting in Revenue Generation of Rs 270.00 lakh as compared to Rs 182.17 lakh during 2014-15
- 06 more trout hatchery units viz Panzath Anantnag, Mamer Ganderbal, Bheja Bhaderwah, Tchancer Kulgam, Laribal Srinagar and Khag Budgam have been commissioned for Trout Seed production besides already existing 40 departmental units
- 937 carp units have been established in private sector upto 2014-15 under PM's Package/RKVY/National Mission for protein Suppliments(NMPS) and during 2015-16, 15 new units have been established
- The aquarium cum awareness centre at Bhag-i-Bahu Jammu attracted a large number of visitors numbering 4.63 lakh and generated a revenue of Rs 89.93 lakh during 2015-16.
- 25 bull calves have been procured for natural services/AI.



**Animal care facilities**

- ❖ *To improve the quality of animal health services, the department has established a network of 3849 veterinary institutions. Besides, 96 institutions are also functional under Fisheries sector with the aim to increase fish production.*
- ❖ *From 2010-11 to 2015-16 the department availed loan of Rs. 4109.60 lakh from NABARD under various RIDFs, for construction of 112 veterinary institutions (hospitals/dispensaries) against which 42 buildings have been completed so far and the emphasis of the department is on completion of 37 buildings taken under RIDF-XVI & XVII during current year 2016-17.*
- ❖ *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.*
- ❖ *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.*

**Fisheries Sector**

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 avenue and is a source of cheap and nutritious food, besides being a source of livelihood for a large section of economically backward population of the country. Fisheries in Jammu and Kashmir has the potential to grow exponentially as the state is bestowed with a network of both cold and warm water streams, perennial rivers, lakes, reservoirs, sars and about 250 high altitude lakes spread over an area of 40 thousand hectares. There is immense scope to promote all types of fisheries in view of State's varied agro climatic conditions.

The state comprises of three distinct regions. All the regions offer potential for promotion of different varieties of fishes. While in Kashmir valley, the temperate zone offers potential for development of Cold water fisheries, viz Trout and Chinese carps, the sub tropical zone of Jammu division offers potential for development of warm water fisheries, viz culture of Indian Major Carps and Chinese Carps. The areas of Kathua, Udhampur, Doda, Rajouri and Poonch have the potential for producing the trout fisheries also in addition to warm fisheries. It is, however, pertinent to mention that brackish water fisheries resources are yet to be exploited.

The total fishermen population in the State is presently estimated at 93000. The 27781 Km. length of rivers/streams facilitates 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 which gives an indication of the potential for fisheries in the State.

### **Major Initiatives**

- A hygienic modern wholesale fish market at Narwal, Jammu has been taken up at an estimated cost of Rs 235.00 lakh under National Fisheries Development Board (NFDB) funding and has also sanctioned hygienic wholesale fish market for Srinagar for which land has been identified.
- Installation of new 40-50 LT/hr LN2 plant at Shalteng, Srinagar.
- Establishment of Yak farm in Kashmir Division for trial production of Yak Semen.
- Establishment of new private AI worker training institute/ hostel.
- Import of high pedigree Holstein Friesian (HF)/Jersey Bulls for Semen production at Frozen Semen Station, Ranbirbagh.
- Establishment of Private AI worker/MAITRI for providing breeding coverage at farmer's door step and simultaneously generating employment opportunities to unemployed youth.

The import of milk, egg and day old chicken during the year 2015-16 was 10.53 lakh qtls, 7843 lakh Nos. and 614 lakh Nos. respectively as compared to 10.90 lakh qtls, 7050 lakh Nos. and 552 lakh Nos. during the year 2014-15.

The import of sheep and goat during the year 2015-16 was 12.40 lakh Nos. and 0.10 lakh Nos. respectively as compared to 12.70 lakh Nos. and 0.18 lakh Nos. during the year 2014-15.

The import of fish was 49.00 tonnes during the year 2015-16 which is 9.92 tonnes more than previous year.

### **Horticulture**

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 of state Government. 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 provides the maximum marketable surplus. About 30% of A grade, 40% of B-grade and 30% of C grade of pre falls and culled apples account for substantial quantum of around 50 thousand tones which needs to be exploited as raw material for processing industry. During the year 2014-15, 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 was reported in 2014-15 as against Rs. 5000.00 crore during 2013-14. 14.79 lakh MTs of fresh and dry fruit was exported during the year 2015-16 valuing of Rs 6000.00 crore.

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 3.38 lakh hectares in 2015-16. The production is increased from 16.36 lakh MTs in 2007-08 to 24.94 lakh MTs in 2015-16.

#### **Main Thrust Areas during 2015-16 & 2016-17**

- Market Intervention Scheme (MIS) has been rolled out on 09.10.2015 on pilot basis for Sopore division (Baramulla District), Shopian Tehsil (Shopain District) and Dachnipora zones (Anantnag District) through a procurement of 9000 MTs of C-grade apple during 2015-16 at a cost of Rs. 1090.00 lakh comprising state share of Rs. 1000.00 lakh and processor's share of Rs. 90.00 lakh to mitigate the hardships of the growers, so that good quality fruit is exported and adequate returns flow to the Horticulture Sector. The scheme is operational upto 31<sup>st</sup> of December, 2015 and it will be continued in the coming years after evaluating the performance of the pilot scheme by the Directorate of Economics and Statistics.
- Establishment of Model Apple Village at Kirhama Sirhama, Anantnag has been identified and a detailed project report is being formulated after conducting base line survey and studying economic profile of the village.
- National Agriculture Market (NAM), being a game changer under the Agriculture and Horticulture sector. State has to undertake prior reforms in respect of a single license to

be valid across the State, single point levy of market fee and provision for electronic auction as a mode for price discovery. The amendment to the APMC act is under consideration and proposal to link four(4) major Terminal Mandies at Narwal(Jammu District), Jablipora(Ananthnag District), Parimpora (Srinagar District) and Sopore (Baramulla District) in the first phase is also under consideration.

- **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. At present above 68 thousand MT of Controlled Atmosphere Store capacity is presently available in the State. Subsidy (50%) of Rs. 16.00 crore has been released in favour of M/S. H.N.Agri Serve Pvt. Ltd., Lassi pora Pulwama. Subsidy component of 4 C.A Storage units amounting to Rs. 66.10 crore (50% subsidy) has been referred to the Government of India for release of funds. Similarly, during 2014-15 subsidy of Rs. 1.02 crore (50%) was released in favour of 5 Food Processing Units under MIDH scheme and for the current year Rs. 1.50 crore is available as subsidy component for the Food Processing Units. These will be released subject to the clearance of Joint Inspection Team.
- **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, pumps, Tractors, Power Tillers, Diesel Hull, Bush Cutters etc. 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, an amount of Rs. 600.00 lakh was approved for this initiative by Government of India.

➤ **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 crore, with a view to overcome the marketing challenges for the horticulture produce viz. vegetables and fruit, which have increased manifold over the years.
- Sixteen major markets in the country have been accessed viz; **Azadpur Delhi, Chandigarh, Amritsar, Jaipur, Patna, Kolkatta, Lucknow, Kanpur, Agra, Varanasi, Mumbai, Pune, Bangalore, Indore, Hyderabad and Chennai.**
- Nine Satellite Markets established at Kulgam, Shopian, Pulwama, Chari-Sharief, Handwara, Batingoo, and Udhampur and Akhnoor Phase first and Kathua are complete and will be made functional during next fruit season.
- The work on other ten Fruit & Vegetable Markets at Bishnah, Batote, Akhnoor-ii, Rajouri, Poonch, Doda, Zazna (Ganderbal), Baramulla,) Leh and Kargil are in progress.
- 3 Terminal Markets established at Sopore, Parimpora & Narwa are functional.
- 9 Apni Mandi at Pacchar (Pulwama), Nunmai (Kulgam), Mari(Reasi), Mandi Poonch, Tapyal, Raya Bagala, Dyala Chak (Chadwal), Pouria (Reasi) and Gharian (Udhampur) are under process of development. Besides two additional Apni Mandies identified viz Tamotor Modh Kud, Khan Sahib Budgam.
- Construction of Kissan Ghar at Salt Lake Kolkatta is in progress at an estimated cost of Rs. 624.00 lakh through NABARD assistance.
- Additional accommodation of Kissan Ghar at Delhi is in progress at an estimated cost of Rs. 427.00 lakh.
- Extension of Kissan Ghar at Jammu is under execution
- Multi Commodity Cold Store Kolkatta is being established at estimated cost of Rs. 463.00 lakh. through NABARD assistance.
- Construction of Kissan Ghar at Rajbagh Sringar has been taken-up
- 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 the 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.

### **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 setup 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.

Funding available under Capex Budget 2015-16 and expenditure thereof ending March 2016 in respect of Horticulture Sector is given below.

<b>Table 70: Capex Budget 2015-16 and expenditure</b>				<b>(Rs. in lakh)</b>
<b>S.No</b>	<b>Item</b>	<b>Allocation</b>	<b>Released</b>	<b>Expenditure ending March 2016</b>
1	Regular Scheme	2254.29	2464.29	2262.23
2	Negotiated loans	1000.00	770.41	755.33
3	Central share of CSS	12778.31	4339.83	7430.80
4	Unspent balance of previous year	3440.17	3440.17	
5	State Share	511.00	500.00	486.08
<b>Total</b>		<b>19983.77</b>	<b>11514.7</b>	<b>10934.44</b>

## Floriculture

Floriculture sector has been identified as a focus segment and accorded a top priority by Government. The State Government has taken a number of initiatives to provide liberal financial and technical assistance, besides providing post-harvest facilities for the benefit of the growers.

During 2015-16 an amount of Rs. 1333.00 lakh was approved under Capex Budget. Expenditure ending March, 2016 arrived at an amount of Rs 1135.92 lakh. This outlay included Rs. 195.50 lakh as an additionality, provided for implementation of Honøble CM commitments and additionally, Finance Department released an amount of Rs.150.00 lakh for Development of various parks and gardens in Kashmir Division.

For the implementation of commitments made by the Honøble CM, following works were provided an amount of Rs. 195.50 lakh during 2015-16 against which expenditure recorded is of the order of Rs. 171.41 lakh.

<b>Table 71: Details of Project/Work</b>	
<b>S. No</b>	<b>Name of Project/work</b>
1	Development of city parks (Down town/ up-town parks: Sonwwar-Gupwar park / Daichigam park, Mallinson School Park, Chanapora parks
2	Beautification/up-gradation of Poshwan park at Phalgam
3	Island Park at Phalgam
4	Beautification/up-gradation of NMBG (including construction of Food Court)
5	Development of parks in District Hospital Pulwama
6	Development of Aru Park as Lavender park
7	Development of Iddgah Park
8	Additionality for other parks: Development of SPS Museum Lawn, Indoor Stadium, Development SK Park, Development of Flower Mandi, Sectt. lawn etc, Development of Park at Rakh Arth
9	Development of Budgam park
10	Development of Sher Bagh park
11	Development of Park on land adjacent to Sangermal
12	Development of park at TRC Salamabad
13	Beautification of irrigation bund from Zero Bridge to Chattabal Veer, Central Vergers Hyderpora, Beautification of Lal Chowk

### Floriculture scenario in Jammu 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 up 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.

## Industries

The 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.

### Industries

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

<b>Table 72: Investment made by the entrepreneurs in industries sector (Rs in Crore)</b>			
<b>Period</b>	<b>Up to 2008-09</b>	<b>2009-10 to 2014-15</b>	<b>2015-16</b>
Investment	2827.09	4866.26	266.54

### Abstract Position

<b>Table 73: Abstract Position of Small, Medium and Large scale units in J&amp;K</b>	
No. of Small Scale Units	30120
No. of Large & medium Units	86
Investment	8070 Crore
Employment	161631

### Incentive Regime

The incentives given under State Industrial Policy (SIP) 2004 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

- State Capital Investment Subsidy 30%
- Interest Subsidy on working capital 3 to 5%
- Subsidy on Pollution Control Devices 60% of project cost
- Subsidy on Green and Environment 50%



- Protection Initiatives
- Power Tariff/ DG Set / Green Energy Option      100%
- GI Certification      10 ó 50%
- Quality Control and Testing Equipment      100%
- Automation through Computers/IT      25%
- Human Resource Development.

- Entrepreneurship and Skill Development Fund.
- Subsidy on Pre-Investment Studies / Feasibility Reports.
- Other Initiatives

**Tax Incentives**

- Stamp Duty on Court Fee exemptions.
- Tax Exemptions
- Air Freight Subsidy
- Freight Subsidy

<p><i>Central Package Fiscal Incentives</i></p> <ul style="list-style-type: none"> <li>• 15 percent subsidy on capital investment on plant and machinery.</li> <li>• 3 percent interest subsidy on working capital.</li> <li>• 100 percent insurance cover to the Industrial units</li> <li>• 90 percent Transport subsidy</li> <li>• Central Excise exemption</li> <li>• Tax Incentives</li> <li>• 100 percent excise refund.</li> <li>• Total income tax exemption.</li> </ul>
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**Make in India initiatives**

The Make in India program in J&K state is being forwarded with all initiatives designed to facilitate investment, promote innovation, protect intellectual property, and build best-in-class manufacturing infrastructure in the country. Besides constitution of Monitoring Committee under the chairmanship of Commissioner/Secretary to Government, Industries and Commerce Department and Apex Committee under the Chairmanship of the Chief Secretary to monitor the progress under the flagship programme of Government of India, a chapter on 'Ease of Doing Business' has been included in the Industrial Policy of the State announced on 15-03-2016.

Under the Make in India programme, new initiatives have been taken in 'Ease of Doing Business' to facilitate the investors to boost industrial sector in the state and create employment opportunities for unemployed youth of the state both skilled and unskilled. Employment generation being another focus area of Make in India programme, the Industrial Policy 2016 targets to create 15,000-20,000 employment opportunities per year as compared to an average of 5000 in last decade for the skilled and unskilled youth. This will improve the economic status of the state and the share of Industry Sector to SDP.

Under Make in India programme, the other concerning departments in the simplification of the procedures like Power Development Department, Forest, Pollution Control Board, Labour, Finance etc are also actively involved in the process. In the last 10 years, an employment of more than 50000, both direct (skilled and unskilled) and indirect, have been created on an investment of Rs. 2300 crore.

The Industrial Policy 2016 of J&K, aims at attracting investment of 2000 crore per annum and also to generate employment opportunities. Under the new Industrial Policy and Ease of Doing Business, e-Governance interface, effective online allotment mechanism, time bound NOCø, amendment of outdated rules and regulations, elimination of unnecessary procedures, simplification of complicated procedures, making bureaucratic processes shorter and making government more transparent, responsive and accountable to facilitate the industrial growth in the state. Time bound clearances are the major concern under this chapter. The powers have been delegated to the General Managers for various activities.

It is presumed that the various steps taken in the recent times and target-specific approach adopted under the Industrial Policy 2016 will change the business environment in the state and will help to remove the bottle necks in Industrial Growth of the State leading to realize the targets / spirit of Make in India campaign.

### 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 31126 Kanals of land as per position ending March, 2016.

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.

Up-gradation of following Industrial Estates has been taken up through central assistance under Cluster Development Programme of Ministry of Micro Small & Medium Enterprises and through State Plan on the recommendations of the

<i>Existing Industrial Estates in the State ending March, 2016</i>			
<i>Managing agency</i>	<i>Industrial Estates (No.)</i>	<i>Area (Kanals)</i>	<i>Units Established / Under Establishment (No.)</i>
<i>Directorates of Industries &amp; Commerce</i>	32	2517	1175
<i>J&amp;K SIDCO</i>	12	23992	2084
<i>J&amp;K SICOP</i>	9	4617	1048
<i>Total</i>	53	31126	4307

Special Task Force for Jammu Division.

**a) Micro & Small Enterprises-Cluster Development Programme (MSE-CDP)**

S.No	Name of Industrial Estate	Project Cost			Expenditure ending 03/2016		
		Total	State share	Central share	Total	State share	Central share
1	Industrial Estate, Bari-Brahmana, Samba	11.08	6.14	4.94	8.14	6.14	2.00
2	Industrial Estate, Gangyal, Jammu	9.84	4.86	4.98	9.74	4.83	4.90
3	Industrial Estate, Khunmoh, Phase-I & II	11.55	6.81	4.74	7.00	5.40	1.60
4	Electronics Complex, Rangreth	11.86	3.86	8.00	3.36	3.36	0.00

**b) Recommendations of Projects under Special Task Force for Jammu Division:-**

S.No	Name of Industrial Estate	Project Cost	Funds Released (ending 03/2016)
01	Industrial Estate, Digana, Jammu (DIC J)	358.40	55.50
02	Industrial Estate, Jammu Cantt. (DIC J)	61.72	33.38
03	Industrial Estate, Akhnoor (DIC J)	58.17	58.17
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	172.50
07	Industrial Estate, Birpur, Jammu (SICOP)	127.00	127.00
08	Industrial Estate, Kathua (SICOP)	148.80	32.50
09	IGC Samba, Phase-I (SIDCO)	773.60	299.64

**c) Industrial Estates/ infrastructure of the Department proposed to be upgraded under Prime Minister's Development Package for J&K**

S.No	Industrial Estate / Infrastructure	Amount
1	Rangreth Srinagar	2.18
2	Khanmoh Srinagar	8.24
3	Food Park Doabgah Sopore	1.15
4	Shalteng Srinagar	1.45

5	IGC Lassipora	38.27
6	Head Office Rambagh & Const.Div. Haft Chinar	1.06
7	Baribrehmana	35.91
8	IGC Samba	13.56
9	Ghatti Kathua	13.70
10	Govindsar Kathua	1.10
11	Zakoora Srinagar	2.60
12	Sports Goods Complex Bijbhera	8.17
13	Battal Ballian Udampur Ph.-I	0.27
14	Battal Ballian Udampur Ph.-II	1.30
15	Govindsar Kathua	3.25
16	District Industries Centre Poonch	0.05
17	Anantnag	2.66
18	Anchidora	0.51
19	Bijbhera	1.62
20	Pulwama	1.31
21	Damages to DIC buildings at Anantnag, CFC Sether and Leather Centre at Exhibition Ground	0.12
22	Infrastructure damaged in Directorate/Joint Directorate office of Handloom Department at Srinagar	0.18
23	2 Quarters at Kirkadal & Bijbhera, 3 check posts at Athwajan, Kadlabal Pulwama and 2 tin sheds at Mahjoor Nagar of Geology & Mining Department	0.10
24	Infrastructure damaged in Administrative Blocks, Kashmir Govt Arts Emporium, Lal Chowk and Boulevard and other infrastructure of Handicrafts (S&E) Corporation	4.69
25	Handloom Development Corporation	
a	Repairs/Reconstruction of Buildings	2.72
b	Plant & Machinery	2.86
26	Handicrafts Department	
a	Restoration of damaged building of Divisional Office Kashmir including parking places and roads including allied works	0.49
b	Restoration of two bathrooms, boundary wall of District office, Zaldagar, Srinagar	0.25
c	Restoration of damaged infrastructure of guest house/store building, Kashmir Haat, Srinagar	0.08
d	Restoration of damaged infrastructure of Craft Community Centre, Saida Kadal, Srinagar	0.02
e	Restoration of damaged infrastructure of Craft Community Centre, Ikhrājpora	0.07

f	Restoration of damaged infrastructure of Quality Control Office, Solina Srinagar including Chowkidar Hut	0.06
Total		150.00

### Incentives Paid to Industrial units under State Package:

S.No	Incentive	Upto 2014-15		During 2015-16		Total	
		No.	Amt.	No.	Amt.	No.	Amt.
1	100% Subsidy On DG set	1435	4651.88	126	661.46	1579	5313.34
2	15-30% Capital Inv. Subsidy	466	2545.35	16	88.73	482	2634.08
3	3%-5% intt. Sub. On working capital	1271	1566.42	17	46.40	1288	1612.82
4	100% Project Report Subsidy	64	20.15	0	0	64	20.15
5	ISO 9000/ISI Marks Free Sub.	20	34.81	0	0	20	34.91
6	100% Testing Equip. Subsidy	334	1887.27	33	205.25	367	2092.52
7	Toll Tax Sub. (SICOP)	9	207.06	-	0	9	207.06
8	VAT Remission		12172.00	-	1659.00	-	13831.00
<b>Total</b>			<b>23084.94</b>		<b>2660.84</b>		<b>25745.88</b>

### Rehabilitation of Sick SSI 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 KVIC of Center in Rural areas and DICs in Urban and Rural Areas.*

An Asset Reconstruction Company in partnership with J&K Bank, shall be set up to do asset stripping where need be and formulate revival package, where revival is possible. Till an Asset Reconstruction Company is set up, the State Government will provide a Corpus fund with an initial contribution of Rs 15 Crore to I&C Department to help the revival of sick industries in the state as per the above scheme. The corpus will be used to disburse recoverable soft loan (as per SLRC recommendation) to the concerned unit holder(s) for revival of the sick unit(s).

Implementing agency	Year of start of the scheme	Achievements up to March, 2015			Target 2015-16			Achievements 2015-16		
		No. of units	Margi n Money	Emp (No.)	No. of units	Margi n Money	Emp (No.)	No. of units	Margi n Money	Em p (No.)
KVIB	2008-09	7365	96.31	51485	726	14.73	5896	950	16.41	5248
DIC Jammu	2008-09	794	13.00	3597	320	6.38	2550	253	5.56	1503
DIC Kashmir	2008-09	2444	40.37	13929	448	8.91	3584	532	9.27	2617

### 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.

Two Centers one at Salamabad and other at Chakkan-da-Bagh have been put in place by Government for LoC trade purposes.

### Infrastructure at Trade Facilitation Centres (TFCs)

The Ministry of Home affairs Govt. of India approved the DPRs under Phase-II at a cost of Rs.10.73 Crore for Salamabad, Uri & Rs. 10.41 Crore for Chakkan-da-Bagh, Poonch respectively and released funds amounting to Rs.5 Crore for each. To facilitate smooth trade possibilities at LoC, Government is exploring to provide banking facilities to the traders at two trade centres. During the year 2015-16, 10.54 lakh qtls quantity valuing Rs 634.34 crore(INR) was exported to Pak as compared to 8.18 lakh Qts quality valuing Rs 508.84 lakh(INR) during the corresponding year 2014-15. The quantity imported from Pak during 2015-16 was 5.87 lakh qtls valuing Rs 846.75 crore (Pak currency). The quantity imported from Pak during 2014-15 was 3.38 lakh qtls valuing Rs 811.01 crore (Pak currency).

### **Khadi & Village Industries Board**

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. J&K Khadi and Village Industries Board is endeavoring 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.

Under Prime Ministers Employment Generation Programme, the KVIB has sanctioned margin money to 950 units against the target of 726 units during the year 2015-16 as compared to target & achievement of 1184 units and 949 units respectively during the year 2014-15.

The Khadi industry is showing signs of development. During the year 2015-16 the achievement in respect of production, sales and employment of Khadi Board was Rs 621.90 lakh, Rs 556.22 lakh and 2519 No. against the target of Rs 540.00 lakh (production), Rs 567.00 lakh (sales) and 1404 No.(employment).

### **Geology & Mining**

The State of J&K is endowed with variety of minerals viz Limestone, Gypsum, Marble, Granite, Bauxite, Coal, Magnetite, slates, Quartzite, Dolomite, Borax, China clay, Bentonite clay, Quartz and silica sand, lignite, Graphite. It is spread across an area of 13334 Sq. Kms., 60% of which is reported to be commercially viable for mining of various minerals.

Major Achievements of different wings of the department

During the year 2015-16, investigation of lime stone marble, gypsum ,granite, coal/lignite, bauxite, was carried out in eighteen fields in the various parts of the state. The new items of mineral investigation like lead, zinc, china clay and iron ore have also been targeted to be carried out.

Mineral investigation was carried out to add mineral reserves of Limestone, Gypsum, Coal, Bauxite, China Clay etc., to the existing mineral resources of the State. The department has also taken up investigation of base metals like Lead & Zinc at Boniyar, Baramulla as collaborative programme with Govt. of India.

The department provides Geo-Technical guidance to various Government/semi-government organizations like District Development Commissioners, local bodies and

other organizations. The assistance is also being provided to the various departments in post disaster management after earth quakes and land slidings etc.

### A. Geology Wing

The Achievements for the last three years of the Geology and Mining Department is shown in the table below

<b>Table 79 : Achievements for the last 03 years</b>				
<b>Year</b>		<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Geological Mapping	Detailed (lakh sq m.)	6	8	16.5
	Reconnaissance (Sq.km)	319	517	292
Samples	Collected	381	781	300
	Analyzed	616	469	654
Pitting & Trenching	Cub. Mtrs	215	430	257

### B. Drilling Wing

<b>Table 80: Achievements for the last 03 years</b>			
<b>Year</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Drilling in mtrs.	1019.23	984.19	1302.26

### Mining & Mineral Concession Wing

The Royalty to the tune of Rs. 55.04 crore was collected on Minerals under Mines & Mineral (Development & Regulation) Act 1957 during the year 2015-16 as compared to Rs. 50.85 crore during the previous year 2014-15.

Value of Minor mineral extracted worth Rs 20850.24 lakh during the year 2015-16 as compared to Rs 19316.24 lakh during the previous year 2014-15.

### Handlooms

In the State, the handloom units produce 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, 15 Handloom Clusters and 20 Group approach projects have been taken up at the projected cost of Rs. 1223.14 lakh upto March 2016.

### Handloom Co-operative Societies

There are 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 2014-15, 16.71 million meters of handloom fabrics valuing Rs. 379.40 Crore were



produced in the cooperative sector. The production and value of Handloom fabrics for the financial year 2015-16 is of the order of 10.95 M. Mtrs and Rs. 248.50 Crore respectively. Loan facility is available to the cooperative societies for purchase of sewing machines.

### **Marketing Support**

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 109 training centers to impart training in various trades which include readymade garments, handloom weaving, Pashmina spinning and weaving, and Kani shawl weaving. Out of 109 training centers, 84 centers are exclusively imparting training in readymade garments and handloom weaving. During the year 2015-16, 1044 trainees were trained 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**

#### **1. Mahatma Gandhi Bunker Bima Yojana scheme**

Under the scheme, against total annual premium of Rs. 330/-, Rs. 80/- is taken from weaver, GoI contribution is Rs. 150/- and LIC contribution is Rs. 100/-. Under the Scheme a scholarship of Rs.1200/- is also provided to the children of weavers studying in schools upto 9th to 12th standard. No. of beneficiaries (2015-16) are 773. To increase coverage in 2016-17, it is proposed to make it mandatory for all societies to give coverage to their weavers before being considered for nomination to expos.

#### **2. Health insurance scheme**

The scheme was earlier implemented by ICICI Lombard. In 2014-15 16, 265 weaver families were insured. Now from 2015-16 the scheme has been merged with RSBY. It is proposed to target all weaver families in J&K.

### Weavers Credit Card Scheme

Weavers Credit Card Scheme of GoI is 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 i.e. for investment needs as well as working capital. There is a provision of margin money to the tune of 20% of the loan amount and an interest subvention to the tune of 6% for three years. During 2015-16, against a target of 2000, 2668 cases have been sponsored to the banks and 928 WCC cases have been sanctioned. Amount disbursed was Rs. 710.965 Lakh.

### Over-view of Achievements

An overview of the achievements made under Handloom Sector during 2014-15 & 2015-16 is given as under.

