

# MEETING WITH PLANNING COMMISSION

(July 13, 2012)

ON

## ANNUAL PLAN 2012-13

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Chief Minister, J & K**

# General

- Enhanced and inclusive development is a key component of the overall strategy to build on peace dividends.
- Grateful to the Planning Commission and the Union Finance Ministry for their sensitivity and positive support to Government of J&K.
- Continued support required for:
  - Twelfth Five Year Plan (TFYP): 67822 crore  
(EFYP 25,834 cr: 37020 cr at current prices; increase of 162% in nominal terms and 83% in real terms)
  - Annual Plan 2012-13 : 7300 crore.  
(last year plan size of 6600 cr: modest step up of 10%)
  - P.M. R.P : 700 crore.  
(439.58 cr utilized out of release of 632.09 cr, against allocation of 1200 cr )

# Landmarks

- Successful Panchayat Elections: challenge is to meet enhanced people's expectations.
- Block Development Councils under constitution: Powers rolled out to Panchayats.
- Elections to the Urban Local Bodies being held this year.
- Public Services Guarantee Act in place (6 Departments, 45 Services ): positive results visible.
- State Information Commission made fully functional: steady movement towards transparency in governance.
- State Accountability Commission reconstituted: steps being taken to set up State Vigilance Commission.
- Tourist arrival- highest ever; (Vaishno Devi:101.15 lac, Kmr valley:13.14 lac, Amarnath Yatra:6.34 lac and Ladakh:1.79 lac)

# FIVE YEAR PLANS

## Eleventh Five Year Plan (EFYP)

- Growth at 6.78% (11-12) as compared to 6.63% in the previous year (10-11).
- Tax story extremely positive: Tax growth in 2011-12 at 34% over 2010-11.
- Power deficit at Rs.2049 crore is a matter of concern.
- Average annual economic growth of 6.20 % (at constant price) over the XI Five Year Plan.
  - Primary Sector 1.01%
  - Secondary Sector 4.07%
  - Tertiary Sector 9.91%

## Expenditure

- Delivery across the EFYP has been around 95%:
- The expenditure under the last year's plan has been 96.58%.

	<b>Outlay</b>	<b>Expenditure</b>	<b>%age Expd.</b>
2007-08	4000.00	3717.33	92.93%
2008-09	4500.00	4067.31	90.38%
2009-10	5500.00	5279.14	95.98%
2010-11	6000.00	5768.00	96.13%
2011-12	6600.00	6374.18	96.58%
<b>Total</b>	<b>26600.00</b>	<b>25205.96</b>	<b>94.76%</b>

## Twelfth Five Year Plan: Focus

- Accelerated and Sustained Growth
- Growth-employment Linkage
- Consolidation of Infrastructure
- Empowerment of People
- Reducing Wastages
- Building of Human and Institutional Capacities
- Skill Development

## Growth

- Targeting modest and realistic growth rate of 7.5%
- Focus on productive sectors
- Promoting private and public investment in the infrastructure sectors
- Making growth inclusive by putting in place special component plans
- Conservation of ecology and environment
- Contemporarizing traditional products through design, technology and marketing support
- Special employment initiatives to make growth jobful : addressing the aspirations of the youth.



## Twelfth Plan: Sectoral priorities :

- Time bound completion of power projects to ensure additional power generation of 3100 MW: reduction of AT&C losses by 25%.
- Creation of additional irrigation potential of 3.17 lac ha and enhancement of existing seed replacement rate to the national average of 25% to ensure agriculture growth of 3.67%.
- Completion of extension canal to link up the upstream of Ranjit Sagar dam for bringing 1 lac ha under irrigation.
- 2000 tubewells for horticulture (additional cultivable command area of 40,000 ha).

## Twelfth Plan: Sectoral priorities :

- Coverage of 1.49 lac ha under flood protection programme.
- Coverage of all left out 2773 habitations under drinking water schemes: 1231 piped schemes targeted for completion: increasing house hold connections from 35% to 50%.
- Connecting all 250+ habitations through roads.
- Development of integrated tourism circuits to address 15% growth in tourism.
- Mega food parks for processing of horticulture produce: operationalization of the International Trade Centre at Pampore.

