



# REPORT

## STUDY TEAM ON ADMINISTRATION OF UNION TERRITORIES AND NEFA

Volume II

ADMINISTRATIVE REFORMS COMMISSION

**This is a report of the Department of Administrative Reforms conducted on behalf of the Administrative Reforms Commission. The report of the Commission on the same subject is a separate document.**

**REPORT OF THE STUDY OF CERTAIN ASPECTS  
OF  
HIMACHAL PRADESH ADMINISTRATION**

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## CHAPTER I

### SCOPE AND APPROACH OF STUDY

1.1. The Department of Administrative Reforms was asked by the Secretary of the Administrative Reforms Commission *vide* his letter dated the 29th of December 1967 (copy at Appendix I) to undertake a study of the organisation structures and procedures of the Himachal Pradesh Administration as a whole and to suggest a general reorganisation with a view to securing maximum efficiency and economy. The study was to include the following items in particulars :

- (1) district reorganisation which would include
  - (a) reorganisation of boundaries of districts
  - (b) the set-up of different departments in the districts
  - (c) relationships with superior formations and delegations;
- (2) the re-organisation of field offices of different departments at the supra district level;
- (3) the reorganisation of the offices of the heads of departments, with special reference to their staffing requirements at officer level;
- (4) the relationship of the secretariat with heads of departments;
- (5) a review of the schemes of different departments to avoid overlap and to effect streamlining; and
- (6) a review of the relationship of the Himachal Pradesh Administration with the Government of India and its mechanics.

1.2. The conclusions were to be made use of by the Study Team on Union Territories set up by the Administrative Reforms Commission when submitting its report. The Department was asked to submit its report, if necessary, in two parts—the first pertaining to items (1) and (6) mentioned above *i.e.* the relationship of the Himachal Pradesh Administration with the Government of India and the reorganisation of district administration and the second, to be submitted later, containing recommendations on the remaining items.

1.3. After a preliminary survey and discussion with the Lt. Governor and the Chief Minister of Himachal Pradesh as well as with key officers there and on an assessment of the administrative situation we felt that important though the detailed organisational studies suggested by the Commission were, the administration of Himachal Pradesh was at a stage at which its primary need was the systematisation and strengthening of certain basic aspects of its administration. Given a firm foundation, improvements in other aspects of

administration could be attempted. In the every limited time available with us we felt it necessary to confine ourselves to that part of the administration that could be called its core and that in its overall aspect had a profound bearing on the functioning of the remaining parts. With our work so circumscribed as to contain the basic essentials we found it unnecessary to make our recommendation in two parts and decided, instead, to furnish them in one piece. Although detailed organisational studies especially of the field agencies could not, in our opinion, take precedence they are nevertheless necessary and should be continuously conducted through the reorganised agencies proposed by us.

1.4. Although this report naturally focusses attention on areas in which weaknesses are discernible and on the arrangements required to strengthen them it should in no sense be considered as an indictment of the Himachal Pradesh Administration. This it neither is nor is intended to be. If it dwells on what is lacking that is because of the very nature of the task assigned to us. It would help in gaining the correct perspective to bear in mind that ever since it has been set up, Himachal Pradesh has made great progress in the field of development. The establishment of proper administration itself has been an achievement and the many steps taken in the field of development are a testimony to the good work done. However, commendable though its achievements have been, there remain many serious shortcomings in the administration. With the initial phase of administrative effort and development over, it is time to take stock of the situation, initiate measures for removing the shortcomings and suggest the direction which administrative development should assume in the immediate future. In making our proposals we have assumed that Himachal Pradesh will continue to be a Union Territory and that the existing constitutional set-up will remain undisturbed. However, the bulk of our proposals will have relevance even if it gains statehood at some date in the future.

1.5. The main weaknesses noticed in the crucial areas of administration are too much centralisation of power, and therefore of work, both at the centre and at the different levels of administration at the Union Territory headquarters. Paradoxically, this centralisation is accompanied by an insufficient regard to economy, which some other features do little to promote. Prominent among these are an absence of rationalisation of work, and proliferation of staff, much of it of insufficient calibre. These features have contributed to the excessive spending which the high degree of centralisation imposed has not been able to prevent. Besides absence of sound machinery and procedures for personnel administration has resulted. *inter alia*, in efforts at recruitment for lower posts that are neither sufficiently organised nor sufficiently informed by the merit principle. None of these weaknesses is peculiar to Himachal Pradesh. Some weakness or the other is found in every administration in the country. In Himachal Pradesh however they make their appearance in a combination that becomes disconcerting in the absence of institutional and other arrangements which help steer older and well-established administrations through difficult waters.

1.6. In this context therefore the report has attended primarily to the basic framework of the administration and included those



aspects in it which could be considered of fundamental importance. These are:

- (1) the basic aspects of the Machinery of Government *viz.* :
  - (a) the grouping of subjects into departments
  - (b) the charges of secretaries
  - (c) the portfolios of ministers; and
  - (d) the roles of the Administrators, the Chief Minister and the Chief Secretary;
- (2) financial administration;
- (3) planning arrangement;
- (4) personnel administration;
- (5) intra-departmental structures;
- (6) arrangements for administrative reforms; and
- (7) the relationship of the Himachal Pradesh Administration with the Government of India.

1.7. As mentioned earlier detailed organisational studies of the different departments and the field agencies have not been undertaken. However one department, namely the Agriculture Department was studied in considerable detail. This study threw up many issues having general applicability and furnishes evidence to support many of the conclusions contained in the report.

1.8. In dealing with the matters listed here we have constantly kept in mind the difficult administrative context in which, while the centre retains the undeniable constitutional responsibility for the good administration of the Union Territory, a large measure of this responsibility is exercised through a Council of Ministers responsible on the one hand to an elected legislature and on the other to an Administrator appointed by the President. Dual control necessarily leads to problems and a basic factor that an exercise like ours has to keep in mind is the balance that is administratively appropriate between the two focal points of power. In our view the best approach would be to delegate as much of operational decision-making power as possible to the Union Territory Administration, retaining only crucial controls for the centre. Among the matters for which the administration has now to come to the centre there are many which are best left to the decision of the administration itself. However, in strategic areas, controls should not only be retained by the centre but should be exercised with care and firmness. Within the Union Territory Administration itself also there is great scope for delegation and decentralisation of responsibility but an essential pre-requisite here is the strengthening of key areas in administration. The proposals in this report seek to ensure this.

## CHAPTER II

### BASIC ASPECTS OF THE MACHINERY OF GOVERNMENT

#### (A) Grouping of subjects into Departments

##### *Existing position*

2.1. The Business of the Government of Himachal Pradesh (Allocation) Rules, 1963 framed by the President lists the departments in which the business of the Himachal Pradesh Administration is carried on and also the subjects for which each department is responsible. While the Administrator can make modifications in the business allotted to a department, the creation and abolition of a department itself can be done only by the President for these require amendment to the rules.

2.2. The business of the Himachal Pradesh Administration is transacted in 27 departments listed in Appendix II. Three of these departments, namely, Tourism, Vigilance and Multi-purpose Projects and Power do not receive any mention in the Allocation of Business Rules and although the posts and budgets of these departments have been approved by the Government of India no amendment to the rules has been made nor has the formal approval of the centre to the creation of these three departments been secured. This is presumably the result of an oversight. Rules need to be amended to incorporate these three as separate departments.

##### *Proposed changes*

2.3. The allocation of subjects among different departments generally follows the principle of homogeneity of functions and appears generally to be satisfactory. There are a few instances, however, in which these principles are not observed. The present position regarding these and the changes required are listed below :

(1) *Cabinet and Confidential Department.*—This has been specified as a regular department under the Allocation of Business Rules and has also been assigned responsibility for the administration of substantive matters like Civil Defence. The Cabinet office is essentially a staff arm of the Council of Ministers meant for providing secretariat assistance to the Council and its head. It is wrong, therefore, to treat it as a 'department' either for the purpose of transaction of government business or for that of allocation of departments among ministers. The Cabinet and Confidential Department should, therefore, be deleted from the Schedule to the Allocation of Business Rules and also divested of responsibility for substantive matters like civil defence. The appropriate place for the latter is the Home Department.

(2) *The Administrative Reform Unit* now in the General Administration Department should be considered as a separate department.

(3) *The Secretariat Administration Department* at present deals with two kinds of work—secretariat personnel and common services

and house keeping jobs for the secretariate. The two kinds of work should be separated and the personnel work handed over to the Department of Services proposed later. The second part of its work could be entrusted to the General Administration Department which even now does a part of this kind of work e.g. Secretariat staff cars.

(4) *Planning* should be separated from the Development Department as planning is an activity that concerns itself with all development departments and not merely the Community Development Department. There should therefore be a separate Planning Department.

(5) *Economics and Statistics* relate primarily to planning and partially to finance. This subject should, therefore, be shifted from the Finance Department to the Planning Department. Any information required by Finance from this Directorate can always be easily had.

(6) *Expeditious disposal of pension and gratuity cases* is among the subjects allotted to the Department of Finance. This is in addition to that department's responsibility for the "conditions of service and rules relating to services". The responsibility for the settlement of individual claims for retirement benefits should appropriately reside with the departments concerned. This item should, therefore, be deleted from the list of business allotted to the Finance Department.

(7) *The Department of Tourism* is at present separate department headed by the Finance Secretary. This is an odd combination. Tourism needs to be detached from Finance and the best thing would be to place it under the head of the Transport Department. Tourism as a subject should, therefore, be transferred to the Transport Department.

(8) *Relief and Rehabilitation of Displaced Persons* is among the subjects allotted to the Departments of Law. Considering that the work at present involved under this heading is the settlement of the displaced persons (mostly on agricultural land) and the disposal of evacuee property (mostly agricultural), the responsibility can more appropriately be assigned to the Revenue Department.

(9) *Technical Education* has been allotted to the P.W.D. presumably on the ground that such education is mostly in the field of engineering. This is a questionable argument. It is felt that technical education is an integral part of education, and cannot be separated from it. The two types of education, general and technical, should remain together, i.e. in the Education Department.

(10) *Civil Supplies* is no longer a whole time charge as department. With the lifting of control over and rationing of country wheat and the creation of a Northern Zone, work regarding the supply of foodgrains has become substantially less and is now confined to imported wheat, suji and maida. Cement in any case was decontrolled two years ago and here the department is concerned mainly in securing quotas to meet the requirements of the Union Territory. Sugar again is partially decontrolled and the distribution of the controlled portion is done through licensed dealers.

Regarding vanaspati the only control exercised is that of ensuring that it is sold at the prices fixed by the centre. Coal is another commodity with which this department is concerned. With this diminished work there is no need for a separate director for this department. His work could well be transferred to another head of department. This department could either be the Department of Co-operation or the Department of Industries. There is some merit in assigning this work to the former department particularly as in the old Himachal Pradesh areas the function of supply and co-operation have been combined at the district level. But for other considerations such a merger would not be desirable. Cooperation programmes need intensive effort which cannot afford to suffer a dilution at the top. Besides combining these two may tend to create monopolistic conditions in favour of cooperative societies. It is on the whole better, therefore, to transfer this to the Director of Industries. He should be assisted by a Deputy Director and the requisite staff or accounts and field work. The new department should be named as the Department of Industries and Civil Supplies. The Civil Supplies Wing of this department should remain an identifiable wing so that there should be no difficulty in reforming it into a separate department should such an exigency arise.

(11) *Panchayats and Welfare*.—The Director of Panchayats and Welfare have been found by the Staff Inspection Unit of the Government of India to be considerably underworked. The abolition of these posts has been recommended by that Unit. Panchayats as a subject is mostly linked with Community Development and Panchayati Raj and should therefore be grouped along with those. It could be said that all panchayati raj institutions are a form of local self government and should, therefore, be grouped with "Local Self Government" which at present deals only with the municipalities. There is some substance in this point of view but on the whole considering the nature of their activities and the organisational link with blocks (which form the basis of Panchayat Samitis which in turn are serviced by Block Development and Panchayat Officers) it is best to group Community Development and Panchayats together. As for welfare the Director here has in any case charge of two departments, Welfare and Prisons. Involving a total budget of only Rs. 4.20 lakhs and a total staff, including field staff, of only 138, welfare is by no means a sizeable activity and could well be grouped with Panchayats and Community Development. Prisons would remain a separate department but the charge of I.G. Prisons could well be held by the Joint Secretary, Home. There would thus be a single Department of Community Development, Panchayati Raj and Welfare with a single head of department.

(12) *Public Grievances* as a subject has to be allocated to some department. The basic point to be borne in mind here is that this subject should lodge with the Chief Secretary. Placed under his charge, it could be located in any suitable department under him. It is most appropriately lodged in the General Administration Department, provided the workload of the Joint Secretary of that department permits such location. In the alternative it can go to the Public Relations Department. In either case it will receive the attention of the Chief Secretary, which is the main point.

## (b) Charges of Secretaries

### *Principles of homogeneity and manageability*

2.4. The Allocation of Business Rules require that each department or group of departments be placed under the charge of a secretary. Appendix III lists the present secretaries to the Government of Himachal Pradesh and their charges. It will be seen from this Appendix that the present distribution does not, in every case, follow the two rational principles of grouping, namely, homogeneity of functions and manageability of charge. Among the instances of odd combination of departments are grouping of Civil Supplies with Home and Appointments, of Education and Local self-Government with Law, and of Tourism with Finance. As regards manageability, there are, on the one hand, secretaries, like the Chief Secretary and the Development Commissioner, whose charges are unwieldy, and on the other some, like the Land Reforms Commissioner whose charges are unusually light.

### *Principle of unity of command*

2.5. A proviso in the Allocation of Business Rules permits the splitting up of the responsibility for a department among more than one secretary. This proviso has been invoked in the case of the Planning and Development Department responsibility for which is divided between the Chief Secretary and the Planning Secretary. This is an undesirable feature. The principle of unity of command also requires to be observed when determining a secretary's charge.

### *Classification of departments*

2.6. Functionally, the departments of the Himachal Pradesh Government can be classified into three broad groups as follows :

- A—Those exclusively or predominantly concerned with work of a staff variety, e.g., Planning, Finance and Law.
- B—Those concerned with substantive administration in the developmental sector, e.g., Agriculture, Education, Forests, Health and P.W.D.
- C—Those exclusively or predominantly concerned with work of regulatory nature or non-developmental character, e.g., General Administration, Home, Civil Supplies, Revenue, Excise and Taxation.

Departments in category 'A' perform functions of an advisory nature. They have no responsibility for any sector of substantive administration and have no executive agencies working under them. Departments in the other two categories, on the other hand, often have elaborate field organisation whose chief executive is commonly known as the head of department. These heads of departments are of different rank and are vested with varying degree of financial and cognate powers. Some of them enjoy the powers of "Heads of Departments" under the Delegation of Financial Powers Rules 1953 while others are delegated powers ranging between those of a "Head of Office" and a "Head of Department".

### *Combination versus separation of staff and line functions*

2.7. On the administrative plane, the Himachal Pradesh at present has a mixture of two well-recognised systems—one in which a secretary is interposed between the executive head of the department and the minister, and the other in which the executive head of the department himself functions as *ex-officio* secretary to Government. The Development Commissioner (in relation to agriculture, animal husbandry etc.) and the Secretary, Excise and Tavaion, are examples of the first category, while the Chief Engineer P.W.D., the Chief Engineer, Multipurpose Projtets and Power, the Chief Conservator of Forests, the Director of Industries and the Director of Health, who function as *ex-officio* secretaries to the Government in their respective departments being to the second. Till lately, the Director of Education also functioned as *ex-officio* Secretary but the secretariate work in this field has now been separated from the executive work and assigned to the Judicial Secretary. The Himachal Pradesh Administration has been vehement in its opposition to the merger of the staff and line functions in the executive head and has been pressing for the abolition of the present system of *ex-officio* secretaries. In the evidence before the Study Team on the Union Territories, the demand for the abolition of the system of *ex-officio* secretaries has been near-unanimous, and voiced not only by senior officers but also ministers and legislators.

2.8. The pros and cons of the system in which staff and line functions are combined are well known and do not need elaborate recapitulation. In defence of this system it is said it does away with the cumbersome, and often ungainful, procedure of generalist staff examining the proposals of a highly qualified technical chief thereby making for greater speed in the transaction of business. The chief arguments against total integration briefly are :

- (a) that it blurs the line of demarcation between the functions of strategic (or long range) policy-making on the one hand, and of execution and tactical (or operational) policy that goes with it, on the other, thereby creating a situation in which tactical or short-term considerations governing solution of the day-to-day operational problems tend to overwhelm the strategic, and deprive the policy of its long-range content;
- (b) that it deprives the Government of the benefit of broader scrutiny of policy proposals and their setting in the national field so essential from the point of view of a government as a whole and so seldom expected of the head of an operating agency; and
- (c) that it does not make available a second and objective opinion in important cases, especially in personnel administration.

2.9. On merits it is difficult to propound a rigid, doctrinaire view which will hold good at all times and in all situations. It appears, however, that in the present stage of its administrative development it is necessary for Himachal Pradesh to have secretaries who are distinct from heads of departments to enable the Government to get

the benefit of a second opinion, especially in policy and personnel cases. Such an arrangement will ensure the desired degree of objectivity in such cases as well as the proper coordination of planning and policy of groups of related departments, which today is generally left to the political chief and the details of which do not get the attention they deserve owing to competing demands on the time of the political chief.

*Proposed grouping of departments to constitute Secretaries' charges*

2.10. We have suggested below a grouping designed, on the one hand, to overcome the shortcomings mentioned in paras 2.4 and 2.5 and, on the other, to introduce a modified concept of 'secretariat' and to improve the quality of decision making through more effective coordination and control. The second principle has been applied in the proposed regrouping except in the following two cases :

- (1) the Chief Engineer, Multi-purpose Projects and Power has been retained as an *ex-officio* secretary. This arrangement is best as long as construction work lasts and has good precedents even in states where otherwise the functions of heads of departments and secretaries has been bifurcated. e.g., Punjab; and
- (2) the Financial Commissioner will also be Secretary for Revenue Department. The Financial Commissioner however is not like an ordinary head of department. Interposing a Revenue Secretary between him and government besides being expensive will serve no particularly useful purpose. There is, therefore, no harm allowing him to continue as Secretary, Revenue Department.

2.11. The following grouping of subjects is recommended :—

S. No.	Secretary	Departments	Executive heads, if any.
1.	CHIEF SECRETARY	—Home —General Administration —Services —Administrative Reforms —Planning —Public Relations (including Public Grievances)	I.G. of Police I.G. of Prisons*  Director of Economies & Statistics Director of Public Relations
2.	REMEMBRANCER OF—LAW LEGAL AFFAIRS & SECRETARY—LAW		
3.	FINANCE SECRETARY—FINANCE	—Excise & Taxation	Excise & Taxation Commissioner
4.	FINANCIAL COMMISSIONER <i>cum</i> -SECRETARY, LAND ADMINISTRATION	—Land Revenue & Reforms (including Rehabilitation) —Forests	Director, Land Records and Consolidation of Holdings. Chief Conservator of Forests

\*JS (Home) could be I. G. Prisons also as a wholtime I. G. Prisons is not required.

S. No.	Departments	Executive heads if any.
5.	<b>SECRETARY, AGRICULTURE, COMMUNITY DEVELOPMENT &amp; COOPERATION</b> —Agriculture (including Fisheries) —Animal Husbandry —Community Development, Panchayats and Welfare —Co-operation	Director of Agriculture Agriculture Director of Animal Husbandry. Director of Community Development, Panchayats and Welfare. Registrar of Co-operative Societies.
6.	<b>SECRETARY, INDUSTRY, TRANSPORT &amp; WORKS</b> —Industry and Civil Supplies —Public Works —Transport (Including Tourism)	Director of Industries and Civil Supplies Chief Engineers Director of Transport and Tourism
7.	<b>SECRETARY, SOCIAL SERVICES</b> —Education —Health —Local Self-Government	Director of Education Director of Health services. Principal, Medical College.
8.	<b>CHIEF ENGINEER, MPP AND ex-officio SECRETARY, MPP.</b> —Multi-purpose Projects & Power	

2.12. This grouping has been suggested taking into account the rationality and homogeneity of charges. No precise measurement of workload was undertaken by us nor was it feasible in the time allotted, but it is manifest from the grouping proposed here that some secretaries will be more heavily worked than others. This cannot be avoided even in the most meticulous arrangement. *Prima facie*, the changes recommended by us seem to be viable and manageable and this conclusion also derives support from our discussions with the senior officers of the Himachal Pradesh Administration. Where imbalances in the workload on secretaries occur they can, to a large extent, be corrected through appropriate institutional devices in the organisation of the departments concerned.

#### *Features of proposed grouping*

2.13. Certain features of this grouping need explanation and elaboration :—

- (1) "Planning" has been placed under the Chief Secretary as he is in the best position to coordinate the efforts of all departments and to take initiative effectively.
- (2) "Forests" has been placed with the Financial Commissioner. This department could have been placed with the Secretary, Agriculture or Secretary, Industries also but



and industries were grouped with one secretary. Much of the work of forests is related to the Revenue Department and this department is therefore most appropriately placed with the Financial Commissioner.

- (3) The Remembrancer of Legal Affairs and Secretary, Law Department has been divested of responsibilities relating to departments other than law. Divested of all subjects other than Law, the Secretary of this department will suffer a considerable diminution of work. It is improper to place substantive departments with the Judicial Secretary. It is equally incorrect for the Judicial Secretary to function as Secretary, Vidhan Sabha and the Vidhan Sabha should have an independent secretariat.

On principle therefore, whatever the diminution in his load of work, there is no case for the entrustment to the Law Secretary with responsibilities of substantive departments. It may be added that work relating to legal advice, the drafting of bills and other legal affairs requires careful thinking and considerable study of it is to be done properly and the time made available by the proposed reorganisation could be well utilized in improving the quality of work done in the department. Indeed it could also be examined whether, in view of the load of work in the department, it should not be organised on an officer-oriented pattern which would clip ministerial staff and utilize the time of the officers to the full.

- (4) Excise and Taxation has been entrusted to the Finance Secretary because taxation will increasingly become an important source of revenue. There is no particular link between the work of excise and taxation and that of land administration and the placement of this department with the Financial Commissioner, serves no particular purpose. Appeals under the relevant Acts could, however, continue to be heard by the Financial Commissioner.
- (5) With the Finance Secretary also becoming Secretary, Excise and Taxation, it will not be necessary to have a separate Land Reforms Commissioner, who at present looks after Land Reforms as head of department and Excise and Taxation as Secretary. Land Reforms could be looked after by the Financial Commissioner directly. The post of Land Reforms Commissioner should therefore be abolished. This will necessitate some arrangement for the disposal of appeals from the orders of Collector for the Land Reforms Commissioner has the appellate powers of Commissioner under the various enactments concerning land administration. As the appellate work is light it can be entrusted to any other senior officer or officers in addition to their normal duties.

- (6) The function of the Transport Commissioner is at present discharged by the General Manager, Himachal Government Transport. This combination is in appropriate principle. This office should therefore be transferred to the Secretary, Transport.
- (7) The Department of Community Development Panchayats and Welfare should have for its executive head not the Development Commissioner himself but a separate officer. The Development Commissioner is today assisted by a Deputy Development Commissioner. This officer should be redesignated as Director Community Development, Panchayats and Welfare and given specific charge of this department. As the Development Commissioner will no longer be head of the Development Department and will function as Secretary, the nomenclature "Development Commissioner" should be dropped. This officer will then be referred to as Secretary, Agriculture, Community Development and Cooperation.

#### **Inviolability of secretary's charge**

2.14. We feel that a secretary's charge should be based solely on the consideration of the best disposal of business and should normally be inviolable. There should normally be no chopping and changing of a secretary's charge on grounds of personality or any other grounds, except that when growth in workload makes the charge unmanageable it should be reorganised but following a rational principle.

#### *Net result*

2.15. In the proposed reorganisation not counting the Cabinet office, there will be 22 departments as against the present 26, grouped into 8 administrative or secretariat charges (7 held by regular secretaries and 1 by an executive head of functioning as *ex-officio* secretary) as against the present 11 (6 held by regular secretaries and 5 by *ex-officio* secretaries). In terms of financial implications, the proposed set-up will involve 1 additional post of secretary and render surplus 4 posts of executive heads.

#### **(C) Allocation of departments to ministers**

##### *Shortcomings in the present distribution of portfolios*

2.16. Under the Rules of Business, allocation of departments among the ministers is to be done by the Administrator in consultation with the Chief Minister. For this purpose, one or more department is assigned to a minister. The rules also contemplate the assignment of a single department to the charge of two or more ministers. This provision has, in fact, been invoked in the case of the Planning and Development Department, the planning part of which has been assigned to the Chief Minister and the development part to the Development Minister. It will be seen from Appendix IV that the present portfolios of the cabinet ministers suffer from a

lack of compactness the direct result of which has been that every secretary has to report to two or more ministers, thereby violating the principle of unity of command. Thus, for instance, the Chief Secretary is responsible to 3 ministers and the Development Commissioner to 5 of the 7 Cabinet ministers.

*Proposed allocation of portfolios to ministers*

2.17. We consider that the charges of secretaries should form the basic bricks for the allocation of work among ministers. We have earlier said that the charge of a secretary should be inviolable. Inviolability, however, cannot be associated with ministers' charges as the shape of portfolios and the size of the Cabinet are influenced by political more than purely administrative considerations. It should however be possible to suggest an ideal allocation, from the administrative angle, which should be borne in mind in the business of ministry making. According to us such an allocation would be as follows:—

S. Designation No. of Minister	Portfolio	Designation of Secretary
1. Chief Minister	—Home	} Chief Secretary
	—General Administration	
	—Services	
	—Administrative Reforms	
	—Planning	
	—Public Relations	
	—Law	Remembrancer of Legal Affairs & Secretary, Law.
2. FINANCE MINISTER	—Finance	} Finance Secretary Financial Commissioner cum-Secretary, Land Administration
	—Excise and Taxation	
	—Land Revenue & Reforms (including Rehabilitation)	
	—Forests	
3. MINISTER FOR AGRICULTURE	—Agriculture (including fisheries)	Secretary, Agriculture.
	—Animal Husbandry	} Community Development and Cooperation
	—Community Develop- ments Panchayats and Welfare.	
	—Cooperation.	
4. MINISTER FOR INDUSTRY, TRANSPORT & WORKS	—Industry and Civil Supplies	} Secretary, Industry, Transport & Works.
	—Public Works	
	—Transport (including Tourism)	
	—Multi-purpose Projects and Power.	Chief Engineer, MPP and ex-officio Sec- retary, MPP.
5. MINISTER FOR SOCIAL SERVICES	—Education	} Secretary, Social Services
	—Health	
	—Local Self Government	

This provides for five Cabinet Ministers instead of the existing seven. We have no recommendations to make regarding Deputy Ministers the number and location of which should depend on the workload with particular ministers.

2.18. If it is not found possible to confine the size of the Cabinet to five it should always be ensured that the subjects allocated to ministers are such that no secretary has to deal with more than one minister.

**(D) The Administrator, the Chief Minister, and the Chief Secretary.**

*Administrator*

2.19. All executive action of the Himachal Pradesh Government has generally to be expressed to be taken in the name of the Administrator. Under Rule 25 of the Rules of Business, certain classes of cases are required to be submitted to the Administrator before the issue of orders. These are listed in Appendix V. Rule 46 of the Rules of Business also empowers him to issue standing orders to regulate the transaction and disposal of business in the exercise of his executive functions in the discretionary field.

2.20. The Rules of Business are such that a large volume of cases is necessarily put up to the Administrator. This volume can be gauged from the fact that during the four months, December 1967 to March 1968, as many as 1059 cases (other than those marked secret and, therefore, not entered in the diary) were received by him from the different departments. An idea of the proportion of cases decided at the level of the Administrator can be had from the fact that out of 171 cases studied in the Department of Agriculture, as many as 37 (i.e. more than 20% were submitted to him for orders. It will be seen from the statement of particulars of cases submitted to him from the Agriculture Department (Appendix V!) that most of them were of a routine nature. What should come to the Administrator and what should not is really a question of judgment. It has to be remembered that the Administrator is not a mere constitutional functionary but a representative of the Central Government with active discretionary powers and overall responsibility for the good administration of the Union Territory. Yet saddling him with too many cases clutters up work and saps the initiative of the departments. Besides in a system where a democratically elected government functions, too much concentration of power and responsibility in the hands of the Administrator runs against the natural flow of forces. The result is that this power is seldom exercised against the tide of those forces. If, therefore, the purpose behind burdening the Administrator with such detailed responsibility is to secure the independent and authoritative decisions of an individual charged by the Central Government with the responsibility of running the territory, that purpose is not quite served. Nor indeed can it be served for in sheer physical terms the Rules of Business require too much from a single individual, whatever his calibre and eminence. There are, besides, several anomalies in the rules and orders and their observance in practice most of these leading to a heavy volume of traffic towards him.

2.21. There are, in the first instance, matters which under the Delegation of Financial Powers Rules, 1958 have been delegated to the heads of departments but which under the Rules of Business

have to go to the Administrator. The Rules of Business thus tend to nullify the delegations.

2.22. There are, secondly, standing orders issued by the Administrator under the Rules of Business requiring the submission to him of certain categories of cases. A sample from the field of personnel administration is at Appendix VII. These orders, it will be seen, enjoin the travel of too many cases of a petty nature right up to the Administrator. Thus cases relating to the grant of leave to class I officers, the crossing of efficiency bar by, and the sanction of retirement benefits to class I and II officers etc. have to go up to him.

2.23. There is, next, the situation in which cases having financial implications beyond the competence of the head of department and sent therefore to the Finance Department for concurrence, travel to the Administrator even though they are not required to by the Rules of Business. We found in our studies of the Agriculture Department that the number of such cases was very large.

2.24. There is, finally, the insistence on the part of the Accountant General that certain cases be signed by the Administrator in person, e.g. pension cases of class I and class II officers. In the presence of clearly defined orders empowering the authentication of orders by officers of the Administration, this insistence is difficult to comprehend. If there is some legal lacuna (there does not seem to be any on the face of it), it should be removed and officers empowered to authenticate such orders to the Accountant General and other authorities. There is no point in burdening the Administrator with such work.

2.25. Our study in the Department of Agriculture showed that most of the cases involving financial implications beyond the competence of the Director of Agriculture and, therefore, sent to the Finance Department for concurrence, were actually submitted to the Administrator even though the Rules of Business did not require such submission. In fact, of the 16 financial proposals submitted to the Administrator in the sample studied all except one belonged to this category. We understand that, although no formal instruction on the subject had been issued, such cases were submitted as in the opinion of the Finance Department their submission was considered necessary for the proper discharge of the Administrator's responsibility. A noteworthy feature here is that it is not merely individual but whole categories of cases that are thus sent up. While rule 21(5) of the Rules of Business confers on the Administrator the right to call for any case, in our opinion this right is intended to be exercised in individual cases and not for entire classes of cases. Its exercise for whole categories of cases amounts practically to an amendment of the rule 25 and defeats the purpose of delegation.

*Types of cases to be submitted to Administrator*

2.26. It will be seen that the heavy concentration of cases with the Administrator leads to a situation that is far from satisfactory. A view is here required about what his role in practical terms should be in the conduct of the affairs of the Union Territory Admi-

nistration. He is clearly meant to be much more than a constitutional head, and is vested with executive powers over a wide field. To what extent should he exercise those powers himself? We feel that while the overall responsibility for the good administration of the territory is undoubtedly his, the discharge of this responsibility should require his personal control only over really important matters. And in these matters, we would like to emphasise, it should be real and not nominal. For the rest his powers should be freely delegated although he should retain the power to call for any case and decide it in accordance with the rules. To determine what classes of cases should be submitted to the Administrator and what should not, we have first to be clear about the basic principles that should govern such classification. We enunciate below what appear to us to be the guiding principles in this behalf:

- (1) with a full-fledged and largely trained administration working and, in particular, with a democratic government functioning, the Administrator should not be burdened with routine items or items of an ordinary operational character;
- (2) however, being eventually answerable for the good administration of the territory and to keep in touch with all important developments, he should clear all policy matters of importance;
- (3) in the sphere of personnel administration he should be able to help build the morale of the services by ensuring justice and fair decisions. This would give him an operational role, before decisions are taken in certain matters relating to the higher services and an appellate role for the lower services;
- (4) to secure the best consideration, and to preserve public confidence, he should see cases requiring major operational decisions and involving large expenditures;
- (5) in the field of financial management it should not be necessary for the Administrator personally to see all matters that have not been delegated to the administrative departments as the Finance Department could be trusted to dispose of a majority of such cases on his behalf. Substantially similar should be the position in respect of personnel matters where the proposed Services Department can be expected to perform most of the functions vesting in the Administrator.

We have attempted to analyse the need for submitting to the Administrator the various types of cases at present requiring his orders under the Rules of Business and the standing orders issued thereunder in the light of these considerations. The result of this examination may be found in the statement at Appendix VIII-A. It will be seen from this statement that in 10 out of the 34 types of cases listed submission to the Administrator would not be necessary at all while in 5 more it could be limited to major issues only. In terms of volume, the reduction in the number of cases that will require submission to the Administrator will be much more substantial. A classified list of cases, which in our opinion should be

submitted to the Administrator, may be seen at Appendix VIII-B. We must hasten to make it clear that this list has been drawn after examining the Rules of Business and the standing orders issued by the Administrator under chapter IV thereof, and only a few of the numerous sets of rules in the field of financial and personnel management, chiefly, the Delegation of Financial Powers Rules and the Classification Control and Appeal Rules. There are cases under other sets of rules, like the General Financial Rules, the Fundamental and Supplementary Rules, the different departmental codes and individual services rules, which will also need to be scanned. This examination may be done by the Union Territory Administration and the Central Government to see what further delegations could be made in the light of these principles.

### *Chief Minister*

2.27. The Chief Minister receives cases in two capacities: first, as the minister in charge of certain departments and secondly as the chief of the Cabinet. In the second category fall the following types of cases:

- cases required to be submitted to the Administrator which have necessarily to be routed through the Chief Minister;
- cases required to be placed before the Council to enable him to decide the method of disposal, *viz.*, by circulation, or by discussion at a meeting;
- cases revealing difference of opinion between two ministers, at the instance of the ministers concerned;
- cases referred to him by the Administrator for consideration or reconsideration by the Council; and
- cases in which he is consulted by the Administrator under Chapter IV of the Rules of Business.

An idea of the volume of work flowing to him can be had from the fact that the number of cases in the first category alone during the four months, December 1967 to March 1968 (other than secret cases which are not entered in the inward register maintained in the Administrator's office) was 1059 and that of cases disposed of by the Council during the year 1967 was 390. The onerous responsibilities that go with his office make it seem rather unfair that he should be called upon to pay personal attention to such a large volume of paper work. The suggestions made in the preceding paragraph for reducing the number of cases submitted to the Administrator will lead to a corresponding reduction in the number of cases going to the Chief Minister. Notwithstanding this reduction, the volume, variety and complexity of work flowing to the Chief Minister, in a context in which democratic forces are allowed full play, will still be such as to call for the provision of an institutional support to the Chief Minister in the shape of a secretary of adequate rank, calibre and experience. His present secretariat is headed by a private secretary drawn from among secretariat superintendents. We would suggest that it should be headed by an IAS officer in the senior timescale of pay. This is the arrangement that exists in the states and has been found most helpful in the disposal of the Chief

Minister's work. The position of the Chief Minister of a large Union Territory is in this respect analogous to that of a state and assistance of this nature would be required by him and should not be grudged.

### *Chief Secretary*

2.28. The Chief Secretary, as the term implies, is meant to be the chief adviser to the Government. He is also expected to provide guidance and leadership to the services. Besides being chief adviser to the Government, he has role to perform as Secretary to the Cabinet. He can be of help to the ministers and the Cabinet in securing coordination and ironing out differences between the various departments and thus infusing a sense of unity of purpose in the governmental machinery. For effective functioning the Chief Secretary requires not so much the vestment of formal administrative powers as the requisite degree of support from the Chief Minister and the Administrator. But there are certain matters in which his role as chief adviser needs the framework of a mechanism to be inserted in the Rules of Business. We suggest that—

- (1) the Rules of Business should specifically require that all cases requiring submission to the Council of Ministers should be routed through the Chief Secretary as Secretary to the Council of Ministers, and empower him to return incomplete cases. This will also vest him with the clear responsibility of scrutinising whether the cases submitted to the Council of Ministers are complete and in proper form. At present we understand that a large number of incomplete cases (*e.g.*, which do not contain the advice of the Law Department or the Finance Department, although it is required) are placed before the Cabinet. Besides, the Chief Secretary should be free to examine any cases proposed to be brought before the Council of Ministers and to point out to the Chief Minister the precise implications of the proposals made therein before it is discussed in the meeting;
- (2) a copy of the weekly statement of important cases disposed of in a department which is at present submitted to the Administrator and the Chief Minister under Rule 19 of the Rules of Business should be sent to the Chief Secretary also. This will enable him to utilise more effectively the other right conferred on him by the Rules of Business namely, to call for any case for examination and suggest line of action for the consideration of the minister in charge or the Chief Minister;
- (3) important communications received from the Government of India and required to be shown to the Chief Minister and the Administrator under Rule 23 should be routed through the Chief Secretary;
- (4) all cases of appointments and transfers of heads of departments should be routed to the Chief Minister through the Chief Secretary;



- (5) a convention should be established whereby cases involving differences of opinion between two or more departments are reported by the secretary concerned to the Chief Secretary at as early a stage as possible so that the latter's good offices should be available for removal of differences through informal consultation at administrative level;
  - (6) the Chief Secretary should keep a supervisory eye on the efficient working of the various departments of government. It is for this reason that the proposed Department of Administrative Reforms, with its functions expanded to cover administrative reviews, inspections and test-checks, is being placed in his charge. However, for identifying problem areas for study and for securing the speedy implementation of the various reform measures, the Chief Secretary will need the willing co-operation of other secretaries also for which purpose the institution of a Secretaries Committee on Administration headed by him has been proposed in Chapter VII.
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## CHAPTER III

### FINANCIAL ADMINISTRATION

3.1. Finance and personnel are the two major inputs in administration. The role of each is decisive in determining its quality. Purposeful and economical spending is a *sine qua non* of good administration and in this chapter we deal with the arrangements made for such spending. The two major aspects considered here are :—

A.—the relationship with the Government of India.

B.—the set-up and procedures within the Union Territory.

#### A.—Relationship with the Government of India

##### *Dependence on centre for finance*

3.2. The first fact to be noted in this relationship is the heavy financial dependence of Himachal Pradesh on the Central Government. This will be clear from the fact that the budget estimates for 1968-69 show the total central assistance to be Rs. 34 crores while the Territory's domestic revenues are of the order of Rs. 14 crores and its capital receipts are negligible (Rs. 0.20 crores).

##### *Nature of existing control by centre*

3.3. The second fact to be noted is that the Rules of Business and the instructions issued thereunder visualize the Union Territory as an organisation to be dealt with like any other department of a central ministry in financial matters. In other words, detailed itemised control has been prescribed. This control is exercised broadly through two devices—through budgeting procedures and through the retention of financial powers in the centre for certain individual transactions. The Himachal Pradesh Administration has to get its annual financial statement approved by the centre before presenting it to its legislature. In preparing this statement it has to observe the instructions issued by the centre. This gives an opportunity to the centre to examine budget proposals which are then to be scrutinised in detail. New items are sent in advance and are examined first by the functional ministry concerned in consultation with their Associated Finance. The rest of the budget proposals are examined in the Ministry of Home Affairs straightway without reference to the functional ministry.

##### *Detailed control by centre impracticable*

3.4. The next stage of budgetary control consists of keeping a watch on the progress of expenditure and ensuring that funds are not provided in excess of requirements and that the provision allowed is justified by the results achieved in the previous year.

3.5. The third fact to be noted is that although this detailed and meticulous control is prescribed it is not, in fact, effectively exercised. All that the Ministry of Home Affairs is able to do is to limit the

budget provision to what it considers to be the minimum necessary in the light of the trend of expenditure in the immediate past. It is in fact difficult for the centre to exercise meticulous budgetary control. With its distance from the Union Territory it cannot keep itself in touch with the day to day developments or be fully aware of the entire background.

*Availability of resources not a major constraint*

3.6. Finally the resources position does not operate as a major constraint compelling the centre to locate areas of uneconomical spending with unremitting strictness. Heavy though the dependence of Himachal Pradesh on the centre for finances is the assistance given by the latter to all Union Territories with legislatures is not really a major liability on it being less than 2% of its total disbursement. Therefore items of expenditure which, though possibly justifiable in themselves, would be ruled out for sheer lack of resources by other more prosperous administrations (like the better off among the states) tend to be allowed for the Union Territories Administrations by the Government of India. Thus central rates of dearness allowance automatically apply to staff employed in the H.P. Sectt. and central policies regarding the treatment of workcharged establishment as regular establishment pervade in the Union Territories also. Excessive budget provisions are asked for by the Union Territory. To give an instance, the budget estimates proposed by the Himachal Pradesh Administration for 1967-68 were reduced by the centre by Rs. 12.99 crores. The cut imposed by the centre was substantial, considering that central assistance for 1967-68 was Rs. 29.46 crores. During the course of that year the Administration found that sums of Rs. 1.47 crores and Rs. 0.97 crores could be surrendered under various major heads on the two occasions that it went in for supplementary demands. That the Union Territory Administration found it possible to effect this additional saving of Rs. 2.44 crores indicates that its original proposals could not have been the irreducible minimum. If the final estimated figures are to be deemed realistic it would follow that the Union Territory's proposals departed from that estimate to the extent of Rs. 15 (Rs. 12.99+2.44) crores. Economy becomes a casualty in such an arrangement in which the domestic resources (i.e. resources other than those provided by the centre) of the Union Territory do not act as a major limiting factor in determining its expenditure programme, as all expenditures are underwritten, so to speak, by the Government of India.

*Delegation of powers*

3.7. As regards the financial powers retained by the centre, these are exercised, generally after detailed scrutiny of the relevant proposals, by the functional ministries, in consultation with their Associated Finance where necessary. Here, there are certain categories of proposals where reference to the centre does not appear to be necessary and, for such cases, enhanced delegation of powers to Himachal Pradesh has been recommended later in this chapter.

*Lack of coordination between planning and budgeting*

3.8. On the plan side although the budget provision is made after a detailed scrutiny it is in fact ultimately waived in favour of the

total annual plan outlay approved by the Planning Commission which figure is generally communicated after the budget scrutiny has been done. There is an absence of coordination between planning and budgeting for which there are two reasons. First, there is a considerable time-lag between the preparation of budget estimates and the preparation of annual plan. Besides the sequence in this arrangement adds to the difficulty. Budget estimates are due to be finalised by the Finance Department of the Himachal Pradesh in the middle of September each year, while the annual plan has to be sent by the Planning Department to the Planning Commission towards the end of October. Secondly, there is no direct dialogue between the Finance and the Planning Departments before provisions are finally made. This absence of coordination is repeated in the Government of India also where the process is carried out differently by two independent agencies viz. the Ministry of Home Affairs and the Planning Commission. Thus there are often wide variations between the budget provisions for particular items and the annual plan provisions.

*Other drawbacks -*

3.9. These are not the only drawbacks in the existing arrangements. Others also of considerable importance have been noticed and are listed here :—

- (1) the nature of the scrutiny by different ministries is not uniform. Scrutiny may be rigorous and detailed in one ministry and superficial and arbitrary in another. A central ministry and the Union Territory Government may not hold identical views on the priority to be accorded to a particular proposal. Yet, there is generally no attempt to discuss budget proposals with the Union Territory Government and even reasons for reduction in the budget provision asked for are not always communicated to it. The case-studies at Appendices IX and X illustrate these points; . . . . .
- (2) more important still, in the matter of determining *inter se* priorities no unified view while preparing the budget is taken even at the centre nor an assessment made of the priority that an item in one sector has in relation to an item in another sector;
- (3) new items are not examined, as they should be, in relation to standing and continuing items. The new items are examined by the functional ministries and the standing and continuing items by the Home Ministry direct. The result is that the budget proposals relating to particular activity do not receive a unified look;
- (4) the impracticability of detailed budgetary control has given rise to certain anomalous situations. Thus :
  - (a) the Ministry of Home Affairs now scrutinises budget proposals in detail only for determining the quantum of grant and loan assistance in a year. Once this quantum is determined the Union Territory is given discretion to recast its budget or, through supple-

mentary demands for grants or reappropriations, to redistribute funds among the various appropriations and sub-heads, the only condition being that these changes should not affect the total amount of grant and loan approved. Changes so made are automatically given formal approval by the centre. And yet, technically it is the centre that is responsible for ensuring that certain kinds of reappropriations are justified;

- (b) as long as no extra assistance has to be provided the centre tends to approve all proposals for supplementary demands without scrutinising details. This is in striking contrast to the detailed scrutiny conducted of the budget estimates and the revised estimates. Conflicting decisions are sometimes given as a result. For example, the first batch of supplementary demands for grant for 1967-68 and the revised estimates for that year were finalised in the Ministry of Home Affairs about the same time (the former on 8-1-1968 and the latter on 12-1-1968). But the total revenue expenditure authorised by the former was Rs. 34.72 crores and that by the latter Rs. 32.08 crores. Furthermore, the pattern of spending that the supplementary demands authorised differed from that approved in the Revised Estimates. For example, a supplementary demand of Rs. 59.23 lakhs was approved under "95-Capital Outlay on Scheme of Agriculture Improvement and Research—Plan", bringing the total provision for the year under that head to Rs. 79.23 lakhs. The Revised Estimates approved a provision of only Rs. 10 lakhs.

3.10. It will thus be seen that the present arrangements do not subserve their objective and while they lead to the reference to the centre of a mass of detail for scrutiny real economy is not achieved. There is complaint of proliferation of staff, of extravagance and of expenditure on unworthy schemes. Excessive expenditure on establishment is admitted by the Himachal Pradesh Administration itself and seems to be confirmed by the recent report of the Staff Inspection Unit. Our view is that much greater economy than that proposed by the SIU is possible through detailed studies and through an evaluation of all activities undertaken to put a stop to those which cannot yield adequate results. But in the existing scheme of things there is not enough incentive for the Union Territory Administration to practise rigid self discipline in financial matters. The difficulties in the way of the centre in enforcing discipline have already been pointed out.

#### *Proposed arrangement for quinquennial devolutions*

3.11. The solution to the problems mentioned above should be sought through the measures listed below :

- (1) Instead of receiving annual grants after strict budget scrutiny at the centre for meeting every non-plan expenditure the Himachal Pradesh Administration should receive

quinquennial devolutions like the states through the Finance Commission. Its share of taxes and duties may not amount to very much and may fall far short of the amount required to cover its budgetary deficits. Therefore unconditional grants-in-aid for a period of five years could be made by the centre on the recommendation of the Finance Commission which for this purpose should scrutinise the budgets of the Union Territory very carefully and take into account only really essential items. Besides grants-in-aid, the Union Territory should also get loans for non-plan expenditure through the same mechanism. This aspect is not gone into by the Finance Commission for the states, as that is not required by the Constitution. But in the case of a Union Territory, for which a reference to the Finance Commission is in any case voluntary, the finance Commission findings after a detailed scrutiny should be of great help even in determining loan assistance. With only fixed amounts available for a five-year period for non-plan spending at its own discretion the Himachal Pradesh Administration will be compelled to observe financial discipline and to make all ancillary arrangements to ensure economy and best utilisation of funds. It will also be spread the delay and irritation that is now caused by the reference of the budget proposals to the centre and scrutiny by the latter. The existing scale of the dependence of the Union Territory need not be an inhibiting factor while taking this measure. This dependence is heavier than that of most of the states but not much more so than in the case of Assam and Jammu and Kashmir if we take into account all types of revenue resources transferred. This will be clear from the table at Appendix XI which will show that Himachal Pradesh in this regard is nearer the states than say, the Union Territories of Manipur and Tripura.

Needless to add there is no constitutional bar to the entrustment of this entire function to the Finance Commission in respect of any Union Territory.