S. No	Particulars	Unit	Achievement 2014-15	Achievement 2015-16
1	Cooperative Sector	M/ Mtrs	16.71	10.95
	(a) Production of Fabrics	in Crore	379.40	
	(b) Value			248.50
2	Trainees Trained / Enrollment	Nos.	1046	1013
3	Organization of Cooperative Societies	Nos.	10	6
4	Membership	Nos.	432	70
5	Modernization of Looms	Nos.	155	173
6	Mahatma Gandhi Bunker Bima Yojana	Nos.	558	733
7	Health Insurance Scheme	Nos.	16265	0
8	Education Scheme.	Nos.	231	275

The Handicrafts and Handloom Sectors occupy an important place in the economy of the State. These Sectors engage more than 4.10 lakh people as Artisans and Weavers. With a view to make them economically self reliant, credit with interest subsidy from the State Govt. is being provided under the Artisans Credit Card where about 49393 Artisans have been benefitted. The export of the Handicrafts and Handloom items during the financial year 2015-16 has been of Rs 1059.41 Crore.

## Handicrafts

As on 31.03.2016 there were 3018 handicrafts societies registered with a membership of 30180 out of which 1257 are active societies. The department provides Managerial subsidy on tapering basis @ 100% (first year), 66% (2<sup>nd</sup> year), 33% (3<sup>rd</sup> year) to the passed out trainees which is paid for formation of cooperative societies. During the years 2015-16, 116 societies have been formed with a membership of 1160 by the end of March, 2016.

The department also promotes sale of handicraft goods by organizing expos/exhibitions/craft bazaars within and outside the state. It also organizes exhibition at international level annually. During the year 2015-16, the department has organized 10 craft bazaars/exhibitions within & outside the state.

Another important area of activity is skill development. 13825 persons are trained annually through 553 training centres in the state. During 2015-16, 7890 persons have been trained in various crafts like sozni, staple, crewel, papier machie, phool kari, Zari, chain stitching etc.

The Production and Export of Handicrafts Goods during the year 2014-15 and 2015-16 are given below:

Year	Carpet	Woolen Shawls	Papier Machie	Other items	Total
<b>Production</b>					
2014-15	717.75	674.25	152.25	630.75	2175.00
2015-16	709.45	698.05	139.52	687.13	2234.15
<b>Exports</b>					
2014-15	492.18	368.20	71.70	354.96	1287.04
2015-16	293.29	376.79	24.85	364.48	1059.41

### 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 41208 artisans under this scheme with interest subsidy of Rs. 2636.42 lakh have been disbursed upto March, 2016. The department has enforced quality Control Act 1978 to maintain quality of Kashmiri handicrafts.

## Tourism

The state has huge sources and triggers for attracting tourists. The Tourism sector in the State's economy has a Great potential for employment generation. Even for people without specialized skills, it provides direct employment to various service providers i.e. Guides, Ponywallas, Sledgewallas, Travel Agents; Jobs in Hotels/Houseboats. It 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, Showcasing State's unique and rich cultural and heritage assets.

During the last 3 years, the tourist arrivals to the three regions of the State are presented as under:-

Year	Kashmir Valley		Jammu	Ladakh	Total State
	Amarnathji	Domestic / Foreign	(Mata Vaishno Devi Ji)	Domestic/ Foreign	
2013	353969	1171130	9287871	137650	10950620
2014	372909	1167618	7803193	181301	9525021
2015	352771	927815	7776604	146501	9203691
2016	220490	403442	2135482	8659	2768073

### 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.

Ministry of Tourism, GOI have launched the SWADESH Darshan scheme with the vision to develop theme based tourist circuits on the principles of high tourist value, competitiveness and sustainability in an integrated manner by synergizing efforts to focus on needs and concerns of all stakeholders to enrich tourist experience and enhance employment opportunities.

With a new dispensation at centre the funding under Product Infrastructure Development At Destinations And Circuits (PIDDC) scheme has been done away with the replacement of new schemes such as SWADESH Darshan. The Central Sanctioning and Monitoring Committee for the Swadesh Darshan has recommended CFA of Rs. 82.97 crore under Himalayan Circuit of Swadesh Darshan. Accordingly, 15 projects have been prepared in consultation with the stake holder of the Tourism Deptt and submitted to MOT, GOI for availing Central Financial Assistance. The CFA to this effect is still awaited from MOT, GoI. The details of projects under SWADESH Darshan are as under:-

<b>Table 84: Details of projects under SWADESH Darshan</b>	
<b>S.No</b>	<b>Infrastructure Components</b>
	<b>Jammu</b>
a	Construction of Amusement Park near Sidhara Golf Course - Jammu
b	Construction of Musical Water Fountains with Sound and Light Show at BAGH-E-BAHU
c	Development of Suchetgarh Border Tourism
d	World Class tourism Amenities weithsmart solar illumination, touriost path ways, solid waste Management at Katra
	<b>Kashmir</b>
e	Development of Sound and Light Show with water fountains at SKICC Ghats
f	Construction og Amusement Park at Srinagar (Tatoo Ground)
g	Development of Floating Restaurant on Dal Lake at SKICC Ghats
h	Development of Cruise on River Jhelum
i	Development of Ice Skating Rink in Pahalgam
j	Development of Wayside Amenities in Bijbehara Anantnag
k	Development of Eco log Multipurpose hall at site Apple Resort at Chinniwooder Anantnag
l	Development of Border Tourism at Salamabad Uri
	<b>Kargil</b>
m	Development of Climber's and Hiker's Base Village at Panikhar
n	Development of Wayside amenities at SHERGOLE on Kargil - Leh highway
o	Development of Golf Course Leh

### **Rural Tourism Scheme**

Ministry of Tourism, GOI has agreed to sanctioned 50 Rural Tourism Villages under Rural Tourism Scheme (PMRP). 45-Rural Tourism villages have been sanctioned at a of cost Rs. 29.11 crore till date and funds to the tune of Rs. 23.79 crore have been released. 27-Projects has been completed as of now. The remaining shall be completed as and when

funds are released by MOT, GOI for the purpose as per the package announced by Honorable Prime Minister under PMRP Scheme.

### **Incentive Scheme**

Incentive Rules were modified and made applicable from 1st 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 lakh;
- 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 lakh.
- Ceiling of Subsidy for DG sets increased to Rs 4.00 lakh.
- Ceiling of subsidy for adventure equipment increased up to Rs 7.00 lakh

### **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, Margan 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 is 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 stages of preparation.

- Building Operation Controlling Authority (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.

### **Achievements (2015-16)**

#### **Tourism Sector**

- ❖ The Department of Tourism participated in various National Travel Marts and also organized road shows at Calcutta, Mumbai, Delhi, and Jaipur.
- ❖ 18 Hole Jammu Tawi Golf Course has been made functional with facilities like multipurpose Club house, air conditioned Restaurant, Gym and Spa etc.
- ❖ Some infrastructure of Tourism Department that got damaged in 2014 floods, has been restored by incurring an expenditure of Rs. 25.05 crore.
- ❖ State of Art Pahalgam Club and Convention Centre have been inaugurated and commissioned.
- ❖ Food Craft Institute commissioned at Leh.
- ❖ State of Art Tourist facilitation centre at Gandola Gulmarg with capacity of 2000 people has been commissioned. Maharaja Palace at Gulmarg has also been renovated.
- ❖ For planned development of tourist resort of Pahalgam, a Master Plan has been approved by the State Cabinet.
- ❖ Ravi Tawi Front Park has been completed and inaugurated.
- ❖ For high end tourists, Heli-Tourism has been introduced from Srinagar Airport to Gulmarg/Pahalgam and aerial safari for Srinagar City.
- ❖ For promotion of tourism, State Tourism Advisory Board has been constituted vide Govt Order No 421-TSM of 2015 Dated 10-11-2015.
- ❖ The Yatri Complex at Baderwah has been commissioned.
- ❖ For ease of doing business related to development of tourism infrastructure, SRO has been issued.
- ❖ An amount of Rs. 2000.00 crore has been agreed for funding by Ministry of Tourism , GOI as special Package for Development of Tourism related infrastructure in J&K, as announced by Honorable Prime Minister during his visit to the State in November, 2015

by way of setting up of amusement parks, Convention centers. Light & Laser shows, Cruise & Water sports, log huts, pilgrim tourism, Border and Adventure Tourism etc.

### **Culture Sector**

- ❖ So far, 450 literacy programmes (Mushairas, Seminars, Conferences, Music Theatre and Dramas) have been held across the state.
- ❖ Art for all programmes, held for tourists at Badamwari, Iqbal Park, Zabarwan Park and Bagh-e-Bahu.
- ❖ Directorate of Libraries and research through print media launched “**Book Donation Movement**” on the eve of World Book Day.
- ❖ J&K Festivals were held in Medhikeri (Karnataka), Varanasi (UP) and Andaman & Nicobar through Academy of Art Culture & Languages.
- ❖ Up gradation and Modernization of Tagore Hall Srinagar, has been completed, commissioned and inaugurated
- ❖ State of Art Abhinav theatre has been completed and thrown open for public on December, 2015.
- ❖ Flood damaged Kitab Ghar at Residency Road, has been restored and re-commissioned.
- ❖ International theatre festival was held at Abhinav Theatre in which groups from USA, Rwanda, Italy and Sri Lanka participated.
- ❖ 15 artists represented J&K and performed at Pondicherry in 3 day Jammu & Kashmir Cultural Festival
- ❖ First ever intra-lingual Mega Literary Conference with participation of 700 writers representing various Languages, was held at Abhinav theatre coinciding with International Mother’s Language Day.
- ❖ cultural exchange programmes were conducted at different parts of the country in collaboration with Punjab Arts Centre NBT of India, Tourism Department of J&K and other organizations.
- ❖ Restoration of Artifacts of SPS Museum, damaged during deluge of September, 2014 are being taken up through National Research Laboratory for Conservation Cultural Property(Lucknow).
- ❖ Artifacts from Shimla Museum loaned in 1962 have been retrieved back.
- ❖ Establishment of Archives Museum in State Archives Repository, Jammu is at advanced stage of completion.



- ❖ The missing image of 'Durga' lost in 1991, registered with the Department, has been retrieved and installed in SPS Museum, Srinagar.
- ❖ World Book Day was celebrated on 23<sup>rd</sup> of April to display rare books and manuscripts at SPS Library, Srinagar and SRS Library, Jammu to create awareness among the general public for inculcating reading habits in them.

#### **New Initiative**

- Post announcement of Rs. 2000.00 crore agreed for funding under PM's Special Package for tourism, spread over a period of 05 years, the department envisages:-
- Consolidation/creation/strengthening of existing infrastructure throughout the state beside bringing about quality facilities like amusement parks, golf courses, Light and Sounds shows, river cruises food streets etc. to attract both domestic and high end tourists.
- The department further envisages promotion of Jammu as a independent tourist destination by way of Temple circuit, Food Courts, River Tawi Front, Mubarak Mandi etc.
- Diversification of tourist products
- Augmentation and attracting tourists by way of creation of facilities at Keran-Teetwal-Chakan-da-Bagh-Nowshera- Slamabad (Uri)-Karnah and Rawlakot Borders)
- The Department of Tourism contemplates creation of Development Authorities at Dubjan óPeerki Gali, Basholi and Sankhoo-Suru for dispersal of the tourists in the state.
- Temple circuit, Buddhist circuit, Sufi Circuit have been envisaged to give fillip to the pilgrim tourism in the state.
- Adventure Tourism at Nunkun, Kargil, Patnitop, Wullar, Naranag and Dhara Harwan by way of setting up of base camps, paragliding and water sports etc.

#### **New Initiates-Culture Sector**

- ❖ Listing of all heritage buildings and monuments in the state
- ❖ Restoration of wall paintings in temples and shrines
- ❖ Mapping of languages and dialects of the state
- ❖ Conservation of Mubarak Mandi and Sher Garhi Palace at Srinagar
- ❖ Restoration /development of Purmandal, Utterbehni and Bahu Fort under Temple Circuit

- ❖ Development of old shrines in Srinagar City
- ❖ Dogra Art Museum and SPS Museum at Srinagar to be made functional;
- ❖ International theatre festival at Kashmir being held with support of NSD, New Delhi.
- ❖ Establishment of Writers club at Jammu & Kashmir Cultural Centre at Srinagar.

#### **Restoration Of Assets Damaged Due To September, 2014 Deluge:-**

- Ministry of Tourism GOI agreed in principle to provide a special financial package of Rs. 100.00 crore for restoration of damaged tourists assets for six destinations and 10 circuits spread over Srinagar, Jammu, Anantnag, Ganderbal, Pulwama, Baramulla, Budgam, Doda, Rajouri, Poonch, Patnitop, Udhampur etc.
- Projects worth Rs. 100.52 crore were approved by MOT, GoI for funding for rebuilding/reconst. of Tourist infrastructure in lieu of the assets damaged/destroyed in floods of Sept, 2014.
- Rs. 27.00 crore which have been released by the Planning, Development & Monitoring Department for restoration of damaged assets under Prime Minister's Package for flood affected infrastructure in J&K.

## **Rural Development**

The Department of Rural Development and Panchayati Raj provides an important support to the rural economy of the State. The focus of the Rural Development Programmes is poverty alleviation, generating better livelihood opportunities, developing basic amenities, training unemployed youths of the State in various programmes of wage/self employment, preserving natural resources and developing infrastructure facilities in rural areas.

To ensure independent functioning of autonomous bodies such as, Local Bodies, Panchayati Raj Institutions etc. the government intends to transfer the functions and resources to all such institutions to the extent of available resources

### **Focus**

Alleviation of poverty, development of rural amenities and strengthening of PRIs for sustainable growth, eradication of open defecation and inclusive growth of rural areas is the main focus of the Department.

### **Development Strategy**

**Pradhan Mantari Awass Vojna (G)** The scheme aims at providing clean and hygienic Pucca house with basic amenities to all rural houseless households/ rural households living in Kuccha and dilapidated houses.

Under the programme the department during the current Financial year 2016-17 envisages to:- .

- “ Provide financial assistance @ Rs. 1.30 lac per unit for construction of 12724 Units of PMAY(G) houses .
- “ Provide toilets facility @ Rs.12000/- under Swachh Bharat Mission and 90-95 days of unskilled wage labour under MGNREGA over and above the unit cost.
- “ Facilitate construction of houses as per topographic requirements of the area.

### **National Rural Livelihood Mission (NRLM)**

#### **➤ UMEED**

National Rural Livelihood Mission is poverty alleviation-women empowerment programme which is being implemented in the State under the banner "UMEED". It is a 5 year special project, approved by Govt. of India in the year 2013-14 to constitute 90,000 women Self Help Groups (SHGs) in the State with investment of Rs. 755.320 crore. The programme focuses on constitution of Self Help Groups , which are grass root level institutions of poor women to provide a platform to unleash their potential and link them to sustainable livelihood opportunities.

The department during the current Financial year 2016-17 envisages to undertake following activities under the programme:-

- “ To organise and federated poor women into 6290 Self Help Groups (SHGs)
- “ Train the members of SGHs in running SHGs.
- “ Train the members of SGHs in investing in livelihoods and capital management.
- “ After every quarter, grade SHGs for providing capital and bank linkage.
- “ After three months, provide revolving funds @ Rs. 15000/ to each SHGs for sustenance .
- “ Provide Community Investment Fund @ Rs. 40,000/ to each SHGs and Vulnerability Reduction Fund @ Rs. 10,000/ to each SHGs for investment in their existing livelihood and for consumption in exceptional cases.
- “ At the end of one yea link SHGs to banks for credit which is made available incrementally, after repayment of previous loans.

#### **➤ HIMAYAT**

Himayat programme was launched in J&K State in the year 2011-12 to facilitate training and placement of one lakh unemployed youth of the State over a period of 5 years

(October, 2011 to March, 2015) . The programme was to close in March, 2015. However, the Ministry of Rural Development, Gol has extended the programme upto December, 2017. The Programme has been re-modelled and the targets has been revised to train 124180 over the next three years.

The program envisages different training strategies to be used for diverse groups of youth-School drop outs, dropouts of XII class level, and those who have had college education. The main objective of the program is to provide training to unemployed youth and provide jobs to them in organized labour market within and outside the state. Under the Programme, 70% of the unemployed youths are covered under wage-employment through various Project Implementing Agencies (PIAs) and the remaining 30% are covered under self-employment training.

The department during the current Financial year 2016-17 envisages to undertake following activities under the programme:-

- “ To provide training to 40,000 un-employed youths of the State, through various project implementing agencies in different courses and assure their maximum placement in different sectors both within and outside the State.

#### **Mahatma Gandhi National Rural Employment Guarantee Scheme(MGNREGA)**

The aim of the scheme is to provide 100 days wage employment in a year to the rural households who register themselves for unskilled manual labour. The scheme helps create food security, prevent distress migration and generate durable economic assets in the rural communities.

The department during the current Financial year 2016-17 envisages to undertake following activities under the programme:-

- “ To provide wage employment to the Job Card holders who volunteer to do manual work on the notified wages .
- “ Creation of assets like food bridges, flood protection structures, road connectivity , play fields, land protection etc.

#### **Integrated Watershed Management Programme (IWMP)**

The Programme was launched by the MoRD, Gol and implemented in J&K state in the year 2011-12. The major focus of the programme is to preserve natural resources, increase in production, livelihood generation and sustainable economic development. The State Perspective and Strategic Plan has been prepared to treat 998 micro sheds with 15.33 lakh hectares of land up to the end of 14th five year plan. So far, Ministry has sanctioned 159 projects at a cost Rs. 979.72 crore to treat 6,53,151 hectares of land.

The department for 'the current financial year 2016-17 envisages to undertake following activities under the programme:-

- To treat 1 lakh Ha. of land by way of ridge area treatment , drainage line treatment, soil and moisture conservation , nursery raising, afforestation, horticulture and pasture development, construction of water harvesting structures like check dams , nala bund, farm bonds, tanks etc.
- Effective rainfall management like field bunding, contour bunding/trenching, staggered trenching, land leveling, mulching etc.
- Capacity building, generating livelihood activities for the assets-less persons and micro enterprises for small and marginal farmers.

## **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 the women.

Moving further, a demand driven approach with more emphasis on Information, Education & Communication, Human Resource Development Activities, Capacity Development and generation of demand for sanitation was adopted from 1999 under Total Sanitation Campaign (TSC)

As a successor of TSC, Nirmal Bharat Abhiyan(NBA) was launched from 01.04.2012 with the objective to accelerate sanitation coverage in rural areas through renewed strategies and saturation approach and on 2<sup>nd</sup> October,2014 Honøble Prime Minister of India launched Swachh Bharat Mission (Gramin) with the following component to achieve universal sanitation coverage by the year 2019:-

### **Components of the Scheme**

1. Construction of IHHL with unit cost of Rs. 12000/- to be shared between centre and state share in the ratio of 90:10.
2. Construction of Community sanitary Complexes with unit cost of Rs. 2.00 lakh to be shared between centre, state and beneficiaries in the ration of 60:30:10

3. Solid Liquid Waste management with assistance of Rs. 7.00 lakh for a Gram Panchayat having up to 150 household, Rs. 12.00 lakh for up to 500 households and Rs. 20.00 lakh for having more than 500 households in gram panchayat.
4. Capacity Building } 5% of allocation shall be utilized on the two
5. IEC activities } components at the State, district and block level

### Prospective beneficiaries

The incentive as provided under the Mission for the construction of IHHL shall be available for all Below Poverty Line Households and Above poverty Line (APL) households restricted to SCs/STs, small and marginal farmers. Landless labourers with homestead and physically handicapped and women headed households.

Under Community Sanitary Complexes component of the programme, an appropriate number of toilet seats, bathing cubicles, washing platforms, wash basins can be set up in a place in the village acceptable and accessible to all. Such complexes can be made at Public places, markets, bus stands etc. where large scale congregation of people take place.

Solid and Liquid Waste Management component of the programme provides for management of Solid/Liquid waste based on the technologies identified by the State like Composting, Vermin-composting, Biogas Plant, setting up incinerators-solid waste management and like Water Stabilization Ponds, Duckweed based waste Water treatment, Phyto-roid Technology, Anaerobic decentralized waste water treatment for waste water management. This component of the programme is yet to be undertaken in the State.

S. No	Year	Approved Allocation			Opening Balance/ Misc receipts etc.	Receipts during				Total Availability	Expenditure		
		CS	SS	Total		Funds revali-dated	CS	SS	Total		CS	SS	Total
1	2014-15	10380	1305	11685	1025.17	0	5795	1305	7100	8125.4	3306	565	3871
2	2015-16	3000	1000	4000	655.18	7325.51	404.8	1000	8730	9385.5	8149	982	9132

Component	Physical Progress		Physical Progress	
	(Unit in Nos.)		(unit in Nos.)	
	Target 2014-15	Achievement	Target 2015-16	Achievement
Individual Household Latrine	300000	64405	200000	90944
Community Sanitary complexes	476	325	238	240
School Toilets	874	128	-	-
Anganwari Centres	325	21	-	-

*Note:-The components of the Programme Construction of School Toilets and Anganwari Toilets have been taken over by School Education and Social Welfare Department, respectively w.e.f. 2<sup>nd</sup> of October, 2014.*

## Labour and Employment

Employment generation is the key channel through which economic growth translates into prosperity for the population. In a growing economy, employment growth with rising productivity is the most effective mechanism available to the poor to participate in the growth process and raise their standard of living. High economic growth, therefore, unless accompanied by quality employment opportunities will raise inequalities. Thus, gainful employment generation is the bedrock of attaining growth with equity and alleviates poverty.

The Government of India's "Make in India Campaign" aimed at making India a manufacturing hub, is a significant step towards achieving employment intensive growth as it seeks to create 100 million additional jobs by the year 2022 in the manufacturing sector.

### Employment-Unemployment Survey (EUS) 2015-16

The Labour Bureau has been conducting Employment-Unemployment Survey annually in the country since 2011-12. The fifth Employment-Unemployment Survey was conducted by Labour Bureau during 2015-16 covering all the districts of States/UTs of the country. The field work was executed from April, 2015 to December, 2015. A total sample of 1,56,563 households has been covered with a break-up of 88,783 households in the rural sector and 67,780 households in the urban sector. The labour force estimates for specific age groups representing "Youth" viz. 15-17 years, 18-29 years and 30 years and above have been derived based on Usual Principal Status (UPS) Approach and Usual Principal and Subsidiary Status (UPSS) Approach.

#### ***Measurement of Labour Force***

*In a country where majority of the workers are employed in the unorganized sector and pursuing multiple activities, estimating labour force and its derivatives by a single approach is a difficult task. In such cases no single measure is appropriate to estimate the labour force parameters precisely. As per International practice, Labour Force related parameters can be estimated for both longer reference period and current or shorter reference periods. Accordingly, based on longer reference period, Labour Force related parameters may be derived by the following two different approaches*

#### ***Usual Principal Status (UPS) Approach***

*The major time criterion based on the 365 days is used to determine the activity pursued by a person under the usual principal status approach. Accordingly, the major time spent by a person (183 days or more) is used to determine whether the person is in the labour force or out of labour force. A person found unemployed under this approach reflects the chronic unemployment. In the present survey, the usual principal status approach estimates are derived for a moving reference period of last twelve months. For example, if the household is surveyed in January, 2014, the reference period for collection of information is January, 2013-December, 2013.*

#### ***Usual Principal and Subsidiary Status (UPSS) Approach***

*The other important approach to measure the labour force parameters is the usual principal &*

*subsidiary status approach. This approach is a hybrid one which takes into consideration both the major time criterion and shorter time period (30 days or more in any economic activity). Thus a person who has worked even for 30 days or more in any economic activity during the reference period of last twelve months is considered as employed under this approach. In this approach, the reference period is same as taken in the usual principal status approach (UPS). This approach is also called the usual status approach.*

Increasing Labour Female Participation Ratio (LFPR) for women, is vital to achieving high growth of employment and overall economic growth. The Government of India is keen to address the issue of low female LFPR and Work Participation Rate (WPR) and has launched various legislation based schemes and other programmes where the emphasis is on female participation, for example, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), guaranteeing at least 100 days of employment to every household in rural areas has been enacted with a stipulation of one third participation by women (Economic Survey of India 2015-16).

### **Households Benefitted from Employment Generating Schemes:**

As per the results of Employment-Unemployment Survey (EUS) 2015-16 conducted by the labour Bureau Chandigarh, Ministry of Labour & Employment & Poverty Alleviation, GOI, the households benefitted from the major employment generating schemes are detailed in Box given below:-

#### ***Major Employment Generation Schemes***

- 1. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) enacted on 2005, with the aim to enhance livelihood security of the households in rural areas of the country by providing at least 100 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.***
- 2. Prime Minister Employment Generation Programme (PMEGP) was launched in August 2008 with the objective to generate employment opportunities in rural as well as urban areas of the country by providing credit linked subsidy for setting up of micro enterprises.***
- 3. Swaranajayanti Gram Swarozgar Yojna (SGSY) came in to effect on 1999, with the aim at bringing the rural BPL families above poverty line by organizing them in to Self Help Groups (SHGs) through the process of social mobilization and their training and capacity building, provision of credit linked subsidy, technology inputs etc. in order to enable them to be self employed and taking up some income generation activity.***
- 4. Swarna Jayanti Shahari Rozgar Yojna (SJSRY) for urban areas a holistic scheme implemented in 1997 with the aim to provide gainful employment to the urban unemployed and under employed poor population and to help them set up self employment ventures and also through providing wage employment by utilizing their labour construction of socially and economically useful public assets. Besides the above listed schemes there may be some other schemes of the Centre/State governments from which the households have got benefitted during the reference period, are also included under the category of 'Other schemes'.***



The results of EUS 2015-16 reveal that about 24 per cent of the households were benefitting from either of the employment generating schemes at overall level. Among the benefitted households, 91 per cent of the households were benefitted from MGNREGA. At the all India level 21.9 per cent households were found to have benefitted from MGNREGA followed by 1.5 per cent from other schemes except MGNREGA, PMEGP, SGSY and SJSRY. In J&K State corresponding figures were 20.4 per cent and 1 per cent each for PMEGA and others.

**Table 87: Per 1000 distribution of households (HHS) benefitted from Employment Generating Schemes**

Scheme	J&K	Himachal Pradesh	Punjab	Uttara-khand	Chhattisgarh	Delhi	Haryana	All India
MGNREGA	204	201	46	323	167	-	84	219
PMEGA	1	-	-	1	-	-	0	2
SGSY	0	-	-	-	-	-	1	4
SGSRY	-	-	-	-	-	0	-	1
Others	1	2	0	7	-	1	3	15

### Labour Force Participation Rate

Labour Force Participation Rate is the proportion of the working age population that engages actively in the labour market, either by working or seeking for work. It provides an indication of the relative size of the supply of labour available which can be engaged in the production of goods and services.

The distribution of Labour Force Participation Rate (per 1000) for persons of different age groups according to Usual Principal Status Approach (UPS) and Usual Principal & Subsidiary Status Approach(UPSS) is given below:-

**Table 88: Labour Force Participation Rate (per 1000) for persons of different age groups according to Usual Principal Status Approach (UPS) and Usual Principal & Subsidiary Status Approach(UPSS) for J&K State**

		All India									J&K								
		15-17 years			18-29 years			30 years & above			15-17 years			18-29 years			30 years & above		
		R	U	R+U	R	U	R+U	R	U	R+U	R	U	R+U	R	U	R+U	R	U	R+U
UPS	M	136	52	84	711	549	452	898	831	582	17	11	16	459	381	444	863	803	847
	F	56	17	167	232	163	550	310	176	477	32	-	25	144	149	145	77	119	89
	T	191	-	46	601	305	213	500	437	271	-	-	-	-	-	-	-	1000	167
	P	100	36	115	485	362	668	611	512	878	22	6	19	301	262	293	488	480	486
UPSS	M	157	53	131	720	550	675	902	831	881	17	11	16	459	381	444	863	803	847
	F	77	19	62	281	167	250	365	180	311	32	-	25	144	149	145	80	119	91
	T	191	-	167	607	305	555	515	437	486	-	-	-	-	-	-	-	1000	167
	P	121	38	100	512	364	473	640	514	603	22	6	19	301	262	293	489	480	487

M-Male; F-Female; T-Transgender; P-Person

In case of age group 18-29 years, the state of Chhattisgarh had shown the highest 63.9 percent LFPR followed by UT of Andaman & Nicobar Island with 60.5 per cent whereas the state of Jammu & Kashmir has lowest i.e, 29.3 per cent LFPR for this age group using both UPS and UPSS approaches.