## Twelfth Plan: Sectoral priorities :

- All children in the age group of 6-14 to be enrolled: universal access to secondary education: targeted increase in literacy 12%, reduction in gender gap by 11%.
- Raising GER from 18.2% to 22%.
- Introduction of skill and vocational training at secondary and college level.
- Targeting institutional delivery of 85% from existing 73%: full immunization to go upto 85% from existing 61%.
- Completion of 2 new maternity hospitals, 1 new children hospital and full operationalization of 2 super specialty hospitals.
- Intensive efforts to achieve new born mortality rate (NMR) of 30%.
- Establishment of land bank for industrial estates.
- Deepening and widening of cluster based programmes in the artisanal sectors to generate employment.

## Twelfth Plan: Sectoral priorities :

- 36.80 lac persons to be provided 100 days employment under MNREGA.
- Implementation of projects to augment urban infrastructure- (sewerage and drainage): PPP projects for bus stands, parking spaces and garbage collection and disposal.
- Making most urban areas as dry latrine free: improving service level benchmarks in case of sanitation and solid waste management.
- Preparation of Master Plans for all district headquarters.
- Rapid and Mass Transport (Metro/Mono Rail) for the cities.
- E-PDS to reduce wastages and bring in efficiency in the food distribution.
- Committed to the implementation of National Food Security Act with Central funding.
- Creation of 6.40 lac job opportunities through various plan initiatives.

## Delivering outcomes through Panchayati Raj Institutions:

- Twelfth Plan priorities/outcomes to be delivered through vibrant institutional framework comprising of democratically elected and fully functional PRI framework and Municipal bodies.
- Already approved devolution of functions and activities to Panchayat Raj institutions pertaining to 14 Departments.
- Notification issued for constituting the Block Development Councils.
- Block Development Council elections will be held in the State for the first time in the State history which will be followed by constitution of the District Planning & Development Boards, thus, putting in place the three tier Panchayati Raj System in the State of J&K.



# Delivering outcomes through Panchayati Raj

## Institutions:

- 4128 Panchayats in the State, 1788 without buildings.
- During last two years the Panchayat Ghar buildings have been taken-up for construction under 13<sup>th</sup> Finance Commission & BRGF in convergence with MNREGA.
- During the year 2011-12, an amount of Rs.108 crore released under 13<sup>th</sup> FC for construction of Panchayat Ghars.
- Rs 41.17 crore were also provided to Panchayats as untied grant @ Rs 1.00 lac per Panchayat from out of State Plan.
- An amount of Rs 32.18 lacs provided as rent of hired buildings.
- Rs 11.61 crore released for purchase of furniture / fixtures and rent of hired Panchayat Ghars.

# Delivery through mainstreaming Information Technology

- State Nodal Agency with the name of JaKeGA created in 2008 to design, deliver and administer e-Governance projects.
- JaKeGA to facilitate establishment of e-Service centres throughout the State suitable public private partnerships.
- A permanent SeMT team of 5 SeMT consultant headed by Principal Consultant has been appointed by National e-Governance Division, DIT, Government of India.
- The team is providing consultancy and facilitating implementation for various IT and e Governance related Projects in the State.

# Delivery through mainstreaming Information Technology

- Separate IT Task Force created in July 2011.
- Use of Digital Signatures: State has the legal provision for digital signatures and encryption. Digital signatures are being used in the state for various projects like e-Procurement, e-Tendering, PMGSY, and on-line purchase through DGS&D.
- 5000 educated unemployed youth to be trained in collaboration with University.
- Extension of Computerized Personal Information System (CPIS) to various departments.
- Exploring the possibilities of expanding the services offered by Community Information Centers (CICs).
- Wi-Fi facility at important tourist location in J&K.
- Wi-Fi facility in J&K Civil Secretariat at Jammu and Srinagar.