- (2) The memorandum placed before the Finance Commission should be sent by the Union Territory to the Ministry of Home Affairs which should forward it with its own comments. Representatives both of the Union Territory Administration and the Home Ministry should be heard by the Finance Commission. The final orders on the basis of the Finance Commission's award will naturally be given by the Government of India in the Ministry of Finance.
- (3) At present Himachal Pradesh has a Consolidated Fund and a Contingency Fund of its own created under the Government of Union Territories Act, 1963. But it does not have a separate Public Account and its transactions relating to Debt (other than those included in the Consolidated Fund), Deposits and Remittances are included in the Public Account of the Central Government. Under this

arrangement, it is not possible to compute easily the net capital receipts attributable to the Union Territory which arise in the Public Account during a given period. Thus the central loan assistance to the Territory for a year gets determined without reference to these receipts, so that the amount of central loans does not indicate correctly the extent to which the Union Territory is dependent for its capital programmes on central assistance. One of the objects of the measure at (1) above is to encourage the Union Territory to conserve its financial resources and to ensure their best utilisation. It, therefore, appears essential that it should have control over its entire resources, revenue as well as capital, and that the true extent of its dependence on the centre should be known. For this purpose, it will be necessary to open a separate Public Account for the Himachal Pradesh Government.

- (4) Although the devolutions will be unconditional the centre should have overriding power to give directions to stop an activity or provide for any activity. In the latter event funds need be made available only if the new activity is not a normal activity and has not been taken account of by the Finance Commission while determining its award. The basis of the recommendations of the Finance Commission regarding the Union Territory should, therefore, be available to the Ministry of Home Affairs.

*Plan assistance determined as at present*

3.12. On the plan side, the existing arrangements for determining central assistance for the plan programmes undertaken by the Union Territory should generally continue. That is, the total annual plan outlay and the resources to be mobilised by the Union Territory should be decided at the annual plan discussions held by the Planning Commission and central assistance for the plan then determined on the basis of the approved outlay and the expected resources.

*Utilisation of assistance re-appropriation of funds from plan to non-plan*

3.13. As regards the utilisation of central plan assistance the position at present is that the entire plan expenditure of the Union Territory is financed by central grants and loans and the diversion of budget provision from plan items to non-plan ones needs the approval of the centre. This ensures that central plan assistance is not diverted to non-plan purposes without the concurrence of the centre. In the interests of proper implementation of the Plan we feel that these restrictions should continue. In addition, central assistance for crucial schemes could be tied. But we recommended that re-appropriation of funds from one plan item to another such item or from one non-plan item to any other item should be left to the discretion of the Union Territory government. In actual practice even re-appropriations from plan to non-plan items are allowed liberally and central approval whenever required under the rules is freely given. The view taken by the Ministry of Finance in this con-

nection is that it is for the Finance Department of the Himachal Pradesh Administration to satisfy itself that a re-appropriation is justified. In the circumstances, it would be but appropriate that the powers of appropriation and re-appropriation enjoyed by the Ministry of Finance at the centre should vest in the Finance Department. We would however recommend that an exception be made of cases of re-appropriation from plan to non-plan items which should continue to be referred to the centre. (See paragraph 3.18).

#### *Scrutiny of budget proposals—non-plan side*

3.14. When the changes proposed in the preceding paragraphs are brought about, it will no longer be necessary for the centre to carry out a detailed scrutiny of the budget provision proposed by the Union Territory under each primary unit of appropriation. The emphasis of the scrutiny will shift from the present meticulous check to an assessment of the overall implications of the Union Territory budget. More specifically we visualise that in regard to non-plan items there should be no detailed scrutiny at all except to ensure that non-plan provisions entail no extra commitment on the part of the centre barring approved items unforeseen by the Finance Commission. Even specific approval of "really new items" on the non-plan side will not be required as long as the non-plan budget is within the resources of the Union Territory. To enable a scrutiny of extra commitments the Union Territory should invariably send to the centre with its budget estimates complete details of "really new items" on the non-plan side included by it, along with estimates of the financial implications over the years.

#### *Scrutiny of budget proposals—plan side*

3.15. On the plan side detailed scrutiny by the centre will be confined to "really new items". Although this scrutiny should be conducted by the functional ministry as at present the Ministry of Home Affairs should play an overall coordinating role and also provide an integrated view of inter-sectoral priorities. Cuts finally made should be communicated by the Ministry of Home Affairs to the Union Territory administration with the comments of the functional Ministry explaining the cuts. For the rest of the plan budget the centre should only ensure that it conforms to the annual plan ceilings for different heads of development, that the directions, if any, regarding crucial items for which assistance is tied have been complied with, and that the directions given by the Planning Commission in regard to the resources to be mobilised have been complied with.

#### *Proposed drill for planning and budgeting*

3.16. We have mentioned in para 3.8 about the absence of coordination between the annual plan and the annual budget. It is essential that the Finance Department should be actively associated in the formulation of the plan and that it should finalise budget proposals only after the annual plan discussions at the centre are over. A possible drill in accordance with this principle has been proposed at Appendix XII, which also gives the existing procedure for facility of comparison. While, under the proposed drill, proposals in regard to



“really new items” will have to be forwarded to the centre by the 1st of August, consolidated budget proposals will have to be submitted to the centre by the 1st of December instead of in September. To the postponement no objection need be taken by the centre as it will no longer be scrutinising all proposals in the same detail as it does at present.

*Ministry of Home Affairs to conduct a continuous analysis of budgetary developments*

3.17. We suggest that the Ministry of Home Affairs should take a continuing interest in the budgetary developments taking place during the course of a year. An assessment of the Union Territory budget should be conducted during the course of the year by the centre with certain overall strategic aims in view. These broadly should be (a) to discover imbalances in the amounts spent on different activities, (b) to keep abreast of important developments in every field of the Union Territory Administration and (c) to estimate the financial resources that the administration should be mobilising. For purposes of this assessment the centre should analyse the budgets of Himachal Pradesh and compare these with those of selected states and should also attempt to compare performance in different fields and relate it to expenditure.

*Delegations*

3.18. It is felt that the arrangements suggested above will help place the financial relation of the Himachal Pradesh Administration with the centre on a sounder footing. The only other aspect needing attention in this relationship is that of delegations. Recently, the Himachal Pradesh Administration along with certain other Union Territories, has been delegated enhanced powers for the creation of posts, conveyance allowances, write-off of losses, grant of deputation allowance etc. The monetary limits in regard to purchases and issue of expenditure sanction on works have also been increased. In some matters, however, the powers delegated even now are insufficient. The additional powers that require delegation have been listed in Appendix XIII. Broadly speaking, the principle followed for these delegations is that they should be on par with delegations to the administrative ministries at the centre. The magnitude of the problems that the Union Territory has to deal with bears comparison in many ways with that of the problems confronting administrative ministries. Its spending, though less than that of the major spending ministries is more than that of the smaller ones. Its staffs are larger than those of most central ministries. Our proposals seek to give it proper financial advice through a Finance Secretary whose appointment will be secured through the centre—an adequate safeguard. Its distance and the duplication of procedures whenever a case is referred to the centre strengthen its case for being brought on par with the central ministries.

3.19. While this is the broad principle followed, operational requirements have in specific items been the determining factor in the delegations proposed, and in one instance we have recommended powers somewhat lower than those enjoyed by the ministries and

in another instance higher. Thus, in regard to contingent expenditure of an unusual character, expenditure on schemes other than works, indents, contracts and purchases, we have suggested that the Himachal Pradesh Administration should have the same powers as those of Administrative ministries. In regard to re-appropriation of funds, we have recommended that the Union Territory should be delegated the full powers as vested in the Ministry of Finance, excluding, however, the power to re-appropriate funds from plan to non-plan items. This is the solitary instance in which powers higher than those enjoyed by the administrative ministries are sought to be delegated. An important instance where we stop short is that of the creation of temporary class I posts, which the Himachal Pradesh Administration at present can create for a period not exceeding two years provided they carry a scale of pay not exceeding Rs. 1800. The central ministries can create posts carrying pay upto and inclusive of Rs. 2250 for an indefinite period. Operational considerations require that the Himachal Pradesh Administration should have more powers than it has now, but considerations of financial and personnel policy require that these should not extend to equal those of the central ministries. We would recommend that Himachal Pradesh Administration should be delegated the power to continue such posts for any period (to be stated by the Administration) subject to the condition that the work-norms, if any, prescribed by the centre should be observed.

#### *B.—Financial set-up and procedures in Himachal Pradesh*

3.20. The suggestions made above will have an inevitable repercussion on the set-up of the Finance Department. This department is not at present equipped to handle the work that will result from the adoption of the measures proposed above particularly the introduction of the system of quinquennial devolutions and a separate public account.

#### *Proposed reorganisation of Finance Department*

3.21. For discharging its obligations under the proposed dispensation and for more efficient scrutiny of expenditure and budget proposals the Finance Department will have to be suitably reorganised. The major steps required are listed below :

#### *Appointment of a senior officer as Finance Secretary*

- (1) The first and foremost step is to ensure that the Finance Secretary is a senior officer with the requisite aptitude, training and background. There should be no compromise with these requisites. The Himachal Pradesh Administration should always be anxious to post or obtain the services of the most suitable officer possible for this post and the Government of India should ensure that the post is occupied by such an officer. If a suitable officer does not exist within the cadre feeding Himachal Pradesh there should be no hesitation in obtaining the services of an officer from outside the cadre. Again in selecting such an officer the primary criterion should be suitability and if

at a particular time no senior scale officer is available there should be no objection to entertaining the post temporarily in the super time scale of pay.

*Finance Secretary to be assisted by Joint Secretary and two Under Secretaries*

- (2) The Finance Secretary should be assisted by a joint secretary and two under secretaries. At present, in the absence of any assistance of an adequate level, a very large number of even minor cases are pushed up to the level of Finance Secretary, as our study of the cases of Agriculture Department shows. The Joint Secretary should be authorised by an internal arrangement to dispose of the bulk of minor cases leaving Finance Secretary more time for policy work. Assistance of this level is all the more necessary as the Finance Secretary in the proposed set-up will also be Secretary for Excise and Taxation and will have to spare some time for that department also. These officers of the Finance Department should also be picked for their suitability. The Under Secretary in the Finance Department dealing with Budget and Accounts should be picked from as wide a field as possible and all these officers should be given proper training, first in the Ministry of Finance and later in the Reserve Bank so that they can handle the work arising out of the establishment of a separate public account and the introduction of a system of quinquennial devolutions.

*Redistribution of work among branches in the Finance Department*

- (3) The work of the Finance Department which at present is being carried on in five branches should be redistributed as follows :—
- (a) the examining of expenditure as well as budget proposals pertaining to individual departments and the giving of financial advice to them should be the responsibility of one branch (or more if workload so justifies);
  - (b) the consolidation of the budget, ways and means control and other over-all problems relating to budget and accounts should be dealt with by another branch;
  - (c) general financial matters like the revision of pay scales, the delegation of financial powers, the coordination of financial policy etc. should be dealt with by a third branch; and
  - (d) the work regarding accounts of local bodies should be done in a fourth branch.

The existing distribution may be seen at Appendix XIV, and the proposed structure at Appendix XV.

### *Strengthening scrutiny in Finance Department*

3.22. During 1966-67, of the total number of sanctions issued by the Department of Agriculture, 71% were issued in consultation with the Finance Department. Again, 38% of the total number of sanctions were issued in March 1967 and those involved nearly 54% of the total expenditure sanctioned in 1966-67. Most of these cases were sanctioned in consultation with the Finance Department without the latter raising any objection. This rush of expenditure meant hurried spending of funds without adequate scrutiny. This tendency is not confined to the Agriculture Department and is bound to result in wasteful expenditure. The following approach to this problem is recommended :—

#### *Pre-budget scrutiny.*

- (1) The system of pre-budget scrutiny should gradually be introduced so that once a scheme has been approved for inclusion in the budget the departments do not have to come again to the Finance Department for the sanction of those schemes. In a small measure the system exists in the Public Works Department, where the Chief Engineer is empowered to accord expenditure sanction to works up to Rs. 25 lakhs subject to the condition that in the case of works costing more than Rs. 2 lakhs pre-budget financial scrutiny should have been conducted. This system needs gradually to be extended, to other departments. When this system is introduced delegation of larger powers will become possible.

#### *Delegation of large powers*

- (2) At present many executive heads of development departments have been delegated only limited financial powers, which are in fact all the powers which even the secretaries of those departments have. The result is that a large number of cases gets referred to the Finance Department. We have recommended in Chapter VI large delegations of powers to executive heads as well as to secretaries and have broadly indicated the extent of such delegations. If these recommendations are implemented, there will be a sizeable reduction in the volume of work that at present flows to the Finance Department;

#### *Setting up of Finance and Accounts Service*

- (3) Proposals at (1) and (2) can be given effect to only if the accounts and the finance side in the departments is strengthened. Much of the fault regarding delays in sanctions lies with the department themselves, but given an appropriate set up on the planning as well as the accounts side (sample proposals have been made by us for the Agriculture Department), adequate time for and assistance to the executive head of department to keep a tab on these matters and an effective watch-dog role to the administrative secretaries it should be possible to signi-

ificantly reduce such delays and to ensure the effective implementation of the recommendations (1) and (2) above. Suitable Accounts Officers will have to be posted in the Departments, at least in the major ones. Some departments have Accounts Officers even as it is and some of these are taken on deputation. In this connection, we would like to suggest the idea of constituting a Finance and Accounts Service which could consist of all the Accounts Officers of different levels in the various departments and the Treasury Officers. The cadre authority for this service should be the Finance Department although the administrative control over the officers should be that of the head of department under whom they function. The Finance Department should organise the training of these officers. We have not examined in detail the feasibility and the implications of this idea but it appears *prime facie* that it will not have any large financial implications for a nucleus of posts already exists. With some modifications and rationalisation it should also be possible to give reasonable opportunities for promotions. All these aspects ought to be examined in proper detail by government;

#### *Constituting an Expenditure Finance Committee*

- (4) An Expenditure Finance Committee should be formed consisting of the Finance Secretary, the Joint Secretary, Finance, and the Joint Secretary, Planning, to scrutinise and approve
  - (a) all proposals involving expenditure on a new service;
  - (b) all proposals for the expansion of existing services involving an expenditure exceeding certain specified limits, say, Rs. 5 lakhs (non-recurring) and Rs. 1 lakh (recurring); and
  - (c) all proposals for supplementary grants. The administrative secretaries and the heads of departments should appear in person to explain their proposals to this committee.

In addition to all this, every administrative secretary will also be assisted by an officer in finance and personnel cases. This aspect has been dealt with in the chapter dealing with intra-departmental structures but the acceptance of the recommendations made above need not hinge on the proposals made regarding staff aides to the administrative secretary.

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## CHAPTER IV

### ARRANGEMENTS FOR PLANNING

#### *Present structure*

4.1. Planning is at present under the charge of the Development Commissioner who is Secretary for Planning in addition to being Secretary for Agriculture, Co-operation, Animal Husbandry, Panchayats and Welfare. He is assisted by a Deputy Development Commissioner-cum-Joint Secretary and an Assistant Development Commissioner. There is a Planning Branch which deals with planning, community development, pilot projects, housing programmes, training and local development programmes. The Branch has a superintendent and 11 dealing hands of whom 1 assistant and 1 junior clerk deal exclusively with planning. Thus, except at the clerical level, there is no staff earmarked exclusively for planning. This department consolidates the plans prepared by the different administrative departments. Here it seeks the help and guidance of a State Planning Committee with the Chief Secretary as chairman and all secretaries as members. This committee is responsible for reviewing the draft annual and five year plans as well as plan implementation.

4.2. At the apex of the planning organisation in the Union Territory is the State Planning and Development Advisory Board with the Chief Minister as Chairman and Ministers, Secretaries, certain legislators etc., as members. Its functions are to advise on the formulation of the five year plans and to review the progress of plan implementation.

#### *Centre's role in regard to planning in U.T. (Formulation of Plans) Need for overall view of plan and non-plan activities*

4.3. Under the Rules of Business, planning in the Union Territory has been made subject to close control by the centre. The annual plan as well as any alterations in the essential features of a plan scheme and the introduction of a new scheme in the course of a plan require the centre's approval. Further, there are restrictions on the power of the Union Territory to divert funds from one scheme to another or from plan items to non-plan ones. The present arrangement at the centre for dealing with planning in the Union Territory is such that, while sectoral plans are scrutinised and their implementation watched by the functional ministries concerned, the examination of the overall plan and balancing of inter-sectoral priorities are the responsibility of the Planning Commission. The ceilings on the plan outlay under the different heads of development, the programmes on which emphasis has to be laid, and other matters are recommended by the Programme Adviser in the Planning Commission and finalised by that Commission.

#### *Lacunae in planning procedure*

4.4. There are serious drawbacks in the existing arrangements

both in the internal procedures and set up in the Union Territory and in the procedures governing its relationship in this sphere with the Government of India. To take the set-up in the Union Territory first the foremost drawback is that the Planning Department is not properly located. As it deals with all departments, its location with the Development Commissioner who is the executive head of a field department (community development) and secretary for some other departments like agriculture is inappropriate. This location could come in the way of the objective assessment of inter-sectoral priorities. Besides it is not sufficiently prestigious to enable the department to be effective.

Secondly, the department is inadequately staffed and is, therefore, not able to employ proper techniques for the preparation of the five year plans and the annual plans. Instead of achieving a meaningful co-ordination and dovetailing of sectoral plans prepared by the different departments, all it is able to do is to scrutinise plan proposals on broad lines and consolidate them into a single draft.

4.5. Working groups comprising officials as well as non-officials are meant to be set up for various departments for considering plan proposals but their meetings are not organised on a systematic basis. In the Directorate of Agriculture which was studied by us, this mechanism was not made use of effectively. The Working Group there met only once. As the Directorate had already conveyed to the Planning Department the tentative plan outlay for agriculture, the Working Group exercise was only of academic interest. The higher institutions for planning also function haphazardly, if they function at all. The State Planning Committee which is supposed to meet at least once in six months has met only once since it was constituted in 1966 while the State Planning Board has not met at all during the last 5 years.

4.6. As already mentioned in Chapter III, there is no co-ordination between the finalising of budget estimates and the formulation of the Annual Plan. Provisions for plan schemes finally included in the budget differ widely from the outlays approved for them in the Annual Plan. Nor are financial and physical targets laid down realistically in many cases. In 1966-67, in the Department of Agriculture the achievement of physical targets for certain schemes lagged far behind the achievement of financial targets. Conversely, for certain other schemes, physical performance was distinctly better than financial performance. In both types of cases the differences were too wide to admit of a satisfactory explanation.

#### *Strengthening of Planning Department Location*

4.7. Both the overall and the detailed aspects of planning thus require better attention. It is the responsibility of the Planning Department to give proper attention to overall aspects. Although minute details of each departmental plan are not its concern it has a role to see that these are attended to by the departments themselves, and it has to go sufficiently into departmental details to bring about the required dovetailing and co-ordination and to ensure that broad targets will be adhered to. These responsibilities it can discharge only if it is located at a point prestigious enough to be effec-

tive. We have already suggested in Chapter II that the Planning Department should be under the charge of the Chief Secretary. Having placed it under him this department should be made clearly responsible for taking the initiative in convening the meetings of the Planning Committee and the Planning and Development Advisory Board and servicing them, for assessing the needs and resources of the territory, for laying down targets and determining inter-sectoral priorities and for bringing about the necessary co-ordination.

#### *Emphasis needed on plan evaluation*

4.8. One of its most important functions should be the evaluation of plan programmes. At present, in the absence of any adequate check from the planning department, progress reports from the field agencies are neither received regularly in the department nor, when received, are then properly scrutinised. The result is a considerable neglect of plan programmes and often schemes are not taken up at all although budget provision exists. Besides keeping a check on progress evaluation has also to go into the question whether a particular scheme is worthwhile and is serving the object for which it is launched. A systematic enquiry into the major programmes of all departments is required from this angle and can be purposefully and objectively taken up only by the Planning Department, with the assistance of course, of the department whose programmes are evaluated.

#### *Requisite personnel*

4.9. It will not suffice to place the department under the charge of the Chief Secretary. It will be necessary also for the latter to be assisted by adequate and adequately qualified staff. He should be assisted by staff of the requisite calibre deployed whole-time on this work. For this purpose, he will need the assistance of a Joint Secretary with some supporting staff headed, say, by an Under Secretary or Senior Analysts. The Directorate of Economics and Statistics should also be placed under this Joint Secretary. This Directorate is more suitably placed in the Planning Department than the Finance Department for almost all its work will relate to the former and only a portion of it directly to the latter. The latter can always make use of the data collected by it. The post of the Director is at present held by an Under Secretary in the Finance Department in addition to his own charge. Steps should be taken to terminate this arrangement and to fill the post, which stands separately sanctioned, by a whole-time qualified incumbent. In addition to this Directorate, the Joint Secretary, Planning should also have a small evaluation unit to attend to the evaluation of plan programmes.

#### *Relationship between the Centre and the U.T.*

4.10. Regarding the existing complex of relationships between the Union Territory and the Central Government three notable drawbacks are discernible in it, namely, insufficient delegations to the Union Territory, a dispersal of the responsibility for planning for the development of the Union Territory and an insufficient attention to the evaluation of development programmes undertaken.



*Greater operational independence necessary*

4.11. The delegations required for going ahead with plan programmes relate primarily to the financial sector, although those in the personnel sector also have a bearing. Both these kinds of delegations have been enumerated in the relevant chapters. Broadly it is envisaged that budget scrutiny should be confined only to "really new items" in the plan, that powers of reappropriation should be so enhanced that full powers vest in the Union Territory to reappropriate within a head of development (except that diversion of funds from plan to non-plan will need centre's approval) and that the other financial powers should by and large be on a level with those enjoyed by the administrative ministries at the centre. In particular the number of occasions for which the Union Territory has to come to the centre for sanctions concerning a single project have been sought to be curtailed. These coupled with the delegations proposed in the personnel field (Chapter V) should facilitate plan implementation.

*Inclusion of schemes in the plan only on centre's approval*

4.12. Although, ideally speaking, Himachal Pradesh should be the best judge as to the types of schemes it needs and it should be allowed to introduce new plan schemes as and when necessary, we found during our study that there were many flaws in the formulation and the execution of schemes. As mentioned in paragraphs 4.4 to 4.6, no systematic procedure for formulation is being followed nor is the monitoring of the execution of the plan effective. Targets, physical as well as financial, laid down for plan schemes are not always realistic. We, therefore, feel that until such time as the various departments including the Planning Department of the Union Territory develop sufficient technical competence, proposals for including new schemes in the plan should as hitherto be scrutinised and approved by the administrative ministries concerned and the Planning Commission.

*Ministry of Home Affairs to be associated more actively in planning process*

4.13. Dispersal of responsibility is the result of the Allocation of Business Rules of the Government of India which allot to each minister the responsibility for the activity in the Union Territory corresponding to his charge. This arrangement has its advantages in securing detailed technical consideration for sectoral items but has the major defect of not assuring a unified view by any ministry of priorities, perspective and implementation. The Ministry of Home Affairs has been performing some coordinating functions, but these do not involve it intimately enough in these matters. Consequently it is not organised to discharge this function. The only place in the centre where an integrated view is had is the Planning Commission. In its meetings with the Union Territory officers a representative of the Home Ministry is present but this does not clinch for the Home Ministry the pivotal role that should belong to it. Nor is this arrangement quite fair to the Union Territory. A state government before it sends its plan to the Planning Commission arrives at its own con-

conclusion about the programmes it wants and the priorities that should be given to them. Thereafter it discusses the plan with the Planning Commission and there is mutual give and take. The same is true of a central ministry regarding its own plan programmes. But this vital stage is missing here. A Union Territory does not have the standing of a state and is denied a fair opportunity of assessment at a comparable level of its needs and priorities before fighting its case with the Planning Commission. This lacuna needs to be filled not only for the sake of the Union Territory but also for the adequate discharge of Presidential responsibility. It is necessary, therefore, that the Home Ministry be assigned the active role of looking into and associating with the plans for the Union Territory, their formulation, implementation and evaluation, and the proposed plans should go to the Planning Commission only after the Ministry of Home Affairs has approved them.

4.14. This will need a reorganisation in the Ministry of Home Affairs itself. This is a subject which has been taken up in detail in Chapter VIII. The recommendations made there should enliven and activate the role of the Ministry of Home Affairs, and by implication of the Central Government, in the field of planning.

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## CHAPTER V

### PERSONNEL ADMINISTRATION

#### *Introductory*

5.1. Personnel administration lies at the heart of the problems of the Himachal Pradesh Administration. Problems in this area are many and crucial and in some ways the most difficult to overcome. Prior to the reorganisation of 1966 Himachal Pradesh consisted of areas which before 1947 were compared within the princely states of the region. Himachal Pradesh did not, therefore, inherit the pattern, standards and traditions of administration prevalent in British India. Even among princely states, the states of this region were comparatively backward and their administrations reflected this backwardness. Himachal Pradesh was thus carved out of areas that were still in a comparatively underdeveloped stage. The service cadres as initially constituted even at the highest level reflect this weakness. The personnel resources of a region depend on its state of education, its administrative traditions and contacts outside. Needless to add Himachal Pradesh has been behind the states in these respects. Its problems are thus unique. Whereas in area it is like a state it does not have the personnel resources of a state either in quality or quantity. It has, therefore, had to draw upon the centre for personnel for top posts. Its basic administrative cadres are common to the other Union Territories which is a factor presenting problems of its own. Unable under the Constitution to have a separate Public Service Commission for itself it is dependent on the Union Public Service Commission for recruitment to posts in class II and above and has not been able to devise proper arrangements for recruitment to posts below class II. The proliferation of secretariat staff and the unusual feature of staffing the offices of the heads of departments partially, but increasingly, by personnel of the secretariat cadre throws up another category of problems. It is not possible to go into all the ramifications of the various knotty personnel problems that confront Himachal Pradesh. It is proposed here to examine basic policies and to suggest arrangements and institutions of a fundamental character which in turn could attend to the gradual resolution of the subsidiary questions.

#### *Problems studied*

5.2. The problems that are considered in this chapter are :

- (1) policy regarding the higher administrative cadres;
- (2) institutional arrangements for recruitment and promotion;
- (3) policy of postings to key posts;
- (4) delegations;
- (5) nodal arrangements for personnel administration; and
- (6) the role of the Administrator.

**(1) Policy regarding the higher administrative cadres**

*Existing position regarding administrative and police services*

5.3. In discussing this question we will take up only the Administrative and Police Services. It is true that there would be problems relating to cadres other than these but as these services form the core of the administration it is but must to give first attention to them.

5.4. Himachal Pradesh does not have separate cadres for the Administrative and Police Services either at the Union Territory level or of the All-India Services. Its needs for IAS and IPS officers are met by the joint cadres set up for the Union Territories as a whole. Top and middle management posts in their respective spheres are manned by officers of the Union Territory cadres of the All-India Services. There is, however, a shortage of senior officers and hence some of the senior posts are held by officers on deputation from other cadres of the All-India Services. At the lower (comparable to state) level its civil service and police personnel belong to the joint cadre of Delhi, Himachal Pradesh, and the Andaman and Nicobar Islands (DHANI cadres).

5.5. In regard to the IAS and the IPS, the Administrator has the power :

- (1) to appoint direct recruits, on completion of their training, to junior posts (*i.e.* posts ordinarily held by U.T. Civil or Police Service officers) and to transfer them from one such post to another; and
- (2) to transfer an officer from one senior timescale post to another such post. But if on transfer the officer is entitled to a special pay which is higher than the special pay drawn by him in any of the posts previously held by him in the Union Territory, the prior approval of the Ministry of Home Affairs to the transfer is necessary.

In regard to all other matter, *e.g.*, promotion to a higher time-scale, transfer from one Union Territory to another, imposition of penalties, whether major or minor, the powers vest with the Central Government. The position in regard to the DHANI Civil or Police Service officers is much the same except that the Himachal Pradesh Administration has the power to impose minor penalties on such of the officers as are serving under it.

*All-India Services*

5.6. To take the cadres of All-India Services first we find that initially, because of the absence of any specific cadre catering to the needs of the Himachal Pradesh Administration the higher administrative and police posts there had to be manned by officers obtained on deputation. This arrangement did not work satisfactorily as the Central Government experienced considerable difficulty in securing the services of suitable officers. To surmount this difficulty the Central Government to begin with, formed the Delhi-Himachal Pradesh cadres for the IAS (1959) and the IPS (1960). This step was taken to cater to the specific needs of the administrations of Delhi and Himachal Pradesh. Although recourse to deputations still re-

remained necessary, particularly for senior positions, as the newly constituted cadre was short of senior and experienced officers, the general position regarding staffing underwent a gradual improvement. [It may here be noted that an outsider has had to be brought in as Chief Secretary, Himachal Pradesh because it was felt that the cadre officers available in Delhi and Himachal Pradesh Administrations were not ripe enough to hold this post, the seniormost of them having the 1952 year of allotment. At the same time two officers of the Delhi-Himachal Pradesh (now Union Territories) IAS cadre are holding supertime scale posts under the Central Government, one as Chief Commissioner, Andaman & Nicobar Islands and the other as Joint Secretary in a Central Ministry. It is an odd arrangement in which senior officers are sent out on deputations while posts, which they would normally have occupied, are filled by outsiders on deputation as no senior officers are available any longer]. Later, as the other Union Territories continued to experience difficulties in finding suitable personnel on deputation it was decided to bring them also within the ambit of such a system by constituting a Union Territories cadre. Such a cadre came into being on 1-1-1968 and the Delhi-Himachal Pradesh cadre was merged with it.

#### *Need for separate cadres*

5.7. To combine Himachal Pradesh with other Union Territories for this purpose entails some serious disadvantages for the administration of the former. Such a fusion deprives and will continue to deprive Himachal Pradesh of a body of officers that develops roots in and owes its undivided loyalty to it. Without such a corps the top hierarchy in the administration will be notable for lacking the wide and intimate knowledge of the social, economic and administrative life of the area so necessary to enable it to discharge its functions confidently and competently. Its impermanence will prevent it from being committed to Himachal Pradesh and accepted wholly by it. This feeling of commitment, born of an awareness of permanent attachment, can grow only if Himachal Pradesh has separate cadres of its own to provide personnel for higher posts. The whole system of All-India Services has been built upon this concept, in which an officer is detailed to an individual cadre so that he develops loyalties and seeks fulfilment there. He then begins to consider that area as his own and the government of the place considers the officer as its own. It is through their mutual relations that officers are developed and enabled to give of their best. It is thus that a sense of commitment is developed in the officers of the cadre and a sense of acceptance in the government. Unless Himachal Pradesh has its own cadres this equation will be impossible to build and officers coming from outside will not develop roots in the region nor will the local government develop any interest in their training and development. The psychological attitudes resulting from this situation will generate frictions in even minor day to day work. In fact, unhealthy responses to this situation in which senior civil servants are a temporary phenomenon on the scene have been evident and will be accentuated with the formation of the Union Territories cadre. These are broadly of three distinct but related kinds. First, the political executive knowing that the officers posted to Himachal

Pradesh are always liable to transfer to outside territories and that it does not have to put up with them permanently will tend to treat them as birds of passage, and rather than establish a proper equation to get the best out of them will ignore their development, give little attention to the evolution of a deployment policy and push out the "inconvenient" among them. Secondly, the officers themselves knowing the temporariness of their stay would also tend not to strive to establish the right equation or to take the requisite degree of interest either in their work or in developing the necessary ties with the personnel working there without which team work is not possible. Thirdly, the subordinates working with these officers will exhibit (as they even now do) a tendency to be casual towards them knowing that they are birds of passage and are unlikely in the long run to be able to do either much good or much damage to them. This undermines morale and discipline, doubly so if as a result the subordinates tend to form direct links with the political executive.

5.8. Self-contained cadres for Himachal Pradesh are, therefore, necessary. It needs to be examined if they are viable for if they are it would be best to form them. We have, therefore, to see if Himachal Pradesh can have viable cadres for the Indian Administrative Service and the Indian Police Service.

#### *The Indian Administrative Service*

5.9. There are no well-defined or absolute standards with reference to which the viability of a cadre can be pronounced upon. Its assessment is basically a matter of judgment depending on a variety of factors, the most important of which are :

- (a) whether the cadre is of adequate size and, in particular, whether it can be so structured in its proportions that there is not too heavy a distortion in favour of posts at the headquarters at the expense of field posts;
- (b) whether it has sufficient posts on which to develop officers and provide them with experience;
- (c) whether, taking into account its structure and the kinds of posts available, it can sustain a rate of recruitment which will provide officers of the requisite experience and seniority for the different posts in numbers that are sufficient and yet not too much to cause congestion;
- (d) whether it will provide opportunities for promotion; and
- (e) whether it will provide opportunities for the training of junior officers.

Individually most of these criteria do not stipulate precisely formulated norms, e.g. when exactly promotions should occur, what experience is sufficient for holding different posts etc. The position differs from cadre to cadre. If precise norms were formulated these criteria would be found to be indicating the ideal to which few cadres would approximate, for of few could it be said that they are perfectly proportionate and self-sustaining. For practical purposes it may be said that if, within variations that countrywide practice provides, a cadre broadly satisfies these criteria and can survive with-

out too much and continuous artificial respiration it should be deemed viable. An assessment of viability, in this context, has to be made in relative rather than absolute terms.

### Size

5.10. The first criterion, somewhat vague by having Size a repercussion on all other criteria, is size. No optimum has been laid down, and sizes vary enormously, from 314 for Uttar Pradesh to 48 for Nagaland. Himachal Pradesh had 27 senior duty posts on 1-1-1968. Can a separate cadre for it be built around these 27 posts? With 27 senior duty posts in the Union Territory Administration the total strength of the cadre will be 55. If precedent were a guide a cadre of these proportions is not to be ruled out. Thus prior to the reorganisation of 1956 there were some states with cadres as small or even substantially smaller than a possible cadre for Himachal Pradesh as will be apparent from the table below :

S. No.	Name of state	No. of senior duty posts under the state	Total authorised strength.
(as on 1-1-1956 out of 18 constituents)			
1.	Assam	21	41
2.	Mysore	28	56
3.	Punjab	30	61
4.	PEPSU	14	28
5.	Saurashtra	13	27
6.	Travancore-Cochin	14	28
7.	Vindhya Pradesh	22	43

Even if it is argued that the cadres of PEPSU, Saurashtra and Travancore-Cochin were small and not viable and cannot be considered as healthy precedents the same assertion can hardly be made for Assam, Punjab or Mysore. And if cadres of this size could at that time be considered viable there is no reason why a separate cadre of the same size for Himachal Pradesh should not be considered viable now. Moreover, it is not merely historical but present precedent that can be invoked for even today there are two separate cadres of a comparable size, namely, Jammu & Kashmir with a total cadre of 51 and Nagaland with a total cadre of 48 against which Himachal Pradesh will have a total cadre of 55.

### Proportion of field posts

5.11. Quotation of precedent merely indicates relative merit. A specific sub-issue that has to be dealt with in this context is the proportion that headquarters posts bear to field posts. A cadre may be said to become too small to be viable when this proportion is distorted too heavily in favour of the former. With 10 districts Himachal Pradesh has ten posts of Deputy Commissioner. There being one post of Settlement Officer there are eleven clear field posts. Assuming all posts of heads of departments, besides those in the secretariat, to be headquarters posts we have a proportion of 11 field posts to 16

headquarters posts. This compares favourably with many other cadres as shown in the sample below :

Cadre	Field Posts	Head- quarters Posts
Assam . . . . .	15	40
Andhra . . . . .	35	71
Haryana . . . . .	10	37
Kerala . . . . .	9	35
Maharashtra . . . . .	65	49
Punjab . . . . .	16	45

If heads of departments are reckoned as field posts, the proportions will change as under :—

Cadre	Field Posts	Head- quarters Posts
Assam . . . . .	26	29
Andhra . . . . .	56	50
Haryana . . . . .	19	28
Himachal Pradesh . . . . .	17	10
Kerala . . . . .	16	28
Maharashtra . . . . .	82	32
Punjab . . . . .	28	33

A separate Himachal Pradesh cadre will therefore satisfy this particular criterion, perhaps better than many other cadres.

#### *Opportunities for promotion*

5.12. Coming to opportunities for promotion, those to the senior scale can always be regulated by some forethought in the rate of recruitment. Besides the number of senior scale posts will be sufficient to allow for promotion after 4 years or so. But for promotion to the rank of Commissioner opportunities will undoubtedly be restricted in the long run. (In the short run these opportunities will depend on the age and seniority mix of the cadre as it is constituted to begin with). There being only two posts in this scale in the cadre, there will be a number of officers ripe for this grade after, say, twenty years. Assuming for the sake of argument that there is no expansion in cadres, that half the intake of regular recruits in the past for the Delhi-Himachal Pradesh cadre is allocated to Himachal Pradesh and that fresh recruitment is of the order of 1 (for maintenance needs), 1988 will see 25 officers with twenty years service or more, of whom 14 will have twenty-two years service or more. With only 2 posts in the rank of Commissioner (which, in the event of some expansion taking place, may increase to 3 or at best 4) a sizeable proportion of eligible officers will either remain in the senior scale or will have to find an outlet in the centre. But we



understand that this may well turn out to be the position in other cadres also. Besides, the specific comparison here is with the Union Territories cadre and it can categorically be said that opportunities for promotion in an independent Himachal Pradesh cadre, however unsatisfactory, will be far better than in the Union Territories cadre, for the simple arithmetical reason that whereas Himachal Pradesh offers 2 supertime scale posts in a total of 27 senior duty posts, the Union Territories cadre offers only 3 supertime scale posts in a total of 92 senior duty posts. Depending on the position regarding promotion prospects in the all-India context the centre may have to come substantially to the relief of the Himachal Pradesh cadre, through the mechanism of the central deputation quota, in providing promotion outlets. It will also be implicit (as it must be in the case of the Union Territories cadre) that officers ripe for promotion to ranks above that of Commissioner will be suitably absorbed by the centre, for there is no post at all in any grade above that of Commissioner in the Himachal Pradesh cadre (or in the Union Territories cadre):

*Rate of recruitment scope for developing officers and training*

5.13. The rate of recruitment that the cadre will sustain and the scope it will provide for the development of its officers are vital issues demanding answers to the following questions : what order of annual recruitment will an independent cadre for Himachal Pradesh have? Will this cadre have posts carrying different levels of responsibility as normal state cadres do on which officers could be posted and developed gradually? Will the rate of recruitment and the proportion of these different kinds of posts be such that officers of the requisite seniority and experience will be available at each level? Will the movement from one level to another be smooth in relation to their numbers? Will there be sufficient posts for officers and will there be sufficient officers for posts?

5.14. Truly satisfactory answers to these questions can only be given with the help of arithmetical calculations. There is with us no firm basis on which such calculations could be made for we are not in a position to know what the initial composition of separate cadre will be like. Nor are we in a position to know what the order of expansion will be like, altogether or in different categories of posts, in the future. Any projection made by us will therefore be hypothetical but even hypothetical projections can give some indication. An analysis is made at Appendix XVI of the position as it will be 20 years hence based on the following assumptions :

- (a) officers at present serving in Himachal Pradesh will remain there;
- (b) of the officers recruited in the recent past to the Delhi-Himachal Pradesh cadre through the annual competitive examinations and who are still shown as "under training" half will be allocated to the Himachal Pradesh cadre;
- (c) there will be no expansion in the cadre (the study at Appendix XVI also contains a separate set of figures in the event of an expansion of 50% in the cadre over 20 years);

- (d) promotions to the rank of Commissioner will be made after 22 years service and the centre will ensure these promotions outside the cadre i.e. at the centre since the cadre will absorb only two officers;
- (e) the rate of recruitment will be 1 per annum (or ordinarily 3 in two years in the event of 50% expansion); and
- (f) the list of senior duty posts in Himachal Pradesh will be modified in the light of the recommendations made in the other chapters of this report.

5.15. The study shows that there will be a considerable congestion at senior levels. As already pointed out there will be 14 officers with 22 years' service. This congestion will be the direct result of the extent of recruitment done for the Delhi-Himachal Pradesh cadre in the last few years. We understand that the Department of Administrative Reforms in a separate study of the Indian Administrative Service have found that on similar assumptions congestions in some other cadres will be worse. The present-day trends regarding promotion above the senior scale may well undergo a countrywide change. In Himachal Pradesh on the assumptions made it will be difficult to give the scale of Commissioner in 1988 to officers with less than 22 years' service. While correctives may need to be applied by a thoughtful forecasting of needs and planning recruitment bearing all factors in mind, for purposes of the present projections we have already assumed that if the comparative all-India position so justifies the centre will provide outlets for promotions to officers in this cadre. If we leave aside this group of senior officers we find that there is an adequate number of posts for officers in different seniority slabs and an adequate number of officers for posts in each category. If in any particular seniority slab an imbalance occurs (these occur in every cadre and in different slabs at different periods of time) the balancing mechanism of the central deputation quota can be used to provide a corrective. For the Himachal Pradesh cadre, according to these projections heavy imbalances in the senior scale are not likely to occur and the centre may not have many problems to solve for this cadre through the central deputation quota (except in the supertime scale). Thus 20 years hence it may be necessary for the centre to draw upon, to some extent, officers from this cadre with 10-15 years' service. In the earlier years depending upon the initial constitution of the cadre it may become necessary to send a larger number of comparatively junior officers (say 4-7 years' service) to the centre.

5.16. Training in the sense of providing experience to senior scale officers through a sound placement policy will thus be possible for the right proportion of posts and officers will be available.

5.17. Training opportunities in the junior scale in Himachal Pradesh are as good as in the other Union Territories (with which a comparison is most relevant) if not better, although perhaps no Union Territory compares with the states in this regard. But here perhaps the best arrangement to start with would be to detail trainee officers to the neighbouring states for training as was done for a long time for Rajasthan. This arrangement is required not because of any inherent and permanent deficiency in Himachal Pradesh but

because its existing administration does not yet have the requisite experience, traditions and background for imparting such training. With a separate cadre these will gradually be built up and in course of time it should be possible to impart such training in Himachal Pradesh itself.

### *Separate IAS Cadre*

5.18. It will thus be seen that a separate cadre of IAS for Himachal Pradesh will be a viable proposition and we strongly recommend that such a cadre be formed.

### *The Indian Police Service*

5.19. The criteria for a separate cadre for the IPS are broadly the same as those for the IAS. We need not make a detailed exercise of the kind made above for the IAS to determine the viability of a separate IPS cadre. A broad survey of the size of such a cadre and a comparison with other cadres will indicate the direction in which a solution may be sought. Generally speaking, the IPS cadre of any unit is smaller than the corresponding IAS cadre and Himachal Pradesh will be no exception. As on 1-1-1968 there were 18 senior duty posts under the Himachal Pradesh Administration for manning by IPS officers. This in a separate cadre would lead to a total cadre strength of 37. This compares well with IPS cadres of some states prior to the reorganisation of 1956 as indicated by the table given below :

S. No.	Name of State	No. of senior duty posts under the state	Total authorised strength
(as on 1-1-1956 out of 18 constituents)			
1.	Andhra . . . . .	21	36
2.	Assam . . . . .	22	37
3.	Madhya Bharat . . . . .	24	38
4.	Mysore . . . . .	18	30
5.	PEPSU . . . . .	9	15
6.	Saurashtra . . . . .	9	15
7.	Travancore-Ccchin . . . . .	7	12
8.	Vindhya Pradesh . . . . .	14	22

Comparison with present-day cadres would show that the cadre strength of Himachal Pradesh would be about the same as that of Haryana (19 posts under the state government with a total cadre of 39) and that of Jammu & Kashmir (15 posts under the state government with a total strength of 27). On the existing figures therefore if Haryana and Jammu & Kashmir could have separate cadres so could Himachal Pradesh. Perhaps it is also possible to argue that the cadre of Himachal Pradesh should be extended by giving it a larger quota for central deputation from which the Government of India posts on the police side in Himachal Pradesh (e.g. the S.S.S.B. organisation) could be manned. For the rest the remarks made above

in the case of the IAS are applicable *mutatis mutandis* to the IPS also. The need for a separate cadre for the IPS, although not as pressing as that for the IAS, does exist and for much the same reasons such a cadre should therefore be formed.

#### *Initial constitution of separate IAS and IPS cadres*

5.20. In forming such cadres for the IAS and the IPS care should be taken to have a proper mix of officers bearing in mind their age, seniority, experience and background.

#### *Management of Separate Cadres*

5.21. With separate cadres formed for Himachal Pradesh for the All-India Services arrangements will have to be worked out for the distribution of authority between the Ministry of Home affairs and the Union Territory. In dealing with the All-India Services the Ministry of Home Affairs will have two separate roles to perform—the wing which deals with All-India Services will deal with these cadres as it deals with similar cadres of a state. The wing which deals with the Union Territories will have the powers that at present vest in a state government with respect to All-India Services. Some of these powers it will shed, as it has done even today for the Union Territories cadre, to the Union Territory Government. What these delegations should be is a matter of detail to be worked out when the separate cadre is formed.

#### *Arrangements for other Union Territories*

5.22. It could pertinently be asked what would happen to other Union Territories in case separate cadres were formed for Himachal Pradesh. If Himachal Pradesh has a separate cadre Delhi might qualify for one and the problem experienced by the Government of India in finding officers would be accentuated for the remaining Union Territories like Manipur, Tripura, etc. Although our charter is confined to studying the Himachal Pradesh Administration and to recommending what is best for it and although the repercussions of these conclusions on other Union Territories are not directly a part of this study the question cannot in all fairness be evaded.

5.23. We have seen that the principal reason for providing the Union Territories with separate IAS and IPS cadres was to ensure an adequate supply of officers for manning different posts in the Union Territories. It would however be pertinent to have a closer look at the idea of Union Territories cadres and the stages it went through before fructification in its present shape.

5.24. The question of forming separate cadres for the Union Territories appears first to have been considered in 1957 and given up, as at that time there was unanimity of opinion among the Chief Commissioners of Delhi, Manipur and Tripura and the Lieutenant Governor of Himachal Pradesh that a combined cadre covering far-flung Union Territories would have serious administrative handicaps. Thus officers would have to be posted in distant areas where they would be totally unfamiliar with the language and surroundings of the people, they would have to learn several languages and so on.

5.25. Difficulties in getting suitable officers continued and this prompted the Home Ministry to reopen the question. They decided to organise common IAS/IPS cadres for Delhi-Himachal Pradesh which areas presented the least difficulty in trying out a scheme of joint cadres. The joint Delhi-Himachal Pradesh cadres for the IAS and the IPS were thus created, and controlled and operated by the Ministry of Home Affairs.

5.26. In 1964, i.e., 4-5 years after the Delhi-Himachal Pradesh cadres were formed, the Home Ministry felt that the experience though short, had proved the utility of joint cadres in that they had not to go abegging for suitable officers and that therefore the scheme could be extended to cover all the other Union Territories where the problem continued. They also felt that joint cadres would be stable and well balanced, would bring about uniformity in administrative standards, give better promotion prospects to officers serving in the Union Territories where opportunities for promotion to higher jobs were limited and provide mobility and opportunity for acquiring experience of a varied nature—Delhi would give all the experience of the problems of a large urban area while the other Territories would provide experience of a rugged nature necessary for building up the all round personality of officers.

5.27. In 1965, the administration of NEFA was transferred to the Ministry of Home Affairs from the Ministry of External Affairs. NEFA was being served by the Indian Frontier Administrative Service cadre, a cadre which had run into difficulties because its officers, confined to a small territory, were deprived of adequate experience and prospects and also because the difficult terrain and conditions no longer suited the older among them. Government felt that the administration of a strategic area was thus handicapped. It was therefore decided to include NEFA also in the scheme of Union Territories cadre and to integrate the IFAS cadre with the proposed IAS cadre for the Union Territories. The Ering Committee also recommended such a step.

5.28. The Union Territories IAS and IPS cadres covering Delhi, Himachal Pradesh, Manipur, Tripura, Pondicherry, Andaman & Nicobar Islands, Laccadive etc. Islands, Goa, Daman & Diu and Chandigarh came into being with effect from 1st January 1968. The composition of the two cadres is given at Appendix XVII. With a total authorised strength of 240 for the IAS and 104 for the IPS the Union Territories cadres are larger than most of the State cadres e.g. Andhra Pradesh, Assam, Bihar, Haryana, Madras, Rajasthan.

5.29. It will be seen that the constitution of the joint Union Territories cadres is not based on any unanimity of opinion among the participating units. Excepting the Manipur Administration, which welcomed the proposal wholeheartedly, other e.g. Delhi, Himachal Pradesh, Pondicherry, were not very enthusiastic.

