Chapter II

GROWTH AND DEVELOPMENT OF JKTDC, LTD.

Jammu and Kashmir Tourism Development Corporation LTD. is the modern and commercial organization, which organizes, handles and carries on the business of tourism in the State. It has entered 30th year of its existence being incorporated in the year 1970. However, at the close of 19th century, there was only an office known as "Mutmid darbar" established for looking after the development of tourism. Prior to World War Second it was renamed as Visitors Bureau. The function of this department during those days was to look after the comforts of tourists because it was considered that tourists are important catalyst in the economic development of the state. They were a good source of revenue to the public exchequer as well as to the public in general.

As the tourist traffic increased in the state, the Visitors Bureau was reconstituted and was named as the Department of Tourism. Since then it has been expanded from time to time to cope with the ever increasing volume of tourist traffic. Also, the functions of this Department were re-oriented to make them compatible to the requirement of tourism Industry. This department has been organized on promotional basis rather than on business or commercial basis. The government expending a lot on the development of this in order to create facilities for tourists. In return, the government was not receiving any revenue directly except the ordinary rent, lodging and boarding charges, although indirectly private sectors were getting good returns. So the government realized that this industry should be put on commercial lines in the
public sector. Keeping this in mind, an important decision was taken by the Govt, in 1969 to establish an agency for running the tourist industry on modern, commercial and profit basis. This was also done on the basis of the recommendation of the institute of public opinion, New Delhi. Accordingly, the government ordered for the establishment of a company under the Indian Companies Act 1956 on 21-10-1969, vide order no 3457-GD of 1969 with its registered office at Srinagar. The company was framed by the name of Jammu and Kashmir Tourism Development Corporation Ltd. The corporation has completed its 30th year of incorporation at the close of the year 1999-2000. The authorized capital of the corporation on its inception in 1970-71 was Rs. 2 crores, which was raised in the year 1980-81 to Rs. 5 crores. The revised capital now stands at Rs. 10 crores as approved by the Board of Directors in the Annual General Meeting held in April 1993 which is subject to approval of the Governor of the J & K State. However, this requires further revision to Rs. 25 crores in view of implementation of 9th Five Year Plan. Against the authorized capital, the paid-up-capital of the corporation as on 31st March 1999 is Rs 325.58 lakhs whereas, the equity shares for which money is to be received from the government remain pending for allotment worth Rs. 1,589.25 lakhs.¹

In addition to the share capital, the government has advanced a budgetary support of Rs. 1 crore for execution of plan works of the Corporation during the year 1997-98. Loans from J&K government for execution of plan works has also been granted/released in favour of the corporation and sum up to Rs. 4.26 crores from the year 1983-84 upto 1996-97. Their repayment is not possible for by the corporation in view of
financial deficiencies. This, however is being requested to be converted as grant-in-aid to the Corporation.

Keeping in view the scarcity of resource position of the J&K govt. JKTDC has been exploring all possibilities of obtaining funds from the central Department of Tourism, Government of India. Various schemes stand submitted for prioritization under the centrally sponsored schemes. Additionally JKTDC envisages to raise institutional finance for some of its schemes. Project reports of such schemes have already been forwarded to Department of Tourism, Government of India. Following amounts have so far been approved as central assistance for the financial year 1999-2000 by government of India: Central share Rs 420 lakhs and State share Rs 108 lakhs. Besides, Board of Director have authorized JKTDC to approach the J & K Bank for raising loan for an amount of Rs 150.00 lakhs, so that the liability on account of remodelling / upgradation of the Hemaal Hotel complex can be cleared. The project report in this regard has already been submitted to the banks and it is expected that the loan amount will be released shortly. An amount of Rs. 1500.00 lakhs has been approved as plan allocation for 9th five year plan for JKTDC Ltd, Srinagar. The proposed distribution of the allocation along with progress achieved is summed up in the table hereunder.²
### Table-2.1 Financial Allocation in 9th Five Year Plan for JKTDC Ltd. Srinagar.

<table>
<thead>
<tr>
<th>Account year</th>
<th>9th five year plan</th>
<th>Amount of Plan released Rs. In lakhs</th>
<th>Paid</th>
<th>Liability</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance of Plan funds/ C.S.S. as on 1.4.97.</td>
<td></td>
<td></td>
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<tr>
<td>1. 1997-98</td>
<td>732.00</td>
<td>350.00 S.Govt. 334.75 -</td>
<td>334.75</td>
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<tr>
<td>2. 1998-99</td>
<td>382.00</td>
<td>42.50 S.Govt. 251.90 120.00</td>
<td>605.37</td>
<td></td>
<td></td>
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<tr>
<td>3. 1999-2000</td>
<td>178.00</td>
<td>- 169.62</td>
<td>289.62</td>
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<tr>
<td>4. 2000-2001</td>
<td>65.00</td>
<td>-</td>
<td>-</td>
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<tr>
<td>5. 2001-2002</td>
<td>143.00</td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
<td>Total</td>
<td>1500.00</td>
<td>762.50 756.27 473.47</td>
<td>1229.74</td>
<td></td>
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</tbody>
</table>