In J&K State, Female LFPR in the age group of 18-29 years is 14.5 per cent using both UPS and UPSS approaches where as at All India Level LFPR is 55 percent and 25 percent respectively for the same age group. At All India, persons having age 30 years & above, LFPR is 87.8 percent and 60.3 per cent using UPS and UPSS approaches respectively. In J&K State, persons having age 30 years and above, LFPR stands at 48.6 per cent and 48.7 percent using UPS and UPSS approaches respectively.

### Worker Population Ratio

Worker Population Ratio signifies the Proportion of workers/employed persons in the total population of specific age group. The distribution of Worker Population Ratio (per 1000) for persons of different age groups according to UPS and UPSS approach is given below:-

		All India									J&K								
		15-17 years			18-29 years			30 years & above			15-17 years			18-29 years			30 years & above		
		R	U	R+U	R	U	R+U	R	U	R+U	R	U	R+U	R	U	R+U	R	U	R+U
UPS	M	111	40	93	631	486	593	890	826	871	8	11	9	372	337	365	857	801	841
	F	43	14	36	191	118	171	298	167	260	9	-	7	73	107	80	70	114	82
	T	137	-	120	577	221	515	499	400	462	-	-	-	-	-	-	-	1000	167
	P	80	28	67	423	307	392	601	504	573	9	6	8	222	220	221	481	476	480
UPSS	M	139	43	114	660	493	616	897	827	877	9	11	9	374	348	369	862	801	845
	F	67	16	54	247	124	213	358	172	304	9	-	7	73	108	81	73	114	84
	T	150	-	131	607	221	540	514	400	471	-	-	-	-	-	-	-	1000	167
	P	106	31	87	465	314	424	635	507	597	9	6	9	223	225	224	485	476	483

M-Male; F-Female; T-Transgender; P-Person

The person in the age group of 18-29 years had highest WPR i.e. 60.7 per cent in the state of Chhattisgarh and the lowest in the state of Jammu & Kashmir i.e. 22.1 per cent as observed during the survey period using UPS approach and 22.4 per cent using UPSS approach. In the J&K State, WPR of females in the age group of 18-29 years is 8.0 per cent and 8.1 per cent using UPS and UPSS approaches respectively. For persons in the age group 30 years and above WPR at all India level is 57.3 per cent and 59.7 per cent respectively with UPS and UPSS approaches respectively. For J&K State the corresponding figures stand at 48.0 per cent and 48.3 per cent respectively. WPR for females in same age group for J&K State is 8.2 percent and 8.4 per cent using UPS and UPSS approaches respectively.

### Activity Wise Distribution of Employed Persons

The employed persons are further classified based on the activity pursued by them during the reference period. Based on economic activities pursued by the employed persons in different reference periods, the persons aged 15-17 years, 18-29 years and 30 years & above are broadly classified as Self Employed, Wage/Salaried Worker, Contract Workers and Casual Laborers. The distribution of employed persons in different activities by various age groups according to UPS and UPSS approaches is given in the table below:-

<b>Table 90: Distribution of employed persons in different activities by various age groups based on Usual Principal Status Approach (UPS) &amp; Usual Principal Subsidiary Status Approach(UPSS) for J&amp;K State</b>																			
		<b>All India</b>									<b>J&amp;K</b>								
		<b>15-17 years</b>			<b>18-29 years</b>			<b>30 years &amp; above</b>			<b>15-17 years</b>			<b>18-29 years</b>			<b>30 years &amp; above</b>		
		R	U	R+U	R	U	R+U	R	U	R+U	R	U	R+U	R	U	R+U	R	U	R+U
<b>UPS</b>	SE	408	309	397	405	333	390	512	434	492	435	-	376	305	379	319	466	423	454
	WSE	51	189	65	141	376	190	105	338	165	-	322	44	283	464	319	239	472	302
	CW	36	77	40	46	84	54	24	49	30	-	678	92	83	46	76	37	12	30
	CSW	506	426	497	408	207	366	359	179	313	565	-	488	330	112	286	258	93	214
<b>UPSS</b>	SE	491	321	475	426	335	408	515	435	495	409	-	357	304	394	322	462	423	451
	WSE	40	177	52	130	370	178	99	336	158	-	322	42	281	452	315	237	472	300
	CW	29	78	33	44	85	52	23	49	30	-	678	88	83	45	75	37	12	30
	CSW	441	425	439	400	209	362	363	180	317	591	-	514	333	109	288	264	93	219

SE: Self Employed ; WSE: Wage/Salaried Employed; CW: Contract Worker; CSW: Casual Worker

At all India level, using UPS in the age group of 18-29 years highest number 39.0 per cent persons are Self employed, 36.6 per cent are casual workers, 19.0 per cent are salaried and only 5.4 per cent are contract workers. In J&K using the same approach 31.9 per cent persons are self employed and salaried each and 28.6 per cent are casual workers and 7.6 percent are contract workers.

Using UPSS approach, in India it has been observed that in the age group of 18-29 year 40.8 per cent persons are self employed while 36.2 per cent are casual workers. Percentage of persons who are wage/ salaried and contract workers is 17.8 per cent and 5.2 per cent respectively. In J&K State, using same approach for persons in the age group of 18-29 years, self employed persons are 32.2 per cent, casual works are 28.8 per cent, wage/ salaried employed are 31.5 per cent and contract works are 7.5 per cent only.

At national level, in the age group of 30 years and above self employed, wage/salaried employed, Contract workers and casual workers using UPS approach are 49.2, 16.5, 3.0, and 31.3 per cent respectively. Using UPSS approach values are 49.5, 15.8, 3.0 and 31.7 percent respectively.

Corresponding values for J&K State are 45.4, 30.2, 3.0, 21.4 per cent respectively using UPS approach and 45.1, 30.0, 3.0 and 21.9 respectively using UPSS approach respectively.

### Jammu and Kashmir Entrepreneurship Development Institute (JKEDI)

The Jammu and Kashmir Entrepreneurship Development Institute (JKEDI) is a premier Institute enabling and fostering entrepreneurship culture in the State beset with huge problem of unemployment. The Institute creates awareness and facilitates entrepreneurship in Jammu and Kashmir by imparting entrepreneurship education, conduct skill up-gradation trainings, disseminate knowledge and bring about behavioral changes towards the concept of entrepreneurship at the societal level. The Institute also develops linkages with national and international organizations working in the field of enterprise creation.

Besides, the Institute also conducts and facilitates entrepreneurship research to help aspiring, budding or established entrepreneurs in their successful enterprise creation. The aim is to make entrepreneurship as one of the most important components of the state's economic development and progress.

The Institute's entrepreneurship training activities during 2014-15 and 2015-16 are as follows:

Year	Entrepreneurship awareness Programmes (EAPS)		Entrepreneurship Development Programmes( EDPs)		Entrepreneurship Orientation Programmes (EOPs)	
	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants
2014-15	319	21840	101	3226	9	328
2015-16	674	30272	127	5072	7	326

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.

**a) Seed Capital Fund Scheme:** Under this scheme, Entrepreneurship Development Programme is offered as a package which apart from consultation, training, sensitization and facilitation for preparation of detailed project reports, also include an incentive in the form of non-refundable seed money to enable prospective entrepreneurs to start their ventures and make their projects bankable. As on 31-03-2016, the Institute has trained 12079 candidates in 352 batches in various sectors like Food Processing, Poultry Development, Dairy Farming, Sheep Farming, Commercial Floriculture, Information Technology and Enabling Services, Fashion Technology, Manufacturing and Services. The Steering Committee in its 97 meetings held so far approved 6643 DPRs of 6864

entrepreneurs involving a total project cost of Rs. 705.14 Crore. An amount of Rs. 154.72 Crore has been released as Seed Capital in favour of 4499 entrepreneurs for the establishment of 4346 enterprises. The achievement during 2014-15 and 2015-16 given as under:

Year	Target	Capex Budget	No. of units established	No. of beneficiaries Covered	Funds utilized
2014-15	1300	4500.00	582	607	2149.15
2015-16	1500	4523.70	646	647	2275.73

**b) Youth Start-up Loan Scheme:** Under the Scheme, soft loan @ 6% interest (simple) is being made available to the prospective entrepreneurs in an off-bank mode, for the projects upto Rs. 8.00 lakh. The pattern of funding is 90% as Loan Component and 10% as Beneficiary Contribution. Till ending March, 2016, the Institute has facilitated the establishment of 791 units.

Year	Target	Capex Budget	No. of units established	No. of beneficiaries Covered	Funds utilized
2014-15	250	1900.00	247	247	1428.89
2015-16	250	1900.00	407	407	2536.03

**c) NMDFC Schemes:** JKEDI is also functioning as an additional State Channelizing Agency for National Minorities Development & Finance Corporation (NMDFC) Schemes, Ministry of Minority Affairs, Government of India. Presently, the Institute is implementing the Educational and Term Loan Schemes of the said Corporation. Under the Schemes, credit facility is being provided to the targeted beneficiaries of the State, belonging to the Minority Communities as per the following details:-

Income Level	Term Loan	Education Loan	
		Domestic Course	Foreign Course
Income level of Rs. 1,03,000/- for Urban areas and Rs. 81,000/- for Rural areas	upto Rs. 20.00 Lakh @ 6% interest (simple) per annum	Upto Rs. 15.00 lakh @ 3% (simple) per annum	Upto 20.00 lakh @ 3% interest (simple) per annum
Income level of upto 6.00 lakh per annum	Upto Rs. 30.00 lakh @ 8% interest per annum for male beneficiaries	Upto Rs. 20.00 lakh @ 8% of interest per annum for male	Upto Rs. 30.00 lakh @ 8% interest per annum for male

	and 6% interest for female beneficiaries.	beneficiaries and 5% for female beneficiaries	beneficiaries and 5% interest for female beneficiaries
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The quantum of finance under the Schemes is 90% as NMDFC Share, 5% as State Share and 5% as beneficiary contribution. The Institute has, till ending March, 2016 financed 2206 beneficiaries, including 85 beneficiaries under Education Loan Scheme.

Year	Target	Allocation			No. of units established	Loan amount disbursed
		Center share	State Share	Total		
2014-15	630	500.00	200.00	700.00	165	824.62
2015-16	2040	3050.00	200.00	3250.00	968	3660.32

The Labour department of the state is charged with the responsibility of enforcement of 21 Central Labour Laws and 03 state enactments for regulating the working conditions of workers and their welfare in public/ private organized sector.

- (i) The financial progress of CAPEX budget for the year 2014-15 and 2015-16 is given as under:-

Year	Approved outlay			Expenditure		
	Revenue	Capital	Total	Revenue	Capital	Total
2014-15	138.60	112.50	251.10	111.37	80.94	192.31
2015-16	0.00	112.50	112.50	0.00	82.50	82.50

- iii) Revenue realized by the labour department during the year 2014-15 and 2015-16 is as under

S. No	Name of the Act	Targets 2014-15	Ach. 2014-15	Targets 2015-16	Ach.
					2015-16
1	Shops & Establishment Act	220	229.91	242	262.346
2	Building & Other Construction Workers Act	12	1.614	13.2	1.338
3	Interstate Migrant Workers Act	1	0.35	1.1	0.164
4	Contract Labour Act	2.5	1.436	2.75	2.615
5	Motor Transport Workers Act	3	2.223	3.3	2.678
6	Factory Act	35	31.061	38.5	33.597
7	Rent of Labour Sarai	1	0.337	1.1	0.1125
8	Trade Union Act	0.3	0.165	0.33	0.165
	<b>Total:-</b>	<b>274.8</b>	<b>267.096</b>	<b>302.28</b>	<b>303.016</b>

### **Implementation of Employee's State Insurance (ESI) Scheme in J&K**

The Scheme is under Implementation in the state w.e.f. 16-10-1989.

- 1) At the first instance, the Scheme was implemented in non seasonal factories using power and employing 20 or more persons in specified areas of Jammu and Kashmir Divisions.
- 2) The scheme was extended to include other classes of Establishments Industrial, Commercial, Agricultural or otherwise from time to time.
- 3) Each worker earning wages up to Rs.15000/=per month is covered under ESI Scheme. With reduction of the No. of workers from 20 to 10 in the above mentioned Establishments/Institutions (in pursuance to SRO 80 L&E dated:-05-03-2012).and inclusion of the workers with wages up to Rs.15000/= per month, the No. of Registered / Insured workers is expected to increase. Each employee has to contribute @ 1.75% of the wages whereas the employer has to contribute @ 4.75% of the wages to the ESI Corporation per month. The expenditure on Medical Care is Rs.1500/=Per insured Person Per annum with administrative component of Rs.900/= and other expenditure component of Rs.600/=. It is shared on the basis of 7/8th by ESI Corporation and 1/8<sup>th</sup> by the State Government.
- 4) There are 7 Insurance Medical Officers in the existing 8 ESI Dispensaries. The Doctors pharmacists and lab Assistants are deputed from the Health Department of the State. The Primary Care is provided at the ESI dispensaries located at Kathua, Bari-Brahmana, Digiana Bakshi Nagar (Jammu Division), Rangreth, Khanmoh, Baghi Ali Mardan Khan and Zainakote (Kashmir Division).55090 Insured Persons with their dependents are attached with these ESI Dispensaries and 98321 ESI beneficiaries have received Medical Benefits w.e.f 04/2012 to 12/2012.
- 5) The Specialty and Super Specialty Services to the individual Patients (IPs) and their dependents are provided by ESIC Model Hospital Bari-Brahmana, Jammu, State Govt. Hospitals, ESIC Empanelled Hospitals and Diagnostic Centres.

### **Ease of doing business and Make In India**

Ministry of Labour & Employment has developed a unified Web Portal Shram Suvidha Portal catering to four major organizations under Ministry of Labour. The four main features of this Portal are:-

1. Unique Labour Identification number (LIN) is allotted to units to facilitate online registration.
2. Filing of self certified and simplified online return by the units. Units will only file a single consolidated Return online instead of filling separate return.

3. Transparent Labour inspection scheme through computerized system based on risk based criteria.
4. Timely redressal of grievances will be ensured with the help of portal.

### **Socio-Economic Caste Census-2011**

#### **I Rural:**

As per Socio-Economic Caste Census (SECC) 2011 conducted by the Department of Rural Development in the Government of India., the number of households in Rural areas with Salaried Job in J&K State is 3.52 lakh (19.94%) out of total Rural Households 16.02 lakh. The percentage of households having salaried jobs in neighboring states Himachal Pradesh (23.05%), Punjab(7.48%), Haryana(8.94%), Uttarakhand (12.44%) and Chhattisgarh (4.01%) while as at All India Level percentage of households having salaried job is 5.00%. In J&K State, number of households having Job in Government sector is 3.19 lakh while as in Public and Private Sectors, the number of households is 0.08 lakh and 0.31 lakh respectively. The corresponding figures at All India level are 89.94 lakh in Govt Sector, 20.16 lakh in Public Sector and 64.15 lakh in Private Sector .

The number of households having monthly income of less than Rs.5000 in J&K State is 10.80 lakh, while as number of households having income between Rs.5000 and Rs.10000, is 0.23 lakh and number of households having income of Rs.10000 and more is 2.89 lakh. The corresponding figures at All India level are 1339.85 lakh, 308.95 lakh and 148.28 lakh respectively.

The percentage of number of households having income less than Rs.5000 in the neighboring states of Himachal Pradesh (53.53%), Punjab(57.56%), Haryana(58.96%), Uttarakhand (63.41%) and Chhattisgarh (71.63%); while as at All India Level the corresponding percentage figure is 74.52%.

In J&K State, the percentage of households having income between Rs.5000 and Rs.10000 is 14.53%. The neighboring States viz Himachal Pradesh, Punjab, Haryana, Uttarakhand and Chhattisgarh are having 22.15%,24.89%, 24.68%, 21.86% and 20.08% respectively The All India Level figure is 17.18%.

In J&K State, the percentage of households having income Rs.10000 and more, is 18.02%. The neighboring States viz Himachal Pradesh, Punjab, Haryana, Uttarakhand and Chhattisgarh are having 24.32%, 17.49%, 16.28%, 14.72% and 8.21% respectively The All India Level figure is 8.25%.

The State wise comparative position is given in the following table:



S no.	States/ UTs Name	Total Households	Households with Salaried Job	Number of Households with Salaried Job (Out of Col 3)			Number of Households having Monthly income of highest earning household member		
				Government Sector	Public Sector	Private Sector	Less than Rs. 5,000	Between Rs. 5,000 and Rs 10,000	Rs. 10,000 or more
1	All India	179787454	17340999	8994054	2016399	6415270	133985215	30894589	14828438
2	Jammu & Kashmir	1601606	358232	319429	8271	30581	1080174	232753	288670
3	Himachal Pradesh	1263756	428094	291238	17887	118977	676512	279896	307347
4	Punjab	3269467	419124	244581	27954	146598	1881889	813841	571951
5	Haryana	2969509	453958	265370	24935	164101	1750716	732974	483377
6	Uttarakhand	1479742	350309	184079	29635	136596	938356	323538	217848
7	Chhattisgarh	26015592	2241335	1043961	399196	804289	18635376	5223264	2136161

The main sources of income of households in Rural areas are cultivation and manual casual labour. About 30.00% households in Jammu & Kashmir are having income source as cultivation which is at par with All India level. Uttarakhand has the highest percentage of 40.15% of households which are having income source as cultivation.

About 51.18% are having source of income as manual casual labour at All India level as compared to 37.27% in J&K State. Among other neighboring states, Uttarakhand is having 52.13% households who have source of income as manual casual labour.

The State wise comparative position is given in the following table.

S. no	States/ UTs Name	Total Households	Cultivation	Manual Casual Labour	Part-time or Full-Time Domestic Service	Foraging Rag Picking	Non-agricultural Own Enterprise	Begging / Charity / Alms collection	Others
1	All India	179787454	54122794	92016420	4487569	410320	2888481	669649	25121808
2	Jammu & Kashmir	1601606	482489	596927	71500	1472	18236	5511	425462
3	Himachal Pradesh	1263756	458438	254908	101234	2179	32629	3342	411025
4	Punjab	3269467	977676	1570446	121061	5403	58830	5331	528934
5	Haryana	2969509	982248	1268088	148857	5066	82148	9381	471161
6	Chhattisgarh	1479742	536620	413990	79824	2262	24986	3214	418846
7	Uttarakhand	4540999	1823114	2367414	75260	3913	15434	25323	226624

## II Urban:

At All India level, about 189.33 lakh people are having main source of income from construction work where as 74.64 lakh, 67.92 lakh, 62.00 lakh, 1727.14 lakh etc are having main source of income as "Shop worker/Assistant", "Home based worker", "Domestic worker", "No income from any source" respectively. The corresponding figures for J&K State are 1.17 lakh, 1.09 lakh, 0.68 lakh 0.39 lakh, 18.64 lakh respectively. The State wise comparative position of Employment in Urban area is given in the following table.

S. No	Population/ Main Source of Income	All India	State/UT - Name					
			Jammu & Kashmir	Himach al Pradesh	Punjab	Haryana	Chhattisgarh	Uttara- khand
1	Total Population	299994863	2774003	622148	8393287	7595223	2326014	5390879
2	Beggar	146029	785	144	8175	6312	467	4672
3	Rag Picker	98172	589	63	1467	674	62	6435
4	Domestic Worker	6199925	39006	2218	180916	164650	17221	260747
5	Street Vender	1937484	6310	2815	56667	51539	7071	90375
6	Construction Worker	18933471	116645	25353	688300	463635	109012	649533
7	Sanitation Worker	1299116	5620	3488	34853	25575	9140	23789
8	Home Based Worker	6791862	67532	9963	158750	129566	29353	74056
9	Transport Worker	4791432	40247	8235	105240	92166	25835	87035
10	Shop Worker/Assistant	7464253	108683	26808	345494	275406	66616	134582
11	Electrician/Mecha nic/ Assembler	2493907	13948	4745	60151	54751	15948	48550
12	Washer Man	942729	3440	2895	13347	13523	5477	13355
13	Other Worker	58260356	416775	144985	1360273	1182709	393071	734362
14	Non Work (Pension/ Rent/ Interest, etc.)	17713673	90069	37374	304470	330191	99334	365155
15	No Income from Any Source	172713622	1864208	351607	5069033	4801358	1547342	2897892

### 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.

The projected increase in labour force during the period 2012-13 to 2016-17 for 15 and above age group is now estimated to be around 24.5 million from 477.9 million in 2011 to 502.4 million by the end of 2016-17.

## **Housing & Urban Development**

Quality and affordable housing is the key element of a strong and secure economy. 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.

### **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

Providing livelihood opportunities by effective implementation of SJSRY/NULM.

### Housing Stock

Census 2011 has recorded 3,603,632 census houses in J&K as against 330,835,767 houses for the Country. There seems a deficit of one lakh houses for J&K and the corresponding figure for the country is 48 lakh 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 (SBM)

The J&K State has two capital cities viz., Srinagar and Jammu and 78 Statutory towns (6 Municipal Councils and 72 Municipal Committees). The urban population constitutes 27.38% of the total population of the State.

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.

As per census 2011, there are 20.15 lakh households of which 10.31 lakh households are having latrines within premises, which constitutes 50% of toilets in HHs. In urban areas out of 5.17 lakh HHs, only 4.52 lakh HHs have latrines within the premises and rest are using public latrines or defecating in open.

#### **Components of the Mission**

- ✓ Household Toilets
- ✓ Community Toilets
- ✓ Public Toilets
- ✓ Solid Waste Management
- ✓ IEC & Public Awareness
- ✓ Capacity Building & A&OE.

### Individual House Hold Toilets(IHHT)

The status of Individual House Hold Toilets under SBM (Urban) is given as under:

<b>Mission Target from 2014-19 –</b>		<b>94,091 (New and Conversion)</b>
Applications received	-	72,354.
Applications verified	-	42,681.

Applications approved	-	30,281.
Constructed	-	80.
Commenced (work in Progress)	-	540.

### Community Toilets/Public Toilets

Mission Target                                      6      2078 Seats

The present status of Public/Community Toilets under SBM (Urban) is as under:

Completed	-	52 Seats
Under Progress	-	20 Seats
Land Identified	-	50 Complexes

### Solid Waste Management

#### Target: 21 Towns

Due to the non-availability of land, cluster approach has been adopted. In all 16 Clusters have been formed including two capital cities of Jammu and Srinagar. DPRs for 11 clusters viz Baramulla, Anantnag, Kulgam, Pulwama, Sopore, Handwara, Katra, Udhampur, Poonch, Rajouri and Jammu have been prepared and DPRs for other clusters is under preparation. 2 DPRs for Anantnag & Kulgam clusters have been sent to IIT New Delhi for Technical / Financial appraisal. The DPR for Jammu city has been sent to IIT Roorkee. Once the Technical and Financial appraisal is done, the project shall be tendered for establishment under PPP mode.

Solid Waste Management Project has been sanctioned under JNNURM-II by the Ministry of Urban Development, Government of India at a Cost of Rs. 91.97 crore at Achan, Srinagar.

### Housing For All Mission

Rajiv Awas Yojana scheme has been dovetailed in the name of Housing for All Mission which was launched in 2015-16 by the Prime Minister of India under which there is Preference for economic Weaker and neglected section of the society such as

*Two new middle income categories have been created under the Pradhan Mantri Awaas Yojana in urban areas. Loans of up to 9 lakh rupees taken in 2017, will receive interest subvention of 4 per cent. Loans of up to 12 lakh rupees taken in 2017, will receive interest subvention of 3 per cent. The number of houses being built for the poor, under the Pradhan Mantri Awaas Yojana in rural areas, is being increased by 33 per cent. In addition to this, another scheme is being put in place for the neo middle and middle class in rural areas. Loans of up to 2 lakh rupees taken in 2017, for new housing, or extension of housing in rural areas, will receive an interest subvention of 3 per cent.*

Manual Scavengers, Women, persons belonging to Scheduled Castes/Scheduled Tribes /Other Backward Classes, Minorities, Persons with disabilities and Transgender.

The mission seeks to address the housing requirement of urban poor including slum dwellers.

### **Deendayal Antyodaya Yojana- National Urban Livelihood Mission (DAY-NULM)**

Swaran Jayanti Shahri Rozgar Yojana (SJSRY) Scheme was a Centrally Sponsored Scheme launched in the state from 1997-98. The scheme has now been restructured as National Urban Livelihood Mission (NULM).The scheme is implemented through District Urban Development Agencies functioning in 12 erstwhile districts. Now as per revised guidelines from GOI , the mission can be implemented in all statutory towns as well.

#### **Target Vs Achievement in FY-2015-16**

<b>Table 102: Target and Achievement during the year FY 2015-16</b>		
<b>Name of Component</b>	<b>Target</b>	<b>Disbursement/Achievement</b>
Self employment Programme- Individual	1000	747
Self employment Programme - Group	68	2
Shelter for Urban Homeless	02	02
SHG Bank Linkage	480	432
City Livelihood Centres	02	01
Support to Urban Street Vendors	12	Street Vendor Survey done in all district headquarters and instructions for issuance of street vendor I-cards communicated to all District Urban Development Agencies.
Employment Through Skill Training & Placement (EST&P)	2560	1015

### **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 the citizens 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 fulfil 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 absorb 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 the 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 religions destination 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.

Urban areas play crucial role in development of the country as they are centers of all activities both economic & social. As the cities grow, they place a greater demand on city infrastructure to deliver vital service such as Transportation, Waste Management, Healthcare, Education and Public Safety. The bench-mark of the smart cities is good quality of life through efficient urban mobility, access to 100 % Water Supply, 24x7 Electricity, Telephone & Wi-Fi connection, Household carriage on account of Sewerage & Drainage, Solid Waste Management and better & sufficient Schools & Hospital which is not an easy Job but needs adoption of Total Quality Management in every section of the organization responsible to handle the smart cities initiatives. Smart city concept promotes quality living to the fullest through choice, comforts & cleanliness.

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

The state shall strive 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 parts of land near the identified cities which can be built into smart cities in- abinto . The states shall upgrade itself in order to meet the challenges thrown wide upon by the smart cities. Initiative for 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.

### **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 started. The State Finance Commission's recommendations about providing of 10% of 4 taxes as devolution to Urban Local Bodies and Municipal Corporation, is under implementation from the year 2004-05. This has given substantial incremental increase in the resources of these Local Bodies.