5.30. The Union Territories are widely dispersed. Because of this they have developed differing cultures and varying administrative practices. In addition a variety of languages e.g. Manipuri, Punjabi, Tamil, Marathi are spoken in the territories. In such a situation a scheme of joint cadres is not likely to work satisfactorily. The far-flung location of the territories will create difficulties in the matter

of operating postings of officers. Postings to difficult areas may not be liked by officers who may bring pressures on the Central Government to avoid such postings. This has been anticipated by the Home Ministry themselves and it is perhaps for this reason that they intend to make service of about 6 years in difficult areas compulsory. It can however be foreseen that implementing this intention will encounter several difficulties. Secondly, the language problem cannot be treated lightly. The variety of languages spoken in the various territories will make it necessary for officers to learn a number of languages if they are to function efficiently. This will cause considerable difficulty to the officers concerned as it would be difficult for them to master more than one or two languages. The Central Government feel that if the existence of different languages and cultural practices poses a problem in the Union Territories that problem should exist also in the more heterogeneous states like Assam and Madhya Pradesh, where wide disparities of language and culture exist. They also feel that the language problem will not be an insuperable difficulty as direct recruitment will provide officers knowing various languages and the 25% promotion complement for promotion of officers from local cadres will provide some officers who know the local language. This expectation again may not be fulfilled in actual practice. Direct recruitment, which is based on the merit of the individual candidates and not on languages known, need not necessarily throw up a sufficient number of candidates knowing the languages in vogue in the Union Territories. Also, according to the existing formula of the number of regular recruits allotted to the Union Territories cadres, 50% will have to be from areas other than the Union Territories. Thus it is difficult to expect that direct recruitment will provide any sizeable number of officers knowing the local languages. The increasing trend towards regional languages also should be a point to consider. This might lead to an inevitable polarisation with Hindi speaking persons going to Hindi speaking areas and other language knowing people going to other language areas. There is evidence of such polarisation having taken place already in postings to Himachal and Delhi which the Government are not able to resist effectively. The language problem will therefore throw up difficulties in cadre management which are not experienced in states like Assam and Madhya Pradesh.

5.31. Another point to consider here is the posting of officers. The direct recruits who enter the service with the full knowledge of liability to transfer to the various administrations may not prove a serious obstacle though at least some of them will resist being scuttled between far-flung areas. But the Service does not consist of direct recruits alone. 20% of the senior cadre will consist of officers promoted from the feeder services. These officers by the time they get promoted to the IAS/IPS, would have got rooted to their native places. But once they get into the IAS/IPS, they are liable to be transferred and it will only be natural to presume that these promoted officers will not be interested in any permanent or long-term transfer outside their native areas, more so to the remote ones among them. To show them a special concession by transferring only the direct recruits, besides being invidious, would throw up problems of another kind—the local promotee, becoming a permanent or semi-permanent fixture will more easily come under political influence,

while the regular recruit will be treated as a bird of passage, by others and possibly even himself, with consequences that have already been described.

5.32. The filling up of the promotion quota vacancies in the joint Union Territories cadres is also likely to cause difficulties as there are a number of feeder services to these cadres. There is no combined seniority list for the services in the different Union Territories. Secondly, to keep the officers serving in the different Territories contented it will be necessary to apportion the promotion quota posts. Even then, the Laccadive, Minicoy & Amindivi Administration will not be entitled to any promotion quota post as there is only one post under that Administration and according to the existing formula for calculating promotion quota posts, fractions are ignored. The apportionment of promotion quota vacancies may not be a healthy practice as that will amount to having cadres within a cadre. No doubt, some formula will be fashioned to meet this problem but it is unlikely that that formula will be altogether satisfactory or that it will be wholly in keeping with the spirit of the All-India Services.

Opportunities of promotion above the senior scale will be poor in this cadre. With only 3 posts in the rank of Commissioner in a total cadre of 240 much stagnation will occur and will be unavoidable. When 2 supertime scale posts in a separate Himachal Pradesh cadre of 55 will lead to congestion, the promotion position in the Union Territories cadre will be much worse, indeed disquietingly so.

#### *Utilisation of Central Deputations*

5.33. The Union Territories cadre even as it exists will thus have several serious drawbacks and if in the process of carving a separate cadre for Himachal Pradesh this cadre has to be dissolved (because of a possible development on the same lines for Delhi and the unviability of the rump as a separate cadre) no serious damage will be done provided some alternative method is available for finding officers for the remaining Union Territories. We feel that an alternative solution could be sought on the lines of filling posts in such Union Territories from the central deputation quota of the various IAS and IPS cadres. The number of officers on central deputation from the different cadres should be increased to the extent of the requirements of these Union Territories and officers transferred to these Union Territories for a tenure period. As far as possible officers from contiguous areas should be posted in the Union Territories as they are likely to be more familiar with the region and language. There may be some difficulty in posting even officers on central deputation to the Union Territory as there may be some resistance on the part of the officers concerned. It is not likely that an IAS officer coming on central deputation for a limited tenure of four or five years will relish the prospect of spending the bulk of it in a Union Territory and depriving himself of direct experience of the Central Government. This objection could be overcome by normally relaxing the tenure period of such officers to the extent of the period (or part of the period) spent by them in the Union Territory so that they are able to spend a reasonable period in the Central Government also. These posts being treated as central deputation posts it would perhaps further facilitate matters if, for purposes of manning, they are pooled together with other

posts in the Home Ministry and that ministry operates on them by posting officers deputed to it.

### *The Dhani Cadres*

5.34. While All-India Services cadres were formed for the Union Territories as a whole a different principle was followed while forming the Civil and Police Services cadres in the different Administrations. It was recognised that there could not be unified Civil and Police Service cadres for all the Union Territories on account of :—

- (i) language difficulties;
- (ii) variations in administrative practices; and
- (iii) the unwillingness of officers to serve in areas far removed from their homes.

Therefore it was decided to constitute separate civil and police service cadres for the different Union Territories instead of extending the Delhi-Himachal Pradesh Civil and Police Services to cover all the other Union Territories. The only exception to this is the Andaman & Nicobar Administration which has been grouped with Delhi and Himachal Pradesh, as the regional language in all these territories is Hindi and as that Administration cannot have separate cadres because of the small number of posts involved. That is how the Delhi-Himachal Pradesh-Andaman and Nicobar (DHANI) cadres came into being on 1-12-1965.

5.35. The authorised strength of these cadres, the officers in position and a detailed break-up of the figures territory-wise is given in Appendix XVIII.

5.36. The following are the two grades in the DHANI cadres :

	Civil Service	Police Service
Grade I (10% of authorised permanent strength)	Rs. 900-1200	Rs. 900 (fixed)
Grade II	Rs. 300-850	Rs. 300-800

The rules make a specific provision for the transfer of officers from one Administration to another included in the DHANI group.

### *Separate Civil and Police Service Cadres*

5.37. All the arguments mentioned earlier in favour of separate cadres for Himachal Pradesh for the IAS and IPS can be stressed with much greater force in the case of the Administration's civil and police services. It is anomalous that while much smaller Union Territories like Manipur, Tripura, Goa (a comparison with which is available at Appendix XIX) should have their civil and police services a large Union Territory of the size of a small state like Himachal Pradesh should be deprived of such services and should have to share them with other Union Territories one of them as remote as Andaman & Nicobar Islands. With all the major controls vesting in the Ministry of Home Affairs and with the liability to transfer and the consequent effect on the development of roots and



loyalties within the Union Territory such an arrangement is clearly less than fair to the Himachal Pradesh Administration. The point need not be laboured and it would suffice to recommend the constitution of separate civil and police services for Himachal Pradesh. Officers for the Andaman & Nicobar Islands could then be had on attractive terms of deputation, if necessary from among the services under the control of the Government of India.

(2) *Institutional arrangements for recruitment and promotion*

*Independent Agency*

*A Selection Board*

5.38. At present Class II and higher posts are filled through the Union Public Service Commission. Class III posts are filled by the departments themselves. Our studies in the Department of Agriculture revealed many irregularities in appointments to such posts. Many quarters in Himachal Pradesh have expressed the opinion that this Union Territory should have a Public Service Commission of its own. This, however, does not seem to be constitutionally permissible. The other available alternative of making recruitment to these posts also through the U.P.S.C. cannot be advocated for two reasons :—

- (a) that such a measure would considerably delay appointments; and
- (b) it would place the residents of Himachal Pradesh at a comparative disadvantage. Although educationally backward in comparison they would have to face, even for posts in this low category a countrywide and therefore stiffer competition than their counterparts in the states have to face.

The alternative would, therefore, be to set up a Services Selection Board within the Union Territory which can serve the needs of all the departments in the Union Territory.

5.39. The number of vacancies likely to arise annually will be in the vicinity of 1000. This will not give sufficient work-load to a full-fledged wholtime three member Board but recruitment for these posts along with other items of work mentioned later should give an adequate load of work to a whole time Chairman of this Board. The Board could have two other officers as part-time members. The Chairman would need to be assisted by a small secretariat headed by an officer of the rank of Under Secretary or a Superintendent if a suitable officer in that category can be found.

*Functions of Board*

5.40. Apart from the responsibility of conducting examinations for direct recruitment to the various Class III posts the Board should also be assigned the following tasks :—

- (1) It should organise qualifying or limited competitive tests for promotion within the Class III services or from Class III services to Class II. If the quality of personnel at the

senior subordinate levels, particularly those in the secretariat and headquarters establishment of the executive heads, is to be improved, increasing use will have to be made of the device of qualifying and limited competitive examinations. It should be one of the responsibilities of the proposed Services Department to identify areas in which the two types of examinations should be the basis for promotion and, in the case of promotions through the limited competitive tests, to indicate the precise proportion of the posts in the promotion quota that should be filled by that method.

- (2) The Chairman of the proposed Board should be the *ex-officio* Chairman of all the Department Promotion Committees for promotion to and within Class III services. He should also replace the Chief Secretary as Chairman of the Departmental Promotion Committees of the various departments for promotion to and within Class II. At present there is a large number of these committees which occupy a great deal of the time of the Chief Secretary.

5.41. If this Board is set up and succeeds in its working it could later be entrusted also with the work of recruitment to Class II posts.

#### *Status of Members*

5.42. We do not consider it necessary to make any specific recommendation regarding the rank and pay of the Chairman of this Board and of officers who could be associated with it as part-time members. Rank and pay will depend to some extent also on the kind of work ultimately given to this Board and these questions may, therefore, be left to Government to work out.

#### *Class I DPCs*

5.43. The Departmental Promotion Committees for Class I services and posts are at present presided over by a member of the U.P.S.C. and the Union Territory Administration is represented, apart from the Secretary or the head of department concerned, by the Chief Secretary. With the introduction throughout the secretariat of the institution of the administrative secretaries it should be possible for the Chief Secretary to jettison some of this work to them.

#### *(3) Policy of postings to key posts*

5.45. Of the appointments which already require the approval of necessary that crucial posts should be manned by officers of the requisite calibre. The Rules of Business state that appointments to the posts of Chief Secretary, Financial Commissioner, Development Commissioner, Finance Secretary and the Inspector General of Police will be made with the approval of the Government of India. The rule has presumably been inserted to ensure the quality of the officers occupying these posts and the provision should, therefore, be regarded as basically salutary. But when considering the list of posts that should come within the ambit of central approval it is necessary

to be clear about the principle involved. The principle briefly should be that crucial posts, in the incumbents of which quality cannot be compromised with or independent-minded objectivity is of the essence, should be filled in such a manner that really suitable officers, if necessary from a wider zone of selection, are appointed and that local pressures do not count in such appointments. If this principle is accepted there would be a case for deleting the post of Development Commissioner (who will be no different from other administrative secretaries) from this list and adding to it the posts of the Chairman of the Services Selection Board and the Law Secretary. In both the latter named offices, independence of mind is a prime qualification and this is more likely to be had if the appointments are free from local influence. For appointment to the post of Secretary, Law Department the Government of India should not hesitate to consider officers of the Ministry of Law.

#### *Tenures of key officers*

4.45. Of the appointments which already require the approval of the Central Government, particular care should be taken in selecting officers for the posts of Chief Secretary and Finance Secretary.

5.46. The two posts of Chief Secretary and Finance Secretary are crucial and the officers occupying, them must remain on them for long enough periods to assure stability, and to enable them to have an impact on administration, and in particular to provide an incentive for the initiation of policies and measures aimed at the improvement of the area. The pay and rank of these officers should be kept flexible in that if in the middle of his tenure the officer becomes due for promotion, either at the centre or in his parent cadre, he should be given that promotion on his post in Himachal Pradesh itself so that the tenure can be completed. In the remaining cases, it should be ensured that officers appointed will function as such for a period of three years. Such a tenure is absolutely necessary if the Administration is to function smoothly and efficiently. And where officers are obtained on deputation this period should be specified in the terms of deputation. This is often not done and even the tenure of Chief Secretary is extended from year to year. In these circumstances, no stability in Administration is possible. Again, selection should be made well before a vacancy is likely to arise and should be made on the basis of suitability. To treat these posts as a cushion for solving odd problems presented by particular individuals is fair neither to the individuals nor to the Administration. A impression has unmistakably been left that this has been done in the past.

#### *Field of selection of Secretaries*

5.47. In Chapter II we have suggested that the various departments, appropriately, should be placed with administrative secretaries who are distinct from heads of departments. This will immediately mean an increase in the existing number of secretaries by three. It is possible that just now the IAS cadre of Himachal Pradesh or the Union Territories may not throw up the required number of officers with the requisite calibre and background to man these posts. In that event there should be no hesitation in looking for suitable

men in other IAS cadres or in local cadres other than the IAS. In both these exigencies the approval to such postings should be obtained from the Central Government. Otherwise the Union Territory Administration should be free to make postings and transfers to posts of secretary other than those mentioned in paragraph 5.44.

#### (4) *Delegations*

5.48. Decision making in the sphere of personnel administration, as in other spheres, is heavily centralised. Too many cases go to the Government of India. Within the Union Territory itself, too many cases go to the Lt. Governor, the Cabinet, the Minister, the Secretary and the Head of Department. Much of this centralisation creates fruitless work for the higher functionaries. So much so, that almost 75% of the time of the head of a department, like Agriculture is taken up in routine administrative and personnel matters. Appendix XX is illustrative of the delegations desirable in the field of personnel management for different levels of organisation in the Union Territory Government.

#### (6) *Nodal arrangements for Personnel Administration*

5.49. Despite its undeniable importance personnel administration has not received the attention it deserves. Some of the basic functions which seem to have been neglected are manpower planning, career planning and development, methods of ensuring the best selections, the fashioning of placement policies etc. An instance of the latter is furnished by the statement at Appendix XXI showing the frequency of changes in the incumbency of posts of secretaries and heads of departments during the years 1962—68. It is a comment on the lack of career planning and the absence of a rational placement policy that the average tenure of holders of key positions of secretary has been 1 year and 10 months only and of heads of departments, 1 year and 2 months only. A similar disregard of planning is apparent also in the case of other officers, not excluding IAS officers. Again, our studies show that departments do not make any assessment of their personnel needs for the immediate future. In some cases, even the annual estimate of vacancies required to be filled in consultation with UPSC is not communicated to the Commission. This naturally delays the process of selection of officers. If development programmes have to be executed efficiently and if administration has to make any impact on the people's welfare, it is essential that administration should have at its disposal the right type of officers in the right numbers at the right time. Basic items of personnel administration therefore need to be attended to in each department and the nodal agency given the responsibility of framing a personnel policy and ensuring that it is carried out by the department. A great deal requires to be done in this direction before the Himachal Pradesh Administration can come up to the standard of well-run states.

#### *Department of Services*

5.50. We recommend in this context the location of this responsibility in a new department to be called the Services Department and

formed by the merger of the present Appointments and Vigilance Departments. This will have two divisions, viz., Appointments and Vigilance. The measure proposed will have no staff implications but will have the important implication of entrusting an important function to an agency after reforming it. This department will be under the ultimate control of the Chief Secretary but in order not to add to his burden, should function under the immediate charge of a Joint Secretary working under the Chief Secretary. (There already is a Joint Secretary, Appointments, who could be utilised for this purpose.) The allocation of this department to the Chief Minister's portfolio will ensure that its working receives the support from all quarters.

### *Functions*

5.51. The following are among the main functions proposed for this department :

- (1) to manage the IAS cadre of the territory, to work out its personnel needs and rate of recruitment, to arrange for the training of its officers, to arrange their postings, keeping in view the need for executive development and to attend to other aspects of cadre management;
- (2) to manage the cadres of the Himachal Pradesh Civil Service and the Himachal Pradesh Secretariat Service;
- (3) to identify areas of administration needing different types of specialisation and to develop Civil Service officers having the requisite qualifications, aptitude and experience for manning the various positions through systematic programmes of training and placement;
- (4) to frame, or guide other departments concerned in framing, a realistic forecast of their personnel needs and to ensure that action to initiate recruitment is taken well in time;
- (5) to evolve a training policy for the Union Territory Administration and to ensure that it is implemented by the various departments;
- (6) to oversee personnel administration in the different departments with the help of checks, with a view, not to interfere or impose direct supervision, but to appraise generally the health of personnel administration, to bring lacunae to the notice of heads of departments and secretaries and to advise them; and
- (7) to look into all matters of personnel policy generally.

### *(6) Role of the Administrator*

5.52. The Administrator has a special role in regard to the services. This is so, because the Legislative Assembly has no power to legislate with respect to the conditions of service of persons employed in connection with the affairs of the Union Territory—a matter that is essentially the responsibility of the President. The Administrator being only a delegatee, exercises such power and functions as are

specifically entrusted to him under the rules and orders framed by the President. In the exercise of these delegated powers and functions, the Administrator is under no obligation to consult his Council of Ministers and although he is enjoined under the rules of business in such matters to act in consultation with the Chief Minister the initiative and final responsibility rest with him. It is for him to regulate, through standing orders, the disposal of business relating to personnel matters. All this casts on the Administrator a special responsibility for the management of the services and the maintenance of their discipline and morale. While routine day-to-day administration of the personnel matters must necessarily be left to the departments in crucial personnel matters he should play a positive role. These matters are :

- the selection of personnel for key posts described in para 5.44 above.
- important aspects of management of the all-India Services.
- posting of Secretaries, heads of departments, Deputy Commissioners and Superintendents of police.
- cases of discipline concerning class I officers
- appeals, petitions and memorials.
- review and revision of the orders passed by subordinate authorities.

An idea as to what classes of cases in the field of personnel administration should receive the attention of the Administrator and what should be delegated to subordinate authorities can be had from Appendices VIII A and XX.

A special word may be said here about cases of discipline as well as memorials going up to him. Not only should he decide these in his discretion, his secretariat should be staffed by officers equipped to examine such cases. On complicated cases he should be able to call for a second opinion, other than that of the department examining and putting up the case to him, say that of the Services Department.

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## CHAPTER VI

### INTRA-DEPARTMENTAL STRUCTURES

#### *Deficiencies in the existing system of organisation*

6.1. In this chapter we propose to enunciate the principles that should govern the structure of the departments, the relationship between the secretary and the heads of departments and the mechanism through which it should operate. As we have seen there are at present no separate administrative secretaries for a number of departments. For most development departments their heads serve as *ex-officio* secretaries. Before we make our recommendations it would be pertinent to note, even at the risk of some repetition, the deficiencies in the existing system as set out below :—

- (1) The complete amalgamation of staff and line functions prevents the application of broader scrutiny of policy proposals and their setting in the national field which is required from the point of view of government as a whole and which is seldom satisfactorily obtained from the operational head of a particular agency. In a number of important cases it is desirable that a minister should have a second opinion formed by a person who is not intimately and inextricably involved in the day-to-day operations of the department and who can, therefore, take an objective view of matters. The need for such an opinion becomes sharply pronounced in certain types of cases, *e.g.*, personnel cases, but it is also felt in the working out of plans and policies as also in the administrative decisions of major importance.
- (2) The executive head is so preoccupied with the day-to-day execution of the settled policies and programmes that he has hardly any time to think, plan and organise. Consequently, operational problems tend to overwhelm the considerations of long range policy.
- (3) The secretaries of the development departments, whether *ex-officio* or independent, have no more financial powers than those delegated to their heads of departments with the result that a large number of cases has to be referred to the Finance Department or submitted to higher authorities like the Administrator.
- (4) Some of the executive heads-*cum-ex-officio* secretaries are relatively junior officers and lack the breadth of vision and experience that an administrative secretary should possess for the effective performance of his role. This could be one of the reasons for the ministers insisting on seeing a large number of cases, including many relatively unimportant ones.
- (5) Where an independent secretary does exist he does not have adequate staff assistance and it so bogged down with routine work that he does not have sufficient time

to think and plan for the departments entrusted to him. Thus the Development Commissioner who is also Secretary for certain departments receives on an average 30 cases a day. This figure excludes all fresh receipts like letters, or minutes of meetings on which he may have to initiate action himself. Nor does this figure reflect the great amount of time that he has to spend in meetings and on tours.

- (6) Many heads of departments have limited powers in the field of financial management and personnel administration. This has tended to detract from their effectiveness as executive heads. Even those that have, do not have adequate staff support in the field of planning, policy-making personnel administration and financial management with the result that there is no systematic articulation of policy evaluation of programmes and scrutiny of the proposals having financial or personnel implications. Nor is it possible to provide each head of department with sufficient and high-level assistance of this nature so as to make him self-contained for that would be too expensive a proposition. But the existing situation in which a majority of cases are put up to him direct by the assistant or superintendent concerned takes a heavy toll of his time and is unsatisfactory.
- (7) There are often insufficient delegations below the level of the head of department resulting in the flow of a great deal of petty work to the head of department. Thus, for instance, none of the field officers in the Directorate of Agriculture (including the Principal, Agricultural College, and the three Deputy Directors in charge of soil conservation, extension and horticulture, who control a number of head of offices) has any more powers than a 'head of office'. Even at headquarters, neither of the two principal aides of the director, namely, the Joint Director and the Assistant Director, has been authorised to dispose of a significant proportion of cases on behalf of the head of department. As a result, 163 of the 171 cases studied by us, i.e. nearly 95% were decided at and above the level of Director. This has meant excessive involvement of the Director of Agriculture in matters of administrative detail at the cost of planning, policy-making and technical supervision of the field. On his own assessment such work occupies 75% of his time.
- (8) Often too many authorities report to the head of department with the result that supervisory as well as operational arrangements become too dispersed for effective control and co-ordination. Another factor detracting from effective supervision of field activity is that in some departments (like Agriculture) the intermediate supervisory officer does not have powers over the offices he is meant to supervise and control.
- (9) There is mixture of the secretariat and directorate staff in the headquarters establishment of heads of depart-



ments. A part of the staff is drawn from the secretariat and paid secretariat scales of pay, while the rest belongs to the directorate and is paid lower rates of pay, although deployed on the same type of work. Since the scales of pay of the secretariat staff are superior to those of the directorate staff, the tendency has been to create all additional posts on secretariat scales of pay. As the directorate staff is not eligible for promotion to posts on secretariat scales of pay, this tendency has affected adversely the prospects of promotion of the directorate staff and led to considerable discontent among them. The fact that the secretariat staff employed in the Directorate is subject to the control of the Secretariat Administration Department aggravates the problem further in as much as neither the head of the department nor his headquarters lieutenants have any power of personnel control over such staff. Discipline is thus undermined and efficiency affected adversely.

#### **Proposed system of organisation**

6.2. In chapter II, we have already referred to the need for doing away with the system of executive heads of departments functioning as ex-officio secretaries to Government, and suggested that the (various departments except the Department of Multi-purpose Projects & Power) should be suitably grouped and each group placed under the charge of a Secretary to Government. Here, we want to make it clear that while we do concede the need for secretaries, we do not advocate a separate secretariat of the conventional type for each secretary. In the proposed system, we expect the executive heads of departments, with the support of their headquarters establishment, to be able to deal direct with the Secretary in most cases. The secretariat assistance for such work should, therefore, be deemed quarters offices of the executive heads and consequently no separate staff for the purpose is proposed. The Secretary will however, need some staff support—mostly in the shape of officers for handling work needing specialised attention, e.g. planning and coordination, for all the operational agencies placed under his charge, and their financial and personnel management beyond the powers delegated to the executive heads. For this purpose, we visualise two staff cells—one for planning and co-ordination and the other for financial and personnel management. The former could be manned by a senior analyst or a research officer of appropriate rank supported by two or three research assistants or investigators for collecting, compiling and analysing essential data needed in connection with the formulation of strategic policy, legislative assembly questions, or correspondence on questions of major importance with the Central Government. The other cell could be headed by an officer of Under Secretary's rank, well-versed in financial, and personnel rules, procedures and practices. This cell will need to be provided adequate clerical and stenographic assistance and the endeavour should be to make it as compact and officer oriented as possible. The two staff officers of the secretary are meant to be extensions of his mind and to serve as his eyes and ears. They will have no separate functional identity of their own.

6.3. The proposed arrangement is designed to improve the quality of decision-making through more effective co-ordination and specialised attention to core functions like planning, personnel administration and financial management. It is certainly not the intention to whittle down the powers of the executive heads of departments, or in the technical field, to question their competence. The administrative department visualised by us in the reorganised set-up has to be conceived of as a single, composite unit comprising not only the secretary and his principal staff officers and their cells, but also the executive heads and their headquarters offices. The integration is intended for functions to be discharged at the level of government. For field operations there is no integration in the sense that the executive head retains his primary responsibility and powers that accompany it. For that reason the existing nomenclatures "head of department" and "administrative department" have been retained. These nomenclatures also assist in the distribution of powers. But it must not be lost sight of that the administrative department embraces the head of department in its functioning. The mechanics spelt out here seek to ensure this.

#### *Review of standing orders issued under Rule 18 of Rules of Business*

6.4. The provision in the proposed system of reorganisation, for whole time administrative secretaries covering all departments of Government, is expected to provide a built-in device for ensuring sound and objective decisions at the official level itself. This should make it possible for the minister to authorise the Secretary to dispose of on his behalf most of the cases, now requiring his personal attention. It will also enable the minister to concentrate on important questions of policy and major operational programmes and events, leaving cases involving application of the prescribed policy in individual cases to be decided by the secretary. This will necessitate an extensive pruning of the standing orders issued by ministers under rule 18 of the Rules of Business specifying the classes of cases to be submitted to them for approval before the issue of orders.

#### *Proposed scheme of delegations*

6.5. The proposed system, to be successful, will need to be supported by a carefully drawn out scheme of delegation of financial and cognate powers to enable the secretary and the head of department to perform their respective roles adequately. In this connection we have the following suggestions to make.

- (1) In the field of financial administration, each administrative department headed by a secretary should have the powers of the "Head of Department" as defined in the Delegation of Financial Powers Rules. More powers can also be delegated in specific cases if warranted by operational requirements, e.g. in the case of purchase of fertilizers to the Secretary, Agriculture Department. Here specific proposals will need to be formulated by the Secretary on his own initiative or by the Administrative Reforms Department after a study of the nature and

volume of work for consideration by government. In the field for consideration also, many of the powers now concentrated in the Administrator can be delegated to the administrative secretaries. An illustrative list of the proposed delegations in the field may be seen at Appendix XX.

- (2) Maximum possible delegations should be made to the executive heads of departments to increase their effectiveness. Since delegations are essentially a function of the nature and volume of work, the precise proposals in this behalf should ideally be worked out only after a thorough examination of the nature, volume and variety of work handled in the organisation concerned. This ideal is however not an altogether practicable proposition for, besides involving a great deal of labour, it may lead to a different set of powers to different departments which would lead to confusion. For the sake of convenience a categorization already exists of heads of departments. Thus there is one category, enjoying powers of "Head of Department", under the Delegation of Financial Powers Rules, and another exercising powers on an *ad hoc* basis. Basically sound, this system could be further rationalised, both to introduce better system and to give more powers to departments in the second category mentioned above. Thus executive heads may be classified into three categories on the basis mainly of the quantum of budget and the staff strength controlled by them—'major' heads of departments (like Chief Engineer, P.W.D., and Chief Conservator of Forests), 'medium' heads of departments (like Director of Agriculture) and 'minor' heads of departments (like Director of Animal Husbandry). As a result of our study in the Agriculture Department we have proposed a scheme of delegations to the Director of Agriculture in financial and personnel matters which can be seen at annexures XI and XVI of Appendix XXIII. Treating this scheme of delegations as providing broad guide-lines rather than as being definitive, the Administrative Reforms Department should draw up comprehensive delegations for the different categories of departments.
- (3) Normally, the powers to be delegated to an executive head should not exceed those of "Head of Department" under the Delegation of financial Powers Rules. This, however, should not preclude an arrangement in which an executive head may be given full powers of "Head of Department" in certain matters intimately connected with the field operations and lower powers in certain others (e.g. creation of posts) so that effective control in crucial areas is lodged with the administrative secretaries. Since, the financial powers of the administrative department can also be exercised by the executive head in consultation with the Secretary's staff officers (finance and personnel) in actual practice no difficulty is likely to be caused, nor speed hampered, by putting into effect the arrangements visualised.

- (4) Where the headquarters of a department have been given staff belonging to the secretariat service, the head of the department should be given the maximum possible powers of personnel control permissible within the law. This would necessarily include the power to impose minor penalties.
- (5) Supervision should follow well-defined hierarchical principles and delegations should be matched to these principles. The aim here should be to work out the maximum workable delegations for officers below the head of department down to the field level. Taking this principle into account we have proposed a set of delegations for the officers of the Directorate of Agriculture up to two levels below the executive head in the field of financial and personnel arrangement *vide* Annexures XII and XVI of Appendix XXIII. Similar delegations will need to be made to the field officers below the executive heads in other departments also. Such an exercise can be done either by the Administrative Reforms Department itself or, in consultation with it by the administrative departments concerned on their own initiative.
- (6) The delegation of enhanced financial powers to the administrative departments, executive heads and field officers proposed above can be given effect to by the Administrator invoking the power conferred on him to redelegate the delegated powers under the Delegation of Financial Powers Rules (*vide* Ministry of Home Affairs' letter No. 3/40/64-Finance dated 30-3-67 and No. 32/3/67-Finance dated 20-10-67. Enough use does not appear to have been made of this power.)
- (7) The executive head should be empowered to authenticate sanctions and other orders on behalf of the Administrator without their being given *ex-officio* secretariat nomenclature. This would not be difficult as the Union Territories Act, which provides for the issue of the authentication rules, does not prescribe the conferment of Secretariat status as a pre-requisite for the authentication of the orders in the name of the Administrator. The authentication rules can be amended to include heads of departments and their headquarters officers.

#### *Staff support for executive heads of departments*

6.6. The executive head of department should concern himself mainly with work relating to planning and technical supervision of the field. He may also have to attend to important financial and personnel cases. To enable him to perform these essential tasks he should have enough time to think, plan and organise the work of his department. Major heads of departments may even need the assistance of qualified and experienced staff officers for handling work needing special attention, like planning, personnel administra-

tion and financial management. Medium and minor heads of departments need not be given such assistance in the same measure. What this should be will vary from department to department but in these cases the head of departments can consult the staff aides of the administrative secretary more frequently. Within his own headquarters office, the head of department should encourage the officers below him to dispose of relatively unimportant cases themselves on his behalf. What types of cases should be seen by the head of department himself and what cases should be disposed of by his headquarters officers, is essentially a matter of judgment and can well be left to the head of department himself to decide after taking into account the level and quality of staff support available to him at the headquarters.

#### *Procedure for disposal of work*

6.7. Both the executive head and his two staff officers at the headquarters will be free to consult the staff aides of the secretary even in matters falling within the delegated sector. However, as far as possible, such consultation should be oral. In matters beyond the powers delegated to the executive head, the proposals will be formulated by the headquarters office of the executive head on its own files and referred to the staff officer (finance and personnel). This, however should not be constructed as preventing the executive head from submitting any case direct to the secretary. What cases or classes of cases should be seen by the secretary and what decided at his staff officer level would be for the secretary to prescribe. Cases revealing a difference of opinion between the executive head and staff officer in the secretariat department would in any case be decided at secretary's level.

#### *Single file system*

6.8. All proposals from executive heads of departments should normally come on their files and be dealt with by the Secretary and where necessary, his staff officers on these file under a "single file system". No noting should ordinarily be done in these cases below the level of the secretary's staff officers although occasions may arise in which it may be found necessary to deviate from this principle. An exception to this procedure may have to be made in certain kinds of personnel cases in which, after receiving the case from the head of department, a second file may have to be opened in the Secretary's office for purposes of maintaining an independent and confidential record.

#### *Arrangements for coordination and supervision of staff functions*

6.9. The staff aides of the secretary will need to maintain close liaison with departments like Planning, Finance and Services and officers of these departments should be able to inspect their work guide them and acquaint their secretaries with their assessments. Similarly the staff aides of the secretary should keep an overseeing eye on the healthy functioning of the offices of executive heads in their respective spheres. They should also visit the corresponding

branches in the headquarters establishment of the executive heads, conduct test-checks to see that all is well with them and generally advise and assist them in improving their efficiency.

*Compact accommodation for the Secretary's office and the headquarters organisation of the executive heads concerned*

6.10. For the efficient functioning of the proposed organisational arrangements, it is desirable that the Secretary's office and the headquarters organisation of the executive heads concerned should be housed in one building or in adjacent buildings

*Financial implications of the proposed scheme*

6.11. The proposed scheme will undoubtedly mean some additional expenditure mainly in the matter of providing staff aides to secretaries. These staff aides are for secretaries dealing with development departments. These secretaries would be three in number and, therefore, the cells required to assist them will be six in all. However, if all the other steps proposed above are taken and there is a continuous work study programme there should not only be no net increase in expenditure but, on the balance, some economy. Thus the additional staff proposed for the Secretary (Agriculture) etc., will easily be met from the economies effected in the single Directorate of Agriculture if it is reorganised on these lines. In fact, a scheme of reorganisation of the Department of Agriculture on the lines mentioned above has been worked out and may be seen at Appendix XXIII. The scheme suggested should be considered as furnishing guidelines rather than as a rigid blueprint. But enough material has been thrown up in this study to show that considerable economies can be effected at the headquarters alone. No computation has been made of the economies that will be effected in the field as a result of these proposals. Scope for the elimination of wasteful expenditure and for bringing about economies in this department will increase substantially if the secretary is able to carry out his functions effectively, particularly those of evaluation. Our enquiries indicate that the scope for economies in some other departments should be quite as substantial as in the Agriculture Department.

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## CHAPTER VII

### ARRANGEMENTS FOR ADMINISTRATIVE REFORMS

#### *Present set-up and functions*

7.1. The present Administrative Reforms Unit of the Himachal Pradesh Government was set up in December 1964. The Unit consists of a part-time director, a part-time assistant director, an assistant section officer, two assistants and three clerks. The main functions assigned to the Unit are :

- to study the administrative machinery of Government with a view to suggesting reforms ;
- to conduct detailed work studies in the field;
- to examine cases involving creation of new posts;
- to examine proposals for the installation of new telephones; and
- to attend to general enquiries from Government of India concerning administrative machinery.

The main emphasis of the work of this Unit has been on economy. This is borne out by the fact that since its inception, the work of the Unit has been confined mainly to the screening of proposals for the creation of posts or installation of new telephones. Because of shortage of staff, the Unit has not been able to handle even this work satisfactorily, a fact evident from the large number of proposals, involving the creation of as many as 1,500 posts still pending with it.

#### *Proposed set-up and functions*

7.2. Administrative reforms is an activity to which increasing attention needs to be paid in bringing about efficiency and economy. It is for this reason that we have recommended in paragraph 2.3 (2) the separation of the Administrative Reforms Unit from the General Administration Department and its conversion into a department. A glance at our report on the Agriculture Department in Appendix XXIII will show the great possibilities of this kind of work in the Union Territory Administration. Indeed if our report pertaining to the Agriculture Department is followed up by work-study of the headquarters and field organisations sizeable economies in staff and expenditure will result. Organization and procedural studies of this kind in other spheres may yield even more dramatic results.

7.3. For this purpose, the new department will need to be suitably organised. It should be placed under the charge of one of the Joint Secretaries with the Chief Secretary. We would recommend that this Joint Secretary should be the Joint Secretary, Services, but this is a matter which the Chief Secretary should decide taking into account the workload and temperament of the officers working with him. The department should, to begin with, have two teams each headed by a wholetime officer of the rank of Senior Analyst

(roughly as Under Secretary). Its staff should be properly trained in work-study and their formal training should be organised in consultation with the Department of Administrative Reforms at the centre. One of the teams should be employed on administrative reviews and inspections, organisation analysis and methods study and the other on the assessment of staff requirements of different departments and the evolution of work norms for different types of repetitive jobs (through techniques of work measurement). Scrutiny of individual proposals for the addition of each and every post should not be entrusted to this department. Such scrutiny, where necessary under the rules, should be done in the Finance Department itself but on the basis increasingly of work norms that should be established by the new department. If however a proposal is made for the creation of a sizeable bunch of posts in a department and the Finance Department feels that a study of its organisation and procedures is called for to effect streamlining such a proposal could with advantage be referred to the new department proposed.

7.4. Our studies reveal that (a) many of the proposals received for sanctions etc., are incomplete thereby necessitating back-tracking and (b) the officers and staff of the departments lack essential knowledge of the relevant rules, regulations and procedures. It will be worthwhile for the Administrative Reforms Department to organise the preparation of departmental manuals and hand-books for the guidance of all concerned and to design appropriate forms for the submission of different kinds of proposals to ensure their completeness, facilitate their examination and expedite their disposal. This department should be specifically entrusted with the processing of this report and for carrying out the various measures of administrative improvement that the report assigns to it. Some of these, e.g. delegations, preparation of departmental manuals and standardisation of forms would need the department's attention on a priority basis, while others like evolution of work norms for different types of repetitive work, can be tackled as a part of long-range programme. A possible charter for this department, listing the items that should be attended to by it may be seen at Appendix XXIX. This Appendix classifies the items—whether they arise from this report or not, and whether they need immediate or long-term attention.

#### *Committee on Administration*

7.5. While the Administrative Reforms Department will be responsible for promoting administrative efficiency in all branches of administration, requisite initiative in the matter of identifying problem areas for detailed study and the primary responsibility for implementing various reforms measures suggested must necessarily rest with the organisations concerned themselves. Viewed in this context the effectiveness of the Administrative Reforms Department will largely depend upon the degree of co-operation and support it receives from the various quarters. To facilitate this, it is suggested that a standing committee of Secretaries known as the Committee on Administration headed by the Chief Secretary should be set up or considering policy issues having a bearing on administrative improvement and making its recommendations to government and



also for guiding and directing the work of the Administrative Reforms Department. This Committee will provide a standing machinery for locating administrative deficiencies and facilitating decisions for their removal. It will be the specific responsibility of this Committee to watch and assist in the implementation of the reform measures. Besides serving as a clearing house of ideas this Committee will be able to give guidance on many important issues, having relevance not only to the work of the Administrative Reforms Department, but also to other aspects of administration. This Committee may be serviced by the Administrative Reforms Department.

*Liaison with Administrative Reforms Department at the Centre*

7.6. There is also a strong case for an active liaison between the Administrative Reforms Department of the Himachal Pradesh Administration and the Administrative Reforms Department at the centre in more important matters like the formulation of its programme of studies, especially to begin with and even in the conduct of the more important among them. In fact at the very initial stage of the formation of this Department and the formulation of its policy and programme, the Central Department of Administrative Reforms should be called upon to render the Himachal Pradesh Administration consultancy service to get the best results. These steps will enable the Administrative Reforms Department of the Union Territory to benefit from the accumulated experience and expertise of the Administrative Reforms Department at the centre. Besides they will provide training of a practical variety to the officers of the Union Territory engaged in this work.

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## CHAPTER VIII

### RELATIONSHIP BETWEEN THE HIMACHAL PRADESH ADMINISTRATION AND THE CENTRAL GOVERNMENT

8.1. An effort at discovering norms which should govern the relationship of the Himachal Pradesh Administration with the Central Government and at defining the contours of such a relationship must keep in view the role assigned to the centre regarding Union Territories under the law. This is particularly necessary for a Union Territory with a legislature where the devolution of responsibility has created two foci of power—the centre and the local legislature. The nature and extent of the dyarchical control prescribed has to be viewed in relation, on the one hand, to the intention of the law and on the other to administrative necessity.

#### *Controls prescribed by the Union Territories Act*

8.2. Through the Union Territories Act 1963 Parliament has provided for legislatures and Councils of Ministers in certain Union Territories of which Himachal Pradesh is one. This Act seeks to devolve a considerable measure of administrative responsibility on such Union Territories, but seeks to ensure the discharge of the centre's responsibility through two means, first by retaining control over the crucial items at the centre, and secondly through the Administrator, an officer appointed by the centre and having wide discretionary powers. The controls prescribed by the Union Territories Act may be seen at Appendix XXIV. Broadly they require the assent of the President to every bill, his approval to the annual financial statement, his arbitration in the event of a difference of opinion between the Administrator and the Council of Ministers, and his approval to the rules governing the transaction of the business of the Administration as well as to those governing procedure for conduct of financial business in the legislative assembly. Further, the Act empowers the President to issue any directions to the Union Territory Administration.

#### *Controls prescribed by the Rules of Business*

8.3. The controls prescribed by the Union Territories Act are not comprehensive in themselves. Through the rule-making power given by the Act most of the actual administrative controls are prescribed by the President in the Rules of Business and other rules and it is these that provide the setting in which the different facets of the Centre-Union Territory relationship assume their existing form. Appendix XXV lists the controls prescribed by the Rules of Business. There are besides other controls prescribed by individual sets of rules.

#### *Institution of Administrator*

8.4. In addition to the direct relationship established through these controls, an axis for the operation of Centre-Union Territory

relationship is provided by the institution of the Administrator. Given wide powers under the Rules of Business and powers in certain specific fields in the Union Territories Act itself, the Administrator is a delegatee of the Central Government, appointed by and responsible to it. In the operational mechanics of government it is, to no small extent, through him that Presidential responsibility is meant to be discharged. In the discharge of his difficult and delicate role, however, the Administrator is seldom able to assert himself effectively and, possibly because of the actual dynamics of political power, he tends generally to acquiesce in whatever the local government proposes rather than to exercise his individual judgment. It is our impression that this tendency exists as a rule even in cases referred to the Central Government which are invariably required to be channelled through him. The centre thus may not get his independent views in every case sent to it. This is a point that should be borne in mind by the centre when examining such cases. As for the role of the Administrator, this requires a realignment so that it is adjusted both to Parliamentary intention and Presidential responsibility on the one hand and administrative and political necessity on the other. This realignment would call for a shedding of a great deal of work that needlessly comes to him at present and a more dynamic and assertive interest in crucial items. What items he should shed and what he should take special interest in have been discussed in Chapter II. For purposes of this chapter the Administrator has been taken as a part of the Union Territory set-up and treatment of the relationship between the Union Territory and the Central Government has been confined to those aspects in which the Central Government has a direct role to play.

### *Role of the Centre*

8.5. The role and powers assigned to the Central Government could be classified into two categories. The first category is that which reserves for the centre blanket powers to intervene in the affairs of the Union Territory and issue directives, to arbitrate in the event of a difference of opinion between the Administrator and the Council of Ministers, to suspend the operation of the Union Territories Act or any part of it and to extend laws in force in a state to a Union Territory. This set of powers does not involve the centre in the normal administrative operations of the Union Territory. It merely reserves to the centre the right to intervene and to take appropriate measures should a situation call for such measures. We do not envisage any change in these powers which have to reside in the centre to enable it to discharge its ultimate responsibility.

8.6. The second category involves the centre operationally in the administrative activity of a Union Territory by requiring a number of items to be referred compulsorily to the former for the approval are not comprehensive in themselves. Through the rule-making before they can be proceeded with. It is perhaps here that the rub lies. In an effort to discharge its ultimate responsibility for the good administration of the Union Territories, the centre has retained a great deal of detailed operational control over their

**Administrations.** Aspects of this control exercised in the spheres of financial and personnel administration have been described in earlier chapters. In addition, this control extends to the legislative and executive fields generally. The more important items in which control is exercised are listed below:

- (a) every bill passed by the Union Territory legislative assembly has to be reserved for consideration by the President, who may assent to the bill, refuse his assent or return it for reconsideration by the legislative assembly;
- (b) proposal for legislation (other than those of a routine nature) affecting the official language of the Union Territory, or any matter enumerated in the Concurrent List and certain specified entries in the State List, have to be referred to the Central Government for advice before introduction in the Legislative Assembly;
- (c) the prior approval of the Central Government is necessary in—
  - (i) all important cases raising questions of policy or of administrative importance,
  - (ii) important cases which affect or are likely to affect the peace and tranquillity of the Union Territory,
  - (iii) cases which affect or are likely to affect the interests of any minority community, Scheduled Castes, Scheduled Tribes and backward classes,
  - (iv) any other matter at the discretion of the Administrator.

8.7. It is in the category embraced by the preceding paragraph that relationships between the centre and the Union Territory call for a review. Here we find that a mass of detail comes to the centre for scrutiny before action can be taken by the Union Territory Administration. This traffic clogs up work and saps the initiative of the local administration and, what is of even greater import, preoccupation of the centre with a multitude of minor items to some extent prevents adequate attention being given to the important items. Qualitative issues can thus be squeezed out. Moreover this situation creates a psychological atmosphere in which because of the very exercise of detailed control, the centre may find it difficult sometimes to be truly affirmative in all matters of real moment.

#### *Approach to the problem*

8.8. Our approach to the problem is simple. Being ultimately responsible for the good governance and progress of the Union Territory, the centre must involve itself closely in all questions of strategic importance, e.g. the direction that the development of the Union Territory must assume, its extent and inter-sectoral proportions, the overall analysis of expenditures and their relation to actual needs, the evaluation of programmes etc. Overall powers to discharge this role it must retain. But in operational matters it need retain only the most crucial controls, controls at all other points being passed on to the Union Territory. This approach calls

for, in the main, delegations in the fields of financial and personnel management as these are the two crucial spheres in administration. We have already spelt out in the relevant chapters the devolution of powers and responsibility required in the spheres of finance, planning and personnel and it is unnecessary to repeat our proposals here. Suffice it to say that they cover most of the area in which administrative relationships exist between the centre and the Union Territory. There are however a few residual matters on which our recommendations are contained in the paragraph following.

#### *Centre's role in legislation*

8.9. (1) As pointed out in paragraph 8.6, proposals for legislation affecting the official language of the Union Territory or any matter enumerated in the Concurrent List and a few specified entries in the State List e.g. "police", "intoxicating liquors" have to be referred to the Central Government for advice before the introduction of a bill. Introduction in the legislative assembly should be confined to bills in the legislative assembly of Union Territory. As all bills in any case to come to the centre for the President's assent, it should not be necessary to have these referred to the centre at an earlier stage as well. We recommend that compulsory reference before introduction in the legislative assembly should be confined to bills relating to official language, to public order and police and to measures entailing substantive expenditure or abatement of revenues.

There possibly is a feeling that compulsory reference to the centre secures for these bills competent legal scrutiny and drafting. We consider that the correct answer here lies in the provision of proper arrangements in the Union Territory Administration itself for competent legal scrutiny and drafting. Two of the proposals made in chapters II and V—one for treating the post of Law Secretary as a key appointment to be made with the approval of the Central Government and the other for relieving the Law Secretary of all responsibility for substantial administration—are intended to improve the functioning of the Law Department of the Himachal Pradesh Administration.

#### *Delegations*

(2) The delegation of financial powers to a Union Territory Administration is governed by the Delegation of Financial Powers Rules issued by the President under Article 77(3) of the Constitution. Rule 56 of the Rules of Business (made under the Union Territories Act) also specifies certain cases in the financial field in which prior reference must be made to the Central Government for approval, e.g. proposals regarding reappropriation of funds, administrative approval to works, expenditure sanctions to schemes and creation of class I posts. In our view, such provisions in two sets of statutory rules are unnecessary and, when not properly co-ordinated, capable of producing confusion. An instance is furnished by the recent orders enhancing the powers of the Administrator in various items, e.g. administrative approval of works, expenditure sanction of schemes and creation of posts. While the Delegation of

Financial Powers Rules have been suitably amended, corresponding amendments have not been made in the Rules of Business. In other words, the revised provisions in the Delegation of Financial Powers Rules are inconsistent with the restrictions imposed under the Rules of Business as they stand at present. While this inconsistency can be removed by amending the Rules of Business, the point arises whether it is proper to specify in the Rules of Business matters liable to frequent changes, and worthwhile, in the event of a change, to issue two sets of amendments—one from the Finance Ministry amending the Delegation of Financial Powers Rules and the other a Presidential order from the Ministry of Home Affairs amending the Rules of Business. We would recommend the deletion of such provisions from the Rules of Business.

