

**GOVERNMENT OF JAMMU AND KASHMIR
CIVIL SECRETARIAT—FINANCE DEPARTMENT**

O.M. No A/153(73)-292

Dated : 1-06-2007.

**Subject : Errata in J&K Civil Service Regulations Volume-II,
Reprint Edition 1991 and Reprint Edition 1997.**

1. In the 3rd line of paragraph 2nd of Note 2 at the end of Annexure 'A' to Schedule XI of J&K Civil Service Regulations, Volume II, Reprint Edition, 1991 the words "minimum" appearing in between the words "subject to" and "of a" shall be read as "maximum".

The printing error shall and shall be deemed to have been rectified since the printing of J&K Civil Service Regulation Volume II Reprint Edition 1991.

2. In the 3rd line of paragraph 2nd of Note 2 at the end of Annexure 'A' to Schedule XI of J&K Civil Service Regulations, Volume II, Reprint Edition 1997 the words "minimum" appearing in between the words "subject to" and "of a" shall be read as "maximum".

The printing error shall and shall be deemed to have been rectified since the printing of J&K Civil Service Regulation, Volume II, Reprint Edition 1997.

(Sd.) B. L. MATTOO

Director Codes,
Finance Department.

Copy to the :

1. Advocate General, J&K.
2. All Financial Commissioners.
3. All Principal Secretaries to Government.
4. All Commissioner/Secretaries to Government.

5. Resident Commissioner, 5-Prithvi Raj Road, New Delhi.
6. Divisional Commissioner, Srinagar/Jammu.
7. Accountant General, Srinagar/Jammu.
8. Commissioner of Vigilance, J&K, Srinagar.
9. Secretary to Chief Justice, J&K High Court, Srinagar/Jammu.
10. Registrar General, J&K High Court, Srinagar/Jammu.
11. All Head of Departments/Managing Director/Chief Executive of State PSUs/ Autonomous Bodies.
12. Secretary Public Service Commission, for inf. This is with reference to his No. PSC/Exam/SAC-II/NG-16 dated 11-01-2007.
13. Secretary Legislative Assembly/Legislative Council.
14. All District Development Commissioners.
15. Director/Dy. Director, Accounts & Treasuries, Srinagar/Jammu.
16. Director/Dy. Director, Fund Org., Srinagar/Jammu.
17. Director/Dy. Director Audit and Inspections, Finance Department.
18. FA & CAO, Flood Control and Hydel Projects, Srinagar.
19. Director, Information J&K, Srinagar/Jammu.
20. Principal, Northern Zonal Accountancy Training Institute, Jammu.
21. Principal, Accountancy Training School, Srinagar.
22. All Financial Advisors & CAO's.
23. All Treasury Officers/District Treasuries Officers.
24. General Manager, Govt. Pres: for publication in Government Gazette.
25. Chief Accounts Officer, Examiner Local Fund Audit Cell.
26. Private Secretary to Minister/State Ministers/Deputy Ministers for information to the Hon'ble Ministers.
27. Principal Private Secretary to Chief Secretary.
28. All Officers/Sectional Officers of Finance Department.

GOVERNMENT OF JAMMU AND KASHMIR
 CIVIL DEPARTMENT - FINANCE

D.M. No. FA-1075-2007
 Date: 11-01-2007

Subject: Exemption in J&K Civil Service Regulation Volume II
 Chapter 10 (1) and Chapter 10 (2)

1. In the 3rd part of paragraph 10 of rule 3 of the said Regulation 'A' in Schedule XI of J&K Civil Service Regulation Volume II Chapter 10 (1) the words "subject to" shall be read as "in accordance with".

The printing error shall not be deemed to have been corrected since the printing of J&K Civil Service Regulation Volume II Chapter 10 (1) dated 1997.

2. In the 3rd part of paragraph 10 of rule 3 of the said Regulation 'A' in Schedule XI of J&K Civil Service Regulation Volume II Chapter 10 (2) the words "subject to" shall be read as "in accordance with".

The printing error shall not be deemed to have been corrected since the printing of J&K Civil Service Regulation Volume II Chapter 10 (2) dated 1997.

Yashpal Singh

Secretary
 Finance Department

Copy to the:-

1. Adv. Secy. (Genl. Adm.)
2. All Principal Secretaries to Government
3. All Financial Secretaries to Government
4. All Commissioners/Deputy Commissioners to Government

GOVERNMENT OF JAMMU AND KASHMIR**CIVIL SECRETARIAT—FINANCE DEPARTMENT**

Subject : Rationalization of Pension structure in respect of Government servants who retired/died on or after 01-04-1987, but before 01-01-1996.

Reference : General Administration Department (Cabinet Section) No. GDC-44/CM/2007 dated 07-06-2007.

Government Order No. 192-F of 2007

Dated 22-06-2007.

It is hereby ordered that the following modifications shall be made in the provisions of Government Order No. 276-F of 1998 dated 14-10-1998 :—

In the said Government Order :—

The following shall be inserted as Note below proviso to Sub- Para (III) of Para 2 as added vide Government Order No. 89-F of 2001 dated 28-03-2001 :—

Note.—Words “post last held” shall mean the corresponding scale of pay last held by pensioners at the time of superannuation/retirement/death of the pensioner/deceased Government Employee.

Cases already settled shall not be reopened.

By order of the Government of Jammu and Kashmir.

(Sd.) B. B. VYAS,

Commissioner/Secretary to Govt.,
Finance Department.

No. A/12(98)-II-573

Dated 22-06-2007.