Opening balance as on 01-04-1997: 278.00

Funds received from state govt.:
- 1997-98: 350.00
- 1998-99: 42.50

Funds received from central govt.:
- 1997-98: 22.00
- 1998-99: 70.00

Total Work executed during the year:
- 1997-98: 334.75
- 1998-99: 605.37

Total Liability as on date: 467.24

Over the years JKTDC has grown in size and net worth, yet it can barely sustain its huge infrastructure costs, salary bills, maintenance and development costs without central aids or special grants from the state exchequer. In fact JKTDC, has suffered huge losses due to militancy and unrest in the State. The infrastructure which was built from the resources of the State govt. and also at certain places with the assistance of Central govt. during past 10-12 years has crumbled down due to militancy. Most of the properties of JKTDC in Kashmir division have been damaged either partly or fully. The properties at different tourists resorts which remained in disuse or were occupied by security/paramilitary forces have also got extensively damaged due to lack of maintenance and intensive occupancy. This is so because tourism industry cannot flourish in unsafe, insecure, strife torn and disturbed areas. Tourism can flourish only where there is a peace and prosperity. During the period 1989-1995, 19 units spread over various tourist destinations of JKTDC in Kashmir division and Doda district in Jammu region were closed for tourist operations because of highly unsafe and disturbed conditions. These 19 tourist destinations were so disturbed and unsafe that the staff also fled these destinations. There was not only loss of revenue to the corporation on account of total closure of these units, but also due to damage caused to its abandoned property especially fixtures, furniture, decoration pieces, crockery, cutlery, furnishings etc. all resulting in losses worth crores of rupees. However, units in Ladak region and rest of Jammu region were operational.
On the inception of the Corporation the base level of Assets was initiated with Hotels of TRC Srinagar, Lalarukh Hotel, Budshah Hotel, Cheshmashahi Huts, (25 Huts only) and TRC Jammu and with Cafeteria at Charchinari. The Corporation started its proper working by 16 April 1970 when it took over management and administration of some establishments. The corporation firstly took steps for the Renovation, Re-direction and Improvement of these establishments. The catering arrangements in these establishments which were previously being run through private Catterers, were now managed directly by the Corporation entirely through its own establishments. The Corporation had at its disposal only the above mentioned establishments with a total bed capacity of 263 room. As the corporation was expected to pay a good promotional role besides carrying on the business and earning a good profit on its investments and accordingly the corporation started preparing plans for the new construction of Hotel, Huts and Dakbungalows for providing more and more accommodation facilities to the tourists. In its first year it made a plan to construct 150 bed-rooms 3 Star Hotel near Tourist Reception Centre, Srinagar, 50 Bed Room Hotel at Pahalgam, Tourist Reception Centre at Railyway Station, Jammu, Huts at Cheshmashahi, Cafeteria at Harwan, Restaurant at Mansbal. Today Corporation has under its custody 35 units spread over various destination in Kashmir region namely.

1. Tourist Reception Centre Srinagar 2. Nunkun
3. Chandi Gam 4. Aru
5. Pahalgam 6. Sonamarg
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<td>7.</td>
<td>Achabal</td>
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<td>8.</td>
<td>Lala Ruk hotel Sgr.</td>
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<td>9.</td>
<td>Nehru park</td>
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<td>10.</td>
<td>Harwan</td>
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<td>11.</td>
<td>Bijbehara</td>
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<td>12.</td>
<td>Wazwan</td>
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<td>13.</td>
<td>Manas Bal</td>
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<td>14.</td>
<td>Chandanwari</td>
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<td>15.</td>
<td>yousmarg</td>
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<td>16.</td>
<td>Mattan</td>
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<td>17.</td>
<td>Tangmarg</td>
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<td>18.</td>
<td>Kokernag</td>
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<tr>
<td>19.</td>
<td>Nishat cafateria</td>
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<tr>
<td>20.</td>
<td>floating restaurant</td>
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<td>21.</td>
<td>Quazi gund</td>
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<td>22.</td>
<td>Watlab</td>
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<td>23.</td>
<td>Chashmashahi</td>
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<td>24.</td>
<td>Wussan</td>
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<td>25.</td>
<td>Aharbal</td>
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<td>26.</td>
<td>Gulmarg</td>
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<td>27.</td>
<td>Kangan</td>
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<td>28.</td>
<td>Verinag</td>
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<td>29.</td>
<td>Daksum</td>
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<td>30.</td>
<td>Shalimar</td>
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<td>31.</td>
<td>Avantipur</td>
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<tr>
<td>32.</td>
<td>Aishmukam</td>
</tr>
<tr>
<td>33.</td>
<td>Naquashband and Hussain villa</td>
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<tr>
<td>34.</td>
<td>Sona lank cafateria</td>
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<tr>
<td>35.</td>
<td>Lake view Cafeteria</td>
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At present there are twenty units spread over different destination in Jammu region namely:

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<table>
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<tbody>
<tr>
<td>1.</td>
<td>Tourist reception center jammu</td>
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<td>2.</td>
<td>Kud</td>
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<td>3.</td>
<td>Sansar</td>
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<td>4.</td>
<td>Banihal</td>
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<td>5.</td>
<td>Sukrala Devi</td>
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<td>6.</td>
<td>Surinsar</td>
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<tr>
<td>7.</td>
<td>Chingus</td>
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<td>8.</td>
<td>Katra</td>
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</table>
There are also two unique outfits of JKTDC, one is an outdoor catering unit in Srinagar and Jammu and the other is the moving canteen unit which moves with the civil secretariat to both Srinagar and Jammu. Apart from these unit in Kashmir valley and Jammu region there is one unit in Leh, Ladakh and one outside the State in Dilli Haat, New Delhi.