#### *Reference to Centre in policy matters*

(3) The Rules of Business require that *inter alia* all important cases raising questions of policy or of administrative importance should be referred to the Central Government for their prior approval. Besides being vague, this blanket requirement seems unnecessary in the case of an administration like that of Himachal Pradesh, for there is little point in forming a legislature and a responsible government if no important policy case can be decided by the Council of Ministers. This requirement should, therefore, be dispensed with and the Rules of Business amended. Discretion should remain with the centre to issue appropriate directions in any case.

#### *Centre's control in Crucial areas*

8.10. We thus envisage a devolution of responsibility in operational matters which will retain for the centre control over the Union Territory Administration at key points only. On the other hand, we envisage a greater attention to activities that have been comparatively neglected in the past. Thus while the centre's preoccupation with operational detail should greatly diminish its role in evaluating and reviewing administrative activity, especially in the field of development, needs to be stressed and expanded to be given a new dimension altogether, especially for Himachal Pradesh. Such evaluation will better enable it to exercise the controls retained with it and also to assess where these need to be increased or decreased. In other words, a shift in emphasis is required in the role of the centre. This shift is given a precise outline as far as the Himachal Pradesh Administration is concerned by the recommendations made by us in this report. The centre will shed some items of work pertaining to this territory altogether, in some others it will confine its interest only to matters of strategic importance, while in a few it will assume responsibilities to a much larger extent than before.

#### *Functions proposed to be performed by the centre*

8.11. A brief conspectus of the work that the centre will have and the work that it will shed as a result of our proposals is available at Appendices XXVI and XXVII. The important aspects of the work that it will have are:

*Sphere of finance*

- (1) work relating to quinquennial devolutions and their annual follow-up
- (2) analytical studies of budgetary trends
- (3) budget scrutiny in the case of "really new items" on the plan side
- (4) broad review of "really new items" on the non-plan side to ensure that they do not entail an unjustified liability beyond the period for which the Finance Commission's award is applicable
- (5) examination of proposals for reappropriations from plan to non-plan items
- (6) sanctions to schemes costing more than Rs. 50 lakhs and to the creation of posts carrying a salary above Rs. 1,800.

*Sphere of planning*

- (7) ensuring coordination between the annual plan and the annual budget
- (8) ensuring that reappropriation effected by the Union Territories Administration does not transgress the confines envisaged in paragraph 4.11 and to consider cases of reappropriations beyond the powers of the Union Territories
- (9) assumption of responsibility for the coordinated formulation of plans
- (10) assumption of responsibility for evaluation of plan programmes.

*Sphere of personnel administration*

- (11) the management of the all-India services
- (12) appointments to key posts referred to in paragraph 5.44
- (13) general conditions of service
- (14) appeals and petitions in certain cases.

*General*

- (15) policy regarding overall aspects of Union Territory Administration
- (16) certain policy and legislative matters enumerated in Appendix XXVI

*Assumption of additional functions*

8.12. It is to be noted here that while the centre will shed a good bit of work (Appendix XXVII) it will be assuming additional responsibility in relation to the following items :

- work relating to quinquennial devolutions and their annual follow-up

- continuous analytical studies of the budgetary trends in the Union Territories.
- policy regarding overall aspects of the administration of the Union Territories e.g. relationship between the Union Territories and the Central Government, the role of the Administrator, review of the working of various provisions of the Union Territories Act and the Rules of Business framed thereunder
- plan coordination involving an integrated view at one place right from the time of formulating plans and including evaluatory studies among the other various aspects of planning

It is important that the Central Government should play its altered role in a well-coordinated and efficient fashion. How should it be equipped and organised to do so?

#### *Organisation of work relating to Union Territories at the centre*

8.13. The organisation of work relating to the Union Territories at the centre has two aspects—the distribution of work among the various ministries and its coordination, and the distribution and co-ordination of work within the Home Ministry. To take the first aspect, three features may be noted. First, under the Government of India (Allocation of Business Rules), the responsibility for each activity in the Union Territories vests with the corresponding functional ministry at the centre. Secondly, the responsibility for residuary items, besides that for items that functionally belong to it, resides in the Ministry of Home Affairs. Thirdly, planning and co-ordination for the Union Territories do not figure as items in the Allocation of Business Rules. Planning is thus a function split up among the various functional ministries while co-ordination is not a function assigned to any ministry at all.

8.14. Responsibility will thus be seen to be wholly dispersed with none specifically responsible for coordination. In practice the Ministry of Home Affairs does effect some coordination although, possibly because of the absence of specific assignation, this role has not acquired the necessary dynamism and comprehensiveness.

#### *Disposal of responsibility and problem of coordination*

8.15. Dispersal of responsibility entails some obvious difficulties in the dealings of Union Territories with the Central Government as well as in specifying overall accountability to Parliament. The demand has therefore been made for a self-contained ministry for the Union Territories where all matters pertaining to the Union Territories would be dealt with and settled. A corollary of such an arrangement would be that technical advice in all matters would be available within the ministry itself. This would obviously call for the duplication of the technical staff in the different ministries dealing with the Union Territories and their location in the proposed Ministry of Union Territories, thus making that ministry a mini-government. This arrangement is clearly not practicable, nor would



the substance of it be feasible if it were to be introduced in the Ministry of Home Affairs itself without creating a separate Ministry of Union Territories.

8.16. The present arrangement has the great advantage of economy and it also secures the best technical consideration in the appropriate ministry. But it is unable to overcome the drawbacks of dispersal which prevents an overall view of the problems of the Union Territories at a single point.

*Localisation of technical experts in Home Ministry*

8.17. Between these two extremes, a compromise view can also be considered which would locate in the Ministry of Home Affairs technical officers from a few important fields which throw up the bulk of the work at the centre so that at least in those the necessity of making references to the functional ministries concerned is largely obviated. This arrangement might again suffer from some drawbacks. There might not be whole-time work for such officers. Secondly, these officers would have to be of very high status, comparable to or higher than that of their counterparts in the Union Territories to be able to comment authoritatively on the proposals emanating from the latter. Thirdly, broad functional fields often embrace sub-specialisations which a single officer may not have mastery over. Thus, a senior officer from the Ministry of Agriculture working in the Ministry of Home Affairs would not be in a position to examine, with any degree of expertness, proposals ranging over all sub-specialisation of agriculture, e.g. horticulture (which again can be further sub-divided into specialised areas embracing differing kinds of crops), vegetable growing, soil conservation, minor irrigation, etc. Similar short-comings would be encountered in the case of "health". Cut off from the main Ministry such officers may not be able to keep abreast of the latest developments in their fields. This compromise solution, attractive though it sounds, may not therefore prove feasible in the case of every major activity. Where, however, the drawbacks mentioned above do not apply this solution could be experimented with.

*Need for integrated approach*

8.18. With a self-contained Ministry of Union Territories (or a comparable arrangement within the Ministry of Home Affairs) ruled out the conclusion is inescapable that effective arrangements for coordination are required within the existing framework so that an integrated view of the activity in a Union Territory is taken at one point. The need for such arrangements would not be affected by the acceptance of the compromise solution discussed in paragraph 8.17 above.

*Home Ministry appropriate agency for coordination*

8.19. This coordinating role can best be discharged by the Ministry of Home Affairs. As mentioned earlier this role, even though not specifically entrusted to it, is being partially discharged by the Ministry of Home Affairs. Thus, budget proposals on standing and

continuing items are examined in this Ministry itself while those regarding "really new items" are consolidated there after examination by the functional ministries concerned. But this function of coordination is not discharged to the full as the discussions in the chapters on "Financial Administration" and "Planning Arrangements" bring out. In the sphere of planning, in particular, the lacuna is most noticeable. No unified view of priorities and perspective is taken by the Ministry of Home Affairs when the plan is formulated. The only place in the centre where an integrated view is had is the Planning Commission. It is true that a representative of the Ministry of Home Affairs is present when the officers of the Union Territories Administration meet the Planning Commission but organisationally speaking the coordinating role is played by the Planning Commission and not by the Ministry of Home Affairs. We have in our chapter on "Planning Arrangements" said that this pivotal role should be given to the Ministry of Home Affairs which should take an overall view before meetings are held with the Planning Commission. We have also envisaged a vital role for the Ministry of Home Affairs in initiating evaluatory studies.

*Recognition of Home Ministry's coordinating role in the Allocation of Business Rules*

8.20. The first step in this direction should be to assign the role of coordinator, and overall planner and evaluator formally to the Ministry of Home Affairs by including it among the list of subjects allocated to this ministry in the Allocation of Business Rules. Overall responsibility and leadership would then clearly reside in this ministry. Responsibility for answering all Parliament questions on any aspect of the Administration of any Union Territory could also then devolve on the Home Ministry, to be discharged with the assistance, where necessary, of the functional ministry concerned. This last, however, is not to be taken as an integral part of our recommendations.

*Existing organisation of work within Home Ministry*

8.21. The second step should be to secure a distribution of work within the Ministry of Home Affairs that is designed to serve this end. This would raise the issue whether the distribution should be on territorial or functional lines. The existing distribution, which may be seen in the chart at Appendix XXVIII, is partly on territorial and partly on functional lines. In some instances an officer has been given both functional as well as territorial responsibilities. A wholly territorial or wholly functional distribution is not practicable, the first because there will always be certain aspects requiring common servicing and the second because individual territories will continually throw up problems peculiar to them and requiring solutions in their individual context. But it does appear to us that, while accepting the principle of a partly functional and partly territorial distribution, the division of functions could be further streamlined with more emphasis on a territorial distribution and in separating territorial and functional responsibilities as completely as possible. This recommendation is made because many of the major activities of the different Union Territories will not have anything in common. The development plans for Himachal Pradesh, for instance, have no

organic connection with plans for Manipur or Goa. It would undoubtedly make for better consideration and for a more dynamic involvement of the Home Ministry if all the major aspects of administrative activity in Himachal Pradesh were to be dealt with at one point in the Ministry of Home Affairs. At present, this consideration is dispersed. Personnel questions involving the civil service and the police are dealt with by one deputy secretary for all the Union Territories (who incidentally also deals territorially with Delhi). The Deputy Secretary responsible territorially for Himachal Pradesh also has four other Union Territories to look after. Although the list of his functions (at Appendix XXIX) includes development plans, in actual practice his involvement in planning is minimum and confined mainly to sorting out specific operational problems referred to him and requiring inter-ministry coordination. The role envisaged by us for the Home Ministry in the formulation and evaluation of plans is not discharged by him. Nor is it discharged by the Deputy Financial Adviser whose office for this purpose compiles and consolidates statistics but does not play any active role in planning.

*Proposed organisation of work relating to Himachal Pradesh Administration*

8.22. To discharge its role in relation to Himachal Pradesh properly the Home Ministry would need to have a separate officer of the rank of Deputy Secretary earmarked wholly for Himachal Pradesh. While a territorial division would to some extent be possible for the remaining Union Territories also it would be particularly called for in the case of Himachal Pradesh if the proposals in the foregoing chapters are accepted. For then Himachal Pradesh would have its own all-India and Union Territory cadres for the civil and police services. This focal point for Himachal Pradesh would be received and scrutinised here before being passed on to the associated Finance. The officer at this focal point will also be responsible for coordinating the work of the functional ministries and for having the overall responsibility for matters relating to Himachal Pradesh.

*Principles of organisation Union Territories work within the Home Ministry*

8.23. The distribution of work regarding Himachal Pradesh on these lines would inevitably have its repercussions on the remaining part of the Union Territories Wing in the Home Ministry and would lead to a further division along territorial lines. Keeping this in mind as well as the need for providing common services, we suggest that the work of the Union Territories Wing of the Ministry of Home Affairs should be organised on the following principles :

- (1) The various items of the work relating to the Union Territories should be classified into two groups :—
  - (a) one consisting of items of work involving a substantial measure of commonality between the various Union Territories and requiring for their effective performance, subject matter expertise or specialised knowledge of the techniques involved, e.g. financial advice, budgetary analysis, legislation, personnel management for common cadre etc., and

- (b) the second consisting of work particular to individual Union Territories, e.g. their plans, (formulation, and evaluation), financial matters, etc.

The subjects in the first group would lend themselves easily to centralised treatment on a functional basis while those in the latter would call for treatment on a territorial basis.

- (2) In the first category a separate service cell would be required for each of the following kinds of work :—
- (i) policy and coordination (including legislation);
  - (ii) finance; and
  - (iii) personnel.

#### *Policy and Coordination Cell*

8.24. The Policy and Coordination Cell will deal with overall problems and policy which may be common to the Union Territories e.g. the role of an administrator, rules of business, legislative matters etc. Centralised processing of such cases however does not preclude consultation with the territorial cells concerned with the individual Union Territory from which a proposal may emanate.

#### *Finance Cell*

8.25. The Finance Cell will deal with work pertaining to financial advice and to the scrutiny and consolidation of budgets. Budget proposals will be received from the Union Territories in the territorial cell concerned and, with the comments of the latter regarding overall needs, will be passed on for such scrutiny as will need be done at the centre to the Finance Cell. This cell will also have a unit for conducting the budgetary analyses recommended in Chapter III and another for collating plan statistics and keeping them up-to-date. The role of plan coordination as between different Union Territories will also be discharged by this cell.

#### *Personnel Cell*

8.26. The Personnel Cell will deal with common cadres after separate cadres for Himachal Pradesh have been carved out. Even if no common cadre remains the problems of arranging officers on deputation will and could be attended to here. Besides, all personnel cases beyond the powers of the Union Territories will be dealt with in this cell.

No work measurement was conducted by us and we are not therefore making any recommendations on the strength of each specific cell or the status of the officer heading it.

#### *Items of work to be transferred from territorial sections to common service cells*

8.27. There are some items of work emanating from the Union Territories with legislatures that are at present handled in the territorial sections concerned and that could easily be handled centrally by the common service cells e.g.

- (1) matters relating to pay and allowances and other establishment matters having financial implications outside the competence of the Administrator,

- (2) establishment matters having no financial implications, e.g. classification of posts, conduct rules,
- (3) residuary matters relating to former Indian State Forces,
- (4) residuary matters of federal financial integration.

Items No. (1), (3) and (4) could, in our proposed system, be dealt with in the Finance Cell. References regarding (2) could be handled straightway by the appropriate personnel section in the Home Ministry or the proposed Personnel Cell instead of in the territorial sections, which at present perform the post office functions of obtaining the advice of the personnel section concerned in the Ministry of Home Affairs and communicating it to the Union Territory Administration. This will save a good deal of infructuous work which we were given to understand constitutes nearly 50% of the work in the two territorial sections that at present deal with the five Union Territories with legislatures.

*Proposed organisation of work other than common services*

8.23. Work of the second category mentioned in (b) of para 8.23(1), should be handled by territorial desks each of which should be assigned work relating to one or more Union Territories. These units should be officer-oriented. The extent of officer-orientation may have to vary depending on whether the Union Territory dealt with has a legislature or not. Where it has, a higher degree of officer-orientation should be insisted upon. Although no work measurement has been conducted by us, it would *prima facie* seem that five such desks would be required.

- Delhi and Chandigarh.
- Himachal Pradesh.
- Manipur and Tripura.
- Goa, Daman & Diu.
- Pondicherry and Dadra & Nagar Haveli.
- Andaman & Nicobar, Laccadive, Minicoy & Amindivi Islands.

We do not wish to prescribe any uniformity in the level of the officers heading these desks. But the Himachal Pradesh desk, which we consider should be independent, should, in our opinion, be headed by a deputy secretary. It would be useful to organise each desk on at least a two-officer basis, subject to work-load justifying this, for then there would be no break in continuity if one of the officers proceeds on leave or is transferred. The Himachal Pradesh desk will, in any case, require at least one officer in addition to the deputy secretary, possibly more.

*Separate Department of Union Territories at the Centre*

8.29. It would secure the requisite degree of attention to Union Territory work if the reorganised set up operated within the frame-

work of a separate Department of Union Territories within the Ministry of Home Affairs. This Department could be headed by an officer of suitable status, say Additional Secretary, who would continue to function under the coordinating discipline of the Home Secretary. The creation of a separate department would recognise the importance of this work and the need for an organisational arrangement for ensuring undivided attention to it at the higher levels. This recommendation, we may point out, is on the lines of a similar recommendation made by the Study Team set up by the Administrative Reforms Commission on the Machinery of Government and its procedures of work in its interim report submitted in March, 1967.

8.30. The role envisaged by us for the Ministry of Home Affairs would have its effect on the mechanics of the relationship between this ministry and the functional ministries the details of which we do not consider it necessary to spell out here.

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**SUMMARY OF RECOMMENDATIONS**  
**CHAPTER II—BASIC ASPECTS OF THE MACHINERY OF**  
**GOVERNMENT**

1. The present Cabinet and Confidential Department should not be treated as a "department" either for the purpose of transaction of Government business or for that of allocation of departments among ministers.

[para 2.3(1)].

2. The Administrative Reforms Unit, now a part of the General Administration Department, should be considered as a separate department.

[para 2.3(2)].

3. Personnel part of the work now done in the Secretariat Administration Department should be transferred to the proposed department of services and the rest relating mostly to common services and house-keeping jobs, to the General Administration Department.

[para 2.3(3)].

4. Planning should be separated from the department concerned with community development and made a separate department.

[para 2.3(4)].

5. Economics & Statistics Directorate should be shifted from the Finance Department to the Planning Department.

[para 2.3(5)].

6. Responsibility for the settlement of individual claims for retirement benefits should appropriately be that of the departments concerned. The relevant entry should, therefore, be deleted from the list of business allotted to the Finance Department.

[para 2.3(6)].

7. Tourism should be detached from Finance and grouped with Transport.

[para 2.3(7)].

8. Responsibility for relief and rehabilitation of displaced persons should be assigned to the Revenue Department.

[para 2.3(8)].

9. General and technical education should remain together in the Education Department.

[para 2.3(9)].

10. Civil supplies should be grouped with industries to constitute a single Department of Industries & Civil Supplies.

[para 2.3(10)].

11. There should be a single department of community development, panchayats & welfare with a single head of department.

[para 2.3(11)].

12. The office of the Inspector-General of Prisons should be held by the Joint Secretary, Home.

[para 2.3(12)].

13. Public grievances as a subject should be allotted either to the General Administration Department or to the Public Relations Department under the Chief Secretary.

[para 2.3(12)].

14. Splitting up responsibility for a single department among two or more secretaries should be avoided to maintain unity of command.

(para. 2.5).

15. In the present stage of its administrative development, it is necessary for Himachal Pradesh to have secretaries distinct from executive heads of departments.

(para 2.9).

16. The charges of secretary should be regrouped to secure a balance between rationality and homogeneity on the one hand and manageability on the other, imbalances in work-load being corrected through appropriate institutional devices.

(para 2.12).

17. The proposed charges for secretaries should be as indicated in para 2.11.

(paras 2.11 & 2.13).

18. The secretary's charge should be based solely on the consideration of the best disposal of the business and should normally be inviolable.

(para 2.14).

19. The charges of secretaries should form the basic bricks for the allocation of work among ministers.

(para 2.17).

20. An ideal allocation of departments among ministers would be as indicated in para 2.17. If it is not found possible to confine the size of the cabinet to five, it should be ensured that the subjects allotted to ministers are such that no secretary has to deal with more than one minister.

(paras 2.17 & 2.18).

21. The tendency for the Rules of Business to nullify the delegations made under the Delegation of Financial Powers Rules should be corrected.

(para 2.21).

22. The right of the Administrator to call for any case is intended to cover individual cases only and its application to any class of cases, other than those specified in rule 25 of the Rules of Business, would amount to an amendment of the Rules.

(para 2.25).



23. While the overall responsibility for good administration of the Union Territory is undoubtedly the Administrator's, the discharge of this responsibility should require his personal control only over really important matters. What classes of cases should be submitted to the Administrator and what should not, should be determined in accordance with the guiding principles suggested in para 2.26. The types of cases that should be submitted to the Administrator are as listed in Appendix VIII-B.

(para 2.26).

24. The volume, variety and complexity of work flowing to the Chief Minister is such as to call for the provision of an institutional support to the Chief Minister in the shape of a secretary of adequate rank, calibre and experience, say IAS officer in the senior time scale of pay.

(para 2.27).

25. The Rules of Business should require that all cases requiring submission to the council of ministers should be routed through the Chief Secretary in his capacity as secretary to the council and empower him (a) to return the incomplete cases, and (b) to examine any case to point out to the Chief Minister the precise implications of the proposals made therein before it is discussed in the meeting.

[para 2.28(1)].

26. A copy of the weekly statement of important cases disposed of in a department, which is at present submitted to the Administrator and to the Chief Minister under rule 19 under Rules of Business, should be sent to the Chief Secretary also.

[para 2.28(2)].

27. Important communications received from the Government of India and required to be shown to the Chief Minister and the Administrator under rule 23 of the Rules of Business, should be routed through the Chief Secretary.

[para 2.28(3)].

28. All cases of appointment and transfers of heads of departments should be routed to the Chief Minister through the Chief Secretary.

[para 2.28(4)].

29. A convention should be established whereby cases involving differences of opinion between two or more departments are reported by the Secretary concerned to the Chief Secretary at as early a stage as possible so that the latter's good offices should be available for removal of difficulties through informal consultation at administrative level.

[para 2.28(5)].

30. The Chief Secretary should keep a supervisory eye on the efficient working of the various departments of government.

[para 2.28(6)].

## CHAPTER III — FINANCIAL ADMINISTRATION

31. The Himachal Pradesh Administration should receive quinquennial devolutions like the states through the Finance Commission. It should also receive loans for non-plan expenditure through the same mechanism.

[para 3.11(1)].

32. The memorandum to be placed before the Finance Commission should be prepared by the Union Territory Administration and contain the comments of the Home Ministry. Representatives both of the Union Territory and the Home Ministry should be heard by the Finance Commission.

[para 3.11(2)].

33. A separate public account should be opened for the Himachal Pradesh Administration.

[para 3.11(3)].

34. Although the devolutions should be unconditional, the centre should have the power to direct the Union Territory Administration to stop an existing activity or to provide for a new activity. In the latter event, funds should be made available to the Union Territory only if the new activity is not a normal activity and has not been taken into account by the Finance Commission in determining its award. For this purpose the basis of the recommendations of the Finance Commission should be available to the Home Ministry.

[para 3.11(4)].

35. The existing arrangements for determining the central assistance for the plan programmes undertaken by the Union Territory should generally continue.

(para 3.12).

36. The existing restrictions on the reappropriation of funds from plan items to non-plan ones should continue. In addition, central assistance for crucial schemes could be tied. The reappropriation from one plan item to another or from non-plan item to plan item should be left to the discretion of the Union Territory Government.

(para 3.13).

37. There should be no detailed scrutiny of non-plan items in the budget except to ensure that they do not entail avoidable extra commitment on the part of the centre. Even specific approval of 'really new items' on the non-plan side will not be required as long as the non-plan budget is within the resources of the Union Territory. To enable a scrutiny of extra commitments, the Union Territory should send to the centre along with its budget estimates complete details of 'really new items' on the non-plan side included by it along with an indication of the financial implications over the years.

(para 3.14).

38. On the plan side detailed scrutiny by the centre should be confined to 'really new items'. This scrutiny should be conducted by the functional ministries concerned as at present, the Ministry of

Home Affairs playing an overall coordinating role and providing an integrated view of inter-sectoral priorities. Cuts in the budget provisions should be communicated by the Home Ministry to the Union Territory Administration with the comments of the functional ministries explaining the cuts. For the rest of the plan budget, the centre should only ensure that it conforms to the annual plan ceilings for different heads of development and that the Central Government's directions regarding crucial items for which assistance is tied and the resources to be mobilised, have been complied with.

(para 3.15).

39. Finance Department should be actively associated with the formulation of the plan and budget proposals should be finalised only after the annual plan discussions at the centre are over. A possible drill to be followed in this behalf has been proposed in Appendix XII.

(para 3.16).

40. The Ministry of Home Affairs should make continuous analytical studies of the budgetary trends to discover imbalances in the amounts spent on different activities and to estimate the internal financial resources of the Union Territory.

(para 3.17).

41. In suggesting enhanced delegations for Union Territory Administration a balance has to be struck between operational requirements and considerations of financial and personnel policy. The enhanced powers recommended may be seen in Appendix XIII.

(paras 3.18 & 3.19).

42. The Finance Secretary should always be a senior officer of the requisite aptitude, training and background. There should be no hesitation in (a) obtaining the services of a suitable officer from outside the union territories cadre, or (b) in entertaining the post temporarily on the super time scale of pay if a suitable officer on senior time-scale is not available.

[para 3.21(1)].

43. Finance Secretary should be assisted by a Joint Secretary and two Under Secretaries. The Joint Secretary should be authorised by an internal arrangement to dispose of the bulk of minor cases leaving Finance Secretary more time for policy work. These officers should be picked for their suitability and given appropriate training.

[para 3.21(2)].

44. The work of the Finance Department should be redistributed as indicated in para 3.21(3).

(para 8.4).

45. The system of pre-budget scrutiny should gradually be introduced so that once a scheme has been approved for inclusion in the budget, its implementation should not require fresh sanction of the Finance Department.

[para 3.22(1)].

46. Accounts and the finance side in the departments should be suitably strengthened. The feasibility of constituting a Finance & Accounts Service encadring the Accounts Officers of different levels in the various departments and the Treasury Officers may be considered. The Finance Department should be the cadre authority of the proposed service but administrative control over the officers should vest in the heads of the departments under whom they serve. The Finance Department should organise the training of these officers.

[para 3.22(3)].

47. An Expenditure Finance Committee consisting of the Finance Secretary, Joint Secretary (Finance) and Joint Secretary (Planning) should be set up to scrutinise and approve certain categories of proposals specified in para 3.22(4).

[para 3.22(4)].

#### CHAPTER IV—ARRANGEMENTS FOR PLANNING

48. The Planning Department should not only give proper attention to the overall aspects of planning but also oversee correct formulation of departmental plans by individual departments. It should also delve into departmental details to effect the required dovetailing and coordination and ensure that the broad targets set will be adhered to.

(para 4.7).

49. To enable the Planning Department to discharge the above functions, it should be located at a point prestigious enough to be effective, i.e., under the Chief Secretary.

(para 4.7).

50. The Department will also be responsible for taking initiative in convening the meetings of the Planning Committee and the Planning and Development Advisory Board and servicing them, for assessing the needs and resources of the territory, for laying down targets and determining inter-sectoral priorities, and for the necessary coordination.

(para 4.7).

51. The Planning Department should undertake a systematic enquiry into the major programmes of all departments to evaluate their progress and worthwhileness, with the assistance of programme agencies concerned.

(para 4.8).

52. The Chief Secretary as the Secretary in charge of planning will need the assistance of a Joint Secretary with some supporting staff headed by an Under Secretary or a Senior Analyst. The Directorate of Economics & Statistics should be placed under this Joint Secretary.

(para 4.9).

53. Steps should be taken to terminate the present situation in which the post of the Director of Economics & Statistics is held by an Under Secretary in the Finance Department in addition to his own duties, and to fill the post by a whole-time qualified officer.

(para 4.9).

54. The Joint Secretary (Planning) should have a small evaluation unit to attend to the evaluation of plan programmes.

(para 4.9).

55. Until such time as the various departments (including the Planning Department) of the Union Territory Administration develop sufficient technical competence, proposals for including new schemes in the plan should require the approval of the administrative ministries concerned and the Planning Commission.

(para 4.12).

56. The Government of India (Allocation of Business) Rules which assigned responsibility for the development activity of the Union Territory to the functional ministries concerned leads to dispersal of responsibility. The Home Ministry should be assigned the active role of looking into and associating with the plans from Union Territory, their formulation, implementation and evaluation. The proposed plans should go to the Planning Commission only after that Ministry has approved them.

(para 4.13).

#### CHAPTER V—PERSONNEL ADMINISTRATION

57. A separate cadre of I.A.S. for Himachal Pradesh will be a viable proposition and such a cadre should be formed.

(para 5.18).

58. The need for a separate IPS Cadre for Himachal Pradesh, although not as pressing as that for the IAS, does exist and such a cadre should, therefore, be formed.

(para 5.19).

59. In forming the Himachal Pradesh cadres of the All India Services care should be taken to have a proper mix of officers, bearing in mind their age, seniority, experience and background.

(para 5.20).

60. With separate cadres of All India Services, formed for Himachal Pradesh, arrangements will have to be worked out for the distribution of authority between the Ministry of Home Affairs and the Union Territory on the lines indicated in paragraph 5.21.

(para 5.21).

61. If as a result of the proposed carving out of a separate cadre for Himachal Pradesh (and a possible development on the same lines in the case of Delhi), the Union Territories cadre has to be dissolved, no serious damage will be done as a suitable alternative for filling

senior posts in the remaining Union Territories, somewhat on the lines indicated in para 5.33, can be devised.

(para 5.33).

62. Separate Civil and Police Services should be constituted for Himachal Pradesh.

(para 5.37).

63. A Services Selection Board should be set up for Himachal Pradesh (with a whole-time Chairman and two part-time members) for making selections for appointment to class III posts in all the departments of the Union Territory Administration. The functions of this board are outlined in para 5.40.

(paras 5.38—5.40).

64. If the proposed board succeeds in its working in relation to class III posts, the feasibility of entrusting to it the work relating to recruitment to class II posts could be considered.

(para 5.41).

65. With the introduction of the institution of the administrative secretaries covering all the departments of Government, it should be possible for the Chief Secretary to jettison some of the work connected with the Departmental Promotion Committees for class I services and posts to the secretaries.

(para 5.43).

66. Crucial posts in the Union Territory Administration should be manned by officers of the requisite calibre. The posts of the Chairman of the proposed Services Selection Board and the Law Secretary should be added to the key positions requiring the approval of the Central Government under the Rules of Business. The post of Development Commissioner should be excluded from this list.

(para 5.44).

67. Of the key positions requiring Central Government's approval, particular care should be taken in selecting officers for the posts of Chief Secretary and Finance Secretary. The selected officers should remain in their positions for long enough periods to enable them to make an impact on administration. The pay and rank of these officers should be kept flexible so that if in the middle of their tenure the officers become due for promotion, they should be given the pay of the higher post in the Himachal Pradesh Administration itself. In the remaining cases, it should be ensured that the officers appointed remain in their positions for at least three years.

(paras 5.45 and 5.46).

68. If the proposed IAS cadre for Himachal Pradesh or the existing Union Territories cadre do not throw up the required number of officers of requisite calibre and background, the proposed increase in the existing number of secretaries could be met by selecting suitable men from other IAS cadres or from local cadres other than the IAS, with the approval of the centre.

(para 5.47).

69. In the field of personnel administration, different levels of organisation within the Union Territory Administration could be delegated enhanced powers on the lines indicated in Appendix XX. (para 5.48).

70. A new department to be called the Services Department (with functions enumerated in paragraph 5.51) should be created by merging the present Appointments and Vigilance Departments. The new department should be under the ultimate control of the Chief Secretary but in order not to add to his burden, should function under the immediate charge of a Joint Secretary. (paras 5.50 and 5.51).

71. While routine day to day administration of the personnel matters must necessarily be left to the departments concerned, the Administrator has a positive role to play in crucial matters such as those listed in para 5.52. The classes of personnel cases that should be submitted to the Administrator for orders and those that could be delegated to subordinate authorities are indicated in Appendices VIII & XX. (para 5.52).

72. Cases relating to discipline and memorials going to the Administrator should be decided by him in his discretion. His secretariat should be equipped to examine such cases. On complicated cases, he should be able to call for a second opinion, say, that of the Services Department. (para 5.52).

## CHAPTER VI—INTER-DEPARTMENTAL STRUCTURES

73. While there is need for separate secretaries, there need be no elaborate secretariat of the conventional type for each secretary. The secretariat assistance for most of the work should be available to a secretary from within the headquarters establishment of the executive heads of departments. The secretary would, however, need some staff support—mostly in the shape of officers for handling work needing specialised attention, e.g. planning and coordination, and financial and personnel management. (para 6.2).

74. The Administrative department in the reorganised set-up should be conceived of as a single composite unit comprising not only the secretary and his staff officers and their cells but also the executive heads and their headquarters offices. (para 6.3).

75. The institution of whole-time administrative secretaries covering all departments of Government should provide a built-in device for ensuring sound and objective decisions at the official level, make it possible for the minister to authorise his secretary to dispose of on his behalf most of the cases now requiring his personal attention.

and enable the former to concentrate on important questions of policy and major operational programmes and events.

(para 6.4).

76. Each administrative department headed by a secretary should have the powers of the "head of department" as defined in the Delegation of Financial Powers Rules. More powers can also be delegated in specific cases if warranted by operational requirements.

[para 6.5(1)].

77. Many of the personnel powers now concentrated in the Administrator can also be delegated to the administrative secretaries on the lines indicated in Appendix XX.

[para 6.5(1)].

78. Maximum possible delegation should be made to the executive heads of departments to increase their effectiveness. For this purpose they may be classified into three categories according to the quantum of budget and the staff strength controlled by them. Treating the scheme of delegations proposed to the Director of Agriculture in financial and personnel matters as broad guide lines, the Administrative Reforms Department should draw up comprehensive delegations for the different categories of executive heads.

[para 6.5(2)].

79. The financial powers to be delegated to an executive head of department should not normally exceed those of the head of department under the Delegation of Financial Powers Rules. This should not preclude an arrangement in which an executive head may be given full powers of 'head of department' in certain matters and lower powers in others.

[para 6.5(3)].

80. The executive head should be given maximum possible powers of personnel control over the secretariat staff, if any, posted in his headquarters office.

[para 6.5(4)].

81. Supervision should follow well-defined hierarchical principles and delegations should be made to match these principles. Maximum workable delegations should be made to officers below the executive head down to the field level. This may be attended to by the Department of Administrative Reforms, or in consultation with it, by the administrative department concerned on the lines of similar delegations proposed for the officers of the Directorate of Agriculture.

[para 6.5(5)].

82. The above delegation of enhanced financial powers can be given effect to by the Administrator invoking the authority vested in him to re-delegate the delegated powers.

[para 6.5(6)].

83. Executive heads of departments should be empowered to authenticate orders and other instruments on behalf of the Administrator without their being given *ex-officio* secretariat nomenclature.

[para 6.5(7)].



84. Major executive heads, may need the assistance of qualified and experienced staff officers for handling work relating to planning, personnel administration and financial management. Medium and minor heads of department may also need to be given some assistance although not on the same scale.

(para 6.6).

85. Within the headquarters office the head of department should encourage the officers under him to dispose of relatively unimportant cases themselves on his behalf.

(para 6.6).

86. Both the executive head and his two staff officers at the headquarters will be free to consult the staff aides of the secretary even in matters falling within the delegated sector. Such consultation should, as far as possible, be oral.

(para 6.7).

87. In matters beyond the powers delegated to the executive heads, proposals should be formulated by the headquarters office on its own files and referred to the staff officer (Finance and Personnel) or to the secretary. Cases involving difference of opinion between the executive head and the secretary's staff officers should be decided at the secretary's level.

(para 6.7).

88. Proposals from executive heads of departments should normally come on their own files and be dealt with under a "single file system". No noting should ordinarily be done on such cases below the level of Secretary's staff officers.

(para 6.8).

89. The staff aides of the secretary should maintain close liaison with departments like Planning, Finance and Services and officers of these departments should be able to inspect their work and acquaint their secretaries with their assessment.

(para 6.9).

90. Staff aides of secretaries should keep an over-seeing eye on the healthy functioning of the offices of executive heads in their respective spheres, and for that purpose visit the corresponding branches in the headquarters and conduct test-checks.

(para 6.9).

91. Secretary's office and the headquarters organisation of the executive heads concerned should be housed compactly in one building or in adjacent buildings.

(para 6.10).

## CHAPTER VII—ARRANGEMENTS FOR ADMINISTRATIVE REFORMS

92. The Department of Administrative Reforms should be placed under the charge of one of the Joint Secretaries with the Chief Secretary.

(para 7.3).

93. To begin with, the department should have two teams, each headed by a whole-time officer of the rank of Senior Analyst (corresponding roughly to an Under Secretary)—one for administrative reviews and inspections, organisational analysis and methods study, and the other for assessing staff requirements of different departments and evolving work norms for different types of repetitive jobs. (para 7.3).

94. Scrutiny of individual proposals for the addition of each and every post need not be entrusted to the Department of Administrative Reforms unless the proposal involves creation of a sizeable bunch of posts and the Finance Department feels that a detailed organisation and method study is called for. (para 7.3).

95. The staff of the department should be trained in work-study techniques and their formal training should be organised in consultation with the Department of Administrative Reforms at the centre. (para 7.3).

96. The department should organise the preparation of departmental manuals and hand-books for the guidance of all concerned and design appropriate forms for the submission of different types of proposals. (para 7.4).

97. The responsibility for processing the report should be specifically assigned to the Department of Administrative Reforms. (para 7.4).

98. The charter for the department should be on the lines somewhat of Appendix XXIX. (para 7.4).

99. A Secretaries Committee on Administration headed by the Chief Secretary should be set up for considering *inter alia* policy issues having a bearing on administrative improvements and for guiding and directing the work of the Administrative Reforms Department. (para 7.5).

100. The department should maintain an active liaison with the Department of Administrative Reforms at the centre in more important matters like the formulation of programmes of its studies, specially to begin with, and even in the conduct of the more important among them. (para 7.6).

#### CHAPTER VIII—RELATIONSHIP BETWEEN THE HIMACHAL PRADESH ADMINISTRATION AND THE CENTRAL GOVERNMENT

101. The Administrator is seldom able to assert himself effectively. This tendency exists as a rule even in important cases referred to the Central Government which are invariably channelled

through him. The Centre thus does not get the benefit of his independent judgement.

(para 8.4).

102. The role of the Administrator requires re-alignment so that it is adjusted both to Parliamentary intention and Presidential responsibilities on the one hand and administrative and political necessities on the other. Such a re-alignment will call for a shedding of a great deal of work that needlessly goes to him and a more dynamic and assertive interest in crucial items.

(para 8.4).

103. Being ultimately responsible for the good governance and progress of the Union Territory, the Centre must involve itself closely in all questions of strategic importance e.g., the direction that the development of the Union Territory must assume, its extent and inter-sectoral priorities, the overall analysis of expenditure and their relation to actual needs, the evaluation of programmes, etc. In operational matters it need retain only the most crucial controls.

(para 8.8).

104. Compulsory reference to the Central Government of legislative proposals before introduction in the Legislative Assembly should be confined to bills relating to official language, public order and police, and measures involving substantive expenditure or abatement of revenues.

[para 8.9(1)].

105. It does not appear to be necessary to provide in the Rules of Business matters liable to frequent changes which, in any case, are covered by the Delegation of Financial Powers Rules. This will obviate the need, in the event of a change for issuing two parallel sets of amendments, one from the Finance Ministry amending the Delegation of Financial Powers Rules and the other Presidential order from the Home Ministry amending the Rules of Business.

[para 8.9(2)].

106. The rather vague and blanket provision in the Rules of Business requiring all important cases raising questions of policy or of administrative importance to be referred to the Central Government for its prior approval appears excessive and should be deleted.

[para 8.9(3)].

107. While the Centre's pre-occupation with operational detail should greatly diminish, its role in evaluating and reviewing administrative activity specially in the field of development, should be stressed and expanded. The main items of work that the Centre should attend to and those that it should shed in the proposed system are shown in Appendices XXVI & XXVII.

(paras 8.10, 8.11 & 8.12).

108. The present arrangement in which responsibility for the administration of Union Territory is dispersed between various central ministries, with none specifically and clearly responsible for overall coordination, is far from satisfactory. A self-contained

ministry for Union Territories where all matters relating to administration of such territories should be dealt with and settled, is also not feasible. Location in the Home Ministry of subject-matter specialists for expert advice has also its own limitation.

(paras 8.14—8.17).

109. The role of coordinator and overall planner and evaluator in relation to the administration of Union Territories should be specifically assigned to the Ministry of Home Affairs under the Government of India (Allocation of Business) Rules.

(para 8.20).

110. Within the Home Ministry the division of work could be streamlined separating territorial and functional responsibilities to the maximum possible extent.

(para 8.21).

111. To discharge its role effectively in relation to Himachal Pradesh Administration, the Home Ministry would need to have a separate officer of the rank of Deputy Secretary earmarked wholly for Himachal Pradesh. This officer will also be responsible for coordinating the work of functional ministries and for having the overall responsibility for matters concerning Himachal Pradesh.

(para 8.22).

112. The work of the Union Territories Wing of the Home Ministry should be reorganised on the lines indicated in paras 8.23 to 8.26.

(paras 8.23—8.26).

113. Certain items of work listed in para 8.27, now dealt with in predominantly territorial sections, should be transferred to the functional sections concerned.

(para 8.27).

114. The work particular to individual Union territories should be handled by territorial desks each of which should be assigned work relating to once or more Union Territories. These units should be officer-oriented and, if work-load permits, organised on at least a two-officer basis.

(para 8.28).

115. The reorganised set-up should operate within the framework of a separate department for Union Territories within the Home Ministry. The Department could be headed by an officer of suitable status, say Additional Secretary, who could continue to function under the coordinating discipline of the Home Secretary.

(para 8.29).

## APPENDICES

(95-96)

*Copy of letter No. FI (I)-DS (VT) HP/67, dated 29-12-1967 from Shri V. Y. Chari, Secretary, Administrative Reforms Commission remitting the Study of certain aspects of Himachal Pradesh Administration to the Department of Administrative Reforms and outlining the terms of reference.*

The Administrative Reforms Commission have appointed a Study Team on Union Territories with Shri R. R. Morarka as Chairman. This team is examining the administration of Union Territories both from the administrative and financial points of view. In respect of Himachal Pradesh, it has become necessary to examine certain aspects of its Administration, which will entail a study in depth. The study Team, with its tight time schedule, cannot undertake a detailed study of this nature simultaneously with its other commitments. The commission after having consulted Shri Morarka, therefore, feel that the Department of Administrative Reforms may undertake this study. The scope of the study is broadly outlined in the enclosed paper.

2. The study Team will use the results of this study for drawing up its own report which is required to be submitted to the commission as early as possible.

3. A detailed study of the type suggested will undoubtedly take time to complete, but it may kindly be ensured that the first part of your report is available by the end of March so that the Study Team can use it when finalising its report. This part should, if possible, contain your proposals regarding the broad administrative framework for the Himachal Pradesh Administration generally, and any case, for the following two items.

(1) the relationship of the Himachal Pradesh Administration with the Government of India ;

(2) the re-organisation of district administration.

4. The second part of the report covering the remaining areas and filling in any details which have not been covered in the first part, can come in April.

5. We are anxious that no time should be lost in starting this study. I am writing separately to Shri M. R. Yardi, Additional Secretary (UT), Ministry of Home Affairs and to the Chief Secretary, Himachal Pradesh Administration to render all assistance and to nominate an officer each to liaise with your Department.

#### SCOPE OF STUDY OF THE HIMACHAL PRADESH ADMINISTRATION

An examination of the Himachal Pradesh Administration to effect economy, should, if it is to bring about the best results, embrace the organisation and structure of the administration as a whole and study these in depth. Structure in turn depends on methods and organisation of work and on relationship between the different formations which, therefore, also require examination. Besides such a study should go into the question of reorganising district boundaries the object being to secure convenience for the public on the one hand and on the other economy and the best utilisation of personnel for the government. As all these problems are interlinked the character for the proposed study should be a general reorganisation of the Himachal Pradesh Administration with a view to securing the maximum efficiency and economy. The following elements should, in particular, be among the constituents of such a study :—

- (1) district reorganisation which would include :
  - (a) reorganisation of boundaries of districts
  - (b) the set-up of different departments in the districts
  - (c) relationships with superior formations and delegations ;
- (2) reorganisation of field officers at the supra district level, which, in each case would involve an assessment of the need for such an Office, its location, its staffing at higher levels and its relationships with the offices below and with the Head of Department ;
- (3) reorganisation of the officers of the heads of departments, with special reference to their staffing requirements officer level ;

- (4) the relationship of the secretariat with heads of departments (detailed examination of staff requirements of the secretariat and minister's establishment need not be done in this study as these have been done separately by the Staff Inspection Unit);
- (5) a review of the schemes of different departments to avoid overlap and to effect streamlining;
- (6) the relationship of the Himachal Pradesh Administration with the Government of India and its mechanics.

**Appendix II**  
(See para 2·2)

*Statement showing the existing distribution of departments among Secretaries and Ministers*

S. No.	Department	Executive Head	Secretary	Minister
1. Home Department				
	A—Home . . . . .		Ch. Secy.	Chief Minister
	B—Police . . . . .	I.G. of Police	Ch. Secy.	Chief Minister
	C—Prisons . . . . .	I.G. of Prisons	Do.	Do.
2. A—Genl. Admn. Deptt. . . . .				
	B—Admn. Reforms Unit . . . . .		Do.	Do.
3. Appointments Deptt. . . . .				
4. Sectt. Admn. Deptt. . . . .				
5. Vigilance Department . . . . .				
6. Public Relations Deptt. . . . .				
		Director of Public Relations.	Do.	Do.
7. Civil Supplies Deptt. . . . .				
		Director of Civil Supplies	Do.	Education Minister.
8. Planning & Development Department :				
	A—Development . . . . .	Development Commissioner	Ch, Secy.	Development Minister
	B—Planning . . . . .	Please see Sl. No. 18		
9. Confidential & Cabinet Deptt.				
			Do.	Chief Minister
10. Finance Deptt.				
	A—Main Deptt. (including Treasury orgn. & Local Audit).		Finance Secy.	Finance Minister
	B—Dte. of Economics & Statics.	Director of Eco. and Statics	Do.	Do.
11. Tourism Department . . . . .				
		Director of Tourism (Post at present held by Fin. Secy.).	Do.	Chief Minister
12. Law Deptt. (including Rehabilitation).				
			Judicial Secy.	Finance Minister
13. Education Department . . . . .				
		Director of Education	Do.	Education Minister
14. Local Self Government				
	A—Local Self Govt. . . . .		Do.	Transport Minister
	B—Elections . . . . .		Do.	Forest Minister



Sl. No.	Department	Executive Head	Secretary	Minister
15.	Revenue Deptt.			
	A—Land Revenue (Distt. Estt.)	Land Revenue Commissioner	Financial Commissioner -cum- Revenue Secretary	Revenue Minister
	B—Land Reforms (including Dist. Gazetteers)	Land Reforms Commissioner	Do.	Do.
	C—Land Records.	Director, Land Records	Do.	Do.
	D— Consolidation of holdings	Directors, Consolidation of holdings	Financial Commissioner-Cum- Revenue Secretary	Do.
16.	Exise & Taxation Department	Exise & Taxation Commissioner	Land Reforms Commissioner and Secy.	Development Minister
17.	Transport Deptt.	General Manager	Financial Commissioner-cum- Revenue Secretary	Transport Ministry
18.	Planning & Development Deptt.			
	A— Development	Please see Sl. No. 8		
	B—Planning	Development Commissioner	Dev. Comm. cum-Secretary, Planning	Chief Minister
19.	Agri. Deptt:			
	A— Agriculture (including Horticulture).	Director of Agriculture	Do.	Development Minister
	B— Fisheries	Director of Fisheries	Dev. Comm. cum-Secretary Planning	Development Minister
20.	Animal Husbandry Department	Director of Animal Husbandry,	Do.	Do.
21.	Panchayats Deptt.	Director of Panchayats	Do.	Transport Minister
22.	Co-operation Deptt.	Registrar, Co-operative Societies	Do.	Education Minister
23.	Welfare Deptt.	Director of Welfare	Do.	Revenue Minister
24.	Forests Deptt.	Chief Conservator	Chief Conservator ex-officio Secy.	Forest Minister
25.	Public Works Deptt.	Ch. Engineers	Chief Engineer (South) ex-officio Secy.	Finance Minister
26.	Multipurpose Projects & Power Deptt.	Chief Engineer	Ch. Engineer ex-officio Secy.	Do.