## Continued emphasis on physical monitoring:

- Shift towards e-tendering and e-procurement.
- Building of in-house project monitoring capacities
- 3<sup>rd</sup> party scrutiny of costs of large projects
- Physical monitoring through:
  - NABCONS (143 projects completed, 53 in pipe line and additional 110 projects assigned).
  - CM's Monitoring cell has also evaluated 70 projects.
  - Mckinsey doing TPM in the power sector (T&D projects under PMRP)
  - Five projects also given to Universities for review and evaluation.

# ANNUAL PLAN 2012-13

➤ Projected plan size of 7300 crore (10% increase over last year)

➤ Break-up of proposed Plan allocation (Rs. in crore)

i. Revenue (Tied)	1412.34
<b>ii. Capital Outlay (a+b+c)</b>	<b>5887.66</b>
a. Normal (Free Plan)	1573.63
b. Projectised (SPA Tied)	2113.03
c. Negotiated Loan (Tied)	700.00
d. Tied / ACA (Tied)	1501.00
<b>Total Plan Outlay (i+ii)</b>	<b>7300.00</b>

- In 2011-12, utilization of plan resources Rs.6374.18 crore (96% of approved outlay of Rs.6600 crore).
- Under PMRP, expenditure was Rs.439.58 crore, (70% of funds released i.eRs.632.09 crore).
- However, a modest 10% increase over last year proposed keeping in view the resource position: 7300 crore plan shall have a free component of only Rs.1500 crore.
- PMRP proposed at Rs.700 crore only compared to last year level of Rs.1200 crore.
- AP 12-13 anchored in the 12<sup>th</sup> Plan context: priorities in sync with those of the 12<sup>th</sup> Plan.

# SECTORAL OVERVIEW

# Power Sector: Reforms

- Un-bundling and Corporatization of T&D sector underway: Orders for creation of TRANSCO and Distribution Company issued.
- Metering of 1.36 lac left over consumers out of 4.77 lacs consumers in 30 Towns under R-APDRP targeted to be completed by this year.
- 30 towns with a population of 10,000 and above approved under Part-A of R-APDRP: works under PART-A in progress.
- RGGVY :
  - A total of 1735 villages / hamlets electrified ending March 2012, 45267 BPL households provided electric connections free of cost.
  - All RGGVY works to be completed by this year. Leh and Kargil will spill over to next year.

## Power Sector: Positives

- Collection efficiency increased from 78% in 2010-11 to 85% in 2011-12: computerization of 100% billed energy achieved
- Disconnection effected 54722 against 33,320 last year.
- Connection regularized 6656 during 2010-11.
- Total revenue collection went up from Rs 950 crore (2010-11) to Rs 1203 crore (2011-12).
- AT&C losses reduced from 70% to 67% in 2011-12.
- ARR for 2012-13 was filed in time and target announced by the Regulator on 1<sup>st</sup> April 2012.
- New meters installed 1.04 lac. Defective meter replaced 0.37 lac .
- Total load regularized and added 214 MW.
- Voluntary Load Disclosure Scheme launched for further load revision.



## Power: Special measures required

- M/s TERI identified measures for sustained reduction of T&D losses from 62.87% in 2009-10 to 24.62% in 2018-19 envisaging a total investment of Rs.7384.79 crore. Besides a revenue gap of Rs.1569.00 crore has been projected in the report for the project period.
- A proposal for adoption of R-APDRP type programme for 288 towns/urban areas submitted to Union Power Ministry. CEA had advised to initiate action for preparation of two part DPRs for these towns and urban areas on the analogy of the 30 towns taken up under R-APDRP.
- Modified DPRs for 283 towns / other areas have been framed on the analogy of R-APDRP. The DPR's stand submitted to GOI on 11.05.2012 for Rs.1245 Cr: time bound funding (three year) necessary.
- Coverage of these towns will nearly bring 80% of the energy in billing network.



## Focus on Renewable energy

- 55,507 nos of SHLs under distribution of J&K and general public.
- 15150 nos of Solar lanterns for 73 Gujjar & Bakerwal basties under distribution.
- 19 DPRs of Mini Hydro power projects have been prepared out of which 6 sites are being proposed to be taken up for implementation under IPP Mode.
- DPR for wind power project at Bidda (Reasi) stands prepared by CWET has been submitted to MNRE for accord of sanction. The Capacity of the project is 8 MW.
- 08 District level Energy Parks have been setup.