The path of growth and development of JKTDC can be traced in terms of the following activities taken up by it.³

Achievements of JKTDC, Ltd.

Various properties of J&K Tourism Development Corporation in Kashmir valley suffered a great damage during the 11-12 years of militancy from 1989. Some of its infrastructure was destroyed due to fire, bomb blast and other militancy related activities. The infrastructure which was not damaged by militancy was ignored and no development works taken in hand. Its prime properties including at TRC-Srinagar, Gulmarg, Cheshmashahi and Pahalgam suffered badly for want of maintenance. Some of the properties at different place in the state including at prime locations were taken over by
security forces which were badly misused, making them unworthy of tourists use.

The management of JKTDC is trying hard to put back its prime properties in shape for use by tourists. The damaged infrastructure has to be rebuilt and upgraded. Facilities raised eleven-twelve years back have also to be modernized to keep pace with present day requirements of tourists.

A brief of the achievements of JKTDC during last three years in renovating, refurbishing, remodelling and upgradation of infrastructure at different tourist spots to make them available for use of tourists is given hereunder. Restoration, remodelling and refurbishing of entire damaged infrastructure shall require substantial investment. Keeping in view that present resource position is scarce, only important places and properties are being attended to in phased manner according to availability of funds therefor.

A: JKTDC LTD (Kashmir Division)

1. Cafeteria in Shalimar Garden which was closed since 1990 has been renovated and remodelled. The cafeteria named as "Zaiqa" restaurant has been made operational in third quarter of 1997.

2. Cafeteria at Qazigund which was occupied by security forces from 1990 was reconstructed and renovated. It was also made operational in third quarter of 1997.

3. Accommodation and also restaurant / kitchen at TRC, Srinagar has completely been renovated and remodeled. The rooms have been refurbished for upmarket tourist. This accommodation is however, presently occupied by Darbar
move officers and employees of Doordarshan Kendra and Radio Kashmir. The hostel building at TRC, Srinagar which was under the occupation of security forces has been taken over by the JKTDC in April 1999. The building is envisaged to be renovated in near future. This shall meet the requirement of providing accommodation to low budget tourist and also to pilgrim tourists visiting valley. The work is proposed to be executed with central financial assistance.

4. Cafeteria at Tangmarg has been reconstructed and remodelled. It was made operational on the eve of first national winter games 1998 held at Gulmarg.

5. Fourteen huts of different capacities managed by JKTDC at Gulmarg have been made fully operational. These huts were occupied by dignitaries during 1st national winter games 1998.

6. Sonamarg tourist complex which was closed since 1990 was made fully operational during the year 1997. Two double bed room huts at Thajwas, which were incomplete were completed in 1998 and provided with all required furniture/furnishings etc. These two huts were allotted and occupied during the year 1998. During the year 1998, Baltal route for Shri Amarnathjee yatra was also opended officially for yatris and making Sonamarg tourist complex fully operational provided a great facility to yatris.

7. NSGs who had occupied the huts in Parimahal village complex & damaged them extensively during the period of occupation. were evicted. These huts were renovated & refurbished. Similarly huts in Cheshmashahi complex were
also renovated and refurbished during the year 1997. Besides ten prefab additional huts of double bed room capacity were constructed at Chesmashahi, during the year 1998. This shall meet future expected increased demand of accommodation in Srinagar, Kashmir, for tourists.

8. Waznan restaurant at TRC, Srinagar which was closed has been made fully operational in May, 1997.

9. Nunkun Chines lake view restaurant at Boulevard, Srinagar has been made fully operational. Services of Wazwan cuisines in separate annexe in restaurant to attract more clientele has also been started in the recent past.

10. A new concept of outdoor catering by JKTDC has been developed from 1977. The Corporation has made handsome earnings from this.

11. The club building at Gulmarg which was in a dilapidated condition has been reconstructed second time and in tough conditions. The building was made operational for 1st National winter games 1998 held at Gulmarg.

12. Arrangements of providing accommodation, food and beverage services and also transportation facilities to the participants and other guests during 1st national winter games-1998 held at Gulmarg were entrusted to JKTDC. The Corporation provided the services to the entire satisfaction of users and also authorities concerned inspite of extreme tough conditions.

13. JKTDC has set up a separate Tour and Travel Division at Srinagar with its branch offices at Katra. TRC Jammu,
Ahmadabad, Mumbai and Delhi to attract large number of individuals and groups of tourists to the state, JKTDC floated various package tour programmes to suit different classes and types of tourists. These package tour programmes are connected to various known and lesser known tourist places in the state. JKTDC is receiving wide response to these package tour programmes from different parts of the country.

14. During last year, five Voyager Airconditioned vans and five canter coaches have been included in the transport fleet of the Corporation. These vehicles have been purchased by raising institutional finance. The earning of the Corporation from transport fleet have increased substantially by proper planning and increase in utilisation of vehicles.

15. During the past two years JKTDC participated in various travel and tourism related marts, fairs, exhibition and meets. Participation in these meets has enabled to motivate the tourists to visit the State which has increased the occupancy of different establishments of Corporation.

16. Few huts at tourist resort, Pahalgam have been renovated and refurbished, renovation and refurbishing of tourist bunglow and also club building at Pahalgam has been completed in June 1999.

17. It has been observed that the islands at Charichinari and Nehru Park have good potential for day tourists for ferrying and water sports. JKTDC plans to erect glass canopies with kitchen facilities at both the islands. Accordingly services of a reputed Delhi based consultant
have been sought who visited both the places in April 1999. In order to keep pace with modern standards of tourism, JKTDC intends launching river cruises with propelled engines.