Copy to the :

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3. All Principal Secretaries to Government.
4. All Commissioner/Secretaries to Government.
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7. Accountant General, Srinagar/Jammu.
8. Commissioner of Vigilance, J&K Srinagar/Jammu.
9. Secretary to Chief Justice, J&K High Court, Srinagar/Jammu.
10. Registrar General, J&K High Court, Srinagar/Jammu.
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12. Secretary to Public Service Commission/ Legislative Assembly/ Legislative Council.
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15. Director/Dy. Director, Fund Org., Srinagar/Jammu.
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20. Principal, Accountancy Training School, Srinagar.
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25. Private Secretary to Minister/State Ministers/Deputy Ministers for information to the Hon'ble Ministers.
26. Principal Private Secretary to Chief Secretary.
27. All Officers/Sectional Officers of Finance Department.

(Sd.) B. L. MATTOO

Director Codes,
Finance Department.

**GOVERNMENT OF JAMMU AND KASHMIR
CIVIL SECRETARIAT—FINANCE DEPARTMENT**

Subject : Rationalization of Pension structure to pre 01-04-1987 Pensioners/Family Pensioners.

Reference : General Administration Department (Cabinet Section) No. GDC-44/CM/2007 dated 07-06-2007.

Government Order No. 193-F of 2007.

Dated 22-06-2007.

It is hereby ordered that the following modifications shall be made in the provisions of Government Order No. 275-F of 1998 dated 14-10-1998 :

In the said Government Order—

(i) the following shall be inserted as Note below proviso to sub-clause V of Para 2 as added vide Government Order No. 90-F of 2001 dated 28-03-2001 :—

Note.—Words “post last held” shall mean the corresponding scale of pay last held by pensioners.

Cases already settled shall not be reopened.

(ii) the following shall be inserted as Note below Para 4 (A) as inserted vide Government Order No. 90-F of 2001 dated 28-03-2001 :—

Note.—Words “post last held” shall mean the corresponding scale of pay last held by pensioner/deceased Government employee.

Cases already settled shall not be reopened.

By order of the Government of Jammu and Kashmir.

(Sd.) B. B. VYAS,

Commissioner/Secretary to Govt.,
Finance Department.

No. A/12(98)-II-574

Dated 22-06-2007.

Copy to the :

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8. Commissioner of Vigilance, J&K, Srinagar/Jammu.
9. Secretary to Chief Justice, J&K High Court, Srinagar/Jammu.
10. Registrar General, J&K High Court, Srinagar/Jammu.
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15. Director/Dy. Director, Fund Org., Srinagar/Jammu.
16. Director/Dy. Director, Audit and Inspections, Finance Department.
17. FA & CAO, Flood Control and Hydel Projects, Srinagar.
18. Director, Information J&K, Srinagar/Jammu.
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20. Principal, Accountancy Training School, Srinagar.
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24. Chief Accounts Officer, Examiner Local Fund Audit Cell.
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26. Principal Private Secretary to Chief Secretary.
27. All Officers/Sectional Officers of Finance Department.

(Sd.) B. L. MATTOO

Director Budget,
Finance Department.

**GOVERNMENT OF JAMMU AND KASHMIR
CIVIL SECRETARIAT—FINANCE DEPARTMENT**

Subject : Financial powers with regard to Contingencies, Stores, Compensation, Remuneration.

Reference : General Administration Department (Cabinet Section) No. GDC-22/CM/2007 dated 14-06-2007.

Government Order No. 195-F of 2007

Dated 22-06-2007.

It is hereby ordered that in Book of Financial Powers :

In Chapter 4.5 following shall be inserted below S. No. 18 as Sr. No. 18-A :—

S. No.	Nature of power	Department	Extent to which assent is given
1	2	3	4
18-A 4.5	To sanction purchase of office automation equipment like Photocopiers, Fax Machine, Telephone apparatus, Computers and its accessories from authorized dealers of branded manufacturers.	All Department	Subject to the condition that :— 1. Availability of specific provision exists. 2. The equipments are purchased from the authorized dealers of the branded manufacturers at Company price lists after seeking

1	2	3	4
			maximum discount/rebate from the Company over the printed rate list.
			3. The purchases in each case shall not exceed Rs. 50,000/- subject to a maximum of Rs. 3.00 lac in a year.

In Chapter 5.9, the following shall be inserted below Sr. No. 18 as S. No. 18-A.

S. No.	Nature of power	To whom delegated	Extent
1	2	3	4
18-A 5.9	To sanction purchase of office automation equipment like Photocopiers, Fax Machine, Telephone apparatus, Computers and its accessories from authorized dealers of branded manufacturers.	Major Head of Deptts. including District Development Commissioner/ Deputy Commissioner	Subject to the condition that :— 1. Specific Budgetary provision exists. 2. The equipments are purchased from the authorized dealers of the branded manufacturers at Company price lists after seeking maximum discount/rebate from

1	2	3	4
---	---	---	---

the Company
over the printed
rate list.

- The purchases in each case shall not exceed Rs. 35,000/- subject to maximum of Rs. 1.50 lac in a year.

By order of the Government of Jammu and Kashmir.

(Sd.) B. B. VYAS,

Commissioner/Secretary to Govt.,
Finance Department.

No. A/21(2003)-B-577

Dated 22-06-2007.

Copy to the :

- Advocate General, J&K.
- All Financial Commissioners.
- All Principal Secretaries to Government.
- All Commissioner/Secretaries to Government.
- Resident Commissioner, 5-Prithvi Raj Road, New Delhi.
- Divisional Commissioner, Srinagar/Jammu.
- Accountant General, Srinagar/Jammu.
- Commissioner of Vigilance, J&K, Srinagar.
- Secretary to Chief Justice, J&K High Court, Srinagar/Jammu.
- Registrar General, J&K High Court, Srinagar/Jammu.
- All Head of Departments/Managing Director/Chief Executive of State PSUs/ Autonomous Bodies.
- Secretary, Public Service Commission/Legislative Assembly/Legislative Council.

13. All District Development Commissioners.
14. Director/Dy. Director, Accounts & Treasuries, Srinagar/Jammu.
15. Director/Dy. Director, Fund Org., Srinagar/Jammu.
16. Director/Dy. Director, Audit and Inspections, Finance Department.
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26. Principal Private Secretary to Chief Secretary.
27. All Officers/Sectional Officers of Finance Department.