### Dal -Nigeen Lake Conservation Project

- “ The Dal Development is one of the sectors administered by H&UDD for which Lakes & Waterways Development Authority (LAWADA) was created in the year 1997 as an autonomous body under development Act 1970 AD. The Authority has a whole time mandate to conserve and manage the Dal/Nigeen Lakes.
- “ The LAWDA is presently executing the following three projects for Conservation & Management of Dal Lake:
  - a) Conservation & Management of Dal-Nageen Lake under National Lake Conservation Programme (NLCP)
  - b) Rehabilitation and Resettlement of Dal Dwellers ( PMRP)
  - c) Rehabilitation of Dal Dwellers at Rakh-i-Arth.
- “ For effective Conservation and Preservation of Dal-Nageen lake, it was necessitated to relocate the Dal dwellers out of the lake, whose population is around 60000 living in 2532 structures.
- “ For relocating these Dal dwellers, their properties-land and structures have to be acquired and need to be rehabilitated at an alternate place for which State Govt. has identified the land of 7526 kanals at Rakh-i-Arth in the suburbs of Srinagar city.
- “ For the rehabilitation of families dislocated from the Dal-Nagin lake the project for an amount of Rs. 416.72 crores for development of site at Rakh-i-Arth for preparation of site and provision for infrastructure like road, water supply, electricity, drainage and sewerage and other community facilities and providing housing units to the dwellers who shall eventually get displaced due to Conservation Programme. The funding for this project is as under:-
 

Total cost of the project	Rs.	416.72 crores
State Plan contribution	Rs.	315.90 crores
BSUP(GOI)	Rs.	90.92 crores
State Share	Rs.	9.90 crores
- “ Against the State Plan contribution of Rs. 315.90 crore, the Authority has spent Rs. 84.56 crore so far till 03/2016. Similarly against the BSUP component of Rs. 90.92 crore, an amount of Rs. 20.43 crores released to the Authority, has been utilized in full till 3/2016.
- “ The project involves construction of 4600 dwelling units.
- “ 2140 plots have been developed and are being allotted to Dal dwellers.
- “ 298 families of Dal dwellers have already been shifted to the Rakh-i-Arth Housing



Colony.

### **Atal Mission for Rejuvenation and Urban Transformation (AMRUT)**

Providing basic services (e.g. water supply, sewerage, urban transport) to the households and to build amenities in cities which will improve the quality of life for all, especially the poor and the disadvantaged, is a national priority.

Therefore, the purpose of Atal Mission for Rejuvenation and Urban Transformation (AMRUT) is to (i) ensure that every household has access to a tap with assured supply of water and a sewerage connection; (ii) increase the amenity value of cities by developing greenery and well maintained open spaces (e.g. parks); and (iii) reduce pollution by switching to public transport or constructing facilities for non-motorized transport (e.g. walking and cycling). All these outcomes are valued by citizens, particularly women, and indicators and standards have been prescribed by the Ministry of Urban Development (MoUD) in the form of Service Level Benchmarks (SLBs).

#### **Thrust areas**

The Mission will focus on the following Thrust Areas:

- i. water supply,
- ii. Sewerage facilities and septage management,
- iii. Storm water drains to reduce flooding,
- iv. Pedestrian, non-motorized and public transport facilities, parking spaces; and
- v. enhancing amenity value of cities by creating and upgrading green spaces, parks and recreational centers, especially for children.

#### **Mission Components**

The mission focus would be to improve Water Supply, Sewerage, Drainage facilities, Parking space and enhancing amenity value of cities by creating and upgrading green spaces, parks and recreational centres. Based on population criteria four cities/towns namely Srinagar, Jammu, Anantnag and Leh has been brought under the coverage of the Mission. Request has been made to GOI for inclusion of Katra town under the Mission. The total allocation for State for the mission period is Rs. 744 crore.

#### **Financial Progress of the Department**

The Housing and Urban Development Department administers following six sectors under Capex Budget of State Annual Action Plan. The sector-wise allocation, expenditure during 11th Five year plan and 12<sup>th</sup> Five Year plan is reflected hereunder:-

<b>Table 103: Financial Progress</b>			<b>(Rs. in lakh)</b>			
<b>Name of the Sector</b>	<b>Revised Out lay 2014-15</b>			<b>Exp. 2014-15</b>		
	<b>CSS</b>	<b>SS</b>	<b>Total</b>	<b>CSS</b>	<b>SS</b>	<b>Total</b>
Urban Development	52000.00	7100.00	59100.00	4291.95	4408.82	8700.77
Housing	0.00	700.00	700.00	0.00	700.00	700.00
Poverty Alleviation	1450.00	300.00	1750.00	0.00	150.00	150.00
Dal Development	0.00	2250.00	2250.00	0.00	2250.00	2250.00
Sewerage	0.00	337.00	337.00	0.00	*937.00	937.00
Drainage	0.00	1575.00	1575.00	0.00	*2575.00	2575.00
<b>Total</b>	<b>53450.00</b>	<b>12262.00</b>	<b>65712.00</b>	<b>4291.95</b>	<b>11020.82</b>	<b>15312.77</b>

*\*The expenditure is higher due to the additionality/ appropriation made during the year on account of Sewerage and Drainage Sectors*

<b>Table 104: Financial Progress</b>			<b>(Rs. in lakh)</b>			
<b>Name of the Sector</b>	<b>Revised Out lay 2015-16</b>			<b>Exp.2015-16</b>		
	<b>CSS</b>	<b>SS</b>	<b>Total</b>	<b>CSS</b>	<b>SS</b>	<b>Total</b>
Urban Development	7000.00	8680.68	15680.68	3177.00	7448.16	10625.16
Housing	0.00	445.00	445.00	0.00	445.00	445.00
Poverty Alleviation	1450.00	0.00	1450.00	0.00	0.00	0.00
Dal Development	0.00	2350.00	2350.00	0.00	2350.00	2350.00
Sewerage	0.00	475.00	475.00	0.00	475.00	475.00
Drainage	0.00	2185.91	2185.91	0.00	2185.91	2185.91
<b>Total</b>	<b>8450.00</b>	<b>14136.59</b>	<b>22586.59</b>	<b>3177.00</b>	<b>12904.07</b>	<b>16081.07</b>

## Financial

### Banking

In the state of Jammu & Kashmir the banking system is serving as an important facilitator for meeting the financial necessities of hundreds of thousands of borrowers in un-organized sectors, especially in agriculture and the self employed in the micro & small business sectors.

The banking system in the state has exhibited remarkable operational as well as institutional growth over last two decades. The institutional structure of banking system in J&K consists of multiple market players viz. Commercial Banks, Regional Rural Banks and Co- operative Banks.

The comparative Network Strength of various categories of Banks operating in the state is abstracted as under:

Bank Group	No. of Branches as on March, 2015 & March, 2016			
	March 2015	March 2016	%ge Share	Growth %ge
A(i) Public Sector Banks	461	481	24.07	4.34
A(ii) Private Sector Banks	845	887	44.39	4.97
A(iii) Regional Rural Banks	355	350	17.52	-1.41
<b>A: Total Scheduled Commercial Banks</b>	<b>1661</b>	<b>1718</b>	<b>85.99</b>	<b>3.43</b>
B: Central/ State Co-Operative Banks	261	266	13.31	1.92
C: Other Financial Institutions (SFC)	14	14	0.70	0.00
<b>TOTAL (A+B+C)</b>	<b>1936</b>	<b>1998</b>	<b>100.00</b>	<b>3.20</b>

With the increase in the bank branches over the years, there has been notable improvement in the banking services. Dependence per bank reduced substantially both geographically as well as demographically. On an average, 1 bank branch is available per 6 thousand people as on 31-03-2016 where as for that for India, it is 10 thousand persons. More importantly, the coverage of area per bank is declining year by year. During the year 2015-16 one branch was available per 50.74 sq. kms. This indicator is 30.26 Sq.km for India during the same reference period.

Following table provides overview of banking infrastructure with some business indicators over the years at state level.

Year (As on 31 March)	Bank Branches	Average Per Branch		Deposits	Advances	Credit- Deposit Ratio
		Area (Sq Km)	Population (‘000)			
2011	1302	77.87	10	45695	16252	35.57
2012	1449	69.97	9	55144	18949	34.36
2013	1638	61.90	8	64480	23542	36.51
2014	1893	53.56	7	72767	34398.9	47.27
2015	1936	52.39	6	78977.67	36508.41	46.23
2016	1998	50.74	6	86232.35	42348.25	49.11

### **Credit –Deposit ratio**

Credit-deposit ratio is an impressive indicator utilized for measuring the business performance of banks. Higher growth in advances i.e., 15.93% and comparatively lower growth in deposits (9.13%) improved the CDR from 46.23% as on March, 2015 to 49.11% ending March, 2016. This indicates increase in CDR by 2.89%. Across the bank groups, substantial improvement in CDR was noticed in all groups except central/state co-operative banks. At all India, CDR of SCBs was 77.09 % for 2015.

### **Priority Sector Lending**

A key component of equality of credit in India has been so called Priority Sector Lending (PSL). All banks are required to meet a 40% target on PSL. 46 banks/ financial institutions with a network of 1998 branches have extended total credit of Rs.15,753.29 Crore in favour of 4,87,736 beneficiaries (both under Priority and Non priority Sector) against annual target of Rs.23,605.23 Crore for 10,57,906 beneficiaries under Annual Credit Plan 2015-16, thereby registering achievement of 67% in financial terms and 46% in physical terms. This includes Priority Sector credit of Rs.8,754.40 Crore disbursed in favour of 3,05,308 beneficiaries against annual target of Rs.14,804.83 Crore for 8,16,524 beneficiaries (constituting 59% achievement in financial terms and 37% in physical terms) and Non priority sector credit of Rs.6,998.89 Crore disbursed in favour of 1,82,428 beneficiaries against annual target of Rs.8,800.40 Crore for 2,41,382 beneficiaries (constituting achievement of 80% in financial and 76% in physical terms).

### **Annual Credit Plan 2015-16**

The size of annual credit plan for the year 2015-16 has been fixed at Rs 23605.23 crore for 10.57 lakh beneficiaries. Out of this amount Rs 14804.83 crore constituting 62.71% is targeted for Priority Sector and remaining 37.29% for non-priority sector. So far as bank group wise breakup of ACP is concerned private sector banks emerge as front line group contributing maximum amount of credit claiming 66.92% followed by public sector banks

sharing 25.72% credit plan and regional rural banks is the 3rd bank group on this account with 4.93% share. All schedule commercial banks have a collective share of 97.53% in the ACP for 2015-16. Agency wise annual credit plan for the year 2014-15 is abstracted hereunder in figures.

Name of Bank	FY 2014-15			FY 2015-16		
	Target (Annual)	Achievement (31.03.2015)	%age of Ach.	Target (Annual)	Achievement (31.03.2016)	%age of Ach.
J&K Bank	11435.67	12447.13	109	13369.67	10542.68	78.86
SBI	2221.68	1214.67	55	2660.29	1659.49	62.38
PNB	1144.91	608.84	53	1383.15	534.20	38.62
Other Com. Banks	2570.17	1547.15	60	3104.14	1859.16	59.89
Coop. Banks	826.00	359.55	44	930.13	360.38	38.74
RRBs	1791.10	708.63	40	2153.45	777.78	36.12
Other FIs (SFC)	4.35	0.66	15	4.40	19.60	445.76
<b>TOTAL</b>	<b>19993.88</b>	<b>16886.63</b>	<b>84</b>	<b>23605.23</b>	<b>15753.29</b>	<b>66.74</b>

### Sectoral breakup of Annual credit plan (2015-16)

Sectoral details of annual credit plan 2015-16 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 2015-16, an amount of Rs 4669.29 crore is targeted for agriculture and allied activities constituting 31.53% of the total plan size of priority Sector. The commercial banks are to contribute the maximum share i.e. 91.65% out of the total amount stipulated under this sector and remaining share of 8.35%, by the central and state co-operative banks. Within the amount stipulated for agricultural sector 68.63% constitutes Crop Loan. The Share of Crop loan in the overall credit plan for 2015-16 amounts to 19.87%. Against the target of Rs 4669.29 Crore, Rs. 2931.55 crore has been achieved.

##### b) Micro and small enterprises

An amount of Rs. 4892.12 crore is the share of micro and small enterprise constituting 33.04% of the ACP of priority sector for 2015-16. Out of this amount, maximum share is to be contributed by Private sector banks with 62.36%, followed by 15.07% share of public

sector banks, 6.44% by regional rural banks and the remaining 16.12% amount by co-operative banks and SFC jointly. Against the targeted amount, Rs. 4730.25 crore has been utilized.

#### **c) Education**

Under this sector Rs 650.51 crore is the credit flow in the ACP for 2015-16 constituting 4.39% benefitting 0.17 thousand beneficiaries. The performance under Education Sector has remained abysmally Low. None of the banks have been able to achieve the ACP targets. Against the target only Rs. 89.29 Crore credit flow has taken place which is substantially low.

#### **d) Housing**

Housing sector claims 19.88 % of the annual credit plan for priority sector 2015-16 with an amount of Rs 2943.95 crore. Like Education Sector the performance under Housing Sector has remained abysmally low ie. Only Rs. 608.39 Crore.

#### **e) Others Sectors**

Sectors categorized as others constitute 11.13% of the annual credit plan of Priority Sector for 2015-16 with an amount of 1648.96. crore.

### **Financial Inclusion**

#### **Providing Banking Services In Villages**

Reserve Bank of India initiated the concept of Financial Inclusion by setting up the Khan Commission in 2004 and later on mooted a campaign under Financial Inclusion Plan to make efforts to provide financial services to the financially excluded segment of the society. Accordingly “**Swabhimaan**” campaign to cover 74,000 identified villages in India with population more than 2000 (as per census 2001), was launched by Government of India in February 10, 2011. Consequently, a total of **795 villages** in J&K State having population of over 2000 but without banking facilities were identified by the concerned Lead District Managers/ Lead Bank Officers, and accordingly allocated to 5 major banks for providing banking services by March 2012. After providing coverage of banking services in all the identified 795 villages, RBI advised SLBCs to prepare a roadmap covering all unbanked villages of population less than 2000 (**FIP-II**) and notionally allot these villages to banks for providing banking services in a time-bound manner. Accordingly, a total of **5582 villages** having population less than 2000 were identified in J&K State, and allocated to 5 major banks operating in J&K. All the allocated villages in this segment stand covered by providing banking service outlets in the form of Bank Branch/ Banking Correspondents or Other Modes of coverage.

Subsequently, FIDD RBI issued direction to all SLBC Convenor Banks to identify the villages, with population more than 5000, which do not have a Brick & Mortar Branch of any Scheduled Commercial Bank and allocate the same among the Scheduled Commercial Banks operating in the state for opening of branches. The process of opening of bank branches under this Roadmap is to be completed by **March 31, 2017**. As per the directions, J&K SLBC, in coordination with concerned Lead District Managers, has identified **104 villages** with population of more than 5000 (**as per Census 2011**), which do not have a branch of any Scheduled Commercial Bank and the same have been allocated to 8 major banks operating in J&K State. Till March 31, 2016 only two villages have been covered out of 104 villages, the progress is being reviewed quarterly in the SLBC meetings for its completion within the stipulated time.

### Pradhan Mantri Jan Dhan Yojna

Pradhan Mantri Jan Dhan Yojana (PMJDY) a comprehensive Financial Inclusion Package was launched across the country on 28<sup>th</sup> of August 2014 for ensuring access to financial services by all and timely adequate credit to the excluded sections, i.e., weaker sections and lower income groups of the country. It emphasizes on an urgent need to push the Financial Inclusion among the financially excluded segments of the society so as to have financial stability and sustainability of economic and social order.

**Table 108: The consolidated progress on number of accounts opened under Pradhan Mantri Jan Dhan Yojana in J&K upto 31<sup>st</sup> March, 2016**

Bank	No. Of A/Cs opened			No. Of rupay Debit cards Issued	No. Of zero balance accounts
	Rural	Urban	Total		
Public Sector Banks	2,14,837	1,51,427	3,66,264	3,13,694	81,913
Private Sector Banks	11,65,920	1,28,266	12,94,186	11,30,685	6,05,428
RRBs	1,01,666	34,884	1,36,550	40,239	58,198
Cooperative Banks	7,979	3,955	11,934	2,171	5,089
<b>Total</b>	<b>14,90,402</b>	<b>3,78,532</b>	<b>18,08,934</b>	<b>14,86,789</b>	<b>7,50,628</b>

### Implementation Of Electronic Benefit Transfer (EBT) Scheme In J&K

Strategy guidelines on Financial Inclusion issued by GoI, MoF, DFS vide Circular dated 21.10.2011 require that benefits and subsidies under various Government Schemes must be transferred electronically into the accounts of the beneficiaries and such basic banking accounts have to be opened by banks under Financial Inclusion to facilitate direct transfer of such benefits and subsidies.

- In J&K State, Finance Department, J&K Govt. is the umbrella department to coordinate, oversee and facilitate roll out of EBT.
- J&K Bank stands designated as Leader Bank for all districts of the State;

- MoU between Finance Department, J&K Govt. and Leader Bank (J&K Bank) was signed on 26th November 2013 for hassle-free implementation of EBT Scheme.

EBT Scheme has so far been implemented in ten districts of the State i.e., Srinagar, Ganderbal, Jammu, Rajouri, Kargil, Leh, Doda, Ramban, Samba and Shopian and benefits under IGNOAPS are being successfully transferred into the accounts of the beneficiaries.

The data validation in respect of the remaining 12 districts is under process and up to 31<sup>st</sup> March, 2016 against total number of 1,16,053 accounts received by J&K Bank (Leader Bank) from various banks for the purpose of validation 1,05,044 accounts stand already validated.

### Operational and Inoperational Bank Accounts in J&K Bank

As on 17<sup>th</sup> November, 2016, there were 234432 bank Accounts of Government departments in J&K Bank with a balance of Rs. 4403.00 crore. The districts having number of Bank Accounts more than 10,000/- are, Baramulla (18275), Jammu (16164), Anantnag (16120), Udhampur (15697), Kathua (15270), Kupwara (14834), Rajouri (14579), Poonch (12384), Budgam (12377), Reasi (12255) and Doda (11506). The District wise Break-up of bank accounts as on 17-Nov 2016 is given below:-

<b>Table 109: District wise Break-up of bank accounts as on 17-Nov 2016</b>			
<b>Region</b>	<b>District</b>	<b>No. of Accounts</b>	<b>Balance in Lakh</b>
Jammu	Doda	11506	15343.20
	Jammu	16164	63994.13
	Kathua	15270	13299.26
	Kishtwar	8287	14710.02
	Poonch	12384	14134.39
	Rajouri	14579	20249.64
	Ramban	8403	10463.27
	Reasi	12255	9436.95
	Samba	5809	5505.76
	Udhampur	15697	16226.92
	<b>Subtotal</b>	<b>120354</b>	<b>183363.54</b>
Kashmir	Anantnag	16120	20716.84
	Budgam	12377	9371.11
	Bandipora	7443	5760.87
	Baramulla	18275	17505.10
	Ganderbal	6415	5214.92
	Kargil	4576	7719.02
	Kulgam	7730	7010.91
	Kupwara	14834	12086.80
	Leh Ladakh	3738	15364.03
	Pulwama	8856	10632.90
	Shopian	4692	6320.89
	Srinagar	9022	139233.93
	<b>Subtotal</b>	<b>114078</b>	<b>256937.32</b>
<b>Total</b>	<b>Subtotal</b>	<b>234432</b>	<b>440300.86</b>



216158 bank accounts are having balance up to Rs 1.00 lakh (3.04%), 18274 bank accounts above Rs 1.00 lakh (96.96%), 7193 bank accounts above Rs 5.00 lakh (90.75%), 3907 bank accounts above Rs 10.00 lakh (85.61%), 1015 bank accounts above Rs 50.00 lakh (72.16%) and 577 accounts above Rs 1.00 crore (65.24%).

<b>Table 110: Amount wise distribution</b>				
<b>S.No</b>	<b>Bucket</b>	<b>No. of Accounts</b>	<b>Balance in Lakh Rupees</b>	<b>%age</b>
1	Upto 1 lakh	216158	13368.21	3.04
2	Above 1 lakh	18274	426932.65	96.96
3	Above 5 lakh	7193	399575.96	90.75
4	Above 10 lakh	3907	376941.85	85.61
5	Above 50 lakh	1015	317709.79	72.16
6	Above 1 Crore	577	287240.34	65.24
7	Overall	234432	440300.96	100.00

In order to Rationalize the inoperative Bank accounts opened by various Departments/Drawing and Disbursing Officers, State Government vide Order No. 269- F of 2016 Dated. 09.12.2016 has decided to close all Government Bank accounts which are having:-

1. Nil balance as on 9.12.2016 and are inoperative for more than 2 years.
2. Which remained inoperative for more than 2 years and have positive cash balance. The cash balance in such accounts is to be transferred to the Finance Secretary's official account No. **0110010200000852**.
3. Which remained inoperative for more than 1 year shall not be closed, however balance shall be transferred to above official account.

The above Order shall not apply to the Bank accounts operated by School Education Department and Panchayats.

The Jammu & Kashmir Bank has been directed to initiate required action in time bound manner and no new Government Bank account shall be opened by the J&K bank or any other Nationalized/Schedule bank in favour of the any Department of the State Government without the concurrence of the Finance Department.

### **Developmental and Promotional Initiative Taken By NABARD in J&K**

#### **A. Area Development schemes**

Asset creation and technological improvement in farming is necessary for sustainable growth in agriculture which calls for adequate investment credit supply by banks. To facilitate this, NABARD advocates the concept of launching Area Development Schemes together with Banking Plan by banks for extending term loans to the potential sectors in

each district of the state. NABARD, with the active involvement of financing banks and district development agencies in the state has been able to launch 10 area development schemes in various Districts of J & K state as detailed below :

S. No	Names of ADS	No. of schemes formulated	Names of districts covered (2015-16)	No. of likely beneficiaries / Units	Bank loan (Rs. in lakh) Target
1	ADS on Dairy	1	Budgam	40	4.48
2	ADS on High Density Apple Plantation	1	Shopian	100	90.00
3	ADS on Sheep / Goat	1	Kupwara	220	8.19
4	ADS on Dairy	1	Udhampur	370	1,030.50
5	ADS on Dairy	1	Reasi	200	240.30
6	ADS on Dairy	1	Ramban	120	132.84
7	ADS on Dairy	1	Kishtwar	172	270.90
8	ADS on Dairy	1	Jammu, Kathua, Samba, Rajouri, Doda.	3,859	5,524.00
9	ADS on apple plantation- Traditional	1	Ten districts in srinagar region	4,500	10,260.00
10	ADS on apple plantation - High density Apple	1	Ten districts in srinagar region	6,900	16,740.00

### **B. Climate Change**

NABARD in its efforts to meet the future challenges of climate change has sanctioned a Project on climate resilient sustainable agriculture in rain fed areas(Kandi) of J&K through Dept. of Agriculture. The total cost of the project sanctioned is Rs. 22,51,53,161.

NABARD in its capacity as National Implementing Entity (NIE) for National Adaptation Fund has also released Rs. 2,86,23,123( Two Crore Eighty Six Lakh Twenty Three Thousand One Hundred and Twenty Three Rupees only) towards first installment for implementation of the Project.

### **NABARD Consultancy Support**

NABARD consultancy services (NABCONS), the consultancy arm of NABARD, extends consultancy monitoring services to the state government and private entities in the areas of third part monitoring of programmes. During the year 2015-16, the following projects were executed by NABCONS, Jammu.

Sl. No.	Project Details	Pro No.	Department
1	Project Management of Mega Food Park	1328	RFK Green
2	FMP Work at Leh	1784	Irrigation
3	FMP Work at Poonch	1791	Irrigation
4	FMP & Major/Minor Irrigation Srinagar	1746	Irrigation
5	TPM of SSA	1335	SSA
6	TPM of Infrastructure Projects	1420	Planning
	<b>Total</b>	9404	

### **B. Support under GoI Subsidy Schemes**

NABARD sanctioned aggregate subsidy support of Rs. 40.80 crore under various Government Sponsored Schemes during 2015-16. This covered assistance to farmers and entrepreneurs for the purposes such as Dairy Development, Solar Lighting, Rural Godowns, Agri Clinics, Agri Business Centres, etc.

### **3. Details of Sanctions and Disbursement made in RIDF Project**

During 2015-16, NABARD sanctioned new projects with loan assistance of Rs. 354 crore under Rural Infrastructure Development Fund (RIDF)-XXI to the J&K State Government. This signifies all time high sanction accorded in the past few years. This would enable the government to take up as many as new 137 rural infrastructure projects, covering Roads & Bridges, Health and Animal/Sheep Husbandry Sectors. During the year 2015-16, RIDF loan assistance of Rs.302 cr was actually disbursed to the state government.

The sector-wise sanction and disbursement is indicated in table below:

Sector-wise Projects	No. of projects	Amount sanctioned	Amount disbursed
<b>Agriculture related</b>			
Irrigation	347	33644.00	28584.00
Soil Conservation (Flood protection)	52	10774.80	9054.00
Watershed Development	3	70.33	46.30
<b>Road &amp; Bridges</b>			
Roads	1826	350903.00	308325.00
Bridges	272	45441.00	39652.00
<b>Social Sector</b>			

Schools	14	3183.56	2414.00
Rural Drinking Water	283	28520.66	23511.00
<b>Others</b>			
Seed Farm, Healthcare, Farm Development Etc.	331	33074.00	21516.00
<b>Total</b>	<b>3128</b>	<b>505611.35</b>	<b>433102.30</b>

The Cumulative Financial Assistance since inception (i.e, Tranche I ó XXI as on 31 March 2016)

Tranche	No. of Projects	Sanctions (NABARD Loan)	Disbursements
RIDF-I	11	614.92	603.85
RIDF-II*	1	0.00	57.41
RIDF-III	164	3594.71	2380.37
RIDF-IV	88	10746.60	10341.65
RIDF-V	132	11088.38	10941.27
RIDF-VI	176	16152.26	15450.94
RIDF-VII	193	21679.95	20675.77
RIDF-VIII	118	17563.85	15798.43
RIDF-IX	155	15381.90	14710.88
RIDF-X	11	4737.70	4706.60
RIDF-XI	91	7955.27	7955.27
RIDF-XII	252	45211.13	43742.74
RIDF-XIII	362	55477.08	52368.29
RIDF-XIV	192	32581.52	31641.43
RIDF- XV	328	64299.45	57995.16
RIDF - XVI	357	89800.52	82680.14
RIDF-XVII	144	14588.05	12295.47
RIDF XVIII	90	23916.34	22059.77
RIDF XIX	12	4026.08	1745.87
RIDF XX	115	30790.54	14331.11
RIDF XXI	137	35397.14	10619.38
<b>Total*</b>	<b>3128</b>	<b>505603.39</b>	<b>433101.79</b>

\* Project of RDIF-II withdraw

#### **4. Details of Economic Benefits received (both Physical and financial through RIDF Projects)**

By implementation of projects with financial support from NABARD under RIDF has resulted in the following benefits :

- Tapping of additional irrigation potential of over 76,812 ha
- Creation of road network of over 12,131 km.
- Creation of drinking water facilities benefiting over 11.20 lakh souls.
- Besides, NABARD has supported construction of 155 Primary Health Centres / Indian System of Medicine Dispensaries, construction of 129 Veterinary Hospitals / Sheep Extension Centres, 4 Poultry Units, 21 Seed Farm / On-Farm Development Projects., 18 Terminal / Rural Markets, 3 Fruits & Vegetable Markets, etc.

In the State of Jammu and Kashmir, NABARD funding (sanctions) under RIDF includes Roads and Bridges (77.08%) Agriculture and allied activities (10.30%), social sector (7.55%) and others (5.07%).

<b>Sector-wise Position</b>	<b>No. of projects sanctioned</b>	<b>Benefit</b>
<b>Agriculture Sector</b>		
Irrigation	347	76812.35 ha
Soil Conservation(Flood protection)	52	12548.44 ha
Watershed Development	3	1 project
Animal/ Sheep husbandry	133	129 veterinary hospitals /extension centres & 4 poultry units
Seed/Agriculture/Horticulture Farms	21	5 seed farm & 5 OFD projects
Market yards/ Godowns/ Cold storage/ Others	22	18 Terminal / Rural Markets, 3 Fruits & Vegetable Markets etc.
<b>Road &amp; Bridges</b>	2098	12131.10 km
<b>Social Sector</b>		
Schools	14	1410 school rooms, benefitting 50,048 students
Rural Drinking Water Supply	283	1120789 souls
Public Health Institutions	155	115 PHCs
<b>Total</b>	<b>3128</b>	

### 7. Physical and financial progress achieved under Kissan Credit Card

The position of KCC Sponsored/ Sanctioned/ disbursed/ rejected/ pending with banks as on 31 March 2016 given here under:

<b>Particulars</b>	<b>Numbers</b>
Total farm operating families in J&K State willing to avail KCC	9,81,449
Number of KCC issued / sanctioned by the banks	8,94,983 (91%)
Farm Operating Families yet to be covered under KCC	86,466
No. of KCCs disbursed by banks	772712
Cumulative amount disbursed by banks under KCC (Rs. crore)	6235.00
<i>Source: SLBC</i>	

Jammu Kashmir Gramin Bank was assisted by NABARD for onboarding under CBS. Besides, an amount of Rs.18.80 lakh to JK GB for issuance of 50, 000 Debit Cards, 30,000 Rupay KCC Cards, 30,000 smart cards and 95 POT machines.