## NRSE: New proposals

- A project proposal in respect of 24 villages & 274 hamlets envisaging a quantity of 25981 SHLSs has been submitted to MNRE for sanction .
- Installation of Solar Power Plants at 200 locations vis-a-vis health institutions, CICs and educational Institutions.
- Providing of 10,000 Solar lanterns to Gujjar & Bakerwals of the state.
- Development of 10-15 nos of Mini/ Micro hydel power projects in IPP mode and up-gradation of 70 water mills.
- Setting up of 250 Gobar Gas Plants.

## Road connectivity

- 50% of the total network of 26,715 KMs. of roads blacktopped.
- 3077 KMs blacktopped last year: 3100 KMs provided WBM.
- For 2012-13, a target of 3150 KMs BT and 3200 KMs WBM fixed.
- 45 bridges completed last year and 50 bridges will be completed this year.
- 4 CRF schemes completed and 12 targeted for completion this year.
- 133 PMGSY schemes (239 habitations covering 872 KMs) completed and 300 PMGSY schemes (250 habitations covering 1805 KMs) targeted this year for completion.

# Water Supply

## A. Achievements 2011-12

➤ Piped water supply schemes completed	860
➤ Habitations covered	3648
➤ Hand Pumps drilled	10820
➤ Deep Tube Wells drilled (For Kandi and Drought areas)	47
➤ Water testing labs completed	35

## B. Target 2012-13

➤ No of habitations to be covered	1253
➤ No of water quality affected habitations	25
➤ Coverage of Schools	2000
➤ Installation of Hand Pumps	3000

## Tourism:

- Thrust on building capacities in private sector to couple up with growing tourist arrivals.
- Pilots on eco-tourism and craft & culture based tourism being put in place.
- Diversification of tourism products:18 Hole Sidhra Golf Course to be completed this year
- Makhdoom Sahib Chairlift to be commissioned by October, 2012.
- Light and Sound Show systems for gardens and lakes.
- Art & Craft Haat being at Srinagar to be completed within one year on the line of Delhi Haat.
- Border Tourism Project at Suchetgarh R.S Pura Jammu being completed within a year.

# Urban Development

- Up-gradation of existing Parking Places and creation of Multilevel Parkings in two capital cities of the State: flyovers under ADB funded project.
- Construction of two Modern type Abattoirs/Slaughter Houses in Jammu and Srinagar Cities.
- Construction/up-gradation of Garbage Dumping sites at Achan in Srinagar and Kotbhalwal in Jammu. Solid Waste Management Projects under implementation.
- Installation of Traffic Signal lights in two capital cities and street lights in urban areas of the State.
- Three Pilot sewerage schemes viz Brari Numanl, Khushalsar and Talab Tilloo Jammu.
- 7565 kanals of land at Rakh-i-Arth are under execution for resettlement of Dal dwellers.



## Progress under JNNURM

- Projects sanctioned in the State 108
- Sanctioned Cost : Rs 1312.64 Crore
- Central Share approved : Rs 1142.25 Crore
- Central Share Received : Rs 552.04 Crore
- Central Share Pending : Rs 590.21 Crore
- Date of completion of projects 2013-14
- Reforms implemented. 10 out of 23

# Industries

- 1170 Small Scale Units have been formally registered.
- Development of IID Govindsar Phase-I completed.
- Upgradation of infrastructure at Ompora, I/E Khunmoh, Govindsar, IID Battal-Ballian, Udhampur , I/E Ghatti Kathua, Industrial Estate Phyang and Industrial Estate Khalsi Leh under progress.
- Up-gradation of Industrial Estates at Bari-Brahmna, Samba and Gangyal Jammu taken up under Cluster Development Programme.
- Common Effluent Treatment Plan at Industrial Growth Centre, Lassipora, Pulwama made operational from November, 2011.
- 2 Controlled Atmosphere Cold Stores of 5000 MT capacity with cold chain have been established at Industrial Growth Centre, Lassipora Pulwama and 4 CA Stores are in pipeline