S. No.	Department	Executive Head	Secretary	Miniter
27.	Medical & Public Health Deptt.	1. Dir. of Health Services 2. Principal, Medical College	Dir. of Health Services ex-officio Secy. Principal, Medical College ex-officio Addl. Secy. for College	} Revenue Minister
28.	Industries (including Labour, Training & Employment & Printing & Stationery office).	Director of Industries	Dir. of industries ex-officio Secy.	Forest Minister

NOTE.— The Planning & Development Department has been mentioned twice (of Sl. Nos. 8 & 18) as it is looked after by two Secretaries,

**Appendix III**  
(See Para 2.4)

*Statement showing the existing distribution of departments  
among Secretaries*

S. No.	Name of the Secretary	Name of the Department
1.	Chief Secretary	Home Department General Administration Department (including Administrative Reforms Unit). Appoints Department Secretariat Administration Deptt. Vigilance Department Public Relations Department Civil Supplies Department Planning & Development Department, (Development part only). Confidential and Cabinet Department
2.	Finance Secretary	Finance Department (including Directorate of Economics & Statistics). Tourism Department.
3.	Judicial Secretary	Law Department. Education Department Local Self Government.
4.	Financial Commissioner-cum-Revenue Secretary.	Revenue Department. Transport Department.
5.	Land Reforms Commissioner & Secretary.	Excise and Taxation Department.
6.	Development Commissioner and Secretary, Planning.	Planning & Development Department (Planning only). Agriculture Department (including Fisheries). Animal Husbandry Department. Panchayats Department. Cooperation Department. Welfare Department

EXISTING PORTFOLIOS OF MINISTRIES

S. No.	Minister	Departments allotted
1.	CHIEF MINISTER	Home. General Administration (including Administrative Reforms). Appointments. Secretariat Administration. Vigilance. Public Relations. Confidential & Cabinet. Tourism. Planning & Development (Planning part only).
2.	FINANCE MINISTER	Finance. Law (including Rehabilitation). Public Works. Multipurpose Projects & Power.
3.	EDUCATION MINISTER	Civil Supplies. Education. Cooperation.
4.	DEVELOPMENT MINISTER	Planning & Development. (Development part only) Excise & Taxation. Animal Husbandry. Agriculture Department.
5.	TRANSPORT MINISTER	Local Self Government. Transport. Panchayats.
6.	REVENUE MINISTER	Revenue (including Land Reforms). Welfare. Medical & Public Health.
7.	FOREST MINISTER	Forest. Industries (including Labour, Training & Employment & Printing and Stationery Office).
8.	CHIEF CONSERVATOR OF FORESTS EX-OFFICIO SECRETARY.	Forest Department.
9.	CHIEF ENGINEER (SOUTH) EX- OFFICIO SECRETARY.	Public Works Department.
10.	CHIEF ENGINEER, MULTI- PURPOSE PROJECTS AND POWER EX-OFFICIO SECRETARY.	Multipurpose Projects and Power Department.
11.	DIRECTOR OF HEALTH SERVICES. EX-OFFICIO SECRETARY.	Medical & Public Health Department.
12.	DIRECTOR OF INDUSTRIES EX- OFFICIO SECRETARY.	Industries Department (including Labour, Training & Employment and Printing & Stationery office).

**TYPES OF CASES REQUIRED TO BE SUBMITTED TO THE LIEUTENANT  
GOVERNOR UNDER THE RULES OF BUSINESS**

- \* cases raising questions of policy;
- \* cases which affect or are likely to affect the peace and tranquility of the Union territory;
- \* cases which affect or are likely to affect the interest of any minority community, Scheduled Tribes and backward classes;
- \* cases which affect the relations of the Government of the Union territory with any State Government, the Supreme Court or the Judicial Commissioner's Court;
- \* constitution of Advisory Boards under section 8 of the Preventive Detention Act, 1950 (4 of 1950);
- \* cases required to be referred to the Central Government under the Act or under chapter V;
- \* cases pertaining to the Administrator's Secretariat and personal establishment and other matters relating to his office;
- \* cases in which there is difference of opinion between the Finance Secretary and the Minister-in-charge;
- \* financial proposals involving new taxation and the expenditure from Government revenues exceeding rupees fifty thousand;
- \* cases in which it is proposed that the Administrator should grant sanction under section 132 of the Code of Criminal Procedure, 1898 (5 of 1898) for the prosecution of any person for an act purporting to be done under chapter IX of that Code;
- \* all proposed resolutions on Administration Reports;
- \* cases in which local candidates are sponsored for special education or training either abroad or in India under the Central Government Scholarship schemes or other schemes or at the Union territories own cost;
- \* cases relating to issue of rules under an Act in force in the Union Territory;
- \* petitions for mercy from persons under sentence of death and other important cases in which it is proposed to recommend any revision of a judicial sentence;
- \* any departure from these Rules which comes to the notice of the Chief Secretary or the Secretary of any Department;
- \* cases relating to summoning prorogation and the dissolution of the Legislative Assembly, removal of disqualification of voters at elections to the Legislative Assembly, fixing of dates of elections to the Legislative Assembly and other connected matters;
- \* any communication from the Election Commission with reference to its requirements as to staff and action proposed to be taken thereon; and
- \* any case of administrative importance as the Chief Minister may consider necessary.

Appendix VI  
(See para 2.20)

*Statement showing the particulars of cases submitted to Lieutenant Governor  
in the Department of Agriculture*

S. No.	Category of cases	No. studied	No. submitted to L. G.	Brief particulars
1.	Recruitment . . . . .	9	2	(a) Post of Asstt. Soil Conservation Officer (Engineering), Approval of the C.M./L.G. obtained for continuation of the promotee to this post for one year. (b) Appointment to the post of H. A. C., Solan.
2.	Leave (Extraordinary) . . . . .	10	3	(a) To Asstt. Entomologist. (b) To Asstt. Entomologist. (c) To Asstt. Botanist.
3.	Fixation of pay . . . . .	5	1	Higher initial pay to Asstt. Professor.
4.	Crossing of E.B. . . . .	4	1	Entomologist (Class I).
5.	Permission for undertaking work for outside bodies and acceptance of the fee therefor.	2	2	(a) Entomologist. (b) Vegetable Botanist.
6.	Extension of Service	2	1	Extension of service of Agricultural Asstt., beyond the age of retirement.
7.	Permission to undertake journey beyond jurisdiction.	5	1	Exemption under S. R. 73. Tractor Driver went to Delhi for overhaul of tractor—74 days out of station.
8.	Purchase of stores and equipment	10	1	Rs. 7 lakhs.
9.	Write off of losses . . . . .	12	5	(i) Rs. 1954, (ii) Rs. 3,852 & (iii) Rs. 9,344.
10.	Soil conservation loans . . . . .	5	5	(i) Rs. 5,741, (ii) Rs. 14,285 (iii) Rs. 9,740, (v) Rs. 5,775 and Rs. 24,863.
11.	Subsidies . . . . .		7	(i) Rs. 17,180 (ii) Rs. 24,687, (iii) Rs. 5,740, (iv) Rs. 14,288, (v) Rs. 5,741, (vi) Rs. 5,775 and (vii) Rs. 24,893.

**Appendix VII**

(See para 2.22)

*Copy of Government of Himachal Pradesh, (Confidential & Cabinet Department), 'Order' No. 5-21/64-CCD, dated 22-12-1964*

For the convenient transaction of business relating to Administrator's executive functions as provided in chapter IV of the Rules of Business, 1963, the following instructions are hereby issued for guidance.

2. The following classes of cases are required to be submitted to the Administrator for his orders through the Chief Minister :—

- (a) Filling up of posts requiring UPSC consultation.
- (b) Direct recruitment to the posts through UPSC.
- (c) Confirmation of and in Class I and Class II posts.
- (d) Extension of temporary class I and II posts.
- (e) Creation/conversion/abolition of posts.
- (f) Proposals for introduction of new scales of pay and allowances and T.A.
- (g) Deputation of officers from other governments.
- (h) Crossing of E.B. by Class I & II Officers.
- (i) Fixation of seniority of officers in Class I and Class II posts.
- (j) Cases of advance increments.
- (k) All disciplinary proceedings in respect of Class I and Class II posts.
- (l) Grant of leave to Class I Officers.
- (m) Deputation of Class I & II officers for training in India or abroad.
- (n) Grant of study leave to Class I & II Officers.
- (o) Framing of rules for constitution of new Boards/Committees for selection of persons for appointment and for higher training in India or abroad.
- (p) Proposals for modification of the composition of the existing Boards/Committees.
- (q) Other important service matters requiring new decisions.

T. S. NEGI

*Chief Secretary to the  
Government of Himachal Pradesh*

**Appendix VIII-A**

(See para 2.26)

*Analytical statement showing the classes of cases required to be submitted to the Administrator under the Rules of Business and standing orders issued by him thereunder and justification therefor.*

S. No.	Class of case	Comments regarding justification for submission to the Administrator
1	2	3

**A. Under the Rules of Business**

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Cases raising questions of policy.</li> <li>2. Cases which affect or are likely to affect the peace and tranquility of the Union Territory.</li> <li>3. Cases which affect or are likely to affect the interest of any minority community, Scheduled Castes, Scheduled Tribes and backward classes.</li> <li>4. Cases which affect the relations of the Government of the Union territory with any State Government, the Supreme Court or the Judicial Commissioner's Court,</li> <li>5. Constitution of Advisory Boards under section 8 of the Preventive Detention Act 1950 (4 of 1950).</li> <li>6. Cases in which there is difference of opinion between the Finance Secretary and the Minister-in-charge.</li> <li>7. Cases in which it is proposed that the Administrator should grant sanction under section 132 of the Code of Criminal Procedure Code, 1898 (5 of 1898) for the prosecution of any person for an act purporting to be done under Chapter IX of that Code.</li> <li>8. All proposed resolutions on Administration Reports.</li> <li>9. Cases relating to issue of rules under an Act in force in the Union territory.</li> <li>10. Petitions for mercy from persons under sentence of death and other important cases in which it is proposed to recommend any revision of a judicial sentence.</li> <li>11. Any departure from these Rules which comes to the notice of the Chief Secretary or the Secretary of any Department.</li> <li>12. Cases relating to summoning prorogation and the dissolution of the Legislative Assembly, removal of disqualifi-</li> </ol> | <p>1-13.—These should continue to be submitted to the Administrator to enable him to discharge his role as the constitutional head and the President's representative effectively. In fact, so far as items 2 to 4 are concerned, rule 56 of the R.O.B. enjoins prior references to the Central Government. No change is, therefore, proposed in respect of these items.</p> |
|--|--|



1	2	3
	<p>cation of voters at elections to the Legislative Assembly, fixing of dates of elections to the Legislative Assembly and other connected matters.</p>	
<p>13. Any communication from the Election Commission with reference to its requirements as to staff and action proposed to be taken thereon.</p>		
<p>14. Financial proposals involving new taxation and the expenditure from Government revenues exceeding rupees fifty thousand.</p>		<p>While proposals involving new taxation must be submitted to the Administrator, the submission of proposals involving expenditure exceeding Rs. 50,000, irrespective of their nature, is not necessary as it will nullify some of the delegations in financial matters to the administrative departments and even executive heads. Even within the sector in which the Administrator has not delegated his powers to subordinate authorities, only the more important cases should be submitted to him for orders, the rest being decided by the Finance Department on his behalf. In any case, no uniform monetary ceiling can be prescribed for the purpose as the nature of expenditure, more than the amount of expenditure, is an important factor in determining the classes of financial cases that should go to the Administrator. This has been taken note of in Appendix VIII-B.</p>
<p>15. Cases in which local candidates are sponsored for special education or training either abroad or in India under the Central Government Scholarship Schemes or other schemes or at the Union territory's own cost.</p>		<p>Cases of this type should be submitted to the Administrator only if the training is sponsored under the schemes sponsored by the Union territory's at its own cost. Cases involving training under the Central Government Scholarship Schemes need not go up to the Administrator so long as the prescribed procedure for selection (e.g. by appropriate committees) as followed and the various other requirements observed. Even in the case of training of the first type, the Administrator should concern himself with relevant policy and principles of selection than with individual questions except when a relaxation from the prescribed procedures is intended.</p>
<p>16. Cases required to be referred to the Central Government under the Act or under Chapter V.</p>		<p>Submissions to the Administrator in this category should be confined to basic questions only and not extended to cover matters of operational detail. For instance, where a project or scheme has been cleared by the Administrator, subsequent references to the Central Government, even though required under the Delegation of Financial Powers Rules or other sets of rules and instructions, in matters like purchase of machinery or other stores or foreign exchange need not be shown to the Administrator. In any case, since all communications from the Central Government (excluding those of a routine nature) would be shown to the Administrator under rule 23 of the Rules of Business, the Administrator can call for the relevant papers at that stage if he considers any matter important enough.</p>

1	2	3
17. Cases pertaining to the Administrator's Secretariat and personal establishment and other matters relating to his office.		No change is proposed.
<b>B.—Under the standing orders</b>		
18. Filling up of posts requiring UPSC consultation.		If the direct recruitment is to be undertaken in accordance with the relevant recruitment rules and the vacancies exist or new posts have been created by the competent authority, there is little point in submitting individual cases to the Administrator. In the proposed set-up this job could well be left to the administrative departments.
19. Direct recruitment to the post through U.P.S.C.		
20. Confirmation of officers in Class I and Class II posts.		Confirmations are normally made on the recommendations of the Departmental Promotion Committees with which the UPSC (in the case of Class I Officers) and the Chairman of the proposed Subordinate Services Selection Board (in the case of class II & III posts) will also be associated. There need, therefore, be no fear of any widespread arbitrariness in decisions here. In the event of erroneous confirmations, the aggrieved officer can represent his case to higher authority including the Administrator, and if necessary, resort to his right of petitioning to the President through the Administrator. Such cases need not, therefore, be submitted to the Administrator for his prior orders.
21. Extension of temporary class I and II posts.		These are matters of operational detail and can well be left to the decision of the Finance Department. However, cases involving creation of certain types of important posts, e.g., secretariat posts of and above the rank of Under Secretary and non-secretariat posts with maximum exceeding Rs. 1,000 per month, may be submitted to the Administrator.
22. Creation/conversion/abolition of posts.		
23. Proposals for introduction of new scales of pay and allowances and T.A.		These involve questions of policy and may continue to be submitted to the Administrator for orders.
24. Deputation of officers from other governments.		
25. Crossing of efficiency bar by Class I & II Officers.		Since decisions regarding crossing of efficiency bar have to be based on an assessment of the confidential reports, no great risk is involved in delegating this power to the administrative departments in the case of class I officers, and to executive heads of departments in the case of class II Officers. The aggrieved party, in any case, will have the right to represent his case to the higher authorities and in the event of no relief, to submit a petition to the President through the Administrator.
26. Fixation of seniority of officers in Class I and Class II posts.		Since relative seniority of officers in different grades of the various services would have been prescribed in the relevant rules with

1	2	3
		<p>the approval of the Administrator, there appears to be little point in burdening him with individual cases. If, however, in an individual case seniority is wrongly fixed, the aggrieved officer will have the right to represent his case to the Administrator and ultimately to submit a petition to the President through Administrator.</p>
27. Cases of advance increments	.. ..	<p>Advance increments are generally given only at the time of initial appointment in accordance with the provisions of the Fundamental Rules. In the case of officers appointed through the UPSC, the advance increments, if any, are allowed to the selected candidates only on the recommendations of the Commission. As regards lower staff, it should be enough if the cases are decided in consultation with the Finance Department. Advance increments for other purposes e.g., outstanding work etc. cannot be given unless the general scheme providing for such increments has received the approval of the Finance Department and the Administrator. There is, therefore, no need to bother the Administrator with individual cases which could be left to be decided by the administrative departments in accordance with the prescribed procedure and in consultation with the Finance Department.</p>
28. All disciplinary proceedings in respect of Class I and Class II posts.	.. ..	<p>While cases involving disciplinary proceedings against class I officers may be submitted to the Administrator, it does not appear to be necessary to bother him with such cases in respect of class II officers. In fact, for class II officers, even the Classification, Control and Appeal Rules envisage delegations of disciplinary powers by the President to lower authorities. This provision, however, has not been invoked so far. Now that we have an institution of administrative secretaries covering all the departments, it should be possible to delegate the necessary powers to the secretaries. An incidental advantage of the proposed delegation would be that appeals against the original disciplinary orders in case of class II officers will lie with the Administrator instead of with the President as at present.</p>
29. Grant of leave to Class I Officers	...	<p>The administrator should not be bothered with routine matters like grant of leave except in the case of secretaries and executive heads of departments. Power to sanction leave to other officers should be delegated to lower authorities. In fact the leave rules do provide for such delegation.</p>

1	2	3
30. Deputation of Class I & II officers for training in India/abroad.	These types of cases should be treated in accordance with the principles suggested for item No. 15, except that cases involving secretaries, heads of departments and members of all-India Services should be submitted to him.	
31. Grant of study leave to Class I & II Officers.	Once the administration decides about the subjects of study for which study leave could be granted in public interest, individual cases could be decided in accordance with that policy and the provisions of the Study Leave Rules, in consultation with the Finance Department. The Administrator should not be bothered, unless the proposal involves an unusual feature or a relaxation of the existing rules, or relates to a secretary, an executive head of department, or a member of an all-India Service.	
32. Framing of rules for constitution of new Boards/Committees for selection of persons for appointment and for higher training in India or abroad.	These appear to involve questions of policy and, therefore, should continue to be submitted to the Administrator for his orders.	
33. Proposals for modification of the composition of the existing Boards/Committees.		
34. Other important service matters requiring new decisions.		

*Types of financial and personnel cases which must be submitted to the Administrator before issue of orders*

**A. Financial**

1. Re-appropriation of funds, if as a result of the re-appropriation :
  - (a) budget provision for a scheme is enhanced or reduced by more than Rs. 1 lakh;
  - (b) provision under the primary units "pay of officers" and "pay of establishment", taken together for an entire grant or appropriation is enhanced by more than 10 percent.
2. Creation of Class I Secretariat posts of and above the rank of Under Secretary, and non-secretariat posts the maximum of which exceeds Rs. 1000 p.m.
3.
  - (a) contingent expenditure exceeding in each case Rs. 10,000 per annum recurring or Rs. 50,000 non-recurring in respect of items other than those specified in Annexure to Schedule V of the Delegation of Financial Powers Rules.
  - (b) miscellaneous expenditure exceeding Rs. 5,000 recurring and Rs. 25,000 non-recurring in each case.
  - (c) contingent or miscellaneous expenditure of an unusual character.
4. Write off of irrecoverable losses of stores or of public money :
  - (a) where it is due to theft, fraud and negligence Rs. 5,000;
  - (b) in other cases Rs. 20,000.
5. A scheme (other than a work) with an outlay exceeding Rs. 5 lakhs.
6. Investment in equity capital of statutory corporations and companies.

**B. Personnel**

1. Proposals for introduction of new scales of pay and allowances and travelling allowance.
2. Deputation of officers from other governments.
3. Framing of rules for constitution of new boards/committees for selection of persons for appointment and for higher training in India or abroad.
4. Proposals for modification of the composition of the existing boards/committees.
5. Other important service matters requiring new decisions.
6.
  - (a) Appointments to Secretariat posts of and above the rank of Under Secretary and non-secretariat posts with maximum pay exceeding Rs. 1,000 p.m.
  - (b) *Ad hoc* appointment (*i.e.*, appointment by direct recruitment otherwise than through the UPSC) to class I posts.
7. Postings and transfers of officers of all-India Services.
8. Grant of leave to Secretaries and executive heads of departments.
9. Disciplinary proceedings against class I officers before instituting formal proceedings.
10. Appeals in disciplinary cases against the original orders of the Administrative Department.
11. Review and Revision.
12. Petitions and memorials.
13. Extension of service or acceptance of resignation of secretariat officers of and above the rank of Under Secretary and non-secretariat officers in scales of pay the maximum of which exceeds Rs. 1,000 p.m.
14. Retirement benefits to secretaries and Heads of Departments.

### C. General

1. Cases raising of policy including—
  - (a) cases which affect or are likely to affect the peace and tranquillity of the Union Territory;
  - (b) cases which affect or likely to affect the interest of any minority community, Schedules Castes, Scheduled Tribes and backward classes;
  - (c) cases which affect the relation of the Government of the Union Territory with any State Government, the Supreme Court or the Judicial Commissioner's Court.
2. Cases in which there is difference of opinion between the Finance Secretary and the Minister-in-charge.
3. All proposed resolutions on Administration Reports.
4. Any departure from these Rules which comes to the notice of the Chief Secretary or the Secretary of any Department.
5. Cases relating to summoning prorogation and the dissolution of the Legislative Assembly, removal of disqualification of voters at elections to the Legislative Assembly, fixing of dates of elections to the Legislative Assembly and other connected matters.
6. Any communication from the Election Commission with reference to its requirements as to staff and action proposed to be taken thereon.
7. Constitution of Advisory Boards under section 8 of the Preventive Detention Act 1950 (4 of 1950).
8. Cases in which it is proposed that the Administrator should grant sanction under section 132 of the Code of Criminal Procedure Code, 1898 (5 of 1898) for the prosecution of any person for an act purporting to be done under chapter IX of that Code.
9. Cases relating to issue of rules under an Act in force in the Union Territory.
10. Petitions for mercy from persons under sentence of death and other important cases in which it is proposed to recommend any revision of a judicial sentence.
11. Proposals inviting new taxation.
12. Cases required to be referred to the Central Government involving basic questions (*i.e.*, other than those concerning matters of operational detail).
13. Cases pertaining to the Administrator's Secretariat and personal establishment and other matters relating to his office.

NOTE.—1. This list is by no means exhaustive. For instance, part 'A' is confined to financial matters governed by the Delegation of Financial Powers Rules only. It does not include the types of business transacted under other sets of financial rules, like the General Financial Rules and the various departmental codes. Similarly, part 'B' mentions only a few major items in the field of personnel administration, chiefly the Central Civil Services (Classification, Control and Appeal) Rules. It has not been possible to scan the various provisions of the other sets of rules in the personnel field, like the Fundamental and Supplementary Rules, the Civil Service Regulations and the rules of individual services to identify cases that need go to the Administrator. While therefore, suitable additions could be made to this list, care should be taken to ensure that items to be added are comparable to those included in this list and in conformity with the guiding principles set out in para 8.26 of the report.

2. This list takes into account the enhanced powers proposed to be delegated to the Union Territory Administration.

**“NEW” ITEMS FOR 1968-69 UNDER “31-AGRICULTURE”—  
SCRUTINY BY THE DEPARTMENT OF AGRICULTURE AND  
ITS ASSOCIATE FINANCE**

Budget proposals for really new items were received by the Department of Agriculture Government of India through the Ministry of Home Affairs on 10th October, 1967. The Department of Agriculture in consultation with its Associate Finance had to communicate accepted figures by 31st October, 1967. The Budget Section in the Department of Agriculture sent the proposals to the technical sections concerned one by one, so that by 13-12-1967 only 4 of the sections had carried out their examination. As will be seen from Annexure I to this Appendix, only 16 out of the 40 items got examined by technical sections. It will be observed from Annexure II that out of the 83 days taken for finalising the new items, the Associate Finance took 7 days, technical sections 33 days and transit from one section to another or from one officer to another 21 days.

2. While communicating the agreed figures, the Department of Agriculture, stated that, in the absence of details as also of justification for the provisions proposed, the Ministry of Finance had considerably reduced the provision under each item and that the Union Territory Government should in future furnish full justification for its proposals. These remarks were *not* communicated to the Himachal Pradesh Administration either by the Department of Agriculture or by the Ministry of Home Affairs.

3. The Department of Agriculture recommended cuts in the case of 5 items, giving reasons therefor in the case of 2 of them. In the case of 11 items, it agreed, after scrutiny with the provisions proposed. The remaining items, 24 in number, were not examined by the technical sections concerned.

The Budget Section, before referring the file to the technical sections stated that provisions for new non-plan items would not be supported. For this reason, apparently, none of the technical sections except one examined the non-plan proposals. However, after the file came back from the technical sections, the Budget Section recommended that the provisions proposed in respect of non-plan items were in order and should be accepted.

4. In the case of 12 items, the Associate Finance agreed to the provisions recommended by the Department of Agriculture. Of these, 2 were the non-plan items that had been examined by the technical section in the Department of Agriculture, while 2 others were plan items that had not been so examined.

In respect of 15 items, the Associate Finance imposed cuts, while in respect of 13, it did not allow any provision. No specific reasons for the reductions were given, except that in one case, it was stated that the scheme concerned required thorough examination. The general explanation given for these cuts was that, in the case of most of the items, technical sections had not furnished their comments.

5. On receipt of the file back from the Associate Finance, the Budget Section remarked that there was no time left to refer the file once again to technical officers (*i.e.*, those to whom the file had not but ought to have been referred) and it proceeded to inform the Ministry of Home Affairs about the provisions agreed to. Annexure III indicates the figures recommended by the Department of Agriculture and those accepted by the Associate finance.

6. An details of the cuts and the reasons therefore were not communicated to the Himachal Pradesh Administration, the provisions finally included in the Union Territory's budget bore no relationship to the provisions agreed to by the Associate Finance (*vide* Annexure IV).

7. In the case of items which constituted complete schemes by themselves, proposals were not supported by full justification. The following information was wanting in almost all the cases :—

- (1) The economic implications and, in particular, the receipts that would accrue after a scheme was implemented.

- (2) The recurring and the non-recurring expenditure in subsequent yaears.
- (3) The physical targets proposed to be achieved.
- (4) Where additional staff had been asked for, the reasons why the existing staff was unable to undertake the scheme in question.

8. It will thus be seen that :—

- (1) The delay in completing the scrutiny of new items was avoidable. The Budget Section could have made simultaneous references to all the technical sections concerned.
- (2) Scrutiny was not complete. Full justification was not always demanded.
- (3) Details of the cuts imposed and reasons therefor were not communicated to the Himachal Pradesh Administration.
- (4) The views of the Centre and those of the Himachal Pradesh Administration on what priority a particular scheme should be accorded, differed substantially.

[F.13-2/67-Budget]



## Annexure 1

*Scrutiny of schemes in the Department of Agriculture*

	Estimates scrutinised		Estimates not scruti- nised		Total	
	No. of schemes	Amount	No. of schemes	Amount	No. of schemes	Amount
Plan ... ..	14	36,33,800*	16	13,16,400	30	49,50,200
Non-Plan ... ..	2	6,000	8	1,31,600	10	1,37,600
	16	36,39,800	24	14,48,000	40	50,87,800

\*Of this, the proposed provision for one scheme was Rs. 26,85,200.

Annexure II

*Analysis of time taken in the Department of Agriculture for scrutiny of budget proposals*

Section/Officer	No. of days	Action taken
Budget Section	7	Examined.
Agriculture Production Commissioner	—	Marked to two other officers for comments.
Extension Commissioner	1	To D.A. to have the proposals examined.
Director of Administration	—	To DD(C) for quick examination.
Deputy Director (Coordination)	—	To Supdt. for discussion.
Directorate of Extension (Recommendations signed by DD(C).	19	Examined.
Budget Section	1	Sent to H.V.D. Section.
H.V.D. Section	4	Examined.
Budget Section	1	Sent to Dy. Commissioner (S.C.)
Dy. Commissioner (S.C.)	3	Examined.
Budget Section	1	Sen to Dairy Dev. Section w.r.t. the comments by Directorate of Extension.
Dairy Development Section	7	Examined.
Budget Section	6	Examined and sent to Associate Finance.
Associate Finance	7	Examined and sent to Budget Section.
Budget Section	5	Examined and agreed figures communicated to Ministry of Home Affairs.
Add Transit time	21	
	83	

Annexure III

*Provisions proposed and provisions agreed*

	Proposed by H.P. Administration	Recommended by Deptt. of Agriculture	Agreed to by Associate Finance
PLAN ... ..	49,50,200	37,62,800	13,96,700
NON-PLAN ... ..	1,37,600	1,37,600	5,000
	Rs. 50,87,800	Rs. 39,00,400	Rs. 14,01,700

## Annexure IV

*An analysis of the provisions included in the Budget Estimates by  
the Himachal Pradesh Administration*

PLAN	No. of schemes	Amount (Rs.)
1. Items for which provision was made in the budget estimates, although no provision was agreed to by the Centre.. ..	3	1,06,300
2. Items for which the provision made was higher than that agreed to by the Centre .. .. .	6	11,69,000
3. Items for which the provision made was the same as that agreed to by the Centre .. .. .	5	1,21,700
4. Items for which no provision was made although provision was agreed to by the Centre .. .. .	16	—
<b>TOTAL (PLAN).. .. .</b>	<b>30</b>	<b>13,97,000</b>
<b>NON-PLAN</b>		
Items for which the provision made was the same as that agreed to by the Centre .. .. .	10	5,000

[See para 3.9(1)]

**“NEW ITEMS” FOR 1968-69 UNDER “50-PUBLIC WORKS”—  
SCRUTINY BY THE DEPARTMENT OF WORKS & HOUSING  
AND ITS ASSOCIATE FINANCE**

On receipt of the budget proposals for New items from the Ministry of Home Affairs on 10-10-1967, the Department of Works and Housing took 69 days to communicate to that Ministry the figures accepted by it in consultation with its Associate Finance (*vide Annexure I*). The proposals related to Minor Works, Tools and Plant and Establishment (*vide Annexure II*).

2. To enable it to examine the proposals under Minor Works and Tools & Plant, the Budget Section of the Department of Works and Housing asked the Ministry of Home Affairs to intimate the revised and the budget estimates as accepted by the latter for 1967-68 and 1968-69 respectively for Minor Works under Part II(a)—Continuing Items. The Ministry of Home Affairs, as it had not completed its scrutiny of Continuing Items, forwarded a copy of the budget proposals of the Himachal Pradesh Administration.

3. The total provision in the Budget Estimates for 1967-68 under Minor Works was Rs. 26 lakhs. As against this, the Himachal Pradesh Administration had asked for a provision of Rs. 20 lakhs for Continuing items and Rs. 9.3 lakhs for New items in the Budget Estimates for 1968-69. The Budget Section, on grounds of Economy, recommended a provision of Rs. 6 lakhs for New items, so that the total provision for Minor Works would stand at the same level as that for 1967-68.

4. The Himachal Pradesh Administration had asked for a provision of Rs. 5 lakhs under Tools and Plant for the purchase of 10 trucks needed in connection with construction works. The Budget Section supported the proposal.

5. The Associate Finance reduced the provision under Minor Works to Rs. 4.5 lakhs on the ground of economy. Under Tools and Plant, it accepted a provision of Rs. 3.5 lakhs for the purchase of 7 trucks, giving no reason for the cut.

6. The Associate Finance pointed out that the proposal for New Minor Works gave no details, and merely stated that there was dearth of accommodation for offices, schools and touring officers in Himachal Pradesh. This observation of the Ministry of Finance was not communicated either to the Ministry of Home Affairs or to the Himachal Pradesh Government.

7. There were 9 New items under Establishment and these were examined by the E.W. Section of the Department of Works & Housing. Out of the 9 items, only one was accepted and that related to the conversion of work-charged establishment into a regular one, the conversion having been sanctioned earlier by the Government of India itself.

The rest of the proposals were turned down for the reason that the required data about work-load and work-standards had not been furnished. Similar data had been called for in respect of New items for 1967-68. These observations were communicated to the Himachal Pradesh Administration by the Department of Works and Housing.

8. One of the proposals which was for the creation of posts for work (like meter-reading, preparation of bills etc.) connected with water supply in the new township of Bilaspur. The total provision asked for was only Rs. 3,000. The Department of Works and Housing did not admit this item and asked the Himachal Pradesh Administration to intimate the work norms followed by local municipalities for similar work.

9. The following points emerge from the above study :—

(A) In the case of Minor Works, the total estimated cost under each of the following headings could have been indicated, the cost being further analysed according to the

purposes for which the buildings are being or are to be used (e.g. as offices, schools, rest-houses and so on) :

- (a) additions and alterations to existing buildings;
- (b) construction of small new buildings; and
- (c) electrification of government buildings.

The above information would possibly have helped the Administrative Ministry to impose cuts on a more realistic basis.

(B) The lacuna pointed out by the Ministry of Finance in the proposal for Minor Works was not intimated to the Himachal Pradesh Administration.

(C) As regards New items under Tools and Plant, there was no attempt to link the total number of trucks needed with the total building programme for the year.

ANALYSIS OF THE TIME TAKEN FOR THE SCRUTINY  
OF NEW ITEMS(a) *Proposals for Minor Works & Tools & Plant*

Section	No. of days taken	Action taken
Budget Section . . . .	11	Asked Ministry of Home Affairs for figures accepted in respect of continuing items.
Ministry of Home Affairs . . . .	3	Informed Budget Section that the estimated had not yet been received from Himachal Pradesh Administration.
Budget Section . . . .	21	Reference again made to Ministry of Home Affairs for figures accepted in respect of continuing items.
Ministry of Home Affairs . . . .	4	Estimates as proposed by Himachal Pradesh Administration supplied.
Budget Section . . . .	6	Examined and sent its recommendations to Associate Finance.
Associate Finance . . . .	1	Asked for previous year's file.
Budget Section . . . .	5	File sent after its receipt back from Associate Finance to which it had been sent earlier along with another case.
Associate Finance . . . .	5	Examined.
Budget Section . . . .	6	Agreed figures communicated to Ministry of Home Affairs.
Add transit time . . . .	7	
<b>TOTAL</b> . . . .	<b>69</b>	

(b) *Proposals for Establishment*

EW Section received the Establishment estimates from the Budget Section 10 days after they had been received in the latter Section and took 49 days to send its proposal to the Associate Finance.

## Annexure II

**PROVISIONS PROPOSED BY HIMACHAL PRADESH ADMINISTRATION AND PROVISIONS AGREED TO BY THE CENTRE**

No. of schemes	Items	Provision proposed by H.P. Administration			Provision agreed to by W & H Deptt.	Provision agreed to by Associate Finance
		Plan	Non-Plan	Total		
2	(a) Works . . . .	30,000*	9,92,600	9,92,600	6,00,000	4,50,000
	(b) Tools and Plant . . . .	—	5,00,000	5,00,000	5,00,000	3,50,000
9	Establishment . . . .	—	9,37,400	9,37,400	2,56,800	2,56,800
11		30,000*	24,00,000	24,30,000	13,56,800	10,56,800

\*Should have been included by the Himachal Pradesh Administration under Non-Plan.



Appendix XI

[See para 3.11(1)]

TOTAL REVENUE RESOURCES (INCLUDING SHARE OF CENTRAL TAXES) TRANSFERRED FROM THE CENTRE EXPRESSED AS A PROPORTION OF REVENUE RECEIPTS (DOMESTIC)

States	1964-65	1965-66	1966-67 (R.E.)	1967-68 (B.E.)
Assam . . . . .	1.0	1.2	1.4	1.4
Jammu & Kashmir . . . . .	0.8	1.0	1.5	1.2
Kerala . . . . .	0.4	0.5	0.7	0.7
Nagaland . . . . .	21.6	18.9	20.6	23.8
All States . . . . .	0.4	0.5	0.5	0.5
Himachal Pradesh . . . . .	1.1	1.1	1.3	1.7
Goa, Daman & Diu . . . . .	1.6	0.6	1.1	1.3
Manipur . . . . .	3.7	7.3	5.3	5.0
Pondicherry . . . . .	0.8	0.9	0.5	0.7
Tripura . . . . .	5.6	6.7	7.8	8.1

Appendix XII

(See para 3·16)

A. PRESENT PROCEDURE FOR BUDGETING AND ANNUAL PLAN FORMULATION

*Drill followed in 1967-68*

		Due Date	Actual Date
1.	Department of Agriculture sent budget proposals to Finance Department	New item Others	2-8-67 16-9-67
		15-6-67 25-7-67	
2.	Finance Department sent budget proposal to Ministry of Home Affairs.	New items Others	8-10-67 14-11-67
		15-9-67 30-9-67	
3.	Planning Commission sent guidelines for preparation of Annual Plan to union territories.	—	30-9-67
4.	Planning department received draft plans from individual departments, finalised plan proposals and sent them to Planning Commission.	25-10-67	13-11-67
5.	Working Group Discussion in the Planning Commission.	17 & 18-11-67	17 & 18-11-67
6.	Programme Adviser (Planning Commission) finalised his recommendation.		
7.	Ministry of Home Affairs with the concurrence of the Ministry of Finance finalised budget proposals.	Revenue Account	5-2-68
		Capital Account	21-11-67 20-11-67
8.	Plan finalised by Planning Commission after discussion with Chief Minister.	—	30-1-68

**B PROPOSED DRILL FOR BUDGETING AND ANNUAL  
PLAN FORMULATION**

	<i>Due Date</i>
1. Planning Department should issue preliminary guidelines to the Administrative Departments for starting the preparation of the Annual Plan Broadly, the Annual Plan should be on the basis of (i) the phasing contemplated in the Five Year Plan and (ii) the anticipated performance in the current year. (Departmental figures of performance of the first 9 months of the previous year will be available.) These guidelines should be issued after obtaining the advice of the Finance Department on resources and trends of expenditure.	15th April
2. Administrative Departments should send this first exercise in preparing the draft plan to the Planning Department.	15th May
3. Draft proposals should be discussed by the Planning Department with Administrative Departments, Finance Department's representative being present. Tentative conclusions should be arrived at in regard to schemes to be included, outlays, physical targets etc.	1st June
4. On the basis of above conclusions, Administrative Departments should send their budget proposal to the Finance Department. } New items Other items	1st July 1st August
5. Finance Department should discuss the New item proposals finalised by it, with the Planning Department and those heads of departments, whose proposals may have undergone important changes.	1st August
6. Finance Department should send proposals for New items to Ministry of Home Affairs.	15th August
7. Finance Department should discuss budget proposals (excluding New items) finalised by it with the Planning and other Departments as at (5) above.	15th September
8. Guidelines of Planning Commission for preparation of Annual Plan are received.	1st October
9. Centre's tentative decision in regard to New Item proposals are received.	1st October
10. Planning Department should finalise Annual Plan and sent it to the Planning Commission, the Ministry of Home Affairs and other ministries concerned.	15th October
11. Annual Plan should be discussed with the Planning Commission and the Ministry of Home Affairs and finalised. } Resources Plan Schemes.	15th November 16th November
12. Finance Department should send its budget and supporting documents to Ministry of Home Affairs.	1st December
13. Ministry of Home Affairs with the concurrence of Finance should convey its approval to the budget after discussion, if necessary, with the union territory government.	1st January

ENHANCED FINANCIAL POWERS RECOMMENDED FOR THE ADMINISTRATOR, HIMACHAL PRADESH

Sl. No.	Nature of Power	Power of an Administrative Ministry	Power of Administrator	
			Existing power (4)	Power recommended (5)
(1)	(2)	(3)		
1.	Creation of temporary posts in Class I Service.	Power to create posts carrying pay upon Rs. 2,250 p. m. in the prescribed and revised scales of pay. (Subject to Rule 9 of DFPRs read with Min. of Fin. O.M. dated 1-6-62).	Power to create, for any specified period ( <i>i.e.</i> , upto 2 years), posts in Class I Services which carry a scale of pay upto Rs. 1800 and to which the Administrator is the appointing authority. (Subject to Rule 9 of DFPRs).	Power to continue posts mentioned in column (4) for any stated period. In regard to such posts in the Public Works & the Multi-purpose Projects & Power Departments, the enhanced power should be delegated subject to the work-norms in those departments as approved by the Central Government being observed.
2.	Reappropriation of funds	Full power subject to Rule 8 of the DFPRs read with the Min. of Fin. O.M. dated 1-6-62.	The same as for an Administrative Ministry.	Full powers as vesting in the Ministry of Finance, except that the power to reappropriate funds from plan items to non-plan items should continue to vest in that Ministry.
3.	Contingent or Miscellaneous expenditure of an unusual character.	Full powers (subject to Rule 10 of DFPRs read with Min. of Fin. O.M. dated 1-6-62).	Nil.	Powers as under column (3).
4.	Insurance of government property.	(i) Power to incur additional expenditure up to Rs. 250 in each case for booking goods at railway risk.	Nil.	Powers as under column (3).

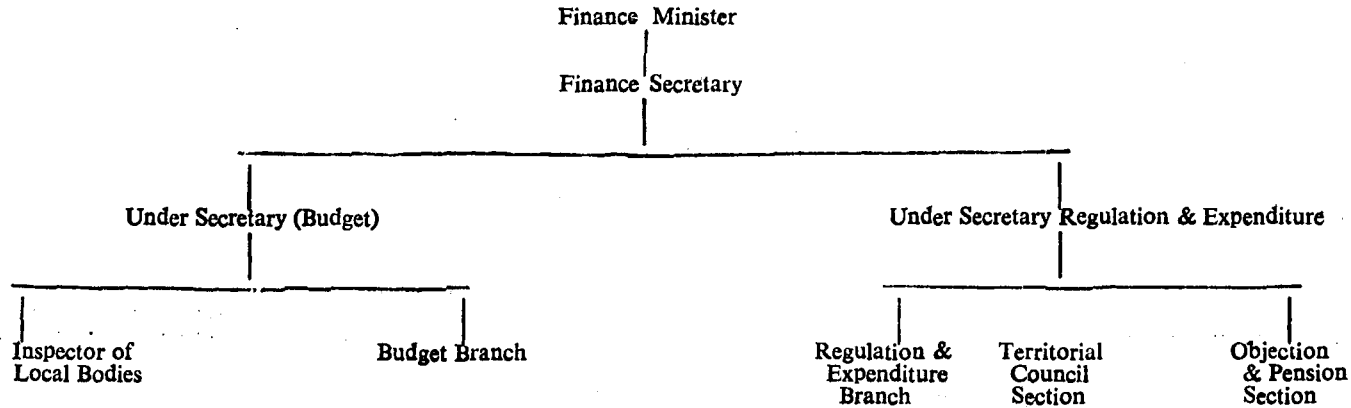
Appendix XIII—contd.

B 1	2	3	4	5
5. Expenditure on Schemes other than works.	(ii) Power to incur charges for insuring against third party risks vehicles for commercial enterprises, provided no funds has been established in this behalf under the Motor Vehicles Act, 1959.	(i) Power, subject to funds being available, to sanction expenditure on various constituent schemes included in a project, irrespective of the magnitude of expenditure involved, provided the project as a whole has been scrutinised and accepted by the Ministry of Finance.  (ii) Power to sanction excess expenditure over original estimates up to 10% or Rs. 1 crore whichever is less, provided the scope of the scheme as accepted by the Ministry of Finance is not altered substantially.	Power to sanction expenditure on a scheme the total outlay on which does not exceed Rs. 50 lakhs (Subject to Rule 11 of DFPRs).	Power as under column (3).
6. Investment in Central Government Corporation and Companies.	Power to release funds, subject to existence of specific budget provision, for investment in equity capital. (Rule 11-A of DFPRs).		Nil.	Powers as under column (3) in respect of corporation companies wholly owned by the Union Territory government.
7. Indents Contracts and Purchases	(i) To raise indents for purchase of stores through the Central purchase Organisation. (a) of a proprietary nature Rs. 5 lakhs (b) Others Rs. 25 lakhs		(i) To raise indents for purchase of stores through the Central purchase Organisation. (a) of a proprietary nature Rs. 2 lakhs (b) Others Rs. 15 lakhs	Powers as under Column (3).

Appendix XIII—contd.

1	2	3	4	5
		(ii) Direct purchase of stores on grounds of emergency Rs. 5 lakhs.	(ii) Direct purchase of stores on grounds of emergency Rs. 2 lakhs (Subject to the condition that where there are rate contracts for proprietary articles, purchases should be made only at the approved rate contract prices).	
		(iii) Execution of negotiated or single tender contracts—Rs. 10 lakhs (Other than purchase through the Central Purchase Organisation covered by (i) above).	(iii) Execution of negotiated or single tender contracts—Rs. 5 lakhs (Other than purchases through the Central Purchase Organisation covered by (i) above).	
8. Write off of irrecoverable losses of stores or of public money.		Rs. 25,000 for losses of stores not due to theft, fraud or negligence, Rs. 10,000 for other cases.	Rs. 5,000.	Powers as under column (3).

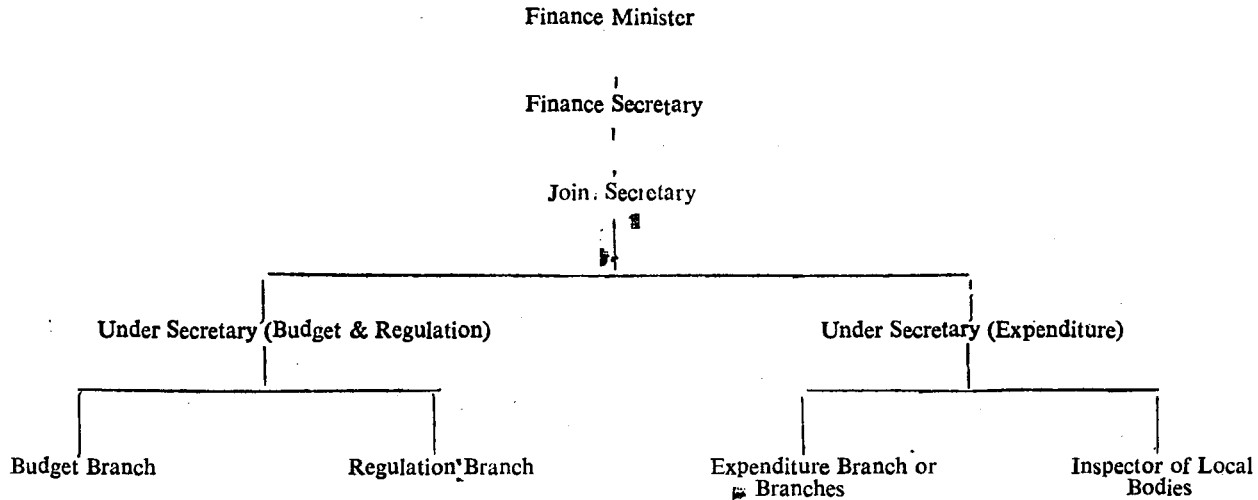
ORGANISATION CHART (EXISTING) OF THE FINANCE DEPARTMENT OF THE HIMACHAL PRADESH GOVERNMENT.



STAFF

	Supdt.	Asstt. Section Officer	Assistants	Sr. Clerks	Jr. Clerks	Total
Budget Branch	1	..	5	4	2	12
R & E Branch including Territorial Council Section (i)	1	..	9	5	8	23
(ii)	..	1	1	2	..	4
O.P.S. Cell	1	..	1	2	1	5
	3	1	16	13	11	44

A—ORGANISATION CHART (PROPOSED) OF THE FINANCE DEPARTMENT OF THE HIMACHAL PRADESH GOVERNMENT



NOTE : The Finance Secretary could take some items of work direct from the Under Secretaries (especially U.S. (Budget and Regulations)). This is a matter of internal procedures to be settled by the Finance Secretary.



*(B) Proposed distribution of work among the re-organised Branches shown in part A of this Appendix, excluding the Branches dealing with the accounts of local bodies.*

**1. EXPENDITURE BRANCH OR BRANCHES**

**NOTE :—**The work in this Branch (or Branches) should be distributed department-wise among dealing hands, so that all proposals and references pertaining to a particular department are dealt with by a single pera or single group of persons.

1. Expenditure and budget proposals relating to various departments of the government (excluding public sector undertakings).
2. Tendering of advice on financial matters and interpretation of rules;
3. Foreign exchange including technical assistance under aid programme;
4. Reappropriations and supplementary demands; intimating surrenders of funds to Budget Branch;
5. Creation continuance of posts;
6. Grants-in-aid;
7. Grant of OTA and other allowances;
8. Advances/withdrawals from Provident Fund etc.\*
9. Loans and advances to third parties and to Government servants;
10. Pension & gratuity cases;\*
11. Installation of new telephones;
12. Settlement of audit objections and draft audit paras.

**2. REGULATION BRANCH**

1. General financial policies including the giving of directions and guidelines to the Expenditure Branches; economy measures.
2. Conditions of service & rules relating to services; pay, leave and allowances.
3. References from Expenditure Branches in regard to interpretation of rules.
4. Delegation of Financial powers.
5. Declaration of heads of offices/Departments and controlling officers for T.A. Rules.
6. Relaxation of ban on creation of posts.
7. Revision of pay scales;
8. Taxation policy.
9. Corresponding relating to gold control.
10. Anti-corruption & vigilance.
11. Training in accounts; correspondence relating Accountancy & SAS examinations.
12. Hindi teaching scheme.
13. Work relating to Territorial Council (at present being done by the Territorial Council Section).
14. Compilation of pay schedules and half yearly statements of posts;
15. General circulars and instructions.

---

\*Pension and provident fund cases should be settled by individual administrative departments in consultation with the Expenditure Branch where necessary.

## 3. BUDGET BRANCH

1. Consolidation of the Annual & Supplementary Budgets of the Government; preparation and publication of budget documents.
2. Loans & grant-in-aid from the Central Government.
3. Surrender of funds.
4. Reappropriations not relating to any particular department and those requiring sanction of the Central Government.
5. Reconciliation and control of receipts and expenditure.
6. Administration of the Consolidated Fund, the Contingencies Fund & the Public Accounts.
7. Ways and means work.
8. Working of Treasuries.
9. Savings Schemes.
10. Investments.
11. Classification in accounts & budget; opening of new heads.
12. Financial assets and liabilities of the composite Punjab State.
13. Settlement of pre-merger loans and advances.
14. Foreign exchange budget and budget of Tibetan refugees relating to Ministry of External Affairs.
15. Coordination work in regard to—
  - (a) Audit objections;
  - (b) Draft Audit Reports; and
  - (c) Appropriation accounts.
16. Public Accounts Committee and Estimates Committee.