### **Promotion of SHGs in the State**

NABARD has assisted 39 NGOs and other agencies for promoting over 6000 SHGs in 15 districts of the state. Due to these and other initiatives, 16459 SHGs were saving linked and 12885 SHGs credit linked by banks with Rs. 92.79 crore loan amount extended by banks as on 31.3.2016.

### **J&K Bank rolls out rehabilitation package for borrowers affected by disturbance**

The disturbance in the valley since July, 2016 badly affected the economic activities of all business units including traders, manufacturers, hotels , transporters etc. They suffered huge economic losses which severely affected their revenue generation capacity.

J&K Bank on 15<sup>th</sup> December, 2016 rolled out a comprehensive loan restructuring package, providing relief to the borrowers across the state who suffered due to prolonged disturbance in the valley. The package was finalised after Reserve Bank of India (RBI) gave its approval to the J&K SLBC proposal of restructuring the loans to the affected borrowers who are stressed due to the recent turmoil.

The package is customized not just to alleviate pain of the borrowers by providing the repayment holiday with reduced interest burden but also with the provision of providing for additional need-based working capital finance.

As per the operational details of the rehabilitation package, Bank will fund the interest due from the borrowers while deferring the principal repayments in the loan accounts upto a maximum period of 18 months, till December, 2017.

Besides, the bank has also substantially reduced the rate of interest to be charged during the repayment holiday on interest funding to 9.5% per annum.

Additional finance will be sanctioned to affected borrowers upto a maximum of 20% of their existing limits at concessional rate of interest. The farmers who have suffered losses to their crops to the extent of 33% or more, are also covered in the package.

The package will be applicable till February, 2017 in accordance with the RBI approval and the borrowers can avail the benefits of the relief package during the applicable period from their respective branches.

### **SARFAESI Act 2002: Supreme Court Ruling**

Recently Supreme Court of India has passed a ruling in SLP No 30884-30885 OF 2015 whereunder it has held that SARFAESI Act 2002 will be applicable to J&K State. The Government of Jammu & Kashmir has clarified that banks cannot sell the properties of the state mortgaged with them to people coming from outside J&K State who are not residents of the state.

# C Policy Update

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- **Budgetary Policy**
  - **Prime Minister's Development Package**
    - **Ease of Doing Business**

## **Budgetary Policy**

The ability of the Government to provide for the needed public services and to undertake public investment on an increasing scale depends on the soundness and buoyancy of the tax structure on the one hand and public expenditure policies that would contribute to the maintenance of budget balance on the other. An unsustainable budget deficit not only leads to general instability in the economy but also forces the Government to resort increasingly to methods of raising resources that cause distortions and produce other undesirable effects on the economy. The challenge is to meet infrastructure and social needs while managing the Government's finances in a way that the deficit or the accumulating debt burden is not too high.

Over the years budget has been an instrument for reallocation of resources according to priorities, redistribution, promotion of private savings and investments, and the maintenance of stability. Thus, the budget during 2015-16 has geared simultaneously to the sustenance and growth of the public economy and to the pursuit of the broader objectives of fiscal policy. This implies that the methods of raising resources for the public good have influenced the rest of the economy in beneficial ways and, resources have by and large been used in an effective way. The size of the public economy, measured in terms of total expenditure share, has grown from 36 *percent* of GSDP in 2013-14 to 39 *percent* in 2014-15 and further to 47 per cent in 2015-16. Along with this increase in expenditure, there was a more or less commensurate increase in the tax ratio, it rose from 7.34 *percent* in 2013-14 to 45.37 *percent* in 2015-16. However, the tax and non-tax ratio has not kept pace with the expenditure ratio. These tendencies have gradually eroded the capacity to generate the necessary surplus to expand essential public services and to contribute to the financing of public investment.

## Policy Architecture

The Constitution of J&K provides that for every financial year, the Government shall place before the legislature a statement of its proposed taxing and spending provisions for legislative debate and approval. The State Legislature has enacted the FRBM Act in 2006 which has been amended from time to time. The FRBM rules 2008 inter-alia specify the annual targets for (a) Revenue Deficit as percentage of Total Revenue Receipts (b) Fiscal Deficit as percentage of GSDP (c) Total outstanding liability as percentage of GSDP and committed liabilities. The state Governments are vested with the power to tax agricultural income, land and buildings, sale of goods (other than inter-state), and excise on alcohol.

From financial year 2015-16, the State Government has changed the structure of State Budget under reforms to the extent that it is classified now into two components only Viz., Revenue and Capital for both Receipt and Expenditure Head where a spending item is taken as capital expenditure if it relates to the creation of an asset that is likely to last for a considerable period of time and includes loan disbursements. In contrast, revenue expenditures are fairly regular and generally intended to meet certain routine requirements like salaries, pensions, subsidies, interest payments, and the like.

The broad policies envisaged during 2015-16 and outcomes thereto are discussed in the successive sections. The major policy decision during 2015-16 was to weed out misclassification of public expenditure and to initiate structural reforms in the formulation of the State Budget to exterminate utilization of major portion of receipt for non-developmental expenditure in the form of capital expenditure.

### Summary of Fiscal Trends (2014-16)

The position of opening and closing cash balances, receipts and disbursements during the year under broad categories are shown in the following table.

Receipts			Disbursements		
Section – A Revenue					
Segment	2014-15	2015-16	Segment	2014-15	2015-16
Revenue receipts	28939	<b>35781</b>	Revenue Expenditure	29329	<b>36420</b>
State's Own Tax revenue	6334	<b>7326</b>	General Services	12039	<b>13675</b>
State's Own Non-Tax Revenue	1978	<b>3913</b>	Social Services	8501	<b>11331</b>
Share of Union Taxes/Duties	4477	<b>7814</b>	Economic Services	8789	<b>11414</b>
Grants from Government of India	16150	<b>16728</b>			



Section – B Capital					
			Capital Outlay	5134	<b>7331</b>
Recoveries of Loans and Advances	3	<b>4</b>	Loans and Advances disbursed	87	<b>94</b>
Public Debt receipts	10033	<b>14645</b>	Repayment of Public Debt	8323	<b>10815</b>
Contingency Fund	6	–	Contingency Fund	6	–
Public Account receipts **	22032	<b>27450</b>	Public Account disbursements **	17796	<b>24094</b>
Opening Cash Balance	1063	<b>1401</b>	Closing Cash Balance	1401	<b>527</b>
<b>Total</b>	<b>62070</b>	<b>79281</b>		<b>62070</b>	<b>79281</b>
** These excludes transactions of investment of cash balances and departmental cash chests. (Rs. 22311 crore receipts, Rs. 21140 crore disbursements). The net effect of these transactions is included in the opening and closing cash balances in the row next below. Receipts include departmental Cheques under MH 8670 of Rs. 215 crore.					

The Share of Central Taxes has shown an increase of 74 percent during 2015-16 over the previous year. The revenue expenditure likewise has shown an increasing trend over the previous year with increase of 24 percent. There has been a good sign of improvement in the collection of non-tax revenue which has increased by 98 percent. The aggregate cash balance of the State ( including un-invested cash with the RBI, invested cash and cash in departmental chests) decreased during 2015-16 by Rs 527 crore from the opening balance of Rs 1401 crore. More concerted efforts can bring more buoyancy in the tax revenue. Increase in the Revenue Expenditure has impacted revenue surplus envisaged to be Rs 3707 crore to a large extent which has in actual term reduced to (-) Rs 640 crore.

#### Trends in Key Fiscal Aggregates:

The trends in budget estimates, Revised Estimates and actual financial outcomes of some key fiscal aggregates from 2013-14 to 2015-16 are as under:-

S. No	Fiscal Aggregate	2013-14			2014-15			2015-16		
		Budget	Revised	Actual	Budget	Revised	Actual	Budget	Revised	Actual
1	Revenue Receipts (a)+ (b) + (c) + (d)	33970	31227	27128	39221	34541	28939	<b>37815</b>	<b>40904</b>	<b>35781</b>
(a)	State's Own Tax revenue	6700	6820	6273	7496	6438	6334	8006	7988	7326
(b)	State's own Non Tax	3033	3400	2870	3561	3154	1978	3509	3455	3913

	Revenue									
(c)	State's share in Union Taxes/duties	4485	4514	4142	5191	4477	4477	8088	8088	7813
(d)	Grants-in-aid from Union Government	19752	16493	13843	22973	20472	16150	18212	21373	16728
2	Revenue Expenditure	28690	27617	27058	32948	31503	29329	35228	37197	36420
3	Capital Expenditure	8187	7526	4628	9436	10363	5221	9686	12685	7444
4	Total Expenditure	36877	35143	31686	42384	41866	34550	53590	58787	43845
5	Revenue Surplus	5280	3610	70	6273	3080	-390	2587	3707	-640
6	Fiscal Deficit	2867	3831	4554	3020	6561	5608	7099	8978	8060
7	Primary Deficit (+)/ Surplus (-) (Fiscal Deficit ó Interest Payments)	-433	531	1553	-450	3141	2075	3304	5183	4341
<i>Source : AG's Accounts.</i>										

### Resources of the State

The revenue receipt and the public account receipts have shown upward trend. Public Debt has increased to Rs 10033 crore in 204-15 and Rs 14645 crore in 2015-16. Decreasing trend of revenue receipts is discernable within the overall receipts during 2015-16 as compared to their ratio for 2014-15.

### Revenue Receipt

Transfer from the Union Government of State's share in Union taxes and duties and grant-in-aid together constituted on an average 69 percent of the State's revenue receipt.

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 3: Revenue receipts-basic indicators</b>		<b>(Rs. in crore)</b>					
<b>S. No</b>	<b>Revenue Receipt</b>	<b>2010-11 (A)</b>	<b>2011-12 (A)</b>	<b>2012-13 (A)</b>	<b>2013-14 (A)</b>	<b>2014-15 (A)</b>	<b>2015-16 (A)</b>
1	Own Taxes	3483 (15.67)	4745 (19.15)	5833 (22.24)	6273 (23.12)	6334 (21.89)	7326 (20.47)
2	Non-tax Revenue	1093 (4.92)	2002 (8.08)	2160 (8.23)	2870 (10.58)	1978 (6.83)	3913 (10.94)
3	Central Tax Transfers	3067 (13.79)	3495 (14.10)	3870 (14.76)	4142 (15.27)	4477 (15.47)	7814 (21.84)
4	Grant in Aid	14592 (65.62)	14541 (58.67)	14354 (54.75)	13843 (51.03)	16150 (55.81)	16728 (46.75)
5	Total (1 to 4)	22235 (100)	24783 (100)	26217 (100)	27128 (100)	28939 (100)	35781 (100)
6	Growth ( % )	26.42	11.45	5.78	(3.47)	(6.68)	(23.64)

*(A)= Actual*  
*Figures in brackets indicate percentage share*

### State's Own Revenues

The State's performance in mobilization of additional resources can be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The major policy initiative implemented to augment tax and non-tax revenues was large scale structural reformative approach adopted during the financial year 2015-16. The trends show assenting growth in State's own resource mobilization which is discussed in the following.

### State's Own Tax Revenue

The tax policy of 2015-16 was based on a more realistic growth estimation keeping in view the lower tax buoyancy in the previous years. The underlying theme was to give a boost to domestic manufacture, bring about greater clarity in tax laws, maintaining stable rates and rationalizing the tax structure. The tax revenue has been showing constant progressive trend with these structural reforms. Tax revenue has increased to Rs 7326 crore during 2015-16 from Rs 6334 in 2014-15. Expenditure on collection of taxes on sales and trade was Rs 45 crore, State Excise Rs 27 crore. Percentage of expenditure to gross collection of revenue was 0.86 percent and 5 percent respectively. The percentage of cost of collection in respect of the land revenue was the highest. Expenditure on collection of land revenue was Rs 148 crore which is an area of concern. Contribution of various components of tax revenue is shown in table below.

Contribution of various components of Tax revenue during the period 2011-12 to 2015-16 is shown in Table below.

Table 4 : Components of Tax Revenue			(Rs. in crore)			
S. No	Source of Tax Revenue	2011-12 (A)	2012-13 (A)	2013-14 (A)	2014-15 (A)	2015-16 (A)
1	Taxes on sales, trade etc./VAT*	3414 (71.95)	4174 (71.57)	4579 (73.00)	4602 (72.66)	5277 (72.03)
2	State excise	385 (8.11)	421 (7.22)	440 (7.01)	466 (7.36)	533 (7.28)
3	Taxes on vehicles	105 (2.21)	118 (2.02)	134 (2.14)	132 (2.08)	145 (1.98)
4	Stamps and registration	171 (3.6)	240 (4.11)	261 (4.16)	248 (3.92)	264 (3.60)
5	Land revenue	33 (0.70)	96 (1.64)	16 (0.26)	15 (0.24)	12 (0.16)
6	Other taxes**	637 (13.42)	783 (13.42)	843 (13.44)	871 (13.75)	1095 (14.95)
7	Total	4745 (100)	5832 (100)	6273 (100)	6334 (100)	7326 (100)
Increase over respective previous Year ( % )			36.23	22.90	7.56	15.66
* 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.						

### State's Own Non-tax Revenue

Buoyancy in non-tax revenue has not remained much attractive over the years. The policy has been to reform power sector which constitutes the most significant component of State's non-tax revenue which has been realized to Rs 1477 crore much less than the budget estimates. Major policy initiative during 2015-16 in this context was to separate power budget from the general budget. The initiative was a first step towards transformation in power system which would ultimately lead to effective unbundling and power reforms. Big impediment to achieve growth in this category are non-realisation of any progress on recovery of atleast 50 percent of the service charges from the user after accounting for the operation and maintenance expenses, as recommended by the 13<sup>th</sup> FC and dismal performance in power revenue collection.

Table 5 : Trends of Non-Tax Revenue		(Rs. in crore)				
Head of Revenue	BE 2013-14	Actual 2013-14	BE 2014-15	Actual 2014-15	BE 2015-16	Actual 2015-16
Power	2841	1533	2630	1428	2980	1477
Interest receipts, dividends and profits	150	142	73	142	77	150

Forest and wild life	68	68	71	71	76	68
Miscellaneous *	234	203	264	166	254	204
Others**	107	924	116	171	68	2014
<b>Total</b>	<b>3400</b>	<b>2870</b>	<b>3154</b>	<b>1978</b>	<b>3455</b>	<b>3913</b>

\* Miscellaneous departs are Public Works, Medical & Public Health, Water Supply & Sanitation, Police etc.

\*\* Others:- Pension and Misc. General Services, Labour and Employment, Other Administrative Services, Stationery & Printing, Minor Irrigation, OSAP, Fisheries, Education etc. Village and Small Industries, Housing, Social Security & Welfare, Tourism and Others.

### Grant-in-aid from the Union Government

Grant-in-aid represents the significant component from the union government in the budgetary resource base of the State Government. The grant-in-aid from union government in absolute terms has remained 47 percent in 2015-16 vis-à-vis total revenue receipts and 38 percent vis-à-vis total expenditure.

The major policy reform under grant-in-aid has been aftermath of the abolition of the Planning commission and replacement of same by the NITI Ayog. The grants in terms of 14<sup>th</sup> Finance Commission are now fixed for next four years for the state.

### Capital Receipt

The recovery of loans and miscellaneous capital receipts has remained static which has resulted in more dependence of the State Government on Institutional finances and loans from the open market table as under:

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Non-Debt Capital receipts</b>					
(i) Recoveries of Loans and Advances	168	2	4	3	4
(ii) Miscellaneous Capital Receipts (Asset Sale)	-	-	-	-	-
<b>Total non-debt Capital receipts</b>	<b>168</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>Debt Capital receipts (Public Debt)</b>					
(i) Ways and Means Advances and Overdraft	4436	3742	2850	7448	8991
(ii) Loans and advances from Union Government	-32*	14	15	12	17
(iii) Other Debt (Market/Institutional Loans)	4068	3272	3137	2799	5637
<b>Total Debt Capital Receipts</b>	<b>8472</b>	<b>7028</b>	<b>6002</b>	<b>10259</b>	<b>14645</b>
<b>Total Capital Receipts</b>	<b>8640</b>	<b>7030</b>	<b>6006</b>	<b>10262</b>	<b>14649</b>
* includes Rs. 56.06 crore loans written off by Ministries of GOI on recommendations of 13 <sup>th</sup> Finance Commission.					

The loans and advances from the Union Government and market borrowing/Institutional Finance have crossed Rs 5754 crore during 2015-16. The ways and means advances and overdraft has touched Rs 8991 crore. Dependence on borrowing to manage cash/ liquidity balance has largely affected the interest burden of the State resulting in deterioration of the fiscal parameters of the State table below.

	2011-12	2012-13	2013-14	2014-15	2015-16
Interest Payments	2383	2707	3001	3533	3719
Repayments	5648	5085	4147	8549	10815

A policy initiatives to curb interest burden by clearing power liability through UDAY/Power bonds without affecting the fiscal indicators has been undertaken. By virtue of this lifting of Bonds exemption granted for calculation of the fiscal parameters by the union Government to bail out the discoms of the State Governments has been fully utilised. Another initiative to invest surplus under public account is also being contemplated.

### **Preponderance of Revenue Expenditure**

Major portion of the Government expenditure goes towards revenue expenditure which does not usually result in fresh creation of the assets. The total revenue expenditure for the year 2015-16 was Rs 36420 crore which was 83.07 percent of the total expenditure. The increase in revenue expenditure in absolute terms from Rs 29329 crore in 2014-15 to Rs 36420 crore was mainly due to transfer of revenue component of the erstwhile plan which was earlier taken as part of plan expenditure, misclassified and treated as part of developmental expenditure and was done away with by major budgetary restructuring and reformative policy adopted by the State Government during 2015-16. 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 below.

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Total expenditure (TE) (Rs. in crore)</b>	<b>28645</b>	<b>30434</b>	<b>31686</b>	<b>34550</b>	<b>43845</b>
<b>Total Plan /CSS Expenditure (Rs. in crore)</b>	<b>6722</b>	<b>6528</b>	<b>6011</b>	<b>7373</b>	<b>2829</b>
<b>Total Non-Plan / Normal / General Expenditure (Rs. in crore)</b>	<b>21857</b>	<b>23813</b>	<b>25554</b>	<b>27090</b>	<b>37922</b>
Rate of Growth of (per cent)	16.43	6.25	4.11	9.04	26.90
TE/GSDP ratio (per cent)	42.01	39.24	36.29	39.30	47.73
RR/TE ratio (per cent)	86.52	86.14	85.62	83.76	81.60

<b>Buoyancy of total expenditure with reference to</b>					
GSDP (ratio)	0.94	0.49	0.30	22.60	5.50
RR (ratio)	1.43	1.08	1.18	1.35	1.14
Revenue Expenditure (RE) (Rs. in crore)	22680	25117	27058	29329	36420
Non-Plan Revenue Expenditure (NPRE)/Normal	21432	23560	25219	26457	34847
Plan Revenue Expenditure (PRE)/General	1248	1557	1839	2872	1573
<b>Rate of Growth of</b>					
RE (per cent)	22.82	10.74	7.73	8.39	24.18
NPRE/Normal (per cent)	22.07	9.93	7.04	4.91	31.71
PRE/General (per cent)	37.29	24.76	18.11	56.17	54.70
Ratio (per cent)					
RE as percentage of TE	79.18	82.53	85.39	84.89	83.06
NPRE/Normal/GSDP (per cent)	32.05	30.70	29.26	30.09	6.48
NPRE/Normal as percentage of TE	74.82	77.41	79.59	76.58	95.68
NPRE as percentage of RR	86.48	89.87	92.96	91.42	79.48
<b>Buoyancy ratio of Revenue expenditure with</b>					
GSDP	1.31	0.84	0.56	20.97	4.94
Revenue Receipts	1.99	1.86	2.22	1.26	0.90

### Power Reforms

One of the reason for increase in borrowing in Financial Year 2015-16 was due to raising of 1<sup>st</sup> trench of bonds under Uday Power Bonds Scheme in order to liquidate the approximate Rs. 7000 crore of power liabilities. In the Financial Year 2015-16 Rs. 2140 crore worth bonds were raised. Uday Scheme launched by the Ministry of Power, Government of India allow states to raise long term bonds worth Rs. 3500 crore to service liabilities of CPSUs. Other liabilities on account of power purchase and various dues to State Power Development Corporation would be met by raising money by issuing State Power bonds. An important feature of the Uday Power Bond is that the debt taken over shall not be included in the calculation of fiscal deficit in the financial years 2015-2016 and 2016-17.

Even though the raising of bonds had expansionary effect on the total Receipts, yet the short term liabilities of the state has been reset to the long term ones, without adding on to the fiscal deficit.

Government has been buying and distributing power in the State since long. All the expenditures on account of Power Purchase are being met by the State Government. All

the revenue generated goes to the State Exchequer. But there remains a huge gap between the actual power purchase bill and revenue realization. The deficit in power receipts over the years is shown in table below.

<b>Financial Year</b>	<b>Power purchase Costs</b>	<b>Target</b>	<b>Actuals</b>	<b>Deficit</b>
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
2014-15	4404	2630	1428	2976
2015-16	6127	2980	1477	4650

Reforms in the sector aimed at reducing AT & C losses has already started in the state by launching of schemes in the capital cities. This reform process has to get expedited. In respect of the power purchase mechanism it has become absolutely essential to run the power procurement on professional lines. Expertise in trading of power has of late emerged as an important area and is bound to definitely save substantially amounts once put in place. It is high time that the activities of the PDD are unbundled for which required clearance and concurrence are already given earlier. This will be a major reform on which will hinge turnaround in Power Sector of the State.

### **Quality of Expenditure**

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects: adequacy of the expenditure, efficiency of the expenditure and effectiveness of the expenditure. These aspects are discussed in the following.

### **Adequacy of Public Expenditure**

To enhance human development index in the State, steps are required to invest in key sectors like Education, Health and Employment generation schemes. The Government has made known its intention for a major upgradation of infrastructure and enhancing allocation for social sectors and social safety nets. On the basis of Government's



commitment additional provisions have been made for social security schemes like Ladli Beti, Aasra, Marriage Assistance, Integrated Child Protection Scheme, old age pensions etc. Provisions have been also made under prime ministersøpackage (Tameir) for various infrastructural and developmental activities which include investment in energy sector, roads and bridges, relief and rehabilitation, strengthening of police force and flood mitigation projects under world bank assistance. Trends in expenditure by activities is shown in table below.

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
General Services	8235	10119	11262	11403	12039	13675
Social Services	6756	7861	8507	7896	8501	11331
Economic Services	9540	10599	10572	7759	8789	11414
Loans and Advances	72	66	93	121	87	94

### Efficiency of Expenditure

In view of the importance of public expenditure on development heads from the point of view of social and economic development, State Government has taken appropriate expenditure rationalization measures and laid emphasis on provision of core public and merit goods. An important factor contributing to less than desired improvements in infrastructure and social indicators is the inherent inefficiency in the use of budgetary funds.

On an average it takes twice the originally projected time and almost twice the originally estimated cost to complete a development project. To expand the fiscal space and enhance efficiency of public expenditure, policy initiatives have been defined for management and monitoring of a large number of development projects and schemes under way to reduce overhead cost generating additional inefficiencies in the system.

The following table shows analysis of the sector-wise expenditure and its relation to development indices.

Social /Economic Infrastructure	2014-15			2015-16		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S&W	O&M		S&W	O&M
<b>Social Sector (SS)</b>						
General Education	11.77	75.03	1.23	8.39	66.03	1.7
Health and Family Welfare	10.57	76.04	0.72	9.22	74.01	66.33
WS, Sanitation & HUD	25.87	50.10	6.24	28.76	46.27	51.43

Others	21.78	19.68	0.25	49.95	20.68	25.55
Total (SS)	15.91	63.06	1.89	19.09	59.88	25.51
<b>Economic sector</b>						
Agriculture and Allied Activities	29.56	79.05	0.86	27.59	80.37	19.48
Irrigation and Flood Control	37.67	76.21	8.00	42.82	78.22	50.95
Power and Energy	2.77	10.00	0.98	4.19	9.16	70.90
Transport	41.80	0.16	14.65	48.50	0.07	2.18
Others	72.31	46.59	0.73	48.85	8.55	11.59
Total (ES)	24.93	29.05	2.23	23.70	3.88	3.88
Total (SS+ES)	20.75	45.77	2.47	21.47	62.45	29.09
<i>TE : Total Expenditure on respective Services; CE: Capital Expenditure; RE: Revenue Expenditure; S&amp;W : Salaries and Wages; O&amp;M Operation and Maintenance</i>						

The ratio of capital expenditure to total expenditure in Social and Economic service sectors showed consistent increase to 21.47 percent in 2015-16 from 20.75 percent in 2014-15. Developmental expenditure (sum of expenditure on Social & Economic Sectors) and their components thereto are shown in table as under:

Components of Development Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Development Revenue Expenditure	10690 (43)	12955 (45)	14491 (47.60)	15655 (49.41)	17290 (50.04)	22745 (51.87)
Development Capital Expenditure	5606 (23)	5505 (19)	4588 (15.10)	3859 (12.18)	4526 (13.10)	6219 (14.18)
Loans/Advances for Development	72	66	93	121	87	94
<i>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.</i>						

### Effectiveness of the Expenditure

Besides stepping up of the expenditure on key social and economic services, Government's constant effort has remained focused on enhancing human development to improve the delivery mechanism to obtain the desired outcomes. Even though effort to relate expenditure to outcomes has been made yet to evolve outcome based budgeting system shall be a main policy initiative of the Government in the coming years. The expenditure

management initiatives in this regard must gather momentum with a focus on outcomes rather than allocations.

### Fiscal Liability

The overall fiscal liability of the Government increased from Rs 48314 crore to Rs 55358 crore ending March, 2016. As a percentage of GSDP, the stock of accumulated fiscal liability increased from 54.95 percent to 60.27 percent at end of 2015-16.

The following table shows the outstanding public debt and other liabilities in last five years and its relation with the GSDP of the State. It is seen that for each one per cent increase in GSDP, fiscal liabilities grew by 2.98 times.

<b>Table 13: Fiscal liabilities</b>					
<b>(Rs. in crore)</b>					
<b>Narration</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Total Fiscal Liability	36267	40265	44673	48314	55358
Revenue Receipts	24783	26217	27128	28939	35781
Fiscal Liability % of Revenue Receipts	146.34	153.58	164.67	166.95	154.71
GSDP (Rs. in crore)	68185	76916	87570	87921	91850
<b>Buoyancy ratio</b>					
Fiscal liability vis-à-vis GSDP	0.92	0.86	0.79	20.37	2.98
Liability as % of GSDP (%)	53.18	52.35	51.01	54.95	60.27
<i>Note: GSDP figures used in this chapter are pre revised GSDP figures</i>					

### Contingent Liability

Guarantees extended for last 5 years is tabulated in the following table. Guarantees are liabilities contingent on consolidated fund in case of default by the borrower for whom guarantee has been extended.