## *School Education*

- Primary School opened under SSA: 10792
- Primary School upgraded under SSA : 6981
- RETs sanctioned under SSA : 39564
- Primary School constructed under SSA : 10182
- Upper Primary sanctioned under SSA : 1119
- Middle Schools upgraded under RMSA: 513
- MS under construction under RMSA: 69

## Outcomes in School Education

- Literacy percentage (2001 Census): 55.5%
- Literacy percentage (2011 Census): 68.74%
- Female Literacy rate has increased by: 15%
- Drop out rate at Elementary stage 11.5%
- Drop out rate at Secondary stage 60%

## Higher Education

- Degree Colleges established 45
- Central Universities opened 2
- Private Universities covered under  
Sec. 12 (b) of UGC during the 11th FYP 3
- Off-Site University campuses established 11
- Degree Colleges accredited by NAAC. 22
- Placements made in the year 2011 1109
- Enrollment increased in Higher Education 0.24 lac  
(from 0.95 lacs in 07-08 to 1.19 lacs in 11-12)

# Health Sector

- Outcomes across the EFYP period have been extremely encouraging; particularly in the social sectors such as health and education:
  - IMR 43 (47 at national level)
  - MMR 70 (212 at national level)
  - TFR 2 (2.5 at national level)
  - Child Sex ratio 859 : Cause of concern.  
(914 at national level)

## Health Sector

- 36 hospital blocks/projects completed during 2011-12.
- Const. of 7 Nursing Schools and one Unani College started.
- Drug Policy approved for the State
- 11 health institutions taken up for accreditation from National Accreditation Board for Hospitals.
- Rashtriya Swasthya Bima Yojna RSBY Scheme launched in the two districts .
- 66004 BPL families registered to avail benefit under the scheme.

## Sex Ratio a cause of concern:

- Steps taken for effective implementation and monitoring of the PC & PNDT Act.
- State Supervisory/ Divisional/ District Advisory Committees reconstituted.
- Emphasis on mass awareness and involvement of religious leaders.
- Cash reward enhanced from Rs. 25,000/-to Rs. 50,000 for reporting female feticide

# Maternal and Child Healthcare

- Transportation of pregnant mothers & Sick Children in emergencies: 48 vehicles/ ambulances procured under State Plan including 19 ambulances under NRHM.
- Improving neo-natal facilities: 68 stabilization units and 269 baby care corners established.
- Free and Cashless services to all pregnant women delivering in public health institutions and sick neonates upto 30 days after birth under JSSK : -
  - 34645 deliveries benefitted
  - 5483 Sick new born treated
  - 2353 beneficiaries under referral system (pick up & drop)
  - 4352 referrals to higher facilities

## Health: Strengthening of infrastructure

- 165 infrastructure works likely to be completed during 2012-13.
- Construction of 2 new 200 bedded Maternity Hospitals, 4 Nursing Schools and Ayurvedic College being taken up shortly.
- Installation of Bio Medical Waste Treatment Facility in Districts of Jammu and Srinagar under process
- Implementation of 104/108 EMS (Ambulance Services) in the State under process.
- Purchase of 11 Medical Mobile Units in high focus districts of State in pipeline



## Social Welfare: Achievements

- Five districts brought under SABLA.
- Two districts brought under Indira Gandhi Matritiva Sahyog Yojana (IGMSY) on pilot basis.
- Juevenile home established at Harwan.
- On line application system for merit-cum-means scholarships.
- Disbursement of pensions to the beneficiaries are being made through electronically benefit transfer.
- Separate tribal sub-plan under preparation.
- Rs.59.91 crore spent on pre and post-matric scholarship for SC/ST/OBC/PH/ unclean occupation.

## Skill Development: policy framework

- Engage private players through initiatives like UDAAN and HIMAYAT.
- Move from a State-owned institutional framework to a larger non-governmental effort.
- Triple the existing training facilities.
- Extend hand holding support to trainees during the skill-transfer phase .

- Financial support for creating Entrepreneurship/Self Employment
- Creating a platform between Govt., industry and academia in order to match the requirements of Industry.
- Incentive for employer.
- A well established system of apprenticeship .
- Outsourcing of the services by the state government.