## 4. LOCAL BODIES

As at present

(B) *Proposed distribution of work among the re-organised Branches shown in part A of this Appendix, excluding the Branches dealing with the accounts of local bodies.*

#### 1. EXPENDITURE BRANCH OR BRANCHES

NOTE :—The work in this Branch (or Branches) should be distributed department-wise among dealing hands, so that all proposals and references pertaining to a particular department are dealt with by a single para or single group of persons.

1. Expenditure and budget proposals relating to various departments of the government (excluding public sector undertakings).
2. Tendering of advice on financial matters and interpretation of rules;
3. Foreign exchange including technical assistance under aid programme;
4. Reappropriations and supplementary demands; intimating surrenders of funds to Budget Branch;
5. Creation continuance of posts;
6. Grants-in-aid;
7. Grant of OTA and other allowances;
8. Advances/withdrawals from Provident Fund etc.\*
9. Loans and advances to third parties and to Government servants;
10. Pension & gratuity cases;\*
11. Installation of new telephones;
12. Settlement of audit objections and draft audit paras.

#### 2. REGULATION BRANCH

1. General financial policies including the giving of directions and guidelines to the Expenditure Branches; economy measures.
2. Conditions of service & rules relating to services; pay, leave and allowances.
3. References from Expenditure Branches in regard to interpretation of rules.
4. Delegation of Financial powers.
5. Declaration of heads of offices/Departments and controlling officers for T.A. Rules.
6. Relaxation of ban on creation of posts.
7. Revision of pay scales;
8. Taxation policy.
9. Corresponding relating to gold control.
10. Anti-corruption & vigilance.
11. Training in accounts; correspondence relating Accountancy & SAS examinations.
12. Hindi teaching scheme.
13. Work relating to Territorial Council (at present being done by the Territorial Council Section).
14. Compilation of pay schedules and half yearly statements of posts;
15. General circulars and instructions.

---

\*Pension and provident fund cases should be settled by individual administrative departments in consultation with the Expenditure Branch where necessary.

## 3. BUDGET BRANCH

1. Consolidation of the Annual & Supplementary Budgets of the Government; preparation and publication of budget documents.
2. Loans & grant-in-aid from the Central Government.
3. Surrender of funds.
4. Reappropriations not relating to any particular department and those requiring sanction of the Central Government.
5. Reconciliation and control of receipts and expenditure.
6. Administration of the Consolidated Fund, the Contingencies Fund & the Public Accounts.
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12. Financial assets and liabilities of the composite Punjab State.
13. Settlement of pre-merger loans and advances.
14. Foreign exchange budget and budget of Tibetan refugees relating to Ministry of External Affairs.
15. Coordination work in regard to—
  - (a) Audit objections;
  - (b) Draft Audit Reports; and
  - (c) Appropriation accounts.
16. Public Accounts Committee and Estimates Committee.

## 4. LOCAL BODIES

As at present

ANALYSIS SHOWING THE NUMBER OF POSTS CARRYING DIFFERENT LEVELS OF  
RESPONSIBILITY AND THE AVAILABILITY OF OFFICERS OF THE REQUISITE  
SENIORITY TO MAN THEM IN THE IAS CADRE OF HIMACHAL PRADESH  
20 YEARS HENCE (i.e. 1988)

1. This is an analysis of the number of senior scale posts at different levels of responsibility that will require to be filled in the independent Himachal Pradesh cadre 20 years hence and the likely availability of officers in different seniority slabs to man them. A 20-year projection has been made as by that time the imbalances occurring in the initial constitution of the cadre should have wasted away. As it is difficult to foresee precisely the rate of expansion of the cadre 20 years hence, two sets of projections have been made, one assuming no growth in the cadre, the recruitment in the years to come, being 1 per annum from 1968 onwards, limited to meet the maintenance needs and the gradual wiping off of the gap in the cadre and the other assuming a 50% expansion in the cadre for which the recruitment rate will be 3 in a period of 2 years. Further, the analysis is restricted to posts in the direct recruitment quota only that are likely to be available in regard to each of the assumptions mentioned above, as it is not possible to assess with any degree of accuracy at this juncture, the seniority mix-up of the promotee-officers in 1988.

2. The object of this projection is to see if the cadre will be viable from the angle of providing enough posts at different levels of responsibility of the officers of the cadre and also enough officers in different seniority slabs for the posts. Some correspondence is necessary to make for proper cadre management. So is smooth movement from one level to another. What these levels should be is a question of judgement but following a study of the Indian Administrative Service made by the Department of Administrative Reforms, posts here have been grouped into the following 4 categories depending upon the responsibility involved :—

- Category I . . . . consisting of posts like deputies to heads of departments, Settlement Officer, Deputy Commissioners of small districts.
- Category II . . . . consisting of Deputy Commissioners of districts other than those included in Category I.
- Category III . . . . consisting the Joint Secretaries and heads of departments other than those included in Category IV.
- Category IV . . . . consisting of Secretaries and heads of important departments like Director of Industries, General Manager, Himachal Pradesh Government Transport etc.

Category I is to be considered the lowest category to be used for initial promotion. Select List Officers should normally be accommodated here and only if the number of posts in this category is not large enough to accommodate all of them should the spill over be considered for posting to category II or III. The movement of officers should therefore be from Category I to Categories II, III and IV. categories II and III could be equated for the purposes of mobility. The number of posts that will be available in 1988 in each of the categories mentioned above is given in cols. 2 and 4 of Annexure I.

3. Our calculations show that there will be in 1988, 32 senior officers if there is no expansion in the cadre out of which 14 officers will have more than 22 years service. These will be eligible for holding super time-scale posts. The State will be able to accommodate in the super time-scale 2 officers and the rest of them will have to be diverted the super time-scale posts in the Centre, through the mechanism of the central deputation quota which will have a sanctioned strength of 11. This clearly shows that there will be congestion at this level and this is due primarily to the large recruitment in recent years. If, however, according to the general trend in the country, the average length of service for promotion to the super-time-scale increases beyond 22 years in future, the number of officers required to be accommodated in the super time scale will become less, and the officers who do not have the requisite length of service would be available for posting in Himachal Pradesh itself in senior scale posts. In this study, to have an idea of the disposition of officers, on senior scale posts all officers with more than 22 years service have

been excluded because it has been assumed that they will be absorbed in the super time-scale. Considering the numbers involved it will be impossible to absorb officers with less than 22 years service in the super time-scale.

4. Besides those mentioned above the following assumptions have been made :—

- (a) Officers at present serving in Himachal Pradesh will remain there;
- (b) of the officers recruited in the recent past to the Delhi-Himachal Pradesh cadre through the annual competitive examinations and who are still shown as “under training” half will be allocated to the Himachal Pradesh cadre; and
- (c) the list of senior duty posts in Himachal Pradesh will be modified in the light of the recommendations made in this report.

5. On these assumptions the seniority level of officers required for manning the categories of posts mentioned above will be roughly as under :—

Category IV . . . . .	15—22 years
Category III . . . . .	10—15 years
Category II . . . . .	6—10 years
Category I . . . . .	4—6 years

Although to enable statistical calculation the seniority slab for category II has been shown as 6—10 years and of category III as 10—15 years, these two categories would actually be equated for purposes of movement.

6. Annexure I will show that reasonable although not exact correspondence, assessed in terms of numbers, between the level of responsibility of posts and the level of seniority, will be possible in the year 1988 for which the projection is made. It will be seen that there will, by and large, be sufficient posts to deploy the officers and vice versa. Officers for manning Category IV posts will be just adequate or a little more than the requirements. Surplus officers can be diverted to man posts in Categories III and II where there is some shortfall. Should this shortfall happen to increase more than what can be managed by an internal adjustment of the type suggested above, the rate of recruitment should be stepped up at the appropriate time. The shortfall for manning category I posts will not present any serious problem as it is minor and can be met by posting Select List Officers or drawing upon the leave or deputation reserves.

7. With the rate of recruitment envisaged, will it be possible to ensure an adequate supply of officers in the different categories? Or will movement denude certain categories of officers? A projection for 3 years beyond 1988 (Annexure II) shows that adequate officers will be available in each year up to 1991 for each category of posts. Indeed, if all officers with more than 22 years service are somehow to be provided with super time-scale posts, not only will adequate numbers be available but movement will be smooth. However, by 1991 the number of officers with more than 22 years service will be 25 and, in fact, a number of them will not be absorbed in the super time-scale. To that extent upward movement from one category to another will be less. But this problem of congestion has already been discussed and will remain until the recruits recruited in large numbers in recent years waste away.

Annexure I

Statement showing availability of the posts in the senior scale and the officers to man them in the IAS cadre of Himachal Pradesh in 1988

Category of posts and seniority slab	Number of posts and the number of officers with requisite seniority who will be available for manning them assuming			
	no growth and a recruitment rate of 1 p.a.		a 50% growth in the cadre and a recruitment rate of 3 in 2 years	
	No. of posts	@No. of officers available	No. of posts	No. of officers available@
1	2	3	4	5
IV (15—22 years) . . . . .	7	9	11	11
III (10—15 years) . . . . .	5*	4	8*	5
II (6—10 years) . . . . .	5*	3	5*	4
I (4—6 years) . . . . .	3*	2	6*	2

NOTE :— (1) @Deputation and leave reserves have been excluded on a proportionate basis from the figures under cols. 3 & 5.

- (2) \*After excluding 25% for promotion Quota Officers. It is assumed that officers from this quota will be distributed among posts in categories I, II and III, and that most of them will retire before they can hold posts in category IV. In actual practice this assumption may not be wholly borne out in which case there will be a slight alteration in figures.
- (3) The number of officers in the different seniority groups has been worked out on the assumption that the deputation and leave reserves will be fully utilised. This may not materialise, in which case, the underutilised portion of these reserves can be used to meet the shortfall of officers. The situation has to be watched and the rate of recruitment altered at the appropriate time to guard against any surpluses and deficiencies arising in the number of officers available to man the posts in the various categories.
- (4) Surplus, if any, in a seniority group can be utilised to meet the shortfalls, if any, in the seniority group(s) immediately below.
- ‡ (5) Shortfalls, if any, in the lowest category, i.e. category I can be met by posting Select List Officers.

**Annexure II**

*Statement showing availability of officers in the different seniority slabs during 1988—1991 assuming no expansion in cadre and a recruitment rate of 1 per annum.*

Category of post and seniority slab	No. of posts	Availability of officers in			
		1988	1989	1990	1991
1	2	3	4	5	6
Over 22 years . . . .	2	14	20*	25*	25@
15—22 years . . . .	7	9	7	7	6
10—15 years . . . .	5	4	4	4	4
6—10 years . . . .	5	3	3	3	3
4—6 years . . . .	3	2	2	2	2

NOTE :—(1) \*Includes 4 and 3 officers respectively set-off against deputation and leave reserves, while arriving at the figures under col. 2.

(2) @Excludes one officer who will have retired in 1990.



**Appendix XVII**  
[See paragraph 5-28]

*Composition of the Union Territories IAS and IPS Cadres*  
(As on 1-1-1968)

1. Senior posts in the Union Territories :—	IAS	IPS
(i) Delhi . . . . .	27	14
(ii) Himachal Pradesh . . . . .	27	18
(iii) Manipur . . . . .	8	8
(iv) Tripura . . . . .	7	5
(v) Pondicherry . . . . .	5	1
(vi) Andaman etc. . . . .	5	1
(vii) Lacadive etc. . . . .	1	—
(viii) Goa, Daman & Diu . . . . .	9	2
(ix) Chandigarh . . . . .	3	1
	92	50
2. Senior posts under the Central Government . . . . .	37	20
	129	70
3. Posts to be filled by promotion . . . . .	32	17
4. Posts to be filled by direct recruitment . . . . .	97	53
5. Deputation reserve . . . . .	70*	11
6. Leave Reserve . . . . .	11	6
7. Junior posts . . . . .	20	11
8. Training Reserve . . . . .	10	6
Direct Recruitment posts . . . . .	208	87
Promotion posts . . . . .	32	17
<b>TOTAL AUTHORISED STRENGTH . . . . .</b>	<b>240</b>	<b>104</b>

\*Includes 51 posts in excess of 20%.

(See para 5-35)

## A. Statement showing the number of duty posts, deputation reserve, etc. in the DHANI CIVIL SERVICE

1	2	3	4	5	6	7	8	9
Year	Administration	Duty post in the cadre @	Deputation reserve 12% of Col. 3)	Training reserve @10% of Col. 3)	Leave reserve @10% of Col. 3)	Total authorised strength	No. of officers in position	Gap in the cadre
15-3-61	Himachal Pradesh	42	5	5	4	56	41	15
1-4-64	Delhi	42	6	4	4	56	33	23
	TOTAL	84	11	9	8	112	74	38
1-1-65	Himachal Pradesh	42	5	5	4	56	43	13
	Delhi	42	6	4	4	56	39	17
	TOTAL	84	11	9	8	112	82	30
1-12-65	Himachal Pradesh	42	5	4	4	55	41	14
1-1-66	Delhi	56	7	6	6	75	52	23
	Andaman & Nicobar	5	1@	@	@	6	1	5
	TOTAL	103	13	10	10	136	94	42
1-1-67	Himachal Pradesh	62	9	7	7	85	(Break up not available)	
	Delhi	74	8	6	6	94		
	Andaman & Nicobar	5	1	1	1	8		
	TOTAL	141	18	14	14	187	138	49
1-1-68	Himachal Pradesh	62	9	7	7	85	62	23
	Delhi	75	8	6	6	95	81	14
	Andaman & Nicobar	6	1	1	1	9	3	6
	TOTAL	143	18	14	14	189	146	43

① post for DP I &amp; TP

(See para 5.35)

*B. Statement showing the number of duty posts, deputation reserve etc. in the DHANI POLICE SERVICE*

Year	Administration	Duty posts in the cadre	Deputation reserve			Total authorised strength	No. of officers in position	Gap in the Cadre	
			Normal (@ 12½ % of Col. 3)	for Central Reserve Police	Training reserve (@ 10% of Co. 3)				Leave Reserve (@ 10% of Col. 3)
1	2	3	4	5	6	7	8	9	10
30-3-61	Himachal Pradesh	7	1	1	1	1	11	11	—
1-4-64	Delhi	30	4	4	3	3	44	26	18
	TOTAL	37	5	5	4	4	55	37	18
1-1-65	Himachal Pradesh	9	1	1	1	1	13	11	2
	Delhi	40	5	4	4	4	57	29	28
	TOTAL	49	6	5	5	5	70	40	30
1-12-65	Himachal Pradesh	9	1	1	1	1	13	11	2
	Delhi	40	5	4	4	4	57	33	24
1-1-66	Andaman & Nicobar	2	..	..	..	..	2	1	1
	TOTAL	51	6	5	5	5	72	45	27
1-1-67	Himachal Pradesh	26	3	2	3	3	37	(Break up not available)	
	Delhi	40	5	3	4	4	56		
	Andaman & Nicobar	2	..	..	..	..	2		
	TOTAL	68	8	5	7	7	95	77	18
1-1-68	Himachal Pradesh	26	3	2	3	3	37	37	..
	Delhi	40	5	3	4	4	56	40	16
	Andaman and Nicobar	2	..	..	..	..	2	2	..
	TOTAL	68	8	5	7	7	95	79	16

(See para 5.37)

Statement showing the area, population strength of Civil and Police Service Cadres of the different union Territories

Sl. No.	Union Territory	Area in Sq. Km.	Population	CIVIL SERVICE			POLICE SERVICE		
				Duty posts in the cadre	Authorised strength	Date of constitution	Duty posts in the cadre	Authorised strength	Date of constitution
1	2	3	4	5	6	7	8	9	10
1.	Dadra & Nagar Haveli . . . . .	489	57,963	Non constituted			Non constituted		
2.	Laccadive, Minicoy & Aminidivi . . . . .	29	24,108	Do.			Do.		
3.	Goa, Daman & Diu . . . . .	3,693	6,26,667	26	35	11-3-67	Do.		
4.	Pondicherry . . . . .	479	3,69,079	29	38	4-3-67	Do.		
5.	Tripura . . . . .	10,453	11,42,005	35	47	4-3-67	18	24	4-3-67
6.	Manipur . . . . .	22,347	7,80,037	33	42	27-3-65	23	29	29-3-65
7.	Andaman & Nicobar . . . . .	8,327	63,548	6	9		2	2	
8.	Delhi . . . . .	1,484	26,58,612	75	95		40	56	1-12-65
9.	Himachal Pradesh . . . . .	57,658	28,12,314	62	85		26	37	

S. No. 1 to 8 —Figures in cols. 3 &amp; 4 taken from India 1967.

S. No. 9 —Figures in cols. 3 &amp; 4 relate to post-reorganisation period-supplied by the Himachal Pradesh Administration.

*Statement showing the existing and the proposed powers of the Lieutenant Governor Secretaries, Executive Heads and Controlling Officers in the field of personnel administration*

S. No.	Nature of Power	Authority in whom the power vests at present	Authority to whom the power is proposed to be delegated.
1	2	3	4
<b>1. Power to make appointment to :—</b>			
	(a) Class I posts . . . . .	LG	LG
	(b) Class II posts . . . . .	LG	Secy
	(c) Class III posts . . . . .	EH	EH
<b>2. Power to impose major penalties on :—</b>			
	(a) Class I officers . . . . .	LG	LG
	(b) Class II officers :—		
	A—Field . . . . .	LG	Secy
	B—Headquarters . . . . .	LG	Secy
	C—Secretariat . . . . .	LG	Secy
	(c) Class III officers :—		
	A—Field . . . . .	EH	EH
	B—Headquarters . . . . .	CS	Secy
	C—Secretariat . . . . .	CS	Secy
<b>Power to impose minor penalties on :—</b>			
	(a) Class I officers :—		
	I—Executive Heads . . . . .	LG	LG
	II—Others :—		
	A—Secretariat . . . . .	LG	CS
	B—Non-Secretariat . . . . .	LG	Secy
	(b) Class II officers :—		
	A—Field . . . . .	LG	EH
	B—Headquarters . . . . .	LG	EH
	C—Secretariat . . . . .	LG	Secy
	(c) Class III officers :—		
	A—Field . . . . .	EH	CO
	B—Headquarters . . . . .	CS	EH
	C—Secretariat . . . . .	CS	Secy
<b>4. Power to decide appeals against penalties</b>			Authority immediately superior to the authority empowered to impose the penalties.

1	2	3	4
5. Power to grant spl. pay to Operators	Cashiers/Gestetner	FD	EH
6. Power to permit employees to undertake work for outside agencies and to accept fees therefor.		LG	EH upto Rs. 200/- in each case. Secy. upto Rs. 500/- in each case
7. Power to sanction crossing of efficiency bar for :—			
(a) Class I officers		LG	Secy.
(b) Class II officers :—			
A—Field		LG	EH
B—Headquarters		LG	EH
C—Secretariat		LG	Secy.
(c) Class III officers :—			
A—Field		DA	CO
B—Headquarters		CS	EH
C—Secretariat		CS	Secy.
8. Power to grant leave (except study leave and special disability leave) :—			
(a) Class I officers :—			
A—Field		LG	CH (Full Powers).
B—Headquarters		LG	Secy. (Full Powers) EH (if no substitute is required).
C—Secretariat		LG	CS (Full Powers) Secy. (if no substitute is required).
(b) To Class II Officers :—			
A—Field		EH	EH (Full Powers) CO (if no substitute is required).
B—Headquarters		EH	Secy. (Full Powers) EH (if no substitute is required)
C—Secretariat		CS	Secy. (Full Powers)
(c) Class III Officers :—			
A—Field		EH (Full Powers), CO (Upto 60 days)	CO (Full Powers) HO (if no substitute is required)
B—Headquarters		CS (Full Powers)	EH (Full Powers)
C—Secretariat		CS (Full Powers)	Secy. (Full Powers).
9. Forwarding of applications of :—			
(a) Class I officers		Minister	Secy.
(b) Class II officers		Minister	EH
(c) Class III officers		DA	CO

1	2	3	4
10. Maintenance of character rolls of :—			
(a) Class I officers :—			
(1) Reporting officer	. . .	EH	Immediate superior of the officer reported upon (e.g. EH for COs)
(2) Reviewing officer	. . .	Secy	Immediate superior of the reporting officer (e.g. Secy for C. Os.)
(b) Class II officers :—			
(1) Reporting officer	. . .	EH	Immediate superior of the officer reported upon.
(2) Reviewing officer	. . .	Secy	Immediate superior of the reporting officer.
(c) Class III officers :—			
(1) Reporting officer	. . .	HO	Immediate superior of the officer reported upon.
(2) Reviewing officer	. . .	EH/CO	Immediate superior of the reporting officer.
11. Power to accept resignation of :—			
(a) Class I officers	. . . . .	LG	LG
(b) Class II officers	. . . . .	LG	Secy
(c) Class III officers	. . . . .	EH	EH
12. Power to grant exemption from the rule limiting a halt to 10 days to :—			
(a) Class I & II officers :—			
A—Field	. . . . .	LG	EH
B—Headquarters	. . . . .	LG	EH
C—Secretariat	. . . . .	LG	Secy
(b) Class III officers	. . . . .	EH	CO
13. Power to permit travel beyond jurisdiction		(As in S. No. 12)	
14. Power to grant ordinary advances from G.P. Fund to :—			
(a) Class I officers :—			
A—Field	. . . . .	EH	EH
B—Headquarters	. . . . .	EH	EH
C—Secretariat	. . . . .	CS	Secy
(b) Class II officers :—			
A—Field	. . . . .	EH	CO
B—Headquarters	. . . . .	EH	EH
C—Secretariat	. . . . .	CS	Secy

1	2	3	4
15.	Power to grant special advance from G.P. Fund to :		
	(a) Class I & II officers :		
	A—Field . . . . .	FD	EH
	B—Headquarters . . . . .	FD	EH
	C—Secretariat . . . . .	FD	Secy.
	(b) Class III officers :		
	A—Field . . . . .	FD	CO
	B—Headquarters . . . . .	FD	EH
	C—Secretariat . . . . .	FD	Secy.
16.	Power to sanction pension to :—		
	(a) Class I officers . . . . .	LG	LG
	(b) Class II officers . . . . .	LG	Secy
	(c) Class III officers . . . . .	FD	EH

NOTE 1. The list is illustrative only.

2. Controlling officer means officer next below the Executive Head in the filed.

Abbreviations used in this statement

L.G. = Lieutenant Governor . . . . .	F.D. = Finance Department
C.S. = Chief Secretary . . . . .	E.H. = Executive Head
Secy. = Secretary . . . . .	C.O. = Controlling Officer
	H.O. = Head of Office



(See para 5.40)

Statement showing the average tenure of the incumbents key of posts in Himachal Pradesh Administration during the period 1962-63

## A. SECRETARIES

S. No.	Post	*No. of incumbents during 1962-68	Total period of incumbency.		Average period of incumbency	
			Yr.	Month	Yr.	Month
1	2	3	4	5	6	7
1.	Chief Secretary . . . . .	4	5	1	1	3
2.	Financial Commissioner and Secretary Revenue	1	0	½	0	½
3.	Finance Secretary . . . . .	1	3	3	3	3
4.	Land Reforms Commissioner . . . . .	2	4	8	2	4
5.	Development Commissioner . . . . .	1	3	11	3	11
6.	Judicial Secretary . . . . .	3	4	9	1	7
	TOTAL . . . . .	12	21	8		
	Average period of incumbency = . . . . .				1	10

## B. HEADS OF DEPARTMENTS

1.	I.G. Police . . . . .	..	..	..	..	..
2.	Excise & Taxation Commission . . . . .	4	4	0	1	0
3.	Chief Conservator of Forests . . . . .	..	..	..	..	..
4.	Chief Engineer, PWD . . . . .	1	3	0	3	0
5.	Chief Engineer (North) HP, PWD . . . . .	..	..	..	..	..
6.	Chief Engineer (MPP) . . . . .	1	2	9	2	9
7.	Director of Civil Supplies . . . . .	3	4	5	1	6
8.	Director of Industries . . . . .	2	2	1	1	0
9.	Director of Agriculture . . . . .	..	..	..	..	..
10.	Director of Health Services . . . . .	1	3	10	3	10
11.	Principal, Medical College . . . . .	..	..	..	..	..
12.	General Manager, HGT . . . . .	..	..	..	..	..
13.	Registrar, Cooperative Societies . . . . .	3	1	9	0	7
14.	Director of Education . . . . .	..	..	..	..	..
15.	Director of Welfare . . . . .	8	5	5	0	8
16.	Director of Panchayats . . . . .	7	4	5	0	8

1	2	3	4	5	6	
			Yr.	Month	Yr.	Month
17. Director of Animal Husbandry . . . . .			..	..	..	..
18. Director of Fishries . . . . .			..	..	..	..
19. Directory of Vigilance . . . . .			..	..	..	..
20. Director of Public Relations . . . . .			..	..	..	..
21. Director of Tourism . . . . .			..	..	..	..
22. Director of Land Records . . . . .		1	4	6	4	6
TOTAL . . . . .		31	36	2		
Average period of incumbency =			1 yr. & 2 months.			

#### C. SECRETARIES AND HEADS OF DEPARTMENTS

1. Total number of incumbents . . . . . =43
2. Total period of incumbency . . . . . =57 yrs. & 10 months
3. Average period of incumbency . . . . . =1 yr. & 4 months

\*Excludes incumbents who joined prior to 1962 or are still continuing in their posts.

(See para 7.4)

*List of proposed functions of the Department of Administrative Reforms*

1. To undertake a programme of planned reviews as means of identifying areas where detailed studies are likely to prove significant and effective in bringing about improvements.
2. To undertake studies of organisation and methods of work in selected sectors with a view to improve administrative efficiency.
3. To assess staff requirements of different branches of administration.
4. To evolve work-norm for repetitive items of work.
5. On the basis of organisational analysis, to devise schemes of delegation of financials and cognate powers for:—
  - administrative departments of the Government;
  - executive heads of departments;
  - field officers below the executive heads.
6. To organise the preparation of departmental manuals, hand-books, standing guard files etc. for the guidance of all concerned.
7. To design appropriate forms for submission of different kinds of proposals to ensure their completeness, facilitate their examination and expedite their disposal.
8. To undertake inspections and test-checks with a view to check on conformity with the prescribed rules and procedures and to devise measures for preventing slack in administration.
9. To service the Secretaries Committee on Administration

(See para 7.2)

## A STUDY OF THE DEPARTMENT OF AGRICULTURE

### I. INTRODUCTION

1.1 The Department of Agriculture is one of the important development departments of the Government of Himachal Pradesh, representing as it does, nearly 12% of its total fourth five-year plan outlay. Annexure I lists the main items of business allotted to the department under the Business of the Government of Himachal Pradesh (Allocation) Rules. Annexure II shows the organisation of the headquarters establishment of the department and annexure III, the layout of its field offices.

1.2 Sampling of the dak received in the headquarters establishment for three successive days showed that more than 75% of the correspondence related to matters connected with planning, financial management and personnel administration. It was, therefore, decided to study the department's work under these three broad headings. The result of the study are discussed in the following sections.

### II. PLANNING

#### *Formulation of fourth five year plan*

2.1. The work on the fourth five-year plan of Himachal Pradesh commenced in October 1963 with Planning Department's instructions to the heads of Departments to initiate action for the setting up of working groups comprising both officials and non-officials for considering departmental plans. The departments were also instructed to obtain, through its field offices, plan proposals from the village panchayats and get them screened by the Tehsil Panchayats or Block Development Committees, as required. The plan proposals were then to be coordinated at the district and the state levels. According to the instructions from the planning Commission at the Centre, the state plan was to be concretised into a set of specific programmes through detailed work in the field, and supported by district-wise break-down of the production goals, the financial outlays, and the local resources.

2.2. Our study in the Department of Agriculture showed :

- (a) that the working group on Agriculture could meet only once, that also after an estimate of the outlay on the agriculture plan had been communicated by the Director to the Planning Department;
- (b) that the working group on Soil Conservation constituted later did not meet at all;
- (c) that distributive district-wise plans had not been prepared;
- (d) that there were no adequate organisational arrangements within the Department of Agriculture either for proper scrutiny of the plan proposals received from field offices or for ensuring compliance with the guidelines and other instructions received from the state planning organisations;
- (e) that in the absence of full time qualified staff for planning, the activities of the Planning Department were confined mostly to the consolidation of the departmental plans received from different heads of departments;
- (f) that no meeting of the Planning and Development Board had been held to consider and approve the draft of the fourth five year plan;
- (g) that even the state planning committee (which is expected to meet every six months) had met only once since its reconstitution in January 1966.

#### *Coordination between plan and budget*

3.1. The formulation of the annual plans would have little meaning if the outlays approved for them are not respected in the budget as approved by the Central Government. It would equally take away from the planning effort if schemes included in the annual plan and provided for in the sanctioned budget are dropped on the ground of "paucity of funds" and the resultant savings diverted to other schemes.

3.2. Our study of a sample of 19 out of 63 agriculture plan schemes showed that, by and large, the budget provisions did not align with the approved plan outlays, and the actual performance with neither. Annexure IV shows *inter alia* the extent of the lack of alignment of the budget with the plan outlays in respect of the 19 schemes studied. It will be seen from this annexure that :

- (a) the annual plan for 1966-67 as originally drawn did not provide outlays for 4 of the 19 schemes studied, although being in the nature of continuing schemes (*i. e.* extension of the schemes included in the third five year plan), they had to be progressed during that year and expenditure actually incurred on them. On the other hand, the sample included 3 plan schemes on which no expenditure whatsoever was incurred during 1966-67 although both the annual plan and the budget for 1966-67 contained specific provisions therefor;
- (b) the provisions for the plan schemes made in the budget for 1966-67 differed widely from the outlays approved for them in the annual plan. Except in 1 case where the budget provision exceeded the plan outlay by nearly 10% the budget provisions, fell short of the plan outlays, the shortfall being of the order of 70% or more in 3 cases, more than 50% but less than 70% in 3 more cases, and below 50% in the remaining cases;
- (c) of the 15 schemes for which specific provisions was made in the annual plan for 1966-67, 3 were not progressed during the financial year. In two of these three cases there were specific decisions to postpone implementation of the scheme on the ground of paucity of funds.

3.3. Situations like the above could be minimised, if not avoided altogether, if:

- (a) the annual plan ceilings for the union territories were approved by the Planning Commission and made known to the ministries concerned at the Centre (particularly Homes and Finance), before the scrutiny and finalisation of the budget estimates;
- (b) the Department of Agriculture gave sufficient details about the "really new schemes" and furnished adequate justification for them in the new item statements to the Finance Ministry. (Suggesions for securing coordination between budget and the plan have been made in the main report.)

#### *Administrative approval of schemes*

4.1. The inclusion of a scheme in the annual plan does not carry with it the authority on the part of the department concerned to go ahead with its implementation without obtaining administrative approval from the competent authority, namely, the Lieutenant Governor in the Finance Department in the case of State Schemes involving outlay upto Rs. 50 lakhs, and the Central Government in the case of centrally sponsored schemes and state schemes involving outlay exceeding Rs. 50 lakhs. If, therefore, the scheme included in the annual plan is to make the necessary progress, it is essential that action to obtain the administrative approval of the competent authority and to work out details regarding its different component should be initiated well before the budget is passed by the Legislative Assembly so that no further time is lost in completing the formalities for implementing the schemes.

4.2. The results of our study of the processing of agriculture plan schemes for administrative approval, in so far as they can be quantified are contained in annexure V. It will be seen from this statement.

- (a) That action to accord administrative approval to the schemes included in the annual plan was initiated too late for the schemes to expect any significant progress during the year which they related. It was only in four (*i.e.* about 20%) cases that action was initiated before the commencement of the second quarter of the financial year. In eight (*i.e.* 40%) cases, action was started in December, 1966, *i.e.* only three months before the close of the financial year. In one case action was initiated as late as February 1967, in the remaining 6 (*i.e.* 32%) cases action was initiated only after the close of the financial year. In one case (*viz.* minor irrigation scheme) there was avoidable delay in initiating action inspite of prodding from the Centre.
- (b) Barring one case in which action was initiated by the Assistant Director, all cases involving administrative approval to schemes were initially handled by office assistants.

- (c) Of the eleven centrally-sponsored schemes, eight required prior approval of the Central Government either because they were research schemes sponsored by I.C.A.R. or because their cost exceeded the financial competence of the Himachal Pradesh administration.
- (d) Of the 13 cases for which complete information regarding the levels involved and time taken is available 10 were submitted to the Lt. Governor. As required under the Rules of Business, all these cases were routed through the Chief Minister.
- (e) In 4 of the 11 centrally sponsored schemes, the Agriculture Department did not consult the Finance Department before communicating the estimated cost of the scheme or acceptance of the terms of the schemes to the Central Government.
- (f) In two cases, implementation of the approved schemes was postponed on the plea of "paucity of funds" when in fact provision therefore existed in the sanctioned budget and actually remained unutilised.
- (g) Certain schemes were implemented in anticipation of the administrative approval.

#### *Progressing of Schemes*

5.1. For planning to be meaningful, it is essential that the various plan schemes should progress according to the approved phased programme. This implies a close and continuous watch on the progress of implementation of the plan scheme not only by departmental heads but also by the state planning organisation. The study of the sample of 19 plan schemes, however, showed that no systematic review of the type was being conducted and that estimating was unrealistic and fixation of targets faulty. This is supported by the results of the study contained in Annexure IV from which it will be seen that:

- (a) Of the 12 schemes which were actually progressed during the year, it was only in 2 cases that the performance in financial terms can be said to have matched the plan outlay. Even here, since the budget provision made for these two schemes represented only 70 to 80% respectively of the original plan outlay, in reality their performance may be said to have exceeded the financial targets.
- (b) In two cases, the financial performance was found to have exceeded the plan outlay, in one case by as much as 53%. Since in both these cases the amounts sanctioned in the budget were less than the approved plan outlays, the real excess (i. e. calculated with reference to the budget provisions) was still higher, viz., 84% and 106% respectively.
- (c) In the remaining 8 cases, the performance in financial terms was found to have lagged far behind the outlays, the shortfall being more than 70% in five cases and between 30 and 42% in the remaining three. In two of these eight cases, however, since the budget provision was fixed at roughly 20 and 40% respectively of the annual plan outlay, their actual performance when compared to the budget shows excess instead of shortfall.
- (d) It was only in two of the eight schemes, for which physical targets had been laid down in the annual plan and information regarding achievements during 1966-67 was also available, that physical performance may be said to have matched the prescribed target. In the remaining cases, the physical performance lagged behind the targets, in one case by as much as 94%. The shortfall in other cases varied between 27 and 74%.
- (e) more reliable idea as to the performance of a scheme can be obtained by relating its physical performance to its financial performance, both computed with reference to the targets laid down in the annual plan. According to this computation the physical performance considerably exceeded the performance in financial terms in five cases, the excess varying between 72 and 477%. In the remaining two cases, the physical performance lagged far behind the financial performance, the shortfall being 83% and 90% respectively.

5.2. Although periodical progress reports are meant to be an important tool of review and control, in the Department of Agriculture they were not being put to much use. A study of the file regarding quarterly progress reports in respect of important plan programmes required to be furnished to the Ministry of Home Affairs revealed that:

- (a) The field authorities did not submit the prescribed return to the headquarters organisation in time with the result that the preparation and submission of the consolidated reports were delayed considerably, the delay involved ranging between 75 and 120 days.
- (b) In the Department of Agriculture, the reports received from field offices were merely consolidated and passed on to the Planning Department without any scrutiny or analysis whatsoever and without even showing them to the Director.
- (c) Even in the case of programmes suffering from serious shortfalls, there was no evidence of the Agriculture Department having received or issued any analysis or directions or exhortations.

### *Evaluation of plan programmes*

6.1. Periodical evaluation of programmes is an essential pre-requisite of successful planning. However, there are no arrangements worth the name for evaluation in the Himachal Pradesh Administration. The only apparatus available to the State Planning Organisation for reviewing progress of the plan generally is the State Planning Advisory Committee. But even this committee has met only once since January 1966 and focussed its deliberations more on the pace of progress of expenditure on plan programmes rather than on evaluation of their physical performance or intrinsic worthwhileness.

6.2. In the absence of any plan evaluation it is not possible to say that the Himachal Pradesh Administration has obtained optimum returns for its investment in development. Some investments seem to be of doubtful utility from this angle. Thus the annual plan for 1966-67 includes certain schemes which (on sheer objective evaluation) might not have qualified for inclusion. Instances of these are the schemes for soil testing centre at Kinnaur, soil conservation on agricultural lands and establishment of seed multiplication farms. In the first case, the desirability of the schemes was questioned on the ground that the three soil testing centres already established in Himachal Pradesh were adequate. Ultimately, on the advice of the Finance Secretary, the implementation of this scheme was postponed. The worthwhileness of the second scheme, *viz.* that of soil conservation on land, was questioned by the Estimates Committee (1965) on the ground that the results of the scheme since its inception (1958-59) were not commensurate with the expenditure incurred on pay and allowances, contingencies and subsidies. In spite of this criticism, the scheme was included in the fourth five-year plan and a provision of Rs. 15.49 lakhs made in the budget for 1966-67, without carrying out an evaluation of the programme. The third scheme, *viz.*, the establishment of seed multiplication farms, has been criticised on the ground that almost all the seed farms established till the end of the 3rd five-year-plan were running into losses. A study of the last-named scheme showed that although it had been in operation since 1949, no evaluation had been attempted all these years. But additional farms were nevertheless proposed in the fourth plan. In fact, the annual plans for the last two years includes specific outlays for this propose and one farm was actually established in 1966-67. Despite the fact that almost all the farms were running into losses, no effort seems to have been made by the Agriculture Department either to review the pricing policy or to reduce the running costs. The Committee appointed to look into the working of the seed multiplication farms could not function effectively and had to be dissolved after it had held two preliminary meetings.

It is not a purpose of this study to give a final qualitative opinion about the merits of these schemes. But it is manifest that such an opinion should be available to the planners to enable them to plan effectively and prudently. This desideratum underlines the need for evaluatory studies and for a proper machinery to conduct them.

### *Organisational arrangements*

7.1. The defects mentioned would seem to point to certain weaknesses not only in the headquarters organisation of the Agriculture Department but also in the Finance and Planning Organisations. So far as the Agriculture Department is concerned, the main organisational weakness is that the Director is so pre-occupied with routine matters concerning general administration that he has little time to think, plan and to organise, let alone conduct technical supervision of the field. Nor has the competent staff support for policy and planning. We have proposed a re-organisation of the headquarters establishment of Department of Agriculture in Section V to take care of this aspect.

7.2 The Planning Department also needs to be suitably strengthened to enable it :

- (a) to provide overall guidance and leadership to individual departments.
  - (b) to oversee the correct formulation and speedy execution of the plan generally, and
  - (c) to provide a standing machinery for the evaluation of important plan programmes.
- Details of the proposed reorganisation of the Planning Department are discussed separately.

### III—FINANCIAL ADMINISTRATION

#### *Preparation and scrutiny of budget estimates*

8.1. The budget estimates of the Department of Agriculture are prepared by field offices numbering about 80 working under 24 'controlling officers'. Although the estimating authorities send their estimates through their controlling officers, the latter do not make any contribution whatsoever; they merely forward them to the headquarters organisation where they are examined by the Budget Assistant in one of the sections. In many cases the original figures proposed were revised without indicating the reasons for such revision. At the officer level, no change was proposed in the estimates as revised by the office assistant.

8.2. Our study also showed that in many cases the Finance Department either applied severe cuts to the amounts asked for the "new items" or rejected the proposals on the ground that 'detailed' or 'convincing' justification was lacking, but gave no indication of the nature of additional information that should have been furnished.

8.3. To remedy the shortcomings described above, the following changes are suggested :—

- (a) The different types of details to be furnished in support of the New items and Continuing schemes should be settled by individual departments with the Finance Department and comprehensive instructions issued.
- (b) Formulation of the annual plan proposals should precede scrutiny of budget estimates in the office of the head of department. Plan proposals and budget proposals should be finalised simultaneously and the two sets of proposals should be identical in so far as plan schemes are concerned.
- (c) The controlling officers should scrutinise the budget estimates received from the field officers under their control, consolidate them and make sure that they are complete in all respects.
- (d) The scrutiny of budget proposals should not be left to the discretion of an assistant but should be under the personal directions of an officer of a sufficiently high status in the department. The finalisation of the budget of the department should be one of the major responsibilities of the Director to be discharged in consultation with his immediate lieutenants in the field and his staff officers at the headquarters. (For details See Sec.V). Details of the changes made in budget proposals submitted by estimating officers should be clearly brought out on the relevant files approved by the officer in charge of budgeting.

#### *Pace of expenditure*

9.1. The administrative approval of a scheme, even though issued in consultation with Finance, does not carry with it automatic sanction for incurring expenditure on its different components. Nor does inclusion of a specific provision therefor in the budget by itself permit such action. Specific expenditure sanction has to be issued in each case by the competent authority authorising the incurring of expenditure on items like the creation of posts works, grants and subsidies, purchases and other items of contingent expenditure, like hire and maintenance of office accommodation and equipment, and so on. Any delay or negligence in the processing of such cases is bound to affect adversely the efficiency of an organisation and the achievement of its objectives.

9.2. Under the General Financial Rules, the Controlling Officers are responsible for control of expenditure under the sanctioned grants and appropriations placed at their disposal. They are expected to review the progress of expenditure so as to be in a position to estimate from month to month the likelihood of savings in, and excesses over, grants and appropriations controlled by them. Rush of expenditure, particularly in the closing months of the financial year, is regarded as a breach of financial propriety and has to be avoided.



9.3. In order to get an idea as to the magnitude of work involved in the processing of cases for expenditure sanctions particulars of sanctions issued by the Agriculture Department during the financial year 1966-67 were collected. These sanctions were then classified according to the subject matter and the month of issue. A total of 758 sanctions were found to have been issued by the Agriculture Department during the year 1966-67 including 539 issued in consultation with Finance Department. (So far as sanctions issued by the Agriculture Department in consultation with Finance are concerned, the relevant figures may be taken as fairly accurate since the requisite information was taken from a folder maintained in Finance Department of spare copies of all such sanctions. There could however, be a fair margin of error in the figures of sanctions issued by the Director of Agriculture in the exercise of the power delegated to him, as the relevant information had to be collected from the subject files and there is the probability of some files not having been made available and therefore overlooked.)

9.4. Two statements, one showing the number of sanctions issued during different months of the years and the other showing the amounts involved therein, have been prepared. These are attached as annexures VI and VII. It will be seen that of the total of 758 sanctions issued during the year, 289 (i.e. nearly two-fifths) were issued during March, the last month of the financial year. Again, out of 289 sanctions issued during March, 124 (i.e. nearly 43% of the sanctions issued during March or over 16% of the sanctions issued during the whole year) were issued during the last three days of the month. In terms of expenditure involved the position is still worse in that nearly 54% of the total expenditure involved was sanctioned in March, 1967. The position is particularly bad in the case of grants, subsidies and loans where nearly 90% of the sanctions involving 98% of the expenditure under these heads, were issued in March, 1967.

9.5. The rush of expenditure towards the close of the financial year is illustrative of the financial indiscipline prevalent and the absence of operational planning. The tendency to rush expenditure in this manner casts an unduly heavy burden on those charged with the scrutiny of proposals involving expenditure (particularly the Finance Department), leads to hurried, and imperfect examination and results in an injudicious use of funds.

#### *Facts revealed by case-studies of financial sanctions*

10.1. Barring cases of creation of posts, 61 cases involving expenditure sanctions of different categories were studied. These related to loans, subsidies, write offs, purchases of tools equipment and stores, items of contingent expenditure like maintenance of office accommodation, vehicles and equipment. The results of the case-studies, in so far as they can be quantified, are contained in the analytical statement at annexure VIII. Some of the salient features of this study are mentioned below.

10.2. Of the 61 cases studied, 16 were decided at Lt. Governor's level, 26 at the Director of Agriculture level and 1 at the JDA level. All the cases submitted to Lt. Governor were routed through the Finance Department and the Chief Minister. Particulars of cases that were submitted to Lt. Governor are given in Annexure IX.

10.3. 34 out of 61 cases were referred to the Finance Department. Annexure X contains particulars of such cases. All proposals (except two in which Finance made certain queries) were concurred in by Finance. All cases (except one) were decided at the level of either Lt. Governor or the Finance Secretary. The solitary case, that was disposed of by Under Secretary (Finance), related to purchase of stores. Seven of the 34 cases referred to Finance seemed to be well within the competence of the Director of Agriculture.

#### *Delegation of financial powers*

11.1. The existing financial powers of the Director of Agriculture appear to be unduly restrictive and tend to retard developmental activity. For instance, his power to purchase stores and implements not exceeding Rs. 1,000 compares very unfavourably with 'full powers' enjoyed by a head of department under the Delegation of Financial Powers Rules. So is his power to purchase furniture and sanction write off of losses. On the substantive side also, he suffers from the same handicap. To quote an instance, he has no powers to accord technical sanction to soil conservation works or to grant loans and subsidies for approve schemes even in accordance with the prescribed pattern of assistance. If the Director of Agriculture is to function effectively, he will need to be delegated substantially enhanced powers by making use of the authority to redelegate the delegated powers. A statement showing the existing and the proposed financial powers of the Director of Agriculture is at Annexure XI. Another statement showing the powers proposed for the two Jt. Directors (Agriculture) and the controlling officers has also been drawn up and is at Annexure XII.

11.2. Since the present "controlling officers" (there are at present more than 24 of them including many Junior Class I officers and one Class II officer) have no more powers than the heads of offices they are suggested to control, the present practice of heads of field offices routing their proposals for sanction through the former merely entails delay. The heads of field offices are proposed to be regrouped more rationally under a smaller number of controlling officers and delegated enhanced financial powers on a scale more liberal than the normal heads of offices but below those of the head of department. This aspect is dealt with in detail in Section V.

#### *Arrangements for disposal of cases within Finance Department*

12. The tendency discernible in the Finance Department of pushing almost every case involving expenditure to the Finance Secretary, overburdens the Finance Secretary and renders the level of Under Secretary almost redundant. The Under Secretary there should be authorised to dispose of relatively unimportant cases himself to enable the Finance Secretary to concentrate on more important issues.

### IV—PERSONNEL ADMINISTRATION

#### *Volume of work*

13. Most of the personnel work concerning officers and class III staff of the field offices of the Agriculture Department is at present handled (either initially or finally) in one of the three sections at the headquarters. An idea of the magnitude of work involved can be had from the following facts :

- (a) the sanctioned strength of officers and class III staff of the department as it stood on 1-3-1968, was 138 and 1562, respectively;
- (b) the survey of dak received in the department during three successive days shown that more than one-third of the receipts related to personnel matters; and
- (c) nearly 40% of the ministerial staff sanctioned for the headquarters establishment was almost exclusively engaged on personnel work.

#### *Case Studies*

14. In all, 91 cases were studied. These related to different events like recruitment, promotion, confirmation, leave, grant of special pay, crossing of efficiency bar, G.P. fund advances, sanctions under the provisions of T.A. rules forwarding of applications for out side job, conduct and discipline.

A statement showing the results of case studies in so far as they can be quantified, has been prepared and is attached (Annexure XIII). The salient features of the case studies in different sectors of personnel administration are mentioned below.

#### *Personnel planning*

15. In a development department like Agriculture, the role of personnel planning cannot be over-emphasized. Non-availability of the personnel of the requisite calibre in adequate numbers may have the effect of slowing down the tempo of developmental activity and causing frustration all round. Such a planning implies a forecast of the vacancies likely to occur in the different grades in the foreseeable future and the manner in which they would need to be filled, e.g. by direct recruitment, promotion, or deputation. The fact that in the files concerning class I and class II appointments, there was no reference to the estimate of vacancies having been framed and communicated to the UPSC suggests that no such planning is at present done.

#### *Recruitment*

16.1. Recruitment rules for class III and class IV posts in the Agriculture Department have since been framed while those for class I and class II posts are in the process of being finalised in consultation with the Home Ministry and the U.P.S.C. The appointing authority for class I and II posts in the Agriculture Department is the Lt. Governor and that for class III posts, the Director of Agriculture. Appointments to class IV posts are generally within the competence of the respective heads of offices.