A floating restaurant in Dal lake, which was not functional from 1990, has been repaired. The floating restaurant has been anchored near Charchinari island. The restaurant is being made operational to provide facility to visitors to the island. Charchinari island continues to be managed by garden, parks and floriculture department.

Similarly, as temporary measure a Kiosk has been put up at the Nehru Park island at Dal lake.

18. Security forces occupying hotel Heemal building at Boulevard, Srinagar for a number of years were evicted in 1999. This building was extensively damaged during the period of its occupation by security forces. In accordance with the instructions of Chief Minister, J & K State, three floors of the hotel building were renovated, refurbished and provided with furniture/furnishings in record time of one month. Thirty four rooms out of the total seventy two rooms in the hotel were allotted to tourists in May 1999.

19. Existence of "Rehris' near gate of Botanical Garden Cheshmashahi, Srinagar, is causing littering of garbage and disposables all around the area besides service of unhygienic food items to the visitors. In order to avoid this and ensure hygienic services in the garden which is visited by hundreds of visitors daily, the JKTDC offered to put up a Kiosk in the garden. The kiosk has been set up which is generating satisfactory revenues.
20. Till the time the gutted Cafeteria building at Nishat Garden is reconstructed, a kiosok is being put up in the garden for the facility of daily visitors to the garden.

21. Offers from interested persons for running Cafeteria at Harwan in joint ventures are being invited.

22. Assured payment of hire charges of tents pitched at different stations during the period of Annual Amarnathjee Yatra was being made to the concerned agencies by the State government till the year 1997. Expenditure on this account amounted to more than rupees four crores. During the year 1998, JKTDC was asked by the State government to enter into an arrangement with the agencies interested in setting up camping sites at different halting stations enroute to holy Amarnathjee cave. The JKTDC was successful in getting the camping sites established by various agencies and also in making recovery of rentals of accommodation by them directly from the yatris. The arrangement has enabled to reduce extraordinary burden of about rupees three crores on State exchequer. It may be recalled here that during the year 1998 a record number of 1.50 lakhs pilgrims participated in Amarnathjee yatra.

B. JKTDC, LTD. (Jammu division)

1. Services of an Architect of national repute have been engaged for the upgradation of accommodation in TRC, Jammu complex. The work of remodelling and upgradation of fifteen rooms in "D" block which has 36 rooms has almost been completed. A new eagle block at TRC Jammu has also been constructed. Similarly Wazwan Restaurant/
vegetarian restaurant and also a bar in TRC, Jammu, have also been established.

(a) construction of a new three storeyed hotel block in place of 'C' block has been constructed with better and additional accommodation.

(b) In the recent past, Bar-be-que has been opened in lawns of TRC, Jammu, for the facility of resident tourist and other visitors to the complex.

(c) The complex of TRC, Jammu which had no arrangement of checking tresspassers which was a security risk has now been provided with the enclosures at appropriate places and proper lighting arrangements for external areas have been made.

2. An exhibition on "Tourism Today-1998" was sponsored by JKTDC in association with SKICC and with the assistance of M/S Ulteme Business Centre at Ahmadabad from March 27-29, 1998 with the main thrust to promote tourist places of Jammu and Kashmir State amongst the domestic tourists particularly from Gujrat region from where a large number of tourist are attracted to J & K. The State-Tourism Corporations of Delhi, Gujrat, Himachal Pradesh and Utter Pradesh also participated in the exhibition.

3. Accommodation and facilities in the following units have been partly upgraded and renovated during the years 1997 and 1998. The entire accommodation could not be upgraded simultaneously because of paucity of funds. However, during the current year the remaining following areas are envisaged to be taken up and completed.
(a) Huts and rooms in tourist Bungalows at Patnitop.

(b) Saraswati Inn/Sakshi Inn and Yatri Niwas at Katra.

(c) Tourist complex Jhajjar Kotli.

(d) Tourist complex Mansar.

(e) Tourist bungalow Banihal.

The terraces and lawns of tourist complex Dayalchak on Jammu-Pathankot National Highway are being developed and landscaped with the help of landscape architect. A pump house is being installed at Ravi-Tawi irrigation canal for lifting water for the purpose. A bear bar is also being constructed at the spot for the facility of travellers on the highway.

4. At Surinsar a Human Resources Development Centre having lecture/conference hall and other ancillary facilities is being set up for training of inservice employees of the Corporation. Renovation/upgradation of existing structure at Surinsar is in progress for the purpose.

5. Tourist complex at Sansar which has now a golf course is being developed as an exclusive holidaying tourist resort to attract upper class tourists from within and outside the country. Transport services from Patnitop for the purpose will be provided.

6. Tourist complex at Mansar which has been partly renovated during 1997 is being upgraded as a total resort in consultation with an Architect of repute. Similarly, other way side facilities at different spots are also being
upgraded to the level of present day trends in other parts of the country.

7. A separate travel and tour office is being set up at Katra to provide comprehensive travel facilities to the pilgrims.

8. One of the three hotels with JKTDC at Katra will be upgraded this year. It will be air-conditioned and provided with adequate communication facilities.

Apart from the emphasis on the growth and development of its units, JKTDC has shown growth and development in areas related to its wider objective of tourism development in the state.