## Central Initiatives

### **SEE- Himayat** (Anchored in MORD)

- Target : Training and subsequent placement of 50,000+ youth over 3-5 years
- Achievement : 1300 trained, 700 are working.

### **SII-UDAAN** (Anchored in MHA)

- Target : Enhance the skill of 40000 youth over a period of 5 years for placing them at Managerial level in private sector.

### **Special Scholarship Scheme** (MoHRD)

- Target : To support 25000 students over a period of 5 years
- Financial support for General, Engineering and Medical students

## Technical Education: expansion for skill development

- New ITIs established in XI FYP 16.
- Women Wings established 17.
- Intake capacity increased by 7500
- Trade units introduced 320
- Upgradation of ITI's through PPP 34
- Youth trained under “ J&K Skill Development for Youth ” 9583
- Placements offered 850

(National & Multi-National Companies .)

- Training, Counseling and placement cells established in each institute to facilitate employment of skilled/ semi skilled workers.

## Agriculture: Strategy :

- Improvement in Seed Replacement rate
- Farm Mechanization
- Augmentation of credit through Kissan Credit Card
- Diversification in cropping system to generate more employment opportunities through crops having scope in value such as flowers, fruits, vegetables, sericulture etc
- Assured availability of Quality Inputs:- Treated Seed, Pesticide Quality Control Enforcement and Fertilizer Availability
- Special focus on Saffron, Vegetable, Horticulture, Vermi Compost, Organic Farming
- Conduct of large number of demonstrations

## Handicrafts / Handloom Sector

- Rate of stipend and Loan ceiling under Handicrafts Micro Enterprise Scheme has been enhanced.
- 7789 Trainees in Handicrafts and 1054 in Handloom Training Centres trained in 2011-12.
- 3 widely misused crafts of Kashmir namely; Kashmir Pashmina, Kanishawl and Sozni, 3 more crafts paper, machie, walnut wood and khatamband have been awarded GI status.
- Legal action for enforcement/infringements of Crafts under GI has been taken up to check unfair market practices both Nationally and Internationally.
- A Pashmina testing and quality certification centre set up at Craft Dev. Institute Campus in Srinagar to certify Kashmir Pashmina for G.I Registration has been set up



## Handicrafts / Handloom Sector

- 3434 beneficiaries benefited under Rajiv Gandhi Health Insurance Scheme in Sector and 12473 Handloom Weavers benefited under Health Insurance Scheme.
- Out of 100 handloom training centres, 58 centres have been brought under NCVT (National Council for Vocational Training).
- 4200 person shall be trained under Certificate Course in Carpet Manufacturing (CCM) of 4 months duration.
- 100 persons shall be trained under Diploma in Carpet Technology and entrepreneurship Development (DCTED) of one year duration.
- Mega Cluster for Kashmir Carpets approved by Ministry of Textiles, GoI for Srinagar and adjoining areas, is under implementation and another 4000 Artisans trained by and Indian Institute of Carpet Technology (IICT) within a period of 4 years

**PRIME MINISTER'S  
RECONSTRUCTION PLAN  
(PMRP)**

*Rs. in Crore*

## Overview: Financial Delivery

	Approved cost	Cum. expd.	%age expd.
State sector	6199.66	4655.52	# 75.09%
Central Sector by State Agencies	6601.92	1921.79	29.11%
Central Sector by Cent. Agencies	19909.73	5570.80	27.98%
Total	32711.31	12148.11	37.14%

# Expenditure against the release of Rs.4899.33 is 95%

## State Sector PMRP Projects

- There are 19 State Sector Projects under PMRP approved at Rs.6199.66 crore.
- An amount of Rs.4899.43 crore have been released so far: against which an amount of Rs.4655.52 crore have been utilized i.e 95% utilization.
- 14 projects amounting to Rs. 2543.90 crore have already been completed physically or financially:
  - Physically completed: Baglihar HEP, KP road, NT road, 14 Degree Colleges, 9 ITIs, 119 Model villages, Infrastructure Dev. of Leh.
  - Financially completed: Access road Swalakote, Ramban-Dhamkund road, ADB Loan-I, 10 Degree colleges, 5 ITIs, Infrastructure Dev. of Kargil.
  - Provision for land acquisition for PMGSY roads fully utilized.