16.2. The sample included 7 cases concerning recruitment to class III posts, both ministerial and technical. The total number of vacancies involved in four of the seven cases studied was 73. Although the recruitment rules require selections to these posts to be made by regularly constituted selection committees, this requirement was not complied with in some cases. In 2 cases, even though selection committees had been set up and certain candidates interviewed, a few appointments were made by Director on his own without interview. It was only in 3 of the 5 cases in respect of which complete information was available, that the vacancies were notified to the employment exchange. In one case a candidate was appointed subject to his producing a 'No Objection' certificate from the employment exchange authorities.

16.3. Two of the candidates selected for appointment to the posts of Agriculture Inspector/Research Assistant were III class graduates in Agriculture although the minimum qualifications prescribed under the recruitment rules was B.Sc. (Agriculture) in the second class. Another person was appointed by the Director initially as an honorary agricultural inspector with the intention of absorbing him on a regular basis, thereby circumventing the prescribed procedure of selection through the selection committee from among the candidates specifically sponsored by the employment exchange.

16.4. These irregularities in making selections for appointment underline the need for an impartial machinery for making selection to posts that are at present outside the purview of the U.P.S.C.

#### *Promotions and confirmations*

17.1. All cases of promotions to and confirmations in class III posts are made on the recommendations of the Departmental Promotion Committee consisting of Agriculture Secretary as Chairman and the Director of Agriculture and one other officer nominated by the Agriculture Secretary, as members. The promotions to class II posts, however, are handled by a departmental promotion committee headed by the Chief Secretary.

17.2. In all 13 cases, 5 relating to promotions and 8 concerning confirmations, were studied. Some of the important features of the study are discussed below.

- (a) The Departmental Promotion Committee met irregularly and after long intervals. At one stage, the interval between its consecutive meetings was more than 3½ years.
- (b) Agenda papers for the meetings of the Departmental Promotion Committee were not prepared properly, for instance, in certain cases of confirmation, the dates of occurrence of the vacancies were not indicated. In one case, no decision could be taken at the meeting as the office had failed to put up complete character rolls of some of the employees being considered for confirmation.
- (c) There was no proper follow-up of the decisions of the D.P.C. For instance, the Departmental Promotion Committee at one of its meetings decided that certain cases of confirmation should be reviewed after a period of 6-12 months. The cases, however, were actually taken up only after 3½ years. In another case it was decided that the case of confirmation of five directly recruited statistical assistants should be taken up as soon as they completed the probationary period of 2 years. But their cases were not taken up till long after they had completed their probation. This is not only irregular but fraught with serious administrative risk in that if a probationer's performance had been found unsatisfactory, it would have been difficult for Government to terminate his services in accordance with the rules of probation, i.e. without recourse to elaborate disciplinary proceedings.

17.3. These instances of non-observance of the prescribed procedures show weaknesses in the organisation of the Department of Agriculture and lack of vigilance and control on the part of the Appointments Department. They also point to the need for the qualitative strengthening of the personnel section of the headquarters establishment of the Director of Agriculture, on the one hand, and reorganisation of the appointments Department on the other to enable it to keep an overall eye on the functioning of the different department in the field of personnel administration through periodical test-checks.

#### *Leave*

18.1. The authority competent to grant leave to class I and class II officers is the Director of Agriculture. However, leave exceeding 120 days at a time requires the prior sanction of the Lt.-Governor. As regards class III staff, the controlling officers have the power to sanction earned leave upto 60 days only. Leave exceeding this period can be sanctioned only by the Joint Director of Agriculture at headquarters.

18.2. The existing practice suffers from two main defects. Firstly, the power to sanction leave to the same class of employees has been distributed between two authorities according to the period of leave applied for. Secondly, it denies the heads of offices in relation to class III staff working under them, and the controlling officers, in respect of officers working under them, this very elementary power of personnel control. It is only reasonable that the head of office should have the power to grant leave (other than study leave and special disability leave) to his non-gazetted staff under him, the controlling officer coming into the picture only if a substitute is required. In no case, should the headquarters establishment be bothered about grant of leave to class III staff in the field offices. As far as possible the grant of leave to field officers should also be settled by their controlling officers in the field without bothering the Director.

18.3. An instance of infructuous work that came to light during the course of case-studies was the unnecessary forwarding of copies of leave sanctions issued by the controlling officers and heads of field offices to the Director of Agriculture. This created unnecessary paper work all round. The practice of the headquarters organisation of the Department of Agriculture maintaining personal files of class III field staff also needs to be discontinued.

#### *Grant of Special pay*

19.1. 10 cases were studied. All of them related to grant of special pay to cashiers for handling cash, the amount of special pay ranging between Rs. 5 and Rs. 35 depending upon the volume of cash handled. All these were decided in consultation with the Finance Department where four went up to the Finance Minister, five up to the Finance Secretary and the remaining one up to the Under Secretary. All proposals were concurred in by Finance.

19.2. Since special pay in all these cases is sanctioned in accordance with the prescribed norms (in terms of amount of cash handled) already approved by the Finance Department and since neither the Department of Agriculture nor even the Department of Finance can or need verify the correctness of the amounts of cash actually handled by the cashier there appears to be no valid reason for Finance to retain this power.

19.3. Most of the proposals for grant of special pay were found to be incomplete and further information had to be called for from the source which delayed the sanction. Adoption of a suitable form for the purpose will ensure that the proposals submitted are complete in all respects and will avoid back-tracking. It will also facilitate the process of examination, dispense with the need of any elaborate noting on the part of office, and enable the competent authority to record its decision on the proforma itself.

#### *Crossing of Efficiency Bar*

20.1. The competent authority to sanction the crossing of efficiency bar for class III employees is the Director of Agriculture while that for class I and class II officers, the Lt. Governor. In the set up visualised by us for the Department of Agriculture, it should be possible in the case of class I officers for the Secretary of the reorganised Department of Agriculture to accord the necessary sanction himself without bothering the Lt. Governor. The necessary power in the case of class II field officers can be delegated to the Director of Agriculture and that in respect of class III field staff to the two Joint Directors. As such sanction has to be based on the evaluation of the confidential reports, no risk appears involved in the proposed delegations.

20.2. In one case, the Director of Agriculture sanctioned the crossing of efficiency bar to an employee although his character roll contained adverse entries which had been communicated to him only a few days earlier. In another case, the character roll of the employee was not found entirely satisfactory and it was decided to defer the decision to the next year in the light of the fresh annual assessment report. Even before the next year had elapsed, the Director of Agriculture directed the head of the field office concerned to send in the report of the employee. Instances like these undermine office discipline and morale. They also show of lack competence on the part of the headquarters staff and of any effective watch on their working by the Appointments Departments.

#### *G. P. Fund Advances*

21.1. The Director of Agriculture is competent to sanction advances from G. P. Fund. However, the grant of an advance to an employee exceeding three month's pay (or half the amount to his credit) or while the previous advance is still outstanding, requires the concur-

rence of the Finance Department. It was for this reason that 6 out of the 7 cases studied were referred to Finance. Three of these were concurred in, one rejected and the remaining two returned to the Agriculture Department for further information. The last situation would not have arisen if a suitable proforma had been prescribed.

21.2. There does not appear to be any valid reason for not delegating the power to sanction ordinary advances from G.P. Fund to the heads of offices in respect of class III staff under them; and to the two Joint Directors (Agriculture) in the case of the officers under their respective control. The power to sanction special advances also could visit in the Director of Agriculture in the case of officers and the two Jt. Directors and the Deputy Director (Fisheries) in the case of staff. To facilitate the exercise of the proposed power by the subordinate authorities, the Finance Department will do well to lay down suitable guidelines e.g. authorising sanction of second and subsequent advances (while the earlier ones are still outstanding) subject to the total value of instalments payable by an employee on account of the advance received by him does not exceeding a fixed proportion (say one-fourth) of his pay. In no case, however should Finance bother about the application of these guidelines in individual cases.

#### *Sanctions for undertaking work for outside agencies and acceptance of fees therefore*

22. Both the cases studied under this heading went to the Lt. Governor for necessary sanction. The consideration that should normally govern the grant of permission in such cases are (a) whether the work is undertaken for approved bodies and approved purposes (e.g. examinership for universities or boards of education), (b) whether the work can be undertaken by the Officers without detriment to his normal duties, and (c) whether the remuneration proposed to be paid is within reasonable limits. The Director of Agriculture, as the head of the department, is the best judge to decide (b). As regards (a) and (c) clear policy guidelines can be laid down by the Finance Department for observance by the heads of departments. If this is done, the Director may sanction upto a ceiling, say, Rs. 500 per annum in each case. Cases involving payment at fees beyond Rs. 500 but upto Rs. 1200 (which is the limit prescribed under supplementary rules for heads of departments) could be decided by the Secretary.

#### *Conduct & Discipline*

23.1. The controlling officers like the Deputy Director (Soil Conservation) and Deputy Director (Extension) do not have even the most elementary power to write the annual assessment of the officers under them. They are, of course, invited by the Director to give him their off-the-record assessment of the work and worth of their subordinate officers but the prescribed annual confidential report forms are filled in by the Director himself and submitted to the Secretary for review. The authority for review of the confidential reports of class III field staff is concentrated in the Director (Recently this power has been delegated to the Joint Director but this does not go far enough). Consequently the character rolls of class III staff working in field officers are kept in the headquarters. This casts so much avoidable burden on the headquarters officers that no worthwhile review of the annual assessment is undertaken by the reviewing authority and consequently adverse entries are either not taken note of or taken note of and communicated to the persons concerned too late to serve any useful purpose. The extent of the lack of attention to this aspect can be gauged from the fact that no disciplinary action was initiated against employees having consistently adverse reports and, in one case, an employee was allowed to cross efficiency bar a few days after adverse entries had been formally communicated to him.

23.2. Following the general principle that assessment of the performance of an employee should be written by at least two officers (including the immediate superior of the person reported upon), the head of office should be the reporting officer in respect of the field staff under him, and the Deputy Director concerned, the reviewing officers. For all field officers (other than the Deputy Directors), the Deputy Director should be the reporting officer and the Joint Director, the reviewing officer. The confidential reports of the Deputy Director should be written by Joint Director of Agriculture and reviewed by Director of Agriculture. The confidential records of class IV staff should be in the custody of respective heads of offices, those of class III staff in the office of the Joint Director concerned and those gazetted officers with the Director of Agriculture, and these of the Joint Directors and the Director of Agriculture with the Secretary.

23.3. Case studies also showed that formal disciplinary proceeding involving elaborate enquiry and containing considerable time and efforts, were being initiated against purely temporary employees (including those with about a year's service) suspected of serious misconduct, when the proper and easier course would have been to terminate their services under the Temporary Service Rules. This shows lack of acquaintance on the part of the headquarters staff with the rules relating to conditions of service.

*Delegation of powers in the field of personnel administration*

24. The number of personnel cases submitted to that Lieutenant Governor of referred to the Finance Department for concurrence (for particulars *see* annexures XIV and XV) show that too little has been delegated to the Director of Agriculture and too much has been held back to enable him to function effectively. A statement showing the existing and the proposed power of the Directors and his subordinate officers in the field of personnel administration is given at annexure XVI. As in the case of financial administration, the hanced delegation of administrative powers to the head of department would cast on the Secretary concerned as also on the Appointments Department the special responsibility to keep an over-seeing eye on the healthy functioning of the directorate through test-checks. It would call for a qualitative strengthening of the headquarters staff. The reorganisation proposed in the following section takes care of the need.

## V—PRESENT STRUCTURE AND REFORMS REQUIRED

25. The organisation charts at annexures II and III show the present set up of the Agriculture Department both at the headquarters and in the field. The following are the salient features of this set up and its working as revealed by the study:

- (a) At the secretariat level, the department is headed by the Development Commissioner and *ex-officio* secretary to the Government. This functionary, apart from being executive head of the development department, is *ex-officio* secretary of as many as 5 departments, namely, Agriculture (including fisheries), Animal Husbandry, Cooperation, Planning and welfare. Our Study showed that on an average the secretary received 31 cases per day from the different departments in his charge. In addition, he had to attend large number of meetings and tour extensively, in connection with the development work. This has meant the Development Commissioner being weighed down with excessive work and not having enough time to think, plan and organise his work as secretary of several departments under him. Consequently, both the administrative supervision of the executive functioning, and strategic policy-formation, with its concern for long-range considerations, have suffered.
- (b) The Development Commissioner in his capacity as Secretary, Agriculture, has no more financial powers than the Director of Agriculture. Consequently, all the cases of the Agriculture Department beyond the financial competence of the Director had to be referred to Finance the Secretary merely acting as one more link in the chain.
- (c) The Director of Agriculture has limited powers in the field of financial management and personnel administration. This has tended to detract from his effectiveness as the executive head and retarded the tempo of development activity. He is also the *ex-officio* joint secretary to Government but this status does not confer on him any additional powers in substantive matters. It only enables him to sign sanction and other orders on behalf of the Lieutenant Governor after obtaining the prior concurrence or approval of the competent authority (*e. g.* the Finance Department, the Lt. Governor, and the Central Government).
- (d) At the headquarters, the Director is assisted by two technical officers a Joint Director and an Assistant Director (Junior Class I). Neither of the two as well-versed in financial and establishment matters. Nor do they seem to have been authorised to dispose of a significant proportion of cases on behalf of the head of department. This is reflected in the fact that 163 of 171 cases studied, *i. e.* nearly 95% were decided at or above the level of Director. In fact most of these cases were received by the Director direct from office. This has meant deep involvement of the Director in matters of administrative detail at the cost of planning policy making and technical supervision of the field.
- (e) There is mix-up of secretariat and directorate staff in the headquarters establishment. A part of the staff is drawn from the secretariat and paid secretariat scales of pay, while the rest belongs to the directorate and is paid lower rate of pay, although deployed on the same type of work. Since the scales of pay of the secretariat staff are superior to those of the directorate staff, the tendency has been to create all additional posts on secretariat scales of pay. As the directorate staff is not eligible for promotion to posts on secretariat scales of pay, this tendency has affected adversely the prospects of promotions of the directorate staff and led to considerable discontent among them. The fact that

the secretariat staff employed in the Director's office is subject to the control of the Secretariat Administration Department and the Director and his headquarters officers have no personal control over such staff has tended to undermine discipline and affect efficiency adversely.

- (f) The Department of Agriculture has a large number of agencies for work in the field. The work of these field agencies is supervised by as many as 24 sectional heads, also called controlling officers. Almost all of them, whether on the research or the extension side, report direct to the Director of Agriculture. This makes the span of control of the Director unmanageable.
- (g) The sectional heads (*i. e.* controlling officers) have no more financial and cognate powers, than those of the heads of field offices they are supposed to control, the only exception being in the matter of grant of leave. The result is that the institution of 'Controlling Officers' while adding to the number of leaves in the hierarchy does not result in effective control and supervision. Besides, in the absence of high powers for the disposal of business, it causes delay in the transaction of business.
- (h) There is no organisational link between the Principal-*cum*-Joint Director (Research) on the one hand, and the sectoral research in the field, on the other. It will be seen from the chart at annexure III that the Joint Director *cum*-Principal looks after that part of the research which goes with teaching. Other research in the field is conducted mostly under the directions of other officers like entomologist, plant pathologist etc. who report directly to the Director. Besides resulting in parallel research effort and proliferation of staff [*e.g.* the department has professors (senior class I officers) in subjects like botany and plant pathology in the Agriculture College at Solan, besides having sectional heads (also senior class I officers stationed in Solan) for directing research in the same subjects.] This arrangement does not make for properly organised research. Even budget proposals are not coordinated by the Joint Director. Further there is also no link between research on the agriculture side and that on the horticulture side. This has led to the establishment of separate research sections for agriculture and horticulture. And yet, *prima facie*, it would appear that in certain fields like entomology and plant pathology, there could be common research arrangements.
- (i) There is little effective coordination of agricultural activities at the district level. The District Agriculture Officer is essentially responsible for extension work, *e.g.* distribution of seeds and fertilizer. Soil conservation, horticultural development, vegetable and potato development, are the concern of other agriculture officers in the district. Each one of the agriculture officers in the district functions as a drawing and disbursing officer, maintains his own cash books, keeps his own accounts and has a cashier to look after this work. This is known to take 40% of his total working time. The responsibility for recommending agriculture loans also vests in different officers according to the purpose of loan, *e.g.* for soil conservation loans in Assistant Soil Conservation Officer, for horticulture loan in Horticultural Development Officer, and for fertilizer loans in District Agriculture Officer. None has complete information regarding the various agriculture loans actually granted to, or outstanding against, a particular applicant. Since the Deputy Commissioner is responsible for recovering the different loans, each of them maintains liaison with the Deputy Commissioner.

*Proposed reorganisation for the administrative department and headquarters organisation of Director of Agriculture*

26.1. To ensure that strategic policy making (as distinct from tactical or operational policy) is kept separate from executive functioning, a nucleus secretariat organisation headed by a secretary has been proposed to look after agriculture (including fisheries) and allied functions, like animal husbandry, community development, panchyats, and cooperation at the administrative level. This will ensure that day-to-day problems do not overwhelm the policy formulation thus depriving it of long-range content. The proposed administrative Department of Agriculture will have all the powers of the Head of Department under the Delegation of Financial Power Rules. More could also be delegated if warranted by operational needs, *e.g.* in the case of purchase of fertilizers. The Secretary, Agriculture, it has been proposed in chapter II, should be divested of his functions as executive head of the Department so that he too can devote more time to policy-making and planning. This would enable him to function altogether as a secretary and should enable the minister

to authorise him to dispose of a larger number of cases on his own than at present. This would call for substantial internal delegations from the minister to the secretary. This list of the classes of cases now going to the minister according to the standing order (annexure XVII) issued by him in pursuance of rule 18 of the Rules of Business would need to be scrutinised afresh and pruned.

The arrangements for work that will subsist in the proposed set up have been spelt out in Chapter VI.

26.2. Regarding the Directorate of Agriculture itself, it should be reorganised along the lines indicated in the chart at annexure XVIII. The main features of the reorganised set up are given below:}

- (1) The substantive activity of the Department of Agriculture (excluding fisheries which is referred to in item 5 in this paragraph) consists of two broad groups, namely (i) agricultural education and research and (ii) agricultural development and extension. Each of these groups should squarely be placed in every way under a Joint Director. The Joint Director for the first group could combine in himself the office of Principal, Agriculture College also, as he does at present. Both these Joint Directors should have adequate administrative, personnel and financial powers to take full responsibility of the conduct of activities embraced within their groups. For the conduct of these activities the Director should then have only these two authorities reporting directly to him.
- (2) To support these two substantive activities the Director will require centralised staff assistance at his headquarters for planning and policy, personnel administration, and financial management. For this purpose the Director will need to be assisted by two officers of the rank of Assistant Director or Deputy Director, one responsible for work relating to planning and policy and the other for personnel administration and financial management. The second officer should be one who has sufficient grounding in personnel and financial matters and need not necessarily belong to the Agriculture Department. Agricultural information and statistics are a common service item and should therefore be placed with the staff officer responsible for planning and policy.
- (3) The Joint Director will directly control the "controlling officers" who, in turn, will be responsible for supervising and controlling the field officers under them.
- (4) To enable the head of department, the Joint Directors, and the controlling officers (or sectional heads) to discharge their obligations, they should be delegated enhanced financial and cognate powers. Specific suggestions in this behalf are contained in annexures XI, XII and XVI this will enable the disposal of a significant portion of the work at the level of Joint Director and below leaving the Director comparatively free from routine work. This will also enable effective supervision down the line by giving proper powers at every level of the hierarchy. In particular, the sectional heads or controlling officers, particularly the Deputy Directors, will be enabled to control the heads of offices under them effectively.
- (5) The Director of Agriculture will thus have four officers dealing with agriculture reporting directly to him. In addition, there will be a fifth dealing with fisheries. The head of the fisheries organisation should enjoy powers similar to those of the Joint Director, Agriculture. The two staff officers with the Director of Agriculture will also do staff work in relation to fisheries.

#### *Field organisation*

26.3. There is scope also for improving organisational arrangements in the field. But, here we are refraining from making any precise recommendations as no detailed study, such as that undertaken in respect of the headquarters organisation, was conducted. However, the study of the headquarters did throw up certain problems and indicate certain weaknesses in the field and we venture to indicate below what appears to us to be the possible lines on which the field activity could be organised. We want to make it clear that the observations made here, in the absence of a meticulous study of field offices, merely indicate suggestive lines on which a possible reorganisation could be approached and planned and are not meant to be in the nature of definitive recommendations.



26.4. The field offices functioning in each sector of agriculture *viz.*, agriculture education and research, extension and development, and fisheries should be regrouped on a more rational basis to avoid overlapping. Thus, for instance, research in entomology and plant pathology could be made common for both agriculture as well as horticulture and placed squarely under the professors in charge of the subject in the Agriculture College. The complete linking of education and research will ensure the desired degree of coordination between research in the college and that in the field, thereby avoiding duplication. A possible regrouping of the field activity is indicated in the organisational chart at annexure XIX.

26.5. The senior most agricultural officer in the district should be designated as the District Agriculture Officer (DAO). All the agricultural activities in the district should centre round this officer, who should, be made responsible for coordination of agricultural activity in the district and given adequate authority and support. For instance, he could be provided with the services of a qualified assistant accounts officer to function as drawing and disbursing officer for all the agricultural officers in the district. This will relieve other agriculture officers in the district of the drawing and disbursing work, like signing of bills, the maintenance of cash-book and other accounts and enable them to devote their energies and time to field work. This officer should be a class I officer and all other extension officers in the district should be under him. He could be drawn from any of the different specialisations of agriculture *e.g.* agriculture, horticulture, soil conservation, etc. and besides attending to the activity in his own specialisation would coordinate and be responsible for all agricultural activities in the district. This integrated pattern with class I officer at the head would be required in all normal districts although it may not be necessary in districts like Lahaul and Spiti. Technical supervision in the different fields *e.g.* soil conservation, etc. would be conducted by the specialist under the Joint Director of Agriculture but administrative control over the subject-matter specialists within the district would vest in this officer. This would necessitate the creation of class I posts in the district and it is here worth considering whether posts of Potato Development Officer, Vegetable Development Officer, Seed Multiplication Officer, Soil Conservation Officer, Horticulture Development Officer (Walnuts), Horticulture Development Officer (Rasin and Grapes), Ginger Specialists should not be abolished and the powers exercised by them passed on to these officers.

The proposed centralisation of cash and accounts work would also lead to overall saving in the staff employed in districts on such work. The proposal made here would necessitate a change in the designation of the present District Agriculture Officer (DAO) to, say, Agricultural Extension and Development Officer to reflect his functions, correctly.

#### *Orientation and training*

27. The task of the headquarters organisation of the Agriculture Department would be far simpler if all concerned, whether officers or staff, technical or ministerial, know their jobs well. This calls for systematic arrangements for job orientation courses and material. To start with, an attempt should be made to bring out departmental manuals for different categories of employees describing *inter alia* their duties and responsibilities and procedures and drills to be followed in undertaking different types of work. It should also contain model proformae for submitting different types of proposals for sanction of higher authorities and model forms sanctions, orders and other communications. The Administrative Reforms Department of Himachal Pradesh Administration should undertake this work on a priority basis.

#### *Supervision and inspection*

28. It would be possible for the Director the Joint Director and the Deputy Director in the reorganised set-up to devote due attention to regular inspection and supervision of the field which at present seems to have been relegated to the background and replaced by *ad hoc* short visits for solving immediate problems or gathering urgent information. The secretary and his staff aides will also need to keep an overseeing eye on the functioning of the Directorate of Agriculture (and offices of other executive heads). For this purpose, they may need to conduct periodical inspection and test-checks of the working of the headquarters organisation of the various executive heads.

#### *Financial implications of reorganisation*

29. The enhanced delegation of powers to the Joint Directors and the Deputy Directors is expected to reduce substantially the work flowing to the headquarters organisation of the Director. Our statistical computation based on the sample study estimates such reduction at nearly 35%. This, coupled with simplification of work (*e.g.* by devising stand-

and proformae for submitting different types of proposals) and better guidance from officers, is expected to reduce the work load of headquarters office substantially. The proposed enhanced delegation to the Director would mean that the headquarters office would not need to prepare elaborate notes justifying the proposals for the concurrence of higher authorities. This, by itself, would reduce work load. In our estimate, the proposed reorganisation of the headquarters office, if followed up by a simplification of methods and procedure, should lead to a reduction of more than 40% in the ministerial strength. This would more than pay for the additional posts of staff officers proposed for the Director and the Secretary. No statistical study was made by us in the field but the arrangements proposed here for the districts may not lead to any substantial increase in expenditure. There may even be some reduction as accounts and administration will be centralised.

*Nature of reorganisation proposals*

30. The above reorganisation proposal should be treated (not as a rigid blue-print for immediate reorganisation but rather) as furnishing guidelines to be followed up by a detailed study by the Administrative Reforms Department of the Himachal Pradesh Administration.

**ANNEXURE  
PARA 1.1**

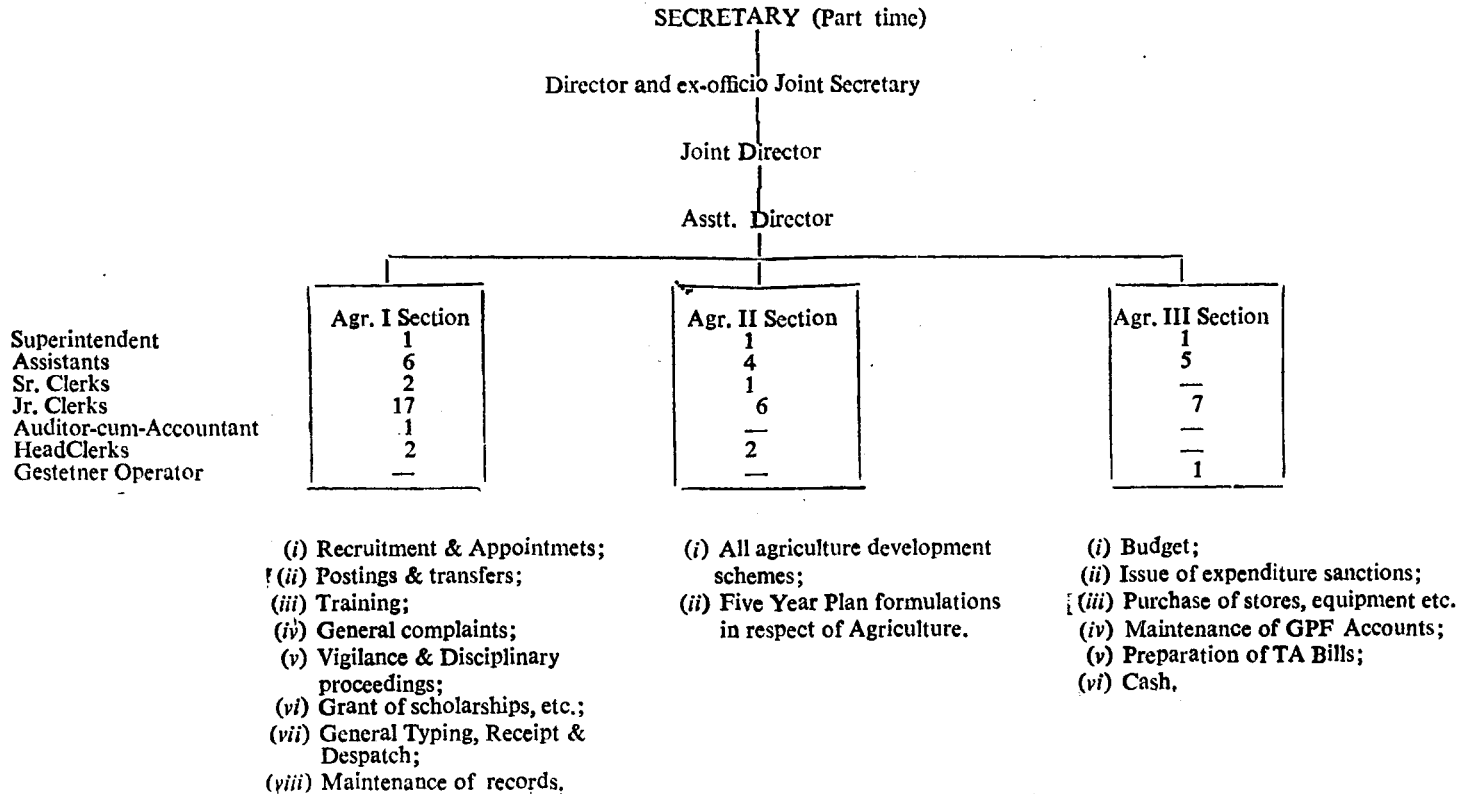
*List of main items of business allotted to the Department of Agriculture*

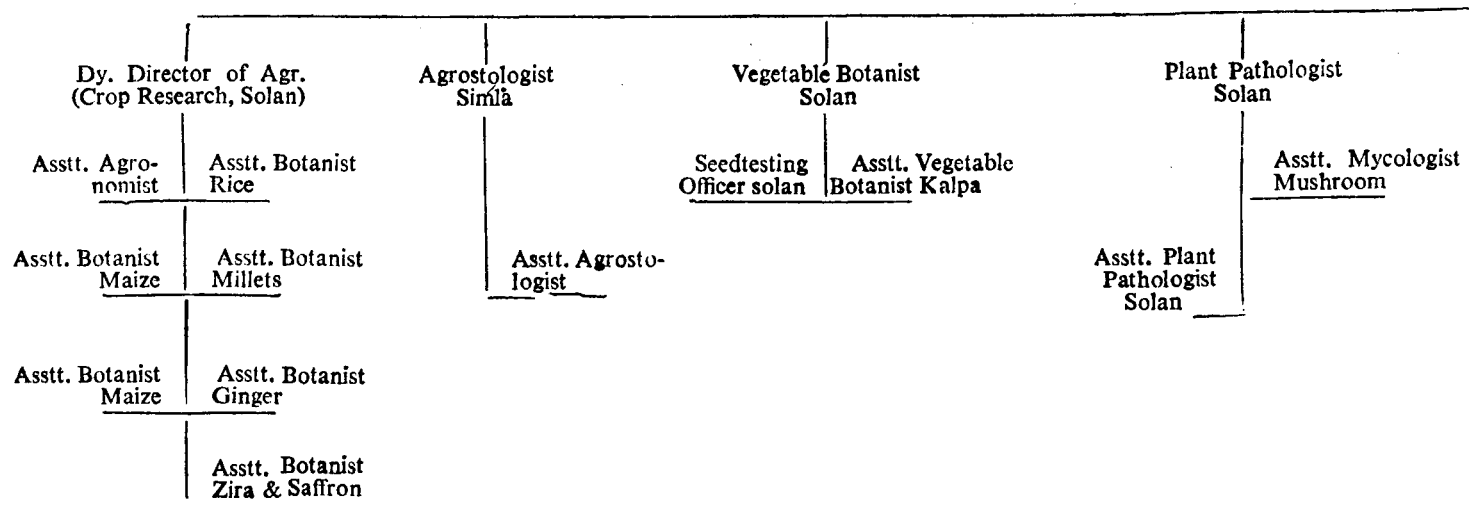
- \*Soil conservation on agricultural lands.
- \*Plant protection.
- \*Agricultural farms, progeny orchards, nurseries and garden colonies.
- \*Development of local manurial resources.
- \*Development of fruit production.
- \*Development of vegetables.
- \*Development of potatoes.
- \*Ginger development.
- \*Marketing of agricultural produce.
- \*Grow more food and ICAR research schemes.
- \*Mionor irrigation schemes.
- \*Agricultural information services.
- \*Agricultural statistics.
- \*Agricultural loans and advances.
- \*Agricultural stipends and scholarships.
- \*Training in agricultural institutions and agricultural college.
- \*Development of fisheries

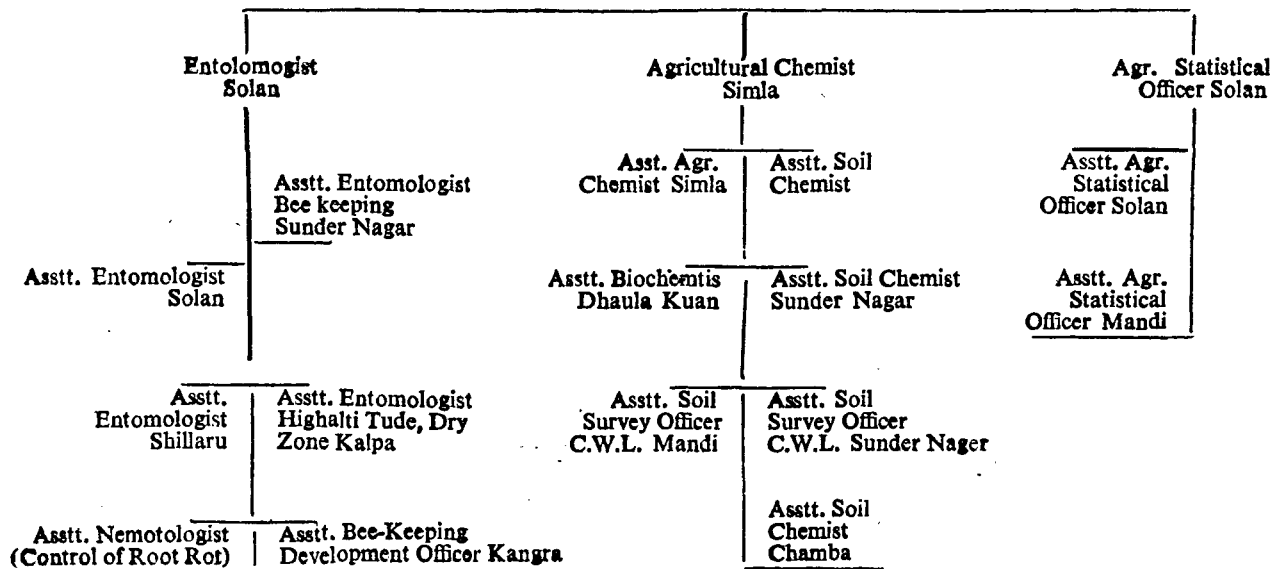
ANNEXURE II

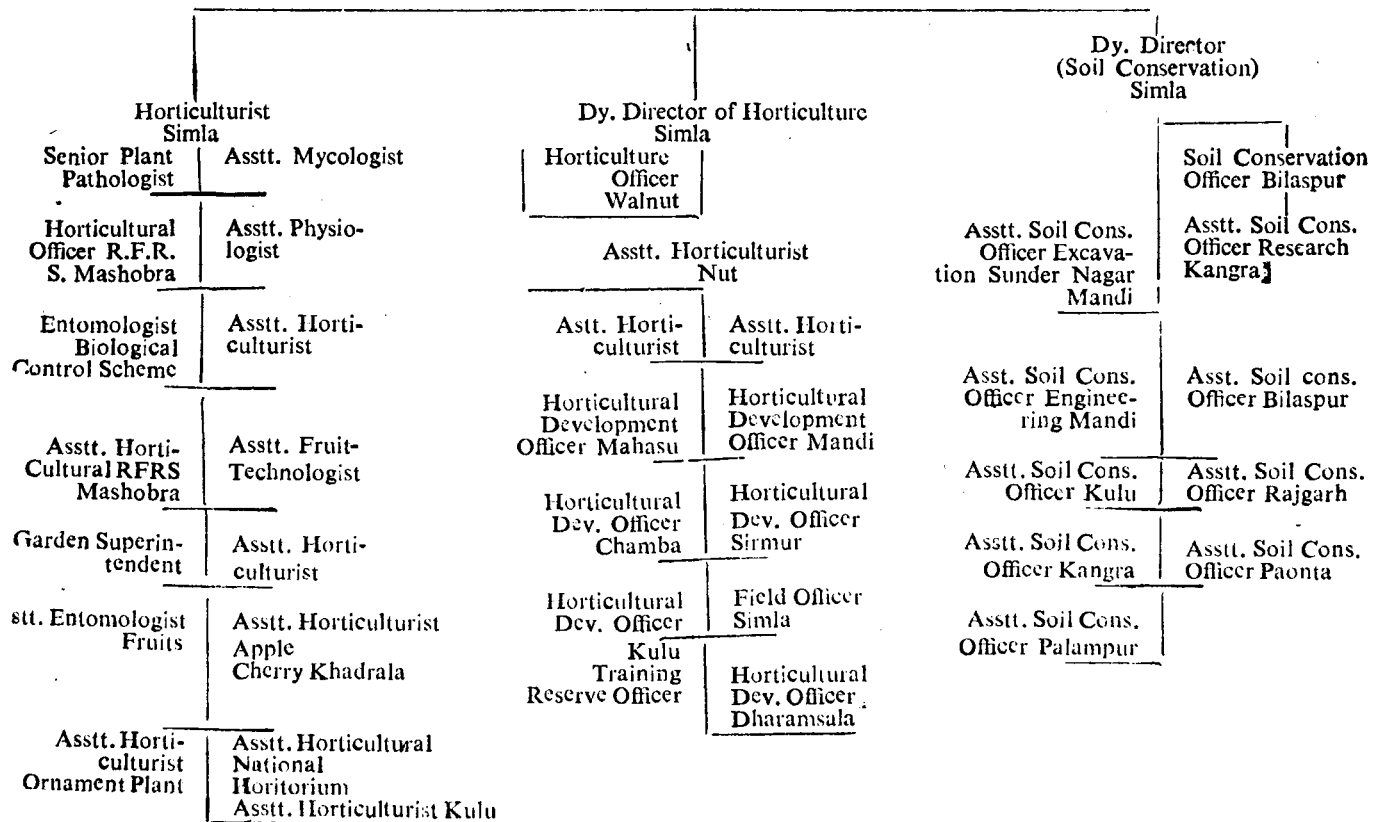
(See para 1-1)

ORGANISATION CHART OF THE PRESENT HEADQUARTERS ESTABLISHMENT OF THE DEPARTMENT OF AGRICULTURE

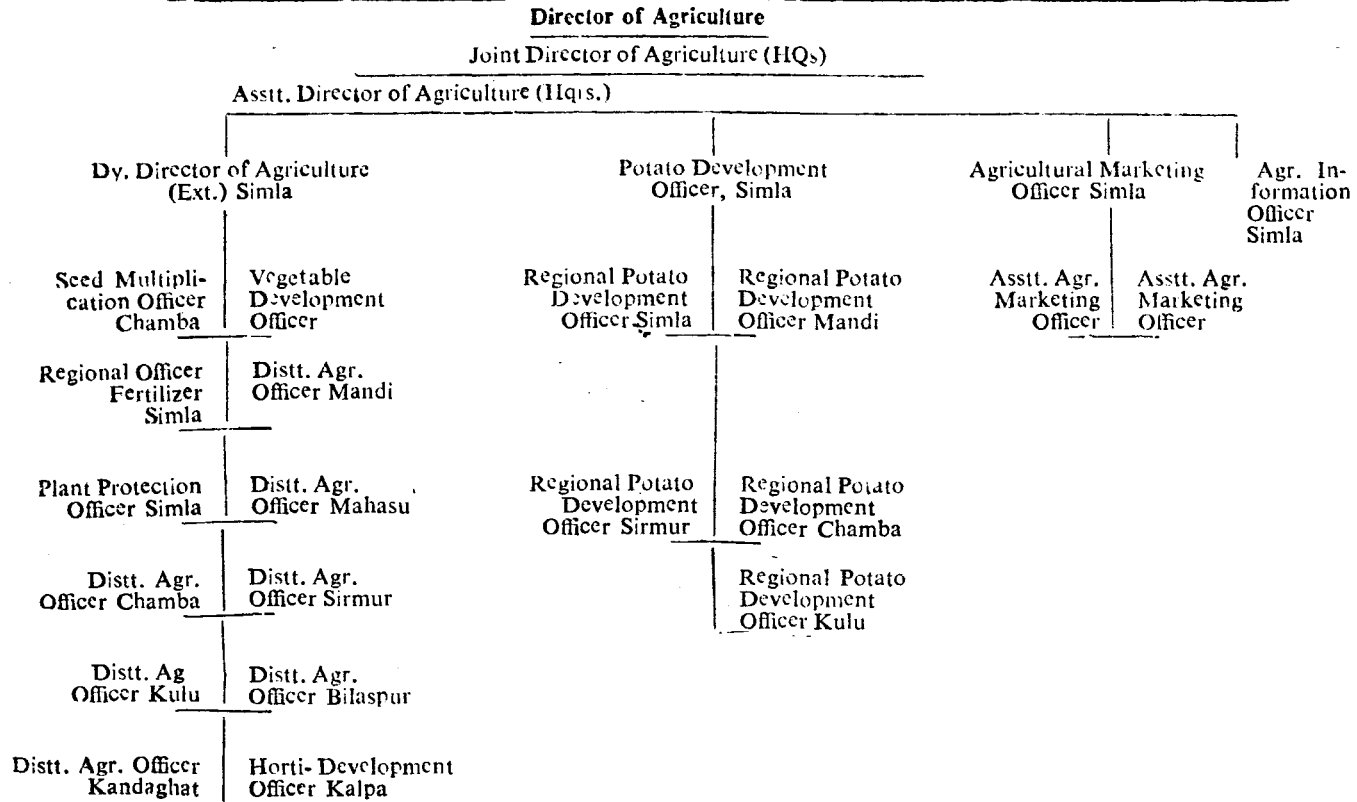








**CHART SHOWING ORGANIZATIONAL LAYOUT OF THE FIELD OFFICE OF DEPARTMENT OF AGRICULTURE**





**ANNEXURE III**

(See para 1.1)

Principal-cum-Jt. Director of Agriculture (Research) (H.P.) Agriculture College Solan		Research Engineer Mandi	Project Mandi	Officer Mandi	Dy. Director of Agriculture (Hilly Areas) Palampur	
Professor of Agronomy	Asstt. Professor Chemistry					
Professor of Horticulture Solan	Asstt. Professor Physics & Maths		Subject Matter Specialist Plant Protection	Subject matter Specialist Farm Planning & Farm Management	Distt. Agr. Officer Kangra	Asstt. Oil Seed Ext. Officer Kangra
Associate Prof. of Botany Solan	Asstt. Prof. English		Subject Matter Special Animal Husbandry	Subject Matter Specialist Asstt. Registrar co-op - eratives		Agr. Inform- mat' n Officer Dharamsala
Associate Prof. of Soil Science & Chemistry						
Asstt. Prof. of Botany Solan	Asstt. Prof. Agr. Engineering		Superintendent V.A.S. Sunder Nager			
Asst. Prof. of Plant Pathology Solan	Asstt. Prof. of Horticulture, Solan					
Asstt. Prof. of Statistics Solan	Asstt. Prof. of Animal Husbandry					
Asstt. Prof. Agro- Solan	Asstt. Prof. of Economics Solan					
Asstt. Professor Botany	Asstt. Prof of Entomology					

## ANNEXURE IV

(See para 3.2)

*Analytical statement showing the financial and physical performance of certain agriculture plan schemes selected for sample study.*

Sl. No.	Description of the Scheme	Classification according to		Plan outlay for 1966-67	B.E. for 1966-67	Amount Administratively approved	Actuals 1966-67	Performance during 1966-67			Physical performance (% of achievement to the annual plan target)	Relative performance (Col. 12:9) %
		Total outlay	Subject matter					Col. 8:5 % In financial terms	Col. 8:6 %	Col. 8:7 %		
1	2	3	4	5	6	7	8	9	10	11	12	13
<i>A—Centrally sponsored schemes</i>												
1.	Soil conservation in River Valley Projects (Agr. only) .. ..	A	SC.	10.359	3.100	N.A.	2.617	25	84		50.9	104
2.	Agricultural Colleges ..	B	A.E.	4.566	3.566	2.657	1.619	29	45	61	72.9	158
3.	Intensive Agri. Area Programme ..	B	I.C.	1.266	0.506	N.A.	0.800	63	158		6.3	91
4.	Welfare of scheduled tribes and scheduled area .. ..	C	P.P.	Nil	N.A.	0.149	0.050			33		
5.	Production of Foundation seeds of temperate vegetables ..	C	A.R.	1.038	1.103	0.603	0.700	69	63	116		
6.	Improvement of Rice ..	C	A.R.	0.447			Nil					
7.	Development of Mushroom Cultivation ..	C	A.R.	1.021	0.203	0.400	0.281	29	138	70		
8.	Research on olive and pomegranate ..	C	A.R.	0.249	0.200	N.A.	0.260	104	130			
9.	Coordinated Maize breeding centre. ..	C	A.R.	0.322	0.200	0.386	0.411	128	206	106		

1	2	3	4	5	6	7	8	9	10	11	12	13
10. Pilot scheme for study of area yield and cultivation practices of applies .. ..	C	A.S.	0.349	0.246	0.348	0.366	105	149	105			
11. Grading Service Scheme* *(Not yet approved) ..	C	A.M.	0.433	0.154		Nil						
<i>B—State Schemes</i>												
12. Minor Irrigation Programme .. ..	D	M.I.	Nil	2.513		2.513			100			
13. Development of local manurial resources including intensification of urban compost work.	C	M&F	0.715	0.064	0.628	0.064	9	100			52	478
14. Demonstration and popularisation of improved implements ..	C	A.I.	1.293	1.265	1.729	0.756	58	60	44	100		72
15. Production in specially selected areas ..	C	C.C.	0.380	0.318	2.715	0.584	153	184	21	26		83
16. Soil Testing Centre in Kinnaur	C	A.E.	0.480	0.200		Nil						
17. Development of Bee Keeping .. ..	C	ETF	Nil	0.277	0.799	0.277		100	35	98		...
18. Soil and Land use Survey .. ..	C	S.C.	1.339			0.158	12			42		250
19. Reserve for foreign training (in service) and training of farmers .. ..	C	ETF	Nil	0.173	0.163	0.081			50			

*Legend (for Col. 3)*

- A—Schemes involving outlay of Rs. crore or more.
- B—Schemes involving outlay between 25 lakhs and 1 crore.
- C—Schemes involving outlay of 25 lakhs or below.

*Abbreviation explained (for Col. 4)*

- AE=Agricultural education.
- AI=Agricultural implements.
- AM=Agricultural marketing.
- AR=Agricultural research.

- AS=Agricultural statistics.
- CC=Commercial crop.
- ETF=Extension training of farmers.
- IC=Intensive cultivation.

- M&F=Manures and fertilizers
- MI=Minor Irrigation.
- SC=Soil conservation.
- PP=Plan Protection
- NA=Not Available.

**ANNEXURE V**  
(See para 4.2)

*Statement showing the levels involved and the time taken in processing plan Schemes for administrative approval*

Sl. No.	Description of the Scheme	Date of initiation of the case	Level of initiation	Issue of administrative approval															
				By the Centre					By the Union Territory										
				Date of issue	Time taken by			Date of issue	Total time taken by Union Territory	Break-up of time taken by Union Territory									
					Centre	Union Territory	Total			Office JDA	ADA Agri-DA	Secy. Agri-	Finance Deptt.	A.M.	C.M.	L.G.	Field Agency	Transit and issue	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
1.	Soil conservation in River Valley Projects (Agri. only)	10-5-66	N.A.	13-4-67	133	205	338	—Not available—											
2.	Agricultural College	23-12-66	D.H.					9-1-68	382	120	16	21	114	9	19	9	28	46	
3.	Intensive Agri. Area Programme	19-3-64	ADA	11-3-66	207	516	723	—Not available—											
4.	Welfare of scheduled tribes and scheduled areas	10-5-67	D.H.	—	—	—	—	18-12-67	222	10	8	32	52	9	31	10	58	12	
5.	Production of Foundation seeds of temperate vegetables.	20-12-66	D.H.	21-2-67	63	—	63	2-2-68	410	72	83	7	158	5	9	10	50	16	

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
6.	Improvement of Rice.	16-2-67	D.H.	9-11-67	266	—	266											
7.	Development of Mushroom cultivation	25-7-64	D.H.	27-6-66	519	184	703											
8.	Research on olive and pomegranate	2-11-65	D.H.	24-1-67	449	—	449											
9.	Co-ordinate Maize breeding Centre	15-12-66	D.H.		25	88	113	13-3-67	88	14	7	3	49	—	4	2	—	9
10.	Pilot scheme for study of area yield and cultivation practices of apples	17-12-66	D.H.	N.A.	N.A.	N.A.	N.A.	23-11-67 (Kept pending)	341	111	71	16	117	6	8	4	—	8
11.	Grading Service Scheme* *(Not yet approved)	20-5-67	D.H.					9-2-68	265	40	31	5	175					14
12.	Minor Irrigation Programme	29-11-67	D.H.					14-2-68 (Proposal dropped)	78	38	7	—	18				14	1
13.	Development of local manurial resources including intensification of urban compost work	12-12-66	D.H.					8-2-68	423	82	71	13	120	8	9	47	58	15
14.	Demonstration and popularisation of improved implements	14-12-66	D.H.					23-11-67	344	64	90	12	120	9	27	4		18

15. Fruit Production in specially selected areas	12-12-66	D.H.	23-11-67	346	23	83	25	102	9	26	5	62*	11
16. Soil Testing Centre in Kinnaur	9-5-67	D.H.	Scheme kept in abeyance	126	10	6		79					31
17. Development of Bee keeping	24-5-67	D.H.	1-9-67	100	9	12	5	46	9	3	3		13
18. Soil and land used survey	27-12-66	D.H.	14-2-68 Pending in Agri. sections.	411	267	38	9	88					9
19. Reserved for foreign training (in service) & training of farmers.	10-5-67	D.H.	30-12-67	234	12	19	12	104	7	7	3	45	25

\*(Kept in abeyance pending approval of other revised schemes).