JKTDC also complements and supports the policies and activities of J & K Tourism Department. Between 1989-1995, it has made contribution towards popularizing sports like golf and boating and adventure sports like para gliding, skiing and trekking in the State. Its contribution in bringing many lesser known shrines and places of pilgrimages of Jammu region on the tourist map of J&K State can not be underestimated. It has played an important role in promoting the Kashmiri wazwan outside Kashmir not only by setting up wazwan restaurant in Jammu, but also by having a stall offering Kashmiri food at DilliHaat, an exposition of handicrafts of different states in new Delhi.

Infact, JKTDC has made a major contribution towards promotion of Kashmiri handicrafts and different tourism products of the State on the whole, by way of organizing Melas, camps, exhibitions and permanently participating in
Dilli Haat and other such Arts and Crafts and trade expositions in different parts of the country.

JKTDC got a further impetus due to the central government releasing a special grant of Rs 86 crores and another grant-in-aid to the tune of 106 crores in 1994 for redeveloping tourism in traditionally popular resorts and for identification and promotion of tourist resorts in non militancy effected areas of the Jammu region. Special emphasis was given to the development of pilgrimage tourism and to convert traditional pilgrims into pleasure seeking tourists. Thus new pilgrim spots and fresh tourist circuits have appeared on the tourist map of Jammu for which the JKTDC can also claim credit.4

Objectives and Span of Activities

Jammu and Kashmir Tourism Development Corporation Limited came into existence on 13 Feb. 1970, with registered office at Srinagar. It was registered as a limited company with an initial capital of Rs 2 crores, which was raised in the year 1979-80- to Rs 5 crores with government having maximum stake in it.

The JKTDC came into existence, because the government wanted to establish a full-fledged independent organization to develop tourism on a commercial basis in the State.

The main objectives of the Corporation are regarding provision of accommodation by way of hotels, tourist bungalows, guest houses, lodges, house boats and boarding facilities by way of restaurants, cafes, refreshments rooms etc.
Its other main objectives include providing transport, arranging tours and offering entertainment and recreation facilities.

These main objectives have been formally listed in its Memorandum of Association as follows:

1. To run, manage and administer all government hotels and catering establishment as may be notified by the government in a manner as would ensure their economic working.

2. To carry on the business (in the State of Jammu and Kashmir or in any part of India) of hotels, restaurants, cafes, tavern, refreshment rooms, board and lodging houses.

3. To establish, construct, lease out or acquire on its own hotels, cafés, clubs, restaurants, tourist bungalows, guest houses, houses boats, sikaras and other places for the purpose of stay of tourists for boarding and lodging purposes.

4. To organize all inclusive tours by road, rail, sea, air or otherwise and to enter into agreements connected with the organization of such tours.

5. To provide entertainment by way of culture shows, dances, concerts, cabarets, ballets, film shows, sports and games. Son-et-jumiere spectacles and others.

6. To import, purchase, lease, sell and run or otherwise operate cars, cabs, buses, trucks, launches, rope ways, aircrafts, helicopter and other modes of transport.\(^5\)
There is a long list of secondary objectives of JKTDC Limited, linked to its primary objectives of providing the best and complete range of services to tourists, develop and improve old and new tourist sites and work towards the overall growth and development of tourism in J & K. Some of these objectives are enumerated as follows.

1. To act as caterers dealing in catering goods, licensed victuallers, wine, beer and spirit merchants, bar keepers, importer of aerated mineral and artificial waters and other things.

2. To deal in textile goods, perfumery, silken and woolen garments, dealers in novelty and other handicrafts.

3. To deal in foreign goods of all kinds connected with hotel line, hair dressers, perfumes, chemists baths, dressing rooms and launderies.

4. To act as general agents and as proprietors conducting safe deposit vaults and to carry on business of running boats, yachts, night clubs, swimming pools, beckerries and confectioneries and doing of all such other things as are incidental or conducive to the attainment of the man objectives of the corporation.

5. To help and assist financially or otherwise entrepreneurs in house boat, transport, tour and travel industry.

6. To promote and operate schemes for development of tourist traffic in Jammu and Kashmir and for that purpose to operate and get prepared reports, blue prints, statistics and other information.
7. To employ and pay Indian and foreign consultants in connection with any business connected operations of the company.

8. To train skilled workers and technicians at the cost of the company with in or outside the state in any manner considered advantageous to an establishment run and/or managed by the company.

9. To act as travel agents for air-lines, railways, shipping companies, road transportation and the like services.

10. To enter into negotiation, sign contracts, instruments, documents, bills for carrying on the business of hotel management and operations and other business of the company.

11. To purchase, take on lease or in exchange hire or otherwise acquire any movable and immovable property, and any rights or privileges which the company may think necessary or convenient for the purposes of its business.

12. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lending, warrants, debentures and other negotiable or transferable instruments.

13. To enter into partnership or any arrangement for sharing profit, union of interests, cooperation, joint ventures or otherwise with any person or persons or company carrying on or engaged in any business or transactions capable of being conducted so as to directly or indirectly benefit this company.
14. To acquire and undertake the whole or any part of the business property and liabilities of any person or persons or company, carrying on any business which the company is authorized to carry on.

15. To establish agencies in India and elsewhere and to regulate their working.

The other objects for which the company is established are:

1. To employ or pay the staff or to remunerate any person for services rendered in the conduct of the business of the company.

2. To establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or ex-employees of the company or their dependents to grant them pension and/or other allowances.

3. To invest and deal with the money of the company not immediately required in such a Manner as may from time to time be determined.

4. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the company or for any other purpose conducive to the interests of the company.

5. To promote and establish such associations, societies, clubs and other suitable bodies as may be necessary in order to carry out the aforesaid objects efficiently.
6. To pay all the preliminary expenses of any kind and incidental to the formation and incorporation of the company out of the funds of the company.

7. To open an account or accounts with any bank or banks and to draw and endorse cheques and to withdraw money from such accounts.

8. To sell the undertaking of the company or any part thereof for such consideration as the company may think fit and in particular for shares, debentures, debenture stocks, policies or securities of any other company having objects altogether.

9. To amalgamate with any other company having objects altogether or in part similar to those of this company.

10. To do all such other things as are identical or conducive to the attainment of the above objects. 

Organizational Structure of JKTDC

"God has created this world and man has managed it. Management is, therefore, the prerogative of man.

No institution, organization, community or a nation can make progress without efficient management of its affairs".

The terminology used here needs to be defined in a clear cut way to avoid confusion. The organization has been taken in a broader sense, both from the point of view of industrial organization and the framework of management. The former deals with the pattern of organization of the industry as a whole, viz. vertical, horizontal, diagonal or any other type. The latter signifies the internal organization of the
Corporation or framework of management through which authority is delegated from top to bottom for the implementation of business decisions. The management has been taken to mean a team of enlightened persons who, with the help of a defined framework of organization, are concerned with the task of planning, coordination, motivation and control. For identifying the levels of management from each other the team management has been divided into two categories: top management and middle management or executives. The Board of Directors, managing director, general managers, or any other technical person in place of general managers have been included in the top level of management. On the contrary all persons at the executive and supervisory levels have been classified as middle management.

**Internal Organization** - the management functions through administrative duties.

As already indicated, internal organization of an enterprise is a defined pattern of responsibilities, or a framework within which and by means of which, the process of management is effectively carried out. It embraces the duties of designating the departments and personnel that are to carry on the work, defining their functions and specifying the relations, that are to exist between department and individuals, organization and departmentalization are two different terms. While departamentalization is the enlargement of duties and responsibilities of an individual or individuals, organization embraces not only the relations that are to exist between departments but also the relations of individuals within each department. If the enterprise is well-
departmentalized it does not necessarily mean that it is also well-organized.

Indeed the organizational structure does not exist for itself. It is for the purpose of helping people understand their duties and responsibilities. Delegation of responsibilities is therefore, the essential purpose of the organizational structure. The responsibilities which are specified in the organization represent formal relationships. If the organizational structure showing formal relationships is sound, it will definitely make a noteworthy effect on the informal relationship between the members of the organization.

A proper study of the responsibilities of and formal relationship between members of the organization can be made with the help of organizational chart. It is the graphic representation of the organic factors that compose the enterprise and of the general authoritative relations that exist between departments and individuals in the organization.

The Jammu and Kashmir Tourism Development Corporation is governed by the Board of Directors, headed by the Chairman. As in case of other companies, in this corporation also, the supreme body for regulating the affairs of the Corporation is the Board of Directors consisting of seven directors including the Chairman and the Vice-Chairman. The Board of Directors is entitled to exercise all such powers and to do all such acts and things as the corporation is authorized to exercise and to do. It is the authorized body to exercise all powers to perform all the functions on behalf of the Corporation. It is the sole body
ORGANIZATIONAL CHART OF JKTDC

Board of Director

Managing Director

Dy.M.D.  G.M.  G.M.  G.M.  Company  Manager
Kashmir  Finance  Admin.  Operations  Secretary  Works & Maintenance
*Food &  *Finance  *Gen. Admn  *F&B services  *Board  *Maintenance
Beaverages  accounts  *Project &  *House keeping  *Legal cell  *Estates
*House Keeping  *Internal  planning  *Stores  *Landscaping
*Stores  audit  *Publicity  *Outdoor  projects
*Outdoor  *Cost  catering  *Transport
  catering  control
*Transport  *Taxation  *Tour & travel
  services  *Unit
*Resort  account
  Management

Source: JKTDC, LTD.

Figure No. 1
which looks after the working as well as gives direction to the Corporation. The following chart exhibits the organizational structure of the Corporation clearly showing the lines of authority and intra-authority relationship as well as flow of authority and responsibility amongst the hierarchy from top to bottom.

Delegation of Powers

Board of Directors

The powers of Board of Directors are laid down in Sec 65 and 66 of the Articles of Association of the Jammu and Kashmir Tourism Development Corporation Limited. The important power of the Board of Directors are:

- General powers of the company are vested in the Board. All the powers that B.O.D. exercises must be in compliance with the Memorandum of Association and the Articles of Association of the company.

- Specific powers to Board include:

  (i) To acquire property

  (ii) To undertake works of capital nature.

  (iii) To pay for property in debenture

  (iv) To secure contract by mortgage.

  (v) To appoint, promote, remove, retrieve or suspend officers etc. at their discretion.

  (vi) To appoint trustee.
(vii) To appoint agents attorneys.

(viii) To invest the surplus money of the company with the RBI, J & K bank or any other nationalised bank/post office etc.

(ix) To make contracts.

(x) To borrow money, arrange for training of employees, prescribe policy and lay down of procedure guides for the operation of the company.

(xi) To establish a sound accounting costing and a financial administration in keeping with the general directives of the Govt. and to review and supervise annual and quarterly budget, balance sheet etc. subject to the specific provisions of companies act 1965.

(xii) To ensure economy and profitability of operations.