(Sd.) B. L. MATTOO,

Director Budget,
Finance Department.

**GOVERNMENT OF JAMMU AND KASHMIR
CIVIL SECRETARIAT—FINANCE DEPARTMENT**

Notification

Srinagar, the 25th June, 2007.

SRO-225.—In exercise of the powers conferred by proviso to section 124 of the Constitution of Jammu and Kashmir, the Governor is pleased to direct that the following amendments shall be made in Jammu and Kashmir Civil Service Regulations :—

In the said regulations :—

- (a) the following shall be inserted as Note below proviso to Article 2-A (V) of J&K CSRs as inserted vide SRO-207 dated 22-07-2005 :—

Note.—The words “post last held” in Para 2nd above of this Article shall mean the corresponding scale of pay held by the pensioner at the time of superannuation/retirement.”.

Cases already settled shall not be reopened.

By order of the Governor.

(Sd.) B. B. VYAS,

Commissioner/Secretary to Government,
Finance Department.

No. A/12(98)-II-572

Dated 25-06-2007.

Copy to the :

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2. All Financial Commissioners.
3. Accountant General, Srinagar/Jammu.
4. All Principal Secretaries to Government.

5. All Commissioner/Secretaries to Government.
6. Resident Commissioner, 5-Prithvi Raj Road, New Delhi.
7. Divisional Commissioner, Srinagar/Jammu.
8. Commissioner of Vigilance, J&K, Srinagar.
9. Secretary to Chief Justice, J&K High Court, Srinagar/Jammu.
10. Registrar General, J&K High Court, Srinagar/Jammu.
11. All Head of Departments/Managing Director/Chief Executive of State PSUs/Autonomous Bodies.
12. Secretary to Governor/Chief Minister/Public Service Commission/Legislative Assembly/Legislative Council.
13. All District Development Commissioners.
14. Director Budget/Director Accounts and Treasuries, J&K Finance Department.
15. Director/Dy. Director, Fund Org., Srinagar/Jammu.
16. Director/Dy. Director, Audit and Inspections, Finance Department.
17. FA & CAO Flood Control and Hydel Projects, Srinagar.
18. Director, Information J&K, Srinagar/Jammu.
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20. Principal, Accountancy Training School, Srinagar.
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24. Chief Accounts Officer, Examiner Local Fund Audit Cell.
25. Private Secretary to Minister/State Ministers/Deputy Ministers for information to the Hon'ble Ministers.
26. Private Secretary to Chief Secretary.

(Sd.) B. L. MATTOO,

Director (Codes),
Finance Department.

**GOVERNMENT OF JAMMU AND KASHMIR
CIVIL SECRETARIAT—FINANCE DEPARTMENT**

**Subject : Golden Handshake/Voluntary Retirement Schemes
for the employees of unviable State Public Sector
Undertakings (PSUs).**

Reference : Cabinet Decision No. 119/10 dated 11-06-2007.

Government Order No. 218-F of 2007.

Dated 16-07-2007.

Sanction is accorded to the implementation of Golden Handshake (GHS)/Voluntary Retirement Schemes (VRS) for the employees of the State Public Sector Undertakings (PSUs), as per the report of the High Powered Committee under the Chairmanship of Sh. B. R. Kundal, Financial Commissioner (Home), forming Annexure to this order.

GHS/VRS shall be extended to other unviable/closed units subject to the availability of funds/budget provisions during the current and subsequent financial years.

The concerned departments will examine which of the non-profit making units can be revived and take appropriate action.

By order of the Government of Jammu and Kashmir.

(Sd.) B. B. VYAS,

Commissioner/Secretary to Govt.,
Finance Department.

No. A/1(2006)-522

Dated 16-07-2007.

Copy for information and necessary action to the :—

1. Advocate General, J&K.
2. All Financial Commissioners.

3. All Principal Secretaries to Government.
4. All Commissioner/Secretaries to Government.
5. Resident Commissioner, 5-Prithvi Raj Road, New Delhi.
6. Divisional Commissioner, Srinagar/Jammu.
7. Accountant General, Srinagar/Jammu.
8. Commissioner of Vigilance, J&K Srinagar.
9. Secretary to Chief Justice, J&K High Court, Srinagar/Jammu.
10. Registrar General, J&K High Court, Srinagar/Jammu.
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25. Private Secretary to Minister/State Ministers/Deputy Ministers for information to the Hon'ble Ministers.
26. Principal Private Secretary to Chief Secretary.
27. All Officers/Sectional Officers of Finance Department.
28. Govt. Order file (w.2s.c.).
29. Concerned file/Stock File.

(Sd.) M. I. KHENDAY

Director Budget,
Finance Department.

Annexure-III

Report of the Committee constituted for Golden Handshake/ Voluntary Retirement

for
surplus staff
of

PSU's.

(G.O NO.1355-GAD of 2006
dated 07-11-2006)

Dated 18th January, 2007

**Report of the Committee constituted vide Govt. Order No. 1355-
General Administration Department of 2006 dated 07-11-2006
regarding GHS/VRS for the Employees of PSU's.**

1. Introduction :

1.1 Vide Government Order No. 1355-GAD of 2006 dated 07-11-2006, a Committee of the following officers, under the chairmanship of Financial Commissioner (Home) was constituted to examine various issues involved in the Golden Handshake/ Voluntary Retirement Scheme for the Employees of PSUs and submit a report to the Government :-

- | | |
|--|----------|
| 1. Financial Commissioner (Home) | Chairman |
| 2. Principal Secretary, Agri. Prod. Deptt. | Member |
| 3. Principal Secretary, Planning & Dev. Deptt. | Member |
| 4. Principal Secretary, Power Dev. Deptt. | Member |
| 5. Commissioner/Secretary, Finance Deptt. | Member |
| 6. Commissioner/Secretary, I&C Deptt. | Member |
| 7. In view of the fact that some preliminary work had earlier been done by Finance Department, Director Codes was associated with this Committee as Member Secretary by the Chairman of the Committee. | |