**ANNEXURE VI**  
(See para 9.4)

*Statement showing number of expenditure sanctions issued by the Department of Agriculture during the year 1966-67.*

S. No.	Category	Apr'66	May'66	June'66	July'66	Aug'66	Sept'66	Oct'66	Nov'66	Dec'66	Jan'67	Feb'67	Mar'67	Total
1.	Works .. ..	—	1	7	—	—	—	1	1	8	1	2	7	28
2.	Grants & subsidies ..	—	—	—	—	—	—	1	—	3	—	—	18	22
3.	Loans .. ..	—	—	1	—	—	—	—	—	—	—	—	14	15
4.	Purchases and other items of contingent expenditure like hire and maintenance of office accommodation and equipment .. ..	—	10	88	50	43	42	10	42	21	38	59	240	643
5.	Miscellaneous .. ..	—	4	3	6	3	2	2	1	8	6	5	10	50
	<b>TOTAL .. ..</b>	—	15	99	56	46	44	14	44	40	45	66	289	758
	<b>%</b>		2.0	13.0	7.4	6.1	5.8	1.9	5.8	5.8	5.9	8.7	13.1	100

**ANNEXURE VII**

(See 9.4)

*Statement showing the amounts involved in the financial sanctions issued by the Department of Agriculture during 1966-67*

S. No.	Category	Apr'66	May'66	June'66	July'66	Aug'66	Sept'66	Oct'66	Nov'66	Dec'66	Jan'67	Feb'67	Mar'67	Total
1.	Works	Rs.—	3,685	15,745	—	—	—	17,640	12,600	62,070	1,565	16,590	1,23,904	2,53,799
2.	Grants & Subsidies	Rs.—	—	—	—	—	—	*	—	37,483	—	—	15,39,443	15,76,926
3.	Loans	Rs.—	—	3,866	—	—	—	—	—	—	—	—	11,23,579	11,27,445
4.	Purchases and other items of contingent expenditure like hire and maintenance of office accommodation and equipment	Rs.—	2,15,673	4,79,538	2,50,390	1,50,234	76,978	13,87,909	1,22,507	1,60,680	1,70,985	1,20,544	11,39,105	42,74,543
5.	Miscellaneous	Rs.—	7,868	1,623	22,916	*1,258	38,520	5,592	18,982	*14,187	21,587	26,822	**64,810	2,24,165
<b>TOTAL</b>		<b>Rs.—</b>	<b>2,27,226</b>	<b>5,00,772</b>	<b>2,73,306</b>	<b>1,51,492</b>	<b>1,15,498</b>	<b>14,11,141</b>	<b>1,54,089</b>	<b>2,74,420</b>	<b>1,94,137</b>	<b>1,63,956</b>	<b>39,90,841</b>	<b>74,56,878</b>

\*Excludes amount in respect of one sanction.

\*\*Excludes amount in respect of 2 sanctions.



## ANNEXURE VIII

(See para 10-1)

*Analytical statement of case-studies of Financial and expenditure sanctions issued by the Department of Agriculture*

S. No.	Characteristics	Category of cases									
		Loans		Subsidies	Purchases	Other contingencies	Write offs	Miscella- neous	Total		
		Horticul- tural	Soil con- servation								
1	2	3	4	5	6	7	8	9	10		
1.	No. of cases studied .. .. .	5	5	7	19	9	12	4	61		
2.	No. of cases decided by—										
	(a) Lt. Governor .. .. .	—	5	7	1	—	3	—	16		
	(b) Finance Deptt. .. .. .	—	—	—	7	5	2	4	18		
	(c) Director of Agriculture .. .. .	4	—	—	11	4	7	—	26		
	(d) Jt. Director of Agriculture. .. .. .	1	—	—	—	—	—	—	1		
3.	No. of cases submitted to—										
	(a) Agriculture Secretary .. .. .	—	4	7	—	—	2	—	13		
	(b) Agriculture Minister .. .. .	—	5	7	1	—	—	—	13		
	(c) Finance Minister .. .. .	—	5	7	—	—	2	—	14		
	(d) Chief Minister .. .. .	—	5	7	1	—	3	—	16		
4.	Average time taken by—(Days)										
	1. Agriculture Department—										
	(a) Office .. .. .	12	14	31	22	71	113	38	49		
	(b) Officers .. .. .	4	19	21	1	1	5	2	6		
	2. Finance Department .. .. .	—	23	25	9	12	16	7	16		
	3. Chief Minister .. .. .	—	12	7	4	—	31	—	13		
	4. Lt. Governor .. .. .	—	5	4	2	—	7	—	5		
	5. Transit .. .. .	8	10	105	35	109	21	20	15		
	6. Total .. .. .	24	83	83	105	35	164	67	14		
5.	Number of proposals—										
	(a) referred to Finance .. .. .	—	5	7	8	5	5	4	34		
	(b) accepted by Finance .. .. .	—	5	7	7	5	5	3	32		

**ANNEXURE IX**  
(See para 10·2)

*Particulars of financial cases submitted to the Lieutenant Governor*

Sl. No.	Category of cases	No. studied	No. submitted to Lt. Governor	Amount involved	Whether submission necessary under Rules of Business	Remarks
1	2	3	4	5	6	7
1.	Purchase of stores and equipment .. .. .	19	1	—Rs. 7 lakhs	Yes	
2.	Write off of losses .. .. .	12	3	—Rs. 1,084 —Rs. 5,852 —Rs. 9,844	No.	
3.	Soil Conservation Loans .. .. .	5	5	—Rs. 5,741 —Rs. 14,288 —Rs. 5,740 —Rs. 5,775 —Rs. 24,863	No.	The power has not been formally delegated under the Soil Conservation Rules to any subordinate authority.
4.	Subsidies .. .. .	7	7	—Rs. 17,180 —Rs. 24,637 —Rs. 5,740 —Rs. 14,288 —Rs. 5,741 —Rs. 5,775 —Rs. 24,863	No.	-do-

ANNEXURE X

(See para 10·3)

Statement showing particulars of financial cases referred to the Finance Department

S. No.	Category	No. of cases			Particulars of cases of Col. 4	Particulars of cases of Col. 5	No. of proposals			
		Studied	Referred to F.D.				Accept- ed	Reject- ed	Clarifi- cation asked for	
			In dele- gated sector	Undele- gated sector						
1	2	3	4	5	6	7	8	9	10	
1.	Purchase of tools equipment, stores etc.	19	2	6	(i) Book shelves—Rs. 475, 475, 475 and Rs. 950. (ii) Journals—Rs. 329	Stores Stores Superphosphate Furniture Furniture Furniture	—Rs. 2,650 —Rs. 1,300 —Rs. 7,07,640 —Rs. 950 —Rs. 10,000 —Rs. 7,790	7	..	1
2.	Hiring of accom- modation and re- pair of vehicles & equipment	9	4	1	(i) Hire of typewriters <i>ex- post-facto</i> —Rs. 264 ( for one year) (ii) Repair of typewriters— Rs. 119. (iii) Repair of typewriters— Rs. 234. (iv) Tyres and tubes for trac- tors—Rs. 336.	Overhaul of tractor	—Rs. 6,053	5	..	..

1	2	3	4	5	6	7	8	9	10
3. Write offs . . .		12	1	4	Stores—Rs. 25	Stock articles —Rs. 1,884 Stores —Rs. 5,852 Stores —Rs. 9,844 Stores —Rs. 4,907	5	..	..
4. Miscellaneous Ex- penditure sanc- tions		4	..	4		Engagement of casual —Rs. 1,281 labourers <i>ex-post- facto.</i> —Rs. 1,101 —Rs. 1,507 Exceeded scale of re- freshment charges 0.75 per head.	3	..	1
5. Loans and sub- sidies . . .		17	..	12		Soil conservation loans—5 cases, in- volving amount ranging from Rs. 5,000 to Rs. 25,000. Soil conservation subsidies—7 cases in- volving amount ranging from Rs. 5,000 to Rs. 25,000.	5	..	..
<b>TOTAL . . .</b>		<b>61</b>	<b>7</b>	<b>27</b>			<b>32</b>	<b>..</b>	<b>2</b>

**ANNEXURE XI**

(See para 11.1)

*Statement showing the existing and the proposed financial and other powers of the Director of Agriculture Himachal Pradesh.*

S. No.	Nature of Power	Existing Power	Proposed Power	Remarks
1	2	3	4	5
<i>A—Financial</i>				
1.	Power to create posts . . . . .	Nil	Class III and IV for any stated period.	Subject to clearance by the Administrative Reforms Department.
2.	Purchase of stores, instruments and minor equipment . . . . .	Upto Rs. 1,000 p.a.	Rs. 10,000 in each case	
3.	Purchase of furniture . . . . .	Rs. 500 per annum per office.	Rs. 1,000 per annum per office.	
	Purchase of books and periodicals (for official use) . . . . .	Rs. 500 per annum	Rs. 5,000 per annum	
5.	Local purchase of articles excluding stationery normally obtainable from sources prescribed by Government . . . . .	Nil	Rs. 500 in each case	
6.	To make local purchase of stationery . . . . .	Nil	Rs. 500 per annum	
7.	Hiring of office accommodation . . . . .	Rs. 300 per month per office.	Rs. 400 per month per office.	
8.	Hiring of typewriters . . . . .	Upto 3 months at market rates.	Upto 1 year at market rates.	
9.	Incurring of general contingent expenditure (excluding that of an unusual character) . . . . .	Recurring Rs. 500 a year in each case; Non-recurring Rs. 2,500 in each case.	Rs. 750 per annum in each case; Rs. 40,000 in each case.	

1	2	3	4	5
10.	Maintenance, upkeep and repairs of vehicles.	Upto Rs. 1,000 p.a. per item	Up to Rs. 2,000 per annum per item.	
11.	Staff paid from contingencies	Full powers	Full powers	
12.	Power to incur miscellaneous expenditure	Nil	Recurring Rs. 100 a year on each individual item; Non-recurring Rs. 750 on each individual item.	
13.	Write off of loss of stores or of public money <i>not</i> due to theft, fraud or negligence	Rs. 250 in each case	Rs. 1,000 in each case	
14.	Write-off of loss of stores or of public money <i>due</i> to theft, fraud or negligence	Nil	Rs. 500 in each case	
15.	Write-off of loss of revenue or irrecoverable loans and advances	Nil	Rs. 500 in each case	
16.	Grant of loans and subsidies for soil conservation works.	Nil	Rs. 15,000 in each case— Loan. Rs. 15,000 in each case— Grant.	Subject to the proviso contained in Rule 12 of the DFPR 1958.
<b>B—Others</b>				
1.	Technical sanction to soil conservation works under the scheme approved by the Land Development Board.	Nil	Rs. 30,000 in each case	Subject to the conformity with the approved rates for different categories of works and other procedural instructions.
2.	Declaration and disposal of articles of stores and stocks as unserviceable.	Rs. 250 in each case	Rs. 2,000 in each case	

NOTE:—The exercise of above powers will be subject to conformity with the principles, conditions and restrictions etc. mentioned in the relevant provisions in the Delegation of Financial Powers Rules and procedural instructions issued thereunder,

**ANNEXURE XII**

*(See paragraph 11.1)*

*Statement showing the existing and proposed financial and other powers of the Joint Directors of Agriculture and the Deputy Directors under them.*

S. No.	Nature of Power	Authority	Existing Powers	Proposed Powers	Remarks
1	2	3	4	5	6
1.	Purchase of stores, instruments, minor equipment etc.	Joint Director Deputy Director	Nil Rs. 250 in each case	Rs. 5,000 in each case Rs. 1,000 in each case	
2.	Purchase of furniture	Joint Director  Deputy Director	Nil  Rs. 250 per annum per office	Rs. 500 per annum per office Rs. 250 per annum per office	
3.	Purchase of books and periodicals (for official use)	Joint Director Deputy Director	Nil Rs. 250 per annum	Rs. 1000 per annum Rs. 500 per annum	
4.	Local purchase of articles excluding stationery normally obtainable from sources prescribed by Government.	Joint Director Deputy Director	Nil Nil	Rs. 250 in each case Rs. 100 in each case	
5.	Power to make local purchase of stationery.	Joint Director Deputy Director	Nil Nil	Rs. 200 per annum Rs. 100 per annum	
6.	Hiring of office accommodation	Joint Director Deputy Director	Nil Nil	Rs. 200 per month per office Rs. 50 per month per office	
7.	Hiring of typewriters	Joint Director Deputy Director	Nil Upto 3 months	Upto 6 months at market rates Upto 3 months at market rates	
8.	Incurring of general contingent expenditure (excluding that of an unusual character)	Joint Director  Deputy Director	Nil  Recurring Rs. 25 in each case; Non-recurring Rs. 250 in each case	Recurring Rs. 500 in each case. Non-recurring Rs. 2500 in each case; Recurring Rs. 100 in each case Non-recurring Rs. 500 in each case.	
9.	Maintenance, upkeep and repairs of vehicles.	Joint Director Deputy Director	Nil Upto Rs. 500 p.a. per item	Upto Rs. 1,500 per annum per item Rs. 800 per annum per item.	

1	2	3	4	5	6
10.	Staff paid from contingencies.	Joint Director Deputy Director	Upto annum	Nil Rs. 250 per	Upto Rs. 2500 per annum Upto Rs. 1500 per annum
11.	Power to incur miscellaneous expenditure.	Joint Director  Deputy Director		Nil  Nil	Recurring Rs. 50 a year on each individual item Non-recurring Rs. 500 on each individual item. Recurring Rs. 25 a year on each individual item Non-recurring Rs. 250 on each individual item.
12.	Write off of loss of stores or of public money <i>not</i> due to theft, fraud or negligence	Joint Director Deputy Director		Nil Nil	Rs. 500 in each case Rs. 100 in each case
13.	Write off of loss of stores or of public money <i>due</i> to theft, fraud or negligence.	Joint Director Deputy Director		Nil Nil	Rs. 100 in each case Nil
14.	Write off of loss of revenue or irrecoverable loans & advances.	Joint Director Deputy Director		Nil Nil	Rs. 100 in each case Nil
15.	Grant of loans and subsidies for soil conservation works.	Joint Director  Deputy Director		Nil Nil	Rs. 7500 in each Rs. 7500 grant case Rs. 2500 in each Rs. 2500 grant case
					Subject to the provision contained in Rule 12 of the DFPR 1958.
<b>B—Others</b>					
1.	Technical sanction to soil conservation works under the schemes approved by the Land Development Board	Joint Director Deputy Director		Nil Nil	Rs. 15,000 in each case Rs. 5,000 in each case
2.	Declaration and disposal of articles of stores and stocks as unserviceable.	Joint Director Deputy Director		Nil Nil	Rs. 1,000 in each case Rs. 200 in each case
					Subject to conformity with approved rates for different categories of works, and (b) other procedural instructions.

NOTE:—The exercise of above powers will be subject to conformity with the principles, conditions and restrictions etc. mentioned in the relevant provisions in the Delegation of Financial Powers Rules and procedural instructions issued thereunder.



## ANNEXURE

(See

*Analytical statement of case studies*

Sl. No.	Category	No. cases studied	Decision-making level										
			MG	CM	GS	FM	FS	US(F)	Agr. Min.	Agr. Secy.	DA	JDA	
1	2	3	4	5	6	7	8	9	10	11	12	13	
1.	Recruitment	9	2	1							1	5	
2.	Promotion	5									5		
3.	Confirmation	8									8		
4.	Leave	10	3									4	3
5.	Fixation of pay	5	1					2				1	1
6.	Grant of special pay to Cashiers.	10					4	5	1				
7.	Crossing of Efficiency bar . . .	5	1									4	66
8.	Advances from General Provident Fund . . .	7						3	3			1	11
9.	Permission to undertake journeys beyond jurisdiction.	5	1									3	16
10.	Permission for undertaking work for outside agencies. . .	2	2										17.5
11.	Forwarding of Applications for outside posts. . .	5		1							2	2	11.5

## XIII

para 14

of personnel cases)

Time taken by						Transit time	Total time	Remarks
Agr. Deptt. office	Deptt. Officers	Finance Deptt.	CM	LG				
14	15	16	17	18	19	20	21	
15	35.5	Nil				72.5	In three cases of recruitment to class III posts selection boards were constituted in which the DA presided. In two others the DA recruited the persons on <i>ad hoc</i> basis.	
		Nil					In all the five cases decision to promote was taken by the Departmental Promotion Committee which was presided over by the Agri. Secretary.	
		Nil					In all the eight cases, the decision to promote was taken by the Departmental promotion Committee (chaired by the Agriculture Secretary).	
23	3	Nil	17	16	10	46	Three cases were shown to Agriculture Secretary and one of these was shown to the Development Minister.	
40	4	27.5	6	1	23	80	The case submitted to LG was routed through Agri. Secy. Agriculture Minister & Chief Minister.	
28.5	8.5	19			34	137*	Seven cases were seen by the Agriculture Secretary & four by the Finance Minister.	
							*Includes average of 52 days taken by the initiation of the proposal to supply the necessary information in 9 out of the ten cases studied.	
66	3	Nil	72		6	92.5	The case which was put up to L. G. was shown to Agriculture Secretary also.	
11	2	2			7	21		
16	5	8	19	5	5	33		
17.5	31.5	4.5	7.5	3	19	83	Both the cases were put up to L.G. through Finance Secretary. One of them was routed through Development Minister and the other through Finance Minister.	
11.5	6.5	Nil			10	29		

	1	2	3	4	5	6	7	8	9	10	11	12	13
12. Conduct/ Discipline and ex- punging ad- verse en- tries from CRs.			9									9	
13. Resignation			2									2	
14. Extension of service.			2	1							1		
15. Miscellaneous			7									5	2
<b>TOTAL :</b>			91	11	1	1	4		10	4	17	36	7

14	15	16	17	18	19	20	21
30.5	4	Nil			7.5	42	
18	1	Nil			5.5	24.5	
6	29.5	56	7	4	25.5	83.5	The case which was submitted to LG was routed through Agriculture Minister/ Finance Minister/Chief Minister.
22	2	Nil			6	30	
24	9	16	19	8	13	68	

*Particulars of personnel cases submitted to Lt. Governor.*

Sl. No.	Category of cases	No. studied	No. submitted to Lt. Governor	Brief particulars
1	2	3	4	5
1.	Recruitment .. .. .	9	2	(a) Post of Assistant Soil Conservation Officer (Engineering). Approval of CM/LG obtained for continuation of the promotee to this post for one year. (b) Appointment to the post of HAC, Solan.
2.	Leave (Extra-Ordinary) ..	10	3	(a) To Asstt. Entomologist. (b) To Asstt. Entomologist. (c) To Asstt. Botanist.
3.	Fixation of pay .. ..	5	1	Higher initial pay to Asstt. Prof.
4.	Crossing of Efficiency Bar ..	4	1	Entomologist (Class I).
5.	Permission for undertaking work for outside bodies and acceptance of the fee therefor.	2	2	(a) Entomologist. (b) Vegetable Botanist.
6.	Extension of service .. ..	2	1	Extension in service of Agricultural Asstt. beyond the age of retirement.
7.	Permission to undertake journey beyond jurisdiction.	5	1	Exemption under SR 73. Tractor Driver went to Delhi for overhaul of tractor—74 days out of station.
	TOTAL .. ..	37	11	

Statement showing particulars of personnel cases referred to Finance Department

No.	Category	No. of cases		Particulars of cases of Col. 4	No. of proposals			Remarks
		Studied	Referred to Finance		Accepted	Rejected	Clarification asked for	
1	2	3	4	5	6	7	8	9
1.	Grant of special pay to cashiers	10	10	All the cases ranging from Rs. 5 to Rs. 35.	10	—	—	
2.	Fixation of pay . . . . .	5	2	(a) Horticulture Asstt. Kasumpti (b) Vegetable Botanist.	2	—	—	
3.	Advance from G.P.F. . . . .	7	6	(a) Amount exceeds 3 months pay. (b) First advance but amount applied for was Rs. 1,000 out of Rs. 1,015 standing at his credit. (c) 3 cases of 2nd advance. (d) Special advance.	6	—	—	
4.	Extension of service		1	Extension in service of Agricultural Asstt. beyond the age of retirement.	—	1		Turned down by L.G.
5.	Permission to undertake journey beyond jurisdiction . . . . .	5	1	Exemption under SR 73. Tractor Driver went to Delhi for overhaul of tractor—74 days out of station.	1	—	—	Travelled up to L.G.
6.	Sanctions for undertaking outside work and acceptance of fees therefor. . . . .	2	2	Request of Principal-cum-Joint Director of Agricultural Research, Solan, and of Vegetable Botanist, Solan, to act as Examiners in outside bodies.	2	—	—	

**Annexure XVI**

[See paras 24, 26·2 (4)]

*Statement showing the existing and the proposed powers of the Secretary (Agriculture) Director of Agriculture, joint Director of Agriculture and the Controlling Officers in the field of personnel administration.*

Sl. No.	Nature of power	Authority in whom the power vests at present	Authority to whom the power is proposed to be delegated.
(1)	(2)	(3)	(4)
1.	Power to make appointment to:		
	(a) Class I posts . . . . .	L.G.	L.G.
	(b) Class II posts . . . . .	L.G.	Secy
	(c) Class III posts . . . . .	D. A.	D. A
2.	Powers to impose major penalties on:		
	(a) Class I officers . . . . .	L.G.	L.G.
	(b) Class II officers		
	A—Field . . . . .	L.G.	Secy.
	B—Headquarters . . . . .	L.G.	Secy.
	C—Secretariat . . . . .	L.G.	Secy.
	(c) Class III officers		
	A—Field . . . . .	D.A.	D.A.
	B—Headquarters . . . . .	C.S.	Secy.
	C—Secretariat . . . . .	C.S.	Secy.
3.	Power to impose minor penalties on:		
	(a) Class I officers		
	I—Executive heads . . . . .	L.G.	L.G.
	II—Others		
	A—Secretariat . . . . .	L.G.	C.S.
	B—Others . . . . .	L.G.	Secy.
	(b) Class II officers . . . . .	L.	
	A—Field . . . . .	L.G.	D.A.
	B—Headquarters . . . . .	L.G.	D.A.
	C—Secretariat . . . . .	L.G.	Secy.
	(c) Class III officers		
	A—Field . . . . .	D.A.	D.A.
	B—Headquarters . . . . .	C.S.	Secy.
	C—Secretariat . . . . .	C.S.	Secy.
4.	Power to decide appeals against penalties. . . . .	—	Authority immediately superior to the authority empowered to impose the penalties.
5.	Power to grant special pay to cashier/gestetner operations . . . . .	F.D.	D.A.
6.	Power to permit employees to undertake work for outside agencies and to accept fees therefor. . . . .	L.G.	D.A. upto Rs. 200 in each case. Secy. upto Rs. 500 in each case.

(1)	(2)	(3)	(4)
<b>7. Power to sanction crossing of efficiency bar for:</b>			
(a) Class I officers . . . . .		L.G.	Secy.
(b) Class II officers			
A—Field . . . . .		L.G.	D.A.
B—Headquarters . . . . .		L.G.	D.A.
C—Secretariat . . . . .		L.G.	Secy.
(c) Class III officers			
A—Field . . . . .		D.A.	J.D.A.
B—Headquarters . . . . .		C.S.	D.A.
C.—Secretariat . . . . .		C.S.	Secy.
<b>8. Power to grant leave (except study leave and special disability leave)</b>			
(a) To Class I officers:			
A—Field . . . . .		L.G.	D.A. (Full powers)
B—Headquarters . . . . .		L.G.	Secy. (Full powers)
			D.A. (if no substitute is required).
C—Secretariat . . . . .		L.G.	C.S. (Full powers)
			Secy. (if no substitute is required)
(b) To class II officers			
A—Field . . . . .		D.A.	D. A. (Full powers)
			DD/JDA (if no substitute is required).
B—Headquarters . . . . .		D.A.	Secy. (Full powers)
			D.A. (if no substitute is required).
C—Secretariat . . . . .		C.S.	Secy. (Full powers)
(c) To Class III officers			
A—Field . . . . .		D.A. (Full power)	DD/JDA (Full powers)
		C.O. (upto 60 days)	H. O. (if no substitute is required).
B—Headquarters . . . . .		C.S. (Full powers)	D.A. (Full powers)
C—Secretariat . . . . .		C.S. (Full powers)	Secy. (Full powers)
<b>9. Forwarding of applications:</b>			
(a) Class I officers . . . . .		Minister	Secretary
(b) Class II officers. . . . .		Minister	D.A.
(c) Class III officers . . . . .		D.A.	J.D.A.
<b>10. Maintenance of character rolls:</b>			
(a) Class I officers:			
(1) Reporting officer . . . . .		D.A.	Immediate superior of the officer reported upon.
(2) Reviewing officer . . . . .		Secy	Immediate superior of the reporting officer.



(1)	(2)	(3)	(4)
(b) Class II officers:			
(1) Reporting officer . . . .		D.A.	Immediate superior of the officer reported upon.
(2) Reviewing officer . . . .		Secy.	Immediate superior of the reporting officer.
(c) Class III officers:			
(1) Reporting officer . . . .		H.O.	Immediate superior of the officer reported upon.
(2) Reviewing officer . . . .		DA/JDA	Immediate superior of the reporting officer.
<b>11. Power to accept resignation of.:</b>			
(a) Class I officers . . . .		L.G.	L.G.
(b) Class II officers . . . .		L.G.	Secy.
(c) Class III officers . . . .		D.A.	D.A.
<b>12. Power to grant exemption from the rule limiting a halt to 10 days:</b>			
(a) Class I officers			
A—Field . . . .		L.G.	D.A.
B—Headquarters . . . .		L.G.	D.A.
C—Secretariat . . . .		L.G.	Secy.
(b) Class II officers			
A—Field . . . .		L.G.	D.A./JDA
B—Headquarters . . . .		L.G.	D.A.
C—Secretariat . . . .		D.A.	DD/JDA
<b>13. Power to permit travel beyond jurisdiction .</b>		As in the above case—Sl. No. 12.	
<b>4. Power to grant ordinary advances from G.P. Fund to:</b>			
(a) Class I officers			
A—Field . . . .		D.A.	D.A.
B—Headquarters . . . .		D.A.	D.A.
C—Secretariat . . . .		C.S.	Secy.
(b) Class II officers			
A—Field . . . .		D.A.	J.D.A.
B—Headquarters . . . .		D.A.	D.A.
C—Secretariat . . . .		C.S.	Secy.
(c) Class III officers:			
A—Field . . . .		D.A.	D.D/JDA
B—Headquarters . . . .		D.A.	D.A.
C—Secretariat . . . .		C.S.	Secy.
<b>15. Power to grant special advance from G.P. Fund to:</b>			
(a) Class I & II officers			
A—Field . . . .		F.D.	D.A.
B—Headquarters . . . .		F.D.	D.A.
C—Secretariat . . . .		F.D.	Secy.

(1)	(2)	(3)	(4)
(b) Class III officers			
A—Field . . . . .		F.D.	J.D.A.
B—Headquarters . . . . .		F.D.	D.A.
C—Secretariat . . . . .		F.D.	Secy.
16. Power to sanction pension to:			
(a) Class I officers . . . . .		L.G.	L.G.
(b) Class II officers . . . . .		L.G.	Secy.
(c) Class III officers] . . . . .		F.D.	D.A.

NOTE: (1) The list is illustrative only.  
 (2)\*

*Abbreviations used in this statement*

L.G.	—	Lieutenant Governor
C.S.	—	Chief Secretary
Secy.	—	Secretary
F.D.	—	Finance Department
D.A.	—	Director of Agriculture
D.D.	—	Deputy Director
J.D.A.	—	Joint Director of Agriculture
C.O.	—	Controlling Officer (like Deputy Directors entomologist, plant Pathologist)
H.O.		Head of Office

\*Controlling Officer means an officer immediately above Head of office in the field.

**Annexure XVII**  
**(See Para 26.1)**

*Copy of Himachal Pradesh Government's Order No.1-1/67-CCD dated the 19th August, 1967.*

The Development Minister, Himachal Pradesh is pleased to order that the arrangement of work as shown in Appendix I & II to this order shall be observed by the following Deputy Ministers in respect of the Departments shown against each:—

- |                             |                           |
|-----------------------------|---------------------------|
| 1. Shri Nek Ram Negi        | Excise and Taxation       |
| 2. Shri Daulat Ram Sankhyan | Agriculture & Development |
| 3. Shri Mehnga Singh        | Animal Husbandry          |

**Appendix I**

**CASES FOR DISPOSAL BY THE DEPUTY MINISTERS ON BEHALF OF MINISTER**

**ESTABLISHMENT**

1. Extension of class I & II Posts.
2. Crossing of Efficiency bars in respect of class I & II officers.
3. Grant of leave to class I Officer, i.e. Secretaries, Joint Secretaries and Heads of Departments, not involving any officiating promotion.
4. Cases regarding deputation of class I & II officers for training in India.
5. Cases for grant of study leave to class II officers.
6. Cases regarding deputation of officers on transfer to the other Governments and Departments on foreign service.
7. Representations in respect of class III & IV made against the orders of the Heads of Departments/Secretaries.

**FINANCIAL**

1. Forwarding of applications for posts outside Himachal Pradesh of Class I & II officers.
2. Cases for grant of fee/honorarium/cash allowance etc.
3. Contingent Expenditure sanctions (recurring and non-recurring) above Rs. 20,000/- but below Rs. 50,000 provided the same are not within the competence of Heads of Departments or Secretaries, concerned.
4. Grant-in-aid or loans which are in accordance with the prescribed pattern of assistance upto Rs. 50,000/- not within the competence of Heads of Departments or the Secretaries.
5. Write off of losses between Rs. 5,000/- to Rs. 10,000/-
6. Exemption from the operation of SR 73 if the period involved is beyond the competence of Heads of Departments.
7. Advance out of GP Fund not within the competence of the Head of Departments/Secretaries.
8. Cases of advance increments.

**CASES TO BE ROUTED THROUGH DEPUTY MINISTERS TO THE MINISTERS**

1. Annual Plan which is in accordance of the approved plan for the entire period
2. Opening of New Institutions/Offices.
3. Grant of extension/re-employment to class III & IV.

4. Sanction for the purchase of Immovable property by Government servants of class I & II.
5. All new expenditure proposals for inclusion in the Budget.

**NOTE.**—All cases in which there is difference of opinion between Head of Department/ Secretary and the Finance Department and Law Department, these cases shall be submitted to the Minister.

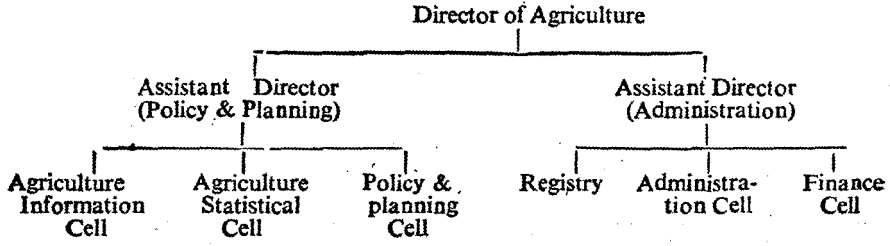
#### Appendix II

1. All the other papers/cases not defined in Appendix I and are not within the competence of the Heads of Departments and or the Secretaries concerned in respect of the said Departments, shall henceforth be submitted to him, and he will generally take decisions on various matters. Papers on matters of policy and important issues requiring specific orders of the Development Minister will, however, be submitted to him (Development Minister) for orders by the Deputy Minister.
2. The papers which may have to be submitted to the Development Minister in the interest of exigencies of work and are of immediate nature would be shown to the Dy. Minister on their return from the Development Minister.
3. The date time and venue of all official meetings to be held in the Development Minister's room and/or those attended by the Development Minister would be intimated to the Dy. Minister.
4. The Dy. Minister shall however, not take final decision in respect of any matter which, under the rules of Business or any other Act/Rules and instructions, is required to be submitted to the Chief Minister/or the Lt. Governor, in which case the paper file shall be routed through the Minister.

**Annexure XVIII**

(See para 26.2)

*Chart showing the proposed head quarters organisation of the Directorate of Agriculture*



(See para 8.2)

*Controls prescribed by the Government of Union Territories Act, 1963, on the exercise of the powers and functions of Union Territory Administration.*

1. All Bills passed by the Legislative Assembly have to be reserved for the consideration of the President who may assent to a bill, refuse his assent, or return it for reconsideration by the Legislative Assembly. (S. 25)
2. Annual statement of the estimated receipts and expenditure (i.e., budget) of the Union Territory has to be submitted to the President for approval before presentation to the Legislative Assembly. (S. 27)
3. The prior approval of the President is necessary in making rules for:—
  - (a) securing timely completion of financial business;
  - (b) regulating the procedure of, and the conduct of business in, the Legislative Assembly in relation to financial matter or to any bill for the appropriation of money out of the Consolidated Fund of the Union Territory; and
  - (c) prohibiting the discussion of, or the asking of questions on, any matters which affect the discharge of the functions of the Administrator in so far as he is required to act in his discretion. (S. 33)
4. The President may issue directions concerning official language of the Union Territory. (S. 34)
5. Council of Ministers is not entitled to aid and advise the Administrator in the exercise of his functions in relation to matters :—
  - (a) with respect to which the Legislative Assembly has no power to make laws;
  - (b) in respect of which the Administrator is required to act in his discretion; or
  - (c) in respect of which he is required to exercise any judicial or quasi-judicial functions (S. 44)
6. Cases involving difference of opinion between the Administration and his ministers have to be decided by the President. (S. 44)
7. Security of the border is the special responsibility of the Administrator. (S. 44)
8. Rules for the allocation of business to the Ministers and for the more convenient transaction of business with the minister, including the procedure to be adopted in the case of a difference of opinion between the Administrator and the Council of Minister or a Minister, have to be made by the President. (S. 46)
9. Rules relating to the custody of the Consolidated Fund of the Union Territory, the payment of moneys into such fund, the withdrawal of moneys therefrom, and all other matters connected with or ancillary to those matters require the approval of the President. (S. 47)
10. Both the Administrator and the Council of Ministers are to be under the general control of, and comply with such particular directions if any, as may from time to time be given by the President. (S. 50)
11. The President may, if satisfied, suspend the operation of all or any of the provisions of the Union Territory Act for such period as he thinks fit and make such incidental and consequential provision as may appear to him to be necessary or expedient.

**Appendix XXV**

(See para 8·3)

*visions of the Rules of Business of the Government of Himachal Pradesh which require the previous approval, sanction or advice of the Central or otherwise impose certain restrictions on its working*

1. The Central Government rules relating to sanctioning of expenditure, appropriation and reappropriation of funds, public works and purchase of stores required for use if public service have normally to apply in relation to department and officers of the Union Territory Administration also. (Rule 7)
2. With respect to persons serving in connection with the affairs of the Union Territory, the Administrator can exercise only such powers and functions as are entrusted to him by the President. (Rule 47)
3. Proposals for legislation affecting official language of the Union Territory, any matter enumerated in the Concurrent List, or specified entries in State List have to be referred to the Central Government prior to their introduction in the Legislative Assembly unless in the Administrator's opinion the matter contained in the proposal is of routine or of unimportant nature. (Rule 56)
4. The Administrator may refer to the Central Government any draft Bill before it is introduced in the Legislative Assembly. (Rule 49)
5. Annual Development Plan of the Union Territory has to be drawn up with such detail as may be prescribed by the Central Government and referred to it for approval. (Rule 54)
6. The form of the annual financial statement of the Union Territory and the procedure for obtaining the approval of the President is to be prescribed by the Central Government. (Rule 55)
7. The following further types of cases have to be referred to the Central Government:—
  - (a) all important cases raising questions of policy or administrative importance;
  - (b) important cases which affect or are likely to affect the peace and tranquillity of the Union Territory;
  - (c) cases which affect or are likely to affect the interests of any minority community, Scheduled Casts, Scheduled Tribe and backward classes;
  - (d) cases which affect the relations of the Central Government with any State Government, the Supreme Court, or the Court of the Judicial Commissioner;
  - (e) proposals for the appointment of Chief Secretary, Finance Secretary, Development Commissioner and the Inspector General of Police and the appointments to posts which carry an ultimate salary of rupees two thousand per mensem or more;
  - (f) financial proposals involving implications beyond the powers delegated to the Administrator;
  - (g) proposals for alienation of land revenue of rupees ten thousand or more, or grant of any land assessed to a land revenue of such amount;
  - (h) proposals involving alteration in the essential features of any approved plan scheme;
  - (i) proposals for taking up plan schemes which have not been included in the approved annual plan;
  - (j) any other matter which the Administrator may direct that it shall be referred to the Government of India. (Rule 56)

(See para 8-11)

**Main items of work visualised for Central Government in relation to the administration of Union Territories****A—Financial administration**

1. Work relating to quinquennial devolutions:—
  - examination of memorandum to be placed before the Finance Commission by the Union Territory;
  - final action and issue of orders on the Finance Commission's award for five-yearly devolutions to the Union Territory;
  - annual follow-up action.
2. Evaluating and reviewing administrative activity, especially in the field of development, so as to be able to direct the Union Territories:—
  - (a) to stop any activity not considered worthwhile;
  - (b) to undertake any new activity considered desirable; and
  - (c) to consider providing additional funds for a new activity not taken into account by the Finance Commission in determining quinquennial devolutions.
3. Scrutiny of "really new items" on the plan side to ensure that the provisions asked for conform to the annual plan ceilings for different heads of development and the amounts sanctioned for crucial schemes central assistance in respect of which has been 'tied'.
4. Broad review of "really new items" on the non-plan side to ensure that they do not entail any extra commitment on the part of the centre.
5. Approval of the annual financial statement and demands for supplementary grants before their presentation to the legislative assembly.
6. Communication of cuts, if any, imposed on the provisions asked for to the Union territory administration, with brief indication of reasons therefor.
7. Continuous analytical studies of the budgetary trends with a view *inter alia* :—
  - (a) to discover imbalances in the amounts spent on different activities;
  - (b) to keep abreast of important developments in every field of activity;
  - (c) to estimate the financial resources that the administration should be mobilising.
8. Creation of class I posts on scales of pay exceeding Rs. 1,800.
9. Sanction to Schemes (other than works) costing more than Rs. 50 lakhs, unless the project as a whole has been sanctioned and accepted by Central Government.
10. Scrutiny and sanction of excess expenditure on schemes over original estimates by more than 10 % or Rs. 1 crore whichever is more.
11. Reappropriation of funds from plan to non-plan items.
12. Other proposals (e.g. indents, contracts, write off of losses contingent expenditure etc.) involving financial implications exceeding the powers delegated to the Union Territory Administration or relaxation of any of the principles etc. governing such delegations.

**B—Planning**

13. Active association with the formulation of plans of Union Territories.



14. Finalisation of the five year plans and subsequent annual plans and determination of the quantum of central assistance.
15. Identification of crucial schemes for which central assistance should be treated as 'tied'.
16. Examination of need and justification for:—
  - (a) alterations in the essential features of an approved scheme;
  - (b) introduction of a new scheme in the course of the plan period.
17. Overseeing implementation of the plans.
18. Review and evaluation of plan programmes.

*C—Personnel management*

19. Overall personnel policies, including general conditions of service.
20. Recruitment rules for class I services and posts.
21. Postings to key posts of Chief Secretary, Finance Secretary, Law Secretary, Financial Commissioner, Inspector General of Police and Chairman of the proposed Subordinate Services Selection Board.
22. Major controls in respect of members of the all-India services.
23. Appeals against the original orders of the Administrator.
24. Petitions and memorials.

*D—General*

25. Overall policy regarding administration of the Union Territories *e.g.* relationship between the Union Territory and the Central Government, the role of the Administrator, review of the working of the various provisions of the Union Territories Act and the Rules of Business framed thereunder.
26. Cases involving differences between the administrator and his council of ministers.
27. Proposals for legislation relating to official language, public order and policy and to measures entailing substantive expenditure or abatement of revenues.
28. Matters affecting or likely to affect :—
  - the peace and tranquillity of the Union Territory;
  - the interest of any minority community, scheduled caste, scheduled tribes and backward classes;
  - the relations of the Union Territories with any State Government, the Supreme Court or Judicial Commissioners.
29. Proposals involving new taxation.

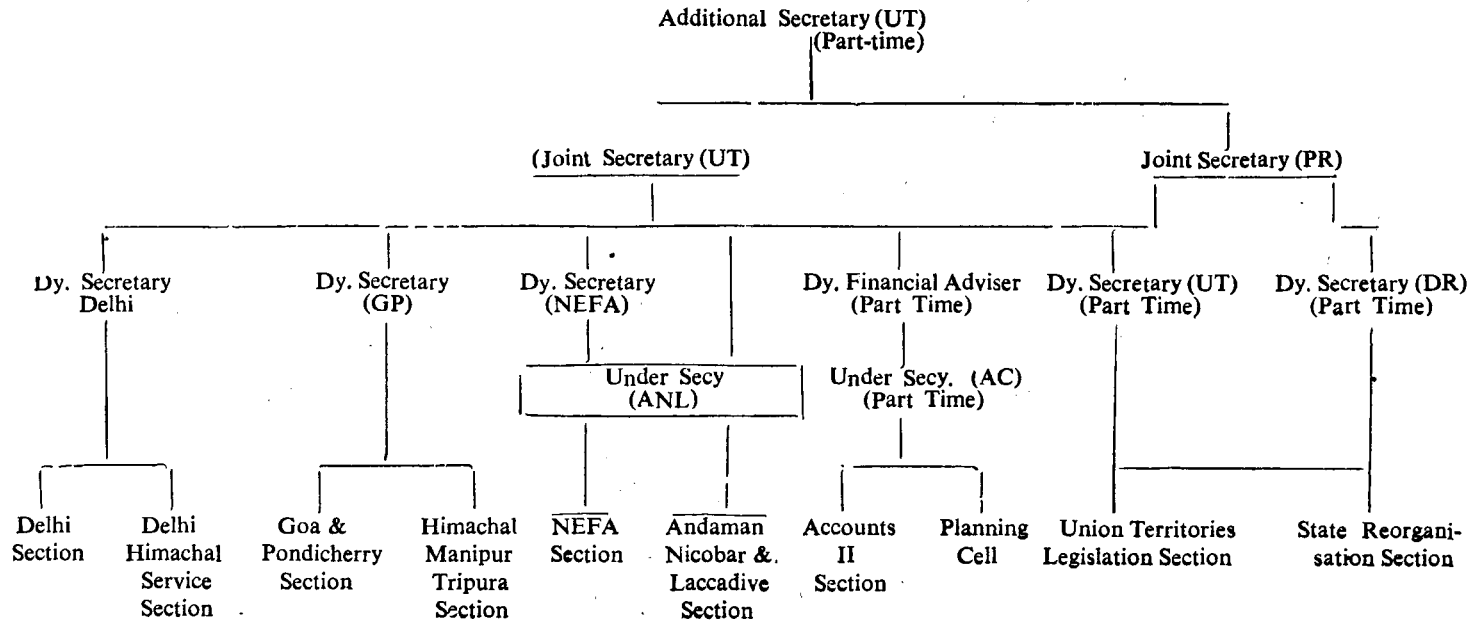
(See para 8.11)

*Main items of work in relation to Himachal Pradesh Administration which the Central Government will shed under the proposed system*

1. Cases raising questions of policy or administrative importance other than those specifically mentioned in the Rules of Business *e. g.* interest of minorities and scheduled castes and scheduled tribes facilities.
2. Proposals for legislation, other than those relating to the official language of the Union Territory public order, or police or involving substantive expenditure or abatement of revenues.
3. Detailed scrutiny of budget estimates relating to continuing items—both plan and non-plan.
4. Reappropriation of funds irrespective of the amount involved, provided that it does not entail diversion of funds from plan to non-plan items.
5. Creation or continuance of class I posts on scale of pay upto Rs. 1800/-
7. Scrutiny and sanction of schemes (other than works) provided the project as a whole has been scrutinised and accepted by the Central Government.
8. Scrutiny and sanction of excess expenditure over original estimates of schemes upto 10% or Rs. 1 crore whichever is less, provided it does not have the effect of substantially altering the scope of the scheme as accepted by the Central Government.
9. Indents, contracts and purchases to the extent to which the existing power of the Union Territory is proposed to be enhanced (*see* Appendix XIII).
10. Investment in equity of corporations and companies wholly owned by the Union Territory Government.
11. Minor aspects of personnel control in relations to the all-India Services cadres and almost complete control in respect of the lower services.
12. Appeals against orders of the disciplinary authority imposing major penalties on class II officers.

(See para 8.21)

Chart showing the existing organisation of the Union Territories Wing (including NEFA) of the Ministry of Home Affairs



## Appendix XXIX

(See para 8. 21)

*Items of work allotted to Deputy Secretary in charge of the two Sections handling work concerning the Union Territories of Himachal Pradesh, Manipur, Tripura, Goa, Daman and Diu, Pondicherry and Dadra and Nagar Haveli.*

### A—HIMACHAL, MANIPUR AND TRIPURA SECTION

1. Establishment matters of Manipur, Tripura and Himachal Pradesh Governments, e.g. classification of posts, revision of scales of pay, recruitment rules, grant of compensatory allowances etc.
2. Appointments of Indian Frontier Administrative Service Officers and C.H.S. Officers in Manipur and Tripura.
3. Implementation of Development Scheme in Manipur, Tripura and Himachal Pradesh except those relating to Scheduled Castes/Tribes and Backward Areas. Liaison with other Ministries in expediting progress of Development Schemes.
4. Appointment of Administrators, Manipur, Tripura and Himachal Pradesh and fixation of their terms and conditions.
5. Deputation of Officers (other than Police Officers, Judicial Commissioners and officers with which other Ministries are concerned) to Manipur, Tripura and Himachal Pradesh.
6. Rehabilitation of Bilaspur Oustees and construction of the new Bilaspur Township, Himachal Pradesh.
7. Questions arising out of Indo-Pakistan Trade Agreement with reference to Tripura and movement of goods to and from Tripura over East Pakistan.
8. Representations received from organisations and individual on various matters from Himachal Pradesh, Manipur and Tripura.
9. Notices under Section 80 C.P.C. etc. relating to Himachal Pradesh, Manipur and Tripura.
10. Matters relating to the relief and rehabilitation of displaced persons from East Pakistan in Tripura.
11. Maintenance of adequate stocks of essential commodities (food stuffs, petroleum products, etc.) in Manipur and Tripura.
12. Residuary matters relating to former Indian State Forces.
13. Residuary matters of Federal Financial Integration and grants under the Gadgil Committee Award.
14. Any other matter concerning Himachal Pradesh, Manipur and Tripura, other than Police, Political, Accounts and Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes.

### B—GOA AND PONDICHERRY SECTION

1. Establishment matters (excepting Police, Joint Service Cadres and Judicial Commissioner's Court, in Goa, Daman and Diu.
2. Pay and allowances of Secretariat Staff.
3. Grant of compensatory allowances to non-secretariat staff.
4. Terms of appointment of Lt. Governor of Goa, Daman and Diu and Pondicherry.

5. Liaison with other Ministries in expediting progress of development schemes (except Scheduled Castes and Scheduled Tribes).
6. Deputation of officers (except Police officers, Judicial Commissioners and officers of departments with which other Ministries are concerned).
7. Notices under Section 80 C.P.C.  
Delegation of powers to the Administrators and other officers under F.R. and S.R.
8. Residual work in other matters relating to Union Territories of Goa, Daman and Diu, Pondicherry and Dadra and Nagar Haveli.

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