<b>Table 14: Guarantees given by the State Government</b>					
<b>(Rs. in crore)</b>					
<b>Guarantees</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Outstanding amount of guarantees (Rs. in crore)	2098	611	2714	2860	2825

Pursuant to the recommendations of the twelfth Finance Commission, the State Government created a Guarantee Redemption Fund (GRF) in 2006. The total outstanding guarantees as on March 31<sup>st</sup> 2016 aggregated to Rs. 2824.79 crore which was 9.76 per cent of the total Revenue Receipts of Rs. 28938.59 crore in 2014-15 and the 3 per cent of the GSDP of Rs. 91850 crore. The State Government has not assessed the risks of various guarantees. As per Twelfth Finance Commission recommendations the State has to charge fee for such guarantees and deposit the same in GRF to meet any eventuality on account of default.

## Debt Management

The analysis of variation in debt sustainability indicators of the State for the period of five years is given in table as under:

<b>Table 15: Key debt sustainability indicators in the context of market loans (Rs. in crore)</b>					
<b>Description</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Total liabilities	36267	40265	44673	48314	55358
Total Public Debt (year-end)	22691	24635	26490	28200	32.31
Total market loans (year-end)	13956	15510	17205	18321	21.46
Percentage of market loans to total liabilities (percent)	38.5	38.5	38.5	37.92	38.02
Percentage of market loans to total public debt (percent)	61.5	63.0	65.0	64.97	65.70
Weighted average interest rate on market loans (percent)	7.32	8.00	7.88	7.60	7.17
Interest paid on market loans	927	1178	1289	1574	13.09
GSDP at current market prices	68185	76916	87570	87921	91850
GSDP growth rate ( percent per annum)	17.41	12.80	13.85	0.40	4.89
Average Interest Rate on market loans/GSDP growth rate (per cent)	42	62	57	1900	147
Revenue Receipts	24783	26217	27128	28939	35781
Total Interest Payment	2383	2707	3001	3533	3719
Interest payments to Revenue Receipts (per cent)	9.6	10.3	11.06	12.21	10.39
Primary Deficit	1311	1510	1553	2075	4341
Total liabilities as per cent of GSDP	53.18	52.35	51.01	54.95	60.27
Outstanding guarantees	2098	611	2714	2860	2825
Revenue Surplus	2103	1100	70	(-) 390	639.80
Fiscal Deficit	3694	1216	4554	5608	8060

*Note: As per the definition of the term 'Total Liabilities', off budget borrowings through public sector undertakings are also required to be included. However, these are not included in the figures shown above for want of information.*

Debt management implies State's sustainability to service the debt. Apart from the magnitude of debt of State Government, it is important to analyze various indicators that determine the debt sustainability of the State. Of all the constituents of outstanding liability of the Government, the market loans need special focus because the interest rates thereon are not administered and may go up if in the market perception the Government debt is not sustainable. The key debt sustainability indicators in the context of market loans are shown in table above.

## Fiscal Balance

The Trends in deficits are shown in the following table.

<b>Table 16 : Fiscal indicators</b>						<b>(Rs. in crore)</b>
<b>Fiscal Sustainability</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Fiscal Liabilities	31272	36267	40265	44673	48314	55358
Revenue surplus	3767	2103	1100	70	(-)390	(-)640
Fiscal Deficit	2367	2833	2975	4554	5608	8060
State's own deficit	20025	21730	22348	22543	26238	32606

*Source : AG Accounts.*

The three fiscal parameters—Revenue deficit, Fiscal deficit and outstanding liability indicate the extent of overall fiscal balance in the Finances of the State Government during the specified period. The nature of deficit is an indicator of the prudence of budgetary policy of the State Government. Another useful measure of the deficit-bias in a State's Fiscal Policy is the State's Own Deficit (SOD).

The major threat to fiscal balance is the revenue deficit exhibited during the FY 2015-16 of Rs 640 crore as per AG's calculations. The fiscal deficit has reached to the level of Rs 8060 crore, primary deficit to Rs 4341 crore in the same year and SOD to an alarming figure of Rs 32606 crore leading to more dependence on the market borrowings as the revenue deficit grants are fixed for a period of five years which are not subject to change during the course of the year from 2015-16.

## Conclusion

In 2015-16, the fiscal performance of the Government has been better than estimated. This has reinforced the belief in the fiscal policy strategy adopted, which entailed fiscal consolidation along with corrections on revenue-capital imbalance. It is estimated that with the continuance of the reformative policy in subsequent years, the state Government will be able to remain within FRBM targets with some reset. The real growth in GSDP has not showed the buoyancy during the financial year 2015-16 which is not in any care up to the desired level due to slow down in the overall economy of the country.

The fiscal outlook for 2016-17, seeks to achieve a much larger consolidation even while providing for substantially higher revenue expenditure requirements on salaries and pensions. However, there are some downside risks. To alleviate these risks, the Government will need to deliver on the initiatives to be rolled out on non-tax revenues, carry out disinvestments/strategic sale of assets as per the estimated targets and above all, ensure going through with the additional resource mobilization, at least in a phased manner.

### **Issue and Initiatives**

- There is a steep rise in salary and pension bills, administrative costs, burgeoning hidden subsidies including power deficit, rising interest liabilities and loan repayments, deficit on account of Non-tax Revenue, increased interest payments outgo.
- Revenue Expenditure has increased from Rs. 31503 crore in 2014-15 to Rs. 37197 crore in 2015-16. The major reason being periodical increase of salaries, regularization/appointment of new employees, power revenue deficit, interest liability and subsidies.
- Revenue generation from the both tax and non-tax sources have not recorded impressive jump commensurate to our demands and requirements.
- Dependence on borrowings is more indicative now to maintain at least constant level of Capital spending. Major borrowings are through open market and negotiated loans apart from public account.
- Financing of Capital spending in the wake of ever expanding Revenue Expenditure and squeezed resources is another challenge to handle.
- The degradation of infrastructure created due to absence of adequate maintenance grants is another area of concern and needs to be addressed by way of providing adequate funds in the capex /revenue expenditure whichever is applicable on a fixed basis.
- Creations made in the new administrative units particularly by Revenue and Rural Development Department have adversely impacted the revenue expenditure.
- **Relief and Rehabilitation:** Rehabilitation of persons affected by the devastating floods of September 2014 is highest on the agenda of the Government. The Government recognizes the need to ensure that financial assistance reaches the needy and deserving without any further loss of time.
  - Under the Reconstruction Plan, a provision of Rs. 1197 crore has been released as relief for providing of assistance in respect of completely/severely and partially damaged houses (approximately 73000 kucha and 158000 pucca houses). The process of release of funds has been provided to individual beneficiaries under the Direct Benefit Transfer (electronic transfer) mode through DDCs concerned.
  - Financial assistance to certain category of uninsured and small traders affected by the floods, who had not received any assistance either from bank or financial institutions were provided assistance through the Chief Minister's Flood Relief Fund (CMFRF).

- The Reconstruction Plan also included an amount of Rs. 800 crore for extending Interest Subvention Support to the trading and manufacturing units whose borrowal accounts have been restructured by banks after the September, 2014 floods. Now that the funds stand released by the Central Government the interest subvention support could be provided through banks/financial institutions to the affected units. Modalities for the same too stand rolled out.
- For the Displaced Persons (DPs) of POK and Chamb DPs, necessary scheme has been approved and financial assistance of Rs. 2000 crore disbursed among the identified 36348 families.
- Cash Assistance to Jammu province migrants has been also recently enhanced and brought at par with Kashmiri migrants.
- Availing of World Bank assistance of \$ 250 Million for Jehlum Tawi Flood Recovery Project (JTFRP) under externally Aided Project has also been approved. The loan has become effective on April, 19<sup>th</sup> 2016

➤ **Budget Restructuring**

The framework of the State budget from the fiscal 2015-16, have only two parts; the Receipts Budget and the Expenditure Budget. The expenditure budget in turn has only the revenue and capital expenditure estimates. The entire old classification of the plan and non- plan has been discarded. The capital budget is subdivided into State, district capex. Jammu and Kashmir State is the first state in the country to implement such structural change in the formulation of budget. With this reformative measure the provision under capital budget shall be purely utilised for the developmental activities of the state thereby completely focussed for the creation of assets.

➤ **Expenditure Reforms**

- It is essential that different components of expenditure both revenue and capital are critically looked at and unnecessary expenditure is completely eliminated. The execution of projects without having necessary administrative and technical sanctions needs to be stopped. The estimation for the developmental projects seems to be arbitrary and high and therefore, a High Level Committee will be constituted to scrutinized the schedules of costs and methodology adopted for cost estimation of projects. Similarly, many components of the revenue expenditure like travelling expenses, office expenses, etc. are allotted on incremental basis. It is also proposed to constitute a Committee comprising of experts who would suggest determination of these expenses department wise.

- Revenue expenditure from erstwhile plan component has been shifted to relevant heads of expenditure to cleanse the capital expenditure and strictly focus on creation of assets only. However, a very large number of people engaged from time to time as casual labours, daily wagers, seasonal workers etc. continue to be paid by debit to works, maintenance and repairs and also, wages, outsourcing of upkeep etc.
  - In order to cleanse the system it is proposed to shift all such payments to Wages / Outsourcing of Upkeep Head from (2016-17). This will facilitate appropriate and adequate expenditure on works and maintenance particularly and timely payment of wages to these workers also, besides serve as a checks on increase in such expenditures in future.
  - All decisions having financial implications need necessarily to be got concurred from Finance Department prior to announcing of such decisions by any department since it has been observed that certain decisions have been taken at the departmental level which ultimately lead to additional financial implications which are not budgeted for.
  - Civil accounting in forest and engineering departments which was put in abeyance has been made operative in respect of Revenue Component w.e.f 01.04.2016 and in respect of Capital Component it will be operative w.e.f 01.04.2017. Departments shall have to take necessary measures to shift to new system during the intervening period so that migration to new system is smooth.
  - Government has been utilizing Net accruals on account of Provident Fund and SLI under public account as resources to Finance a part of its expenditure. These funds have not been invested as was required and have created a huge liability over years for the government. This has accumulated to around Rs. 14028 crore ending 31-03-2015. In order to streamline the system and ensure safety of such funds it is imperative that all such contributions on account of GP fund / SLI in future are properly invested by the government in safe funds so that the investments of the employees remain protected and secured and are in no case held to ransom to liquidity issues at state treasuries. Our endeavor shall be to shift to such a system towards the end of the current fiscal itself.
- Normative and Zero based budgeting ó the government shall endeavor to introduce normative and zero based budgeting. This will eradicate unproductive and wasteful expenditure under certain heads and divert the savings towards developmental expenditure. This will be a major initiative on Budget Reforms which will further clean up Revenue Expenditure which has so far being bulging very fast.



## **Prime Minister's Development Package**

Following the replacement of Planning Commission by NITI Aayog and the Fourteenth Finance Commission (FFC) Award, the structure of state's finances has undergone major changes. J&K is the first state in the country to align its budget to the changes in the federal fiscal system. Revenue and Capital budgets have been totally separated.

All resource transfers from the centre to the state are now in the form of Finance Commission transfers. The plan transfers decided by the erstwhile Planning Commission have now been subsumed under those of the Finance Commission. As such, share in taxes, statutory grants, and plan grants are now a part of the Finance Commission transfers and hence statutory. All discretionary grants have been abolished. This enables the Government to have a fair perspective on the resource position over the Award period. On the other side, this has closed special windows of finance to J&K such as the Special Plan Assistance (SPA) and the Special Central Assistance (SCA).

Despite the increase of 10% central devolution under the FFC Award, the State Government still suffers from a negative BCR mainly on account of a very high level of revenue expenditure on establishment, including the State Police, and other security related expenditure. The burden of such a deficit hampers the availability of resources for development.

Another major constraint that the state faces is the issue relating to negative perceptions about the state. Such misperceptions adversely impact tourism efforts and lead to fall in investment flows into the economy. With a view to addressing this, all efforts need to be made to put the state back on the confidence map of the country. The strategies and best practices developed by IMF, World Bank, ADB etc. for pursuing development projects in similar areas and situations need to be factored in the largest development model.

Situated at the extreme end of the country, and being a mountainous state with a very small population base, J&K has serious locational disadvantage in terms of high input cost and lack of market access. Many areas of the state remain snow bound for as long as six months. The prevailing security environment and misperceptions regarding the existing situation also lead to dampening of investor sentiment. In the circumstances, despite emphasis being laid on Public Private Partnership (PPP), it will not be incorrect to expect very limited private sector investment in the state. Therefore, public investment has to lead economic growth atleast in key infrastructure areas: with private sector investment piggy backing upon such heavy doses of public investment. This in no way suggests discontinuation of efforts to attract private sector in critical areas like hydropower, housing, health and education.

The power to enter into International Treaties and Agreements rests with the Union Government. However, at times, such Treaties/Agreements adversely affect the rights and obligations of states and puts upon them unnecessary and avoidable financial burden. For example, J&K continues to be put to untold hardships and disadvantages on account of the discriminatory provisions contained in the Indus Water Treaty (IWT). Such constraints do restrict the flexibility on the part of the State Government to fully exploit the available natural resources.

An analysis of the resource profile for development indicates that the Centrally Sponsored Schemes (CSS) account for a major part of the capital expenditure budget (Capex). Significant resources are also committed towards meeting the required state share for accessing central funds under the CSS and for putting in counterpart share for World Bank/ADB funded projects and now the Prime Minister's Development Package (PMDP). The State Government is left with little flexibility to initiate its own development programmes and/or to meet contingent and unforeseen requirements in view of non-availability of free or untied resources.

Another very significant challenge is the differential cost of delivery of public services across difficult and remote areas. The cost of delivery varies from area to area having different topography. By way of an example, the cost of construction of a road in Ladakh is much higher than the one being constructed in Jammu City or Srinagar City. This points to a strong need for equalization of cost of delivery of public service across diverse geographical pockets.

The state also faces severe capacity deficit in matters like preparation of DPR and management of mega projects. Requisite technical and domain expertise and modern equipment is also not available. There is an urgent need both for technology transfer and skill upgradation in traditional areas of core competencies such as handicrafts and horticulture. Lack of capacities results in what Dr. Rangrajan Committee report refers to as the 'missing multiplier factor' as big projects are often outsourced to companies from outside the state depriving the local stakeholders of the multiplier advantages of heavy government investment in key infrastructure sectors.

The Hon'ble Prime Minister of India announced on November 7, 2015, a Reconstruction Plan of Rs. 80,000 crore for development and reconstruction of our infrastructure. This additional financial assistance will go a long way in addressing the challenge of rebuilding the State's economy.

## **Issues & Initiatives**

In the larger context of economic growth, the three pronged approach of the Vision document is to Reconstruct the Economy, Reform the Government and Revive the institutional framework.

### **Reforming Governance**

The effort will aim at making J&K an ethical and corruption-free state. Thus will entail transforming the existing administrative apparatus into a Smart Government which will be pro-active, transparent and accountable. The Government will focus on establishing accountability of the administrative system, and of public life, by reviving institutions and providing them with adequate administrative support and the desired autonomy to enforce the highest standards of probity. The Government will be redesigned to be a reliable enabler for the development of trade industry and business.

### **Rebuilding Institutional Capacities**

Top priority will be accorded to restoring and reviving the institutions and institutional capabilities which have been eroded over the years. The institutional decay in the past years has compounded the delivery of effective governance. Appropriate capacity will be built as regards public private partnership. This will enable the state to seek national and international financing for its developmental plans and projects, particularly in sectors like power, infrastructure, education, agriculture, horticulture, tourism and medical services.

### **Harnessing ICT In Governance**

Investments towards building a knowledge driven economy in J&K have fallen far short of the requirements. The Information and Communication Technology (ICT) sector has not transcended into the state boundaries. Such gaps and inadequacies in development are a matter of constant worry. High priority will be accorded to ICE (Information, Communication and Education) strategies for better marketing of development initiatives amongst the concerned stakeholders. Greater use of technology and progressive switch over to the new e-Governance initiatives will lead to more efficient and timely allocation and utilization of available resources.

The government has taken major initiatives in e-governance applications. Some of the G2C services such as Building Permission, Registration of Deaths and Births, Public Grievance Redressal, Payment of Utility Bills etc. has been put in public domain through an online system. The scope of services will be broadened. Efforts will be made to bring other citizen based services under the e-governance programme.

Specific initiatives will be taken for the democratisation and empowerment of institutions of local governance such as municipal bodies and panchayats to ensure peoples

participation in an inclusive and responsive development process. Empowerment through democratized and re-energised Urban Local Bodies (ULBs) and Panchayats (PRIs) will further open up governance for people at the cutting edge level.

The government will implement full range of e-panchayat solutions in J&K imaginatively to bring transparency and radically transforming grass roots governance in the state.

This will lead to automation of internal workflow processes of Panchayats to help in improving delivery of services to citizens. This solution will also help in enhanced transparency, accountability, efficiency and RTI compliance of Panchayats.

The reconstruction of the economy, at the policy level, will be driven by macro-economic reforms and policies based on extensive import substitution and intensive export orientation of the state economy.

With a view of ensuring against any feelings or perceptions about regional discrimination, the Government will institute a system of criteria-based allocation of financial resources across all the three regions for achieving equitable distribution and balanced development.

### **Managing Natural Resources**

J&K has abundant natural resources like forests, glaciers, water bodies, meadows, orchards, mountains and carevas. Conservation, management and judicious utilization of precious resources will be the key developmental challenge. Water bodies like Dal, Wular, Anchar, Mansar, Surinsar, Pengong etc. will be scientifically managed.

### **Guiding Sustainable Urban And Rural Development**

The cities and towns of the State are expanding at a rapid pace. Land is a precious resource and needs to be utilized judiciously. Unplanned urban settlements have destroyed the landscape of our urban locations. Master plans will be drawn in respect of all the urban centres and new constructions shall be permitted strictly as per master plans.

Management of waste material is a big challenge. Our water bodies are getting contaminated and environment disasters are looming large due to unscientific dumping of waste material in water and in open spaces. State will embark on Solid Waste Management programme in all the urban areas for eco friendly disposal of waste. STPs will be established and water bodies will be saved from contamination.

### **Disaster Mitigation And Preparedness**

Our state is multi-hazard prone and is vulnerable to natural disasters. We have seen worst kinds of earthquakes and floods in the recent past. Hence, risk mitigation and disaster management will be a common underlying strategy in the developmental efforts.

### **Upgrading Human Resource**

As a part of the outreach effort, the State Government has carried out massive expansion of health and educational units. The number of schools, colleges, administrative units, hospitals etc. have increased manifold particularly during the last ten years. Excessive resource commitment for expansion has led to dilution in the quality of infrastructure and service benchmarks. The need of the hour is rationalization and consolidation for providing qualitative services. Also, public services have to be benchmarked under expert guidance so that service providers within the Government do not compromise on quality and timelines of services rendered.

### **Support To Industrial And Handicraft Sectors**

In the absence of private investment, we need to continue with attractive incentives in the industrial sector, tourism, horticulture, etc for economic development of the state. Skill upgradation, technology transfer and design support in the handicraft sector will contemporaries our traditional handicraft products and make them market relevant and competitive.

The single most important aspect of government policy which attracts investment, both local and from outside, is the ease of doing business. To make starting and doing business easier, what is required are institutional reforms, enhancing capacities both in public and private arena, simplification of procedures, widening and deepening the process of dialogue and consultation and building stakeholder ships that can drive government policy and action on ground. For the reforms to make doing business easier, institutions of public service delivery will need a total revamp.

The Bureau of Public Enterprises was created in the year 2013 to review, coordinate and evaluate functioning of 19 PSEs in the state. A task force had gone into the categorisation of the 19 PSEs and recommended certain measures for their revival. However, time has come to bring about a comprehensive transformation of these enterprises to make them relevant to the contemporary market context through business process re-engineering, financial restructuring and administrative reorganization of the ailing PSEs.

For Micro, Small and Medium Enterprises which have been declared sick, an Asset Reconstruction Company will be set up in partnership with the J&K Bank. It will deal with stressed assets, do asset stripping where need be and formulate a revival package where it feels that the revival is possible.

### **Engaging The Youth**

The problem of unemployment in the State of Jammu and Kashmir is one of the most serious challenges to the Government, policy makers and the society as a whole. The

problem has in fact assumed serious dimensions both in term of scale and intensity particularly with reference to educated unemployed youth who graduate from various educational/ professional institutions and join the labour market.

The Government considers Youth and Entrepreneurs among the most important stakeholders to its governance agenda. The endeavor will be to make youth the most important resource in rebuilding J&K: the mission being to Educate, Employ and Empower the youth of J&K. Employment through Enterprise shall remain the sole policy preamble of the government to address the problem of unemployment.

### **Skill Development**

The Jammu and Kashmir like rest of India faces a dichotomy of crisis and opportunity with almost 50% of its total population below 25 years of age and around 65% of the population in the working age group (15-59 years).

It is estimated that by 2022 (cumulative/incremental), about 1.5 million (or 15 lakh) people will join labour force in the state. However, the demographic advantage is predicted to last only until 2040 giving us a very thin time frame to strap up the dividend and fight out the skill shortages. The economy of Jammu and Kashmir was dented by the scars of militancy and unrest. No tangible efforts could be made to address skill development gaps.

In particular, there is an urgent need for preserving and further strengthening/upgrading the base of traditional skills related to sectors like agriculture, horticulture, handicrafts, handlooms, eco-friendly tourism, which are central to the state's economic structure. At the same time, skill training efforts need to cut across multiple sectors to pave the way for equipping youth with knowledge, technical know-how, skills and/or competences for the jobs of today and tomorrow which includes harnessing entrepreneurial skill which has not been fully realized given the fact that the micro, small and medium enterprises (MSME) sector hugely contributes national GDP. Entrepreneurship opportunities can be exploited, and it has been globally proven, to meet the aspirations of the youth.

To give a strategic push to the efforts, the State Government has constituted a Skill development Mission under the Chairmanship of Hon'ble Chief Minister, J&K. With the expanding activities and ever increasing sphere of influence of skill development, it was felt that an institutionalized and independent mechanism pillared on coordination and facilitation taking into account the lessons learnt from other states is immediate need of the hour. Therefore, a separate institution in the form of 'Jammu & Kashmir Skill Development Society' is shortly being put in place.

## **Sports**

With a view to respond to the aspirations and needs of youth of J&K, it has been felt that we need to empower them for a better future and fostering a culture of sports among them. To harness the potential of our youth in sporting activities, a special package of Rs. 200 crore has been announced by Honorable Prime Minister of India. The package provides for construction of indoor sporting halls in all districts of the State with a view to provide playing facilities to youth during long winter in the state.

Two stadia in the State capitals of Srinagar and Jammu will be upgraded to the international standards under the package while existing stadia at Poonch and Rajouri and Udhampur will be upgraded. In addition, water sport facilities will be created at potential spots.

For immediate engagement of youth in the state in sporting activities, a special programme -Sports for All- is being implemented through J&K State Sports Council which provides for village level competitions and development of popular sports, such as, football etc.

## **Culture**

Culture has the potential to transform entire societies, strengthening local communities and forge sense of identity and belonging for people of the all age groups. As a means for youth development and civic engagement, culture plays an essentially important role in fostering sustainable economic and social development for future generations. Youth can act as a bridge between cultures and serve as key agents in promoting peace and inter-cultural development. Through well conceived cultural initiatives the youth which forms a significant portion of the state population can gainfully contribute to local development and prosperity.

## **Preserving Environment**

J&K serves the nation by ensuring environmental sustainability on account of huge forest cover, green vegetation, limited and non-polluting/less polluting industry, glaciers and water reservoirs etc. Special funding of efforts aimed at conservation and management of the eco system will go a long way in ensuring environment sustainability.

For inclusive and equitable development, the State Government intends to develop and adopt cluster based model of development. Cluster strategies will permit the integration convergence and utilization of targeting of natural resource endowments of a particular cluster for larger public good.

Concrete action plans will be drawn-up to encourage eco-friendly and environmentally sustainable industrial growth through green industries, adoption of green technologies, use

of pollution control devices and equipment and simultaneously enforce regulation as per laws and rules.

### **Ensuring Physical Connectivity**

**Road connectivity:** J&K is situated at the tail end of the nation. In a state like J&K, connectivity is crucial to delivery of public services. The major focus in the infrastructure sector will be on physical connectivity through upgradation of road network. All unconnected roads and hamlets will be covered through different programmes like CRF, PMGSY, State Budget etc. Some major tunnels like Zojila, Chennani-Sudhmahadev-Goha tunnel and tunnels at Lachulunga pass and Taglang pass (Manali-Leh Section) are coming up under the Prime Minister's Development Package (PMDP). Semi ring roads around Srinagar and Jammu cities will be taken up.

**Rail connectivity:** The state has limited rail connectivity. The challenge is to establish rail connectivity through length and breadth of the state. Presently, the Jammu-Udhampur-Katra-Quazigund-Baramulla railway line is the biggest project in the construction of a mountain railway since independence. A fresh survey is being conducted by the Railway Ministry for a rail link between Kathua and Kishtwar. Railway Connectivity to Rajouri and Poonch is a matter of urgent requirement and will need positive consideration of the Central Government. Possibility of extension of rail connectivity beyond Baramulla to Kupwara will be considered.

**Air connectivity:** Keeping in view the heavy rush, the expansion of Airports is very vital. Expansion of Jammu Airport is in progress. Srinagar Airport needs to be utilized as an International Airport. Expansion of Leh Airport and revamp and up-gradation of Kargil Airport will be major works in progress. Small airports at Kishtwar, Rajouri, Surankote (Poonch) and Padam/Zanaskar in Kargil need to be developed for air connectivity between these areas and Srinagar. Operationalisation of subsidized helicopter services for people residing in remote and far flung area will be a major focus areas.

### **Evolving Strong Energy Profile**

**Non Renewable energy/hydro:** The Jammu & Kashmir State has a hydel power potential of 20,000 MWs. Out of identified 16,200 MWs potential, the hydro power harnessed so far is 2439.96 MWs (comprising 759.96 MWs in State sector and 1680 MWs in Central sector). Solar power generation is being given high priority and an MoU has been signed with the MNRE for generation of 7500 MW Solar power in Ladakh region.

### **Building On Core Competencies**

**Tourism:** Our aim is enhancing Jammu and Kashmir's brand image by pursuing a sustained and effective marketing strategy with special focus on IT communications.



Efforts will be made to standardize the establishment of tourism products and services through eco friendly infrastructure. The procedure of registration/ renewal of tourist units will be simplified through Single window clearance mechanism for ease of doing business. State will encourage a strong and sustainable private sector participation in creation of tourism infrastructure especially through public private partnerships (PPP).

Tourism products will be diversified to harness the opportunities available in the sector like Adventure, Caravan Tourism, Heliport Tourism, Eco-tourism, Pilgrimage, Rural Tourism, Wellness tourism, Farm Tourism, MICE, Heritage and Golf Tourism. Effective inter-departmental coordination will be promoted to streamline processes and enhance sectoral performance in areas like horticulture, Agriculture, Sericulture, Apiculture, handicrafts etc.

The State Government will be committed to develop Jammu and Ladakh as independent tourism destinations. Adequate resource support shall be provided to the Tourism Department for creating the requisite infrastructure.

### **Making Horticulture Risk Free And Remunerative**

The vision of the Government is to strike a balance between sustainable and commercial agriculture and horticulture. We propose to adopt a number of measures such as seed replacement, rejuvenation of senile orchards, introduction of dwarf varieties or high yielding species, extension of horticulture to un-irrigated agricultural lands, introduction of sprinkler and drip irrigation, rain-water harvesting, sinking of dug and bore wells for increasing the agriculture productivity.

High Density Plantation in Apple and Mango will be thrust areas to ensure highly remunerative and risk free horticulture. Government will incentivize the adoption of HDP through the length and breadth of the state.