1.2 The Committee held deliberations on the subject on 16-11-2006, 29-11-2006 and 21-12-2006. As a sequel to this exercise following issues were identified :-

2. Issues involved :-

2.1 Losses of PSU's :

In the initial stage after independence the Public Sector Undertaking were conceived to play a major role in the overall economic development of the State, but with the passage of time, almost all such units started making huge losses and thus became unviable. Godbole Committee and Khurshid Ganai Committee dwelt on the subject of sickness of PSUs. Amongst various steps to be undertaken to rejuvenate this sector, adoption

of appropriate GHS/VRS was also considered by the above committees and the Government encouraged to work out appropriate schemes. The Government's Budget and its ability to undertake social development (Health, Education) is severely constrained by the continuous bleeding in terms of Budgetary support/other subventions to the public sector. (Out of 19 PSU's, 12 are running on Budgetary support on tapering basis.).

Changed Market Conditions :

The role played by Public Sector in the State's economy has changed now. The areas they serve can no longer be associated with classic public goods. In most areas of activities, the goods/services are provided by private sector. In that sense these are not areas of market failures where Government must step in.

2.2 Barriers to fresh entry :

In the absence of a proper downsizing and exit policy for surplus staff of clearly identified units these PSU's have become sick : the continuance of such units (especially in terms of physical assets they hold) also acts as a barrier to fresh investment so desperately needed by the State's economy for employment generation and fiscal buoyancy.

2.3.1 Administrative Expenses :

It is also necessary to take into account the constraints on the Governmental/administrative capacity due to diversion of its parts to manage public sector units. There is also a substantial cost involved, at the governance level, in managing the Public Sector system, even, as its net contribution to public exchequer has moved to negative.

2.3.2 Statutory liabilities of PSU's :

An issue of vital importance is the humanitarian aspect arising from the inability of Public Sector Units to clear the statutory liabilities on account of retired employees (Provident Fund and Gratuity) who have no fall back by way of pension. Even the salary payable by the PSUs to its employees are in arrears in most cases and give rise to widespread demoralization in the working class and managerial cadres.

3. GHS/VRS Review :

3.1 First Golden Handshake Scheme was notified and implemented for employees of the Himalayan Wool Combers Ltd. (HWCL) and J&K State Handloom and Handcrafts Raw Materials Supplies Organization Ltd. (HHRMSO) and both these companies were wound up as per Cabinet Decision No. 59/5 dated 10-3-2001. This scheme had an element of compulsion and there was no choice for the employees but to accept the plan. Earlier to this Tractor Hiring Division of Agro Industries Dev. Corporation had also been wound up vide Cabinet Decision No. 135 dated 5-4-1982 but in the absence of any GHS/VRS Scheme in position this unit continues to bleed the Corporation till date.

3.2 Compulsion/Voluntary Nature :

VRS/GHS Scheme as a measure to rejuvenate sick PSUs has got to be a mix of compulsion and voluntary choice of the employees, as PSUs are not going to be wound up straight away. In respect of units or activity cost centres of PSUs which are non functional and perpetually incurring losses, there is no choice but to implement GHS for workers/staff of these units. In respect of rest of the employees of other activity/cost centres, PSUs could be encouraged to offer VRS as an option in order to improve their viability and competitive ability to survive.

3.3 Quantum of Ex-Gratia Benefit :

One of the essential features of GHS/VRS is the ex-gratia benefit offered to employees. A study of such Schemes offered globally in various institutions like Banks, PSU, Universities and even Govt. Department has revealed that the ex-gratia benefit in addition to normal terminal benefits of retirement/CPF accumulations are either based on a percentage of the average earnings during the last year of service or emoluments equal to a predetermined number of days for completed years of service and service yet to be completed before notional superannuation. In the scheme of HWCL/HHRMSO introduced in 2001, the formula adopted was 35 days emoluments for each completed year of service and 25 days for each year of service yet to be completed till superannuation, subject to the condition that it shall not exceed in any case the salary for number of months left at the credit of each employee at the time of implementation of the Scheme.

3.4 Some institutions have offered a benefits equal to a fixed percentage of the base salary of current year at the time of GHS/VRS. Colorado Community College offered the same as under :-

- (a) 20 years of service-25% of current years base salary.
- (b) 15-19 years of service-22.5% of current years base salary.
- (c) 10-14 years of service-20% of current years base salary.

3.5 The matter of ex-gratia relief was also discussed by the Committee and in order to make the Scheme attractive and practicable, finally a consensus emerged in favour of adopting a formula broadly based on the Scheme implemented in respect of HWCL/HHRMSO. A VRS/GHS Scheme has accordingly been prepared as per *Annexure 2* of this report.

3.6 This Scheme has been suitably modified from the earlier GHS Scheme implemented for HWCL/HHRMSO as it is to be made applicable to all PSU's which are not going to be wound up, unlike HWCL/HHRMSO. Accordingly, it has the following different features :-

- (i) GHS and VRS has been defined.
- (ii) Eligibility/applicability criteria is different.
- (iii) Objective also is defined.
- (iv) Procedure for implementation is also changed.
- (v) Treatment of COLA is defined.
- (vi) Funding is delineated.
- (vii) Competent Authority to sanction VRS/GHS is the Chairman and Managing Director.
- (viii) Cancellation/withdrawal clause inserted.
- (ix) Time frame for payment within 60 days.