(xiii) To prescribe a procedure for inspection and verification of stocks, stores and inventories.

(xiv) To obtain, evaluate information on general and specific business conditions and guide the operations in the company in a manner most suited to the objectives of the company.

So it is clear that all the powers relating to the running of the activities of the Corporation are in the hands of the Board of Directors. But The Board consists of several members and they can not attend the office of the Corporation daily. Therefore, they appoint one of their Directors as the Managing Director for the proper performance and implementation of the decisions which are taken in the
meeting of the board. The Board meets only at some time after intervals during the year and analyses the past workings and decides the future course of action. The full time agent of the Board remains the Managing Director.

Managing Director

The next authority and representative of the Board of Directors is the Managing Director. As the government is the major share holder of the Corporation, hence it appoints the directors on the Board and one of them as the Managing Director. The MD is the chief executive authority of the Corporation and is responsible for overall management of the affairs of the Corporation under the supervision and control of Board of Directors.

Delegation of Powers to Managing Director

The main powers delegated to the Managing Director by the BOD include the following administrative and financial powers

Administrative powers

- To select and make appointments to the services of the Corporation for the post upto a maximum of Rs. 3250/- per month, in consultation with a selection committee to be nominated by the MD.

- In case of posts above 3250/- per month the same may be done on the advise of a selection committee to be appointed by the BOD.
• To reduce, suspend, dismiss or punish in any other manner permissible any official whom he is empowered to appoint.

• To authorize handling over or taking over the change in respect of officers or officials of the company at a place other than their wills in the administration of administration.

• To extend the period of joining time of any member of the staff of the company.

• To grant all kinds of leave excepting the study leave to the staff under his administrative control.

• To depute, besides himself any employee of the company to any institute or undertaking in the country for study of any system or any procedure for a period not exceeding 30 days or for attending any technical conference or for any other purpose in the interest of the corporation and to sanction TA/DA at the rates admissible.

• To depute persons for training in any training institute/govt. Deptts. or institutions or industrial undertakings in the country for period not exceeding one year and to lay down the terms and conditions of any such training have been approved by the board and the candidates are selected on the recommendations of the selected committee constitute by the board for the purpose and the persons are to be trained for the posts. A report of such training will be submitted to the board.
• To institute, conduct, defend, compound or abandon legal proceedings or against the company or its officers for otherwise concerning the affairs of the company.

• To approve tour programme before the tours are actually undertaken.

Financial Powers

➢ Powers to sanction expenditure and authorise disbursement within the allocations made for specific purposes in the sanctioned budget provided that any such item of expenditure or disbursement does not exceed Rs 50,000/-

➢ Powers to accept a tender other than the lowest cases where the managing director is competent to enter in to contracts provided the reason for not accepting the lowest tender are recorded in writing.

➢ To make purchases with the concurrence of FA at negotiated prices upto Rs 75,000/- in the case the MD is not satisfied with the rates offered through tender in the interest of the company.

➢ Power to register firms for supplies and services (other than civil works) on a rate contract basis and issue tenders for supply of raw materials, machinery, equipment etc. only to firm so registered.

➢ Power to incur with the concurrence of financial advisor expenditure in emergent circumstances and all the expenditure that incurred being invariably brought to the notice of the board.
➢ Power to write off with the concurrence of FA irrecoverable value of stores, live stock or money lost by fraud or negligence of individuals or other cases up to Rs 2500/- in each case subject to a limit of Rs 20,000/- year. Report of such case will be submitted to the board.

➢ Power to sanction expenditure up to Rs 1000/- for preparation of feasibility/projects reports and for projects or for expansion or modernization of existing ones.

➢ Power to sanction expenditure for participation in exhibitions in India and outside subject to provision in the budget.

➢ Power to incur expenditure on entertainment for the promotion of activities of the Corporation provided that the actual expenses do not exceed Rs 1000/- month in each case and the total expenditure in a year should be restricted to the budget provision.

➢ To sanction honorary awards for meritorious work done by an employee of the Corporation up to Rs. 1500/- in each case subject to.

(i) That the awards does not exceed one month pay of the employee.

(ii) The total does do not exceed Rs 25,000/- a year.

(iii) The award to an employee be sanctioned not more than once in a year.

♦ To fix sales price of all catering goods in consultation with the FA & CAO.
• To sanction contracts for supplies & services (full powers) in consultation with FA & CAO.

• To sanction contracts for individual works up to Rs.2.00 lakhs in consultation with FA & CAO.

• To allow free stay in the hotel/huts Dak Bunglow of J & K TDC Ltd. To the dignitaries visiting the M.D. state subject to a maximum of 3 days.

**Dy. Managing director**

The Dy. Managing Director ranks in official status next only to the Managing Director in the Corporation. During the absence of the Managing Director either on leave or on tour including foreign tours, the Dy. Managing Director will officiate as Managing Director and will exercise all the powers of the Managing Director. This is in pursuance of Boards decision taken in the 28th meeting of the Board of Directors held on 16-8-1978.

**General Manager Finance**

The financial advisor and chief accounts officer is designated as General Manager "Finance" of the Corporation. The functions to be performed by him/her as head of the finance department of the company have been laid down in details by the Bureau of Public Enterprises in their circular according to which the FA acts as the advisor to the Board of Directors and shall invariably be invited to be present at the meeting of the Board of Directors. In status he will rank as a senior officer of the Corporation after the Managing Director.
Powers Delegated to the General Manager "Finance"

As Finance Advisor

- To advise in respect of all matters to be referred to the board of directors.
- To advise the managing director in respect of matters regarding financial concurrence under delegation of powers.
- To make arrangements regarding ways and means.
- To examine and consolidate the budget proposals.
- To report to the board the financial positions.