Most importantly, we lack post harvest handling of fruit, particularly proper storage of fruit for strategic and slow release into the market. Establishment of Cold Atmospheric (CA) stores and introduction of refrigerated vans for transportation of fresh fruit to long distances outside the state would be a priority ó both under the public and the private sectors.

### **Business Villages**

The government will introduce and internalize the concept of model business village. Unlike the traditional model village, which focuses on providing basic administrative infrastructure, the new business village will focus on building a business. The government will create an integrated business infrastructure and foster a culture of modern business practices in such villages.

## **Strengthening The Services Sector**

Education Services/ Education zones: The J&K has a potential to become a hub of education services. Efforts will be made to create some education zones where educational services can be offered.

## **Focus On Women**

Empowerment of women, be in the political or the economic sphere, is need of the hour. In spite of their increasing number in every field, women still remain perhaps the world's most un-utilized resource. Women want to have for themselves the same strategies of change which men-folk have. It will be the endeavors of the Government to achieve gender mainstreaming across all sectoral initiatives.

## **Resources For Development**

We have a wide range of developmental resources available in state such as Centrally Sponsored Schemes (CSS), funding for Externally Aided Projects (EAPs) and Prime Minister's Development Package (PMDP).

The huge investment under various Centrally Sponsored Schemes like SSA, RMSA, NRDWP, CRF, MGNREGA, NHM, JnNURM etc and externally aided projects like ADB investment has led to positive gains both in the infrastructure and social sectors. Massive expansion and infrastructure development has been registered in rural as well as urban areas.

## **Prime Minister's Development Package (PMDP)**

The Hon'ble Prime Minister of India announced an economic package for the State of Jammu & Kashmir, which laid the foundation of reconstruction and rehabilitation of the state for faster and more inclusive growth of the State. The 80000 crore plus framework involves the Govt. of India's support to the humanitarian and multi sectoral growth initiatives in the State and help in creating an environment of peace, certainty and stability.

The package essentially aims at restoring/upgrading economic infrastructure, expanding provision of basic services, providing thrust to employment and income generation and providing relief and rehabilitation to the dislocated, victims of floods of September, 2014 and to strengthen Disaster Management Framework of the state. The Development Package caters to the need to strengthen the economic and social infrastructure of the state to make it resilient and provide for the balanced development of the three regions of J&K.

The package is a mix of the central sector projects, centrally sponsored schemes and some state priority projects. Central Projects are 100% financed by the Central Ministries but State Govt. has to arrange the external infrastructure like roads, water supply, electricity.

Centrally Sponsored Schemes included in the package are funded on varying financial pattern viz 70:30, 80:20: 90:10 and 100%. For implementation the package of Rs.80000 crore, the State Government has to arrange a state share of about Rs.3000 crore for implementing the CSS part of PMDP.

Central Sector projects are implemented by the Central Agencies. Due to lack of capacities, some mega projects like power transmission and distribution projects are being executed by Central PSEs. Similarly, dredging of Jhelum, is assigned to the Dredging Corporation of India.

<b>Table 17: Project-wise details</b>	<b>(Rs. in crore)</b>
<b>Prime Minister's Development Package (PMDP)</b>	<b>Amount earmarked</b>
<b>Power Development Department</b>	
Distribution: Special Assistance for augmentation of Infrastructure for distribution systems including capital cities, tourist destinations. (excludes normal entitlement of J&K state for DDUGJY and IPDS)	3790.00
Distribution: Advance Technology Interventions: smart grids and smart meters	105.00
Pakal Dul project subject to environmental clearance (4x250=1000 MW)- J&K Share	4153.00
Price escalation under PMRP-2004 project on Transmission and Distribution network	195.00
Srinagar Leh 200 KV Transmission Line	1115.00
Generation - Solar: Two pilot projects of 20 MW each in Leh and Kargil	250.00
<b>Total</b>	<b>9608.00</b>
<b>Public Works Department</b>	
projects proposed to be taken up under Bharat Mala for Length of about 105 Kms covered under tourist connectivity	2700.00
Zozila Tunnel	9090.00
Kargil-Zanskar (2-Lane PS + Major Bridges)	4200.00
Srinagar-Shopian-Quazigund (2-Lane PS+Major Bridges)	1800.00
Jammu-Akhnoor-Poonch (2 Lane PS/4 Lane)	5100.00
Chennani-Sudhmahadev-Goha including 3.0 km long tunnel (2 Lane PS)	2100.00
Construction of tunnels at Lachulunga pass and Taglang pass (Manali-Leh Section)	5000.00
Construction of Semi Ring Road in Jammu	1400.00
Construction of Semi Ring Road in Srinagar	1860.00
Construction of double lane and Batote-Kishtwar- Sinthanpass- Anantnag (NH-IB, now NH-244)	130.00
Udhampur-Ramban (JK) (km 67.000 to km 89.00, km 130.000 to Km 151.000)	2137.00
Ramban - Banihal (JK) (km. 151.00 to km. 187.00)	2169.00

4-laning Srinagar-Banihal Section of NH-1A (KM 187 to KM 189.35 & KM 220.7 to KM 286.11)	735.00
4-Laning Quazigund-Banihal Section of NH-1A (KM 189.35 to 204.70) (Tunnel Project 8.45 KM & 0.69 length-2-Lane)	1386.00
4-Laning of Chenani-Nashri Section of NH-1A (KM 89 to 130) (Tunnel Project - 9 KM long tunnel 2-Lane)	781.00
4-Laning of Jammu-Udhampur Section of NH-1A (KM 15 to KM 67)	83.00
Special Repairs to roads, buildings and with in BB Cantt Kalai Bridge on River Punch, Sukhato Bridge, Bridge on NH 144A at Km. 150.50	57.00
Nimu Padam Darcha (Completion of pending projects under PMRP-2004	1707.00
Upgrading Srinagar-Uri-LOC Road, Double-Laning of Srinagar-Leh road via Kargil and Uri-Kamanpost (LOC)	233.00
<b>Total</b>	<b>42668.00</b>
<b>Health &amp; Medical Education</b>	
Creation of two AIIMS like institutions for health care in capital cities of J&K @ Rs. 2000 crore per AIIMS	4000.00
Stepping up of support under creation of infrastructure in District Hospital, Sub-district Hospitals and PHCs over 5 years	900.00
<b>Total</b>	<b>4900.00</b>
<b>Irrigation &amp; Flood Control Department</b>	
Plan for comprehensive flood management of River Jhelum and its tributaries.	1178.00
Plan for comprehensive Flood Management of River Jhelum & its tributaries	280.00
<b>Total</b>	<b>1458.00</b>
<b>Home Department</b>	
State Government jobs to additional 3000 Kashmiri Migrants (salary to be reimbursed by the Centre for 10 years @ Rs. 30,000 per month)	1080.00
High end security and law & order system in J&K	500.00
Rehabilitation package for one time settlement of 36384 families from POK and Chhamb DPs	2000.00
Rehabilitation Package for Jammu Migrants	13.00
IR Battalion (5 in J&K at appx cost of Rs. 60 crore per Bn)	300.00
Enhanced rate of remuneration to SPO's from Rs. 3,000 p.m to Rs. 6,000 pm.	450.00
Relocation of 2016 Transit Camp	150.00
<b>Total</b>	<b>4493.00</b>
<b>Tourism Department</b>	
Development of Tourism in the State (Rs. 400 crore for 5 years) New Projects:	2000.00
Construction of Govt. Tourist assets in lieu of damaged/destroyed assets.	100.00
12 Development Authorities, 3 Tourist circuits, Setting up of 50 Tourist villages proposed under PMRP 2004. And Conservation of Wular lake	81.00

Wullar Conservation	60.00
<b>Total</b>	<b>2241.00</b>
<b>Urban Development</b>	
AMRUT	744.00
Smart Cities Mission	500.00
Swachh Bharat Mission	193.00
Balance Central share liability of ongoing JnNURM projects for the State of Jammu & Kashmir	163.00
Rehabilitation of Dal- Nageen Lake	273.00
<b>Total</b>	<b>1873.00</b>
<b>Agriculture Department</b>	
Restoration of damaged Horticulture areas and development of Horticulture in J&K	500.00
Construction of Cold Storage facilities at Leh &Kargil	9.00
50% subsidy support for setting up solar driers	20.00
<b>Total</b>	<b>529.00</b>
<b>Higher, Physical &amp; Technical Education Department</b>	
Establishment of IIM Jammu (with possibility of out campus in valley)	1000.00
IIT at Jammu	1000.00
Additional Girls Hostel in Higher Education Institutions	50.00
Modernization of NIT Srinagar	100.00
Support for a) Sports infrastructure, facilities of coaches/Trainers/ Furniture/ Competitions/incentives/ prize money	200.00
<b>Total</b>	<b>2350.00</b>
<b>Planning &amp; Dev. Department</b>	
Permanent Restoration of Damaged infrastructure	2000.00
Counterpart Funding - ADB-II (Completion of pending projects under PMRP 2004)	566.00
EAP project of J&K Urban Sector Development Investment programme	712.00
<b>Total</b>	<b>3278.00</b>
<b>Relief and Rehabilitation Department</b>	
Assistance for completely damaged/severely damaged/partially damaged houses- Approx. 73,000 Kuchcha houses and 1,58,000 for Pucca Houses.	1200.00
Interest subvention on assistance for restoration of livelihood for traders/ self employed/ business establishments, etc.	800.00
90% Grant portion of World Bank Assistance for Jhelum-Tawi flood reconstruction project.	1350.00
Construction of 6000 transit accommodations in the Kashmir valley	920.00

<b>Total</b>	<b>4270.00</b>
<b>Science &amp; Technology Department</b>	
Small Hydro-Preparation of DPRs and Implementations/ installations of SHP Projects	2000.00
Solar off-grid Home System/Street lights	100.00
<b>Total</b>	<b>2100.00</b>
<b>Industries &amp; Commerce Department</b>	
Undertaking the Pashmina Promotion Programme	50.00
<b>Total</b>	<b>50.00</b>
<b>Rural Development Department</b>	
Stepping up efforts under HIMAYAT scheme, 1,00,000 youth to be trained in self employment through placement linked scheme over 5 year	250.00
<b>Total</b>	<b>250.00</b>
<b>Grand Total</b>	<b>80068.00</b>

### Way Forward

The overall economic policy will align the State's economic structure with its own resources, skills and societal mores. The enhancement of fiscal devolution has set the stage for decentralization and empowering the third level of governance to discharge its important role.

Another element of the planning philosophy is the elimination of corruption by making all government's public interfaces non-discretionary, criteria based and transparent.

The public expenditure policy will be such that most of the additional increases will be in such sectors that will fuel growth and get the economy back on rails.

### Ease of Doing Business

The Ease of Doing Business (EODB) index is a ranking system established by the World Bank Group. In the EODB index, higher rankings (a lower numerical value) indicate better, usually simpler, regulations for businesses and stronger protections of property rights.

Some of the areas of business regulation are as under:

- Starting a Business
- Dealing with Construction Permits
- Getting Electricity
- Registering Property
- Getting Credit
- Enforcing Contracts etc.

Rankings and weightages on the above mentioned parameters are used to develop an overall EODB ranking.

For ease of doing business, various Acts have been enacted by the State Government to facilitate the civil society prompt delivery of services. The details of Acts enacted by the State Government are given below:-

1. **Jammu & Kashmir Public Services Act, 2011 (SRO 224 dated 21.07.2011)**- pertaining to Departments 1) Consumer Affairs & Public Distribution Department 2) Power Development Department 3) Public Health Engineering, Irrigation and Flood Control Department 4) Revenue Department 5) Transport Department & 6) Housing & Urban Development Department
2. **Jammu & Kashmir Public Services Act, 2011 (SRO 229 dated 16.07.2012)**- pertaining to Departments 1) Industries and Commerce Department 2) Labour and Employment Department & 3) Revenue Department
3. **Jammu & Kashmir Public Services Act, 2011 (SRO 356 dated 22.10.2012)**- pertaining to Departments 1) Transport Department & 2) Public Works {R&B} Department.
4. **Jammu & Kashmir Public Services Act, 2011 (SRO 428 dated 27.12.2012)**- pertaining to Departments 1) Home Department 2) Health & Medical Education Department & 3) Forest Department.
5. **Jammu & Kashmir Public Services Act, 2011 (SRO 400 dated 13.09.2013)**- pertaining to Departments 1) Health and Medical Education Department & 2) Finance Department.

#### **Assessment of State Implementation of Business Reforms 2016**

According to the World Bank's Ease of Doing Business Report 2016, India now ranks 130 out of 189 countries in the ease of doing business, moving up four places from last year's adjusted ranking of 134. India improved its position on three counts starting a business, getting construction permits and accessing electricity in the latest edition of the Ease of Doing Business Index, but saw its performance worsen with regard to two parameters accessing credit and paying taxes.

As per the said report, J&K ranks 29th among 32 states assessed, with an overall score of 0.30 percent, thus making it figure among worst states to do business with.

According to the rank-wise list Gujarat tops the list by attaining rank-1 in the status of implementation of Reforms agenda for the year 2015 while as only Meghalaya (Rank-30) and Nagaland (Rank-31), are behind J&K.

Apart from Gujarat, other best performing states in implementation of Reforms are Andhra Pradesh (rank 2), Jharkhand (rank 3), Chhattisgarh (rank 4), Madhya Pradesh

((rank 5), Rajasthan (rank 6), Orissa (rank 7), Maharashtra (rank 8), Karnataka (rank 9), and Uttar Pradesh (rank 10)

The neighbouring states of J&K are far ahead in implementation of reforms with Haryana (rank 14), Delhi (rank 15), Punjab (rank 16), and Himachal Pradesh (rank 17).

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, GoI in partnership with the World Bank Group, has released the results of the Assessment of State Implementation of Business Reforms 2015-16.

The results of the assessment demonstrate that States have increasingly risen to address the challenge of making it easier to do business. **The national implementation average stands at 48.93%**, significantly higher than last year's national average of 32%. This demonstrates the great progress made by States this year. While as J&K's rank has slipped to bottom rank 31 along with 5 states/UTs viz. Arunachal Pradesh, Chandigarh, Meghalaya, Andaman & Nicobar Island and Lakshadweep.

The final rank of the States as of June 30, 2016 is shown in the table below:

<b>2016 Rank</b>	<b>State</b>	<b>Score (%)</b>	<b>2015 Rank</b>
1	Andhra Pradesh	98.78	2
1	Telangana	98.78	13
3	Gujarat	98.21	1
4	Chhattisgarh	97.32	4
5	Madhya Pradesh	97.01	5
6	Haryana	96.95	14
7	Jharkhand	96.57	3
8	Rajasthan	96.43	6
9	Uttarakhand	96.13	23
10	Maharashtra	92.86	8
11	Odisha	92.73	7
12	Punjab	91.07	16
13	Karnataka	88.39	9
14	Uttar Pradesh	84.52	10
15	West Bengal	84.23	11
16	Bihar	75.82	21
17	Himachal Pradesh	65.48	17
18	Tamil Nadu	62.80	12
19	Delhi	47.62	15
20	Kerala	26.97	18
21	Goa	18.15	19
22	Tripura	16.67	26
23	Daman & Diu	14.58	-
24	Assam	14.29	22
25	Dadra & Nagar Haveli	1.79	-



26	Puducherry	1.49	20
26	Nagaland	1.49	31
28	Manipur	1.19	-
29	Mizoram	0.89	28
30	Sikkim	0.60	27
31	Arunachal Pradesh	0.30	32
31	Jammu & Kashmir	0.30	29
31	Chandigarh	0.30	24
31	Meghalaya	0.30	30
31	Andaman & Nicobar Island	0.30	25
31	Lakshadweep	0.30	-

**Based on implementation of reforms, States have been divided into four categories, as given below:**

Category States	States
<b>Leaders</b> (90-100%)	Andhra Pradesh, Telangana, Gujarat, Chhattisgarh, Madhya Pradesh, Haryana, Jharkhand, Rajasthan, Uttarakhand, Maharashtra, Odisha, Punjab
<b>Aspiring Leaders</b> (70-90%)	Karnataka, Uttar Pradesh, West Bengal and Bihar
<b>Acceleration Required</b> (40-70%)	Himachal Pradesh, Tamil Nadu and Delhi
<b>Jump Start Needed</b> (0-40%)	Kerala, Goa, Tripura, Daman & Diu, Assam, Dadra & Nagar Haveli, Puducherry, Nagaland, Manipur, Mizoram, Sikkim, Arunachal Pradesh, Jammu & Kashmir, Chandigarh, Meghalaya, Andaman & Nicobar Islands, and Lakshadweep.

**The highlights of the implemented reforms during this period are as follows:**

- **Single Window Systems:** Various States have created a dedicated body/bureau as a one-stop system for State level regulatory and fiscal incentive approvals. The online single window system has a provision for filing applications, payment, status tracking, online scrutiny and approval of applications. The officials of the Body/Bureau have also been given powers to grant approvals.

**States include:** Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Jharkhand, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand

- **Tax reforms:** States have made good progress in tax reforms. These include mandating e-registration for Value Added Tax (VAT), Central Sales Tax (CST), Professional Tax, Entry tax, etc, allowing online payment and return filing; providing e-filing support through service centers and helpline and risk-based tax compliance inspections.

**States include:** Bihar, Chhattisgarh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand, West Bengal

- **Construction permits:** Many States have allowed applicants to apply online and upload building plans for automated construction permit approval. In addition, several states have developed AutoCAD-based systems that automatically scan building plans and monitor compliance with the building bye-laws and building codes in force.

**States include:** Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Rajasthan, Telangana, Uttarakhand

- **Environment and labour reforms:** States have also implemented advanced automated solutions to deal with environmental and pollution related applications and approvals. These solutions provides hassle free, 24 X 7 e-access to businesses to apply online, track applications, file returns and statements and get online permissions under various Acts and regulations.

**States include:** Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand, West Bengal

- **Inspection Reforms:** A number of inspection reforms with regard to labour, tax and environment related compliances have been introduced across the States to help businesses comply with inspection requirements in a user friendly manner. To bring in transparency, the states have also published comprehensive procedures and checklist for various inspections and have implemented online systems for allocation of inspectors to increase efficiency and effectiveness of the procedure.

**States include:** Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Odisha, Punjab, Rajasthan, Punjab, Telangana, Uttar Pradesh, Uttarakhand

- **Commercial disputes and paper-less courts:** There has been significant progress this year in the area of judicial reforms compared to last year, particularly due to the passage of the Commercial Courts, Commercial Divisions and Commercial Appellate Divisions Act. To address the concern of time and costs associated with various legal processes, District Courts in various states have also made the provision of making online payments, e-filing and e-summons. Few States have also filled up vacancies in District Courts/commercial courts to ensure availability of adequate capacity for dealing with various cases.

**States include:** Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Jharkhand, Madhya Pradesh, Maharashtra, Rajasthan, Telangana. However, the present evaluation also highlights the need to properly communicate, monitor and evaluate these reforms to ensure that their impact is being felt on the ground.

# D

# Issues & Initiatives

- Unemployment
  - Poverty
    - Goods & Services Tax
      - Prices & Food Management
      - Demonetization

## Unemployment

The unemployment rate signifies the proportion of persons who were available for work but did not get work during the reference period.

The person in the age group of 18-29 years had UR 13.2 per cent at the All India Level using UPS approach and 10.2 using UPSS approach. In the state of J&K, UR is 24.6 per cent using UPS approach and 23.8 per cent using UPSS approach. It is further observed from the data that in J&K, in the age group 18-29 years UR is highest among females i.e. 45.1 per cent and 44.6 per cent using UPS and UPSS approaches respectively. In J&K, UR for males of age group 18-29 years is 17.8 per cent and 16.9 per cent using UPS and UPSS approaches respectively.

In the age group of 30 years and above (Rural+Urban) at all India Level is 1.6 per cent and 0.9 per cent using UPS and UPSS approach. Corresponding values for same age group for the J&K state are 1.3 percent and 0.8 percent respectively.

**Table 1: Unemployment Rate (per 1000) for persons of different age groups according to Usual Principal Status Approach (UPS) & Usual Principal Subsidiary Status Approach (UPSS) for J&K State**

		All India									J&K								
		15-17 years			18-29 years			30 years & above			15-17 years			18-29 years			30 years & above		
		R	U	R+U	R	U	R+U	R	U	R+U	R	U	R+U	R	U	R+U	R	U	R+U
UPS	M	184	221	188	112	115	113	9	7	9	508	-	452	191	114	178	8	3	6
	F	228	214	227	179	279	200	37	53	40	712	-	712	496	280	451	95	49	79
	T	285	-	285	40	278	63	2	84	30	-	-	-	-	-	-	-	-	-
	P	195	220	198	127	151	132	16	15	16	613	-	577	264	162	246	14	8	13
PS	M	118	203	126	83	104	87	5	6	5	458	-	407	186	87	169	2	3	2
	F	134	174	137	120	258	146	17	45	22	712	-	712	491	272	446	87	49	73

T	215	-	215	-	278	27	2	84	30	-	-	-	-	-	-	-	-	-	-
P	122	196	130	92	139	102	8	13	9	588	-	555	259	140	238	8	8	8	8

M-Male; F-Female; T-Transgender; P-Person

### State Level Scenario

The number of unemployed youth registered in various District Employment Exchanges of the J&K State is 111077 lakh as on ending March, 2016. The qualification/degree-wise/division-wise breakup of registration made is given in the following table:-

S. No.	Qualification	Kashmir Division	Jammu Division	Total
1	Illiterate	95	121	216
2	Middle	4184	4395	8579
3	Matric	15944	13144	29088
4	PUC	1521	197	1718
5	TDC	20399	13342	33741
6	Graduate	16431	5490	21921
7	Post Graduate	4829	2155	6984
8	Diploma Holders	1374	1712	3086
9	Degree Holders	691	1390	2081
10	Draftsman	229	143	372
11	Skilled Other than ITI	102	546	648
12	ITI Trained	1348	1295	2643
	<b>Total</b>	<b>67147</b>	<b>43930</b>	<b>111077</b>

*The figures might be higher as the registration of unemployed educated youth with the Employment exchanges is a voluntary process and not mandatory.*

## Poverty

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 consumer's 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:

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.

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.

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.

### **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 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.

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

### Estimates for 2011-12

The methodology for estimation of poverty followed by the erstwhile Planning Commission has been based on the recommendations made by experts in the field from time to time. In December, 2005, Planning Commission constituted an Expert Group under the Chairmanship of Prof. Suresh D. Tendulkar to review the methodology for estimation of poverty.

The State specific Poverty Lines estimated by Tendulkar Methodology for 2011-12 are given the following table 1. For 2011-12, for rural areas the national poverty line using the Tendulkar methodology is estimated at Rs. 816 per capita per month and Rs. 1,000 per capita per month in urban areas. Thus, for a family of five, the all India poverty line in terms of consumption expenditure would amount to about Rs. 4,080 per month in rural areas and Rs. 5,000 per month in urban areas. These poverty lines would vary from State to State because of inter-state price differentials.

S. No.	States	Monthly per capita (Rs.)	
		Rural	Urban
1	Chhattisgarh	738	849
2	Delhi	1,145	1,134
3	Haryana	1,015	1,169
4	Himachal Pradesh	913	1,064
5	Jammu & Kashmir	891	988
6	Punjab		
7	Uttarakhand	880	1,082
	<b>All India</b>	<b>816</b>	<b>1,000</b>

*Note: Computed as per Tendulkar method on Mixed Reference Period (MRP)*

The NSSO tabulates expenditure of about 1.20 lakh households. Since these households have different number of members, the NSSO for purpose of comparison divides the household expenditure by the number of members to arrive at per capita consumption expenditure per month. This is called Monthly Per Capita Consumption Expenditure (MPCE) and is computed on the basis of three different concepts: Uniform Reference Period (URP), Mixed Reference Period (MRP), and Modified Mixed Reference Period (MMRP). As

**Uniform Reference Period MPCE (or MPCEURP):** This is the measure of MPCE obtained by the NSS consumer expenditure survey (CES) when household consumer expenditure on each item is recorded for a reference period of “last 30 days” (preceding the date of survey).

**Mixed Reference Period (MRP).** This is the measure of MPCE obtained by the CES when household consumer expenditure on items of clothing and bedding, footwear, education, institutional medical care, and durable goods is recorded for a reference period of “last 365 days”, and expenditure on all other items is recorded with a reference period of “last 30 days”.

**Modified Mixed Reference Period MPCE (or MPCEMMRP)** This is the measure of MPCE obtained by the CES when household consumer expenditure on edible oil, egg, fish and meat, vegetables, fruits, spices, beverages, refreshments, processed food, pan, tobacco and intoxicants is recorded for a reference period of “last 7 days”, and for all other items, the reference periods used are the same as in case of Mixed Reference Period MPCE (MPCEMRP).

per Tendulkar Methodology, the poverty line has been expressed in terms of MPCE based on Mixed Reference Period. State-wise estimates of Average Monthly Per Capita Expenditure for rural and urban areas separately for the year 2011-12 are given in the table given below.

S. No.	States/ UTs	Rural	Urban
1	Chhattisgarh	904.04	1776.21
2	Delhi	2690.24	3160.76
3	Haryana	1925.96	3346.32

4	Himachal Pradesh	1800.62	3173.30
5	Jammu & Kashmir	1601.51	2320.28
6	Punjab	2136.39	2743.07
7	Uttarakhand	1551.42	2452.02
	<b>ALL INDIA</b>	<b>1287.17</b>	<b>2477.02</b>

*Source: NSSO Report No. KI.(68/1.0) on Key Indicators of Household Consumer India 2011-12, NSS 68th Round, National Sample Survey Office*

As per the consumer expenditure report of 68<sup>th</sup> Round of NSS (2011-12), average monthly per capita expenditure based on Mixed Modified Reference Period (MMRP) in rural areas for J&K stood at Rs. 1601.51 which is lower than similar figures of all its neighbouring states viz H.P(Rs. 1800.62), Punjab (Rs. 2136.39), Haryana (Rs. 1925.96) , Delhi (Rs. 2690.24) but the MPCE(MMRP) in rural areas of J&K is higher than similar figures of Rs. 1287.17 at all India level.

Average MPCE (MMRP) in urban area of J&K is Rs. 2320.28 which is 44.88% 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. 2477.02) and its neighbouring states viz H.P (Rs. 3173.3), Haryana (Rs. 3346.32), Delhi (Rs. 3160.76) and Punjab (Rs. 2743.07).

Based on the state specific poverty lines, the estimates of poverty for rural and urban areas of neighbouring States for 2011-12 are given below in Table 3. Percentage of population living below poverty line in rural and urban area of J&K State have been estimated at 11.54% and 7.20% respectively while as the total percentage of population living below poverty line is 10.35%. The corresponding figures at All India level are 25.70%, 13.70% and 21.92% respectively.