4. Funding of GHS/VRS :

4.1 The Chief Executives of each PSU under the Administrative Control of the Departments of Industries and Commerce, Agriculture, Social Welfare, Tourism, Finance, Forest, Transport, Home, PWD, PDD were heard in person by the Committee and were asked to identify the cost centres/activity, which could be wound up by offering GHS/VRS and also identify their assets free from encumbrances to partially meet the costs. Annexure 4 and 6 of the report provide an indicative list mentioned by the Chief Executives. The statutory liabilities of each PSU were also assessed. The Committee strongly recommends the need for the concerned PSU's to link the funding of GHS/VRS to the generation of funds by the PSUs through sale/ exchange of assets. Budgetary subventions could be used only as last resort by those PSU's which do not possess any saleable assets, or, to fill the gap between the cost of implementing the scheme and the funds realized from sale/exchange of assets.

4.2 Various Agencies (mostly Govt. Departments) have occupied the Prime Lands of PSU's without any compensation. For instance about 715 Kanals of Land of JKI Ltd. valuing about 120 Crore has been occupied without compensation (Annexure 5).

4.3 The consolidated position of 19 PSU's under the Administrative control of various Departments is contained in the Annexure 1 of the report. Seven PSU's out of 19 are making profit of varying degrees and rest are all running on loss. The accumulated losses of the State PSU's as on 31-3-2005 were of the order of 1736.43 crore and the statutory liabilities had touched a figure of 317.81 crore.

5. Resort to budgetary support :

5.1 Another important factor for smooth implementation of VRS/GHS is the capacity of PSUs to meet the costs involved. Process of change and restructuring including VRS/GHS should essentially be driven internally. In view of resource position of the State Govt. which meets less than 25% of its Budget from own sources and is dependent for the balance 75% on the transfers from Union, both statutory as well as Grant in Aid, it can not be expected to exceed its Budgetary provision of support to PSUs which is about 40 Crore at present. The resources for VRS/GHS are to be generated from the sale of assets of PSUs. Therefore, it is im-

perative for each PSU to get its dispensable assets free from encumbrances, evaluated by a credible, independent agency and put these to a transparent auction (Indicative list at Annexure 4).

5.2 On an average it has been estimated that the monetary outgo on account of GHS/VRS of an employee will cost about 7 lakh (Rs. 4.5 lakh ex-gratia and 2.5 lakh of statutory liabilities) and 15 employees can be covered under the Scheme per one crore of rupees. Therefore, about 250 employees can avail of GHS/VRS during the current financial year itself. Efforts has been made to locate and prioritize suitable units of PSU's which will be offered GHS/VRS during 2006-07 itself (year I) which from Annexure 3 to the report.

6. Phasing of downsizing :

6.1 With a view to kick start the VRS/GHS during the current financial year (2006-2007) itself the Committee was of the view that available funds under Non-Plan and Plan sectors to the extent of about Rs. 16.5 crore could be earmarked for this purpose.

6.2 During the year II of VRS/GHS (2007-08) the Government could take a big leap forward by allocating Rs. 40 crore (Rs. 20 crore each under Plan and Non Plan) for this purpose and at least 600 more employees of JKI, AICDL and other PSU's could be covered. During the year III (2008-09), with the efforts of PSU's to sell their assets free from encumbrances, further momentum can be given to this policy and the balance of surplus work force will be brought within the purview of VRS/GHS.

7. Conclusion and recommendations :

The Committee makes the following recommendations for consideration of the Government :-

- (i) The Government may consider and approve the Scheme of VRS/GHS forming Annexure 2 to this report.
- (ii) The Government may agree to constitute a Fund to which will be credited the sale proceeds of assets and Budgetary subventions under Non-Plan/Plan for meeting the cost of VRS/GHS.

- (iii) The user Agencies who have occupied the land of PSU's should be made to compensate the PSU concerned at the prevalent market rate.
- (iv) Contingent upon successful implementation of VRS/GHS, the Government shall enable PSU's to take other measures like assets reconstitution, working capital replenishment by loans from financial institutions, joint ventures etc. so as to enable sustainable, competitive entities.

(Sd.) B. L. MATTOO,

Director Codes,
Finance Department.
Member Secretary.

(Sd.) LOKESH D. JHA, IAS,

Commr/Secretary to Government,
I&C Department.
Member.

(Sd.) B. B. VYAS, IAS,

Commr/Secretary to Government,
Finance Department.
Member.

(Sd.) MADHAV LAL, IAS,

Prpl. Secretary to Government,
Power Development Department.
Member.

(Sd.) S. S. KAPOOR, IAS,

Prpl Secretary to Government,
Planning & Dev. Deptt.
Member.

(Sd.) S. S. SAHNI, IAS,

Prpl. Secretary to Government,
Agri. Prod. Department.
Member.

(Sd.) B. R. KUNDAL, IAS,

Financial Commissioner,
Home Department.
Chairman.

ANNEXURE 1 TO THE

S. No.	Name of the PSU	Whether on loss/profit	Whether any sick	No. of employees working	Satutory liabilities
1	2	3	4	5	6
Industries & Commerce Deptt.					
1.	JK Handloom Dev. Corp	Loss	Yes	493	858.00
2.	JK SIDCO	Loss	Yes	572	371.32
3.	JK Handicrafts (S&E) Corp.	Loss	Yes	437	776.08
4.	JK Cements Ltd.	Profit	No	843	255.00
5.	JK SICOP Ltd.	Profit	No	379	150.00
6.	JK Minerals Ltd.	Loss	Yes	1899	4133.41
7.	JK Industries Ltd.	Loss	Yes	2300	3566.96
Social Welfare Department					
8.	JK Women Dev Corp.	Loss	Yes	30	0.00
9.	JK SC, ST& OBC Dev. Corp.	Loss	Yes	111	92.27
Tourism Deptt.					
10.	JK TDC	Profit	Yes	841	469.80
11.	JK Cable Car Corp.	Profit	No	98	0.00
Agri. Prod. Deptt.					
12.	JK Agro Ind. Dev Corp.	Loss	Yes	383	829.48
13.	JK HPMC	Loss	Yes	448	822.87
Finance Department					
14.	JK State Financial Corp	Loss	Yes	286	15837.90
Forest Deptt.					
15.	JK State Forest Corp.	Loss	Yes	4003	555.00
Home Department					
16.	JK Police Housing Corp	Profit	No	9	0.00
Transport Department					
17.	JK SRTC	Loss	Yes	4856	2788.12
Public Works Department					
18.	JK PCC	Profit	Yes	1141	275.00
Power Dev. Department					
19.	JK Power Dev. Corp.	Profit	No	3394	INS
Total				22523	31781.21

1. Figures for State Forest Corp. are for the year 1997-98.

2. Liability of 15837.00 Lacs of State Finance Corp. includes following liability also.

Particulars
Refinance
Bonds
Divident
Total

COMMITTEE REPORT.