- 3 projects (Rs. 2374.76 crore) will be completed during this year: Strengthening of T&D network, Mughal road and TRT for Kashmiri migrants.
- 2 projects (Rs. 1281.00 crore) will spill over to the end of 12<sup>th</sup> Five Year Plan: Counterpart fund for ADB loan and Rehabilitation of Dal-Nigeen dwellers
- Counterpart fund for ADB required till 2017-18: ADB Loan project is expected to closed by end of 2018.
- Rehabilitation of Dal-Nigeen dwellers: This project was approved only last year and will spill over.

**FINANCING  
OF  
ANNUAL PLAN 12-13**

- The projected Plan size (7300 crore) needs to be fully funded.
- The Market Borrowing in Scheme of Financing (SoF), should be in conformity with fiscal deficit target.
- Market Borrowing must not be changed mid-course (SOF to be maintained).



## Negative BCR

- Resource assessment done:
  
- Balance in Current Revenues (BCR) likely to deteriorate by Rs.836 crore during the current year.
  
- Major factors responsible:
  - Salary
  - Pension
  - Interest
  - Power

➤ Requirement of resources will be Higher in Annual Plan 2012-13

	2011-12	2012-13	Variations
i) Plan size	6600.00	7300.00	700.00
ii) Reduced Market Borrowing:	3979.00	2364.00	1615.00
iii) Higher Interest Payments:	2429.93	2661.28	231.35
iv) Salary:	10476.70	11450.00	974.00
v) Pension:	2651.00	3025.00	374.00
vi) Power Deficit	1267.62	1921.36	653.74

- Additional Grant of Rs.150 crore was recommended by Prime Minister's Task Force and Dr. Rangarajan Committee for rejuvenation of J&K State Financial Corporation for supporting employment initiatives in the State.
- Cooperative Credit framework hugely dented: need for long term revival plan for sustained recovery of Jammu and Anantnag Central Cooperative Banks: extension of time frame necessary for implementation of Vaidyanathan package.
- CD Ratio hovering around 35%: need to motivate Commercial Banks to lend to agriculture, horticulture and SME sectors.

- 102 bridge/ road projects of militancy affected areas on the pattern of NWE States costing Rs 932 crore submitted for sanction.
- Land / Forest compensation of Rs 223 crore for sanctioned schemes upto Phase VII & Rs 477 crore for new PMGSY schemes with population range of 250 to 499 souls.
- We also need Rs.1100 crore as compensation for NABARD, CRF and other State Plan roads.
- Supplementary DPR for Rs.161 crore prepared for Mughal Road would require positive consideration.

- The electrification of left over un-electrified / de-electrified villages / hamlets under RGGVY scheme in J&K State as most of the projects in the State are under financed.
- Extension of R-APDRP to other towns with population 4,000 (as per population 2011 Census) to ensure reduction of T&D losses in J&K State.
- Consider handing over of the power projects of NHPC back to J&K State which have completed 35 years of operation. Besides, the home state share fixed at 12% also needs review and enhancement on the analogy of the terms and conditions of the Ratle HEP (690 MW) which has been allotted by J&K State on tariff based bidding under IPP (BOOT) basis. This could be the model for all existing power projects or new projects to be executed in the State of J&K.

- A grant of Rs.1000 crore for Baglihar-II required for time-bound completion of this prestigious project.
- Execution of Bursar HEP is very slow and needs to be expedited by the NHPC.

## In Conclusion:

- Strengthening of institutional frame work and human capacities central to the delivery of mandated outcomes.
- New institutions such as Road Dev. Corp., Water Regulatory Commission, State Election Commission, Local Ombudsman will provide impetus to transparent and responsive governance.
- No dilution in commitment to reforms: concrete movement on power and urban reforms visible.
- Reform of the planning process is crucial in the context of re-energized gross root level institutions: a State Planning Board on the pattern of the Planning Commission being setup before December to orient the planning process to rising public expectations.



**Thanks**