As Chief Accounts Officer

- To compile accounts as per company system of accounting.
- To feed the management at various levels with the accounting and costing information.
- Prescribing the accounts procedure and systems.
- To sanction imprests.

Administrative Functions

He/she is the head of the department of the finance and accounts wing and the officers and staff of the wing will be responsible to the managing director through him/her.

Administrative Powers (FA & CAO)

- To make appointments to the services of the corporation for the posts carrying a maximum pay of Rs 1000/- in
consultation with a selection committee nominated by the M.D.

➢ To reduce, suspend, dismiss or punish in any other manner permissible to any official, whom he is empowered to appoint.

➢ To terminate the service of any employee engaged on contractual basis under his/her administrative control in accordance with the terms of the contract, whom he is empowered appoint.

➢ To grant all kinds of leaves except study leave to the staff under his administrative control.

➢ To approve tour programs before the tours are undertaken officers and staff under his administrative control.

➢ To sanction expenditure of extra ordinary nature up to Rs. 150 at a time subject to limit of Rs 3000/- in a year.

Responsibilities of the Financial Advisor

• Determine the financial resources required to meet the companies short term and long term operational plans.

• Forecasting about the requirements of internal financing as well as the external source of financing.

• Advising the managing director on all aspects of the pricing policy of the company with specific reference to the policy guide lines received from the government.

• Establish and maintain system of financial control governing the allocation and utilisation of funds
• Analyze the financial results of all operation, report facts to the top management and make recommendations concerning future operations.

• Carry out special studies with a view to reduce costs, improve efficiency and profitability.

• Examine the feasibility reports and the project reports concerned with capital expenditure (plan and non plan), and verify all financial and economic viability of the proposals and ensure that the financial resources for making the expenditure would be available.

• Act as the principal coordinating officer regarding budgeting for framing capital budget, long term operating budget and annual operation budget.

• To prepare cash flow statement so as to assess cash inflow and cash outflow during the accounting period.

• Assessment of working capital requirements.

**General Manager Administration**

The General Manager "Administration" will act under the direction and supervision of the Dy. Managing Director. He will be in overall charge of:

- General administration.
- Projects and planning.
- Sales and reservation.
- Marketing and publicity.

T: 5578
Stores management.

Transport services.

**General Manager 'Operations'**

The next authority of the corporation is the G.M. 'Operations'. The General Manager 'Operation' will act under the direction and supervision of the Dy. Managing Director. He will be in overall charge of:

- Housekeeping
- Food and beverage services
- (i) Catering and (ii) Bar
- Procurement of stores and supplies.
- Outside travels.
- Tours and travels
- Resort management.

**Secretary**

The next authority in the hierarchy of administration of the Corporation is the Secretary. He runs the secretariat of the Board of Directors. He has to attend the Board of Directors meetings, records and maintains the minutes, inform the shareholders about various matters, arrange for the meetings of the board and executes the decision of the Board. He has also to assist the M.D. in the performance of his functions relating to administration of personnel and matters relating to legal suits.
Administrative Functions

1. Administration of Companies Act, filling of returns with the registrar of the companies, holding of Board Meetings, Annual General Meeting etc.

2. Implementation of Board's decisions ensuring that the business of Corporation is being carried out in accordance with the provisions of Articles and Memorandum of Association etc.

3. Recruitment, transfers including intra unit transfers promotions, disciplinary, general administration etc.

4. Submission of all papers through secretary to the managing director.

5. Secretarial work and general correspondence.

6. Monitoring the performance of units of the company.

7. Handling of court cases.

8. Any other work which the managing director at his discretion may assign to the secretary in the large interests of the company.

General Manager 'Works'

The next level of authority of the corporation is Dy. General manager (works). The Executive Engineer is designated as Dy. G.M. 'Works' of the corporation. He will act under the direction and supervision of the Managing Director, who will be in over all charge of:
• Maintenance and upkeep.
• Electric and plumbing
• Estates and landscaping
• Projects.

Delegation of Powers

1. To accord sanction to detailed estimates of cost of original and repair works up to Rs 5000/- (existing Rs 1000/- in each case with the concurrence of A.O.

2. To sanction contract for individual works up to Rs 5000/- with the concurrence of A.O./Sr. manager 'Finance' provided there has been no response to the tender notification and the rates allotted are lowest and reasonable.

3. To issue works order up to Rs. 5000/- (existing Rs 1000/- each case with the concurrence of A.O. provided there has been no response to the tender notification and the rates allotted are lowest and reasonable.

Note: The exercise of the above powers will depend upon the availability of budget provisions for the relevant items.\(^9\)

To conclude, it can be said that proper and efficient management is necessary for the development of the Corporation and it is for those who are responsible for its organization and administration to study the basic essentials of management and their proper application, so that industry as a whole may prove a successful by playing the significant role which is concerned with the overall development of the
economy of the state. Because tourism is the life and blood for the economy of our state and it is tourism from which millions earn their livelihood directly or indirectly. Besides the authorities and administration must come out with some latest developmental plans for overcoming those organizational and non-organizational bottlenecks with which the corporation is confronted.
REFERENCES


3. Ibid.


8. Ibid.