Authorized Share capital	Paid up Share capital	Accumulated losses as on 31-3-2005	Loss for the first six months of the year 2005-06	Net worth	Budgetary support for 2006-07
7	8	9	10	11	12
500.00	343.5	(+4736.22	...	-4392.5	329.60
2000.00	1765	(+6074.00	(+7.13	-4301.87	...
800.00	777.12	(+6049.22	(-135.00	-5407.1	376.39
1500.00	1499.67	(-482.58	(+160.00	2142.25	...
500.00	311.85	(+1323.43	(+72.00	-939.58	...
800.00	800	(+22933.00	(-130.05	-22263.05	739.00
2000.00	1627	(+33431.00	(-1265.00	-33069	2738.70
500.00	333.53	30.00
2000.00	1750.46	(+696.37	...	1054.09	35.00
500.00	500.00	(+457.54	(+311.00	353.46	...
2500.00	2357.00	(-225.51	...	2582.51	...
500.00	353.68	(+2451.00	(-132.43	-2229.75	142.77
1000.00	920.00	(+8577.00	...	-7657.00	222.46
10000.00	6379.71	(+21342.00	(-83.00	-15045.39	...
902.79	...	(+25940.00
500.00	200.00	...	(+9.71	209.71	...
...	...	(+59700.00	(-834.58	-60534.58	5532.33
200.00	152.50	(-758.54	...	911.04	...
500000.00	500.00	(-18600.91	(+2413.00	21513.91	...
526782.79	26571.82	(-193043.82	(+392.78

Principal	Interest
5707.55	2650
5650	560
1850	-
13207.55	2610

Total
5777.55
6210
1850
15817.55

ANNEXURE "2" TO THE COMMITTEE REPORT.

**BROAD CONTOURS OF A GHS/VRS FOR STATE PUBLIC
SECTOR UNDERTAKINGS****1. Objective :**

- (i) To achieve optimum manpower utilization for sustained profitability.
- (ii) To improve the average age-mix of the employee.
- (iii.) To improve the overall skill and efficiency of the employee.
- (iv) To downsize surplus and unproductive labour force.

2. Definition :

Golden Handshake Scheme (GHS) is to be given to employees of closed units totally unviable. Voluntary Retirement Scheme (VRS) is open to all employees of PSU's subject to approval of Competent Authority.

3. Eligibility :

- (i) The employees must have been in regular service of the PSU continuously for not less than ten (10) years. 50% period of service rendered as work charged/DRW prior to regularization will be reckoned for eligibility provided that the nature of engagement was full time, continuous and uninterrupted.
- (ii) No employee whose continuance is considered essential for Public Enterprises concerned shall be permitted to be covered under the scheme, even if he applies for VRS/ GHS.

- (iii) An employee shall not be eligible to retire voluntarily under the scheme within three years of his normal retirement on superannuation.

4. Scheme not applicable :

The Scheme shall not be applicable to —

- (a) Deputationists ;
- (b) Temporary or casual workers/employees and employees on consolidated wages.
- (c) Employees on contract basis.
- (d) Employees against whom proceedings for termination of employment on disciplinary grounds on unsatisfactory performance while in service, are in progress.

5. Procedure :

- (i) Each PSU shall identify surplus personnel with a pre-determined time frame and offer them GHS indicating target date for availing the same failing which they could be liable to be disengaged following procedure prescribed under law.
- (ii) The eligible employees who desire to seek Voluntary Retirement may apply to the competent authority through his/her Head of the Wing in the prescribed format.
- (iii) The decision of the competent authority regarding the acceptance/rejection of the VR application shall be communicated to the employee within 30(thirty) days of submission of the application.

6. Voluntary Retirement Benefits :

A regular employee who is allowed to retire voluntarily by the competent authority shall be entitled for the following benefits :—

- (i) Ex-gratia shall consist of 35 days salary (Basic pay + COLA/DA, if any, last drawn) for every completed year of service rendered and 25 days salary for balance of service left till superannuation under PSU Rules, subject to the condition that it shall not exceed, in any case, salary defined above for the number of months left at the credit of each employee at the time of implementation of the scheme. The following table illustrates the above.

S.No	Ex-gratia benefit		
	No.of years of service completed	No. of years of service yet to be completed	Ex-gratia 35a+25b 12 months salary
	a	b	
01.	10 years	20 years	$35 \times 10 + 20 \times 25 = 350 + 500 = 900$ days salary
02.	25 years	5 years	$25 \times 35 + 5 \times 25 = 875 + 125 = 1000$ days
03.	29 years	1 year	$29 \times 35 + 1 \times 25 = 1015 + 25 = 1040$ days subject to 12 months salary
04.	27 years	3 years	$27 \times 35 + 3 \times 25 = 945 + 75 = 1020$ days
05.	28 years	2 years	$28 \times 35 + 2 \times 25 = 1030$ days subject to salary for 2 years which is less than 1000 days

Assumption : Service tenure of 30 years.

- (ii) The balance under Provided Fund Account payable as per Rules.
- (iii) Cash equivalent of accumulated earned leave as per Rules of the company concerned.
- (iv) Gratuity as per Gratuity Act.