**Table 7: Percentage of Population below poverty line by states - 2011-12 (Tendulkar Methodology)**

S. No	States	Rural		Urban		Total	
		%age of Persons	No. of Persons (lakh)	%age of Persons	No. of Persons (lakh)	%age of Persons	No. of Persons (lakh)
1	Chhattisgarh	44.61	88.9	24.75	15.22	39.93	104.11
2	Delhi	12.92	0.5	9.84	16.46	9.91	16.96
3	Haryana	11.64	19.42	10.28	9.41	11.16	28.83
4	Himachal Pradesh	8.48	5.29	4.33	0.3	8.06	5.59
5	Jammu & Kashmir	11.54	10.73	7.2	2.53	10.35	13.27
6	Punjab	7.66	13.35	9.24	9.82	8.26	23.18
7	Uttarakhand	11.62	8.25	10.48	3.35	11.26	11.6
	<b>All India</b>	<b>25.7</b>	<b>2166.58</b>	<b>13.7</b>	<b>531.25</b>	<b>21.92</b>	<b>2697.83</b>

*Notes: 1. Population as on 1st March 2012 has been used for estimating number of persons below poverty line. (2011 Census population extrapolated)*



### Poverty Status of J&K State

The BPL headcount Ratio and absolute Poverty in J&K State for the years 2004-05, 2009-10 and 2011-12 is given below:-

S. No.	Year	Poverty Ratio of J&K State (BPL Head Count Ratio)			BPL Population of J&K State (Absolute Poverty in lakh No.)		
		Rural	Urban	Combined	Rural	Urban	Combined
1	2004-05	14.1	10.4	13.2	11.3	2.9	14.2
2	2009-10	8.1	12.8	9.4	7.3	4.2	11.5
3	2011-12	11.5	7.2	10.3	10.7	2.5	13.3

*\* The figures are based on Tendulkar Methodology  
Source: Data Taken from Report of the Expert Group to review the methodology for measurement of Poverty, GoI, Planning Commission, June-2014*

As per Socio Economic and Caste Census (SECC) 2011, conducted by Ministry of Rural Development Government of India, the number of households in J&K State having no houses is 2518 with 2318 households in Rural area and 263 households in Urban area. The corresponding figure at All India level is 254505 households with 157475 households in Rural area and 97030 households in Urban area.

At All India Level, 73296 households are houseless with shelter and 23684 households without shelter. In J&K State, the corresponding figure is 189 households and 74 households respectively. The State wise comparative position of type of households in Rural and Urban is given in the following table.

S. No	Code with States/UTs Name	Total Households	Total Rural Household	Total Urban Household	Normal Rural	Normal Urban	Institutional Rural	Institutional Urban	Houseless Rural	Houseless Urban	Houseless with Shelter Urban	Houseless without Shelter Urban
1	All India	156763656	179787454	65133952	178850331	64758891	464365	272632	157475	97030	73296	23684
2	Jammu & Kashmir	1802854	1601606	492475	1597021	491166	2255	1042	2318	263	189	74
3	Himachal Pradesh	845050	1263756	163609	1260272	162693	2548	514	936	402	400	2
4	Punjab	4990718	3269467	1762732	3259370	1758386	8117	2991	1968	1349	1250	99
5	Haryana	4342304	2969509	1661450	2962274	1651350	4876	5705	2344	4381	3633	747
6	Uttarakhand	1558231	1479742	489031	1472790	480571	5750	7913	1201	547	498	49
7	Chhattisgarh	5028625	4540999	1173799	4520340	1164700	12979	7712	7632	1382	954	428

## 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. Following are the some of the Schemes which serve the dual purpose of Poverty Alleviation as well as employment generation.

### Targeted Public Spending Scheme

In a way to focus on targeted spending for bringing out certain sections of population from the clutches of poverty, ignorance, starvation etc. the government shall conduct a detailed study of per capita spending under different sectors. This will enable the government to mainstream such people and better their living conditions. A proper nomenclature could be arrived at one the study is complete. This area would receive focused attention during the course of the year.

### Indira Awas Yojna (IAY)

- The erstwhile Indira Awas Yojana has been revamped and renamed as Pradhan Mantri Awas Yojana (PMAY) from 2016-17. The scheme aims at providing clean and hygienic shelters to the shelter-less people.
- Socio Economics Caste Census-2011 data is to be used for identification of beneficiaries.
- Under PMAY (as per indicative Guidelines) only new constructions are admissible with unit cost of Rs. 1.30 lakh per unit assistance for construction of Latrines to be provided in convergence with MGNREGA/Swachh Bharat Mission.
- Provision of bank linkage for availing loan facility.

S. No	Scheme	Approved Allocation 2015-16			Op Bal / Mics. Receipts etc.	Receipts during 2015-16				Total Availability 2015-16	Exp. Ending March-2016		
		CS	SS	Total		Funds revalidated	CS	SS	Total		CS	SS	Total
1	IAY-Kashmir	29.8	10.9	40.6	7.5	10.47	14.3	11.7	36.4	43.94	30.5	11.6	42
2	IAY-Jammu	23.4	3.91	27.3	3.9	12.78	11.3	3.87	27.9	31.82	27.2	3.87	31.1
	Total	53.2	14.8	68	11.4	23.25	25.6	15.5	64.4	75.76	57.7	15.4	73.1

**Physical Position (2015-16)**

- Target 2015-16 (in Nos) = 7579
- SOS = 25220
- Total = 32799
- Achievement (ending 03/2016) = 9989

**Mahatma Gandhi National Rural Employment Guarantee Scheme ( MGNREGA)**

The aim of the scheme is to provide 100 days wage employment in a year to the rural households who register themselves for unskilled manual labour. The scheme help to create food security, prevent distress migration and generate durable economic assets in the rural communities.

**Financial Position (2015-16)**

S. No	Scheme MGNREGA	Approved Allocation 2015-16			Op. Balance/ Misc. receipts etc.	Receipts during 2015-16			Total Availability 2015-16	Exp. Ending March-2016		
		CS	SS	Total		CS	SS	Total		CS	SS	Total
1	Kashmir	326.49	36.28	362.77	11.10	316.52	33.84	350.37	361.47	324.61	31.46	356.07
2	Jammu	486.25	54.03	540.27	9.39	382.32	36.94	419.26	428.65	389.24	36.91	426.15
Total MGNREGA (J+K)		812.74	90.31	903.04	20.49	698.84	70.79	769.63	790.12	713.85	68.37	782.22

**Physical Progress 2015-16**

- 1195137 cumulative number of job cards stands issued.
- 31255000 Man-days have been generated.

➤ 118842 Number of works have been taken-up of which 89288 works completed.

### National Rural Livelihood Mission ( NRLM):

The Government of India has launched National Rural Livelihood Mission replacing the scheme of SGSY in the year 2012-13. The mission of the programme is "To reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihood on a sustainable basis, through building strong grassroot institutions of the poor". The strategy is to create Self Help Groups and federate them into large federations which will have their own capacity of creating capital and providing loans to the neediest within the rural community and for activities of bigger groups, banks shall also provide loans to these Self Help Groups. It is a five year project aiming at covering Rs. 9.00 lakh Rural Households in the State by constituting 90000 SHGs with financial support of Rs. 755 crore.

### Financial Position (2015-16)

S. No	Scheme	Approved Allocation 2015-16			Opening Balance/Mi cs. Receipts etc.	Receipts during 2015-16				Total Availability 2015-16	Exp. Ending March-2016		
		CS	SS	Total		Funds revalidat ed	CS	SS	Total		CS	SS	Total
1	NRL M	50.00	5.18	55.18	6.35	0.00	39.75	5.59	45.34	51.69	39.64	5.59	45.23

### Physical Position (2015-16)

Components	Targets 2015-16	Achievements
Number of Self Help Groups Proposed to be promoted	4094	3174
Number of Self Help Groups to be provided Revolving fund	4094	3143
Number of SHGs to be provided Community Investment funds	4673	2715

The following milestones have been achieved so far since it has been started in the State i.e. 2013-14:

The Programme was started in Five Block of the State.

1. Bhardwah ( Doda)

2. Kalakote (Rajouri)
3. Sumbal (Bandipora)
4. Khovripora (Anantnag)
5. Breng (Anantnag)

The programme has been extended to 21 Blocks across 16 Districts till date mentioned below:-

<b>Table 14: Division wise/ Block wise details of Programme extended</b>					
<b>Jammu Division</b>			<b>Kashmir Division</b>		
	<b>District</b>	<b>Block</b>		<b>District</b>	<b>Block</b>
1	Jammu	Bishnah	1	Ganderbal	Lar
2	Jammu	Dhansal	2	Budgam	Khansahab
3	Kathua	Basholi	3	Baramulla	Singhpora
4	Samba	Ghagwal	4	Kupwara	Kupwara
5	Udhampur	Chenani	5	Kupwara	Wavoor
6	Doda	Gundna	6	Bandipora	Sumbal
7	Doda	Bhaderwah	7	Anantnag	Khovripora
8	Rajouri	Kalakote	8	Anantnag	Breng
9	Kishtwar	Kishtwar	9	Anantnag	Dooru
			10	Pulwama	Pulwama
			11	Kargil	Kargil
			12	Leh	Chuchot

**Major livelihoods taken up by the SHG families are as under:-**

<b>Table 15: Details of Major livelihoods taken up by SHG families</b>		
<b>S.No</b>	<b>List of Livelihoods taken</b>	<b>% of Livelihood opted</b>
1	Agricultural loan ( including livestock, poultry, fishery etc)	28.22 %
2	Provision Store	20.83%
3	Handicrafts ( Kashmir arts)	19.21%
4	Business loan(carpenry, bakery, cycle repairing, welding machines, transport etc)	18.04%
5	Dress making	7.33%
6	Others	6.37%

## **Constitutional Amendment Act for Goods & Service Tax India (GST)**

In India, the constitutional (One hundred & First Amendment) Act of 2016 opened the window for a National Goods & Service Tax Act in India from 1<sup>st</sup> April, 2017.

GST is value added tax. It is comprehensive indirect Tax levy on Manufacture, Sale and consumption of Goods as well as services at the national level. It will replace all indirect taxes levied on goods & services by Central & State governments.

The GST is intended to subsume Central excise duty, additional excise duty, service tax & additional duty of customs (equivalent to entry tax), State vat, entertainment tax, taxes on lotteries, betting & gambling & entry tax ( not levied by local bodies). Other taxes like octroi, entry tax & luxury tax after subsuming in GST will make it a single indirect tax in India.

The bill was passed by the Rajya Sabha on 3<sup>rd</sup> of August, 2016 and the amendment bill was passed by Lok Sabha on 8<sup>th</sup> August, 2016. The assent from the President was received on 8<sup>th</sup> September, 2016 and stood notified in Government gazette. 23 States have ratified the bill (One half of states had to ratify it, as was required under Article 366 of the constitution of India) and 8 States are yet to ratify it.

J&K State is among 8 States who are yet to ratify. The 8 States are 1) Jammu & Kashmir 2) Karnataka 3) Kerala 4) Manipur 5) Tamil Nadu 6) Uttar Pradesh 7) Uttarakhand and 8) West Bengal.

Union Finance Minister Sh. Arun Jaitley had been asking on all States including Jammu and Kashmir, which haven't passed the GST legislation so far to approve it at the earliest to clear the decks for implementation of one tax structure across the country. He had recently admitted that April, 2017 deadline would be difficult to meet due to delay in consensus in the GST Council over some issues including duty control.

Jammu and Kashmir Government has decided to implement Goods and Services Tax (GST) in the State and set up a High Level Committee to be headed by the Financial Commissioner, Planning, Development and Monitoring Department for drafting the legislation, which would be tabled before the Government, and after clearance, in the Legislature.

Describing as a very significant decision for implementation of GST in Jammu and Kashmir, the State Government has asked the high-powered committee headed by the Financial Commissioner (Planning, Development & Monitoring Department) to draft the legislation within the next three months but taking into account the special Constitutional

position of the State and taxation powers enjoyed by it. The legislation drafted by the Committee would go to the State Cabinet, and if approved, to the Legislature for final nod before it becomes an Act. The State Government has deliberated upon the issue and came to the conclusion that it should implement the GST but with the riders so that its Constitutional position and special taxation powers are not affected. Other members of the High Powered Committee are Commissioner/Secretary Finance Department, Sh. Navin Choudhary as Member Secretary, Secretary Law, Justice and Parliamentary Affairs, Sh. Abdul Majid Bhat and Commissioner, Commercial Taxes Department Sh. Parvez Iqbal Khateeb as its Members. The Committee has been authorized to call Advocate General of the State as special invitee in the meetings as and when required. The Committee would go into details of the GST bill adopted in Rajya Sabha and by some State Governments including Bihar and then draft its own bill by ensuring that its special powers remain intact.

As budget session of the Legislature is beginning from January 3, 2017 and will conclude by the first week of February, 2017. Therefore, it may not be possible for the Government to introduce the bill in the budget session of the legislature as the high-powered Committee is yet to draft the legislation. The Government may call special session as has been done by some State Governments to pass the GST bill. The GST is a Value added Tax (VAT) and is proposed to be a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at the national level. It will replace all indirect taxes levied on goods and services by the Central and State Governments. GST in the state may miss the previous deadline of April 1, 2017 set by the Central Government for its implementation across the country as the GST Council, which met in the Union capital few days back had failed to reach consensus on the issue of dual control over some times. It was expected to meet again next week in New Delhi to work out a consensus.

## **Prices & Food Management**

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 it is based on retail prices. 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 2015-16 has increased by 14 points over the previous year 2014-15 from 251 to 265. The inflation at the country level was 5.58 % in 2015-16 while as it was 6.35% in the year 2014-15. The relative increase in the Consumer Price Index for Industrial Workers at J&K level during the same period



increased by 18 points from 222 in 2014-15 to 240 in 2015-16 thereby registering the inflation rate of 8.10% in 2015-16 against 7.24% in 2014-15. The inflation rate at an average of 5 years (2009-10 to 2013-14) was 8.60% in J&K State as against 10.23% at the All India level. The inflation rate in respect of 2009-10, 2010-11, 2012-13 and 2013-14 is higher at All India level as compared to J&K state, while as it is lower in respect of years 2011-12, 2014-15 and 2015-16.

Year	J & K		All India	
	Inflation		Inflation	
	Index(Points)	(percent)	Index(Points)	(percent)
2009-10	149	8.76	163	12.41
2010-11	162	8.72	180	10.43
2011-12	176	8.64	195	8.33
2012-13	193	9.66	215	10.26
2013-14	207	7.25	236	9.76
AVERAGE (5 years)		8.6		10.23
2014-15	222	7.24	251	6.35
2015-16	240	8.1	265	5.58

### Monthly Trends in CPI-IW

The monthly inflation rates in J&K in respect of 2013-14 shows that it was 10.30% in January 2014 and the lowest in May 2013 at 3.17%. During the year 2014-15 it was highest in May 2014 at 10.77% and lowest in Dec 2014 at 4.22%. In respect of 2015-16 the highest inflation was observed in April 2015 at 9.81% and the lowest in Oct 2015 at 5.65%. The average inflation rate was 7.09%, 7.28% and 7.87% for the years 2013-14, 2014-15 and 2015-16 respectively for J&K state. The average at All India level was 9.72% for 2013-14, 6.25% for 2014-15 and 5.64% in respect of 2015-16.

Month	J&K			All India		
	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
April	6.99	7.54	9.81	10.24	7.07	5.78
May	3.17	10.77	7.4	10.68	7.01	5.73
June	3.65	8.54	7.4	11.06	6.49	6.09
July	6.19	7.77	6.3	10.85	7.23	4.36
August	5.67	8.78	6.72	10.75	6.75	4.34
Sept.	7.77	7.21	7.62	10.7	6.3	5.13
Oct.	6.66	10.58	5.65	11.06	4.97	6.32

Nov.	8.16	5.66	8.92	11.47	4.11	6.71
Dec.	9.79	4.22	9	9.13	5.35	6.32
Jan	10.3	5.6	8.4	7.24	7.17	5.9
Feb.	8.08	5.14	9.33	6.72	6.3	5.53
March	8.63	5.6	7.96	6.7	6.27	5.51
Average.	7.09	7.28	7.87	9.72	6.25	5.64

### **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 2003-04 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 have also been increasing at the Country level. The percentage change at the National level has been between the lowest of 2.79% 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, 2012-13 and 2013-14. For all other years it has been in single digit ranging between 2.79% and 14.71%.

### **Inflation on consumer price index for Rural Labourers (CPI-RL)**

The index for Rural Labourers for 2003-04 was 340 at J&K level which increased to 786 during the period of 13 years i.e. it increased by 446 points. Similarly at the country level it increased by 513 points during the same period upto 2015-16. 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 2.69% in the year 2004-05 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 for agricultural labourers was recorded in the year 2003-04 and the highest figure of percentage change in 2009-10 at the state level and All India level. In respect of rural labourer the lowest of 0.89% at J&K level was for the year 2003 -

04 and for All India level at was 2.69% for 2004-05. The highest for both the levels was in respect of 2009-10 which stood at 15.52% for J&K and 14.50% for All India level.

### **Monthly Inflation Trend in CPI-AL**

The month to month inflation rate in terms of CPI-AL for J&K State has overall shown in increasing trend from Oct 2015 to Jan 2016. In July 2015, it was 0.92% and in the next month decreased to 0.78% and further to 0.77% in Sep 2015. From April 2016 when it was 4.69% it suddenly decreased to zero in the next two months. The average for 2015-16 has been 3.20% for J&K State as against 4.52% for All India Level. So far as month to month inflation rate at All India Level is concerned, it rose gradually from 2.87% in July 2015 to 5.60% in January 2016. In Feb 2016, it decreased to 4.98%, remained the same in March 2016 and then again increased to 5.34% in April 2016.

### **Monthly Inflation based on CPI-RL**

The monthly inflation for CPI-RL for J& K State has declined during August, 2015 from 1.19% to 1.18% and further to 0.91% in September, 2015. In Oct 2015 it rose to 2.18% and gradually increased upto January, 2016 to 5.74%, then slightly decreased during next two months and rose to 5.28% in April, 2016. The average for 2015-16 for J&K was 3.55% against 4.73% for All India Level. At All India Level the inflation rate for CPI-RL has shown the rising trend from 3.20% in July, 2015 to 5.80% in December, 2015. Afterwards it again decreased to 5.08% in March, 2016 and then again increased to 5.56% in April, 2016.

While comparing the Consumer Price Index for Agricultural Labourers and Rural Labourers for J&K, both are decreasing in Aug and Sep 2015 and then increasing upto January, 2016. At All India Level, the CPI-AL and CPI-RL scaled up from September, 2015 to January, 2016 and then recorded the marginal decrease for the next months.

### **Food Inflation based on CPIs**

The inflationary trend on Food items for the year 2014-15 on month to month basis shows that the CPI-IW food inflation trend has been fluctuating throughout the period but it dropped down to 1.32% in Dec, 2014 from the highest which was worked out at 13.69% in Oct, 2014 at J&K level. On the other hand the behaviour of food inflation at National level was also fluctuating along with State level. At All India level, it was between 2.56% in Nov, 2014 and 8.10% in July, 2014.

The CPI-AL at J&K level was 5.27% in April, 2014 and it scaled upto 5.87% in September, 2014 and thereafter it has been decreasing gradually and finally reached to 0.65% in June 2015. The similar trend has been recorded at All India level as it has witnessed the highest of 8.05% in April, 2014 and thereafter went down gradually to

3.13% in June, 2015 except some marginal increase over previous month in July 2014, Dec 2014 and January, 2015.

Food inflation in terms of CPI-RL at J&K level has been fluctuating throughout the period under reference with marginal increase / decrease as it recorded the highest of 5.37% in Sep, 2014 and the lowest of 0.26% in June, 2015. All India level has witnessed as high as 8.60% in April, 2014 and as low as 3.03% in April, 2015.

The average inflationary index for 2014-15 for CPI-IW has been 6.25% at All India level as against 7.28% 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.

### **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 Government is 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 all the selected items has shown increase in 2015 over the prices of corresponding period of last year. The Percentage varies between the lowest of 0.22% in respect of Sugar and highest of 62.39% for Onion.

### **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. Hence this is a move in the right direction and provides an opportunity to improve our food distribution system. 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.

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, 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 AAY/PHH/NPH/Exclusion 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 1970s and 1980s. 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 was being implemented from 1997.

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 6173 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:-

1. Regulation of supply of LPG and other petroleum items;
2. Market control, price checking and quality control;
3. Checking weights and Measures;
4. Redressal of Consumer Grievances and Protection of Consumer Rights; &
5. Consumer Awareness Programmes.

### Allocation of Foodgrains

The Government of India was allotting food grains to the J&K state at the scale of 35 kgs per family per month. But with the implementation of NFSA, the scale of distribution of food grains was changed to 5 kgs/ soul/month per PHH and NPHH categories, where as it remained the same for AAY categories. The monthly allocations for the PHH, NPHH and AAY categories on the basis of ration card count under various categories and the allocation for March, 2016 onwards is as per the following pattern:-

S.No	Category	Food grains					
		Rice	Percentage of total	Wheat	Percentage of total	Total allocation	Percentage of total
1	AAY	6121.50	13.88	2567.64	13.88	8689.14	13.88
2	PHH	21754.45	49.33	9124.83	49.33	30879.28	49.33
3	NPHH	16218.77	36.79	6802.90	36.79	23021.67	36.79
4	total	44094.72	100	18495.37	100	62590.09	100

The monthly food grains allocation is reduced to 62590.09 Metric ton under NFSA from 63067 Metric ton per month before implementation of NFSA. Form the monthly total allocation food grains, 13.88% is allocated under AAY category, 49.33% for PHH category and the remaining 36.79% for NPHH category.

### 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, is 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. Table given below reveals that during the year 2014-15 the import of foodgrains was recorded at 756.80 thousand metric tonnes which was same as the previous financial year. During the year 2015-16 the import of foodgrains was recorded at 755.85 thousand metric tonnes, which is slightly less than 2014-15.

### **Off-take of foodgrains**

Off take of foodgrains is primarily under the Targeted Public Distribution System (TPDS) and other welfare schemes. During the year 2014-15 offtake has been registered at 749.39 thousand metric tonnes showing an increase of 0.075% over the 2013-14 figure. During the last financial year 2015-16 the off-take of foodgrains has decreased to 708.64 thousand metric tonnes from 749.39 thousand metric tonnes of the previous year, thereby registering a decrease of 5.43 %. Due to the introduction of NFSA in the State, the offtake of foodgrains in the month of February & March 2016 registered a sharp decline.

### **Sugar**

Import of sugar from FCI, during the year 2014-15 has been recorded at 82.94 thousand metric tonnes which is 3.05% more than the last year. During the last year 2015-16 the import of sugar has declined to 62.21 thousand metric tonnes which is 24.99% less than the previous year due to finalization in maturity of tenders.

### **Measures taken by the Govt. to streamline the Targeted Public Distribution System**

1. During the year 2014-15, the digitalization of ration card data of TPDS beneficiaries was almost completed by the Department.
2. The legal metrology department realised revenue of Rs. 201.81 lakh against the target of Rs. 203.00 lakh on account of stamping fees and composition amount during 2014-15.
3. The department of CAPD is bringing transparency in the distribution of food grains and weed out bogus and fake ration cards so that the food grains do not get pilfered and black marketed. For this purpose online supply chain management, on line allocation of food grains and online grievance redressal mechanism are necessary. These will come into force with the implementation of End to End computerization

of TPDS operations for which funds have been received to the tune of Rs 611.27 lakh under central share and Rs 367.00 lakh under state share.

4. The ration tickets with additional fields like LPG connection number, bank Account number, Aadhaar number etc has been digitized and made available on National portal which formed the basis for allocation of food grains under NFSA 2013.
5. As on March 2016 in Jammu and Kashmir there were 9.80 lakh NPH, 12.66 PHH and 2.40 lakh Antayodaya Anna Yojana (AAY) ration cards totalling to 24.86 lakh.
6. The present government has decided to introduce Mufti Mohd. Sayeed Food Entitlement Scheme which envisages providing of additional 5 kgs of food grains per soul to bonafide rationtees having family size from (1 - 6) over and above the NFSA scale from Ist July 2016 as per the state cabinet decision Number 07/01/2016 dated 11-04-2016 followed by government order No 74-CAPD of 2016 dated 20-04-2016.
7. The department has the following targets under e-PDS project during the year 2016-17.
  - i. Fully computerized on line supply chain management.
  - ii. Fair price shop Automation by installing point of scale devices at every FP shop.
  - iii. Putting in place online grievance mechanism.
  - iv. General public friendly transparency portal.
  - v. Online facility for issuing of new ration cards, and updating/ bifurcation of existing ration cards.
8. Food Security Act: Finance Department has already provided Rs. 75 crore to help Consumer Affairs and Public Distribution Department to migrate to National Food Security Act regime.



## **Demonetization**

Demonetization means scrapping a currency unit of its status as legal tender.

On 8<sup>th</sup> November, 2016, the Prime Minister of India announced that 2 units of Indian currency notes Rs. 500 & Rs. 1000 denomination are no more legal tender in India.

The transition of converting demonetized note of Rs. 500 & Rs. 1000 is to last upto 30<sup>th</sup> December, 2016.

Estimates of the two denominations in circulation are available from the RBI's annual report for 2015-16. While Rs 500 notes worth Rs 7,85,400 crore were in circulation, the corresponding figure for Rs 1,000 notes was Rs 6,32,600 crore, adding up to Rs 14,18,000 crore (Rs 14 lakh crore). The two denominations accounted for about 86.4 percent of the total value of currency in circulation, according to the RBI report.

The main aim of the demonetization in India is to cure black money and bring the huge stocks of cash under the umbrella of banking which could ensure monitoring by Enforcement Directorate & Income Tax Department. There are 1998 number of bank branches in J&K State comprising 934 in valley, 998 in Jammu province and 65 in Ladakh region as on 31.03.2016. The credit deposit ratio ending 31.03.2016 remained at 49%.

In general, the cash is deposited in banks by the people of the state which has now become habit as it had become a compulsion due to militancy. There are 20 lakh households in J&K state as per census 2011. At an average there is thus one bank branch for 1000 households in the state while at national level there is one bank branch per 1800 household. The size of annual credit plan of J&K state during the year 2015-16 stood at Rs 23605.23 crore. The credit deposit ratio for the year 2016-17 is 55% fixed by the RBI for commercial banks operating in J&K State. As on 31.03.2016, the total deposits in J&K state stood at Rs 86232.35 crore and the advances stood at Rs 42348.25 crore. There are 2 lakh ATMs in India while as in J&K there are 2260 ATMs of which 1011 ATMs are in Kashmir valley.

In J&K State, the money deposited in J&K Bank Ltd from 9<sup>th</sup> November, 2016 to 18<sup>th</sup> November, 2016 is of the order of Rs. 7888.00 crore.

It's more than 3 weeks since the government announced the withdrawal of the old Rs 500 and Rs 1000 notes.

As per RBI report, almost 12 lakh crore demonetized Rs 500 and Rs 1,000 notes have been deposited by the public since November 8, 2016 announcement upto 7 Dec, 2016. During the period from November 10, 2016 and December 7, 2016, banks have reported that

banknotes worth Rs. 4,27,684 crore have been issued to public either over the counter or through ATMs.

As reported by the RBI, the cash deposits in J&K state from 9<sup>th</sup> Nov, to 30<sup>th</sup> Nov, 2016 is of the order of Rs 12865.11 crore. The details of demonetization process in J&K state from 09.11.2016 to 30.11.2016 are as under: -

<b>Table 19: Details of demonetization process in J&amp;k state from 09.11.2016 to 30.11.2016</b>		
<b>S. No</b>	<b>Name of the bank</b>	<b>Number of SBN deposited in accounts from 09.11.2016 to 30.11.2016 (amount in crore)</b>
(i)	Public sector banks	3081.95
(ii)	Private sector banks	8733.99
	Commercial bank (Sub Total) (i) +(ii)	11815.95
(iii)	Regional rural banks	695.37
(a)	Scheduled commercial banks (i+ ii+ iii)	12511.32
(b)	Central/ State coop. banks	353.79
	<b>Grand Total (a+b)</b>	<b>12865.11</b>
<p><i>Central Bank of India , Syndicate Bank, Vijaya Bank , Bank of India , United Bank of India, Corporation Bank , State Bank of Hyderabad, Bhartiya Mahilla Bank, Axis Bank, Indusind Bank, South Indian Bank, Kotak Mahidra Bank, SCARD, Bombay Mercantile Coop. Bank, State Financial Corporation (SFC) have not provided data as reported by RBI.</i></p>		

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