7. Treatment of COLA :

COLA installments which have not been paid so far by the Corporation shall not be allowed as part of VRS package in view of the fact that these are not to be paid to employees who otherwise have not been declared surplus. COLA is payable only when the Corporations have their internal resources for the same and in no case is it compulsory to be paid from the dates when these have actually become due keeping in view the financial position of the Corporation.

3. Funding of expenditure on VRS/GHS :

The expenditure incurred by PSU for GHS/VRS shall be met from a fund to which the sale proceeds assets of PSU and the Budgetary subventions from the State Government shall be credited.

4. Competent Authority :

- (i) The Competent Authority to sanction Voluntary Retirement is the Chairman-cum-Managing Director/Chairman.
- (ii) Government in Administrative Department in consultation with Government in Finance Department and Chairman-cum -Managing Director/Chairman of the Corporation/Company may at any time withdraw, cancel, amend or modify any of the provision of the scheme.

5. Miscellaneous :

- (i) Application for Voluntary Retirement can not be withdrawn after its acceptance is communicated to the employee concerned, unless approved by Government and recommended by the Board of Directors for sufficient reasons.
- (ii) The vacancy caused by Voluntary Retirement Scheme shall stand abolished.
- (iii) Employees availing VRS under the Scheme shall not be eligible for re-appointment under the State Government/ any State PSU or any Autonomous body of the State Government. An employee participating under early retirement incentive plan relinquishes all rights to continue full time employment by any other PSU/J&K State Government.
- (iv) The VR benefits under the scheme shall be paid to the employee within sixty (60) days of acceptance of the Voluntary Retirement subject to clearance of all dues payable to the Corporation by the employee concerned.
- (v) If any employee is under criminal or disciplinary proceedings for recovery of any specified amount, the said amount shall be withheld from amount of ex-gratia payment under the Voluntary Retirement Scheme. Only in the eventuality of his final exoneration, the said amount will be released in his favour.
- (vi) Notwithstanding any of the aforesaid provisions, the scheme does not confer any right on any employee to have his request for Voluntary Retirement accepted by the management. The competent authority has right/discretion either to accept or reject the request of any employee for Voluntary Retirement, keeping in view the service record of the employee, the organizational requirement and any other relevant factors in this regard.

- (vii) Ex-gratia relief sanctioned under GHS/VRS shall also be exempt from income tax as Gratuity, Leave encashment etc. in terms of section 10,10(c) of Income Tax Act.
- (viii) Payment of ex-gratia benefit being an inducement to retire, the incentive is not considered as earned wages for retirement purposes and will not generate contribution to any retirement plan.
- (ix) There will be no recruitment on vacancies created as a result of GHS/VRS.

ANNEXURE 3 TO THE COMMITTEE REPORT

IDENTIFIED UNITS OF PSU'S FOR GHS/VRS DURING 2006-07

S. No.	Department	PSU	Units	Jammu Division	Kashmir Division	Total
1.	Industries & Commerce Department	JKI Ltd.	Shoddy Spinning Mill (closed)	...	52	52
			Baramulla Pharmaceuti cal (closed).	...	15	15
			Government Leather Sole	12	...	12
			Handloom Dev. Corp	50	...	50
			Total	62	67	129
2.	Finance	State Financial Corp.		20	30	50
3.	Agri. Prod. Deptt.	Agro Industries Dev. Corp. Ltd	Tractor Hiring Divn.	74	...	74
			Total 1+2+3=	156	97	253

**ANNEXURE 4 TO THE COMMITTEE REPORT
SOME INDICATIVE DISPOSABLE ASSETS OF PSU'S**

S. No.	Name of PSU	Description of Assets	Approximate value	Remarks
1	2	3	4	5
1.	JKI Ltd.	<p>i. Land under Pharma Unit at Baramula (defunct) 132 Kanal, more than 70 Kanal encroached about 60 Kanal free.</p> <p>ii. Govt. Leather Sole Plant Muthi (closed) 27 K, about 7 K, under road, 20 K free.</p> <p>iii. Kashmir Filatures Rambagh Sgr. 107 K, 73 K free.</p>	<p>9 crore</p> <p>5 crore</p> <p>365 crore</p>	<p>Encroachments by DDC, Army and Police, all unauthorized. JKI needs to be compensated.</p> <p>Bus stand proposed. JKI should be compensated by user Agency.</p> <p>PDD- 8K Handl. Dev. 4 K Corp.</p>
		iv. Raj Bagh Silk Factory Srinagar (Prime land)		JKI has received some payment allowed use as
		27K Income Tax	13.5 crore	30% for wages
		6-K Power	2.96 crore	30% State liability
		8-K Pass Port Office	4.00 crore	30% VRS
			20.46 crore	10% working capital
				Total : 12K

i	2	3	4	5
		v. Jammu Silk Factory, Bakshi Nagar 101-Kanal, Illegal transfer of 83 Kanal	30 crore	JKI should be compensated by user Agency.
		vi. Spinning Mill, Nowshera	7.50 crore	Handicraft Project of Central Govt.
2.	JK Minerals	i. Precast Cement Concrete Factory Bari Brahmna, SIDCO lease land.	At least 12 lakh per kanal	Disposal as per terms of lease agreement between SIDCO & JK Minerals Ltd. unit not closed yet.
		ii. Land at Wuyan, Patnapore about 250-300 Kanal	Not valued	Disposal subject to revision of Board Decision to commission a Cement Plant on the said land.
3.	Agro Industries Dev. Corp. Ltd.	i. 8 Kanal of land at Talab Tiloo, Jammu	1.50 crore	Case for transfer of prop. rights under process.
		ii. 6 Kanal of land at Ompora, Budgam.	0.50 crore	Title to land under dispute with Auqaf, DDC, Budgam can expedite decision.
		iii. 1 Kanal at Awantipora	8 lakh	Physical possession but no papers.

1	2	3	4	5
		iv. Land at Bari Brahma for Tractor Hiring Unit 24 Kanals	...	SIDCO land on lease.
		v. Land and cold storage at Delhi (9719 Sq. Yrds).	...	DDA land lease.

Note : The above list is indicative and not exhaustive.

ANNEXURE 5 TO THE REPORT

LAND OF JKIL UNDER OCCUPATION

(Indicative only)

S. No.	Name of the Unit	Land occupied in Kanals	Rate per Kanal	Total cost Rupee in lacs	Date of occupation
1	2	3	4	5	6
1.	Bemina Woollen Mills	22.50	Rs. 30.00 lac	675.00	1997
2.	Spinning Mills, Nowshehra J&K handicrafts	30.00	Rs. 25.00 lac	750.00	31-03-2004
3.	PBI Ltd. Pampore				
	i. Govt. Press, Srinagar	20.00		300.00	8-8-1998
	ii. J&K Handicrafts Deptt.	371.00		5565.00	22-09-2004
	iii. SFC, Srinagar	48.00	Rs. 15.00 lac	720.00	1985
	iv. SRTC, Srinagar	32.00		480.00	1984-85
4.	Silk Weaving Factory Rajbagh				
	i. R&B Deptt.	18.11		905.50	1998
	ii. KCCI	2.00		100.00	24-11-2002
	iii. EDI, J&K	5.00	Rs. 50.00 lac	250.00	7-9-2005
	iv. Fed. Chamber of Commerce	4.00		200.00	10-12-2000

1	2	3	4	5	6
5. Pharmaceutical Works, Baramulla					
i.	Distt. Dev. Commr.	4.00		60.00	2004-05
ii.	Army	26.00	Rs. 15.00	390.00	1988-89
iii.	J&K Police	40.00		600.00	2004-05
6. Silk Factory Jammu					
i.	Pvt. Encroachers	86.00	Rs. 10.00 lac	860.00	1972
ii.	R&B Deptt.	3.00	Rs. 15.00 lac	45.00	1998
iii.	JMC	2.10	Rs. 15.00 lac	37.50	31-01-2005
iv.	PHE	0.12	Rs. 15.00 lac	09.00	01-09-2005
Total : Kanals 714.81 Rs. 11947.00					

ANNEXURE 6 TO THE REPORT

INDICATIVE LIST OF UNITS IDENTIFIED FOR GHS/VRS

S. No.	Name of PSU	Name of Units	No. of workers for GHS	Remarks
1	2	3	4	5
1.	JKI Ltd.	i. Shaddy Spinning Mill, Rambagh (closed)	53	
		ii. Pharma Unit Baramulla (closed)	15	
		iii. Govt. Leather Sole Plant Muthi	15	
		iv. Spinning Mill, Nowshehra, Srinagar	142	
		v. Kashmir Filatures	393	Unit closed since 6 years
		vi. Silk Weaving Factory Rajbagh	160	
		vii. Ply Board Factory Pampore	89	Land given to Hand. Dev. Deptt. for Internal Trade Centre.
		Govt. Rosin & Turpentine Factory, Rajouri	59	Under Supreme Court directions these units can not function.
		Govt. Rosin & Turpentine Factory, Sunderbani	48	
		Drug Research Lab. Jammu	05	
		Joinery Mill, Pampore	100	

1	2	3	4	5
	Miran Sahib MR&T Factory		68	
	Knitting Factory Jogi Gate		20	
	Bemina Woollen Mills		140	
	Jammu Filatures		155	
	Corporate Office		26	
	Liaison Office, Delhi		06	
2.	Handloom Dev. Corporation	i. Defunct common facility centres and other surplus staff	293	
3.	J&K State Financial Corporation	i. Surplus staff in various units	100	
4.	Agro Industries Dev. Corporation Ltd.	i. Tractor Hiring Divn. ii. Input Divn. Srinagar/ Jammu iii. Procurement & Sales Divn. Srinagar/ Jammu iv. Head Office	74 30 28 25	
5.	Horticulture Produce Marketing Corp. HPMC	i. Surplus staff engaged in various field activity of the Corporation (details not filed yet)	145	

Note : Some CEO's were still consolidating unit-wise detail of surplus hands as such the above list is indicative and not exhaustive.

**GOVERNMENT OF JAMMU AND KASHMIR
CIVIL SECRETARIAT-FINANCE DEPARTMENT**

OM No. A/1(92)-II-702
Dated 1-8-2007.

Subject :-Up-gradation of posts of Assistant Accounts Officers, Accountants and Accounts Assistants in terms of Proviso below Rule-2 of Kashmir Subordinate Accounts Service (KSAS) Rules, 1961 as inserted vide Finance Department's Notification SRO-94 dated 23-03-2007-Entitlement of In-situ Promotion thereof regarding.

Doubts have been expressed by various quarters with regard to grant of In-situ promotions to the personnel of the Subordinate Accounts Service consequent upon the upgradation of the functional pay scales of the posts of the Assistant Accounts Officer, Accountants and Subordinate Accounts Service (KSAS) Rules, 1961 as inserted vide Finance Departments Notifications SRO-94 dated 23-03-2007. The doubts so expressed have been examined in the Finance Department and the clarifications given against each :-

Points of Doubt	Clarification
1	2
a. There are some Accounts Personnel who have been granted 1st, 2nd and 3rd Insitu promotions corresponding to their pre-upgraded pay scale prior to 1-1-1996, and doubts have been expressed as to what in-situ pay scales shall be allowed to them after upgradation of the functional pay scales.	a. Since the In-situ promotion scales are regulated corresponding to the functional pay scales in terms of the Table as contained in J&K Civil Service Higher Standard Pay Scales (HSPS) Rules, 1996, and as functional pay scale have been upgraded notionally w.e.f. 1-1-1996 and monetarily from 19-02-2003, as such fixation of pay shall accordingly be made